

As More Consumers Go Online to Connect New Utility Service, Leading Utilities Seize Opportunity to Enhance Service While Lowering Costs

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Summary

This paper explores the service value and call center savings potential that an energy utility can achieve by offering a more enhanced telephone and web-centric customer connection offerings. Leading utilities are implementing a range of web-based options, including online “move centers” and “home services widgets” as well as call center integration.

When offering enhanced service connections, a utility should provide customers with a variety of home service options that are seamlessly integrated while also maintaining a high level of service quality. To achieve this, many utilities are partnering with third-party home services companies like WhiteFence, a leading one-stop online comparison-shopping marketplace that allows customers to compare and order home services.



Background

Americans remain on the move and new customer service “starts,” “transfers” and “stops” represent a significant portion of the utility-customer interface. According to statistics provided by both the U.S. Census Bureau and the U.S. Postal Service, this group accounts for more than 14 percent of the total U.S. population. More than 20 million households in the U.S. move each year. Each of these households will require a variety of services that extend beyond routine utility service connects and disconnects.

Thus, there is a tremendous opportunity for utilities to offer their customers a range of options. While the requests for service connects and disconnects provide the “baseload” work effort for utility customer service offices and call centers, other utilities have gone a step further. Most utilities are moving beyond the traditional requirement that customers must either call the utility directly or appear in person and provide proof of residency. In addition, many more utilities have recognized this opportunity as a way to establish a solid relationship with their new customers. Leading utilities are going one step further by offering customers the ability to sign up online. This option is especially appealing to younger, more technically savvy customers, who are accustomed to shopping online.

Strategic Goals

There are three key reasons for utilities to “migrate” customers to turn on, turn off or transfer service online, according to Brian Barr, Customer Service Manager at Southern California Edison (SCE). The reasons are to:

- Provide different service options or channels for customers
- Improve the utility's web presence
- Reduce potential costs by deflecting call center volume

As part of a company-wide initiative to develop more web-enabled, self-service options for customers, SCE is planning to allow new customers to someday select: leveled payment plans, recurring payments via direct debit in addition to a new utility service request. “The underlying utility strategy represents an effort to push simple transactions to the web so the telephone service representatives can focus on the more complex transactions”, explains Barr. Austin Energy has developed a two-pronged online strategy for signing new customers. “People moving to our area often don't know who their electric utility will be... so they search on the web and come to us through the WhiteFence managed sites,” explains Sandra Guerra, Product Development Coordinator at Austin Energy. Austin Energy has been working in partnership with WhiteFence for almost six years to initiate service for new customers who “find” the utility through web searches as well as apartment resident and Realtor® “portals.” In addition, the utility operates its own web application for customers who click directly to www.austinenergy.com.

Sacramento Municipal Utility District (SMUD) offers new service connections and service transfer on its web site. The process is entirely automated and integrated into the utility's customer information systems. When web visitors do make entry errors, an email directs them to fix the error.

SMUD's commitment to engaging customers online doesn't stop with traditional energy utility services. Recognizing customers' desire to do something to stop global warming, SMUD built a community website designed to provide answers. The website www.OurGreenCommunity.org is a place where Sacramento can find specific information on how to help the environment, share ideas on how to live more greenly and get access to local green organizations. The site includes a calendar of local green events, articles on environmental topics and blogs and forums to enable healthy discussions and exchange of recommendations. The site also includes a regional carbon calculator that helps customers calculate their personal carbon footprint. When finished, customers can sign up for SMUD's Carbon Offset program and virtually eliminate their carbon footprint by contributing to the building of local carbon reduction projects.

Implementation Tactics

Online, residential customers in Austin Energy's service territory may initiate service for water and trash removal as well as electricity. Moreover, the customer may choose between renewable “green” energy and standard power options. Processing web-enabled service requests is just one of the tasks assigned to eight customer service representatives who spend most of the day completing various types of service orders. At the beginning of the workday, as well as throughout the day, representatives log-in to the WhiteFence secure site to retrieve service orders. The representatives validate the customer information, process the request, and notify the customer via email of the order status, deposit information, and provide the new account number. If the order form contains incomplete or conflicting information, customers are asked via email to log back into the secured site and update the information. According to a cost-analysis by Austin Energy, the municipal utility has found that this approach has led to savings in both time and money.

Utilities are executing a variety of implementation options to offer new mover customers including: Online Move Centers, Home Service “Widgets” and Telephone Transfer.

Online Move Centers are operated in partnership with companies like WhiteFence by more than a dozen major utility companies, including Atmos Energy, Commonwealth Edison, Green Mountain Energy, Citizens Gas, Southern California Edison, Georgia Natural Gas, and Nevada Power. In addition, WhiteFence has similar relationships with hundreds of channel partners such as apartment development owners, real estate brokers, mortgage companies, U.S. Military agencies and most recently formed an online alliance with the three major telephone companies (Verizon, Qwest and AT&T), and launched a branded Move Center for them, called www.movearoo.com.

Online move centers help utilities reduce customer service and call center costs by migrating calls to Web applications which provide consumers easy, 24-hour access to a website where they can connect all their home-related services at once. Helping customers to help themselves also improves site usability, functionality and simply enhances the customer experience. These move centers have proven to decrease call center processing costs by nearly 25 percent for several of their utility partners, as well as help increase adoption rates for online assets such as E-Bill, Auto Bank Draft and Line-Guard services, according to Larry Byrne, Vice President of Business Development for WhiteFence.

Home Services Widgets are also an innovative way for smaller utilities, such as municipal and cooperative owned utilities, to provide their customers with the online opportunity to shop for, compare and connect their home service needs, such as telephone, electricity, cable, high speed internet, newspapers and other categories. With the widget, third-party companies such as WhiteFence make their services available through the utility's Website, by creating an innovative and convenient tool for utility website visitors during the move process. To see an example of a widget, visit www.whitefence.com/widget.

