Social Media for Utilities: Developing a Satisfying Customer Experience

By creating a dynamic and responsive social media presence, utilities can enhance customer interaction and influence key decisions, turning dissatisfied consumers into advocates.

Executive Summary

Customer engagement continues to be among the top concerns of utilities executives worldwide. As consumers flock to social networking platforms such as Twitter, Facebook, YouTube and LinkedIn to connect with each other and with businesses of their choosing, utilities need to incorporate social media as part of their broader customer engagement programs. Doing so will help improve the current relationship that many utilities have with their customers.1 Today, however, most utilities are taking a cautious approach to embracing social media, as they fear the backlash of negative commentary on these social forums.

In this white paper, we demystify the progress that forward-thinking utilities have made in using social media to more effectively engage with their customers. In our view, utilities that embrace social media will benefit from increased customer satisfaction. This paper offers a holistic perspective on social media strategy development, customer sentiment analysis, tactical execution and monitoring, and integration with enterprise customer relationship management (CRM). It also offers recommendations for engaging with customers in more relevant ways and meeting their ever-increasing demand for two-way communication.

Social Media Trends in Utilities

Although the utility industry as a whole lags behind other industries in adopting social media, individual utilities remain intrigued by the prospect. In the U.S, the use of social media among utilities is more established than in the UK and Europe, where social media usage only recently started to take off. According to a Pike Research 2012 report, the top two reasons that customers communicate with their utility providers through social media channels are billing issues and the need to obtain information about a utility service or program (see Figure 1, next page).2

Many utilities have ventured into this space to discuss energy conservation and efficiency, customer education, branding and promotion, and outages. Social media is gaining acceptance as a viable means of delivering vital communications, customer service issues and promotional offers. Other areas where utilities are using social media can be found in Figure 2, next page.

Implementing a Social Media Program

We have developed a four-step approach to enable utilities to implement an effective social media program (see Figure 3, page 3).
Step 1: Think Beyond the Meter
Utilities need to look beyond the meter at the customer premises and create an interactive communication channel through the use of social media. Via social channels, utilities can begin to reconnect with customers by replying to issues and responding to negative comments. The connecting power of social media can act as a complement to, not a replacement for, more traditional channels, such as customer care, e-mail, online forums, interactive voice response systems, etc.

Social media connections can be driven through the following approaches:
- **Initiate conversations**: Utilities should initiate a two-way channel, with which they interact

Utilities’ Social Media Priorities

<table>
<thead>
<tr>
<th>Crisis Communication</th>
<th>Description: Outage management and storm information is communicated in real time, such as on Twitter.</th>
<th>Examples: Dominion Virginia Power, Public Service of New Hampshire, Pepco</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Education</td>
<td>Description: Educate customers through YouTube and Facebook on topics such as recycling, renewable energy, energy efficiency, etc.</td>
<td>Examples: Florida Power &amp; Light, Xcel Energy, Nebraska Public Power District</td>
</tr>
<tr>
<td>Customer Service</td>
<td>Description: Launch a social media Web site to serve customers through Facebook, Twitter, YouTube, blogs, etc.</td>
<td>Examples: Reliant Energy, Centrica, Kentucky Public Service Commission</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>Description: Use of social media to engender energy saving behavior and educate on climate change issues and energy efficiency methods.</td>
<td>Examples: Apps like Social Energy App, JouleBug, Facebook App</td>
</tr>
<tr>
<td>Demand Response</td>
<td>Description: Platform for realizing the goal of demand response programs, which encourage and incentivize customers to reduce demand during peak periods.</td>
<td>Examples: Opower developed a Facebook app promoting an energy-saving competition among friends.</td>
</tr>
<tr>
<td>Green Energy Promotion</td>
<td>Description: Market-renewable energy service options, tapping the younger generation for green energy and carbon offset programs.</td>
<td>Examples: Duke Energy, Public Service of New Hampshire</td>
</tr>
<tr>
<td>Branding</td>
<td>Description: Platforms to monitor utilities’ brand value and for marketing-related activities.</td>
<td>Examples: Nebraska Public Power District has created a Facebook page to use for branding purposes.</td>
</tr>
<tr>
<td>Recruitment</td>
<td>Description: Use of LinkedIn to advertise positions and recruit employees.</td>
<td>Examples: Southern California Edison, Xcel Energy, Progress Energy</td>
</tr>
</tbody>
</table>

