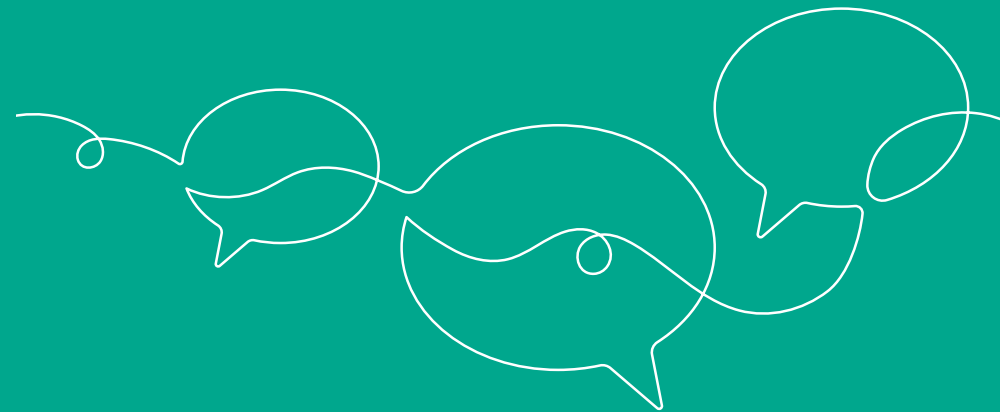




bellomy

Your customer's (valuable) voice

OPTIMIZING VoC INSIGHTS TO
FUTURE-PROOF SUCCESS



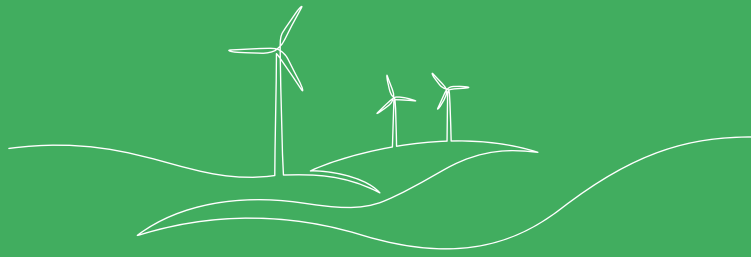
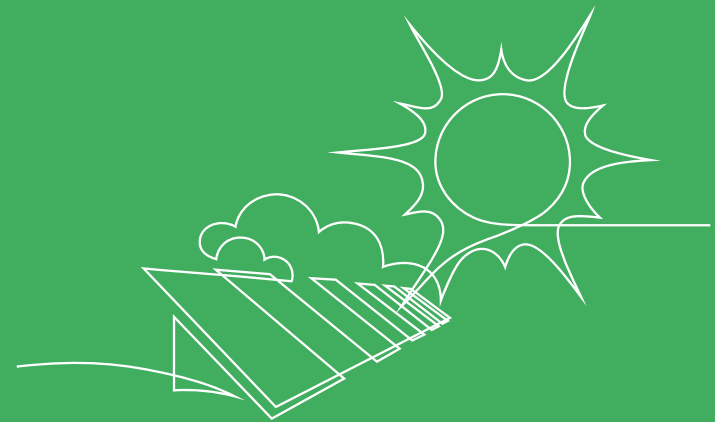


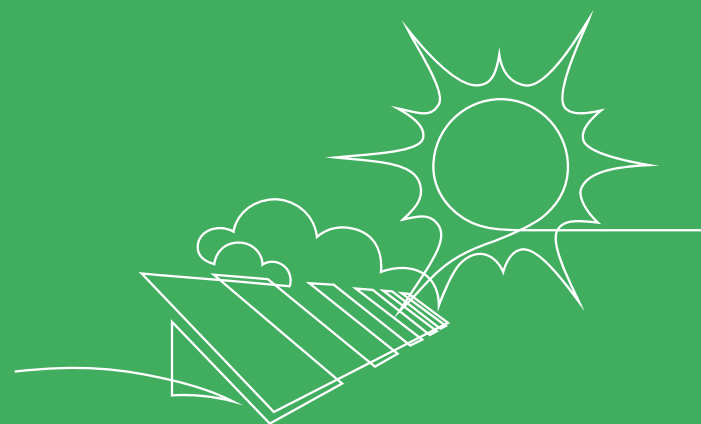
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The utility sector, marked by sustainability and technological transitions, exemplifies an industry where leveraging VoC insights is pivotal for successful future-proofing. Integrating these insights into related initiatives can offer strategic advantages in an uncertain future.





