

Fire Up Your Customers

How Union Gas Used Data and Analytics to Reignite its Paperless Billing Campaign



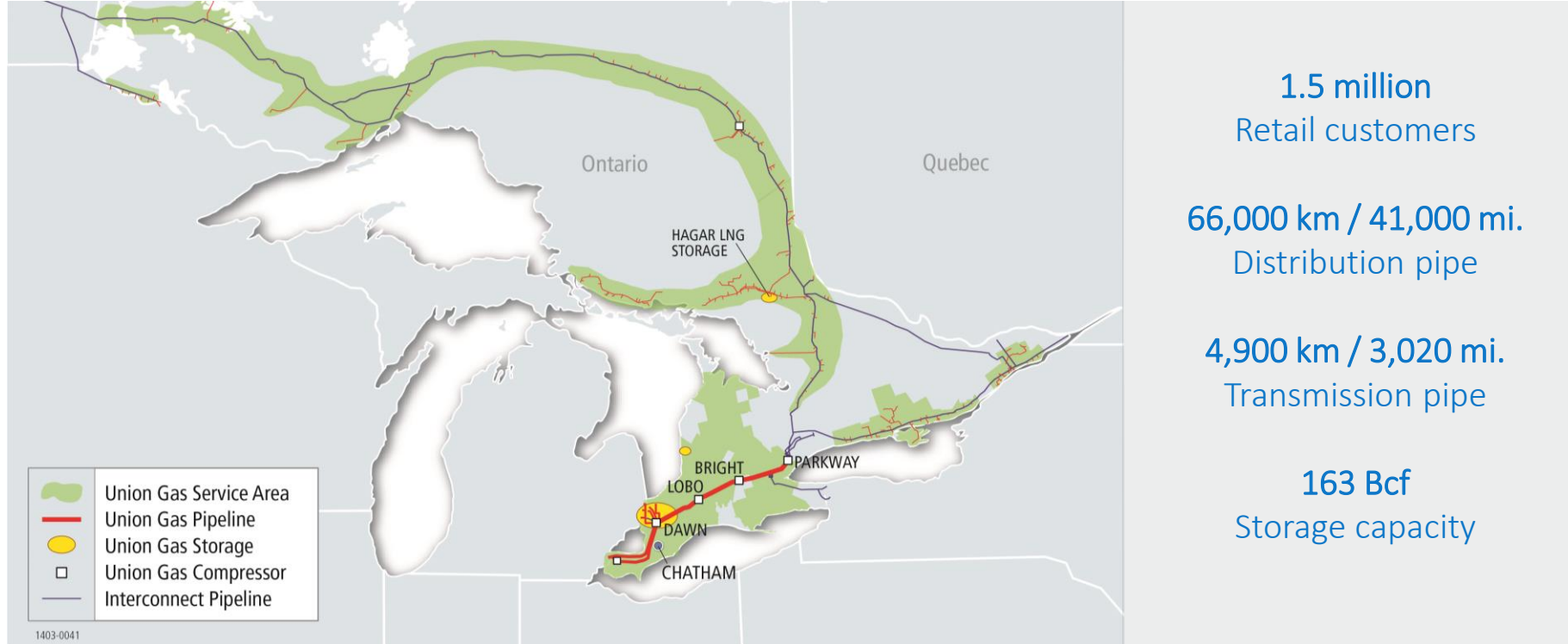
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About Union Gas, an Enbridge company



1.5 million
Retail customers

66,000 km / 41,000 mi.
Distribution pipe

4,900 km / 3,020 mi.
Transmission pipe

163 Bcf
Storage capacity

- Major Canadian natural gas storage, transmission and distribution company based in Ontario.
- Over 100 years of experience and safe service to customers.
- Dawn Hub, the second largest physically traded hub in North America.
- Dawn storage facility—largest underground storage facility in Canada.
- Assets of \$8.9 billion, ~1.5 million customers, ~2,300 employees.

