



**Retaining
customers
in a world
of choice**

Retaining customers in a world of choice

With increasing competition for customer attention, service providers are under mounting pressure to improve their offerings. Customers not only have increasing expectations, they are also more aware of the choice they have, and are both capable and intent on using this to their advantage.

But what, if anything, can businesses do to entice and retain customers in the face of such pressures and what are the key considerations for a customer when it comes to deciding to take their business elsewhere.

Through consumer research, we set out to answer these questions. Having examined the behaviours, attitudes and experiences of 1,000 UK households, we will look into:

- Consumer attitudes towards switching accounts;
- In which sectors supplier switching is most prevalent;
- What prompts consumers to make the switch;
- The experiences consumers face during the switching process;
- Consumer frustrations when it comes to switching and their suggested improvements;
- What happens post-switch and consumer feelings around the benefits of making a switch.

The report also considers the possible deregulation of the English water market, whether consumers have an appetite for choice, and what factors would be important to them in choosing a water retailer.

Finally, this research will examine a new multi-utility era, and whether consumers would welcome consolidation of their supplier base, and for what reasons.



Monica Mackintosh - Customer Services Director



Key Findings



34% of consumers aim to **regularly switch** their main utility accounts.



11% of consumers have **never switched** their utility accounts.



14% of consumers are **sceptical** as to whether switching makes a significant difference to bills or service.



The **energy sector** experiences **most switching**; one in 4 consumers have switched/reviewed their account in the last 12 months. **Credit card switching** was the least common, with one in 7 switching/reviewing.



A **price increase** is the one factor most likely to make a customer switch supplier.



A **third of consumers** (33%) would switch as a **protest** against poor **service**.



Nearly **one in 10** consumers describe their **switching experience** as **difficult**.



40% of consumers say their previous supplier made **no effort to retain** their custom.



38% of consumers will **instantly review** their **water supplier** if and when the market opens.



48% would consider a **single supplier for gas, electric and water** if it reduced their overall bill costs.

Attitudes towards switching

A nation of switchers

Switching or reviewing their service providers is a **regular occurrence for a third of consumers** (33%) in the UK, demonstrating the challenge suppliers face when it comes to customer retention.

And, for half of customers, it is seen as an important task in the general management of household costs as homeowners look to constantly find the best deals.

Even for those who don't consider it a priority, **17% would review or switch their accounts if they had a pressing need** – this could be anything from financial requirement, dissatisfaction with customer service or a loss of trust in a supplier.

Customer profiling and segmentation are essential for businesses when it comes to understanding customer switching attitudes and behaviours, as this will help them to engage customers at the right time and with the right message to increase retention rates.

However, a future challenge in identifying and profiling customers could come from the introduction of GDPR, which places new rules on how customer information is handled.

Loyalty and apathy

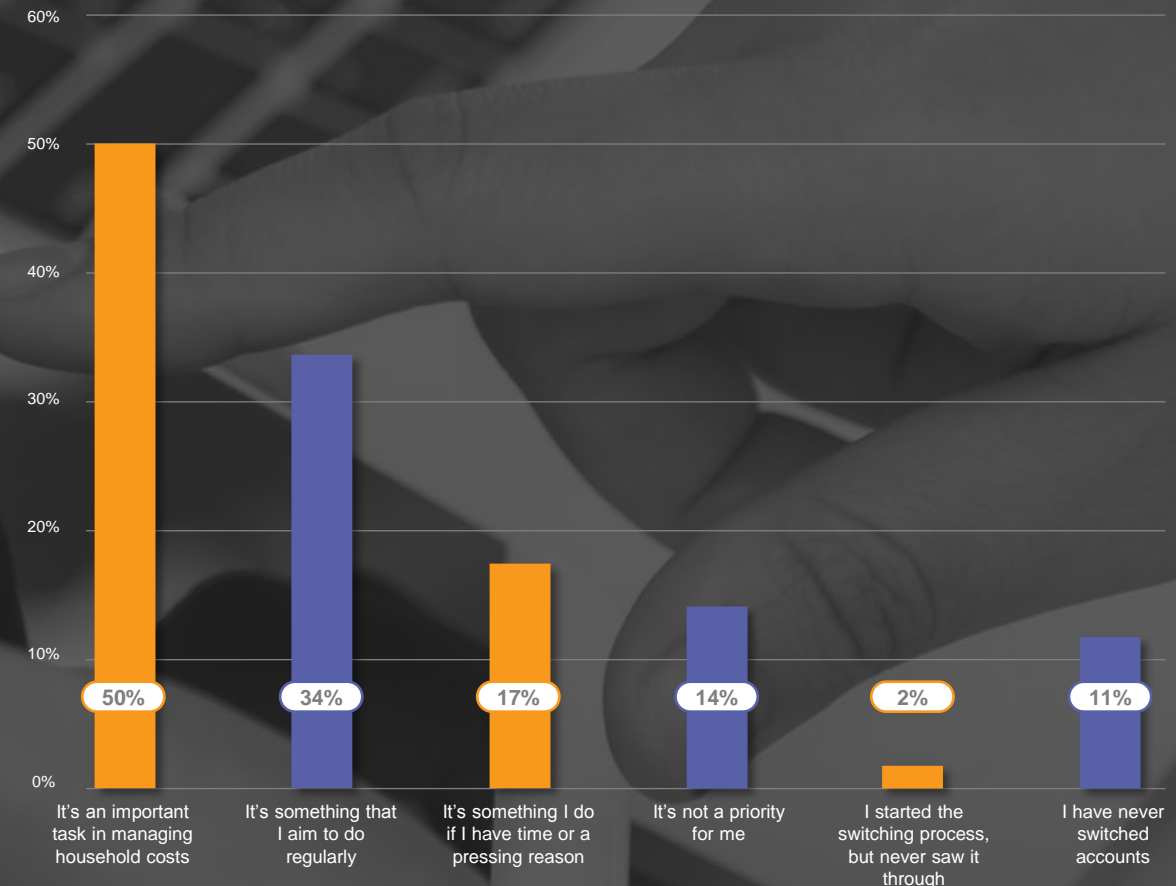
Although in recent times it has become more challenging for businesses to achieve tangible loyalty and advocacy, **11% of consumers said they have never switched** their accounts in the past.

Both brand loyalty and customer apathy to switching are likely to play a role here.

However, businesses must be cautious not to take this segment of consumers for granted as there is no guarantee that their switching behaviour will not change in the future either as a reaction to, for example, poor service or a sudden price increase, or more proactively to manage household costs.



Thinking of the accounts you hold with utility providers, which of the following best describes your attitude towards reviewing or switching these accounts?



The rise of the price comparison service

Comparison service popularity

Of those consumers who have switched supplier, nearly **two-thirds** (62%) did so through a **price comparison website**.

Price comparison websites bring substantial benefits, often making it easier to make supplier choice and save money. High levels of consumer trust and satisfaction are also reported.

However, what many consumers may not realise is that these services might not offer deals covering the whole market (brands who only deal direct), and **more transparency** is arguably needed here.

Many customers are, as we know, price conscious. But comparing on price alone takes the focus away from other important factors such as **customer service and added value**. Comparison sites are addressing some of this through the introduction of quality scores; price however remains the primary focus.

Customers may also be misled. For example, the CMA* has said it may allow price comparison websites to hide the cheapest energy deals from consumers, allowing the promotion of more expensive tariffs for which suppliers pay them commission.

