



Business Best Rate Campaign:

A Proactive Approach to Lowering Energy Costs for SMBs

Background

Pacific Gas and Electric Company, incorporated in California in 1905, is one of the largest combined natural gas and electric energy companies in the United States. Based in San Francisco, the company provides natural gas and electric service to approximately 16 million people throughout a 70,000-square-mile service area in northern and central California.

Identifying Cost Savings

In October 2015, PG&E fielded primary research to ensure that they were staying on top of the evolving needs and attitudes of their customer base. This internal research confirmed that for small to medium-sized businesses (SMBs), energy is not a priority. The focus for organizations of this size is on their core business operations, and it can be tough to get their attention on other matters. That said, with regard to energy, their primary motivation is to save on their bottom line by reducing their monthly bill.

Based on this fundamental insight on the needs of SMBs, PG&E drilled down further and identified two key pain points regarding their electric rates and associated bills. First, these customers perceive that their electric rates are increasing, and second, they feel there are no rate plan options for them to choose. However, most SMB customers have multiple rate plans to choose from, and the electric rates for these customers have typically increased by a few percentage points annually.

Thus, in 2016, PG&E conducted a rate analysis for the majority of their SMB customers in order to compare the estimated annual savings these customers could experience with a variety of rate plans. The analysis found approximately 12,000 SMB customers (roughly three percent) who could save significantly on their electric bills, simply by switching to a different rate plan.

Proactive Outreach

After receiving the results of the rate analysis, PG&E conducted an outreach campaign to reach these customers. First, they used direct mail and email to notify these customers that a more favorable electric rate plan was available and encouraged them to make the change. Then, for the customers with the highest savings potential (approx. eight percent who could save \$5,000 or more annually), PG&E had representatives contact them directly with information about how changing electric rate plans could result in significant savings for their businesses.

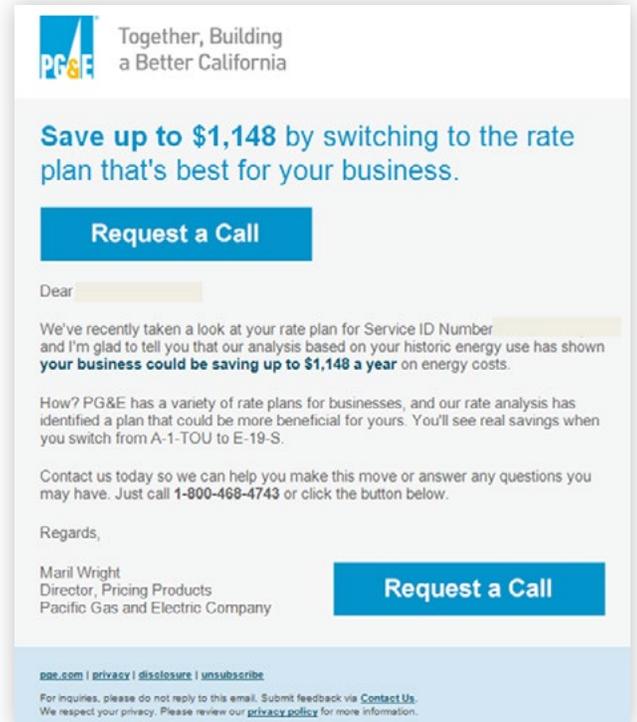
This was a proactive approach to ensure that customers were placed on the best rate plan for their business. Business customers often start service before fully understanding how their business operations will impact their energy use and ultimately their bills. The Best Rate campaign helps to take the guess work away from this process.

PROGRAM AT A GLANCE

PG&E conducted a proactive rate analysis for SMB customers to see where they could save. The accompanying outreach campaign used email and direct mail to notify these customers when a more favorable rate plan was available. For the customers with the highest savings potential, PG&E representatives contacted them directly on how changing rate plans could result in significant savings for their businesses.

PROGRAM RESULTS SO FAR

The program garnered considerable interest and successfully reached thousands of PG&E's SMB customers. In the first year alone, SMB customers realized over \$1 million in savings.




 Together, Building a Better California

Save up to \$1,148 by switching to the rate plan that's best for your business.

[Request a Call](#)

Dear [Name],

We've recently taken a look at your rate plan for Service ID Number [Number] and I'm glad to tell you that our analysis based on your historic energy use has shown **your business could be saving up to \$1,148 a year** on energy costs.

How? PG&E has a variety of rate plans for businesses, and our rate analysis has identified a plan that could be more beneficial for yours. You'll see real savings when you switch from A-1-TOU to E-19-S.

Contact us today so we can help you make this move or answer any questions you may have. Just call **1-800-468-4743** or click the button below.

Regards,

Maril Wright
 Director, Pricing Products
 Pacific Gas and Electric Company

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The Best Rate Campaign

While PG&E has promoted savings opportunities to its customers over the years, the Best Rate campaign was unique due to its customized approach. However, this campaign succeeded in capturing customers' attention due to a number of factors. By providing a personalized bill analysis, PG&E was able to highlight a specific rate plan, bring awareness of customer choice and quantify the projected annual savings. This level of specificity made the recommendation relevant and, ultimately, motivating.

As a proactive effort to help customers capitalize on untapped bill savings, PG&E's Business Best Rate campaign exhibited consumer advocacy and also consumer education, since even customers who did not ultimately change their electric rate plan were offered the potential to save money and were educated on the availability of rate plan options other than their current plan. This outreach reinforced the positioning of PG&E as the customer's energy advisor.

Results

The proactive outreach from PG&E's Business Best Rate Campaign saved customers time and money on their monthly bills. The campaign highlighted a more beneficial rate plan to customers' current plan, provided an estimated annual cost savings to engender motivation and urgency, and served up a streamlined response channel so customers could make their rate plan change quickly and easily.

PG&E's Business Best Rate campaign was successful both in response and customer impact:

- Over five percent campaign response rate – resulting in hundreds of favorable customer rate changes.
- Over \$1 million of annual estimated customer bill savings.
- Over 25 percent open rate on email, which is well above the 17.67 percent average industry open rates among small businesses (Source: Questline's "2016 Energy Utility Email Benchmarks Report").
- Several email subject lines and creative executions were tested, with up to a four percent click-through Rate among the most successful – above the 1.41 percent average industry click-through rate among small businesses. (Source: Questline's "2016 Energy Utility Email Benchmarks Report").
- Over 1,200 incoming phone calls related to rate changes.

The success of this campaign has led PG&E to run a second outreach campaign for 2017 as well as a digital campaign to help bring better awareness of rate options to the SMB community. The digital campaign will help educate and empower customers on how to conduct an online rate analysis to ensure they are on their best rate.