Base: 73 U.S. consumers

Figure 1

Social Media’s Emerging Consumer Imperatives

![Chart showing consumer imperatives]

Source: Various industry reports

Figure 2
not only with meters but also directly with customers. New programs and features can be easily communicated informally among customers, with the help of functions such as the "like" feature on Facebook. Twitter can be used as a communications medium with customers during outages and other crises, such as conveying storm information.

• **Drive conversations:** One of the most important aspects of blogging is to build a community in which utilities experts can answer customer questions. Utilities experts can provide advice and information on smart meter advantages and capabilities, electric vehicle charging tips, reducing energy consumption, insulation, energy efficiency, power reliability, outage reduction information, etc. A rapid response can turn disgruntled customers into ambassadors for the utility. Moreover, because these interactions occur on social media, it's open for the public to see, which can enhance the company's reputation for transparency and responsiveness.

• **Spread conversations:** Utilities can create a social mashup, a simple Web-based application that combines content and functionality from a variety of sources through highly compatible and simply installed Web plug-ins. This approach ensures a continuous information feed that alerts customers to tips for reducing energy consumption, using smart appliances, restoring power and other related information.

• **Amplify conversations:** Social media enables companies to re-distribute messages and create a “word-of-mouth” following. To enable this, utilities need to enlist their employees and influencers to help create and distribute key messages. Tools that allow amplification include:
  
  ▶ **GaggleAMP**, a platform that allows companies to amplify their social messaging by leveraging employees, customers and partners.
  
  ▶ **SocialToaster**, which helps recruit supporters to automatically create word-of-mouth referrals and traffic through Facebook, LinkedIn and Twitter.
  
  ▶ **Spread.us**, a Twitter-only tool that allows individuals to promote campaigns and blog posts.4

A simple analysis of the strengths, weaknesses, opportunities and threats (SWOT) will help utilities understand the importance of analyzing social media (see Figure 4, next page). Utilities should perform a detailed SWOT analysis based on their particular business strategy and priorities.

**Step 2: Tap Social Media Analytics, Monitor Customer Sentiments**

Utilities can act on the derived intelligence obtained from the multiplying pools of unstructured social media data to improve business results, increase brand awareness and polish their reputations. They can achieve these goals by responding to and managing crises and outages, communicating energy efficiency programs and engaging in initiatives such as online cross-selling and marketing, customer satisfaction and advocacy. Utilities can also use sophisticated analytics tools to harness the power of social data, although such tools are in the early stages.

**Making Sense of the Noise**

For utilities adopting a social media analytics strategy, it is imperative to evaluate the maturity of social media usage across different business units within the organization. This requires a consultative approach, with a detailed assessment of present-state social media adoption maturity, capabilities for adopting new technologies, a perspective on implementation feasibility and a close assessment of budgetary constraints. The real value of social media can be derived from integrating real-time insights from unstructured data with enterprise business intelligence and customer relationship management platforms to advance proactive decision-making.
Utilities can derive value from the large amount of unstructured, free-form text driven by the conversations and sentiments (positive, negative and neutral) expressed across various social media platforms. This will help them align their customer engagement strategies by listening, monitoring and acting in real-time to meet consumer requirements. Unstructured text includes comments posted on social media platforms and other blogging sites, customer care notes and customer survey responses.

**Framework Development for Data Analysis**

We have developed a social listening framework to analyze and make sense of proliferating social chatter. Using this framework, utilities can collect, process and analyze data, as well as deliver actionable business insights. Social listening and analysis is performed on the information gathered from social media, particularly from public pages, forums, blogs, news, review sites, microblogs or any publicly available data from social channels.

