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The future of customer experience for electricity utilities in the APAC region

Actions to improve customer engagement

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Customer experience: from cost centre to value centre

The utilities industry has witnessed a shift in customer expectations as the demand for more personalised and proactive customer services grows. The entry of new market players and an increased focus on clean energy has further accelerated the focus on customer-centricity.

According to a global Accenture B2C survey that included 1,189 gas and electric utility customers, 71% of customers reported that proactive service solutions are important. However, less than half of consumers (45%) reported effective proactive communications from their utility provider.

This results in a lack of customer advocacy and utility providers' inability to leverage new customer engagement programs. Additionally, consumers are looking to derive higher value from their utility transactions. Just 35% of customers have access to a dedicated resource, while more than half (54%) reported they would like to have access to more personalised, contextually-relevant services.[1]

45%

of consumers reported a lack of proactive communication

Electric utility companies have an opportunity to learn from other customer-facing sectors when it comes to meaningful customer interactions. With utilities, customer service has functioned as a silo and focused mostly on solving problems and answering questions at the lowest cost possible. Service has been stuck in the most minimal mode of the sustenance/maintenance phase at the end of the customer lifecycle.

Reactive and transactional, it has simply been a cost of doing business, not an engine for growing it. This is largely due to monopolistic roots, cultures, and processes that have not motivated them to incentivise or prioritise offering a compelling customer experience.

Today, digital transformation is disrupting markets across the Asia-Pacific (APAC) region, shaking up old business models as it creates new ones, and reshaping consumer expectations.

To retain market share and survive over the long term in countries with deregulated electricity retail markets, electricity providers must continue to innovate, diversify, and build world-leading customer experiences. This requires a continual reshaping of organisational culture with a far greater emphasis on innovation and customer service.

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Increasing pressure from competitors, regulatory bodies, and stakeholders, in addition to rising customer expectations, are forcing utilities to relook at their traditional model of doing business. Electricity utility companies across regulated and deregulated markets in the APAC region need to pay close attention to consumers and their changing demands. Now is the moment to redefine what it means to be an electricity provider, focusing on new services and solutions that go far beyond a traditional or commodity offering.

It's time for electricity utility companies to accelerate customer experience improvements, as well as deliver proactive, predictive, and personalised customer service.

This won't be an easy transition for a highly regulated industry that has operated in relative stasis with an almost exclusive focus on engineering advancement for the past 100 years.

The electricity providers of the future will be digitally powered and relentlessly customer focused.

