

## **ENERGY ANALYSIS BY E-MAIL: THE KEYSpan CASE STUDY**

*By: Melissa York  
Nexus Energy Software*

### **Summary**

*E-mail energy audits (or ENERGYgrams™)* for homes and businesses were developed by Nexus Energy Software in 2001 to provide consumers with ongoing guidance regarding their energy bills and options to lower them. The technology consists of an extrapolation process to pre-run an audit simulation based on a brief demographic survey, typically 12 questions. The initial ENERGYgram creates contact with bill history record. Based on an estimated audit, monthly ENERGYgrams create a customer-specific web page, sent by e-mail, containing at least one instance of major elements of an energy audit: benchmark, end use analysis, measures, and program opportunities. The consumer can click on any item of interest, and return to the utility website audit for more in-depth information.

ENERGYgrams have shown several benefits as compared with other communication approaches:

- The click rate on e-mailed ENERGYgrams to customers who have opted in are extremely high, at times over 50%; that is, over half of all ENERGYgrams are read and result in a utility web revisit.
- The continuity of communication provides persistence of market-transforming messages beyond that of any other communication form.
- The periodic messaging can include updates on programs and efficiency opportunities not released as of the initial contact, screened and offered only to the appropriate participants. This reduces the marketing costs of other programs, and allows sub selection of participants to maximize program impacts.

### **Introduction**

The Internet and email continues to change our everyday lives and how we communicate with our customers and each other. This technology has brought greater access to information and unmatched convenience to all that it touches. You can now do all of your banking and investing online, book vacations, purchase virtually anything and get up to the second news. Several industries are using the Internet and email to their advantage to increase their customer base and improve customer service and satisfaction.

For many customers, doing business over the Internet has become their method of choice and email their preferred communication. So why not use the Internet and email to

promote energy efficiency? This is exactly what Nexus Energy Software set out to do when they built a solution product called ENERGYgram.

The ENERGYgram utilizes the customer's home or business energy use information and Nexus's online energy analysis tools to deliver highly personalized and relevant recommendations via emails to participating customers on an ongoing basis. The ENERGYgram takes a once, one-time energy audit and turns it into an opportunity for continued communication with the customer about their efficiency, energy costs and related topics.



Customers sign up for this service by completing a simple online energy profile. ENERGYgrams are then proactively emailed to customers delivering timely energy use and analysis information and constantly driving customers back to the utility's website. The ENERGYgram also can target and deliver efficiency program and rebate information to likely participants and help screen for strong in-home audit candidates.

The ENERGYgram is a permission-based email communication that customers look forward to receiving. Because the customer has an ongoing, trusted relationship with the utility and has specifically given permission to receive email communication, ENERGYgrams will not be confused with SPAM. All ENERGYgrams allow customers to discontinue their subscription with one easy click. When ENERGYgrams arrive it is clear to the customer who the email is from and why they are getting it.

### **The Keyspan Case Study**

#### ***Objectives***

Keyspan Energy Delivery New England, the largest distributor of natural gas in New England and a part of the 5<sup>th</sup> largest distributor of natural gas in the nation, was also interested in an email based program that could create an ongoing energy efficient relationship with their residential customers. They wanted to help their customers save money and reduce consumption through efficiency, provide excellent customer service and meet their regulatory obligations. Together with Nexus they put together the highly successful *e-efficiency news* ENERGYgram program.



#### ***Enrollment***

Launching the program in June 2002, Keyspan's first challenge was to get customers enrolled in their *e-efficiency news* ENERGYgram program. Keyspan needed to get their customers to answer 12 basic questions about their home and energy use in order to build the home energy profile through the Nexus software. To do this, Keyspan tried two different marketing channels to enroll customers in the program. Keyspan used the support of the Nexus team to manage the enrollment process for their customers.

The first enrollment tool Keyspan tried was a compelling full color HTML email that outlined the benefits of the program and linked customers to the online home energy analysis questions. The HTML email was then sent to 18,000 customers that Keyspan had email addresses for and permission to email. (See Figure 1 - enrollment email sample below)

Second they created a direct mail piece with a similar message that allowed customers to fill out home energy questions and mail back the results to enroll. Completed forms that were received back were then entered into the online energy analysis and the customer was enrolled. Keyspan mailed to 80,000 of their customers. (See Figure 2- enrollment direct mail sample below).

To create excitement and increased enrollment they created a contest featuring Rich Thretheway and Tom Silva of *This Old House*. The contest awarded three winners a home visit from the *This Old House* stars including energy-efficient home improvement advice from these experts. The contest was featured in both the HTML email and in the direct mail piece and customers were automatically entered when they enrolled in the *e-efficiency news* ENERGYgram program.

Both marketing efforts were deemed quite successful with an overall enrollment rate of the email solicitation being 7% email response rate and from the direct mail 2.7% versus typical direct mail response rates of 0.5-1%. Keyspan got over 4,000 customers to answer the basic home energy analysis questions, leave an email address and sign up for ongoing *e-efficiency news* ENERGYgrams. Most responses from the email were received during the first week from the mailing, while the direct mail response rate came in over a six-week time period.

