

Top Five Experience Trends Transforming the Utilities Industry



Medallia

Introduction

It's not easy to be a utility company. They are, after all, highly regulated providers of services that people depend on to live. Customers expect—and take for granted—the smooth provision and uninterrupted delivery of these services. When the flow of service is disrupted due to an internal issue or an external factor, such as a weather-related event, customers expect swift resolution so they can resume the daily cadence of their personal lives and business operations.

When natural disasters occur and result in widespread service interruption, utility companies often find themselves under the glare of the media spotlight. As communities struggle to come to grips with catastrophes, bringing utilities back online to residential and commercial customers tops the list of mission-critical priorities. The pressure to perform—and restore—is never greater.



In addition to Mother Nature's wrath, economic pressures, such as inflation, are driving up the cost of basic necessities coupled with the continuation of other pandemic-related uncertainties and disruptions. As utility companies are forced to implement rate hikes, they are encountering frustrated residential and commercial customers who are struggling with the higher cost of just about everything. And they aren't shy about sharing their discontent: following a poor experience, about 50% of consumers will take to their social media channel(s) of choice to post about it. This can be detrimental to a utility company's reputation, industry rankings, and other important customer metrics such as NPS.¹

So, what is a utility company to do in these turbulent times? Focusing on customer and employee experience is more important than ever, as it can directly impact organizational productivity, performance, and profitability. An experience-led approach can also help to create and sustain a healthy company culture, generate higher levels of customer satisfaction, and spur brand loyalty.

¹ Social media as a service differentiator: How to Win

As essential providers of life-sustaining services, utility companies are at the heart of the communities they serve. However, they are also businesses in an industry that must contend with a volatile cocktail of constant change. To survive and thrive, they must focus on consolidation to drive down costs and optimize operations. For instance, the call centers at many utility companies are overstaffed. By focusing on digitally driven, self-service channels, companies can empower their customers, resolve issues faster, and reduce the number of calls to their call centers. And a focus on employees, particularly those within call centers and in the field, can unleash powerful frontline insights that can improve operations, elevate customer and employee satisfaction, and fuel innovation.

Case in Point

One of Medallia's utility clients used customer feedback to identify systematic issues that informed their medium/long-term business strategy to attract profitable new customers more efficiently.

The results:

#1

They achieved their goal of being **#1 for customer service.**

~\$50 million

Leaders expect **~\$50 million in EBITDA** from better customer experiences, more loyalty, and lower costs.

In the next pages, we'll uncover and explore five experience-driven trends that are transforming the utilities industry.

Trend 1: Move From a Transaction-Based Model to an Experience-Driven One

Traditionally, many utility companies have taken a transaction-based approach to their B2B operations. However, an emerging trend shows a number of companies are borrowing from the B2C playbook to prioritize customer experience over sales, invest in customer-centric solutions, and place a premium on customer and employee experience.

In Medallia's recent "Unleashing Experience to Revolutionize the B2B Industry" research report, it was uncovered that high-performing companies in the B2B space identify improving customer experience and loyalty as their number one priority, followed by increasing sales (the number two priority). Their lower-performing counterparts, however, have increasing sales as their number one priority and reducing operating costs as priority two. In fact, the experience-led, high performers were four and a half-times more likely to achieve revenue growth of more than 20%, and were more likely to agree that they achieved their financial targets.²

² Unleashing Experience to Revolutionize the B2B Industry

The experience-led B2B business model requires a 360-degree, holistic, omnichannel view of the customer experience through the lens of the customer.

To be an experience-led organization requires the use of tools and technology. Understanding that customer feedback is invaluable, these high-performing organizations leverage digital listening channels and collect customer feedback through their websites, call centers, social channels, and mobile apps. This is especially effective when it's captured, analyzed, aggregated, and acted upon in real time.