By harnessing the full potential of VoC insights, you can better adapt to coming changes — like the U.S. utility that leveraged VoC to enhance operational efficiency and its reputation when it developed a VoC-informed grid modernization strategy that aligned with customer expectations and regulatory standards.

Informing strategic planning with VoC can distinguish you as a leader at the forefront of change — shaping the industry rather than simply responding to it.

Harness the Power of VoC

We all know the advantage of VoC insights around service and process initiatives. But VoC has tremendous potential to inform your transition to clean energy, grow your social capital, and even impact regulatory conversations.

1. TRANSITIONS TO CLEAN ENERGY + NEW TECHNOLOGIES

Monitoring customer preferences in clean energy and smart technology is critical for strategic adaptation and innovation. VoC feedback on renewable energy and smart home integrations helps tailor services and products, aligning technological updates with customer expectations for service and digital interaction. Insights into customer challenges aid in crafting educational campaigns that drive adoption of new technologies.

2. SUSTAINABILITY EFFORTS

VoC insights are pivotal in aligning utility services with customer-driven sustainability expectations. By understanding customer values, utilities can better promote sustainable energy solutions and innovate accordingly. Insights from VoC help adjust emissions reduction strategies and inform customer engagement on less carbon-intensive technologies. They also play a crucial role in grid modernization, guiding infrastructure investments that enhance service reliability and address issues from aging systems.



3. ENGAGEMENT + PUBLIC PERCEPTION

VoC insights facilitate a deep understanding of individual customer preferences and community-specific needs, guiding service adjustments and corporate social responsibility initiatives. This proactive engagement not only fosters community approval but also strengthens a utility's position as a customer adVoCate, potentially impacting regulatory discussions.



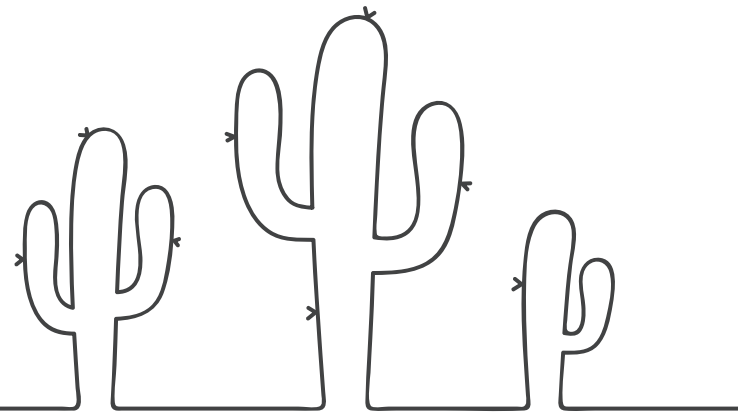
4. REGULATORY COMPLIANCE + RISK MANAGEMENT

Engaging with VoC for regulatory compliance and risk management is essential. Analyzing customer feedback helps predict trends and identify issues early, allowing for timely mitigative actions. Informed strategies improve responses to service disruptions, enhancing recovery efforts and minimizing customer dissatisfaction. Continuous alignment of services with evolving industry standards helps ensure compliance and provides a competitive edge.

