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## Harnessing the Value of Social Media

An Oracle Utilities White Paper

June 2013

## Introduction

The advent and ensuing popularity of social media is fundamentally changing the way utilities are approaching customer interaction. As a multi-faceted communications tool, social media channels offer utilities many new tools with which to monitor what's being said about them, disseminate messages (whether broadly or to identified segments of its customer base), better connect one-on-one with individual customers, and even identify online "influencers" who will champion the utility's messages.

As a result, many North American utility companies have ventured into the world of social media in the past few years. Some have begun with a tentative toe in the water to test the temperature, while others have taken an all-in, cannonball dive into the deep end of the pond. "The reality is, you have to get involved where your customers are," one utility's digital and social media strategist told us. "It's table stakes. You have to do it."

Electric, gas and water utilities are engaging Twitter, Facebook, YouTube, LinkedIn, Instagram and other online channels in their efforts to open new lines of communication in the places in which their customers, the media, regulators and other interested parties are communicating. They are adopting a more informed customer service role, reflecting customers' expectations that their utilities will benchmark their own service against that offered by other service providers such as financial institutions, airlines, and the retail industry. And they are finding that there are opportunities in social media channels beyond use as a consumer engagement channel: its use for outage communications is also increasing in importance and value, as is its use as a customer acquisition and retention tool (for competitive energy retailers). New opportunities are also surfacing to use social media channels to improve internal utility business processes.

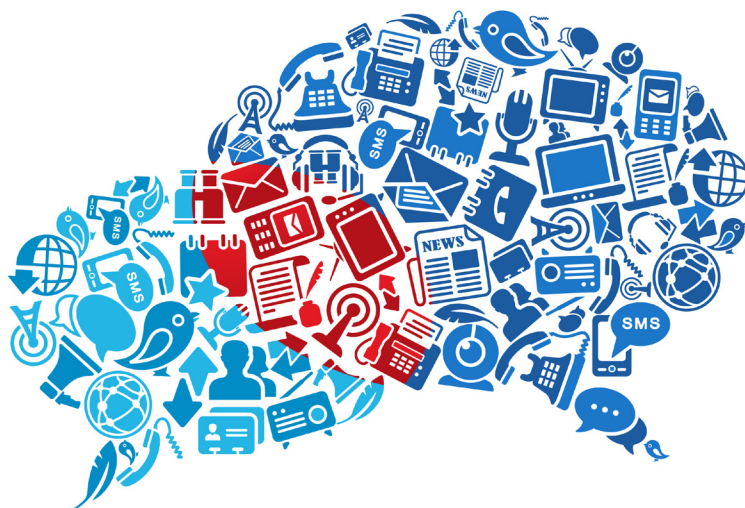
According to industry research<sup>1</sup>, utility customers with high electric bills (in excess of \$300 per month) are more likely than those with lower bills to use social media to interact with an electric, gas or

1. "Social Media in the Utility Industry Consumers Survey," Navigant (formerly Pike) Research, 2012.

water utility. Further, core service functions such as billing issues and obtaining information about a utility service or program topped the list of reasons why consumers communicated with the utility via social media channels, followed by service outages and other service issues, or scheduling a new service installation.

Our discussions with utilities active in social media communications echoed these drivers, and also offered insights into early lessons learned. As greater interaction begins to take place on social media channels, it's imperative that utilities have a major presence there, to 'be where their customers are.' Further, the key to successful social media interaction, they say, centers around clear guidelines, policies, and utility goals being set in advance, and reviewed regularly.

The customer information provided in these interactions can provide a deep well of relevant customer data for utilities seeking to improve both their operational efficiency and their customer relationships. More and more service-driven interactions will come through social media channels in the future, where consumers see greater possibilities for 24/7, near real-time discussions and problem resolution. Oracle sees the ability to connect these vital interactions with the rest of a utility customer's information as imperative, and is therefore focused on providing utility solutions to help achieve these goals, building on a solid foundation of Oracle utilities business solutions.



