



# Good Enough Isn't The Impact on Customer Engagement

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**Founder & Senior Advisor**





## Joel Gilbert, P.E.

**Founder & Senior Advisor**

Leads Apogee's accomplished team of engineers, data scientists, analysts, and researchers.

Responsible for applying highest standards of excellence in building science and engineering, applying artificial intelligence and predictive analytics to build strong customer relationships.

# AGENDA

1. Transitions in the Energy Utility Relationships
2. Excellence Today is Called Racist/Classist
3. What is Brand?
4. JD Powers - How Customer Satisfaction Drives Return on Equity for Regulated Utilities
5. Apogee Distinctives
6. Looming Risks for Customer Trust & Brand



# Transitions in Energy Utility Relationships

**1980s** we called them rate payers

- Cogeneration and gas cooling changed that
- Customer choice emerged as key agenda

**2000s** the internet/social media drove perceptions

- Customer experience and journey mapping dominated
- Utilities renamed/reinvented marketing labels but not much else

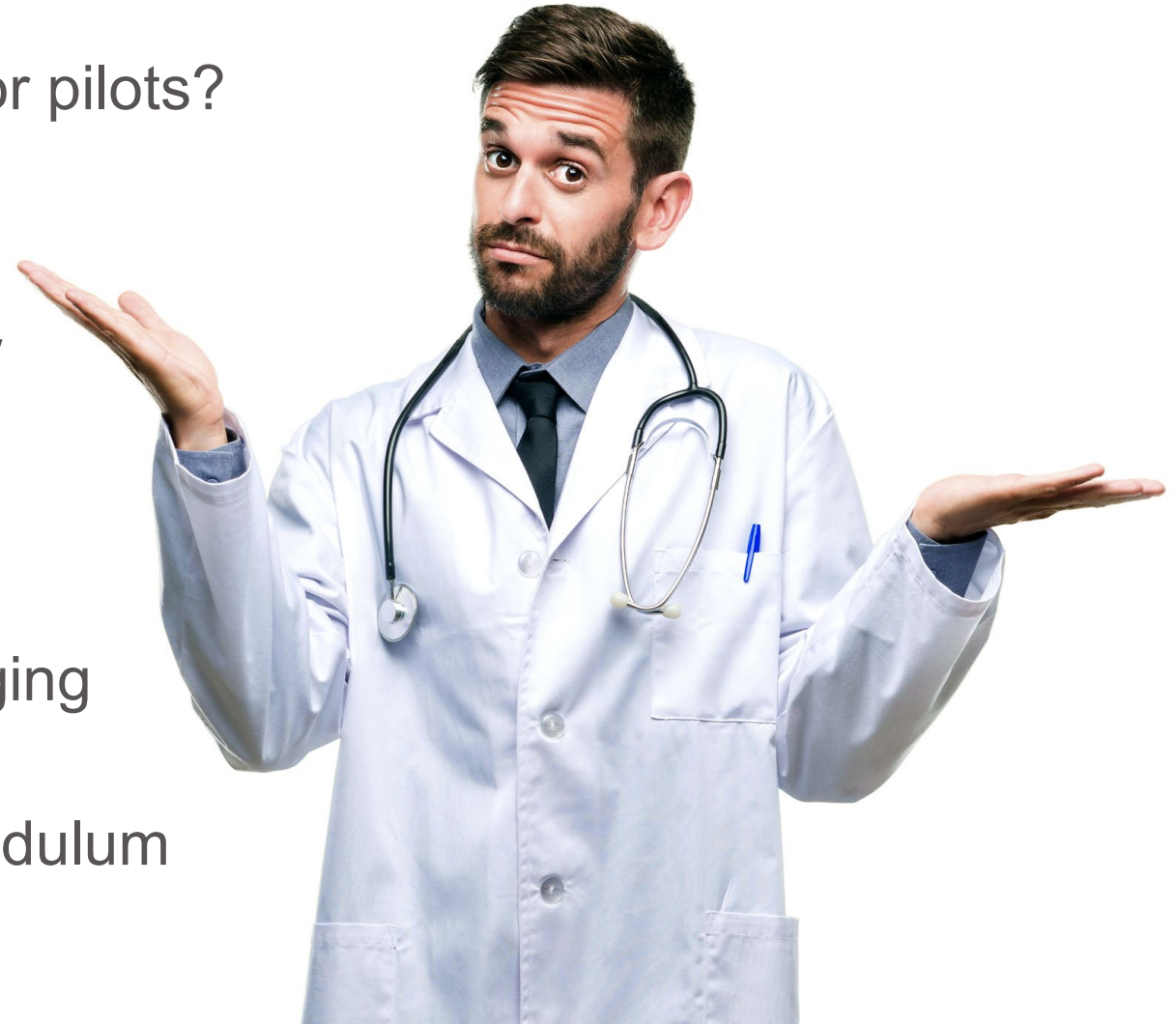
**2020s** the focus on DEI, ESG, and climate change

