



# State of the Nation

Covid-19 tracking (wave 3)

September 2021

# Background, approach and summary

# Research objectives and approach

United Utilities wanted to understand how water and sewer usage may have been affected by COVID-19 and understand customer concerns and expectations of United Utilities. There's also a need to more broadly understand customers household finances, expectations of brands at this time and the environment.

## The research sought to answer the following objectives:

1. What concerns do customers have at this time?
2. How has COVID-19 impacted customer behaviours and water and sewage usage?
3. Broader understanding of household finances, expectations of brands and the environment

Certain aspects of the survey were previously run on WaterTalk in April 2020 and March 2021; responses have been tracked where comparable.

## What we did:



A 15-minute quantitative survey with 789 customers



Fieldwork took place between 22<sup>nd</sup> September to 1<sup>st</sup> October, 2021



Data resulted from a natural fall out from the Water Talk panel

# Executive summary

# Executive Summary

## Customers report heightened awareness of environmental issues

- Around 8 in 10 customers are concerned about the environment and comparatively more likely to place importance on environmental issues – including saving water – vs. March 2021
- This is supported by wider research which places the environment in ‘top 3’ concerns for the UK population, as well showing increased concern over the last year
- Consider further promotion of the environmental work UU do – many customers report being open to these types of comms

## ‘Social’ and financial challenges affecting the North West are key local concerns

- Tackling poverty and inequality is the area customers are currently most concerned about in the North West specifically
- Around a third of customers report having less discretionary income, with an inability to plan for the future appearing to be a by-product for those with less financial power
- Spending habits have undoubtedly changed, with around a third of customers actively avoiding big or impulsive purchases during this financially uncertain time

## Concerns about meeting bills have grown, including an increase in water bill anxiety

- Financial concerns appear to be cultivating anxiety for some customers who are worried about their ability to meet household bills. Concern is most pronounced for energy, a sector which has seen a lot of media attention recently due to a steep increase in the price cap.
- Comparatively, concern for meeting household bill payments has increased in 2021 across a number of outgoings, including a 12% increase for water.
- Promotion of the ‘Pay as U Go’ scheme may resonate with customers who require more flexibility with payment options – typically the younger cohorts

# Executive Summary

## Exploring the North West, staycations and walking are trends continuing in the short term

- Despite the relaxation of restrictions, many are yet to return to 'normal' engagement in social activities
- Two in five customers are still walking more than pre-pandemic, while around a third of have visited a UU recreation site in the last 6 months
- A number of areas of improvement were suggested for the sites, including calls for greater parking provision, better toilet facilities and maintenance to the footpaths

## Digital services and sustainably focused products are innovations customers can get behind

- Customers continue to expect 'brilliant basics' from brands (reliability, trustworthiness, empathy), however innovation and being treated as an individual is felt to be less important now compared to six months ago
- As customers have sought novel ways to interact with brands during lockdown, there was an acceleration in digital adoption. Digitally-adapted services have kept up with consumer demand and many customers report the benefits of online propositions
- Similarly, customer-centric services and journeys have been invaluable during the pandemic, as many have found themselves in challenging situations which required empathy and a human touch

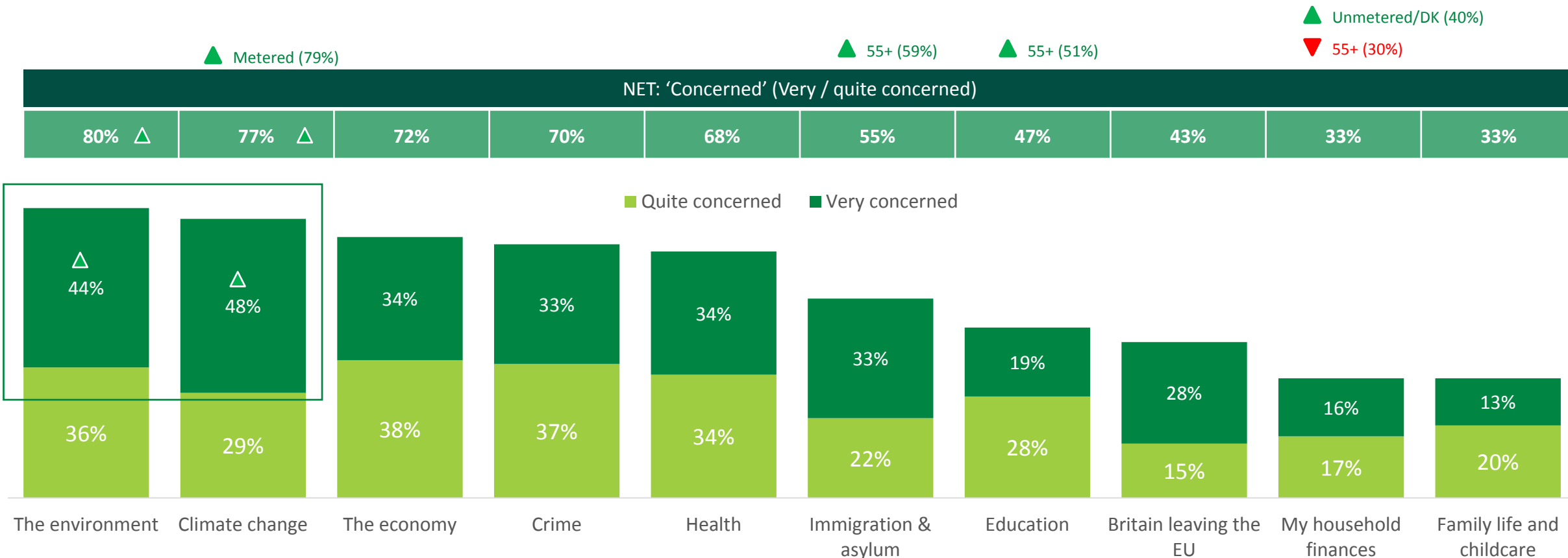
## With such an emphasis on pro-environmental behaviors – customers expect more from brands

- The majority of customers regularly recycle and look for ways to positively impact the environment – including minimising energy and water consumption, which can also have a positive impact on household finances
- Many are also open to doing more to be green, with around a quarter of customers willing to re-use water (i.e. via a water butt)
- With households proactively trying to reduce their environmental impact, most expect companies to be playing their part too – mainly by minimising waste, using environmentally friendly materials and reducing emissions

# Customer mindset

# Customers are primarily concerned with the environment and climate change – around a third are concerned about their household finances

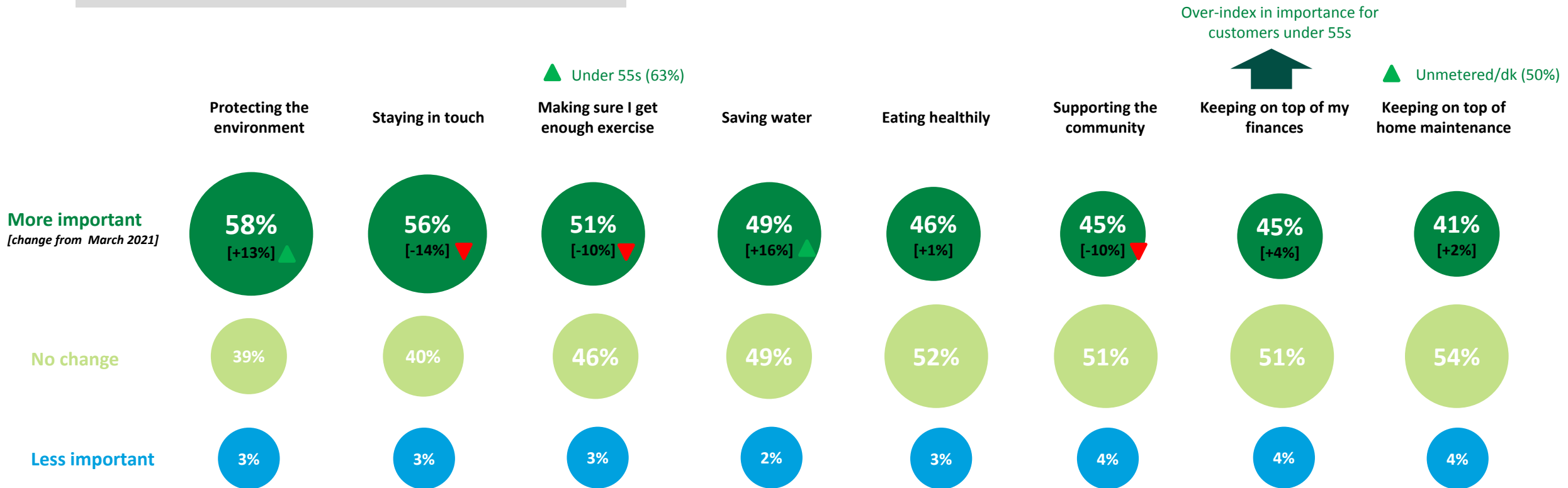
## Current concerns (Very / quite concerned)