## A Multi-Faceted Communications Tool

<b>Monitoring</b>	Many businesses, utilities included, are now assiduously watching social media channels to monitor what is being said about them, and to respond where necessary.
<b>Broadcasting</b>	Social media channels can be used to quickly spread the news of new offers and programs, information, advice and more.
<b>Segmentation</b>	Utilities can use social media channels to develop specific target groups, based on customer preferences and information, for clearly targeted messaging.
<b>One-on-one</b>	Facebook, Twitter, Google+ and other social media channels can be effectively used as one-on-one communication channels with customers, right along with web chat, e-mail, and more traditional communications channels.
<b>Connecting with online influencers</b>	Those active on the Internet create about 500 million data points per year about products and services, but 80 percent of those data points are created by only 6 percent of social media users. <sup>2</sup> The people making up that 6 percent are "influencers". Check your utility's social media statistics: which of your followers are most active in sharing your messages, and how far do those messages go? Engage with these influencers regularly.

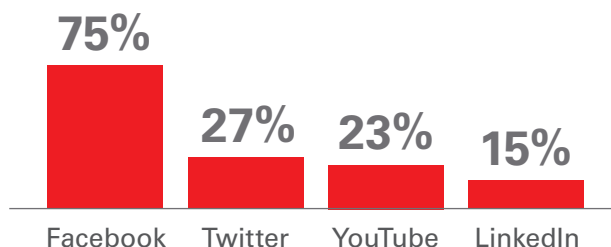
2. Brad Friedman, "How to Find Key Online Influencers," Social Media Today, May 12, 2013.

## The Utility Perspective

**57 million** Customers worldwide used social media to **engage** with utilities by 2011

**624 million** Number expected to **rise** by the end of 2017<sup>3</sup>

A survey of consumers<sup>4</sup> (early 2012), indicated they used **social media** to interact with their utilities:



Charles Dickerson, Pepco's vice president of performance management and support services, who initiated Pepco's focus on social media communications, explains his utility's use of social media channels this way: "We realized we were going to have to leverage this medium: it's where our customers are communicating. I envision it as another tool to communicate with people—a two-way communication that addresses things more in real-time. The channel is a differentiator to address and communicate with people who want to communicate here."

Other utilities active in the social media arena agree.

"We see social media as a space to have conversations with our customers, redirect these customers when appropriate and educate and inform them about their energy needs," said Scott Steele, Avista Utilities' marketing communications manager. Avista moved into the social media arena in 2009, after a group of about 100 customers organized a peaceful demonstration to protest a series of rate hikes. The customer protest was organized over the Internet, and the utility realized it didn't have an online voice to help facilitate the dialogue that occurred before the protest.<sup>5</sup> Avista soon built a social media strategy, and engaged its leadership prior to going live. It is now active on Facebook and Twitter, as well as YouTube and an online blog.

Xcel Energy's intention with its social media channels has been and continues to be focused on strategy first, in order to build a collaborative and robust social media presence. "I am not sure that we would define social media any differently at Xcel Energy than most businesses: to connect with our customers where they are and how they prefer," said Nikki Blessinger, Xcel Energy's group manager in charge of digital, advertising and brand strategy. "We can connect one-on-one, engage in two-way conversation as well as appeal to the masses."

According to J.D. Power and Associates, utility blogs and text messages are currently the highest satisfaction-generating communications methods versus other communication types.<sup>5</sup> This confluence of mobile and social media continues to grow, both with residential and business customers, according to the report, with 17 percent of business customers accessing their utility Web site via a tablet or smartphone.

3. "Social Media in the Utility Industry," Pike Research, Q4 2011.

4. "Social Media in the Utility Industry: Consumer Survey," Pike Research, Q1 2012.

5. "2013 Electric Utility Business Customer Satisfaction Study," J.D. Power and Associates, February 2013.

6. John R. Johnson, "Turning Customer Rants into Raves," Intelligent Utility, January/February 2012.

*"This is the power of the social media space," Avista's Steele told us. "By using these channels we have the ability to communicate in an effective and timely manner with customers on topics that concern their safety."*

## Why Use Social Media?

Communicating where your customers are communicating opens the door. Once that door is open, it is important to set specific objectives you want social media to accomplish. Objectives can include such points as:

- Quickly and effectively push content and information to followers (both customers and media groups).
- Educate customers on specific topics related to the products and services you provide.
- Educate customers on more general utilities industry topics.
- Understand misconceptions about your utility and educate customers.
- Show transparency in the utility's actions and direction to the media, employees, investors, business partners and regulators.