- Customers are and/or will become confused and angry



# Excellence Today is Called Racist/Classist

- Do you really want mediocre doctors or pilots?
- Do you really want liberal engineers or contractors?
- Conservatism and excellence are now being silenced
- First signs of this nonsense on major cities is evident
- More widespread signs of it are emerging everywhere
- We have things to correct, but the pendulum swung too far



# What is a Brand?

A brand is the composite reaction of how a product or business is perceived by those who experience it — including customers, investors, employees, the media, and more.

Branding is the process of shaping these perceptions. A brand, then, is more than just a company's name, logo, product, or price tag. It's more than the marketing and advertising around these things. ***A brand is the consistent and recognizable feeling that all of these things evoke.***

The way a customer feels about a business influences their purchasing behavior, which directly impacts the business's bottom line. There's a reason the world's most successful companies invest millions of dollars every year in strengthening their brands.

From <https://www.ignitebrands.com/> website





## Who We Are

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**J.D. Power** is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 50 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

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# How Customer Satisfaction Drives Return on Equity for Regulated Utilities

Mark Spalinger – Director, Utilities Intelligence  
November 2022



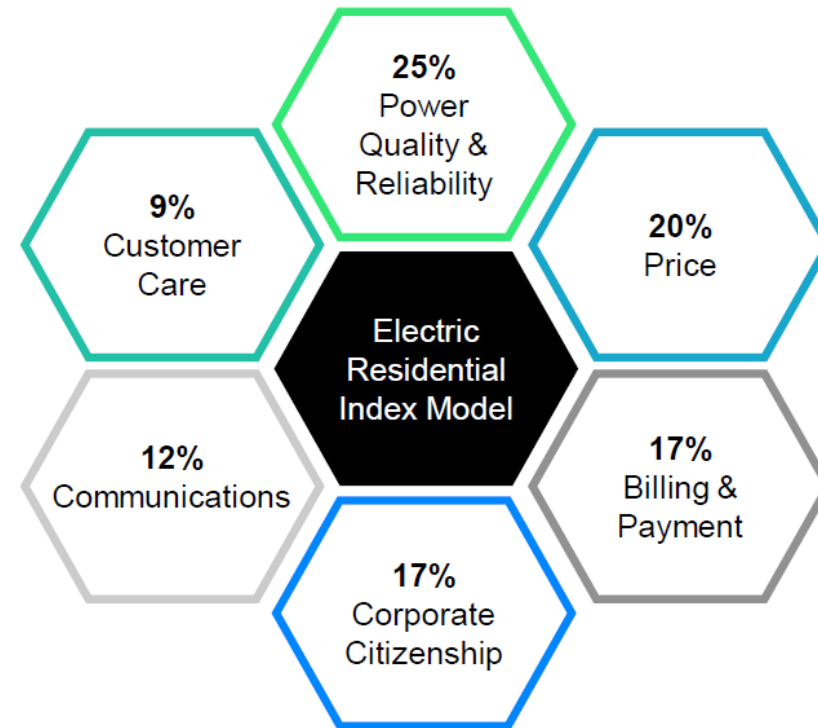
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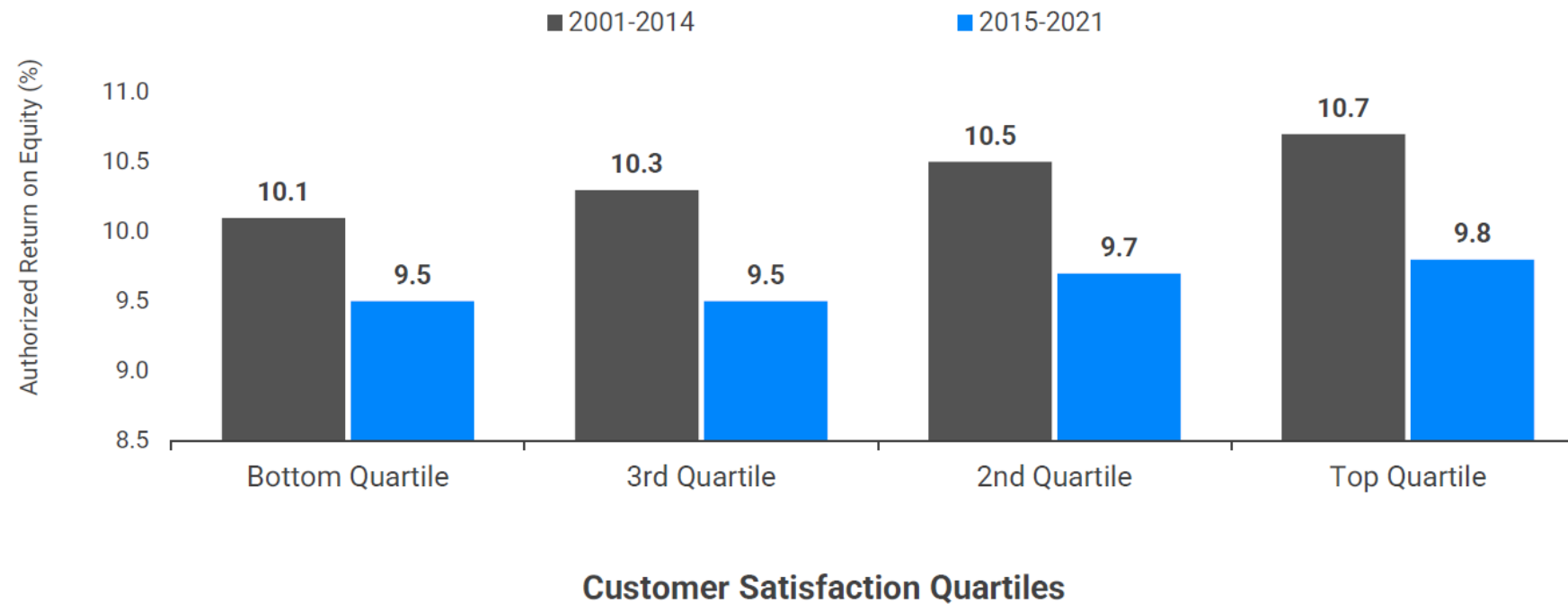
# Customer Expectations

