



Exploring customer expectations of UKPN

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Background



Introduction



- UK Power Networks (UKPN) has identified the need to develop a robust business plan in order to improve customer satisfaction. The basis for the development of the business plan must therefore be customer expectations.
- Research was required to understand what is important to customers, what it is that they value from the service provided by their distribution network operator.
- Ultimately, this will enable UK Power Networks to develop its business plan aimed at satisfying the things that are most important to its customers.

Research Objectives

- UKPN needs to demonstrate that the organisation understands customer's needs and their requirements. The goal is to ensure that the business plan reflects what customers want from their Distribution Network Operator (DNO) and identify the commitments and actions that matter most to customers.
- The research aimed to explore customer expectations to help map and identify priority areas for the business, both at a macro level between different categories, and also within the different categories, as outlined by Ofgem:
 - Customer Service
 - Connections process
 - Environmental performance
 - Safety
 - Social impact
 - Network reliability / availability

- Four workshops were conducted amongst UKPN residential customers:

#	Details	Timing
1	Reactive and Non-contacting	Dec 2011
2	Reactive and Non-contacting	Dec 2011
3	Reactive and Non-contacting	Dec 2011
4	Proactive customers	Jan 2012

- Within this, we recruited a mix of:
 - Residential householders connected to the network
 - From across the regions London, South East and Eastern
 - A mix of race, gender, age, location
- Workshops lasted up to 2 hours and were conducted in London

Reactive = those who have contacted UKPN because of power outages, emergency fault works, maintenance issues etc; and customers affected by planned supply interruptions

Non-contacting customers = no previous contact with UKPN

Proactive customers = those who have contacted UKPN for new connections

Introduction to the findings

- As with all qualitative research it is important to remember that the samples sizes are relatively small and thus the findings should be treated as being indicative rather than statistically valid.
- The findings were very consistent from customers across the different regions/ locations. The main differences in response were between proactive customers and the remaining groups. We have highlighted these differences where relevant within the main body of the report.

Key Findings



There are a few companies that set the standard for exceeding customer expectations...

Setting the standard...

- We asked respondents whether any companies stood out as going beyond their expectations, to see what lessons could be learnt.
- Companies that stood out for people as exceeding their expectations were such as John Lewis, Amazon and Apple.
- Respondents struggled to think of any such companies in the energy/ utilities sector

John Lewis

amazon



first direct 

sky

Setting the standard...

- The key qualities exhibited are:

- Taking **ownership**/ responsibility for a problem and following it through until it is solved
- The feeling that you are **being treated as an individual** – you are speaking to someone who is going to look after you/ solve your problem
- This is under-pinned by fundamentally offering and delivering a **high quality product**

- There were also individual examples of good service reported:
 - The AA and British Gas' HomeCare service were mentioned for proactively keeping people informed about when their staff would arrive.
 - First Direct was mentioned as having an outstanding telephone service, and Sky and O2 were thought to proactively try to come up with new ways to keep their customers happy.

"(O2) Well they're completely proactive and when I call them, about a problem, they won't just resolve that problem, they'll then identify things while I'm on the phone about my account that could be improved, so they put me on a better tariff" (Non-contact)

There is very low awareness of UKPN...

Response to UKPN

There is very low awareness and understanding of UKPN

- A majority of customers have very low awareness and understanding of UKPN and its role
 - This is unsurprising as energy is a low interest area and UKPN does not have direct contact with most people
 - There is also confusion regarding the way in which the energy market has been divided up which exacerbates the situation
- Proactive customers understandably tend to have a much clearer understanding of UKPN's role as they have had a tangible demonstration of a key aspect of what you are responsible for
 - However, even amongst this group, there is uncertainty around how the organisation works and its exact remit
- ***Customers are not looking for much involvement with UKPN as a brand***
 - Once aware of UKPN, they would like to know you are there and how to contact you if needed
 - However, they would not want UKPN to spend large amounts of money to raise awareness of itself as a brand

Response to UKPN

Being a monopoly has negative associations, but can provide opportunities to pleasantly surprise people

- When people become aware that UKPN is a **monopoly**, this raises a number of concerns
 - general associations with such organisations - namely that UKPN might be:
 - over-charging for its services
 - inefficient
 - providing a poor service/ not needing to worry about providing a great service
- This is exacerbated by the high price of energy and generally negative perceptions of energy supply companies.
- These spontaneous associations can work either for or against you:

It can work in your favour

Many of these potential concerns are largely eased when they become aware that each household pays approximately £50pa to UKPN from their electricity bills

This is thought to be quite impressive and demonstrates good value.

