

1 Q. Please provide a copy of the customer research strategy, plans, schedule and a
2 description of programs in place or planned for 2014 and 2015.

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5 A. A copy of the customer research strategy and schedule for 2014 is attached as PUB-
6 NLH-189 Attachment 1 and Attachment 2. Hydro also plans to have customer
7 satisfaction surveys completed during the fall of 2014 as referenced in Hydro's
8 response to PUB-NLH-190, and in 2016 as referenced in the Customer Service
9 Strategy provided as Attachment 1 to PUB-NLH-202. Details of the fall 2014
10 customer satisfaction survey are not yet available, but are anticipated to be
11 available by September 30, 2014 (and will be provided to the Board at that time).
12 At present, Hydro has not planned for customer research or surveys in 2015, but
13 this will be considered further following review of the results of the 2014 customer
14 satisfaction surveys.

Customer Service Research
“Outage Communications
and Conservation”

May 2014



Introduction

MQO Research is pleased to provide the following submission to Newfoundland Power (NP) and Newfoundland Labrador Hydro (NLH) to conduct customer research related to Outage Communications Strategies. This research flows from the recent report submitted to the PUB by Liberty Consulting Group, specifically as it relates to recommendations for NP and NLH to jointly enhance their understanding of customers outage-related information needs. The impetus for the research is the outages in January 2014, but the focus of this research will also be forward-looking in that it will examine the information needs and preferred communications vehicles during any outages.

We trust this proposal will demonstrate our ability to develop thoughtful and highly relevant methodologies, will clearly present our expertise and extensive experience conducting similar work, as well as highlight our focus on prompt and efficient processes. Should you have any further questions about our submission, please do not hesitate to contact me directly.

Craig Wight
506 867-9960 (office)
506 867-9963 (cell)
craig@mqoresearch.com

Our Understanding of the Project Challenge

The provision of electricity to a population, while significant in its role, is a service that can easily be ignored, or taken for granted. Almost all of the time, when a customer turns on an appliance, adjusts a thermostat or even fires up an assembly line, everything works as it should. On the occasion when this does not happen, we realize how dependent we are on electricity and what a critical part of our lives it is.

And so it is at these times of power loss that your customers' communication / information needs and expectations jump to the forefront. These are the times when entire "communities" of people most depend on their utilities to bring normalcy and stability back to their lives. However, to provide the most productive and supportive communications and information, it is critical that both organizations have a clear picture to work with: The desired outcome being collaboratively built comprehensive and highly effective communications plans and protocols. To that end, we understand this research must help you:

- Understand the communications expectations / requirements of your residential and business customers.
- Understand how these requirements change under different circumstances – time of the year, duration of outage, planned or unplanned, etc.
- Determine how people in different areas of the province differ in their related needs and expectations.
- Understand reactions to power outages, including the thought process surrounding the reporting of these outages.
- Understand customer perspectives regarding the expected levels of stability and reliability from their electrical energy sources. (i.e. expectations and perspectives around the frequency, durations and causes of interruptions).
- Understand the current and potential future role/process of energy conservation leading up to and during power outages

With this in mind, the potential payback for examining, understanding, and ultimately overcoming challenges within the area of communication and information is substantial. And through this project, we are confident that MQO Research can uncover the key insights that can successfully guide your upcoming communication planning exercise.

Scope and Objectives

There are two broad objectives for this research as outlined in the RFP:

1. To enable both utilities to better understand customer outage-related information needs and expectations.
2. To enable both utilities to better understand customer attitudes and perceptions related to requests for conservation.

Methodology

There are two distinct audiences for this project: residential customers of NLP and NLH, and commercial customers of these organizations. It is important to note that while commercial customers represent <10% of the collective provincial customer base, they represent some 60% of total energy demand on the system.

As a result, we have recommended independent methodologies (and survey design) for each group to ensure that we capture the unique needs and expectations of each of these critical communications audiences.

Residential: Phase One

We are recommending a strong qualitative approach as the first phase of the residential research. A total of six focus groups will allow us to explore communications before, during and after outages and also allow us to explore the communication process under different scenarios – planned, unplanned, rolling blackouts, etc. In order to maximize our understanding of customers “in the moment” environment (and the role communication plays in that process), we may introduce some elements of Journey Mapping; where we identify key point / moments in the customer’s journey from having stable power, to the loss of power, to the return of normal power supply. This type of exercise will enable us to investigate the most effective type, tone, and content of communication/information required at key points in the journey. Within this process we also anticipate sharing a combination of actual communications (from past events) and possibly alternative content (to compare and contrast reactions).

