

The sweetest offer

The European energy market is changing dramatically. Nowhere is this development more apparent than in the Netherlands. Churn has become a major challenge, but Nuon is turning the situation around.

Text: David Scherpenhuizen | Illustration: Nadine Magner

Bart van den Berg, a commercial specialist within Nuon, says that even though the energy landscape is rapidly changing, Nuon is still the market leader in the Netherlands. However, the company is under pressure and the number of customer retention calls has increased dramatically from 525 to 2,500 calls a week within a two-year period. Furthermore, competition is springing up all over the place and is more aggressive than ever.

Sales Manager Ellen Wevers adds: "The whole playing field has changed. Previously, the major energy suppliers

were the only competition, but nowadays there is also competition from third parties, who are selling energy through auctions."

In the Netherlands, big organisations with a trustworthy image and tens of thousands of members, such as the Consumers' Association and the ANWB (the Dutch automobile association), invite their members to enrol for an electricity auction. The various energy suppliers submit a blind bid and the one with the best offer is awarded the collective contract. "Even major chain stores are getting in on the act," Wevers says incredulously. "These kinds of auctions are putting prices under extreme pressure. If you look at some of the prices involved in collective contracts, it's almost cost price!"

Nuon decided not to participate in auctions so as not to legitimise or

encourage them. However, they caused customer churn (high customer turnover) and Nuon had to come up with an appropriate response strategy.

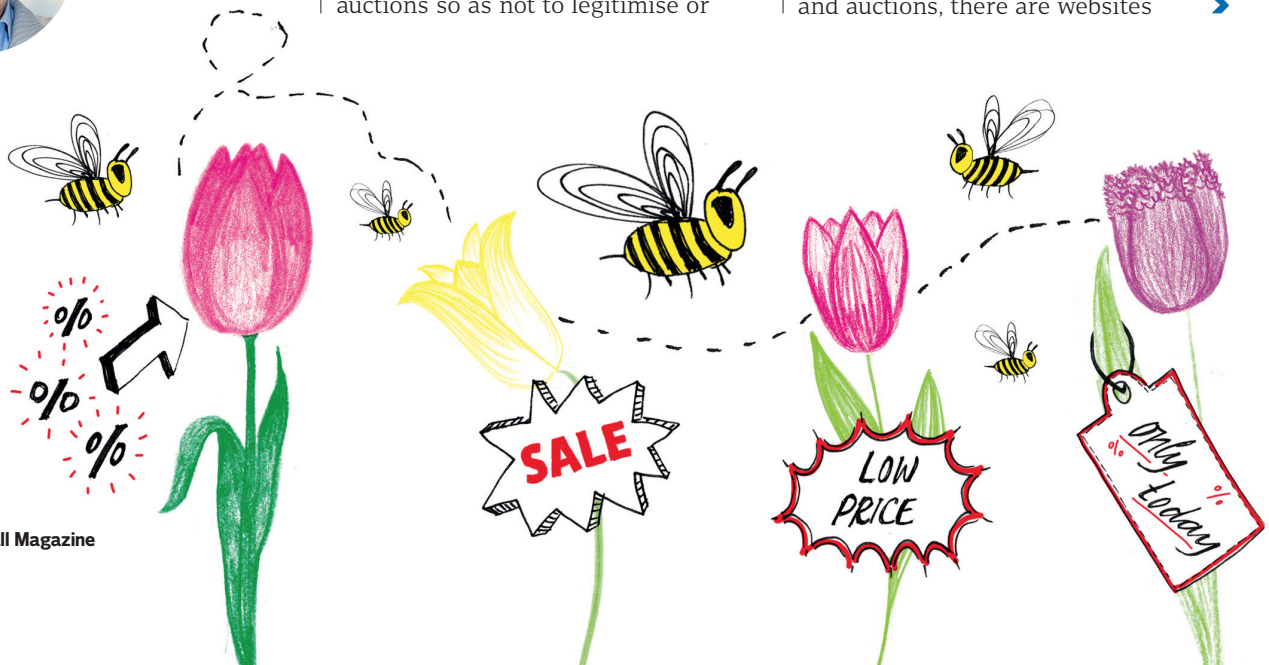
"Whenever an auction is announced, our marketers look at the terms and come up with a counter proposition, if necessary. The retention team is alerted to the auction and informed of what they can offer a customer to keep them on board if they ring up and cite the auction," explains Van Den Berg. "We hope this strategy will make third party auctions infeasible, and that they, therefore, disappear in the long run. They are already showing signs of slowing down and the offers are becoming less competitive, so we're hopeful their days are numbered."

