Strategic Trends That Will Impact Utility Providers in 2020

Utilities must consider and implement solutions for these top 5 technology and customer experience trends this year.

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INTRODUCTION

Utility providers are in a constant crunch to adopt new processes that will help them reduce costs and allow their organization to invest in the customer experience (CX). This is part of the ongoing pursuit to improve customer satisfaction and improve operational efficiencies.

However, in an industry as mature as the utility sector, finding these efficiencies and improving customer engagement is no easy feat.

2020

Utility customers want personalized choices, control over their energy usage, digital management of their accounts and improved engagement channels to communicate with their provider - yet a study from J.D. Power found that utilities are one of the lowest-performing industries for digital customer experience.

That's why today's utility providers must turn to new technologies and stay up-to-date with industry trends if they are to streamline their operations and better serve the end-consumer.

So, what is new in the utility industry and what technologies will help organizations create a customer-centric business model? In this ebook, we take a look at the top five trends that will impact utility providers in 2020 and going forward.

1 - CONSUMERS WANT ACCESS TO UTILITY SERVICES AT THEIR FINGERTIPS, AND MOBILE IS KEY

Today's world is immediate. The ubiquitous nature of smart devices has altered the way companies operate. As a result, mobile applications have emerged in virtually all industries, influencing consumers to expect constant communication from the companies they do business with - and utility providers are no different.

Traditional utility customer engagement was as simple as sending out a letter each month with a customer's billing information printed on it. Not only is this method of communication outdated, but the paperless approach promotes an environmentally-friendly organization. Customers now want constant communication and frequent updates, whether it is in regards to usage data, billing, account changes or outage information.

Utility providers must implement improved communication channels, as well as real-time, immediate engagement tools, such as notifications and alerts, that can be sent straight to a consumer's mobile device.

Engaging with utility customers on their mobile device is now key. According to Statista, data from April 2019 estimates that the global mobile population amounts to around 4 billion unique users. In North America, mobile devices accounted for 50.35 percent of web page views - with that number expected to increase in the coming years.

The increasing demand for instant feedback and notifications has prompted utility companies alike to adopt mobile applications that better service the end-user.

Ultimately, a utility customer would be able to receive immediate alerts on their mobile device regarding water leakage at home (for example), whereas with tablet or computer-enabled notifications the user would only be able to see this information once they have accessed their account. This is simply incomparable to the convenience of a mobile device.

Customers want information at their fingertips, anything less and they'll be left unsatisfied with the service.

WHY MOBILE NOTIFICATIONS AND ALERTS ARE CRUCIAL IN 2020

Reducing customer effort plays a huge role in improving satisfaction. Customers want information at their fingertips, but they also want it to be sent directly to them rather than having to seek it out.

That's why mobile notifications and alerts, in addition to other smart-technologies, are an absolutely essential aspect for any utility provider's customer communication strategy. *In fact, research from Navigant, forecasts that the amount utilities spend on customer engagement tools will increase from $3.6 billion in 2017 to $5.2 billion in 2026.*

The report found that utility customers demand real-time notifications and alerts about any unusual or disruptive occurrences.

For instance, an effective customer portal would have the capacity to notify the end-user about streetlight outages in proximity to their residence along with electricity outages at their residence, water or gas leakage(s), and their overall energy usage.

In addition, customers also want to receive efficiency tips that may include the usage patterns of surrounding residences; as well as other services that require innovative new technologies. Through mobile notifications and alerts, this can be sent in real-time to a customer for immediate engagement.

Not only do notifications and alerts improve the overall customer experience, these online customer engagement tools also help utility providers reduce manual tasks and free up their customer service workforce to work on more complex tasks. A win-win.

