



How Seamless Engagement Can Bridge Silos and Drive Utility Customer Value



Custom content for Vlocity & Salesforce by Utility Dive's Brand Studio

ABOUT THE SURVEY

To better understand emerging opportunities for residential customer engagement, Vlocity and Salesforce commissioned Utility Dive's Brand Studio to survey 215 retail energy professionals from across North America.

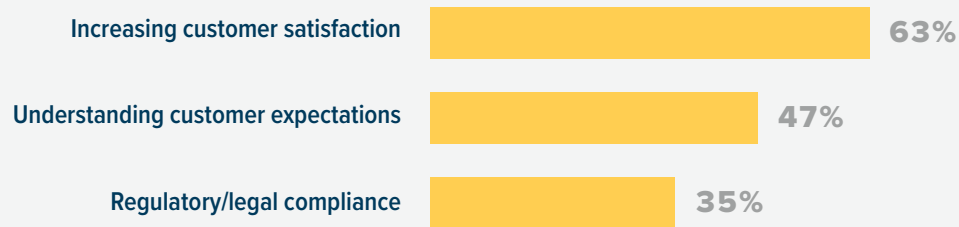
- 53% work for investor-owned utilities
- 29% work for companies with some competitive retail market experience
- 11% are executives
- 37% are department managers
- Most work primarily in marketing, business or regulatory affairs

What's Driving Residential Energy Customer Engagement

Facing ever-rising consumer expectations for better customer service, as well as growing retail competition, today's utilities are under immense pressure to optimize their value proposition to residential customers. When utilities can successfully engage residential customers around their full spectrum of value, this tends to also increase the value that consumers offer to utilities — via greater participation in programs and services, or by simply not losing residential customers to retail competitors.

Energy providers are working to increase customer engagement for many reasons. The biggest reason, by far, is to increase customer satisfaction.

Top reasons why utilities want to engage residential customers more





Mapping the Energy Customer Journey

Mapping the customer journey can be an essential tool to clarify all the steps in the utility customer engagement process, to identify opportunities and gaps. Eversource Energy has several regulated subsidiaries offering retail electricity, natural gas service and water service to approximately 4 million customers in Connecticut, Massachusetts and New Hampshire. In recent years, Eversource has become disciplined about customer journey mapping with great success.

“It’s critical to envision your entire customer journey, to understand your opportunities to wow your customers and create what we call a ‘+1’ experience,” said Penni Conner, Senior Vice President and Chief Customer Officer of Eversource. “Too often utilities get caught up in their own world, viewing that journey from the inside out. For journey mapping, we work with outside consultants who can more easily adopt the customer lens.”

A consistent discipline of viewing the utility through consumers’ eyes and using customer data analytics can yield useful insights. For instance, Eversource found that almost 75% of its customers were moving from one premise on the Eversource system to another — a simple transfer from the customer’s point of view. But from the utility lens, this was more complex due to legacy customer systems that had originally supported six utilities in three states. Understanding the potential to simplify this customer experience to a single transfer is now being enabled by Eversource.

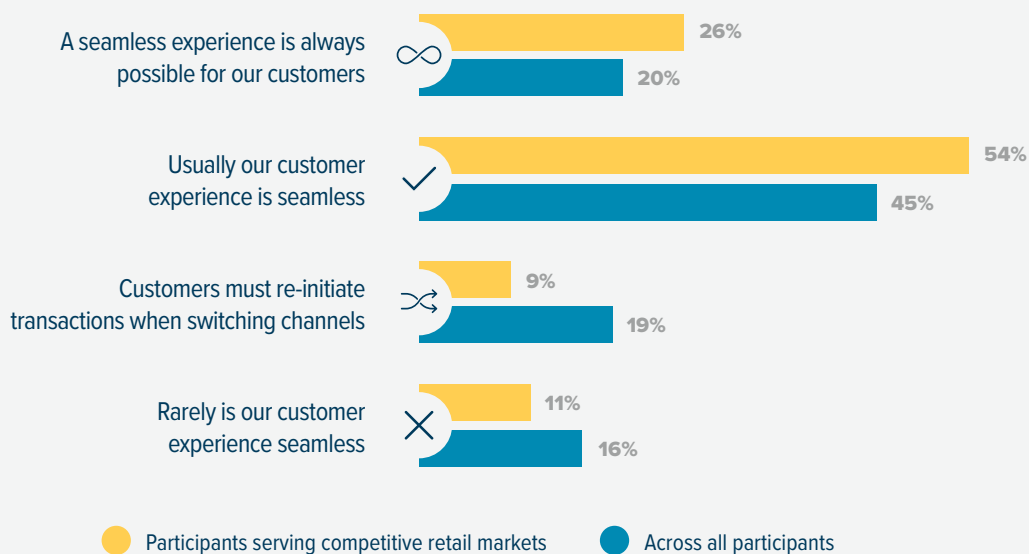
Engagement only succeeds when it’s simple for consumers to understand the value that the utility is offering (or the task the customer must complete), and also when it’s easy and fast for customers to obtain that value and complete those tasks. In reality, most utilities aren’t fully there yet.



