

WILL UTILITIES LAG IN NEXT GENERATION CUSTOMER SERVICE?



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Abstract

In deregulated Utilities, Customer Service plays an important role in combating churn. “Need Better Customer Service” is the second largest reason for churn after “Want to reduce monthly bill”. In case of regulated or vertically integrated Utilities, state regulators are coming up with mechanisms to measure and benchmark Utilities’ customer service and in turn would control the funding based on Customer Service index.

In a Retail Services sector, Key next generation customer service strategies include the use of social media, Mobile Applications, multi-channel integration, adoption of proactive customer service etc. The power of social media is harnessed for delivering customer care through the proactive identification and dissemination of important information. Social networks are also used for delivering consumer care. And existing customers are encouraged to solve other users’ problems. Companies are making the customer service even more cost-effective and efficient by leveraging web interactive chats, mobile applications and Virtual assistance as well.

In addition, retail companies are offering integrated multi-channel service experience to customers. This entails consistent user experience across channels, persistence of context while switching from one channel to another, and the recommendation of optimal channels for problem follow-up and resolution. Also companies are cognizant of the possible implementation challenges and proactively adopting appropriate mitigation measures. Some of the key

On the other hand, in a generic services and retail sector, Customer service is changing drastically from reactive business processes of Customer Management to the Proactive engagement of the customers. Companies are looking at extending their portfolio of customer service channels by leveraging the Internet and Web like never before. Developing web-based consumer care is enabling the Companies to “be where the customer is” and consequently, also find user acceptance.

challenges that companies are having include managing customer expectations from social media, escalating problems from one channel to another seamlessly, handling complex queries through chat-bots, recording customer interaction history across channels, and integrating customer data scattered across multiple silos. Lastly, companies are developing a presence in the new channels and improving their services in a phased manner based on a defined, long-term roadmap and customer feedback. These next generation customer service strategies are providing a significant boost to the churn management initiatives of companies in other sectors.

However Utilities with traditional customer services model are just catching-up with this new era of customer service. With regulatory pressures, social obligations towards customers/communities and the brand being managed by social media with little control over social channels the question remains, will Utility Companies catch-up in next generation Customer Services? Do they have an option?

Introduction

Deregulated utilities (Retail segment), who continue battling lowering energy demand and high customer acquisition costs in competitive markets, do not underestimate the importance of customer retention. High-quality customer service is a key element in the strategy against customer churn. In fact, customer service is one of the most important factors affecting customer experience; poor delivery on this front is highly likely to lead to churn.

Moreover, as the basic services and products are often critical from customers' point of view, they expect customer service to be readily and globally accessible. Therefore, Utilities need to continuously try to identify new customer service channels and mechanisms that can help to quickly solve problems in a cost-efficient manner.

Many Utility Companies have tapped traditional customer service channels such as call-centres, Interactive Voice Response and online self-service. However, the opportunity remains untapped for Utilities to extend their portfolio of customer service channels further by leveraging Mobility, Social Media, Proactive Customer service etc. Customers in this era are spending increasing amounts of time on social networking sites and are also using the Internet extensively to search research and seek feedback from friends/groups before becoming the Utilities customer or buying any value added utilities services.

In this paper, we are highlighting the adoption of this new generation Customer Service in other Industries and view on how Utilities can harness these technologies to develop next generation customer service strategies and deliver smarter, more efficient customer experience. We also highlight key challenges and mitigation measures that Utilities should focus on to ensure effective use of these new customer service channels.

Next Generation Customer Service Strategies

Apart from traditional web sites and IVRs to view account information and pay bills, the key next generation customer service strategies include the use of social media interactions, Virtual bots, web chats and multi-channel integration to offer quick and optimal response to customer queries or

problems. It is quite evident that the Customer Relationship Management is now about Customer Experience Management. Following figure gives the details around business features Utilities should adopt for next generation Customer Services strategy.