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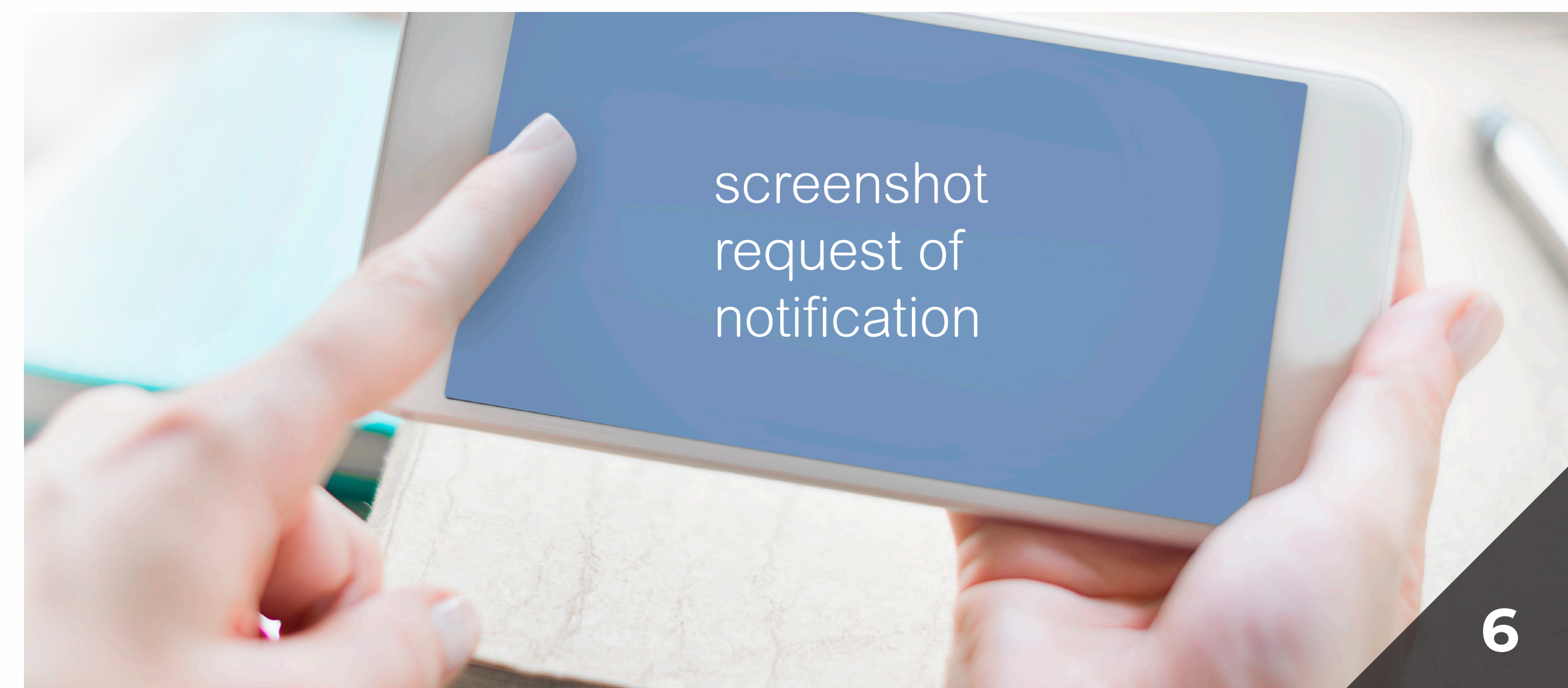
2 - THE AUTOMATION OF PROCESSES THROUGH SMART FORMS
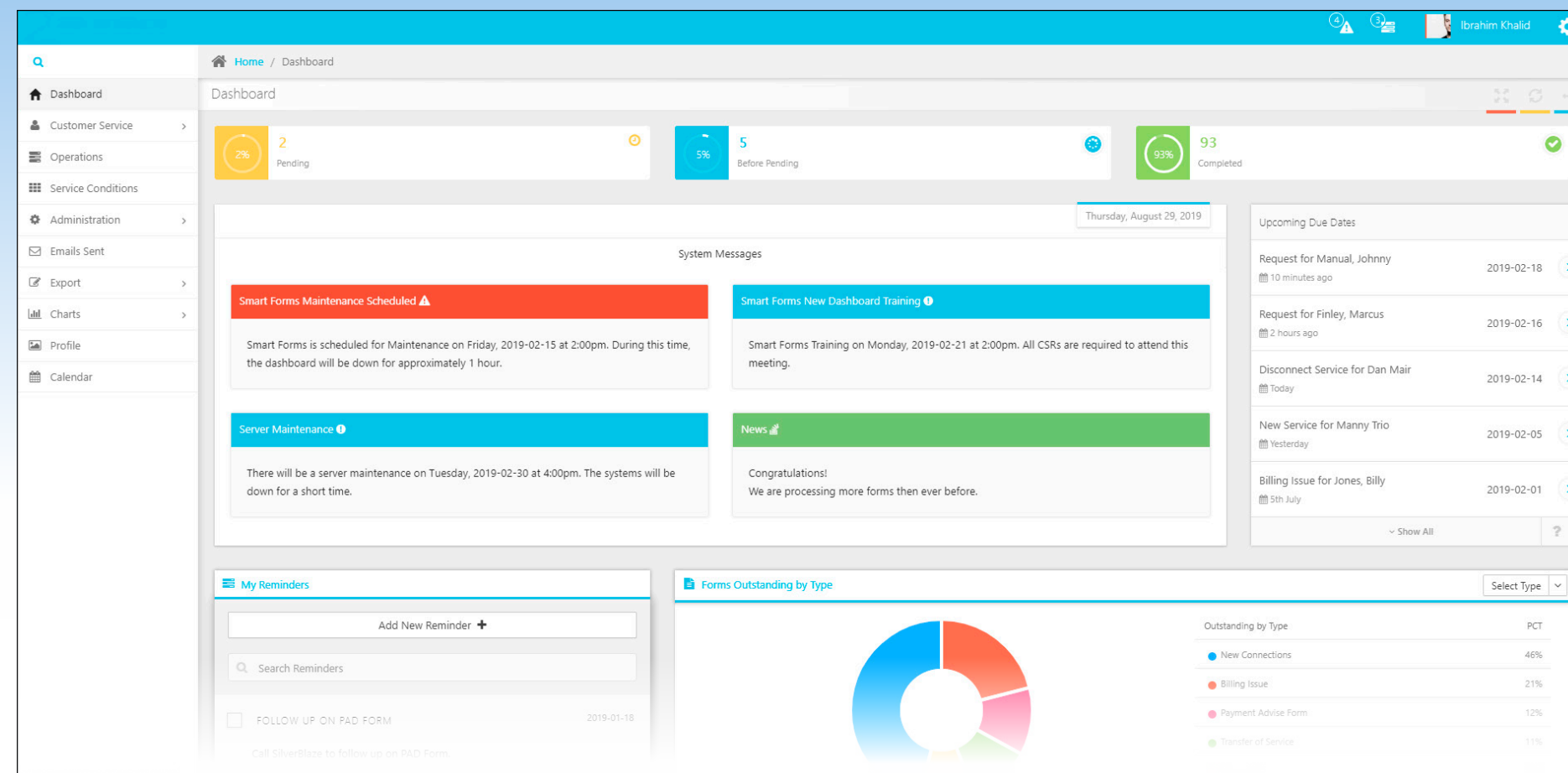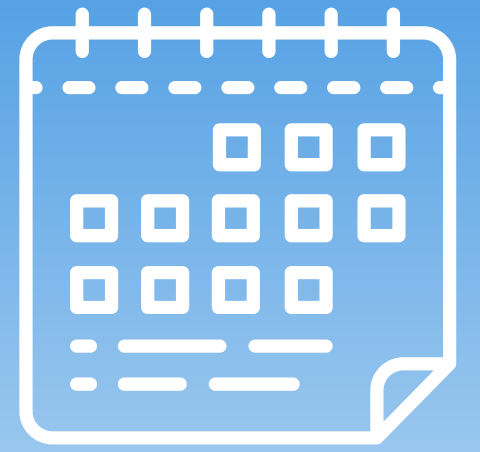
To offer remarkable, world-class CX, utility providers must focus on reducing customer effort, offering self-service platforms, enhancing the user experience through technology and, most of all, offering exceptional customer service that removes any potential pain points that may damage an organization's relationship with its customers.