Given the importance of contact through the utilities websites, we will also consider adding a component to the groups that will enable participants to interact with (and react to) web based content and information.

In order to cover the province from geographical, size of community and supplier (NP or NLH) perspectives, we suggest a total of six focus groups; in a range of market environments (to be finalized through ongoing discussion with the client):

- 2 groups in the St. John’s CMA
- 2 other groups in the eastern region (larger rural)
- 2 groups in Western: One medium and one small market

With two groups per location we can further divide the groups by key subsets (i.e. by age) to better understand key similarities and differences in communications needs.

NOTE: NP and NLH are encouraged to view one or more of these groups live, particularly in the St. John's CMA, where the sessions will take place in the MQO focus group facility (up to 6 client representatives can view comfortably). The ability to "absorb the conversation" and reflect in the moment on what's being said (and how it's being said) can be invaluable in fine-tuning and evolving the conversation across all six groups. This would also provide valuable real-time context to the research team and in particular enhance the clarity of topic areas where the client would have greater practical understanding.

Residential: Phase Two

The focus groups will provide rich information to help us understand customers' perspectives, priorities and expectations. These learnings will then be used to build the questionnaire for the second phase of the residential work; a province-wide telephone survey. Once we identify and understand the key areas of interest and need, we will then use the provincial survey to quantify the results across all markets, and to ensure the final insights and recommendations reflect the actual needs of the entire, projected population of Newfoundland and Labrador

We anticipate a 10 minute telephone survey of 600 adults, plus an oversample of 200 additional NLH residential customers (to ensure sufficient responses to enable independent analysis of both clients operating areas). Respondents will be randomly selected from across Newfoundland and Labrador and will appropriately represent all areas of the province.

Any total results that are presented across the 800 respondents will be properly weighted to reflect actual populations in the various areas.

Understanding Outage Reporting

One specific area that was identified for investigation was the process of reporting outages (who does this, why do they do it, what are the outcomes). Based on our experience from previous projects, we anticipate identifying a very limited number of individuals who have actually reported an outage through this survey. Since "past reporters" can provide the most relevant and objective commentary on the current process, we recommend including additional responses on this specific topic.

To accomplish this we propose randomly selecting additional contacts from the NP and NLH databases of "past reporters". From there we would conduct dedicated calls on this topic to bring total responses up to 50. (i.e. if we identify 15 past reporters through the regular survey, we would call an additional 35 past reporters to supplement the findings).

This supplemental exercise is identified in the overall budget.

Commercial:

As noted in the methodology introduction, commercial customers represent a very significant and very specific audience in terms of their information and communication needs in advance of, and during, outages. In the commercial case priorities shift from the safety and well-being of small and very focused family units, to managing the balance between potential operational/financial impacts, and the safety and well-being of employee and customer groups that range up into the hundreds or even thousands. To further acknowledge the challenge of gathering critical insights from this audience, we do not have the benefit of existing quantitative research stemming from the events of January 2014 (as previously collected independently by both NP and NLH for their residential customers).

In order to familiarize ourselves in the perspectives of the commercial audience prior to designing any survey instruments, the research team recommends arranging a session with a group of NP and NLH staff who would be most familiar with the perspectives of commercial customers during outages. We anticipate one session with 3-5 staff could provide this context (i.e. a call-centre person, an account manager a technician, or other relevant members of your teams). The goal would be to gain initial perspectives on the conversations that occur (i.e. in tone, scope, frequency, diversity of needs, etc.).

For the commercial component of the project, we are proposing an online survey to gather input and insights from commercial customers across the province. The goals and areas of investigation will mirror those of residential customers; however, the context will be reshaped to clearly reflect a business environment. We propose using a combination of NP and NLH databases to invite participation, but we will also pursue other means to push out invitations to participate and provide feedback (i.e. through various business organizations across the province: Boards of trade, chambers of commerce and representative business organizations).

NOTE: In our initial briefing session it was acknowledged that the largest commercial customers (i.e. including curtailable customers) may require very specific engagement and feedback. It was concluded that this may be more productively addressed directly by members of NP and NLH's teams. As a result, our focus will be on gathering relevant insights from the 24,000+ organizations that make up over 50% of energy demand in the province.

Final Deliverables

For this project, MQO will be responsible for the following:

- Recruitment and selection of participants;
- Focus group design and preparation of moderator's guides;
- Moderation of 6 groups;
- Design and execution of the residential customer survey;
- Design and execution of the commercial online survey;
- Analysis;
- Preparation of a detailed report including conclusions and recommendations as outlined in the RFP;
- A presentation.