The framework encompasses a five-step method for generating social media data insights (see Figure 5, next page):

1. **Identify** and crawl social media sites and local consumer forums to capture relevant posts and filter out the non-relevant ones.
2. **Listen** and extract key information on products and services, energy efficiency plans and new services and symptoms, using algorithms, clusters, filters and taxonomy.
3. **Analyze** and find relevance within business contexts, relationships with company programs and issues using different analytical models and sentiment analysis.
4. **Act** and report business attributes and metrics on influence, sentiments, volume and demographics, etc. to derive actionable business insights.
5. **Integrate** and monitor analyzed information within the enterprise database for continuous insight and customer sociability.

Social business analysts at the command center can then work closely with senior leaders within the utility to determine the business scenario, industry scope and specific business cases to track, creating a “social pulse” for enterprise-
wide analysis. The utility’s command center can use established processes to collect and analyze social media data relevant to the overall organization. These processes can then be shared with various business groups (sales, marketing, customer service, etc.).

**Social Media Analytics Dashboard**

To become a socially-engaged organization, utilities need to understand and gain insights from social media through metrics, measurements, sentiment analysis and analytics reporting. A social media analytics dashboard will inform senior management on progress, strengths and weaknesses and then identify ways to improve. Linking social media analytics to organization-wide multi-channel analytics dashboards will provide utilities with a complete arsenal of business intelligence. Figure 6, next page, illustrates a sample list of metrics that utilities can use to monitor their social media presence with respect to their products and launches.7

**Step 3: Transforming Customer Engagement with the ‘Utilities Connected App’**

To increase the adoption of online customer self-service, forward-thinking utilities are proactively providing information about outages, work restoration times and emergency information on their social media and Web sites or through a mobile app. Doing so drastically reduces the volume of customer phone calls and e-mails, thus allowing utilities to maintain a lean customer care structure and reduce the overall cost to serve each customer. Using social media apps, utilities can not only share messages in an extremely quick and cost-efficient manner, but they can also tailor messages to targeted customers. This creates a win-win situation for both utilities and consumers.

**Creating Customer Impact via Social Media Apps**

Utilities can develop a social media app for environments such as Facebook to motivate more customers to use online self-service channels, acquire customers and solve issues related to customer service. The app can enable two-way communications between customers and the utility, such as a bi-directional flow of customer information from the consumer’s social media page to the utility’s page and vice versa (see Figure 7, page 7). Utilities can reap the following benefits from such an app:

- **Radically improve customer engagement** through interactive “customer journeys,” such as submitting meter reads, obtaining quotations, paying bills, sales, gathering product and service knowledge, etc.

- **Accelerate customer use of online channels** (e.g., word-of-mouth spread through the Facebook “like” feature) to perform necessary transactions, thereby increasing the online penetration of the utility’s customer base.
• Provide insights that enable customers to compare their power usage with that of their peers with similar living spaces and area zones or to compare rebate programs and heating/air conditioning services from different utilities, etc.
• Reduce dependency on traditional customer service agents, thus lowering the service center’s overhead costs.
• Cut the cost-to-serve per customer in the emerging digital age.

Basic features of a Facebook app include:

• **Brand-building:**
  > Use the social media app to “humanize” the brand.
  > Respond to customer queries and be open to feedback as a responsible and accountable utilities service provider.

• **Online account management:**
  > Account overview and summary.
  > Energy consumption graphs and analysis.
  > Communication channels (SMS messaging, e-mail, Web chat, etc.).
  > Crisis event notification and alerts.
  > Proactive energy efficiency tips.

• **Sales:**
  > Get quotes for new customers or plan change quotes.

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**Social Media Measurement Metrics**

