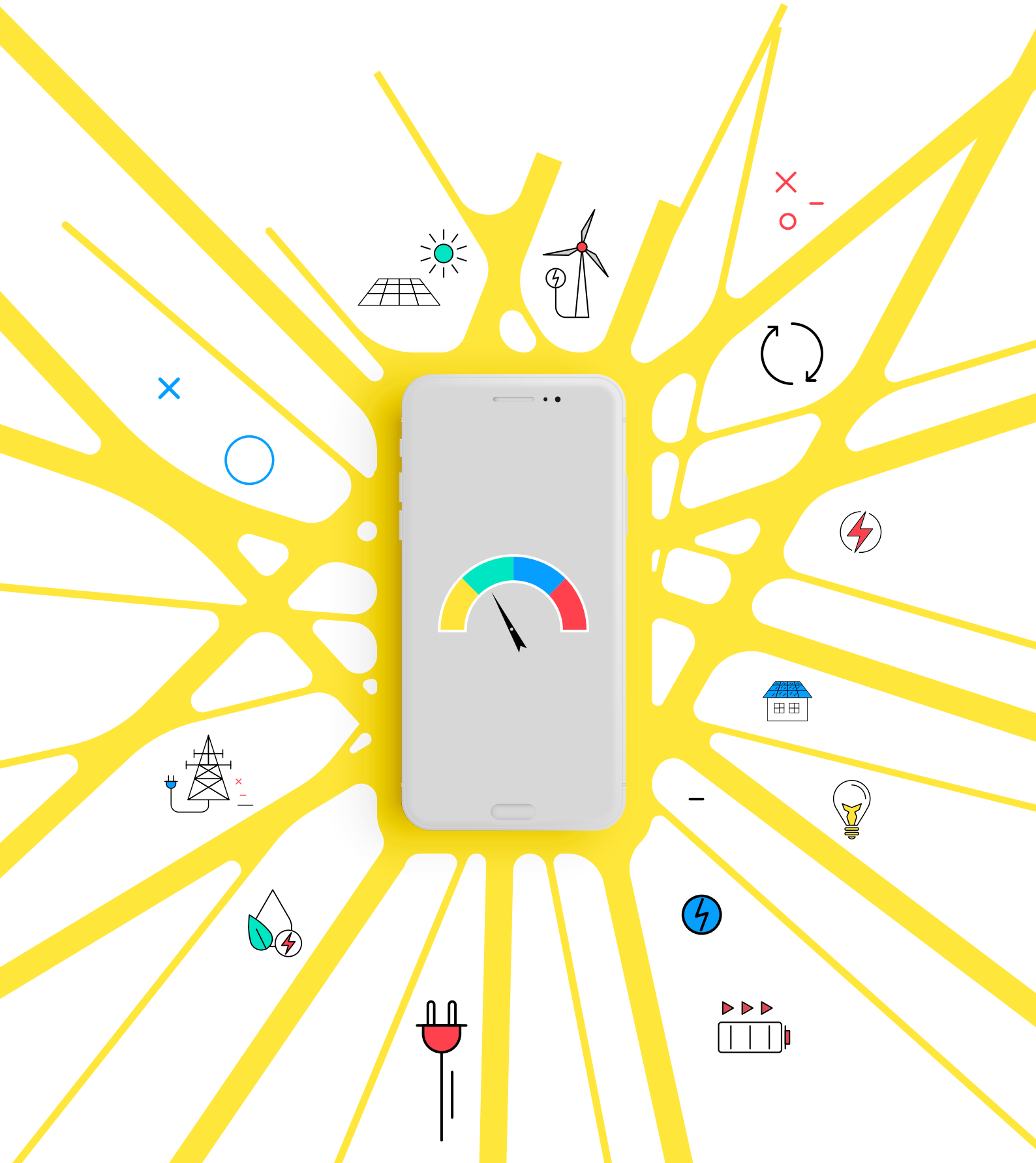


The power of mobile

UK Energy Supplier Mobile Experience Barometer 2021



Introduction

The world is in the midst of an energy price spiral. Wholesale energy costs are rocketing and households face huge increases in their bills. Consumers are therefore more focused on their energy usage than they have been for years – they want to know how much they are consuming, what is consuming energy in the home, and how they can save money by using less. With energy retailers pulling price competitive tariffs from the market, the scope for consumers to cut their bills by switching supplier is limited at best. Instead, they have few practical choices but to manage their energy consumption more effectively. Many are looking to their suppliers to help them.

The publication of our second Energy Supplier Mobile Experience Barometer therefore comes at a highly opportune moment. This unique survey assesses the mobile app offerings of energy retailers in the UK and four international markets (France, Germany, the UAE and Australia – to be covered in further editions of this report). Our findings, detailed below, clearly indicate that energy retailers have a major opportunity to help their customers be more in control by utilising data and providing them with tools and information to help manage the impact of the energy crisis on their pockets.

These companies' mobile apps, with their ability to facilitate immediate, two-way communication with customers, as well as provide compelling tools to help consumers make changes in their energy usage and save money, are the natural channel through which to do this. But with a few exceptions, energy suppliers have yet to capitalise on the opportunity to use their mobile presence to deliver the tools, information and services that consumers are looking for.

As with our first Mobile Experience Barometer for UK energy retailers, published in 2020, we segment the UK energy market into two groups – incumbents such as British Gas and Scottish Power and challengers that have joined the market more recently including Bulb and Octopus. Our report assesses the suppliers' mobile presence under a range of headings and aims to offer timely insights to help suppliers understand how customers are using their apps, how they are managing their energy consumption and what features and services they would like to see.

