



Consumer Protection Code of Practice- A call for inputs

Medallia's recommendations to improve customer
experience in the NHH sector

Medallia and Customer Experience

Medallia is the market leader in Enterprise Customer Experience Management and has been engaged in transforming this sector across multiple industries since 2001. Having empowered the most iconic brands to understand and improve overall customer experience, we see this consultation as an opportunity for us to offer our thoughts particularly in the recently formed NHH where inputs have been sought. More broadly we also hope that this sows some thoughts more broadly across other segments of the water industry about a range of capabilities that exists today that could be called up to improve experience in the regulated water sector.

This is not commercial document and we restrict any promotional literature to the end of this pack (beyond page 8) to ensure that we provide specific inputs to the questions sought and generalise the inputs we can provide so Ofwat and the industry can look at other technology sources and platforms too so as to make a balanced call. Given the specific area of our expertise, we only respond to specific questions from 7 to 11 within section 2.4 of this consultation titled customer experience.

In summary our hypothesis having been through the documentation - is that more should be done (and perhaps coordinated centrally) particularly in these early stages of the market establishment to ensure that minimal levels of customer experience are not “nice to have” but fundamental to how strong markets operate and sustain.

- There is very little in the CPCoP in relation to customer experience today. We assume that this was perhaps deliberate as perhaps something the market participants could have been expected to invest in to differentiate themselves. However, as this is not a full/true competitive scenario but a new market that is being created, looking particularly at the data from recent market interactions it may be good to establish some basic experience hygiene centrally and utilise technology in a way that can eventually be distributed back when the market matures and Ofwat and MOSL look to scale back their role.
- It is possible for technology to deliver **actionable, role-specific customer insights** through an engaging dashboard **for all stakeholders** of the sector. In this instance the 1.2m potential customers makes it reasonably big from a central pool but once broken down it may be difficult for participants to invest too much to differentiate particularly those that are looking to break in.
- Customer feedback at key points and journeys, touchpoints could be mandated through the CPCoP and published on a real-time basis but perhaps with an improvement to the CMEX model which involves regulator determination and delayed quarterly results as this could result in market participants being punished for the past.

How can water companies improve the service they provide customers for (NHH) customers?

Fundamentally the CPCoP does not specifically mention feedback or customer experience except as measures Retailers need to comply with such as those listed in the consultation. While these do set basic hygiene standards, for a flourishing market with customers switching providers in numbers sufficient to keep competition relevant to the market dynamics- the retail players must consider it worthwhile to improve customer service beyond these hygiene measures. Where this does not come about naturally it may be worth organising this feedback/measure centrally to stimulate the market in the right direction. To improve service - water companies possibly need to start with the basics of metering and consistency of data as retail consumers will increasingly consider it a pricing engine/ billing service. Beyond that they may need to offer differentiated services built on the base which could involve water efficiency, rain water harvesting and other sustainable technologies that would serve the customer better, serve the industry as a whole and lower demand while continuing to grow their business.

Therefore, unless Retailers care about offering an improved/differentiated level of service primarily it could be difficult for this to be a very active market. However it could be argued that a vibrant market is what will drive retailers to innovate so the question then comes down how to stimulate the market to that base level of activity from which market dynamics pick up and drive forward. The consultation picks up on Customer experience and this could be an aspect to enabling the market. The CPCoP details the complaints handling process but it could be preceded by a market feedback mechanism that members voluntarily sign up to or are mandated to subscribe to and can provide the basis of a real time feedback loop. In the early stages it probably makes sense to establish the basic regime of the central feedback engine perhaps with MOSL as a logical point so as to ensure it is collected and is transparent. This could link in to the basic measures and checking/publishing these automatically without the need for external contracts through MOSL or by private organisations willing to offer/invest their platform..

Furthermore the provision of data during switch overs in particular of both incumbent and new retailer as part of the switching process could lock in feedback at defined points in the customer journey which would provide the prospective customers views on what the Retailers specialise in. These could all become fully automated using a technology platform providing a real time view of the customer experience across key journeys. MOSL could even licence this out to retailers or the techn providers themselves. could be very keen to offer this service directly themselves to the market.

