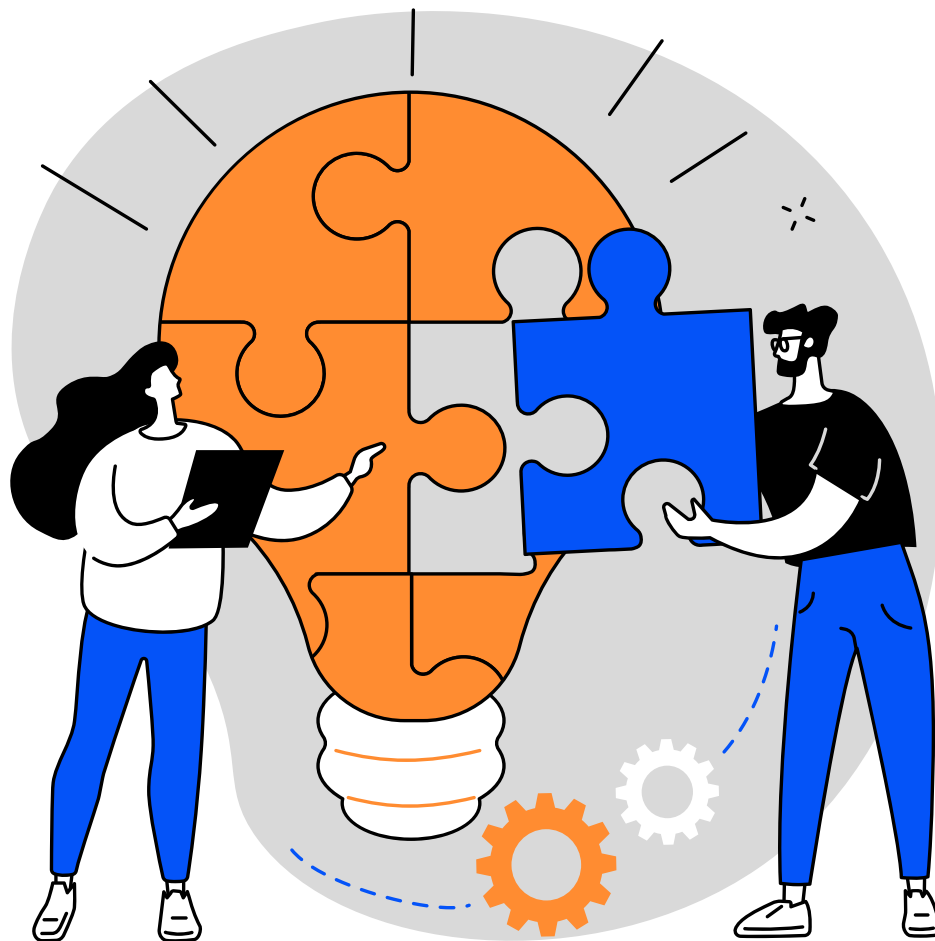


# Rewire Your Program:

## 7 Steps to Modernize EE/DR Incentives



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# Know What Customers Want — And Why It Matters

## 1.1

Recent findings from the 2024 State of Energy Payments report underscore a critical truth for EE/DR leaders: choice drives engagement.

- 74% of consumers say they're more likely to participate when given a choice in how they receive their incentive.
- 88% report higher satisfaction with incentive programs that offer multiple payment options.

These insights confirm that customer expectations are evolving — and EE/DR programs must evolve with them.

## 1.2

A successful incentive program isn't just about the amount — it's about the experience. Today's consumers expect fast, flexible payments, whether it's Venmo, PayPal, direct deposit, or prepaid cards.

Delivering incentives by check may seem standard, but to many, it feels outdated or inconvenient — especially if it takes weeks to arrive or requires a trip to the bank. This gap between how utilities pay and how customers want to be paid can lead to lower participation, frustration, and missed opportunities.

Meeting people where they are isn't just a nice-to-have — it's a strategic advantage.