Timelines

The timeframe outlined in the RFP can be achieved. This would include having the focus groups finished by the middle of June, the residential survey completed by early July and analysis and reporting completed by July 16th. The business survey is somewhat separate and not dependent on the residential research so it will run concurrently so that it can be completed at the same time.

Project Budget

The project costs are outlined below and total \$53,275 plus HST for all elements.

Assumptions Phase 1 Residential:

- In-person focus groups – 6 – Locations to be finalized
- Recruiting 10 per group for 7 – 8 to attend
- Incentives are \$75 per person based on 8
- Participant food/refreshments included

Activity	Hours	Rate	Total 6 Groups
Professional Fees			
Project Management	14	\$150	\$2,100.00
Consultation and design of guide	7	\$150	\$1,050.00
Moderating Groups	12	\$150	\$1,800.00
Review & Analysis	12	\$150	\$1,800.00
Reporting Presentation	21	\$150	\$3,150.00
Total Professional			\$9,900.00
Field & Recruiting			
Recruiting/Callbacks	\$90 per recruit		\$5,400.00
Total Field			\$5,400.00
Disbursements			
Participant Incentives	8 per group	\$75	\$3,600.00
Facilities & Food	2 groups per night	\$700 per night	\$2,100.00
Travel			\$1,400.00
Total Disbursements			\$7,100.00
Total			\$22,400.00
Cost Per Group			\$3,733.00

Please Note: HST is not included. Client refreshments not included.

Assumptions Phase 2 Residential:

- Random Telephone Survey Throughout Province – Sample 600 randomly selected plus 200 oversample in Hydro-Served areas (expected to result in 250 in Hydro-served areas).
- Over-sample of Hydro areas shown separately below
- Over-sample to provide a total of 50 who have had a power outage (based on contact numbers supplied by client)
- Survey length 10-12 minutes

PROFESSIONAL FEES:	Per Diem Rate	Number of days	
Client Liaison/ Project Management	\$1,050	1	\$1,050.00
CATI Programming	\$630	1	\$630.00
Data Management and Sampling	\$630	1	\$630.00
Data Analysis and Interpretation	\$750	1.5	\$1,125.00
	\$950	1.5	\$1,425.00
Report Writing/Presentation	\$950	2	\$1,900.00
	\$1,050	1.5	\$1,575.00
Total Professional Fees			\$8,335.00
DATA COLLECTION:	Hourly Rate	Number of Hrs.	
Sample			\$700.00
Data Collection	\$25	300	\$7,500.00
Supervision	\$45	30	\$1,350.00
Coding	\$30	12	\$360.00
Oversample in Hydro Areas (200 @ \$15.25)			\$3,050.00
Oversample of those reporting power outage (50 completes including questionnaire development)			\$1,000.00
Total Data Collection			\$13,960.00
DISBURSEMENTS:			
Long Distance			\$600.00
Total Disbursements			\$600.00
TOTAL PROJECT:	(not including HST)		\$22,895.00

Please note that the additional cost of \$15.25 per survey for additional surveys in the Hydro-served areas includes data collection, supervision, coding and long distance.

Business Online Survey:

Assumptions:

- Online Survey Random Throughout Province – Sample 100 - 150
- Assistance from clients in identifying appropriate respondents.
- Initial messages sent to businesses to advise/solicit cooperation.
- Survey length 10 -15 minutes.
- Three charitable draws made from completed surveys \$250, \$150 and \$100 to charity of their choice in their name.

PROFESSIONAL FEES:	Per Diem Rate	Number of days	
Client Liaison/ Project Management	\$1,050	1	\$1,050.00
Programming	\$630	1	\$630.00
Questionnaire Design	\$1,050	1.5	\$1,575.00
Data Management and Sampling	\$630	.5	\$315.00
Data Analysis	\$950	1	\$950.00
Data Interpretation	\$1,050	1	\$1,050.00
Report Writing/Presentation	\$1,050	1	\$1,050.00
Total Professional Fees			\$6,620.00
DATA COLLECTION:			
Data Collection/Hosting			\$500.00
Coding	\$30	12	\$360.00
Incentive Draw			\$500.00
Total Data Collection			\$1,360.00
TOTAL PROJECT:	(not including HST)		\$7,980.00

Project Team

The team members we have selected to manage and coordinate this research project are presented below. Each team member has been selected based on the relevant skills/knowledge they bring to the study in the area of qualitative and quantitative research. All are seasoned members of the MQO Research team, with market research experience of 25 years or more.

