Customer research and engagement reports: Executive summaries (inc. all summaries)

Chapter 2: Supplementary document

Document Reference: S1001

The reports contain summaries of all of the customer research and participation that has provided insight for the development of the business plan. The report explains how the research is presented, provides an overview of the research methodologies for each business area (water, wastewater, bioresources, retail) and a summary of how the insight has informed the plan. This is followed by a series of short summaries for the research, describing the need and objectives, the methodology used, the findings and conclusions, key messages from the research and the action taken.
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1 Purpose of this document

Engaging with customers and other stakeholders to understand their preferences and priorities is well established in the way we do business. Adopting this approach means our business plan for 2020 to 2025 is built on a broad range of customer engagement methods for retail, water and wastewater services.

This document summarises the research and engagement activity that has been undertaken and which provides insight informing the proposed plan. It describes the objectives, methodology, findings and key messages for each component of our programme of work. Where and how the results have been used is summarised below and explained more fully in the business plan.

Our engagement programme has comprised the following:
- specific, bespoke customer research to gain insight about customers’ attitudes, expectation and priorities;
- detailed analysis of day-to-day internal data transactions and regular monitoring research; and
- consultation and engagement with customers and stakeholders to complement the research activity and provide further insight on attitudes and priorities.

Key features of our approach include:
Each research project has deployed an appropriate methodology to capture a variety of opinions, representative of the customer database. Research methods have incorporated behavioural trials and experiments, revealed preference studies, focus groups, face-to-face in-home, telephone and online surveys.
The research has been stratified in such a way that customers can be segmented and comparisons made to establish the priorities of different groups – for example, households, businesses and ‘hard to reach’ customers and those in vulnerable circumstances. Segmentation has included criteria such as age, gender, income, social-economic grouping, size of water bill, geographical location and whether water supply is metered or unmetered.

Figure 1 below provides an overview of the breadth and depth of our approach and over 90 separate pieces of bespoke research, with the vast majority of projects providing insight that has shaped our proposed plan. Research is characterised by type (behavioural economics, trials and experiments, data analysis, tracking surveys, exploratory surveys, stated preference valuation studies, the WaterTalk panel, co-creation and revealed preference) and colour coded to its specific business area – water, wastewater and retail – or where the research covers all business areas.

In total, 94 pieces of research and engagement provide insight for our proposed plan and these are all listed on figure 1. When we refer to stages 1 and 2, we typically mean that there was a qualitative and quantitative stage for that research topic. Every piece of research found on figure 1 has a summary in this document with a few exceptions:

Research and trials not yet complete and in progress:
- Streetworks compliance
- Greening the grey
- Salford street trees

Note that our research programme is a continuous one, with several projects at various stages. The one listed above are currently in the field so no final documentation is available, although we have gathered some early insight that has been helpful in influencing our proposals.

Details covered in other supplementary documents:
- Our engagement with the public on the draft business plan can be found in S1009 Engaging the public: #nwmatters summary report.
- Business retailers – further details on our engagement with retailers can be found in S1003 Engagement with business retailers – research findings.

Other
- CSAT is the weekly gathering of customer satisfaction data and is provided as a management report, rather a specific bespoke piece of research

For the majority of research and engagement items listed on figure 1, more detailed results and findings from the third party provider can be found in separate documents listed in the supplementary documents. Table 1 that follows after figure 1 provides a summary of how insight from customer engagement and participation is already shaping the services we provide and how it is informing our proposals.
Figure 1 - Customer Insight Programme

Customer Insight Programme
### Table 1 - How insight from customer engagement and participation is already shaping our services and informs our proposals

