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# Customer Satisfaction & Perception Study

greatblue

Report of Findings

28 July 2015

Confidential & Proprietary

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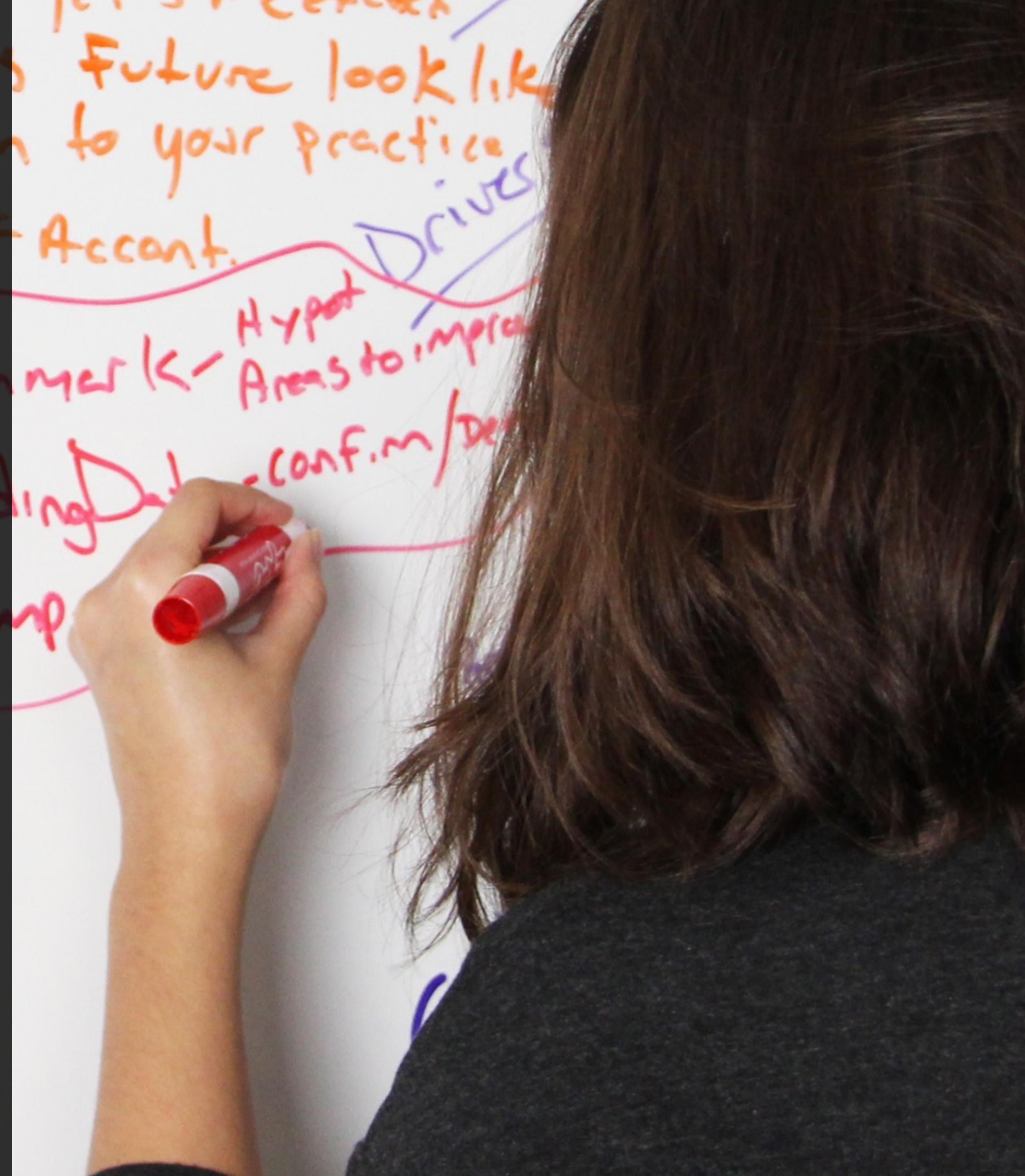
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# Evidence-based research across diverse industries

Our experience in instrument design affords our clients actionable analytics to help them identify, address, and improve offerings to, and the way they communicate with, their key constituents.

With more than 35 years of experience in diverse markets, our consultative approach ensures our data can be the basis to make important business decisions.

Cross-functional engagement teams ensure a complete view of the issues and solutions.



# Expertise in a diverse set of research methodologies

Having conducted millions of surveys and thousands of focus groups over the past 30+ years, our experience in instrument design, data collection and the presentation of those findings in manageable, actionable ways allows us to serve our clients across the spectrum of research studies.



## Telephone Interviews

In-house, multi-lingual interviewing capabilities



## Digital Surveys

Web + mobile-based survey programs



## Focus Groups

State-of-the-Art facilities in CT and MA



## In-Depth Interviews

Trained researchers allow us to dive deep in a 1:1 setting



# Solutions that focus on strategic and operational needs of clients

Whether direct to clients or through their agencies, we apply our core research methodologies, often applying a mixed methodology to ensure a study that captures both quantitative and qualitative information, to ensure our solutions exceed client expectations.

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# Project Overview

- GreatBlue was commissioned by Rochester Public Utilities (hereinafter, “RPU”) to conduct comprehensive research among its customers to gain a deeper understanding into perceptions of the utility, its service, resources, and rates.
- The primary goal of this research study was to assess the effectiveness of RPU’s ability to serve its customers, identify areas for improvement, and gauge perceptions for the future of the utility.
- In order to service this research objective, GreatBlue conducted a multi-mode research study which included telephone surveys among a random sampling of RPU’s residential and commercial customers, in addition to focus group sessions among RPU’s commercial customers.
- The outcome of this research will enable RPU personnel to more clearly understand, and ultimately set, customer expectations while revealing near term opportunities while creating a strategic roadmap to increase customer satisfaction.





## Areas of Investigation

The RPU Customer Satisfaction & Perception Study leveraged a multi-mode research methodology to address the following areas of investigation:

- Perception of area utilities
- Satisfaction with, and perceptions of, RPU
- Satisfaction with customer service
- Opinions regarding potential strategic initiatives
- Awareness and recall of marketing communications
- Drivers and barriers to engaging with the utility
- Demographic profile of respondents

# Research Methodology Snapshot

Methodology Telephone	No. of Completes 1,200	No. of Questions 61*	Incentive None	Sample Customer list
Target Residential	Quality Assurance 2-Step**	Margin of Error 2.7%	Confidence Level 95%	Research Dates June 4 - 9

\* This represents the total possible number of questions; not all respondents will answer all questions based on skip patterns and other instrument bias.

\*\* Supervisory personnel in addition to computer-aided interviewing platform ensure the integrity of the data is accurate.

# Research Methodology Snapshot, continued

Methodology Telephone	No. of Completes 300	No. of Questions 68*	Incentive None	Sample Customer list
Target Commercial	Quality Assurance 2-Step**	Margin of Error 5.6%	Confidence Level 95%	Research Dates June 2 - 5

\* This represents the total possible number of questions; not all respondents will answer all questions based on skip patterns and other instrument bias.

\*\* Supervisory personnel in addition to computer-aided interviewing platform ensure the integrity of the data is accurate.

# Research Methodology Snapshot, continued

Methodology Focus Groups	No. of Groups 2	No. of Participants 15	Incentive \$150.00	Sample Customer list
Target Commercial	Quality Assurance 2-Step**	Margin of Error N/A	Confidence Level N/A	Research Dates June 2 - 5

\* Professional moderation and recruiting in addition to computer-aided interviewing platform ensure the integrity of the data is accurate.

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71.5%

would still purchase  
at an increased  
price point

8.9%

5.4%

2.8%

0.0%

Negative Impact

Boomers

No Impact

Positive Impact

# Key Study Findings

- When compared to other utilities (gas, phone, water, and cable), respondents have a more positive perception of the service they receive from their electric utility. In addition, 79.0% of residential customers and 74.4% of commercial customers reported that RPU closely aligns with their perception of an ideal utility experience.
- RPU performed well when rated on a series of nine (9) organizational characteristics; the average positive rating among residential customers was 87.7%, and 87.9% among commercial customers. These ratings were driven by the promptness, helpfulness, knowledge, and communication skills of its staff.
- Customer service personnel performed exceptionally well, as 95.7% of residential customers and 92.5% of commercial customers were satisfied with the representative who handled their call. In addition, field service representatives performed equally well, as 94.3% of residential customers and 92.6% of commercial customers were satisfied with the level of service they received during the field visit.
- Customers reported a very strong relationship with RPU, as the utility scored a net positive rating - *defined as advocacy+loyalty+satisfaction* - of 95.6% among residents and 92.6% among businesses.

# Key Study Findings, continued

- Overwhelmingly, residential and commercial customers were satisfied with both the RPU bill and the current offices hours of operation for the utility company.
- A vast majority of residential and commercial customers agreed that RPU is an environmentally responsible utility and 33.3% of residents and 58.3% of businesses suggested RPU could invest in alternative/sustainable energy to demonstrate additional environmental efforts.
- 90.8% of residential customers and 82.0% of commercial customers believed it is important for RPU to be a leader in alternative energy. The preferred source of alternative energy customers suggest RPU explore is solar.
- 59.2% of residential customers and 49.5% of commercial customers believed RPU should be “aggressive” in reducing green house gas emissions. Also promising, a plurality of customers reported to be willing to pay a 5%-10% increase on an average bill to support efforts to reduce these emissions.

# Key Study Findings, continued

- Supporting earlier findings, while a small number of customers are currently utilizing solar power, 62.6% of residential and 48.2% of commercial customers supported the growth of solar power in RPU's energy portfolio.
- Ultimately, support for solar culminated in 83.7% of residential customers and 70.8% of commercial customers who reported RPU should investigate installing and maintaining solar power in customer's homes/businesses.
- Interestingly, the research finds customers support RPU offering high speed internet service within its service territory, which was reinforced by the very low perception customers had of their current internet provider.
- Finally, communication preferences are shifting to digital mediums. While TV news remained the most preferred source of information for residents, both residents and businesses expressed a desire to turn to the internet and, specifically, RPU's website for information on the Company.



