



VIEWS

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Shifting channels

– *Sam McGrady, Director, DTP*



Winston Churchill, that master of the one-liner, once said: “never let a good crisis go to waste”. It’s arguable whether the last few years constitute a crisis for the social housing sector – but they have certainly presented a series of huge challenges. Whether rent cuts or welfare reform, austerity and now Brexit, Registered Providers have been tested dearly by events and policy changes largely beyond their own making.

Some have viewed these circumstances as an opportunity; others have struggled to respond effectively. But it’s not too late to make sure they don’t go to waste in my view. And we can start, I think, by learning from each other.

DTP’s new Weather Forecast Group (WFG) which was launched in partnership with HouseMark earlier this year, aims to provide a platform to do that. Every couple of months talk in depth to senior housing professionals to discuss their experiences and the issues that are impacting on the sector. As you might imagine, there is particular focus on government policy changes, the effects they are having, and how providers are responding. With a new ministerial team taking its place at DCLG as I write, we may have to get used to a new policy framework sooner rather than later.

One area which has revealed some detailed insights is how we deliver services to customers. Most of those we spoke to for the most recent WFG report said they were reviewing this area of their business. For some, it has been a financial necessity; a direct response to the rent cut. For others it’s something they have been doing anyway. In all cases, it’s seen as an inevitable journey as we all become integrated into the digital age.

Other factors are at play beyond falling revenues. The changing nature of the RP customer base is also having an impact – the key feature being more focus on home ownership and intermediate rent. The rise of digitally savvy “millennials” is also playing its part.

One of the biggest changes we are seeing is in terms of “channel shift”. The trend across the sector is a move away from mostly face to face interaction with customers to telephone and, increasingly, online. Levels of commitment vary but the line of travel is clearly established.

The key thing most providers seem to agree on is the importance of getting the new customer experience right. People are more likely to take up digital or telephone services if they are efficient and meet their needs. It’s the key to driving that all-important take up. It’s worth adding that RPs recognise there’s unlikely to be universal acceptance of online services. For a section of their customer base which is vulnerable, elderly etc then the brave new world of digital customer interaction isn’t going to mean very much. With levels of online customer interaction of 15% – 20% still not uncommon this isn’t to be underestimated. We still have a long way to go.

With this in mind customer profiling seems to be becoming more prevalent. This is helping RPs to understand who their vulnerable customers are, so as to ensure they don’t get left behind by the digital revolution, as well as allowing for more human resources to be directed to targeted communications with this group.

We are hearing some good examples of innovation out there as providers seek to encourage customers online. One RP we spoke to has asked tenants to upload photos of each room in their house annually to provide repairs/damage insight and data. It also helps customers get used to dealing digitally with their landlord – it makes it ‘normal’. And with so many people regularly uploading photos to Facebook, Instagram and other social sites, why not their landlord too? Another provider had implemented a new system where tenants can report a repair directly to an operative – thus cutting out the call centre / diagnostic element of the process. That’s what you call a win-win. And it’s what happens in the private sector – so why not the affordable sector too?

As my colleague from 3C, Colin Sales, pointed out in a blog on this issue earlier this year, the benefits of channel shift are obvious. It has the potential to reduce costs and improve services. For further guidance on how DTP and 3C can help you maximise those benefits I’d recommend reading Colin’s article.

Where DTP and 3C add value is the way we can help providers to understand what their current service looks like – its strengths and weaknesses; where it is a drain on resources and where and how it can be improved. It means thinking carefully about the strategy behind your service offer and how it operates in practice. Going through the process can help you square what seems like an impossible circle: delivering improved efficiencies while at the same time ensuring the level of service you promise your customers is maintained. Or even improved. It can be done, and as we all move in that direction, that ‘crisis’ will have been far from wasted.