### Quickly disseminate information and correct misconceptions

Steele related a recent incident in which Avista was notified that customers were receiving calls from someone identifying himself as a utility employee, telling them that they would have their service turned off if they didn't pay immediately. Avista went into action on all channels: a press release to media, a blog post on the utility's Web site, Twitter messages ("tweets"), and a post on the utility's Facebook page, all with links to the press release.

Using social channels allowed followers to retweet the message on Twitter, as well as to share with their Facebook friends, as messages can be pushed out on multiple channels at the same time. "Liking" the Facebook post pushed the message even further to more viewers.

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### Address customer concerns and complaints

Providing more general information to correct consumers' misconceptions is another way in which social media channels can be extremely helpful. Pepco's social media representative, while monitoring one of the utility's e-mail discussion groups, was able to turn a complaint into an opportunity to educate some of the utility's customers.

An upset customer had complained that he didn't understand his bill. Pepco's social media representative not only offered to speak one on one with the customer but used this as an opportunity to globally explain to others who saw the posting (without compromising the individual customer's privacy) each of the different components of the bill, including taxes, and how much of the payment actually goes to Pepco. The response from other site members was overwhelmingly positive: they hadn't understood their bills, either.

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*"We always use outages, especially weather-related, to also talk about safety, preparedness, and more," said PG&E's Hoffman. "The biggest thing is to take advantage of the opportunity to engage in communication with or further educate our customers."*

One of the most proactive ways in which utilities have turned to social media and mobile channels—and most often the utility's initial foray into social and mobile—is for outage notification and communication, which J.D. Power says positively impacts customer satisfaction.

Twitter and Facebook, in particular, offer many responsive consumer engagement opportunities. As an example, PG&E customers are taking photos of downed lines and other connectivity problems, and tweeting them back to the utility, or posting the photos on PG&E's Facebook page. Hoffman says the utility is able to use the photos and geolocation provided by customer photo tweets and posts to provide work crews with additional information to speed the repair.

Pepco, too, uses social media for 24/7 outage communication, as well as other messaging. A tweet to its @PepcoConnect account elicits a near immediate response from the utility, such as “Sorry for the inconvenience. Can you DM me your exact address so I can provide you more details and an ETR? Thank you!” or a proactive notification of an outage, such as, “Crews are working to quickly and safely restore power. Please report outages at (877 phone number) or using our mobile app.”

And while Xcel Energy initially set up its Twitter account to provide information and tips on renewable energy and energy efficiency, it has established a number of additional pages in every state it serves to also handle real-time crisis management, responding to tweeted outage reports with direct information on how to report the outage, and follow-up apologizing for the inconvenience.

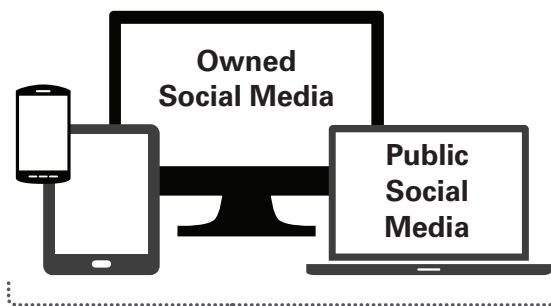
Social:

- 300M unique authors
- 400k new authors/day
- 15M posts/day

- Any text-based data
- Setup within hours

Showing the storm restoration process as it is occurring has also proved beneficial to customer engagement. During Superstorm Sandy, Con Edison (Con Ed) filmed a series of on-the-ground videos of employees showing and talking about what they were doing to restore power in Lower Manhattan<sup>7</sup>, Staten Island<sup>8</sup>, and other areas<sup>9</sup>, and posted them on YouTube. The uptake on these videos has been tremendous, with nearly all of them averaging almost 2,000 views. Using employees (such as operating supervisors) actually involved in the restoration process to provide the narrative as they're working, rather than C-suite executives reporting on the utility's progress, was especially compelling to customers.