Background

Situation

Highest paperless
billing rates across
North American
utilities:

Nearly 50% higher than
industry average*

Problem

Plateauing adoption
despite increased
marketing spend and
unchanged promotions
to mass market

Solution

Need for a new study to
determine a more
innovative and cost
effective approach to
paperless billing
conversion

*The North American industry average is 28%, according to 2017 Chartwell data

Key challenges signalling a need for change

1. Large number of attributes associated with conversion
2. Long and unfocused interviews for primary research
3. Insufficient regional representation of respondents
4. Customer fatigue
5. Need for direct marketing despite both limited and outdated resources

Desires for an innovative segmentation approach for marketing strategies

Factors in paperless billing adoption

1. Availability of means to switch
 - Based on computer & Internet access
2. Propensity
 - Based on demographics & psychographics
3. Attractiveness
 - Based on incentives, offers, features, positioning, awareness & availability of alternate service



Growing access and dependency to digital

1. Availability of means to switch

- Based on computer & Internet access

“Have access to and use the Internet (from any location)”



Growing concern around data privacy

2. Propensity

- Based on demographics and psychographics

Summary of core opinions around data security

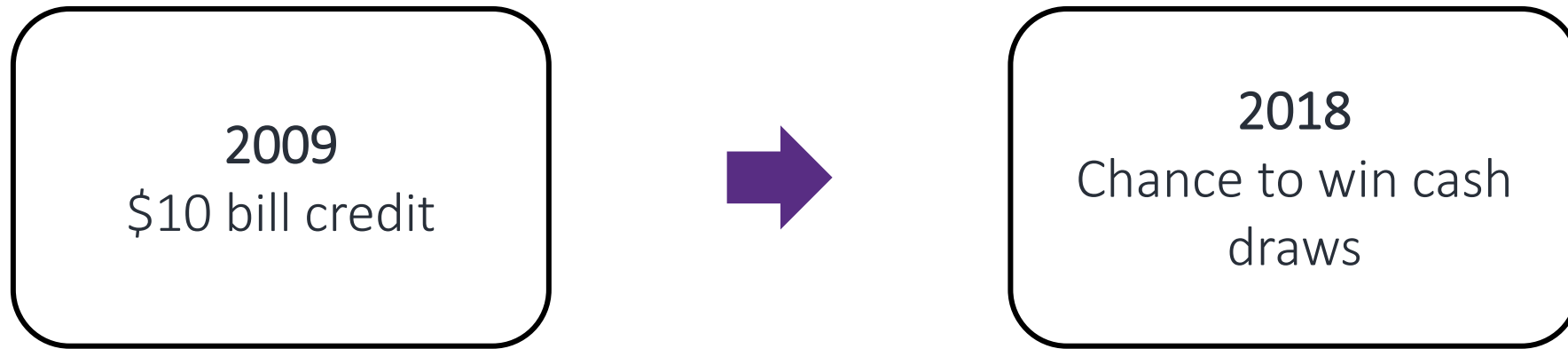
	Governments and companies storing my personal information	What personal information you share over the Internet	The reliability of financial transactions over the Internet
More and more concerned	46%	50%	30%
Concern has not changed	45%	40%	50%
Less and less concern	7%	8%	18%