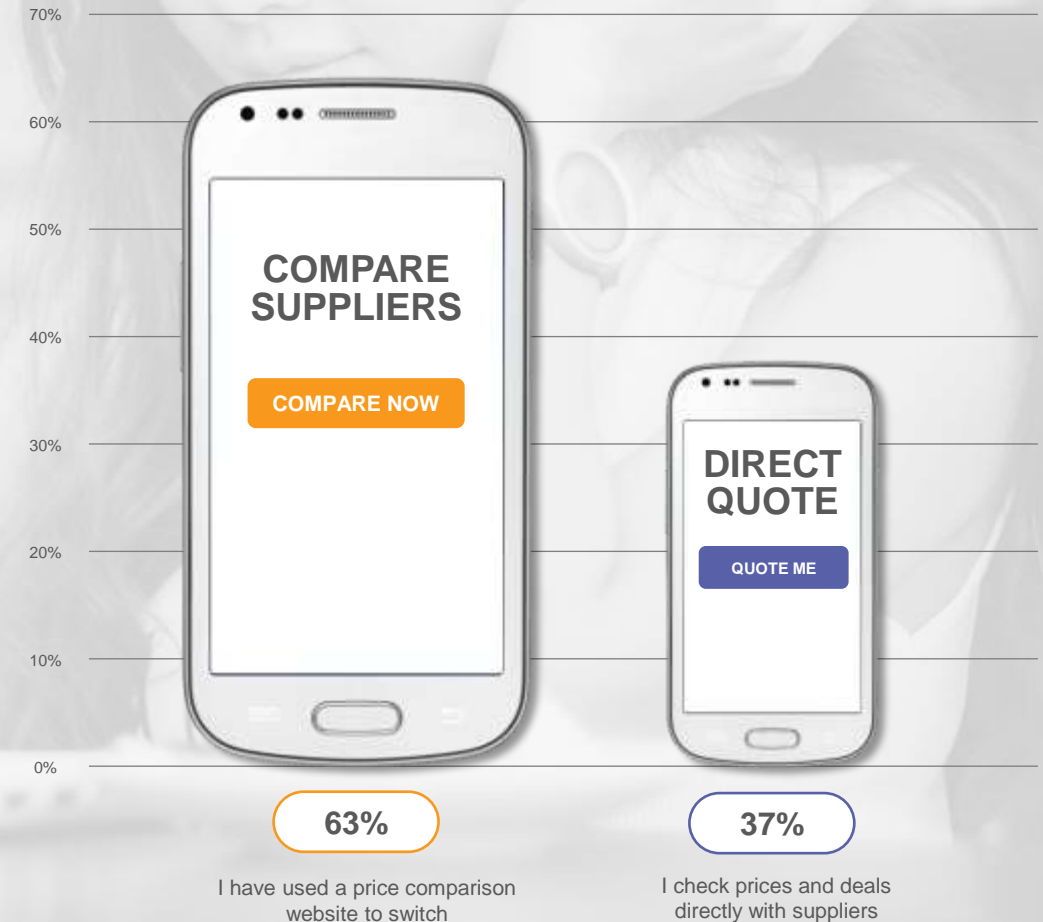
Dealing Direct

A surprisingly high number (**37%**) of consumers still make the effort to check prices and deals **directly with suppliers** rather than through comparison platforms.

There are a number of reasons as to why this could be the case. Some providers such as Direct Line, for example, are able to bypass comparison sites altogether due to the strength of their brand. Also, increasing competition in many markets means that businesses are engaging in higher volumes of direct marketing to existing and potential customers.

In addition, price comparison websites **may no longer meet the needs of some consumers**, who may, for example, place more value on customer service or who would rather take on research themselves to get the best deals.

Businesses would be wise to not only focus on promotional deals and price discounts, but also to use customer service as a key differentiator and communicate effectively with existing and potential customers when it comes to added value products and services.



* <http://www.telegraph.co.uk/business/2016/09/29/watchdog-to-compare-the-market-for-price-comparison-websites/>

In which sectors is switching most prevalent?

Energy sector feels biggest brunt of switching culture

The UK **energy sector** (electricity and gas) has felt the biggest brunt of consumers' penchant for switching with **38% of consumers saying they've changed their supplier** during the last 12 months – more than in any other sector.

The energy sector has faced a period of sustained negative publicity around poor customer service and rising prices, leading to diminishing consumer trust.

These types of stories and headlines have been significantly detrimental to the sector and could explain the high number of customer switches.

Motor insurance is the next most likely service consumers have reviewed or switched in the last 12 months (34% of consumers have done this). This is usually an **annual renewal**, so is more likely to come to mind every year.

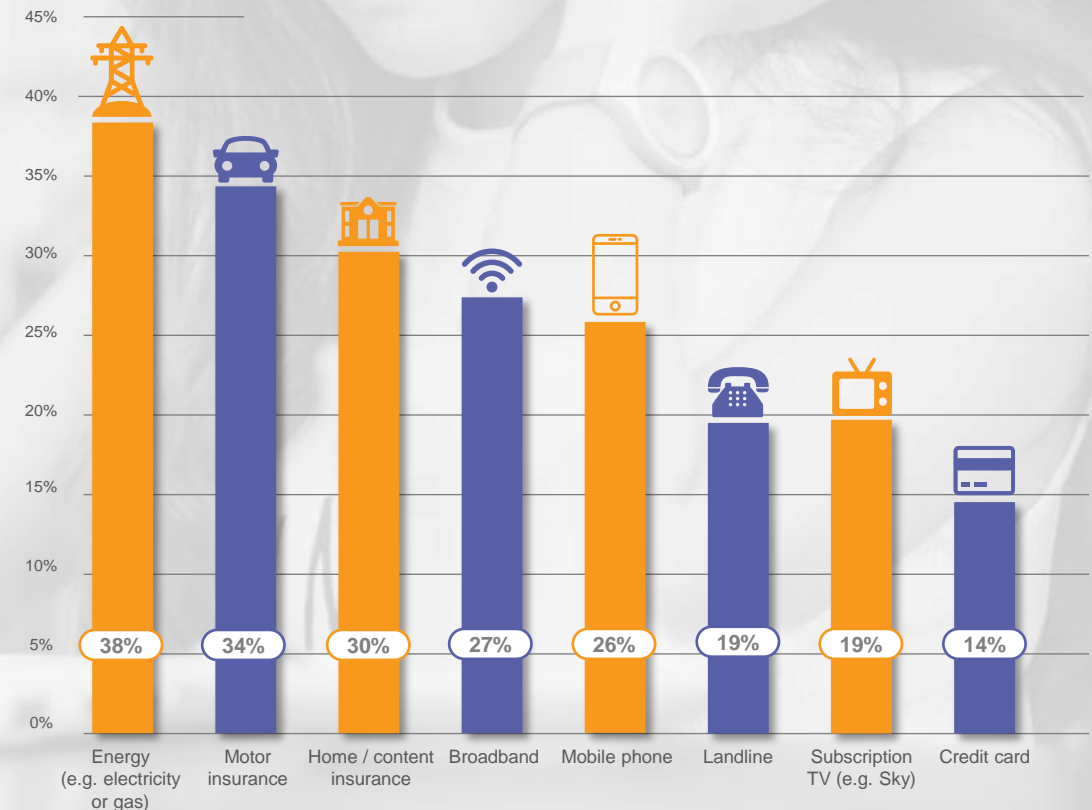
In addition, with consumers facing higher premiums the longer they remain with a supplier, it is of little surprise that many choose to shop around.

Credit cards (14%), subscription services like TV (19%) and landline providers (19%) are experiencing the lowest levels of consumer switching.

The relative low levels of switches when it comes to subscription and landline services could be in part attributable to the **increasing promotion of bundled services** and associated discounted deals.

Focusing on getting things right in the first place can play a key part in avoiding expensive and time consuming customer acquisition and retention activities.

? Thinking of your utility providers, which of the following accounts have you reviewed or switched in the last 12 months?



Switching and consumer scepticism



I'm doubtful as to whether switching makes a significant difference

Scepticism remains an important factor when it comes to account switching behaviour and whether consumers believe that a change in supplier actually makes a significant impact.

14% of consumers, for instance, say they are doubtful that switching makes any significant difference.

This is despite heavy marketing and media promotion about the benefits of switching to get better deals. There may be more that needs to be done in this area to make more customers aware of the potential benefits.

However, customers' previous switching experiences, or those retold by friends and family could also have an impact here.

