



UK Contact Centre Verticals: **Utilities**

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UK Contact Centre Vertical Markets: Utilities

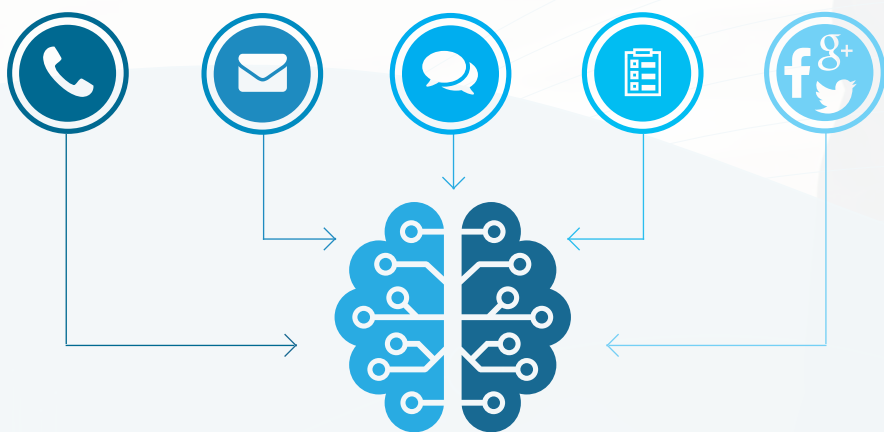
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CallMiner is a speech analytics platform that drives business improvement by connecting insight to tangible action. We use the power of A.I. to scale human understanding, analyse interactions at the deepest levels, identify patterns and root causes, and reveal opportunities.

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UK UTILITIES CONTACT CENTRES: EXECUTIVE SUMMARY & OUTLOOK

The Utilities sector is comprised of businesses selling water, gas and electricity, as well as increasingly trying to market new services such as smart home technology, internet access and telephony to their customer base. While some incumbent utility companies have reported job losses and consolidation, the significant number of new players (both suppliers and aggregators, especially 'green' energy) have gone some way to balancing this. While service is a differentiator in utilities, most decisions are still driven by price.

As more utilities customers choose to service their accounts online, the nature of customer contact has changed. Utilities companies announced several significant job losses in 2013, and although there was growth in new utilities providers and aggregators in 2014, the expectations of utility respondents in recent surveys suggest a reduced future headcount, although there have been a considerable number of new entrants which increased the number of actual operations.

The UK imports around half of its fuel for electricity from abroad, so a sustained sterling weakness would have a major effect on electricity pricing. However, price-capping will mean that this is less likely to be passed onto customers in entirety, meaning cost-cutting will become much more prevalent which is starting to affect the contact centre sector. Weak sterling also makes infrastructure investment more expensive, as much of it is imported.

The utilities sector has tried to push down the cost of customer service through the use of automation (through customer-handled meter reading, online account management, email billing and smart meters), and the importance of telephony self-service to the utility sector, which is still considerably larger than email – is something unique to this vertical market. Letters still form a significant proportion of customer contact, perhaps as the utility sector has a very broad customer demographic, including many for whom the use of digital channels does not yet come naturally. This hypothesis is supported by the relatively low levels of social media and web chat currently used.

The pandemic has reduced the demand from offices and corporations, although domestic demand is higher as a result. Debt management will likely become an even more important role for this sector's contact centres, although there is an opportunity for growth as utilities companies are well placed to push the 'smart home' concept to customers.

INTRODUCTION

“UK Contact Centre Verticals: Utilities” looks at the structure, growth, technology, HR and commercial issues found in contact centres within the UK utilities sector, which includes electricity, gas and water providers. It does **not** include any data or analysis from offshore contact centre operations.

It contains data from multiple large-scale surveys of hundreds of UK contact centres, and is the definitive study of this vertical market’s customer contact operations.

The “UK Contact Centre Verticals” series of reports are free of charge to readers. Research and analysis costs are borne by sponsors – contact centre and customer experience solution providers – whose advertisements, case studies and thought leadership pieces are included within these reports.

Sponsors have not had influence over editorial content or analyst opinion, and readers can be assured of objectivity throughout. Any vendor views are clearly marked as such within the report.

Please note that statistics within this report refer to the UK industry, unless stated otherwise. There is a version of this report available for download from www.contactbabel.com with equivalent US statistics.

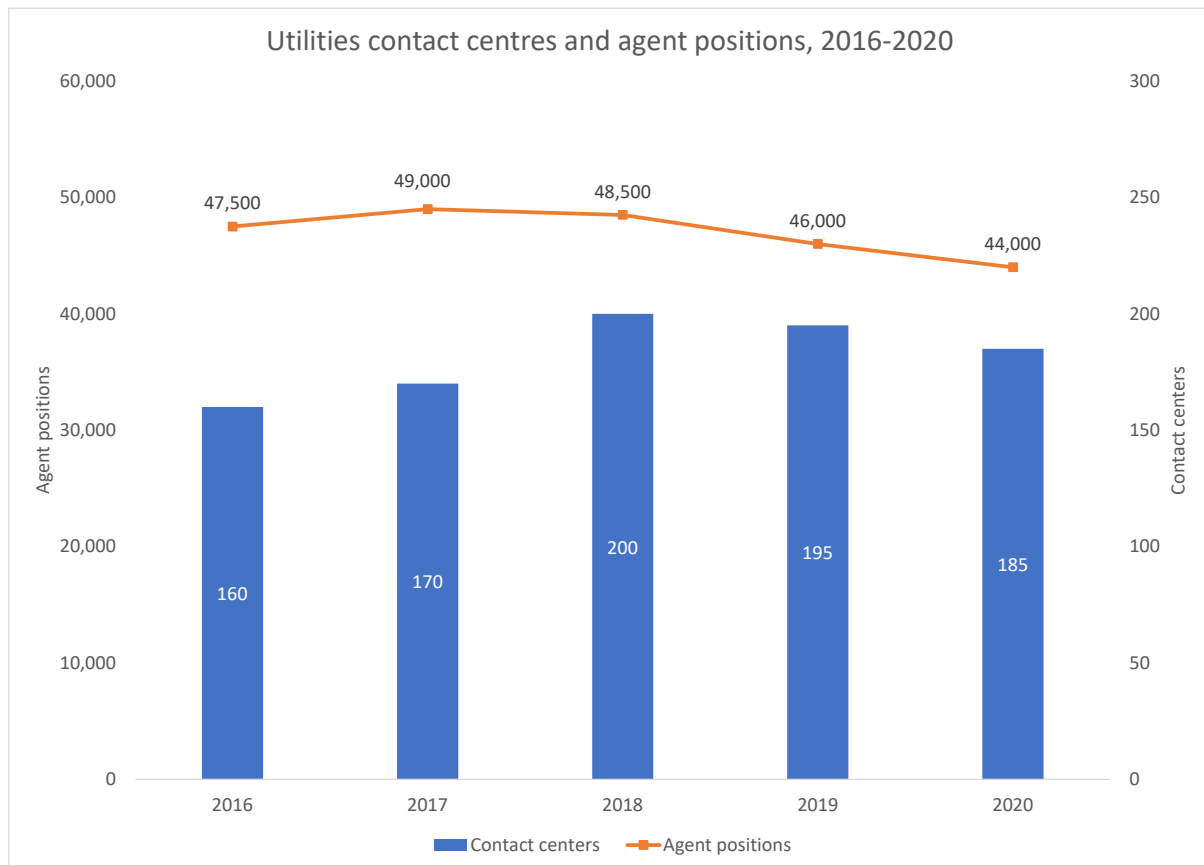
To comply with the usual protocol of market analysis, years are reported as year-end (i.e. the 2020 figures refer to the end of 2020) unless stated otherwise.