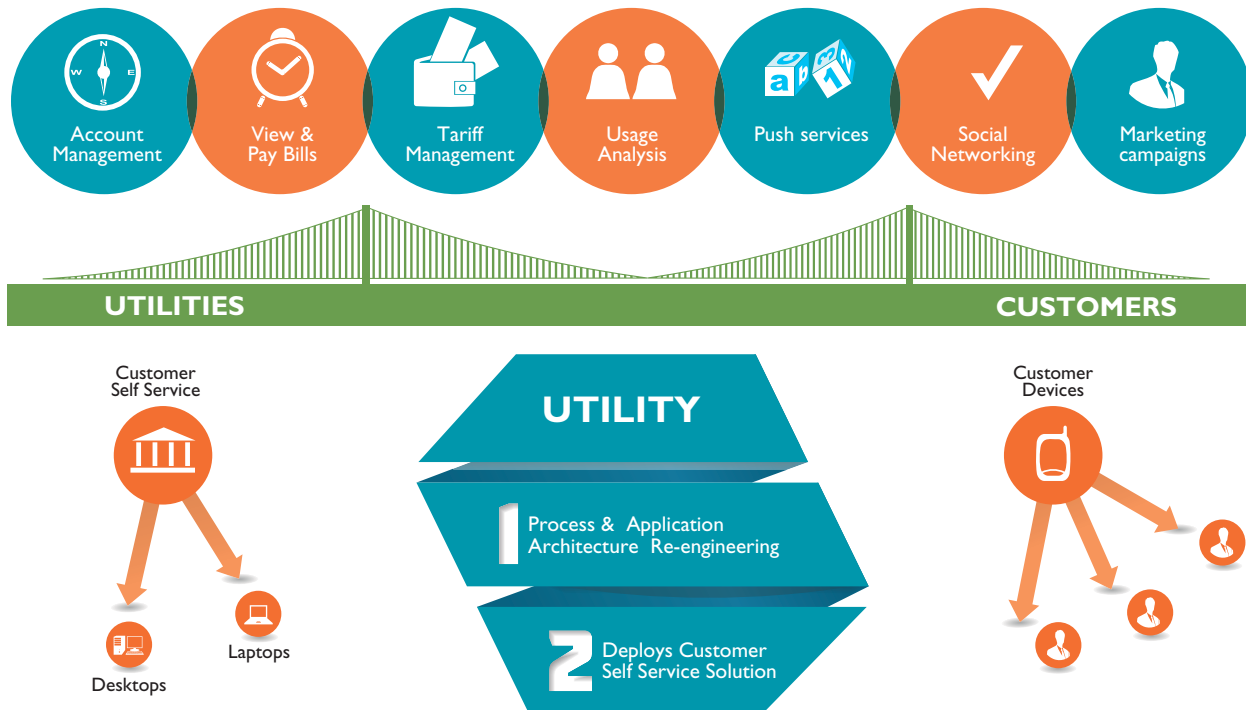


Figure 1 Business Features

Types

Features

Web Online Service/IVR Portals

Customer facing self service web site supporting key Billing and payment functions for both Residential and Business Customers.

Billing : • Account Management, Multi account Access • Bill Review, Bill Payment, Last Bill date • Provide Meter Read Online, Know My Bill • Compare my Bill with similar size/type home • Usage pattern

Web Online Sales

Customer facing self service web site supporting key Sales functions with ability of White Labelling and integrated sales

Sales : • Enhanced Quoting with personalised Campaigns and Offers • Online Marketing – Up Sell/ Cross Sell • Sales Support – Cross Channel Integration, Quote comparison
Extended Sales: White Labelling, E-mail confirmation packs, value added products
Integrated sales: Multichannel Support

Web Online Service/ IVR Portals

Customer facing self service web site supporting Services functions for both Residential and Business Customers

Service: • Single Sign-on Online account and all Utility accounts • Personal Details, Contract Details, Communication • Preferences, Electronic Bill • Payment Management • Hardship Management • Enquiries, Forms, Online Billing • Cross channel integration for self service

Mobile Service

Customer mobile web site and Mobile Applications supporting Utilities functions.

Mobile: • Mobile Apps, Mobile chat • Mobile In-home Displays • Smart Meter Mobile Apps • Energy Efficiency Apps

Advanced Customer Services

New age channels to provide self help using Social Media, Virtual help assistance etc with Call Centre integrated business processes to manage Social Media Sales and Service channels

Web Chat, Web TV, Virtual Help Assistant, Social Media
 • Energy Efficiency e-Shop • Renewable Energy Certificates Trading
 • Call Centre integrated request call back feature • Call Centre integrated Web Chat • Complaints Management • Real time validation of concession card currency/expiry, govt. subsidies etc
 • Email Offers with CRM integration • Email and SMS service interruption notifications • Internet Enabled TV • Social Media Service channel • Social Media Utility awareness channel
 • Social Media Sales and Marketing Channel

Below are some examples of Business to Consumer smart Apps for Utilities which would be a first step towards next generation Customer Service.

