VERINT. EXPERIENCE INDEX:

ELECTRIC UTILITIES

Company Satisfaction, NPS[†], and Omnichannel Insights

Plus COVID-19 findings and best practices from utilities on the front lines



Providers that Make CX a Bright Spot Boost CSAT & ROI

Electricity consumers want simplicity, so utilities need to embrace complexity and respond to it with coordinated action.

Your customers are omnichannel consumers—paying bills on web and mobile, calling the contact center about outages, and discussing problems on social media. Their needs—for services, support, and products—change depending on personal circumstances. And while they have firm values, they're open to new services and ways of engaging.

The ROI of CX for Electric Utilities

Customers who report having a great experience have a:

142%

higher recommendation intent

133% ↑ higher retention rate

125%
increase in provider trust

66%

higher digital-usage intent

Customers speak up about their experiences

While those factors reveal a complex environment, this report demonstrates that if providers listen across the journey and work smart with the data they collect, they can easily understand, engage with, and delight their customers. With input from more than 6,200 electric utility customers, this Verint Experience Index report uncovers important CX trends and insights, including:

- Which U.S. electricity providers are winning on CX (pages 5 and 6).
- Digital is often a dominant channel, but the journey is omnichannel (page 8) —and agents matter a lot (page 11).
- Failures on digital may lower satisfaction and cost providers millions (page 9) and self-serve outage reporting may improve satisfaction and lower costs (pages 12 and 13).
- Price is always top of mind (<u>page 7</u>), but service and reputation are vital to CX (<u>page 10</u>).
- The right communication and prioritization efforts around products, services, and personalization can yield big CSAT gains—more than 7 points with one customer persona (pages <u>15</u> – <u>18</u>).

Customers with a great experience have a CSAI ≥ 80 and are compared to those who have a CSAT ≤ 60.

Utilities & COVID-19: CX Challenges, Impacts, and Best Practices

The COVID-19 pandemic has changed the way every business operates. How has it impacted the utility industry? We interviewed more than a dozen CX professionals—insight analysts, digital experience planners, UX managers, customer support directors, and others—from a range of providers to find out what challenges they've faced, how they've worked to understand and meet shifting customer needs, and what they think the future holds.

Q: How did you adapt your CX approach?

"Customers needed new kinds of support and assistance," was the overwhelming response. While payment and disconnect moratoriums caused a drop in some engagements, like bill pay, providers added web pages guiding customers toward state, federal, and company assistance programs related to COVID-19. Some added digital services like text-based account management and medical baseline applications, or adapted existing self-service initiatives to include more flexible payment arrangements. One provider developed a small-business concierge service, and another added head count, including a new "energy advocate" position to provide a broader range of personalized assistance. "It's been amazing to see everyone step up—we've focused on customers and on each other."

Q: What changed in the contact center?

The transition to work from home was smooth for most companies, due in part to moratoriums. "Calls dropped more than 30%," said one provider, with others seeing similar decreases. It also appears that home-based representatives improved response times during emergencies, and allowed for customer outreach—a positive change noted by every provider. "We became more proactive. Our reps weren't calling about late payments, they're reaching out to offer help. It's improved satisfaction, and it's likely we'll continue it post-pandemic."

Q: What role did communications play in your response?

All providers increased or adapted customer communications across channels. "We didn't want to be tone deaf, so we re-evaluated.

We focused on customers. Anything else was pulled." Some put new emphasis on segmenting based on financial situations, being more deliberate with calls to action, and promoting enrollment in payment programs. One provider created a popular webinar around assistance initiatives. Most reported a sharp increase in scams targeting customers and noted their efforts to educate consumers. Said one, "We went beyond our usual methods and started a paid social media push to warn customers about the danger and help those who had been victimized."

Q: Has COVID impacted CSAT or digital satisfaction?

Most noted high traffic on assistance-related pages—one as high as 172% YOY. Online account transactions increased but online payments decreased. All have seen steady or slightly better CSAT scores, and attribute it in part to the pause in disconnects and payment moratoriums. But providers also credit customer outreach efforts, expanded payment assistance programs, and enhancements to online payment processes. "We saw more positive feedback around improvements we'd made to the digital payment process prior to the pandemic—a 4.9% increase in web CSAT and a 3.5% increase on mobile."