To achieve this, it's essential that utility providers automate their internal processes.

Customer requests should be seamlessly shared and transferred between departments to ensure both the day-to-day operational activities, and customer service activities, are completed in an accurate and timely manner.

Smart forms designed specifically for the utility industry can help you achieve all this, and much more.

Smart forms are a way of automating, and going far beyond the capabilities of your utility's paper forms. They make use of electronic completion, dynamic sections, database calls and electronic submission to ensure the utility customers are able to send and receive the information they need quickly and conveniently - with just a few clicks of a button.

HOW UTILITY CUSTOMERS CAN USE SMART FORMS?
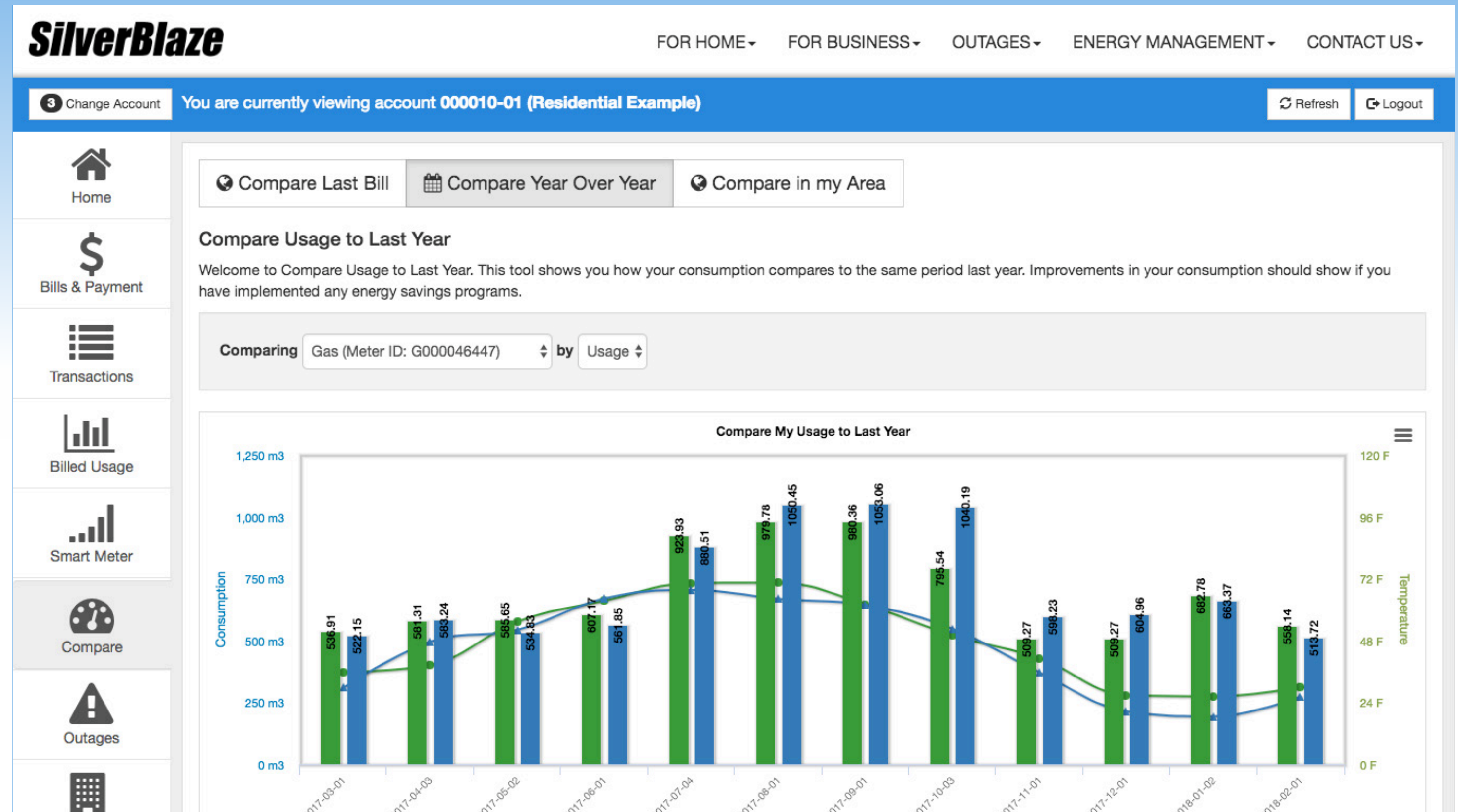
Through a combination of improving the internal customer service processes and providing an easier way for customers to engage with utility firms, smart forms can significantly enhance the utility experience for customers.

Here are some key ways customers can use smart forms:

- Quickly changing their address
- Reporting outages to their utility
- Sign up for pre-authorized payments
- Sign up for new utility services

- Reporting issues they are experiencing with their utility
- Instantly make changes to their account information
- Move-out requests at the click of a button

The use of smart forms means utility customers no longer have to deal with time-consuming, inefficient manual processes. Instead, public, private, and municipal utilities can use workflow solutions to conveniently collect data and information from their customers.

These forms can meet all of the customers needs from pre-authorized debit applications, to street light outage notifications, to the reporting of any issues that they are experiencing. It's an easy way for the customers to connect with their utility, and it's an easy way for the utility to automate and improve the entire customer service experience.

Smart forms provide the utility customer service department with the tools they need to automate their entire customer service strategy. By automatically routing requests and customer information to the right people within the organization, smart forms ensure the utility's customers get quick responses and are left satisfied with the service that is offered.

Not only that, but smart forms increase staff productivity by reducing the strain on the customer service department and allowing representatives to work on higher-value tasks rather than fixing manual errors. As a result, the utility company saves money on wasted time.

