

SMART HOME: A ROLE FOR THE UTILITY

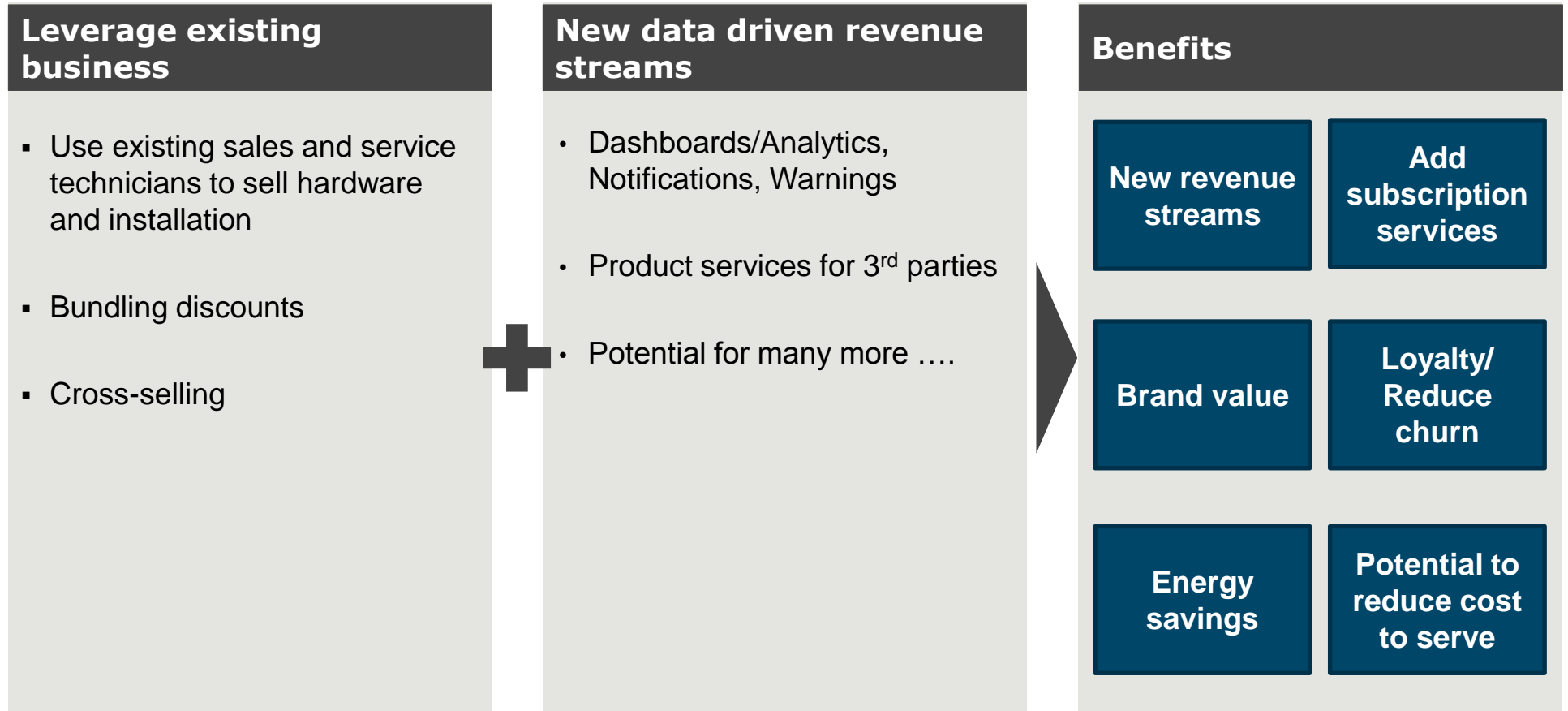
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Customer & Markets, DONG Energy**
3rd November 2015

A ROLE FOR THE UTILITY

1. **WHY UTILITIES ENTER THIS MARKET**
2. **BUILDING THE BUSINESS CASE**
 - **CUSTOMER DEMAND**
 - **VALUE DRIVERS**
3. **INTERACTING WITH OUR CUSTOMERS**

Why utilities enter this market :