As we'll see in this report, not everyone enjoys a trouble-free switching experience. In addition customers may expect a smooth, fast and simple process, where as the reality

could be more complex, leading to high levels of perceived risk, hassle and difficulty; resulting in barriers to switching.

And, with today's fast paced society, many customers are simply time poor; this may in some instances exacerbate scepticism.

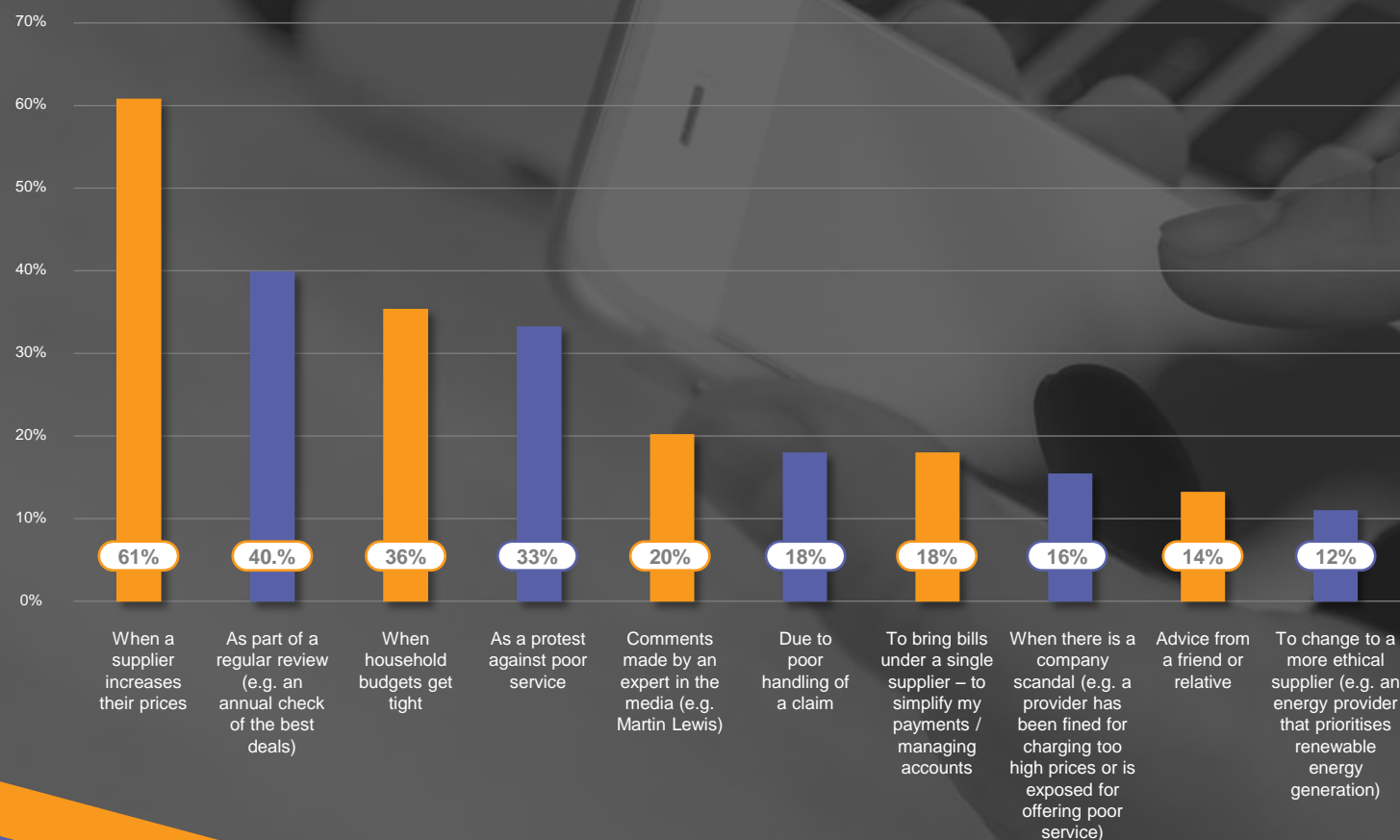
Businesses must not only offer the right deals and incentives to attract customers, they must ensure that customer expectations are closely managed, and the customer experience throughout the switching process is prioritised.

This will help reduce levels of scepticism, alongside providing meaningful value to customers in the longer term via proactive customer service and targeted, personalised products and services.

What drives customer switching?



Which of the following reasons are likely to prompt you to review or switch one of your utility accounts?



Poor service a key contributor to switching

While **price** concerns unsurprisingly remain the **top pain point** when it comes to switching, business that **fail to provide consistent and quality customer service** are in serious danger of losing customers, with a **third of consumers** (33%) saying they would consider switching for this reason.

This highlights the challenge businesses and brands face in getting customer service right. Poor **claim handling** is also a contributing factor for **18%** of consumers, while **20% rely on expert comment** – from someone like Martin Lewis – as guidance for moving accounts.

Businesses also face increasing pressure on the **ethical front** as more than **one in 10** (12%) of consumers would consider changing their supplier in favour of another business seen as more ethical. **Multi-utility** offerings and the ability to have service provision under a single provider is a consideration for **18%** of consumers.

What's clear is there are a wide range of reasons behind consumer switching behaviours. How much consumers pay for their services and whether they get value for money is of course a key consideration.

But, to avoid a race to the bottom, businesses would be wise to place equal focus on other consumer concerns; enabling them to create cut-through in markets that are increasingly becoming noisier and more competitive.

Using cost-effective ways to communicate with customers, businesses can engage on added value and real time benefits; offering positive and meaningful messaging without, of course, overwhelming customers.



The switching experience

Handling the switching process

Just half of consumers who have switched service providers described their experience as “**smooth and simple**”, with nearly **one in 10** (8%) describing the process as **difficult**.

Customer expectations could play a part here; with customers valuing speed and convenience, no loss of service, and being kept properly informed through out the process. Businesses should seek to make the process clear for customers; outlining the timeline to making the change, the key steps and what information the customer must supply and by when. Effective **management of customer expectations** may assist in reducing the perceived hassle and difficulty of switching.

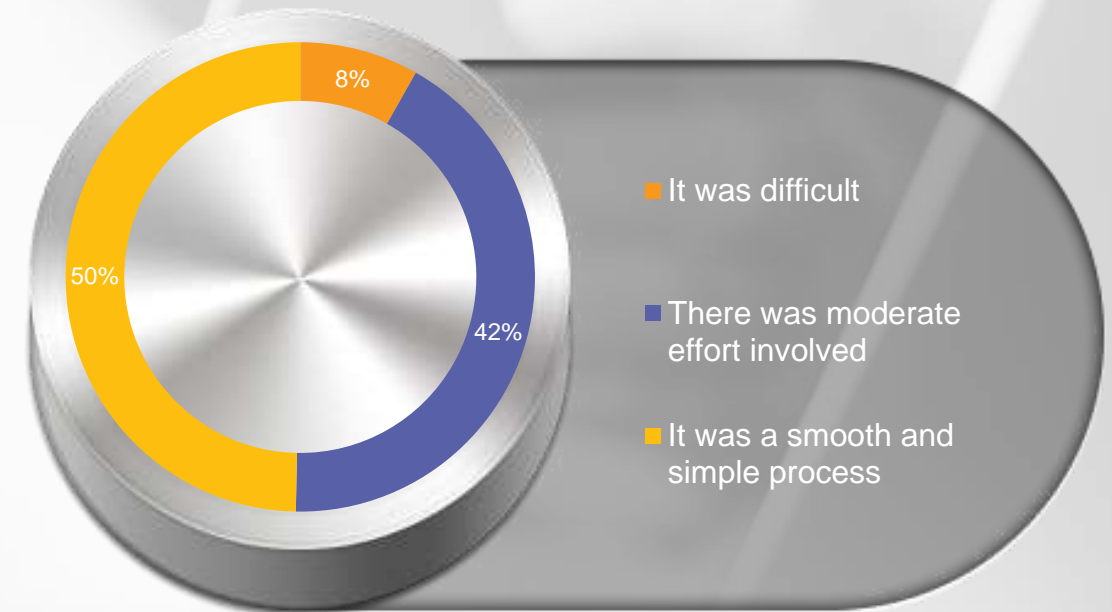
However, for some customers their negative experience may have resulted from **errors made by suppliers** during the process, a **lack of communication** or **unexpected delays**. Mitigating these avoidable customer frustrations should be a priority to improve the switching experience.