- Safe & Reliable Infrastructure
- Reasonable (“fair”) price
- Customer service when they need it
- Accurate, on-time, and legible bills
- Information and Interaction
- Transparency and community involvement

## J.D. Power Overall Electric Residential Customer Satisfaction Index Model

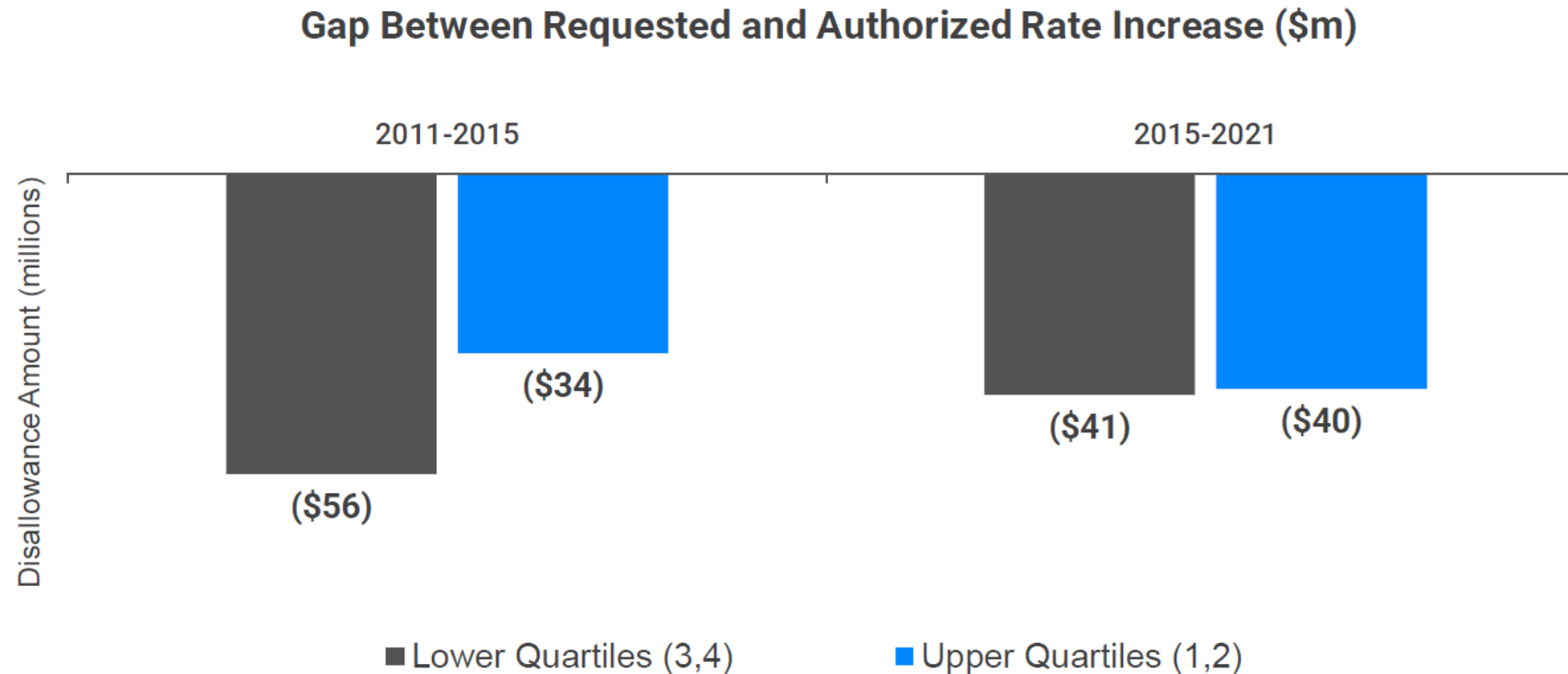


