



HOW ENGAGING ARE YOU?



Want to offer better customer service?
Start with customer engagement. Here's
how three natural gas utilities are boosting
customer loyalty and creating more satisfied
customers, too. **BY LIN GRENSING-POPHAL**

Customer engagement is a high priority for natural gas utilities, and it's an area where they are performing quite well. Just take a look at the most recent Utility Residential Customer Satisfaction Study from J.D. Power and Associates. This year's survey shows that gas utility customer satisfaction is at an all-time high. Meanwhile, Cogent Reports™, a division of Market Strategies International, indicates that during roughly the same time period, utilities are increasingly strengthening bonds with their customers.

The American Gas Association has historically taken a very proactive role in customer engagement, as evidenced by its annual Customer Service Conference & Exposition, which it has cosponsored with the Edison Electric Institute for a number of years. This year, AGA and EEI are joining with the CS Week conference to present a single comprehensive customer service event, taking place April 25–29 in Phoenix. Customer engagement is one of the conference tracks, and for good reason: Utilities are offering innovative—and engaging—programs to connect with their customers.

Advice, Anyone?

Founded in 1823 as New York Gas Light Co., Consolidated Edison Inc. of New York is a regulated utility providing electric, gas and steam service in New York City and Westchester County.

Con Edison has created a unique way to listen to its customers on an ongoing basis through the Con Edison Advisory Community, an online panel of customers designed to drive enhanced customer experience and benefit both customers and internal stakeholders by giving easy access to customer feedback.

“We have recruited almost 11,000 customers, 1,000 of whom are commercial customers with the rest all residential, to supplement traditional customer satisfaction instruments,” said Kristen Murphy, senior planning analyst with

Con Edison, which serves a total of 1.1 million natural gas customers. “Members of the Advisory Community interact with us at least monthly through weekly topics that are delivered via online surveys and discussions.”

The Advisory Community was launched in January 2015 to provide the company with strategic and tactical insight, Murphy said. “One of the common themes we have heard loud and clear is that our customers want it to be easier to do business with us, an example of which is that they want more self-service options, and we're working to deliver on their requests.”

The utility is embarking on a complete redesign of its website and mobile channels in order to meet customers' evolving current and future needs. It will provide customers with a simple, intuitive experience, improved mobile access, personalized content and better energy management tools in order to provide a positive, engaging user experience.

“Many of the changes that will be incorporated into the planned design came to us through customer feedback, one of the sources being the Advisory Community,” said Murphy. “We used the community to gauge customer attitudes toward the current online experience and what their expectations are for the future state, and we also used the community to obtain feedback on potential home page mock-ups.” Community members will continue to provide input throughout the Digital Customer Experience project, which Murphy expects to last about three years.

Another large initiative related to customer engagement and enhanced customer experience is advanced metering infrastructure, which is an integrated system of smart meters, communications networks and data management systems that enables two-way communication between the utility and its customers. It will benefit customers by giving them access to energy usage data that will allow for better energy management. Con Edison anticipates the advanced metering

infrastructure project to be complete over the course of seven years.

In addition, through an Advisory Community online survey, Con Edison asked gas customers to explore its online gas leak map—which includes details about leaks, when and where they occurred, and when they were made safe—in an effort to gauge perceptions of the information provided and the site itself. Overall, Murphy said they found that “exploring the map left customers with a positive impression of the company and made them feel safe because the map showed issues were resolved quickly.”

However, customers' review of the map did expose navigation frustration. Based on that feedback, Con Edison made a number of changes. Another group of gas customers reviewed the map after changes were implemented, and those initial frustrations were reduced, which moved the needle on satisfaction with navigation, Murphy said. “It made a nice case study to show how we actioned the customer feedback.”

The Advisory Community also helped the company gain insight into customers' understanding of what to do during a natural gas emergency and how well customers understand basic gas safety and issues such as equipment tampering.

“During this launch, we received real-time data from the Advisory Community and used it to tweak our gas safety ads,” said Murphy. “After evaluating the customer data, we combined important aspects of two of the top ads to better reach customers with an impactful message.”

Sometimes, Murphy says, the Advisory Community is used to confirm internal hypotheses, but most often provides the company with new insights. “For example, in terms of outage notifications, we thought customers wouldn't really care about the cause. As it turns out, customers are overwhelmingly interested in the cause and they want to know it soon so that they can plan appropriately.”

Con Edison has also created a process to ensure feedback is being put to good use



PHOTO COURTESY OF CON EDISON

Con Edison's Advisory Committee let the utility know that its repair work leaves customers with a "positive impression."

by adding a step where there is follow-up with internal stakeholders to find out how the research is being used, said Murphy. It is also informing customers about the enhancements made as a result of their feedback, thus closing the loop and ensuring that they know the company is listening.