## MONITORING



- Content Collection and Consolidation
- Topic Setup and Insight Discovery

## FILTER/IDENTIFY



- Cleanse
- Categorize
- Signal purity
- Other enrichments
- Indicate relevancy

## ACTION/RESOLUTION



- Capture and escalate incidents
- Respond and route

## MEASUREMENT



- Analyze key performance
- Multi-channel ROI analytics
- Performance KPI management

7. "Hurricane Sandy – Con Ed Crews Work to Restore Power in Lower Manhattan," YouTube.

8. "Hurricane Sandy – Con Ed Crews Clear Storm Debris in Staten Island" and "Hurricane Sandy – Con Edison Crews Repair Power Lines in Staten Island," YouTube.

9. "Hurricane Sandy – Con Ed Preemptively Shuts Down Steam Plant," YouTube.



## Maximizing the Pipeline: Social Media from a Systems Standpoint

Monitoring social media channels, and engaging with customers at every opportunity, can become an overwhelming task. Done well, interest grows, creating more opportunities and more work necessary to stay on top of it. Whether the utility goals are crisis communication, customer education, customer service, branding, or recruitment, the work is self-perpetuating: the better the utility becomes at leveraging and maximizing social communications, the more communication there will be to sort, evaluate, and respond to if there are any issues.

And, because fostering two-way communication is the ultimate goal of every utility employing social media, near real-time response is imperative. This, too, can be difficult to manage.

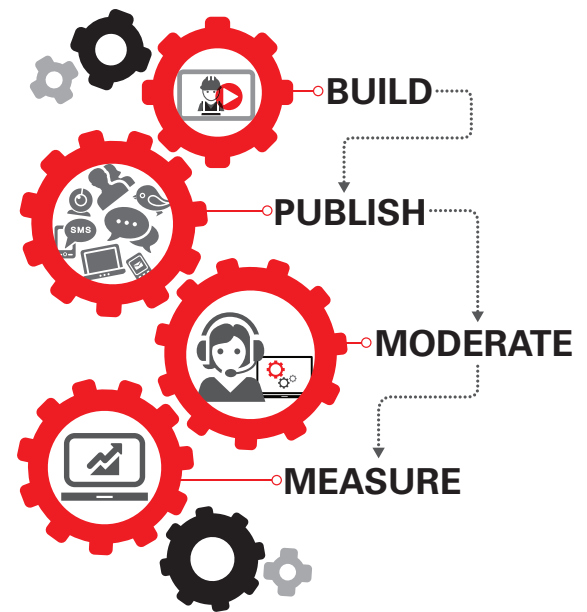
An even greater challenge involves the fluid, evolving nature of social media. Is it important to capture and store the comments and conversations? We believe that it is—both to understand their relevance and to better inform customer service representatives as they deal with specific customer issues.


Oracle believes that social media data will provide a deep well of relevant information for utilities seeking to improve both operational efficiency and customer relationships. As a result, Oracle is focused on providing utility solutions to help achieve these goals, building on a solid foundation of Oracle's utilities business solutions.

Oracle's Social Relationship Management (SRM) suite monitors social media channels, systematically pulling in communications and filing them in the appropriate "tags" or areas of interest specifically identified by each utility. Oracle has integrated the four best-in-class social relationship management components—social listening, social analytics, social engagement, and social publishing—into the industry's first unified solution to give utilities the most complete social management suite. This powerful tool delivers a seamless transition to listen, create content, manage communities, and analyze social media efforts.

In the background, the SRM suite works to filter out the "noise" by filtering, categorizing and making sense of the information—who is talking, what is relevant—all in real time. This systematic monitoring and filtering keeps utility social media and communications teams from getting lost in the data, so that they can better concentrate their efforts on qualifying and understanding what is important to customers and, in turn, better engaging with customers across the relevant channels.