The customer experience

Businesses may choose not prioritise exiting customers, assuming that once a customer has decided to leave that they will always be gone. However, it may be that they are only looking for a temporary switch and if a business provides good service during the process they may have the chance to acquire the same customer back when they next choose to switch. Canvassing customer opinion via exit surveys can help service providers better understand the reasons why customers are leaving, provide the opportunity to say you're sorry to see them leave and to engage via retention messages.

We would advise that businesses are better served by making the switching process smooth and simple, and ensuring a great customer experience.

? Which of the following describes your typical experience when switching accounts?



The biggest customer frustrations

We asked consumers to tell us about any recent poor switching experiences. Customers shared a **wide range of experiences** they perceive as frustrating and unsatisfactory; many citing examples of terrible customer service, hidden costs, unexpected price increases, a range of errors and unexpected delays to the process. They quoted examples related both to suppliers they were leaving and those they were joining.

It's clear that many customers are not enjoying a trouble-free switching experience, and problems encountered may well contribute to why some people prefer to remain with their current providers; avoiding perceived risk, hassle and difficulty.

Suppliers would be wise to investigate ways in which they can **mitigate customer frustration**; be it via prioritising customer service excellence, being more transparent around the detail behind a deal, fixing the sources of avoidable errors or collaborating better with other providers.

Any bad experiences – even those that occur when switching supplier– may not only impact on an individual's satisfaction, but also be shared amongst family and friends.

The top themes were:

31% Poor customer service

28% Trust/transparency issues

19% Errors/mistakes

17% Unexpected delays

I had to chase for payment of credit from my previous company. I think it's extremely bad that they tried to avoid paying me the money owed.

The new supplier took on a huge number of new customers and didn't have the infrastructure to deal with them. I was annoyed about the resulting poor service.

Additional costs were hidden in fees and it made me very angry with a feeling of being cheated.

Engineers missed appointments; customer service was atrocious and I spent much time trying to talk to people who were reading off a script. Nobody would actually listen to what I was saying.

The old company regularly called me trying to persuade me to not move and change back. I felt extremely intimidated!!!



The banks should've arranged the full switch but direct debits weren't transferred properly. Both banks blamed each other, I felt as though I had no recourse.

Poor customer service. Passing me to different departments and I have to explain the problems again and again.

I switched from supplier A to supplier B after being a customer for 13 years. They made no real effort to keep my business which was very disappointing.

They kept ringing saying they would offer this deal and that deal only when I said I was leaving them. Why NOT do this when I was with them.

How can the switching process be improved?

Customers offered many diverse views on how they felt service providers could improve the switching process. The overriding themes were around the **speed** of the process, the levels of **customer service** given, **price** and incentive factors and the **ease of switching** supplier.

Whilst much attention is given to the issue of making customers more aware of the potential benefits of switching, in fact equal attention should be placed on **simpler, speedier switching**; making it easier for customers to vote with their feet and take advantage of market choice.

Speed and ease are not the only factors however. Customers are also intolerant when it comes a **break in trust** with their service provider. Promotional discounting to attract new customers is a concern, not only for existing customers but also for new customers when prices are increased following an introductory period. Other bad practice includes automatic renewals where loyal customers end up paying more year on year.

Against a backdrop where it has become more challenging to achieve tangible loyalty and advocacy; businesses would be advised to examine customer experience during the switching process and to implement strategies to remove frustrations, reduce customer effort and enhance satisfaction rates.

The top themes were:

23% Faster process

21% Better customer service

12% Prices & incentives

10% Easier process

A written notification by both the previous and current supplier when the switch is completed.

When there are issues, the person you speak to should take ownership of the problem giving you one person to speak to until the matter is resolved.

The customer shouldn't constantly have to switch. Customers who are loyal with no claims should benefit, not have their premiums increased.

I think communication would be a good way to improve. The two companies should keep in contact more about the process and how things are going.

Do it properly, make it seamless, you want my custom so make it worth my while, don't make me want to change provider within days of being with you!



A dedicated switching manager who could manage the process and be a contact to go to with any queries rather than go round the houses.

Better communication from old and new providers as to what is to happen and then better actions in line with those communications.

The provider I'm leaving can't be allowed to create issues and delay the process.

Making it simpler to switch and being made to feel less guilty about leaving a provider for a better service elsewhere.

What happens after a switch?

? Did you experience any of the following upon switching accounts?



Navigating through the honeymoon period

We have already seen that a third of consumers will likely switch supplier if they experience poor customer service, so it is worrying to find that of those who did switch, **just 19% noticed an improvement in service**, while the same proportion noticed no difference.

It is also significant that **only a quarter of consumers were actually happier with their new service provider**, perhaps revealing empty promises, misleading deals and the fact that the grass isn't always greener on the other side.

When it comes to money and financial issues, **42% consumers noted a "significant" financial benefit** after switching, with 13% noting no difference in this area.

These findings highlight the **importance of the initial switch period and on-boarding process**. Ensuring customers remain informed, are kept in the loop on any issues, and experience minimum or no impact on service continuity are all basic service points businesses can follow, and should be at the forefront of their offering for new customers.

In addition, keeping promises, not rapidly increasing prices and being transparent when it comes to tariff charges, can all help create a positive impression with new customers.

First impressions count, and its important, in a world of customer choice, that businesses focus on laying the right foundations for the future through positive customer engagement.

Is the grass really greener on the other side?

Problems with previous suppliers

Whilst it's important to keep in touch with consumers during switching, **continuing unwanted contact** after they've left may annoy and frustrate.

A **quarter of customers** say they've **had unwanted contact** from their previous supplier after they switched. Not only is it worth noting that businesses should put in this kind of effort before their customers decide to leave; but also continued unwanted contact post-switch can create longer term brand reputation damage.

In addition, **13% of customers** have been left **chasing an outstanding credit** owed by their previous supplier, again leaving a sour taste in the mouth.