Q: Did you adapt your CX/VoC data collection?

Several added questions to feedback tools to gauge COVID-19 concerns, with one explaining, "We're using a post-transactional survey to understand the impact on households. It will guide our post-moratorium strategies as we think about recouping losses." Said another, "We're doing more end-to-end and attribution modeling, tracking the journey from opens, clicks, payment arrangements, etc." One mentioned the rich data coming in through their contact center, which they combine with social media tracking to escalate issues and identify customers in need of an energy advocate.

Q: What permanent changes do you see happening?

"Digital expectations are heightened. A native app didn't make financial sense before, but that's changed." Many plan to invest in going above and beyond for customers—more self-serve, speech enhancement technology, and IVR. One noted COVID revealed a need to communicate in more languages, and that all future communications will cover 15 languages, each with corresponding measurement data. One summed things up this way: "We need to think outside of box, use best practices from retail and other industries. We need to take off our CX blinders."

Q: What's next?

"The end of moratoriums is a cliff we're all facing." Utilities are bracing for an influx of calls, payment arrangements, and increased engagement. Many are getting self-serve processes in place to handle the volume.

"All of this impacts our future CX goal setting: What expectations can I, as the CX measurement expert, set within our company?"

Electric Utility Rankings

How 25 top providers in the U.S. rank on company satisfaction and NPS

RANK		CSAT SCORE	NPS
1	Florida Power & Light Co (NextEra)	81.6	44.0
2	Georgia Power Co (A Southern Company)	79.5	32.4
3	TXU Energy	79.1	30.0
4	Duke Energy (Carolinas)	78.6	24.4
5	DTE Energy	78.4	32.2
6	Southern California Edison Co	77.8	22.3
7	Xcel Energy (Northern States Power Co)	77.6	24.6
8	Reliant	77.2	28.6
9	Entergy Louisiana	77.0	26.6
10	ComEd (An Exelon Company)	76.9	21.1
11	Consumers Energy	76 .7	27.2
12	Xcel Energy (Public Service Co of Colorado)	76 .3	20.8

The 25 U.S. electricity providers with the most residential customers according to the U.S. Energy Information Administration were chosen for this study. See last page for CSAT and NPS definitions.

RANK		CSAT SCORE	NPS
13	PSE&G	76.2	28.6
14	Baltimore Gas & Electric (BGE)	76.2	21.1
15	Dominion Energy	76 .0	21.7
16	Con Edison	75.6	16.7
17	PECO Energy	75.0	19.8
18	Alabama Power (A Southern Company)	74.9	18.3
19	Duke Energy (Florida)	74.8	18.8
20	National Grid	74.7	14.5
21	Ameren Missouri	74.6	14.8
22	Duke Energy (Progress)	74.2	16.6
23	Los Angeles Department of Water & Power	73.1	6.4
24	Arizona Public Service Co (APS)	68.1	-10.8
25	Pacific Gas & Electric Co.	63.8	-12.4

Experience Driver Scorecards

The Index measures four key drivers that impact a customer's overall satisfaction with their experience: customer service, electricity service, price, and website. This chart shows which providers deliver winning experiences for each driver.

RANK	CUSTOMER SERVICE Ease of contact, responsiveness, resolution	ELECTRICITY SERVICE Consistency of service, restoration speed	PRICE Rate based on quality, clarity of billing, competitiveness	WEBSITE Ease of finding, relevant info, speed
1	80.5	83.4 EPL	78.0	82.1
2	▲ Georgia Power 80.3	▲ Georgia Power 81.7	TXU 76.9	▲ Georgia Power 80.6
3	TXU 80.2	TXU 81.1	▲ Georgia Power 75.1	TXU 79.4
4	reliant ^{**} ^{78.4}	reliant [®] 81.0	reliant. 74.7	reliant.** 79.2
5	€ Entergy 78 .3	Entergy 80.5	Entergy 73.8	DTE 78.9