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A case for investment

There's widespread uncertainty about how to give customers what they want in a way that resonates with them individually. Currently, a typical utility has multiple IT systems for various customer facing activities. Poor front and back office integration is also a persistent source of revenue leakage/loss, poor customer experience, higher employee turnover and rising IT costs.
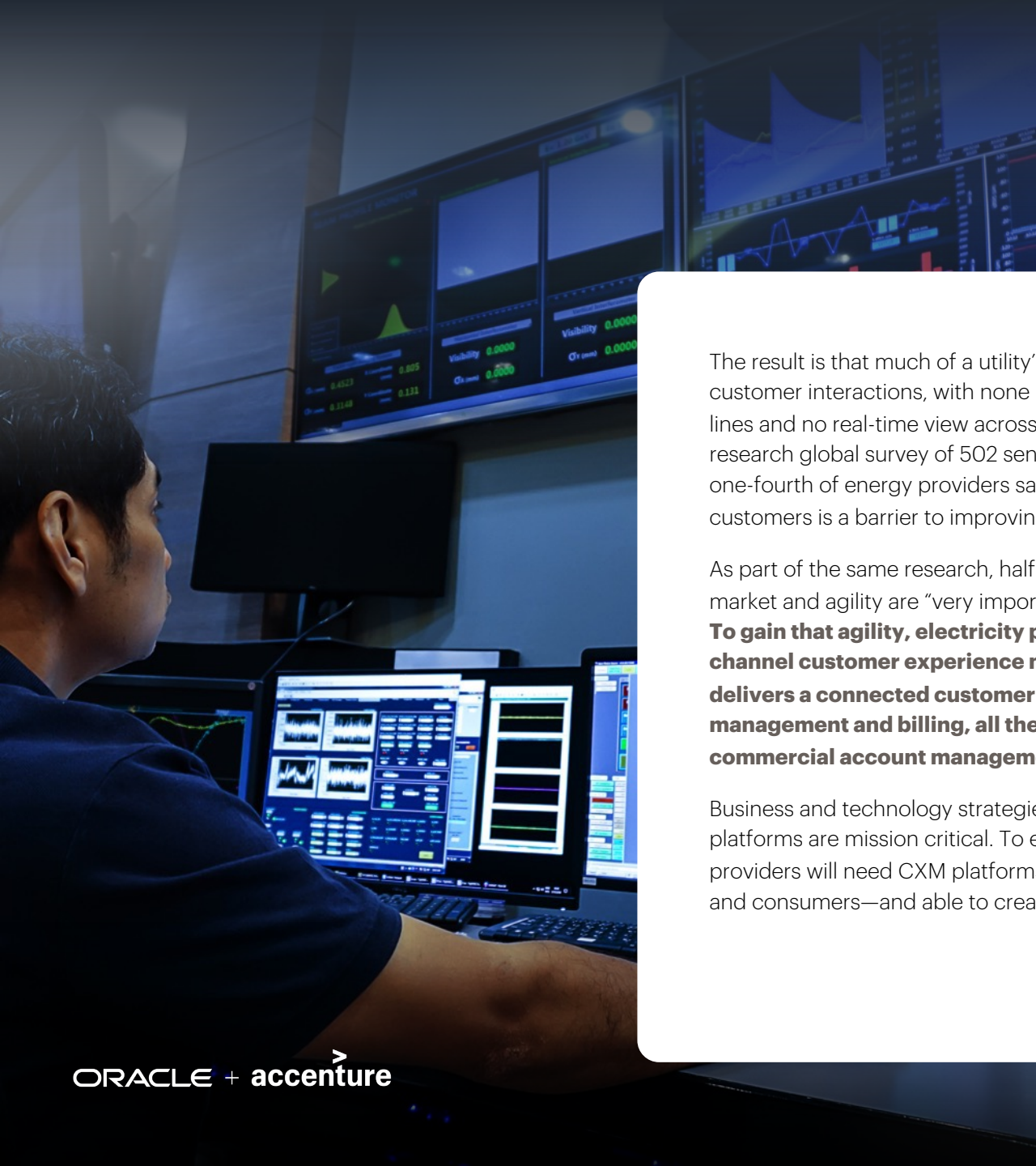
The result is that much of a utility's efforts are focused on navigating this complex maze of customer interactions, with none providing a single view of the customer across business lines and no real-time view across channels. In Accenture's 12th New Energy Consumer research global survey of 502 senior executives in the B2B and B2C energy retail sector, one-fourth of energy providers said their inability to find a purpose or narrative to engage customers is a barrier to improving the customer experience they offer.[2]

As part of the same research, half of the energy providers surveyed said that speed to market and agility are "very important" to their business, up from only 14% five years ago.[3] **To gain that agility, electricity providers need an industry-specific, integrated omni-channel customer experience management (CXM) platform that is fit for purpose and delivers a connected customer overview. This includes everything from meter data management and billing, all the way to service, commerce, marketing and commercial account management.**

Business and technology strategies are inseparable; therefore, electricity providers' CXM platforms are mission critical. To enhance the experience for customers, electricity providers will need CXM platforms that are easy for everyone to use—employees, partners, and consumers—and able to create growth for new products and services.

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The platforms need to touch every aspect of the electricity utility's value chain and the activities associated with each stage. Creating this type of foundation allows visibility and control from Grid to Customer for a complete 360-degree journey. (See Figure 1)

Figure 1: Electricity utility's value chain and associated activities

CUSTOMER
- Service Sign Up
- Ongoing Communication
  — Billing
  — Demand Response (DR) Events
  — Promotions

FIELD TECH
Consultation and Installation

UTILITY COMPANY
- Day-to-Day Operations
- Load Management/Grid Balancing
  — EV Charging and Related DR
  — Undervoltage
  — Severe Weather Disturbance
- Rebate Calculation & Billing

AGGREGATOR
- Load Management/Grid Balancing
  — Related DR
  — Undervoltage
  — Severe Weather Disturbance
- Rebate Calculation & Billing

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The starting point for electricity providers is to build a business case for investment in technology solutions. Improving customer engagement and user experiences while modernising the existing customer system is crucial. Providers that are investing in CXM platforms have two areas of focus: enabling better customer analytics and delivering improved consumer-facing digital channels.

To achieve this, providers need to invest in an industry-specific CXM platform that can use customer analytics to manage data and generate insights to deliver a complete 360-degree customer view.

Accenture's latest New Energy Consumer research showed that 35% of energy providers are investing in sales and service analytics.[4] Forward-thinking electricity providers are also installing smart meters to help customers manage energy usage and conduct energy audits. This allows them to identify energy-efficiency improvements at home or on their business premises. The key to success will be offering simple, user-friendly products and services that enable customers to make smarter energy decisions with minimal effort. These investments can not only drive on-going product and service innovation, but are also critical for building the energy system of the future.