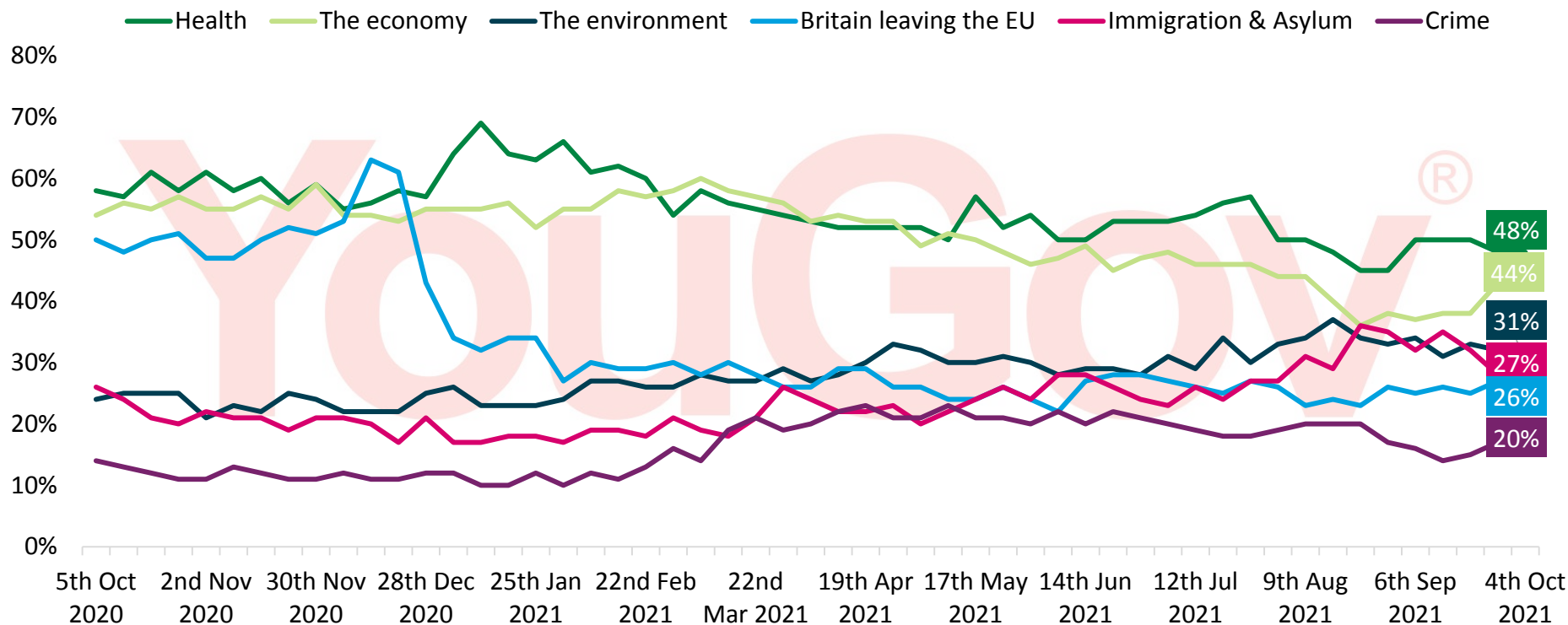
# The 'social' impact of the pandemic appears significantly reduced, replaced with a heightened awareness for environmental issues – including saving water

## Important aspects – change in L6M



# The increased importance placed on the environment is observable outside of WaterTalk – highlighting wider recognition of this trend within the UK

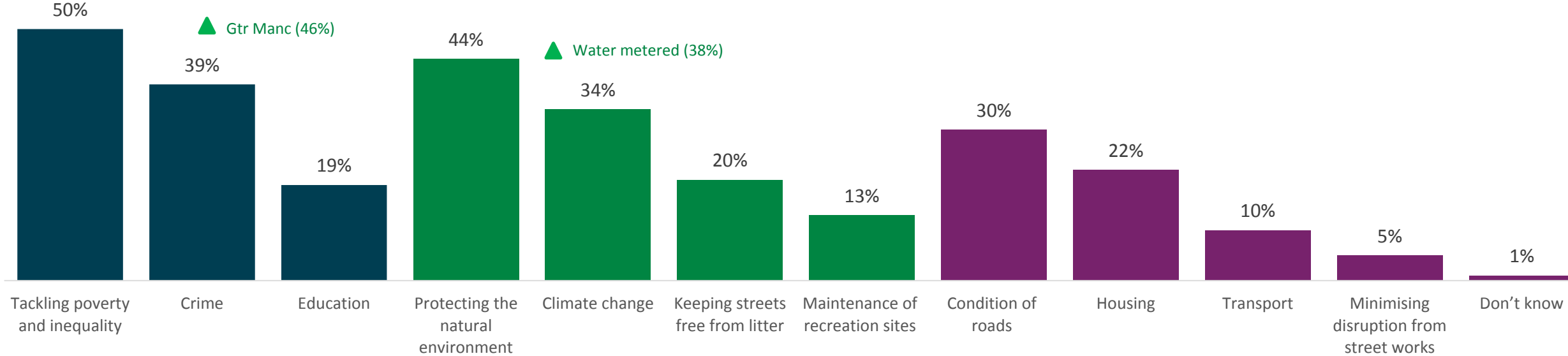
Important issues facing the country – YouGov data



Issues	Diff vs. October 2020
Health	-10%
Economy	-10%
Environment	+7%
Leaving EU	-23%
Immigration	0%
Crime	+6%

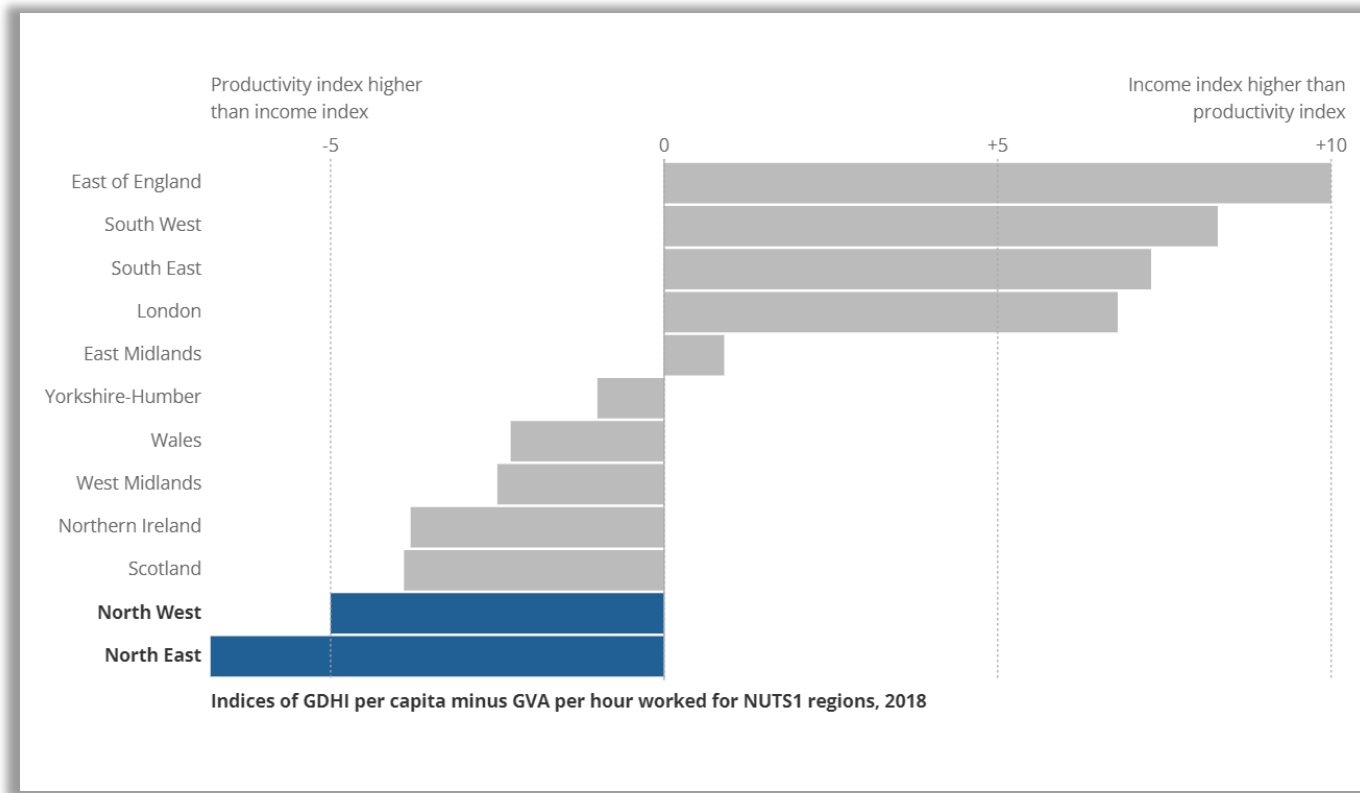
# As well as 'environmental' concerns, customers in the North West report concerns for social issues in the local area – particularly tackling poverty and inequality

**Current concerns – North West specifically**



# There is a clear north-south divide at a regional level – where particularly in the North West, productivity typically exceeds income

## Mapping inequality in the UK – ONS data



In 2018, the household income in the **East of England** was **5.2% higher than the UK average**, and productivity was **4.8% lower than the UK average**.

