IRPM White Paper

Customer experience counts: how data is transforming the customers' property journey

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Summer 2020

In the past, property management was heavily client-focused: all eyes were on the technical operation of residential buildings. However, the cultural dynamics of the sector are changing. Not only has there been a cultural shift in property management there has been a technological one too. These two shifts combined are placing customer service at the heart of the property sector.

Customer service has been elevated to prime position in the property management skill set during the Covid-19 pandemic. With residents in lockdown spending more time at home than ever before and conscious of every property niggle, a fast and efficient response is key to ensuring customer satisfaction. Effective use of technology to power-up service levels is not only beneficial to residents at a practical level but in future it is likely to be one of the benchmarks against which the value of the property management offer will be measured.

This paper is based on a discussion among a group of industry experts from across the sector and focuses on the ways in which the use of technology can support the transition from technical operation alone to customer-facing business, while at the same time empowering residents and promoting their wellbeing.

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Introduction

The property industry is in a period of transition. Use of technology is increasing exponentially and our profession is now playing catch-up as other sectors race ahead. Property is a two-speed industry when it comes to the impact of technology. As signposted by the first white paper in this series, the build-to-rent sector is leading the way in promoting a cultural shift towards the needs of the customer, with leasehold now catching up.

Tech providers are delivering ever more efficient and accessible products and many residents have been quick to embrace digital solutions. Customer expectations have increased due to the advancements in the consumer world. Within the real estate sector build to rent is currently ahead on delivering on this expectation level, whilst leasehold is still evolving. However, we must bear in mind that some still prefer a more traditional, hands-on approach.

So a key challenge for property managers is to provide a choice of channels if all residents are to feel equally valued and well-served.

The information explosion

There is no doubt that technology is driving a change in customer expectations. Until recently, concierge services and resident information such as AGM notices were limited to human interactions, emails and block noticeboards. The explosion in digital portals and platforms means that for many residents there is now an assumption that queries will be dealt with immediately and property management issues will be shared instantly, with concerns such as breakdowns and repairs tracked and reported in real time.

Increasingly, residents also expect to be given open and easy access to information about their block rather than it simply resting in the hands of property managers. Leaseholders, even those residing overseas, can now be included in digital updates, newsletters and other forms of communication, which would previously have been difficult if not impossible. *Where such data is made available, our participants believe this is helping develop community engagement among residents and reducing complaints.* As an example, where Dame Judith Hackitt's Golden Thread of safety information will be incorporated into the new Building Safety Case.

"It's a two-speed industry when it comes to the impact of technology"

"Technology is driving a change in customer expectations"

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The impact of the pandemic

Flexibility in communication channels is common place in many sectors and because of this, some residents are looking for a more personalised service. But seamless, individualised delivery is not yet the norm for the property sector. Efficient, customer-friendly service is highly valued, and the majority of residents simply want to be kept informed about any issues that impact their home. The view was put forward that effective and timely communication through reliable, easy to access channels is more important than sophisticated digital products.

As a result of the pandemic, we are now seeing a greater number of residents wanting to become more involved in solutions that they use. Covid-19 has forced the narrative and provided an environment in which technology can really shine. Operationally we must be pro-active and sensitive to the needs of our customers. If we are not we will fall behind the rest of the market and customer expectation.

Setting customer expectations to realistic

The BTR demographic is a little narrower than leasehold and it was felt that their needs are easier to identify. However, it is vital that customer expectations are managed and "set to realistic" if property managers are not to be seen as falling short by residents.

We are all used to the instant response of consumer apps but automated repairs reporting systems rely on live support rather than AI, so the response will not be immediate. This applies to concierge services too, where on-site staff time may be split between dealing with residents face-to-face and managing tech-based service requests. There was consensus that tech companies should promote the value of human interaction as well as enhancing the efficiency of digital solutions. Property management remains a people business first and foremost, so the technology we adopt should add to, not detract from, the benefits of real life experiences and relationship building. Our participants agreed that the whole point of technology is to make life easier and better. If it doesn't do that, we've got it wrong.

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Improving the customer experience

The tech solutions that property managers offer their residents are inevitably judged against consumer services and are frequently found wanting. We all now expect the same seamless delivery - with no back-end visibility - that we get from companies like Amazon, Deliveroo and Uber and we anticipate that tech will deliver for property and our residents in the same way. But we are not there yet.

This is because companies like Amazon are built around the technology that drives them. However, the property industry is trying to wrap technology around an existing business model, which leads to fragmentation and creates huge challenges for integration across supply chains. Our participants agreed that until we put technology at the core of what we do, we're just putting a sticking plaster on the customer experience.

At present, tech providers are working in silos and are protective of their own platforms. This means that, for example, when a property manager takes over a block that uses different tech to theirs it is often difficult or impossible to integrate a resident portal into the existing system. A simpler solution is for the block to migrate to the property manager's platform but the customer then has to learn a whole new way of interacting with their new block manager.

So there is a danger that siloed technology, not the property management profession is dictating the customer experience. When it comes to the interface between residents and their property managers, choice is limited at present by the systems on offer. There is a balance that needs to be achieved between providing a one-stop shop that does everything and multiple separate but interconnected services that may not necessarily do everything that the customers want them to do. Flexibility is crucial in this process and these are challenges that are very hard to address at a company or building level. Finding solutions will require the sector to work together.

"In the consumer market, customers always have a choice"

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The need for data transparency

To provide more intuitive and easy to access services for residents, our participants agreed that tech solutions need better operability and transparency. So the industry needs to start the conversation to persuade the major providers that interaction and transparency are key to future success of their platforms.