MARKET SIZING

STRUCTURE

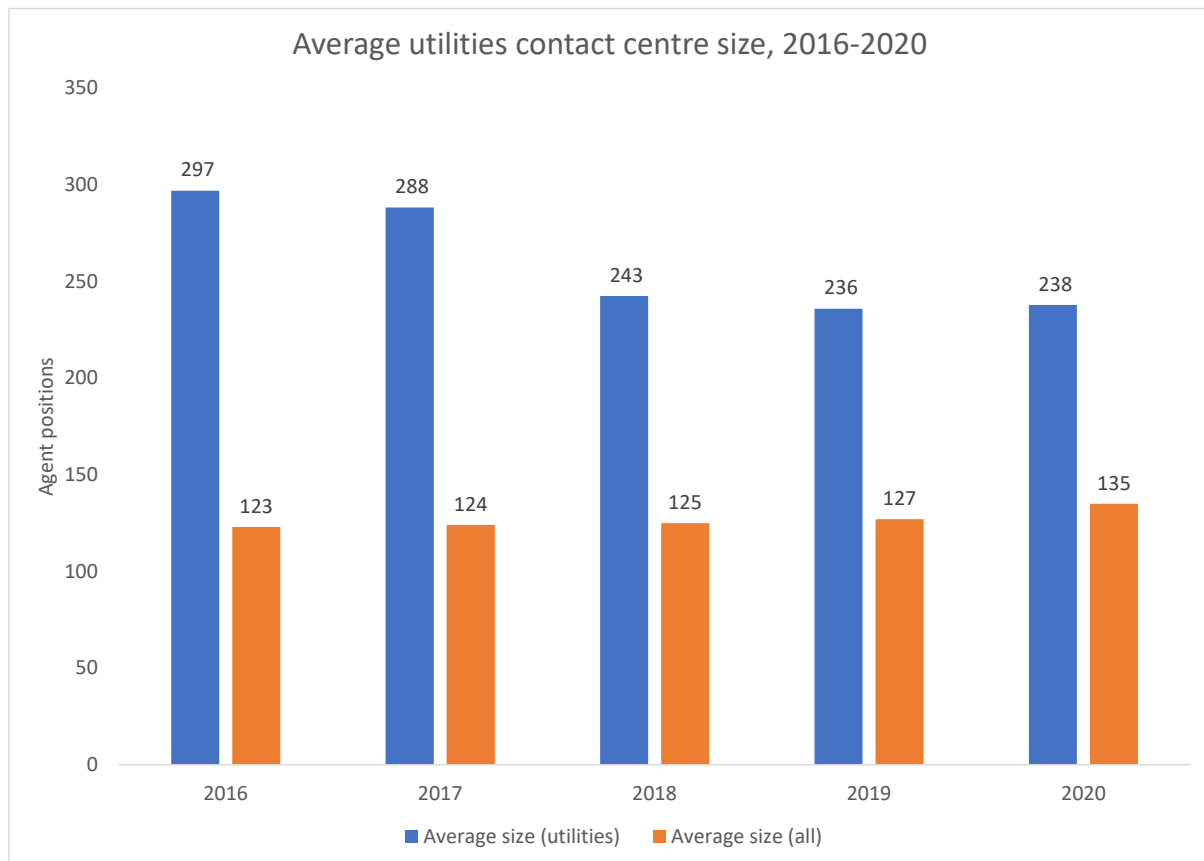
The utilities sector has declined somewhat in terms of agent positions over the past four years, although the number of physical contact centres has increased as smaller new entrants emerge.

Figure 1: Utilities contact centres and agent positions, 2016-2020



Utilities contact centres tend to be significantly larger than the UK average, but the average size has shrunk due to a rise in the number of smaller new utilities companies.

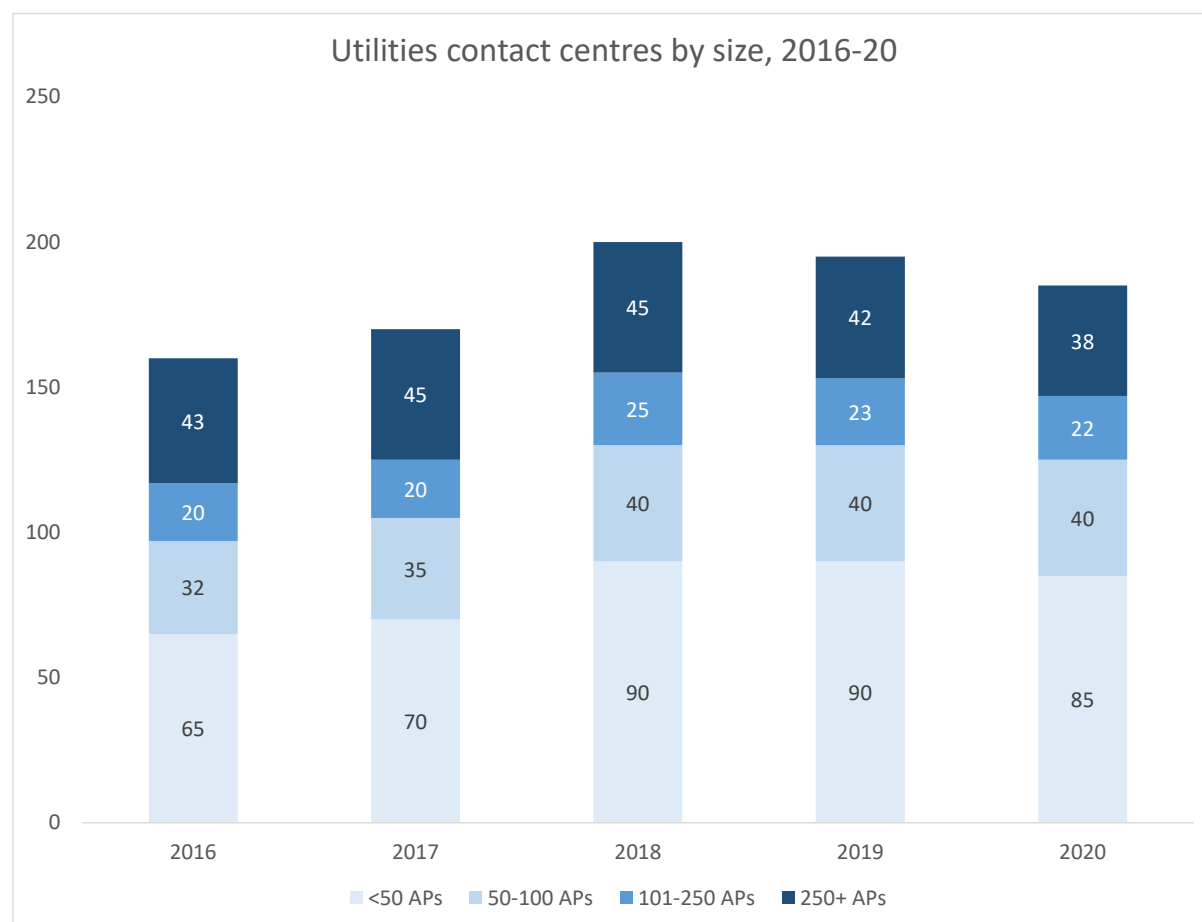
Figure 2: Average utilities contact centre size, 2016-2020



Unlike many sectors, the utilities contact centre industry has been less heavily weighted towards smaller operations, with some very large operations working in this sector.

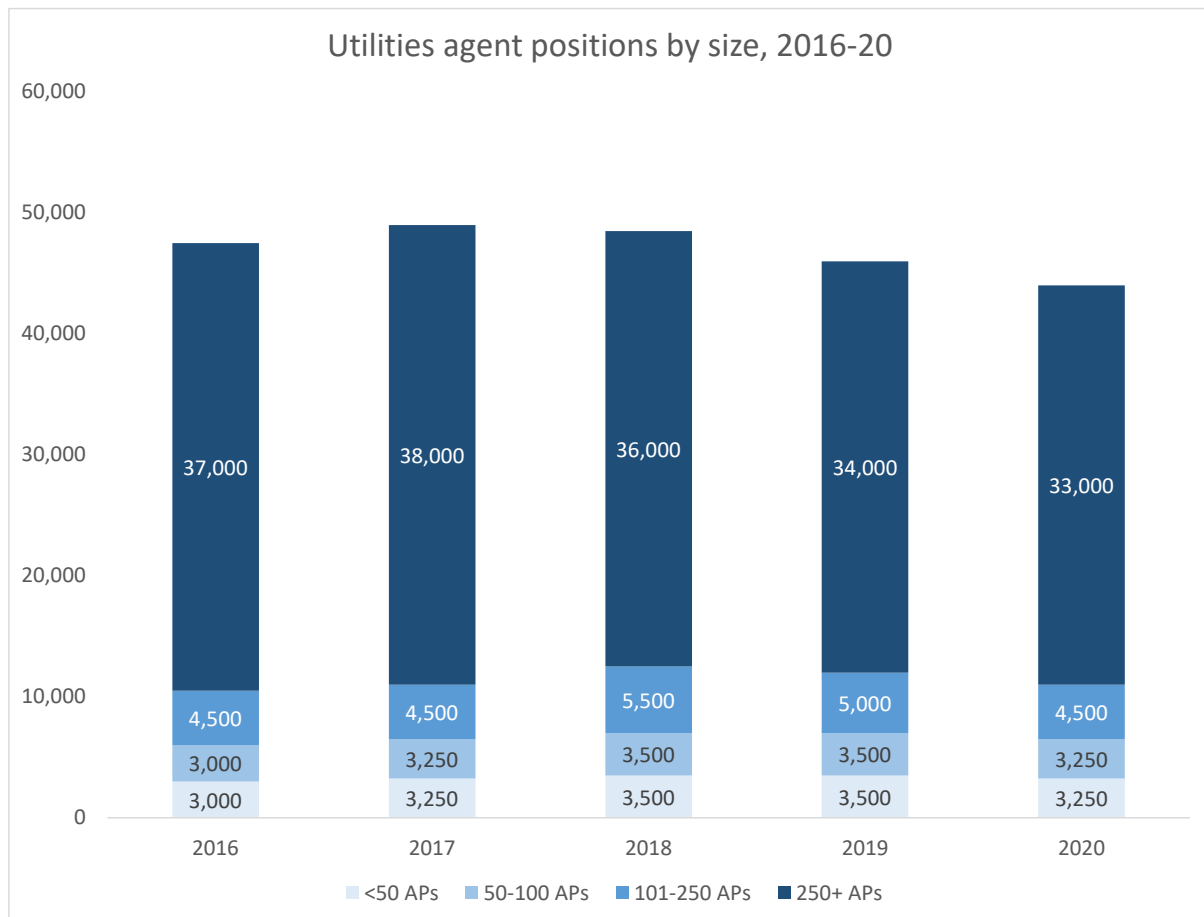
As online service has increased, large operations have seen much less growth in headcount than previously, while there have been a number of new entrants with small contact centres.