# Higher Levels of Customer Satisfaction Increase ROE

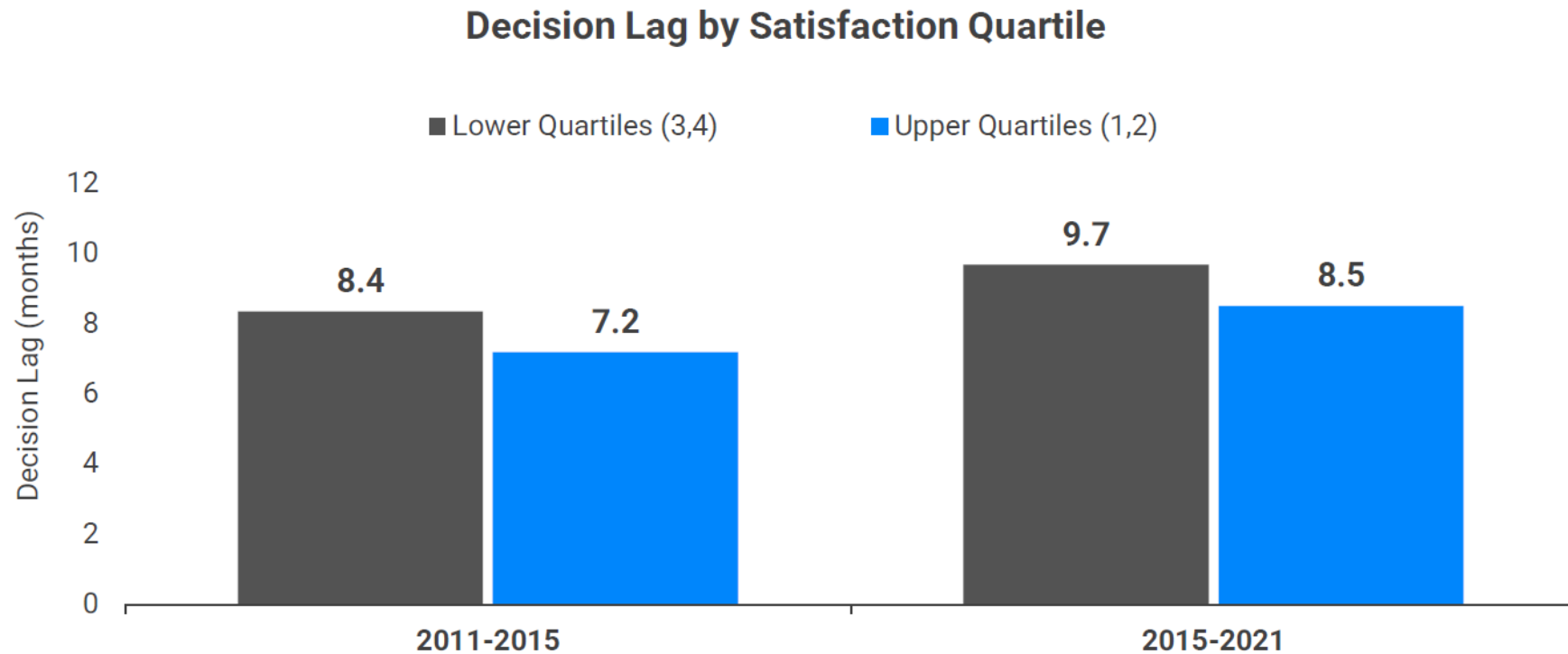


Sources: J.D. Power Electric Utility Residential Customer Satisfaction Study.  
Regulatory Research Associates; a group within S&P Global Commodity Insights.