Listen at Every Moment

Capturing 100% of interactions, including those of the silent majority



Intelligent and Tailored

Create relevant, frictionless personal experiences for customers in their channel of choice



People Led, Tech Enabled

Break data silos and empower employees with personalized insights and prescriptive actions



Programmed to Act

Be your early warning system, highlighting problems quickly and automatically triggering actions



Transformational Impact

Drive organization-wide alignment around the customer

Actionable insights can:

- Deepen and improve customer relationships
- Enhance existing products, service delivery, and operations
- Identify and recover at-risk customers or revenue
- Enable customer renewals or expansion
- Reduce costs through operational improvements
- Increase upsell opportunities

Investing in improved customer experience is shown to **lower cost to serve by 50%, increase the win rate of offers by 20 to 40%, and lower customer churn by 10 to 15%**, according to McKinsey & Company research on customer-centric strategies.³

³ Finding the right digital balance in B2B customer experience | McKinsey

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Medallia Research Findings

Experience-led companies are more likely to:

- Prioritize investments in customer data platforms
- Collect real-time and unstructured customer feedback
- Aggregate customer feedback from social, digital, and review sites
- Utilize text and speech analytics
- Invest in marketing analytics and personalization
- Empower employees with actionable insights to deliver better service



Trend 2: Transition from a Siloed Approach to Feedback to a Holistic One

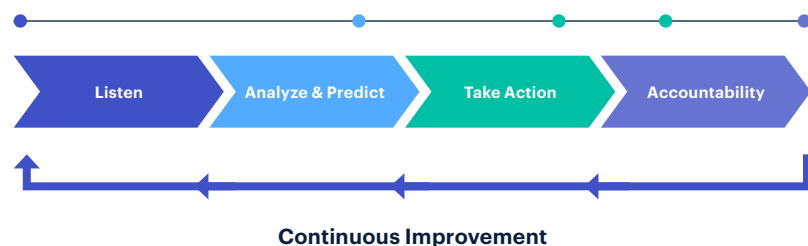
Many utility companies may say, *“We already survey our customers. What more can we do?”*

The power of surveys isn’t in the actual act of doing them; it comes from collecting real-time feedback, analyzing it, and then sharing insights with the right people so they can take meaningful and transformative action.

Unfortunately, many utility companies conduct surveys in a fragmented fashion, with numerous surveys being administered by different departments or units. These surveys are often point-in-time based, so they provide a snapshot of the window of time in which they were conducted. While they can provide a benchmark, these surveys have a limited shelf life and small window of time in which to enact change. To make matters worse, many of the survey results are not aggregated, analyzed, or shared easily or holistically within the organization.

This siloed approach to surveying can be remedied and revamped. At Medallia, we emphasize the importance of real-time surveys. These customer surveys capture feedback in the flow of business—or in the flow of work for employees. This is vital, as the business climate for utility companies can change rapidly. Real-time feedback can be more robust and meaningful than feedback from three to six months ago.

Insights are not enough. What matters is what companies do with this information. Medallia puts consumable, role-specific insights into the hands of the people who can influence experience in the moment.



And it's not just surveys, utility companies must unite sales, operations, product, support, and digital in a holistic fashion—not a siloed one. Failing to implement a holistic view of customer and employee experience across the business can be the root cause of operational breakdowns, missteps, and oversights that have a detrimental impact on the bottom line. Moving away from a siloed survey approach to an integrated, omnichannel one empowers utility companies with comprehensive data that gives a complete and current view that is actionable and transformative. At Medallia, our clients benefit from omnichannel view dashboards that put them in the driver's seat of the customer and employee experience journey.

Case in Point

One of Medallia's utility clients had multiple fragmented programs resulting in ad hoc initiatives across the business. This inefficient and siloed approach created an overall misalignment with very limited action taken on feedback. By deploying a new holistic approach, the company increased user engagement—with over 75% of users logging in on a monthly basis—and NPS by 11-15 points.

Electrify Experience

With Enhanced and Holistic Listening

At Medallia, we believe in a holistic approach to listening. The richest customer signals are not in passive surveys but in the indirect and observational data they share every day. In addition to social data and third-party reviews, during the past two years, we've added voice, video, and digital behavior capabilities to our platform. This helps our clients tap into the voice of the silent majority of their customers who will never take surveys. In fact, 80% of experience signals Medallia analyzed in 2021 came from non-survey (or unsolicited) data.

Medallia also uses predictive and prescriptive AI models to further what can't be accomplished via manual analysis alone. This allows our clients to identify customers in need of attention and prescribe the next best action to take to improve loyalty, increase sales, and reduce churn. Our ability to mix quantitative and qualitative data—through the unstructured data analytics at the core of our platform—can help our clients to flag issues across their businesses, driving alerts and workflows.

Trend 3: Drive Digital Self-Service and Reduce Cost-to-Serve in Contact Centers

It's no surprise that the pandemic forced many consumers into self-service mode, willing or not. Some companies utilized this shift to their advantage, uncovering ways to improve their customers' digital experiences and strengthen their online relationships through personalization.

