Victorian Urban Water Businesses SenseCX Report 2018-2019

August 2019

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Executive Summary

Finding	Recommendation
Victorian Urban Water Businesses recorded a SenseCX score of 55% for the July 2018 to June 2019 period	A score of 55% is a fair result when compared to the median scores of Utilities (54%). It is clear that some retailers have done extensive work and training with CSBA and this is reflected in their overall score (Barwon Water 71% and Coliban Water 65%). To continue the improvement trajectory for Victorian Water customers CSBA recommends that the ESC keeps communicating the key findings with Water companies. Providing definitions of SenseCX criteria to assist with coaching efforts might also be worth consideration.
Ease (36%) was the lowest rated index	Ease is the weakest performing index across all sectors assessed by CSBA and this is also seen in this year's Water sector results. Being proactive, keeping customers informed and being transparent all contribute to making interactions easier. We advise that the retailers focus on one simple thing that will help make the interaction easier for the customer; Taking ownership of the enquiry. This would build confidence and the perception of Ease in customers.
Close was the weakest performing section of the Consultative Service Model	The way agents round off the conversation leaves a lasting impression with the customer. The results of this year's assessments suggest there is room to improve. By providing a clear summary and an offer of further assistance, the interaction is helping the customer to reflect on what has been solved/what's coming next – and also aids in single call resolution.
Two Victorian retailers ranked in the top ten Australian Utilities companies assessed by CSBA	The majority of the top-ranked utilities companies assessed by CSBA were interstate providers. Barwon Water and Coliban Water were ranked 3rd and 4th in the Utilities Sector which is a great result. Share the success and use these two retailers as best practice examples of how quickly improvement can be baked into opetations. We think there is room to help Victorian Water companies embrace the methodology because it delivers great customer experience – rather than because it is a regulatory requirement. The interstate examples can also point to high Customer Satisfaction scores which reinforces the intent – SenseCX helps to improve Customer Experience.

Essential Services Commission (ESC) Program Objectives

- Provide an independent and objective quality assurance measure across 16 Victorian Water Retailers

- Benchmark performance across the Australian Utilities and other sectors

- Identify key areas for improvement and drive change within the industry

What is SenseCX?

CSBA's Quality Assurance Approach

Managing the customer experience (CX) is all about measuring customer perception which is influenced by things that agents can and cannot control. The latter is especially true in the highly regulated environment of the Victorian Water sector. CSBA sought to develop a modern quality assurance methodology that measures the behaviours of agents (things they can control) based on the three pillars of CX: Success, Ease and Sentiment. Following a review of global CX trends, best practices in measurement and primary research commissioned by CSBA, SenseCX was developed and validated for broad appeal in the Australian marketplace. SenseCX follows a Consultative Service Model (see Appendices and table below) which aims to measure and improve staff performance using a robust set of criteria.

ASSESS THE THINGS THAT MATTER TO YOUR CUSTOMERS		
Each customer experience is characterised by five key aspects:		
INTRODUCE >>> CLARIFY >>> RESOLVE >>> CLOSE >>> ENGAGE		
SenseCX assesses these key aspects of an interaction against up to 30 unique criteria to measure overall:		
SUCCESS	EASE	SENTIMENT
The degree to which the customer is able to accomplish their goals	The effort the customer has to expend to accomplish their goals	How the experience and interaction makes the customer feel
Customers want to get what they came for and move on. They need to be understood and provided with a no-fuss resolution.	The interaction must be easy. The agent should actively guide the customer through a clear process towards resolution.	Your customers want to be treated as an individual, not just another transaction in the agent's day.

Methodology

Posing as genuine customers, CSBA assessors conducted 960 quality assurance calls to 16 Victorian Urban Water Retailers between July 2018 and June 2019.

Assessors used general enquiries scenarios and volunteered additional background information based on Agents' line of questioning.

Each interaction was rated against 30 best practice elements that form the basis of the SenseCX framework.

Each assessment received an overall SenseCX score out of 100%. Points were distributed across the call flow sections:

    Introduce: 14

    Clarify: 19

    Resolve: 27

    Close: 14

    Engage: 26

Assessments that did not receive a score were classed as Early Exit calls for the following reasons:

    Wait time or Hold time exceeded 10 minutes

    Call went directly to voicemail

    Call was disconnected

Early Exit calls did not contribute to an organisation's overall SenseCX score.