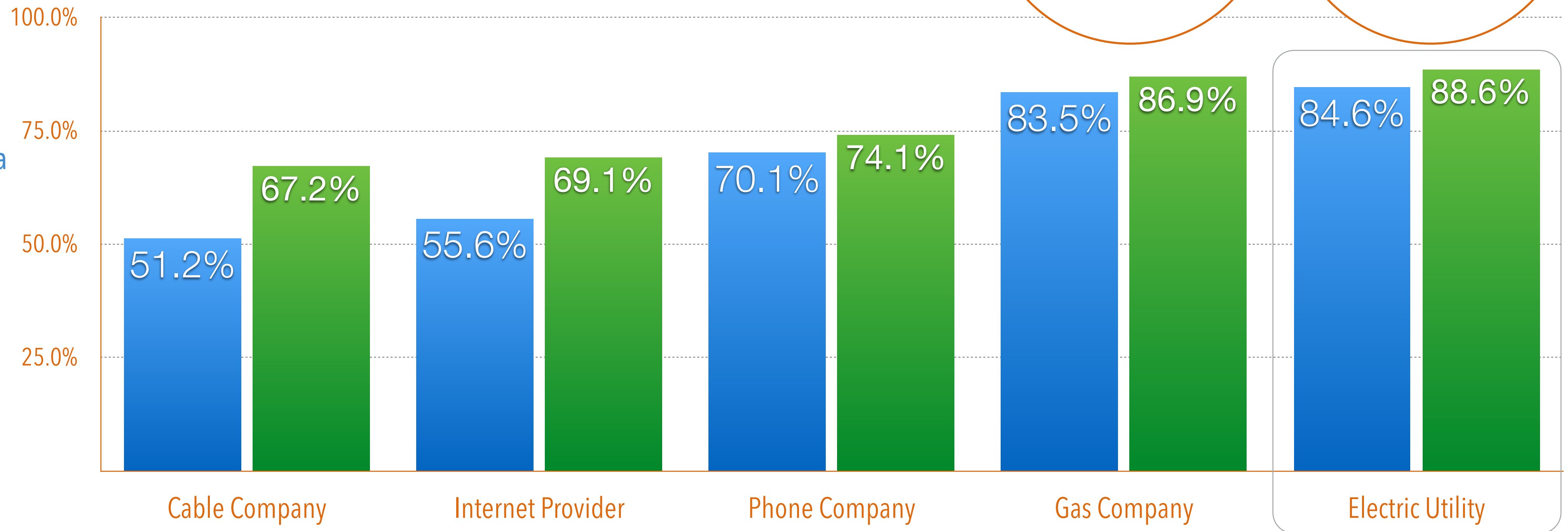
# Perceptions of RPU Very Strong

When compared to utilities, residential and commercial customers had the highest perception of the service provided by electric utilities. Further, when asked to compare RPU to an “ideal utility,” a strong majority of residential and commercial customers reported RPU closely aligned with an ideal utility.

**79.0%**  
residents report RPU compares closely to their ideal utility

**74.4%**  
businesses report RPU compares closely to their ideal utility

Please rate each of the following area organizations on their quality of overall customer satisfaction.



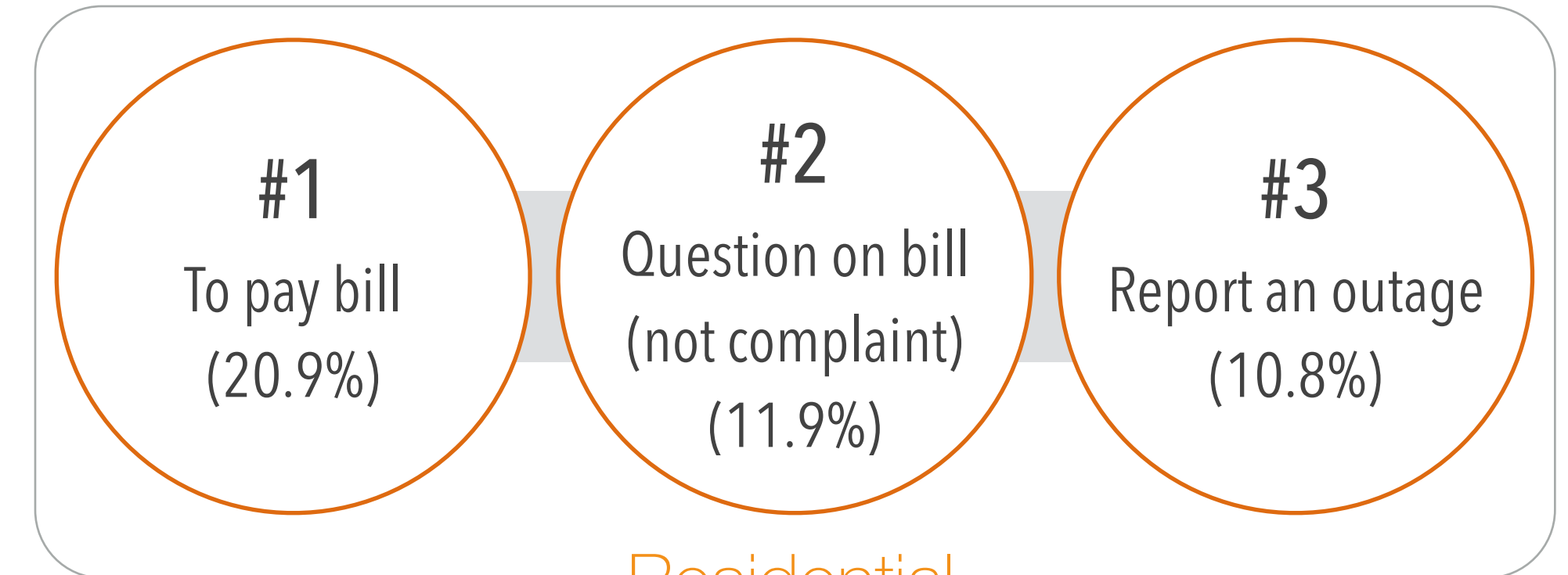
# RPU Service + Staff Drives Positive Ratings

Over 90% of residential and commercial customers positively rated RPU's ability to "respond promptly to customers." This, along with several other rapport-oriented characteristics (e.g. "communicating with customers" and "helpful and knowledgeable" staff) drove the overall positive ratings to 87.7% for residential and 87.9% for commercial customers.

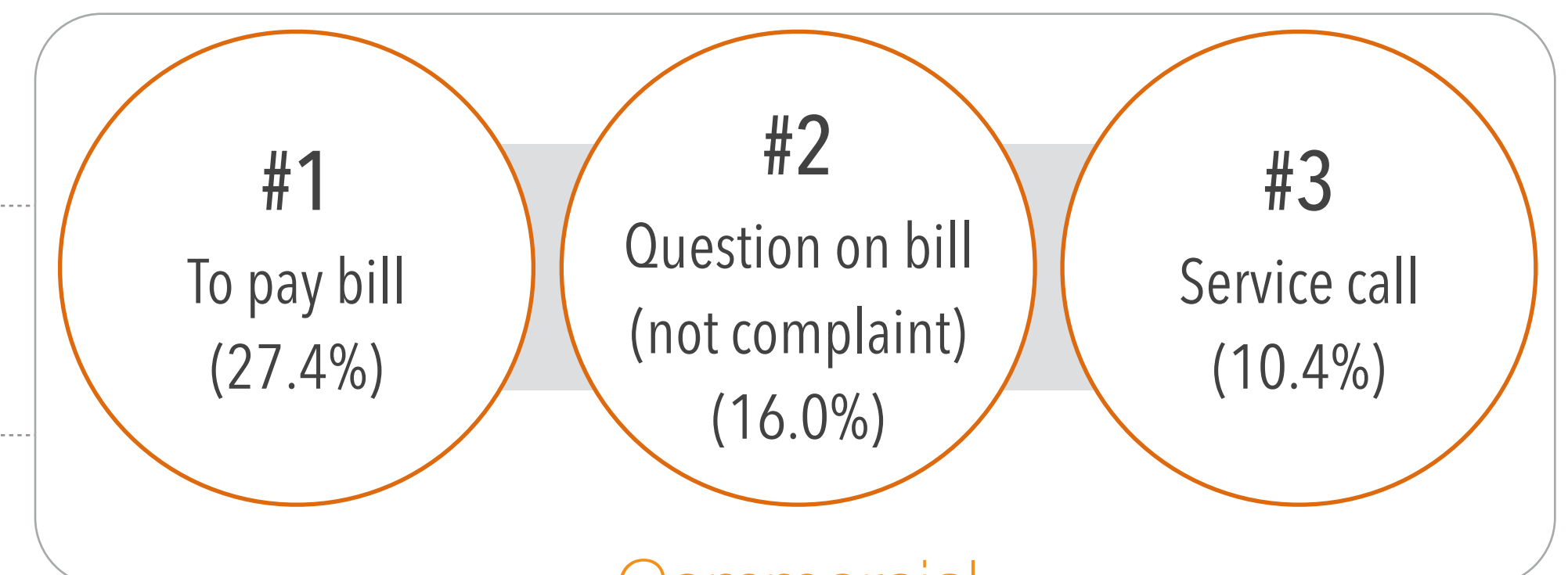
Item	2015 Residential	2015 Commercial
Responding promptly to customers	90.7	91.0
Helpful and knowledgeable	90.0	88.2
Overall satisfaction with RPU	89.7	88.9
Communicating with customers	89.1	86.7
Maintaining modern and reliable infrastructure	88.0	90.3
Helping customers conserve electricity	86.7	89.0
Community involvement	85.1	86.4
Providing good service and value for the cost of electricity	85.0	85.5
Being open and honest about company operations and policies	84.8	85.4
<b>Average positive ratings</b>	<b>87.7</b>	<b>87.9</b>

# Satisfied with Office Personnel

Residential and commercial customers are contacting office personnel for basic items and general inquiries such as paying bills and questions about the bill. RPU's ability to resolve these reasons for contact are resulting in high satisfaction and, thus, setting high expectations.