Information for the Mobile Experience Barometer was gathered via an online survey of 265 UK households in June and July 2021, supplemented with 15 in-depth interviews with consumers. Our data was collected before the energy crisis. We should therefore expect that some of the behaviours we identify will become more widespread and pronounced as the crisis has worsened.

The report is divided into three sections:

1. The State of Play in 2021:

The key insights about customer behaviour and expectations gained from this year's survey results, supplemented with third-party data on UK consumers' attitudes to their energy suppliers.

2. Today's Mobile Apps – How the Suppliers are Responding:

We explore the results from incumbents and challengers, based on studies by Publicis Sapient's Customer Experience, Product Management and Technology teams. These studies assessed the customer experience each app delivers, as well as its features and functionality. The results of our survey show the key differences in quality of customer experience and functionality between incumbents' and challengers' apps and chart how their relative performance has changed since last year.

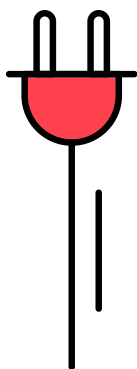
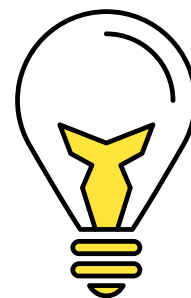
3. Key Takeaways for Energy Suppliers:

Finally, we set out our conclusions from this year's Mobile Experience Barometer and offer a series of recommendations.

Executive Summary

Most suppliers, both incumbent and challengers, remain overwhelmingly focused on providing basic, functional services through their apps such as billing, account management and tariff switching. At 45%, energy customers' use of mobile apps lags behind other industries – compared to 54% among bank customers, for example (UK Finance, 2020) – and the desire among most people to engage with their supplier is minimal.

Under most dimensions, incumbents and challengers have only marginally improved their app offering over the past year and so register modestly higher scores compared to last time, when we found that neither group was providing stand-out mobile experiences. Now we also see evidence of a divide in the market. Incumbents are concentrating on delivering basic app functionality such as customer onboarding to a high standard, while some challengers are putting more emphasis on game-changing functionality that transforms the consumer experience and helps to differentiate their offering.



We also find a growing desire among consumers – especially those who are already using their supplier's app – to manage their energy use more effectively. Many want their supplier to provide more insight into their personal usage patterns and help them use energy more efficiently. However, most suppliers currently have little to offer in this area. As a result, almost a quarter of consumers are turning to third-party apps to find the smart, value-added tools they need to manage their energy consumption more efficiently. Publicis Sapient has found, based upon research carried out with Oshawa Power in Canada, that consumers have the opportunity to improve their energy usage by up to **10% through a combination of smart meters, dynamic tariffs, real-time notifications and behavioural nudges.**

With the energy crisis likely to continue for some time, suppliers need to address this gap in their coverage and capitalise on the opportunity to help their customers understand, monitor, and control their energy usage. If they fail to do so, they risk being relegated to a purely functional role while consumers look elsewhere for the smart tools and timely information they need.

The State of Play in 2021

UK consumers are well known for having a highly price-driven and transactional relationship with their energy suppliers. They are heavy users of price comparison websites and switch relatively frequently – **55%** of our survey respondents have been with their current supplier for two years or less.

But despite their general lack of engagement with energy suppliers, our research also highlights that the UK's price-conscious consumers have bought into the idea of actively managing their energy use at home.

Some **61%** agree that it is important to do this and another **28%** somewhat agree (Fig.1).

Many of them also believe that their energy supplier should be helping them to use less energy – **45%** agree, **36%** somewhat agree (Fig.2).

Fig.1 UK energy consumers rate the statement:
"It is important to actively manage my energy usage at home"

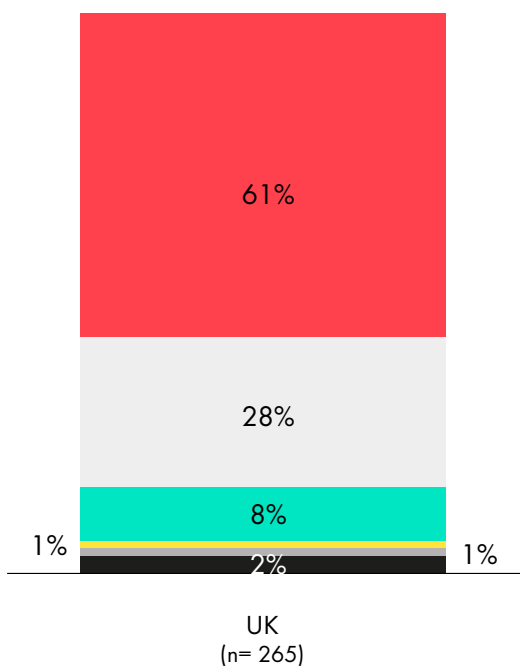
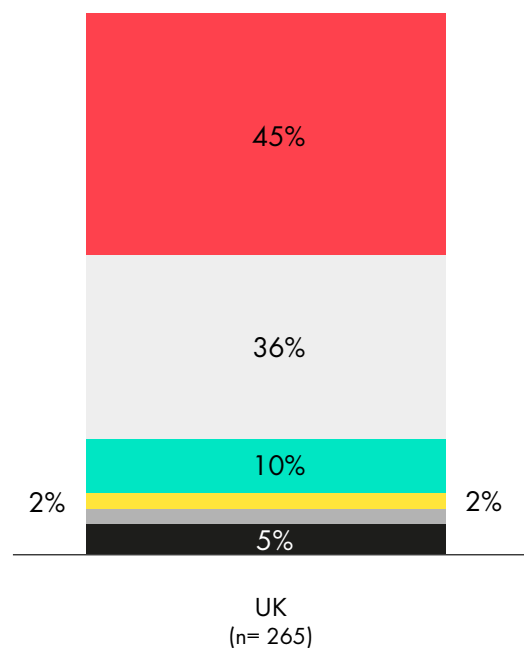