Changing needs for incentives

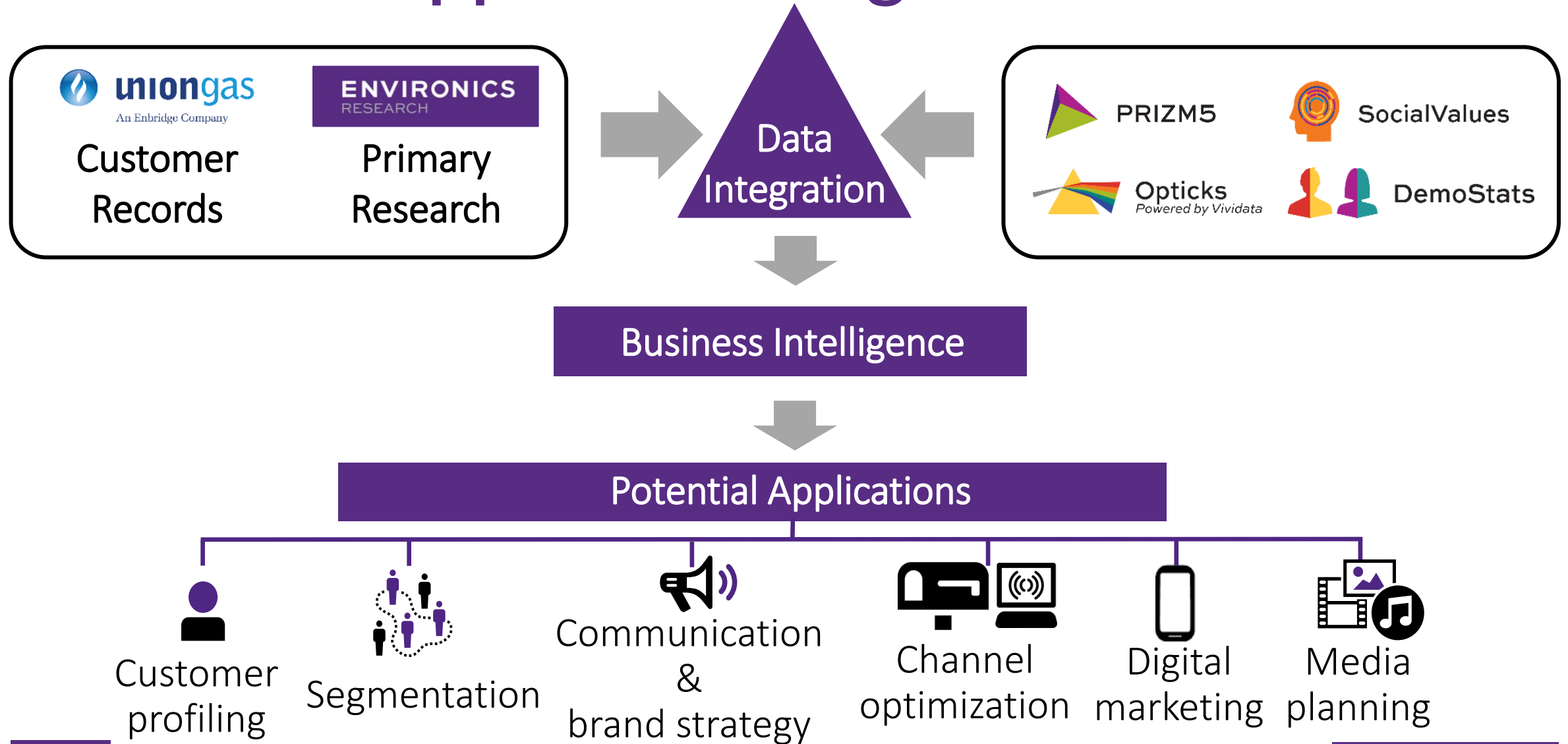
3. Attractiveness

- Based on incentives, offers, features, positioning, awareness & availability of alternate service