3 - CUSTOMER ENGAGEMENT TOOLS THAT OPTIMIZE SMART METER DATA

Today's customers want to make smarter decisions that will help them save money on their monthly water, gas, and electric bills while, at the same time, reduce their carbon footprint.

According to a study from *Accenture,* more than half (58 percent) of consumers want their utility to provide them with recommendations and ideas for energy savings, and nearly all (92 percent) want to receive personalized digital notifications about their usage.

Yet, despite utility providers in the US having invested billions of dollars in advanced metering infrastructure (AMI) to collect the data needed for this, the majority of utilities have **"vastly underused"** this technology according to a new report released in January 2020 by the *American Council for an Energy-Efficient Economy.*

The report claims that part of the problem is that utilities are failing to pair AMI and smart metering technologies with the customer engagement strategies needed to enable, motivate and support customers.

To truly satisfy your customers, who are becoming increasingly environmentally-conscious of the products and utilities they consume, your utility must be using new technologies to proactively help customers achieve their environmental and financial goals.

Customer engagement tools will help you optimize your smart metering data to offer better programs to customers, share usage insights and to help encourage customers to save money and cut their carbon footprint.

HOW CAN MY UTILITY OPTIMIZE SMART METER DATA?

The use of an innovative customer portal, such as the SilverBlaze Customer Portal for Utilities, will allow your utility to use AMI data and turn it into actionable, real-time usage insights that your customers can then use to change their electric, water and gas usage habits.