| Service                          | Engagement approach                                                                                                                                                                                                 | Customers and stakeholder insight gained                                                                                                                                                                                                 | How customer insight has shaped services. WE PLAN TO:                                                                                                                                                                                                 |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Addressing affordability         | **Research**  
  • Customer channel and payment preferences  
  • Acceptability testing  
  • Disengaged customers – non-payers  
  • Social tariff  
  **Participation**  
  • Lowest bill guarantee  
  • Payment break  
  • Payment reminder letters  
  • Town Action Plan – roll out  
  • Debt rehabilitation  
  • Use of behavioural economics in bad debt  
  **Engagement**  
  • North West affordability summit – stakeholder and third sector participation                                                                                                                                                                                                                     | • Communication generally moving towards mobile and smartphone take-up (whether SMS, online or app).  
  • Customers with flexible, unpredictable income need flexible payment options and channels to support them.  
  • Payment channel choice data shows that customers in areas of socio-economic deprivation more likely to pay via channels other than direct debit.  
  • Direct debit mandates take away financial predictability and control from households managing to tight budgets.  
  • Those in financially vulnerable circumstances need early intervention and direct communication.  
  • Customers value stable, predictable bills. Stable bills helps customers to avoid falling into arrears.  
  • Affordability summit stakeholders identified need to work collaboratively to help those struggling with all household bills, not just water, and to provide a means for other groups supporting customers to be able to access help and support more easily.  
  • Analysis of past customer behaviour in years with small and large average bill changes revealed how customers’ tolerance for year on year average bill fluctuations.  
  • 82% of customers believe our proposed AMP7 bills will be acceptable.  
  • Water affordability a key factor for 18% of customers                                                                                                                                                                                                                                              | • Deliver our largest ever bill reduction which will help lift 250,000 customers out of water poverty, with another 66,500 helped through targeted financial support.  
  • Invest £71 million over the five year period in affordability schemes.  
  • Establish a North West community advice online hub, enabling co-delivery of affordability and vulnerability support through ‘one stop shop for third sector’.  
  • Place stronger focus on early intervention, using data share and credit insight to provide targeted solutions for customers at risk before they fall into debt.                                                                                                                                 |
|                                 |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                  |
|                                 |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                | Already in AMP6, we have:                                                                                                                                                                                                                       |
|                                 |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                | • Launched a fully integrated mobile app offering new ways to pay. Next release informed by customer expectations and preferences.                                                                                                                                                                         |
|                                 |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                | • Introduced a new payment reminder approach, using behavioural science based nudge techniques and making more use of channels like texting.                                                                                                                                                                     |
|                                 |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                | • Rolled out an approach to address hard-to Engage, utilising a community approach.                                                                                                                                                              |
|                                 |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                | • Launched a new payment break proposition, creating more flexibility for customers to be able to stay in control of their bills and stay out of debt.                                                                                                           |
|                                 |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                | • Introduced a price promise to help those who would save money on a meter but are fearful of switching.                                                                                                                                                                                                  |
|                                 |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                | • Helped 150,000 customers struggling to pay – double the amount we originally set out to support.                                                                                                                                                                                                         |
|                                 |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                | • Used a segmentation model to drive targeted interventions and campaigns for those in debt or ‘just about managing’.                                                                                                                                                                                   |
|                                 |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                | • Offered links to education programmes for budgeting and money advice.                                                                                                                                                                           |
|                                 |                                                                                                                                                                                                                      |                                                                                                                                                                                                                                | • Trialled links with an independent switching service, targeted those who may benefit from broader reduction in other main household bills.                                                                                                                                                           |
## Supporting those in vulnerable circumstances

- Lancashire water quality incident – lessons learned
- Service requests research
- Priority Services survey
- Energy and Water data share pilot

Lessons learnt from Lancashire water quality incident highlighted gaps in vulnerable customer register, making it difficult to prioritise communications and assistance.

Customers place great value on the support we provide, in particular the enhanced information and support we provide during service disruptions. Customer most highly value proactive contact through a preferred channel, bottled water delivered directly to their door and the offer of alternative accommodation in the event of internal sewer flooding.

- Increase awareness and take-up of Priority Services through a new service proposition built on the date share between the water and energy sectors, meaning customers only ever need to register once.
- Extend registration levels for Priority Services to five times the number registered in 2015, enabling us to provide necessary additional support on the scale needed.

Already in AMP6, we have:
- Used insight to further develop our multi-award winning Priority Services in a way that is of most value to customers.
- Been the first water company to trial the sharing of data with an energy company to help customers in vulnerable circumstances.
- Created a dedicated and specially trained team to manage day to day service. Our customer event and incident response team proactively contact and support Priority Services customers through lifecycle of event.

## Great service designed by customers

**Research**
- Water efficiency
- Customer website development
- Lancashire water quality and Tameside incidents
- Service requests research
- Service analytics from two-way feedback

**Participation**
- Bill re-design
- Lowest bill guarantee pilot
- Customer website development
- App and roadmap development with customer panel
- Web chat and social 24/7 trials
- ‘Tell Me’ customer agent insight

Ethnographic research identified customers want more ‘control’ over what goes on in their home and lifestyle; alongside ‘ease in life’ so channels, access to services and help needs to be quick and easy, minimum effort.

Customers want to spend as little time reading their utility bill and told us new bill design was a vast improvement, helping them digest important information quickly.

