

## Utilities Market Research May 2005

### What Are The Issues Currently Affecting Your Utility Business?

They could be . . .

How are our customers reacting to rising utility bills?

Why does our network company rank where it does in OFGEM's IIP League?

What the threats and opportunities are to our water company should the industry de-regulate?

How can we balance the needs of our customers with our investment needs?

**Whatever the problem DJS Research can help, and don't just take our word for it . . .**

*"We've worked on a number of projects over some time and the benefits have been clearly evident. Their ability to understand our business and apply the learning from one study to the next has been superb. In fairness, you would hope that all research agencies do this, but it's not always the case. I would certainly recommend using them.*

*I have also consistently been able to put them in front of my internal clients and not worry about the reaction. For a research manager, this reassurance is hugely valuable as it takes some of the pressure away from me. I have on many occasions been able to consult and bounce ideas around, sometimes without a specific project in mind. Sometimes this leads to work but not always. Regardless of the outcome, they have always been keen to help."*

**Research Manager, Major UK Utility Company**

Ali Sims, one of our Directors has worked in utilities research for the last 9 years. Companies she has worked with include:

- Energy Retail – RWE npower; E.ON; EDF Energy and SWALEC
- Energy Networks – Central Networks; EDF Energy; United Utilities and CE Electric UK (YEDL)
- Connections – IUS; Thames Water; United Utilities
- Water – Thames Water

Here are some examples of the areas she has researched:

### ***Case Study 1: Why does my network company rank where it does in OFGEM's IIP League***

Ali has helped several **Energy Network** companies understand why they are ranked where they are in OFGEM's **Incentives and Information Project** rankings by researching customers who having experienced a fault have called their local power cut helpline.

The research not only measures their satisfaction with the service received but also measures it in relation to their expectations e.g. did they expect to get through to an agent immediately and be told their power would be back on in two hours exactly?

Expectations are set by the service people receive in everyday life e.g. when they call their bank or travel agent. Also as each DNO exclusively services its regions' customers, they are unlikely to have experienced a similar type of service from another utility company.

As well as perceptions and expectations we measure importance. For example is it more important for the phone to be answered in 30 seconds or for a call handler to give me an accurate estimation of when my electricity will be back on? If a company is failing in an area which is key to customers but succeeding in one of little importance action needs to be taken.

The research also challenges whether customers in rural areas think differently to those in urban areas, whether those more frequently affected by power cuts have different perceptions to those who are not and whether business customers should have their own helpline.

In some regions Ali has also conducted research with those who have experienced power cuts but not called in and with those yet to experience a power cut. The findings from this research have fed into recent **price reviews**.

### ***Case Study 2: How Can We Better Manage Our Network Repair Programme?***

A utility company was carrying out a major programme of mains rehabilitation in a major city in the UK. The work was conducted over a number of phases by different contractors in different areas. At each stage some temporary disruption to the area was inevitable but residents and businesses would receive an improved supply as a result of the works. In depth face to face interviews and telephone interviews with residents and businesses were conducted at each phase to measure:

- how effective the **communication** was surrounding the programme
- the performance of the **contractors**
- whether the programme left customers feeling more or less positive about the company in question.

After each phase, changes were made on the back of the research to ensure the next stage went more smoothly.

### ***Case Study 3: How Can We Stop Any More SMEs Leaving Our Business?***

Telephone interviews were conducted on a monthly basis to establish why SMEs were leaving an Energy Retail Company – were they being pushed or pulled and what could the company in question do about it?

Ali was involved with interviewing large businesses, SMEs and domestic households prior to the de-regulation of the energy market to measure their attitudes to switching energy provider and afterwards to measure their behaviour.

Other issues Ali has researched include:

- Now the energy market has de-regulated, how can we expand into new product areas without harming the brand?
- What are the needs of our largest Industrial and Commercial customers – how important are reputation, service, social responsibility, the brand and price to them?
- What level of service do our customers expect and what do they get – what is driving customer satisfaction?
- Why aren't SMEs taking up our current loyalty initiative?
- What are the advantages and disadvantages of multi-utility connections work?
- What do customers think of our latest sponsorship deal?
- What do customers think of our latest ad?

Whether you have a specific project in mind or are just toying with an idea, if you are a utility company we would love to hear from you – either fill out the form on our website by clicking here: **Contact Us** or contact Ali on 01663-732721 or 07951-468247.

If you require any further general information about the topic of Market Research, as well as <http://www.djsresearch.com/> you may also want to try...

<http://www.marketresearchworld.net/> - a useful market research resource.