Fig.2 UK energy consumers rate the statement:
"My energy supplier should help me find ways to use less energy at home"

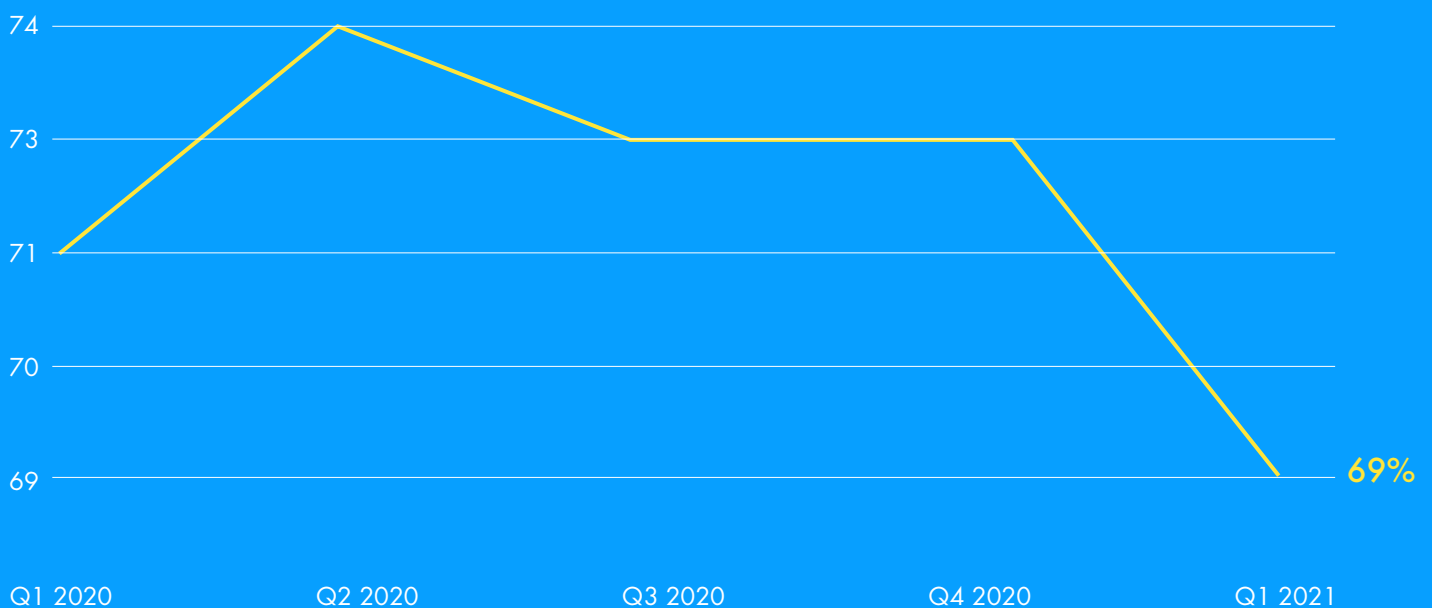




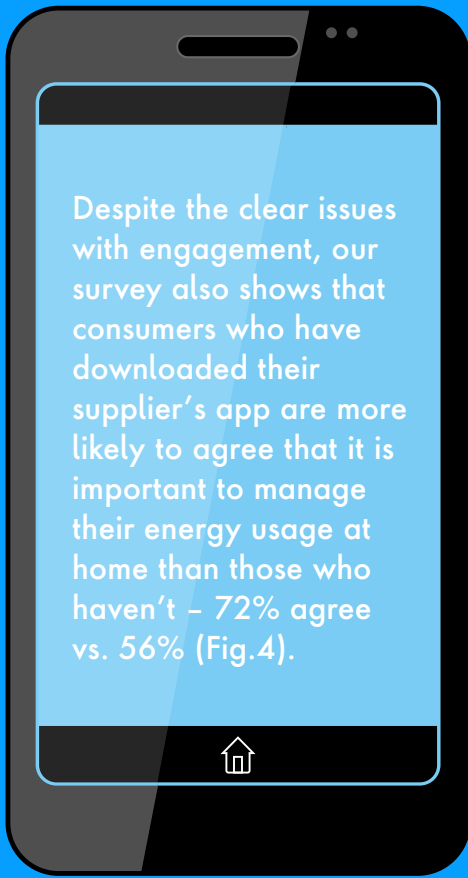
This suggests that many consumers feel underserved by their suppliers in areas that are increasingly important to them – a situation very likely to be made worse by the surging energy prices now disrupting the UK and other markets. **There is a clear opening for energy suppliers to respond by providing smart tools and personalised energy-saving hints and tips, capitalising on the data now being gathered from millions of smart meters.**

Given that the proportion of customers **satisfied** or **very satisfied** with their supplier in the UK fell four percentage points between Q4 2020 and Q1 2021 (Fig.3) – to the lowest level since the regulator Ofgem began tracking these numbers – it makes obvious sense for suppliers to focus on opportunities such as these to strengthen their relationship with their customers.

Fig.3 % Customers satisfied with their supplier



Source: Ofgem, 2021



The consumer-engagement challenge facing UK energy suppliers is significant.