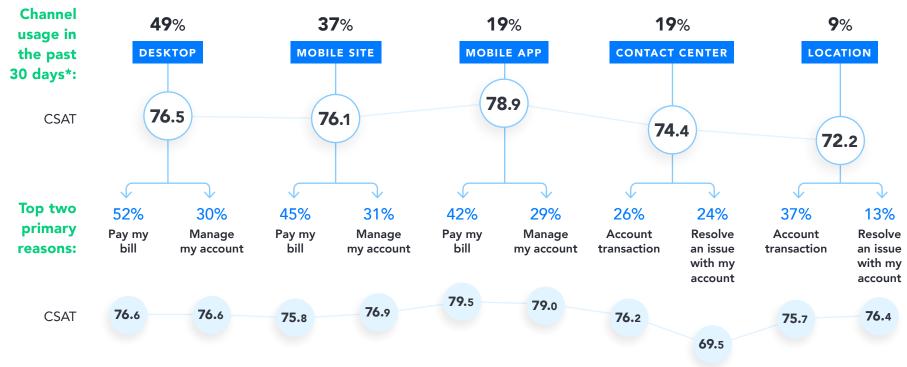
What Really Impacts Satisfaction?

Companies often focus on improving their lowest-scoring drivers—but that may not deliver the results they want. Verint's predictive model reveals which drivers have the highest impact on satisfaction, helping companies prioritize improvements based on what's truly important to customers and what will most impact future behaviors. For electricity consumers, price is the biggest driver of satisfaction with providers.

	EPL	▲ Georgia Power	TXU energy	reliant.	€ Entergy
CUSTOMER SERVICE Ease of contact, responsiveness, resolution	2	<u>3</u>	2	<u>3</u>	2
ELECTRICITY SERVICE Consistency of service, restoration speed	<u>3</u>	2	<u>3</u>	2	4
PRICE Rate based on quality, clarity of billing, competitiveness	1	1	1	1	1
WEBSITE Ease of finding, relevant info, speed	4	4	4	4	<u>3</u>

Channel Use: The Good, the Bad, and the Costly

Customers engaging in routine tasks turn to web and mobile. That combination of accomplishing a common task on a digital channel may account for higher overall satisfaction. It's when account issues occur that customers resort to contact centers and locations, both of which can drive costs up and CSAT down.



^{*}Not all channels shown.

Digital Failures Cost Millions in the Contact Center

Utilities that improve digital services can cut contact center costs—by a lot

Providers that improve digital tools help customers accomplish tasks simply and quickly—if they're designed well. Poor experiences on web and mobile leave customers no choice but to contact an agent, where service costs are steep.



Reason for engaging with the contact center after digital:



29% couldn't find information or found site navigation difficult.



encountered technical issues or error messages.

If one-quarter could self-service digitally, electricity providers could save

\$945,000

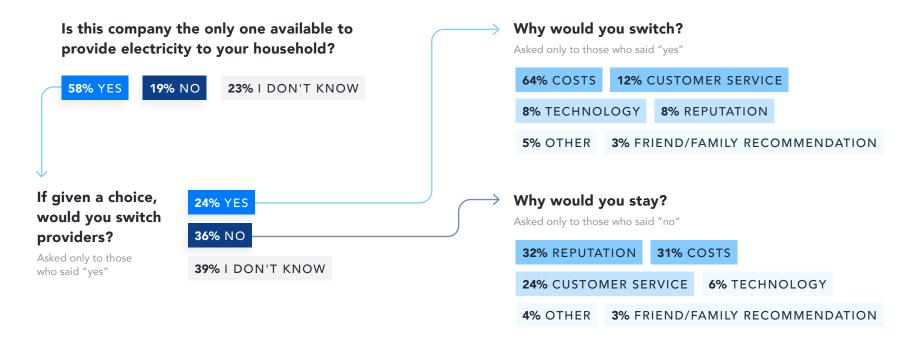
for every one million contact center interactions.*

^{*}Based on call cost of \$1 per minute and average call time of 9 minutes.