UTILITY MANAGEMENT - CASE STUDY

Integrating the customer voice in SRP's long-term planning

A case study examining the role of robust research methodologies and collaborative client relationships in achieving strategic success



BACKGROUND AND OBJECTIVES

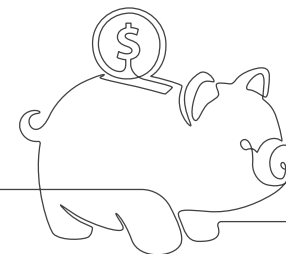


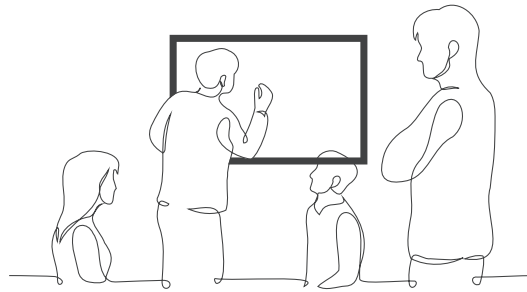
Salt River Project (SRP), a community-based, not-for-profit public utility company, serves more than one million electric customers in central Arizona. With the industry's technological advancements, regulatory changes, and evolving consumer expectations in a state of flux, SRP initiated its first integrated system plan (ISP) to guide its planning in the region through 2035.

The primary objective of the ISP was a comprehensive, long-term plan to ensure SRP's ability to deliver reliable, affordable, sustainable energy to its growing customer. But SRP's innovative, holistic approach to planning also factored in customer needs and expectations.

Having partnered on previous projects, SRP enlisted Bellomy to bring the customer voice into the planning of the future power system. SRP was confident that our advanced analytics and technology capabilities would meet project requirements. Additionally, SRP valued the Bellomy team's industry experience, collaborative spirit, and commitment to designing tailored solutions. Finally, SRP trusted Bellomy to deliver high-quality strategic insights and recommendations in the spirit of partnership.

With its research, Bellomy aimed to understand how SRP customers think about and value sustainability, affordability, and reliability related to their electricity service and gauge reactions to potential future energy system plans and customer-facing implications of the plans. SRP specifically wanted to identify preferred methods of engaging on this topic and areas where customer viewpoints were generally in agreement and where they diverged.





METHODOLOGY

We designed a three-phased approach, starting with virtual focus groups, followed by a quantitative confirmation survey, and culminating in a detailed choice exercise. Because the final phase hinged on data of the highest possible quality, a test study of its educational materials, instructions, and design preceded it. Each phase was designed to delve into customers' preferences concerning SRP's future energy mix, with a specific focus on the trade-offs between affordability, reliability, and sustainability.

All respondents were SRP customers 18 or older who paid for and/or made decisions about household utility service and did not work for a related industry. This was a long-term, multiphase project, launching in late 2021 and wrapping with a final report in early 2024.

Phase I: Focus groups

For an initial understanding of attitudes and expectations, we gathered qualitative insights from 24 SRP customers, representing diverse customer segments, during a series of four 90-minute virtual focus groups.



SOLUTION SPOTLIGHT

Surveys for better CSAT

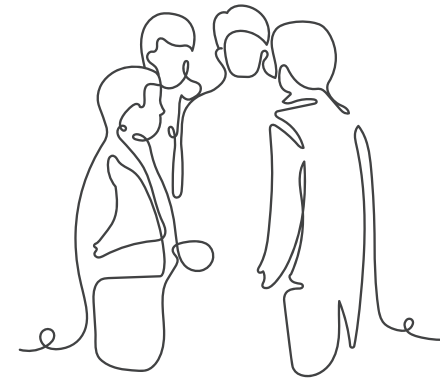
To enhance service quality and customer perceptions, a regional utility sought to continuously improve its interactions.

Bellomy introduced a detailed VoC program, using various methods to collect feedback at multiple customer touchpoints. This approach included benchmark comparisons with peer utilities to maintain competitive standards.

Shortly after implementation, the utility observed a 13% increase in customer satisfaction, and the data collected from the surveys significantly informed strategic decisions, internal training, and the development of new services catering to customer needs.

Phase II: Online survey

Bellomy then fielded an online survey, with 400 respondents evaluating illustrated examples (informed by Phase 1 findings) of how SRP's energy plan could potentially develop. Prior to evaluating the energy mix, respondents received information about SRP's priorities, but the survey did not include details about cost, timeline, or reductions in water and carbon emissions.



