



# 24-Month Benchmark Report August 2019

## CUSTOMER SATISFACTION IN UK UTILITIES





## Welcome to our latest Utilities Customer Satisfaction Report

Our exclusive benchmarking data highlights energy and water companies' customer satisfaction performance over the last 24 months. As well as naming the utility companies delivering best and worst customer satisfaction, our results show the touchpoints increasing customer effort and, using advanced sentiment analysis, the service attributes frustrating and delighting customers.

### *UK Utilities Customer Satisfaction Drops Again*

Survey results show that customer satisfaction in utilities dropped again in April 2019 to 6.8, the lowest point since reporting began 24 months ago. Rolling data shows that customer satisfaction in the sector rose from 7.2 to 7.3 in May and July last year before dropping to 6.9 in September and December, and again to 6.8 in April 2019.

Utilities ranked fourth lowest for customer satisfaction of the nine sectors surveyed, scoring marginally higher than Mobile Telecoms (6.6), Telecoms (5.6) and Distribution (4.7).

**Figure 1 - Benchmark Survey Results - Overall Sector Trend**



## *A Sector in Flux*

It is well known that utilities are under regulatory pressure to deliver an effective, consistent customer experience. Ofgem's RIIO-2 framework calls on energy providers to deliver better customer engagement and support alongside lower bills. Meanwhile, water companies are facing tougher penalties under Ofwat's new customer measurement of experience tool (C-MeX), which comes into force next year.

It is not only regulators calling for a step-change in customer handling. As our results show, customers are increasingly dissatisfied with providers' services, causing high levels of churn. Alongside customer losses, this is helping disruptor brands offering consumers enticing choices, such as 100% green energy tariffs and digital customer support, to gain market share.

Increased customer expectations are also fuelling flux. Utilities might be an essential purchase, but today's customers expect a smooth, retail-like experience with every company they do business with. Utilities are also having to adapt their business models to stay ahead of technological innovation. The rise in electrification of vehicles and small-scale home energy solutions, such as solar panels, is already creating opportunities to offer new, varied services to customers. But with networks already struggling to deliver strong satisfaction, diversification is likely to bring fresh customer care challenges.

## *What Do Utilities' Customers Want?*

Our work with utility clients shows that customer experience transformation is possible. Applying leading research solutions, we cut out the noise and get to the heart of what customers' want at each contact point throughout their journey, getting to know their requirements and where they place value. With change constant in utilities, we hope this report gives a brief taste of the pivotal role research and analysis can play in helping networks understand customers' priorities and where enhancements are needed to create meaningful interactions that foster customer satisfaction and loyalty.

## UK Utilities – Customer Satisfaction Scores by Touchpoint

*The customer touchpoint – the contact point between the end customer and their utility provider – that received the highest customer satisfaction score was ‘ease of contact’.*

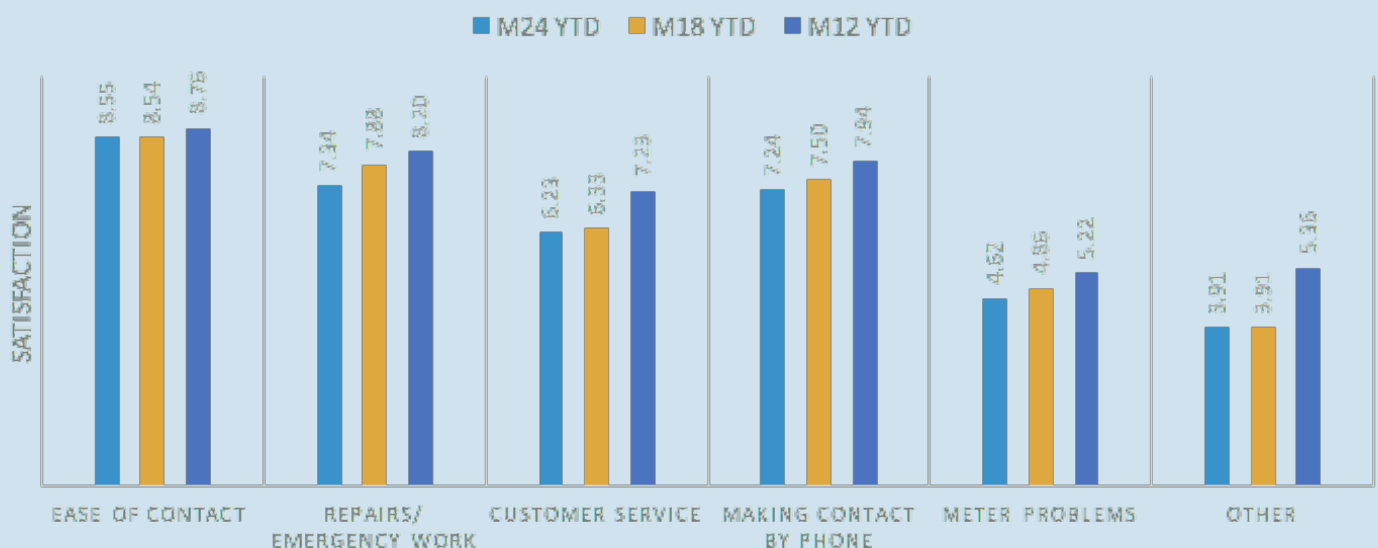
‘Ease of contact’ received a score of 8.6, followed by ‘repairs and emergency work’ with 7.3.