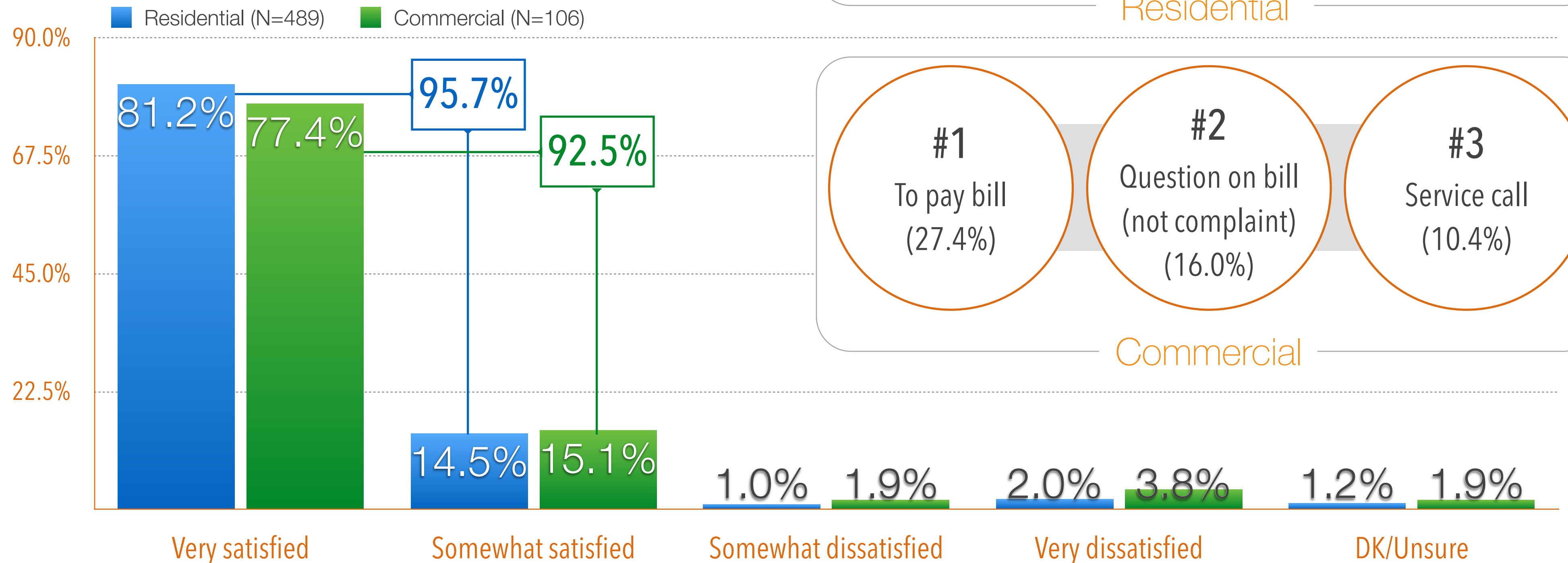


Residential



Commercial

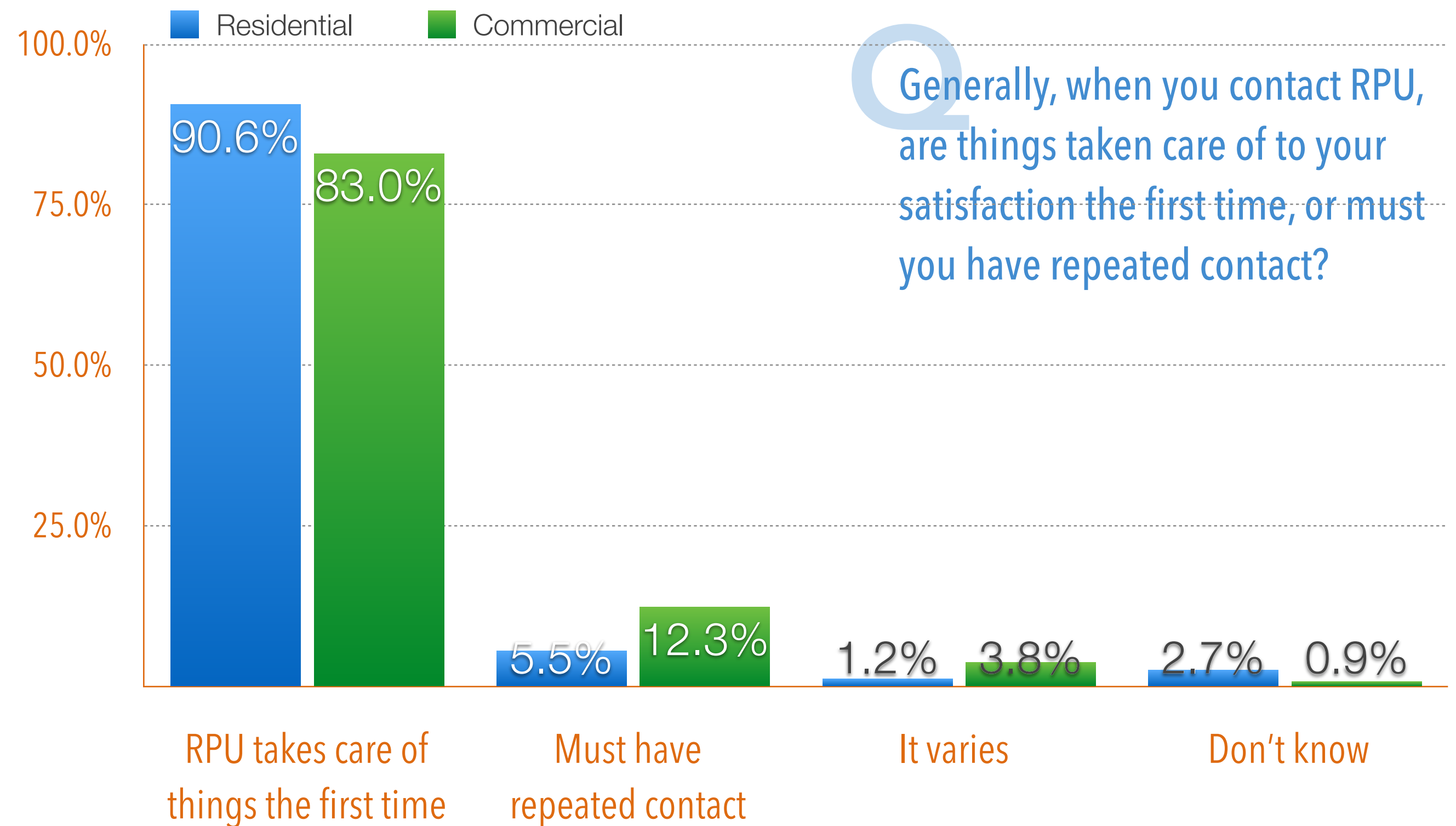
How satisfied were you with the way the customer service employee handled the call or visit?



# Additional Call Needed for Business Resolution

In general, RPU tends to resolve issues on first contact for both residential (90.6%) and commercial (83.0%) customers. However, more commercial customers are experiencing a need to have additional contact with RPU, which was underscored by the focus group participants.

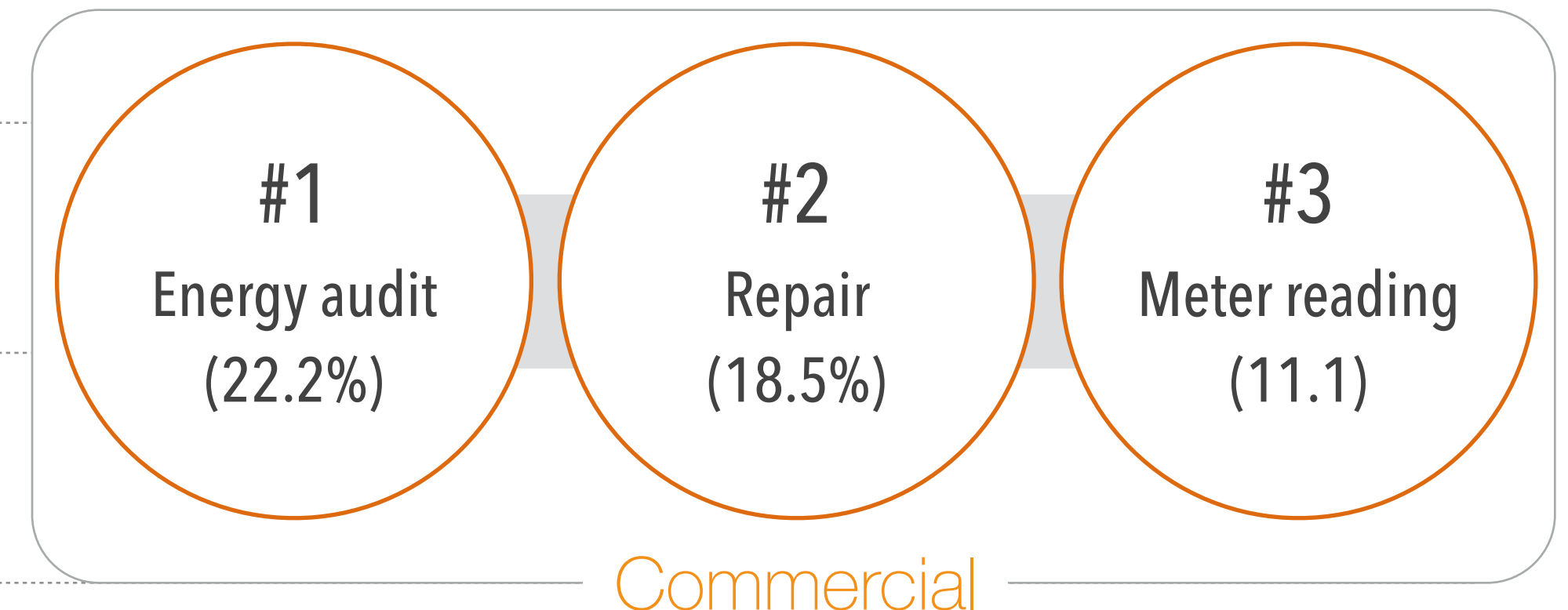
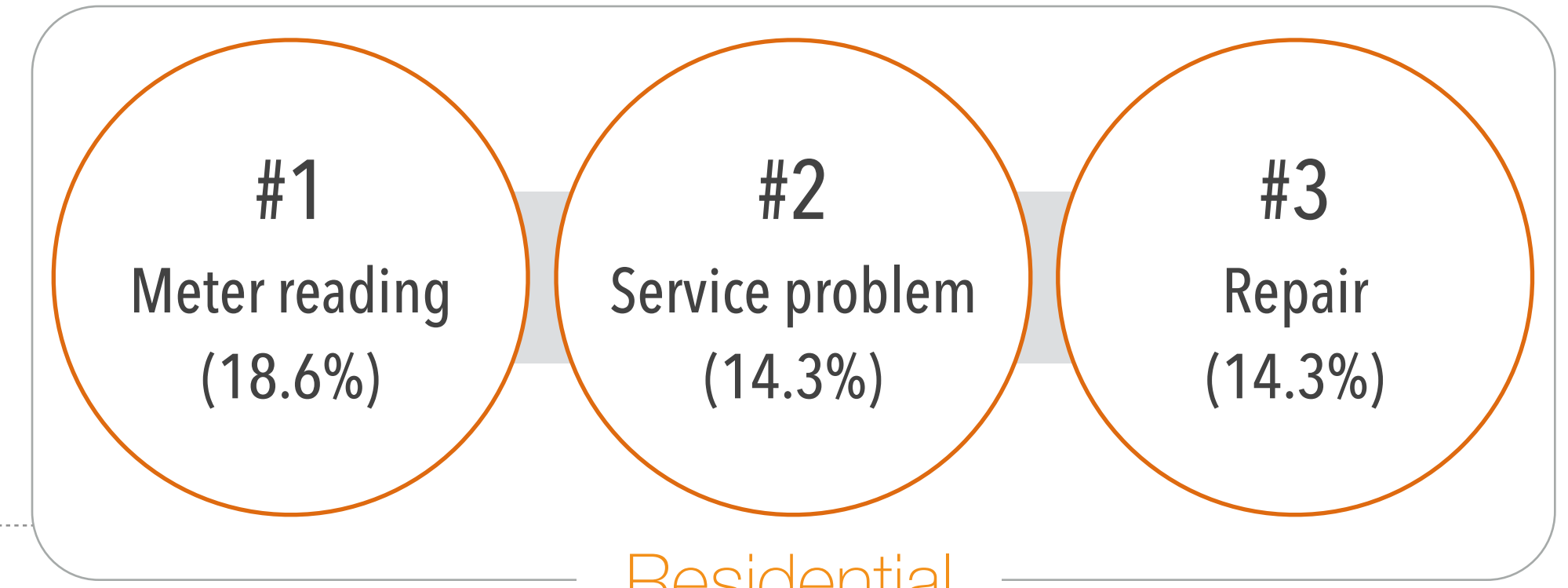
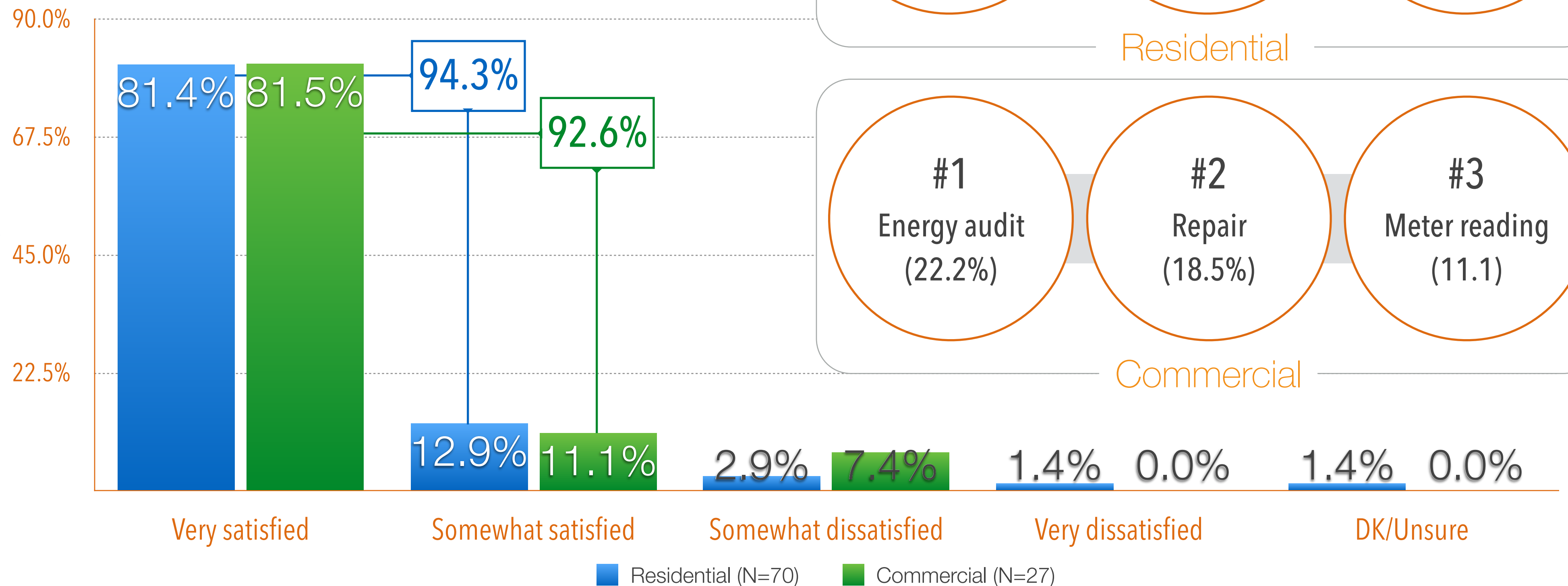
- “We own a parcel of land that they decided to just charge us storm water for. No reasoning, nothing all of a sudden we just got a bill and when I called they told me I needed to call somewhere else because they had no reason why should I be getting charged on an empty lot and I’m still getting charged for the empty lot.”
- “I just set up an automatic withdrawal for each monthly bill and I check to see what the charges are but right at the beginning it was like you have to wait for your first written statement and we got mixed signals on the phone. Everyone tried to be helpful but it took a while trying to set that up where some other companies it’s really easy.”
- “One thing that I have experienced, not very often but occasionally when I call RPU you wait forever.”



