

# Customer Value Analysis

THESL Presentation to OEB  
Performance Benchmarking Working  
Group

# Value Defined

- Value is the relationship between quality and price – the amount by which benefit exceeds cost
- Perceptions of quality are defined and measured by the customer, but may be strongly influenced by factors external to distribution (e.g.,. Retailer activities, commodity cost increases)



# Perceptions of Value

- Customers have to purchase electricity because life and lifestyle depend on it. This driver measures customer perceptions as to whether the total costs of electricity represent good value and whether the utility is seen as working in the best interests of its customers as it relates to keeping costs affordable

(Simul Corp. – Utility Pulse Survey 2011)

- “The overall value for money it offers you as a customer ... (By overall value I mean how you feel about the company, including how it operates and the quality of all the services it provides, for the price that you pay)”

(Toronto Hydro – Survey 2011)

# Creating a perception of Value

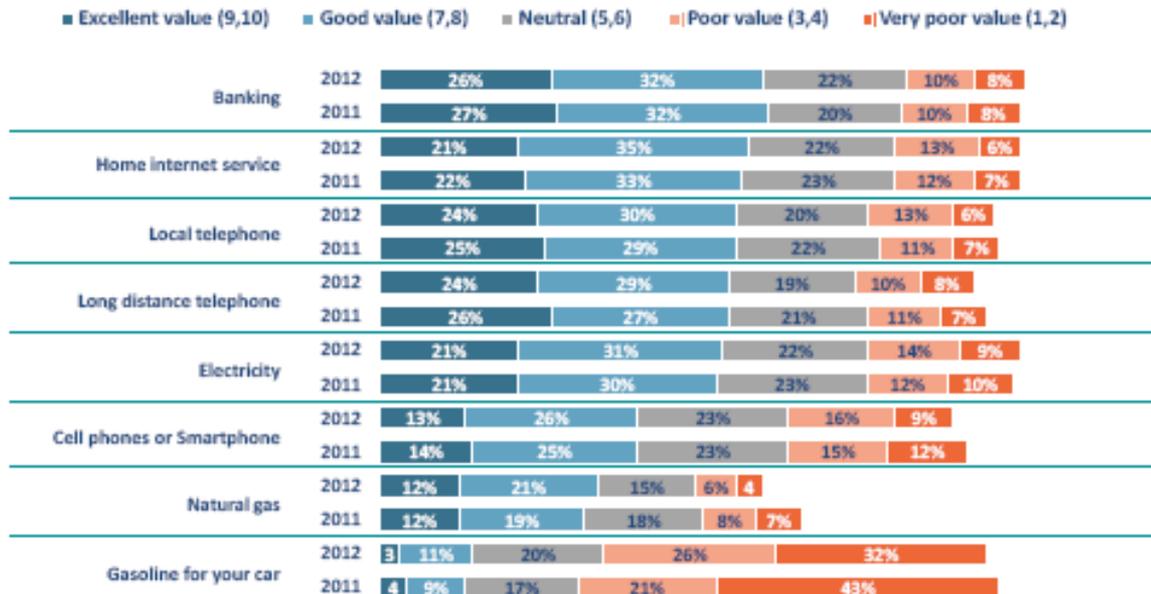
- What do customers get for the money paid for electricity – participants quickly identified electricity as a critical element of daily lives; there are at least five ways in which participants were able to see electricity as good value:
  1. Electricity as an enabler of modern life
  2. Electricity compared to other household expenditures
  3. Electricity compared to international jurisdictions
  4. Complexity of electricity system
  5. Electricity as an economic engine

CEA Exploratory Focus Group (June 6, 2012)