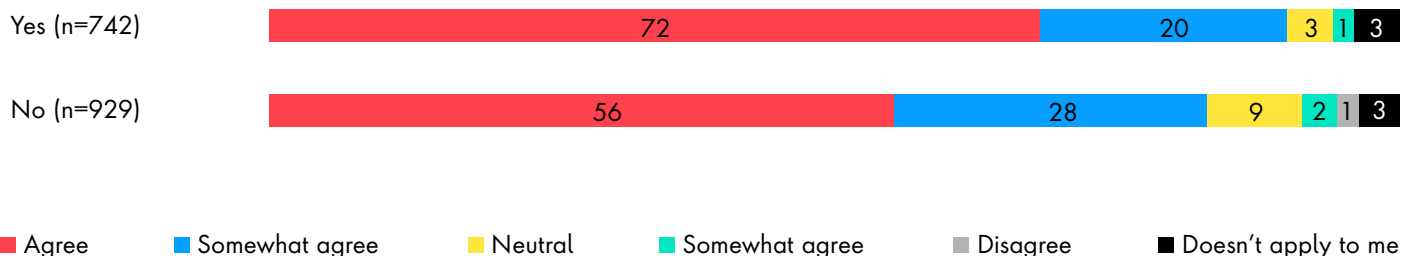
Although smartphone penetration is extremely high in the UK and smartphones have become the preferred way for consumers to engage with brands across a wide range of sectors, just **45%** of consumers have downloaded their energy supplier's app.

Among those who haven't, **41%** were not aware their supplier had an app at all. This suggests that suppliers are not communicating their mobile proposition effectively and are failing to make clear the benefits of their app, as well as how it differs from their website.

We found that another **40%** of the non-app users rely on their supplier's website for everything they needed. These consumers are very unlikely to migrate to the mobile channel unless it can offer them different and superior features and experiences. Suppliers need to communicate those benefits much more effectively.

Even among consumers who have downloaded an app, engagement is low. Most look at it only weekly (35%) or monthly (38%), highlighting their overwhelming focus on basic, functional aspects of their relationship with their supplier, especially billing, submitting readings and managing their tariff.

Fig.4 Energy consumers, who have downloaded their provider's app, rate the statement: "It is important to actively manage my energy usage at home" (%)





The spread of smart meters is also increasing consumers' interest in monitoring their energy use by making information readily accessible through in-home displays – 36% of UK consumers check their energy use daily, a much higher proportion than in any of the other countries surveyed.

People who have smart meters are again more likely to agree that it is important to manage their energy use at home than those without a smart meter (Fig.5), although the gap here is smaller than the difference we find between those who are app users and those who are not.

This suggests that customers who have both a smart meter and their supplier's app are more engaged than those with just one or neither.



Three-quarters of UK app users say they use it to do things they previously did via the supplier's website, illustrating that given the opportunity, many consumers will naturally migrate to mobile channels.

However, a mobile app that simply replicates the functionality of a supplier's website is unlikely to elicit deeper engagement among customers. To achieve this, suppliers need an app strategy that goes much further than simply repurposing features of their website.

Fig.5

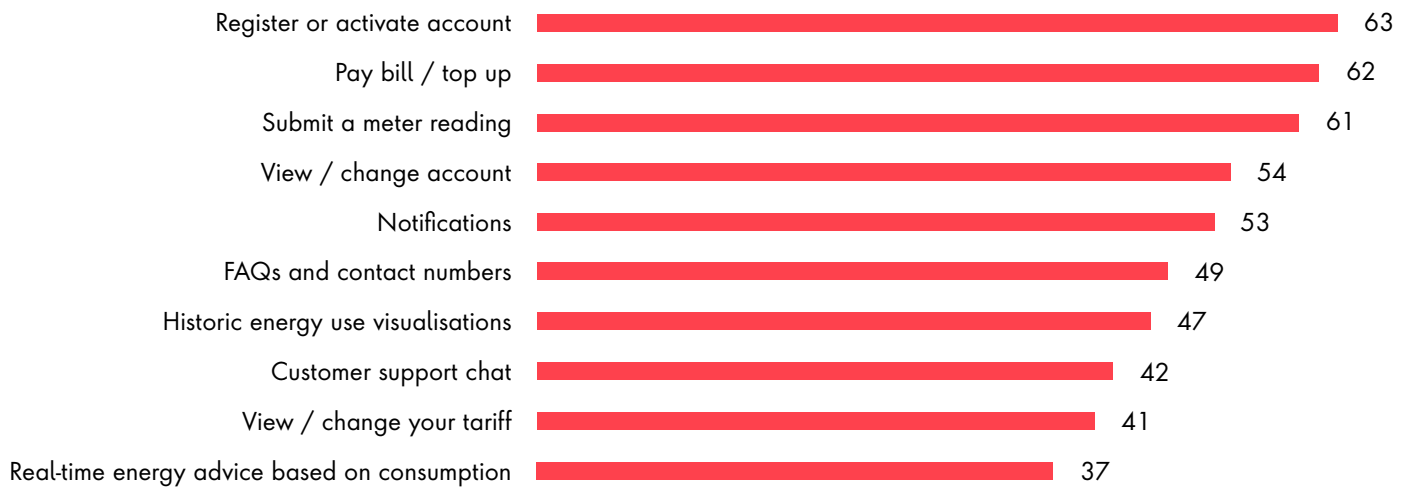
Energy consumers, who have a smart meter, rate the statement: "It is important to actively manage my energy usage at home" (%)



■ Agree
 ■ Somewhat agree
 ■ Neutral
 ■ Somewhat disagree
 ■ Disagree
 ■ Doesn't apply to me

Our research finds significant appetite among UK consumers for more sophisticated functionality in mobile apps than most providers are currently offering. There is strong demand for features (smart home services, real-time energy advice and dynamic pricing, for example) that we categorise as ‘Game changers’ in the Kano assessment. Consumers also indicated strongly that certain app features that we categorise as ‘Differentiator’ (push notifications, usage visualisations, FAQs and contact details) were ‘Must Haves’ in their eyes (Fig. 6).