In terms of other benefits, Murphy said, "Insight from the Advisory Committee is getting people to think about applying 'voice of the customer' data to what we do. It's helping teams prioritize and save money." And for customers: "It's really helping to drive the concept of being easy to do business with us. It's exciting to see the utility market evolve due to heightened customer expectations and have a tool in place designed to keep a finger on the pulse of customer needs and interests. Our focus on improving the customer experience has received buy-in from representatives at the very top of the company."

Customized Conservation

At Madison, Wisconsin-based Alliant Energy Corp., customers are taking part in a pilot program that engages them in customized approaches to energy efficiency. So far, it seems to be the ticket to bolster customer loyalty. As part of a one-year pilot, 3,500 Alliant Energy residential customers have been using a website, www.alliantenergyadvisor.com, to monitor their own personalized plans for saving energy. The pilot was extended for a second year after a positive evaluation.

The website provides a central place where customers can get help with items on their plan and track their progress. If they have questions that the website doesn't answer, the pilot provides a dedicated phone number to reach an energy advisor. To make an upgrade, they also can be referred to a trade ally or an expert at Wisconsin Focus on Energy. Focus is the state-approved agency that

administers the financial incentives for certain energy-efficient upgrades. For example, if a customer wants to install an energy-efficient furnace, the advisor could walk them through the furnace options and the types of rebates they may receive. Focus would receive rebate information from the installing vendor and then provide the customer with the rebate check.

"We know our customers look to us for advice when it comes to energy use," said Annemarie Newman, Alliant Energy's communications program manager. "When we take steps to reach out and help them reduce or manage their bills, they appreciate it, and the proof is in our customer satisfaction scores."

Alliant Energy received a big surprise when it came to the interest in and size of the pilot group. "We actually had to close it," Newman said. "We were hoping for 1,000 pilot participants and had outlined an extensive marketing program to

gradually get us to that number. With just our initial email campaign, we ended up with 3,500 participants.”

Because the program is most directly related to customer concerns, it has credibility as a pilot, Newman said. “From a customer point of view, they have their own lives to run. Through this pilot, we’ve been able to help with a core concern—managing their energy use. This is more likely to contribute to customer loyalty.”

Jeff Adams, team lead for energy efficiency at Alliant Energy, has been involved in a state-sponsored third-party evaluation of the pilot and believes it has been successful because it’s based on prior knowledge of what’s important to customers.

“In addition, we’ve taken their comments to help improve the pilot in hopes of expanding it to all of our residential customers,” said Adams, explaining that customer comments are also helping the program team improve any shortcomings.

Newman adds that customer behavior research has been a central part of the project. “We know that some customers are

more oriented to saving money; some are motivated by environmental benefits; some are busy and their concerns may be more about comfort; and others are just trying to get by financially,” she said. “We’ve been able to talk to our customers in a way that is important to them.”

It’s an attempt to encourage consumer behavior that they might not take to readily, by talking about what is most important to them. “In the past, energy efficiency was like an ‘eat your veggies’ message, whereas this is designed to go beyond a generic sales pitch,” said Newman. “And when they’ve completed an item on the list, we can continue the conversation and encourage them to take more steps.”

With the website and access to expert assistance, 1,400 pilot participants each completed at least one project, Adams said. An example of a project would include an efficiency direct install such as changing out bulbs for compact fluorescent lamps or installing faucet aerators and tank insulation.

Newman and Adams point out the following outcomes as indicators of the

pilot’s success. Participants in Alliant Energy Advisor:

- Saved in total, on a net basis, more than 525,000 kWh and 32,000 therms according to the third-party evaluation.
- Applied for rebates from Focus on Energy 2 ½ times more often than customers in a monitored control group of nonparticipants.
- Rated the program highly for satisfaction, with 59 percent giving it a rating of 8 or above on a 10-point scale.

The pilot program’s success points to opportunities for utilities to better talk with customers about energy conservation in ways that are personal—and meaningful. Consumers save money, learn about conserving energy—and, ultimately, everyone benefits.

Making It Easy

As the process owner of customer experience for Pepco Holdings Inc., with gas customers located primarily in Delaware as part of Delmarva Power, Walter Stefy works to gather customer insights to help his utility communicate with customers more easily.

According to Stefy, along with J.D. Power and other national survey data, insights come from three primary channels.

- **Transactional surveys.** During these surveys, customers are contacted by a third party after an interaction with a customer service employee.
- **Quarterly customer satisfaction surveys, also handled by a third party, performed randomly.** Customers surveyed may or may not have had an interaction with the company. These surveys are in-depth and offer details based on modeling that allows the company to fine-tune issues relating to drivers around reliability, customer service and other categories, Stefy said.
- **Focus groups and online panels.** According to Stefy, customers are queried via focus groups before the rollout of any new program. The online panels were organized several years ago to share ideas



From higher-efficiency furnaces to faucet aerators, a pilot program at Alliant Energy is giving the utility an opportunity to talk with customers about energy conservation.