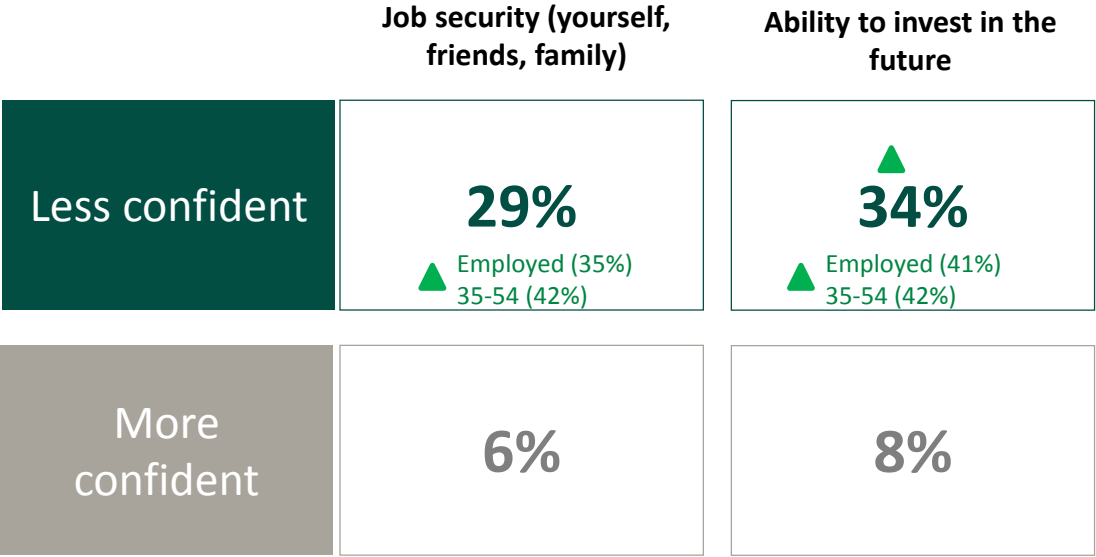
This left the region with an income index which was **10 points greater** than the productivity index.

The **North West** sees higher levels of productivity vs. income, showing a **Productivity-Pay Gap in the region**

# Around a third report reduced financial confidence, with issues around planning for the future potentially a by-product of having less discretionary income

## Household discretionary income

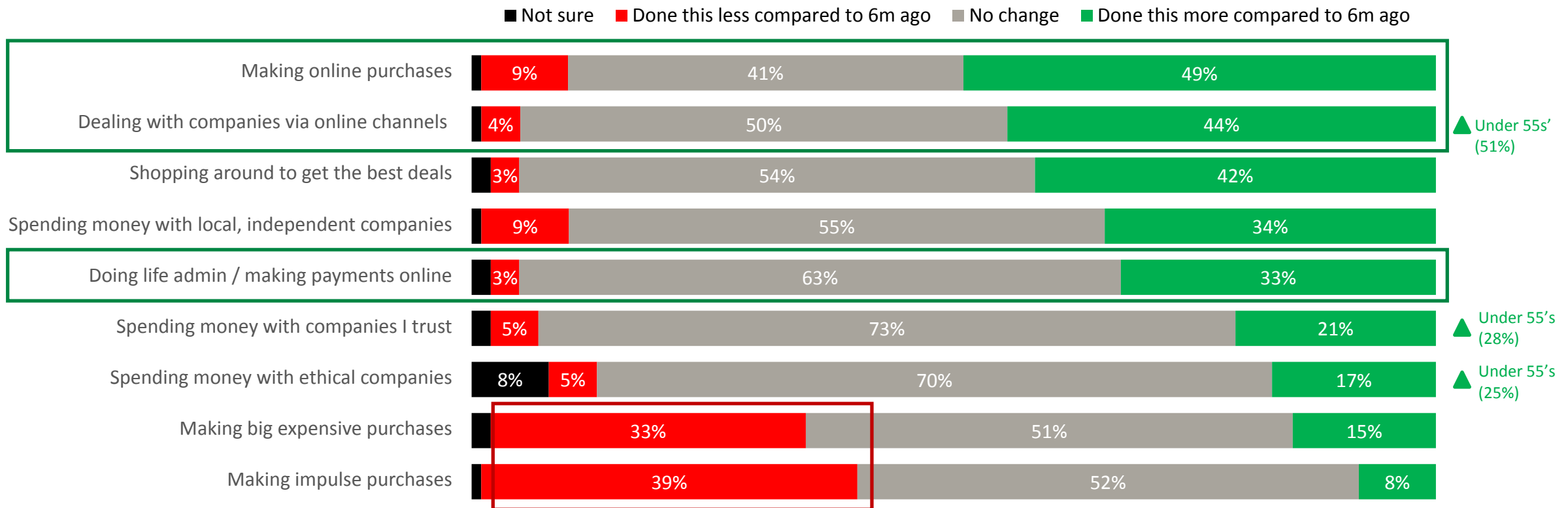
## Financial confidence vs. 6 months ago



Q8. How have each of the following changed for you compared to 6 months ago?  
 Q9. Compared to 6 months ago, how confident do you feel about...  
 Base: September 2021 (n= 789)  
 Source: State of the Nation (September 2021)

# Spending habits have undoubtedly shifted towards a more digital model, however financial uncertainty means some continue to pull tightly on the purse strings

## Changes in shopping behaviour vs. 6 months ago



Q8. How have each of the following changed for you compared to 6 months ago?  
 Base: September 2021 (n= 789)  
 Source: State of the Nation (September 2021)

# It's not only raising energy costs customers are concerned about meeting – over a third feel worried about meeting their weekly food bill

## Concern for meeting bills

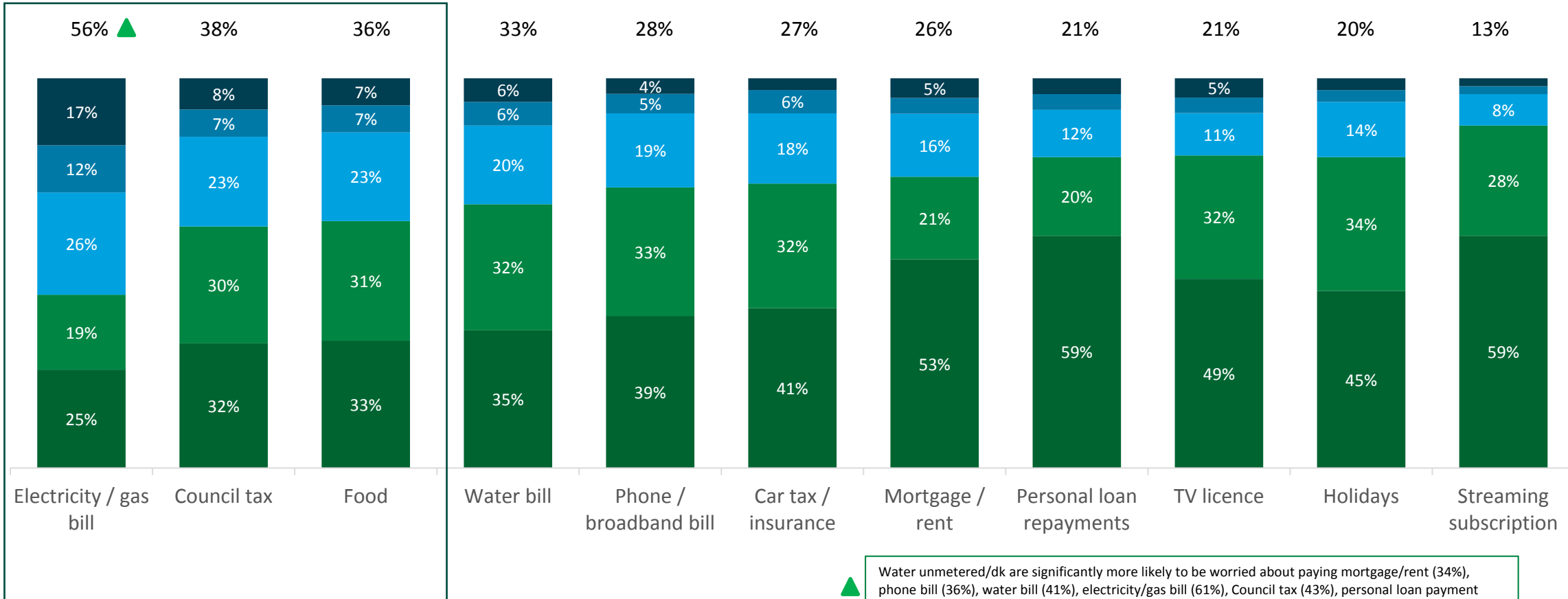


Data published by Kantar shows how the prices of British groceries increased by 1.7% during September. With energy prices also on the rise, some customers may begin to feel the pinch as their ability to offset increases with savings in other areas becomes harder.

▲ Under 55's (45%)

Worried – top 3 box

- Extremely worried
- Very worried
- Somewhat worried
- Not very worried
- Not worried at all



Water unmetered/dk are significantly more likely to be worried about paying mortgage/rent (34%), phone bill (36%), water bill (41%), electricity/gas bill (61%), Council tax (43%), personal loan payment (29%), TV license (24%) compared to water metered

# Concern with meeting many household bills has increased over time, likely due to a mix of the pandemic, Brexit, inflation and the future increase in National Insurance

Concern for meeting bills (Net: Worried)



UK energy bills could rise 30% in 2022, warn analysts

Cornwall Insight says expected surge in wholesale prices and rise in UK energy price cap will feed hefty increase

Concern for meeting bills (NET: Worried – T3B)	April 2020	March 2021	September 2021	Diff vs. March 2021
Electricity / gas bill	21%	28%	56%	28% ▲
Council tax	21%	27%	38%	11% ▲
Food	n/a		36%	n/a
Water bill	21%	21%	33%	12% ▲
Phone / broadband bill	22%	19%	28%	9% ▲
Car tax / insurance	21%	18%	27%	9% ▲
Mortgage / rent	19%	20%	26%	6%
Personal loan repayments	15%	22%	21%	-1%
Holidays	24%	21%	21%	0%
TV licence	17%	14%	20%	6%
Streaming subscription	11%	12%	13%	1%