The second part of the business case is using digital channels to create personalised customer experiences. Customer expectations have evolved into seamless experiences in other sectors, such as entertainment streaming services and online retail, yet many electricity providers have struggled to keep pace. Accenture's latest New Energy Consumer research showed that 42% of energy providers are investing in digital channels to improve the customer experience.[5]

For example, a utility company could develop a virtual assistant for use across multiple digital channels. These include its website chat, mobile apps chat, social media chat, and interactive voice response (IVR)—including on smart home devices. These tools would enable utilities to provide highly tailored services based on every customer's unique needs.

Most importantly, cloud technologies are now essential to electricity providers, with new cloud-native business models emerging. A cloud-based system architecture enables electricity providers to develop innovative new products and services that will vastly improve the customer experience. This will mean deploying customer self-service applications on a public or a private cloud instead of a utility owned and managed data centre. This allows providers to deliver simplified self-service processes; reduce the workload in the call centre; and thereby reduce operating costs. By moving enterprise applications and data to the cloud, utilities can automate the maintenance of IT systems, freeing up their scarce IT talent to focus on innovation and improving customer service.

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Consider this, a customer, Stacy, opens her email to find her energy bill. It is high, again, and Stacy knows she'll struggle to pay it. But Stacy notices a new message in her eBill suggesting that she is eligible for programs that could help her manage energy costs. Stacy is pleasantly surprised by this and clicks to learn more. On the utility website, Stacy learns that she can sign up for a financial assistance program and rate coaching, to help her actively save energy.

In the past, utilities had limited visibility into their most vulnerable populations. But Stacy's utility just rolled out a new program that uses enhanced data science techniques and new data sets to better identify limited income customers that are disproportionately impacted by energy costs. By using data-driven, automated engagement techniques like this to reach these customers, her utility provider drives low-income program uptake, reduces arrears and improves customer satisfaction.

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There are multiple ways in which cloud can enable additional benefits, not just for customers and employees but also the business (Figure 2).

Figure 2. Benefits of cloud adoption for business operations, employees and customers for a utility

	Cloud Functionalities	Benefits
For business operations	• **Self-Driving:** Automatically provision, secure monitor and tune • **Self-Tooling:** Automated patching, upgrading, testing and test data management • **Self-securing:** Automatically apply security patches with no downtime • **Self-repairing:** Maximize uptime and productivity, minimize both planned and unplanned downtime	• Reduce admin costs by automating manual tasks • Reduce risk and avoid cost associated with security breaches • Improve focus on innovation by shifting resources to higher value tasks there by increasing productivity and accelerating time to insights
For employees	• **Embedded insights:** Insights are embedded directly into user workflow in the apps making work more intuitive, impactful and insightful • **Closed-loop learning platform:** Model can learn from employee activity on account of being embedded in the workflow • **Autonomous business processes:** Orchestrate activities like exception management or field service orders without human intervention	• Intelligent workflows ensure consistent customer experience and user efficiency • Improved usability leads to reduced training time • Reduction in call handling time through clear insights and guided recommendations
For customers	• **Data science + Behavioral science:** when each customer interaction is backed by utility-centric behavioral science and deep learning, it helps in constant and targeted refinement of programs • **Engagement at scale:** Support intelligent engagement across the entire customer base • **Agile and adaptive:** Constant testing and measuring of programs and messaging allows for quick changes and constant improvement of engagement performance	• Reduced cost while offering more intelligent, automated self-serve tools • Deeper customer relationship and enhance opportunity to offer value added services • Helps engage customers as a resource in demand side management programs • Enable detailed targeting of customers based on their behaviour and suggest most relevant programs and services

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Actions to reimagine the customer experience

To reimagine the customer experience, providers first need to acknowledge the reality of their current customer relationships.

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For most consumers, electricity providers are almost invisible. All they expect is a transactional billing relationship — and, traditionally, that is all they've received.

To meet evolving consumer expectations, electricity providers will need a new level of agility and responsiveness. This will involve providing digital experiences powered by CXM platforms that can not only support basic services such as bill payments and help desk, but also predictive capabilities, to sell contextually relevant services and products through insights into the consumption behaviour of customers. These CXM platforms can also support value added services related to decarbonization like energy communities and P2P energy trading, new energy sources (renewable gas, green hydrogen), maintenance services for energy appliance and decarbonization services.

