



University  
of Dundee

**Project Avatar:  
The Future of Customer Service –  
Methodology Statement  
(30 June 2017)**

**A Peer Review**

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## APPROVAL

Name	Role	Signature & date
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## GLOSSARY OF TERMS

Abbreviation	Term
DNO	Distribution network operator

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## 1. BACKGROUND

The Impact Research project “Project Avatar: The Future of Customer Service” aims to investigate the customer service landscape which is evolving as customers’ needs and expectations change. Today’s customers are better informed and more empowered than in the past as a result of political, economic, social, demographic and technical factors. Government regulators have seen and are aware of this evolution and have indicated the importance of DNOs providing customer service that meets this changing expectations.

To better understand and anticipate future investment decisions that will need to be made by Electricity North West extensive customer and stakeholder engagement is proposed. This engagement will be conducted in partnership with Impact Research, Schneider Electric and DXC.

The objectives of the project are identified by four guiding research questions:

1. What are customers’ current attitudes, behaviours and needs, and how do these vary by customer segment and touchpoint?
2. How are these attitudes, behaviours and needs expected to change in the future?
3. Which bespoke customer service solutions targeted at specific customer groups can meet their unique medium- and long-term future needs?
4. How can bespoke customer service solutions link to existing network control systems and data?

In investigating the above questions the research is designed to deliver these outputs:

- An understanding of current and future customer service needs and how unmet needs might be addressed
- Identification of a range of innovative solutions that best meet customers’ increased servicing expectations
- Reactions to mass customer contact capabilities, and identification of the optimal strategy in terms of automation and connectivity
- An appreciation of the variations in acceptability and applicability of innovative technologies and solutions across key customer segments and groups
- A customer service blueprint, incorporating data from existing network control systems, that will best meet the existing and future needs of specific customer groups and lead to higher levels of customer satisfaction
- A demonstration of how innovative technologies and solutions can assist DNOs to better plan their business investment strategy.

## **2. THE OBJECTIVES OF THIS PEER REVIEW**

The objective of this peer review is to evaluate the robustness of the proposed methods and procedures that will be employed to learn about customers in the area served by Electricity North West. The government, consumer groups and consumers are developing a greater demand and higher expectations about the quality of customer service provided by companies like Distribution Network Operators (the primary sponsors and users of this research) who are subject to these increasing expectations. In addition Project Avatar is proposing to examine the expectations and needs of customers who are considered potentially vulnerable. The project also will work to identify solutions to meet the identified future customer service needs.

This review has been undertaken by Dr Ariel Bergmann, who is a Lecturer of Energy Economics at the University of Dundee. His research concentrates on the use of choice analysis and valuation of public and private goods and services using both qualitative and quantitative survey techniques. Surveys have been conducted at international, national, regional and local community scales throughout Europe, the United States, South Asia and Africa. Topics investigated range from provision of local council services; renewable energy development; sustainable economic development; environmental and natural resource usage and development; financial services in both the United Kingdom and Europe; and energy policy preferences of United Kingdom politicians and civil servants. Dr Bergmann has supported and been engaged with numerous communities on development of local energy projects. He is Associate Editor at Resources Policy and referee at several other high level academic publications. He has undertaken research projects for the UK and Scottish Governments, local councils and districts, and the European Commission.

Ariel Bergmann has extensive experience in designing and evaluating the suitability of market research methodologies and the application of advanced statistical analysis and econometric techniques in analysing consumer preferences and choices.

## **3. ASSESSMENT OF THE AVATAR METHODOLOGY STATEMENT**

No major concerns have been identified in reviewing this Methodology Statement.

There are some activities and objectives in this proposal that will need a thoughtful and considered approach and close monitoring to assure successful completion of the public engagement and survey work.

Generally speaking it is a challenge to have members of the public accurately consider what their future life style and life situation needs will be in 10 years time. In broad terms the public can imagine what their life will be but the finer details are difficult to anticipate if they have not been engaged with people (family, friends, work associates, etc.) who are currently or recently in that life phase. It is recommended that effort be committed at an introductory step to assist participants develop a “future vision mind set” to answer what their needs may be. Without this the depth and quality of responses may be based on stereotypic thinking and produce insufficient detail.

