



Business Case for Measuring Customer Trust Scores in Electric Utilities

Introduction

Customer trust is a critical factor in the long-term success of electric utilities. Unlike customer satisfaction (CSAT), customer effort score (CES), or net promoter score (NPS), **customer trust scores (CTS)** measure the **depth of belief customers have in their utility's reliability, transparency, and fairness**. Measuring customer trust helps utilities build strong, resilient relationships with both **residential and business customers**, leading to greater customer loyalty, improved regulatory support, and enhanced profitability.

Best Customer Interactions for Measuring Customer Trust Scores

Customer trust is built over time and across **multiple interactions**, but key moments where trust is most tested and measured include:

Residential Customers:

1. **Billing Transparency & Accuracy** – Customers need to trust that their bills are **accurate, fair, and easy to understand**.
2. **Power Outages & Restoration** – How well a utility **communicates, responds, and restores power** impacts trust.
3. **Customer Support & Dispute Resolution** – Customers expect **honest, fair, and timely resolutions** to their issues.
4. **Rate Changes & Pricing Policies** – Customers trust utilities that provide **clear, upfront communication on rate adjustments**.
5. **Energy Efficiency & Assistance Programs** – Trust is gained when utilities **deliver on promised savings and benefits** for rebates and financial assistance.

Business Customers:

1. **Reliability & Power Quality** – Business customers must trust that their **energy supply is stable, predictable, and sufficient** for their operations.

2. **Partnership & Consultation Services** – Trust is built when account managers provide **strategic energy solutions that benefit the customer**.
 3. **Demand Response & Sustainability Initiatives** – Businesses need to trust that utilities **support their energy goals fairly and equitably**.
 4. **Data Privacy & Security** – Businesses entrust utilities with **sensitive usage data** and expect strong **cybersecurity measures**.
 5. **Regulatory Compliance & Fair Business Practices** – Businesses want assurance that utilities **act ethically, follow regulations, and engage in fair pricing**.
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Advantages of Measuring Customer Trust Scores Over CSAT, CES, or NPS

1. **More Predictive of Long-Term Loyalty** – Unlike CSAT (which measures short-term satisfaction) or CES (which assesses single transactions), **customer trust is a long-term indicator of brand strength and future engagement**.
 2. **Stronger Connection to Reputation & Regulatory Outcomes** – High trust scores **strengthen public perception and regulatory relationships**, making rate case approvals and new projects easier.
 3. **Greater Influence on Customer Retention** – Customers who trust their utility **stay engaged, are more likely to participate in programs, and have higher tolerance for service disruptions or price changes**.
 4. **Better Differentiation in Competitive Markets** – In deregulated regions, high trust helps utilities **attract and retain customers**, even over competitors with lower prices.
 5. **Higher Engagement in New Programs** – Customers with higher trust scores are **more likely to adopt energy efficiency, smart grid, and sustainability initiatives**.
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Disadvantages of Measuring Customer Trust

1. **Harder to Quantify & Benchmark** – Trust is **subjective** and difficult to measure with a simple numeric score.
2. **Slow to Improve** – Unlike CSAT or CES, which can be improved with **quick service adjustments**, trust requires **consistent, long-term effort**.

3. **Cultural & Regional Differences** – Trust perceptions vary by **geography, demographics, and past experiences with utilities**.
 4. **Requires a Holistic Approach** – Trust is influenced by **many factors**, from **outage restoration times** to **corporate ethics**, making it harder to isolate specific improvement areas.
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Multicultural Considerations in Customer Trust Scores

1. **Historical Experiences with Utilities** – Some communities, especially **low-income and minority groups**, may have **lower baseline trust due to past service disparities**.
2. **Language & Communication Barriers** – Customers with **limited English proficiency** may feel distrustful if communications are not provided in their preferred language.
3. **Digital Access & Technological Trust** – Some cultural groups may be **less trusting of smart meters, online billing, and automated systems** due to **privacy concerns or unfamiliarity**.
4. **Perceptions of Fairness in Rates & Assistance Programs** – Ensuring that all customers feel **equally valued and supported** is crucial for **building multicultural trust**.

To address these issues, utilities should:

- **Provide multilingual trust surveys.**
 - **Use community outreach programs to engage diverse customers.**
 - **Be transparent about rate structures and assistance eligibility.**
 - **Offer alternative feedback channels beyond online surveys.**
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How Customer Trust Metrics Guide Customer Loyalty, Profitability & Experience

1. Strengthens Customer Loyalty

- Customers with high trust scores are **less likely to leave in competitive markets**.
- Trust builds **resilience during crises** (e.g., outages, price increases).

2. Drives Profitability

- Higher trust **reduces customer complaints and disputes**, lowering operational costs.
- Trusted utilities see **higher participation rates in revenue-generating programs**.

3. Enhances Customer Experience

- Trust ensures customers feel **valued, respected, and understood**.
- Utilities can **proactively address customer concerns**, improving overall satisfaction.

Sample Survey for Measuring Customer Trust in Electric Utilities

Introduction Statement:

"We value your feedback! Please take a moment to share your thoughts on how much you trust our utility to provide reliable service, fair pricing, and transparent communication."

Survey Questions (5-Point Scale: Strongly Disagree – Strongly Agree)

1. Reliability & Service:

- "I trust [Utility Name] to provide reliable electric service."
- "I believe [Utility Name] responds quickly and effectively to outages."

2. Transparency & Communication:

- "I trust [Utility Name] to communicate openly and honestly about service updates, rates, and outages."
- "When I receive information from [Utility Name], I believe it is accurate and complete."

3. Fairness & Customer Care:

- "I feel that [Utility Name] treats all customers fairly, regardless of income level or location."
- "I trust [Utility Name] to offer billing and payment options that support customers during financial hardships."

4. Sustainability & Innovation:

- "I believe [Utility Name] is committed to sustainability and clean energy initiatives."
- "I trust [Utility Name] to invest in new technologies that benefit customers and the environment."

5. Overall Trust:

- "Overall, I trust [Utility Name] to act in my best interest as a customer."
- "I would recommend [Utility Name] to friends or family based on my trust in their services."

Optional Open-Ended Question:

"What could [Utility Name] do to earn even more of your trust?"

Final Takeaway

Customer Trust Score (CTS) is a **powerful long-term metric** that goes beyond satisfaction and effort metrics to **predict loyalty, improve regulatory relationships, and enhance customer engagement**. While harder to measure, utilities that invest in **building and tracking customer trust** will benefit from **stronger customer relationships, reduced churn, and greater profitability**.

To maximize trust measurement, utilities should:

- **Use trust surveys alongside CSAT, CES, and NPS** for a well-rounded view of customer perception.
- **Implement multicultural strategies** to ensure **fair and inclusive trust-building efforts**.
- **Leverage trust insights** to refine **customer communication, service reliability, and program offerings**.

By prioritizing trust, utilities can **solidify their reputation, strengthen customer relationships, and drive long-term success**.

Need Help from Chartwell?

Chartwell provides Advisory Services on a variety of utility specific topics to ensure that you create wins for your customers and your company. Our team of utility consultants bring

industry expertise, extensive experience and robust resources to help you achieve success. For more information, or to schedule an introductory call, please contact John Bord at: jbord@chartwellinc.com.

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