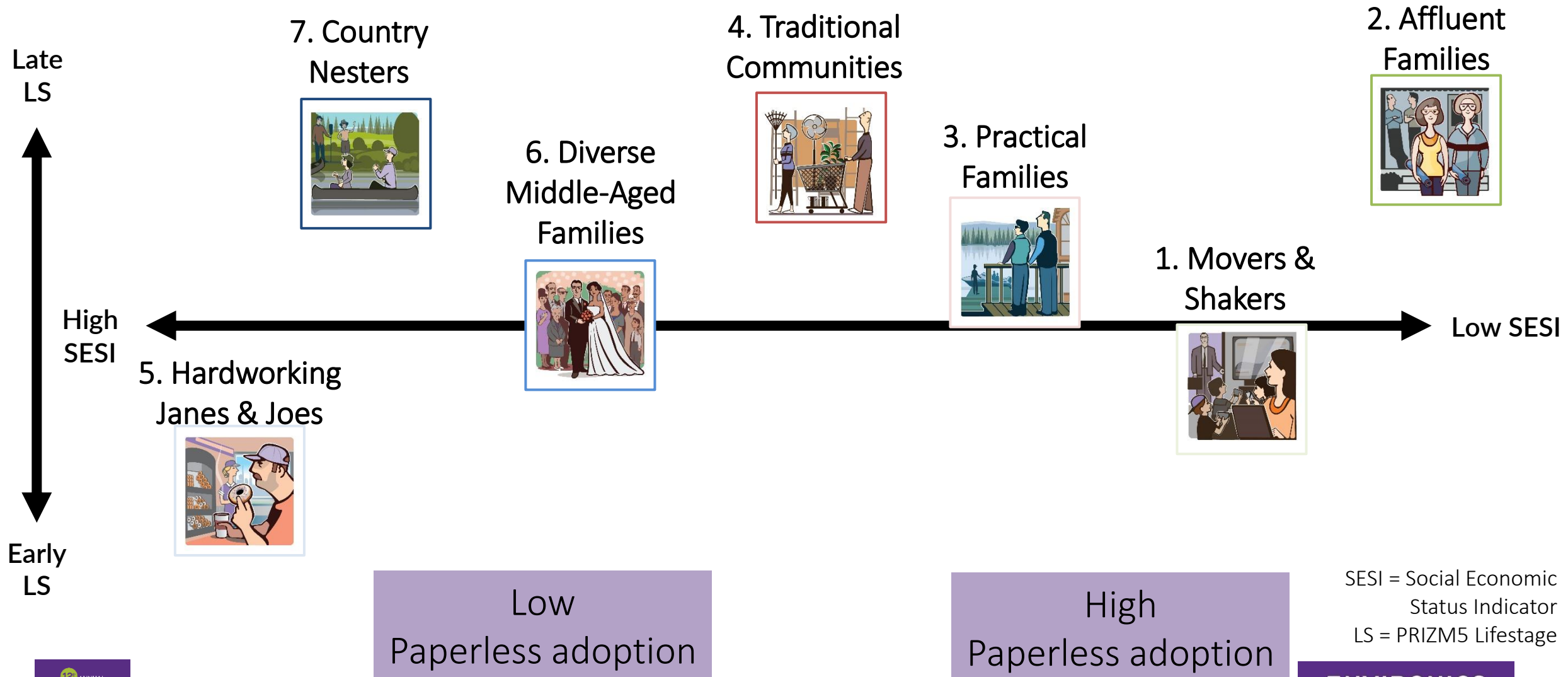
“Preferred incentive for likelihood to convert”