# Satisfaction with Field Personnel

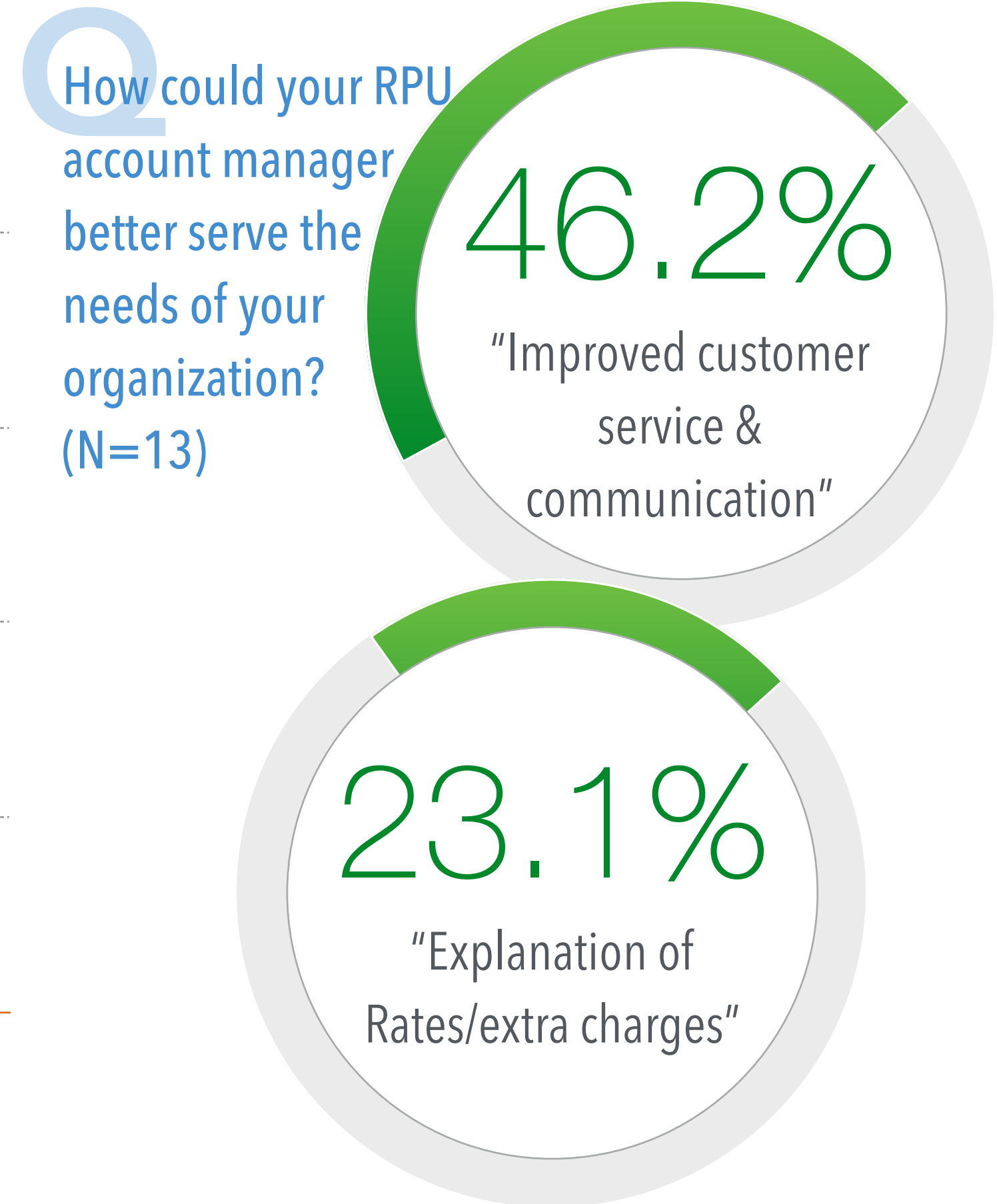
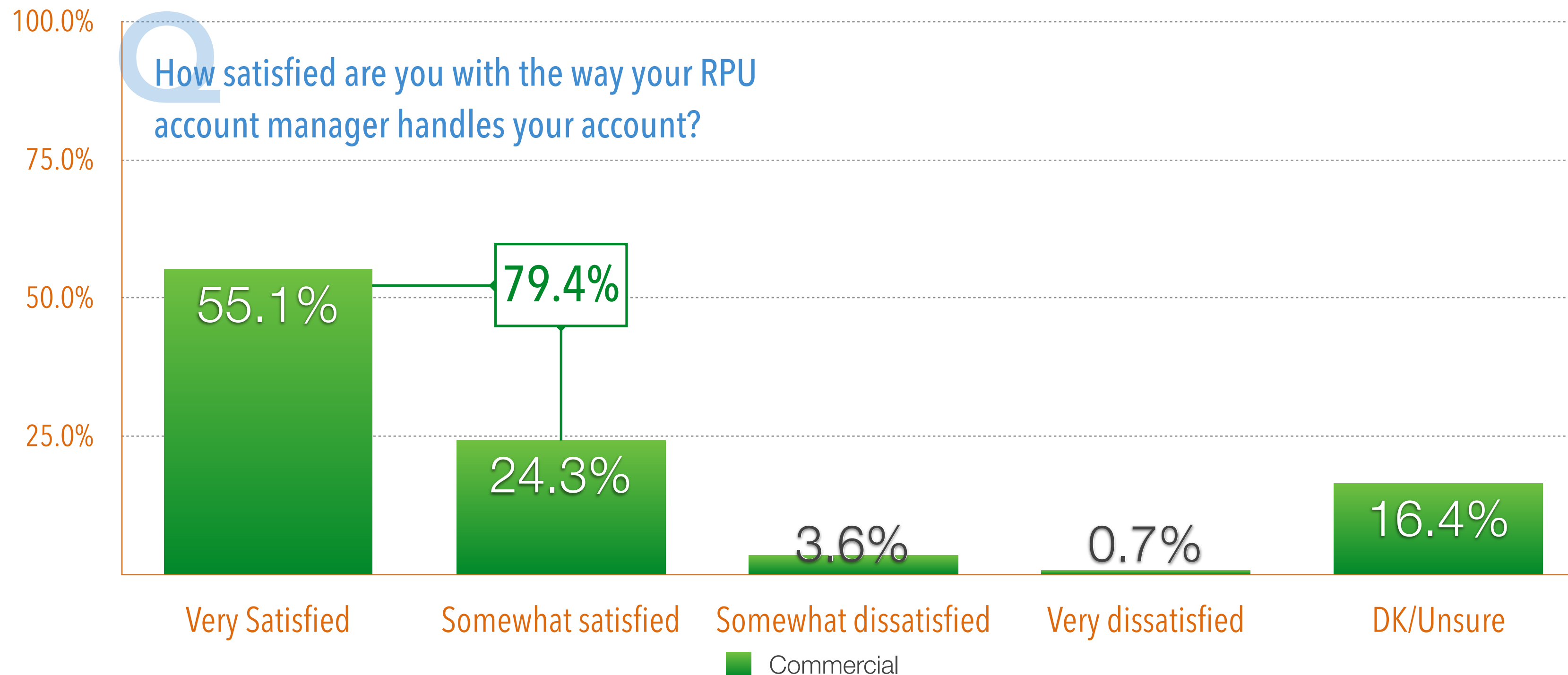
Residential and commercial customers reported consistently high ratings of satisfaction with the field personnel; Understandably, businesses had slightly higher levels of dissatisfaction as visits are often related to audits/repairs, which may disrupt daily operations.

How satisfied were you with the service provided by the RPU employee?