Actions that can assist in creating a future vision mind set are: encourage individuals to imagine people they know or have known in that future stage of life and consciously identify their difficulties, present scenarios of people lives and ask the respondents to think of the consequences in daily life (i.e. you have become hard of hearing, you are housed bound because it is difficult for you to walk, your retirement income is less than you expected, you are single and living alone, etc.), and contextualise the vision to the research at hand. (How would this impact on your ability to use customer service services?)

The piloting of the survey should have three phases instead of two. The additional survey would bridge the piloting of the survey with the Engage Customer Panel (who will have become educated and relatively knowledgeable on this topic from previous encounters with the Avatar Project) and the pilot testing of the survey with a cohort of 250 customers not previously engaged. A survey instrument should be piloted based on the feedback from the ECP on a sample of 25-50 customers not previously engaged before being rolled out to the 250 cohort, and eventually to the large survey of 5,000. This will provide sufficient feedback from an “uneducated” sample group at a preliminary step to inform and deploy a more fit for purpose pilot survey instrument. Uneducated in this context means people who have not been engaged with or educated on the issues of customer services; it does not have any relation to the level of formal education attained by the survey participants.

There needs to be some limitation to the number of prototypes developed that could be tested for meeting the needs of the various customer cohorts and groupings. Good practice would be to iterate possible prototypes back to some of the customers who identified the need, and to new customers who have not been engaged previously. This tests if the identified need has been properly addressed, and if uninformed customers can see the same result. Throughout this project it is recommended that testing of proposed actions be conducted with the “source customers” and with new customers being interviewed.

When developing new procedures it can be beneficial to have the first objective of delivering the maximally efficient procedure that meets the needs of the maximum “standard customer”, thus leaving more available resources meet the needs of the difficult to assist customer. As opposed to applying effort to first meet the needs of difficult to assist, and make do with remaining resources for the larger portion of customers.

The proposed survey sample size of 5,000 is expected to be of sufficient size to provide robust and worthwhile statistical analysis of the numerous sub-groups that will be identified. In particular the identification and analysis of sub-groupings of people who are considered to be potentially vulnerable by virtue of their life situation are unlikely to be of sufficient size without such a large survey cohort. There should be little concern about having to either aggregate groups together for meaningful statistically analysis or not capturing all the key groups in the first place.

With a potential 40% of the all customers being classified as vulnerable there is a need for greater granularity (sub-groupings) to identify any significant or unique needs. Potential sub-groupings are the elderly, physically, emotionally or mentally disabled, language or literacy disadvantaged, financially deprived, and the digitally disengaged. This final category will need special attention as a significant amount of engagement with the public is scheduled to be conducted via the internet. A clear and effective engagement plan needs to be developed to assure the off-line customer base is brought into the study. The vulnerable in society are disproportionately represented by those on the non-connected side of the digital divide.

The proposed analysis standards in Section 9 match with good practice as expressed in and supported by the Handbook of Survey Research. The four subsections: segmentation analysis, rating scales, action standards, and normative data will provide high quality information and useable knowledge. The only additional advice is to monitor for respondent truncation of the upper and lower scale categories. Some people will never report the extremes or may consider the “normal” as neutral, even if normal is very preferred or liked. Anchoring the respondent by informing them of what neutral means can alleviate this problem.

There needs to be continuous monitoring of the types and characteristics of respondents to assure a representative sample is collected. Vulnerable members of society are of particular importance to measure and address in this research as significant social and political attention is paid to how they are support in continued engagement in society. There are



numerous laws and regulations that mandate this which are applicable to the energy utilities industry in this regard as energy supply is considered a life-line necessity.

Overall the proposed methodology should deliver the information and knowledge to evolve customer service to meet the new quality levels being mandated or expected.

#### **4. CONCLUSION**

The Project Avatar: The Future of Customer Service – Methodology Statement is of high quality that demonstrates a good depth of experience and solid intellectual knowledge about surveying and engaging with the public to identify, collect and analysis information about customer service needs and expectations in the future. During implementation the proposal will require supplementary methods to assure good quality responses from customers and engagement with all key segments of the population.