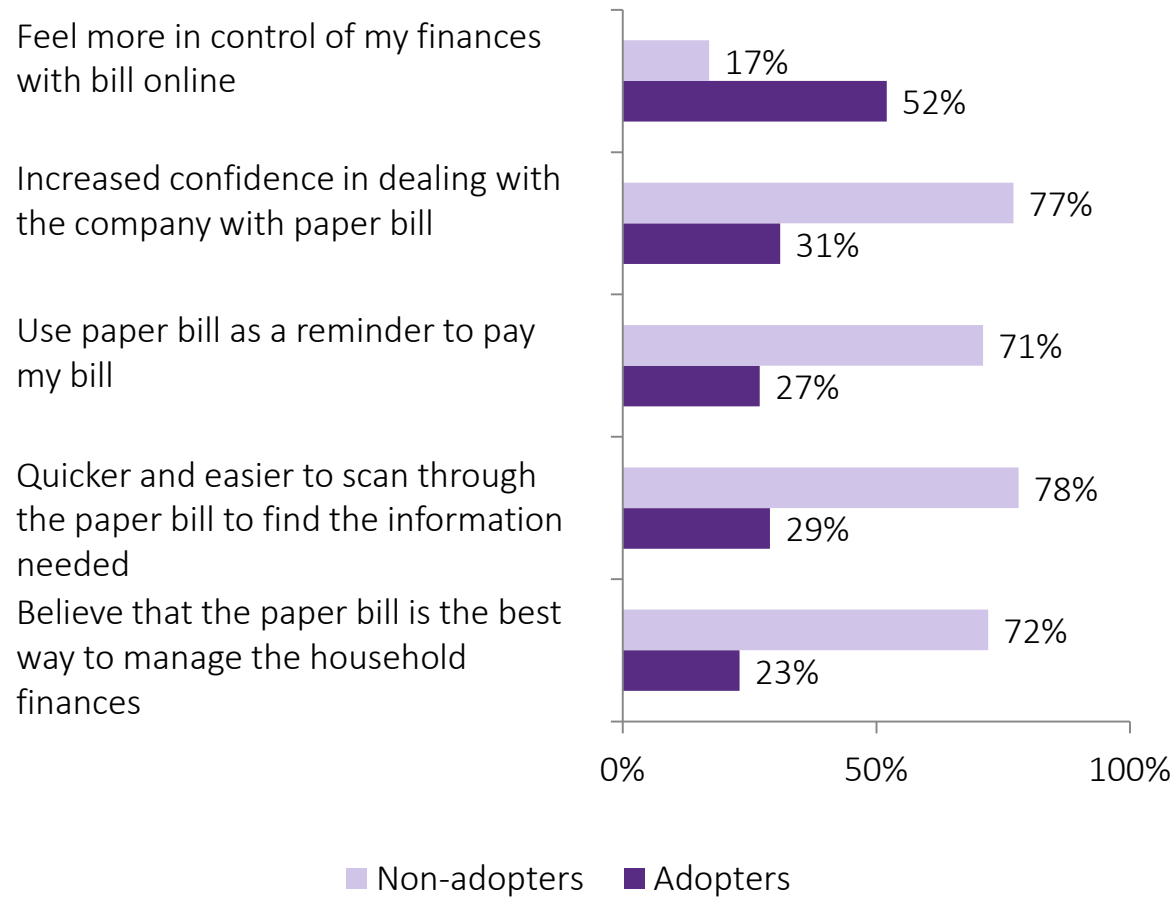
Innovative approach using PRIZM5



Actionable segmentation solutions identified



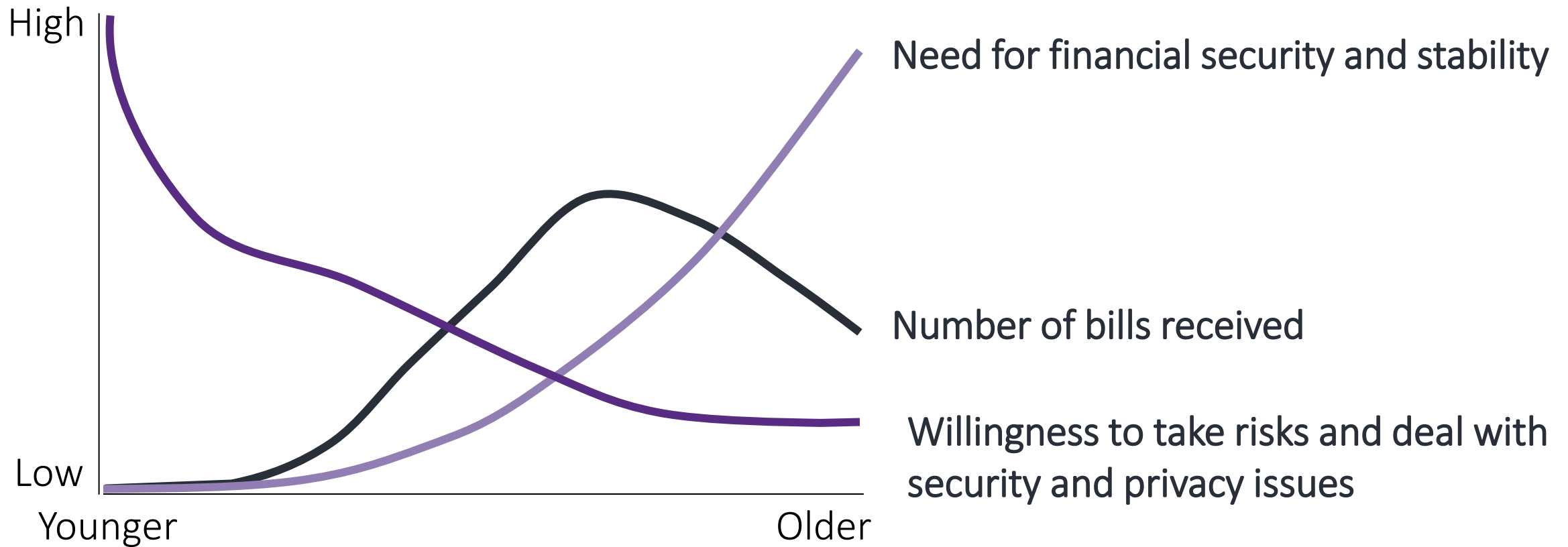
Enablers and disablers uncovered



- Identification of and size of high propensity groups
- Direct mailing capability to customers in each segment – optimal campaign cost
- Messages that would resonate