Region	Water Retailers	Calls	Early Exit
Vic Metro Water	City West Water	60	14
	South East Water	60	1
	Yarra Valley Water	60	
VIC Regional Water	Barwon Water	60	4
	Central Highlands Water	60	1
	Coliban Water	60	
	East Gippsland Water	60	2
	Gippsland Water	60	
	Goulburn Valley Water	60	1
	GWM Water	60	
	Lower Murray Water	60	1
	North East Water	60	2
	South Gippsland Water	60	13
	Wannon Water	60	1
	Western Water	60	
	Westernport Water	60	1
TOTALS		960	41

Methodology update since 2017/18

In July 2018, CSBA reviewed the SenseCX measures.

Feedback from our customers played a large part in this review, as did feedback from our assessors, and the continuous evolution of CX trends.

CSBA made four key adjustments to the assessment standards:

- Restate or Paraphrase Enquiry was removed, points added to Engaging welcome and Ask for customer name
- Anticipate future needs was updated to Answer unasked questions
- Sensitive to emotional cues was updated to Responsive to customer cues
- Increased clarity around what does and does not meet the best practice standard for all measures

These adjustments took effect on July 1st 2018 and a small positive change in the overall score can be attributed to this.

Victorian Urban Water Businesses Results – Overall Score and Indices Performance

July 2018 - June 2019
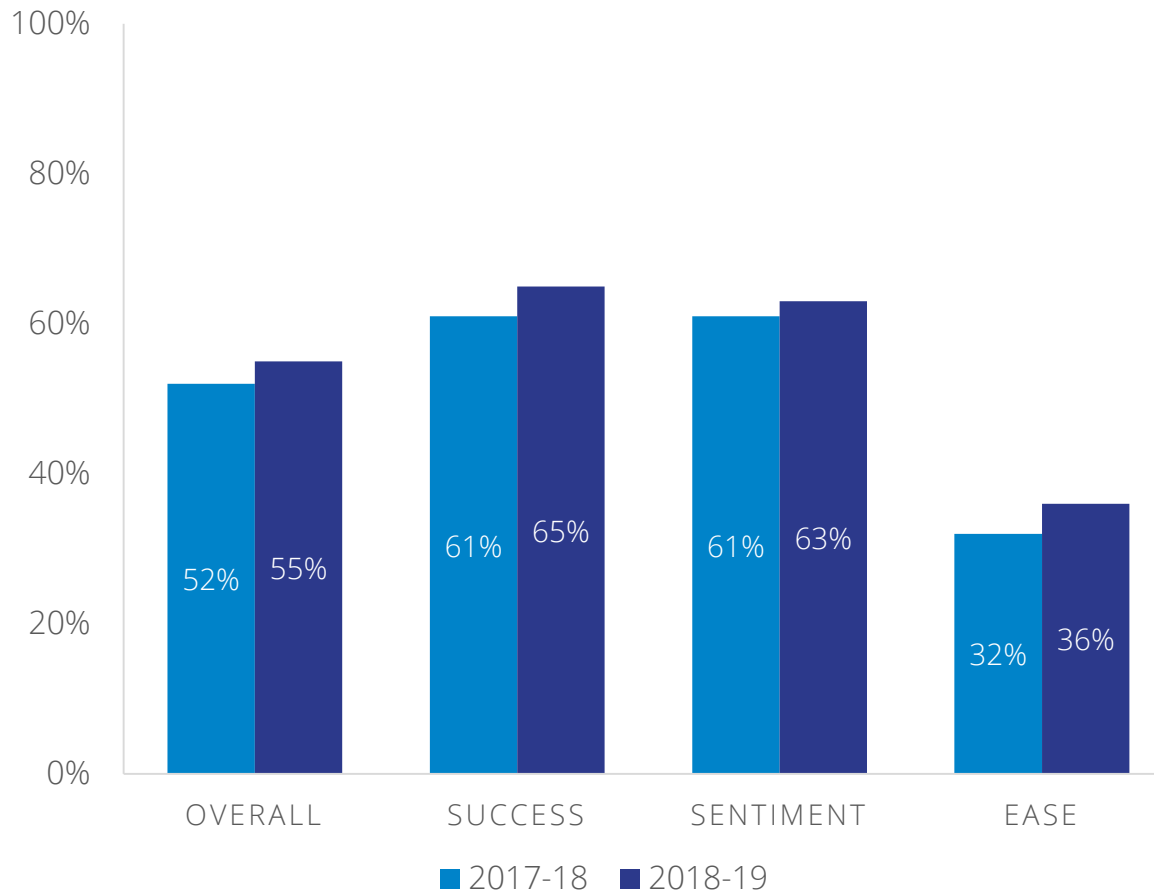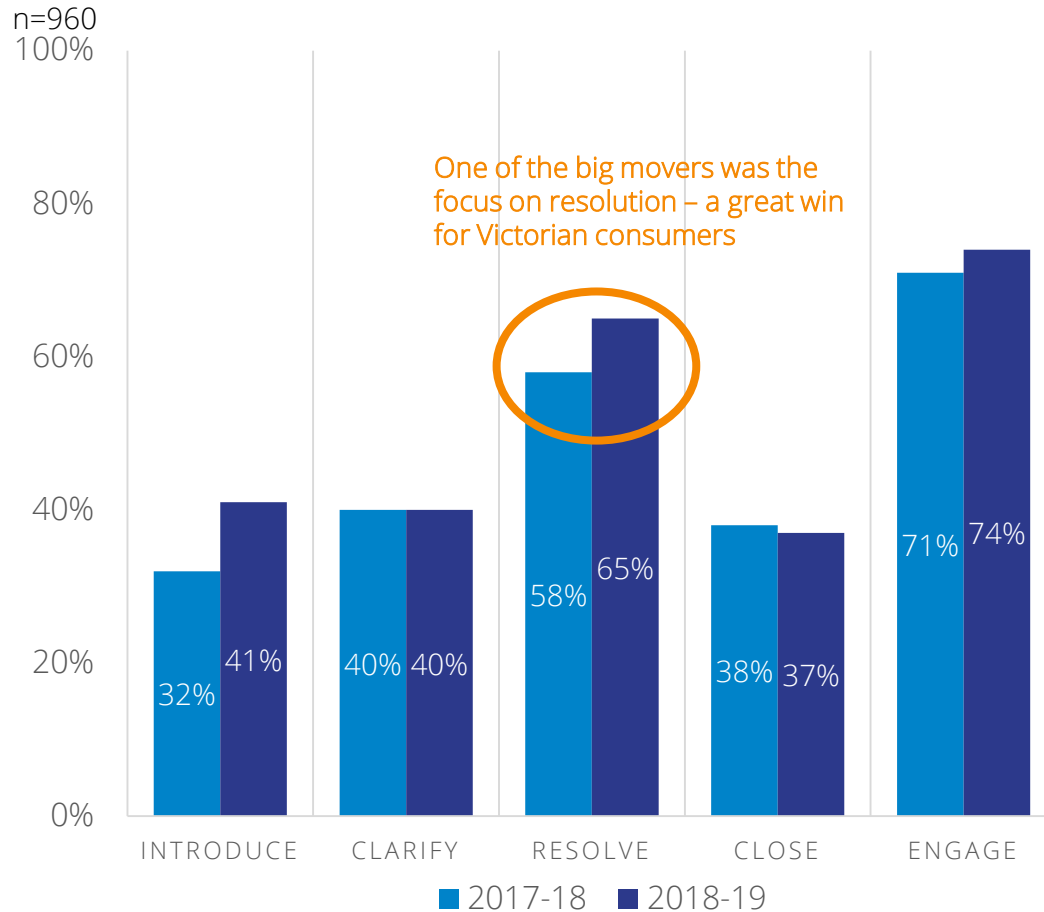

- The combined Victorian Urban Water businesses received a SenseCX score of 55% which is up three points from last year's result of 52%. This is on par with the Utilities sector median score for the same research period (54%).

- This overall score was on par with the Financial Services sector (55%) but fell slightly short of the Education sector (58%) median score (see page 10 for detailed breakdown by sector).