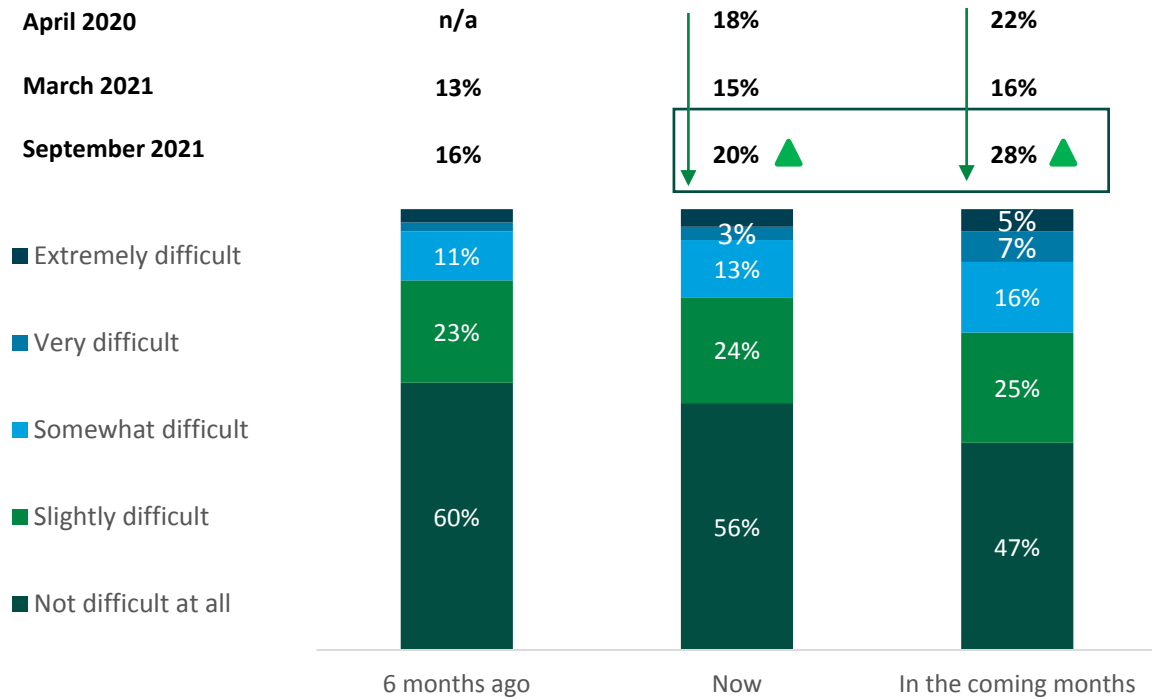


# Compared with March 2021, meeting general payments is now felt to be more difficult. Around a quarter anticipate the winter months will only become tougher



## Difficulty with meeting monthly bill payments (general)

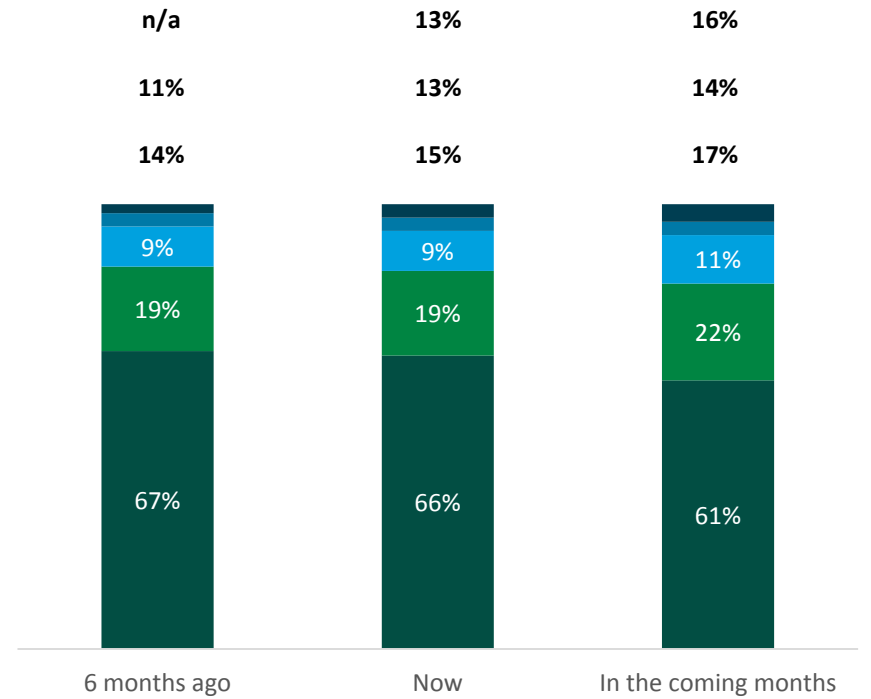
Difficult – top 3 box:



Under 55's are most concerned about meeting general household bills



## Difficulty with meeting monthly bill payments (water)

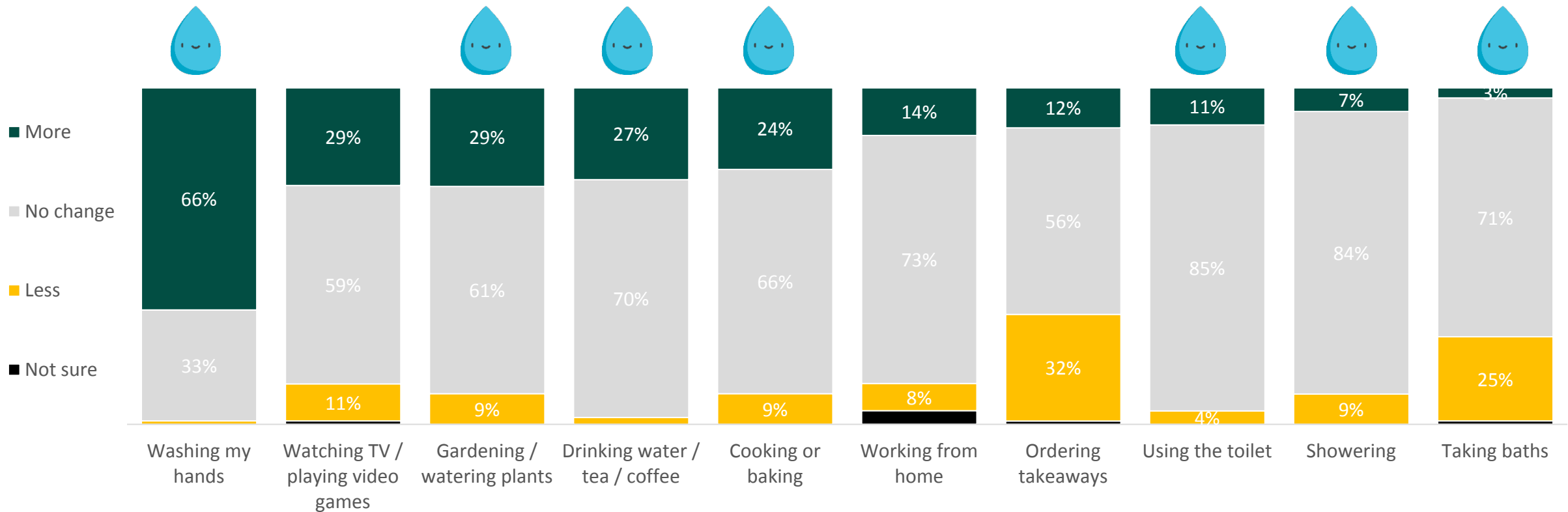


Unmetered customers are significantly more likely to report difficulty meeting their water bill

# Lifestyle & water usage

# Most have increased the amount of time doing water related activities – particularly around hygiene, gardening and food / drink

Changes in activity engagement (at-home) – last 6 months



Q10. Over the past 6 months, for each of the following activities have you been doing them more, less or the same amount than you were previously?  
 Base: September 2021 (n= 789) 'gardening' rebased on those who have a garden / balcony (n=735)  
 Source: State of the Nation (September 2021)

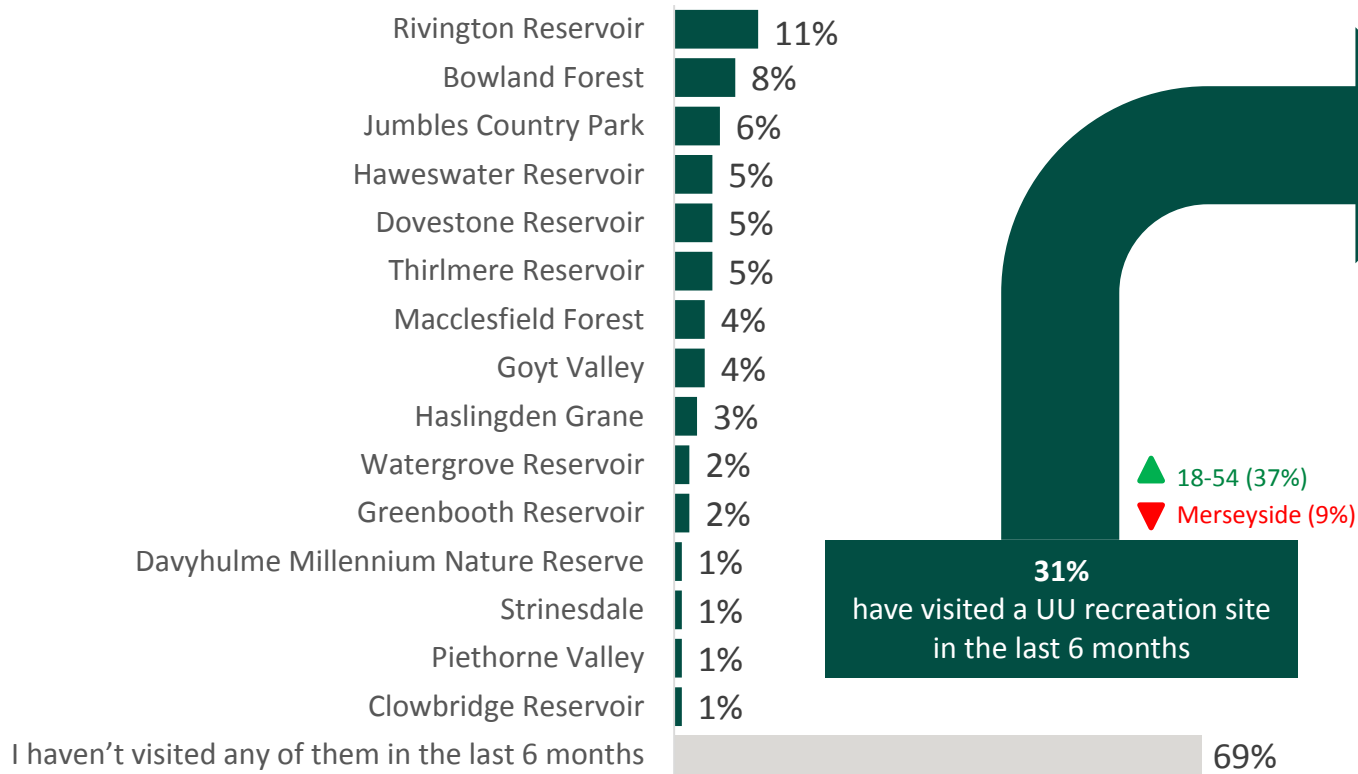
# Despite the relaxation of social restrictions, many still seem cautious about returning to 'normal'. Exploring the UK and exercising are trends continuing in the short-term

