

Do Utilities Need Social Media?

The cool kids are doing it, and their not-so-cool grandparents probably are, too. It's hard to find an American who hasn't watched a YouTube video—"Pants on the Ground," anyone?—accepted a Facebook friend request or at least heard of micro-blogging site Twitter.

Utilities that boycott social media are shunning free ways to steer public opinion of themselves in real time, to broadcast emergency information and to turn customers into fans.

"The fastest-growing group on Facebook is between 25 and 45," said Jeff Burdick, communications manager of Commonwealth Edison (ComEd), an Exelon energy delivery company that manages more than 90,000 miles of powerlines in an 11,400-square-mile Illinois territory. "If you're looking for an excuse to not use social networking, demographics is not a good excuse."

The nation's largest electric and gas utility recognized the possibilities and conducted the Exelon 2009 Social Media Benchmark Survey, 17 questions about attitudes toward and the usage of social media answered by 30 distribution and generation utilities. Burdick is the study's team leader.

"How are utilities using social media?" Burdick said. "They're using it widely, but at this time, with limited effect."

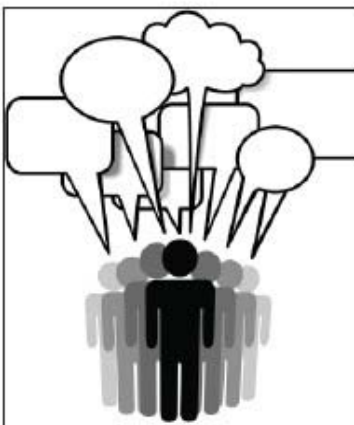
Results show that 83 percent of polled utilities are interested in using social media. The largest polled utility user of Twitter had sign-ups of 2,400 customers, which is one-half of 1 percent, Burdick said.

"It just confirmed what we'd been thinking: 60 percent said they were using Twitter to a certain degree," he said. "In terms of Facebook, the most successful example we found, Consolidated Edison, 1,400 fans signed up to get regular updates. But at the same time, for their customer base, between 3 and 4 million, that represents less than one-tenth of 1 percent of customers. So we haven't seen much effect."

One reason for the low customer interest could be Twitter's inability to discern one group from another. It's more for blasting information to everyone. Customers who receive all of a utility's press releases will de-register, Burdick said.

"If you have a very large service territory, which is northern Illinois, no one wants to receive information about things that don't pertain to them," he said. "Twitter doesn't discriminate. It doesn't mean that Twitter couldn't be useful if you're having your storm of the century or the decade."

Eight surveyed utilities use social media in their crisis communication plans: Ameren, Dominion, Duke Energy,



by Kristen Wright, associate editor

Florida Power & Light (FPL), Progress Energy, PS New Hampshire, SCANA and Southern Co.

But generally, utilities must first determine their audiences. If it's everyone, a utility probably will be unsuccessful using social media. The most successful company targets a niche group with loyalty around a topic, Burdick said.

"Comcast is a cable company, and they've probably garnered the most attention (in) how they use social media," Burdick said. "They created a 12-person team dedicated exclusively to monitoring mentions

of Comcast, mostly negative. They would helicopter in with one of these staffers and take that issue into a side room that is not public."

That keeps the multiplier effect—kind of like a digital mob mentality—down, but it doesn't apply as easily to utilities with much lower participant volume. When utility customers encounter problems, they call toll-free numbers and receive estimated restoration times, so there's not much else either side needs to convey, Burdick said.

Watch What You Post, What's Posted About You

Utilities should at least monitor what's being said about them in digital circles, said social media expert Amanda Vega.

"Even if you don't see a way to monetize with social media, you need to have some level of engagement to protect your brand," Vega said. "It's important at the very least to watch your Google and Twitter and do a search to see if you're even mentioned and if it was positive or negative."

The founder of Amanda Vega Consulting began her social media career as an AOL chat moderator; she was employee No. 22. Since then, she's grown her own Phoenix-based company into some 200 employees in 15 countries.

Vega has firsthand experience with Twitter problems. It started with a Tweet—the technical term for answering the question "What's happening?" in no more than 140 characters via a Twitter account. She said she would not be posting on Facebook photos showing painted parts of the female anatomy.

"There's certain groups of complete radicals that lurk on Twitter," Vega said.

Her encounter was with "lactivists," lactation activists, or promoters of breast-feeding. Vega's post that started it all, however, had nothing to do with the subject—just a mention of the equipment, she said.

"I had been at a charity event at the Playboy Mansion and put that I had photos, but I wasn't comfortable posting these pictures," Vega said.

