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# 2019 Customer Satisfaction Study



**Report of Findings**

1 October 2019  
Confidential & Proprietary

# Table of Contents

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## SECTION ONE

### About GreatBlue

## SECTION TWO

### Project Overview

## SECTION THREE

### Key Study Findings

## SECTION FOUR

### Considerations

## EXHIBITS

Aggregate Data (*Provided Separately*)

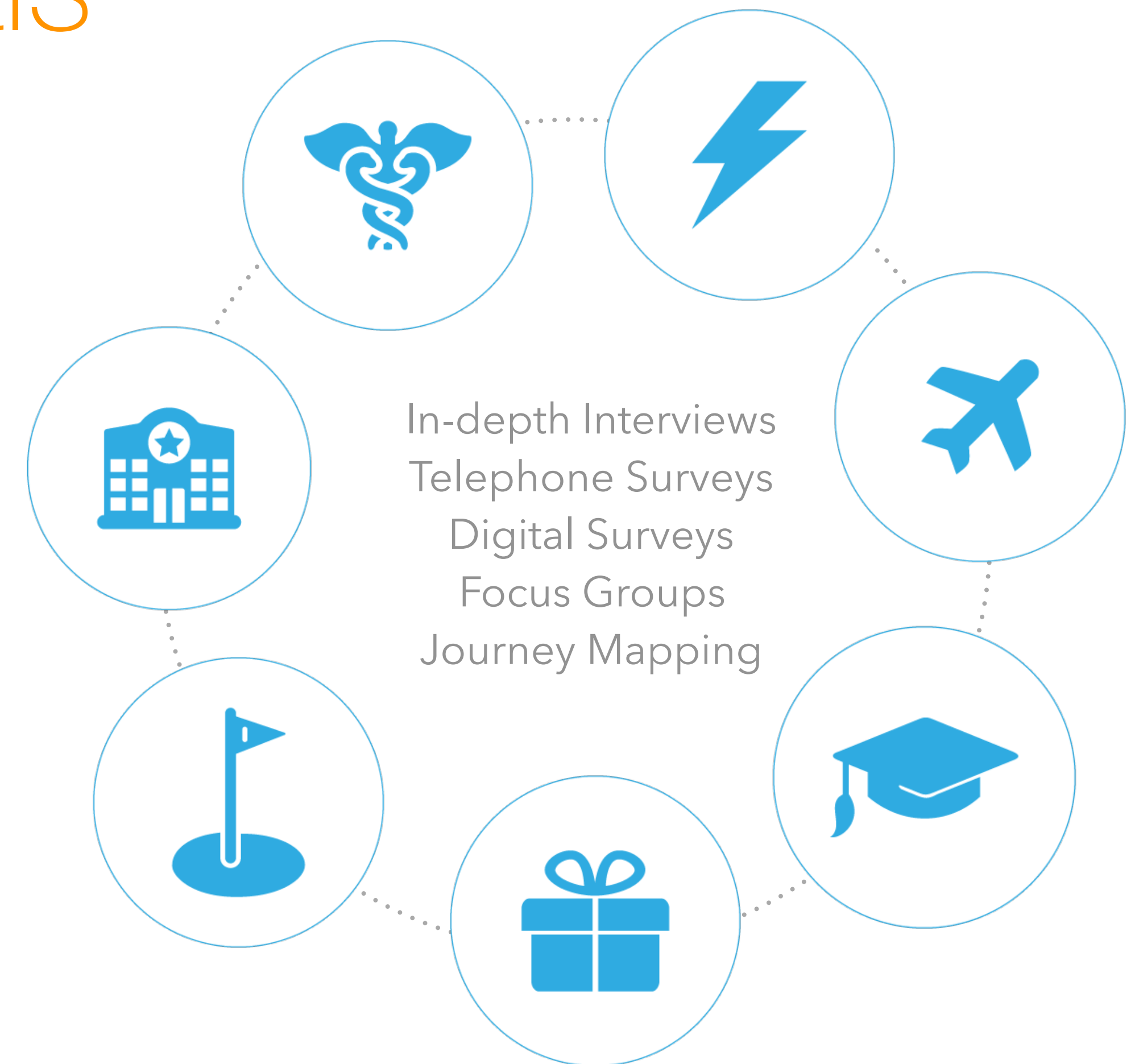


# Harnessing the Power of Data to Help Clients Achieve Organizational Goals

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**Solutions** that are customized to provide a personalized approach of understanding organizational, employee, and customer needs allowing for more informed decisions.



# Table of Contents

---

SECTION ONE

About GreatBlue

**SECTION TWO**

**Project Overview**

SECTION THREE

Key Study Findings

SECTION FOUR

Considerations

EXHIBITS

Aggregate Data (*Provided Separately*)



# Project Overview

- ④ GreatBlue was commissioned by Shrewsbury Electric and Cable Operations (hereinafter “SELCO”) to conduct market research to understand the satisfaction levels of its residential customers.
- ④ The primary goals for this research study were to assess SELCO’s performance over previous years and to identify areas for improvement in an effort to provide the best possible service to its customers.
- ④ In order to service these research goals, GreatBlue employed a telephone survey to capture the opinions of residential customers living within the SELCO service territory.
- ④ The outcome of this research will enable SELCO to a) more clearly understand, and ultimately set, customer expectations, b) act on near-term opportunities for improvement and, c) create a strategic roadmap to increase customer satisfaction.



## Areas of Investigation

The SELCO Customer Satisfaction Study leveraged a quantitative research methodology to address the following areas of investigation:

- Rating the electric service of SELCO
- Rating interactions with office personnel
- Awareness and importance of community ownership
- Communication preferences
- Evaluation of SELCO's efforts to curb carbon emissions
- Interest in and concerns regarding electric vehicles
- Awareness of and interest in "time of use" rates
- Demographic profiles of respondents

# Research Methodology Snapshot

Methodology Telephone / Digital	No. of Completes Phone: 302 Online: 187	No. of Questions 66*	Incentive None	Sample Customer list
Target Residential	Quality Assurance Dual-level**	Margin of Error Phone: 5.6% Online: 7.1%	Confidence Level 95%	Research Dates August 26 - September 20

\* 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.

# Table of Contents

SECTION ONE  
About GreatBlue

SECTION TWO  
Project Overview

**SECTION THREE**  
**Key Study Findings**

SECTION FOUR  
Considerations

EXHIBITS

Aggregate Data *(Provided Separately)*

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

- Survey respondents\* provided consistently high ratings for several characteristics of SELCO. The highest positive rating was for “reliable service” (96.7%), while the area that noted the largest increase was “community service” (96.3% in 2019 over 90.8% in 2017). This drove an overall increase in the average positive rating for SELCO’s organizational characteristics in 2019 (93.3% over 91.8% in 2017).
- Two-fifths of customers\* (40.4%) felt the prices they pay for their electric service are “lower than surrounding towns” (56.1% in the online survey), with roughly one-fifth\* (19.2%) noting these rates are “about the same” as surrounding towns (12.3% in the online survey).
- Among the 130 residents\* who contacted SELCO in 2019, 96.1% were “satisfied” with the employee who handled their call or visit. Of the 64 online survey respondents who had contacted SELCO, 87.5% were satisfied with the service received.
- Over four-fifths of customers\* (83.8%) were aware SELCO is a Community Owned Municipal Utility (92.5% in the online survey). Additionally, the majority of customers\* (79.1%) felt it is either “very” or “somewhat important” that their utility is community owned (89.8% in the online survey).