Figure 3: Utilities contact centres by size, 2016-20



Despite this, employment is still heavily weighted towards large operations, unlike many vertical markets which employ higher proportions in smaller contact centres.

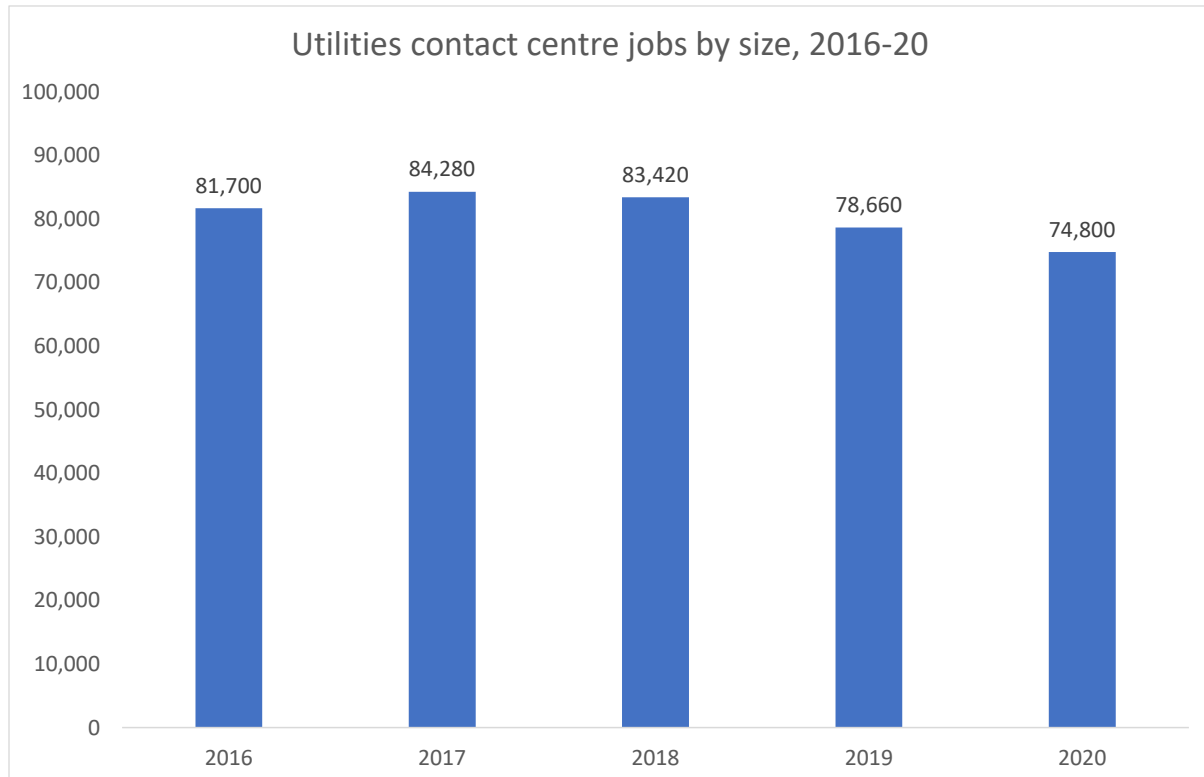
Figure 4: Utilities agent positions by size, 2016-20



There has been something of a decline in employment in the utilities sector since 2018, with self-service becoming of much greater importance to this cost-sensitive sector.

The sector currently employs almost 7,000 fewer people than it did in 2016.

Figure 5: Utilities contact centre jobs by size, 2016-20



GROWTH

Utilities contact centres have seen a decline in agent positions recently, although the number of operations increased until 2018.

The increased uptake of self-service and automated digital service will have a negative effect on agent positions, along with the expectation that cost-cutting will become a priority in this sector, where price-capping has meant that cost management has become a key driver for profitability.

Figure 6: Utilities – agent positions and contact centre forecasts, 2020-24

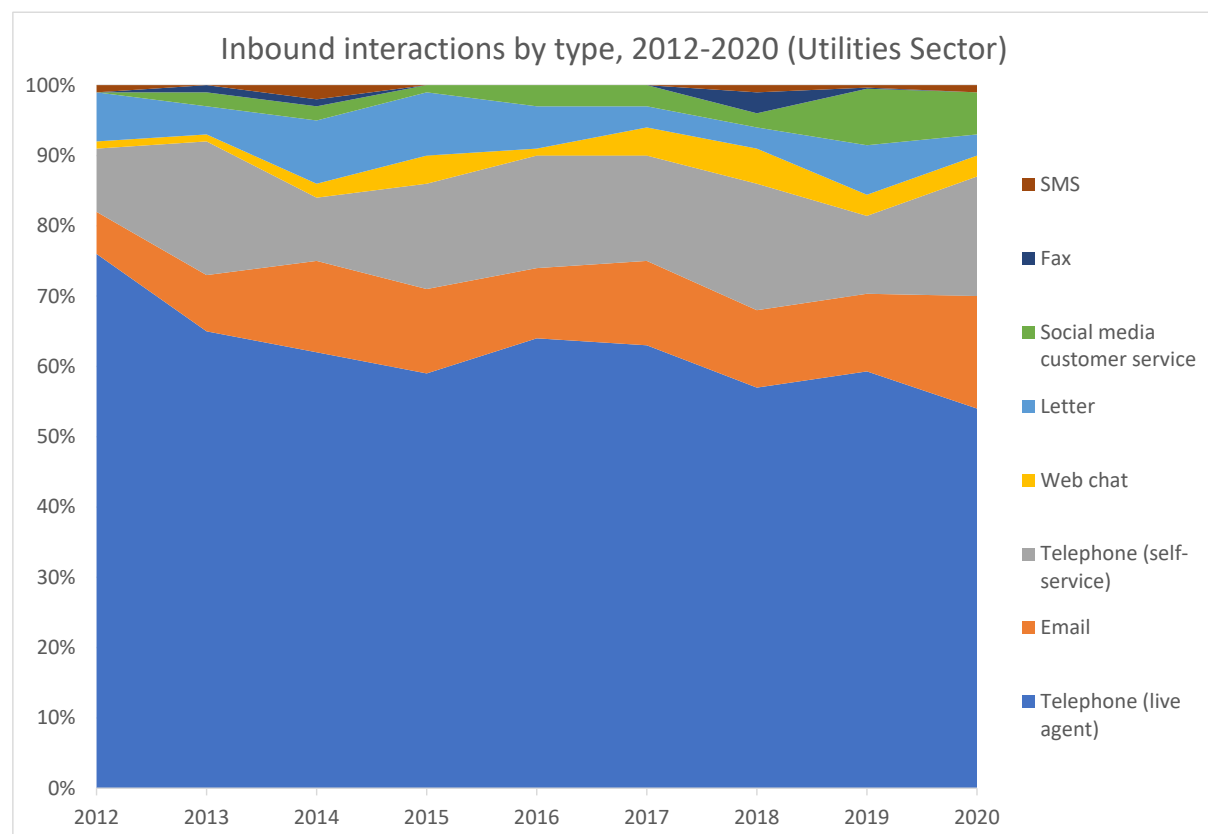
	2020	2024	Utilities CAGR	Average CAGR
Agent positions	44,000	39,500	-2.7%	-0.9%
Contact centres	185	170	-2.1%	-1.2%

THE USE AND EFFECT OF OMNICHANNEL

The utilities sector has traditionally had a high level of telephony self-service. Recent years have seen a rapidly growing use of email, with 2019 and 2020 seeing significant amounts of social media customer service too.