Utility Dive’s Brand Studio survey found that only 20% of utilities currently offer a reliably “seamless” customer experience, where an interaction can start in one channel (such as email) and easily be completed via another. Disjointed communication often leads to customer frustration and disinterest, feeding skepticism that can hinder further engagement efforts.

By contrast, companies serving competitive retail markets seem more likely to offer a seamless customer experience.

Competitive Energy Retailers are ahead of the curve in providing more seamless experiences



Maturity of Utility Customer Engagement

Most utilities have not yet reached maturity in consumer engagement. So far, most utilities appear to have plans and some resources to improve customer engagement:

44% We have an established enterprise-wide strategy, with clear goals, to improve customer engagement and customer experience.

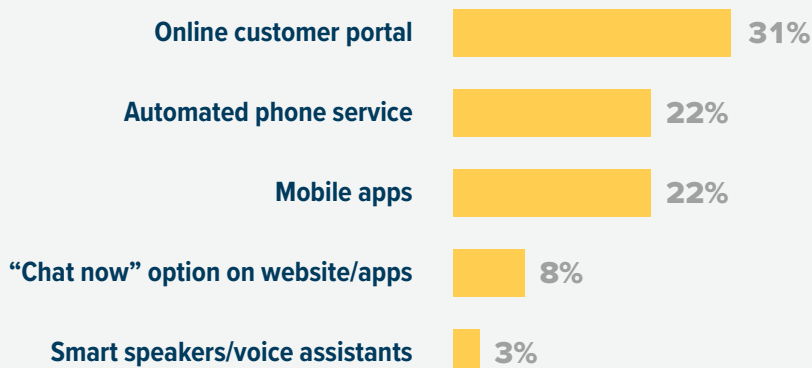
35% Measurable metrics have been defined to measure progress towards customer engagement goals.

35% Business objectives are aligned with customer engagement goals.

30% Data and analytics inform our customer engagement strategy.

Furthermore, engagement channels that are enabled by more advanced technologies are still relatively uncommon at many utilities. Our survey found lower levels of deployment for several:

Low utility deployment of advanced engagement technologies

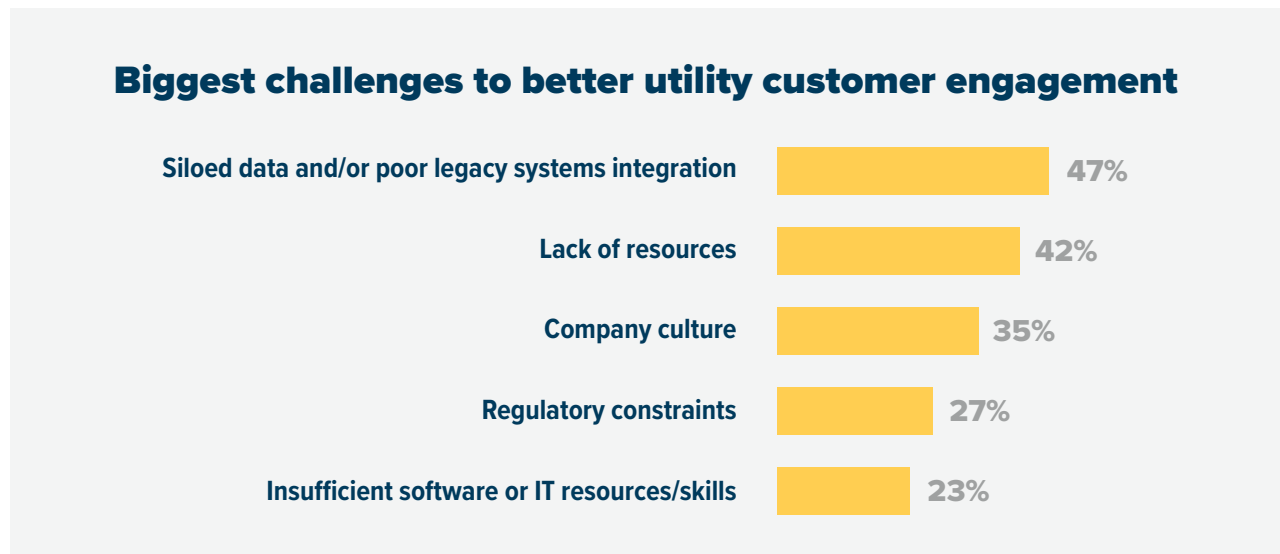


Managing the customer relationship gets even more complicated as more utilities branch out into non-commodity offerings, such as appliance repair or home warranties. Here, many utilities are facing new challenges, such as customer acquisition, upselling and packaging. To meet these challenges, many utilities partner with experienced service providers.

However, it can be challenging to integrate these providers, and those new kinds of customer interactions, into the overall utility customer journey — especially when utilities are still working to bridge silos within their own organization and legacy systems.

Bridging Silos by Integrating Systems

Historically, most utilities have been very siloed organizations. These divisions often extend to their internal systems and processes.