\*Customers who completed the survey by telephone

# Key Study Findings, continued

- When asked to describe how well characteristics of municipal utilities describe SELCO, nearly all customers (98.2% telephone, 91.9% online) agreed that “SELCO Electric effectively balances environmental stewardship with fiscal responsibility.” Additionally, the clear majority (92.3% telephone, 93.7% online) agreed that “SELCO Electric is focused on fair prices and high levels of customer satisfaction.”
- Over three-fifths of customers\* (62.9%) prefer to look for information from SELCO on their website, with another 17.2% seeking information through their utility’s bill inserts and 15.6% through direct mail.
  - Notably, 86.6% of customers\* rated SELCO’s website as a valuable resource (94.9% online).
- SELCO received a 96.3% net positive score (advocate + loyal + satisfied) in 2019, with 32.1%\* labeling themselves as either advocates or loyal customers of SELCO.
- One-half of customers\* (50.0%) felt SELCO is doing enough to curb carbon emissions. However, 45.4% were unsure if SELCO is doing enough. Over one-half of customers\* (51.3%) would like SELCO to be either “very” or “somewhat aggressive” in setting goals to reduce carbon emissions, compared to 43.3% in the online survey.

\*Customers who completed the survey by telephone

# Key Study Findings, continued

- When ranking topics pertaining to their electric service in order of importance, one-half of customers\* (49.7%) ranked “reliability” as the most important topic to them. This was followed by 35.1% of customers\* who gave “cost of electricity” the top ranking and 15.2% of customers\* who gave “reduction of carbon in the electricity portfolio” the top ranking.
- One-fifth of customers\* (20.5%) are either “very” or “somewhat likely” to purchase an electric vehicle in the next three years, compared to 23.0% in the online survey. These numbers are lower than the likelihood among public power customers nationwide (35.7%), according to the Public Power Data Source\*\*.
  - When asked their reasoning for being unlikely to purchase an electric vehicle in the future, customers\* cited the “higher initial cost to purchase” (20.1%) in comparison with gasoline vehicles and that they “don’t know enough about electric vehicles” (14.6%) to purchase one.
- Less than one-quarter of customers\* (24.2%) expressed awareness of the concept behind “time-of-use” rates (31.6% in the online survey). After they were read a description of “time-of-use” rates, more than two-out-of-five customers\* (42.4%) noted being either “very” or “somewhat likely” to shift their rate structure to one where they pay different rates for their electric usage at different times of the day (58.3% in the online survey).

\*Customers who completed the survey by telephone

\*\*APPA Public Power Data Source powered by GreatBlue Research, Inc. (September 2019)

# SELCO's Ratings Continue to Increase

Customers provided consistently strong ratings for SELCO's electric service specifically. Most notably, customers' perceptions of the company's community service experienced the largest increase in 2019 (+5.5 percentage points). An increased frequency of customers also provided positive ratings for SELCO's efforts to "help customers conserve electricity" (+4.0 percentage points).

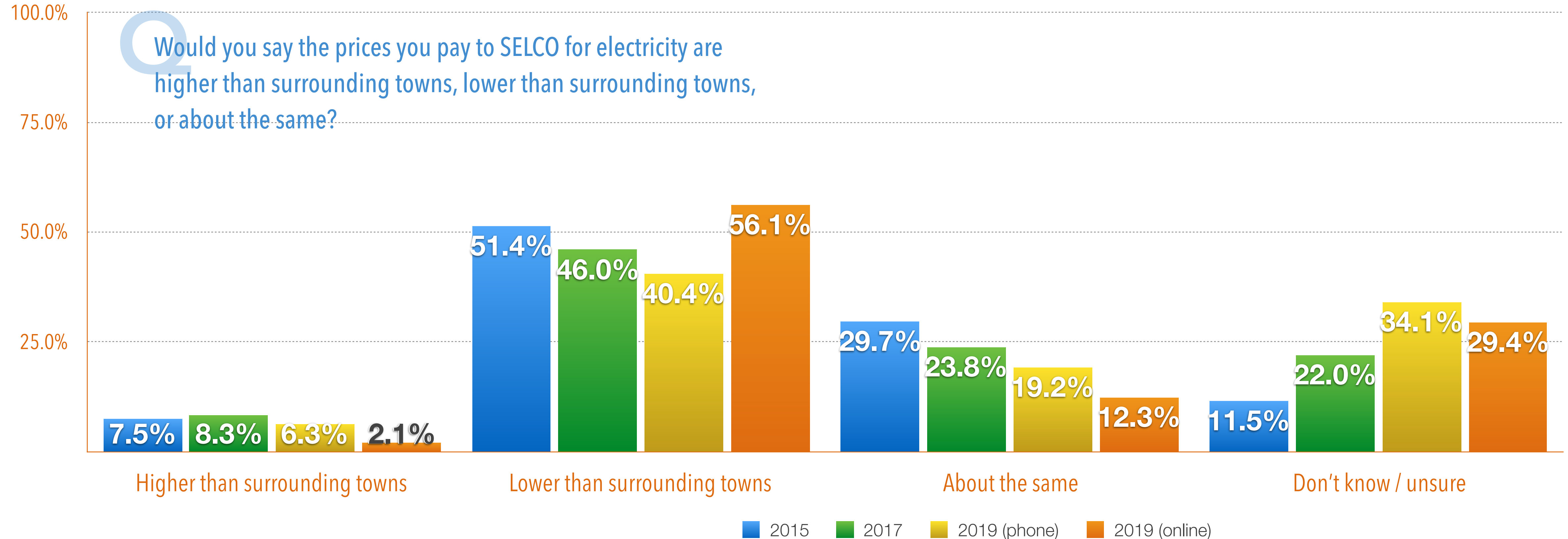
On average, customers gave higher ratings for SELCO's electric service in 2019 (93.3% over 91.8% in 2017 and 85.6% in 2015).

Item	2015	2017	2019 Phone	2019 Online
Reliable service	94.5	97.0	96.7	95.1
Honesty/Integrity	91.8	92.5	95.7	93.3
Responsiveness to customers	91.0	93.4	*	*
Communicating with customers	88.5	90.3	*	*
Helpful and knowledgeable staff	86.8	95.0	*	*
Rates	81.8	89.2	89.0	90.3
Helping customers conserve electricity	78.6	85.1	89.1	84.7
Community service	71.8	90.8	96.3	92.3
Maintaining modern and reliable infrastructure	*	92.7	*	*
Customer interactions and communication	*	*	92.7	90.5
<b>Average</b>	<b>85.6</b>	<b>91.8</b>	<b>93.3</b>	<b>91.0</b>

\* Indicates a question that was not asked in a particular year.