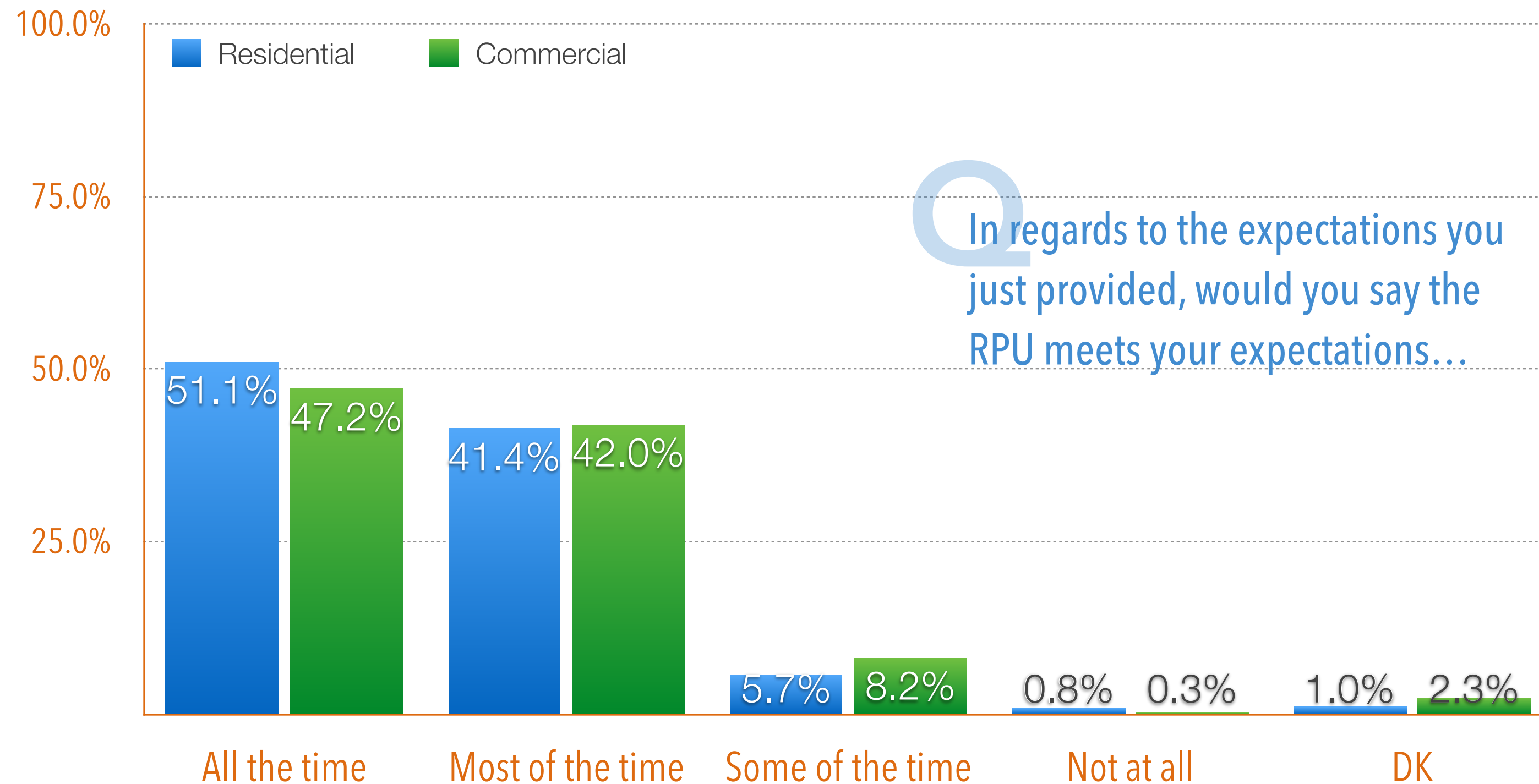
# Account Manager Role Unclear

Most commercial customers were satisfied with their account manager, however a segment of businesses were unsure how to rate their account manager. This may be due to their uncertainty surrounding the managers role.

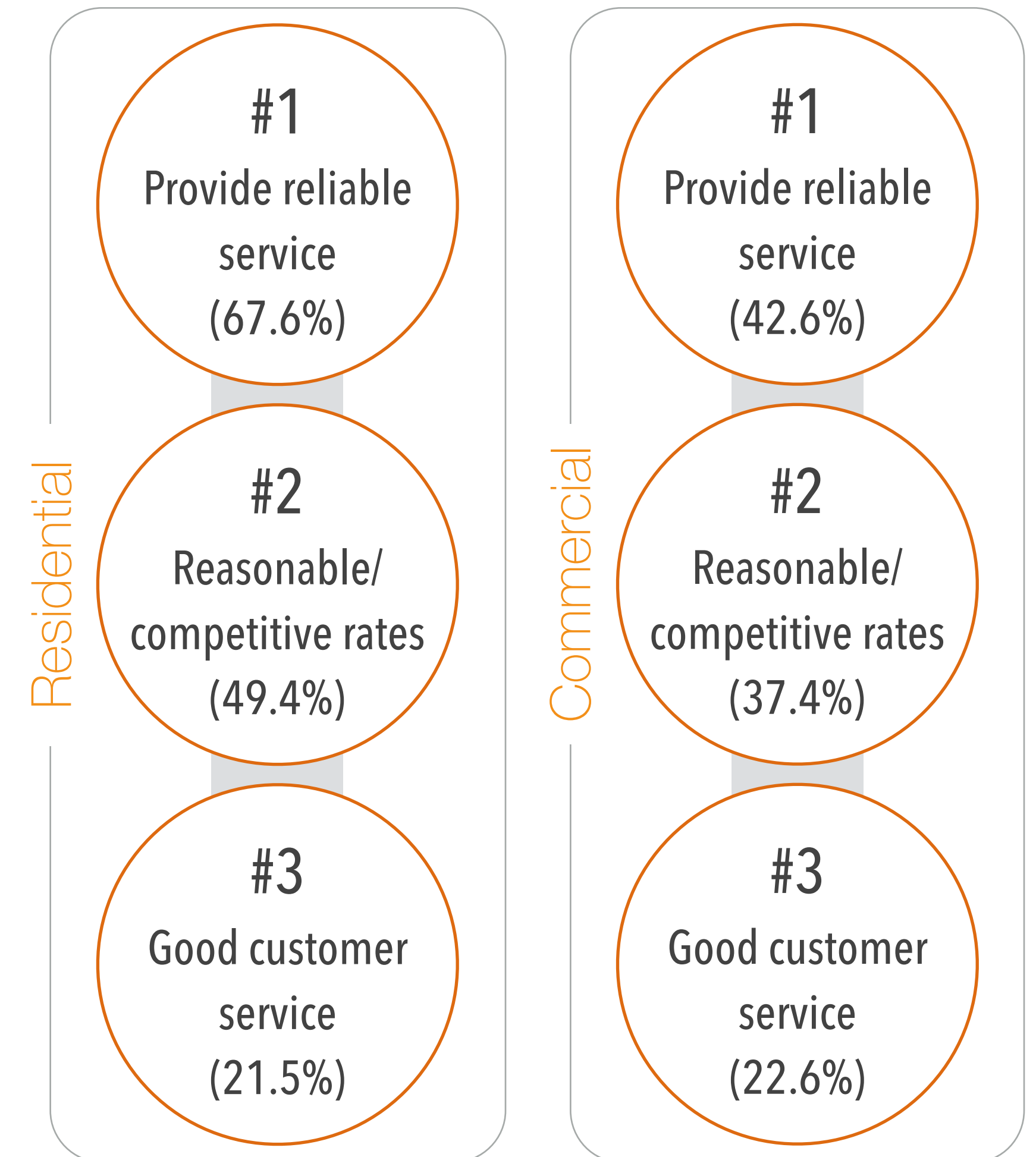


# All Customers Expect Similar Services

While residential customers reported their expectations are being met slightly more often than commercial customers, the top three expectations were consistent for both groups.

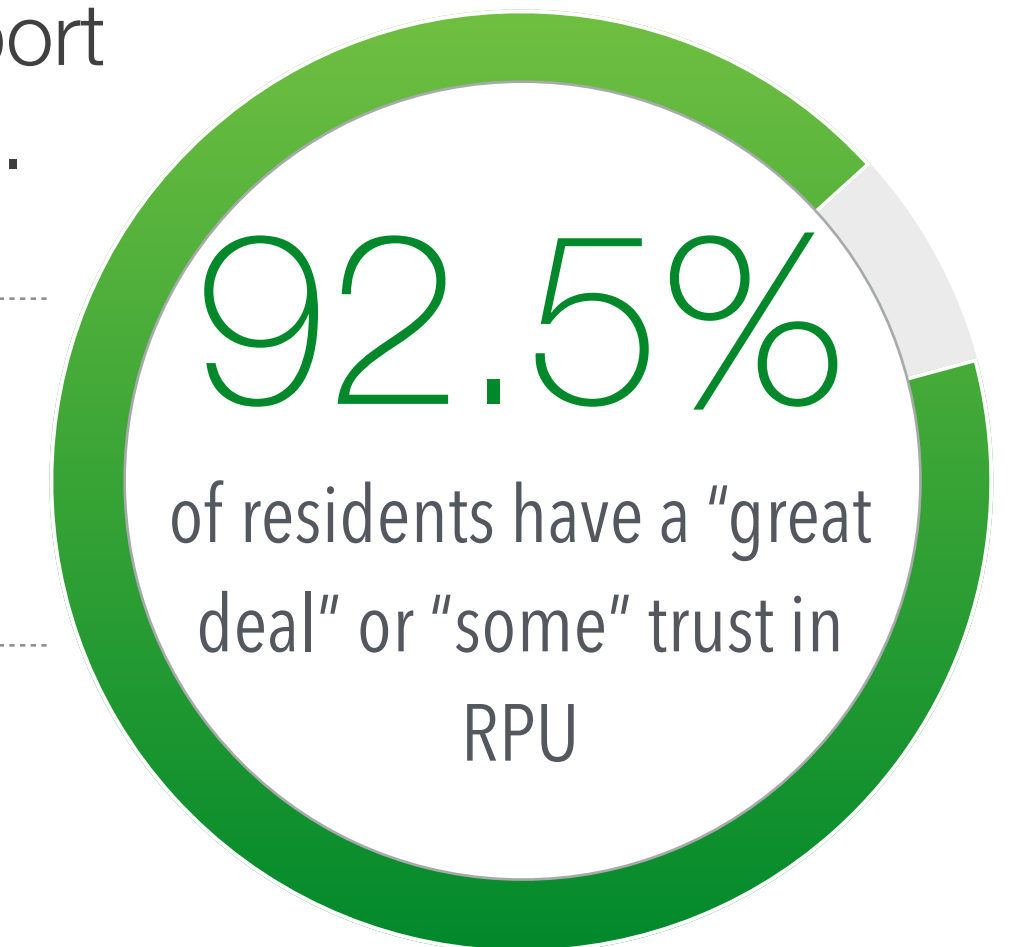
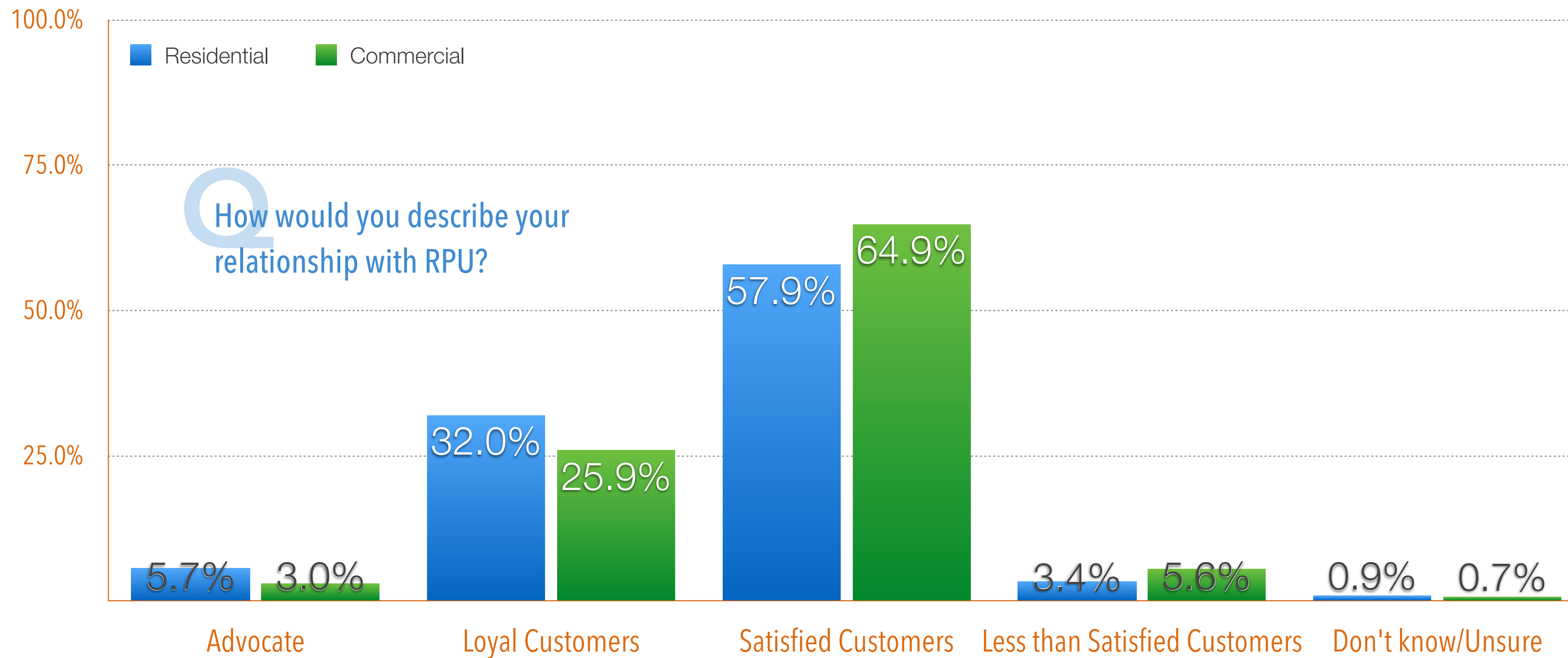