# Value for Money – 2011/2012 CEA

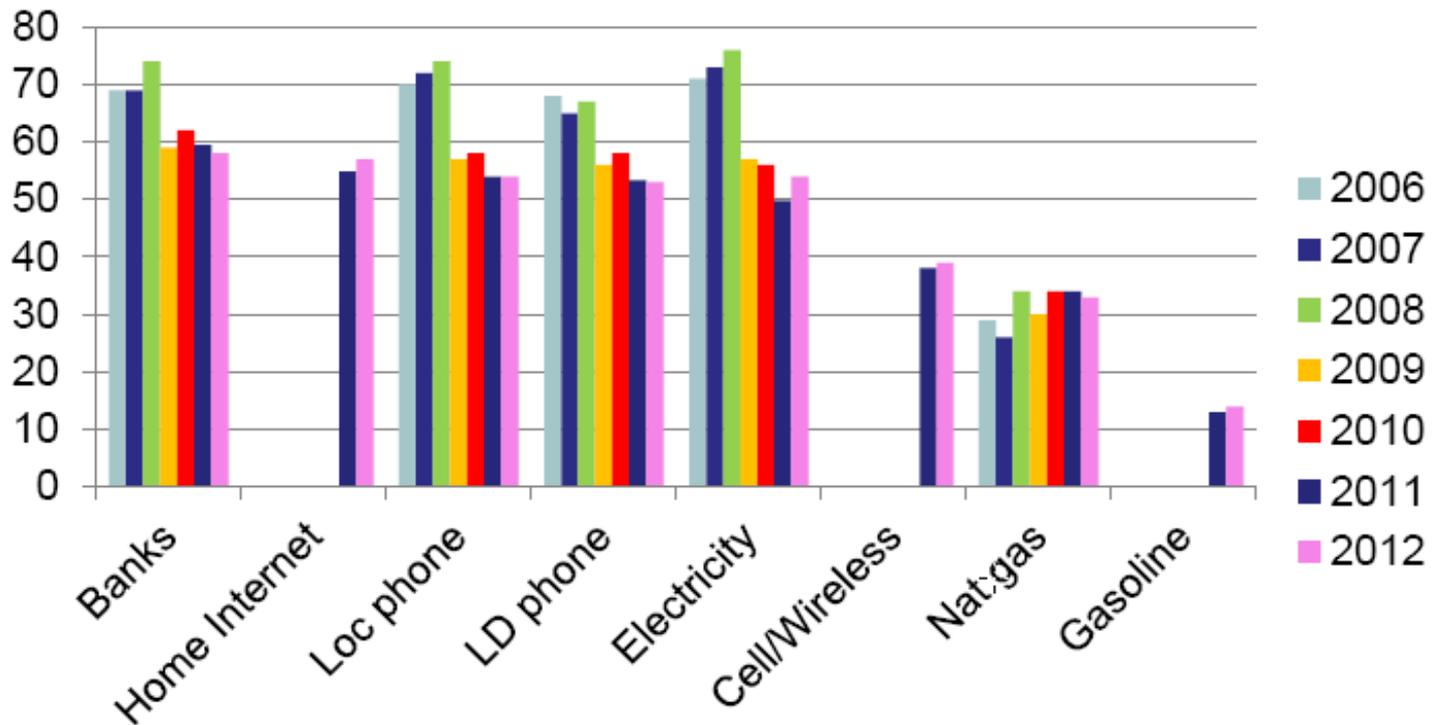
## Value of Utility Services

Respondents were asked to rate the perceived value for money they receive from various services that many people commonly receive. The two services that received the highest value ratings were banking (58%) and home internet service (56%). Electricity service, for its part, was not far behind as just over half (53%) rated it as a good or excellent value.