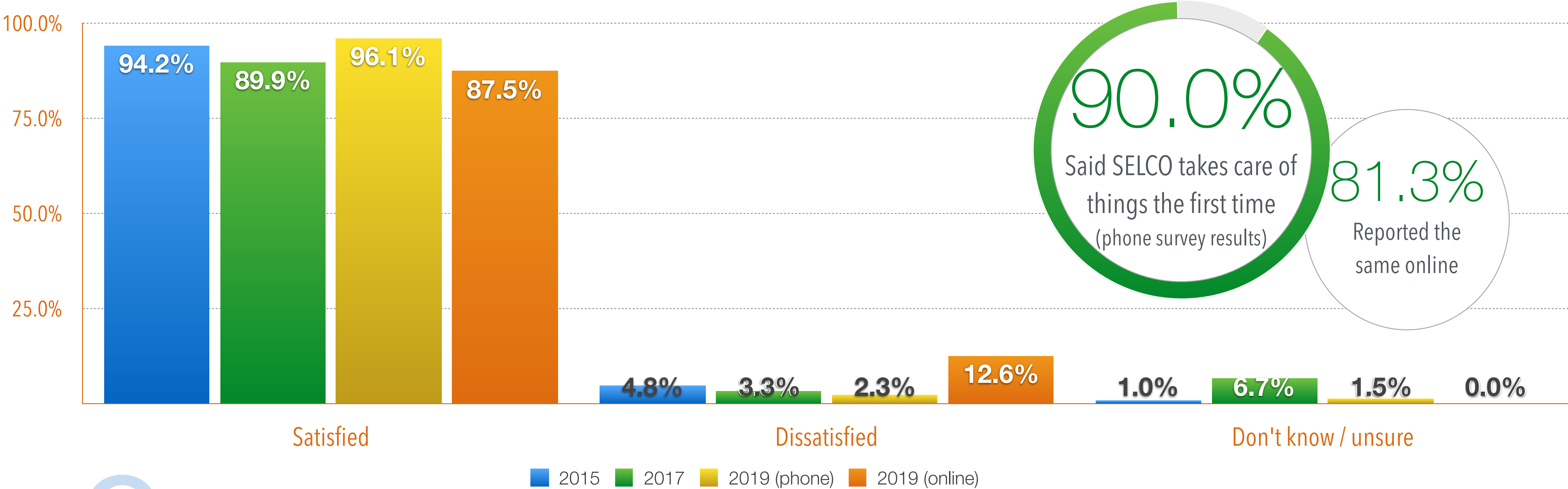
# Perceive Rates are Lower than Surrounding Towns

An increased frequency of customers surveyed by phone were uncertain how SELCO's rates compare to those of surrounding towns (34.1% in 2019 over 22.0% in 2017). In 2019, roughly two-fifths of customers who took the survey by phone (40.4%) said the prices they pay for electricity are “lower than surrounding towns,” while one-fifth (19.2%) noted these prices are “about the same.” Notably, 56.1% of those who took the survey online noted SELCO’s rates are “lower than surrounding towns.”



# First Contact Resolution Yields Strong Satisfaction

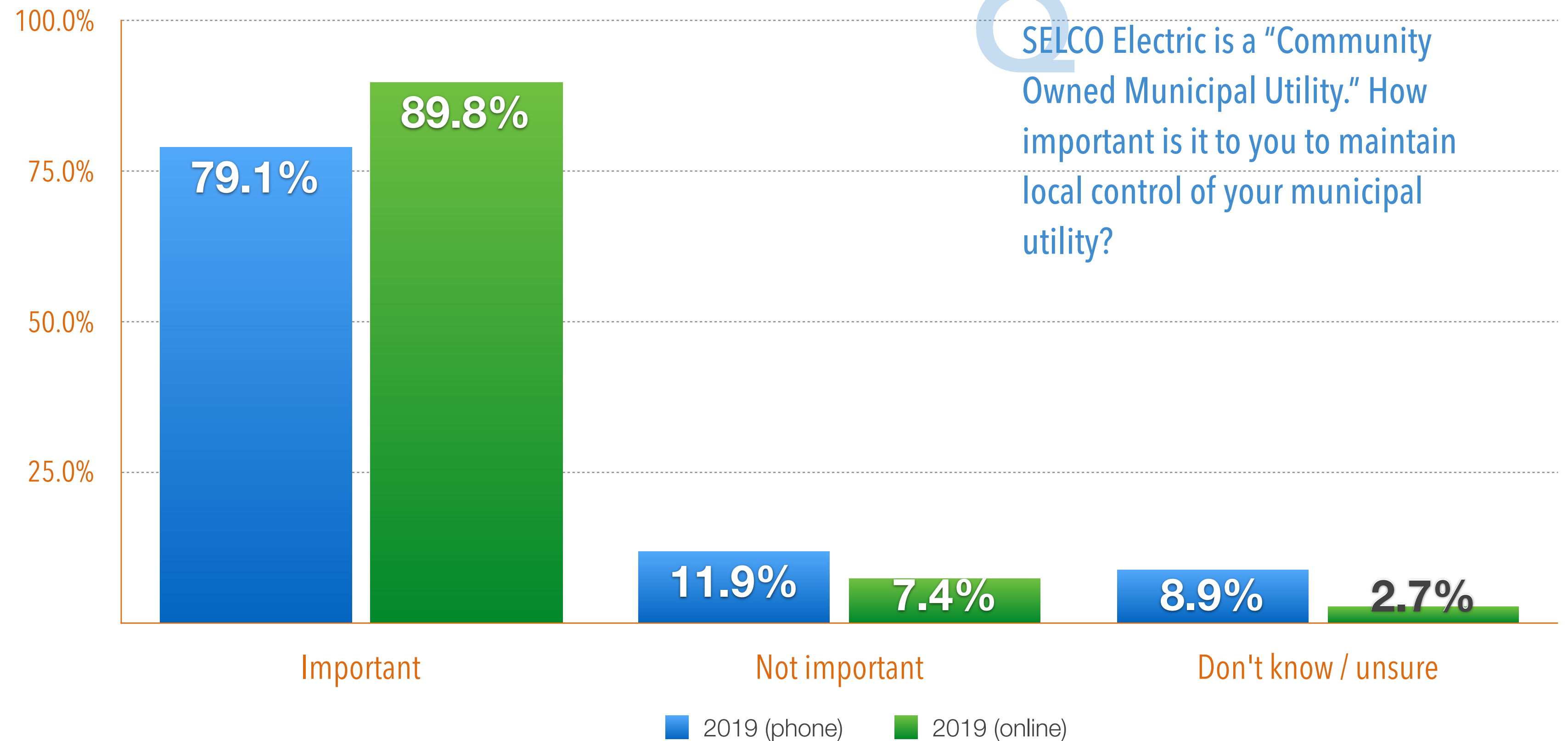
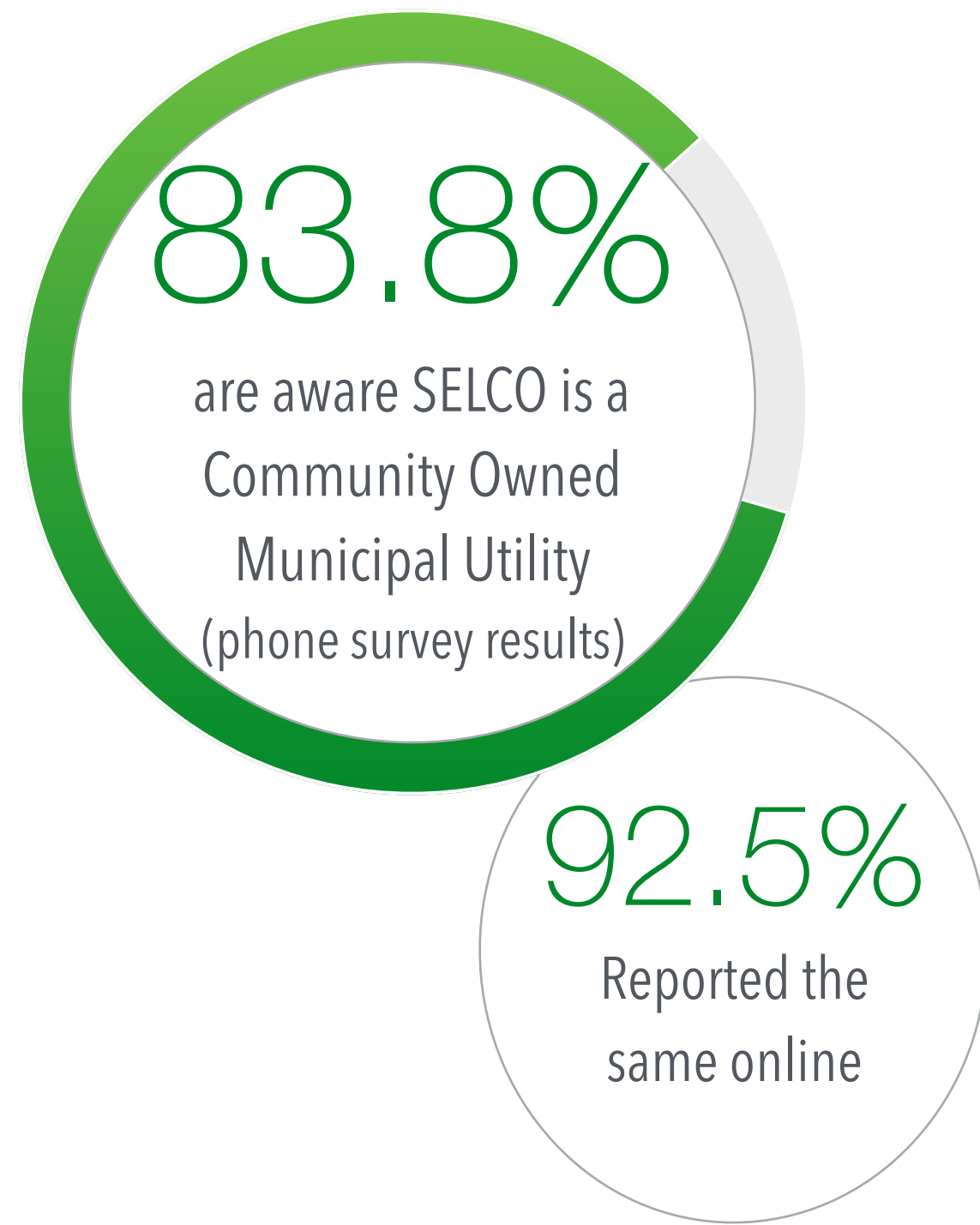
Impressively, a vast majority of residents surveyed by phone who interacted with customer service (96.1%) were satisfied with the service provided by the representative, with 87.5% of those who took the survey online reporting the same. This was coupled with a high frequency of customers (90.0%) noting that SELCO “takes care of things the first time” when they’ve contacted the customer service department.