Besides competition from third parties and auctions, there are websites [▶](#)



Joyce Duijkers

Bart van den Berg
Commercial Specialist



“We want to be proactive and retain customers by investing in the relationship.”

Ellen Wevers
Sales Manager

75%

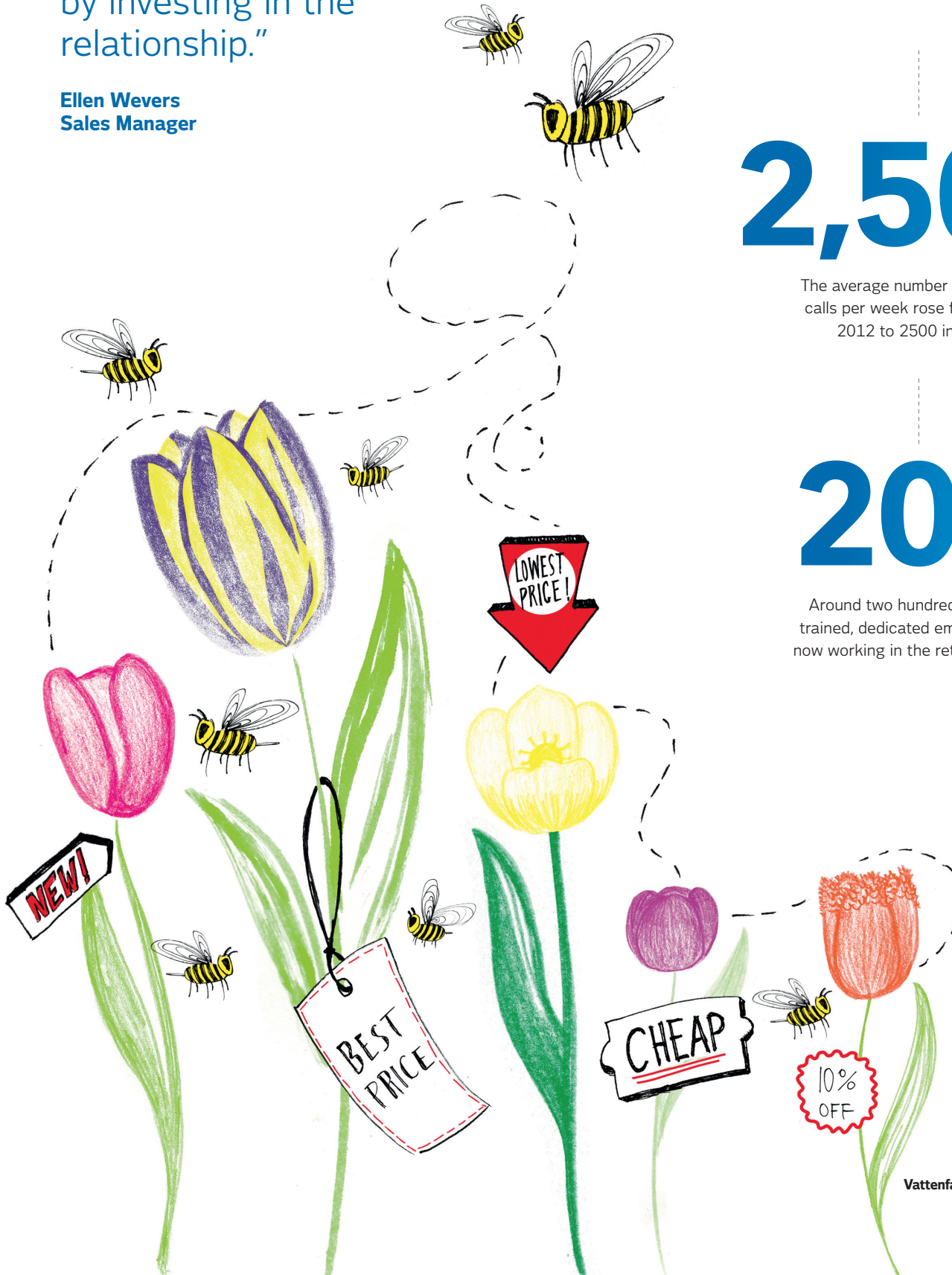
The retention rate achieved in 2013 was a significant 75 per cent.

