

Customer Impact Report: Utility First-Contact Resolution Performance



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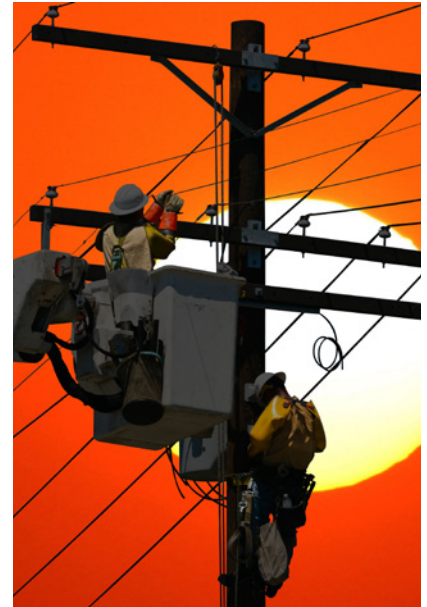
EXECUTIVE SUMMARY

First-contact resolution (FCR) has a big impact on customers' overall experience with their utility. Customers who had their service inquiry or need handled during the first contact rate their utility much higher—more than 100 points higher in the Customer Service index—than do those whose interactions took more than one contact to resolve. In addition, customers who experienced a problem getting their needs handled rate their utility very low in Customer Service.

In researching FCR in the studies regarding residential gas and electric utility customers, J.D. Power analysts found that first-contact service resolution in the utility industry has remained relatively flat in the past 3 years. While there has been a notable improvement in satisfaction with gas utilities, FCR rates among electric utilities overall remain in the 70%-75% range, on average, for contacts handled in the first interaction. High-performing utilities should be at or about 80% of customers indicating their service contact is handled during the first interaction. Both the reason for contact and the channels employed by customers to contact their utility impact resolution rates. Utilities can still do more to assess and measure FCR and develop a common or standardized industry metric. For example, improving electronic customer service channels—notably websites—is a step toward improving FCR in general.

Following are some key takeaways from this report to support the above premise:

- **First-contact resolution impacts customer satisfaction**—Utilities that improve their FCR may also increase customer satisfaction. Customer Service satisfaction is up to 100 points higher among customers whose issues/inquiries are resolved in the first contact.
- **Utilities' percentages of FCR have remained relatively flat for the past 2 years in J.D. Power studies**—First-call resolution as reported by electric utility customers is currently 70%, and has been since 2011. Among gas utility customers, there was marked improvement in the 2012 study from 2011 in the number of customers who indicate having their issue handled in the first call, up to 74% from 68%, respectively.
- **Utilities don't have to measure FCR to be good at it**—The old adage, "you can't improve what you don't measure" may not hold true for FCR. While many of the utilities that perform well in FCR consider it a formal customer contact metric, J.D. Power finds that not all utilities measure FCR among their contact center statistics or otherwise, including some of those utilities that perform well in its annual industry studies. In fact, J.D. Power estimates that more than half of utilities do not measure FCR.
- **Measuring FCR is difficult**—A major reason for the above point is that FCR is difficult to accurately measure. The industry still assesses FCR in different ways, from customer surveys, to capturing contact in customer relation management systems, to quality monitoring. Because all of these approaches may be flawed, getting an FCR measurement is difficult for any utility.
- **FCR can help improve processes and deflect future calls**—Utilities that do measure FCR can use what is learned to improve and fix processes that may precipitate the need for repeat calls, and thus reduce overall customer service costs.



- **Employees can make the difference**—While a properly organized interactive voice response (IVR) unit or interactive website can handle many customer inquiries efficiently and in one contact, hiring the right people can make the difference.
- **Websites have an impact on FCR**—Utilities must ensure their website is ready for service interaction. A large percentage of both gas and electric utility customers who contact the call center with a service issue say they first went to the utility’s website to try and resolve their problem before contacting via phone. Of these customers, the percentage who indicate their issue was handled in the first contact is higher than that of all customers who contacted their utility via phone with a problem. This is likely related to the next point.
- **Customers who use electronic channels to contact their utility are more highly satisfied, including for FCR**—J.D. Power research has shown time and again that customers who use electronic channels such as websites, social media, and mobile to contact their utility to resolve a problem are more highly satisfied with their experience than customers who use other channels to contact. The J.D. Power analysis of FCR data shows that electronic users are somewhat more forgiving even when they don’t get their service issue resolved on the first attempt, much more so than those who contact via other channels.

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