Overall, how satisfied were you with the way the SELCO Electric customer service employee handled the call or visit? Would you say you were...

# Strong Awareness of Community Ownership

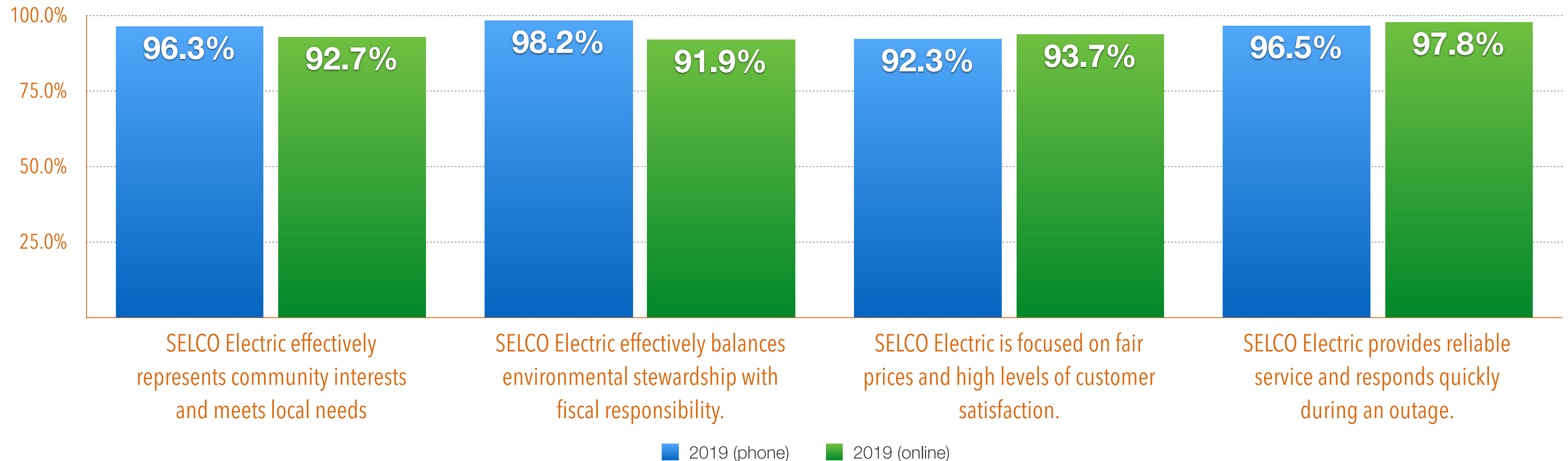
A strong majority of customers surveyed by phone (83.8%) were aware that SELCO is a Community Owned Municipal Utility, with a higher percentage (92.5%) reporting the same in the online survey. Roughly four-fifths of phone respondents (79.1%) noted it is either “very” or “somewhat important” to maintain local control of their municipal utility (89.8% of customers who completed the online survey reported the same).



# High Ratings for Municipal Utility Characteristics

Overall, SELCO received high ratings for embodying several common characteristics of municipally owned utilities. Notably, 98.2% of customers surveyed by phone agreed that “SELCO Electric effectively balances environmental stewardship with fiscal responsibility” (91.9% in the online survey). While still high, fewer phone respondents (92.3%) felt that “SELCO Electric is focused on fair prices and high levels of customer satisfaction” compared to other characteristics of municipal utilities.

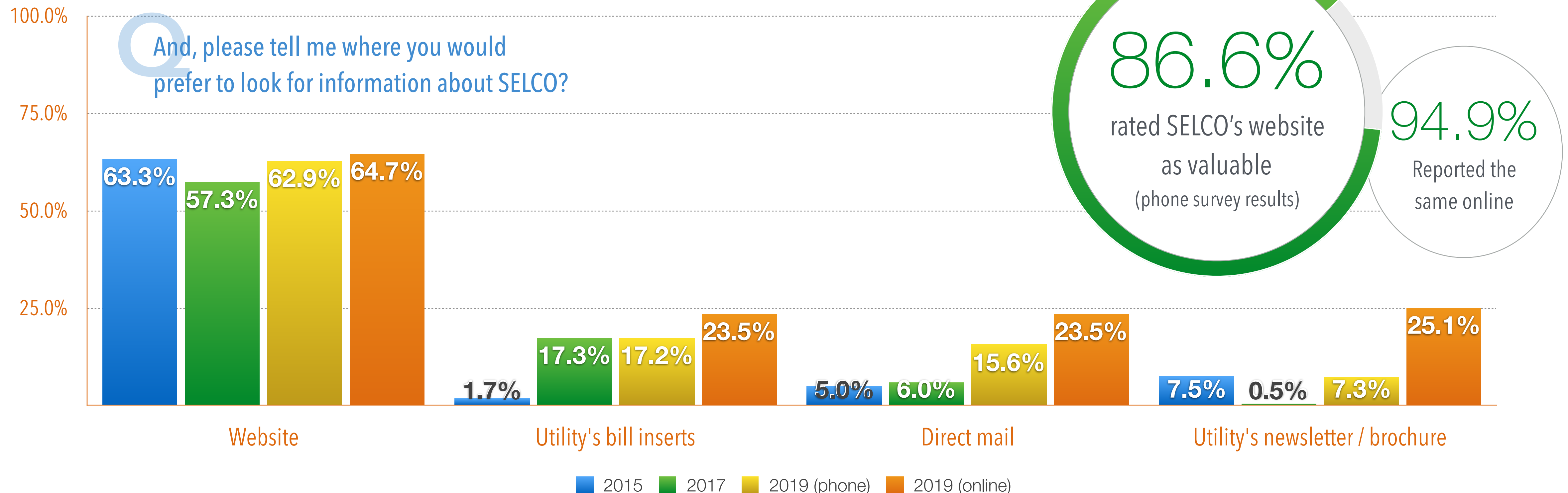
Please rate how well each characteristic describes SELCO Electric. Please use a scale of one to ten where one means you strongly agree and ten means you strongly disagree.