Pretest for Phase III exercise

The Phase III choice exercise was critical to the research solution and covered a very complex topic. To ensure SRP's diverse customer base would be able to understand and easily complete it, prior to deployment we conducted a pretest with non-SRP customers on draft versions of Phase III educational materials, instructions, and choice-exercise design.

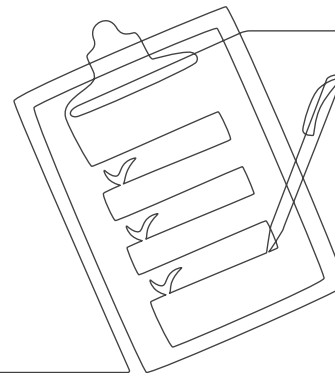
The pretest included an initial survey, qualitative ride-along interviews, and then another survey. After revising elements of Phase III based on pretest feedback, response to the question "How easy would it be to complete this activity?" rose from 24% to 35% for "very easy," a confirmation that helped secure the highest quality of actionable data.

Phase III: Choice exercise

The most advanced phase, a 20-minute online choice exercise developed by Bellomy's Advanced Analytics team and fielded to 1,011 SRP customers, assessed customer preference for a future energy system.

Respondents were asked to evaluate 11 screens, each showing two (of nine total) energy system options side by side for comparison. Along with a graphic representation of each option's energy mix were projections for SRP service attributes, such as time until sustainability goals are met, reductions in carbon emissions, risk of power outages, and impact on monthly bill. To emphasize the real-life impact of each potential future system in a personal way, the Bellomy Advanced Analytics Team calculated cost options using each customer's actual bill amount.

For each screen, respondents selected their energy system preference or a "none of these" option. Each potential energy system received a customer preference rating based on responses. Additionally, the choice exercise measured how customers value the different attributes of SRP's service offerings.



FINDINGS

The research generated valuable insights into SRP's residential customers, defining customer priorities for enhanced decision-making. Among the key findings:

Affordability & bill impacts

In each phase of this research, affordability surpassed reliability slightly in importance when ranked by customers, especially those with limited incomes. Additionally, when choosing a future energy system, customer selections revealed monthly bill impact as the top driver of preference.

Understanding and openness to change

Despite prioritizing affordability, customers recognized that challenges facing the region are interrelated and pose risks to sustainability, the economy, and overall quality of life. They understood the need for a lower-carbon future energy system, yet across scenarios, customers preferred lower-cost strategic approaches. They recognized the need for SRP's investment in sustainable energy sources but did not want to bear the cost of that investment.

Willingness to engage

Customers reported positive experiences with SRP's programs, and more than half were interested in programs and rebates that will help them save money and energy. Approximately a third expressed interest in learning about SRP's energy efficiency programs, environmental efforts, and infrastructure improvements.

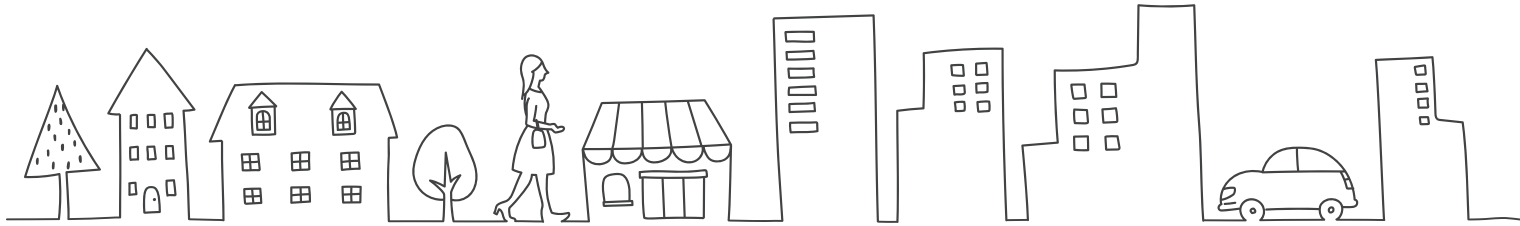


SOLUTION SPOTLIGHT

Panels and communities for chatbot optimization

With the move towards modernizing customer interactions, a utility provider developed an AI chatbot to streamline payment processes. To ensure its effectiveness, the utility worked with Bellomy to conduct online usability tests using its residential panel. The tests revealed areas for improvement, particularly in modifying payment arrangements.