By engaging with your customers and giving them tools that help them manage their energy usage, utilities will become a customer-centric energy partner - not just another supplier that's taking their money.
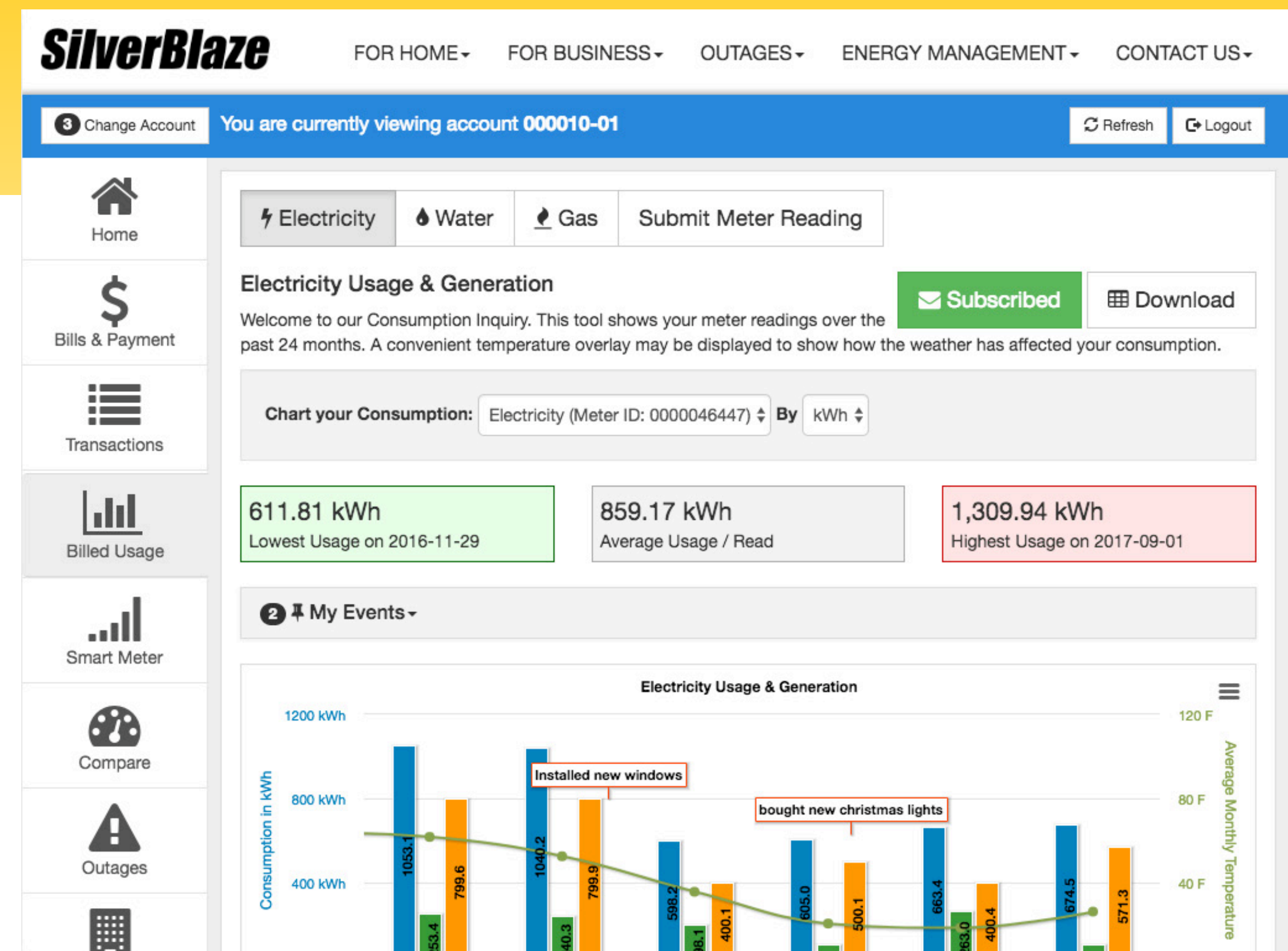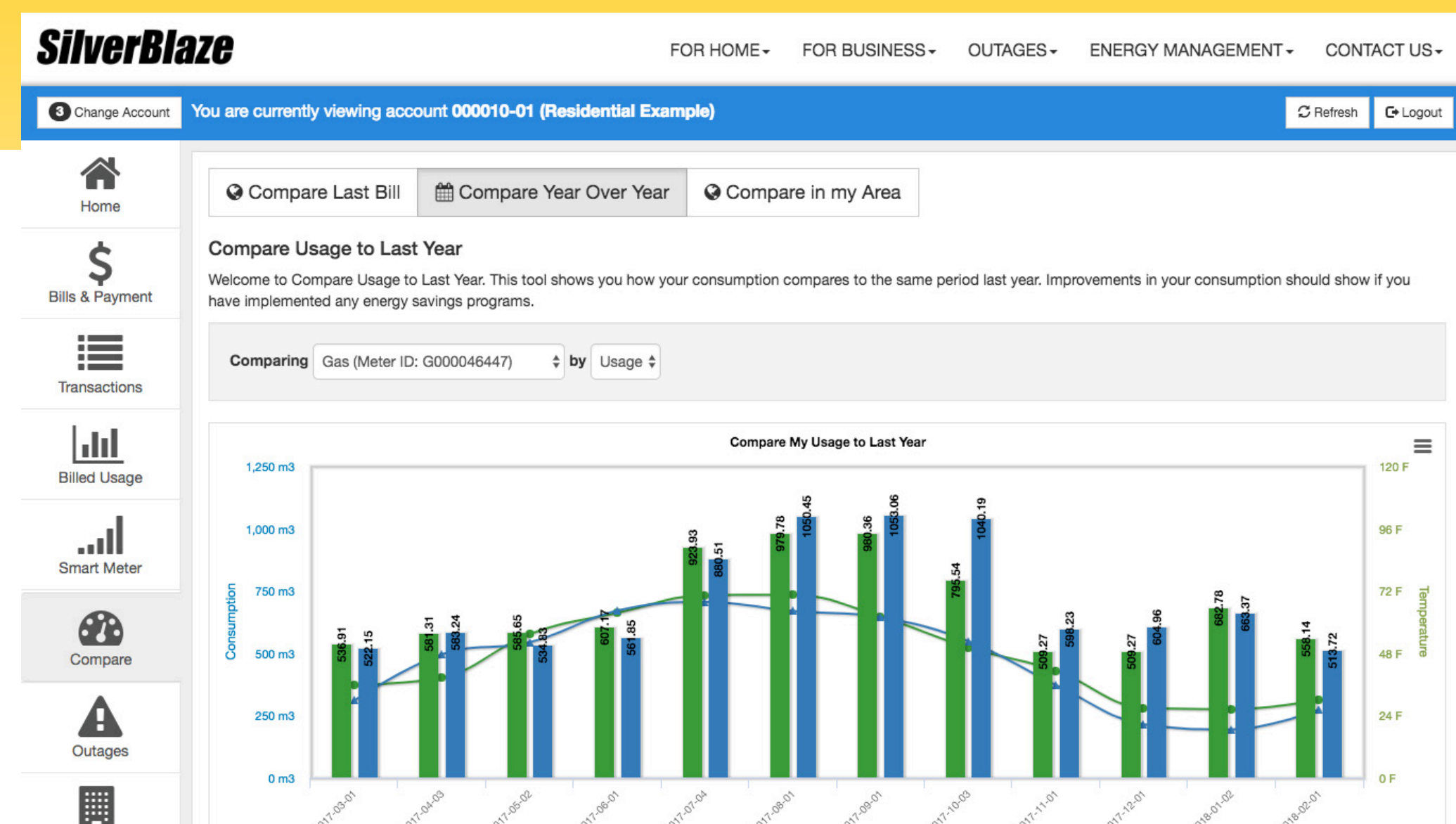
4 - THE EARLY ADOPTION OF CLOUD-BASED TECHNOLOGY