Fig.6 Top 10 features rated as ‘must have’ by UK energy consumers (%)



Moving from the 2020 to 2021 survey, we were surprised that features that were previously regarded as Differentiators are now widely regarded as Must Haves by consumers. These include notifications, customer support, and historic energy use visualisations.

This suggests that, even in the space of a year, customers have become more discerning, and their requirements are being shaped by app innovation and development in other sectors, where certain features such as notifications have become commonplace.

To reflect these findings, for our subsequent feature and function analysis later in this report, we have promoted the following Differentiator features into the Must Have category: notifications, customer support and historic energy use visualisations. Additionally the following Game Changer features have been promoted into the Differentiator category: smart home service integration, and rewards.

Taken together, these findings highlight clear opportunities for energy suppliers to use mobile to deepen customer

engagement by offering smart tools and more personalised information. Most, however, are a long way from capitalising on those opportunities.

The result is that a significant minority of consumers have turned to third-party apps to find the smart tools they are seeking. Some 22% of UK consumers already use apps such as Nest, Hive (owned by British Gas), Samsung SmartThings and SolarEdge to track and manage their energy use. For suppliers, this should be a cause for concern.

The Mobile Experience Barometer 2021: Who's included

The energy suppliers included in this year's Mobile Barometer were divided into two categories. The categories align with those used in the 2020 Energy Barometer report.

INCUMBENTS:



CHALLENGERS:



Feature and Function Criteria

Our Product Management experts have mapped the retail energy market to establish the features and functions to benchmark. To assess and compare the apps we use three categories – Must Have, Differentiators, Game Changers – that reflect the division of features set out by Professor Noriaki Kano in the 1980s for his theory of product development and customer satisfaction. This is commonly known as the **Kano model**.

Each of these groups is scored out of 25.

Fig.7 DEFINITION

FUNCTIONS

MUST HAVE

Must Haves comprises the basic, essential features that customers expect from every supplier.

View / change tariff
Submit meter reading
View / pay bill
View / change account details
Registration / activation
Customer support & chat
Historic energy usage visualisations
Notifications

DIFFERENTIATOR

Differentiators provide a level of performance-based differentiation between suppliers and are points of comparison for consumers.

Apply for / buy related products
Usage insights and tips
Smart home services integration
Rewards

GAME CHANGERS

Game Changers provide unexpected “delights” for customers, shaping and shifting perceptions of a company’s products and services.

Real-time energy advice
Dynamic pricing / automatic switching
Manage your EV energy
Home energy battery storage
Monitor and control home energy generation
API integration
Voice-based functionality

Experience Criteria

Our Experience Designers have identified five criteria to score mobile experience across all consumer-facing markets.

We score each of the criteria out of five, with 0 signifying that the experience is absent and 5 indicating that it is as good as the best provided by the 'experience champions' we identify from outside of the energy retail sector (Fig.8).

Fig.8

Mobile experience champions



BRAND PERSONALITY

Expression of brand purpose, brand image, tone of voice, micro-moments, etc. /5



CITYMAPPER



DUOLINGO



APPLE STORE



DELIVEROO



INTUITIVENESS

Navigation, UI interfaces, personalisation, contextual clues, onboarding, etc. /5



SPOTIFY



EMAIL



AIRBNB



APPLE WALLET



SUPPORT & SELF-SERVICE

Self-Service provisions, e.g., search, chat, FAQ, hand-off, etc. /5



AIRBNB



AMAZON



IKEA



EASYJET



CONTEXTUAL MARKETING

Marketing experiences which reframe sales as a useful, relevant service and intuitive sales journeys. /5



REVOLUT



APPLE STORE



NETFLIX



INSTAGRAM



CONNECTED EXPERIENCE

Connection to other touchpoints, channels, services, and wider ecosystems. /5



TILE



FITBIT



TESLA



CITYMAPPER

Today's Mobile Apps – How the Suppliers are Responding

Feature and Functions

Incumbents and challengers are scored out of 25 in each of the three categories, Must Have, Differentiators and Game Changers. The Kano scores incorporate:

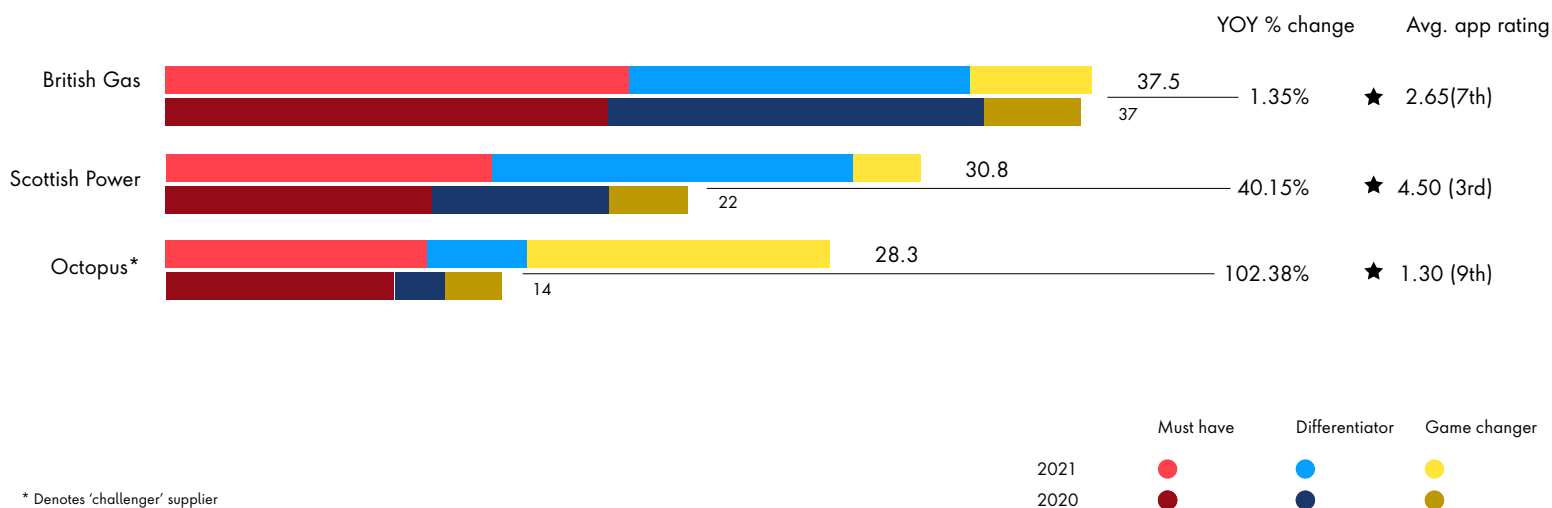
- The lowest score recorded
- The average score recorded
- The highest score recorded