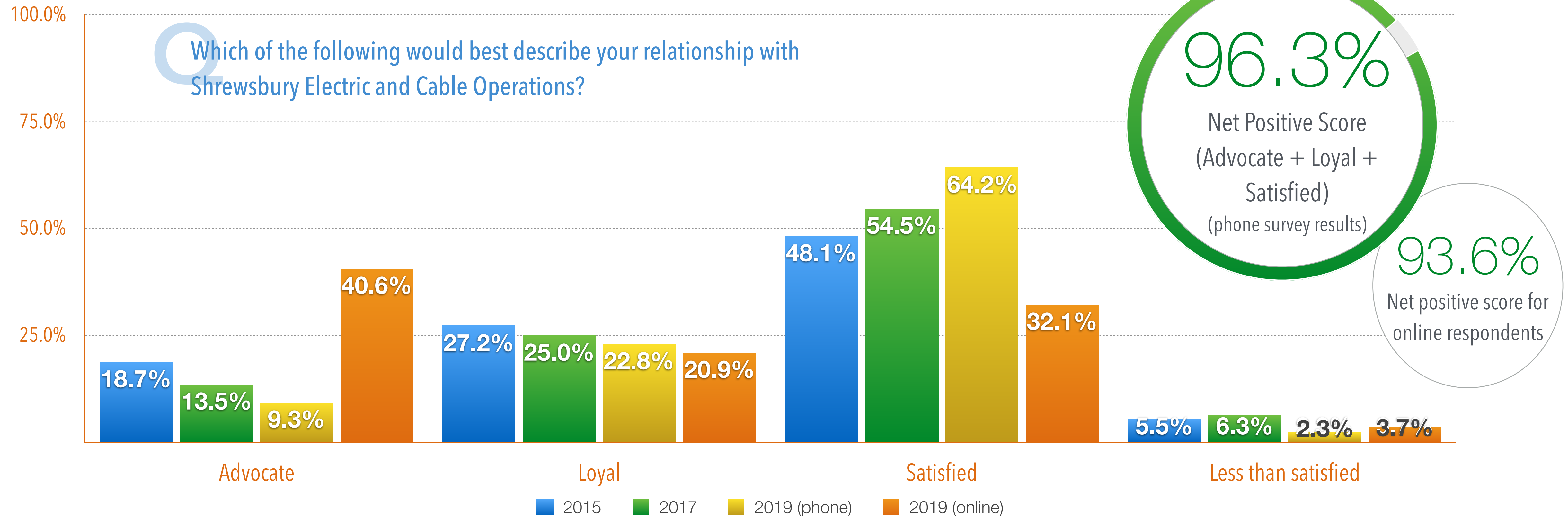
# Digital Communication Preferred

SELCO's website was the most preferred source of information among customers surveyed by phone in 2019 (62.9%), followed by the utility's bill inserts (17.2%) and direct mail (15.6%). When asked to rate the value of SELCO's communication methods, 86.6% of phone respondents rated SELCO's website as either "very" or "somewhat valuable," with 94.9% reporting the same online.



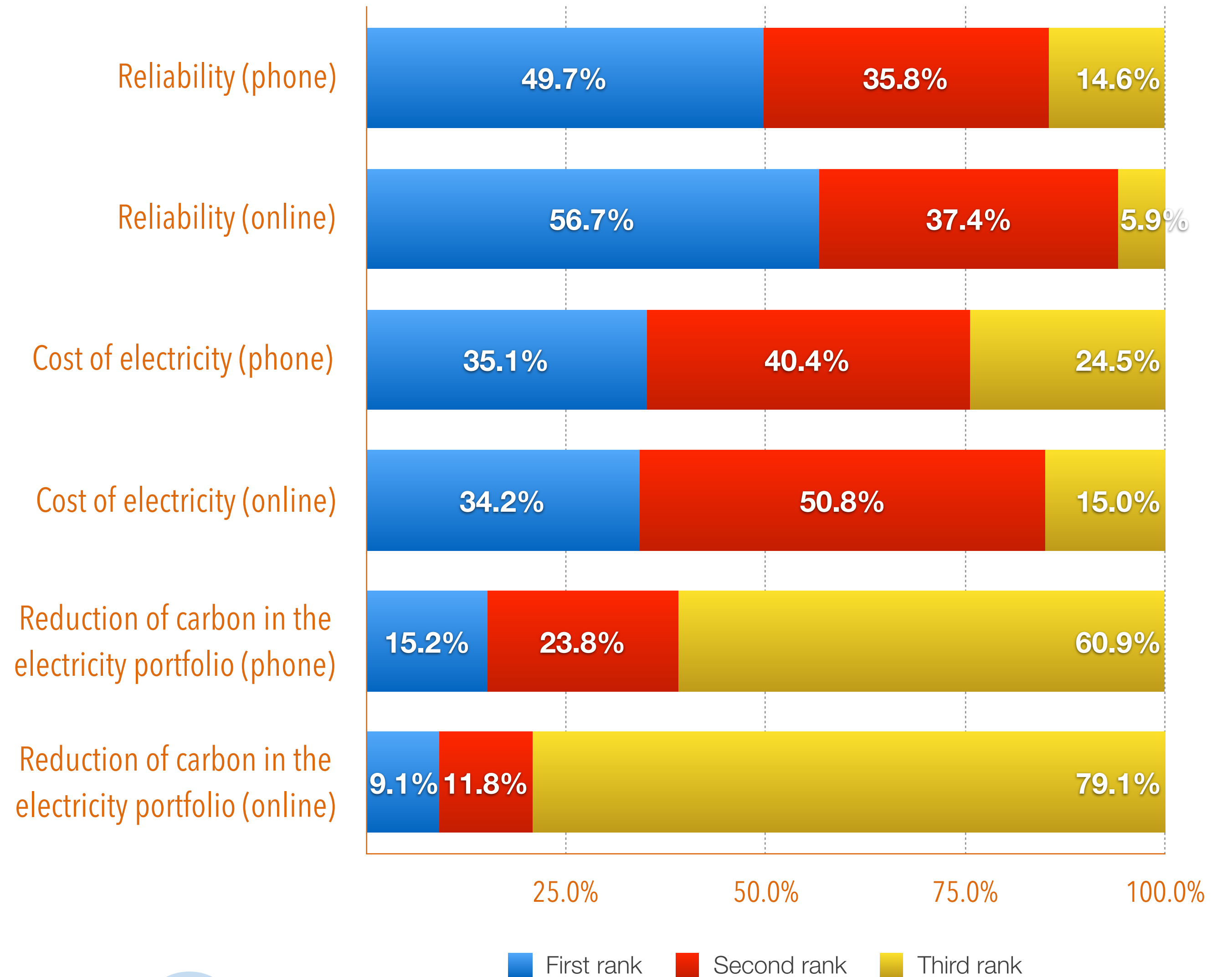
# Strong Relationship Continues

The net positive score increased in 2019 (96.3% over 93.0% in 2017), with additional customers who took the survey online recording a slightly lower net positive score of 93.6%. Notably, more customers in the online survey (40.6%) described themselves as “advocates” of SELCO than in the phone survey (9.3%), while fewer customers described themselves as “satisfied” customers in the online survey (32.1% from 64.2% in the phone survey).



