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Redefining Customer Experience through
Digital Customer Engagement &
# Self-Service Capabilities

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Executive Summary

Following the changing dynamics in the utility industry, there is a need of digital transformation to evolve as a modern-day energy partner. The success mantra is: 'Give what they want, when and where they want'. The customer centric strategies give an edge to the utilities, where the differentiation no longer comes from price, quality or convenience, but from subjective intangible outcomes like experiences, satisfaction, availability and protection. Today's customers are more conscious, demanding, and connected than ever before, and they expect more from their utility than just keeping the lights on. Establishing a multichannel communication, development of offers tailored for each customer, and the promotion of a customer-centric culture can establish a digital utility of the future. This whitepaper outlines the new digital experience a customer seeks, current challenges in the utility industry, role of digital technology in redefining customer experience & ways to empower customers through digital self-service capabilities.
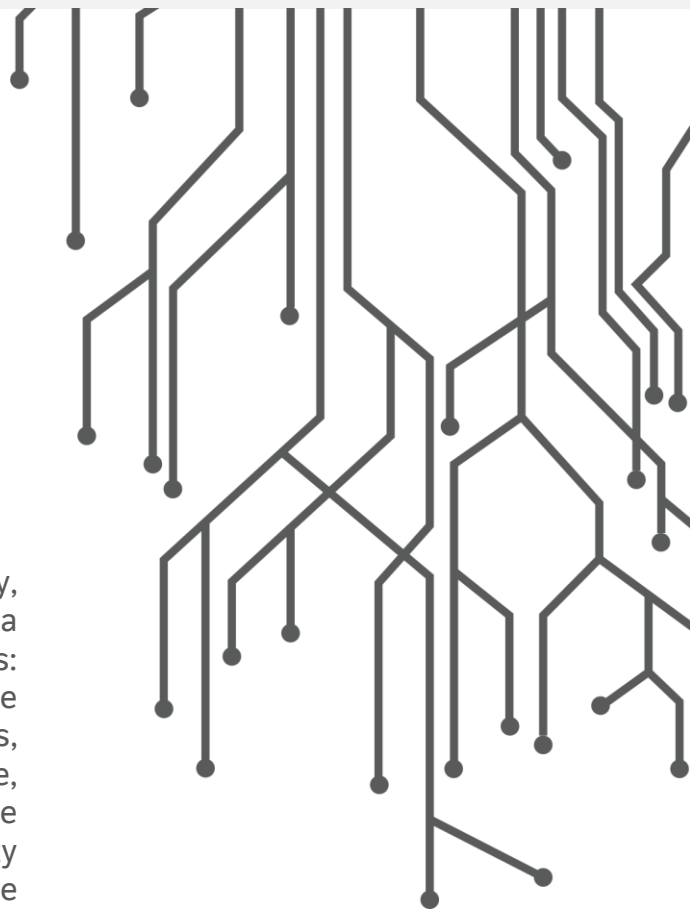
The 'New' Digital Experience

Products are no longer just solving problems but changing the way a customer lives, companies are no longer just meeting expectations but exceeding it at every touch point of customer interaction. The 'new' digital experience opens a plethora of opportunities for customers. Among various benchmarks, the best in class digital experience provided by other service providers is an important benchmark to measure customer experience. Today, digital experience is about solving complexity with simplicity. Digital natives have raised the bar of customer expectations in the utility industry, resulting a digital shift. Platforms like Self Service Accelerator amplifies the digital experience of the utilities and their customers.

1

From Pick to Click

The digital shift is prevalent as the customers prefer to get all their information in just a click, rather than visiting the utility office. The web portal and mobile apps offer online access to the utility account.
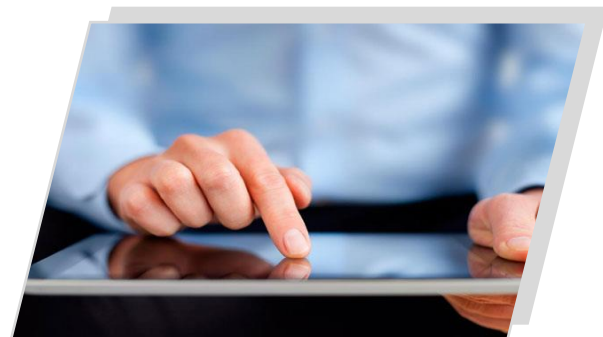
2

From Customer Call Center to Online Contact Center

Gone are the days when people used to wait in the queue to get connected to a customer care agent, rather they prefer to communicate with the utility personnel based on their preferred channel of communication. Among U.S millennials, email is the most preferred mode of communication followed by chatbots, social media, and IVR.

