

What can utilities customer experience management brands learn from the financial service industry?

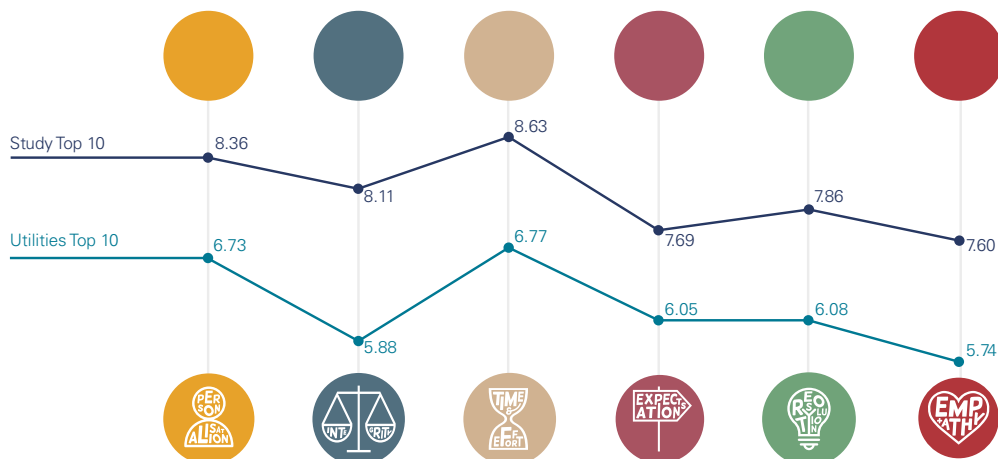
Utilities customer experience management

Integrity is the platform on which great customer experiences are built. It has taken some time but financial services firms are gradually restoring their reputation however the KPMG Nunwood 2014 UK CEE shows the Integrity score for utilities continues to deteriorate.

David Conway, KPMG Nunwood Director, identifies several aspects of best practice in utilities customer experience management that brands should take on board if they are to restore public faith and learn from the example of the financial services industry this year.

Category stereotyping is nothing new. In the 1980s it was double glazing, in the 1990s it was estate agents and in the early 2000s lawyers (spawning a whole new genre of jokes) and from 2008 it has been banks and utilities. These are the corporate bad boys, the firms we love to hate.

The 2014 CEE study shows that whilst the banks are finally restoring confidence in their Integrity (+2) for utilities the perceptions of Integrity are increasingly negative. In fact their lowest scores relate to Integrity and Empathy – both vital for customer experience success.



It is fair to say that many of the struggles in utilities customer experience management, along with reputational issues, are self-inflicted. Years of underinvestment in infrastructure and systems, overt profiteering where raw material price increases are followed up immediately but are not perceived as being followed with the same alacrity

when they fall, opaque pricing, tariff proliferation and new customer incentives at the expense of existing customers and questionable doorstep selling techniques – the list goes on and the public memory is regularly prodded by the media.

It is also fair to say that the development of most utilities from privatisation, to consolidation to integration has not been easy. Npower for example is still wrestling with 28 different billing systems, customer services have to deal with ancient tariffs on a daily basis as well as handling increasingly frustrated and angry customers.

So how is the financial service industry changing perceptions? Is it just that memories of 2008 are fading or is there something more fundamental taking place?

Firstly the banks have publicly said sorry, mea culpa. Barclays went as far as issuing an ultimatum to staff – if you are not able to change then go elsewhere. The first step to truth and reconciliation is the public acknowledgement of past sins.

Secondly they have started to change their internal mental models of what good looks like. Their management processes and internal communications are swinging the pendulum from a product sales mentality with all of the supporting targets and collateral to customer service – a genuine belief that great service will drive recommendation which in turn will drive commercial returns.

Symbolically the practices that resulted in the vilification of the banks are being very publically abandoned, RBS / NatWest recent advertising campaign “goodbye unfair banking” being a case in point as they leave behind teaser rates and new customer incentives.

Central to it all however is the drive to customer centricity. A realisation that in the new world of challenger banks the only guarantee of success is to serve your customers better than your competitors. This is an attitude that is in fact adoptable in other industries and one that should be seen as best practice in utilities customer experience management.

KPMG Nunwood has explored the concept of integrity in detail. Our “means end” analysis shows that the concrete day to day attributes of trust building are vital in satisfying a basic human need for security and respect, the belief that the organisation you are dealing with will act in your best interests and not compromise those for its own.

The CEE research shows there are the nine golden rules for achieving high score on Integrity:

- As an organisation, stand for something more than just profit
- Demonstrably act in the customers best interest before your own
- Ensure staff reflect in word and deed what the organisation stands for
- Show concern for me as a person and that you care about good outcomes for me
- Demonstrate that you have the competence, skill and knowledge I require
- Deliver on your promises and commitments however small

- Tell the truth at all times
- Keep me informed
- Be likeable

It is interesting that the banks are beginning to embrace each of these. It has however taken a fundamental mind set change to make this happen. Utilities customer experience management brands are some way behind but must learn from the financial sector which has been through its own troubles but has remedied its problems lately. The main learning for utilities from financial services is that you have to reconceive the type of relationship you wish to build with your customers first – without this everything else is just window dressing.