



QUESTLINE

Digital Marketing Insights
for Energy Utilities

How COVID-19 Transformed Customer Communications



Introduction

Reaching Customers During a Crisis

The coronavirus pandemic has had a major influence on the way consumers engage with communications from their energy utilities.

While the pandemic's impact has been devastating across society, it has reinforced the value of establishing strong relationships with business and residential customers. It has also highlighted the importance of reaching out at key moments of the customer journey, during good times and bad. Energy utilities that maintain regular digital communications with their customers were able to reach those customers when needed — and customers responded with **record-high email open rates and engagement rates** during the crisis.

Questline had a unique perspective on the pandemic as we helped our clients respond to the crisis from its earliest days. Questline deployed more than **44 million coronavirus-related emails** to energy utility customers across the United States during the initial five weeks of the pandemic and an additional 28 million emails in the month that followed. Several important trends emerged in the performance metrics from this massive outreach effort.

The analysis and recommendations in this ebook are based on that data. With this insight, energy utilities can better manage the ongoing communication needs of the coronavirus pandemic and prepare for a future crisis by building strong customer relationships before they are needed.



Three Phases of COVID-19 Outreach

When the COVID-19 virus began to spread across the U.S., with many state and local governments issuing stay-at-home orders by the end of March 2020, most consumers and businesses were caught off guard. The pandemic was simply unprecedented — few could have been prepared or even imagined the impact the shutdowns would have as communities attempted to control the infection.

Like many consumer-facing brands, energy utilities rushed to reassure their customers. These initial messages reinforced the stability and reliability of the nation's energy supply while, in most states, promising that immediate financial challenges caused by job losses and furloughs wouldn't result in service stops. The lights would stay on as we all figured out how to get through this pandemic together.



As the crisis continued to unfold, the messages from energy utilities shifted as well. First, messages offered support and resources as consumers and businesses tried to navigate the impact of shutdowns. Later, messages focused on the "new normal" of a stay-at-home lifestyle that was going to last a lot longer than initially expected.

Questline has identified **three different phases of utility communication** during the crisis and analyzed customer responses during each. These phases spanned different time intervals as customer concerns and interests evolved over the course of the pandemic: **Crisis Communications, Transition to a New Normal** and ongoing **Post-Crisis Communications**.

Before diving into the impact each of these phases had on customer communications, let's level-set by looking at email activity before the pandemic:

- At the beginning of 2020, program promotions emails were performing slightly better than 2019 year-over-year (YoY), with a 1.4% increase in open rate and 0.6% increase in click-through rate (CTR).
- The email unsubscribe rate was up 0.6% YoY.
- eNewsletters, though flat in open rate, experienced 24% higher CTR compared to 2019.



Phase 1

Crisis Communications

During the initial weeks of the pandemic in March 2020, the focus of communications was solely on providing essential COVID-19 resources, including telling customers what they could expect from their energy utility. **Nearly half of these emails were opened** by their target audience. During this relatively short period of time, most energy utilities paused their normal marketing campaigns and program promotions. These were purely crisis communications that aimed to answer customer questions and relieve their fears.

And customers responded. The record-breaking engagement metrics demonstrated that customers were eager to hear from their energy providers. Utilities are trusted resources in their communities and their reassuring messages were valued during the uncertainty of the initial outbreak.



By identifying the most successful messaging strategies from energy utilities, Questline developed recommendations for initial crisis communications:

- **Be real.** Be as transparent and authentic as possible in your communications with every audience.
- **Be compassionate.** This crisis is very personal for customers (as well as utility employees). Offer assurances that you will be there for them no matter what hardships we all face in the coming weeks and months.
- **Be consistent.** Speak with the same voice, and share the same message, across all of your utility's communications and marketing channels.
- **Be focused.** Put other marketing initiatives on hold. Customers have one thing on their mind right now, and they want to know that you share their concern.

Customers Listened to Their Utilities

Despite the flood of emails filling inboxes from companies large and small, messages from energy utilities made a big impact. Customers trust their energy providers — and they looked to them for reliable safety advice as well as information that would help them save energy and money.