Telephone Transfer. As an enhancement to web-initiated customer connections, some utilities also partner with third-party companies to offer off-line home service programs. This gives the host utility the ability to provide a seamless moving solution to consumers so they can easily connect their remaining essential home services, including phone, cable/satellite, and high speed Internet in both an online and off-line setting.

The process works as follows:

1. After completing their service connect or disconnect request, the utility customer service representative offers the customer the option to learn about other 'move-related' products and service connections.
2. If the customer agrees, the call is transferred to a third-party call center representative like WhiteFence who determines what other essential household services are available to that customer based on their new location.

Alexandra Crawford, Project Manager with Sacramento Utility District (SMUD) championed a successful pilot program in 2007 to determine the impact of offering more options to new customers initiating service via phone. Instead of promoting a “default” service option, the call center representatives asked customers how they preferred to receive and pay their utility bills; paused to allow time for the customer to give an “open ended” response and then very briefly detailed the service rate options available (i.e. green power, time-of-use, low-income and medical equipment assistance, etc.). Then, at the end of the call, all customers were offered the option to be transferred to a third-party service to connect other home services as well.

The results were compelling. In an 8-10 week pilot with teams performing under standard procedures and new procedures, SMUD found that while the new procedures added just a couple seconds to call length, customer satisfaction increases and callback reductions were dramatic. By giving new customers a very brief description of all service rate plans, customers could self-identify that they qualified for low income and medical equipment assistance plans at initial service sign-up rather than learning about the programs when their utility bills became in arrears and they were in danger of shut-off. Yet another potential benefit is the possibility to reduce program promotional costs by telling

new customers about program options up-front, rather than promoting options to them later.

The pilot also introduced an offer to be transferred at the end of their utility call to a service to help them with other home service connections. To help them 'round out' the customer experience, SMUD is now in the discovery phase for an online component that will compliment their existing home-services connections programs.

For the past four years, customers who have visited www.sce.com for service connections have been transparently forwarded to a WhiteFence site that has the continuity look and feel of SCE's own site.

	Time Warner Cable	DirectTV
View More Information	View More Information	View More Information
Best Price Guarantee	Best Price Guarantee	Best Price Guarantee
Packages	Standard Service	CHOICE™
Service Charge	\$29.95/month	\$44.99/month
Initial Charge	\$0.00	\$0.00
Specials	6 Month Price Guaranteed	FREE INSTALLATION
Included Features	Analog & Local Channels • Local Channels	Analog & Local Channels • Local Channels

Key Considerations

Utilities looking to offer enhanced home service connections online and over the phone should consider the following:

- **Customer Satisfaction is the Number One** driver for utilities to enhance their service to new utility customer by giving them the opportunity to connect other home services as well.
- **Give Customers Options and Let Them Choose.** Sounds simple, but many utilities assume they know what's best for customers and default to the best selection. As a result, customers may miss an opportunity to learn more about paperless billing, automatic bank draft, or other online assets.
- **Enhanced Customer Experience.** Enable customers to order other home-related services from multiple providers through a single, simple-to-use platform.
- **Product Integration/Optimization.** Explore the opportunity to promote the utility's own energy-related services such as electronic billing, leveled payment plans, renewable energy and similar offerings alongside of other home services.
- **Lower Call Center Costs.** Document how online service orders can reduce transaction costs associated with taking orders over the phone while increasing customer satisfaction.
- **Detailed Reporting and Analysis.** Provide thorough reporting on all aspects of the program--migration patterns of moving customers, call handling metrics, and product sales mix information.

Lessons Learned

Brian Barr of SCE offers this advice for utilities looking to move to a more web-enabled, self service environment:

- **Consider utility customer services processes holistically.** Utilities should understand *all* of the ways in which customers are affected during the moving process, rather than just focusing on changing the utility's service order process.
- **Evaluate what can be high-impact drivers.** Understand the utility's internal processes now and how they will change under proposed new processes.
- **Benchmark other companies.** Utilize third-party organizations like the Corporate Executive Board, as well as conduct primary benchmarking research, to help understand how other utilities, as well as other companies outside the utility industry are addressing similar issues.
- **Understand that customer satisfaction is linked to response time and offering multiple transaction channels**
Edison has seen significant upward trends in customer satisfaction in the 3-4 years that the utility has been working with WhiteFence to move more customer transactions online.

Alexandria Crawford of SMUD adds that a primary lesson learned for her was that utilities need to define a call center script that is logical to the customer rather than to the utilities' CIS system. She warns not to let the utility's customer information system drive the conversation with the customer if the question sequence seems illogical to the customer and the intuition of the utility customer services representatives. Also, Alexandria cautions utilities to insist on the highest standards of customer service from their third-party service provider.

To Learn More

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Market Development Group works with energy organizations and allies to design, develop and deliver innovative marketing plans and programs that address energy efficiency, renewable energy and customer service objectives.

Examples include Home Energy Makeover Contest and CFL Fund Raiser. To read the free "Market Developments" newsletter, visit www.marketdevelop.com.



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When online customers surf the web for new utility service signup, they are likely to encounter one of the over 500 websites owned and managed by WhiteFence. WhiteFence is a leading one-stop online comparison-shopping marketplace that helps consumers compare and order home services such as electricity, natural gas, phone, cable and satellite TV, high-speed Internet, banking, change of address and more. Its proprietary transaction engine makes it easy for households to find the best deals and conveniently set up their home services in minutes.



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SMUD is not a WhiteFence customer and is not endorsing their services by providing comments for this article.