Why Customers Stay: Reputation, Price, & Service

Balancing customer values can pay off for regulated and unregulated providers

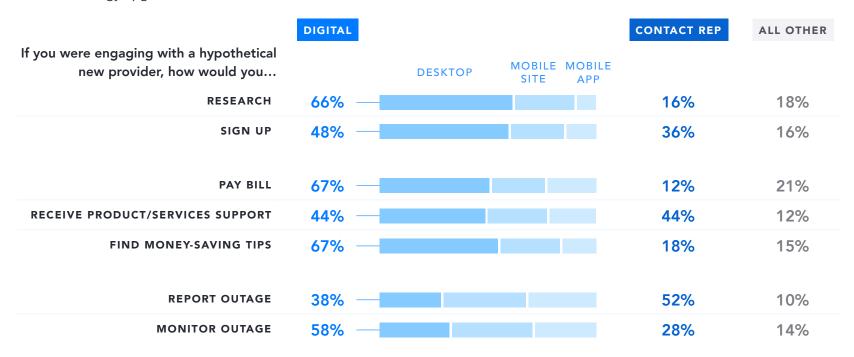
When customers prefer to switch electricity providers, cost is the top reason (64%). But when customers choose to stay, a third cite the company's reputation, a third say costs, and a quarter credit customer service. That means investing in attentive services and brand-value communications could pay off for all providers.



It's a Digital-Dominant Journey—But Agents are Vital

Good CX gives customers the right digital tools while enabling connection with real people

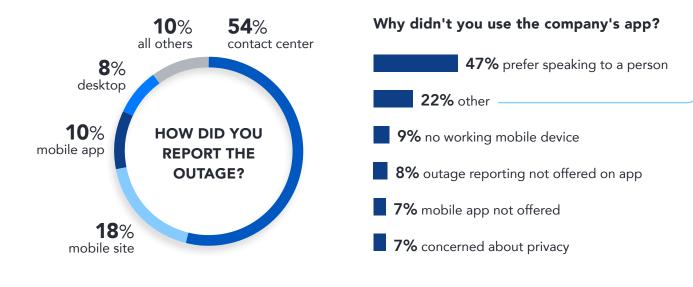
Customer education, enablement, and communication can often increase digital self-service levels (sign up, outage reporting, etc.) better than technology upgrades can—and at lower cost.



This series of questions is hypothetical and assumes there is a choice in provider selection.

Outage Reporting: Just 1 in 3 Self-Serve on Digital

Only about a third of customers (37%) said they used a digital channel to report an outage, compared to 54% who used the contact center. What drives customers to call? The assurance of person-to-person interaction, and discomfort or distrust of apps.



Other reasons they avoid reporting outages via app:

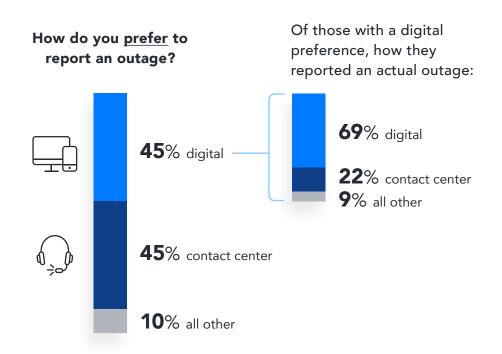
- Don't want app on phone
- Don't trust app accuracy
- Other channels faster/easier

"I do not want to download another app for something I do not use that often."

"I just fear that they would not check and respond in a timely manner."

Outage Reporting: Increased App Use Saves +\$495K

Providers can increase app usage by communicating tutorials, features, and benefits—including that app reporting is faster and more accurate than reporting by phone—and ensuring reporting tools are simple and easy to find. Improving app capabilities and reliability is also key, so consider investing in upgrades that enhance the experience.



If one-quarter who prefer digital reported outages digitally instead of via contact center, providers could save

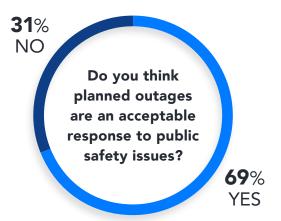
\$495,000

for every one million calls.*

^{*}Based on call cost of \$1 per minute and average call time of 9 minutes.

Customers Willing to Accept Planned Outages—with Caveats

At an aggregate-level, almost 7 in 10 report that temporarily shutting off power for public safety is acceptable. But customers have strong opinions about how they should be handled—and avoided.



How can providers decrease the frequency of planned outages and better prepare customers for dealing with them when unavoidable?

DECREASE FREQUENCY:

- Maintain/upgrade infrastructure and clear power line/station areas at their own cost, without impact to customers.
- Bury power lines, use generators or other energy alternatives, and reduce energy for households during times of high risk.