Team Member	Title	Responsibility
Craig Wight	Project Lead	Moderator, Research Project Director, Data Analysis, Report Preparation
Rod Budgell	Strategic Counsel	Insights, Interpretation, Recommendations
Cheryl Watts	Quantitative Advisor	Customer Insights, Quantitative Recommendations



Craig Wight
Project Lead, Vice-President

Craig has 25 years of research experience as a senior research consultant. He is an elected member of the Board of the Qualitative Research Division of the MRIA and has his CMRP certification from the MRIA. Craig is MQO's senior moderator and has conducted sessions with a diverse range of people including from senior business leaders, health care professionals, problem gamblers and children and youth. His clients include NB Power, NS Power, Nalcor and Newfoundland Hydro as well as Newfoundland Power, NBEMS, NSLC and the Nova Scotia Department of Health.

Craig holds an undergraduate degree in Business from Memorial University and a MBA from the University of Toronto. Previous to this position, Craig worked with Omnifacts Research for 20 years and has been a part-time marketing instructor at Mount Allison University.

On this project, Craig will be the lead researcher and will be mainly involved with moderating, consultation, study design, analysis and insights.



Rod Budgell
President and Chief Strategist

Since originally founding Market Quest Research back in 1987, Rod has spent the last quarter of a century developing and evolving his strategic marketing and communication skills across a range of roles within Group M5. Most recently, Rod provided strategic counsel to many of our companies and their major clients as Group M5's Chief Strategy Officer. Now Rod has come full circle and recently accepted the position of "Interim President" with MQO Research: One of Atlantic Canada's largest and most complete market research firms.

Today, in addition to guiding a dynamic team of research professionals, Rod provides a unique strategic perspective that strengthens the connection between the data and the real needs of each projects end users. A fitting role, since Rod has been providing strategic counsel for Group m5 and MQO clients for over 25 years, including work across a broad range on industries ranging from retail to corporate to industrial to hospitality to education. His clients have included Atlantic Lottery, Casino Nova Scotia, CP Hotels, International Business Schools, Excellence Canada, Nalcor Energy, Atlantic Credit Unions and many more. His hands-on approach and ability to focus on the job at hand enables him to bring a depth of understanding and insight that is valued throughout the region and beyond.

On this project, Rod will work closely with Craig and Cheryl in mining key insights and recommendations from the data.



Cheryl Watts
Quantitative Advisor, VP Customer Insights and Strategy

Cheryl will be the quantitative advisor for this work. Cheryl is our resident expert on all things 'methodology'. She is a senior research and planning consultant who brings over 35 years' experience in the field of quantitative research and analysis. Cheryl is a strategic partner for several major MQO clients who rely on her ability to take survey data, marry it with internal data and overlay the business objectives to provide insights that drive key decisions within the organizations.

Cheryl frequently works with executive and management level personnel to devise creative, business-focused methodologies. Cheryl has a knack for helping clients integrate research data into the decision making process.

Cheryl manages the research work for our largest telecommunications client, Bell Aliant. Cheryl was extensively involved in the development of several statistical models to identify the factors which drive customer loyalty and satisfaction. Senior executives rely on Cheryl to help them understand the market and their customers and to integrate the data collected into their business strategy to guide marketing plans and focus the company's resources to drive retention and growth.

Cheryl has an honours degree in Mathematics from Carleton University in Ottawa.

Relevant Experience

Below is just a small sample of our recent experience which we feel is directly relevant to this project. These projects were all conducted by the proposed project team and are included to demonstrate the experience of your proposed team. We have included NB Power in these examples, but also work regularly with other similar organizations; Nalcor, Newfoundland and Labrador Hydro, Newfoundland Power, Bell Aliant, Nova Scotia Liquor Corporation, Marine Atlantic and Xstrata Zinc.



Marine Atlantic – Customer Tracking Research

Trusted research partner overseeing all aspects of the corporation's research needs

MQO Research developed a Customer Experience Tracking program on behalf of Marine Atlantic. This study involves the administration of a telephone survey to people who travelled on a Marine Atlantic vessel.

The program measures various aspects of the service offered by Marine Atlantic from the time of their reservation to their arrival at the terminal and their experience on board the vessel. One hundred surveys are collected per month with a summary report on key performance indicators delivered to Marine Atlantic on a monthly basis. To add depth to the customer experience data collected, regular 'mystery shops' of the service provided onboard Marine Atlantic vessels are also conducted.

On a quarterly basis, MQO also conducts public opinion research on behalf of Marine Atlantic. This survey is administered via telephone to a random sample of 700 residents of Newfoundland and Labrador and Nova Scotia. The survey focuses on exploring the image/reputation of and satisfaction with the organization. In addition to data collection, MQO is responsible for design of the survey and sampling plan and development of a top line report which track changes in the results from quarter to quarter.