What are your top three expectations of RPU?



# All Trust RPU; Residents More Loyal

Both residential and commercial customers reported similar levels of trust in RPU as well as strong relationships with the utility. In addition, 32.0% of residential and 25.9% of commercial customers report being “loyal” customers - implying if additional services were offered (e.g., internet) they would switch.





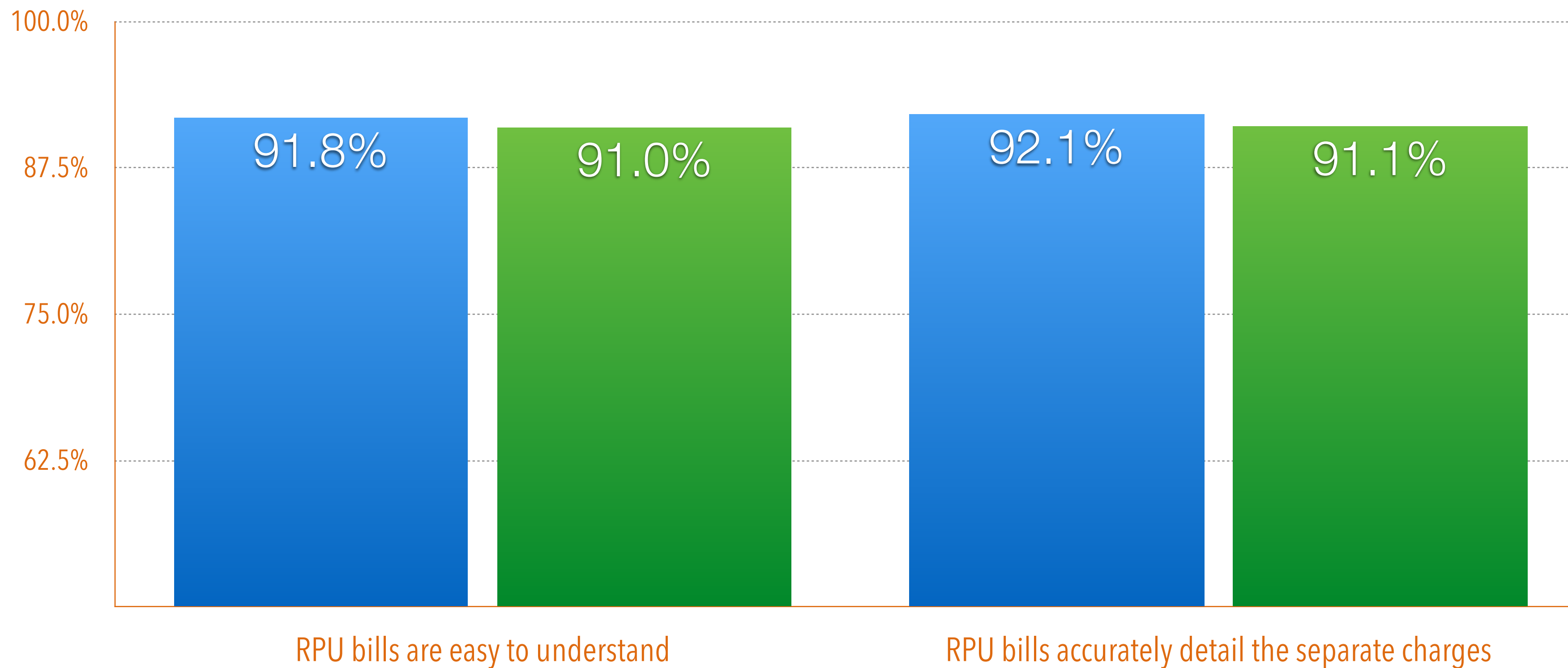
# Businesses suggest collaboration drives loyalty

When discussing the ideal utility experience with commercial customers in the focus groups, a trend emerged for a collaborative energy partner to work with them on conservation, efficiency, and, ultimately, how to best reduce energy costs to improve the business' P&L.

- *"Without that competitive spirit, without the handshaking, without the back slapping and maybe that's what the public utilities need; a ride a long or introduce people to come tour the plant and see what electricity is all about. How do you generate it, why is it that you can flip a switch and everything comes on; great, we depend on that but how does it happen."*
- *"If they offered certain things; would you like us to do a light survey for you? If you come in and you see all these florescent lights; if you change those to a different kind of light in three years you can save the cost of doing it and beyond that it goes in your pocket."*
- *"It's amazing and to a point you can control your bill a little bit if you're proactive about it."*
- *"How to be more efficient? Maybe they could come and help you be more efficient, help you to do some things."*
- *"If RPU could come out and audit our building and tell us how we could save that would be good. They've never been out; I've never seen them."*
- *"Phone calls and emails; emails sending out updates like that hey we're going to do auditing are you guys interested."*

# Customers Satisfied with Bill and Office Hours

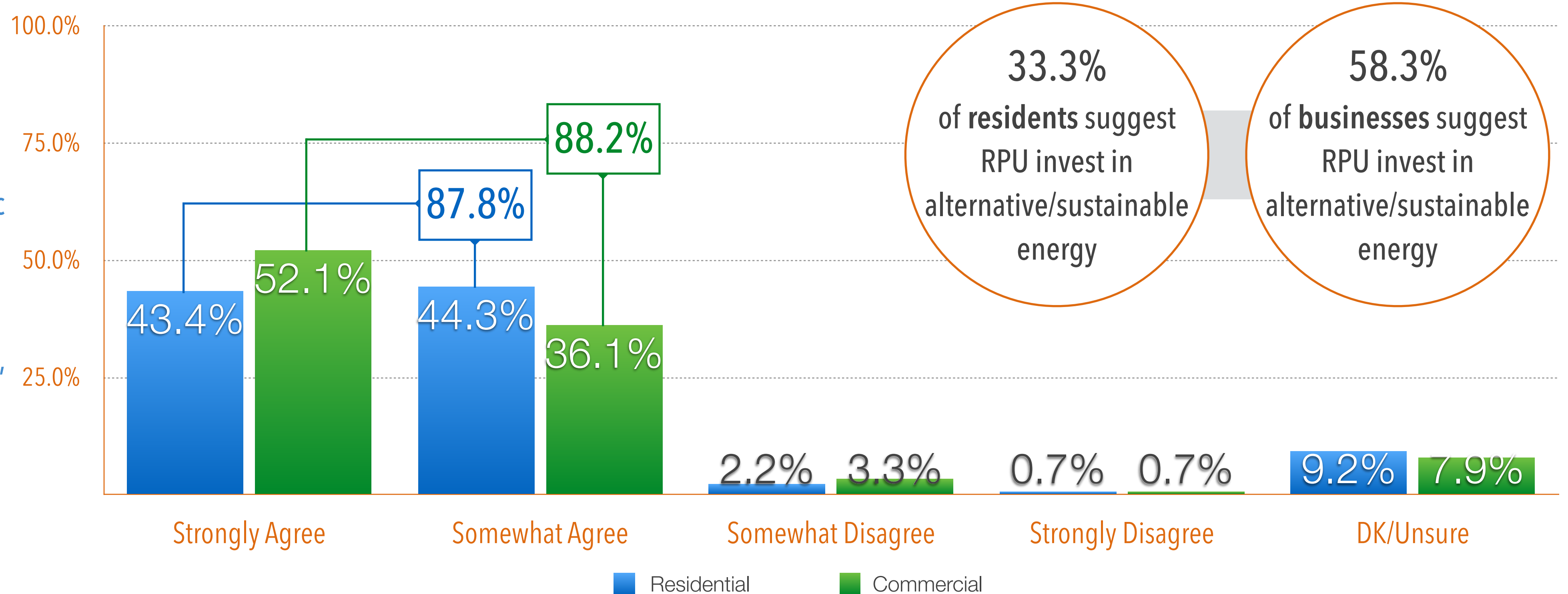
A strong majority of both customer groups reported being able to easily understand bills, as well as the various separate charges for RPU and city services that are detailed. Extended office hours were not seen as necessary as customers are largely able to interact with RPU during existing office hours.



# Businesses Value Alternative Energy...

Both residential and commercial customers consistently agreed that RPU is an environmentally responsible utility company, however businesses had a tendency to agree more strongly than residents. In addition, businesses also placed a heavier emphasis on RPU investing in renewable, more sustainable sources of energy for the future. This investment may drive more loyalty from businesses moving forward.

Do you agree with the statement: "Rochester Public Utilities is an environmentally responsible utility company?"

