

Marketforce Utilities Newsletter

-September 2014

This month we talked to:

Nina Bhatia, Commercial Director at
British Gas

Marketforce What's the biggest challenge facing utilities as they try to become more customer centric?

Nina Bhatia Utilities companies – energy, water, telecoms – were all set up originally to deliver services to homes and businesses. Many evolved out of state-owned enterprises and were hardly the most exciting of consumer products. Initially we all accepted this as something you had to have, so didn't want to think about it too much so long as the lights came on, water came out of the tap, and the phone worked.

But customer expectations have changed. We now expect to be able to do our somewhat mundane chores, like grocery shopping or banking, from our mobile phones, or ask a question about a potential purchase or complain about a service, in

a 140-character tweet. It's astonishing for me to think that two thirds of all British Gas customer interactions are digital, and more remarkably nearly half of those start from a smart phone. As customer expectations continue to evolve, businesses need to be increasingly nimble to keep up, and that is a challenge when you have lots of customers and huge IT systems to support them.

As well as changing the way we talk to customers, we're creating products and services that help them manage their home energy usage when and how they want to. Like our Hive Active Heating service that lets you control your heating and hot water from a phone wherever you are.

"Two thirds of all British Gas customer interactions are digital"

MF How can technology transform the way customers interact with their utility companies?

NB In all sectors, technology is making it easier for people to manage their accounts – things like online tools, apps, and customer service through social media are now just the basics of doing business. In the gas and electricity sector, technology is also opening up exciting new ways for people to interact with their own energy consumption.

Smart meters, for instance, mean people can for the first time see their energy as they use it and its cost in pounds and pence. Meter readings are collected

automatically and sent to energy suppliers, meaning no more estimated bills, and consequently less need to call and query accounts. This results in a smoother transaction and ultimately a more hassle-free customer experience. And with a handy in-home smart energy monitor, people can see the cost of gas and electricity they're using in near-real time, helping them make more informed choices. The simple red and green lights alert you to over-use of the kettle, for example. Nine out of ten customers with smart meters change their behaviour as a result of using their smart energy monitor, and more than half said they're saving money off their bills.

Smart meters also enable a two-way interaction with the electricity grid. They make time-of-use tariffs possible, giving people a choice of whether to use electricity when it's cheaper. We're trialling this sort of tariff already, and the next step will be smart appliances that know when it's cheaper to run.

British Gas customers with smart meters are also getting Smart Energy Reports, an interactive tool with a breakdown of energy use by day, week and month; a guide to how much is spent on heating, hot water or appliances; and personalised tips to reduce bills. So smart meter customers are even more empowered to take action and be in control.

MF Has giving consumers more control improved engagement overall?

NB Absolutely. Our smart meter customers consistently score us 40 per cent higher on Net

Promoter Scores than customers without smart meters. They are more satisfied, engaged customers. Add the Smart Energy Report to the mix and we're seeing customers spend on average five minutes exploring their energy use – can you imagine spending that much time perusing your bill? Over 70 percent of customers say they find it very helpful and they're mostly looking at energy use over time, comparing their use to that of similar homes, and playing around with the details about appliances to explore the difference that makes to energy use and their bills. This tool gives a level of insight not seen before.

"Customers spend on average five minutes exploring their energy use"

MF What's the most exciting or unexpected impact the Hive smart thermostat has had since its launch?

NB It's exciting to me how regularly people are using Hive to control their heating, with more than 50 percent using it at least once a day. That's astonishing when you think almost a quarter of people with a central heating timer don't use it – they're complicated and old fashioned, and Hive has turned this on its head by making heating control so simple and intuitive. We have paid a lot of attention to the user interface and experience, and customers tell us the simplicity of our app means it is very easy to do what used to take ages on a physical device.

Another surprise is how people are using it. We always expected they'd use it to turn the heating or hot water on from the bus, or change their schedule when held up at work: the convenience factor. But it turns out people are using it as a sort of remote control inside the home too, with 67 per cent of people regularly using Hive Active Heating from the sofa, and I admit to using it from my bed on a cold morning.

One other observation is the more positive emotional quality to energy. We observe really interesting interactions and comments on social media and indeed some humour as the family heat wars rage with husband and wife arguing over what temperature to set the house at.

MF And finally, if you could make one thing in your home "smarter", what would it be ?

NB I love the idea of feeling like my family and home are safe. Something that could show me, on my mobile wherever I am, that my daughters have arrived home from school – and better still, that they're in their bedrooms doing homework and not watching tv in the lounge!



Nina Bhatia is responsible for all brand, marketing, product development, digital, sales and insight. She also leads British Gas Connected Homes, developing technology-led home management products and services, focusing on energy, heating and monitoring. Her key focus is on putting the customer at the heart of British Gas, and transforming the business through innovation.

The Energy Customer

8th October 2014

Le Méridien Piccadilly, London

Building a customer centric business: branding, innovation and smart technology

"Good to get differing views on customer experience and how to build trust. Thought provoking."

-Chris Copland, RWE Npower

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Hear Nina Bhatia speak at the
Energy Customer 2014