Customer barriers to getting a meter include comfort with a fixed bill; fear bills will rise; concerns about look, size & where it would go and lack of motivation.

Customer app – high priority enhancements were water efficiency rating tool; tracking and projection and reporting a leak.

Already in AMP6, we have:
- Created a trial (starting autumn 2018) to test home usage reports for metered customers, driving digital engagement and generating more engagement around home water use and how to save money and water.
- Introduced better billing with crystal clear pricing, help and information.
- Updated website, informed by customers and analytics
- Implemented website functionality to improve accessibility to online services.
- Adopted behavioural techniques to shape metering proposition (free meter options and home checks).
- Provided more channels of choice. Online operates longer to match expectations 24/7 of webchat and social media.
- Implemented real-time capability to keep customers informed.

## Safe, clean drinking water

- WaterTalk panel: safe, clean drinking water
- WaterTalk panel: drinking water taste, smell and appearance
- YourChoices – customer priorities
- Willingness to pay

- 78% place provision of safe clean drinking water as joint first priority.
- 39% experience change in their water with appearance of water prompting more contacts than taste and smell.
- 46% aware that cleanliness of their taps can affect water quality.

- Use 24 hour flood testing at service reservoirs to improve ingress detection.
- Reduce the number of contacts we receive from customers about the taste and smell of drinking water by 20%.
- Clean at least 3% of our 42,000km mains network to reduce discoloration at customer taps.
<table>
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<tr>
<th>Ensuring a resilient service</th>
<th>Manchester and Pennines resilience stakeholder engagement</th>
<th>Household &amp; non-household customers have strong preference for increased resilience in future water supplies. 45% of household customers stated risk reduction their main concern when choosing options.</th>
<th>Deliver a water quality communication plan to help customers look after water in their home.</th>
<th>Develop an investment strategy to deliver a resilient solution that aligns to customer expectations.</th>
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<td>Managing demand and leakage</td>
<td>YourChoices – customer priorities</td>
<td>92% told us it is important for us to reduce leakage. 81% of non-household customers expect leaks on their property to be resolved within 12 hours.</td>
<td>Reduce leakage reduction by 15%.</td>
<td>Enhance our event recognition system to find and repair leaks more quickly.</td>
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<td>Delivering a reliable supply of water both now and in the future</td>
<td>YourChoices – customer priorities</td>
<td>95% told us reducing unplanned interruptions is important to them. Interruptions of more than three hours is an inconvenience to customers, beyond nine hours is unacceptable.</td>
<td>Reduce interruptions to supply by 33%.</td>
<td>Increase the number of Alternative Supply Vehicles and prevent hydraulic shocking on network.</td>
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<td>Tameside water quality incident</td>
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<td>Natural experiments in resilience</td>
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<td>Integrated Catchment Management</td>
<td>Immersive research: River Petteril catchment</td>
<td>78% think it important they have a say in how catchment land is managed. 62% prioritised creation of green spaces for recreation. 57% prioritised improvement in water quality to protect wildlife. Stakeholders largely supportive of integrated smart catchment approach (asset + catchment interventions). Some willingness to pay to extend amount of catchment land managed in a sustainable way. 96% said it was important for us to invest in environmental initiatives.</td>
<td>Drive an investigation programme to shape the smart catchment approach and understand risks and opportunities.</td>
<td>Co-create and co-deliver land management projects with partner organisations, spreading costs and improving efficiency of delivery.</td>
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<td>YourChoices – customer priorities</td>
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<td>WaterTalk: water abstraction</td>
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<td>Co-creation activity</td>
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<td>Sewer flooding</td>
<td>YourChoices – customer priorities</td>
<td>Results show customer willingness to pay for improvements to sewer flooding. 36% stated better to focus on preventing repeat sewer flooding incidents.</td>
<td>Work with partners to identify natural flood management opportunities and use green infrastructure interventions for flooding and water quality projects.</td>
<td>Replace impermeable surfaces with permeable alternatives</td>
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### Sewer Misuse
- Flushing wet wipes
- Sewer misuse stages 1 & 2
- Co-delivery activity
- 53% stated they flush toilet daily.
- 38% with young children in nappies said they flush unsuitable products.
- 82% said they’ve not heard communications about what not to flush.
- Use customer segmentation and findings from AMP6 studies to tailor communications to specific demographics.
- Spend significantly more in AMP7 on targeted customer awareness campaigns compared with AMP6.