<table>
<thead>
<tr>
<th>Key Performance Indicators (KPIs)</th>
<th>Utilities Social Analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic Analytics</strong></td>
<td><strong>Advanced Analytics</strong></td>
</tr>
<tr>
<td><strong>Billing Awareness</strong></td>
<td></td>
</tr>
<tr>
<td>Share of voice (SOV) = Number of billing-related conversations</td>
<td>Share of voice (SOV) = Number of estimated billing-related conversations</td>
</tr>
<tr>
<td></td>
<td>Total number of utilities conversations</td>
</tr>
<tr>
<td>Sentiment analysis = positive (%), negative (%) and neutral (%) Facebook comments, Twitter mentions, blogs, conversations.</td>
<td>Sentiment indicator</td>
</tr>
<tr>
<td></td>
<td>(Positive conversations - negative conversations)</td>
</tr>
<tr>
<td><strong>Trend analysis:</strong> Customer pulse on billing exception and meter reading accuracy trends.</td>
<td></td>
</tr>
<tr>
<td><strong>Energy Efficiency Program Effectiveness</strong></td>
<td></td>
</tr>
<tr>
<td>Social reach = Total number of customers across all social platforms conversing on energy efficiency (EE) programs</td>
<td>EE program launch analysis:</td>
</tr>
<tr>
<td>Number of likes + number of shares + number of blog comments</td>
<td>• By campaign</td>
</tr>
<tr>
<td>Number of published posts for utility company</td>
<td>• Per specific social platform (e.g. Twitter, Facebook)</td>
</tr>
<tr>
<td>Growth = month-over-month, quarter-over-quarter</td>
<td>• Per specific post</td>
</tr>
<tr>
<td><strong>Customer Satisfaction</strong></td>
<td></td>
</tr>
<tr>
<td>Churn rate = number of customers changing utilities</td>
<td>Social CRM and enterprise CRM integration:</td>
</tr>
<tr>
<td>Complaint visibility and feedback = Ability of marketing department or customer service executives to respond to issues raised by customers in social channels.</td>
<td>• Integrate social media customer data with enterprise ERP/CRM applications.</td>
</tr>
<tr>
<td></td>
<td>• Proactive issue resolution: Mine customer social posts to identify issues discussed and respond appropriately.</td>
</tr>
<tr>
<td></td>
<td>• Continuous monitoring: Text and sentiment analysis of social posts of customers.</td>
</tr>
<tr>
<td></td>
<td><strong>ROI of social media campaigns</strong></td>
</tr>
<tr>
<td></td>
<td><strong>ROI of traditional EE marketing campaigns</strong></td>
</tr>
</tbody>
</table>

Source: Cognizant

Figure 6
Features of a Facebook App

- Cross-selling opportunities for existing customers.
- Product and tariff management.
- Online promotional activities, such as loyalty programs, etc.
- Share interesting and customized posts rather than generic sales offers.

**Billing and payments:**
- Respond and solve billing issues.
- View billing and other online statements.
- Bill notification to customers.
- Make payment feature.
- Direct debit-enabling feature.

**Step 4: Integrating Social Media with CRM**

We live in a business world that is increasingly focused on improving the customer experience. One of the best ways to do this is to leverage existing customer insights by integrating social data with transactional and structured data contained within enterprise CRM systems.

Utilities can use social CRM to streamline and improve customer communications. This will create opportunities to address customer churn and retain brand image in a competitive and deregulated market. Further, it will help them to streamline and improve customer communications.

**Steps to Integrate CRM and Social Media Data**

The steps needed to integrate social media with CRM data depend on the organization’s CRM maturity and, most importantly, on the way it manages customers. Integrating CRM and social media data should be about converting conversations into transactions. It is about going beyond Facebook, Twitter and other social media channels and finding ways to enter into a boundaryless world, where customers are in control of the conversation.9

- **Analyze the conversation data:** Listen to and understand unstructured conversations from consumers.
- **Understand the social presence of customers:** Gather information on customers’ social media presence and create a social map of their details within the CRM system and marketing database.
- **Define the social media strategy:** Define how the social media strategy aligns with organizational goals and objectives through people, processes and technologies.
- **Operationalize the social media plan:** Establish a social media roadmap based on the requirements and processes. Utilities need to consider these three levers:
  - **People:** Culture, skills, training, planning policies, governance, etc.
  - **Process:** Organizational processes, such as marketing, sales, customer service, knowledge management, human resources, customer data management, etc.
  - **Technologies:** Content management, integration, infrastructure, analytics, software, specific use cases, etc.
- **Prepare traditional CRM to be ready for social media:** Upgrade and modify the workflow, processes, rules, data structure, training, call center, people, etc. with existing CRM systems to enable more effective integration with social data.
- **Manage organizational change management:** Create a social business change management plan and involve customer-facing departments like marketing, human resources, branding and promotion, etc. to align common goals.
- **Integrate with existing CRM systems:** Finally, integrate social data with the CRM database, along with social analytics tools, to spot negative comments and work with the business to design quick-response capabilities to protect brand reputation.
**Risk and Mitigation Strategy**