By leveraging the power of CXM platforms to their fullest, utility providers can deliver improved customer experiences and transform their customer service function to drive business growth by:

1. **Prioritising customer insights.**
    Use the CXM platforms to drive understanding of your customers' new and emerging needs, then use those insights to shape strategy and identify opportunities for more personalised products and services. According to a global survey of service executives from 141 gas and electric utility companies (as part of Accenture's End-to-Endless Customer Service research), only 40% reported that the future direction of their company's customer service decisions was primarily based on what's best for their customers.[6]

2. **Accelerating the enterprise cloud journey.**
    Use cloud to improve customer experiences by simplifying your self-service processes and providing a more unified view of customer data to enhance your customer insight. Move boldly on cloud to unlock scalability, efficiency, agility, innovation potential and enhance security.

3. **Making the most of AI and machine learning.**
    Identify use cases for these technologies across the business. Create digitalised end-to-end journeys that bring together marketing, sales, and services. Use energy-usage data to offer personalised solutions—especially ones that help electricity providers meet new demands for energy management services (smart home devices), and support the transition to renewable sources of energy (solar panels) and electric vehicles.

Utilities are now forming partnerships to help them innovate more effectively. The skills and experience of industry-leading partners can augment an enterprise' own capabilities. This enables electricity providers to reinvent the customer experience, enter new markets, and access highly specialist capabilities. Accenture's latest New Energy Consumer research found that 80% of energy providers are seeking to engage and partner with third parties to develop new customer-centric innovations.[7]

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The way forward

Electricity providers have been operating under the status quo for too many years. As long as utility companies provided consistent electricity at the lowest possible prices, customers weren't bothered enough to cause a fuss or look for alternatives —despite not really being content with the service. This is set to change. The bar of customer expectations continues to be driven higher by the wide adoption of digital services in other sectors and new entrants in the industry, all encouraged by younger generations.

Generational differences drive a need for a diverse and integrated range of both digital and analogue channels to support all customer needs. Customers are demanding better communication and insights from their electricity provider.

The future is full of possibilities for electricity providers to push beyond their traditional role. The way to long-term success in a transforming market is to listen to customers and their disparate needs—across all generations. Electricity providers in the APAC region have no choice but to deliver omni-channel communications, immediate and reliable access to information (including self-service) and an exceptional customer experience. Right now, every electricity provider needs to ask itself; do we have an integrated CXM platform that can do that?

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How utilities companies are transforming customer and employee experiences with Oracle and Accenture

CX transformed, digitised, and reimagined by leading utilities provider

A leading electricity and gas provider sought to modernise its legacy customer information system (CIS) platform to provide a unique, value-driven, intelligent, and connected experience across its operating companies and customers. As Transformation Partner, Accenture helped the company redefine and digitise its customer experience with a phased, multi-release transformation journey (program) on Oracle Cloud.

With Oracle CX Cloud, the company implemented a 'CX wrapper' – a common engagement platform that provides a 360-degree view of customers, enabling the company and its operators to create more personalised experiences for their customers. This solution helps agents better manage high volume transactions and back-office work. An intelligent chatbot was also launched to enable faster resolution of customer inquiries and concerns, and Robotic Process Automation (RPA) was deployed to help further streamline and optimise back-office operations.

It was no small undertaking, but the outcomes were outstanding. The company achieved greater operational efficiencies, reduced call volumes and improved average handle times at call centres, minimised user error, and reduced costs. More importantly, the company improved customer experience and is now well-positioned to further transform their customer service function to drive business growth.

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North American energy company transforms sales and marketing

As a leading provider of clean, safe, reliable and affordable energy through electric operating companies, a natural gas distribution and generation company serving wholesale customers across America, was confronted with challenges across its go-to-market processes. These included a lack of mobile capabilities for sales teams and limited access to customer information, restricted data-driven understanding of sales processes, low growth in regulated business, and an inability to keep pace with fast-changing customer expectations. A broad-based technology transformation was the ultimate solution.

Accenture partnered with the company on a multiyear transformation journey, from pilot and prototyping through roadmap planning to incremental launches in relevant operating companies.

It standardised go-to-market processes for multiple operating companies, using a single Oracle Sales and Marketing instance. With Oracle SaaS instance in the cloud, Accenture strategically leveraged the Oracle Sales Cloud mobility capabilities to drive adoption.

As a result, employees have been empowered with digital capabilities that further enable the digital transformation agenda. Supported with digital tools, including advanced analytics, employees are now both more productive and able to predict new customer demands.

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We are uniquely able to deliver tangible outcomes because of our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Accenture Song. These capabilities, together with our culture of shared success and commitment to creating 360° value, enable us to help our clients succeed and build trusted, lasting relationships. We measure our success by the 360° value we create for our clients, each other, our shareholders, partners and communities.

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