On average this year, providers improved their scores in this area by just 1.87%.

Six of the providers surveyed made little or no year-on-year improvement on their 2020 Barometer scores, with just three providers making a noticeable improvement.

The top three providers (Fig.9) across these metrics are British Gas, Scottish Power and Octopus, two of whom made substantial year-or-year improvements in their scores (1.35%, 40.15% and 102.38% respectively). The other provider to note here is E.ON, who improved upon their 2020 score by 56.25%.

Fig.9 Kano assessment: Top three suppliers



Although we rank these three brands as the leaders in terms of mobile features and functionality, this finding is at odds with their average app store ratings (Apple & Google combined) from users. This may be influenced by experience of using the app (including technical issues) and could also reflect consumers' more general level of satisfaction with each provider.

Octopus greatly improved its 2021 score by adding a range of Game Changer features including its Agile Tariff, a time-of-use tariff that allows customers to take advantage of off-peak periods when prices drop to consume electricity more cheaply. Octopus has also added integrations with smart home devices and voice-based functionality since 2020, as well as further advanced features since our survey was conducted. By contrast, Scottish Power greatly improved its 2021 score by developing Must Have and Differentiator features such as the ability to view and apply for other products, improved levels of customer support and service, and visualisations of customers' energy consumption.

British Gas remains the overall leader, despite not improving substantially on their 2020 score, indicating that few, if any, features have changed.

Experience Dimensions:

The Kano scores for Incumbents and Challengers incorporate:

- The lowest score recorded
- The average score recorded
- The highest score recorded

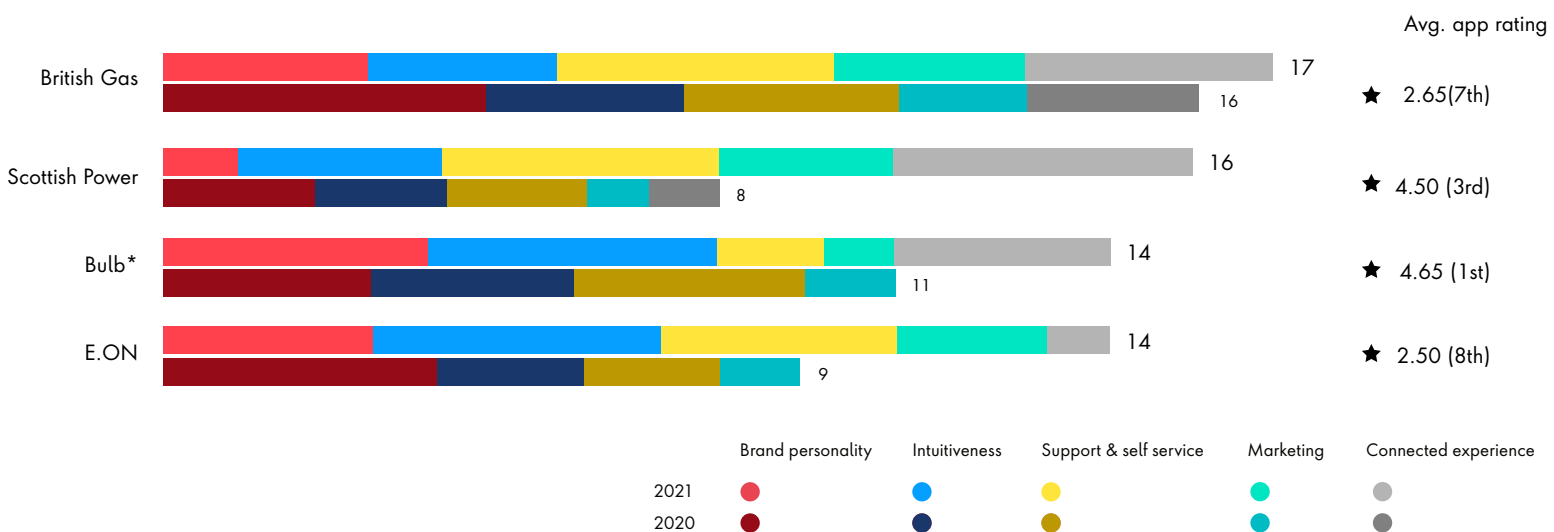
On average this year, providers improved their scores in this area by **43.37%**.

Two suppliers failed to improve on their 2020 scores, while the remainder made medium-to-large gains.

The top three across these metrics (Fig.11) are **British Gas**, **Scottish Power** and in joint third **Bulb** and **E.ON** (who increased their scores by **6.25%**, **100%**, **27.27%**, and **55.56%** respectively).

Another provider to note is **Octopus**, which greatly increased its score by developing its ‘connected experience’, particularly with the use of open APIs and connections to smart home devices.