## Changes in activity engagement (out of home) – last 6 months



# Around a third have visited a UU site within the last 6 months. Suggested improvements include availability and quality of car parking, litter and toilet facilities

## UU recreation sites visited in last 6 months

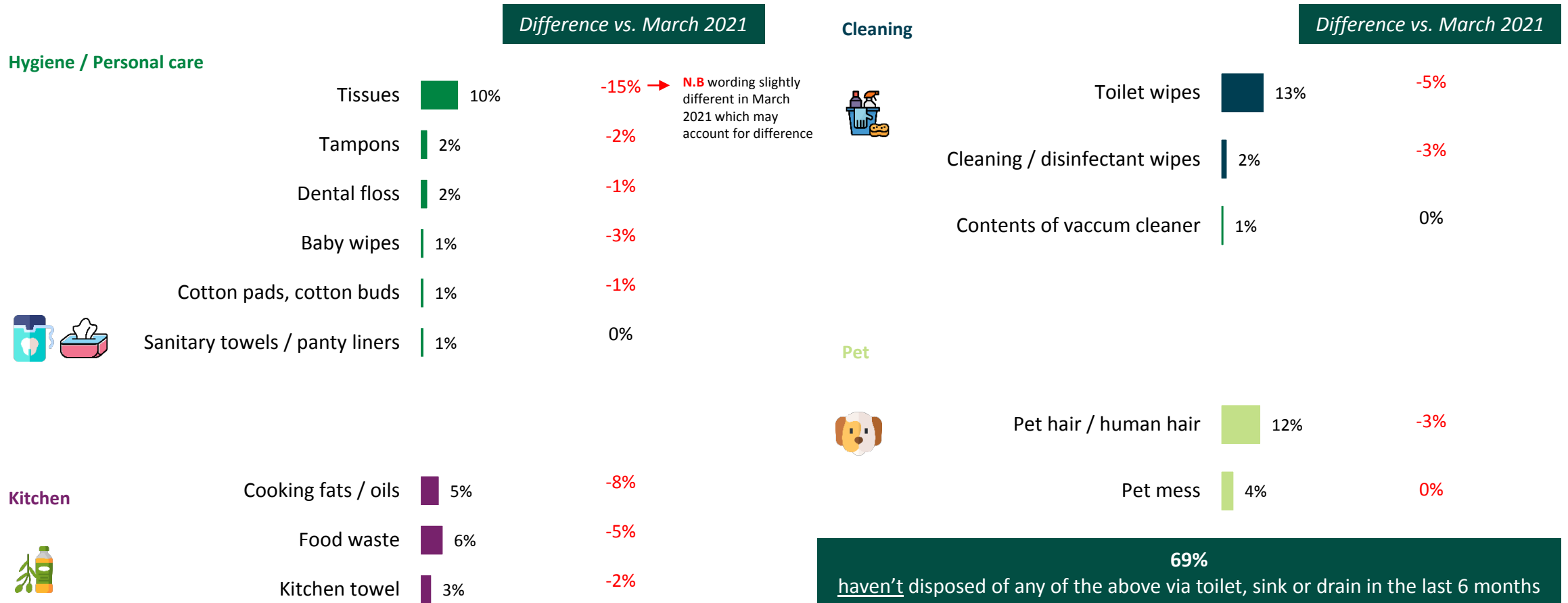


### WHAT IMPROVEMENTS COULD BE MADE?

- **Car parking** - Improve access and availability of car parking (e.g. provision of free parking, sufficient car parking spaces)
- **Clean areas** - Ensuring clean footpaths through the provision of public bins and litter picking service
- **Toilet facilities** - Improve quality and availability of toilets
- **Footpaths** – Ensuring footpath maintenance (e.g. eroding paths, steps fences)
- **Other general amenities** – Improve availability and quality of other amenities such as information points, cafés etc.

# Disposal of 'harmful' items down the sink / toilet appears to be have decreased, but education could still focus on the correct disposal of hygiene and cleaning products

## Items disposed of down toilet, sink or drain in last 6 months



# Most associate incorrect disposal of 'harmful' products with blockages of drains, pipes and sewers. Some acknowledge the cost to the environment, treatment process as well potential bill increases

## Consequences of disposing products down toilet, sink or drain (themes from open-ends)

“ They can cause fat-bergs ,which can in turn **block drains and pipes** which then can cause flooding which then then cause other disruptions i.e. road works  
**Male, 35-54**

33% said

7% said

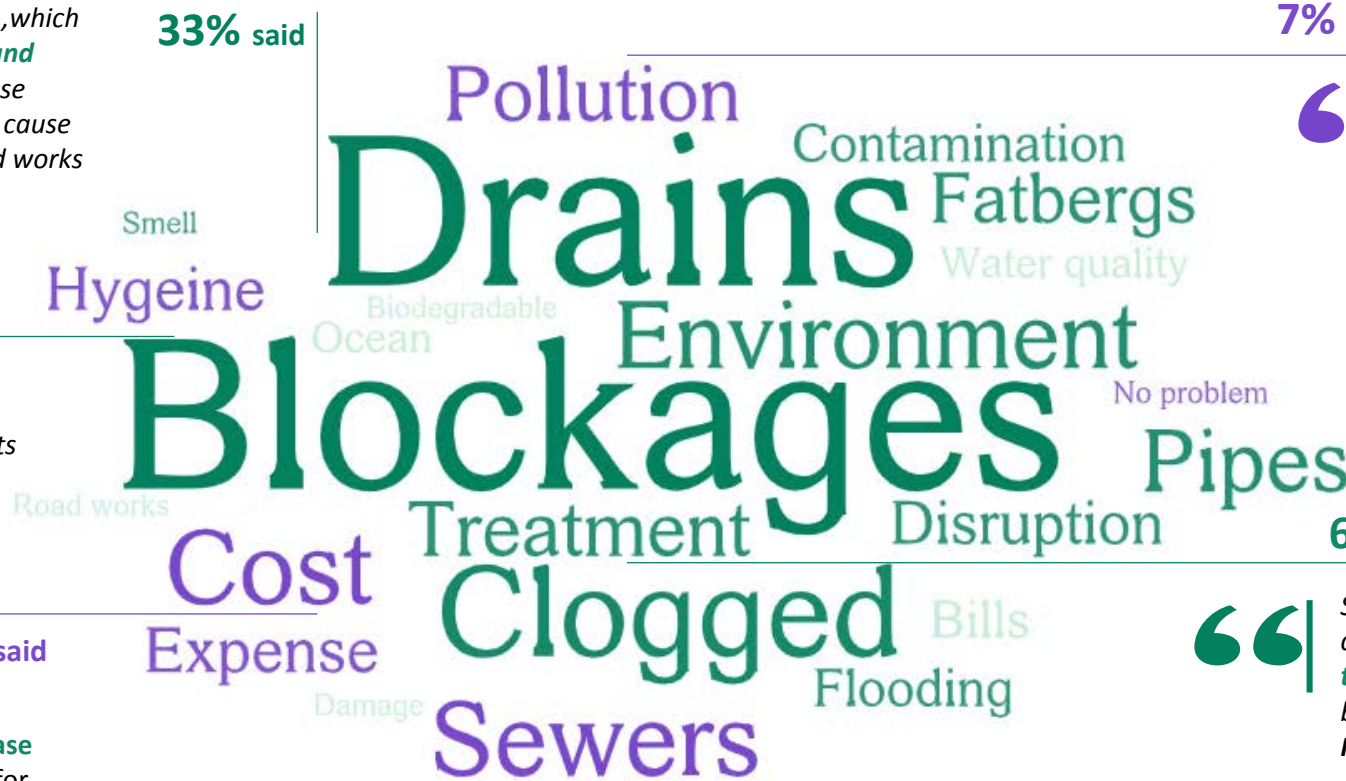
“ Sewer blockages and breakdowns at treatment works. **Discharges into watercourses during storm conditions and plastic pollution in sea, beaches and rivers**  
**Male, 55+**

73% said

“ Cause blockages or act as nucleus for blockages in sewerage pipes. Cause problems at treatment plants requiring additional separation / cleaning.  
**Male, 55+**

