



Case Study: Doubling collection rates by putting consumers first



Lessons from Zuwa Energy in Malawi



As of today, more than a hundred Solar Champions are travelling by bike, moto and bus to reach 4000 of Zuwa Energy's customers in Malawi. The 30 staff and 80 agents are the face of Zuwa and have the customer at the centre of everything they do. So far, Zuwa has changed more than 20,000 lives in their aim to provide affordable energy solutions while offering the best customer experience. Fighting energy poverty and serving low-income, climate vulnerable customers, however, isn't always smooth sailing. A few years into distribution operations, the company found itself in a place where collection rates wouldn't rise above 45%, despite the deep efforts of Zuwa's dedicated personnel.

In 2020, the company participated in GOGLA's [Consumer Insights study](#), developed with [60 Decibels](#) to better understand how off-grid solar (OGS) consumers were faring in the COVID-19 pandemic. Winston Ngwira, Sales & Operations Manager says that through the results of the study, they came to realize that they "might have forgotten that we should focus on the customers and not only the sales."

Rather than being simply unable to pay, Zuwa learned that most customers didn't feel engaged

with the company which led them to repay slowly, or not at all. Recognising the disconnect between the company and the experience of their customers, Zuwa made a Commitment to the [Consumer Protection Code](#) (CP Code) - the Principles of the CP Code fit well with their existing approach but they were eager to learn how to better engage with their customers. Using the [CP Code's Self-Assessment Tool](#) was an "eye-opening moment" for the management team, who appreciated the ability to measure performance through a consumer-centric lens.

Case Study: Consumer Protection in OGS

With sales operations largely inactive due to the effect of COVID-19 restrictions, the company diverted its resource to act upon their findings. Zuwa overhauled their sales department...and transformed it into a high performing customer service team. With the customer firmly at the centre, the transformed team became responsible for assessing customers' ability to pay and proactively engaging with customers throughout the term of their PAYGo contract. The outcome? Customer satisfaction vastly improved and payment rates almost doubled.

From call centre response to customer engagement

Proactivity pays. Previously, Zuwa's call centre was reactive to customer issues, waiting first for a customer to report a problem to their agent who would report the issue internally. Today though, the call centre staff form a vital part of the customer service team and take on a more proactive role, with more outgoing than incoming calls. Regularly communicating with customers ensures that Zuwa are made aware of issues early and can resolve problems sooner.

For customers that still need to report a problem, the mechanisms to do so have been simplified. Zuwa implemented a direct customer care number for customers which they can use instead of having to contact the company via their agent. To raise awareness of the improved service, Zuwa have combined promotion of the customer care number with an upgrade of their branding materials. Every Solar Home System (SHS) comes with a sticker that explains the payment process and promotes the customer care number. And alongside increased visibility of customer services, the company also now uses more local languages and visual aids to communicate key information.

Since making these changes, the company notices that customers have more confidence in issue resolution.

From sales focused to credit assessments

Zuwa recognised the need to focus more on their credit assessment processes to make sure the quality of every sale is as important as the quantity. As part of the transformation of the sales department, the upgraded customer service team also took on the role of credit assessment

for prospective customers – backed up by a software platform which hosts the company's own credit scoring card. Customer screening is now facilitated by a new, improved data system used by agents to capture customer information. Once the information is entered, the customer service team verify both the data and the ability-to-pay assessment with the customer and have the final word in approval of the loan.

The 'second eyes' check helps make sure customers have all the right information and avoid over-indebtedness, and the company is not making sales outside of their risk tolerance. In addition, if customer applications need amendments or are rejected, the agent will receive feedback so that they continue to learn and improve. As a result, Zuwa have seen a steep increase in the quality of customer data that is provided by the agents, and a greater number of approved loans.

From agent-based relations to portfolio-based incentivisation

Previously, a customer's main point of contact (PoC) was the agent who sold them their SHS. This meant that if an agent stopped working or was not well motivated, Zuwa lost a key customer touch-point. To remedy this, customers are now bucketed into portfolios divided up between the customer service team, with a single PoC that takes care of them during and after the completion of the sale.

To encourage customer engagement and good consumer protection practices, staff are appraised on the performance of their respective portfolio and are motivated to "keep [customers] excited about the product, [as] you can easily lose some good paying customers." For Zuwa, focusing on continued engagement and incentivising repayments has paid off. The team are motivated to support customers in understanding and assessing their ability to pay at the beginning, because doing so helps to secure future repayments and avoid over-indebtedness and risk of default. What Zuwa learnt is that getting the incentivisation right is a vital tool in the credit risk management toolbox.

Beyond the improvement to company-wide portfolio quality, Zuwa are also seeing an increase in early repayments from their customers.

Case Study: Consumer Protection in OGS

Here's to customer-centricity

By identifying and filling the gaps in consumer-facing performance, the measures taken by Zuwa have led to an admirable growth in collection rate to over 80 percent. Proactive engagement with customers has borne fruit and the company now sees more loyal, better paying customers.

By shifting their focus from sales to customer experience, Zuwa has - ironically enough - also seen a natural increase in sales, both as a result of upselling to well-paying customers and through customer referrals from satisfied customers. This underlines the fact that whatever is good for the customer is, in the end, also good for business.



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GOGLA encourages all companies to make a Commitment to the Consumer Protection Code and use the Self-Assessment Tool at least annually to measure, monitor and report their performance against the CP Principles. Companies (and their investors) who want a deeper understanding of how they are doing and how they can improve can now also undertake a third-party assessment (via MFR) or a Lean Data Consumer Protection Survey (via 60 Decibels). For more information, contact consumerprotection@gogla.org or www.gogla.org/what-we-do/business-services-and-standards/consumer-protection-code/.

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