Customers as Co-Creators of Value:
A Social Roadmap for the Smart Grid
Consulting, Research, and Design Services

• Launch Innovations
• Improve Performance of Customers and Employees

Scientific Instruments

Publishing

Behavioral Health

Smart Meter Systems
Two Roads to Travel

Social

Technical
The Social Road Grandma’s House

This is the door to Grandma’s house.

Which way would you go?

This is how the designer wants grandchildren to get to Grandma’s house.
Customer Co-Creation of Value
Demand response and its enabling technologies play a crucial role in developing the smart grid.

- US Congress
Value Creation Along the SG Social Road

US
- Enhance Efficiency
- Defeat Peak
- Shift Use

YOU
- Safe
- Reliable
- Earn Revenue
- Reduce Costs

Green
Frugal
Convenient
Technocentric
A Social Roadmap

3. Engagement

2. Relationship

1. Experience
Co-Creating Value via Customer Experience

Goals and Feedback

Customer Education

 Processes, People, Tools, and Interfaces

Rewards & Punishments

Your New Electricity Rate
Your Energy, Your Way.

Ask Ben

Your New Rate: Shift-and-Save
Shift-and-Save Pricing has two rates: peak and non-peak. By shifting usage to lower price times, customers can save on electricity costs by shifting usage to lower price times. This is paid to you, the non-peak price.

With this new rate, your electricity usage over one year may increase. However, or stay the same. It will take four seasons to determine whether Shift-and-Save Pricing will benefit your electricity costs.

It’s up to you.
If Customers Really Wanted To...

They Would Click

I'm Feeling Lucky
But Most Don’t

So we want to pour the knowledge into their heads.

Can you really educate customers with budgets less than $5 per premise?
There Is More Than One Way

Option 1: Pour

Option 2: Discover
Discovery Learning on the Smart Grid Road

Mandatory or Opt-Out Enrollment

Establish Task
Reduce 1-5 p.m.

Shadow Bills
Bill Protection

Encourage Practice
Reduce Risk

Information Feedback

Web, IHD
Create a New Bill

Coaching
Mentoring
Counseling

Enhance Customer Care
However, Don’t Go Too Far
A Social Roadmap

1. Experience

2. Relationship

3. Engagement
Experience versus Relationship

- **Customer Experience**
  - The physical or tangible connection (direct or indirect) that organizations create for customers

- **Customer Relationship**
  - The emotional or intangible connection that exists between an organization and its customers
Change the Relationship? To What?

- Partnership
- Casual
- Best Friend
- Childhood Friend
- Introductory
- Acquaintance
- Marriage of Convenience
- Dependent
- Kinship
- Temporary
- Reliant
- Private
- Avoidance
- Bitter
- More Desirable
- Less Desirable

Adapted from Fournier, S. 1998
What’s the Customer Relationship Now?

Leadership Caucus
N=33

1. Marriage of Convenience (14)
2. Arranged (11)
3. Reliant (8)
Further Investigation

Regulatory Filing Analysis
N=5

- Rate Case 1 = Convenient
- Rate Case 2 = Arranged
- AMI = Convenient to Partnership
- Demand Response = Convenient
- Energy Efficiency = Partnership

Customer Survey
N=763

<table>
<thead>
<tr>
<th>Current Relationship</th>
<th>Future Relationship</th>
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<tbody>
<tr>
<td>Convenient</td>
<td>Convenient ▼</td>
</tr>
<tr>
<td>Casual</td>
<td>Partnership ▲</td>
</tr>
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</tr>
</tbody>
</table>

- > 50%
- 20% - 49%
- <20%
Qualities of a Desirable Relationship

Proactive

Mutually Beneficial

Collaborative
A Social Roadmap

3. Engagement

2. Relationship

1. Experience
Engage!

A. [Image of a person in a red uniform with a star on their chest, pointing forward] + [Image of a dollar bill] = E

B. [Image of a person with a hat, in a forest] + [Image of a Good Energy website] = E
Five First Principles

1. Embrace Customer-Centered Design
2. Blend Rational and Emotional Experiences
3. Engage in Small, Observable Adoption Steps
4. Segment by Observable Actions
5. Use Action Research to Drive Evolution
Team Power Smart Leaders

Meet our Team Power Smart Leaders
A Social Roadmap - Summary

1. Experience
2. Relationship
3. Engagement

The Five First Principles
Proactive, Mutually Beneficial, Collaborative
Bumps Along the Road

Internal
• Information technology (IT)
• Company culture
• Internal expertise
• Competing priorities
• Customer segmentation data

External
• Competing for customer attention
• Unrealistic customer expectations
• Economic motivation
• Immature enabling technologies
• Customer perceptions and expertise
Additional Maps

Dr. Peter C. Honebein is a nationally-recognized expert on smart grid customer experience and is co-founder of the Customer Performance Group, a management and marketing strategy consulting firm. He is also an adjunct professor at the University of Nevada, Reno and Indiana University, where he teaches graduate and undergraduate classes in marketing, customer experience design, human performance technology, and instructional design.

As a designer and consultant, Dr. Honebein applies his vast knowledge of design, marketing, product development, and performance technology to solve novel problems related to human performance. He has created, marketed, and licensed commercial products, designed the system that tracked the cleanup of the Exxon Valdez oil spill, and consulted on the design, strategy, and launch of numerous innovations and products, including the system that sequenced the human genome and smart metering systems for utilities.

Dr. Honebein is the author of *Creating Do-It-Yourself Customers* and *Strategies for Effective Customer Education*, as well as numerous articles in such multidisciplinary publications as *The Electricity Journal*, *Metering International*, *Marketing Management*, *Educational Technology*, and *Interactions*.