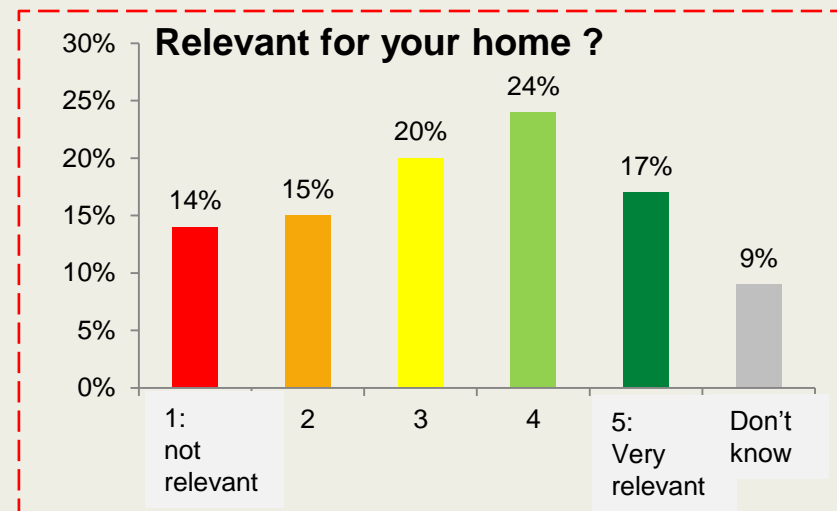
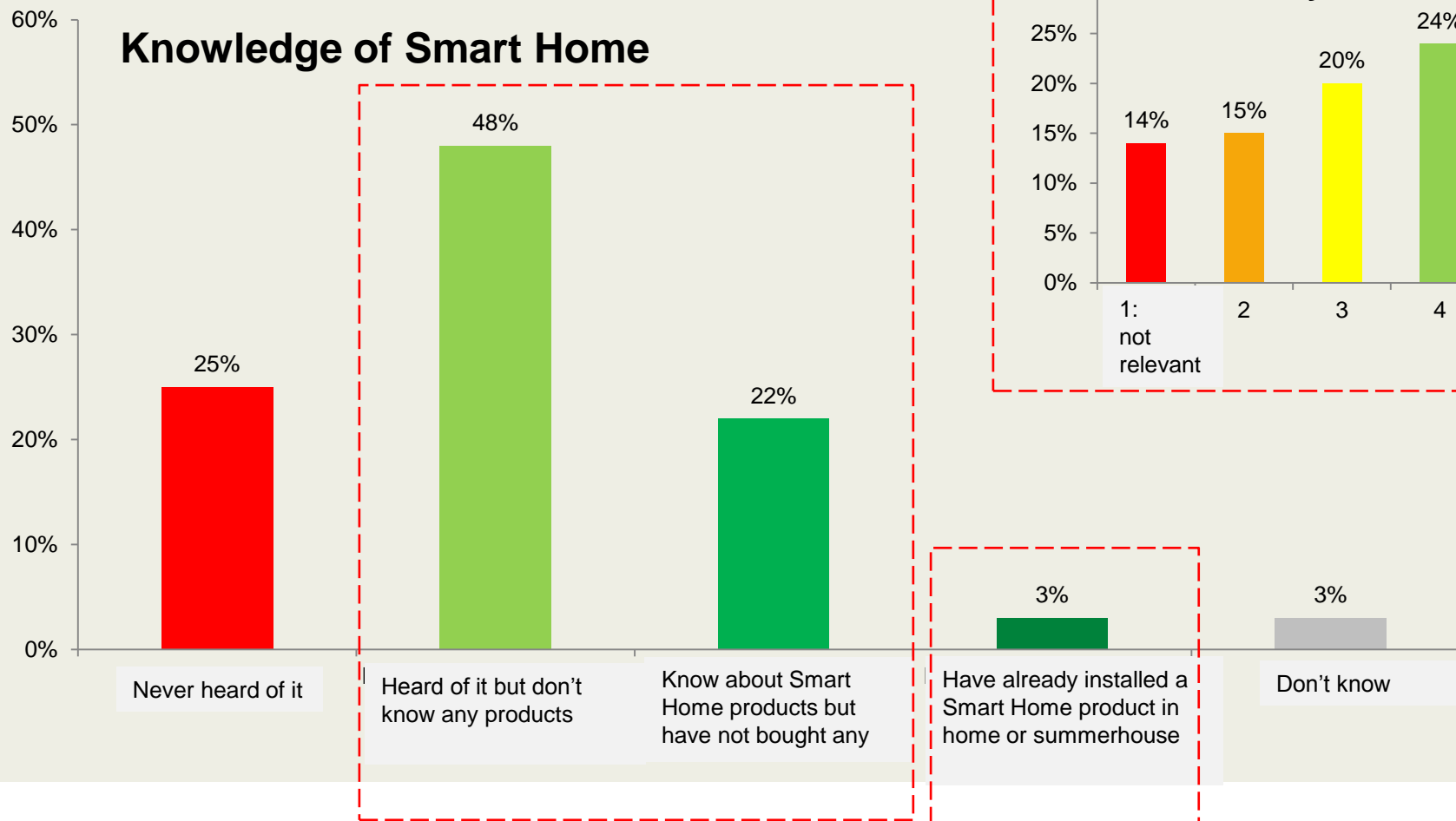
Leverage existing business and develop new revenue streams