All companies want to spend money more effectively, implement in-house technologies to improve operational efficiencies, minimize internal tech downtime and create more seamless experiences for both employees and customers.

That's why in 2020 we will see more utility providers adopting cloud-based technologies.

In fact, according to a survey from Oracle, a large majority (71 percent) of utilities now use cloud software - up from just 45 percent three years ago. This upward-trend is only set to continue as we move into 2020 and beyond.

WHAT IS CLOUD-BASED COMPUTING?

Cloud computing refers to the use of computing services that are delivered through an internet network as opposed to physical hardware or software. Cloud services are typically used on an as-needed or pay-per-use business model, and can be easily scaled depending on a utility's specific needs.

Cloud computing data is processed and stored securely by remote servers. By not saving data directly on to your utility's physical devices, you will create more efficient and reliable operational processes, while simultaneously ensuring your data is protected by an outsourced expert.

That's because cloud-based technologies bring your utility a range of benefits, such as the ability to easily scale up or down, faster software performance, improved security measures from cloud providers, and the removal of expensive hardware maintenance fees.

Not only that, but cloud-based technologies can save your company a significant amount of money. A study from Accenture has found that moving to the cloud can help cut IT budget costs significantly. The report claims that a utilities' average annual expenditure on IT infrastructure is approximately $624 million, but moving to the cloud could potentially help utilities save costs between $70million and $168 million.

KEY BENEFITS OF CLOUD COMPUTING FOR YOUR UTILITY INCLUDE:

The ability to offer better customer experiences: You will be able to access world-class, innovative technology solutions at a more cost-effective price, which improves your operational efficiencies while also creating better experiences for your customers.

You will save money: Hosting, managing and maintaining traditional computer systems is incredibly expensive. With cloud-based technologies you will offload all these costs onto the cloud provider. Instead, you will pay a monthly fee and the cloud provider will ensure the software is up to date and working efficiently.

Better security measures: Cloud providers are regulated to use a wide-range of security measures - such as encryption, authentication, access control and firewall technology - to ensure your company's data is secure.

You will encourage innovation: A lack of competition makes it easy for utility providers to fall behind other consumer-facing industries. This can have a huge impact on customer satisfaction. Thankfully, with low start-up costs and small monthly expenditures, cloud-based technology represents the perfect opportunity for your utility to test out innovative, new technologies in an existing market at a low risk.

