

~ Sophisticated Customer Segmentation for Utilities

Today's utilities providers are faced with the challenge of effectively managing a diverse customer base. From rural to urban, small to large, and individual to industrial, it's clear that there's no singular approach capable of meeting every customer's unique needs.

In response, many providers are adopting sophisticated segmentation programs to better serve their customer base. As it turns out, these tailored outreach strategies play a vital role in boosting satisfaction, building loyalty, and increasing payment rates—making them a win-win for you and your customers alike.

Build better relationships with your customer base

~ **72% of today's consumers** say they only pay attention to messages that are personally relevant to them, and **a whopping 91%** are more likely to shop with brands that provide offers and recommendations tailored to their needs.

The numbers don't lie—customers prefer personalized communications, and they're more likely to respond to outreach that's relatable to them. Truly effective segmentation strategies go beyond sector-based labels and basic demographic information, leveraging real-time data to understand customer wants, needs, and challenges on a deeper level. Here are some key examples:



Improved Communication

Today, leading utilities are leveraging real-time customer data to develop “personas” based on factors like energy use patterns, payment styles, and service experience. Implementing unique strategies for individuals, businesses, and industrial customers encourages more proactive and satisfying interactions at every touchpoint.

For example, AEP Ohio managed to increase customer engagement by tailoring the content included in their outreach.

With over 1.5 million customers, they've seen a significant increase in **customer engagement across all sectors**, including healthcare (84%), education (54%), and manufacturing (43%), simply by using data to uncover what information is most relevant for them.



Targeted Marketing

As utilities expand their understanding of customer lifestyles, values, and motivations, they're also able to implement more effective marketing strategies. In fact, **86% of marketers** have seen a measurable lift in business results from personalized campaigns, and reports show that these efforts can boost revenues by **up to 15%**.

When a Pennsylvania utility segmented e-Bill communications **based on targeted personas**, customer engagement increased. Persona emails saw a higher click-to-open rate (6.83% vs. 5.83%) and click-through rate (2.01% vs. 1.81%) compared to non-targeted messaging, and more customers converted to e-billing following the targeted outreach.



Enhanced Service

Segmentation provides a more cost-effective approach to managing billing, payments, and invoicing in utilities. AI and analytics provide insights into which channels and messages are most effective for different types of customers. From there, you can leverage that information to increase response rates and reduce unnecessary expenditures on ineffective outreach.

By analyzing consumption patterns and financial data, you can also identify customers who might benefit from customized payment arrangements, such as those experiencing financial hardship or undergoing significant life changes. In these instances, data determines alternative payment plans to support them through their temporary setbacks. Not only does this facilitate more timely payments, but it also enhances customer satisfaction with your brand.



Reduced Delinquency

Advanced analytics and machine learning models predict consumer outcomes with remarkable accuracy. By analyzing customer data in real-time, these tools identify high-risk segments, flagging accounts so you can adopt a more proactive approach. From there, it's possible to implement tailored mitigation strategies, such as personalized messaging and settlement offers, to improve recovery rates.

If customers fall into arrears, dividing them into distinct groups based on payment history, debt size, and risk level helps providers allocate resources more efficiently. Prioritize high-risk accounts for immediate action and offer customized solutions such as payment plans or assistance programs. Adopting personalized and data-driven strategies can significantly reduce delinquency rates while enhancing customer satisfaction and loyalty.



Modern solutions expand what's possible

~ Many utilities providers are stuck with legacy systems that lack the flexibility, configurability, and scalability to keep pace with today's evolving marketplace. Implementing effective customer segmentation strategies requires a robust, AI-native solution designed with credit risk management in mind.



Central Orchestration

Informed and content-aware credit risk management relies on access to the latest and most up-to-date customer data. You can think of a central orchestration platform as your foundation—the single source of truth where real-time and historical information is securely stored. Prioritizing configurability, scalability, and open architecture ensures this solution integrates seamlessly with other systems. Enhance operational efficiency by breaking down data silos and reducing manual labor through real-time automation.



Data-Driven Decisioning

Data is your organization's most valuable resource. Now that it's stored in one location, you're ready to put it to work. Combine powerful rules with advanced analytics to examine, analyze, and operationalize critical information. Convert data into diagrams, flow charts, and other artifacts, and configure rules and workflows based on unique customer personas. Seamless integration with existing system architecture ensures hyper-personalization at every touchpoint. With these advanced capabilities, your team can achieve more, all while reducing the strain on existing staff.