# Reliability Most Important to Customers

When customers were asked to rank three topics regarding their electric service in order of importance, “reliability” received the top rank from one-half of customers\* (49.7%). 35.1% of customers\* gave “cost of electricity” the top rank. Lastly, “reduction of carbon in the electricity portfolio” received the top rating among less than one-fourth of all customer respondents.

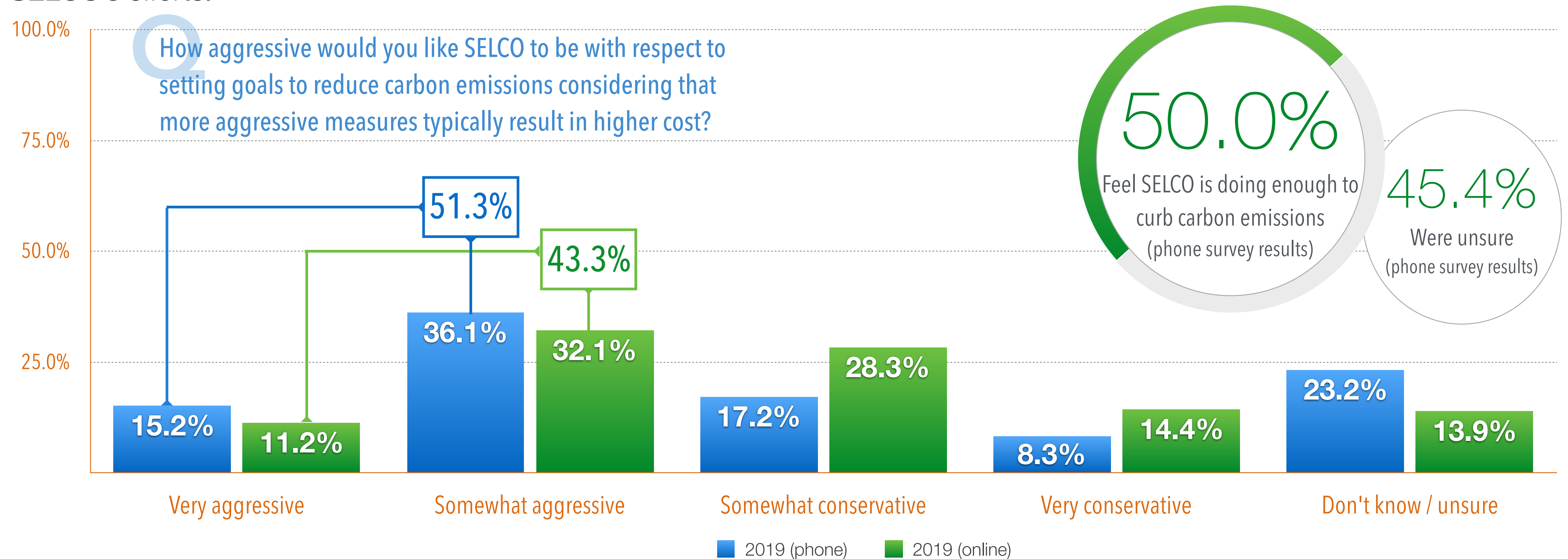


When it comes to your local electric service, please rank the following three topics from most important to least important.

\*Customers who completed the survey by telephone

# Uncertainty Surrounding Carbon Emission Actions

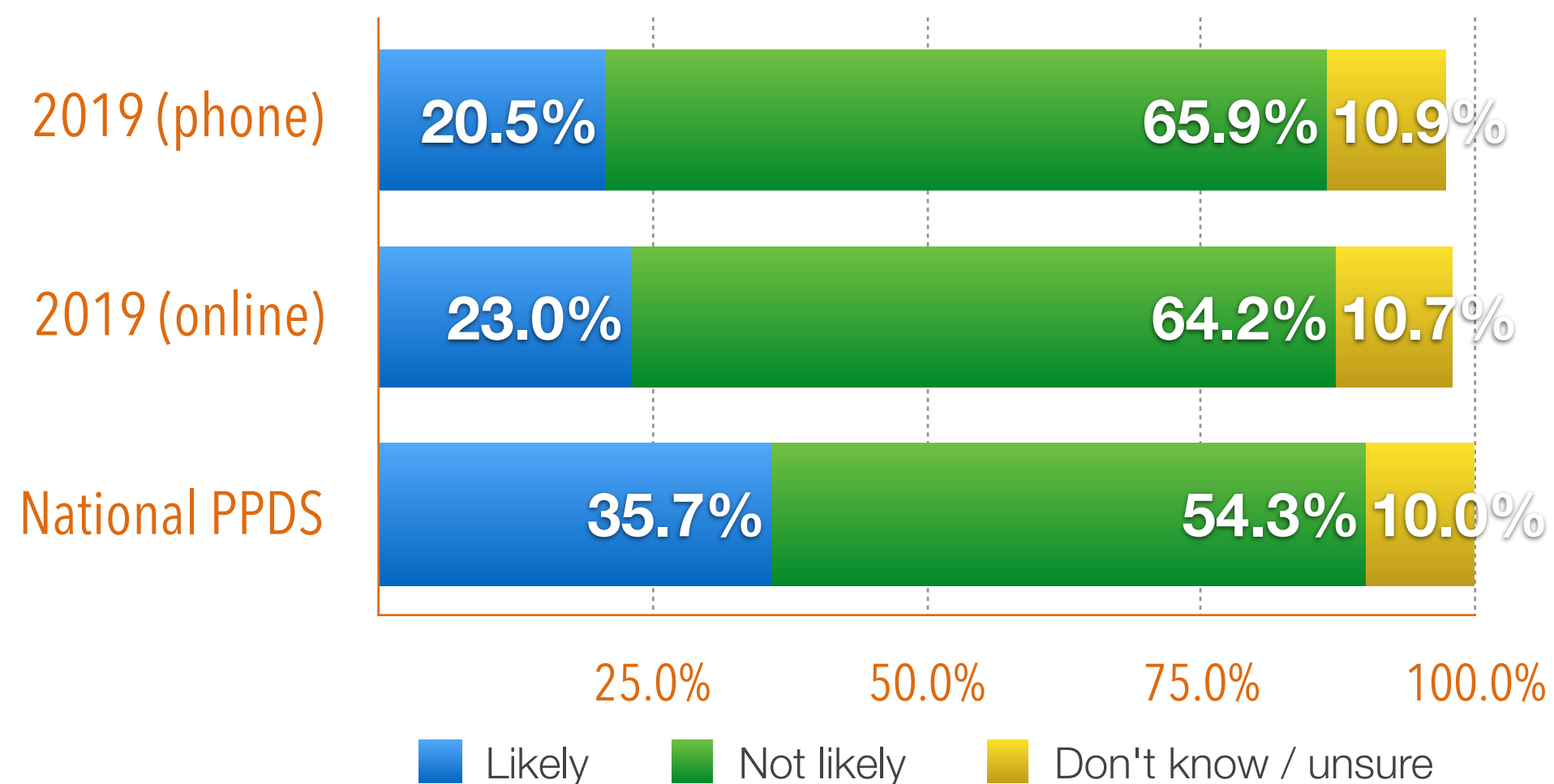
Over one-half of customers surveyed by phone (51.3%) felt SELCO should be either “very aggressive” or “somewhat aggressive” in setting goals to reduce carbon emissions. Fewer customers in the online survey (43.3%) felt SELCO should take aggressive measures to reduce carbon emissions. Additionally, 50.0% of phone respondents feel SELCO is currently doing enough to curb carbon emissions (50.3% online), with another 45.4% saying they are unsure of the sufficiency of SELCO’s efforts.