It can work against you

Proactive customers often felt the charge for their connection was expensive

The pricing was felt to be quite arbitrary and focused on UKPN's interests, not the customer

It was thought to be 'typical' behaviour of an organisation with a monopoly

**Expectations of UKPN are driven
by 2 core needs...**

Customer priorities for UKPN

Higher
priority

Network reliability/ availability
Investing in the future

Safety

Customer service

Connections process
(Proactive customers)

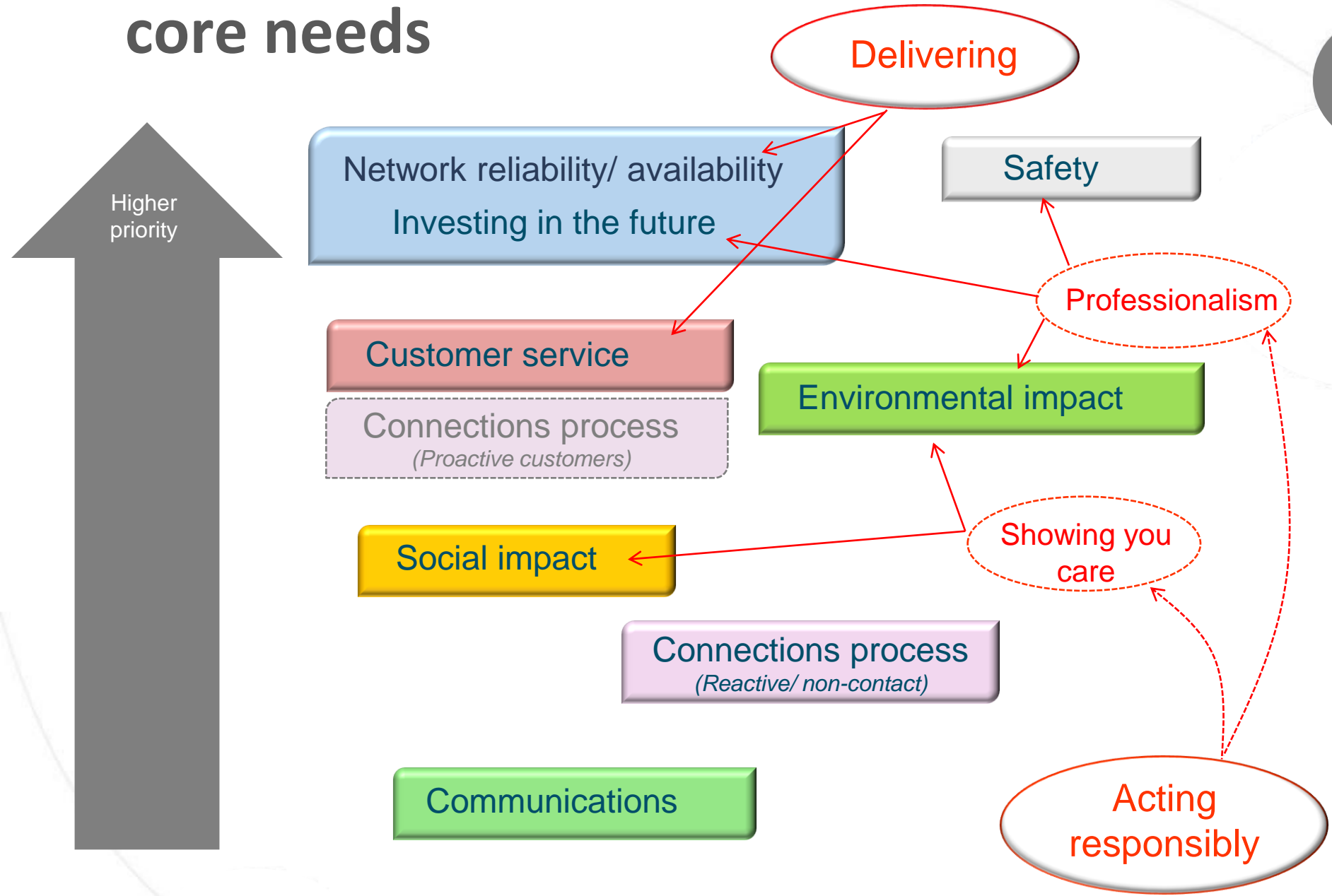
Environmental impact

Social impact

Connections process
(Reactive/ non-contact)