Too often, utilities mistakenly delay deployment of better customer engagement technology, believing that legacy systems must first be integrated. Alternatively, they sometimes outsource these capabilities on platforms that support more complex customer transactions (such as consumer marketplaces, program management or chatbots). However, deploying advanced customer-facing technologies in-house, and early, can be an especially effective starting point for better customer engagement.

Historically, it was common for utilities to deploy a customer information system (CIS) primarily to manage internal workflows for call centers, billing clerks and cashiers. “You rarely see such monolithic customer and billing systems in many industries today,” said Kelly James, Global Industry Leader, Energy & Utilities for Vlocity. “Other industries generally have broken these systems out into the necessary layers for customer engagement and innovation. We have seen these evolve now into specific cloud services.”

James also explained that typically, legacy utility CISs focus on a narrow set of tasks and interactions. “These were appropriate for the service- and billing-based customer engagement style of the 1990s and 2000s,” she said. “That’s why today, utilities seeking to address modern customer challenges often aren’t thinking big enough. They’re often just looking to update their CIS, rather than re-envision customer engagement more holistically.”

One way for utilities to springboard and future-proof their engagement is to adopt an open easy-to-integrate platform, offered under the software-as-a-service (SaaS) model.

“Going straight to an enterprise-wide platform integration, but rolling it out bit by bit to initially tackle important problems and opportunities, can be a great way to help an organization adopt a culture of customer-centric engagement,” said James. “Gradually, this will help them develop a 360-degree understanding of their customers.”

For example, such a deployment might begin with a lightweight integration to back-office processes — perhaps beginning in a business unit and then progressing to the customer contact center.

“A contact center tool is a relatively high-impact rollout, so some utilities start instead with a business unit, or a single specialty contact center group,” said James. “Internally, that helps them adapt to the tool, and to new customer-centric agile process changes.”

Advanced engagement platforms can help utilities address many customer experience challenges, expanding engagement to include in-demand advanced digital channels and holistic customer relationship management. This makes the process of customers interacting with the utility far more coherent and convenient. Such customer-facing tools empower utilities to focus today on delighting consumers, anticipating their needs and solving their problems. Meanwhile, in the background, work can proceed on integrating and updating utility business processes and systems, and on building a consistently customer-focused organizational culture.



The Power of the Human Touch

Ultimately, the most effective forms of customer engagement are personal: when consumers speak to utility representatives in person, by phone, or by email or chat. Technology can support these person-to-person interactions in strategic ways.

For instance, technology can ensure that all personnel (utilities and partners) who interact directly with customers are thoroughly briefed with, and carrying on their computers and mobile devices, appropriate and current context and information. This prepares them to not only answer customer questions, but also to ask questions and make reasonable, timely suggestions — including about relevant utility programs and services.

“Making the right suggestion at the right time, in person, can even work well during what you’d normally assume are the least exciting service calls,” said Conner. For example, Eversource is required to do periodic atmospheric corrosion testing for its residential gas customers. This requires scheduling a home visit, which is an opportunity to demonstrate utility value.

“Our field techs can turn this into an opportunity to give customers further information about safety, or other recommendations for gas service or appliances,” said Conner. “They can walk with a customer out to the meter, and show them why it needs to be kept clear of snow. Or, if a customer has a gas fireplace, they can offer tips on safe cleaning and maintenance. All of our field reps know this information, and we encourage them to share it. Most customers are really glad to get such personal service. It makes a great impression. Customers will talk about that, and they’ll recommend your service.”

Technology solutions for customer engagement can also help utilities capture useful market intelligence from employees, which might otherwise get lost between siloed departments or systems. When employees have ways to easily, systematically share what they learned from customer interactions, as well as their ideas about what else might be useful to a particular customer or customer class, that supports more nuanced and practical market segmentation and product and service development.



Learning from Competitive Energy Retailers

Currently, only a minority of North American utilities must compete for residential customers. However, the growing contingent of energy retailers are strongly motivated to optimize and capitalize on customer engagement. Utilities can learn much from energy retailers about effective customer engagement. Approximately one-third of the participants in Brand Studio's utility survey work for electricity providers with at least some competitive electricity market experience, in the U.S. or elsewhere.

"All of our customers can leave us tomorrow," said Kolt Sarver, Vice President of Retail Technology for Vistra Energy, an energy retailer serving 20 states and the District of Columbia. "There's no obligation for them to stay. So we just try to get as close to the customer as we can."

Vistra puts considerable and consistent effort into conducting polls and focus groups, and gathering and analyzing other kinds of customer intelligence from many channels.

"You've got to get close to your customers to understand what they want," Sarver advised. "Don't just spin up solutions that you believe in. Focus on ones that research shows your customers appreciate."

But even in non-competitive retail energy markets, by emphasizing customer service throughout the organization (not only in customer-facing departments or roles), utilities can support more innovation and better business.

"You need to instill, with every employee, a culture of delivering great service. It's a game changer," said Conner. "Every department needs the same vision of what a great customer experience looks like. Don't underestimate it. Recognize it, reward it, talk about it."



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