7. Do you have any thoughts on how the CPCoP could be strengthened to improve customer experience?

We believe that CPCoP could be strengthened by ensuring/mandating customer feedback is sought and measured at predefined journeys and intervals and with these published in real-time and transparently. Whether this is through a mandate to use a mandatory service or via a CMEX type survey run by an external third party on behalf of the regulator it would help to establish the core elements of customer service remain transparent to the customer base so they can make an informed choice particularly from the smaller and newer entrants who may not be known.

Furthermore, customer experience could include elements highlighted in the note that are beyond differentiating service such as those with special situations such as vulnerable customers, those with critical infrastructure. Technology can automatically flag up vulnerability and a number of good use cases across industries such as those within Consumer duty require organisations to go beyond basic service to identify and service these customers better. Once again a number of technology solutions exist today that could be deployed to good use here.

It may be recommended that CPCoP requires organisations to provide these capabilities and once again these could be centrally procured as a service or a last resort. Options must always exist for it to be procured by individual retailers but a minimal solution could always exist.

Evolving Customer Experience for NHH

Building a customer-centric culture from the start

A number of platforms exist today that can provide extensive capabilities to capture an array of different signals in real-time, leverages, AI & Machine Learning to analyze the data, and democratizes insights to the right people utilizing role-based dashboards.

Our recommendation would be to start with a narrow focus, but ensuring the Retailers execute well on the feedback sought but publishing data transparently. Once an effective operating rhythm has been established with this survey, it can be expanded or even handed back to the market participants.

Key:

CAPTURE

ANALYZE

ACT

Phase One

Future Phases

Lay the Foundation

Optimize

Differentiate & Transform

Survey type

Call Agent notes*

Text Analytics Starter Set(s)

Role-based Dashboards

Automated alerts

Closed loop reporting

Global member admin survey

Fine-tune Analytics topics

Optimize closed loop alerts

Compare operator performance

Establish outer loop processes

New surveys - case handling, member advice

New signals - voice, video, email, chat

Speech / QA insights

Video analytics

Agent coaching & 1:1s

Alerts from unstructured data

* Agent notes associated with surveys to be ingested

Focus Areas:

Execute the fundamentals well. Focus on the initial surveys during key touch points - switchovers, billing etc. Launch quickly utilizing standard best practice packages, which can include pre-configured out of the box solutions.

Benefits:

- Deliver quick wins
- Close the loop with customers
- Increase customer confidence

Focus Areas:

Continue to build a customer-centric culture by optimizing existing industry processes while looking to expand the survey to other touchpoints. Begin to democratize data and identify opportunity areas across the industry.

Benefits:

- Global CX adoption
- Compare operator performance
- Insights to Action

Focus Areas:

Expand your program by including additional surveys and signals. Leverage our Digital, Speech & Video tools to gain insights from 100% of member interactions across all channels. Utilize insights to drive continuous improvement.

Benefits to MPS:

