

# The 'Social' Utility - Using Social Media to transform Customer Engagement

## Abstract

TCS carried out a survey in the U.S. to explore how utility companies leveraged social media to enhance customer interaction, manage communications, and improve customer satisfaction during disasters. The survey revealed that only 33% utilities showed positive ROI from their social media investments, compared to 62% for media companies. Analysis of customer sentiment offered a unique perspective on how this traditionally staid industry can transform itself to take advantage of new digital-enabled opportunities.

Consumers Energy, a utility based in Michigan, handled 605,000 customer calls and emails during a winter storm outage, with more than 300 customer service agents and 50 other support staff members. The company also used social media to answer 1,260 social media customer service inquiries.

## The Business Case for Social Media

The handling of communications in emergency situations offers the biggest opportunity for utilities to transform their image from slow-moving and reactive behemoths to proactive and responsive communicators. By responsibly preparing and informing customers before, during, and after crisis situations, utilities can benefit from increased customer satisfaction.

Key areas where social media can play an important role include:

- Responding to customer expectations in the context of climate change
- Improving customer satisfaction indices to enable approvals from public utility commissions (PUCs)
- Educating consumers on pricing options that are most suitable for their needs
- Engaging customers during consolidations and mergers

## Studying Conversations between Consumers and Their Utilities

We examined the social media behavior of 15 of the top utilities in the US, in inclement weather conditions like snow, rain, and storms. Our tool scanned conversations across millions of posts in social as well as traditional broadcast media, and incorporated comments from surveys, call center records, polls, emails, feedback forms, and other in-house databases. It provided several means of analysis, including customer sentiment analysis for each interaction.

## Mapping Consumer Sentiment

The pattern that emerged indicated that negative sentiments tend to rise as the peak storm approaches and decline soon after the event. In this case, the negative sentiments during the three days of highest inclement weather accounted for 35% of the total negative sentiment and 34% of the total social media engagement of the month.

For utilities, this pattern presents an opportunity to mine the social sentiment data and find out the reasons for the sentiment rise and fall, so they can proactively reduce negative perceptions during future contingencies. Utilities can also map out the network of influencers within social or traditional online media to find the specific factors influencing negative sentiment and proactively reach out to them.

## The Most Popular Social Media Channel for Utility Consumers

Under normal circumstances, 76% of utilities consider outage communications to be the most important topic for their social media content, while 51% prioritize Twitter and Facebook for their customer contact strategy. During regular periods, Twitter provides one of the most business-friendly platforms for customer interaction and has been the preferred channel for utilities to disseminate outage communications news.

Apart from Twitter, other social media channels were looked into to consider the remaining factors that influence or reinforce negative consumer sentiment during inclement weather. It was found that the largest growth in negative sentiment during inclement weather is on Facebook. By volume, traditional news media on the Internet still carry more negative sentiment news, but they are rapidly being overtaken by social media sites.

## Interaction on Social Media in Extraordinary Situations

The engagement levels of utility consumers on social media during the three worst days of bad weather comprised an average 21% of the total interaction, and was significantly higher than on regular days. The average engagement level ranged between 21–25% while utilities that were most affected by the bad weather had an interaction level as high as 49%.

The findings of the study presented interesting implications for utilities on how social media can be effectively leveraged as a viable means of delivering important communications to raise customer satisfaction. CSI tends to be higher for utilities that have a more comprehensive annual social engagement plan and strategy. These utilities also tend to use several channels, in addition to social media, to touch base with their customers around topics that include power delivery, quality of customer service, billing and payment, custom programs, communications, and corporate citizenship programs.

Georgia Power kept its customers notified of its storm preparation and restoration efforts through social media. Photos of fallen trees and downed wires were circulated, and consumers expressed their gratitude for the hard work put in during restoration of services. This drove daily visits to their site to peak at nearly a million, with site traffic<sup>[1]</sup> originating from more than 600,000 unique visitors.

PPL Electric Utilities prepared customers for outages through frequent communication on diverse channels, and proactively monitored and managed social media like Facebook and Twitter to reach out to and respond to customers. As a result, the company experienced exponential growth in social media conversations, with its storm-related posts being shared more than 66,000 times.<sup>[2]</sup>

## Tapping the Power of Social Media

The smartest and most proactive utilities are gradually moving away from one-way crisis communication methodologies such as press releases and developing detailed crisis communication plans that include detailed social communication strategies.

Utilities need to know what percentage of their customers use the Internet and social networks, their preferred social channels, social media behavior, and the influencers by region. This would ensure easy prediction of the sites that are most likely to generate the highest number of visitors during disruption of services due to inclement weather.

Utilities should primarily focus on the reasons for consumer discontent, the devices being used to surf social media websites, and the consumer's frequency of engagement. These could provide insights that help develop mobile apps that provide live weather data and location-based safety advice.

The examination of customer engagement strategies of the retail, telecom and consumer packaged goods companies have shown that they have a strong go-to-market social media plan in place around the four levers of segment, channel, target, and position:

- A segmentation strategy is imperative for utilities to become more customer-centric.
- A strategic shift from mass marketing to channel marketing for each segment is essential to make social engagement successful.
- Contextual targeting involves tailoring messages and value propositions on social media for greater impact.
- Engagement analysis helps identify, convert, and retain prospective customers.

## Conclusion

Utilities that want to digitally reimagine themselves will have to integrate social media with the other digital forces. Social media will soon become the most important communication channel over which utilities can promote individualized consumer programs as well as capture consumer feedback. Big Data, analytics, smart meters, and mobile devices have opened up new opportunities from outage communications to mutual aid. When all these disparate forces start working in unison, utilities will be able to transform themselves from reactive to proactive enterprises.

## Summary

Utilities need a complete transformation of their business processes to initiate a new operating model with the consumer at the center. Social media is a key component of the underlying platform for this digital reimagination.

## References

- [1] Restoration effort resonates on social media (February 2014), accessed June 2014, <http://www.georgiapower.com/docs/about-us/news/social-media-weather-ice021314.pdf>
- [2] <http://www.elp.com/articles/print/volume-91/issue-6/features/utility-of-the-year-2013-ppl-corp.html>

## About The Authors

### Supratik Chaudhuri

Supratik leads a team of digital experts that works with utilities across the globe, helping them reimagine their business and technology operations. He holds an MBA from the Indian Institute of Management Calcutta and has a graduate degree in Electronics and Telecommunications Engineering.

### Nikkon Basu

Nikkon Basu is the Lead Analyst for the Utilities industry in TCS' Corporate Research unit, with over six years of experience in marketing and sales support, and market and competitive intelligence. Nikkon holds an MBA and a B. Tech. degree in Information Technology.

## Contact

Visit TCS' Utilities unit page for more information

Email: [Utilities.Marketing@tcs.com](mailto:Utilities.Marketing@tcs.com)

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