Although not shown on this chart, web self-service has become crucial to supporting utilities customers, and this too will reduce the amount of work requiring live agents.

Figure 7: Contact centre inbound interactions by channel, 2012-2020 – Utilities Sector



Channel	2012	2013	2014	2015	2016	2017	2018	2019	2020
Telephone (live agent)	76%	65%	62%	59%	64%	63%	57%	59%	54%
Email	6%	8%	13%	12%	10%	12%	11%	11%	16%
Telephone (self-service)	9%	19%	9%	15%	16%	15%	18%	11%	17%
Web chat	1%	1%	2%	4%	1%	4%	5%	3%	3%
Letter	7%	4%	9%	9%	6%	3%	3%	7%	3%
Social media customer service	0%	2%	2%	1%	3%	3%	2%	8%	6%
Fax	0%	1%	1%	0%	0%	0%	3%	0%	0%
SMS	1%	0%	2%	0%	0%	0%	1%	0%	1%



Best Practices for Omnichannel Customer Engagement

We know your customers expect personalised and integrated customer service across multiple channels. The following best practices will help create strong omnichannel experiences that satisfy customer expectations.

1. Meet Customers In Their Channel of Choice

The easiest way to ensure you are providing top notch customer service is to meet your users where they already are. Look at your history of customer contact – and in particular, look at where the longest response times exist. It may be that you need to change your team structure to place a deeper emphasis on chat rather than calls. Alternatively, you may need to scale up your social media team. Making these changes is a quick way to improve customer experience.

2. Offer Robust Self-Help with an “Out”

Providing customers with an opportunity to **answer their own questions** is a “no-brainer.” Moving toward self-service can be as easy as expanding your FAQ section. But remember to make it easy to offer a path forward when self-help fails. For more complicated requests, video tutorials or the ability to schedule **online meetings** with experts can go a long way – and can keep call centres reserved for the most complex issues or customers who best communicate via phone.

3. Creatively Mitigate Your Technology Siloes

If customers call the support centre after asking a question on chat and are then transferred between departments only to repeat the same story, you may have lost a customer entirely. Brands understand this but are handcuffed by legacy systems that in many cases make what seems like common sense integration a monumental task. To get around challenges, consider improved knowledge management such as rigorous dispositioning coding. This intelligence can ensure that the customer service team can easily see past customer communication when given a reference (like their name) is provided. This will make the process much smoother.

4. Address Every Channel

Consider process changes, instructional guidance, and agent coaching to help reduce gaps experienced by channel-hopping customers, especially when technology barriers exist. Manually tracking disposition codes or preparing agent with **scripts specifically designed for emotionally “hot” customers who failed to self-serve** in a digital channel can resolve challenges created by legacy communication channel silos.

5. Correlate Analytics Without Channel Boundaries

Ensure that scored meaning and presentation is not limited by channel boundaries. A best practice is to ensure text and speech analytics are consistently scored and presented, even when the channels from which they are derived are not integrated.

6. Apply Continuous Improvement

Before you implement these steps, test certain metrics. After you have implemented everything you have learned, test them all again. Make sure that everything is working as intended by checking the following:

- Average response time by platform
- Shared knowledge between channels
- Ease of navigation
- Satisfaction regarding the response

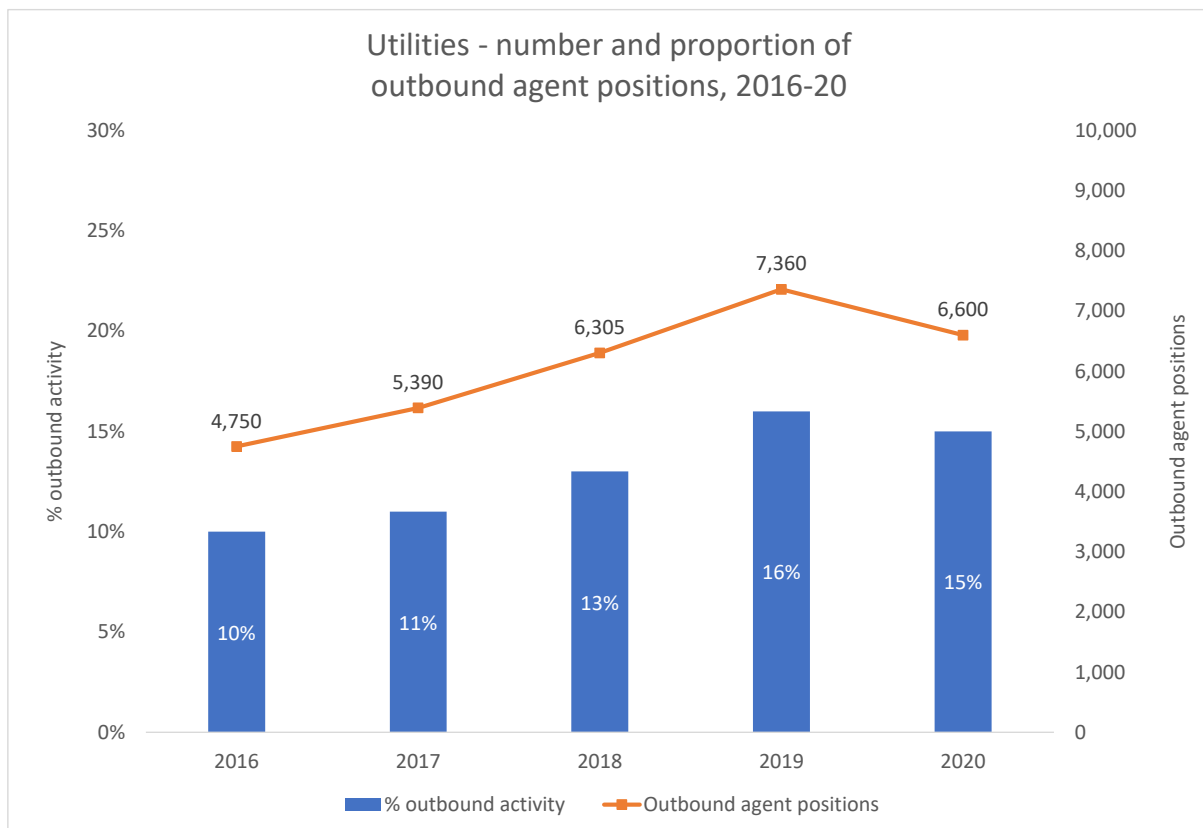
Beyond adopting the communication channels your customers prefer, many best practices for omnichannel customer **experience require capturing a unified view of each customer’s** interaction with your business regardless of channel. Achieving this single view starts with mapping the customer journey across each touchpoint and capturing relevant **data within each interaction. In addition, understanding your customers’ needs requires** a robust conversation analytics platform capable of capturing each channel.

INBOUND & OUTBOUND ACTIVITY

The utilities sector has not usually been focused on outbound activity, although the proportion of outbound work has risen significantly in recent years, due to cross-selling and upselling, and also efforts to win new business.

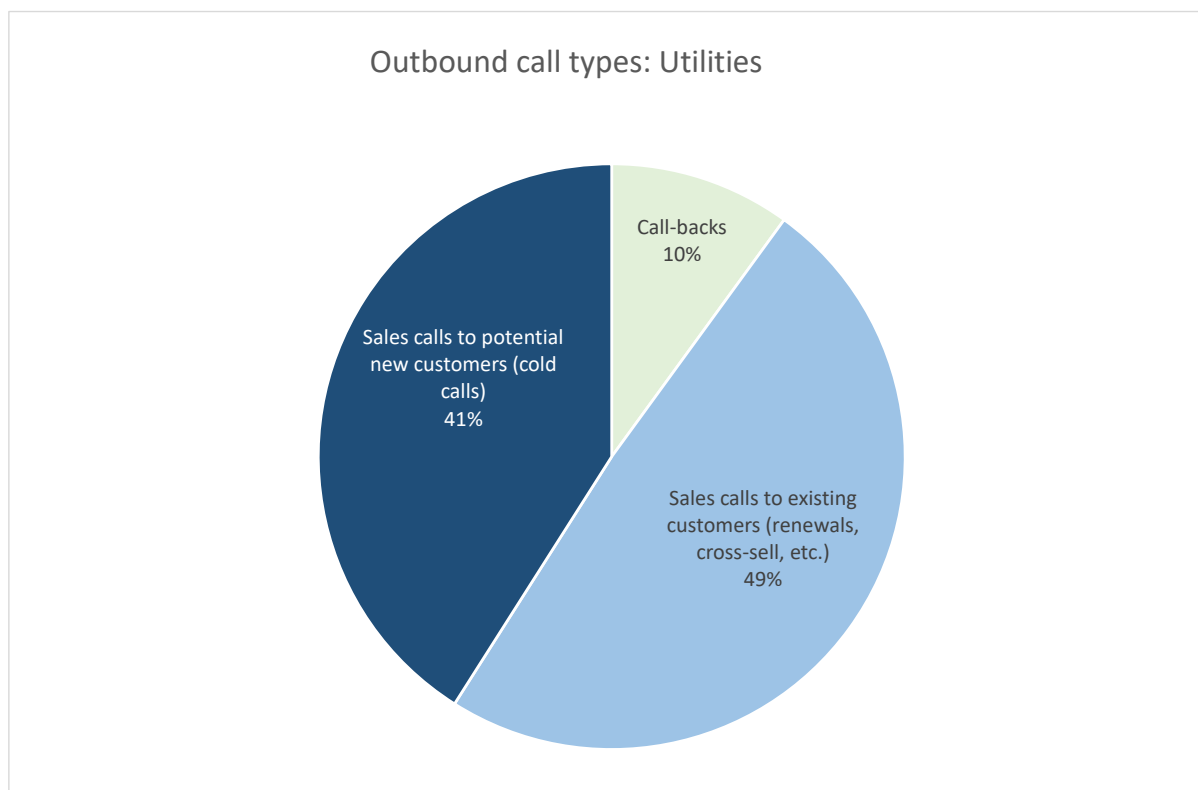
However, the sector still accounts for only 6,600 outbound equivalent agent positions.