PREPARE CUSTOMERS:

- Communicate with communities before power goes off.
- Ensure shutdown policies/practices are fair and not overly impacting lower socio-economic communities or customers with health concerns.

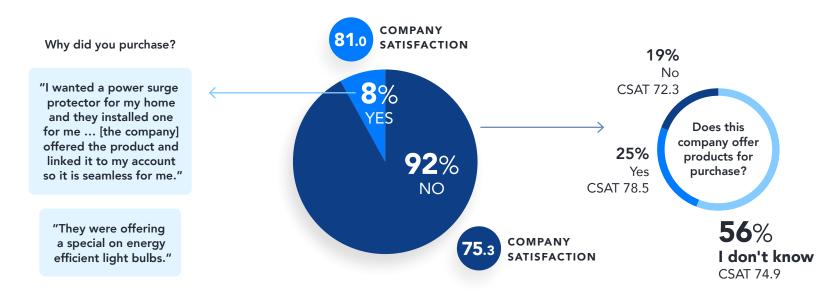
"Get to work on the actual infrastructure instead of inconveniencing customers."

"Be sure outages don't affect people who are ill and may need electricity for life support."

Product Sales Might Raise CSAT, but Most Customers are in the Dark

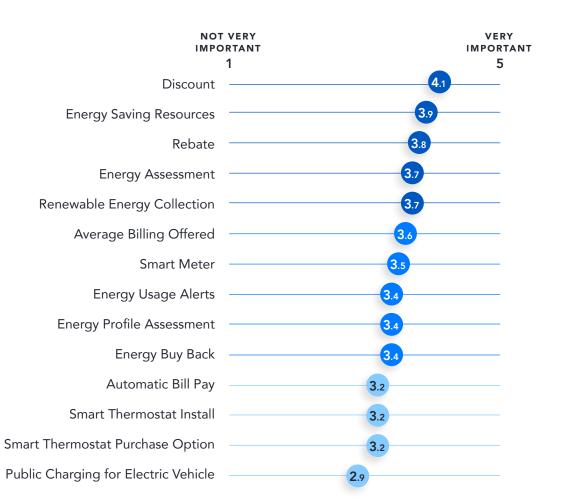
If you sell products, most of your customers don't know it. Given that purchases correlate with higher satisfaction, providers should prioritize not only awareness about those products, but offer discounts, communicate financial benefits, and simplify the buying journey.

Did you purchase a product from your electricity provider?



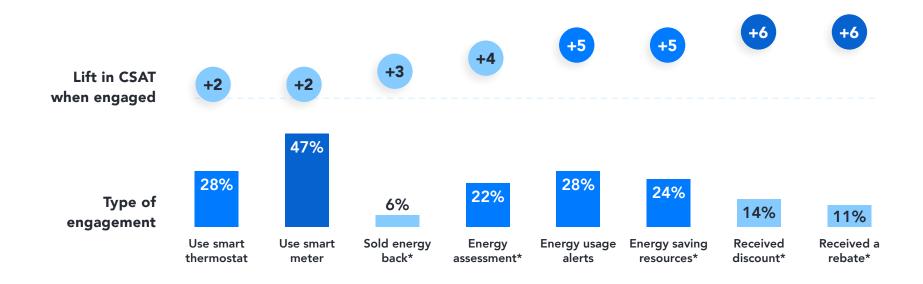
Not All Cost- & Energy-Saving Features Get High Marks

When asked to rank specific provider services, topics, and activities, customers embrace many energy- and cost-savings features like discounts, energy reduction resources, and rebates. Yet other similar features—smart thermostats and energy profile assessments—were deemed less valuable on average.



Boost Satisfaction 2 to 6 Points By Prioritizing Engagements

It's clear that receiving a discount or rebate corresponds to increased satisfaction—yet less than 15% of respondents engaged in those activities. To maximize satisfaction scores, drive high-yield customer behaviors by increasing awareness and ensuring processes are simple and convenient.



^{*}In the last 30 days.

How the Right Engagements Add Up to Great CSAT

The right combination of engagements—e.g., communications, products, discounts, etc.—can significantly improve overall provider satisfaction. Here, CSAT jumps more than 7 points with one customer persona.