### ***ENERGYgram Campaign***

Once customers had completed the home energy survey, whether it had been online or through the mail back survey, they received a personalized welcome email from Keyspan including a similar home energy comparison and energy-efficient recommendations based on their home energy profile and Nexus's home analysis. Keyspan also promoted an aggressive replacement window rebate program and encouraged visiting their website for further analysis tools.

Over the next 12 months, Keyspan continued to send the same customers additional personalized *e-efficiency news* ENERGYgrams each quarter. With each issue the customer received additional pieces of their home energy analysis based on the season. For example in September, Keyspan sent their customers personalized recommendations and information around preparing their homes for the heating season. In each issue, personalization included seasonal recommendations with specific savings ranges for the customers home. Also energy end use comparisons to similar homes such as heating and water heating were presented. Customers could also link to their saved online energy analysis with just one click or continue on to a more detailed energy analysis.

The *e-efficiency news* ENERGYgram also used the home profile information to target their own energy-efficiency and rebate programs to their customers. They promoted both water heater and furnace rebates and gave customers valuable information on heating system maintenance. In addition Keyspan took advantage of this communication vehicle and promoted public relations type stories and asked customers survey questions to solicit feedback on a variety of things. (See Figure 3 – Keyspan Sample ENERGYgram.)

### ***12-Month Results***

Keyspan evaluated the success of their *e-efficiency news* ENERGYgram program by analyzing email open rates, click through rates, unsubscribed rates and consistency of these measurements over time. To date, six issues of the personalized email have been delivered to over 4,000 customers.

Keyspan has experienced consistently high open and click through rates for their *e-efficiency news* ENERGYgrams. More than 50% of customers open their email from Keyspan each issue and they have seen an average click through rate of 21% back to their website. Also, of the 4,000 plus participating customers, after 6 issues, less than 1% of the group has unsubscribed from the program. This proves that their customers are interested in ongoing email communications and anticipate their arrival.

Antidotally, Keyspan has received feedback from customers expressing their appreciation for the useful and personalized information. The feedback indicated the high-perceived value the customers have of the program and of Keyspan. One customer wrote saying “This was a first class display.” Other customers wrote asking further questions opening a direct dialog with Keyspan, improving their customer experience even further

### ***Additional Customer Feedback on ENERGYgrams***

Another major utility experienced similar success with implementing an ENERGYgram program. This company sent out 4 seasonal-themed issues around lighting, heating, cooling and appliances. After each ENERGYgram they sent a customer satisfaction survey with 22% of the customers responding. Here are some of the results:

- 95% of customers said they learned about an energy-efficiency program(s) the utility was offering
- 80% of customers said they had, or were planning on implementing an energy-efficient recommendation given to them in their ENERGYgram
- 72% of customers said they thought their bill had, or would reduce by 10% or greater due to the energy-efficient actions they had made or planned to make
- 70% of customers said they found the program valuable
- 99% of customers said they would recommend the program to a friend

### ***A Success***

We believe that the Keyspan objectives of creating their *e-efficiency news* ENERGYgram program were all met. An ongoing relationship based on energy efficiency was created with 4,000 of their customers. Keyspan was able to deliver timely savings

recommendations and analysis to their customers helping them to manage their energy costs. In addition, Keyspan was able to promote their efficiency programs helping them to meet their regulatory goals.

### **Conclusion**

Through the Keyspan *e-efficiency news* ENERGYgram program we can see that delivering customers personalized energy use and analysis information via email is a successful way of promoting energy efficiency. ENERGYgrams provide an effective way of delivering timely, proactive and useful information to customers that encourages them to make energy-efficient actions. Utilities can benefit from using the Internet and email to create an ongoing communication with their customers about energy-efficiency as Keyspan did.

We've also learned that creating an ongoing communication with customers through the ENERGYgram has other benefits as well. Utilities can use the vehicle to promote their other programs and services. Customers are continually driven back to the utility website, increasing repeat traffic. The ENERGYgram also helps to improve customer satisfaction and perceived value of the utility, while empowering the customer to manage their own energy use and costs.

Figure 1  
Keyspan Enrollment Email Sample

Efficiency Experts<sup>SM</sup>  

e - f f i c i e n c y n e w s

Want a **FREE** Online Analysis of Your Home's Energy Use? [CLICK HERE](#)

Dear First Last,

We'd like to extend a special free offer to you, as one of our valued customers. Just by answering some quick questions about your home, you'll get a **FREE** online analysis of your home's energy use. This includes:

- **Ways to Save Energy! - Save up to hundreds of dollars**
- **Practical, meaningful information about your energy use**
- **Special energy-efficiency offers and rebates**
- **Quartly personalized e-ficiency news emails**

[Click Here for Free Analysis](#)

**Plus, you'll be automatically be entered to win a Free Home Evaluation by *This Old House* Experts!**

• **Have Tom Silva and Rich Trethewey of *This Old House* visit your home!**

• **Get plumbing and weatherization recommendations from these professionals!**



We hope you will take advantage of this special offer. Thank you for your time.