The beauty of digital is that customers can interact with a company from anywhere at any time and complete a wide range of transactions. For utility companies, this can include paying bills, reporting outages, checking on service restoration, moving or suspending service, scheduling energy audits, purchasing an energy-saving product, and more. When digital is deployed correctly, it can improve efficiencies, both operational and cost-saving, and overall effectiveness in terms of issue resolution or customer inquiry.



Understanding why and how customers are getting stuck on digital and driving up call volumes can not only enhance the customer and employee experience, but also improve the bottom line. For example, if a utility company averages **410,000** calls a month, a decrease of **5%** equates to nearly **\$2 million (\$1.96M)** annually.

The digital experience can make or break the customer's perception of a company. To create a successful one, it's imperative that it's viewed from the customer's vantage point. How easy is the digital property to navigate? Can customers quickly find what they are looking for? As so many of today's consumers successfully interact on digital platforms, utility customers have also come to expect the same best-in-class experiences that they receive on their favorite e-commerce sites. They don't have different expectations based on industry. Many demand the ease of use, personalization, and ability to track their issues through to resolution in real-time, 24/7—just like top-tier companies provide.

Medallia helps by identifying friction points within the digital experiences of utility customers. These friction points, which often lead to digital abandonment, result in a costly increase in support calls. Thus, it's imperative to understand why and how customers are getting stuck on digital and driving up call volumes. In addition to the financial implications, a constant cycle of exasperated customers can overwhelm frontline employees, resulting in decreased (customer and employee) engagement and an uptick in agent turnover.

Case in Point

Consider these operational efficiencies realized by a major utility company after partnering with Medallia:

- **50% reduction in B2C complaints**
For B2C customers by addressing concerns, and **85% reduction in B2B segment**
- **30% faster call resolution**
By ensuring the front line was equipped with the right information, resulting in **90% of complaints resolved at first call**
- **Wait time dropped by 50%**
By implementing initiatives to direct customers to digital channels for self serve

As much as some customers gravitate to digital, others like the comfort of human interaction. Utility companies serve many generations, each of which has unique and distinct preferences when it comes to customer service and issue resolution. Thus, contact centers still have a vital role in the utilities industry, and can be empowered to do even more in terms of shaping the overall customer experience. Sharing real-time data and customer sentiments can help agents better engage with customers— generating goodwill, trust, and loyalty. As they interact with customers on a daily basis, customer care representatives can detect areas for improvement early on, becoming powerful change agents.

Providing always-on listening and feedback channels can help to identify and resolve problematic areas, as well as reveal best practices and new ways to innovate.

Electrify Experience

With the Right Tools

With Medallia, utility companies have the right knowledge and insights needed to [take action on feedback in the moment](#). Our [digital experience management](#) can help utility companies uncover how they are performing in delivering online customer experience at scale. Imagine being empowered to identify at which point a customer became frustrated and the effect it has on the bottom line. In addition, our [journey orchestration](#) solution enhances engagement throughout the customer journeys, while advanced contact center technologies empower organizations to efficiently provide, consistently [better callback experiences](#). These are just some of our best-in-class experience solutions that drive change, action, and results that enable utility companies to improve customer and employee experiences.





Trend 4: Increase Engagement With Products and Programs

How well do your customers know all that you have to offer? There's nothing worse than hearing - *"I didn't know you offered that"* or *"I wish I had known; it would have made things so much easier."*

Enlightened customers equate to the success of any utility company. For program owners, it can yield increased engagement and adoption rates. Residential and commercial teams can benefit from reduced churn risk and increased upsell opportunities.

The best way to increase engagement is to view a utility business through the eyes and ears of their customers and employees, both in terms of solicited and unsolicited feedback. This invaluable data—which illuminates what is working well and what isn't—can be the catalyst for change that influences engagement in a positive way.

For instance, consider a customer's view of their digital experience—what is their journey like? Medallia can help identify friction points or, worse, abandonment triggers that can be addressed and rectified in a prompt, proactive manner. The use of speech and text analytics within contact centers can uncover common themes that reduce engagement with certain products or programs. And don't forget that frontline employees can easily identify common customer pain points, many of which are fixable if management teams take heed of this powerful business intelligence.