Communications

These are driven by two core needs



Core drivers of expectations

- As with any utility, people depend on UKPN fulfilling its role effectively – they want their electricity to always be there, but don't really want to have to think about it - it is a low interest area
- The main customer priorities are therefore all revolve around **delivering** - 'keeping the lights on'.
- However, being a monopoly adds another dimension to people's expectations, as the *quid pro quo* of being a monopoly is that you have to act with the interests of the public at heart – people believe UKPN have **a duty to behave responsibly**

1. Delivering

This is the key requirement from UKPN – the reason for its existence

This is how the organisation will be judged

Paradoxically, the benchmark for a great performance is that people do not want to even know you are there

“For me it’s about delivering, I mean it’s actually just being bloody good but making sure it’s always there because that’s really their core job” (Non-contact)

1. Delivering

Network reliability/ availability

- This is the fundamental service that UKPN provides – everything that goes on behind the scenes.
- People do not really want to have to think about it, they just want it to be there, working perfectly.

Requirements

- making sure the electricity supply is always available
- keeping any planned interruptions to an absolute minimum (ideally this wouldn't ever be required)
- getting the power back up and running in the shortest time possible

1. Delivering

Customer service

- Customer service is of course, the key point of contact with UKPN, and is the real litmus test for the organisation – whether UKPN is contacting you or you are contacting them.
- Any contact is likely to be at a **stressful** time and people therefore have high expectations, as any – what they would perceive as incompetence, or lack of consideration – would exacerbate an already difficult situation.
- This is where UKPN's position as a **monopoly provider** can come in to play – people can potentially have more negative reactions/ feel greater resentment towards UKPN off the back of any issues in performance because of this

Requirements

- Ensuring great service if they ever need to contact UKPN / are ever contacted by UKPN
- People want UKPN to be easy to contact; and to provide timely, up to date information regarding any disruptions.
- UKPN needs polite, efficient call-handlers, who treat you as an individual rather than read unthinkingly from scripts

2. Behaving responsibly

- UKPN has a vital role and people want to feel that it is discharging its responsibilities with appropriate care
- This is especially important given it's position as a monopoly provider
- Being able to demonstrate that you are not 'taking advantage' of your monopoly situation provides reassurance and generates a positive response to the brand

"I'd want them to be one of the most efficient at doing what they're doing. So in other words if they can do it employing 3 men and a dog rather than 3 million. Because ultimately we'd be paying" (Non-contact)

2. Behaving responsibly

Professionalism - Ensuring network availability

- Making sure the electricity supply is always available
- People expect you to be monitoring, updating, developing/investing in the future

Professionalism - Safety

- Ensuring the infrastructure, equipment, installations, works are safe is a fundamental expectation – taken as read

Showing you care – Social impact

- This is not something that tends to be very top of mind for respondents
- However, proactively ensuring that vulnerable groups are looked after is seen as being something UKPN should be doing and demonstrates a caring attitude

2. Behaving responsibly

Professionalism/ Showing you care - Environmental Impact

- Given that UKPN is within the energy sector, people feel strongly that it should do what it can to protect the environment
- However, there is confusion around what impact UKPN would have on the environment, especially when compared with other companies within the energy sector – generators etc
- Respondents tend to focus in on the visual impact of UKPN activities and infrastructure, together with minimising use of natural resources

Connections process

- **Reactive** and **non-contact customers**, whilst they appreciated that it would be important for the connections process to run efficiently, quickly and smoothly, it was seen as a minority issue and thus not as high a priority as maintaining the network and responding to problems.
- **Proactive customers** – as one would expect – have a stronger focus on the connections process.
- It is usually their first contact with UKPN and thus naturally has a big impact on their perceptions – made even more so because of their low levels of prior awareness.
- Proactive customers tend to place the Connections process alongside Customer Service as one of their key priorities, just below ensuring an uninterrupted service.

