DELIVERING A SMART HOME OFFERING FROM THE CUSTOMER UP

The ILLUME Team, with partner ID Lab, is supporting DTE Energy (DTE) with end-to-end research and consulting to expand its highly regarded DTE Insight platform through an intelligence-driven go-to-market strategy. Leveraging ILLUME's seven-step, customer-centric approach to innovation, our team combined regulatory acumen with primary research and data science to define the opportunity and DTE's competitive market position. We then used this intelligence to suggest desirable product configurations to be tested in an experimental market trial to measure customer responses to offerings as well as energy savings potential.

Unlike most top-down design models that prioritize business needs over customer desires, DTE recognized that it needed to build a solution from the customer up. DTE invested early and wisely to ensure the long-term success of the DTE Insight platform. In this way, they continue to be mavericks in defining smart home opportunities – and customer engagement strategies – in the utility space.

DISCOVER

DEFINE

TEST

1 Discovering Customer Values

In-home Ethnography:
ILLUME targeted a wide-range of DTE customers and engaged in conversations about their home and values, and how a smart home offering may or may not enhance the quality of their lives.

2 Assessing the Market

Competitive Analysis:
ILLUME examined the offerings of the smart home competitive set – from telecoms to Google to Comcast – to identify and define the competition's market offering, value proposition, product attributes, pricing, and service models.

3 Identifying Customer Product Preferences

Experimental Discrete Choice Analysis:
ILLUME worked with StatWizards' latent class discrete choice (LCDC) tools to segment the market based on customers' preferences.

4 Defining a Viable Product

Test Product Definition: ILLUME defined bundling, pricing, and service offerings for a smart home field trial. We configured specific tests to measure variation in smart home bundles and pricing models aligned with DTE's business objectives.

5 Sizing the Market Opportunity

Propensity Modeling:
Drawing on the intelligence gathered in our discrete choice analysis and using household-level customer meter and transaction data, the ILLUME team scored DTE households based on likelihood to adopt a smart home offer.

6 Identifying the Optimal Offer

Field Experiments:
ILLUME then developed a field experiment to test customer adoption by randomly assigning customers to groups receiving different offer structures. These test groups included both high- and average-propensity customers to determine the near- and long-term opportunity.

7 Delivering the Product

Go-to-Market Strategy:
Using this wealth of intelligence, ILLUME supported DTE and partner ID Lab in defining a market segmentation and targeting strategy, a customer and product journey, and marketing and outreach materials. As the market responds, our team's intelligence engine continually refines and adapts its targets to ensure cost-effective adoption of DTE's smart home services.