The touchpoints which ranked lowest for customer satisfaction during the 24 months to May 2019, were ‘meter problems’ (4.6), followed by ‘customer service’ (6.2).

Our results show that ‘ease of contact’ earned consistently high customer satisfaction scores of 8.5 and above throughout 24 months. While ‘meter problems’ earned consistently low scores of 5.2 and below. Sentiment analysis reveals customer frustrations with meters related to smart meter installation and engineer appointments.

Customer research targeting meter services and the customer journeys involved, from arranging meter installation to complaint handling, will help build a profile of customer satisfaction and dissatisfaction triggers and the process improvements needed to enhance customer feeling.

**Figure 2** - Overall satisfaction scores by interaction type across all captured Utility providers – Scores by types of interaction



## Touchpoints Impacting Customer Effort

*Making contact by phone received the highest customer effort score (8.5) indicating utility customers are still having to work too hard to reach their desired outcome.*

The second highest customer effort score was awarded to 'meter problems' (8.2). This touchpoint also received the lowest customer satisfaction score (5.2). Our findings indicate that utilities still aren't meeting customer expectations surrounding smart meter services or call centre systems. On a positive note, while 'making contact by phone' received a high customer effort score (8.5), customers gave a satisfaction score of 7.9, indicating that although telephoning their provider required effort, customers were relatively satisfied with the call outcome.

**Figure 3 - Overall satisfaction vs customer effort scores by interaction type across all captured Utility providers – Scores by types of interaction**





## Problems with Utilities' Call Handling

Utility call centres are at the frontline of customer problem handling. Our sentiment analysis shows excessive waiting times, complex automated phone systems and being passed around several departments are common customer complaints. Researching customer journeys through call centre systems will help energy and water companies uncover where and why problems occur, and the measures needed to increase convenience and reduce customer effort.

## Customer Satisfaction by Utility Company

Bristol Energy received the highest customer satisfaction score of 9.3, followed by Ovo Energy with a score of 8.8.

Scottish Power received the lowest customer satisfaction rating in the 24-month period, with customers giving them a satisfaction score of 4.2, followed by Npower with a score of 4.6.