Figure 8: Utilities - number and proportion of outbound agent positions, 2016-20



Unlike most vertical markets studied, utilities survey respondents carry out a high proportion of sales-focused calls, both to potential customers and existing ones.

Figure 9: Outbound call types: utilities

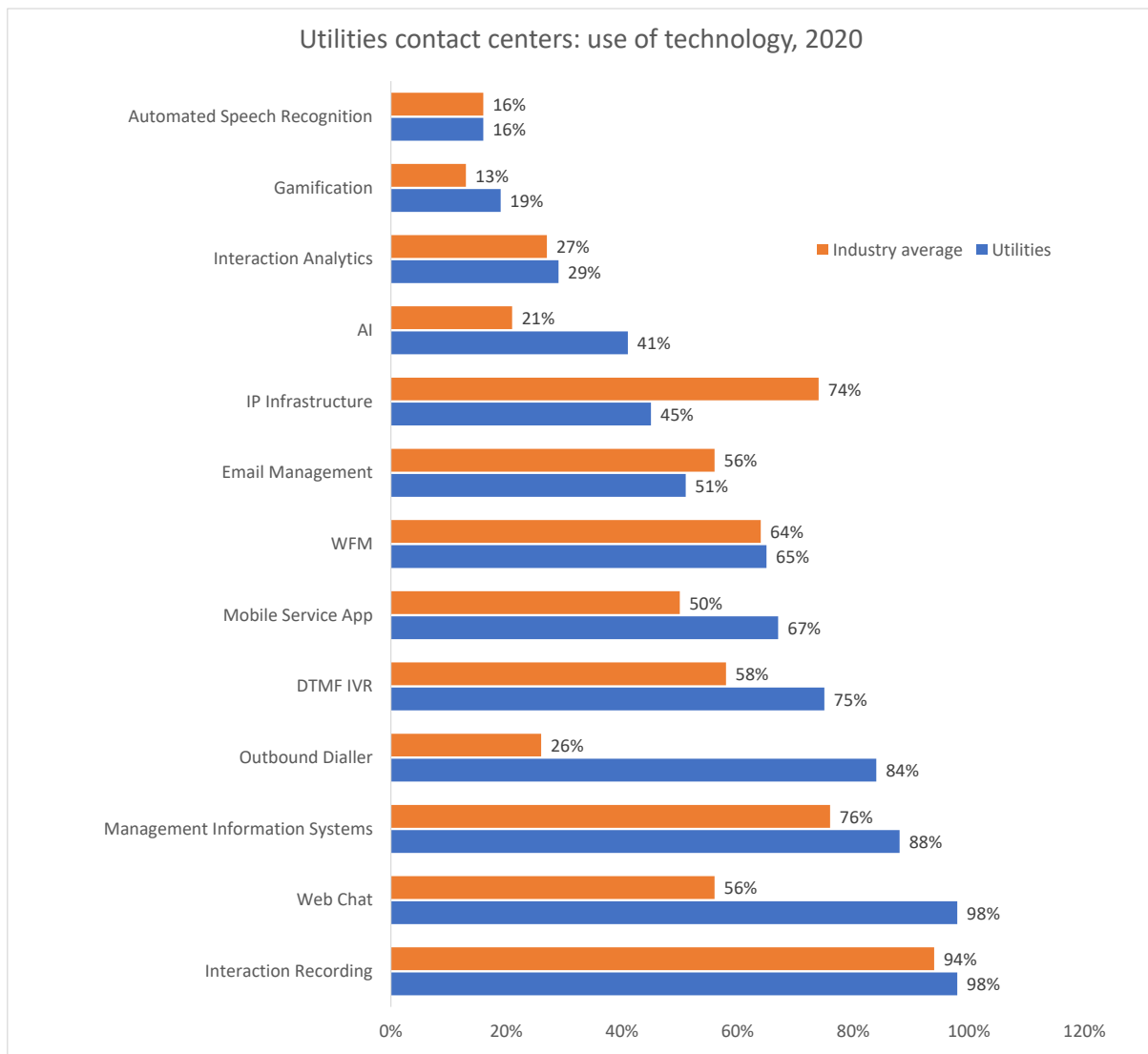


TECHNOLOGY

Interaction recording is very popular with utilities contact centres, with automated outbound dialling and web chat also used by a large majority of survey respondents. AI is also very much more popular in this sector than the industry as a whole, particularly in supporting web chat.

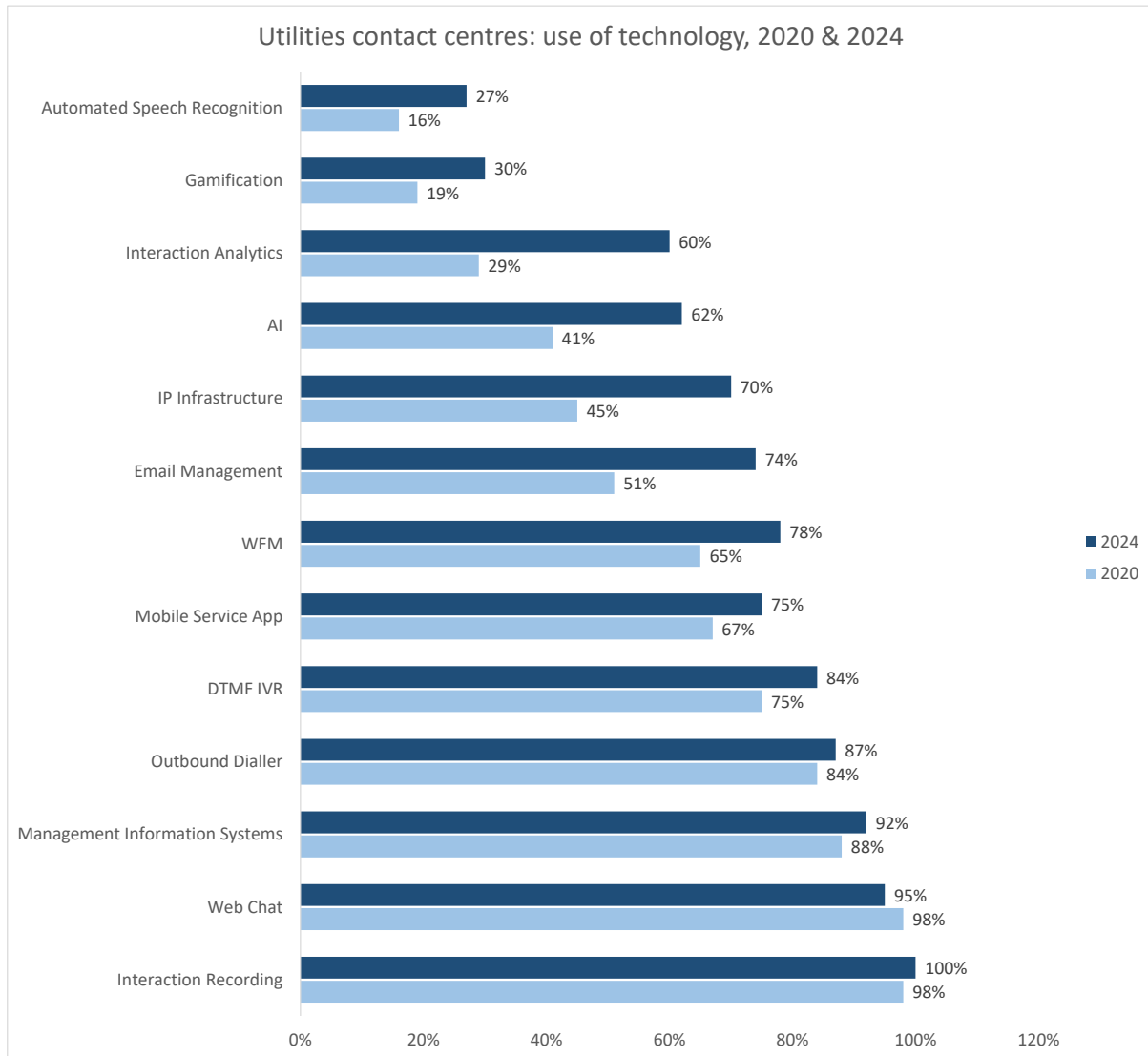
Utilities contact centres are a little behind the industry average with their use of IP infrastructure, but are generally ahead of the industry as a whole in terms of the technology being used.