3

From Paper to Paperless

Paper bills may seem handy but month after month, they become difficult to maintain. Customers prefer to receive electronic bills rather than monthly paper bills for its accuracy and timing.

4

From Reactive to Proactive Information

No one likes an unexpected disruption in his or her schedule. Outages are a big 'No' for the utility customers. The proactive communication informs the customers about unexpected disruptions in advance, revolutionizing their experience.
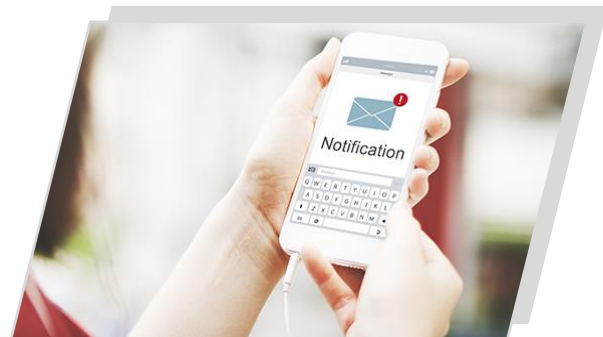
The Prevalent Challenges in the Utility Industry

The battleground for 'new' digital experience has never been so competitive and complicated. Disruptive forces have created new avenues that changed the rules of customer engagement. To continue providing services that align with the expectation of the 'always connected', tech savvy customers of today, utilities need to recognize and adapt to the changing dynamics that has been disrupting the industry to establish business strategies that will set new standards for other to follow.

Discovering Challenges to Uncover Opportunities

Changing customer behavior

A study by J.D. Power shows that 'utilities are among the lowest-performing industry groups when it comes to delivering distinct digital customer experiences, except for a few industry pioneers.' The biggest challenge for utilities will be to build a comprehensive customer experience to cater to the evolving taste of the tech-savvy customers of today. Utilities are waking up to the realization that they need to evolve their customer experience and find new ways to engage meet their changing requirements. This involves bringing the utilities customer service in line with the experiences delivered by other service providers who are much ahead in the game. Consumer expectations are shifting dramatically, and the focus must therefore be to achieve greater transparency, roll out new services and offerings and deliver a modern customer experience by leveraging multiple technologies.

Rapid adoption of technology

The historic utility-customer relationship is rapidly changing, and customer satisfaction has become an increasingly important key performance metric for utilities today. The new enlightened utility has turned to digital technologies to become data-driven, information-enabled decision-making to better serve its customers. It helps utilities address a wide range of diverse consumer needs, expectations and levels of engagement and solve business challenges to establish a clear competitive advantage in the marketplace.

Increasing competition

Despite regulated market occupying a large market share, deregulation in the utility industry has spurring competition amongst the utility players and has lowered barriers to market entry. Households and businesses alike have started generating energy through the introduction of cost-effective solar technology. Consumers can now pick their utility provider based on competitive rates and incentives being offered. This has spurred competition in the utility market forcing them to leverage technology to provide better customer engagement and experience.
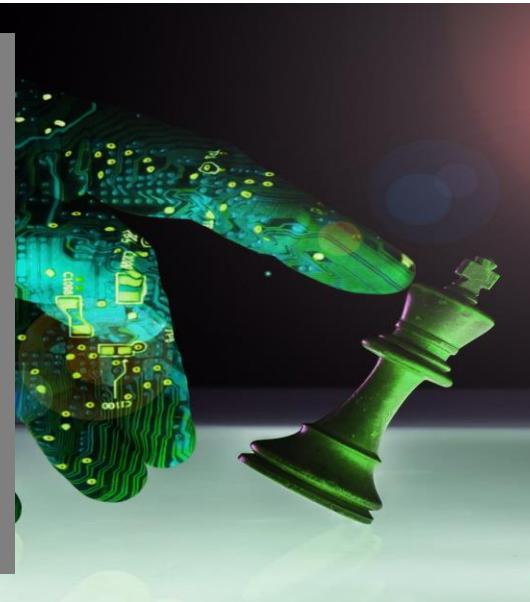
Adherence to regulatory compliance

The growth in legislation and other compliance issues governing utilities is one of the most pressing, and potentially costly challenges facing this industry. Utilities must design and build new business process, compliance systems, and organizational structures that not only comply with the law today but are scalable enough to respond to tomorrow's laws. With the right digital solutions, utilities can deliver the change necessary to put compliance at the heart of the utility business.