9% said

“ Blockages that will be bad for environmental health and **increase costs**. In flats caused problems for neighbors as well as yourself.  
**Female, 55+**



6% said

“ Sewer blockages, overflowing drains, costs for repair, **sewage treatment plants stressed, filters blocked**.  
**Male, 55+**

Q13. What do you think are some of the possible consequences of items being flushed or put down the drain when they shouldn't be?  
 Base: September 2021 Themes from a random selection of 100 responses  
 Source: State of the Nation (September 2021)

# Customer needs



# Customer continue to expect 'brilliant basics' from brands, though less importance is being placed on service, price and innovation now compared to six months ago

## Important traits in brands

Important traits in brands (Rated as 'Very Important')	March 2021	September 2021	Diff vs. March 2021
They have reliable products and services	69%	72%	3%
They are trustworthy	71%	71%	0%
They care about their customers	63%	62%	-1%
They are straightforward to deal with	63%	60%	-3%
They are open and transparent	60%	58%	-2%
They provide the option to speak to a real person, not just online options	60%	58%	-2%
They communicate to customers with empathy and talk to me like a human	56%	56%	0%
They deliver a seamless and easy online experience	47%	46%	-1%
They care about the environment	47%	44%	-3%
They are responsible and ethical	48%	44%	-4%
They treat me as an individual	51%	43%	-8% ▼
They know what they stand for	40%	37%	-3%
They offer low prices	38%	30% ▲ 18-34 (48%)	-8% ▼
They are innovative	22%	15%	-7% ▼

Q14. How important are each of the following factors to you when dealing with brands?  
 Base: September 2021 (n= 789)  
 Source: State of the Nation (September 2021)

# Innovation was important as customers sought novel ways to interact with brands during lockdown; customer service and sustainably focussed products are also felt to be linked to innovation

## Brand innovation (open-ended responses)



**Digitally-adapted services** which have kept up with the demand for essential and non-essential goods and providing safe home delivery.



**Customer-centric services and journeys** which make online and offline interactions easier have been invaluable



**Sustainable and environmentally focused brands** are seen to be innovators changing the world for the better

“ Tesco made it possible for the vulnerable to obtain delivery slots during lockdown. This was a lifesaver for us and much appreciated.  
**Male, 55+**

“ Lunya - Spanish restaurant and deli chain. Made the switch to online shopping and webcam events during the pandemic, with some fantastic ideas for tastings and cook-alongs that you could join from home. Resulted in some great nights in during lockdown - and the thoughtfully tailored menus made us feel valued as customers.  
**Unknown, 18-34**

“ New online companies that offer first class service and very speedy delivery.  
**Male, 55+**

“ Usually good companies do things like making the customer online experience easier to navigate & understand, sometimes adding new features. This kind of thing would normally be done following customer feedback or requests.  
**Female, 55+**

“ When recently dealing with UU when an elderly relative died, the representative was extremely understanding, empathetic and courteous, dealing with the issue without any resistance at a time that your grieving  
**Male, 55+**

“ Amazon online ability to respond quickly and resolve issues  
**Male 55+**

“ Marks and Spencer send back the packaging and boxes used to ship stuff to a store so that it is used again. That must have cut a lot of waste.  
**Male, 55+**

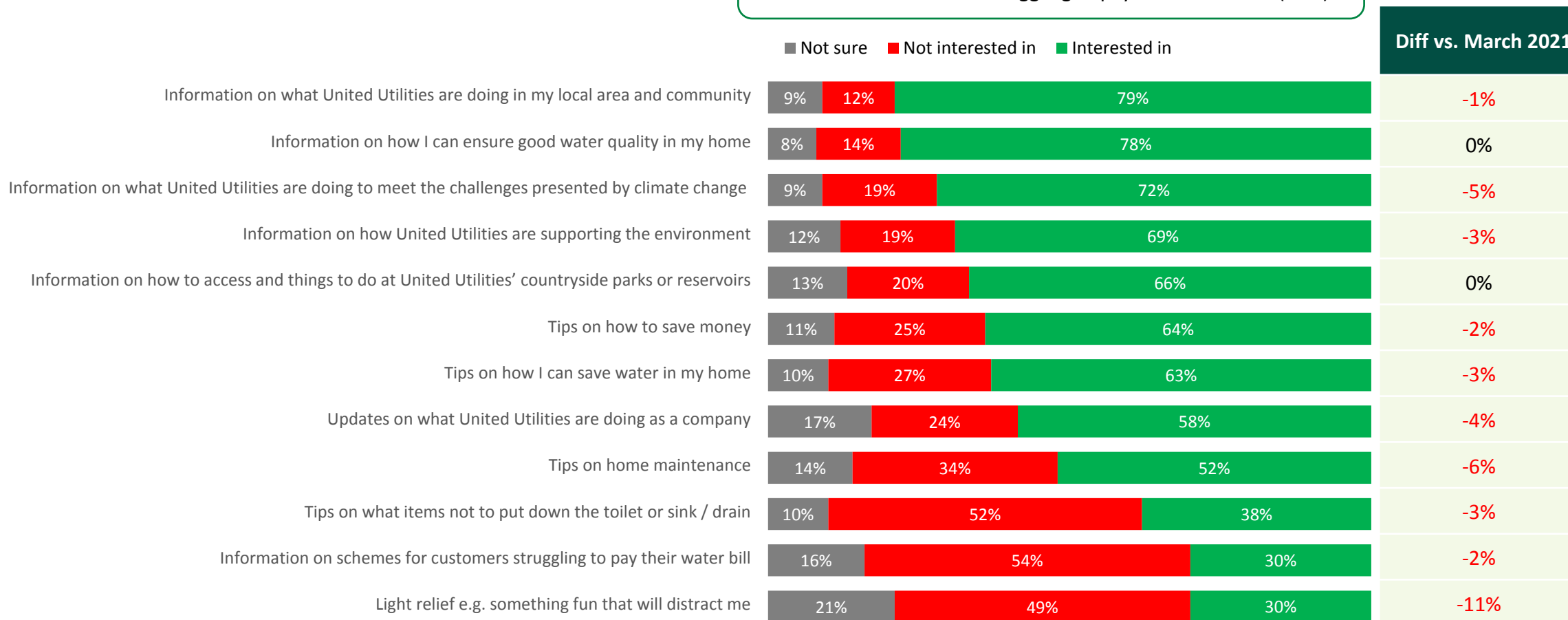
“ Octopus Energy - they look after the environment - update me with any info regarding my bills, I can contact them with any enquiry I have, explain about the company in simple language that I can understand as no jargon is used  
**Female, 55+**

“ Gardening supply company using organic ways to deliver goods. David Austin Rose's using potato starch for envelopes instead of plastic, other company's encouraging recycling and telling you how to do it.  
**Female, 55+**

# Customers are most interested in receiving information about their locality, water quality, the environment and tips for saving water / money

## Interest in receiving comms from UU

Under 55s are significantly more interested in 'information on schemes for customers struggling to pay their water bill' (42%)



Q16. Which of the following types of communications would you be open to receiving from United Utilities during this time?  
 Base: September 2021 (n= 789)  
 Source: State of the Nation (September 2021)

# Customers request greater attention to reducing water lost through leaks, as well as water saving advice. Recreation sites and asset maintenance could also be improved

## Additional requests of UU (themes from open-ended responses)

Reducing amount of water lost through leaks and bill costs  
(c.35%)

Advice around saving water and product recommendation  
(c.25%)

Improve access to recreation sites and information about reservoirs  
(c.15%)

Speedier maintenance work and greater clarity when it's planned  
(c.5%)

“ Repairing bursts and leaks quicker and making concerted efforts to harness more water. I would also like to see a zero target for disposing of raw sewage into the environment.  
**Male, 55+**

“ Encouraging and educating people to save water and to use rainwater to their benefit (eg on the garden or to flush the loo)  
**Female, 55+**

“ Stop discharging sewage into waterways. Ensure more access to waterways and land to be used by public for leisure purposes  
**Female, 35-54**

“ We Have had a lot of road works ,especially main road in my area . This can cause major congestion, especially in the rush hours . Quite often United utilities come dig a hole ,then no work is done for days ,why do they not put heavy steel plates over the holes until they can finish the work .  
**Male, 55+**

“ Being more efficient. Giving customers value for money. Reducing the salaries of executives.  
**Male, 55+**

“ Recommending products for purchase (ideally discounted) to improve the quality of water in the home and/or saving of water  
**Male, 55+**