- The three indices all saw improvements from 2017/18; Success and Ease up four points and Sentiment increased by two points. Ease remained the by far the lowest performing index in the study.

n=960

Victorian Urban Water Businesses Results – Consultative Service Model Performance

July 2018 - June 2019

n=960

One of the big movers was the focus on resolution – a great win for Victorian consumers

Chart: Consultative Service Model Performance by Section

Section	2017-18	2018-19
INTRODUCE	32%	41%
CLARIFY	40%	40%
RESOLVE	58%	65%
CLOSE	38%	37%
ENGAGE	71%	74%

Legend: 2017-18, 2018-19

- The initial first impressions saw a big improvement this year, up nine points from last year. In May 2019, the average Introduce score reached 46% but it also dipped as low as 37% in November 2018.
  Two retailers exceed the 60% mark for this section.

- The Clarify score remained low at 40%, however two retailers averaged above 55%.

- As the second highest scoring section, the Resolve monthly scores were fairly consistent and always remained between 63% and 68%.

- The Close section was the only section to decreases, albeit very slightly. The average score dipped as low as 34% in December 2018. Only one retailer was able to break the 50% average mark for this section.

- Engage continued to be the strongest section of the interaction with even the lowest ranked retailer having achieved a score of 70% while the top ranked was 81%.

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Victorian Urban Water Businesses Results – Trending Data & Sector Ranking

July 2018 - June 2019

Overall Score
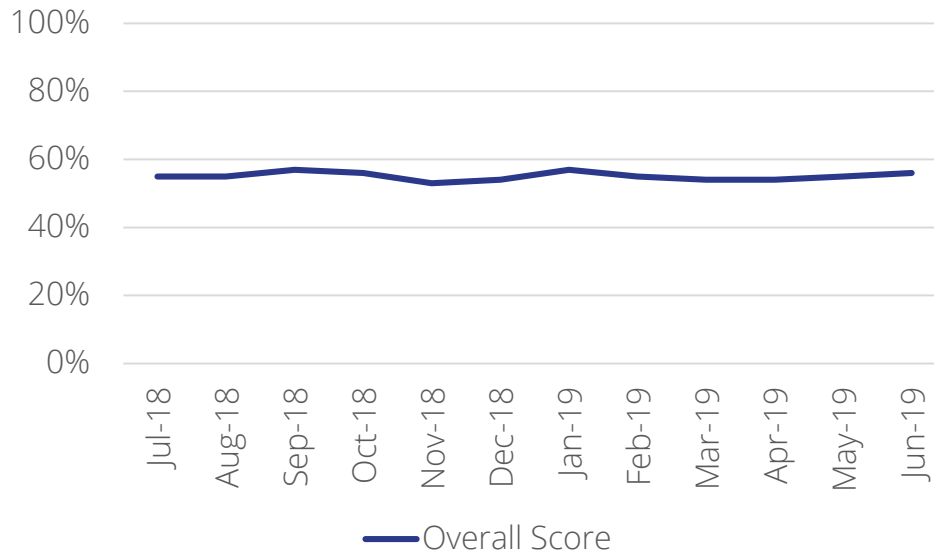
- The SenseCX score was consistent throughout 2018/19 and moved through a limited range between 54% and 57%.

Rank	Sector	Median Score
1	Education	58%
2	Automotive	57%
2	Commercial	57%
4	Cross Sector Companies	56%
5	Financial Services	55%
5	Australian Water Sector	55%
5	Vic Regional Water	55%
8	Vic Metro Water	54%
8	Government	54%
8	All Utilities	54%

NOTES: Cross Sector Companies median score composed of Monash University, ANZ, Momentum Energy, Adelaide City Council and Toyota. All data above is from July 2018 to June 2019.

Water Retailer Ranking – Victorian Urban Water Businesses

July 2018 - June 2019

Rank	Company	Overall Score
1	Barwon Water	71% (52%)
2	Coliban Water	65% (62%)
3	Western Water	57% (54%)
4	Wannon Water	56% (53%)
4	East Gippsland Water	56% (54%)
6	Westernport Water	55% (51%)
7	South East Water	54% (53%)
7	Yarra Valley Water	54% (50%)
7	City West Water	54% (49%)
7	Gippsland Water	54% (51%)
11	North East Water	52% (52%)
11	South Gippsland Water	52% (48%)
13	Central Highlands Water	51% (50%)
13	Goulburn Valley Water	51% (51%)
13	GWM Water	51% (49%)
13	Lower Murray Water	51% (46%)

- Every single retailer maintained or improved their overall score between the two observation years. This is a great sign – all companies are managing to maintain their customer experience standards in amongst managing other business change and priorities.