PHOTO COURTESY OF ALLIANT ENERGY

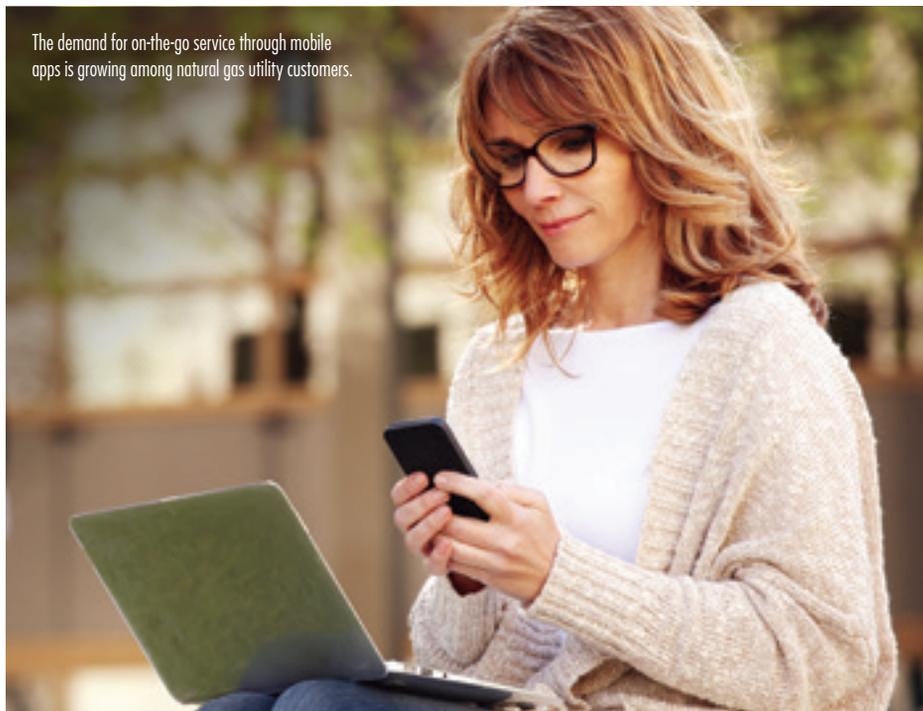
and get customers' reactions to new screens or tweaks on the company's website.

"The point of this survey work is to understand what our customers want and need, as well as exchange and embrace customer feedback due to their experiences and insights," said Stefy. But, he added: "Despite the survey results, there is one thing that we never lose sight of, and that's reliability. It's a continuous focus."

As for communication preferences, Stefy says his company offers an array of channels so that customers can self-serve. Over time, said Stefy, "We've made our self-serve options easier to use with more functions. Our IVR [interactive voice response system] is handling 40 percent of customer transactions."

The company also works to continually update and upgrade its communication channels to provide the best experience for customers. "One of our major goals is to think about the customer and help them conveniently navigate their experience through user-friendly tools and resources. We take that seriously," said Stefy. "Take our mobile app, for example. We started with an electric outage map only in 2009, then added the ability to view bills, pay bills, gain usage history and now daily and hourly comparisons to the previous year for both our electric and gas customers. Our online services and initiatives are designed to make the customer experience more convenient and give customers the information they are most interested in." Meanwhile, in the event of a natural gas outage, customers are notified via robocalls with the outage information, estimated time to restoration and when natural gas has been restored, all as part of the company's natural gas customer safety process.

The demand for on-the-go service through mobile apps is growing among natural gas utility customers.



Stefy notes that the company also works hard to ensure a consistent experience for customers of the three utilities that merged to form Pepco Holdings. "We believe it's important to have internal and external processes that are the same across the three companies," he said. "It's not uncommon to have a customer living in an area served by one brand, working in another community served by another, with a seasonal home in a third brand. We have the three brands, but we can drive consistency to ensure we make it easy for the customers."

In the meantime, the company doesn't make assumptions about the impact of its communication efforts. A focus on data is important. Stefy notes that consumers today are very savvy about technology and are impacted by their interactions with state-of-the-art companies like Amazon

and Zappos. "We can't invest as much, but we can certainly be a close follower to copy and imitate what other types of companies are offering," he said.

"Internally, one of the most important things we do is ensure our customer service and field employees understand what ties back to the drivers in terms of customer satisfaction data," Stefy added. "My team gets out and makes presentations to employees to ensure that they understand how what they do each day relates to specific drivers. If we can give better explanations about billing issues, for example, or ensure that crews update time frames for repairs and service in a timely manner, we'll get better survey results. We want our employees to know that the data ties to what they do." ♦

JOIN US AT CS WEEK

Con Edison and Pepco Holdings/Delmarva Power are just two of the natural gas utilities that will be presenting at this year's CS Week, April 25–29 in Phoenix. For more about the event, workshop topics, speakers and more, visit www.csweek.org.