Vega learned that some activists had used TweetDeck—an Adobe AIR desktop Twitter, Facebook, LinkedIn and MySpace application—to search for certain terms in conjunction with anything negative, she said.

"It triggered them to start attacking me, and I had like 200 messages within 30 minutes," Vega said. "It would be the same as sitting in a room with a bunch of drunk people who won't listen."

Most of the resulting Tweets to Vega ignored her clarifications. Vega's experience serves as an example of how quickly an innocent comment via social media can be twisted, especially when vigilant activists lie in wait. Vega calls it "terroristic behavior."

"I don't know how deep it goes on other subjects," she said. "With utilities, I have no idea."

ComEd hasn't endured similar problems, but it checks what bloggers write about the utility, Burdick said. The possibility of something similar happening to a utility is real because so many activists promote and protest so many subjects online.

"We are doing a lot of monitoring, particularly from a crisis-management standpoint regarding our reputation," he said. "We haven't seen much interest about ComEd in general, usually a couple of benign mentions a day."

A more likely problem could be a false Retweet, Vega said. Like e-mail, Tweets can be forwarded. As "FW" identifies a forwarded e-mail, "RT" identifies a Retweet, but users are unable to distinguish actual and fake Retweets.

"I started searching through all of the clients we handle, and I found a false Retweet of Cheerios that said, 'Cyanide in Cheerios to cut down population,'" Vega said. "There are no laws right now for these types of things. The FCC said they would equate that to Twitter terrorism."

Lawsuits alleging libelous Tweets already are popping up, the first of which involved a Texas fashion designer suing rocker Courtney Love for Tweeting that the designer had dealt cocaine and dabbled in prostitution. Is an online diary a private thought or a public writing? The legalities are numerous: jurisdiction, author anonymity vs. malicious intent, and business vs. pleasure and harassment at work.

Workplace Policies

Nine of the 30 reporting utilities—Dominion, Duke Energy Future Holdings, FPL, Integrys, Progress Energy, Puget Sound, WE Energies and Xcel—have formal social media guidelines. Some utilities ban employee use of social media.

Apart from prohibiting mixing business with pleasure, the policies can be overreaching and misguided, Vega said. She's teaching companies through real-world examples how to best implement social media policies that involve attorneys plus IT and communications departments.

Two wrong clicks, however, can put company data at risk. One wrong click is when someone accepts, for example, a fake Facebook request for something like Mafia Wars, she said.

"That's the easiest place to infiltrate," Vega said. "It could dig

into your computer and start pulling customer data."

Another risk is clicking a shortened URL in Twitter, she said.

"Two of these things have happened to big institutions," Vega said. "Another bank had gotten 10 percent of its customer data stolen through a Twitter post. A shortened URL, once the person clicked on it, sent a spider all the way into the company and pulled customer data. In five seconds of that happening, you can grab thousands of customers' information."

After companies learn the risks, it's time for a social media audit tied into risk management, she said.

"When auditors talk of risk management on the IT side of things, they have to report back to the government on issues," Vega said. "So a bank would have the same security needed as a utility. We put it up on a chart and say, 'If someone clicks on a shortened URL and it grabs customer data, there is a fine applied,'" Vega said. "If we have to pay \$5 million, the only recourse is to lay people off. And most of the times, you remove the people on the lower end. That's why it's so important."

With Security Risks, What's the Point?

Remember all those cool kids and their not-so-cool grandparents? They're already using social media forums to express their ideas and complaints.


"I think if the customers had the ability to ask quick questions through social media, they would benefit," Vega said. "Also, it's a good way to communicate with each other and get their voices heard."

"Let's say you want a utility to provide more green services. You can get together and say, 'There are 20 of us who want SRP or the phone company to hear (us).' People are really good about sharing tips on social media if you just participate in the conversation."

ComEd's survey verifies that utility customers are finding others interested in niche topics such as energy efficiency, Burdick said. And there are other ways to use social media. The human resources department at Colorado Springs Utilities uses LinkedIn and Facebook for recruiting purposes; the communication department at WE Energies works with customer services to craft responses; and the energy conservation team at Dominion writes an e-blog.

Burdick said a utility considering using social media is ready when it meets the following five conditions:

1. When it wishes to reach a niche audience on a defined topic,
2. When it welcomes two-way interaction,
3. When it's prepared for negative comments,
4. When it commits resources to be successful, and
5. When it has a solid strategy to attract and retain an audience of acceptable size.

Then, it's up to the utility to post something like a catchy safety message for the cool kids and their grandparents. "Lines on the Ground," anyone? 

On the net:

<http://twitter.com>

<http://facebook.com>