“After offering customers choice in rebate payment method, we immediately saw many customers choosing methods other than a physical check, especially digital methods such as PayPal and Venmo. However, some customers do prefer checks still. This is validation that choice is critical, and being able to deliver payments in the channel the customer prefers has resulted in higher satisfaction scores for the payment delivery process as well as the rebate program as a whole.”

# Deliver Incentives Every Customer Can Use

**2.1** Financial access remains a significant barrier for many households, even in programs designed to support them. According to the FDIC:

- 19% of U.S. adults are unbanked or underbanked.
- 41% of consumers sometimes rely on costly check-cashing services, paying fees of up to 10% of the check's value.

These statistics highlight the urgent need to rethink how incentive payments are delivered — especially when serving low- to moderate-income participants.

**2.2** EE/DR programs are often publicly funded, and equity in access is not only a moral imperative — it's a regulatory expectation. Yet traditional incentive delivery methods, like mailing paper checks, can inadvertently exclude those without reliable access to banks or who face logistical challenges in cashing checks.

When participants must pay fees, wait weeks, or travel to access their incentive, the very purpose of the reward is undermined. Worse, these friction points can discourage participation from the very groups your programs aim to support.

Designing incentives with accessibility in mind ensures your outreach efforts reach everyone — not just those already plugged into the financial mainstream.

*“We discovered that CARE/FERA customers are significantly more likely to choose a payment method that is digital and not reliant on a bank account, meaning they get their payment faster and in a channel that works for them.”*

**2.3** Leading utilities and program implementers are moving beyond one-size-fits-all approaches. Instead, they're offering flexible, inclusive disbursement options such as:

- Prepaid debit cards (reloadable or single-use)
- Direct deposits to bank accounts
- PayPal and Venmo for app-based convenience

This breadth of options ensures participants — regardless of banking status, income, or geography — can access and use their incentive without delay or penalty.

**2.4** Conduct an equity audit of your current disbursement process. Ask:

- Are any groups unintentionally disadvantaged by your current approach?
- Do you offer alternatives to bank-dependent payment methods?
- Can participants choose the method that works best for them?

Work with your payment provider to add digital and options that expand financial inclusion. A truly modern program ensures no one is left behind.



# Lead With Speed: Promote Fast, Trusted Incentives

## 3.1 Incentive speed is no longer a luxury — it's an expectation.

- 70% of consumers prefer quick, digital rewards
- Immediate, visible incentives dramatically boost trust and engagement

The takeaway? Timing matters just as much as the reward itself.

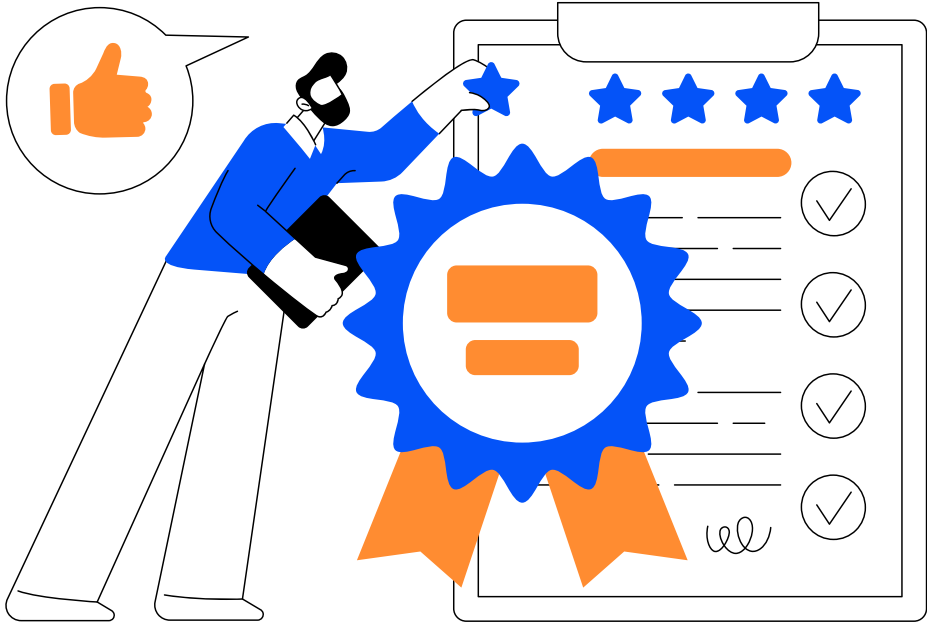
## 3.2 Today's consumers are conditioned to expect instant results — from same-day deliveries to real-time payments. In this environment, a rebate that takes weeks to arrive feels slow, outdated, and frustrating.