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Intelligent Insights

A dynamic sector like utilities requires an agile and adaptable solution. Easily track, measure, and visualize workflows to ensure you're optimizing outcomes for you and your customers alike. Study patterns, measure results, and identify areas for improvement, then operationalize those insights to enhance your strategic positioning. Decisioning platforms like FitLogic let you test and measure rules before taking them live, minimizing risk across your organization. Since both technical and business users can author, test, and manage decisions, everyone is able to contribute to the decision framework.



AI-Augmented Assistants

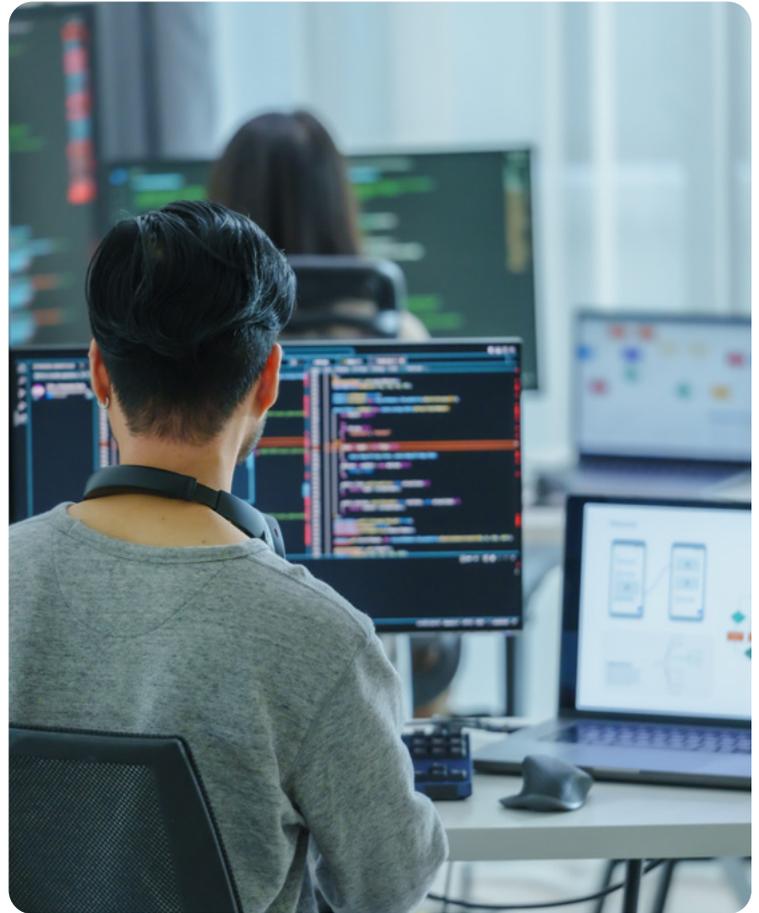
Deploy advanced AI assistants to enhance discussions and optimize resolutions. For your customers, you can deploy chatbots on your website and mobile app, leveraging data and analytics to streamline routine interactions and deliver accurate answers fast. For your teams, use AI super agents to analyze policy documents and regulatory requirements in real time, ensuring you stay in compliance with complex region-specific regulations through every interaction. Deploy AI to analyze customer sentiment, too, assisting teams in suggesting the optimal path forward at every touchpoint.



The right technology empowers you and your customers

~ Customer segmentation represents the future of utilities credit management. By communicating with customers how, when, and where they're most likely to respond, providers are increasing engagement, resulting in a more positive experience for you, your customers, and your organization.

Already, industry leaders are leveraging advanced technology to streamline onboarding, billing, account management, marketing, collections, and more. How will you operationalize real-time data and analytics within your organization.



**Customer segmentation represents
the future of utilities credit management.**

Advanced customer segmentation with C&R Software

~ With clients in more than 60 countries, C&R Software is the global leader in advanced solutions for credit risk management. Highly configurable platforms like Debt Manager and FitLogic leverage real-time data and analytics to support sophisticated segmentation strategies.

Expand your AI capabilities with ease. Our AI-native platforms are built to operationalize advanced machine learning capabilities at their core. AI chatbots and super assistants are enhancing conversations at every level.



Get in touch to learn how you can implement customer segmentation within your organization.

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