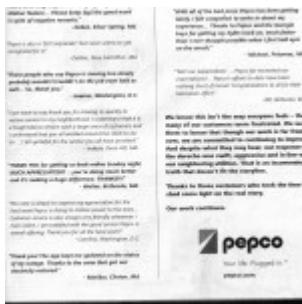


Pepco really really wants you to believe a story

Well, faithful blog readers, I thought I was done writing about Pepco's advertising efforts, but then I saw this nearly-full page ad in yesterday's (Sunday, July 29) *Washington Post* (again, I had to scan it in two parts):



In case you can't read the ad above, let me provide the content:

It's popular right now, even convenient, to beat up on Pepco. And because the facts have been misrepresented, that's easy to do.

But there's another side of the story. Some of our customers too the time to tell it. We thought we'd share.

If I understand this correctly, Pepco is saying that government officials like Rep. Chris Van Hollen, the Montgomery County Council, DC Mayor Gray, the media, and customers who are complaining about Pepco's dismal service are "beating up" on Pepco because the "facts have been misrepresented." What facts is the ad alluding to? We know (we

lived) the facts: 780,000 of Pepco's customers lost power, and of those, most received power by July 4, five days after the storm. Other customers weren't restored until July 6. Those are the facts on the ground and they have not been misrepresented.

Pepco is attempting to convince you that you are wrong if you believe the narrative that Pepco did not do enough to restore power during the derecho (which was exactly one month ago from the date of the ad). Instead, Pepco parades 17 customer testimonials that are praising Pepco's performance (out of the 780,000 affected by the outage—that is an extremely meager 0.00217%).

The ad continues:

We know this isn't the way everyone feels—that many of our customers were frustrated. We want them to know that though our work is far from over, we are committed to continuing to improve. And despite what they may hear, our response to the derecho was swift, aggressive and in line with our neighboring utilities. That is an inconvenient truth that doesn't fit the storyline.

Thanks to the customers who took the time to shed some light on the real story.

So, Pepco is saying that it knows "some" customers are frustrated, but in essence, they have no right to feel that way because it doesn't fit the Pepco storyline. The Pepco storyline (and that is exactly what it is, a story that Pepco tells itself) is that Pepco works hard and that people have no right to expect anything more from it. The 17 customers that they quote in the ad understand this "real story."

Honestly, in my nearly 20-year marketing career, I have never seen something like this. It truly is a waste of advertising dollars (which Pepco customers are footing the bill for). To

run an ad in the newspaper of record to tell customers that they are wrong to feel frustrated because they are being misguided by “misrepresented facts” is truly an outrage.

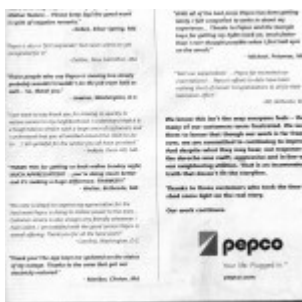
Again, Pepco’s communications department seems to be tone-deaf, and really really bad at advertising. Rule number one of advertising is that you don’t insult your customers.

Pepco management is desperate to improve its public perception. However, through these misguided and mismanaged advertising efforts, it is only hurting itself further.

Dominion vs. Pepco: How ads reflect corporate culture

Last week, I wrote about an ad campaign Pepco is currently running (there have been at least two or three more of the same ad I mentioned) in the Washington Post. Today, I noticed a full page ad on the back page of Section A in the Post, by Dominion Power (which services parts of Virginia and which had a million or so customers without power).

Because of the size of Dominion’s ad, here it is scanned in two parts:





Notice anything? Dominion ACKNOWLEDGES the problem, and focuses on their customers. There is no apology here either, but there is a more human touch to this ad than Pepco's. Both Pepco and Dominion say the same thing – the storm was devastating and the circumstances were challenging—but with different sentiment.

I believe that all marketing communications reflect a company's corporate culture. Some companies are more formal, some are more humane and some are more playful or fun. Some companies—think law firms—are all about formality and adherence to strict protocols. These companies will usually have dress codes and rigid standards of conduct. Their advertising/communications will also be formal and rigid. Other companies—think entertainment—are more relaxed. Their advertising is generally more creative.

WTOP (news radio here in Washington) hosted an incredible session last week with eight utility executives. Each company had suffered power losses from the derecho storm. They all said similar things—the storm was unexpected, they weren't prepared, tree trimming would not have helped since whole trees came down and burying power lines is very expensive. What was different amongst them was the tone. Dominion's executive said almost the same thing Pepco's Tom Graham said, but he said it without the condescension. He acknowledged how hard it was for the customers—Graham was concerned with his talking point ("reliability") and with making excuses.

You can see the difference in corporate culture in Pepco's

advertising versus Dominion's. Dominion is more down to earth, whereas Pepco doesn't seem to understand that "customers" are people. Pepco is more formal, more wordy. Dominion was inclusive ("Storms can tear things apart, but they can also bring us together) while Pepco was divisive (We were tested and we responded). For Dominion, there's an attempt at solidarity with customers.

What do you think? Do you think these ads reflect different corporate cultures and priorities?