Long delays or unclear timelines can lead to a flood of support calls, erode trust, and make participants question whether the program is worth the effort. When incentives arrive quickly and predictably, however, they reinforce a positive feedback loop: participants feel recognized, the program feels reliable, and the path to future participation becomes smoother.

Speed isn't just about satisfaction — it's about **retention** and **reputation**.

When customers know what to expect — and when — they're more likely to stay engaged and speak positively about the experience.

“*In our previous incentive delivery process, we found a notable volume of calls to our program support team were customers asking the status of their check. Introducing instant digital payments and a more transparent communication journey for all payment methods reduced incentive status inquiries and boosted satisfaction scores with the incentive payment process.*”



**3.3** Best-in-class EE/DR programs integrate speed and transparency into every stage of the payment journey. Tactics include:

- Real-time payment delivery (ACH, PayPal, Venmo, prepaid card)
- Automated status updates via email or text
- Branded portals where participants can track their incentive in real time
- Clear communication of expected delivery timelines during sign-up

These small shifts reduce support volume and increase participant confidence from day one.

**3.4** Reframe your incentive delivery process as a customer experience opportunity.

Start by ensuring your systems support same-day or next-day payments. Then, layer in real-time updates and branded confirmation messages to reassure participants that their reward is on the way.

Finally, include these fast delivery timelines in your program marketing — speed can be a key differentiator that drives participation.

# Use Behavioral Science to Supercharge Results

“*Being able to deliver incentives in both digital and physical formats ensures that every customer receives their incentive, which helps us maximize customer retention and satisfaction for our programs.*”

**4.1** People don't always act logically — and that's okay.

Behavioral science shows that how an incentive is delivered and communicated can be more influential than how much it's worth. The framing, timing, and context of a reward often matter more than the dollar amount itself.

**4.2** Leading programs are tapping into behavioral insights to boost participation and satisfaction without necessarily increasing spend. Proven tactics include:

- Delivering partial rewards quickly to create a sense of momentum and recognition
- Using plain, clear language to reduce confusion and increase confidence
- Incorporating psychological triggers like urgency (“limited-time offer”), scarcity (“first 500 to enroll”), and social proof (“neighbors are participating too”) to prompt action

These strategies work because they align with how people actually make decisions — not how we assume they should.





### 4.3 Programs that bake behavioral science into their core design consistently outperform those that rely on financial logic alone. This includes:

- Designing payment journeys that feel intuitive and rewarding
- Reinforcing participant decisions with personalized follow-ups
- Using branded language and visuals that connect emotionally, not just transactionally

### 4.4 Take a fresh look at your current messaging, sign-up flow, and incentive structure through a behavioral lens. Ask:

- Is your language clear, direct, and motivating?
- Are you delivering rewards fast enough to reinforce the desired action?
- Could urgency, exclusivity, or peer comparisons nudge people to act?

Start small — even subtle shifts in tone, timing, or design can lead to measurable gains in participation and program impact.

# Reach the Right People With the Right Message

## 5.1 Personalized communication significantly improves program outcomes.

Programs that segment their outreach and tailor messages to specific audiences see stronger engagement rates than those using generic, one-size-fits-all approaches. When customers feel like the message was meant for them — not the masses — they're more likely to take action.

