UnleashEnergy

Powered by TEG Analytics

Sales Funnel-Implementation in Retail Energy Market

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Introduction:

Let's say, you just ended a marketing campaign and today you are going to assess its effectiveness on customer acquisition front. You need to gather various reports from multiple teams around – territories targeted, channels used, costs incurred, on-flow numbers among many other factors. For each of the outreach and the channel targeted, you need to capture the conversion ratio to find out the best/worst ones. You then assimilate all this information into a legible format and bring conclusive reports to the table for a review with CXO team.

Now imagine all these tasks getting automated and available to every stakeholder at just a click of their mouse. We at TEG Analytics work at the cusp of technology and data to streamline the assimilation of information. Often, information is available in fragmented format as huge database stacks which require transformation and visualization techniques for an easy consumption by businesspeople.

We were approached by multiple clients with the requirement of developing a one-stop solution for acquisition activity analysis. To converge the efforts laid by different teams in this exercise and to assess the performance of each channel we leveraged visualization process to design a Sales Funnel.

Sales funnel tracks four major stages (can be further tweaked as per organization's requirement) of a campaign which are listed below:

a. Prospect Targeted: marketers identify prospective buyers and target them through various media
b. Prospect Interested: prospects who follow the call-to-action embedded in an outreach
c. Prospect Signed-up: interested prospect who signs-up for offer and may get onboarded in near future
d. Prospect Converted (On-flow): after signing-up a prospect is termed converted once he/she pays the first bill to the energy supplier

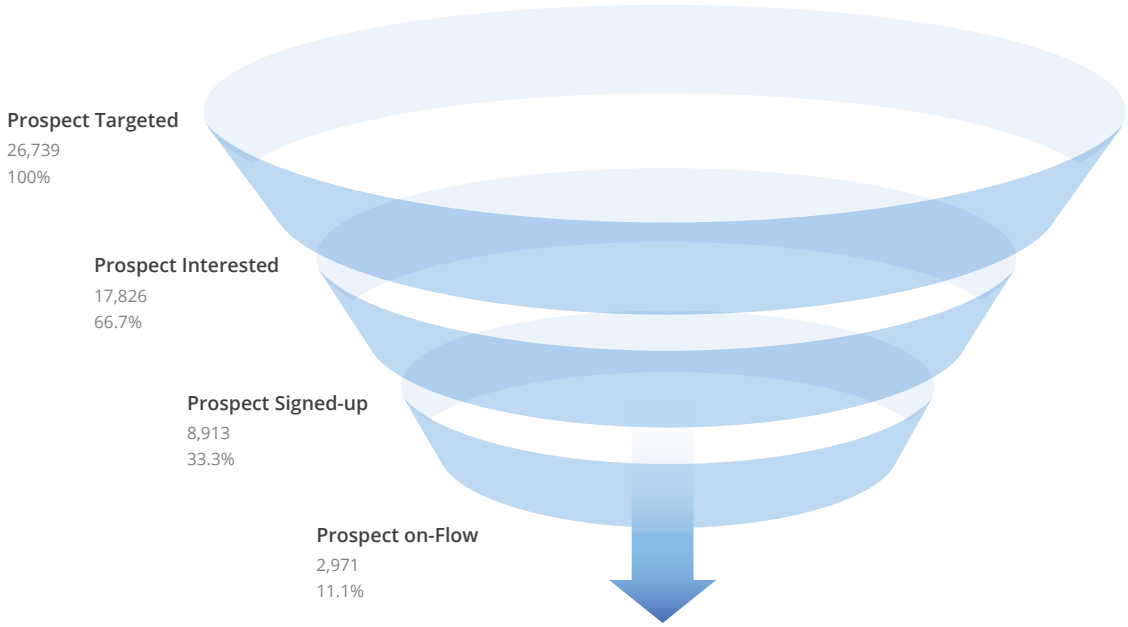

Fig: Sales Funnel (Numbers are for representation purpose only)

A prospect passes through all the stages listed above before getting on-flow for a company. At the same time there are a lot of drop-outs through these stages which are referred to as 'leak'. In sales process the number of prospects who drop off before the final stage decide the eventual cost of acquisition through that mode. Therefore, it is imperative for any marketer to know how many prospects dropped and what has been the final conversion through each channel.

The depiction of progression of prospects through the different stages is referred to as Sales Funnel as shown in figure above

Depending upon at which stage the leak happens it can be attributed to different factors such as – retention by competitor, 3rd party verification, backoffice switch failure among others. Therefore, a retail energy supplier (RES) can quick identify the exact reason behind the leak happening at each stage of an acquisition campaign. The RES player can then take preemptive actions to reduce the leak and improve conversion ratio. Sales funnel is an effective way to carry out root cause analysis for plugging the loopholes well in time. One of our client diagnosed a major problem with 3rd party verification and immediately took steps to counter the misses. It eventually resulted in pushing the prospect roll-over by 7% within next 2 successive campaigns.