# Increased Satisfaction Leads to Lower Disapproval Amounts

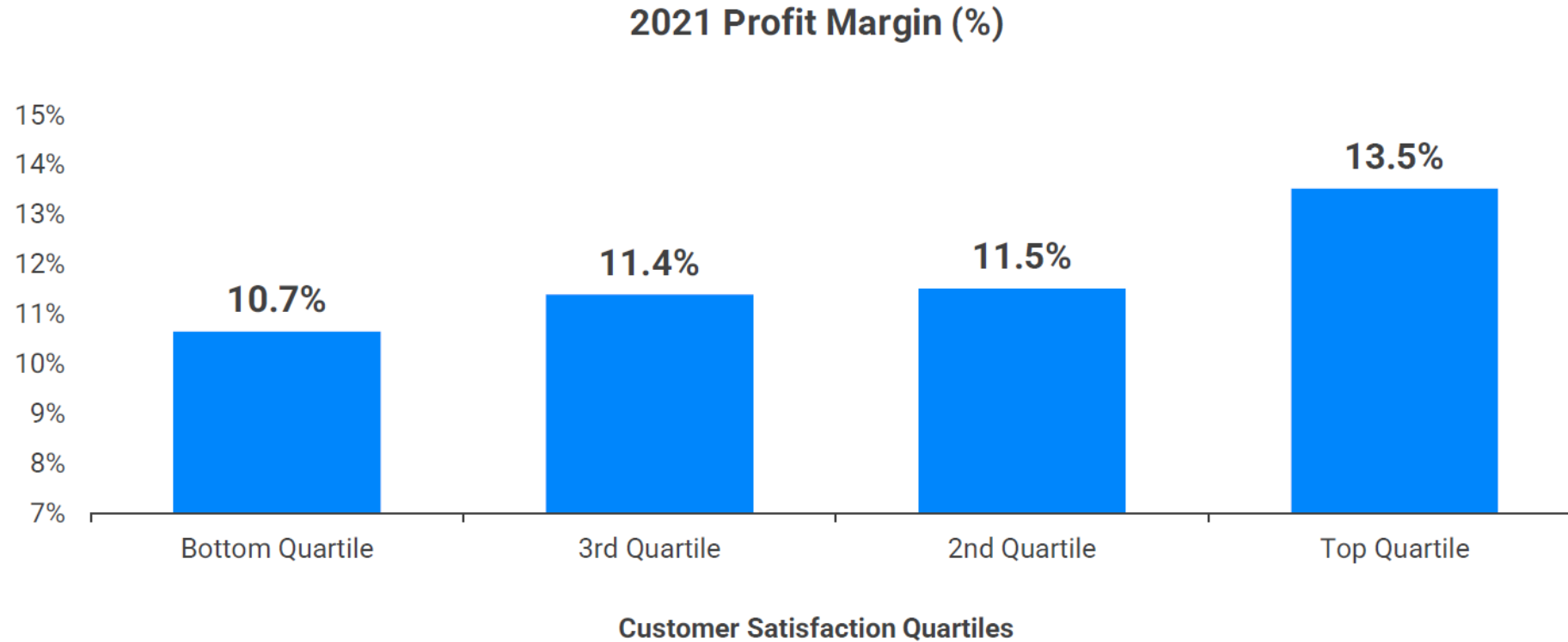


# Upper Quartile Utilities Secure Rate Case Approvals Sooner Than Lower Quartile Utilities





# Top-Quartile Utilities Have Higher Profit Margins



Sources: J.D. Power Electric Utility Residential Customer Satisfaction Study.  
2021 Regulated Electric Utility Profit Margin based on publicly reported SEC filings.