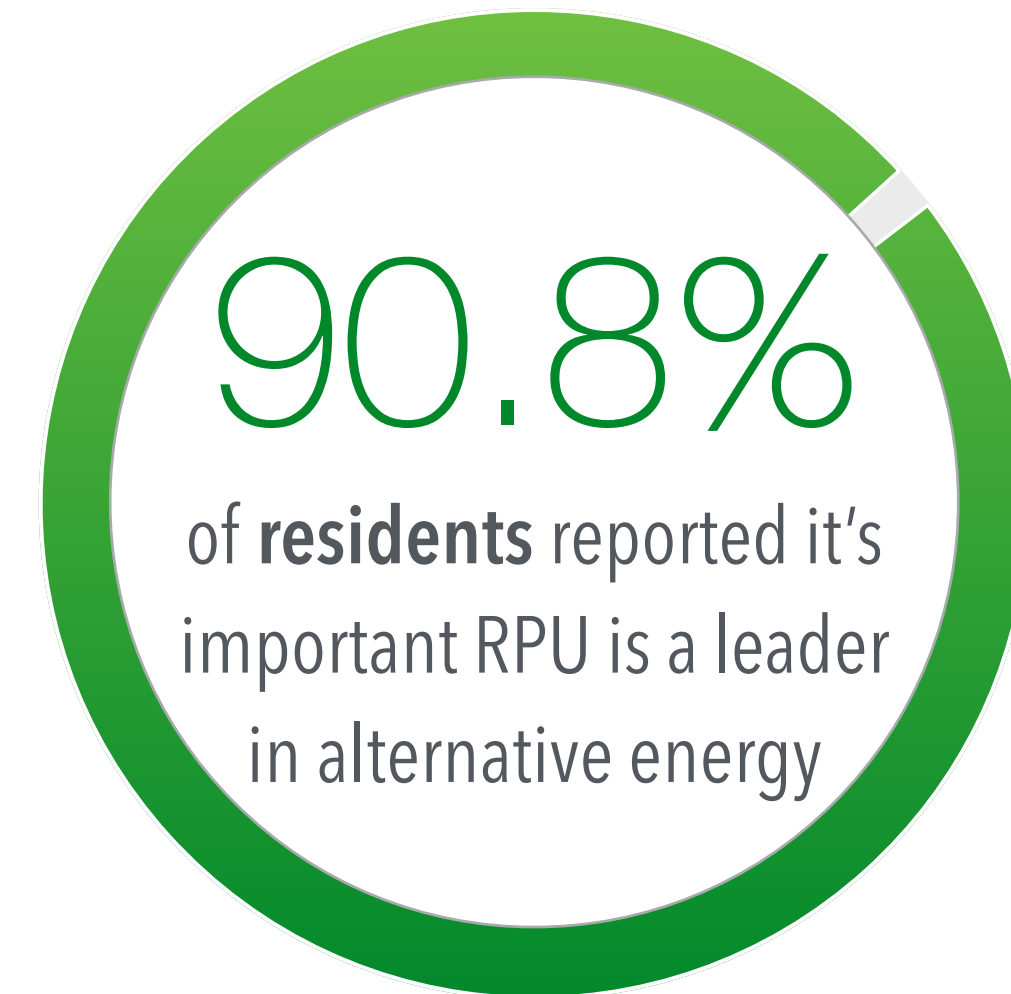


# ...but Residents View RPU as a Leader

There may be confusion among residential customers with respect to whether RPU is already investing in alternative or sustainable energy, as a greater percentage of residents placed importance on RPU's leadership in the field but fewer were open to RPU expanding efforts.

Businesses may place slightly less importance on RPU's leadership, however these customers support investing in this type of energy and provided ample suggestions to do so.

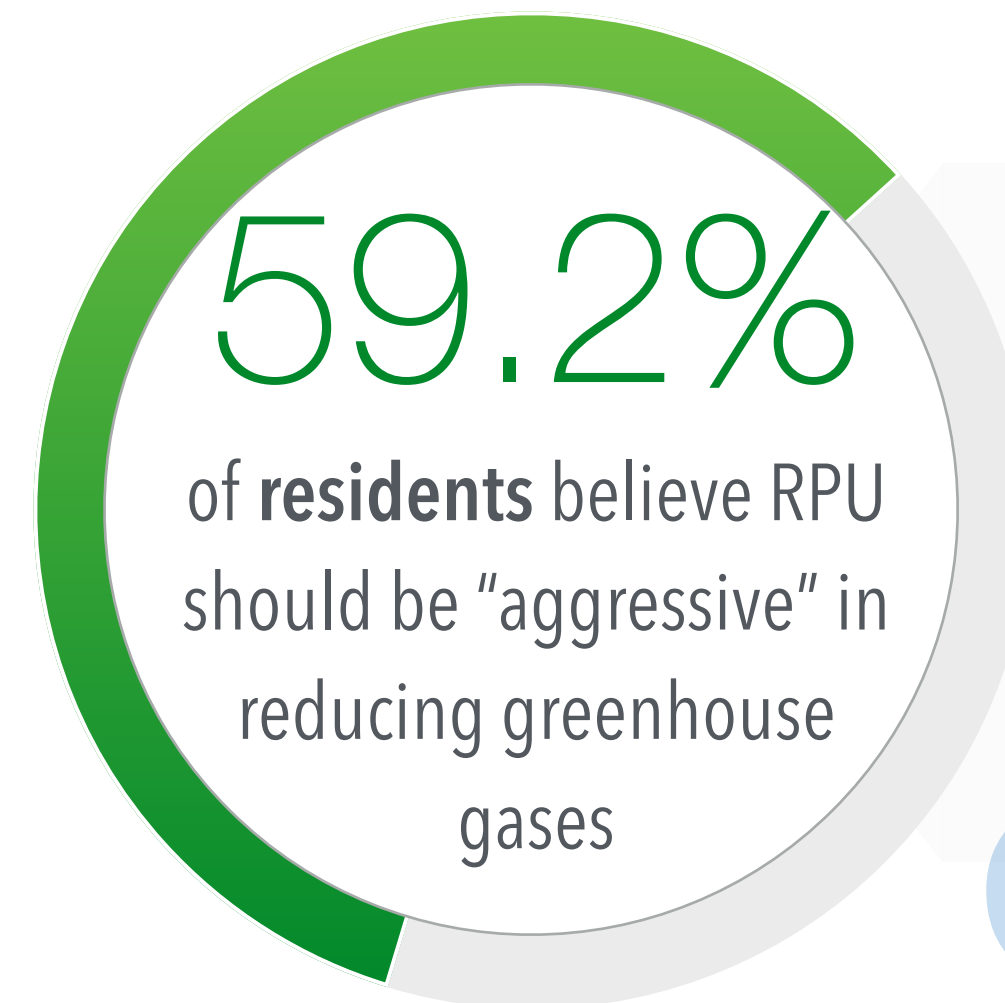
- *"I think credibility would be good with RPU; if they came up with [an alternative energy] product I think I would feel comfortable; I wish they would come to me and talk to me about it."*
- *"If it was an efficient way to go then I would be happy for them. I know that west of here there are some big windmills that are generating electricity; I don't know what that's for. It would be nice if they said 15% of the energy that you use is generated by wind."*
- *"I want alternative energies that my stakeholders can see. People just like to see stuff if they are going to pay more. Solar is more interesting I think to grocery store customers than maybe wind."*



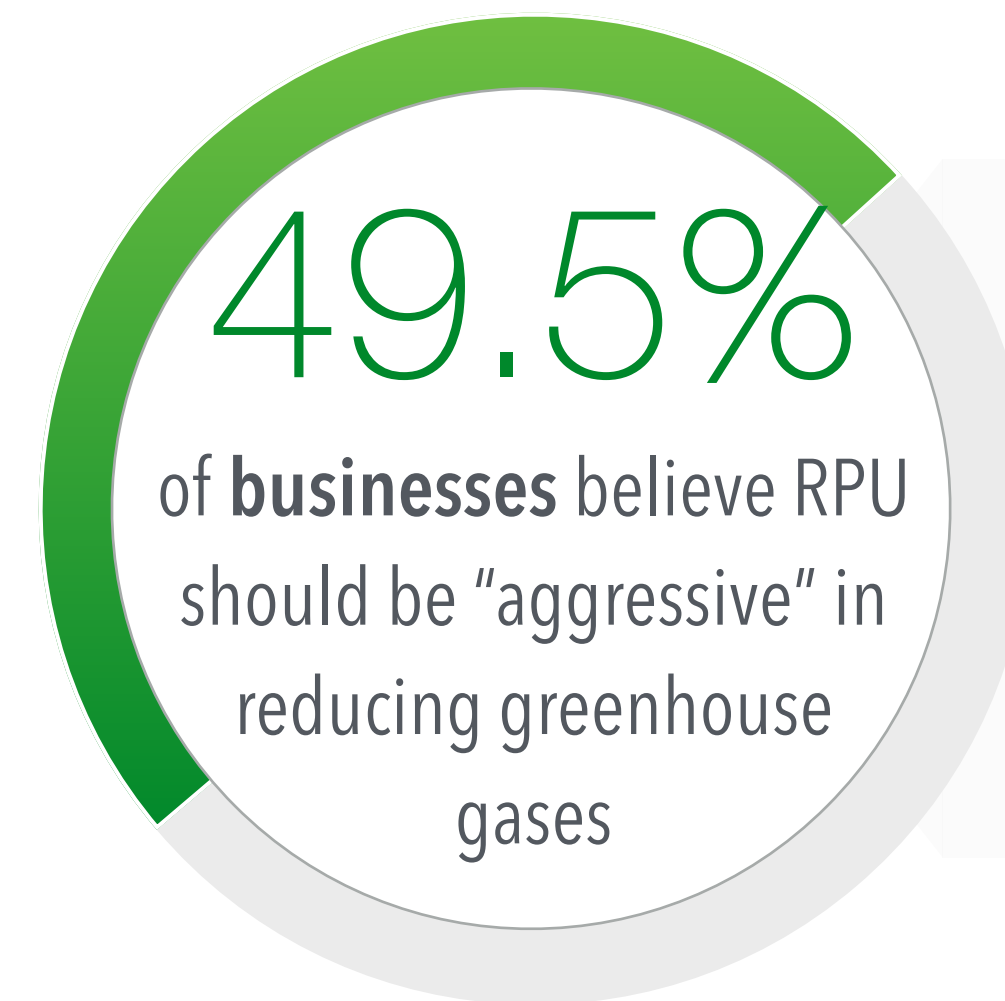
# Willing to Pay for Reduced GHG Emissions

While customers would like to see varying degrees of aggressive efforts by RPU to reduce greenhouse gases, the prospect of these efforts leading to an increase of 5%-10% on an average bill seemed reasonable to many customers.

However, businesses were skeptical in the focus groups of whether these efforts would ever eventually lead to lower costs.



What percentage increase would you be willing to pay on an average bill to compensate for increasing efforts to reduce green house gas emissions?



