

## TOOL: PRODUCT DEVELOPMENT – CUSTOMER CHECKLIST

### Abstract

The guideline [Innovative product development](#) and its corresponding checklist tools [Product development – customer checklist](#), [Product development – cooperation checklist](#), [Product development – marketing strategy checklist](#) and [Product development – product checklist](#) support internal processes within utilities when developing well-aligned smart energy product and service innovations. The guideline will focus more on the process and what steps to take, while the information and questions within the checklists will help you to set up a process for information and support gathering within several departments of your utility.

### Target group:

- Product developer
- Marketing and sales department
- User-centric Products

### Recommendation for usage

The customer checklist is part of the larger guideline on product development. The guideline and its corresponding checklist tools support utilities to facilitate internal processes for developing well aligned smart energy product innovations. The checklists for the topics product, customer, cooperation, and marketing strategy are useful tools for structuring a (series of) workshop(s). Additionally, the checklists can support the work of an individual or a team in a utility in the internal process of developing a new product in dealing with different departments within the company. The checklists contain useful tips on how those different departments can work together and identify topics which so far have not played an important role for product development and product launches.

Have a look at the checklist, decide whether they have to be adapted for your specific purpose and try to fill them together with your colleagues based on the processes delineated in the guideline. The filled out checklists will help you formulate your concrete product or service and to anticipate challenges and chances. You need the answers to “make your case” for the new product and service you would like to offer in front of your CEO etc. and to get to a successful launch of the product. The exact way how to arrive here is up to you.

## What is it?

The difference between “classic” energy products (purchase of energy quantities) and “smart” energy service products become clear when looking at the customer and his needs and expectations<sup>1</sup>. The customer checklist is the most central of the checklists for product development as customer demand/need is ultimately at the heart of product development. Therefore, this checklist should be the first to be filled out in a product development process – whether it is organised as a series of workshops or in a bilateral constant exchange. The list of control questions in the checklist below is not exhaustive and can be adapted to the individual needs of the product development process. The answers to the questions can help you to flesh out your initial product idea. You can collect the answers, whether it is a “simple yes or no” or a short analysis from an expert colleague. The information collected in the checklists can then be attributed to the overall product development process, included e.g. in SWOT- or value chain-analyses etc.

In principle, every customer is in the market for classic energy products (purchase of energy quantities). With very few differentiations in these services, the price is usually the most deciding factor for the customer. Technically, the customer could decide on a service directly upon coming into contact with it (directly or indirectly). However, for reasons of financial optimization the customer will most often seek out a comparison of several products.

In contrast, the demand for smart energy service products is less certain – the customer might not feel the need to acquire a new product at all or may already have purchased it. In the selling of kWhs, every (additional) contact with the customer is an important cost factor that, in many utilities, is integrated in the product calculation and therefore in general will be avoided if possible. Customer contact and service will continue to be a cost factor in the development and sales of smart energy service products. However, for smart energy service products, these costs are harder to estimate. Additionally, customer contact in the context of smart energy service products has the potential to generate valuable knowledge about the customer (e.g. is the customer interested in energy efficiency?) and optimize customer contact development.

---

<sup>1</sup> A thorough description of these differences can be found in the guideline.

Area	Question	Yes / No	Affected corporate process	Advice and practical tips	My remarks
Customer	Who is the responsible contact person? Is it the same as for selling energy or is it a technical expert?		Product innovation Product development Sales & Marketing, Service		
Customer	Are the effects of my new product idea the same for the entire company and for the individual employees that work with them?		Sales & Marketing, Service	Unwanted negative effects are possible on the customer side, e.g. when a large potential for saving energy is identified, the work of the person responsible for energy efficiency within the company might be questioned.	
Customer	What do I know about the energy consumption behaviour of the customer (e.g. flexibility of processes)?		Product development, Sales & Marketing, Service	The question leans towards categorising (SME) customers according to segmentation criteria, similar to how private customers are categorised. How is the energy consumption behaviour compared to other companies in the same sector? Do I have a ways to assess it? Does the customer have previous experience with other (similar) products?	
Customer	Do the energy costs have a relevant/significant impact on the value creation of the customer?			What significance does energy have in the business model of the customer? Monitor cooperation in the sector to find this out!	
Customer/ Product	Is the customer open to the product? OR: Is the customer open minded towards me as the addresser?		Product development, Sales & Marketing, Service	Depending on which aspects the customer is opposed to, the overall marketing and sales planning and concept should be developed. Corresponding key questions should be integrated in the pre-testing.	
Customer/ Sales	How is the loyalty of regular customers rewarded?		Sales & Marketing, Service		
Customer	Are customer values/ churn-score/ segmentation available?		Sales & Marketing, Service		

---

This tool was developed in the S3C project, and is freely available from [www.smartgrid-engagement-toolkit.eu](http://www.smartgrid-engagement-toolkit.eu).

S3C paves the way for successful long-term end user engagement, by acknowledging that the "one" smart consumer does not exist and uniform solutions are not applicable when human nature is involved. Beyond acting as a passive consumer of energy, end users can take on different positions with respective responsibilities and opportunities. In order to promote cooperation between end users and the energy utility of the future, S3C addresses the end user on three roles. The *smart consumer* is mostly interested in lowering his/her energy bill, having stable or predictable energy bills over time and keeping comfort levels of energy services on an equal level. The *smart customer* takes up a more active role in future smart grid functioning, e.g. by becoming a producer of energy or a provider of energy services. The *smart citizen* values the development of smart grids as an opportunity to realise "we-centred" needs or motivations, e.g. affiliation, self-acceptance or community.

S3C (2012-2015) performed an extensive literature review and in-depth case study research on end user engagement in smart grids, resulting in the identification of best practices, success factors and pitfalls. The analysis of collected data and experiences led to the development of a new, optimised set of tools and guidelines to be used for the successful engagement of either Smart Consumers, Smart Customers or Smart Citizens. The S3C guidelines and tools aim to provide support to utilities in the design of an engagement strategy for both household consumers and SMEs. The collection of guidelines and tools describe the various aspects that should be taken into account when engaging with consumers, customers and citizens. More information about S3C, as well as all project deliverables, can be found at [www.s3c-project.eu](http://www.s3c-project.eu).