Communication

- Participants would like to know more about UKPN, its role, what it is doing and how to contact UKPN in the event of any problems, although they do not feel it is appropriate for UKPN to spend large amounts of money in doing so
- However, much of this is once they have given the topic some consideration – and they would be unlikely to do this in real life - whilst very important, the energy sector and UKPN's role in it is not of high interest generally
- The main focus would therefore be on a simple statement of purpose and how to contact you, with further information available if required.

These core needs are reflected in people's expectations within each category

Overview

- Within these different categories, respondents were asked to discuss some of the finer detail of their expectations. For each area, we explored two different aspects:

- What an **acceptable level** of performance would be
- What would **exceed** their expectations?

Network Reliability

Overview

- This is the core deliverable for UKPN. The focus here is on setting **target levels** for uninterrupted supply, and then **managing the experience** in the event of an interruption (although this then merges into issues around Customer Service).
- **Planned interruptions** also need to be kept to a minimum, although there was some acceptance if they become necessary – as long as they are very infrequent, and the duration is kept to a minimum.
- Customers also considered service levels in the event of an unintended interruption to the supply and again, this focused on minimising this time and ideally being able to provide a guarantee as to the maximum time without power

Potential impact on overall perceptions of UKPN

- This seems a difficult area to make a positive impact on perceptions of the organisation as people have such high expectations. It is arguably more of a risk area – that poor performance in this area would lead to negative impressions.
- However, an occasional lapse is regarded as forgivable as long as there is a good reason for it.

Network reliability

Acceptable performance

Unexpected interruption to supply

- People have high expectations regarding network reliability, and people do not expect to have any unplanned interruptions unless there are exceptional circumstances – chiefly adverse weather conditions.
- There are some differences between urban and rural areas, with some acknowledgement that rural areas are potentially more susceptible to outages and are likely to be less resilient in that there are less options to circumvent a problem.
- Respondents suggested setting a target of 99% uninterrupted supply (they would really like 100%, but feel it's fair to allow some degree of flex)
 - in their minds they're thinking of ~1 outage pa?
- Minimise time without power

Exceeding expectations

Unexpected interruptions to supply

- 100% uninterrupted supply
- Restoring power within a guaranteed time e.g. 1hr

Acceptable performance

Planned interruptions to supply

- Advanced warnings to all affected homes – 1 month, 1 week/ few days before
- Announcements/ signs in public areas
- Minimising occasions without power
- Need a rationale for the interruption

Other

- Investing in the future – maintaining the network
- Working to minimise power surges

“Look what happened when Thames Water decided to change the mains water it was chaos because they had left it so long and then all of a sudden had to do the whole lot in one go” (Non-contactors)

Exceeding expectations

Planned interruptions to supply

- Advanced warnings to all affected homes – on the day/ check for vulnerable people
- Minimising time without power
- **Guaranteed timings** for when power will be restored
- Compensation if these are not achieved
- Work completed **out of hours** as much to minimise disruption

Other

- Future-proof the network
- No power surges

Overview

- Customer service is one of the highest priorities for customers, and often, this is the main area people think about when considering companies exceeding their expectations
- The service experience is seen as the real litmus test of an organisation – the proof of *‘what they are really like’*.
- Customer service encompasses a range of different potential touchpoints, although chiefly:
 - Unexpected interruptions to power supply – proactive/ reactive contact
 - Planned interruptions to power supply – proactive contact
- Given the very low awareness and interaction with UKPN, this has the potential to be a key contact
- The main themes in response expectations are on:
 - proactivity
 - taking responsibility/ ownership
 - speed of service/ response
 - keeping people informed

Potential impact on perceptions

- This is a key area to impact on people's perceptions of UKPN. Most people are not aware of you, so any contact they have with you is likely to be their 'first impression'
- There is an interesting paradox here:
 - UKPN is a monopoly, so people half expect the service to be poor, slow, cumbersome, 'they don't need to try'
 - This potentially makes them more resigned to receiving poor service
 - However, at the same time, the fact that UKPN is a monopoly means that people feel you have an obligation to use that position responsibly, and this provide a high level of service
- This would seem to result in people potentially being accepting of a low level of poor service, but then are likely to be harder on UKPN if the service is markedly poorer than they would expect.