*“Utilities are increasingly focused on meeting customers where they are. By offering multiple payment options, they give people the flexibility to choose what’s most convenient for them — making it easier and more appealing to participate in programs that support a smarter, more resilient grid.”*

## 5.2 Utilities and program administrators are increasingly adopting multi-channel, multi-touch strategies built around real customer data. The most effective outreach efforts:

- Segment audiences based on household characteristics, enrollment history, or preferred communication channels
- Tailor messaging to highlight benefits that matter most to each group (e.g., cost savings, environmental impact, community connection)
- Use multiple touchpoints across email, SMS, mailers, social media, and community partnerships
- Keep the conversation going after sign-up through reminders, progress updates, and thank-you messages

Consistency and personalization build trust — and drive **participation**.



## 5.3

Start by building out basic audience personas (e.g., income-qualified families, tech-savvy renters, environmentally motivated homeowners). Then map each persona to specific communication tactics and incentive messages that resonate.

Next, review your outreach calendar. Are you sending a single email and hoping for the best? Or are you building a thoughtful journey with reminders, nudges, and value reinforcement over time?

If possible, work with your CRM or marketing platform to automate parts of this process and track what's working. The goal is to make your message feel personal — even when you're reaching thousands.

# Streamline Payouts — Save Time, Money, and Headaches

**6.1** Manual, outdated payment processes don't just frustrate customers — they cost utilities time and money. Here's what modernization can achieve:

- 30% cost reduction in payments operations (Franklin Energy)
- 50,000 fewer paper checks mailed annually (SoCalGas)
- Up to 90% fewer support calls related to incentive status

Efficient delivery isn't just operational — it's **strategic**.

*“Moving to a system where every payment is trackable has made life easier for our customers and our internal support teams. We can see exactly when a payment was sent, delivered, and redeemed — it's drastically increased customer value and satisfaction.”*

**6.2** Many EE/DR programs still rely on legacy disbursement methods — spreadsheets, paper checks, and manual tracking. These processes can be slow, error-prone, and difficult to scale. Worse, they often require customer support teams to spend hours answering payment status inquiries or resolving avoidable issues.

When payouts are delayed, inconsistent, or hard to trace, it creates unnecessary friction for both staff and participants. On the flip side, streamlining these systems creates clarity, saves time, and improves the participant experience — all while lowering operational costs.



**6.3** Utilities and program implementers leading the way have embraced automated, cloud-based disbursement platforms that integrate directly with their program data. These platforms enable:

- Batch processing for high-volume disbursements
- Full payment lifecycle visibility
- Simplified compliance and audit readiness
- Centralized reporting to track redemption and engagement rates

By reducing manual tasks and streamlining reconciliation, these systems allow program teams to focus on strategy — not troubleshooting.

**6.4** Assess your current incentive delivery workflow. Identify areas where delays, errors, or support tickets frequently occur. Then, work with your disbursement provider to implement automation and tracking features that reduce effort and increase visibility.

Consider consolidating all payment types (checks, digital, prepaid, etc.) into one unified platform — this makes it easier for your team to manage disbursements and for your participants to understand their options.

The **smoother** the payout process, the **stronger** the program performance.