Figure 4 - Overall Score by Utility Provider



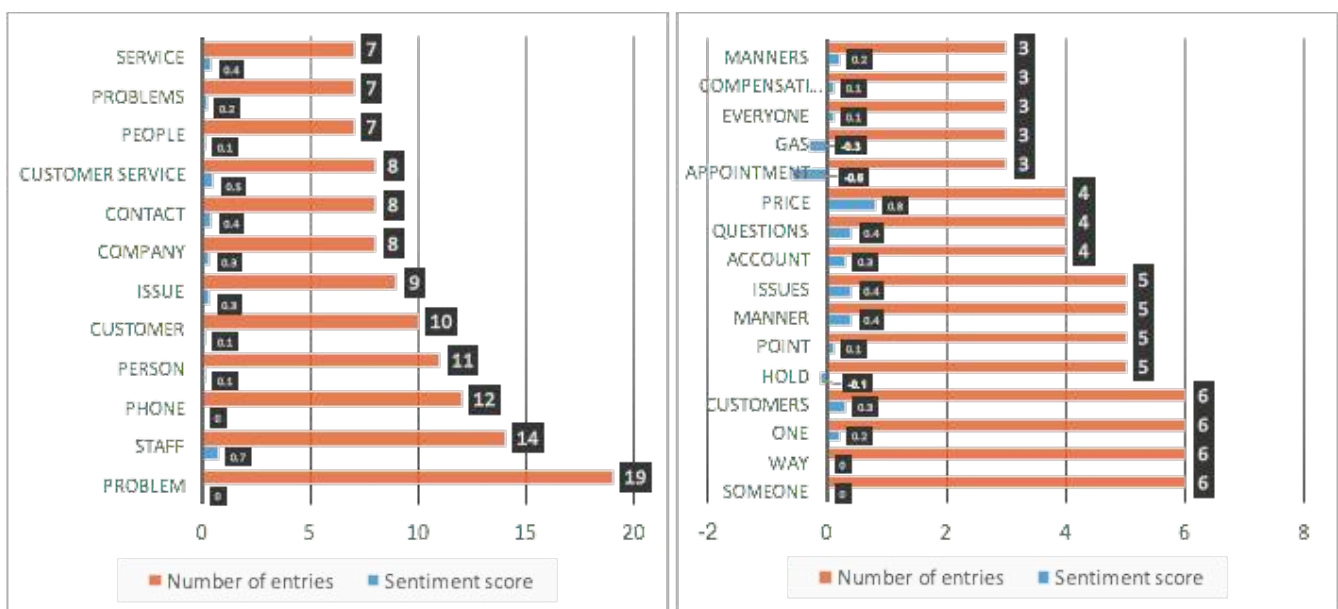


## UK Utilities Customer Sentiment Analysis

Using advanced qualitative techniques, we analysed the additional survey comments customers made about their providers. As well as classifying free-form opinions, this allowed us to pinpoint the service areas meeting customer expectations and where action is needed.

Applying a sentiment scale of -1.0 negative to +1.0 positive, comments relating to providers 'meter appointment' received the highest negative score, followed by 'gas company'. Customer comments relating to 'price' and 'staff' were rated the most positive.

Figure 5 - Utilities – Overall Sentiment (-1 low to 1 High)





**Negative** comments customers made about 'meter appointments' include:



*"They made an appointment, I thought it was to check the meter reading - waited in all afternoon he never turned up."*

*"Not telephoning customer on day of appointment to cancel as they had overbooked. First year was bad enough but to do it two years in a row, unforgivable."*

**Positive** customer remarks about utility provider's pricing and staff include:



*"Cheaper price, rewards and easier communication."*

*"Easy to contact (at a time that suits the customer) knowledgeable, patient staff who actually want to help you resolve the issue."*

TTi's sentiment analysis shines a spotlight on service attributes that are and aren't working. For utility companies looking to strengthen and sharpen their customer experience, this is a valuable tool for measuring satisfaction across 'open comment' applications, including customer and employee satisfaction surveys, social media and live-chats. In a cost-cutting environment this is especially valid, as it enables networks to redirect resources to areas that will see the biggest uptick in customer satisfaction and loyalty.



## About TTI Global

TTi Global, a Division of GP Strategies, is an accredited Market Research Society (MRS) Company Partner and leading UK-based market research agency, specialising in helping brands world-wide achieve their goals through high quality customer, employee and stakeholder research.

We have been delivering respected market intelligence for more than 30 years for private and public sector organisations across a vast range of industries and are the market research partner of choice for organisations including Haymarket, Northern Gas Networks, Jaguar Land Rover, Radian, Skanska, Honda and more.

### *What we do*

Customer and Consumer Satisfaction Research, Employee and Employee Engagement Research, Stakeholder Research and Channel and Partner Opinion Research.

### *About our UK Customer Satisfaction Benchmark Survey*

Our UK Customer Satisfaction Benchmark survey delivers insight into the quality of customer service in Utilities and 11 other industry sectors. Rolling data is derived from an online survey of over 7,100 UK respondents, including 644 utilities customers, conducted over 24 months between 1 May 2017 and 1 May 2019.

### *Get in touch*

We hope you have found our report informative. For further details about our customer satisfaction benchmarking reports and research solutions email: [research@tti-global.com](mailto:research@tti-global.com)



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