Data Analytics, AI and Machine Learning Redefining Customer Experience for Utilities

In the past, the utilities offered pre-defined services and information sharing was limited to a monthly bill. Digital disruption has changed this set routine to add vigor in the way industries interact with their customers. Utilities have become more proactive in sharing the energy and water insights with their customers, not limiting them to a monthly bill. This has enabled the energy providers to go beyond the standard services and partner with the customers for creating newer experiences. The new age technologies have made possible to establish a differentiated customer experience and empower the new age customers at every touch point of their digital journey. It all began with Cloud & IoT, and soon technologies like Data Analytics, AI and ML were introduced to take new strides and gain competitive advantage.

AI & ML: Powering up customer engagement and experience

The utility industry has seen paramount success through the adoption of digital technologies to change their traditional way of conducting business. Such technologies have proven to be a game changer by taking the utility-customer relationship to the next level and building a base for customer loyalty. Utility customers can now expect customized tariff plans which have been constructed by carefully studying their usage patterns and trends over a period. They can extend their services to include personalized energy-saving programs and rebates to reinvent service offering for customers. Such services not only enhance customer experience but also help utilities effectively manage supply and demand, thereby reducing the strain on the electric grid, for more reliable operations. But this is just one aspect of it, AI & ML add value by analyzing historical data and keeping an eye on potential complaints to provide the best possible resolution to customer queries and minimize customer calls. This is not where it ends, we all have heard about Interactive Voice Response (IVR) - which is a vision made possible by AI. IVRs have revolutionized the way utility companies interact with their customers. They can understand, interpret, process inputs, and answer customer queries in real-time, as intelligently as humans. Imagine, how this is going to raise the bar of customer experience for industries globally.

Data backed analytics: Improving customer service

GTM Research, an analyst firm stated that global utility company's expenditure on data analytics will grow from $700 Mn in 2012 to $3 Bn in 2020. Utilities have been leveraging data analytics to deliver enormous value and drive them to new frontiers of excellence. It can be implemented as a core capability to detect pain points, predict outcomes, design new services and reduce costs. By doing so, modern utilities have become data-driven, information-enabled decision-makers with a new-found ability to better serve their customers. It has allowed utilities understand their customers consumption better and design new services to cater to a customer's exact need. Data Analytics has helped provide accurate information to their customers on power outages, restoration time, grid updates, the status of maintenance work. The adoption of predictive analytics has helped prevent outages through accurate prediction of potential equipment failures. This allows utilities to focus their maintenance effort on the most vulnerable asset avoiding service disruption to improve service reliability.

Digital technologies are becoming indispensable & ubiquitous and is taking over this brave new data-driven world by storm. Its adoption is valuable in benefits reaped and as new opportunities created. We see promising clues that these customer focused strategies will play an essential role in living up to the expectations of today's customers.

Empowering customers through digital self-service capabilities

You don't know until you own it! Today, customers have become more self-aware and like to take ownership of their energy and water needs. As per 2018 Utilities Customer Experience (CX) Insights report by Foresee, the customer is described as dynamic. Based on survey data from more than 6,250 customers of 25 top utility providers in the U.S., both regulated and deregulated, the report focusses on key industry trends that are driving a new provider-consumer dynamic. 80% of consumers surveyed said they would be willing to forgo the call center completely if providers offered an ideal online experience. The study makes it clear that providers can cut costs and boost customer satisfaction by improving digital offerings.

Empower to connect as they want

Different communication channels have their own significance. For instance, for promotional activities customers prefer an email over an IVR call; for quick but convenient real-time communication they prefer a chatbot rather than a push notification; for immediate action, they prefer a Push Notification over a phone call; & to collect feedback they would prefer an email instead of a live chat. Text and Push notification eliminate the need to wait for a phone queue or printed mail processing. This makes proactive electronic delivery an ideal choice for everything from payment due notifications to reminders and administrative updates. So, no 'one channel' is highly preferred. It's the combination of channels that the customer prefers to communicate with. As per research done by Foresee, less than 50% of the customers get the query solved in the first attempt. However, they do prefer to come back to the same channel of communication and most of the customers get the results in the second attempt.

