

# Juggling Chainsaws

## 2017 Survey of Utility Communicators & Marketers

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### Executive Summary and Key Findings

Sometimes, wisdom can be found in unexpected places. In summarizing our second biennial survey of utility communicators and marketers, we saw a broad, almost universal, movement to digital tools and away from traditional print vehicles. That reminded us of the lyrics to an old Girl Scout song:

*"Make new friends,  
But keep the old.  
One is silver,  
The other is gold."*

This survey showed utilities rapidly embracing digital communications tools like social media, video, digital ads, mobile apps and text messaging, often in response to customers' expectations and preferences. These digital tools are the proverbial new friends of communicators and marketers. They offer the potential to quickly and inexpensively reach some, but not all, customers in ways they prefer. That's all to the good.

But despite what Mae West once said, too much of a good thing is not always wonderful. In the rush to make new friends, we advise utility communicators and marketers not to abandon their old friends, the tried and true staples of communications and marketing: print newsletters, print advertising, printed marketing collateral and face-to-face interaction. Some segments of a utility's customer base prefer to receive information via those traditional channels.

Utilities have long resisted putting all their eggs in one basket. Fuel diversity, for example, has been a foundation of utility resource planning for decades. An overly high reliance on any one fuel can leave a utility vulnerable to dramatic shifts in that market. For instance, electric utilities that were highly dependent on gas-fired generation experienced significant financial pain a decade ago when gas prices shot up.

We think the same basic lesson is applicable to communications. Managing risks is as important as pursuing new opportunities. In our experience, an adroit combination of digital and analog tools will produce better results than would an exclusive (or even preponderant) reliance on either print or digital. Social media and other digital tools have established their place as part of a broad communications or marketing strategy. But we recommend your strategy continue to include traditional analog tools like customer newsletters.

Responses to our survey, coupled with EEC's interactions with practitioners, show a community with diverse needs is still working to find the optimal mix of analog and digital tools. Digital certainly is ascendant today, but the continued role and relevance of print, and finding the optimal blend of analog and digital tools, remain far knottier questions — especially at budget time.





It is not a stretch to say that utility communicators and marketers today are like carnival entertainers who juggle chainsaws. It's a delicate balancing act, and one wrong move could create problems, some of them potentially serious. How serious? That depends on which end of the metaphorical chainsaw you end up grabbing.

Let's unpack the metaphor in the report title. Utility communicators and marketers are juggling metaphorical chainsaws labeled "key messages," "customer expectations" and "media platforms." They're also trying to keep other chainsaws, labeled "reputation," "stakeholder engagement" and "price increases," aloft. All of that is certainly challenging enough, but the ball on which practitioners are perched is continuously moving, like the current business environment in which they operate. In short, there's a lot that can go wrong, and the consequences of letting something slip through could be quite serious.

Not meeting your customers' expectations can create a firestorm of criticism for some utilities. A number of electric utilities have sustained withering criticism (particularly on social media) for their inability to communicate with customers during outages.

Repeated and prolonged winter and summer power outages that followed severe storms in the Washington, D.C. area in 2010 created serious PR, regulatory and customer satisfaction problems for Pepco. These problems took a meaningful financial toll on the utility. At one point, the utility was labeled the most hated company in America, based on data compiled by the American Customer Satisfaction Index (ACSI).

Pepco's experience showed mishandling the chainsaw labeled "outage communications" can draw blood. How much of your utility's blood could be spilled, and how rapidly, depends on your utility's standing with its customers going into outages or other crises. Here, as elsewhere, customer perceptions determine the amount of regulatory, reputational and, potentially, stockholder damage.

The reality is that reaching all of your customers requires both print and digital communications. Remember, if you've only got a hammer, all problems start to look like nails. Building, and maintaining, a high-quality communications and marketing operation requires more than just a hammer.

Some top-line findings in this second biennial online survey include:

- The move to digital has not been without bumps and headaches. One respondent told us: "Utilities understand digital approaches are less cost prohibitive. The problem tends to be customer demographics and/or a lack of staff expertise."
- Budgets are flat, but within a department's budget, there have been significant shifts to digital at the expense of analog.
- That said, 9 in 10 utilities surveyed still use customer newsletters.
- Respondents are feeling more positive about social media, with 86% saying it was a great opportunity to communicate with stakeholders, up 22 percentage points from our 2015 survey.
- Price changes, community outreach and employee engagement continue to be the most prominent challenges facing utility communicators and marketers in 2017, as they were in 2015.
- Messaging on rooftop solar and other forms of distributed energy resources has emerged as a new challenge since our last survey.
- There continues to be a significant gap between leaders and practitioners over how prominently, and how frequently, utilities ought to be in the public eye.