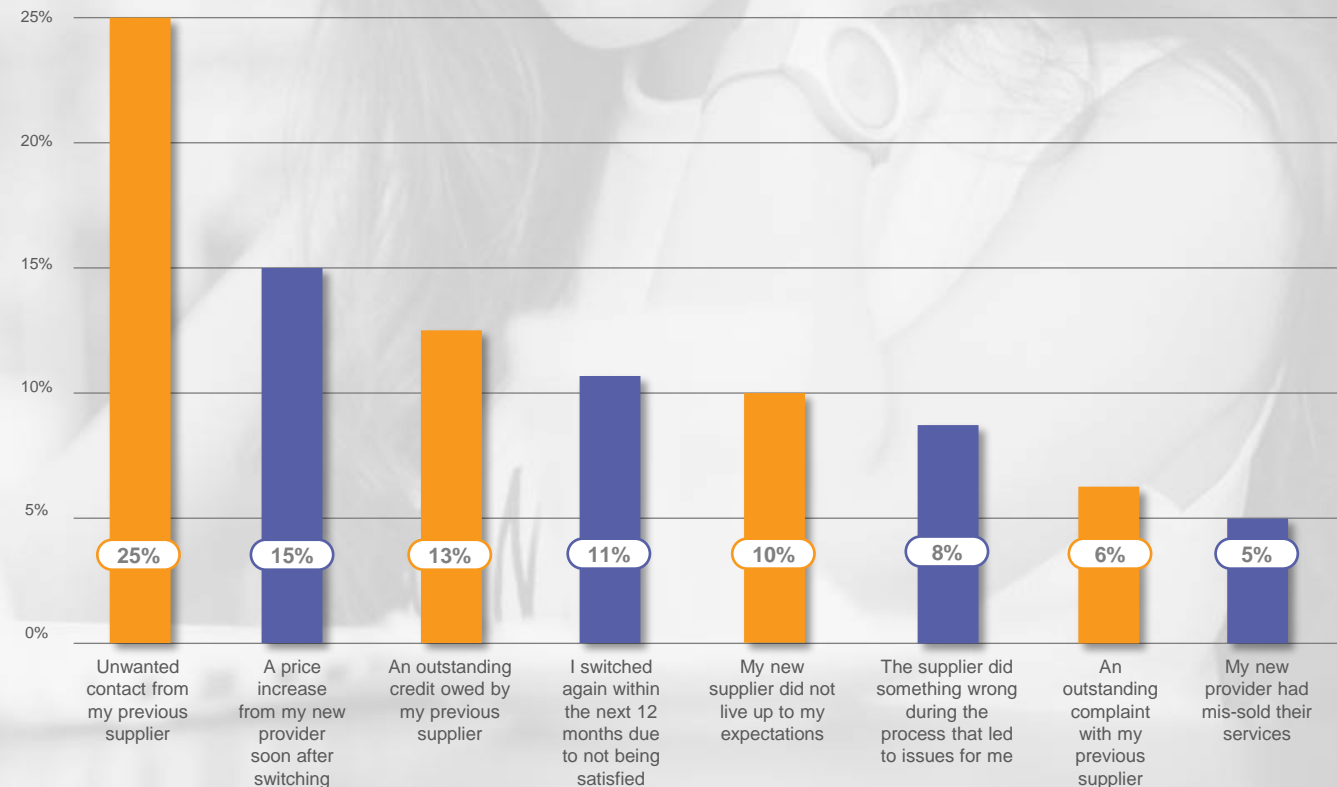
Showing goodwill towards exiting customers is a good long term customer service strategy. Given that **11% of consumers switched their services again** after a year and **10% didn't feel their new supplier lived up to expectations**, making the leaving process smooth could result in the customer returning at a later date.

The danger of getting off to a bad start

In terms of new suppliers, the top gripe for consumers is a **price increase** soon after the switch— **15%** have experienced this. This is a sure-fire way to **destroy trust** between a business and a new customer – especially if the switch occurred on the basis of price. Even if it didn't, an increase so early on may leave customers feel aggrieved and less valued from the start.

Focusing on a smooth, problem-free changeover and living up to your customer promises is vital. Here, the tie-up between sales, marketing and operations is **critical**. In addition, businesses should seek to avoid any changes that may **undermine customer trust at the very start of the new customer relationship**.

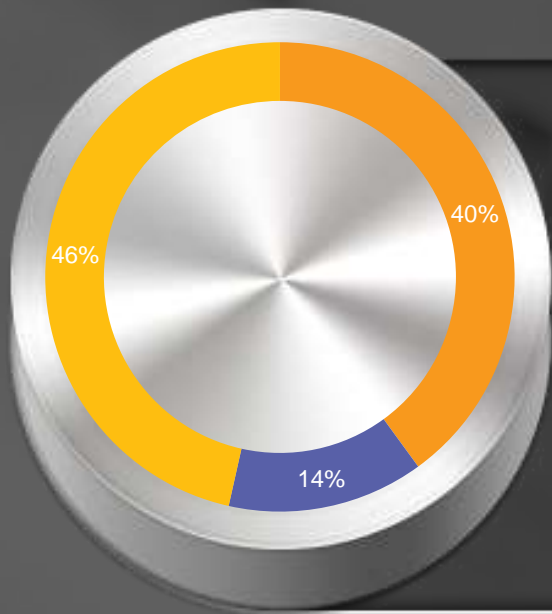
? After switching suppliers, did you face any of the following?



Are exiting customers valued?



When switching accounts, did your existing provider try to retain your custom?



- No, they made no effort to retain my custom
- Yes, and it did change my mind
- Yes, but it did not change my mind

Retaining customers

Businesses could be missing an opportunity by **failing to empathise with, and look to retain**, customers who tell them they want to leave.

40% of consumers said their supplier made no effort to retain their custom during the switching process. This is potentially a significant number of consumers who could be persuaded to stay if a business was willing to engage and resolve any historical issues. Of course, for some customers this attention may come too late, and they may feel their supplier should have valued them more as a loyal customer.

Some suppliers however are clearly making customer retention efforts. **14% of customers** who notified their supplier of their intention to move say they were **convinced to remain** with that supplier during the switching process.

A note of caution

When engaging exiting customers, suppliers must **take care over the tone and frequency of communications**. It could become all too easy to further frustrate departing customers with aggressive and unwanted contact. A deep understanding of individual customers can help here, enabling suppliers to target those customers who are more likely to welcome proactive engagement. Truly listening to customers is also important, and accepting that for some their decision has already been made, and further communications are more damaging.

Looking after exiting customers

As a nation of switchers, the chances are that a exiting customer may well review supplier again after 12 months, therefore by delivering great customer service during the exiting period, suppliers can leave a **lasting positive impression with consumers**, that may lead to the consumer returning to them in the future. Paying back any account credit swiftly, ensuring accurate final billing and communicating effectively with the customer through the exit process can all assist in leaving a good final impression.

Is there consumer appetite for water competition?

The Open Water Market

The opening of the commercial water market to competition has put pressure on companies to ensure their propositions and customer service are up to the standards needed to entice and retain customers.

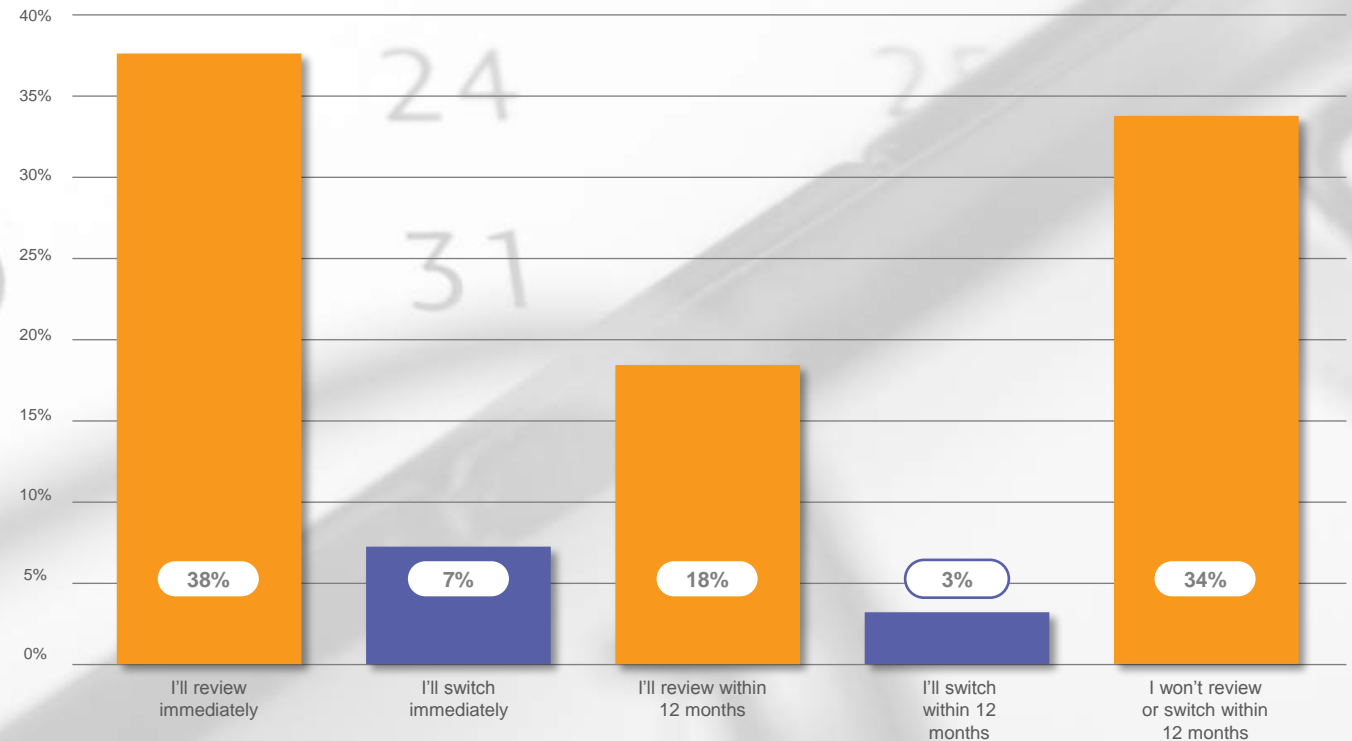
And, water companies will need **to learn quickly from their experiences** in the new non-household market should the domestic market open. **38% of consumers** said they will **instantly review their water supplier** once they are able to choose their supplier.