- The top two retailers in 2018/19 are well ahead of the rest.

- Barwon Water was the best performing retailer with a score of 71%. This was also the **most improved** retailer, up by 19 points from 52%.

- A gap of six points separates Barwon Water from number two, Coliban Water, who averaged a score of 65%.

- From the number two ranked to number three, Western Water, there is a large gap of eight points.

- The number four and below ranked retailers have much closer scores, ranging only from 56% to 51% amongst the 13 retailers.

n=960
Score in ( ) is from the 2017-18 ESC program.

Detailed results - Introduce

July 2018 - June 2019

Introduce	2018-19	2017-18
Engaging welcome	97%	90%
Identifies organisation	98%	97%
Provides name	99%	99%
Asks for customer's name	12%	12%
Clear offer of ownership	10%	6%
Introduce Total	41%	32%

- Consistent, strong behaviours were seen in Engaging welcome, identified the organisation and provided their name. These behaviours are considered 'hygiene' factors of the interaction and should always be achieved to the highest level. The bottom two behaviours (which require a more collaborative approach) rated poorly, which is consistent across all industries assessed by CSBA.

- Of overwhelming surprise and disappointment is the sustained poor commitment to asking for a customer's name. People interact with people and the single biggest rapport building behaviour is to care about and use a person's name. This is low hanging fruit and will be a focus for CSBA in any direct relationships and communications we have with Retailers.

- Despite the relative ease of achieving this behaviour, Clear offer of ownership was the least applied Introduce measure and at one stage received only one point across all assessments (November 2018). By taking ownership of the query you reassure the customer that they have come to the right place and that you can help them, putting them at ease.

Detailed results – Clarify & Resolve

July 2018 - June 2019

Clarify	2018-19	2017-18
Seeks permission to ask questions	6%	2%
Asks questions related to the query	74%	81%
Uncovers the key motive for the contact	38%	38%
Clarify Total	40%	40%

Resolve	2018-19	2017-18
Answers all customer questions	99%	99%
Links solution to key motive for contact	96%	81%
Seeks customer acceptance	11%	11%
Answer unasked questions	19%	11%
Resolve Total	65%	58%

- Seeks permission to ask questions remained one of the lowest performing behaviours across the entire study. Only two retailers (Barwon Water and Coliban Water) showed awareness of this measure with the remaining retailers only doing this once or not at all. Seeking permission to ask question can also be used as a mechanism to take control of the call, it signals the commencement of a consultation and is honouring the caller's time/privacy and context.

- Uncovers the key motive for the contact is important in order to ensure the correct resolution is provided. With an average score of 38% combined with the relatively low score for Asking questions about the enquiry (74%), focus is recommended in this area. Put simply – less than 4 people in 10 are having the real reason for their call identified.

- Although results indicated that Agents were highly knowledgeable and skilled in resolving everyday general enquiries, much more work could be done in regards to going the extra mile for the customer. Answer unasked questions is designed to both drive up the overall experience and to lower total cost to serve through operational efficiency. Sharing additional information (solving additional problems) with customers mitigates against them having to make future contact.

Detailed results - Close

July 2018 - June 2019

Close	2018-19	2017-18
Provides clear summary	12%	16%
Provides a pathway for further assistance	44%	41%
Professional sign-off	97%	93%
Close Total	37%	38%

- Providing a clear summary at the end of the interaction was lacking in many of the assessed interactions but two retailers did this better than the rest, Barwon Water and Wannon Water. It is considered best practice to summarise the resolution of the call and it can also be used to signal the end of the conversation.

- To avoid unnecessary re-contact by the same customer, always end an interaction with an offer of further assistance. This will allow the customer to feel that they are important to the agent and that they can feel comfortable asking additional questions.

Detailed results - Engage

July 2018 - June 2019

Engage	2018-19	2017-18
Demonstrates active listening	95%	95%
Maintains contact	99%	94%
Did not interrupt	91%	90%
Thorough and focused throughout	92%	89%
Maintains control	97%	94%
Uses sign posts	11%	15%
Uses 'temperature' checks	4%	9%
Easy to understand	100%	99%
Uses respectful approach/delivery	97%	95%
Uses positive/constructive language	96%	95%
Avoids jargon	99%	99%
Appropriate modulation	99%	96%
Responsive to emotional cues	96%	94%
Personalised moment	14%	6%
Uses customer's name	17%	11%
Engage Total	74%	71%

- The overall performance on Engage behaviours was reflective of most sectors in terms of the lower performing areas, namely, Uses sign posts, Uses temperature checks, Personalised moment and Uses customer's name.