### Reliable Sewerage Services
- YourChoices – customer priorities
- Top wastewater priority to focus on providing reliable and continuous sewerage removal and processing.
- Invest in ability to remotely forecast failure of critical assets and use asset analytics to provide near real time information on asset performance to guide interventions.

### Bathing Waters
- Using bathing waters
- Willingness to Pay
- 93% believe quality of beaches are good or excellent. 6% say they paddle in the water, 2% say they swim in it.
- 58% selected improvements in the cleanliness of seas and lakes for swimming.
- Use Smart Catchment approach to monitor AMP6 benefits and investigate further opportunities using Integrated Drainage Strategies, supported by use of our coastal models.
- Invest to protect bathing and shellfish waters from decline in quality where UU discharges contribute to the risk.

### Rivers Improved
- Immersive research – River Irwell catchment
- Willingness to Pay
- YourChoices – customer priorities
- River Petteril water catchment
- 59% said we should work with partners, adopting catchment interventions to protect water quality.
- 60% chose an improved service level for the cleanliness of rivers and lakes.
- 57% wanted ‘a healthy river to support wildlife’.
- Invest in schemes under WFD and identify catchment based solutions.
- Find more cost effective and sustainable ways of removing phosphorous, particularly if it enables a future capability to support nutrient recycling.

### Bioresources
- WaterTalk panel: bioresources – customer preferences recycling
- WaterTalk panel: managing land and waste
- NFU bioresources
- River Petteril water catchment
- Bioresources – conforming to BAS scheme
- 86% stated they would like to see an increase in recycling and sustainable disposal of waste products.
- 90% in favour of us recovering nutrients from waste to use in high quality fertiliser.
- Develop new measure to increase volume of successfully recycled biosolids, going beyond satisfactory sludge compliance.
- Spend significantly more than in AMP6 on energy generating assets.
- Explore new innovative technologies to establish if there are any cost beneficial solutions to nutrient recovery.

### Resilient reservoirs
- YourChoices – customer priorities
- Water Resources Management Plan Research
- 78% place provision of safe clean drinking water as joint first priority.
- Deliver risk reduction engineering interventions at two major reservoirs and one supplying Bolton.

### Raw water infrastructure
- Customer priorities research
- Customer panel: supply interruptions
- Significant customer priority to ensure plans and resources in place to deliver high quality water and sewerage services to a growing population.
- Refurbish strategically important raw water pumping stations.
- Undertake pro-active maintenance of statutory meters.

### Abstraction Incentive Mechanism
- WRMP stages 1 to 3
- Increased river abstraction is least favoured by customers as an option to overcome a shortage in water supplies.
- Aim to reduce abstraction at two proposed AIM sites during periods of low river flow in order to protect the environment.
2 Section A: Strategic, cross-cutting customer research projects

List of projects included in this section:
1. YourChoice – customer priorities (stage 1 – qualitative)
2. YourChoice – customer priorities (stage two - quantitative)
3. Innovating for retail services (stage one and two qualitative)
4. Improving Annual Performance reporting - Qualitative Research
5. Brand Tracker – Wave 12
7. Brand Tracker – Wave 14
8. Brand Tracker – Wave 15
9. Brand Tracker – Wave 16
10. Brand Tracker – Wave 17
11. Brand Tracker – Wave 18
12. Brand Tracker Wave 19
13. Brand Tracker – Wave 20
14. Brand Tracker – Wave 21
15. Brand Tracker – Wave 22
16. Innovation and systems thinking
17. Service valuation for PR19 – stated preference willingness-to-pay survey
18. Performance commitments, ODI’s and Bill Payments
19. Acceptability testing for PR19 stage 1
20. Acceptability testing for PR19 stage 2
### Findings & conclusions from the research

**Key Findings**
- Overall, the 6 key priority areas for investment, in order of importance, are 1) Safe, clean drinking water 2) reliable supply 3) reliable wastewater services 4) good quality customer service 5) supporting communities 6) managing environmental impact.
- Although environmental impact is deemed very important, when cost is considered, the importance reduces dramatically.

**Safe, Clean Drinking Water**
- Most participants trust their water supply and are proud of the quality versus the South.
- Key priorities are safe to drink, good tasting water that isn’t discoloured.
- Concerns exist about chemical usage in water for health reasons, water security (terrorism and superbugs) and contamination from floods.
- UU needs to address anxieties regarding water security, chemical usage and discoloured water. Recent experiences in Cumbria and Blackpool have affected people’s trust.

