

# Enlight — Series —

**Nextier**

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## Repairing the Brand Image of Nigeria's Distribution Companies

### Introduction

The Electricity Distribution Companies (DisCos) have been referred to as the weakest link in the electric power value chain due to the lack of sufficient energy supply from the grid, old and obsolete networks, lack of maintenance of network equipment, poorly trained workforce, poor customer data, low meter penetration, health, safety and environmental issues and a near absence of investments due to insufficient revenues, inadequate tariffs and external funding constraints. However, considering the importance of power as the fundamental ingredient for the growth of any economy, getting the distribution to function effectively is vital. Unfortunately, the DisCos have continually fallen short of providing an adequate electricity supply to their teeming customers due to the abovementioned challenges. This has negatively impacted the perspective of the customers about the DisCos. As a matter of urgency, DisCos need to explore diverse strategies to improve their brand image aggressively.

### Background

Electric power distribution is the third part of the electricity value chain in Nigeria, and it's the last mile for power supply to end users. The DisCos link electricity generating companies and final consumers, who are expected to pay for all the services in the value chain. The DisCos, which are currently privately owned and controlled, is seen as the weakest link in the electricity value chain, and the power supply situation has remained unresolved due to several issues, including the transmission, gas supply and revenue collection. The DisCos suffer from a lack of sufficient energy supply from the grid, obsolete distribution networks, lack of maintenance of network equipment, poorly trained workforce, lack of correct customer data, low collection efficiencies, high aggregate technical commercial and collection (ATC&C) losses, defective customer enumeration, low meter penetration, health, safety and environmental issues and a near absence of investments due to insufficient revenues, inadequate tariffs and external funding constraints. At the privatization of the DisCos in 2013, there was renewed optimism for improved service delivery and customer satisfaction. Unfortunately, the reverse is still the case as the electricity customer still grapples with frequent service interruptions, poor voltage, load shedding, inadequate metering, prevalent practices of estimated billing, disconnections and delayed connection of consumers back to supply networks. Most customer complaints have been service interruption, poor voltage, load shedding, metering, estimated billing, disconnection, and delayed connection. The customers have continually accused the DisCos of high and arbitral estimated electricity bills, non-supply of electricity, connivance to cheat, refusal to disburse pre-paid meters, refusal to comply with the regulations, orders, forum decisions, and directives, etc. Regular protests and complaints to NERC and the Federal Competition and Consumer Protection Commission (FCCPC) against the DisCo activities periodically occur. Thus, consumers need more confidence in the owners and operators of the various DisCos and tend to be at loggerheads with the DisCos, which has significantly reduced the viability of the companies and increased the hostility towards staff and operators of the DisCos.

### Analysis

The following recommendations, if implemented, would enhance the troubled relationships between the DisCos and their customers and subsequently repair their brand image:



#### - Establishment of More Service Centres

The DisCos must establish more service centres across several locations across their franchise areas to cater to the needs of their customers. This way, whatsoever challenges or needs the customers to have can be treated and handled in short timelines and do not need to be escalated to the corporate head offices of the DisCos. Investments in network infrastructure upgrades through new transformers, substations, and other equipment must be made to reduce power outages and improve service reliability.

#### - Whistle-blowing Policies

The DisCos must put whistle-blowing policies in place to ensure that customers can report erring and corrupt DisCo staff to the management of the DisCos for appropriate actions and sanctions. This would assure the customers that their grievances are heard and handled.

#### - Regular Virtual and Physical Community Engagements

The DisCos must ensure regular engagements with different communities, especially troublesome areas. The meetings can be had monthly, quarterly, or yearly. Critical issues for customers include the availability of pre-paid meters, availability of electricity supply, cost of electricity (tariff), etc. These engagements for improved service delivery go a long way in building the customers' trust towards the DisCos.

#### - Efficient Billing and Vending Methods

One proven way to improve the brand image of DisCos is to ensure that adequate and transparent billing processes are followed for energy accounting and revenue drive. When this is done, there are fewer billing disputes. Hence, the clamour for the mass deployment of pre-paid meters.

#### - Training of DisCo Staff

DisCos' staff in client-facing roles, such as Customer Service Representatives, Customer Relationship Officers, Customer Care Officers, and Revenue Protection Officers, must be trained effectively and efficiently to provide practical customer assistance. Efforts must be made to implement customer feedback mechanisms and complaint resolution processes to address concerns promptly.

#### - Corporate Social Responsibility (CSR)

Whilst CSRs are voluntary, their practice by the DisCos would go a long way to endearing the DisCos to their customers. Community projects in any area, such as education, health, agriculture, energy, etc., can be done.

#### - Mass Media Communication

Besides community engagement, DisCos must have very active social media pages to ensure the efficient and effective management of complaints, inquiries, and comments of their respective customers. The complaints on social media platforms, such as Facebook, Twitter, LinkedIn, etc., must be monitored and escalated to the relevant and appropriate divisions/departments/units for action and resolution. It has been observed that many customers lay out their complaints through their social media. Further, though many DisCos are currently doing so, DisCos can do more in communicating through their social media platforms to their teeming customers. Information on disconnections, power outages, turn-around maintenance, system collapses, etc., can be disseminated through these platforms. DisCos can also use conventional media outlets such as television and radio to reach out to customers on different issues about their operations. All these would help improve the brand image of DisCos. Regular Sensitivity Analyses must be carried out to evaluate the perception of the customers about the DisCos' brands.

#### - Physical Infrastructure and Assets Uplifts

The DisCos must consciously invest in providing uplifts to their offices, service centres, undertakings, outlets, etc. Most of these premises are tattered, dirty, unwashed, have peeled walls which need to be painted, etc. Further, many of their motor vehicles are worn out and must be repaired. These have grossly affected the brand image of DisCos and have made DisCos a laughing stock. With adequate preparations and funding, these can be remedied.

### Conclusion

Rebranding distribution companies' images in Nigeria requires a sustained effort over time, involving both short-term interventions and long-term strategic planning and consistent engagement and awareness with the customers and the other industry stakeholders. Public perception can gradually improve as consumers see consistent positive service quality, transparency, and reliability changes.