

# platform

## What does good customer service look like in the energy sector and what should we be aiming for?

My starting point with organisations I work with is to look into the future and to try and understand the trends that are shaping customers and their expectations.

**Accelerated demographics** – the aging population, longer lifespans, the overall growth in population, millennials coming of age and entering the workforce are creating opportunities and challenges for all service providers.

- Our younger people are facing challenges in paying for their education, housing, welfare and pensions
- Millennials coming into the workforce seek to work for organisations who's goals and values align with their personal values. And they are far more likely to change jobs and move between suppliers
- The workforce in developed nations is aging and shrinking which may start to seriously constrain growth
- And households are changing – in 2014 the most common household type (32.7%) were single people living alone. Continuing austerity could mean that by 2025 an additional 15 to 25m people across Europe will be lining in poverty

**Digital immersion** – the exponential growth of computing power, device connectivity, data volumes and internet user and the rise of AI, M2M, VR, AR and IoT

- Wearables to grow from the current levels of around £20bn to \$70bn by 2025
- 1 billion sensors connected to the internet by 2022 – smart meters at the heart of the home gives the energy sector a huge opportunity. Kantar study 2014 – 2015 identified that not only could smart meters be a major influence on energy conservation and sustainability by helping to shape and target consumer behaviour but they could also start to provide targeted value added services to consumers using insight gathered from home connected devices.
- Talent shortage with 2 out of 3 companies reporting they are finding difficulty in sourcing the right skills for digital and analytics
- New business models emerging – crowd sourcing, communities coming together to create buying groups, individuals becoming suppliers as well as consumers of energy

**Great expectations**- the always on customer, rising personalisation, social interaction, morals and ethics, transparency and trust and security

- Consumers are better informed, more critical and more demanding
- Loyalty towards organisations is decreasing and becoming more conditional – consumers seek a clear articulation of benefits to them and a growing reluctance to accept underperformance – 6m domestic energy supply accounts switched in 2015
- Big data and associated analytics provides the opportunity to create segments on one but consumers will only release data to organisations they trust
- 80% Germans, 72% Americans recently surveyed reported they are reluctant to share their info with businesses

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**Word Re-Order** – urbanisation and the growth of emerging economies, climate change and resource security, new business and governance models and geopolitical uncertainty.

- Growing concern around cyber security - £34bn in UK cost last year on both successful attacks and IT investment
- New business models – Uber / Air B&B disruptions of traditional supply models
- Increasing globalisation can provide opportunities for organisations and threats – the likes of Zara have outperformed its sector in the last few years with a fast and responsive supply approach that moves production from the far east to close to home markets the closer the season becomes.
- Emerging economies currently are supported by a higher ratio of young workers to older workers than the developing world. But as their birth rates reduce this will change putting pressure on their current growth rates

These trends give us clues as to what customers will want and expect from any supply in the future - and, by the way, there is little or no differentiation made by customers between sectors. Their expectations from their energy supplier will be shaped (and raised) by encounters with Amazon, Uber, Deliveroo, John Lewis and so on.

The customer of the future will want a personalised service. They seek a consistent experience across all channels whether interacting with you in person (perhaps an engineer in their home), on the phone (and there is a higher propensity in this sector for phone interaction than others) on line or on the move. There is a huge focus on trust, reputation, honesty and openness – people want to do business with an organisation they feel they can be sure have their best interests at heart – you are after all, delivering a vital service at the heart of the home.

What does this mean for the energy suppliers?

- **Trust**, for me, is the lynchpin of energy customer experience going forward. Personalised services require organisations to gather and use customer data – a supplier that isn't trusted to give the best price or the best service will not be trusted with personal data either from a security perspective (do you care about me enough to invest in the security of my data?) or from a commercial perspective (will you use my data for MY benefit not yours?) In the UKCSI, a bi-annual survey carried out with 6,500 respondents, the Utilities sector performs the second lowest to the telecoms and media sector. It also performs below the average for trust.
- **Investing in people** is another area that the survey points to for the sector. The higher propensity for contact by phone rather than other channels points to the need to invest in employees – and not just in their technical knowledge broadening demographics requires higher levels of emotional intelligence. The potential for contact centres to deploy AI to deal with more mechanistic elements of service delivery creates the future need for highly skilled, problem solving teams for more complex customer interactions.
- **Complaints handling** – and we mustn't forget the basics. The ICS survey points to the ability to handle complaints well and to demonstrate the intent to invest in the interactions with customers and to resolve issues quickly is a key differentiator in this sector – those that score highly overall have high satisfaction scores with their complaints process.