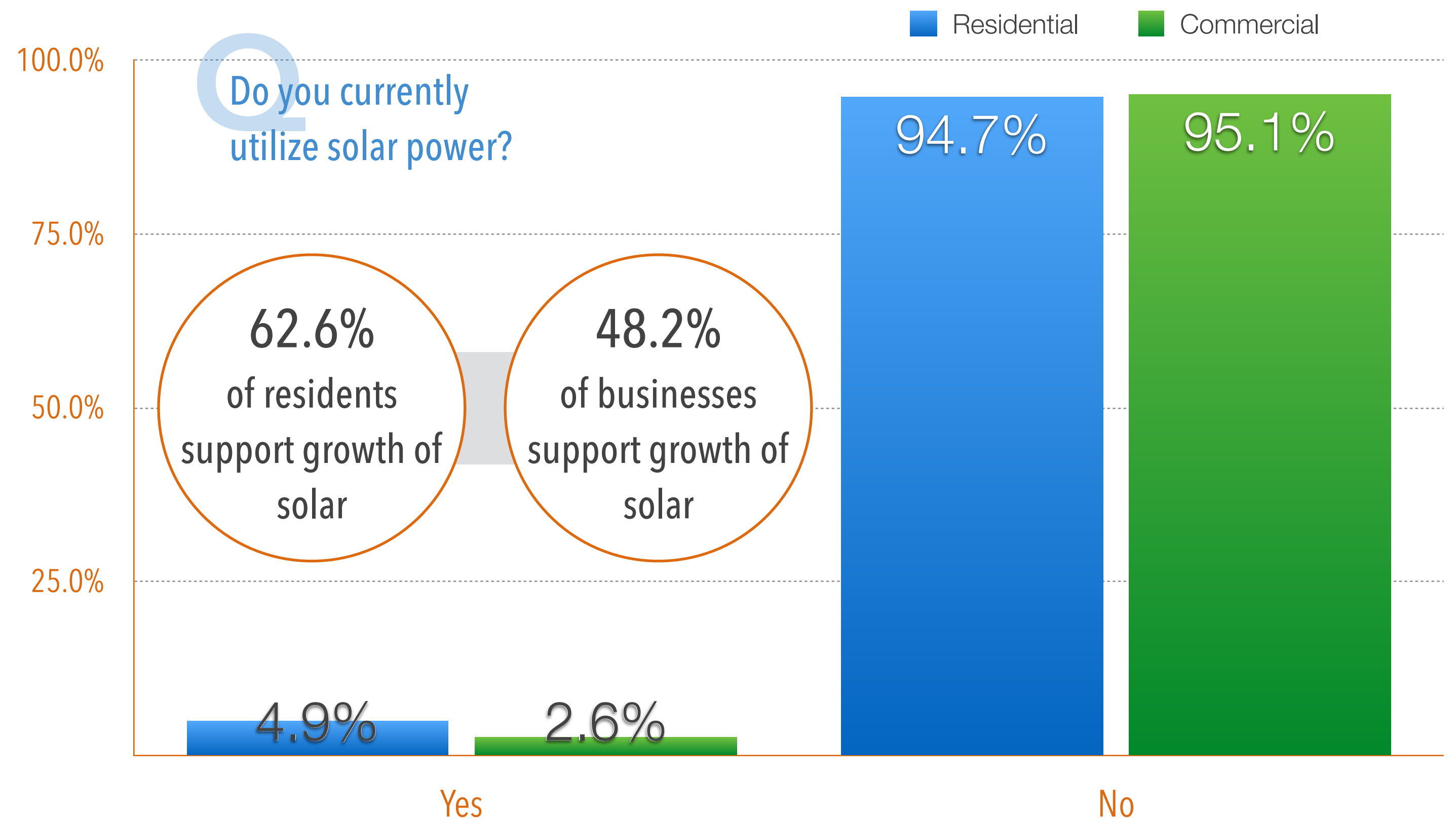
- *"I think if there was a project like that and they started in on it I don't ever see the price ever coming back down. I just see that you pay in and it's just going to stay what it is; okay this is this great solar deal but at the end it's really never going to save you any money."*
- *"Businesses.... they buy a piece of equipment they don't go to their customer and say oh well I've got to charge you \$50 more for those cabinets... because I had to buy this piece of equipment that makes my job easier and I can turn a profit better so you guys are now going to pay for that piece of equipment... That's what I see with this solar energy ..."*

# Solar is an Area of Interest and Growth

A small number of customers are using solar power in any capacity, yet both commercial and residential customers suggested an interest in RPU becoming more involved in offering solar as an alternative energy.

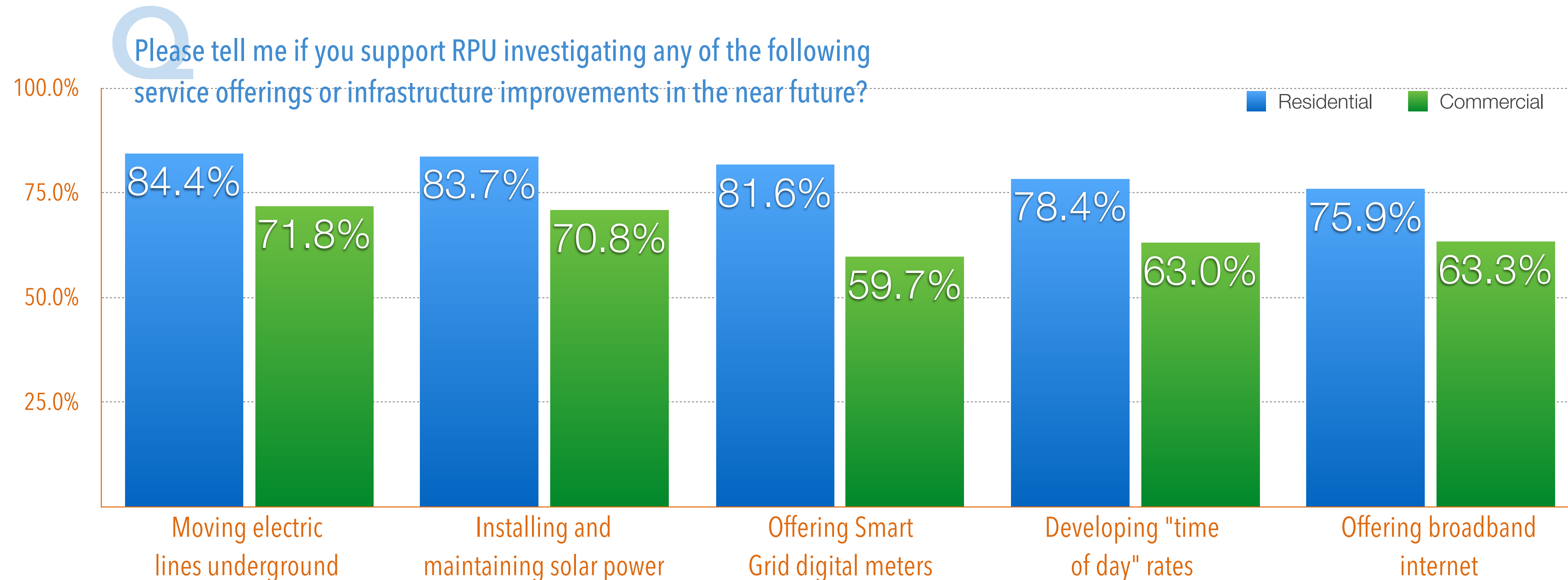
Commercial customers reiterated the desire to see RPU offer individual solar solutions.

- “I think you could do it on an individual basis. Where I’m at I could do geothermal...but somebody downtown doesn’t have that option so maybe it’s better if you do it on an individual basis. A big operation like IBM or something maybe you could do something different for them then what you can do for what I have.”
- “If they came to you and said alright you can go down the path...you can spend a little extra and save it in the long run but not to basically hold a gun to your head and say you have to do this. I think you should actually have choices in the matter.”



# Customers Open to Expanding Services

In general, residential customers were more supportive than businesses with RPU investigating various services and infrastructure improvements. Strong support was garnered for services that are designed to augment current services, such as solar panels, smart grid meters, or broadband internet. Services that would result in an adjustment to meter reading, rate calculation or invasive infrastructure - such as moving electric lines underground - were also very appealing.



# Communication Shifting Online

While a majority of residents preferred receiving information about RPU through the “TV news,” the most consistently preferred source of information between both residential and commercial customers was the “Internet.” It should be noted that commercial customers in the focus groups noted having difficulties with the website.

Preferred Sources of Information	2015 Residential	2015 Commercial
TV news	59.3%	0.7
Internet	41.8	41.6
RPU website	24.8	14.8
Mailings / direct mail	24.5	11.8
TV advertising	21.8	0.3
Radio news	12.4	0.7
Newspaper stories	8.6	1.3
Bill inserts	7.5	14.1
Brochures	6.2	1.0

- *“Their invoices could go back more than just one month. You can’t really pull up the bill to see your usage; they could go back farther. If I have new tenants moving in they are going to ask me how much electricity was used in January. If I can’t pull that information up then I can’t give it to the tenants. That would be nicer if their website was a little bit more updated.”*
- *“I think that was my issue too was just their website; once it is automatic bill pay its super easy and I’ve not had any issues going forward but right at the beginning it’s not very user friendly.”*
- *“I’d like that too; a more user friendly website or more useful website.”*
- *“I’ve seen on some websites where they have some educational thing they call it I don’t know RPU University and you can take some classes and just listen to 5 minute tapes.”*



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# Conclusions

- Overall, Rochester Public Utilities was rated very positively by residential and commercial customers on many important aspects of providing high quality service - perhaps most importantly, in the relationship and trust customers have in RPU. Thus, leveraging this goodwill should allow RPU to engage in a collaborative effort with customers to enact several strategic initiatives currently under consideration.
- Primarily, a desire for alternative energy was evident among customers. Should RPU be able to develop a diverse alternative energy portfolio, the data suggests a plurality of residential customers would be receptive to a 5% to 10% cost increase in an average monthly bill.
- Not surprisingly, their commercial counterparts desire a more specific alternative energy plan for their business. These customers desire working with RPU to develop a specific energy plan that maximizes the size, budget, and location of the business to yoke the greatest return on investment.
- In addition, many commercial customers reported visible sources of alternative energy, such as solar panels, on their business would aid the public perception of their company and potentially increase revenue.

# Conclusions, continued

- ① Communication is essential in delivering new products, services, or offerings. It is important to recognize that customers are beginning to shift to online sources of information and as such, we recommend:
  - a comprehensive assessment of RPU's website (including user experience, content, and commerce) to ensure it is adequately serving the needs of your constituents
  - additional promotion of RPU's current efforts with alternative energy to help reduce some customer confusion and further capitalize on the current level of trust its customers have for RPU for any new efforts.
  - MarComm or direct outreach from the account manager to businesses to clarify the account manager role and how commercial accounts can utilize them will undoubtedly increase satisfaction as effectively communicate with customers
- ① Additional research, directed towards customers currently using solar energy, may be beneficial to understanding any difficulties or issues that arose during the process of incorporating solar. This may help RPU proactively correct any procedural issues as they attempt to expand solar power to more customers.

# Conclusions, continued

- Consideration may be given to offering broadband internet to RPU's customers. Area internet providers scored low ratings, and customers may consider this offering simply due to RPU's current level of exceptional service. That said, a handful of tertiary issues surrounding broadband out of the providers control - such as connectivity issues due to a customers specific IT infrastructure - may have an adverse affect on RPU's overall positive satisfaction ratings once it begins layering on additional services outside its traditional core competency.
- Finally, as RPU considers new strategic initiatives for the future, it may be valuable to share survey results with employees to both commend past performance as well as reinforce the trust the company has in them to deliver excellent service in the next phase of utility's development.

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