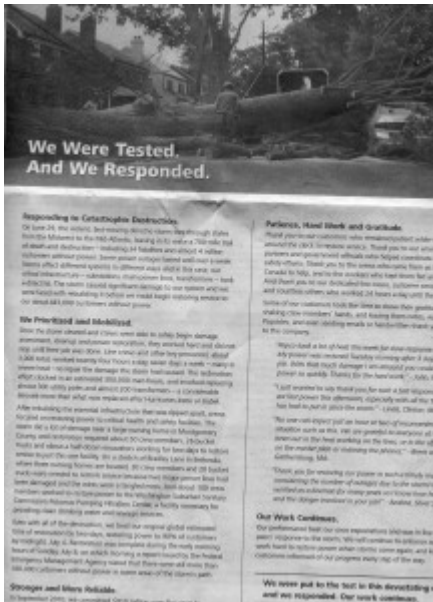


**Pepco truly believes
advertising is the answer**

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

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.

How to become the most hated company

Yesterday, I talked about how you can make sure people dislike you. It's not hard—all you have to do is be self-centered and creepy. Well, how about making your company one of the most

hated companies in America? That is a new level of dislike, and Pepco has reached it.

The article about this “honor” in WTOP (Berzerk customers make Pepco ‘most hated’ in U.S.) tells us that the power company has had a drop in customer satisfaction since last year, due in part to:

frequent and wide-ranging outages made worse by belated customer service response... Pepco has had reliability problems in the past, but not as serious as the last year when its customers faced 70% more power outages than households in other metropolitan areas, along with outages lasting twice as long on average.

What is most interesting to me is how Pepco responded to this “accolade” reported in the website Business Insider. Here is what the article said

Pepco initially issued a statement questioning the validity of the Business Insider rankings, which it said could have been to drive up their readership.

It later retracted this statement, released another written statement in response to the survey. Pepco spokespeople declined to answer specific questions.

“While we certainly believe that this label is over the top, we have heard our customers loud and clear and are working hard to upgrade our system,” the second statement said.

Pepco’s communication department certainly does not get it. You don’t get rid of something by attacking the source (unless it was some muck-raking tabloid). The lesson here is that Pepco is in denial about how it is perceived by its customers. As a company, it believes that if it says that it is fixing things, people should just accept it.

To become the most hated company you have to provide bad service, first and foremost. But you compound this by:

- Thinking your customers are stupid or ignorant (read about Pepco's misguided ad campaign for instance)
- Denying that serious problems exist
- Not doing enough to address those problems, or just giving lip-service to fixing said issues.
- If criticized, pointing fingers at the source of criticism rather than dealing with the substance.

I tweeted out the WTOP article yesterday, and @pepcoconnect tweeted back: Working to get it right (with a link to this: <http://pepcoconnect.wordpress.com/2011/07/11/working-to-get-it-right/>) And if that is true, why on Friday night, did I lose power for one and half hours, for no apparent reason?