Acceptable performance

Unexpected interruption to supply

- Recorded messages explaining the situation, updated regularly
- Inbound calls answered quickly

“they were polite, courteous and they actually phoned me back to check what was happening with the service ” (Reactive)

Exceeding expectations

Unexpected interruptions to supply

- Outbound calls/ text messages to affected customers?
- Recorded messages updated every minute
- Staff available to provide support for those who need it – quick to answer
- Staff take ownership of the call – not pass callers around
- UK based call centres
- Financial compensation to customers – demonstrates commitment

Acceptable performance

Planned interruptions to supply

- Advanced warnings to all affected homes – 1 month, 1 week, day before
 - date, time, duration
 - contact for further details
- Announcements/ signs in public areas

General

- Polite, courteous, proactive, reliable
- Answer phone within 3 mins

“Maybe if they had something like a website where ... you can sign up and put a phone number down or email address or something like that so you actually get notice in advance” (Non-contactor)

Exceeding expectations

Planned interruptions to supply

- Customer-facing staff available during outage – be available for questions, provide updates
- Guaranteed timings for when power will be restored
- Compensation if these are not achieved

General

- Freephone number
- Ability to register number so can be contacted in an emergency
- Follow-up call to check ok
- Option to be called back if busy
- Answer phone in <1 minute
- Feedback sheet/ survey

Customer service – in their own words

“For an excellent service you would get if there was actual work that they knew about in advance you would get at least 24 hour warning and then maybe a warning in the morning and then maybe one an hour before so you will get repeated warnings when it is going to happen ” (Reactive)

“thinking about something as if it’s a unique thing and ‘right, how are we going to deal with it’, and give you the impression they’ve got the ability to be able to think something through in it’s own right and come up with a solution by way of proceeding and then bother to check whether it’s worked. ” (Non-contact)

“good customer service gives feedback from your customers.... how was it, what was it like so they know as an employer that they have to get feedback especially if their engineers are coming round doing jobs that they can give feedback, so if they come and do a job like put a new meter in they can give a feedback sheet” (Non-contact)

Overview

- This is a fundamental requirement from customers – something they would expect and would be legally responsible for.
- There was little spontaneous consideration beyond this, but when prompted, people did consider more widely, for example, the potential dangers of work sites

Potential impact on overall perceptions of UKPN

- This is a hygiene factor for customers – they expect it to be there and are likely to only notice it if there are any lapses – the consequences of which would be very negative.
- However, there is some potential for people to notice and appreciate a very professional approach to safety on sites/ works etc, but this is unlikely to generate much positivity.

Acceptable performance

Safety of infrastructure

- Meeting all safety requirements
- Clear signage
- Zero injuries

Safety on site

- Barriers, clear signage, safety evaluations/ risk assessments
- Provide advice sheets for customers

“Make sure the network is safe, there’s no danger of anybody getting injured either be the workforce, the users, anywhere” (Non-contact)

Exceeding expectations

Safety of infrastructure

- Regular checks to ensure no damage/ vandalism
- More cables etc underground
- Attain stringent quality accreditations

Safety on site

- Education
- Free safety checks of people’s electrical installations

Environmental impact

Overview

- The main focus for these discussions were:
 - UKPN's usage of raw materials
 - The visual impact of infrastructure
 - The environmental impact of works
- Carbon emissions was not quite as front of mind as this is more associated with the power generators.
- There was some difference regarding locations in that people from more rural areas are potentially more likely to be impacted by the visual pollution of the landscape though electricity pylons/ cables, which they would prefer to be buried.

Potential impact on overall perceptions of UKPN

- UKPN having a strong environmental performance is important to people, but is not as front of mind as service delivery.
- However, the outcomes of your environmental policies could have a major impact on perceptions of UKPN at a local level, for example, whether cables are carried by pylons or buried.

Acceptable performance

Works

- Joint operations with other utilities to minimise disruption
- Re-use materials wherever possible
- Minimise use of raw materials – metals etc

Visual impact

- Minimise visual impact wherever possible

Exceeding expectations

Works

- Replace e.g. pavements to the same standard as found/ better
- High quality/ visually appealing hoardings on works e.g. art works
- Future-proof all works

Visual impact

- Elegant design for infrastructure/ pylons
- Bury cables

Environmental impact

Acceptable performance

Environmental performance

- Reduce carbon emissions by 10%
- Invest in new technology to boost environmental performance
- Set targets for using sustainable materials (50%)
- Reduce pollution incidents/ waste levels year on year

“Minimum impact visually would be acceptable; excellent would be where they are actually getting artistic consultation to make the most of the visual impact ” (Non-contact)

