



Creating Compelling Customer Connections

A Fresh Look at ESP Branding

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Summary

Brand management created a buzz among energy service providers (ESPs) about a decade ago, when efforts to restructure retail electric and gas markets first appeared. Having a clear and distinct brand was thought to be indispensable if an ESP hoped to retain existing customers and acquire new ones. Now, given the checkerboard status of restructuring around the world, is branding still relevant for ESPs?

A brand is the unique set of characteristics that a company can use to differentiate itself from rivals in the minds of critical stakeholders such as customers and employees. Stakeholders inevitably develop images of and associations with companies, so businesses have a vested interest in actively and positively managing those images and associations. Branding is longitudinal in nature: It requires time, effort, and money, though not in equal measure. Companies must configure and align their operations to continually deliver on brand promises.

Some E SOURCE members stand out for having made a long-term commitment to branding as part of their efforts to create compelling connections with their customers. Regrettably, many ESP executives continue to see “branding” as a gold-plated synonym for “advertising.” Equally widespread is the view that branding (or advertising) is not needed unless and until an ESP’s retail market is restructured. In too many cases, ESP executives have realized—too late—that the public, prominent nature of their business requires close and mutually productive relationships with customers, communities, and employees.

Branding is a powerful, flexible, and vital strategic tool that can create value in both restructured and traditionally regulated markets. Today, as many firms struggle to recover from operational shortfalls, roller-coaster prices, strategy reversals, or corporate scandals, it is critically important for ESPs to develop clearer, more meaningful relationships with their customers.

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