



Can social responsibility help you create an engaged customer segment?

Companies and organizations integrating smart social responsibility initiatives are able to enhance sales by as much as 20% and increase customer commitment by as much as 60%.

INTRODUCTION

The utility industry is moving towards a human-centric business philosophy and community engagement becomes a vital part for sustainable growth. In this white paper, the Gridmates team presents how social responsibility can provide a strong differentiator for modern utilities. According to Investopedia, social responsibility is the idea that businesses should balance profit-making activities with activities that benefit society. Social responsibility means that individuals and companies have a duty to act in the best interests of their environments, communities and society. We believe that social responsibility can help you engage, retain and cultivate a community of donors for your campaigns and programs.

CSR INCREASES CORPORATE REPUTATION

Using social responsibility to engage customers is not a new concept. Companies like Ben & Jerry, Microsoft, and

Google all engage in socially responsible programs which have had a positive effect to their CSR reputation. It is used as a part of their reputation management strategy to drive business growth and customer loyalty.

A great example of social responsibility is the for-profit organization TOMS. Results from a Boston Consulting Group research showed that 50% of their customers are motivated by the giving element when they buy TOMS shoes. "Most executives believe that CSR can improve profits. They understand that CSR can promote respect for their company in the marketplace which can result in

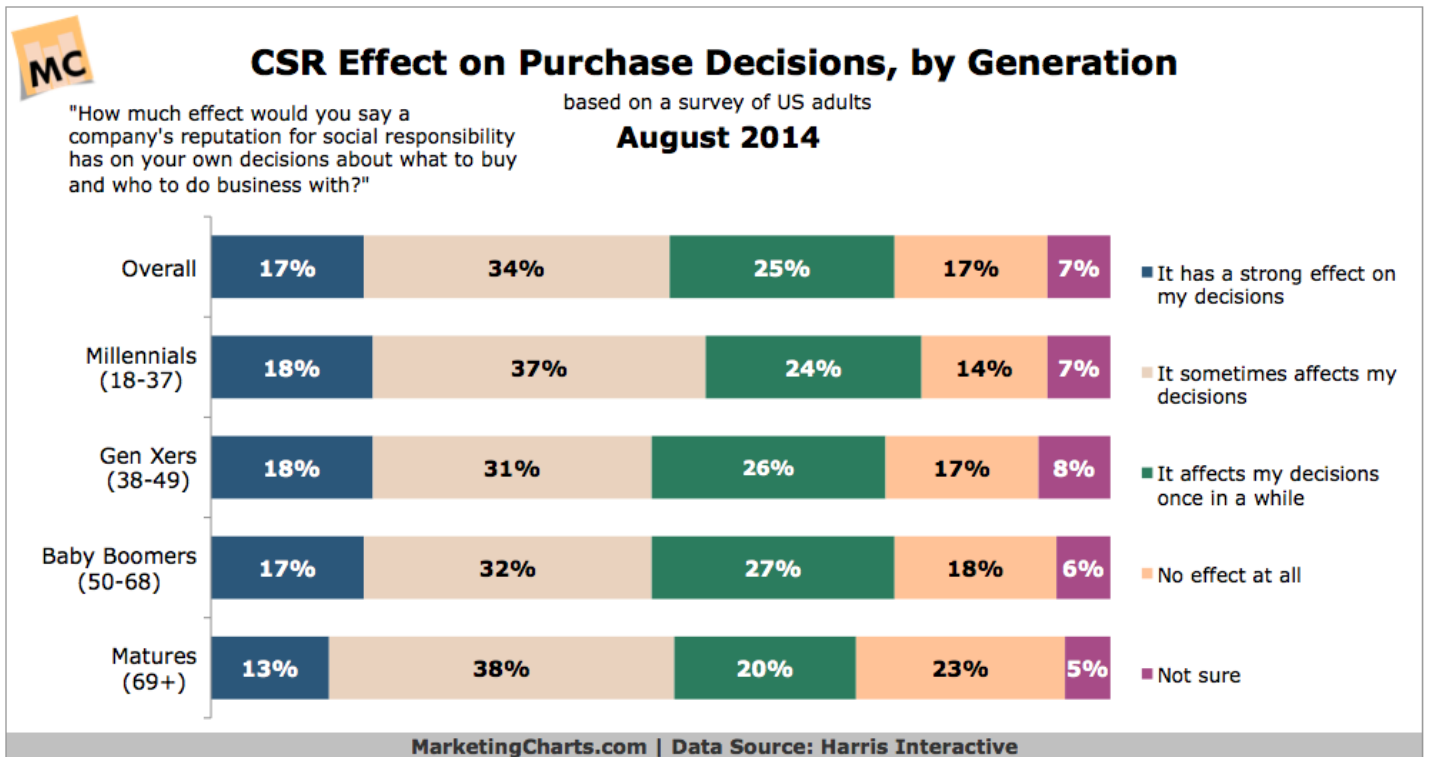


Figure 1: CSR effect on purchase decision by different generations

higher sales, enhance employee loyalty and attract better personnel to the firm."¹

