



Making Peace with an Angry Public

Defusing Customer Anger over Sharp Price Increases and Other Negative Events

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Summary

Company image and customer satisfaction scores are falling or are poised for a fall as utilities announce or enact sharp price increases for electricity, natural gas, or both. In difficult times like these, marketers and customer care professionals must redouble their efforts to communicate with customers using effective customer-centered messages. These messages must reinforce and align with messages disseminated by other customer-facing departments, including key account management, energy efficiency, media relations, and government relations. Sharply rising prices mean that all departments in the utility must sing off the same proverbial sheet of music.

But message discipline, a necessary (but sometimes overlooked) first step, is not nearly enough to mollify your customers today. Recognizing this, many utilities are expanding and more actively promoting programs to help customers ease the pain of higher energy bills. Their approaches include promoting energy efficiency, offering new billing options, and implementing more flexible guidelines for dealing with payment delinquencies or service disconnections.

Even well-targeted programs may not be enough to defuse customers' discontent or anger, because the current round of price increases is only the most recent and prominent issue irritating them. Lowered reliability—whether perceived or actual—the declining quality of customer care, power plant construction decisions, and soaring executive compensation have set more than a few customers against their utilities in recent years.

But we see a silver lining in the dark clouds that have gathered. Historically high natural gas prices present utilities with an opportunity to fundamentally rethink their businesses. Rather than keeping your various publics out of your business—and attempting to manage their occasional anger using programmatic or public relations efforts—we recommend an alternative approach, called public dispute resolution (PDR), which brings customers into a utility's decision-making process. Implemented properly, PDR can add legitimacy to your decision-making while dramatically lowering its legal and regulatory costs and headaches.

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