Empower to pay as they want

On-time payments are rewarding when customers don't need to remember all the dates. Bill reminders with flexible payment options empower customers to take better payment decisions. The expected result is not just reminding a customer about the bill due, but to assist the customer to pay as per their convenience. In an idle payment cycle, they can pay the bill when the bill is generated/ due or reminded, they can schedule auto deductions for the bill as soon as the bill is generated, they can ask for payment extension on the bill or pay equal installments of bill for a certain duration before paying the final bill. The level of flexibility allows customers to fit in any payment size of their choice.
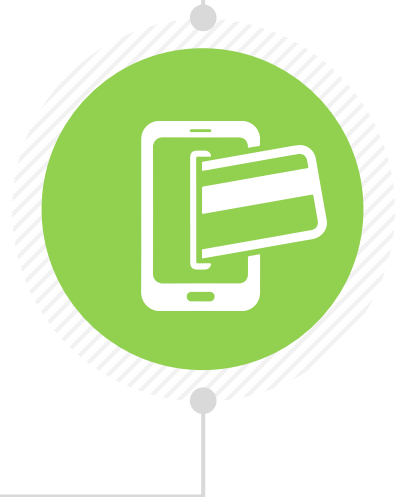
Empower to take charge of their energy and water usage

The 'once in a month' interaction is replaced by a self-service portal to keep the connection on the go. The capabilities extend the customers towards a more sustainable approach. The continuous flow of information on energy and water usage, comparison with the peers in the similar neighborhood and saving tips make the customers cognizant of the natural resources they use.
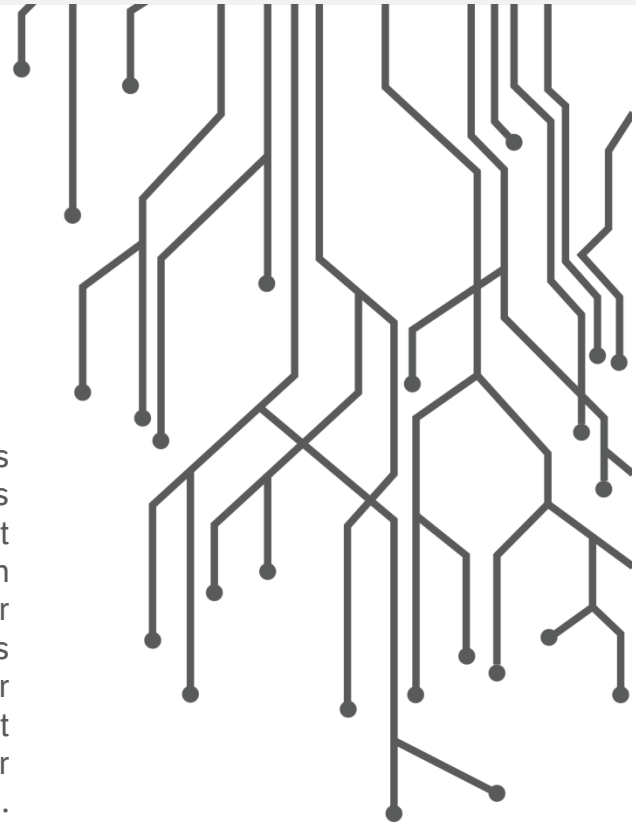
Conclusion: The Next Steps

Utilities caters to a huge audience, so they need to address a wide range of diverse consumer needs, expectations and levels of engagement. To cater to this vast requirement, they need to transform into a data driven digital enterprise and fundamentally reinvent how their businesses run. The strategy needed for the execution lies in taking the complete ownership of the customer lifecycle. This starts with analyzing customer sentiment and offering platforms for enhancing customer engagement at every touch point and across all channels. Summarizing the whitepaper in a few points:

1. Time and Money are two important factors for redefining customer experience. Digital customer engagement through self-service capabilities can save both.

2. With competition from industry peers, stakeholders will not leave a stone unturned to provide the best in class experience to their customers.

3. Industries who have gone digital have opened new opportunities to establish a competitive advantage.

4. Digital solution can help customers make better and greener decisions about energy usage, streamline operations, and deliver energy in a much more cost-effective way.

Additional Resources

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