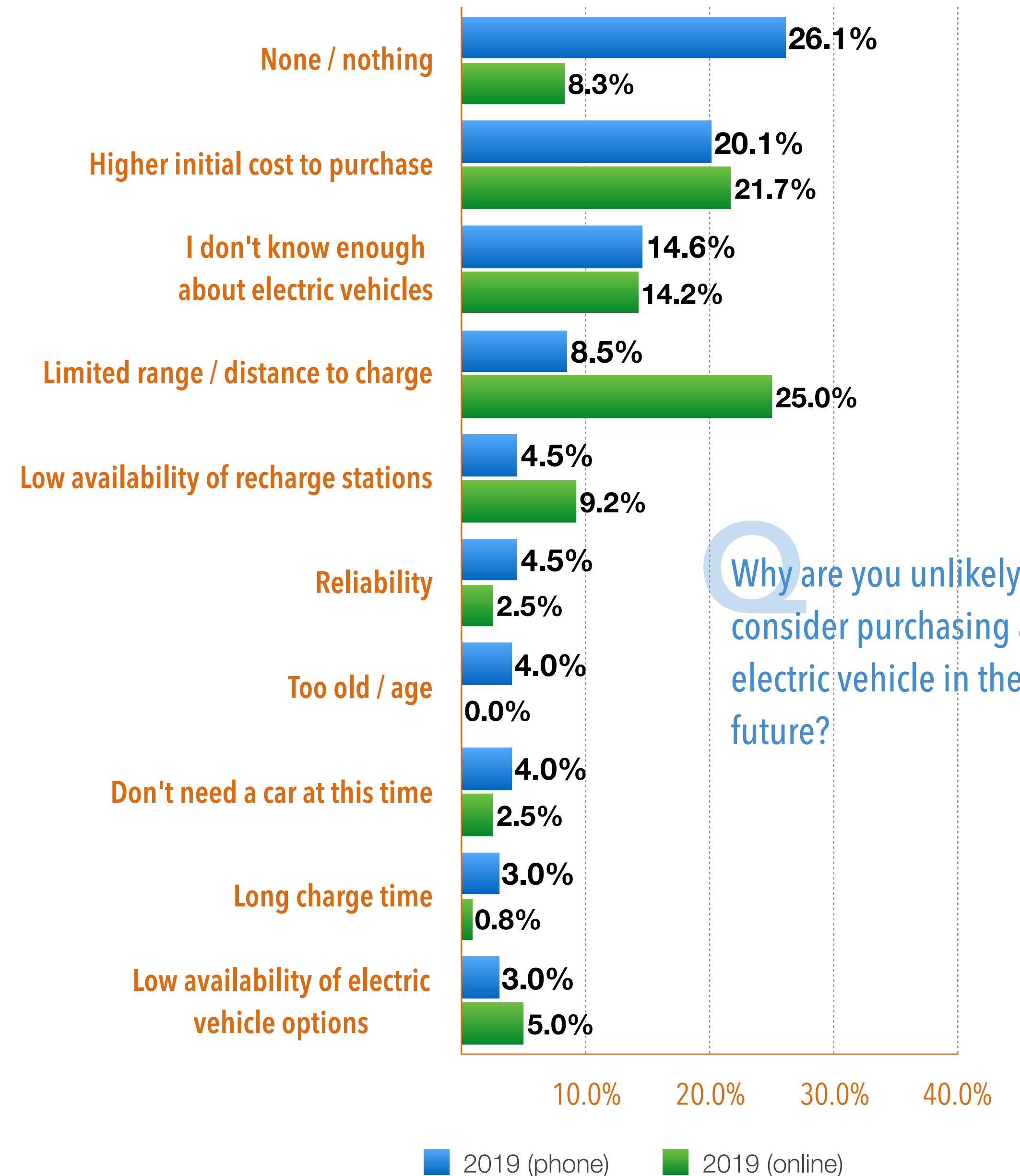
# Some Considering Electric Vehicle Purchase

Roughly one-fifth of customers surveyed by phone (20.5%) are likely to purchase an electric vehicle in the next 3 years (23.0% in the online survey). This is lower than the likelihood for public power customers nationwide\* (35.7%). Phone respondents unlikely to purchase an electric vehicle noted the “higher initial cost to purchase” (20.1%) and that they “don’t know enough about electric vehicles” (14.6%) to consider purchasing one.