With SRM in place to guide development of a more complete customer profile—a true 360-degree view—a utility's social marketing programs can be better positioned to create truly meaningful relationships with customers. From outage communications (including both individual customer response to estimated time of restoration updates), to new customer programs and offers (from energy efficiency and demand response program offerings to third-party services and new customer acquisition offerings), and general brand equity and customer satisfaction (from community involvement, such as PG&E's #powerofblue employee month of service, to sharing utility awards and recognitions), social media channels offer exceptional opportunities for utilities to amplify their relationships with their customers.





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SRM can be vital to utilities that want to maximize both relevant communications and communications channels. In addition, SRM will enable utilities to better prioritize communication they need to respond to most quickly, to track customer satisfaction, and to discover previously unidentified issues and challenges. One-on-one conversations with customers, no matter what the channel—telephone, mobile text, e-mail, social media, etc.—are all important additions to the customer record. Today, customers expect that any conversation with a service provider becomes part of their personal record. They don't want to repeat themselves, and they want their problems resolved efficiently. They want their communication to count. "These interactions are critical to the customer record," said Pepco's Charles Dickerson. "They give us a sense of customer preferences and needs, what communications channels they prefer, and much more."

Feeding these conversations into a utility's Customer Information System or Customer Relationship Management solution provides customer service representatives with a 360-degree view of each customer, and assures the customer that their voice matters (while also acting to shorten the resolution time). And if the customer issue can't be resolved at that level, that same 360-degree view is available to utility experts to whom the issue is routed.

In total, SRM provides utilities with a complete offering enabling them to better leverage social media channels to drive true business results. Social marketing really works: if you would like to find out more about Oracle's solutions in this area, tweet us at @oracleutilities, or send us a note on Facebook at [www.facebook.com/oracleutilities](http://www.facebook.com/oracleutilities).<sup>10</sup>

## Early Lessons & Best Practices

Utilities who have stepped with purpose into social media have quickly seen the benefits, and have defined best practices. The utilities we spoke with all agreed that defining a social media strategy is an imperative first step. "For many utilities, the [initial] prevailing thought was, 'Well, we have to be careful what we put on social media channels. What if our representatives misspeak?' Our industry has an aversion to change, an aversion to new things," says Pepco's Dickerson. "The world moves so much more quickly now." Pepco began its social media journey with a toe in the water, but a reliability challenge in 2010 meant the utility had to find better ways in which to communicate with its consumers.

"Branding, advertising, marketing and persuasive tools can only take you so far without something underlying all of it," Dickerson said. "At the end of the day, people want their lights on. Core to our branding was improving the effectiveness of our field workers and our customer service staff. We are increasing the effectiveness of our operation, and social media helped us disseminate our information more widely to a broader audience. It can help to dispel a lot of false information."

Con Ed found this to be extremely valuable during Superstorm Sandy, when one man widely tweeted false information about the storm<sup>11</sup>. Among his tweets were that the utility was preemptively shutting down power throughout Manhattan. Twitter users (non-media and media alike) widely re-tweeted his comments, but Con Ed was able to quickly get out in front of the false information with its own, fact-based Twitter updates.

Beyond the importance of defining a strategy, social-savvy utilities have discovered other best

10. Find us on Twitter at [www.twitter.com/oracleutilities](http://www.twitter.com/oracleutilities); on Facebook at [www.facebook.com/oracleutilities](http://www.facebook.com/oracleutilities); and on YouTube at <http://www.youtube.com/oracleutilities>. You can also find more information at [www.diigo.com/user/oracleutilities](http://www.diigo.com/user/oracleutilities) and <http://www.linkedin.com/groups?gid=159460&trk=tyah>. Or, if you'd prefer, you can find more information at [oracle.com](http://oracle.com) or call +1.800.ORACLE1 to speak to an Oracle representative.