In fact, **7% have indicated they will switch immediately** and, while this may seem a small percentage, it ultimately relates to a significant number of customers suddenly up for grabs.

Even for those consumers who don't plan to review or switch their supplier immediately, nearly **one in five (19%)** say they will **review their services within 12 months** of the market opening.

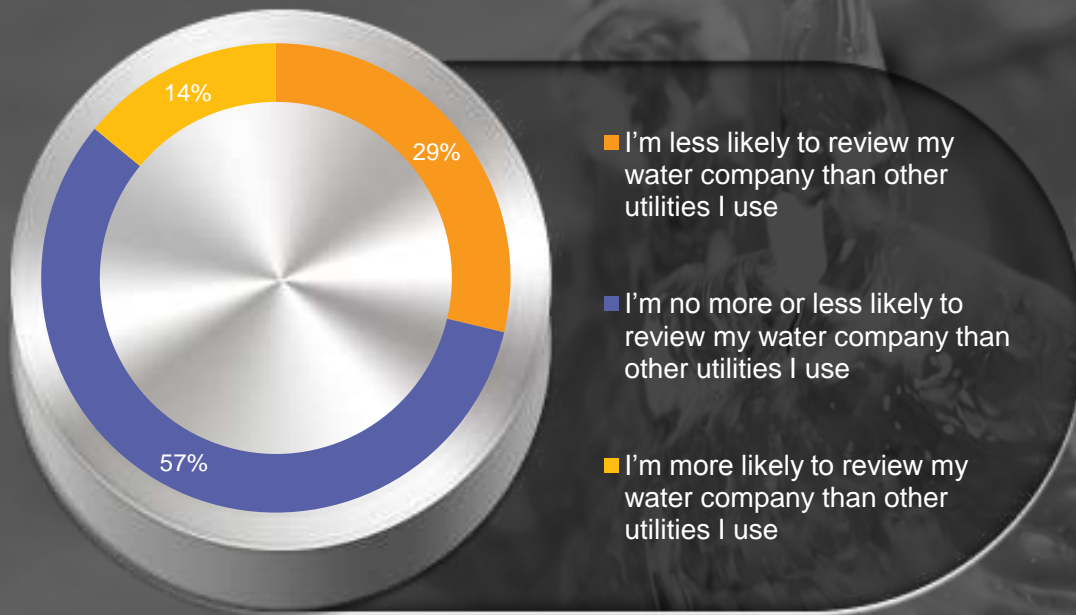
Water suppliers still have some time before the consumer market opens, if plans remain as is. So they should be taking this time to ensure their offering is as good as it can be to stand the best chance of keeping customers, or gaining new ones, and **looking at other competitive markets to learn from those who are prospering.**

? When it becomes possible to switch water providers, how likely are you to review or switch supplier?



Is water a priority switch for customers?

? When it becomes possible to switch water providers, how likely are you to review or switch supplier?



Potential switching behaviour

57% of consumers are no more or less likely to review their choice of water supplier than other utilities, if and when the household water market opens to competition.

However, almost **a third of customers** (29%) said the chances of them reviewing their water supplier **was less likely** than reviewing their other utility providers.

For 14%, water is top of the list when it comes to utility providers they are likely to review, and they'd be more likely to review this than other utilities and services purchased.

Of course, at this point survey respondents are voicing their opinion without knowing what benefits will be on offer, so opinions could easily change when supplier propositions become more set in stone, if and when the sector opens.

Trust and customer satisfaction

Customer trust in the water sector is higher than in particular energy, which could lead some consumers to remain loyal to their current provider.

However, customer satisfaction levels in the sector are still some of the lowest in the UK alongside energy and telecoms and the satisfaction and trust rating for different water companies varies widely, reflecting a varying difference in customer service and cost.

Propensity to switch is not only likely to be influenced by price savings; satisfaction with their current water supplier and how well that company meets their needs will play a key part if and when the sector opens to competition.

Water: price related switching factors


One difficulty that water suppliers may face in a competitive market is around the levels of price discount that customers will expect. **44% of consumers** said they would be enticed to review or switch suppliers only if they could make a **saving of 20% or greater**. **24% of customers** would be enticed to switch for **savings of 10%** and **13% would switch** for a **5% saving**.

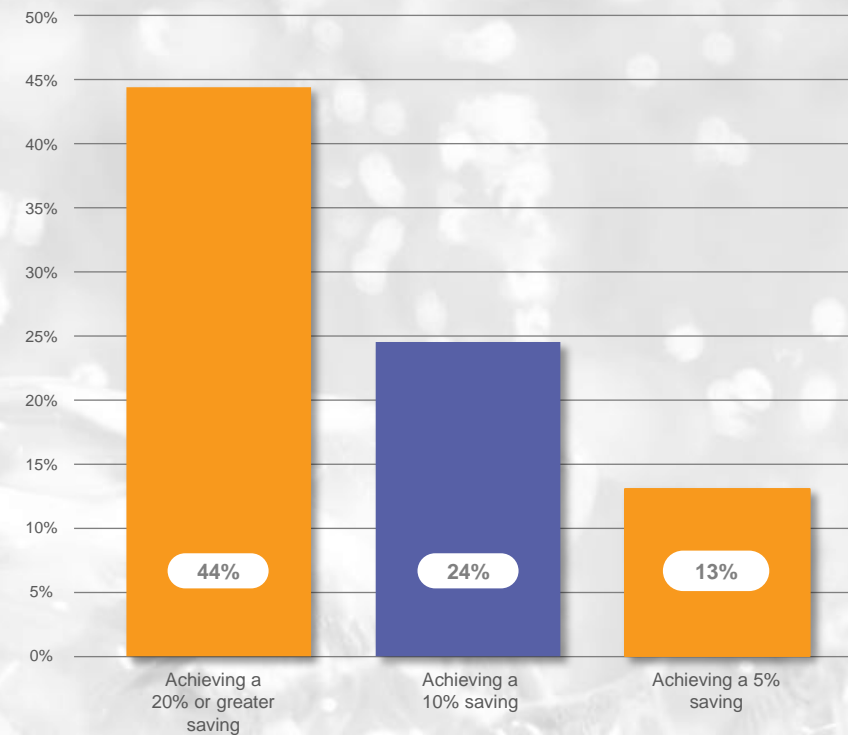
However, it is **unlikely** that retailers will have the opportunity to **pass on such large levels of discount** against current water bill levels. In addition, given the likely margin in the sector, suppliers should be wary about creating a price war that results in a race to the bottom.

What is clear from consumer feedback however is that retailers should seek to be completely **open and transparent** when it comes to pricing and associated fees. This will not only enable consumers to select the best option for them by comparing like for like, but will also avoid reputation damage through a lack of consumer trust.

Earlier in this report, we saw that **trust and transparency** issues were a **top switching frustration for 28%** of consumers, so the water sector should seek to avoid repeating the errors made by businesses already operating in competitive markets.

Given the likely limitations on price discounting, retailers will need to consider **what other elements of their proposition** could set them apart in a competitive market, and examine which non-price related factors concern householders most.

 What factors would be a strong motivation for you to review or switch water supplier?