Figure 10: Utilities contact centres: use of technology, 2020



The greatest expectation of technology growth – and expectation should not be confused with what the reality is likely to be – comes from IP infrastructure, AI, speech recognition and interaction analytics which work together to assist agents as well as provide better self-service options. Email management is also expected to grow strongly.

Figure 11: Utilities contact centres: use of technology, 2020 & 2024



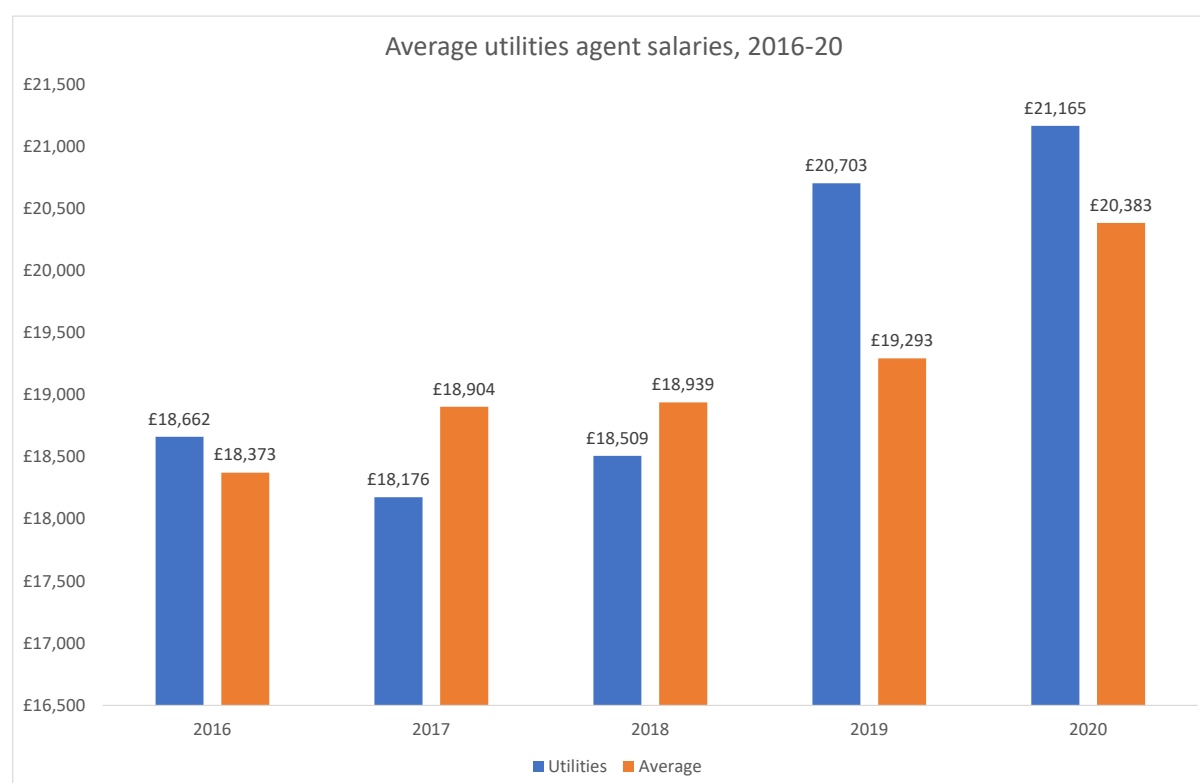
HUMAN RESOURCES

SALARIES

The salary figures below are calculated by adding together the average salary paid to new agents and to experienced agents, and dividing by two.

Utilities agents were reported to be paid basic salaries that were around industry standard until 2019, when they rose significantly.

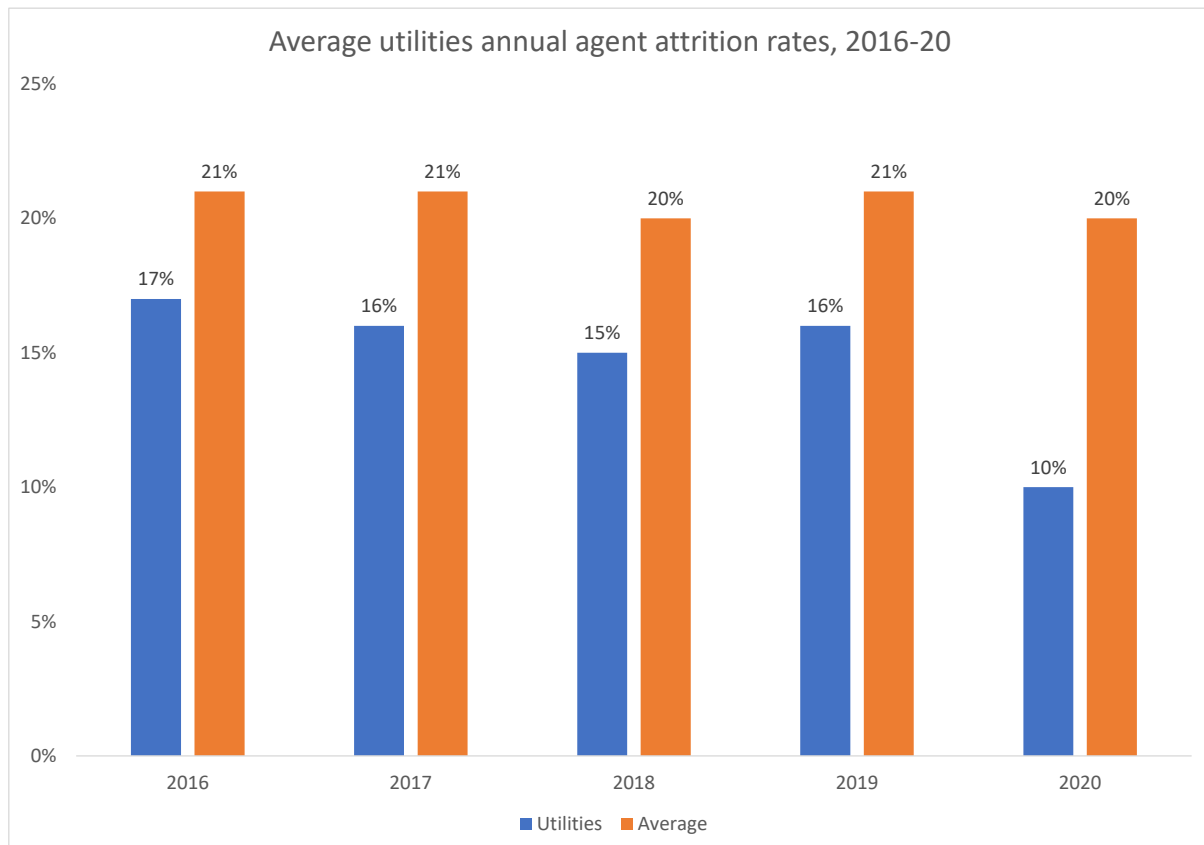
Figure 12: Average utilities agent salaries, 2016-20



AGENT ATTRITION

Utilities agent attrition rates have stayed significantly lower than the industry average over the past five years and dropped further in 2020. This may be as a result of the relatively high salaries seen recently, a correlation which has also been witnessed in other low-paying sectors.