- Relevant incentive strategies
- Media habits and engagement
- Smart targets for market transformation and marketing campaigns

Influence of age

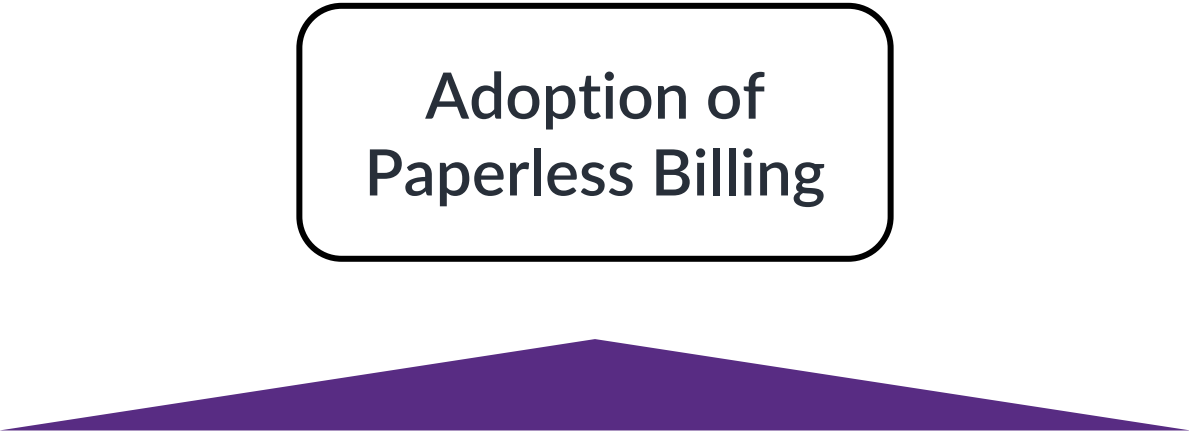
Data analytics indicate that age is a significant factor in determining customers' attitudes towards paperless billing and their propensity to adopt paperless billing



