BUSINESS CASE FOR MEASURING CUSTOMER TRUST

↘ 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), a customer trust score (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 INTERACTIONS FOR MEASURING CUSTOMER TRUST

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

RESIDENTIAL

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

BUSINESS CUSTOMERS

- **Reliability & Power Quality**. Business customers must trust that their energy supply is stable, predictable, and sufficient for their operations.
- **Partnership & Consultation Services**. Trust is built when account managers provide strategic energy solutions that benefit the customer.

- **Demand Response & Sustainability Initiatives**. Businesses need to trust that utilities support their energy goals fairly and equitably.
- **Data Privacy & Security**. Businesses entrust utilities with sensitive usage data and expect strong cybersecurity measures.
- **Regulatory Compliance & Fair Business Practices**. Businesses want assurance that utilities act ethically, follow regulations, and engage in fair pricing.

↘ ADVANTAGES OF MEASURING CUSTOMER TRUST

Customer trust is emerging as one of the most valuable metrics utilities can measure because it provides insight beyond individual customer interactions. While customer satisfaction (CSAT) reflects short-term experiences and Customer Effort Score (CES) evaluates the ease of a specific transaction, trust is a long-term indicator of customer loyalty and organizational reputation. Utilities with higher trust levels often see stronger customer retention, greater participation in energy efficiency, demand response, and sustainability programs, and increased patience during outages, service disruptions, or rate changes. Trust also strengthens public perception and regulatory relationships, helping build credibility during rate cases and major infrastructure investments. In competitive or deregulated markets, trust can become a key differentiator, influencing customers to remain with a utility even when lower-cost alternatives are available.

↘ DISADVANTAGES OF MEASURING CUSTOMER TRUST

While customer trust provides valuable long-term insight, it is also one of the more challenging metrics to measure and improve. Unlike CSAT or Customer Effort Score (CES), trust is inherently subjective and cannot be captured through a single transaction or simple numeric score. It develops gradually through consistent experiences over time, requiring sustained performance across every customer touchpoint. Trust is also shaped by regional, cultural, and demographic differences, as well as customers' previous experiences with their utility. Because it is influenced by a broad range of factors, including reliability, outage response, communications, affordability, transparency, and corporate integrity, it requires a holistic strategy rather than isolated service improvements.

↘ MULTICULTURAL CONSIDERATIONS

Customer trust is influenced not only by the quality of service delivered, but also by customers' cultural backgrounds, life experiences, communication preferences, and perceptions of fairness. Understanding these differences helps utilities identify potential barriers, strengthen relationships across diverse communities, and ensure trust-building

strategies are inclusive, equitable, and responsive to the needs of all customers. Key considerations include:

- **Historical Experiences with Utilities**. Some communities, especially low-income and minority groups, may have lower baseline trust due to past service disparities
- **Language & Communication Barriers**. Customers with limited English proficiency may feel distrustful if communications are not provided in their preferred language.
- **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.
- **Perceptions of Fairness in Rates & Assistance Programs**. Ensuring that all customers feel equally valued and supported is crucial for building multicultural trust.

Building trust with multicultural customers requires intentional and inclusive engagement strategies. Utilities should provide multilingual trust surveys, invest in community outreach to better understand and serve diverse populations, communicate clearly and transparently about rates and customer assistance programs, and offer multiple feedback channels. This includes phone, mail, community events, and in-person options to ensure every customer has an equitable opportunity to be heard.

↘ HOW CUSTOMER TRUST DRIVES LOYALTY, EXPERIENCE AND BUSINESS PERFORMANCE

Customer trust is more than a relationship metric, it is a leading indicator of customer loyalty, experience, and long-term business performance. Customers who trust their utility are more likely to remain loyal, demonstrate greater understanding during service disruptions or rate changes, and participate in programs that benefit both the customer and the utility.

Higher levels of trust can also reduce complaints, disputes, and avoidable contacts, contributing to lower operating costs and improved organizational efficiency. Most importantly, trust strengthens the customer experience by helping customers feel valued, respected, and understood while enabling utilities to identify and proactively address concerns before they become larger issues.

The sample survey questions that follow provide a practical starting point for measuring customer trust, identifying opportunities for improvement, and tracking changes in customer perceptions over time.

↘ SAMPLE SURVEY FOR MEASURING CUSTOMER TRUST

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)

Reliability & Service:

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

Transparency & Communication:

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

Fairness & Customer Care:

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

Sustainability & Innovation:

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

Overall Trust:

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

Optional Open-Ended Question:

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

↘ WHY IT MATTERS

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 brings 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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