AVERAGE CSAT FOR ALL RESPONDENTS: 75.8

Respondents who did the following with their electricity provider:



Definitions of CSAT, Drivers of Satisfaction, and NPS

Customer Satisfaction (CSAT)

Customer Satisfaction (CSAT) is calculated using the scores from three independent questions about a respondent's experiences with the electricity provider. Each of the questions ask respondents to rate their experiences on a scale of 1-10.

- What is your overall satisfaction with this electricity provider?
- How well has this electricity provider met your expectations?
- How does this electricity provider compare with an ideal utility?

CSAT scores are calculated using a proprietary formula that optimizes and stretches the scale on the three independent satisfaction questions above. Each survey respondent is assigned a CSAT score. CSAT scores are recorded on a scale of 0 to 100.

Drivers of Satisfaction (used in this study)

Driver scores are calculated based on the optimization of two to three independent rating questions. The composite questions are asked on a 1-10 scale. Driver scores are calculated using a proprietary formula that optimizes and stretches the scale. Each survey respondent is assigned a score for each driver of satisfaction. Composite question responses are optimized to create driver scores.

CUSTOMER SERVICE

• Ease of contact, responsiveness, resolution

PRICE

 Rate based on quality, clarity of billing, competitiveness

ELECTRICITY SERVICE

Consistency of service, restoration speed

WEBSITE

Ease of finding, relevant info, speed

Net Promoter Score

Net Promoter Score (NPS) is calculated using the question: How likely are you to recommend this company to someone else moving to the area? This question is asked on a 1-10 scale.

- Respondents providing a 1-6 are labeled "detractors."
- Respondents providing a 7-8 are labeled "passives."
- Respondents providing a 9-10 are labeled "promoters."

NPS values are calculated for a group and uses the formula below:

- NPS=100*(Number of Promoters

 Number of Detractors)/(Total
 Number of Respondents)
- NPS values are recorded on a scale of -100 to +100.

About the Research Team

José R. Benkí, PhD, is Research Science Director at Verint and an Adjunct Assistant Research Scientist in the Survey Research Center at the University of Michigan. He has expertise in survey participation, interviewing, speech science, and cross-cultural and cross-language survey research. He is a member of the American Association for Public Opinion Research and the Acoustical Society of America.

Karly Szczepkowski is a lead analyst managing syndicated research and over 800 benchmark categories for Verint. Previously she was an analyst at Wayne State University in Detroit, Michigan. She graduated from Wayne State University with a master's degree in information science and holds a bachelor's degree in engineering from the University of Michigan.

Senior Analyst **Kathleen Zakrzewski** applies her mindful analysis and insights to help companies navigate the customer journey across the telecom, insurance, finance, retail, and travel industries. Kathleen graduated from Michigan State University with a Bachelor of Science.

Sara Shaffer, PhD, is a senior analyst and training specialist with over 10 years of experience helping companies create impactful and meaningful changes within their businesses. She earned her PhD in anthropology from SUNY Stony Brook and applies her rigorous research ethics and background to her work every day.

About the Verint Experience Index

The Verint Experience Index is a panel survey report chronicling customer experiences across key industries. This edition ranks the omnichannel customer experiences of the top 25 U.S. electricity providers with the most residential customers according to the U.S. Energy Information Administration.

The Index features a panel sample of 6,291 respondents in total, representative of the U.S. general population, with at least 250 responses per brand. Responses were collected from February 7 through March 3, 2020, and were

based on the qualifying question, "In the past 90 days, have you viewed and/or paid the electricity bill for your primary residence?"

Rankings in the Index are based on CSAT, using a scale of 0 to 100. NPS is also shown, on a scale of -100 to 100. When two or more scores are identical at one decimal place, the next decimal place is used to break ties and determine ranking. CSAT margin of error is ± 2.18 and NPS margin of error is ± 8.29 .

About Verint Experience Management

Verint Experience Management solutions help you collect and analyze customer feedback, automate and speed decision making, and operationalize across the organization—so you can compete on better customer experience.

Get in touch for a customized briefing, to discuss your organization's Experience Management needs, or with any questions or comments about the report: **ExperienceManagement@Verint.com**

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