Research from IO Sustainability indicated that **companies integrating corporate social responsibility initiatives are able to enhance sales by as much as 20% and increase customer commitment by as much as 60%.**²

WHAT GRIDMATES BELIEVE

When utilities invest in social responsibility they are investing in the long-term success of their communities they are serving and the overall financial health of their utility. Project ROI conducted a meta analysis of 300 studies which showed a positive causal relationship between corporate social responsibility performance and financial performance.³

Our research shows that whenever consumers have a choice, and the variables of price and service are

competitive, **they tend to choose companies that care and are involved in social responsibility programs** that affect their community. Especially Millennials who are always looking for companies that reflect their own values. A PricewaterhouseCoopers study proved that **88% of Millennials prefer companies that implement corporate social responsibility programs.**⁴

Utilities in Regulated and Deregulated markets have a mandate to sell energy and most of them offer programs to alleviate energy poverty. However, those programs are often not digitized. As a result, they have not been

¹ <http://business-ethics.com/2015/05/05/does-corporate-social-responsibility-increase-profits/>

² <https://www.inc.com/maureen-kline/how-to-drive-profits-with-corporate-social-responsibility.html>

³ <http://iosustainability.com/wp-content/uploads/2017/05/Project-ROI-Report.pdf>

⁴ <https://www.pwc.com/gx/en/managing-tomorrows-people/future-of-work/pdf/mtp-future-of-workmtp-millennials-at-work.pdf>

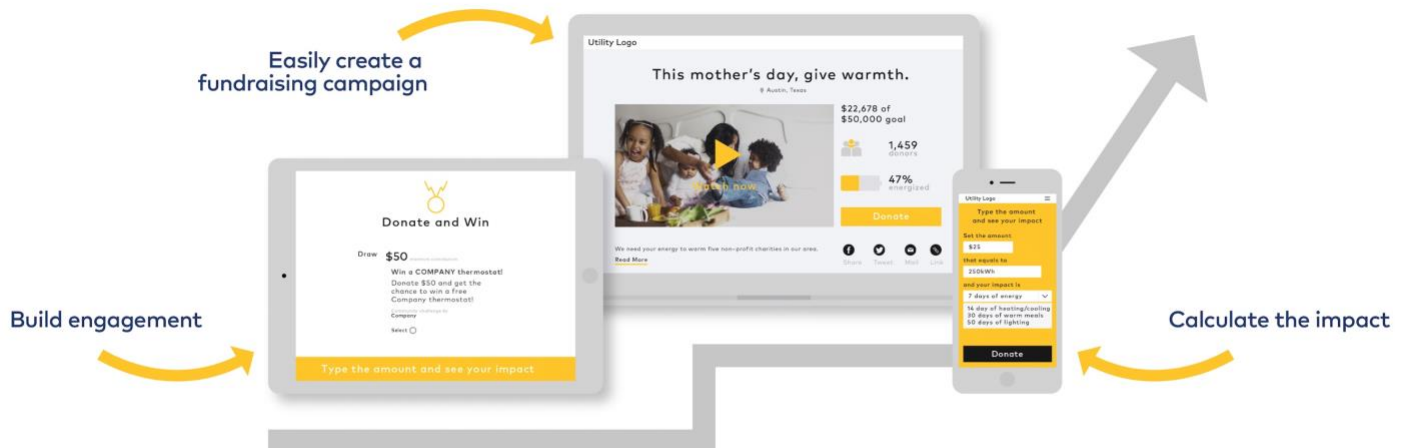


Figure 2: Gridmates digital platform for utility payment assistance programs

effective in alleviating energy poverty and are not imbedded in the overall utility go to market strategy.