Another way to increase engagement with products and services is by following an experience-led (as opposed to transactional) business approach, which is discussed early in this paper. Utility companies aren't selling; they are solving ... by providing a vital necessity that empowers and sustains lives and business operations. The more robust an experience a utility company can offer to its residential and commercial customers, the more likely they are to engage with more products and services. This is a win-win because when customer engagement and brand loyalty increase—so does the company's bottom line

Case in Point

A Medallia utility client realized that they lacked detail from specific customer experiences and needed to increase sales and reduce a 50% churn rate. The company was empowered to collect customer feedback during key moments of truth, via contact center and field technicians, to elevate its omnichannel survey capture capabilities. This led to more successful product upselling while customers' "Likelihood to Speak Positively" about its brand improved by over 60 points.

Electrify Experience

With Rich Analytics and Actionable Intelligence

Medallia provides analytics and actionable intelligence. [Action intelligence](#) uses the power of AI to help utility companies discover actionable suggestions within customer feedback and identify at-risk customers. It also can help utility companies detect patterns, anticipate needs, predict behaviors, and better understand "the whys" behind customer satisfaction scores. Meanwhile, text and [speech analytics](#) also can uncover "the whys" behind customer satisfaction scores, which can be used to improve and innovate. [Text analytics](#) can be utilized to uncover themes, sentiments, and underlying satisfaction drivers across unstructured data. When these powerful insights are clearly identified, captured, and acted upon, coveted satisfaction scores and industry rankings rise.



Trend 5: Empower Employees as Change Catalysts

Employees are at the heart of every company. Without them, most business fails. Fueled by the pandemic, the workforce has dramatically changed within the past few years. Terms such as “the Great Resignation,” “work-life integration,” and “quiet quitting” abound, and illustrate how employees are in great control of the employment driver’s seat. Now more than ever, employee experience is of critical importance, especially as it relates to engagement. High levels of psychological commitment from employees directly correlate with increased levels of productivity and performance.

However, employee experience should not be viewed as a silo. As discussed earlier in this report, a holistic (vs. siloed) approach must also be applied here. Why? Employee and customer experience go hand-in-hand.



When employees are engaged and empowered, they are able to better serve their customers, which leads to higher levels of satisfaction, loyalty, and revenue.

Today’s workforce wants to be seen, heard, and valued by their employer. They want to find meaning, purpose, and a sense of belonging in their daily work as well. It’s important for them to succeed at their tasks while understanding how their roles tie into the higher purpose (i.e., the company’s mission). And in the case of utility companies, that purpose is to help customers live life and conduct business to the fullest.

As utility companies move to more personalized digital experiences, this creates a wealth of solicited and unsolicited customer feedback. Once it’s collected and analyzed, it must be shared with employees so they can act on it to best serve customers. Solutions that incorporate rich [video feedback and insights](#) can show employees how they impact lives and humanize the voice of the customer.

Employees, especially those on the front line and in customer-facing roles, can also provide businesses with powerful ideas on service improvement, product innovation, and more. Even more important is to demonstrate back to them that this feedback (which is ideally captured through active, always-on, in-the-flow-of-work listening) is being acted upon and used to create meaningful, positive change. In addition, recognizing employees for going “above and beyond” in the form of praise alerts is gaining in popularity for good reason: it improves morale and significantly boosts eNPS.

Case in Point

Utilizing Medallia's solutions, one utility company saw a **162% increase** in employee engagement with feedback in just over one month.

Another saw a **7-point increase in NPS** in the first 90 days of its employee engagement.

Electrify Experience

With Empowered Employees

The best feedback is collected in real time via an “always on” mechanism. Medallia helps utility companies tap into their employees' in-the-moment observations and recommendations as they see and hear things directly from the customer's point of view. If this powerful intelligence is acted upon, it can increase employee engagement, customer satisfaction—and the coveted trifecta of productivity, performance, and profitability.

Final Thoughts

Medallia has a comprehensive suite of innovative and best-in-class solutions that can help utility companies reap the rewards of data-driven, action-oriented experience management. As your experience partner, we can guide you. Starting with your initial foray and growing your experience program over time, Medallia helps utility companies implement powerful solutions that deliver industry-leading customer experience (CX) and employee experience (EX).

To learn more about Medallia's solutions for the utilities industry, visit our [website](#) or [contact us](#) today.



Meet with a Medallia Expert →

About Medallia

Medallia is the pioneer and market leader in Experience Management. Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys in person, digital and IoT interactions and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results. Using Medallia Experience Cloud, customers can reduce churn, turn detractors into promoters and buyers and create in-the-moment cross-sell and up-sell opportunities, providing clear and potent returns on investment. www.medallia.com

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