2,500

The average number of retention calls per week rose from 525 in 2012 to 2500 in 2013.

200

Around two hundred specially-trained, dedicated employees are now working in the retention team.



Customer case

► that compare prices and services, TV commercials and even programmes devoted to energy and money saving.

Wevers explains the impact of this: “The major change is in customer behaviour. They join their peer group online to discuss things and they have become more assertive, knowledgeable and demanding. While they used to be loyal and relatively uncritical, now they know what they’re talking about and they want to shop around for the best deal.”

In this new, highly competitive situation with demanding customers, Nuon had to learn to think on its feet and respond quicker, more flexibly and creatively. This resulted in Nuon changing its entire retention strategy. “Once the market started to change and the number of retention calls increased, we realised we needed specially qualified people and a new approach,” Van Den Berg explains. “After a lot of trial and error and on-the-job-training we concluded that the solution was a specially trained, dedicated retention team. We changed the selection criteria and optimised training based on calls with customers and research carried out by Customer Services. These insights allowed us to gradually expand the team to around 200 people.”

Since then, the results have soared and Nuon now retains around 75 per cent of the people who get in touch with them saying they want to leave. “We’re delighted with this success!” he beams.

The retention team is crucial to Nuon’s ongoing success and it takes special skills. As Wevers says: “We



Joyce Dukkers

Ellen Wevers
Sales Manager

need dedicated, empathetic people who are friendly, down-to-earth and genuinely interested in the customer so they feel understood and appreciated. The customer can sense insincerity so it takes a special person to strike the right tone. Get it wrong and the customer is gone.”

Wevers adds that ideally they want to reach the customer before the thought of leaving even crosses their mind. “We don’t want to just be reactive and simply attempt to retain a customer who is on the verge of leaving. Then it’s often too late. We want to be proactive and retain customers by investing in the relationship and ensuring their whole experience with us is a positive one.” She continues: “Customer Services did intensive research into how our customers perceive us and what they want from an energy company. They saw us as a big, monolithic entity, remote and slow to respond to their needs. What they want is a company that appreciates them for their loyalty and offers good service and assistance when needed.”

So what was the answer? “We took these lessons to heart and set about improving the customers’ experience by making our processes smoother and communications clearer and more customer-friendly,” she says.

Van Den Berg adds: “Besides that, we seize every opportunity we get to explain to our customers the benefits of staying with us: affordability, transparency, reliability, good service, et cetera. We basically approach every contact with a customer as a retention call. We also try to make them feel appreciated by being more accessible and offering rewards.” He has found that these are things people really appreciate and are willing to pay a bit more for: “It’s not just about the lowest prices.”

Wevers and Van Den Berg say that the new customer-centric approach was developed specifically to deal with the challenges in the Dutch market, but it makes sense for other companies to adopt the same proactive approach because investing in your relationship with a customer keeps them happy and loyal and that is what it is all about. ■

To find out more, get in touch with Ellen Wevers or Bart van den Berg via ConnectUs.