# Comparative Value for Money Good (7-8) and Excellent (9-10)



# What Matters to Toronto Hydro Customers

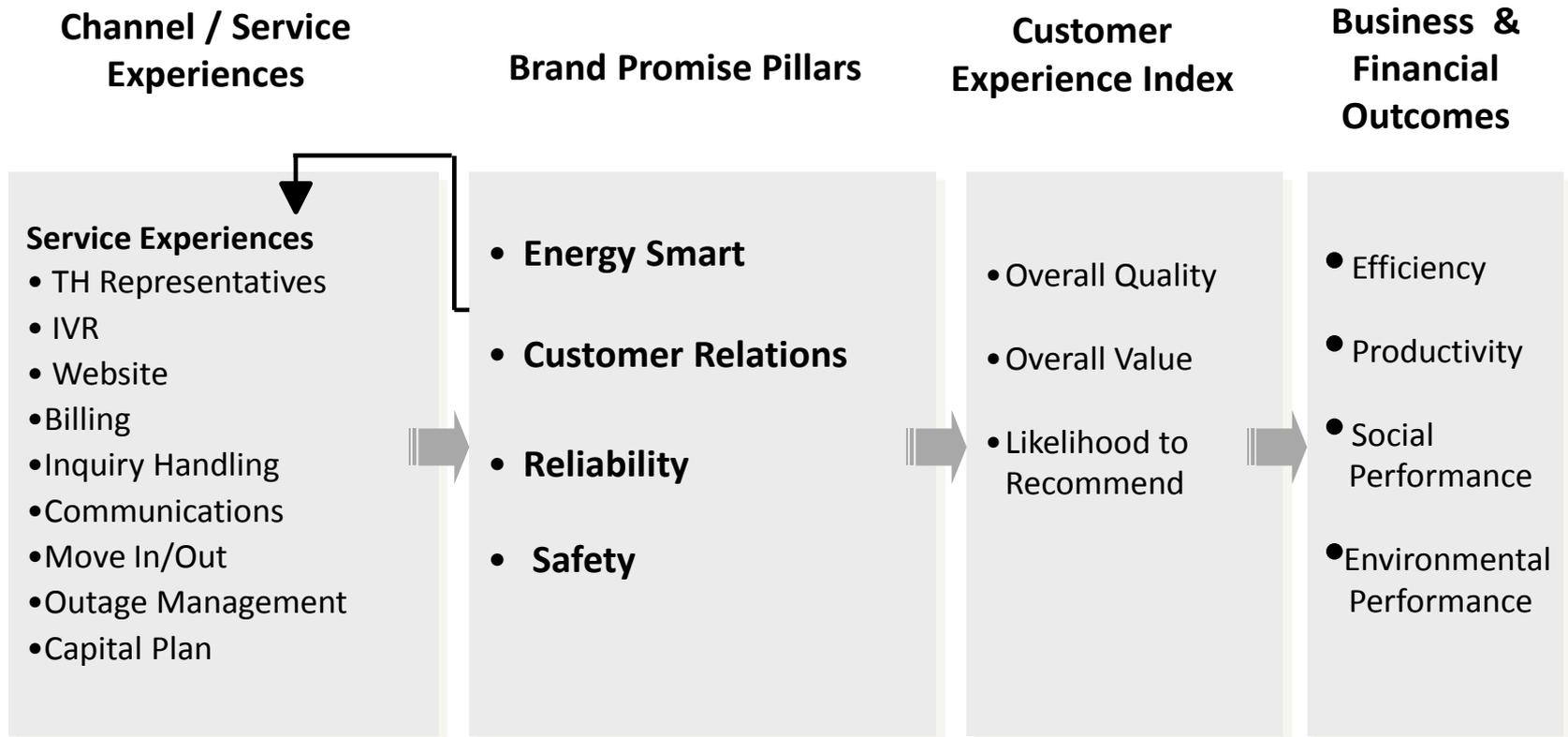
Toronto Hydro's Four Brand Promises improve the overall perception of quality for customers:

- Being Reliable
- Safety
- Customer Relations and Being Easy to Deal With
- Providing Energy-Smart Solutions
- Fulfilling on the above promises drives value for money