Fig.11 Experience dimensions: Leading suppliers



Scottish Power also made significant gains by improving its ‘connected experience’, for example by offering in-app connection to smart home devices and electric vehicle integration. The company also lifted its score for ‘marketing’ by offering access to other products and services.

E.ON made notable headway in ‘support and self-service’, offering human-oriented live chat and developing its FAQs.

Marketing seems to be an area for improvement across the board, indicating that providers generally are missing the opportunity to use their app to reach out and present additional, relevant products and services to their customers.

Many have failed to improve on their brand personality score from 2020 and our research found that brand personality tends to be utilitarian and indistinguishable, particularly in relation to tone of voice. This presents an opportunity for providers to differentiate themselves more clearly through their mobile apps, whether by creating unique, micro-interactions and animations or by using a carefully applied tone of voice to create more memorable brand moments.

Support & Self-Service has improved across the board, suggesting that opening additional support and self-serve channels has been a priority for the industry, possibly as a result of COVID and the need to interact digitally with customers.

Challengers vs Incumbents

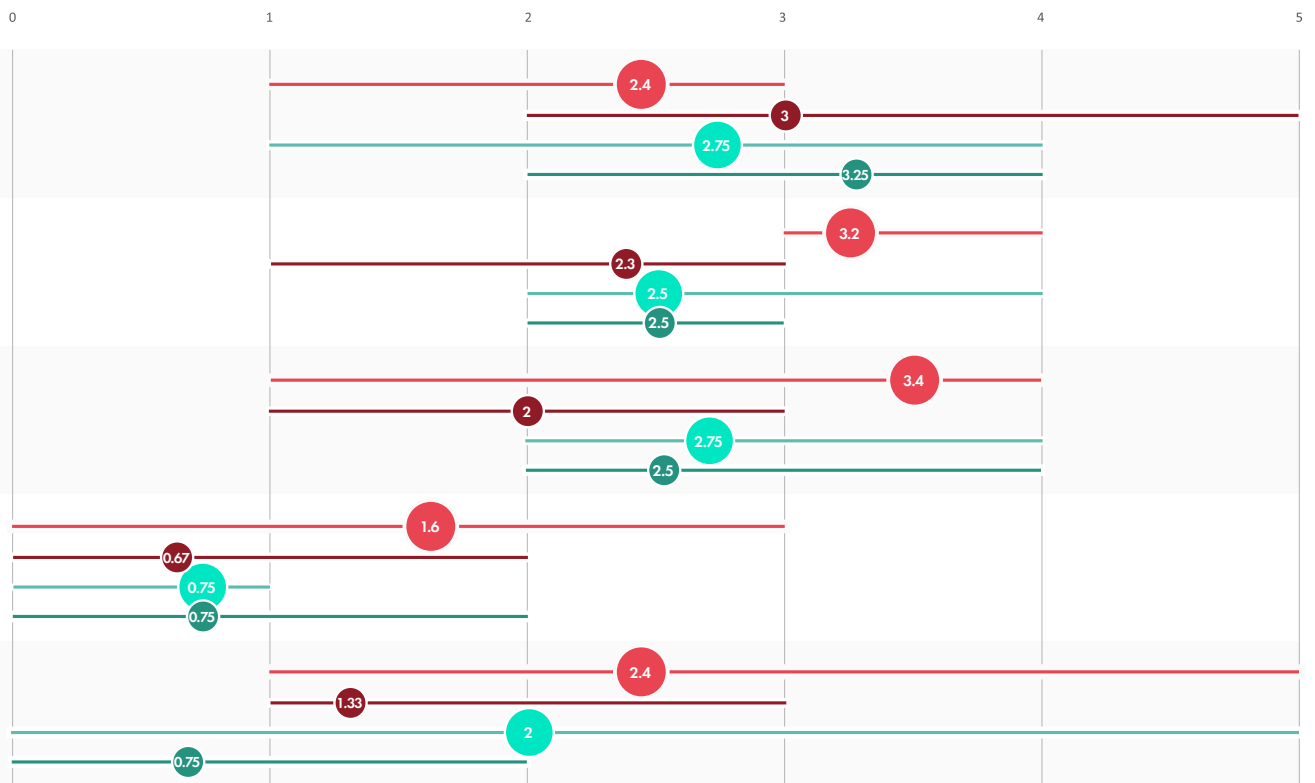
Incumbents lead challengers everywhere except in brand this year and have overtaken challengers since 2020 in three of our five categories (Fig.12).

Fig.12

Experience dimendions: Competitor analysis

INTERVIEWS | UK

2020 2021
 Incumbent ● ●
 Challenger ● ●



Aside from general weakness in the brand category, both groups' contextual marketing attracts the lowest scores, indicating that incumbents and challengers alike are missing opportunities in this area. Intuitiveness and Support & Self-Service seem to be areas of focus, with both groups achieving strong scores in these two categories.

The page features a white background with teal abstract shapes of various sizes and orientations framing the central text. The shapes include circles, teardrops, and irregular polygons, creating a modern, organic border.

Key Takeaways for Energy Suppliers



Personalised insights and tools for energy management

There is clearly room for the majority of providers to improve their mobile experience, features and functionality. Given the current energy crisis and subsequent spiralling costs, customers no longer have the option to find a cheaper deal by switching supplier. Instead, there is now a greater reliance on minimising cost by more efficient energy use management, and so providing tools to help customers understand, monitor and control their energy usage is an urgent priority. Customers will be looking to their suppliers to do more to help them, and we see suppliers' mobile apps as the key enablers for these experiences.

The winners will be the providers who can equip their customers with contextual knowledge and tools that will ultimately help them to save money.