CUSTOMER SURVEY: DEMAND AND RELEVANCE

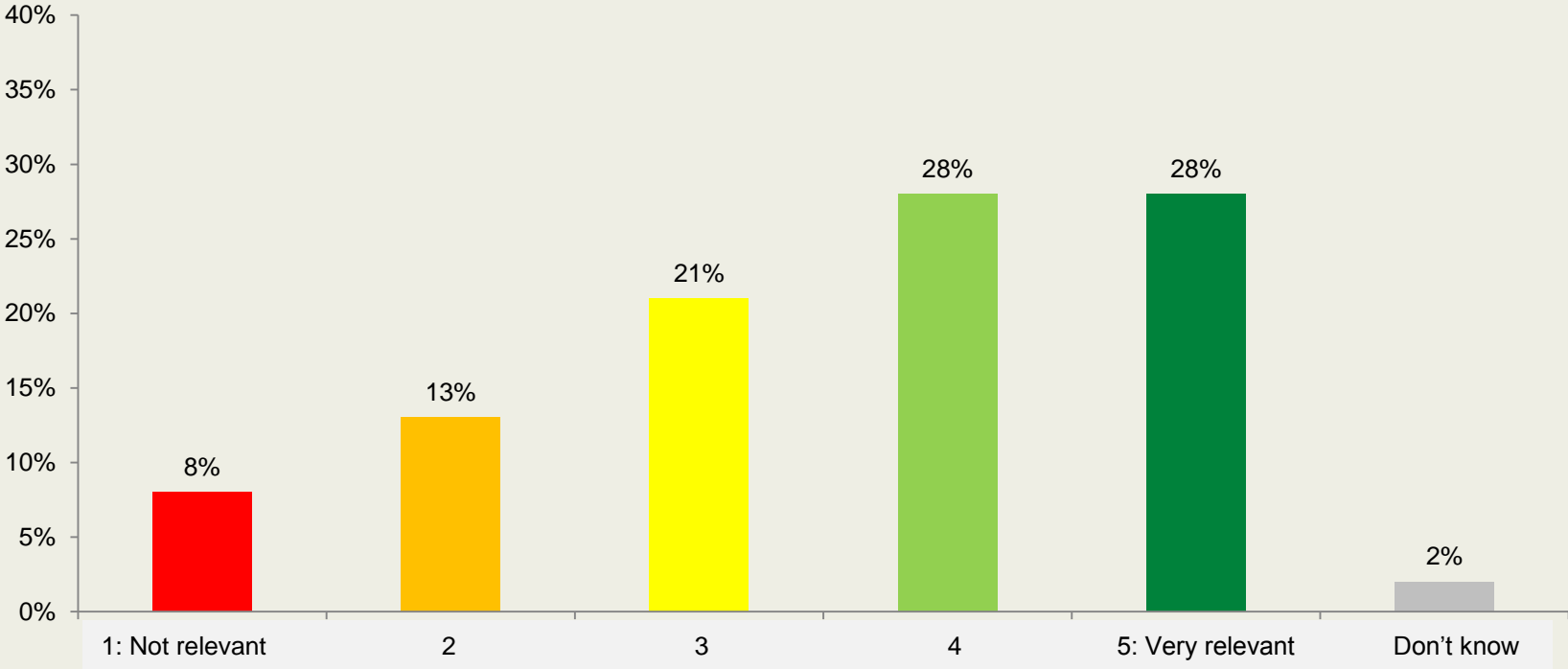


Our customers are mostly aware, have a demand but have not purchased (yet)



Will they buy products from DONG Energy?