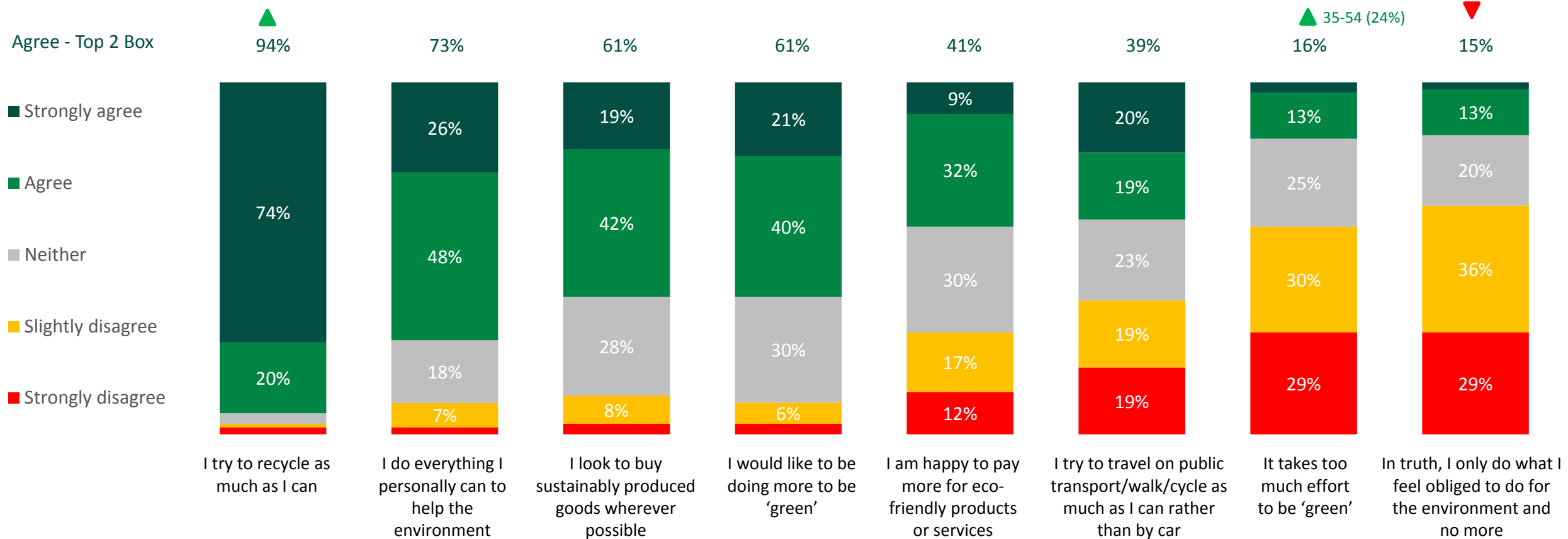
“ Actually protecting the open spaces the own by encouraging people to walk around them and not drive up to them and sit in their cars observing the views thus polluting the air with their exhaust fumes and endangering ramblers with their vehicles!  
**Female, Unknown**

“ making households aware of when repair works are being carried out which will affect the supply  
**Male, 55+**

Q17. Is there anything else you'd like to see United Utilities doing more of?  
Base: September 2021; Coded themes from n=262 open-ended responses  
Source: State of the Nation (September 2021)

# The majority regularly recycle and look for ways to positively impact the environment. Some are open to being 'greener' but don't necessarily want to pay more to do so

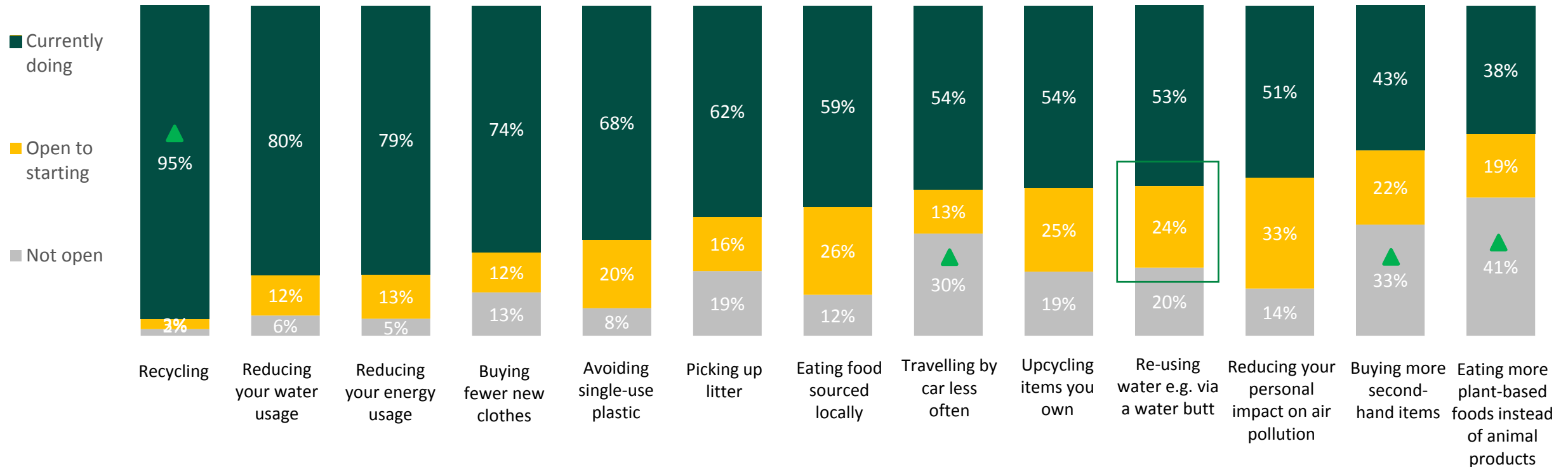
## Attitudes toward the environment



Q18. How much do you agree or disagree with the following statements?  
 Base: September 2021 (n= 789)  
 Source: State of the Nation (September 2021)

# Recycling and minimising water / energy consumption are key green behaviours. Over half are already re-using water at home and a further 1 in 4 are open to starting

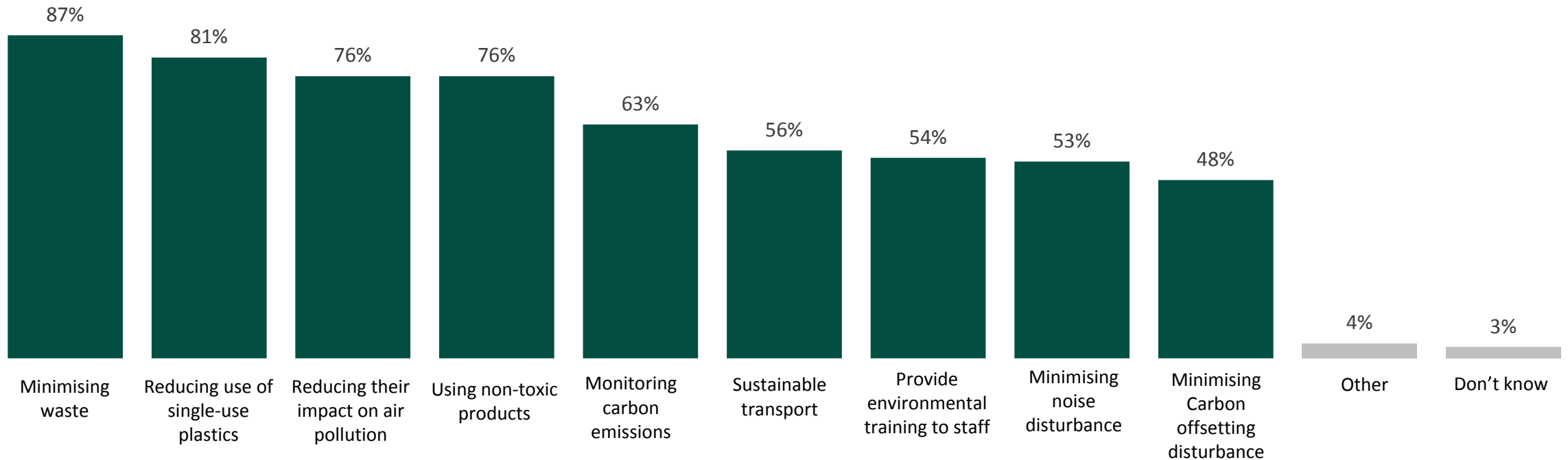
## Engagement in pro-environmental behaviours



Q19. How much do you agree or disagree with the following statements?  
Base: September 2021 (n= 789)  
Source: State of the Nation (September 2021)

# With customers taking steps to reduce their environmental impact, companies are expected to be actively doing so too; mainly by minimising waste, using greener materials and reducing emissions

## Expectations of companies



Q21. Which of the following would you expect companies to be doing as part of their standard operating procedures?  
Base: September 2021 (n= 789)  
Source: State of the Nation (September 2021)

# Recap



# Recap

Customers report heightened awareness and importance of environmental issues

'Social' and financial challenges affecting the North West are key areas of concern

Concerns about meeting bills grows vs. March 2021 – including a YOY increase in water bill anxiety

Exploring the North West, staycations and walking are trends continuing in the short term

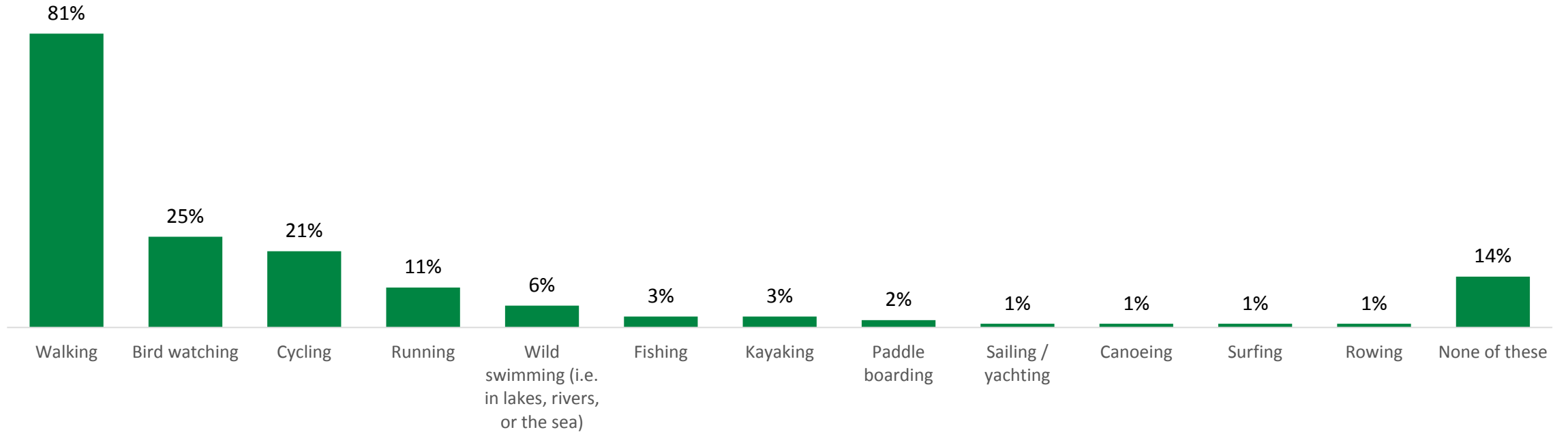
Digital services and sustainably focused products are innovations customers can get behind