Drivers of paperless bill adoption identified

Propensity of each identified driver evaluated by customer segment

Adoption of
Paperless Billing



Attitudes
Towards
Paperless
Billing

Bill Payment
Behaviours

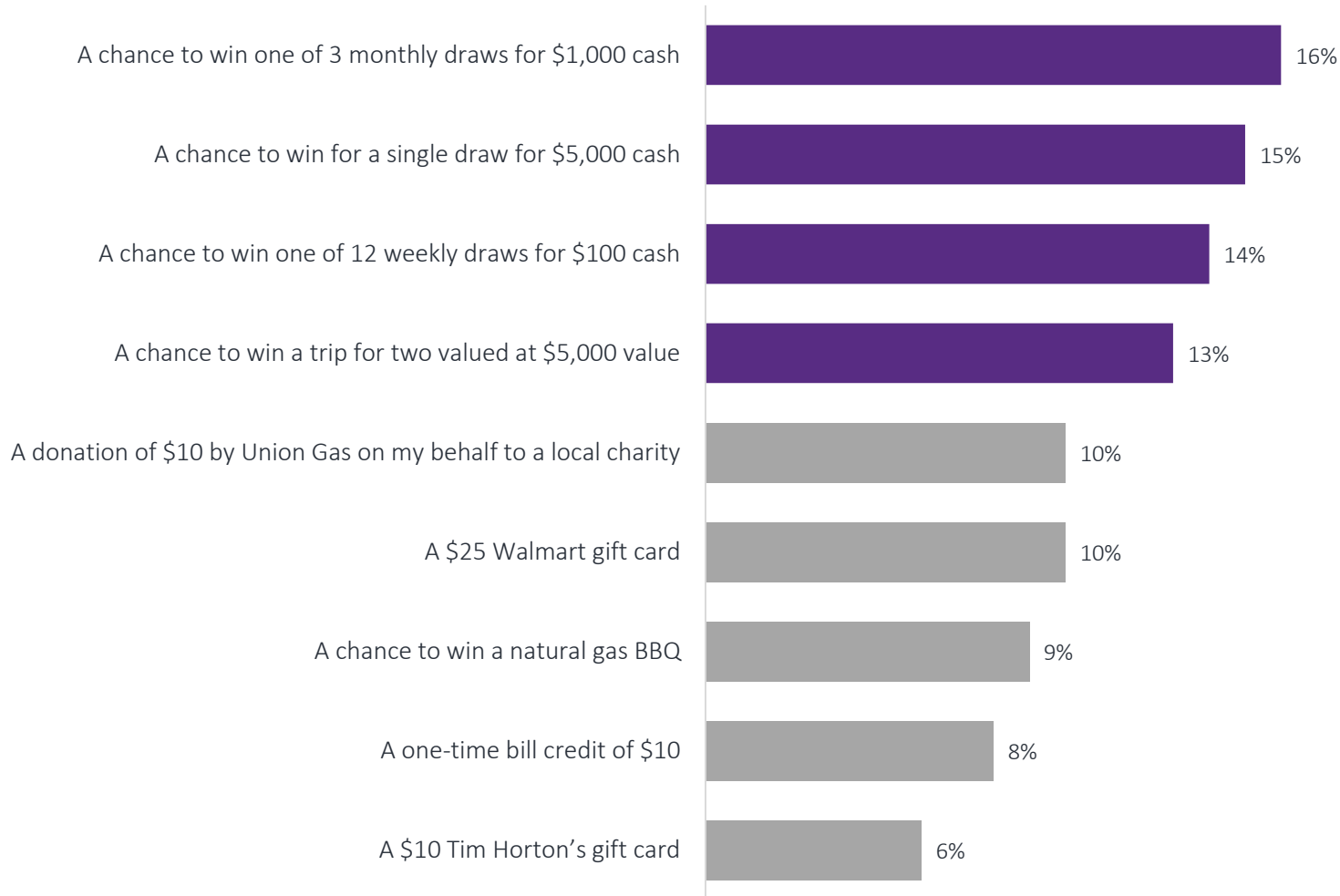
Familiarity
with the bill
management
system

History of
Bill Dispute

Type of
Payment
Setup

Bill Filing
Management

Incentive strategies



- Incentives that include a small number of large cash prize draws are found to be more effective incentives than small bill credits
- A conservative estimate suggests that proper positioning of new incentives will improve the conversion rate by two-to-three-times

Looking ahead



Other Opportunities (including but not limited to):

- Tagging customer accounts with applicable segment in billing system and gearing messages and call centre interactions accordingly
- Option to develop maps and walk routes using postal codes
- Opportunities for other marketing programs

Key takeaways

1. Segmentation and personification can help provide detailed insights into who your customers are and what they want
2. Harmonized approach combining segmentation with primary research was able to optimize the quality of primary data capture
3. Segmentation can be used to understand and measure the potential opportunities available



Questions?



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