- 360° customer view
- Learn from the silent majority
- Channel optimization



Improve member satisfaction

Increase customer engagement

Improve productivity

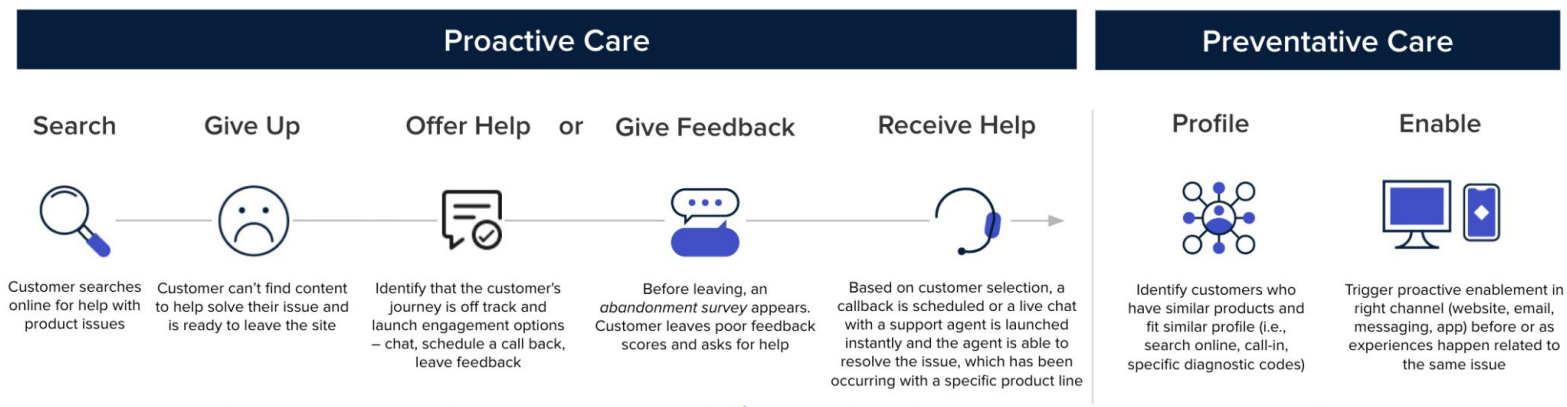
Reduced cost to serve

9 Are there any service areas missing from the current CPCoP that we should consider for inclusion while updating it

Feedback management as previously explained outside of complaints is something that should be managed centrally until the market is mature enough to manage without a central body collating or managing this information or with private organisations offering this a service and most importantly publishing it transparently and in real-time with no determinations or interventions.

Technology platforms today provide capabilities for a true omni-channel customer experience; delivering personalized experiences whether online or offline, cross-channel, product focused, or through sales or customer support channels. Ofwat and MOSL could stitch together customer feedback across the entire journey to understand if the Retails are let down by the Wholesalers or at what point in the customer journey issues come up and where they are service oriented and elsewhere it could be attributed to structural issues in the marketplace.

A centralised visualisation ability may be an overkill at this stage but could provide interesting insights into how early proactive knowledge of customers intentions and improved awareness could result in better engagement.



11 Should any changes to the CPCoP falling under questions 7 to 10 be differentiated by size or type of customer?

What perhaps cannot be avoided entirely is the way larger customers could be more attractive to the retail segment as they would bring in larger revenues and would therefore be considerably easier to manage with the scale they bring. Industries typically counterbalance this with the smaller players potentially paying a larger premium and could thus be attractive from that perspective. It could be important for such companies to have a slightly different approach in how customer experience and feedback is collated and the case for consolidation could perhaps be even larger or disproportionately smaller and smeared across the industry as standing costs to ensure appropriate levels of transparency and governance.

The increase in transparency could ensure that smaller customers do not end up being disadvantaged and/or for retailers to pick a segment of the market that they are keen to serve and thus adopt a multi tier approach to the market both in terms of pricing and the level of service/care.

Finally, there exists other segments of this business in terms of its criticality or vulnerability maybe another perspective to look at outside of size which have been raised in this document which could also warrant changes to CPCoP.

About Medallia..

Thousands of Organizations Trust Medallia

to change culture, drive focused action, and create accountability



And when it comes down to it, anyone can come in and be a vendor; what we needed, and what we get through Medallia, is a thought partner.

Director of Consumer Research, Insurance Industry

Analysts Agree: Medallia Leads the Way

THE FORRESTER WAVE™
Customer Feedback Management
Q1 2023



Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.

"Medallia breaks away from competition with depth and breadth of offering... Medallia is a great fit for CX leaders with large volumes of unstructured feedback who are looking to systematically build an enterprise-wide CX program."

Forrester Wave CFM Platforms, Q1 2023



Medallia for Market Research

Harness richer insights at scale to stay ahead of changing market dynamics

Expand your team with Medallia's research experts, leveraging real-time consumer insights at scale so you can act quickly with confidence. With Medallia, you can analyze data from massive consumer panels, capture rich survey feedback quickly, cut down on research project timelines, and drive informed decisions.