With such an emphasis on pro-environmental behaviors – customers expect more of brands

# Appendix

# Outdoor activities L6M

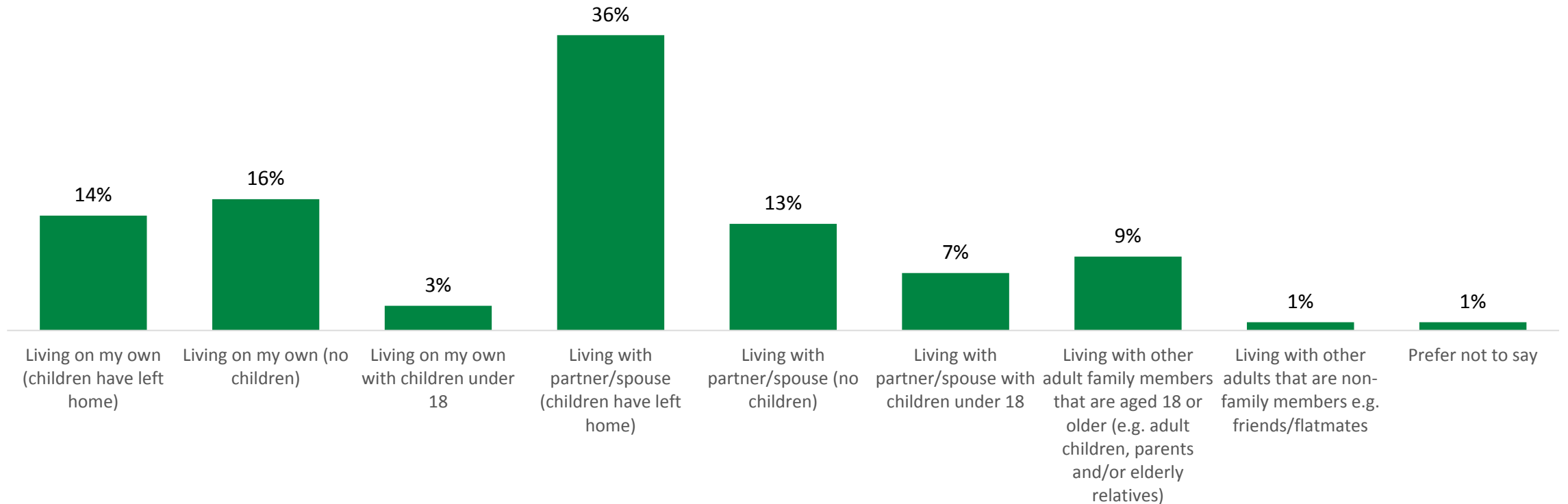
## Outdoor activities L6M



▲ ▼ Significant difference at 95% CI

# Household situation

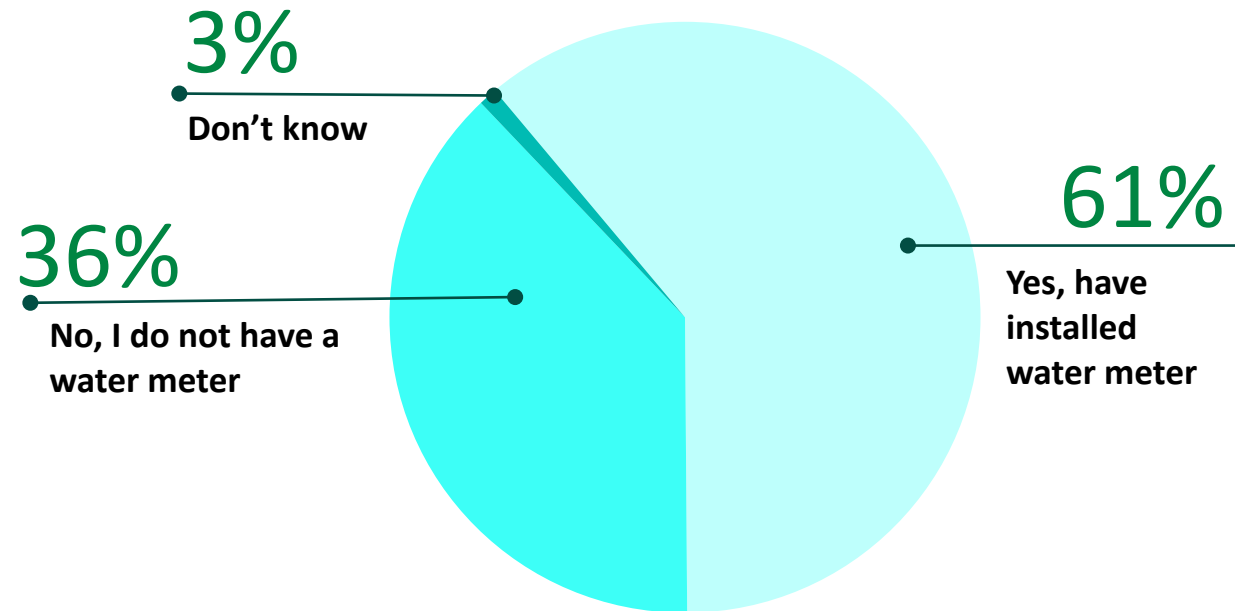
## HH situation



▲ ▼ Significant difference at 95% CI

# Measured vs. unmeasured

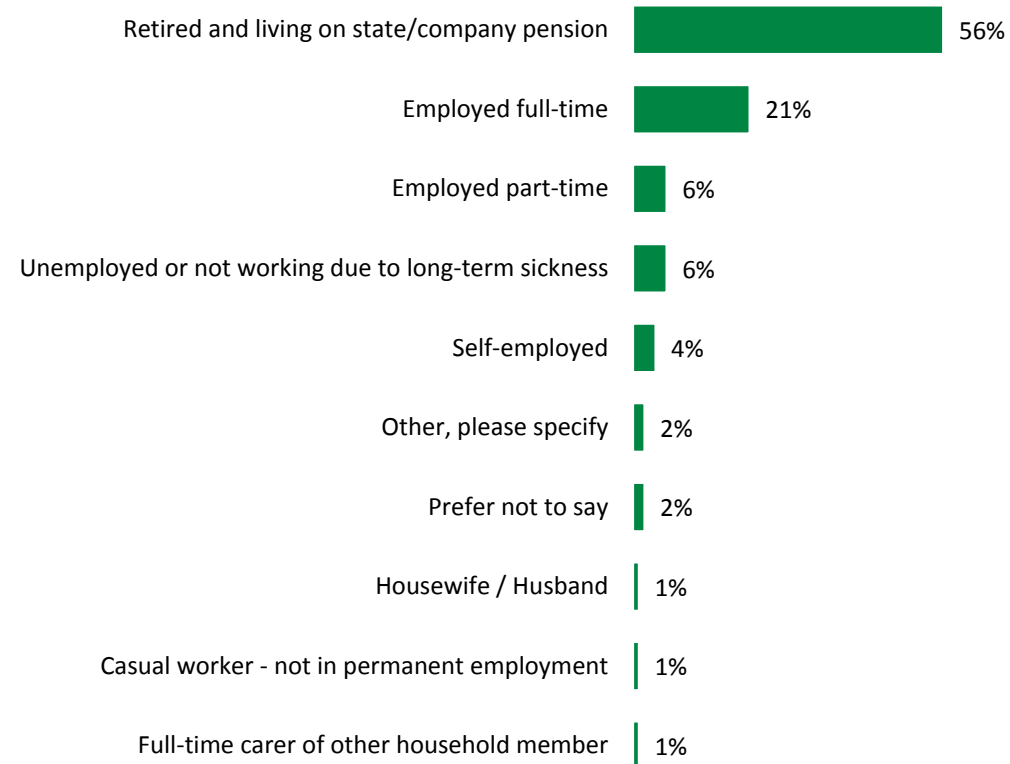
## Measured vs. unmeasured



▲ ▼ Significant difference at 95% CI

# Employment status



## Employment status



▲ ▼ Significant difference at 95% CI

## Sample profile

Total	Unweighted	
	Count	%
<b>Gender</b>		
Male	489	62%
Female	296	38%
Unknown	4	1%
<b>Age</b>		
18-34	28	4%
35-54	139	18%
55+	576	73%
Unknown	46	6%
<b>Region</b>		
Cheshire	100	13%
Cumbria	54	7%
Greater Manchester	312	40%
Lancashire	174	22%
Merseyside	144	18%
Unknown	5	1%

  Significant difference at 95% CI

# The WaterTalk panel

- Water Talk is an online community designed to reflect the views of those in the North West who have access to the internet (circa 90% of the population)
- Customer panels typically provide a deeper level of engagement with customers than ad-hoc pieces of research
- It provides rapid research access to UU customers
  - This can provide fast and cost effective feedback on a wide range of issues
- Where appropriate, work is supported with other methodologies and samples to represent those not present on WaterTalk
- Nearly 8,000 UU customers are on the panel:
  - 3,600 have taken part in a research activity in the last 6 months