Importantly, customers expect more than generic hints and tips on energy saving. They are seeking features such as time-of-use tariffs, contextual information based on their smart meter data – such as breaking down consumption by appliance (as provided by **British Gas**) or offering comparisons with similar households – as well as timely, actionable advice to help them more efficiently manage their energy consumption. **Octopus** is an exemplar in this respect with the implementation of its open APIs. These are resulting in more effective use of energy consumption data, giving customers more visibility and control over their usage behaviour.

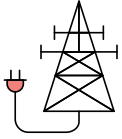
Access to ever-increasing volumes of customer data should also enable suppliers to be more proactive, providing predictive maintenance for appliances, for example, or alerting customers who are heading for a higher monthly bill than usual. This could turn their app into a channel for two-way, real-time dialogue via a personal, virtual energy assistant. Suppliers can also empower their communities of customers to help each other through peer-to-peer troubleshooting (which could also reduce pressure on customer service centres).

Finally, consumers want more integrations with third-party apps such as **Alexa** or **Google Home**, as well as energy management apps such as **Hive** or **Nest**, that give them greater control within their home by managing smart-home devices via mobile apps. With their focus predominantly on basic account-management functionality, most energy suppliers are failing to grasp this opportunity to provide consumers with the intelligent, value-added services they want.

Scottish Power has integrated some smart home services into its main app but in the case of **British Gas**, for example, its **Hive** product is provided as a standalone service, complicating the customer proposition.

UK consumers are extremely price-driven: the current churn rate in the UK energy retail market is approximately 20% a year (Ofgem, 2021), although this is expected to significantly reduce in light of the recent energy crisis. Suppliers must therefore build more valuable and beneficial connections with their customers to increase loyalty and improve retention. Developing the ability to upsell highly relevant ecosystem products and services, such as appliance-specific maintenance or EV charging points, will also prove vital to retaining customers in a highly volatile and price-oriented market.

The mobile app will be a key channel for customers to discover and manage these additional products and services. Another possible route to explore is a more traditional loyalty or rewards program that incentivises certain behaviours, such as reducing energy usage or contributing to a peer-to-peer troubleshooting service, using energy rebates or product discounts.



App-specific marketing

Given that many customers haven't downloaded their supplier's app because they are not aware that one exists, it's clear that suppliers need to market their mobile app proposition much more effectively. In conjunction, suppliers need to give customers a clear and compelling reason to download their app, demonstrating the additional value that the mobile features and functions deliver, rather than simply creating a replica of their website.



Changing customer priorities

Given the noticeable shift in customer priorities when it comes to the features and functions they expect (such as the importance placed on notifications), it is vital that energy suppliers keep abreast of their customers' changing desires in order to deliver a competitive product. These expectations are being influenced by app innovation and development outside of the sector, indicating that suppliers need to take cues from other industries to remain relevant and useful to their customers.



Brand personality

Our research has found that brand personality across the industry is relatively homogenous, highlighting the opportunity for suppliers to differentiate themselves from one another by investing more into a distinctive brand personality. A key component to this will be bringing that personality to life through their mobile channels, making better use of brand-specific tone of voice and micro-interactions, such as animations. Otherwise, suppliers risk being lost in a sea-of-sameness, in an environment of low customer affinity and high churn rates. Challenger suppliers have led in this domain, due to their highly branded acquisition and onboarding journeys, however our research indicates a drop off in brand personality scores.

Brand personality is at risk of suffering further in the energy crisis as firms look to tighten their belts and cut costs. Given that tariff price is unlikely to be the main trigger for consumer choice in the current climate, this is therefore a moment for firms to recognise the power of brand as a differentiator and to invest accordingly. We believe that mobile branding will be a key battlefield in this and other consumer markets.

The background is a vibrant blue color with a pattern of white, organic, and somewhat abstract shapes. These shapes vary in size and form, some resembling elongated teardrops, others more like irregular polygons or rounded rectangles. They are scattered across the blue field, creating a dynamic and textured visual effect.

Next steps for UK energy suppliers



Customers are facing a winter energy crisis that will see their household bills rise significantly. Many want suppliers to do more to help them manage their energy consumption and save money.

We believe mobile apps are the natural channel through which suppliers should respond to these needs and that, in the near term, mobile could have a big impact in helping consumers take control of their situation and reduce the stress caused by spiralling energy prices.

Suppliers need to recognise that consumers want more than basic functionality from their apps. In the medium term, suppliers need to make better use of the data collected through smart meters and use their energy apps to deliver the insights derived from it.

This could allow them to build a more accurate profile of each household and offer personalised insights, suggestions and notifications to help customers manage their energy consumption better. The ability to monitor the health of individual household appliances and show customers the amount of energy each consumes are likely to be valued in today's environment.





In the longer term, suppliers should use data and insights to provide personalised offers for low/no-carbon products and services to further help mitigate the energy price impact and drive the energy transition.

The shift to mobile is more urgent than ever – and it offers suppliers a major opportunity to deliver richer and more valuable customer experiences.



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If you would like to understand more about this report or how your company's app featured, please get in touch and we will be happy to present our results in more detail.

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Get in touch

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Limitation of the report

Where possible, we have tried to cover all aspects of the energy market, but inevitably, there were some areas we couldn't cover, including:

Price Comparison digital experience - Nearly all online price comparison services currently use a website as their sole point of interaction. As this report focused on energy suppliers' mobile experiences, we haven't covered this in our assessment.

Pay-as-you-go functionality, such as the ability to provide Top Ups in the Bill View / Bill Payments feature, has been considered. However, the PAYG customer experience has not been a focus of this research, so specific PAYG functionality, or specific PAYG mobile apps have not been assessed.

This research was undertaken by **Publicis Sapient** in June and July 2021, prior to the current energy crisis, which may have significantly affected consumer views and behaviours.