Sincerely,

Keyspan Efficiency Experts<sup>SM</sup>

Offer ends June 30, 2002. Check entry page for official rules and information. Offer only valid for Keyspan Energy Delivery Massachusetts customers.



Figure 2  
KeySpan ENERGYgram Sample

October 2002

Efficiency Experts™

e - f f i c i e n c y   n e w s

**Toolbox**

- [▶ Review Your Current Home Energy Analysis](#)
- [▶ Perform a Complete Home Energy Analysis](#)
- [▶ Energy-Efficiency Programs](#)
- [▶ Visit Our Website](#)

Click

Here

to Find Out

**Tips of the Month**

**[1]** To save a bundle on your heating bills this winter, purchase a caulking gun, which costs less than ten dollars. Use the gun to seal all the gaps around doors and windows, foundation, and places where pipes pass through the walls.

**[2]** If you are not using a room, don't heat it! Close off vents to rooms that are infrequently used, and shut the door.

**[3]** Make sure that your walls, attic and basement are properly insulated. Adding batts of fiberglass insulation in your attic is one of the most cost effective savings measures and one that you can do yourself.

Dear Bruce Johnson,

Welcome to your first issue of e-fficiency news from the Efficiency Experts™ at KeySpan Energy Delivery! Now that the heating season is only weeks away, it is time to think about **preparing your home for the cooler months**. [Click here](#) for a checklist of a few simple tasks to get you started right away:

In addition, we have included energy-efficient recommendations specific for your home and information on select incentive programs that will help maximize your savings this winter.

**In This Issue:**

- **Compare Your Heating Costs**
- **Top Ways to Save on Your Heating Bill**
- **Heating Rebates—Up to \$500**
- **Weatherize Your Home and Save!**

**Compare Your Heating Costs**  
Based on the information you provided about your home, we estimate that homes similar to yours spend about \$1,200 on heating. In Massachusetts, average homes spend 66% of their energy dollars on heating. To get a more detailed analysis of what your home spends on heating, and recommendations to help you manage that cost, [click here](#).

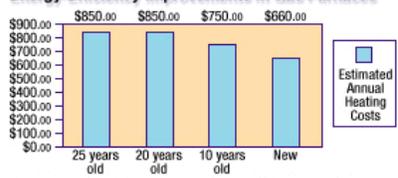


**Top Ways to Save on Your Heating Bill**

- **Lower the thermostat setting** save between \$18 - \$30 per year.
- **Insulate Your Pipes** save between \$78 - \$114 per year.
- **Seal in Air Ducts** save between \$67 - \$95 per year.

**Heating Rebates—Up to \$500**  
The Efficiency Experts™ from KeySpan Energy Delivery offer Massachusetts gas heating customers rebates on High Efficiency Natural Gas Heating Equipment. **\$500** for Forced Hot Water Boilers with an AFUE of 85% or greater, **\$400** for Steam Boilers with an AFUE of 82% or greater, **\$200** for Furnaces with an AFUE of 90% or greater. (AFUE refers to the Annual Fuel Utilization Efficiency of the equipment.) For more information, [click here](#). You may also [e-mail us](#), or call **1-800-292-2032** for more information.

**Energy-Efficiency Improvements in Gas Furnaces\***



Furnace Age	Estimated Annual Heating Costs
25 years old	\$850.00
20 years old	\$850.00
10 years old	\$750.00
New	\$660.00

\*Source Energyguide.com 2002. Estimates are compared to a new ENERGY Star rated gas furnace.

### Weatherize Your Home and Save!

The Efficiency Experts<sup>SM</sup> at KeySpan Energy Delivery want to reward you for weatherizing your home! If you are a KeySpan heating customer in Massachusetts and your home was built prior to January 1, 1995, you are eligible to receive a **rebate of up to \$750** when you install various weatherization measures, such as:



- **Attic Insulation**
- **Wall Insulation**
- **Basement/Crawl Space Insulation**
- **Rim Joist Insulation**
- **Heating System Duct Insulation**
- **Attic Ventilation (*in conjunction with attic insulation only*)**
- **Ductwork Leakage Testing and Sealing**
- **Air Infiltration Testing and Sealing**

This work must be completed by a KeySpan approved contractor. For more information on this program, please [click here](#) or call us at **1-800-292-2032**.

We hope you've found this information helpful. Your first issue of *e-efficiency news*, full of personalized energy and money saving recommendations, will be sent to you in the coming months.

Thanks for reading,

Your Efficiency Experts <sup>SM</sup>

Keyspan Energy has partnered with Nexus Energyguide to individually prepare your home energy analysis.