# Toronto Hydro's Customer Experience Index (CEI)

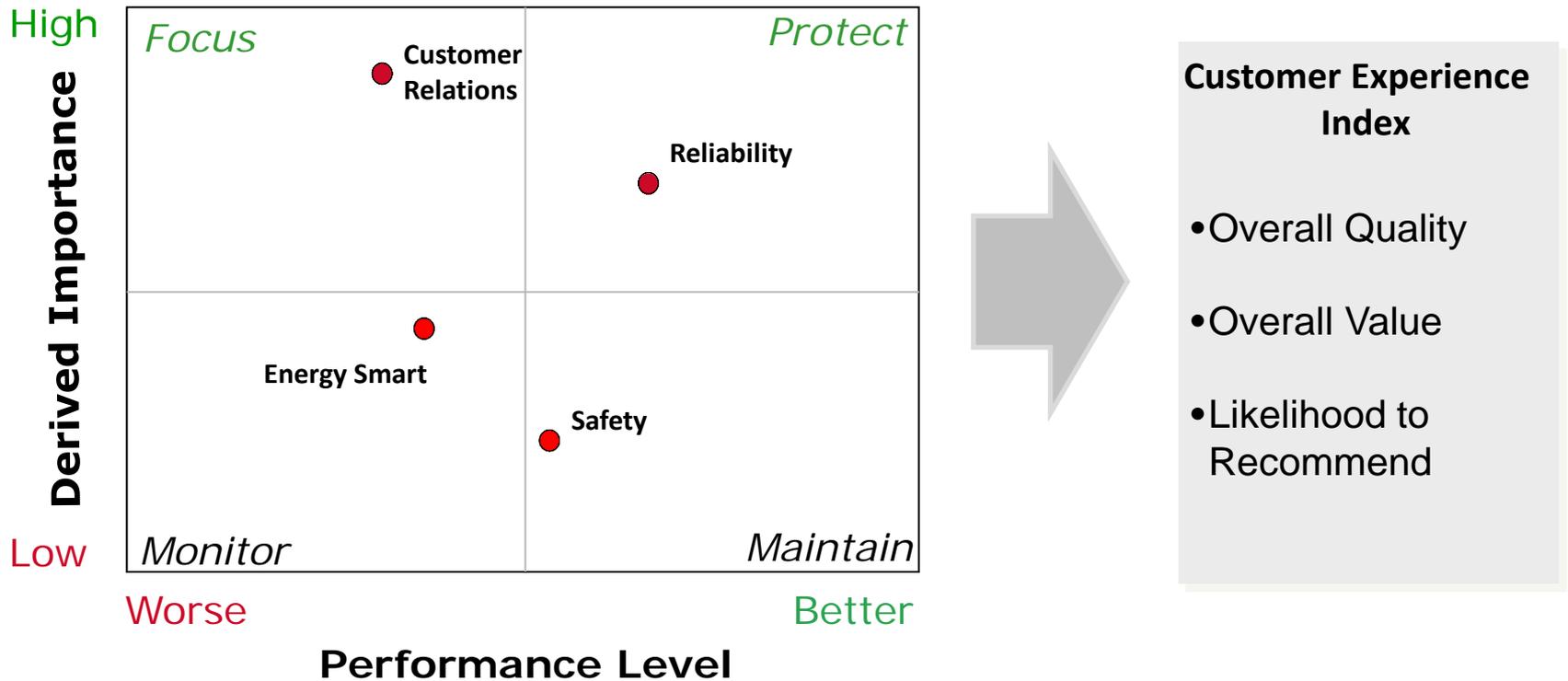
- The Customer Experience Index is comprised of three questions:
  - overall quality of service provided;
  - the likelihood to recommend Toronto Hydro to others (if given the choice of providers); and
  - overall value for money offered.
- Customers (residential and business) must rate Toronto Hydro a “9 or a 10” on all three measures to form the CEI

# Customer Experience Management Framework



# Utilizing customer value analytics to Impact the Customer Experience Index

For Toronto Hydro, the Customer Relations brand pillar has the most impact on improving the Customer Experience Index.



# Customer Relations: Key Value Drivers

	Key Value Drivers
<b>TH Representatives</b>	<ul style="list-style-type: none"><li>•Resolving your requests to your satisfaction</li><li>•Showing a sincere interest in your question or concern</li><li>•Getting back to you in a reasonable timeframe</li></ul>
<b>IVR</b>	<ul style="list-style-type: none"><li>•Providing you with useful information</li><li>•Making it easy to find the option you are looking for</li></ul>
<b>Website</b>	<ul style="list-style-type: none"><li>•Being able to find the information you were looking for</li><li>•Being easy to navigate</li></ul>
<b>Billing</b>	<ul style="list-style-type: none"><li>•Providing information to help with energy consumption</li><li>•Providing accurate billing information</li><li>•Providing bills that are easy to understand</li></ul>
<b>Move In / Out</b>	<ul style="list-style-type: none"><li>•Making sure the process is easy to follow</li><li>•Providing you with enough information to complete the process</li></ul>

# Questions for the PB WG

- To what purpose should CVA be put in the context of the RRFE and performance benchmarking?
- If customer perceptions of value are driven by external factors, can CVA nevertheless inform what performance metrics affecting customer value perception can be managed by utilities and should be tracked by the OEB?