**Q** In the next 3 years, how likely would you say you are to purchase an electric vehicle? Would you say...



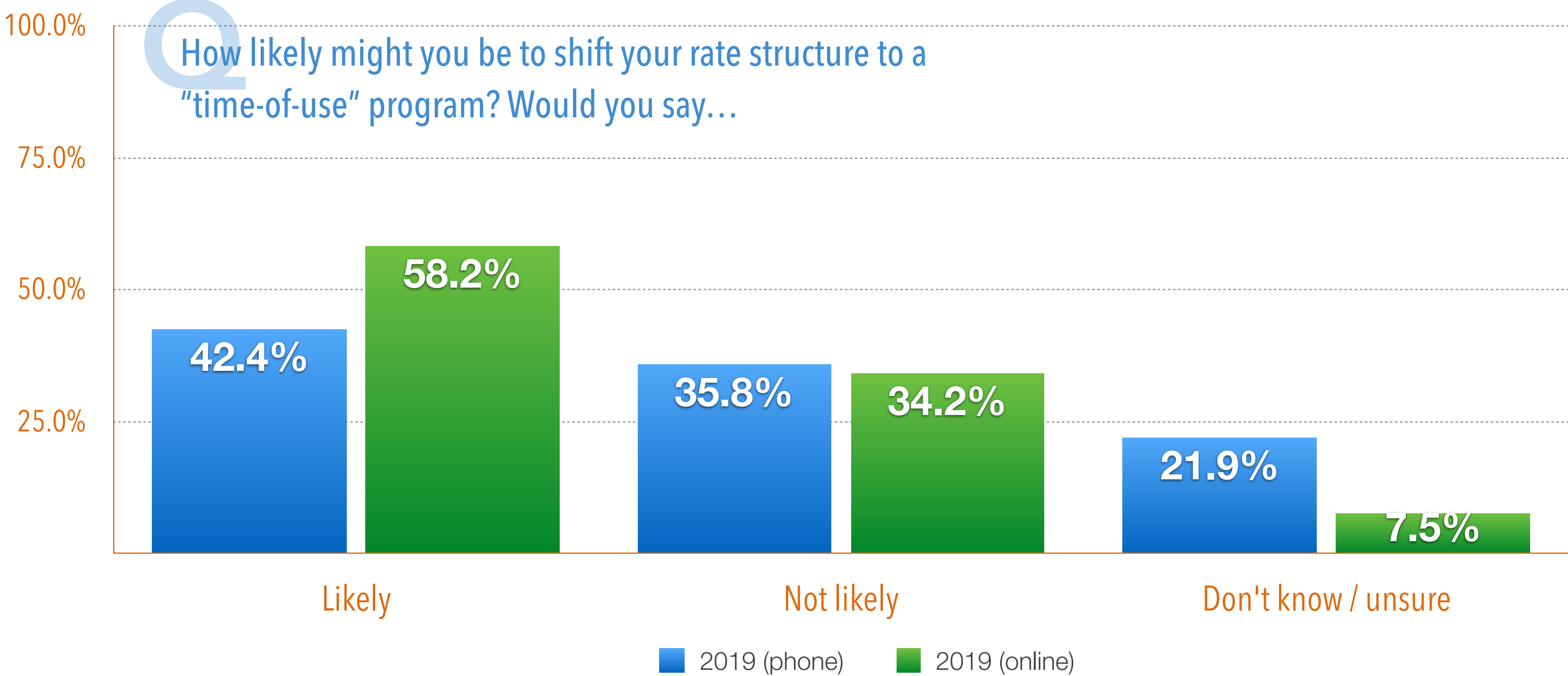
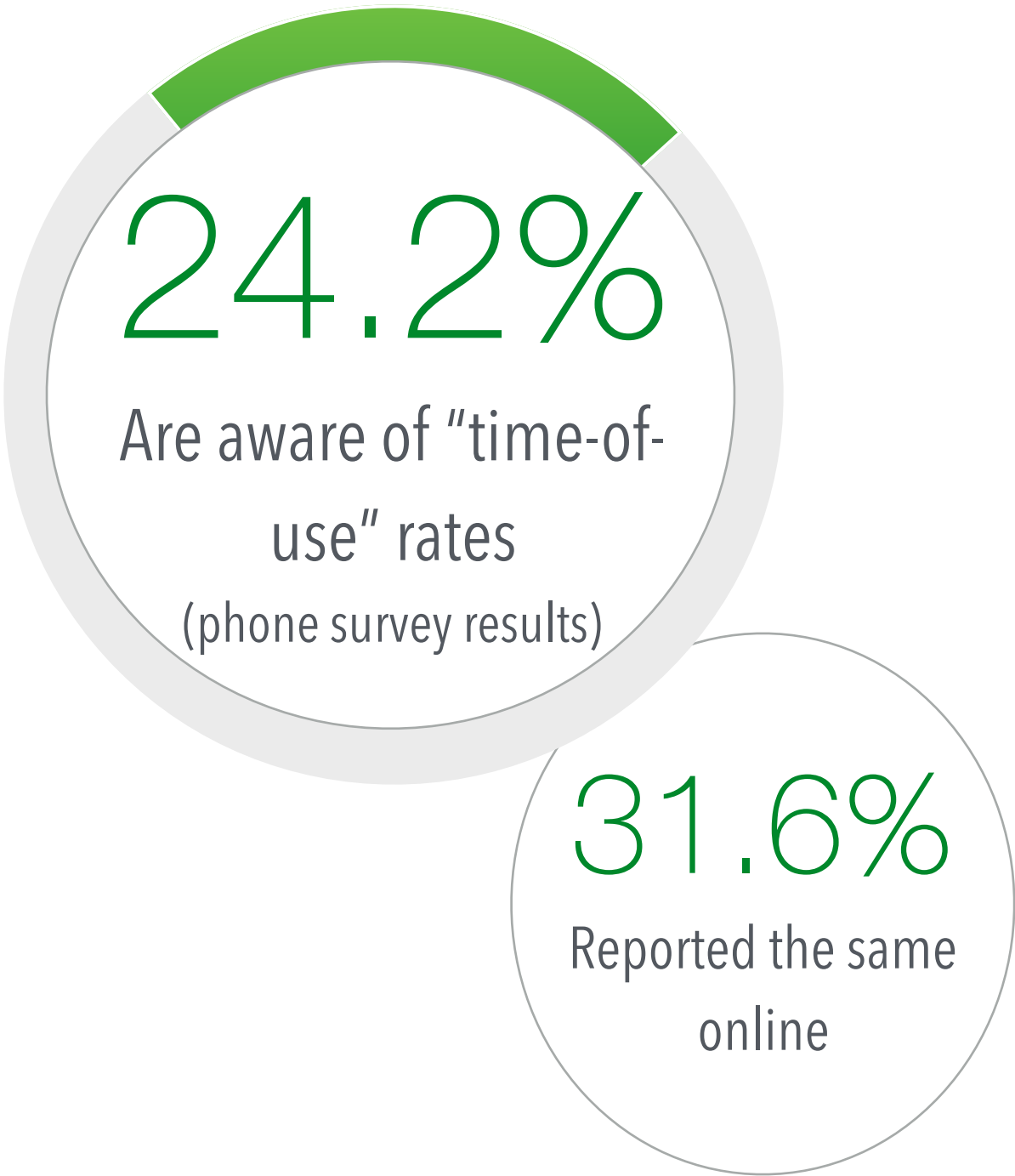
\*Source: APPA Public Power Data Source powered by GreatBlue Research, Inc. (September 2019)



**Q** Why are you unlikely to consider purchasing an electric vehicle in the future?

# Customers Uncertain of Shift to “Time-of-Use” Rates

Roughly one-quarter of phone respondents (24.2%) noted some level of awareness of “time-of-use” rates, with 31.6% reporting the same in the online survey. Of those customers surveyed by phone who were aware of “time-of-use” rates, over two-fifths (42.4%) were either “very likely” or “somewhat likely” to shift their rate structure to a “time-of-use” program in the future (58.2% in the online survey). However, less than one-third of customers were unsure if they would shift to this rate structure.



# Table of Contents

---

SECTION ONE

About GreatBlue

SECTION TWO

Project Overview

SECTION THREE

Key Study Findings

**SECTION FOUR**

**Considerations**

EXHIBITS

Aggregate Data (*Provided Separately*)



# Considerations

- **Leverage community ownership of utility in rate communications.** The lowest rating SELCO received was for its “rates,” yet one of the utility’s primary focuses as a municipally-owned utility is on providing fair rates for its customers. As the ability to provide reasonable rates, given the non-profit nature of a utility like SELCO, is one of the top characteristics of a community-owned utility, it is important that this message be conveyed to customers to improve overall satisfaction ratings. As the website is the predominantly preferred method for receiving information, it is recommended that SELCO develop content on their website describing the methodology used for establishing rates and any necessary rate change information. Included with this content should be an explanation of how this process differs from one used by an investor-owned utility so customers can better understand how SELCO is fulfilling the characteristics of a municipally-owned utility in its rate structures.
- **Educate customers on the value of electric vehicles.** Customers surveyed were largely unlikely to purchase an electric vehicle in the next 3 years, primarily because of their higher initial cost to purchase and a lack of information on the technology. To encourage participation in electric vehicle programs, SELCO might consider increased educational efforts to their customers addressing the cost aspects of electric vehicles: the average cost of electric vehicles on the market, ways incentive programs can help reduce that cost, and an illustration of how the long-term cost of an electric vehicle may be less than a gasoline vehicle. Providing residents with this information will ensure a more educated customer base and likely drive an increase in customers purchasing electric vehicles in the future.



# Considerations, continued

- **Promote benefits of “time-of-use” rates to customers.** If SELCO is investigating the implementation of a “time-of-use” rate program, it is recommended that upcoming advertising campaigns be targeted at increasing awareness of “time-of-use” rates and informing customers of the benefits of participating in such a program. To do so, SELCO might consider adding a page to the “energy efficiency” tab on their website detailing the benefits of a “time-of-use” rate program, since this page will likely gain traction among customers. Information defining off-peak and on-peak hours and times of day when customers will be charged less for their electric usage will provide customers with a better understanding of how they might be able to optimize a “time-of-use” rate program to produce cost reductions on their electric bill. Educating customers about the benefits of “time-of-use” rates will not only ensure that customers will have an increased likelihood to opt-in to this rate structure once the program is rolled out, but will show customers that SELCO is investigating options for helping customers save money on their electric bill.

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