Questline performance metrics showed that these Phase 1 messages resonated with customers in March:

- **40.4% average open rate** for coronavirus email messages, with several individual messages **surpassing a 50% open rate**
- **49% higher open rate** than the ancillary alerts category from Questline's annual Energy Utility Benchmarks Report
- **75% of customers** who opened one coronavirus-related email also opened follow-up messages



Messages That Connected

During the early days of the outbreak, **the most successful messages** reassured customers that their utility had a plan in place and was fully prepared to keep the power on during any crisis. By the end of March, messages evolved to include:

- Outage preparation plans
- How the utility is working to keep its employees and customers safe
- How the utility is working with local authorities to support health providers and first responders
- Donations/support for community causes
- Scam alerts

Many utilities decided to pause promotional emails during this time in order to not appear insensitive; however, those that included program-related links in email newsletters saw an increase in the number of clicks. Customers responded positively to program information **that appropriately addressed their concerns** or complemented the new reality of the stay-at-home lifestyle. For example:

- The convenience of paperless billing or online account access
- Energy efficiency tips or home walkthrough/self-audits to reduce energy bills
- Level billing or other payment programs to relieve financial concerns

Subject line best practices helped drive performance. Messages with the highest open rates **included the energy utility's name in the subject line** and acknowledged that the message contained coronavirus information.



Phase 2

Transition to a New Normal

In April 2020, energy utilities struck the right balance between continuing to inform customers about what to expect from them during the pandemic and reintroducing program promotions and other marketing campaigns. Most of these promotions were well-received.

The result: **One in four customers opened promotional emails** during this new normal. Email messages and eNewsletters with coronavirus-related content continued to have higher engagement rates than those without this timely information:

- **18% higher open rate** for program promotions in April 2020 compared to April 2019
- **27% higher CTR**
- **62% lower unsubscribe rate**
- **16% higher open rate** for eNewsletters
- **40% higher CTR** for eNewsletters



Marketing During the Outbreak

In mid-March, most energy utilities paused their marketing communications. This strategy allowed them to focus on sending COVID-19-related information, making sure to not come across as insensitive to the developing crisis. As the environment settled into a new normal in April, energy utilities started resuming marketing campaigns.

Energy efficiency and paperless billing campaigns were the top performers:

- **26% open rate** for energy efficiency messages, surpassing the benchmark rate by 11%
- Engagement was also elevated with a **CTR 5% above benchmark**
- **27% open rate** for paperless billing campaigns, a 20% increase over benchmark
- These campaigns had a **CTR 76% above benchmarks**

The most successful campaigns highlighted **program promotions that help customers save energy and money**. For example, subject lines highlighting a sale price performed better than simply stating a promotion. In general, the best messaging has been sympathetic to customer concerns while reinforcing the value of programs that can help them save money and remain comfortable at home:

- Energy efficiency programs
- Time-of-use plans
- Smart thermostats
- Appliance recycling
- Home energy assessments



Digital Relationships Paid Off

The coronavirus outbreak has demonstrated just how critical customer engagement is for energy utilities — in good times and bad. Under normal circumstances, ongoing engagement helps promote safety, smart energy use and program participation. But **during an emergency, that relationship with customers really pays off**. Now this engaged audience is easy to reach and they are ready and eager to hear from their energy provider. Utilities are able to share vital health and safety information — at the moment customers need it most — thanks to their long-term commitment to customer engagement.

This pattern is especially clear with email newsletters. A monthly eNewsletter provides a regular touchpoint and a reliable way to remind customers that their utility wants to help them improve their energy use and make their lives more comfortable.

During the coronavirus outbreak, being a reliable part of customers' lives has taken on new meaning. **Customers have responded by engaging with eNewsletters at unprecedented rates**. Compared to Questline benchmarks, email newsletter engagement (measured by click-to-open rate) reached a four-year high during Phase 1 and Phase 2 of the outbreak:

- **36.7% open rate** for eNewsletters in March 2020
- **65% higher open rate** than the same month last year
- **22% of content views generated outbound clicks** to promotional links in April
- Customers engaged with coronavirus content at **two times** the rate of other eNewsletter content



The monthly cadence is an important benefit of eNewsletters — it's a regular touchpoint that customers come to rely on. The most successful utility marketers maintained their regular schedule of eNewsletters throughout the coronavirus crisis.

Importantly, **regular eNewsletter topics were replaced with coronavirus-related content** during Phase 1 to reflect the concerns that were on customers' minds. In Phase 2, as customers grappled with the new reality of staying at home for an extended time, the most popular eNewsletter content addressed **ongoing and longer-term concerns**:

- Saving energy (and money) at home
- Working from home
- Cybersecurity for home workers
- Business downtime
- Bill payment/financial assistance



Resources for Business Customers

There are no small problems for small business customers. Almost any mistake in hiring the right employees, picking suppliers or choosing the right business structure can have devastating results. There is simply no room for error. So, when a crisis like the COVID-19 pandemic hit, small businesses found themselves in a fight for survival.

A utility company may be considered a supplier for a business, but energy actually represents a relatively small share of a company's monthly expenses. Business customers are certainly concerned about maintaining power without interruption. They may be disappointed by deferred utility maintenance or canceled meter upgrades due to social distancing. However, they also appreciate efficiency tips that lower their energy bill or increase their indoor air quality (and employee health).