11. Emily Deruy, "Sandy Twitter Troll Identified," ABC News, October 30, 2012.

practices along the way. Here is what they told us:

1. **Clearly define where the responsibility for social media resides within the organization.** Many utilities have placed it within Corporate Communications or Customer Care.
2. **Closely monitoring social media channels is a must:** the conversations will go on, with or without you, and it's important to be part of the conversation. If you're there, and involved, you can acknowledge and respond to questions and concerns right away. To do this, the utility must decide who will be responsible for responding to customer inquiries and comments, and provide ongoing training to help with tone of voice in written responses.
3. **Take advantage of ALL opportunities to engage.** Even a crisis—such as a widespread outage—offers another opportunity for broader customer engagement. Beyond a simple notification of the outage, and ongoing channel monitoring for customer questions and concerns, the socially active utility can continue the conversation by also posting safety and emergency preparedness tips.
4. **Be proactive as well as responsive.** Build a weekly posting calendar of key messages, written in an engaging and entertaining manner to keep customers interested. Also, watch the timing of those messages. If your followers are online more at night and on weekends, then that's when you need to be posting. Twitter feeds and Facebook status postings are fleeting, and can quickly move so far down someone's feed that something you posted in the morning will be long-buried by evening.
5. **Thorough training of authorized staff responsible for social media messaging is vital to ensure appropriate content is being posted, and careful monitoring of this content is imperative.** Unlike a written letter or a customer service representative's telephone conversation, the content of online conversations can spread rapidly, and can be taken out of context and used against the utility.
6. **Ensure that you are telling compelling stories.** It's important to personify your utility, as customers more easily connect with and remember "people" stories, whether they are customer or employee stories, or utility behind-the-scenes stories such as Con Ed's Superstorm Sandy restoration videos.
7. **Don't forget to cross-promote key content** through social media, Web and e-mail channels.
8. **Don't be afraid to use photos to tell the story.** That old adage "A picture's worth a thousand words" is still true. As well, they are easily shared, and work on many different social media channels.
9. **Acknowledge followers** who have shared or re-tweeted your message, or post a positive comment, with a thank-you. "Social" is a key concept in social media, and the simplest thank-you will take you a long way in community-building.
10. As utility social media skills improve, it's important to **continue to expand.** Spread the skills to other business units with good cases for using social media channels—such as recruiting—to engage the community.
11. **Plan thoughtfully before taking the social media plunge.** Once you move into social media channels, your customers will expect to continue to interact with you there. As communication increases in these channels, customers will further engage.

## Planning a Successful Strategy

- **Define its overarching foundation.** For example, Xcel Energy's is to "expertly weave customer preference and relevance with corporate priority in order to improve the lives of its customers and communicate key corporate objectives."
- **Ensure it has clear goals and objectives that tie into the utility's business goals.** Why are you incorporating social media, and what do you plan to achieve? Make sure your goals are SMART: smart, measurable, attainable, relevant, and timely.<sup>12</sup>
- **Define systems of record and specific data that will be made available via social media,** and let your strategy define the boundaries of social messaging.
- **Consider data security issues when defining the data that will be made widely available.** For example, public outage information disseminated via social media should discuss only broad areas. Location-specific outage information should only be made available to specific customers in order to prevent the information getting into the hands of potential criminals.
- **Consider providing social media updates** to let customers know when and where crews will be working in their neighborhoods, so that they may plan for potential traffic obstructions, short power outages, etc.
- **Just as social media channels continue to evolve, so must your social media strategy stay fluid,** able to change as events dictate.

## Incorporating Social Media into the Overall Toolset

It's important to remember that social media is not a standalone activity within a utility. Oracle believes that social media is another valuable tool in an ever-growing, integrated toolset designed to provide increased value to the utility's business processes and transactional systems. Each communications channel a utility uses—whether it be IVR, e-mail, SMS, live web chat, print and more—has its own strength. Choosing the right communications channel for each customer and each communication is key, and it is important when switching from one channel to another to keep the experience seamless for the customer. Recording each customer's communications channel preferences will help ensure a made-to-order engagement between the customer and the utility.

Integrating social tools with traditional channels of communication offers the utility greater opportunities to engage customers, regulators, employees, the media and other interested parties. In turn, social data, when collected, filtered and integrated with transactional and structured data within customer relationship management systems, outage management systems, and other key utility operational and business systems, can be an incredibly powerful, near real-time tool within the overall toolset.

12. "Top 5 Social Media Takeaways," San Diego Gas & Electric.



#### CONTACT US

For more information about Oracle's Social Relationship Management suite, visit [oracle.com](http://oracle.com) or call +1.800.ORACLE1 to speak to an Oracle representative.

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