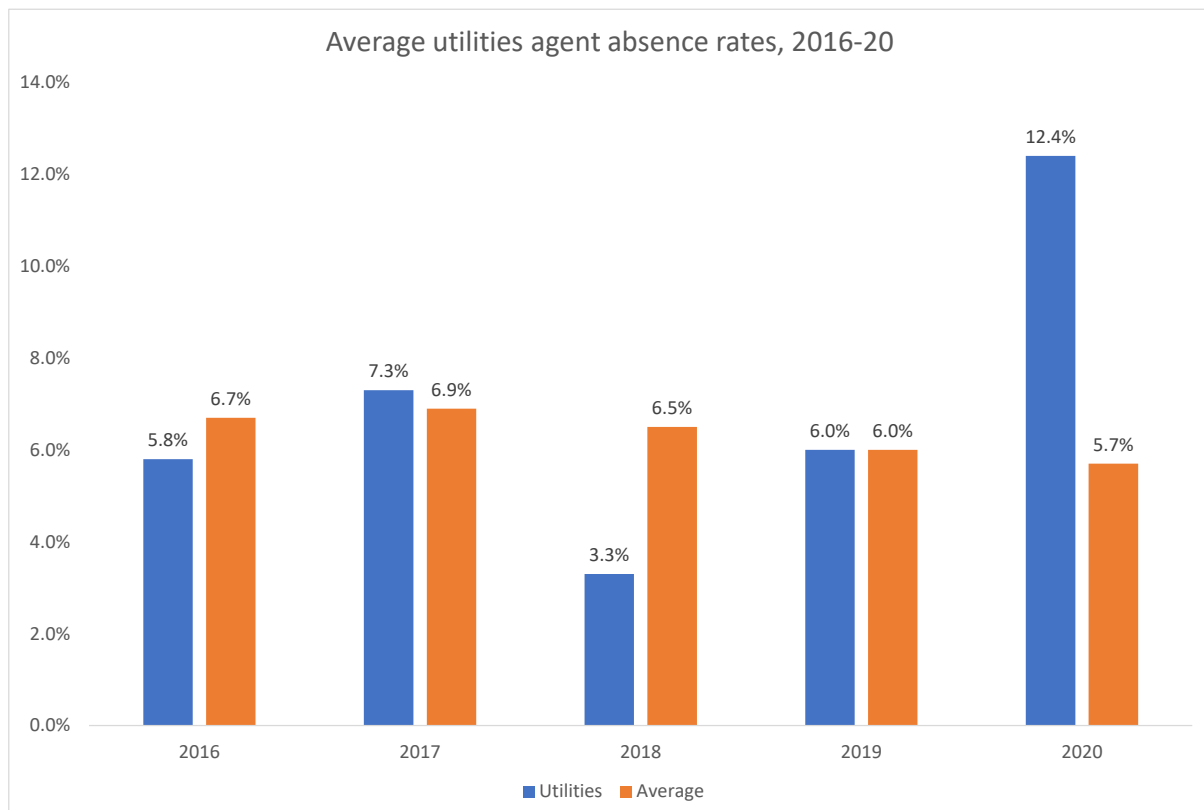
Figure 13: Average utilities annual agent attrition rates, 2016-20



AGENT ABSENCE

Utilities agent absence rates have been generally similar to the contact centre average, with a big rise reported by survey respondents in 2020, which is likely to be an aberration caused by the pandemic.

Figure 14: Average utilities agent absence rates, 2016-20

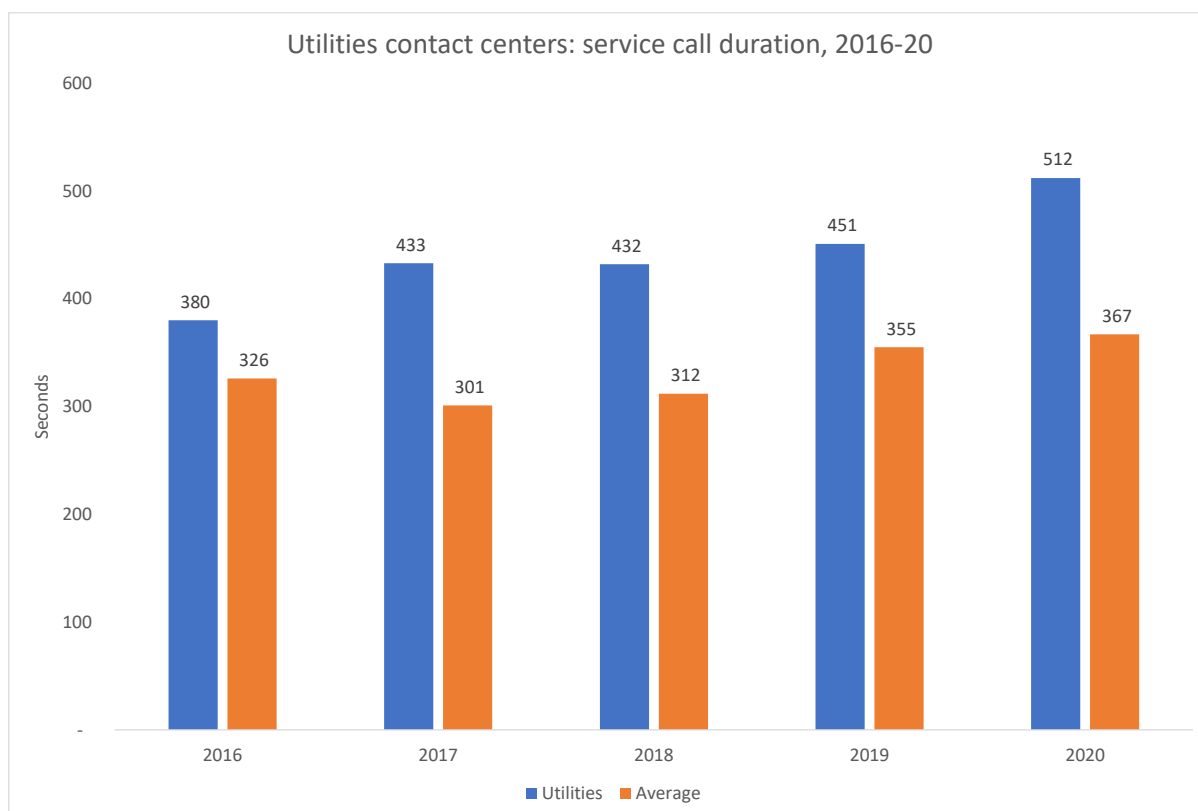


OPERATIONAL BENCHMARKING

CALL DURATION

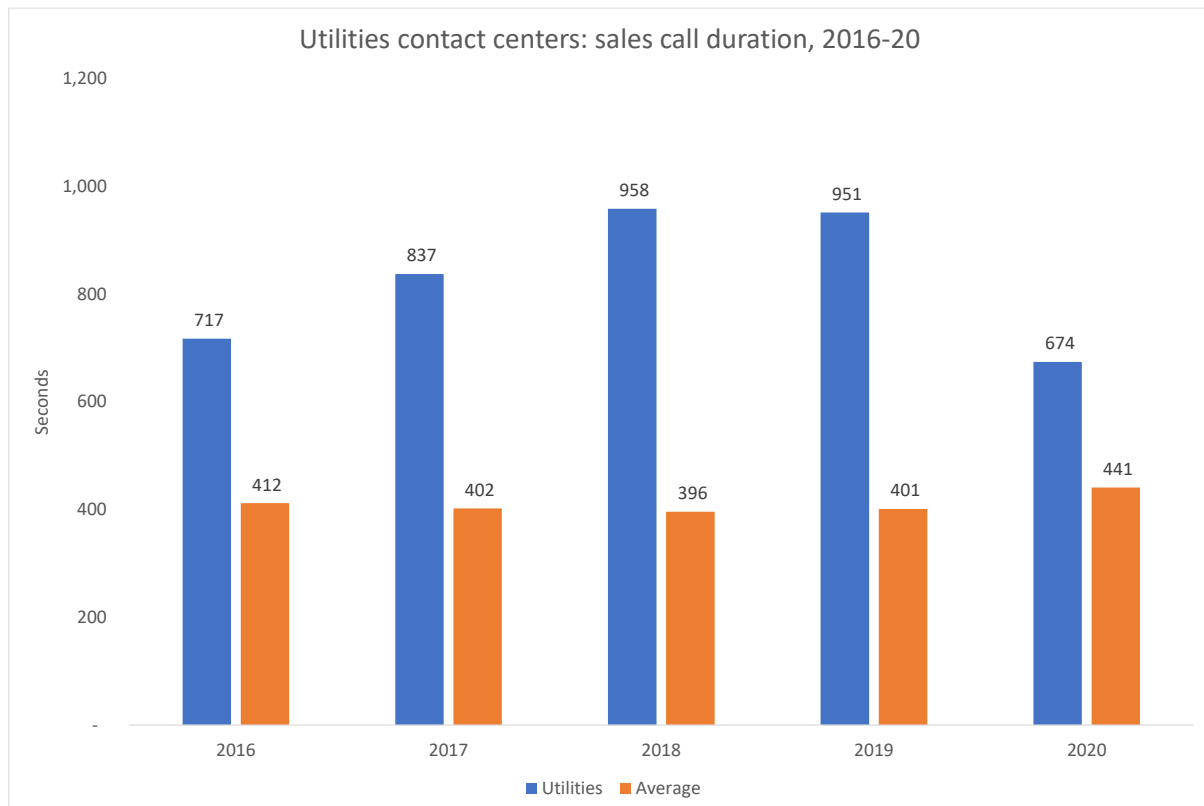
Average utilities service call lengths tend to be higher than the UK average, perhaps suggesting that the types of call being handled are more complex than usual. The sector uses a lot of self-service to handle simple queries, which is evidence for this theory.