There was an expectation among our panel of experts that forward-thinking tech companies with large customer bases will drive transparency to develop a larger ecosystem around their platforms. Once this becomes commonplace, the sector will be in a better place to deliver real value for customers and investors. Clearly, those companies that are happy to open up their data to other platforms will be taking a business risk. This requires a leap of faith. And to make that a chance worth taking, there needs to be a more complete understanding of the potential benefits of transparency.

Amazon provides a good example of the need for businesses to enable the easy internal sharing of data. In 2002, Amazon CEO and Founder Jeff Bezos is reported to have sent a note to all of his employees. This was a series of 'mandates' that made sure that while all teams and projects can use whatever technology they want, everything must be made accessible and connected through easy-to-access interfaces. Perhaps the most striking of these mandates was, not about the technology itself, but about how it would be managed. This demonstrates the importance of making sure that rules such as this are complied with; the exact words were 'anyone who does not do this will be fired.'

Our experts also raised the point that the customer data that drives these tech providers' products is not necessarily theirs to control and as a result, standards are needed around data ethics and data flow. At present, specific guidelines don't exist for the property sector but research is being undertaken to drive this forward. See the IRPM White paper **Data ethics: plotting a roadmap for the new frontier** published on 30 June 2020 for more on data standards.

Using tech to re-purpose our skills

Transparency and inter-operability of the systems property managers use is also vital to our ability to tailor the tech solutions to meet the needs of our residents. Property managers can be more effective by bolting on products that meet their customers' particular needs. This provides the profession with the opportunity to deliver greatly enhanced USPs. The profession has no ability to do this if everyone offers the same service; technology provides a high impact means to achieve this. So property managers need to develop a better understanding of the technology that's being used so they can deliver a better service.

> "the technology, not the property management profession, is dictating the customer experience".

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Technology – and particularly AI – is often talked about in the context of replacing staff. However the panel were firmly of the view that property management must be customer focused and needs to use technology to best meet customer needs. This may be through increasing efficiency which might lead to lower fees or adding value to the service they provide.
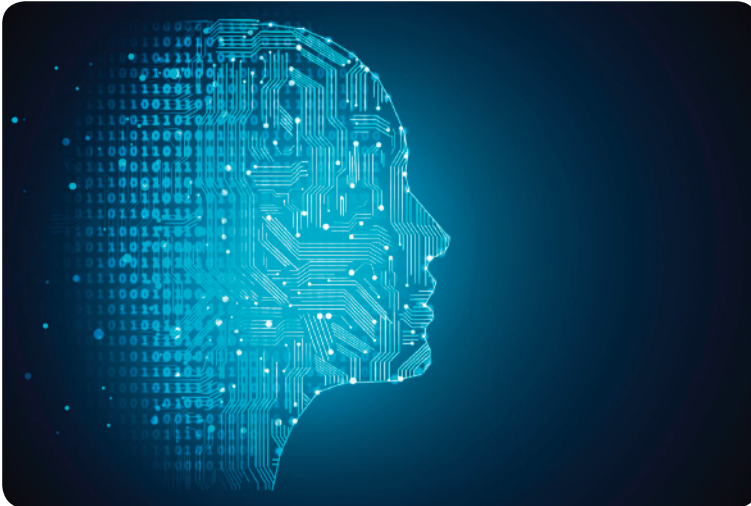
Conclusions

With so much digital technology at our fingertips, property managers can communicate with their customers more easily than ever before. Two way communication and transparency of information are key to building trust and meeting the customers' needs. People will share their data if they get exactly what they want as a result; for example concierge services tailored to their personal needs. It is important that any tech solutions used are based on customer feedback rather than assumptions and decisions are forged collaboratively with providers, to ensure the right solutions are delivered.

The conclusions drawn from this conversation were that property managers need to be proactive and to communicate with customers in a more focused way. Ask customers the question: what do you want from your property manager? Use survey tools and don't assume you know what people want. Use the findings to drive your service provision.

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The role of the property manager must become rapidly more customer focused. Building management services should be moved up the value chain via carefully considered use of technology. If this isn't clearly demonstrated and communicated to the customer, there is an increased risk that roles wil be replaced by AI. The more agile the technology, the better will be their service provision. In future, this will be an important new way of building company culture and developing an impressive USP.

Having a cohesive vision for the future across the sector is crucial. Property management is fragmented and comprises large numbers of small companies which means that no one company can solve these challenges alone. In order to make sure we meet appropriate levels of customer expectation and standards, collaboration is key to the future success of the profession in a digital world.

The role of the IRPM is to provide knowledge leadership and drive cultural change in the property management sector. This is the third in a series of three White Papers which aim to start the conversation around the future direction of residential block management in a changing business environment.

The next steps

- Property managers alone don't have a big enough voice to drive the changes that are needed. So we need to develop cross-industry initiatives to look at the bigger picture, promote transparency and inter-operability of the platforms we use .

- Property professionals need to come together to protect our customers' data and work towards effective standards to govern the way we operate. Data protection is often outside the control of property managers at the moment but it should be within their remit.

- Property managers must improve their communication channels to find out what people want from technology and work collaboratively with providers to deliver the right solutions.

Thank you to the participants in the discussion who were:

- **Dan Hughes**   Alpha Property Insight
- **Gary Pyke**   Live Wire
- **Jess Parmar**   PBM property Management
- **Rajeev Nayyar**   Fixxflo
- **Tom Shrive**   Ask Porter

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