Pepco truly believes advertising is the answer

After eight or more days, Pepco finally restored power to everyone that had lost it. And the company finally got back to advertising how hard it is working to be reliable. This morning, I came across a three-quarter page ad in the Washington Post. It was too large for my scanner to make the whole thing into a PDF but here is the portion I was able to scan:



Notice the headline: We Were Tested. And We Responded.

In the ad, Pepco claims it prioritized and mobilized crews. The ad says: “Even with all the destruction, we beat our original global estimated time of restoration by two days...”

Apparently, this ad is designed to convince customers that Pepco not only did what it is meant to do (provide power) but was able to restore power much quicker than it promised. (By the way, this is an old sales trick: tell the customer that you won't be able to do something until a certain date, and then deliver early, making yourself look good.) As if this is any consolation to the thousands of people who spent the last week trying to deal with excessive heat, throwing out spoiled food and spending out-of-pocket to stay in hotels and eat in restaurants.

The ad also says “We are stronger and more reliable-but no amount of strengthening to our system could have withstood a storm of this magnitude.”

What Pepco is doing with that sentence is making excuses. I don't think people were as upset with the initial loss of power from “a storm of this magnitude” but with how long it took power to be restored, coupled with completely abysmal communications.

Oh but this ad is not all about chest-thumping. No. It is also to say "Thank you to our customers who remained patient while we worked around the clock to restore service." And also to thank its partners, employees, and indeed itself for "performance that beat our own expectation and was in line with our peers' response to the storm."

Pepco concludes that it will continue to "enhance our reliability, work hard to restore power when storms come again, and keep our customers informed of our progress every step of the way."

Wow. Just wow.

Imagine if Pepco had engaged in some community and public relations work instead. For example, Pepco could have sponsored some cooling centers or handed out water and ice. Or what if the company sounded genuinely sorry for the situation its customers were facing? Instead, it seems that Pepco believes that if it tells people what it wants them to believe, then those people will simply believe it.

And again Pepco forgets that people have first-hand experiences to guide their decisions. Most people who called Pepco to report outages or get updates got no information or the wrong information. People who were able to access the Pepco website also were unable to get information. And then there is the reality that most people that lost power waited for at least two to five days to get it back. And that those days were during an almost unprecedented heat wave.

I am not sure who handles communications at Pepco, or who thought that making excuses and spinning the situation is a way to get customers on your side, but that person or persons should perhaps take a break from doing advertising. Advertising, especially something so unapologetic and self-serving as this particular ad is, is not the solution to fixing Pepco's image.

Pepco is spending millions of dollars on advertising to rehabilitate its image and it is not working. Every dollar more that goes into advertising, especially something like the ad above, is actually proving how out of touch this company is, how little it understands its customers and how even less it seems to care.

If you felt the need to run advertising, why not run an ad that said something simple like:

Thanks to our customers for your patience. Thanks to our staff for your hard work.

or

We are happy that power has been restored to all our customers, and we sincerely regret the major inconvenience. We promise to do better.

But no, we won't see any humility or apologies from Pepco. Instead, we will see it ask for rate increases and blame everything from God to the weather for its inability to communicate properly and work efficiently.

Working hard or hardly working? Pepco strikes again

Maryland, Virginia and DC were hit hard last Friday night by a storm called a Derecho. It came straight at us with winds clocked at 70 miles per hour, lightning and rain, all which brought down branches and even whole trees. My house shook, the lights flickered, and then the power went out. I got out

flashlight and immediately called Pepco. The initial message said crews were being assigned and I should have power restored by midnight. When I called the next 15 times, I got the same message each time: Crews would be assigned shortly.

Meanwhile, a million electric customers in the region were also without power, also not getting answers from their utilities. Intersections were dark and tempers were frayed—because not only was there no power, but record-breaking heat and humidity. I decamped to my local Cosi, which thankfully had power, coffee and free Wi-Fi. Pepco's website informed me that the more than 1000 customers in my section did not have an estimated restoration time. By Sunday, after Pepco finished surveying the damage, it announced a "global estimated restoration time" of Friday, July 6 at 11 pm (yes, a whole week later).

Now, Pepco has been running an ad campaign for the past several months. Here's a sample:

Notice the message: Pepco is working hard to improve its reliability.

But is Pepco doing enough? Is it reliable? After this fiasco, the answer seems to be no.

The commercial above makes claims that fly in the face of what happened on the ground. And what's more, taking a week to restore power (during a heat wave), seems to me to indicate that Pepco is not working hard enough (or has enough crews, etc.).

Yesterday, Marc Fisher from the Washington Post called me because he had seen my previous blog posts on Pepco. He asked me what I would recommend that Pepco do, communications-wise. Should they not advertise? I am not sure what the answer is. I do know that a commercial like the one above does not ring true, and I will bet that the ad gets taken off the air. Perhaps the best course for Pepco is to invest its ad budget

into infrastructure, and when it has made REAL, significant improvements, then have a PR campaign to inform its public about what exactly has been done. Just a thought.

Here's Marc Fisher's article, that ran today (I am quoted on the second page): For Pepco customers still without power, patience wears thin.

It seems that Pepco's work still continues, and continues and continues. It is a long way from being what I would consider a reliable company.