In this digital world, communications channels have greatly changed, while the regulatory obligations of utilities across various geographies have remained the same. Therefore, it’s necessary for companies to be accustomed to both the opportunities for and the regulatory concerns posed by social media.

Embracing social media poses risks for utilities; however, companies should not avoid the inevitable. A risk mitigation strategy can alleviate the impact of negative events and other risks, based on internal organizational strengths (see Figure 8).10

**Socializing the Plan**

Customers are choosing social media platforms to interact with brands of choice and for assistance on products and services. Given this social shift in customer mind-set, it is imperative for utilities to create a social media policy for employees, senior management and contractors; continue to track basic social media performance indicators; monitor social conversations; and address issues when they occur.

Utilities should implement a proactive social media listening program and generate timely reports for their marketing departments so they can detect negative comments and engage with them before they influence overall market sentiment. To do this, utilities need to design a synchronized event-response center to educate customers on relevant facts and information on their various initiatives. At the enterprise level, this will be achieved by integrating social media with CRM strategies. Thus, utilities would be wise from the get-go to create risk mitigation plans and utilize social tools and techniques to portray a new, transparent, innovative and customer-friendly brand image.

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### Known Risks

<table>
<thead>
<tr>
<th>Known Risks</th>
<th>Risk Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative Comments</td>
<td>A proper response protocol should be in place as part of the social media strategy. Negative comments should be handled by the appropriate departments, such as marketing, branding, human resources, business solutions (smart meters, energy efficiency, demand response, etc.). Proper monitoring mechanisms need to be in place to delete offensive and inappropriate comments.</td>
</tr>
<tr>
<td>Privacy Risks</td>
<td>If proprietary or personal information needs to be shared (such as account details, billing issues, etc.), utilities should encourage customers to interact offline with utilities or customer care executives.</td>
</tr>
<tr>
<td>Data Security</td>
<td>Utilities should have proper software protections and firewalls in place to protect utilities’ social media sites, such as blogs, Facebook, Twitter, etc.</td>
</tr>
<tr>
<td>Updated Information</td>
<td>Utilities’ marketing teams should examine information posted on social media sites (as part of the social media strategy) to ensure that customers are provided with the latest information.</td>
</tr>
<tr>
<td>Legal Risks</td>
<td>Utilities should abide by proper Web site crawling guidelines (such as robots.txt guidance) and should not crawl and analyze personal customer information obtained via social media platforms.</td>
</tr>
<tr>
<td>Fraud Risks</td>
<td>Utilities should provide adequate anti-fraud training to managers and employees to ensure appropriate social media usage and to identify and respond to fraudulent activities.</td>
</tr>
</tbody>
</table>

**Figure 8**
Footnotes

1 “The Rise of Smart Customers,” Ernst & Young, 2011, [link]. The survey shows 75% of respondents reported a negative relationship with their energy supplier, and none rated the relationship as positive.


5 Dr. Freimut Bodendorf, “Social Media Analytics,” Institute of Information Systems, University of Erlangen-Nuremberg, January 2011, [link].

6 A command center is a monitoring and analysis center in which utilities can track the “social pulse” of customers for enterprise-wide analysis. It uses standard frameworks and processes to collect and analyze conversations, obtain competitive insights and extract customer sentiments. The resulting social media analysis can be passed on to different business groups. The command center engagement model setup can be accomplished through partnerships, joint ventures, managed services and other evolving business models.


8 A customer journey is a map in the form of a diagram or writeup that illustrates the steps customers undergo when engaging with utilities for products and services, including the online experience, sales, new product launches or any other combination. It represents the different touchpoints that characterize customer interaction with the service provided by the utility.


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