# Build Loyalty and Long-Term Value

**7.1** Acquiring a new participant is significantly more expensive than retaining an existing one.

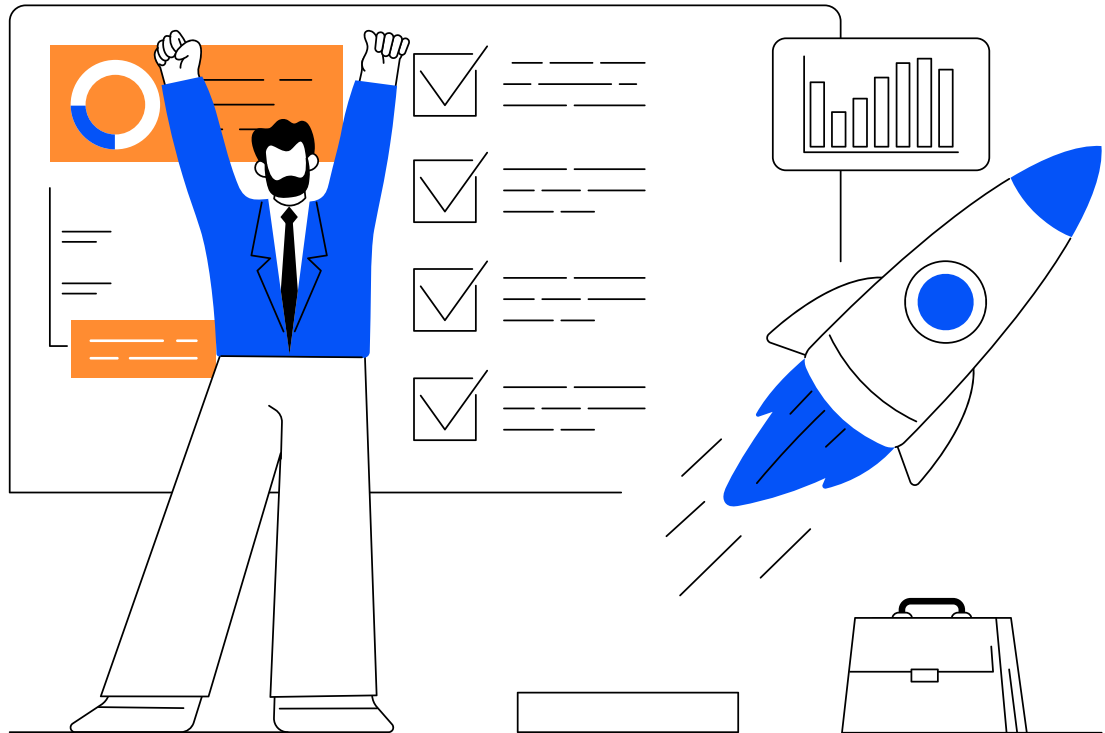
- 25–95% lower cost to retain vs. acquire (Harvard Business Review)
- 2–3x higher participation from ongoing engagement (Smart Energy Consumer Collaborative)

A well-run EE/DR program doesn't just deliver results once — it builds momentum over time.

**7.2** The most successful energy programs don't treat enrollment as the finish line. Instead, they view it as the start of a long-term relationship. Whether it's seasonal energy efficiency campaigns or recurring demand response events, program ROI improves dramatically when customers stay engaged year after year.

Retention also makes life easier. Returning participants are more familiar with your processes, less likely to need support, and more likely to promote your program to others. When participants feel rewarded and recognized beyond the initial payout, they're more likely to return — and bring others with them.

*“Utilities value a consistent partner when it comes to payments — they always want to put the customer first using clear communication in order to maximize customer retention.”*



### 7.3 Programs that succeed long-term are those that intentionally invest in post-incentive engagement. Proven tactics include:

- Milestone rewards — like bonuses for a fifth event or second year of participation
- Personalized updates — showing energy saved, dollars earned, or community impact
- Pre-event nudges — reminders about upcoming opportunities or deadlines
- Recognition campaigns — such as shout-outs to top participants or loyalty tiers
- Feedback loops — letting participants know their input shapes future offerings

These efforts go beyond compliance — they create a sense of belonging and shared purpose.

### 7.4 Map the full participant journey, from outreach to re-engagement. Identify where communication typically drops off — and fill those gaps with simple, thoughtful touchpoints that reinforce value.

Consider automated messages tied to major milestones, seasonal reminders, or program anniversaries. Use your data to personalize the experience and make participants feel known, not just numbered.

When participants feel like partners, not just recipients, your program becomes stickier, more resilient — and more **impactful**.