Relevance to read about Smart Home products on DONG Energy's website ?



Data: DONG Energy's customer panel May 2015



BUILDING THE BUSINESS CASE



Utilities have several approaches to hardware penetration



Approach is determined by the market, products and capabilities

Comparison of market and product attractiveness, and capability differences

Category

Market: size and regulation

Develop, manufacture and sell own product

- Large market and exiting customer base
- High smart home penetration
- Price discounts via bundling
- Competition: differentiated product and high churn

Wait and see

- Small market and customer base
- Low smart home penetration
- Bundling discounts not allowed / limited
- Low churn – no burning platform

Products

- Homogenous product available to most of market (e.g. UK)
- Proven technology with limited technical issues
 - Reduces cost-to-serve
 - Strengthens brand

- Diverse heating market (e.g. Denmark)
 - Numerous products needed: 64% District heating, 14% gas, 11% electricity, 10% oil, underfloor heating
 - High cost to serve
 - More technical issues

Capabilities

- Multiple sales and support touch points
 - Own engineers servicing clients heating
 - Supported by sales force
- End-to-end service with low cost-to-serve/acquire

- Limited sales touch points and technical support to acquire and support customers
 - None or out-sourced service business
 - No savings with installation

INTERACTING WITH OUR CUSTOMERS

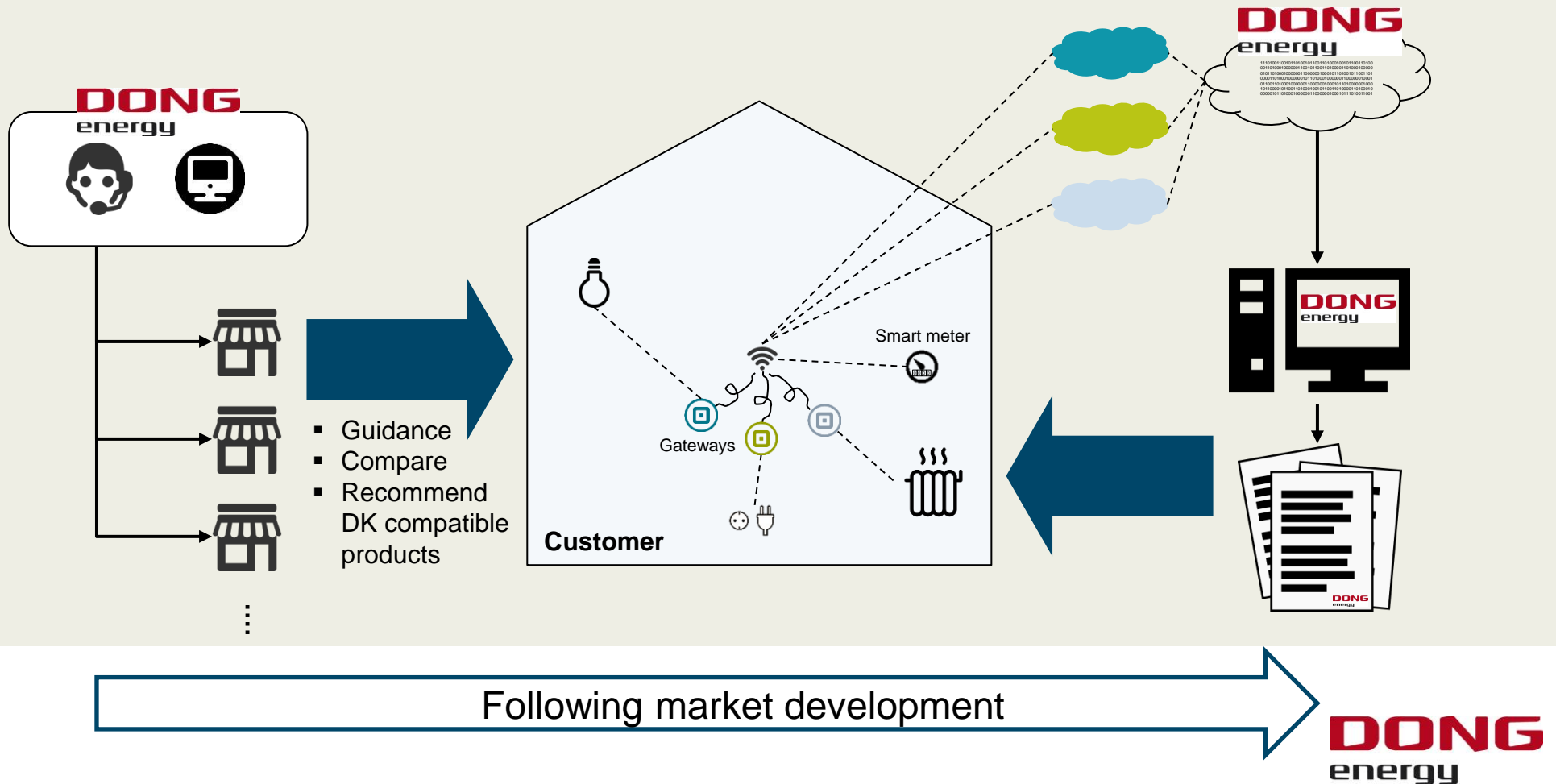


DONG Energy Approach: Hardware independent referral platform

DONG Energy helps the consumer navigate within Smart Home

Facilitate market penetration through partnerships

Aim to offer data driven products and services



Web-content describing relevant products and offering discounts



PRIVAT ERHVERV OM DONG ENERGY JOB SELVBETJENING PRIVAT SELVBETJENING ERHVERV

Produkter og priser **Energitips og tilskud** Hjælp og selvbetjening

Energitips og tilskud

Projekt Få En Lavere