NB Power Customer Tracking Research

10 years plus of customer service tracking for a major utility

The NB Power customer service tracking program was initially designed to track customer satisfaction with a number of aspects of service from the utility, in addition to measuring components of image and reputation. Over time the research evolved to be more prescriptive by measuring satisfaction and focusing efforts on those aspects of service that mattered most to customers. Key driver analysis was completed so that NB Power could focus efforts on elements of service and reputation that matter most to their customers. Four hundred surveys are collected via telephone each month with NB Power residential customers for this project. Key driver analysis is conducted each quarter to provide a summary report of NB Power's performance.



Stewart McKelvey

Employee Focus Groups

Stewart McKelvey is one of Atlantic Canada's prominent law firms with offices in each of the four Atlantic Provinces. Employees of the firm had recently participated in an employ survey exercise (conducted by another firm) that had provided considerable quantitative data and benchmarks against other firms and other law firms.

MQO was retained to do focus group research with employees in each of their six offices in order to provide depth of understanding and recommendations relating to the employee survey results. The ability to discuss the results provided more direction on issues and possible solutions. In total, 25 groups were conducted with support staff and associates.

WorkSafeNB Stakeholder Satisfaction Research

WorkSafeNB conducts an annual satisfaction study each year with a number of its key stakeholders, including injured workers and those on long term disability, as well as employers. As with any tracking study, it is good practice to periodically review questions to ensure that all are still relevant and to ensure that nothing is missing. Starting in the late fall of 2011, MQO Research conducted 150 depth interviews with employers, injured workers, and those on longer term disability. In addition to assisting in the restructuring of the annual research, the report also provided valuable insight as to the reasons for satisfaction and dissatisfaction with WorkSafeNB and provided direction for further analysis with the quantitative data.



New Brunswick Emergency Medical Services – Customer Satisfaction Tracking

Quarterly tracking of satisfaction with emergency medical services in the province

The main objective of the research effort is to provide measures of the satisfaction of emergency medical services in New Brunswick and to track change over time. The benchmark survey was conducted at the end of 2008, involving phone-based interviews with 800 emergency services users. Since the benchmark, bilingual tracking has been conducted on-going basis, with data collection taking place quarterly (n=200) and tracking reports produced at mid-year and at year-end. Complaint resolution depth interviews are conducted yearly. Through depth interviews with users who have placed a complaint regarding the NB EMS services, MQO evaluates the resolution process.

References

We have included three references. Each of these people has worked closely with the project team and can comment on their work over a number of projects.

Client: Marine Atlantic

Client Contact:

Don Barnes, Vice-President, Customer Experience
T: 709-772-8973
E: dbarnes@marine-atlantic.ca

Client: Bell Aliant

Client Contact:

Michael Craig, Senior Strategist, Active Performance Mgmt
T: 902-487-5111
E: Michael.Craig@Bellaliant.ca

Client: New Brunswick Emergency Medical Services

Client Contact:

Isabelle Landry, Community Relations Officer
T: 506-872-6505
E: Isabelle.landry@smunbems.ca



Date	Mon	Tue	Wed	Thur	Fri
May	19	20	21	22	23
			Kick off Meeting		
May	26	27	28	29	30
			Meeting on business survey by phone		
	Screeners	Recruit	Recruit/Guide	Recruit	Recruit
June	2	3	4	5	6
	Recruit	Recruit	FG St. Johns	FG	FG
		Draft Business Survey	Sample Bus Survey	Sample Bus Survey	Sample Bus Survey
June	9	10	11	12	13
				FG Summary Report	
				Communication Re Business Survey	
June	16	17	18	19	20
			Launch Business Survey	Launch Business Survey	Data Collect Bus
		Draft Survey Residential			
June	23	24	25	26	27
	Data Collect Res	Data Collect Res	Data Collect Res	Data Collect Res	Data Collect Res
	Data Collect Bus	Data Collect Bus	Data Collect Bus	Data Collect Bus	Data Collect Bus
June/July	30	1	2	3	4
	Data Collect Res	Data Collect Res	Data Collect Res	Data Collect Res	Data Collect Res
	Data Collect Bus	Data Collect Bus	Data Collect Bus	Data Collect Bus	Data Collect Bus
July	7	8	9	1	11
	Analysis and Reporting Business and Res Survey				
	Analysis and Reporting Business and Res Survey				

Focus Groups

Residential Survey

Business Survey