



Performance Sales and Marketing

Advisor

In-House Loyalty Programs

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Background

A Retail Energy company has two major divisions, Commercial & Industrial (C&I) and Residential. Each division has its own goals and strategies for acquiring and retaining customers.

The company was looking at how to acquire and retain high value customers for both divisions.

Issue

The company's divisions were operating in silos and there was not communication or any real relationship between the two.

The sales departments were often protective of their accounts and would not work together to acquire overlapping customers (think of Commercial companies that have employees that lived in serviceable territories).

Below are some key issues:

1. C&I division needed to find a new way to compete and not rely on pricing
2. Sales managers were operating in silos and not in communication with each other
3. Residential division needed to shift its customer portfolio to have more high value customers
4. No incentive for sales teams to work cross-functionally
5. C&I group did not trust Residential group and felt that their accounts would be negatively impacted

Approach

The Residential serviceable territories were overlapped with the C&I customer base to identify which C&I customers would have an employee base that would benefit from Residential energy.

As well, segmentation was performed on the existing Residential customer base to identify high value customers to better understand how to attract more of the same.

Some of the decisions that had to be made:

1. Strategy to build a relationship between the C&I and Residential divisions
2. Strategy for Residential to acquire more high value customers

Solution

Two loyalty programs were developed:

1. Employee VIP Program for C&I customers
2. Friends & Family Program for Residential customers

Employee VIP Program

1. Provides C&I sales group to position the energy company as a trusted advisor with their customers
2. Exclusive pricing and offers not offered to public

Friends & Family Program

1. Provides incentive to existing customer to refer their Friends & Family to subscribe to energy company
2. Exclusive pricing and offers not offered to public

In order to have these programs implemented successfully, the Customer Care group had new customer handling processes added to their procedures to handle these specific customers special to ensure that they received the best possible care.

This was critical to ensure that both sets of existing customers (C&I and Residential) did not receive any negative feedback from their employees, friends, and family.

Results

These new programs proved successful and the following results continue to add value:

1. New relationship formed between both divisions
2. Both divisions now work together to acquire overlapping customer base
3. Residential customer portfolio growing with high value customers

This project established a solid foundation for the company and has continued to be a market leader in acquiring and retaining high value customers.

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Philip founded PSM Advisor with the vision to create a new management consulting model that operates lean and takes a swat team approach by leveraging a network of specialized firms and consultants.

Philip has 20 years of experience delivering mission critical projects in various industries such as Retail Energy, Oil & Gas, Financial Services, Telecommunications, Environmental Services, Home Services and Retail Loyalty.

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