“Each of these programs play an important role, but they are often disjointed and operate independently of one another, which can be confusing for individuals in need of assistance” said Dana Harmon the CEO of TEPRI- Texas Energy Poverty Research Institute.

DIGITIZATION IS THE KEY

“Our 2017 Energy Poverty Research Landscape Analysis revealed that reinventing energy consumer engagement is the most glaring and broadly agreed upon opportunity to improve energy service to low-income consumers” said Dana Harmon the CEO of TEPRI- Texas Energy Poverty Research Institute.⁵

Utilities must constantly adapt to change and digital innovation is the way to improve customer engagement. Digitization and Energy poverty programs give utilities access to customers that care about social responsibility and give those customers the opportunity to build a community of energy donors. The data collected will allow the utility to create better marketing strategies and engage with customers as individuals to better meet their needs.

We believe this is a perfect opportunity for utilities to combine social effort and digitization utilizing social responsibility as an engagement tool to better engage

with their customers, capture new ones and help alleviate energy poverty all in one stroke. To that end, we have created a technology platform for smart energy donations that helps electric/gas utilities digitize their payment assistance programs. The Gridmates platform is designed to engage millennials and GenXer customer segment by integrating social media, crowdfunding, mobile and smart grid technologies in a platform for smart energy donations.

WHAT OUR CUSTOMERS ARE SAYING: THE NEIGHBOR TO NEIGHBOR PROGRAM

To enhance the [Neighbor-to-Neighbor Program](#), Direct Energy partnered with Austin, Texas-based startup Gridmates, who was the winner of the 2016 Energy Thought Summit Startup Battle. Gridmates offers a cloud-based platform that allows individuals to crowdfund energy for those in need with a user experience familiar to anyone who has used Kickstarter or GoFundMe.

By partnering with Gridmates on this project, Direct Energy was able to develop a personalized digital destination for the Neighbor-to-Neighbor Program, where users can be more engaged in the energy donation process.

The redesigned Neighbor-to-Neighbor Program experienced one of its first real tests when the catastrophic Hurricane Harvey hit South Texas in August

⁵ <http://www.txenergypoverty.org/2017/05/tepri-releases-initial-report-on-research-landscape-analysis-of-the-energy-poverty-nexus/>



2017. Within the first 24 hours of the campaign going live, Direct Energy was able to raise over \$25,000 for relief, and by the time the campaign closed, they had raised \$50,000 — which Direct Energy then matched for a total contribution of \$100,000. The unexpected experience with Hurricane Harvey proved how nimble and engaging the Gridmates platform could be with community assistance.

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“We lead the industry through energy innovation and connected experiences that make a difference in people’s lives. Our Neighbor-to-Neighbor program is just one example of how we are doing just that. Gridmates’ simple platform provides a kick-starter-like experience in helping bring together our customers to help those in need quickly.” – said Manu Asthana, president, Direct Energy.

ABOUT GRIDMATES

Gridmates helps utility partner engage, retain and cultivate a community of energy donors. Gridmates is the world’s first technology platform for smart energy donations that empowers modern utilities fulfill their promise of social responsibility to their customers. Gridmates has been awarded by the US Department of Energy Sunshot Catalyst grant, INITIATE award from Distributech 2019 and the Energy Thought Summit.

Gridmates is looking for utilities and energy retailers who are willing to become game changers in social responsibility and significantly improve customer satisfaction and community engagement. More details about the services of Gridmates are available at <https://gridmates.com/>

REQUEST A LIVE DEMO. Send us an email at contact@gridmates.com

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