In utilities we trust?

How can energy providers win back the trust of their customers?

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Over the last decade there has been a steady decline in the public’s trust in the energy market, with suppliers being perceived as big profit-making machines – how did we get here?
Every household in the UK relies on the daily and continuous supply of essential utilities, whether that is in the form of gas, electricity or water. Given the basic and essential nature of this provision, you would expect the relationship between the supplier and the customer not only to be interdependent, but to be based on trust and confidence between the two.

In reality, what we have been witnessing is increasingly the opposite. Energy providers score poorly in consumer trust surveys, falling behind industries with a historically bad image like fast food chains (Which?, November 2012). Over the last decade there has been a steady decline in the public’s trust in the energy market, with suppliers being perceived as big profit-making machines that will always prioritize profit and shareholder return over the quality of services that they provide, the experience of their customer and, above all, the value for money of their services.

So how did we get here? And why is being trusted so important for an energy provider after all? What simple steps can energy providers take through their marketing and branding channels to win back the trust of their customers?
All a customer wants ... 

For customers, there are a limited number of areas in which they want to or need to trust their energy supplier to deliver predictable outcomes and to serve their best interests.

First, the supply of energy. All customers want their energy supply to be consistent and safe and any issues to be fixed quickly and smoothly. In the UK, this is of course no longer an issue and therefore not a differentiator for energy companies. Luckily, the lights come on each time we flick a switch. However, customers are also increasingly demanding the right experience when issues are being fixed by energy companies.

This brings us on to the issue of prices and billing. Customers want to be confident that they are not paying more than they need to for their energy and that their bills are always accurate. However, the behaviors of energy companies lead consumers to pose serious questions on whether energy retailers can be trusted. Examples vary from inaccurate bills and competitive tariffs being offered only to new customers or those threatening to leave, through to the constant press surrounding ever-increasing energy prices during times of austerity while providers announce record profits, and allegations of wholesale price fixing and mis-selling.

Last but not least, the issue of helpful and straightforward support. From moving home to switching accounts, customers want predictable outcomes in a way that best serves their interests. Common complaints usually include complex and confusing processes when moving home, long waiting times when trying to contact their supplier and poorly devised online services that do not help customers to manage their energy usage.

It becomes clear that without an operating model and the capabilities that will enable consistent delivery of the outcomes required by the customer, these customers are questioning the very intentions and motives of energy retailers.
In utilities we trust?

Let’s talk trust

Let’s start by taking a closer look at what trust means in everyday life and in business.

Trust in our everyday lives simply means to have confidence that someone will do what they promise to do in a way that has your best interests at heart. In the energy retail sector this means that households have the confidence to pass responsibility for the provision of their energy supply and cost onto a retailer with the knowledge and belief that the service that they will receive in return will be honest, transparent and will fulfill their expectations in a predictable way.

So the ability to gain trust is a function of two key elements: intent and capability.

Intent

Companies must demonstrate to their customers that they have the genuine integrity, motivation and drive to put the interests of their customers first. This may be reflected in the company’s core values, its brand and decision making, but critically this must be conveyed clearly to customers at every part of their journey with a company. Think about it. If customers believe that retailers are genuinely trying to do the best for them, the battle is begun. The challenge that remains is for the customer to see behaviors that reinforce this intent.

Capability

Companies must ensure that they have the operating model in place to deliver on the promises they make to their customers. This means having the right people with the right skills, using the right technology in the right way to meet customers’ expectations. They must meet these expectations repeatedly over time to develop a track record of credible delivery.

These two factors are deeply interdependent, and you cannot have one without the other. It is never enough for an energy provider to have the right intent, but not the right capability or vice versa. Both must be in place to build trust, and the absence of one of these elements will result in a degradation of trust that ultimately increases the cost of operations.

In other words a strong brand and an effective marketing strategy is not enough without the technical capacity to back it up and the other way around.
In order to win back the trust of customers, energy providers need to focus on proof that they have the right intent and the capability to deliver in three core areas:

1. Deliver on expectations in every interaction with the customer

Customers need to be able to trust that every time they interact with their energy retailer they will get consistent and predictable outcomes. They want to know that queries will be answered in a timely manner, complaints resolved swiftly, that bills will be correct and processes will be smooth and simple.

For energy retailers to be confident that they are able to deliver these outcomes they need to have the right capabilities in place throughout their customers’ journey with them in order to build a track record of successful delivery. The capability gaps will be different for every provider, and each one will have to review and change its operating model accordingly.
2. Openness and transparency in every interaction

While there have been examples of mis-selling, many more people have direct experience of opacity and complexity in suppliers' communications. It is true that industry processes, limited consumer understanding and mandated language don’t help. Nevertheless, in an era of distrust, the failure to communicate clearly (i.e., insufficient competency to overcome these hurdles) is assumed to be the result of poor intent. There is no benefit of the doubt.

The consequence is profound. If the supplier cannot communicate something in a way that is understood, it shouldn't be done. Whether this is a new tariff, price rises, smart metering offer or energy efficiency, the communication must be understood.

Equally, openness and disclosure is the only antidote to collective distrust and conspiracy theories.

Explaining that the delay in answering the calls are due to illness in a contact center is better than an assumption of poor intent (can’t be bothered).

Proactively explaining to the public that a retailer’s in-year financial loss is tolerated in year because of the retailer’s long-term perspective is better than an alternative uninformed perspective such as that profits have been shifted around the value chain.

3. Empower customers to make their own decisions

The digital and social media environment in which many customers are now operating offers a unique opportunity for energy retailers to provide open access to data, bills, prices and propositions. They can ultimately enable their customers to make informed decisions and take control of their energy usage and costs. Energy retailers should focus their digital activity on empowering customers with tools that serve the customers’ best interests.

Similarly, with the rollout of smart metering upon us, energy companies have another excellent opportunity to provide even more benefits to their customers, offer new propositions that better suit their needs and provide them with the ultimate transparency to best manage their energy usage and understand the benefits of a trusted supplier.

In summary, with positive intent and flawless execution customer trust can be regained. However, many retailers still have significant work to do to demonstrate their intent in every interaction and begin to rebuild their brands as trusted organizations.
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