Based on Questline's content performance metrics, the most pressing concerns for small business customers during the coronavirus outbreak included:

- **How to protect employees who can't work from home.** Some employees have threatened to boycott work if necessary personal protection equipment is not provided, even if that equipment is in short supply.
- **Finding and applying for small business stimulus funds.** Small businesses sought help understanding and applying for funds available from the Coronavirus Aid, Relief, and Economic Security Act or CARES Act.
- **How to keep cash in hand.** Loss of revenues due to the pandemic is severely squeezing cash flow.
- **Finding new ways to deliver your service or product.** Social distancing is keeping people out of storefronts. Delivery services need to be modified to meet social distancing requirements.
- **Managing people who work from home.** This is a new paradigm for many small business owners. There needs to be a balance between trust and accountability for remote employees.
- **Calming employee fears.** Almost everyone fears the unknown. Food shortages, social distancing and job layoffs were not on the horizon just a few months ago.
- **The right way to handle staff furloughs and cutbacks.** Letting employees go is one of the gut-wrenching outcomes of tough economic times.
- **Cybersecurity for remote workforces.** Many small businesses have just started achieving cybersecurity in the office. Work-from-home just made the job harder.
- **How best to serve and help those in their community.** The local community depends on the benevolence of small businesses during good times. With cash in short supply, companies need help being creative in community service today.



Phase 3

Post-Crisis Communications

Though the coronavirus crisis is by no means over, energy utilities have now established their strategy and set expectations for ongoing communications with their customers. Starting in the middle of May through July 2020, marketing communications received unprecedented levels of engagement:

- **26.4% open rate** and **1.7% CTR** for promotional messages in May-July, up 9% and 62% YoY
- **36% decline** in unsubscribe rate
- **25% open rate** and **2.1% CTR** for eNewsletters in May-July, up 22% and 27%



Helping Customers in Need

With unemployment rates not seen in generations and businesses continuing to struggle with social distancing and its effect on the economy, utility customers are using electricity more than ever before and also expecting more assistance from their utility. Many customers may be looking for billing options or payment support for the very first time — and **they are not aware of their utility's existing programs**. Proactive communication is critical to reach these customers before they fall too far behind.

One Questline client, a major investor-owned utility in the Southeast, sent out a payment reminder email to inform customers that disconnects for non-payment had been temporarily suspended. This email, sent to more than 86,000 customers, provided an **option to make partial payments** and linked to the utility's COVID-19 resource page (the second most visited page on the utility's website during this period). The email experienced extraordinary engagement rates with a **41% open rate, 12.7% CTOR** and **5,850 total clicks**.

Many other utilities have also been proactive about creating COVID-19-specific solutions and communicating them to customers on multiple channels, including email, websites and social media. These solutions include suspension of service disconnections for non-payment and waiving late payment charges. Utilities should reinforce the assistance tools and resources they already have in place for economically challenged customers, including:

- Budget or level billing
- Online payment extension
- Other financial assistance programs



Conclusion

Maintaining a strong digital relationship with customers is important for energy utilities even during the best of times. Ongoing engagement is a key driver of long-term customer satisfaction. During a crisis like the coronavirus pandemic, **the value of customer relationships came into sharp focus**: When utilities needed to reach customers with urgent messages, their customers responded with record-high email open rates and engagement rates.

Energy utilities that were not prepared — and had not built a foundation of ongoing digital engagement — were not able to reach their customers as easily. According to Questline performance data, engaged customers opened coronavirus communications at a **16.4% higher rate** than non-engaged customers, and they clicked on coronavirus communications at a **53.1% higher rate**.

That elevated engagement has held strong throughout the pandemic, as energy utility customers continue to open and click on eNewsletters and relevant program promotions at record rates.

To better prepare for a future crisis, energy utilities should work to **build strong digital relationships with customers *before* they need to reach them**. If we do face a pandemic on this scale again, the lessons learned from this outbreak provide a roadmap to successful communication:

- Immediate messages offering reassurance and support
- Temporary suspension of other marketing
- Continuation of reliable eNewsletter touchpoints
- Gradual reintroduction of relevant program promotions to help customers save energy and stay comfortable as they weather the crisis.



Questline

We Make Energy Engaging

Questline is a team of strategists, creators and problem-solvers for over 480 energy utilities across all 50 states. We provide content-rich communication and marketing solutions in the form of videos, articles, infographics, social posts, interactive and creative campaigns.

Our approach is based on driving customer engagement, growing customer satisfaction, and delivering measurable program results for our utility partners with content that engages, educates and inspires action.