5 - SECURITY IS INCREASINGLY IMPORTANT

Cybersecurity is one of the hottest topics in today's business world. Protecting the utility's customer data is not only a legal requirement, but it's also absolutely essential for the satisfaction of your customers. This is particularly important in an environment where cybercrimes on business are commonplace. In fact, Carbon Black's second Canada Threat Report found 88 percent of Canadian businesses reported suffering a data breach during the past 12 months.
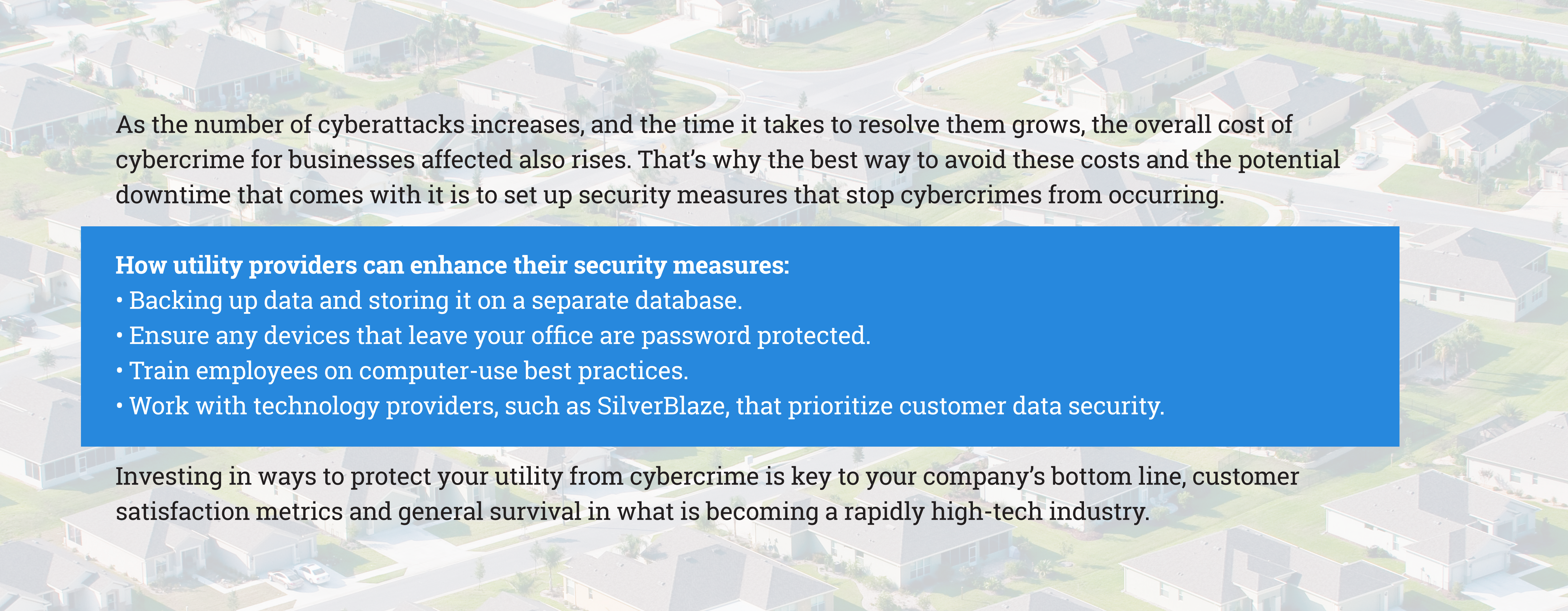
WHAT IS CYBERCRIME?

The term cybercrime refers to a wide range of criminal activities that target a computer or network. By targeting businesses, such as utility providers, cybercriminals are able to steal personal data and damage devices or ransom data in a bid to make financial gain.

Cybercriminals may target private personal data, such as payment card information, as well as corporate data for theft and resale.

Meanwhile, cyber theft is the fastest-growing crime in the US, with research from Cybersecurity Ventures estimating that cybercrime will cost the world in excess of $6 trillion each year by 2021 - up from $3 trillion in 2015.

This trend is particularly troublesome for companies in the utilities sector. Detailed analysis from Accenture found that companies in the utilities industry continue to have the highest cost of cybercrime (along with the banking sector at an 11 percent increase), with a 16 percent increase in the average annual cost.

As the number of cyberattacks increases, and the time it takes to resolve them grows, the overall cost of cybercrime for businesses affected also rises. That's why the best way to avoid these costs and the potential downtime that comes with it is to set up security measures that stop cybercrimes from occurring.

How utility providers can enhance their security measures:
• Backing up data and storing it on a separate database.
• Ensure any devices that leave your office are password protected.
• Train employees on computer-use best practices.
• Work with technology providers, such as SilverBlaze, that prioritize customer data security.

Investing in ways to protect your utility from cybercrime is key to your company's bottom line, customer satisfaction metrics and general survival in what is becoming a rapidly high-tech industry.

CONCLUSION

The utility sector is changing, and utility providers that fail to see past their traditional offerings and business models will soon find themselves falling behind. Adapting to new trends and implementing new technologies is the only way to enhance operational efficiencies and improve customer satisfaction.

Adjusting and adapting to technological changes accordingly, not only will save you money and improve profitability, but will also help you build a better relationship with customers that, in turn, improves engagement and enhances your utility's conservation and demand strategy.

From creating and developing the right partnerships, pairing with effective technology providers, managing spend and staying up-to-date, the strategies you adopt in 2020 will determine how successful your utility firm is in 2020 and beyond.

CONTACT SILVERBLAZE

SilverBlaze Solutions is an award-winning software development and consulting firm for the utilities sector. Founded in 1999, SilverBlaze provides utility firms with value-focused, highly-customizable, self-service portals and smart forms software.

Over the past 20 years, SilverBlaze has successfully empowered clients throughout the United States, Canada, and the Caribbean to maximize customer engagement through their utility customer self-service portal software. Some of SilverBlaze's clients include Danville Utilities, Alectra Utilities, and the Bermuda Electric Light Company. Learn more at www.silverblaze.com.

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