

**ENERGY UTILITY
PROVIDER**

RedPoint Global helps a leading energy utility improve all facets of customer acquisition, cross-selling, up-selling, and retention.

Overview

While facing unprecedented competition, the unregulated division of a leading US energy utility was missing important opportunities to acquire customers and increase the value of existing customers. In response, it decided to ramp up the frequency and sophistication of its marketing. To do so, it needed better ways to manage customer and prospect data, create campaigns, and identify opportunities. However, many options proved too costly and difficult to deploy.

Then, the company found a better alternative: RedPoint's Convergent Marketing Platform™ in the cloud. Using RedPoint, it created a unified database encompassing 4,000,000 prospects served by its regulated parent, as well as its own customers. It also stopped relying on list brokers for both data and analysis.

Since data management, analysis, and campaign development are all easier now, marketers can build their own cross-channel campaigns for customer acquisition, cross-selling, up-selling, and retention. Rather than relying on huge annual direct mailings, they execute pinpoint campaigns nearly every day – pursuing new opportunities as soon as they are identified. The results are already clear: better performance in acquiring customers and optimizing their value.

Background

A division of one of America's leading energy utilities, the group markets unregulated energy-related products and services throughout a large US region, primarily (but not solely) to the parent company utility's four million customers. Its diverse offerings range from power-protecting surge shields to service plans, warranties, and other forms of insurance coverage.

The Challenges

The division found itself facing increasing competition, both from direct competitors and from different kinds of companies selling similar products, such as Home Depot and other retailers. To succeed in its increasingly competitive environment, the organization had to improve customer acquisition and begin cross-selling and up-selling to its existing customer base.

Previously, the organization had focused almost entirely on customer acquisition, relying primarily on one large-scale annual direct mail campaign, often a one-time drop of approximately 300,000 pieces. The division understood that this was no longer sufficient, but faced several obstacles to improvement.

OBJECTIVES

- Increase frequency and sophistication of marketing campaigns.
- Improve customer acquisition, retention, and lifetime customer value.
- Avoid unacceptable cost or complexity in deployment and management.

RESULTS

- All marketing data now integrated.
- Virtually all facets of campaign analysis, development, and execution brought in-house.
- Replaced annual "batch-and-blast" direct mail with precisely-targeted campaigns delivered nearly every day.
- Linked direct mail, e-mail, and social channels.
- Gained timely, accurate data and capabilities to track results and make improvements.
- Can now quickly pursue new cross-sell, upsell, or retention opportunities.
- Hosted solution is cost-effective, easy to deploy, and simple to manage.

First, its direct mail and email marketing efforts – the core of its marketing – were not well coordinated. Second, it did not have a unified database linking prospect and customer marketing. Finally, much of its marketing involved buying lists from list brokers, hiring these outside vendors to perform rudimentary predictive modelling to identify acquisition targets, and then “blasting” messages to the resulting list. Our client was not capturing any history of either the campaigns or who had they targeted. It had little information to draw upon in improving future campaigns.

The company reviewed Unica/IBM, Alterian/SDL, and other solutions but found them too expensive to buy and deploy. It also considered service providers such as CheetahMail and Constant Contact, but they couldn't integrate disparate data sources, or handle email and direct mail campaigns together.

The Solution

The organization chose to implement RedPoint to manage its data and design and execute campaigns. Since it has limited IT resources, it deployed RedPoint in a hosted environment – thereby leveraging RedPoint's benefits without worrying about maintaining servers or ensuring uptime.

The Results

First, the division used RedPoint to create, and then maintain, a consolidated in-house customer database encompassing both the parent company's four million prospects and its own customers.

With RedPoint in place, they quickly eliminated nearly all dependence on list brokers. Thanks to RedPoint Interaction's simplicity, marketers can perform their own analyses and design new campaigns without costly or inflexible outside assistance.

RedPoint enabled the marketers to move beyond once-a-year “batch and blast” marketing. Now, they can quickly create complex, diverse, and precisely-targeted campaigns – and, most of the year, they do so nearly every day. The result has been clear and quantifiable improvements in customer acquisition.

The company's new campaigns include its first cross-sell and up-sell programs. It has started linking email and direct mail: for example, sending email messages encouraging customers to watch for a printed offer. Soon, it will move further into cross-channel marketing, developing campaigns that also encompass social media.

Marketers are now capturing contact and response history for every target customer, across all campaigns. They now have complete data to evaluate campaign performance, and to identify promising new opportunities.

For example, customer retention has always been a company strength, since customers pay for unregulated services on the same bill where they pay for essential electricity. As these bills are so routine, marketers assumed that retention largely took care of itself. But, upon deeper analysis, they have found ways to improve it.

Throughout their business, RedPoint's intuitive point-and-click capabilities enable marketers to perform analyses and create campaigns without complex training or arcane skillsets. For the first time, they're free to innovate: to identify virtually any new opportunity, and go after it. ■

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About RedPoint Global Inc.

RedPoint Global provides market-leading data management and customer engagement technology that empowers organizations to optimize customer value and deliver their brand promise with high contextual relevance across all touchpoints. The RedPoint Customer Engagement Hub™, underpinned by the RedPoint Customer Data Platform™, delivers a unified view of each customer, in-line analytics to determine next-best actions, and intelligent orchestration to personalize engagement across the enterprise. Leading companies of all sizes trust RedPoint Global to power their customer engagement strategy and drive profitable revenue growth. For more information, visit www.redpointglobal.com or email contact.us@redpointglobal.com.



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