**Reliable Water Supply**
- Top priority for all is to ensure enough water to meet demand. The majority of participants are very intolerant of failure and felt a sense of need to expand UU’s water supply capacities.
- UU is expected to focus on water efficiency through quick leak repairs to ensure a reliable water supply.
- Perceived slow coordination between contractors as well as unattended leaks cause widespread irritation.
- Water pressure is expected to be constant, particularly from businesses such as hair salons who depend on water. There is little understanding about or tolerance for drops in water pressure.
- Investment in infrastructure is understood due to old pipes being an issue but customers also expect a proactive upgrading programme.

**Reliable Wastewater Services**
- Customers want a reliable wastewater service which should be invisible.
- The key priority for customers is preventing homes and businesses being affected by sewer water.
Investment Priorities

- Another key priority is to ensure noise, odour, flies and traffic do not impact the local community. Other than Stockport M60 area odours, UU perceived to be performing well in this area.
- Working with local authorities, businesses and customers to prevent drain blockages is also important.
- Lowest priority is given to protecting gardens and public areas from being flooded by waste water.
- The term ‘wastewater’ disengaged most participant, customers terminology is ‘sewage’.

Quality Customer Service

- Participants consider good customer service a basic requirement with priority on issue resolution and saving money for customers.
- Customers are “surprised” by the lack of communication from UU and want issues dealt with urgency, strong, proactive communications.
- Non-household customers feel ignored by UU and treated the same as residential customers. Business size dictates different levels of service expectations: large businesses prefer account managers, smaller business want “to feel loved”. Blackpool businesses highlighted compensation cheques “cynical”, the process “inefficient” (why not reduce future bills than post cheques?), “arbitrary” and not all received the cheques.
- Customers with vulnerabilities have different service needs. Demand for specialist teams, simple language named UU contact and extra care protocols when home visiting.
- Customer service expectations include help with saving money, tariffs and information that help save money, clearer explanations of whether meters save money and simplified bills are all highlighted for better customer service experience. Vulnerable customers need more F2F channels of contact.

Supporting Communities

- Supporting communities is a higher priority during times of emergency but less so when cost is considered.
- The key priority is supporting customers to conserve water and minimise bills whilst offering affordable ways to pay.
- Working with schools to educate and influence efficiency at an early age is also seen as important priority.
- Overall, working with communities on common goals such as cleaner beaches is less important.
- Allowing access to land owned by water companies for recreation has the lowest priority, except in rural areas where this is seen as an important priority.

Managing Environmental Impact

- Managing environmental impact is expected from UU by its customers but it doesn’t justify bill increases as it should require the same risk management as any other business.
- Participants see managing environmental impact as disproportionately expensive so it is deprioritised when budget is under pressure.
- The key environmental priority is preventing accidental pollution from UU operations.
- In rural areas, maintaining the land and managing pollution of water courses is a key priority.
- The recycling of wastewater to protect recreational areas and wildlife were an important priority also but customers assumed this is a highly regulated area and UU meets its corporate responsibilities.
- Several participants mentioned that UU should be investing in new technologies for water cleaning.
- Participants could identify energy environmental initiatives (solar, wind farms etc.) but were not sure what water companies do.

Future Challenges

- Very few participants are willing to pay a 5% increase in bills. The role of UU versus other organisations is not defined so no understanding of cost burdens facing UU.
- The top priority highlighted as a future challenge was influencing customers to protect the water supply and conserve water.
- Resilience in providing high quality drinking water ranked highly amongst customers and was the key priority in Blackpool.
- Resilience against extreme weather and climate change ranked highly also and was the key priority for the Penrith area.
- Lowest priority is given to stepping into other organisation’s areas of responsibility but in the Penrith area this was the 2nd highest priority (i.e. working with other organisations to stop flooding and faster responses to emergencies).

Water trading is also a low priority but participants believe this is a UU decision not relevant to customers.

Key messages from the research

- Overall, priority is given to services which are most top of mind, and which reduce the risk customers are exposed to.
- Local, here-and-now issues largely dictate responses to perceived investment priorities.
- When cost is considered, environmental impact and climate change are de-prioritised in favour of managing supply and demand.
<table>
<thead>
<tr>
<th>Customers feel uninformed about the cost of water and how revenue is spent leading to a belief any price increase is unfair and unjustified.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Action taken</strong></td>
</tr>
<tr>
<td>A further stage of quantitative research was commissioned in order to obtain insight on the priorities expressed during the qualitative stages on a regionally representative basis.</td>
</tr>
<tr>
<td>• The qualitative research provided the framework for the compilation of the approach and questionnaire for the quantitative research.</td>
</tr>
</tbody>
</table>
Findings
(continued)

Research need
- To support considerations for the 5 year business plan, period 2020 to 2025.
- To refresh the understanding of United Utilities' (UU) customer priorities underpinning the 5 customer promises.
- To understand customers views on how UU should prioritise investments in services and to understand their responses in-depth.