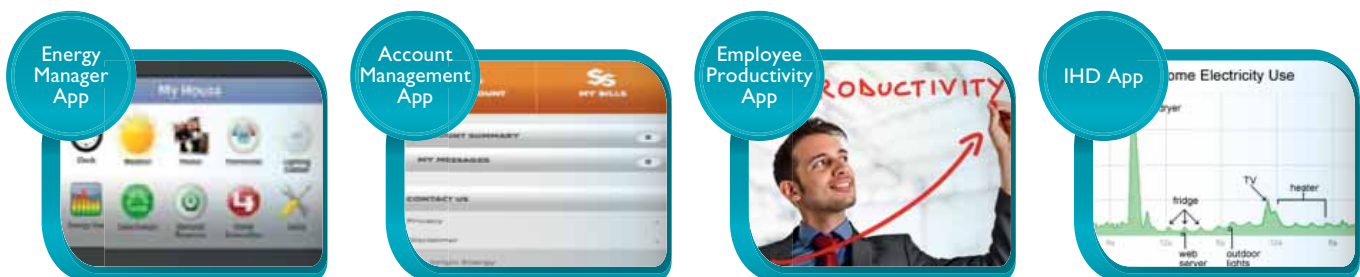


Figure 2 - B2C: Smart Apps examples for Utilities

Business challenges

REGULATORY REQUIREMENTS

Many regulators, rightly acting to protect consumers from disadvantage, have created 'Codes of Practice' for Customer Services compliance. "Do not contact registries" restrict Utilities from contacting customers. Maintaining the confidentiality of the customer data, customer identity is also an acute challenge since Utility Bill is treated as a proof of address and identity in many geographies. Exposing any of the customer information through the new age channels put added pressure on the business processes and IT systems to adopt cutting edge security practices.

CUSTOMER CARE THROUGH NEW AGE CHANNELS

The foremost challenge associated with using the new age channels for customer care is managing consumer expectations. If the user is not clear about who is going to resolve issues—customer care agents or fellow customers—it can lead to confusion and dissatisfaction. Similarly, if a customer expects immediate problem resolution while using social media and if that expectation is not met, the customer will not only become frustrated but also become averse to using the platform again. Therefore

- Utilities should specify who is going to respond to their queries and also indicate approximate turnaround times to consumers using next generation customer care channels.
- Utilities should moderate discussions on forums and blogs to ensure that correct advice is provided to a customer by fellow users.
- To do this effectively, Utilities need to have the Business department and business processes to manage new age channels as proactive customer service with business processes aligned to monitor, analyse, act and improve the Customer service.

Customer identification through social network IDs is also an important issue. For problems such as billing disputes, Utilities would need to know details such as customer ID or SSN or phone number.

- Here, the customer can manually provide the details or the Utility Companies can use a mapping software to link social network IDs with customer billing, Customer Relationship Management (CRM), and other records.
- Adopting the best practices of Social Network sign-on as the feature within self service channels would be must for seamless business processes.
- In either case, privacy issues become important, and Utility Companies should either seek explicit buy-in from customers or restrict the usage of such self service to limited problem resolutions.

Another important challenge is the seamless escalation of a customer query or problem to other channels in case it cannot be solved through one channel.

MULTI-CHANNEL INTEGRATION

The lack of customer interaction history across multiple channels and customer data scattered across multiple silos are the key challenges faced by Utility Companies in their attempt to enable integrated multi-channel customer service.

To elaborate, existing systems would typically not include history of customer interactions over new media / applications such as social networks. Therefore, context and history information could be lost easily, leading to sub-optimal customer service.

Moreover, customer information has multiple aspects and different types of data are usually stored in different types of databases/systems such as CRM and Billing.

However, with next generation customer care, the traditional integration of databases/systems is not enough. Information such as social networking IDs and interaction history need to be catalogued and stored as well.

Therefore, Utilities need to implement integrated multi-channel customer service architecture with new channels, shared customer history, and single view of data with a robust Big Data Strategy to manage data and history.

Conclusion

In conclusion, next generation customer care delivered through new age channels will enable Utility Companies to “be where the customer is” and help deliver superior customer service. Developing these Customer Services features and business processes should be seen as a continuous process by Utilities Companies.

Utilities should quickly develop a presence in next generation customer care channels and aim to improve their services in a phased manner by not only using a roadmap but also incorporating customer feedback that will help them customize their services appropriately.

Once effectively implemented, these next generation customer service strategies promise to help Utilities to position themselves as leaders in customer care.

Consequently, they would boost the arsenal of Deregulated Utilities in their continuing quest against chum and regulated Utilities against Customer dissatisfaction. Not adopting next generation customer care will hardly be an option for leading Utility Companies.

About the Author

Shirish Patil, works as a Practice Head with the Utilities vertical in Retail Practice, Wipro Technologies. He has 14+ years of industry experience working on various functional areas in the CIS system within the Utilities domain. He has experience in working with customers supporting them in business process optimization, providing consultation in different areas of Utilities Systems including Customer care and Billing, Call Center Operation, Utilities Network Operations, Metering as well as Industry Exchanges in deregulated markets.

About Wipro's Energy, Natural resources and Utilities (ENU) SBU:

Wipro's Energy, Natural Resource and Utilities(ENU) Strategic Business Unit(SBU) has over the last decade established itself as a trusted partner to clients across the globe to address their business challenges using its deep industry domain competency and technology expertise. It has over 5000 dedicated consultants serving businesses in the oil & gas, metals, mining, water, gas and electricity industries. Having a strong relationship with over 40 customers spread across Americas, Europe, India, Middle East, Southeast Asia, Australia and New Zealand, the ENU SBU has been continuously investing in building competencies to help them do business better. Recently, Wipro acquired SAIC's Global Oil and Gas business unit, reinforcing its focus on this industry.

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