Exceeding expectations

Environmental performance

- Annual statement of performance – set targets and monitor performance versus these
 - honour what you say you will do
- Benchmark Vs other comparable organisations – UK/ Europe/ the World
- Target to lead the field/ top 5 rating
- Aim for 75% use of sustainable materials
- Aim for zero pollution, zero to land-fill

Overview

- This was generally towards the back of people's minds with regard to being a priority for UKPN.
- It's something that they like to think companies are doing but won't necessarily give them a lot of credit for doing.
- Certainly UKPN can play a role in educating young people about the dangers of electricity/ electrical installations

Potential impact on overall perceptions of UKPN

- People would like UKPN to behave responsibly, and when thinking in terms of the broader community, feel it is an important part of your responsibilities, especially as you are a monopoly provider.
- However, it is unlikely to have as much impact as a direct contact experience

Acceptable performance

Education

- School visits, website, open days, roadshows – about UKPN's role/ electricity supply
- Educate on how to save electricity

Protecting vulnerable groups

- Identifying vulnerable people
- Providing additional support for vulnerable groups
- Take into account all vulnerable groups
- Provide a statement of social impact

Exceeding expectations

Education

- Open days for customers

Protecting vulnerable groups

- Provide back-up supply/ discounts on the service
- For longer interruptions to supply - personal visit(s) to ensure okay
- Always take vulnerable groups into consideration e.g. risk assessments at maintenance works etc
- Check special needs contact list every year/ 18months

Helping people/ the local community

- Providing apprenticeships in the local community/ training opportunities
- Linking with projects in 3rd world countries – using their expertise to help those less fortunate
- Buy locally - equipment/ supplies / spare parts

Connections process

Overview

- This is a major priority for people who have experienced it.
- Cost is a key concern here, with many feeling the charges made are expensive – even in comparison to being connected to their utilities.
- Getting the connection completed quickly and correctly are also key concerns as would be expected, with mixed feedback regarding this (bear in mind the very small sample size). Some customers report their projects seeming to ‘get lost’ in the system and can then get delayed significantly.
- A final issue is one of communication. Being kept up to date with the progress of the project and the likely timelines can help ease concerns with any delays or regarding the process generally.

Potential impact on overall perceptions of UKPN

- This is a significant experience for the minority of customers who go through this process and is likely to have a significant and defining impact on their perceptions of UKPN.

Connections process

Acceptable performance

Project management

- Clear, simple process
- Keep customers informed of progress

Costs

- Breakdown of how the cost has been calculated

Exceeding expectations

Project management

- One point of contact to see you through the whole process, and who knows everything - easy to get hold of
- Proactively keep on top of your project
- Backed up by online system to track job progress – showing position on process map
- Easy access to the surveyor

Costs

- Cheaper costs – demonstrate eagerness to minimise costs
- Greater explanation of how costs arrived at
- Option of Premium service with faster, guaranteed completion
- Provide a full-service option to do all the work involved with the connection

Connections process

Acceptable performance

Timings

- Provide an estimate of completion – 6 weeks?

Customer service

- Appointments at a time convenient to you – ½ day time slots/ 3hrs
- One team do it all
- Provide help in completing application
- If a simple, small request – minimise steps – complete with one call?

“When they actually turn up to do the connection it would be great if the first person that turns up is adequate to do the job....I told you what I needed doing you need to turn up with the right tools and the right everything ” (Proactive)

Exceeding expectations

Timings

- Provide guaranteed start and end date
- Faster turnaround – within 4 weeks for a larger project, faster for ‘simple’ projects e.g. moving a meter