Water: non-price switching factors

Setting your offer apart

Non-financial switching motivators are an important consideration for the water market given the limited level of price discounting that is expected to be available.

For example, non-financial perks are important for 25% of customers, better customer service is a big issue for 17%, while one in five (20%) would consider switching to a supplier with better “green” credentials.

A multi-utility bill is enticing for 10% of consumers and 5% would welcome the chance to change provider due to trust issues with their current supplier.

The general shift in public consciousness also has a part to play, as social and environmental values become more prominent, and some consumers become increasingly resistant of corporate power.

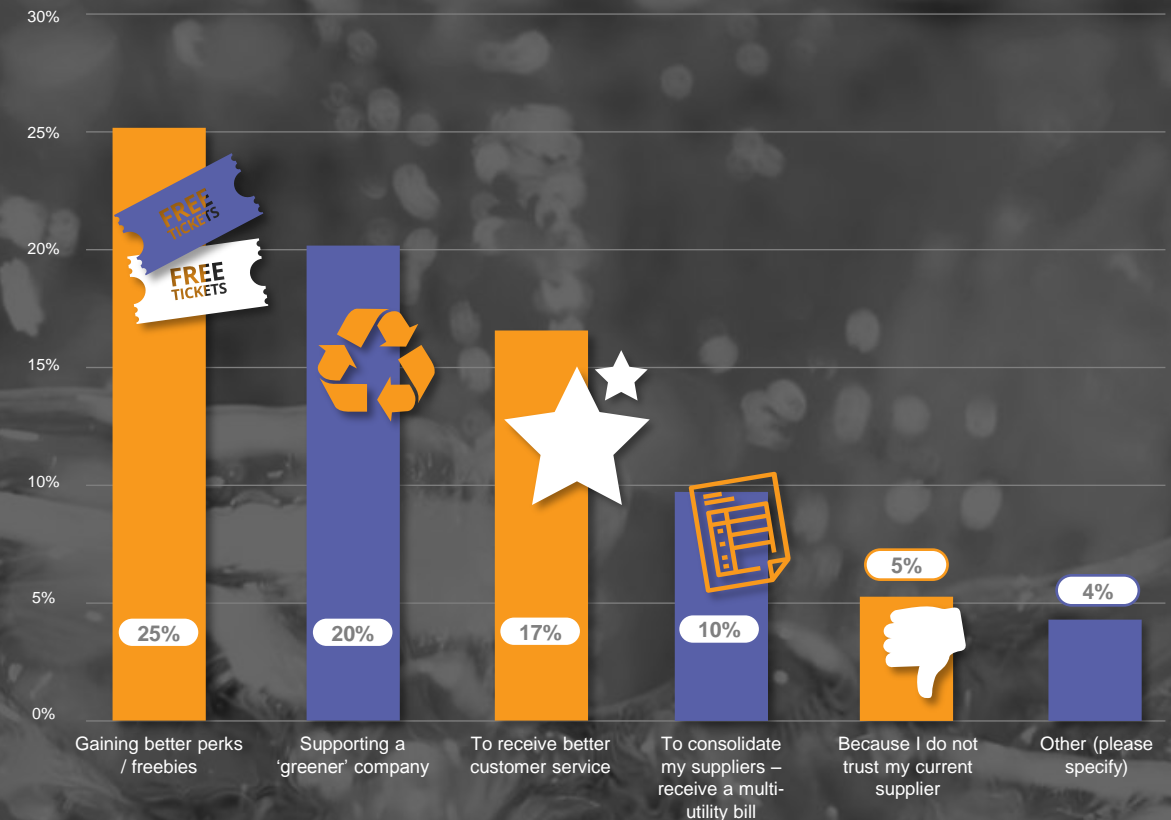
It's a given that price related factors play a big role for customers when it comes to

considering switching, but as these figures show, this is just one of many aspects that companies can use to attempt to attract and retain custom.

The **quality of customer service, investment in innovation and creating value added services** could help retailers to set their offer apart should the household market open, and **looking to other sectors** where businesses have been successful in achieving this could assist potential water retailers in defining their strategies and propositions.

Living up to promises will be vital. Businesses should ensure they have the right levels of resource, expertise and specialist systems in place in order to deliver on their promises and avoid consumers becoming quickly dissatisfied with their choice.

? What factors would be a strong motivation for you to review or switch water supplier?



The smart meter debate

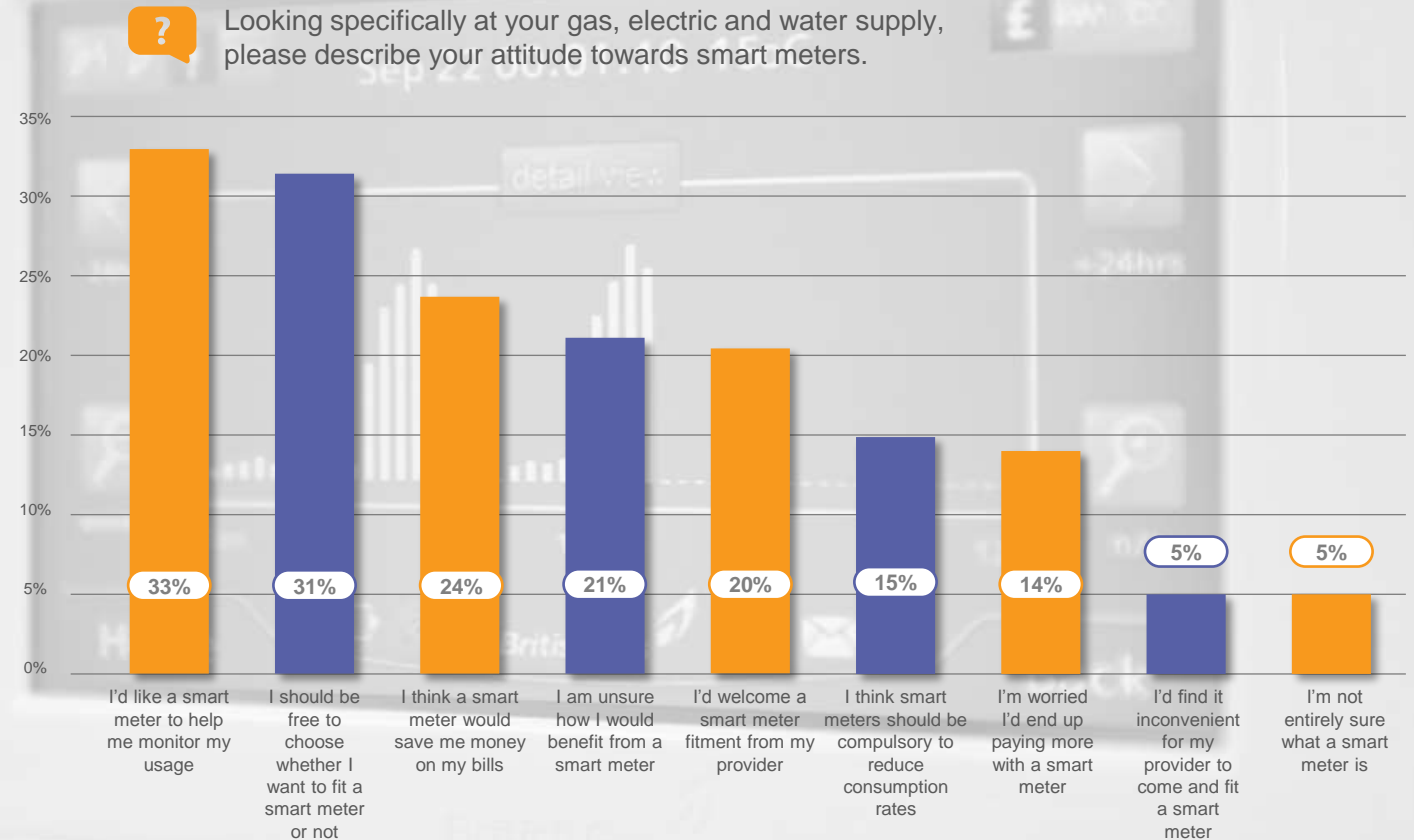
While a **third of customers** (33%) would **like to have a smart meter** installed in their home to monitor gas, electricity or water usage, **another third** (31%) believe they should be **free to choose** whether to have one installed or not. This is despite a government policy to have energy smart meters installed in homes by the end of 2020.