Get support from our team of market research experts, who combine an innovative mix of qualitative and quantitative research methodologies that deliver accurate and actionable insights.

Why Medallia is the leader for your market research

- White-glove, consultative approach to solving your toughest business challenges
- Simple dashboards for a one-click analysis of massive datasets to see where, how, and why consumers spend their time and money – with your business and with your competitors
- Combination of real-time, unblinded behavioral data and survey data gives your team unprecedented insight into your customers and your competitors

We help customers at every stage of their global market research journey

FLEXIBILITY

Whether it's providing a full-service approach, support for your first DIY project launch, or stepping in to help with your ad-hoc projects, Medallia Research Services is flexible in how we support you.

GLOBAL EXPERIENCE & REACH

Experience designing and executing global research for the world's largest brands alongside an extensive network of local research partners.

Medallia technology supports 56+ languages, automatic machine speech-to-text transcriptions and is being used by clients in 150+ countries.

INDUSTRY-LEADING TOOLS

Experts in leveraging Medallia's suite of research technology to meet your business objectives.

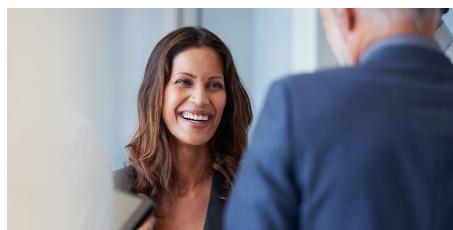
- Sense360
- LivingLens
- CheckMarket

Medallia Research Services

Expert Support to Understand Your Customers and Competitors

Strategic Advisory Services

The Medallia Research Services Team provides expert support in research strategy, design, analytics, and deliverables to provide deeper insights and value to your business. Uncover what matters to your customers and why, understand the competitive landscape, and gain an accurate view of your business in the marketplace to quickly innovate and test for greater ROI.



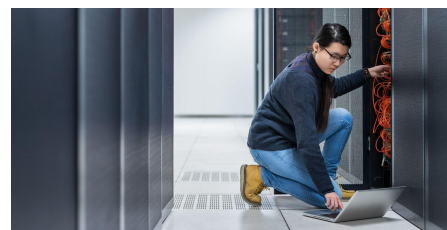
We Act as a True Extension of Your Team

Our seasoned research experts have 15+ years of experience running “Best in Class” research programs across a wide range of industries, methodologies and projects. This helps us understand your business and guide you every step of the way to accomplish your strategic research needs.



“Do it Together” Flexible Approach

Our research experts partner with you to adopt a strategy that suits your needs and accomplishes your goals. Whether it’s providing a full service approach, support for your first DIY project launch, or stepping in to help with your ad-hoc projects, Medallia Research Services is flexible in how we support you.



Robust Technology Suite

Our research experts have the full suite of Medallia research technology at their disposal. This technology aids them in sifting through massive amounts of data, analyzing emotions in video feedback, conducting qualitative research, and uncovering tailored insights that tell a story in real time.

We Solve These Challenges

- Research Program Strategy & Management
- Brand Development/Tracking
- Customer Journey
- Segmentation
- Target Customer Exploration
- U&A
- Pre/Post Testing & Measurement
- Competitive Benchmarking (EX/CX)
- Tracking Studies
- Cultural Understanding
- Product Launch Innovation
- Pricing and Conjoint Analysis
- Content & Communications Development
- Product Development & Testing, User Experience
- Panel Sample & Recruitment
- Survey and/or Discussion Guide Design

By Combining and Adapting the Following Methodologies

- Focus Group & In-depth Interviews
- Ethnography
- Kiosk and Intercept Study
- In-store experience
- Dynamic Workshops
- Online Bulletin Boards and Diaries
- Online & Mobile Surveys
- Advanced Analytics
- Reporting & Storytelling (including Showreels)
- Expert Knowledge in Medallia Research Technology Software