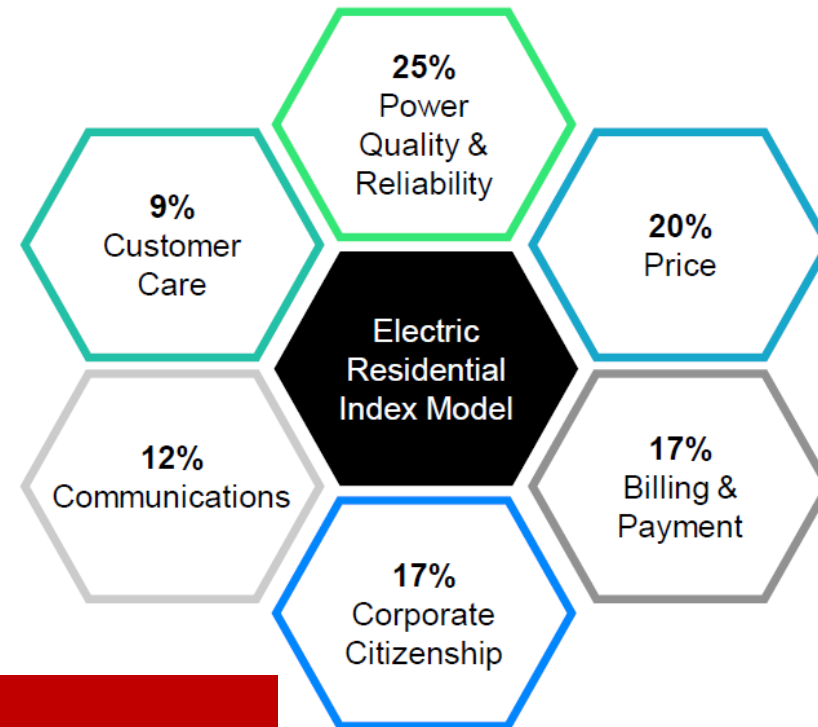
## **When is good enough ... not good enough?**

- Use pass/fail tests – just check boxes
- Don't care about the best solution
- Don't care what others think
- Quality/accuracy is irrelevant
- Organizational trust is broken
- Don't care who stays or leaves

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J.D. Power Overall Electric Residential Customer Satisfaction Index Model



**What do you think happens to these when you don't care about excellence?**

**Signs you  
don't really  
care  
about the  
energy  
choices  
customers  
make**

**Use**

Use normative comparisons rather than true energy insights

**Assume**

Assume customers trust you rather than work to earn and maintain it

**Stick**

Stick to your talking points and fail the customer relevance test



Sale

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Men

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Activewear

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DEPART

ARRIVE

DEPART DATE

RETURN DATE

PASSENGERS

SAV

Savannah/Hilton Head, GA - SAV

5/11

Thu, May 11, 2023

5/14

Sun, May 14, 2023

1



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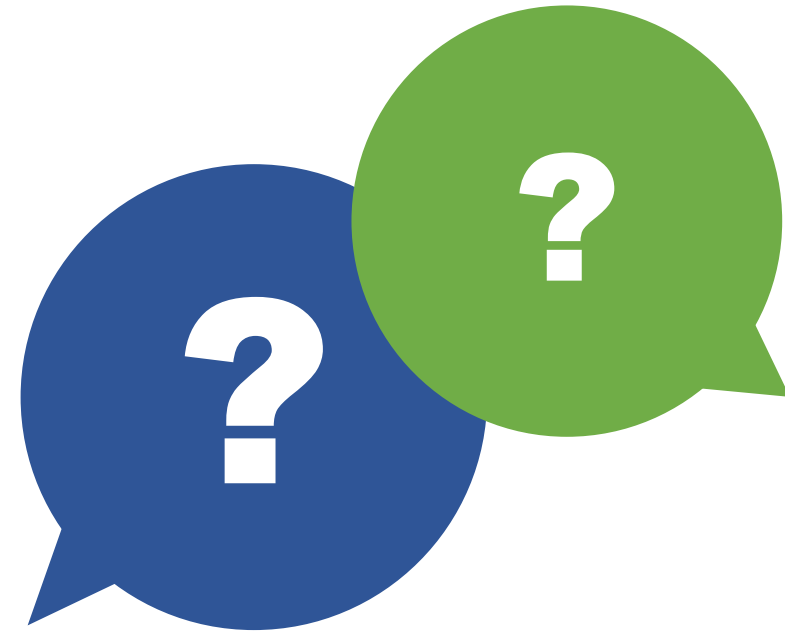
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- **Consistency Creates Customer Trust**

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Engagement**

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of Success**

# Any Questions





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Thank You!