Despite the supposed benefits of smart meters being widely publicised – including bill reduction – **less than a quarter** (24%) of people think having a meter would **help them save money**.

21% of customers remain **unsure as to the benefits** of a smart meter, while **14%** are concerned they would actually **spend more** with a smart meter installed.

The fact that so many people believe they should have the choice over meter installation could be detrimental, promoting apathy among customers and leaving them feeling they are being forced into the something they don't want. And despite it being a government programme, **utility companies may face a reduction in customer satisfaction levels**.

And with many current meters not interoperable, meaning they won't work should a consumer switch supplier; energy price rises being partially blamed on the costs of meeting the smart metering programme; and claims that older meters are incompatible with the national communications network, **more needs to be done to both educate consumers on smart meters and ensure the switch over process is smooth and problem free**.



Will customers welcome a multi-utility world?

A one bill sector

Many consumers would welcome being able to have their everyday utilities (water, electricity, gas) provided by a single company and charged via a single bill.

There are a variety of reasons why. **48%** would consider a multi-utility bill if it could **reduce overall costs**. Whilst the **ease** of being able to deal with just one bill would appeal to a **quarter of consumers**.

For **20%** of consumers, one supplier would be welcomed if it meant better **perks and benefits**, and **17%** would prefer a multi-utility option if they received better **customer service** through it.

However, just over **1 in 10** people stated that they would **not consider consolidating** utilities under one provider, despite the varying benefits that could be available, leaving space in any future market for niche sector specialists.

Cross service expertise

If businesses choose to respond to the customer appetite for a multi-utility offer, several factors will be crucial.

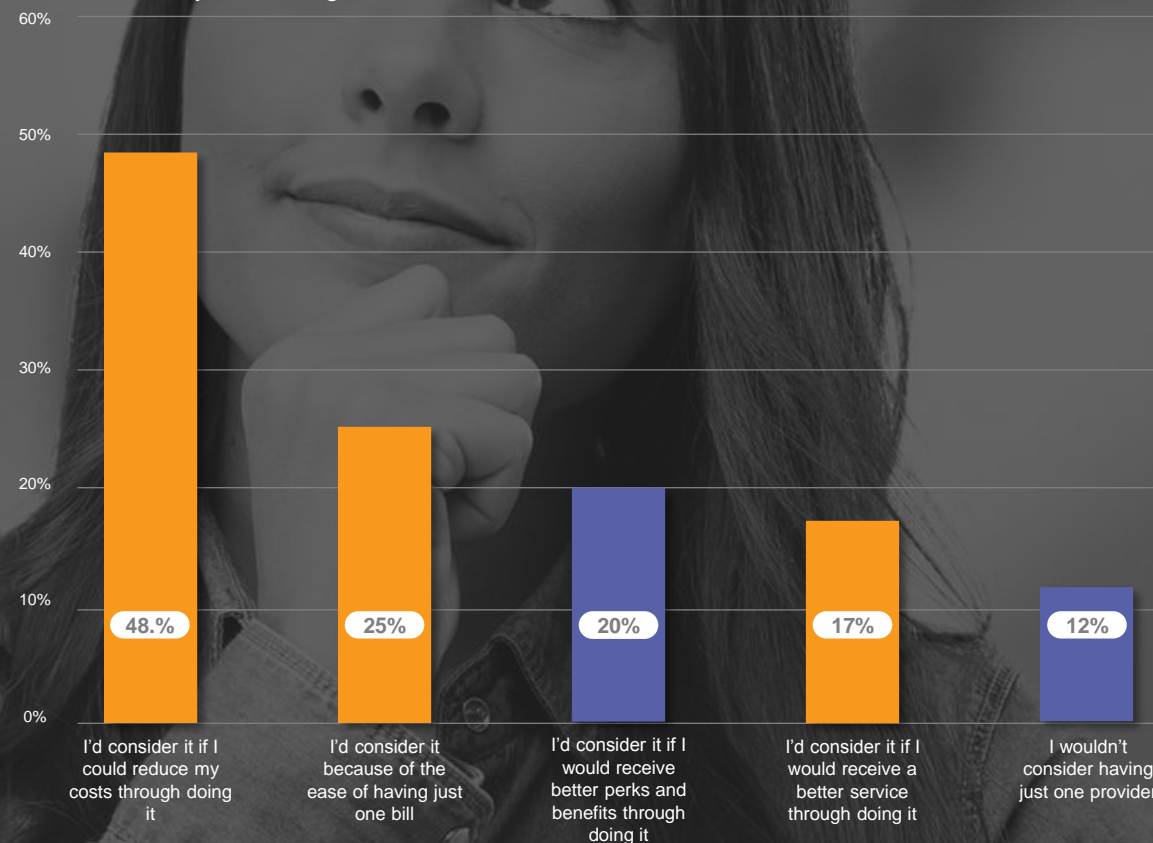
This not only means having customer service teams with the **knowledge and experience of each sector** to ensure that various contacts can be handled efficiently and effectively, but also that the **right systems** are in place to offer true added value to customers.

For example, a **cross-sector customer billing solution** will be vital, for reliable and accurate customer billing and to provide insightful customer data that can be used to complement the customer service function and drive continuous improvement and service innovation.

In addition, **understanding customers**, and which are motivated by price, service, perks etc. will help ensure offers are targeted accordingly to meet customer expectations and desires.



If it was possible to have one company supplying a number of your everyday utilities (water, energy, gas) what would your feelings towards this be?



Summary

In a world of choice and increasing customer expectations, customer loyalty and advocacy is becoming ever harder to achieve and sustain. And, as this research demonstrates, customer retention is full of complexity. In addition, the world is changing at a fast pace. Social mobility, the environment and trust are just some of the issues rising to the forefront of today's landscape.

Consumers are unique and have different attitudes and behaviours when it comes to switching suppliers in competitive markets. A deep understanding of a businesses' customer base has never been more important; looking at their interactions with your company, and identifying trends and preferences. Accurately engaging customers with meaningful messages can play a key role in customer retention strategies.

And whilst price remains the number one switching motivator, this report has demonstrated that it's not all about the race to be the cheapest. Consumers have a wide range of motivators for switching, and seeking to improve your propositions outside of pricing strategies is likely to reap benefit.

When it comes to current switching experiences, there is clearly room for improvement. Customers are not always receiving the right levels of service, and in many cases the process is hampered by errors and delays. This is creating reputational damage to businesses, which in many instances is avoidable.

“Acquisition and retention are key elements of the customer journey and what's clear is that providing value for money and quality service can place businesses in good stead in the long term.”

? So, what are the key takeaways from this research report?

What should service providers take from this report?

Understand & segment your customers; use switching attitudes and behaviours to target the right messages to the right customers at the right time.

To avoid joining the race to the bottom, **differentiate through great service;** almost a third of customers switch due to service issues.

Tread carefully when it comes to retention of exiting customers. There's a fine balance between leaving a customer feeling valued and unwanted contact.

Engaging with customers, resolving their issues and rebuilding trust can and does retain customers who are leaving; yet for 40% no attempts were made.

Provide a **good level of service during the customer exiting process**, you never know if a customer may return in the future – final impressions count.

What should service providers take from this report?

Work closely with the customer's previous supplier to ensure a smooth switch and reduce customer effort. It's your reputation that's on the line.

Evaluate your customer on-boarding processes; ensure a smooth, problem-free transition and do not take actions that will undermine customer trust.

Consumers would welcome competition in the water sector, but will price saving expectations be achievable?

Consider your plans and approach in an emerging multi-utility era; ensure sector expertise and clear points of differentiation to become a retailer of choice.

To discuss this report further or to find out more about our services, get in touch:

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