Figure 15: Utilities contact centres: service call duration, 2016-20



This is a pattern also seen in sales calls, where the average call duration has been more than double the industry average in 2017-2019, and is still very high, suggesting complexity and also possibly a requirement to read out long statements for compliance.

Figure 16: Utilities contact centres: sales call duration, 2016-20

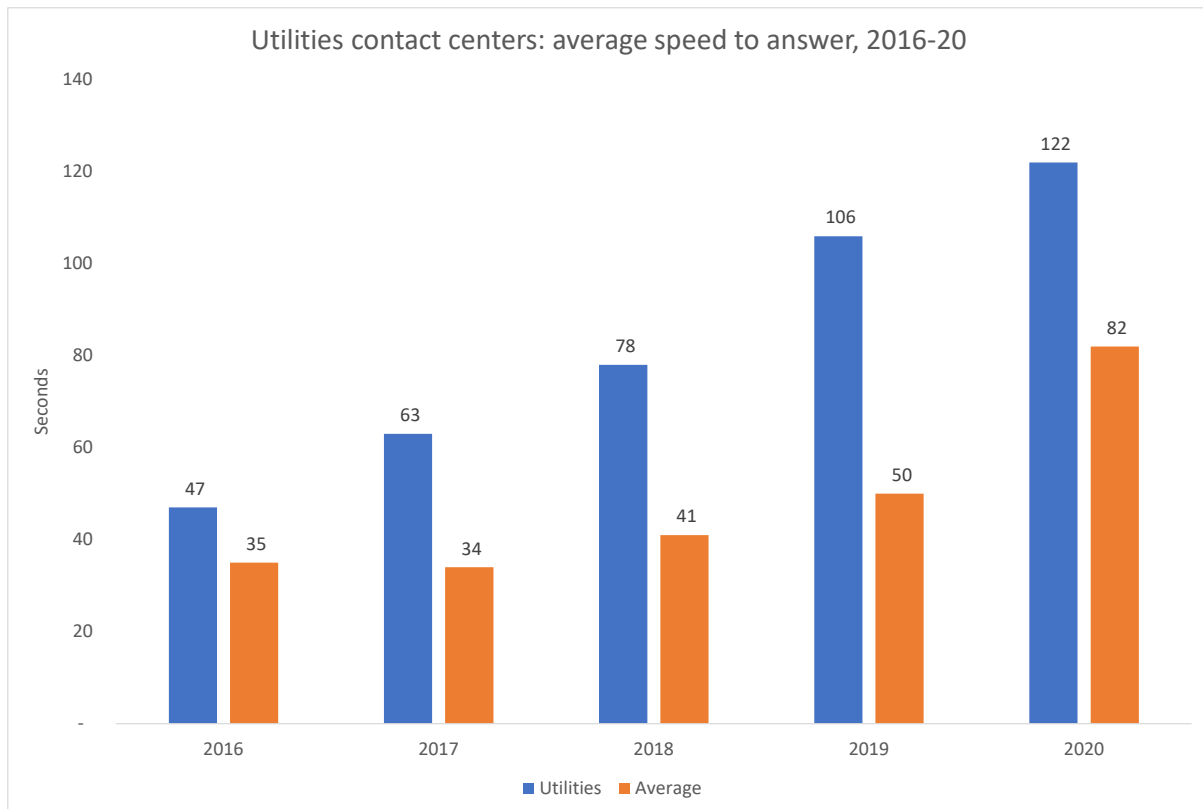


SPEED TO ANSWER

Speed to answer is still one of the most important factors to customers calling a contact centre, so a quick answer is beneficial to the customer experience as a whole.

Utilities contact centres consistently report long average speed to answer, probably linked with very long call durations and cost pressures. A caller to a utilities company may also be less likely to go elsewhere if their call is not answered quickly, as they will usually have a contract with the company, so the pressure to reduce call abandonment rates is not as strong as within some sectors.

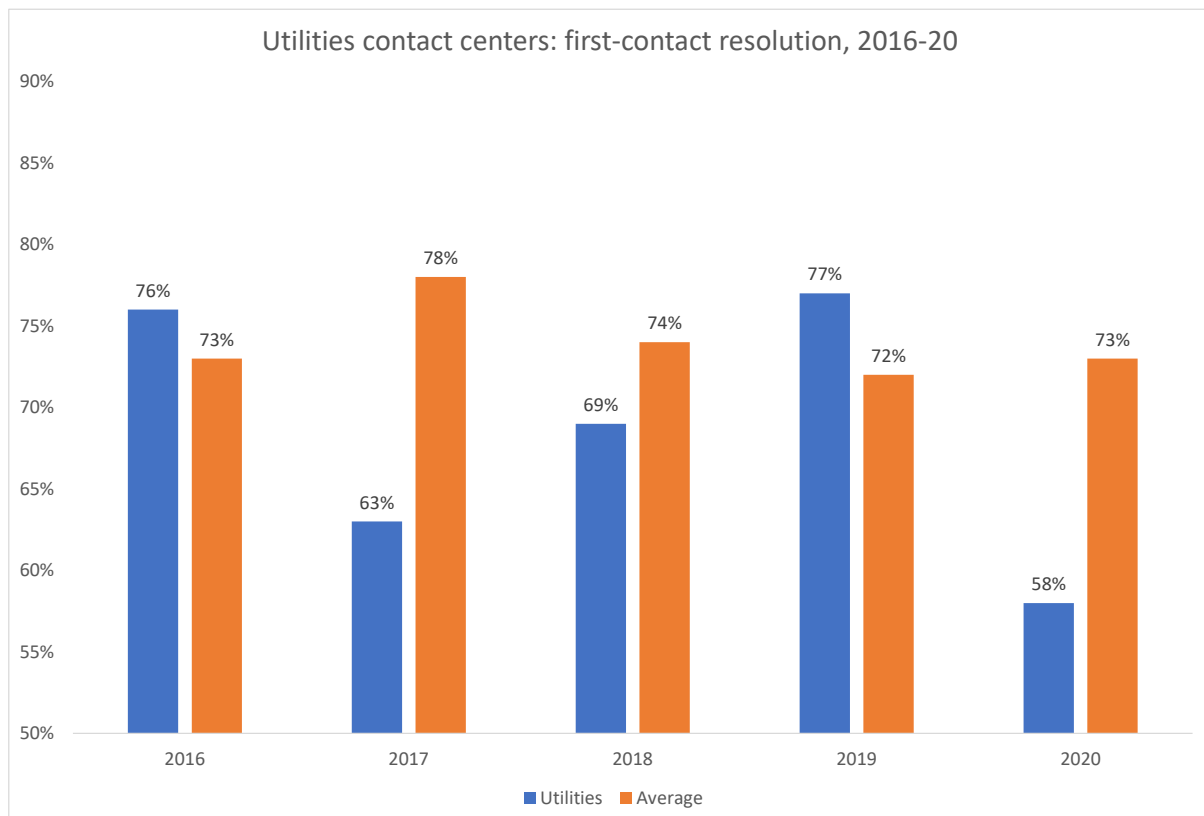
Figure 17: Utilities contact centres: average speed to answer, 2016-20



FIRST-CONTACT RESOLUTION

There is little pattern to first-contact resolution in the utilities sector, with 2020's rate of 58% being particularly poor. This may be linked to the difficulties caused by the pandemic, and may not indicate a long-term decline in this metric.

Figure 18: Utilities contact centres: first-contact resolution, 2016-20



ABOUT CONTACTBABEL

ContactBabel is the contact centre industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analyzing the contact centre industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

We help the biggest and most successful vendors develop their contact centre strategies and talk to the right prospects. We have shown the UK government how the global contact centre industry will develop and change. We help contact centres compare themselves to their closest competitors so they can understand what they are doing well and what needs to improve.

If you have a question about your company's place in the contact centre industry, perhaps we can help you.

Email: info@contactbabel.com

Website: www.contactbabel.com

Telephone: +44 (0)191 271 5269

Sources:

- The US Contact Centre Decision-Makers' Guides
- US Contact Centres: The State of the Industry
- The US Contact Centre HR & Operational Benchmarking Reports