- Sign posting is an important tool for giving the customer an understanding of how the interaction will unfold. Gippsland Water and Yarra valley Water had a higher success rate of including this behaviour.

- Temperature checks are an important way of checking that the customer is following you.

- Individualising the conversation by using the customer's name and sharing a personalised moment will help build rapport and leave a good impression. Several retailers were stronger in creating that personal connection; Barwon Water, Coliban Water, Gippsland Water, South East Water, Wannon Water, Western Water, Westernport Water and Yarra Valley Water.

Appendix 1 – Development of SenseCX

Background

CSBA has been offering Mystery Shopping as its core product for over 15 years. The basis of its design was formulated in the late 1990's. With some modifications over the years it has remained as one of the core products. Since its creation much has changed in the customer service space. When CSBA's traditional Mystery Shopping methodology was developed, making an enquiry to an organisation using online, chat and even email were either non existent or rare. Add to that the shift of how people seek servicing (online), the spread of mobile phones and the development of offshore and outsourced contact centres, it became evident that a lot had changed in this space over the years. The changes in the environment have coincided with changes in technology. The cost for call centres to conduct their own customer research has dropped significantly. In fact, most call centre management tools come with built-in feedback tools. This has shifted the focus of Mystery Shopping as a means of assessing call centre performance to one where it is used to objectively assess Quality. Primary, in-house research conducted by our data scientists revealed that customer service interactions can be improved by using the three customer-perspective service pillars of Success, Ease and Sentiment as the foundation for CX measurement. We tested this hypothesis and set out to build a methodology that provides quick access to CX measurement results, and converts readily to a set priority improvement areas. Over a 12-month development period, we undertook a methodical and detailed approach that incorporated, among many factors, a review of global trends in CX measurement. We conducted field testing by a panel of 600+ respondents, who were each given two interactions (one based on a traditional approach to customer servicing and the other based on SenseCX measures). They were asked to choose which interaction they preferred.

Appendix 2 – SenseCX Framework

Criteria

senseCX **Telephone Assessment Standards** **csba**

	Index Type	Section points	Item points	Measure
INTRODUCE	Sentiment	14	3	Engaging welcome
	Ease		1	Identify organisation
	Sentiment		1	Provide name
	Sentiment		3	Ask for customer name
	Ease		6	Clear offer of ownership
CLARIFY	Ease	19	6	Seek permission to ask questions
	Success		6	Ask questions related to the query
	Success		7	Uncover the key motive for the contact
RESOLVE	Success	27	8	Answer all customer questions
	Success		8	Link resolution to key motive for contact
	Sentiment		3	Seek customer acceptance
	Ease		8	Answer unasked questions
CLOSE	Success	14	8	Provide clear summary
	Ease		3	Pathway for further assistance
	Sentiment		3	Professional sign-off
ENGAGE	Sentiment	26	2	Attentiveness - Demonstrates active listening
	Sentiment		1	Attentiveness - Maintains contact
	Ease		1	Attentiveness - Did not interrupt
	Ease		2	Attentiveness - Thorough and focused approach throughout
	Ease		2	Managing the interaction - Maintain control
	Ease		1	Managing the interaction - Uses sign posts
	Sentiment		1	Managing the interaction - Temperature checks
	Ease		1	Appropriate conversational style - Easy to understand
	Sentiment		2	Appropriate conversational style - Uses respectful approach/delivery
	Success		1	Appropriate conversational style - Uses positive/constructive language
	Ease		1	Appropriate conversational style - Avoids jargon
	Sentiment		1	Appropriate conversational style - Appropriate modulation
	Sentiment		5	Responsive to customer cues
	Sentiment		3	Personal connection - Personalised moment
	Sentiment		2	Personal connection - Use customer's name
HOLD / TRANSFER		0	0	Sought permission for hold/transfer
			0	Provided reason for hold/transfer
			0	Kept customer updated within 2 mins
			0	Thanked customer for holding

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