Following customer feedback, enhancements were made to the chatbot, focusing on these specific needs. This iterative process based on direct user input led to a chatbot that exceeded expectations, simplifying the management of payment arrangements and improving overall customer satisfaction.



RECOMMENDATIONS

After interpreting vast quantities of data, we recommended that in developing its long-term plan, SRP focus primarily on managing costs while ensuring system reliability and progressing toward sustainability goals. This strategic alignment, informed by direct customer feedback, supported SRP's decision-making processes on infrastructure investments and service adaptations tailored to customer expectations and market realities. Among specific key recommendations:

Focus investment on a least-cost portfolio

With cost being the top driver of customer preference, it will be critical to ensure system costs are managed and explained to customers proactively and transparently.

Promote the grid

Because reliability ranked second highest in priority, we recommended SRP highlight and maintain grid readiness and resiliency.

Target approach to customer programs

Because customers expressed a willingness to engage with SRP via customer programs, we recommended that when it came time for ISP implementation, SRP should have plans to meet a variety of customer needs.

KEY TAKEAWAYS FOR THE INDUSTRY AT LARGE

These research insights not only empower SRP in its ongoing operations but also serve as valuable takeaways for other utilities engaged in strategic planning while navigating the challenges of a dynamic landscape.

The customer voice is critical

Nuanced understanding of how various factors influence customer preferences, behavior, and decisions is vital to successful planning. Additionally, proactive, inclusive stakeholder engagement helps build consensus and ensures that utility plans are comprehensive and widely supported.

Advanced analytics for strategic decisions

Advanced analytics optimizes data-driven decision-making around critical areas such as investments in infrastructure and customer engagement. Leveraging sophisticated analytics is crucial in navigating the complexities of modern utility management and planning.

The power of a trusted research partner

This project underscored the strategic importance of enlisting a high-touch, collaborative research partner fully aligned with internal teams and committed to designing the best solution for your unique needs. Post project, SRP leadership noted Bellomy as “a partner who looked out for SRP’s best interest” and “foundational to the success of this effort.”



SOLUTION SPOTLIGHT

Segmentation for tailored offerings

To address the diverse needs of small and medium business customers, a utility provider employed customer segmentation to gain insights into their varying expectations and behaviors. Recognizing these complexities, the provider collaborated with Bellomy to craft a strategic solution.

Through an integration of attitudinal and operational data, Bellomy created an algorithm to segment customers into distinct groups.

This advanced segmentation enabled the utility to customize its offerings precisely, enhancing customer satisfaction and fostering company innovation.

Text analytics tools built by researchers for researchers

Our AI-enhanced text analytics tools enrich every stage of the research process and deliver fast, nuanced, customizable results so you can act quickly and confidently.

Bellomy researchers developed these tools in-house to meet specific research needs. We use them internally, and our clients also have access through their dedicated Bellomy Research Cloud for dynamic, real-time insights that keep the organization aligned and informed. Here are some of their game-changing features.

1. INSIGHTS TAILORED TO ORGANIZATIONAL ROLE

Our tools adapt to your specific needs. The “Ask the AI Assistant” feature segments VoC data analysis to cater to different roles within your organization. For example, in a service disruption scenario, AI can offer distinct, relevant insights for executives concerning overarching strategy and for line workers focusing on procedural adjustments.