Energiregning

Min Energi app

Spørg energirådgiverne

Det intelligente hjem

Smarthjem

Lysstyring

Vejrstation

Energioverblik via
touchskærm

Energioverblik - online

Energibesparelser i
hjemmet

Tilskud til
energiforbedringer

Test dit energiforbrug

Nyhedsbrev

Kundepanel

Vi besøger danskerne

DET INTELLIGENTE HJEM



Drømmer du om intelligente termostater, der automatisk sænker varmen, når du ikke er hjemme, og opvarmer boligen, til du kommer hjem igen? Eller om en intelligent lysinstallation, hvor lyset automatisk slukkes, når du forlader et rum?

Det intelligente hjem har været længe undervejs og er nu ved at vinde indpas i de danske hjem. Det betyder, at du nu kan overvåge og styre forskellige forhold i dit hjem som indeklima, elektroniske apparater og lys – alt sammen fra din computer, din tablet og din smartphone.

Intelligent varmestyring

Nye smarte termostater giver dig mulighed for at indstille temperaturen, så den automatisk sænkes, når du er væk fra boligen, og hæves, så du kommer hjem til en opvarmet bolig. Er du taget på ferie, og har du glemt at slukke for varmen, kan du let regulere varmen via din smartphone.



Og med en intelligent vejrstation og luftkvalitetsmåler kan du samtidig få et overblik over temperaturen og luftfugtigheden i dit hjem, så du altid har et behageligt indeklima.

Intelligente stikkontakter

De nye smarte stikkontakter giver dig mulighed for at styre og overvåge lyset, og dine elektroniske apparater i dit hjem direkte fra din smartphone – uanset hvor du befinder dig. Med en app kan du bl.a. lave skemaer for, hvornår dine enheder skal være tændt/slukket. På den måde kan du også...



The approach fits well with DONG Energy brand platform



A nighttime photograph of an industrial facility, possibly a refinery or power plant, with numerous lights reflecting on a body of water. The scene is dark, with the lights providing the primary illumination. The text 'THANK YOU' is overlaid in the center.

THANK YOU

DONG
energy