Apart from tracking the customer onboarding trend, a sales funnel can be used to carry out cross-channel and intra-channel campaign comparison. Moreover, it can assist in identifying indicators highlighting demographic customer preferences in terms of mode and content of outreach. It is an excellent visualization way to assess the marketing effectiveness at channel/region level and helps in formulating customized messaging based upon existing trends. For example, if 3 campaigns are carried out over 6 months through a channel, then conversion ratio at the four designated stages of funnel can be compared for each of it. The variation in leaks happening at different stages of funnel highlights the impact of marketing activity and thereby can be used to carry out course correction by cross-pollinating the best practices from each of the campaigns. A visual case for intra-channel visualization has been depicted in figure below.

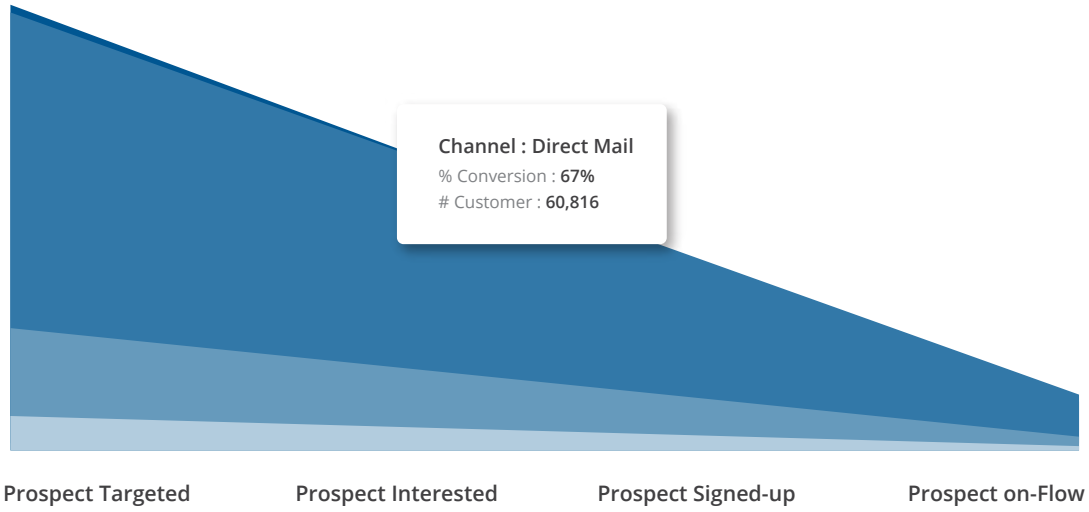

Fig: Intra-channel campaign comparison

'Leaky pipe', the term quite prevalent among retail energy suppliers, is a concern for both marketing and product teams. It signifies that either the marketing campaign wasn't carried out in the best possible way or the product launched through that campaign did not serve need of the prospects. It is directly linked to Unit Cost to Acquire (CTA) for a channel/mode employed for targeting prospects. The higher the leak the higher is the Unit CTA since same expenditure is distributed over a smaller number of prospects converted. Hence, sales funnel has multiple applications where it can be utilized by sales, marketing and product teams alike to check the prospect sentiments in a region and to formulate better personalized messaging to gain higher prospect conversion.

Why UnleashEnergy?

UnleashEnergy is a platform comprising a suite of analytical tools built only to serve retail energy players across deregulated markets in US. The platform works on a mix of both publicly available data and organization's internal data. It is built to empower the marketing, sales, operations and product teams to track their respective function accurately. The Machine Learning algorithms built into the platform learn from the retrospective data and provides a forward-looking approach to our clients.

UnleashEnergy enables faster decision-making by offering cutting edge analytics-based tools across:

- Market Intelligence
- Competition Analysis
- Customer Acquisition
- Customer Retention
- Customer LifeTime Value (CLTV) Analysis
- Pricing Simulator

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HOW WE CAN HELP

TEG envisions a world where businesses can respond real-time to the needs of their business. And such responses require insights that are generated as fast as (or faster) the rate of change in your business environment.

TEG enables organizations with its UnleashEnergy platform to generate actionable insights at the intersection of business, math and technology

TEG has helped market leaders across industry verticals (like Retail, CPG, Healthcare, BFSI) in shaping strategies powered by analytics.

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