2. DEEP DIVE INTO CUSTOMER SENTIMENTS

Speed and depth characterize our VoC sentiment analysis. While the traditional approach of sifting through feedback is sluggish, our AI quickly pinpoints the core sentiments — frustration, confusion, or satisfaction — and delves into the reasons behind these feelings. Suppose there's a wide-scale outage; our tool identifies not just the outage but also issues like poor communication or update deficiencies, enabling you to tackle the root causes and enhance customer satisfaction and trust significantly.

3. VOC-SPECIFIC TOPICS WITH SECTOR RELEVANCE

Our sector-specific AI-powered topic modeler excels in distinguishing nuanced VoC topics, crucial for the utility sector. It differentiates various types of billing concerns—be it estimated reads, charge errors, or payment issues—allowing precise resolution rather than broad, general actions. Moreover, it correlates VoC data with external factors like weather, helping you understand broader impacts on customer sentiment and enhancing emergency response strategies.



4. CUSTOMIZABLE REPORTING

Our customizable dashboards move beyond one-size-fits-all reports with tailoring for different stakeholders. From high-level trends for VPs to practical, day-to-day insights for technicians, our tools ensure that every part of your organization receives the VoC data it needs to excel. This targeted approach enhances operational efficiency and customer-focused decision-making across your organization.

5. DYNAMIC CASE MANAGEMENT

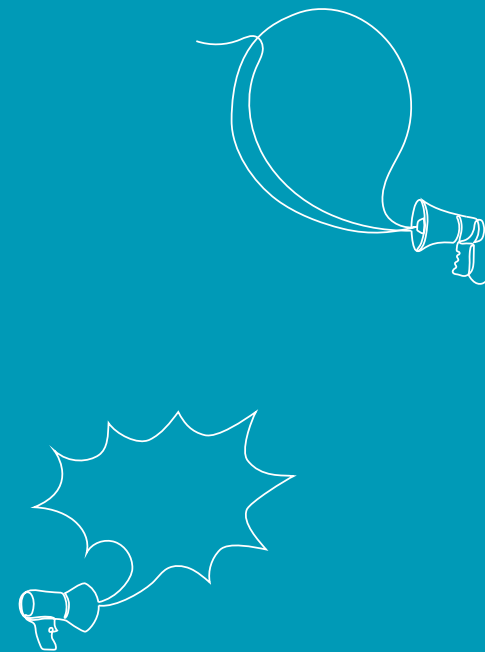
Our AI-driven case management tool prioritizes real-time VoC issues, such as emergency conditions or significant customer grievances, allowing swift action where it's most needed. This not only reduces risk but also boosts customer satisfaction by showing customers that their voices are heard and acted upon promptly.



An indispensable asset in an ever-changing industry

Whether by improving the customer experience, fostering innovation, advancing technological capabilities, driving operational efficiency, ensuring regulatory compliance, or paving the way for sustainable energy solutions, we've seen the positive results of centering customer insights again and again in our utility work.

VoC is among your most rare and valuable assets. Because VoC solutions generate customer trust, they can help you build valuable community support and social capital for future initiatives. Utilities that place the customer's voice at the heart of strategic initiatives not only protect themselves against evolving market dynamics but also position themselves as industry leaders shaping a sustainable, customer-centric future.



Your trusted partner for complex challenges

Experience for yourself why utility professionals depend on Bellomy expertise, analytics, and technology for strategic success. Visit www.bellomy.com/utilities to learn more and connect.



A privately owned, full-service market research firm, Bellomy has earned a reputation for engaged collaboration, expert guidance, and advanced technology that empowers client-partners to foster stronger key relationships and make critical decisions with confidence. Our client-partners represent a broad range of industries, including utilities, healthcare, financial services, CPG, and retail.

Bellomy distinguishes itself as a high-touch, high-tech consultancy. We function as a trusted extension of the client-partner team. Additionally, our client-partners benefit from the industry-leading insights technology developed by our in-house engineering team.

Founded in 1976 in Winston-Salem, N.C., Bellomy transitioned to a remote-work model in 2020 and has more than 100 employees across the United States.

To discuss solutions for a business challenge, initiate a consultation at:

www.bellomy.com/consultation

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