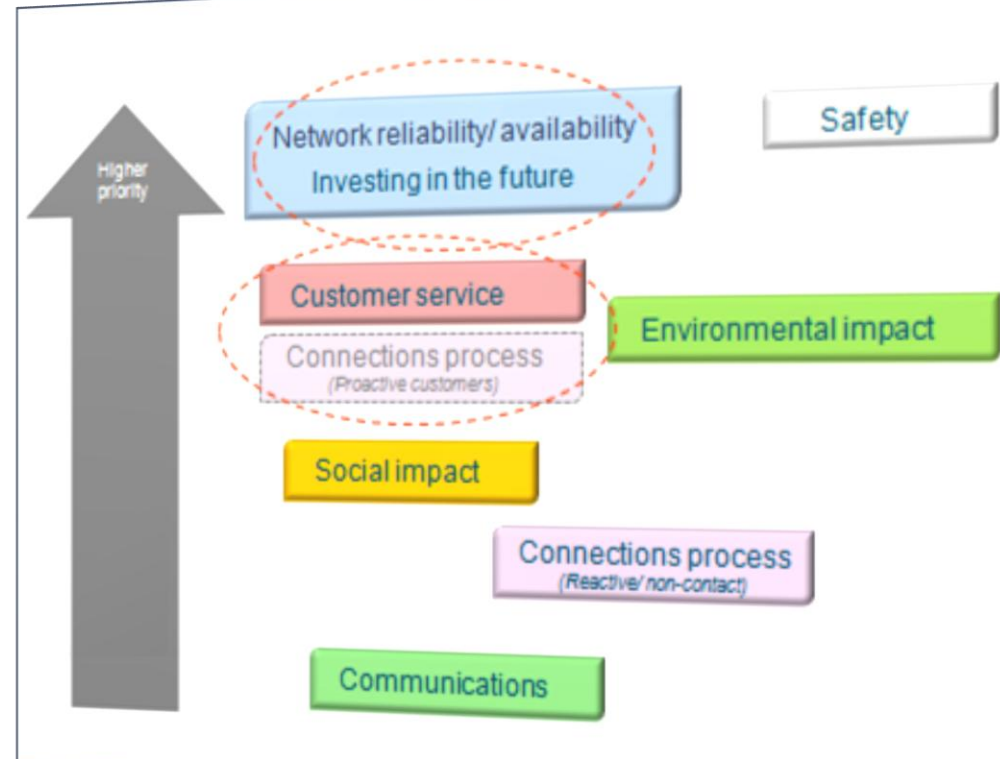
Customer service

- Precise appointment times/ within one hour
- Arrive punctually for appointments
- Call/ text to let you know they are on their way
- Provide compensation if timings missed

The largest potential impact on perceptions of UKPN as an organisation come from direct contact experiences...

Impact on impressions of UKPN

- People generally have low awareness and understanding of UKPN. It is also a low interest subject, albeit potentially a high priority when direct contact is required.
- The most potential impact on impressions of UKPN would be when people have **direct experiences** of the organisation:
 - Customers getting an electrical connection with UKPN
 - Customers calling UKPN about an interruption to supply or an enquiry
 - *(to a lesser extent)* customers being contacted by UKPN about an interruption to supply
 - and on the negative side – experiencing interruption(s) to electricity supply



Likelihood to pay

- People do not have any idea of how much they pay UKPN (indirectly) for their services.
 - However, when told of the approx charge, they consider it to be good value for money in the context of the (large) size of their electricity bills.
- Cost is more of an issue for customers getting **connections**. Many consider the cost to be expensive; have a low understanding of how the cost is arrived at; and do not feel that UKPN is focused on minimising the cost to the customer.
 - However, there was some interest in having an option to pay for a premium, guaranteed, fast-track service for connections.

“You could actually charge a premium service to get the process done quicker. So if you forgot to tell them in time, you could pay a certain amount and the process would be still as slick, one person, but a shorter period of time, just as an added service” (Proactive)

Summary & Conclusions

Summary & Conclusions

UKPN fulfils a vital function.
They want you to continue to
deliver and to behave
responsibly in fulfilling your role

Customers' main priority is
for **delivery**: for the
service to continue
uninterrupted, and to have
a positive experience
when they come into
contact with UKPN

There is also feeling that as a
monopoly, UKPN should be
taking its responsibilities
seriously, planning and
investing for the future, and
minimising any negative
environmental or social
impacts

There is very low awareness of
UKPN, and it operates in a
sector that is of low interest.
The main potential areas for
UKPN to impact on people's
perceptions are where
customers have **direct
experience** of the organisation

Customer priorities for UKPN

Higher
priority

Network reliability/ availability
Investing in the future

Safety

Customer service

Connections process
(Proactive customers)

Environmental impact

Social impact

Connections process
(Reactive/ non-contact)

Communications

Areas most likely to impact on perceptions of UKPN

Higher
priority

Network reliability/ availability
Investing in the future

Safety

Customer service

Connections process
(Proactive customers)

Environmental impact

Social impact

Connections process
(Reactive/ non-contact)

Communications