Methodology
- BoxClever initially conducted a qualitative stage in June 2016, encompassing 8 x 2 hour focus groups and 9 x 1 hour depth interviews, to establish an initial understanding of UU customer investment priorities.
- BoxClever then conducted a second quantitative stage in October 2016 to enumerate UU customer’s investment priorities.
- A total of 3,340, twenty minute online surveys were conducted with UU customers to establish their current understanding of UU’s role, satisfaction with the service they receive and what the priorities for investment and improvement should be.
- The surveys consisted of 3,000 household customers across a range of sociodemographic statuses. 340 surveys were also completed with small and medium sized enterprises (SMEs).
- Finally, Anchored MaxDiff analysis was then employed to identify a clear hierarchy of investment priorities. This technique allows researchers to draw a clear statistical line between what are important and unimportant investment priorities for UU customers.

Overall Investment Priorities
- Both household and non-household customers spontaneously identified the provision of safe water, sewerage services and dealing with burst pipes/flooding as areas for investment focus in the next five years.
- When prompted with a list of potential investment areas, customers strongly agreed that the broad areas for investment where to provide:
  - safe, high quality drinking water
  - a reliable, continuous supply of water
  - reliable and continuous sewerage removal and processing services
- Customers future focus priorities revolved around local issues affecting them (e.g. flooding for Penrith customers, bathing water quality for Blackpool customers).

Anchored MaxDiff Priorities
- Overall, anchored MaxDiff analysis highlighted ten priorities that were deemed as statistically important for both household and non-household customers. In order of the most important:
  1) providing water that is safe to drink 2) ensuring enough water to meet demand, both now and in future 3) providing water that tastes good and is not discoloured 4) preventing homes/business from sewer flooding 5) preventing accidental pollution from UU activities 6) reducing pipe leakage 7) rapid response to leaks and bursts on the highway 8) maintaining good and constant water pressure 9) reducing unplanned water supply interruptions 10) recycling wastewater back into the environment so wildlife is protected.
- Anchored MaxDiff analysis highlighted ten areas that were not deemed statistically important to either household or non-household customers. In order of least importance:
  1) allowing public access to UU land for recreation 2) reducing the need for hosepipe bans 3) providing info and tips to lower bills 4) working with communities on common goals 5) providing billing that is easy to understand 6) managing drought permits 7) reducing greenhouse gas emissions 8) resolving customer queries quickly 9) informing customers about supply and maintenance issues in their areas 10) ensuring UU land is pollution free and well maintained.
- However, for customers in vulnerable circumstances and low income households, providing financial help and tariffs that help save money become a high priority.

Billing and Willingness to Pay
- Two-thirds of household and non-household customers feel their current bill is reasonable but almost 3 in 10 do not.
- Household customers see paying their water bill as less important than paying their mortgage/rent, council tax and energy bills. Water bill payment is seen much more important than phone, broadband and Pay TV payments.
Non-household customers see paying their water bill as the least important bill to pay, slightly below paying their internet and phone bills.

Over half of all household and non-household customers would not be willing to pay extra for any UU improvements.

However, when presented with specific price rise scenarios, a higher proportion of all customers would be willing to pay more. Three-quarters of customers would be willing to pay a 2% bill increase. Half of all non-household customers would accept a 10% bill increase whereas half of all household customers would accept a 9% increase.

Over two-thirds of all customers would want any investment spread across future generations of bill payers instead of paying for all the investment now.

Future Challenges

Spontaneously, a third of all customers feel UU needs to improve its performance in reducing the levels of water leakage and respond more quickly to leaks on highways as soon as possible. A quarter feel UU should be providing tariffs to save people money. Two in every five customers feel UU needs to improve on ensuring enough water to meet demand, preventing homes/business from sewer flooding and providing safe drinking water.

From a prompted list of investment opportunities, three quarters of all customers feel reducing water wastage/leaks and ensuring water/wastewater services meet a growing population as the most important issues.

Approximately two thirds of all customers want appropriate plans for extreme weather events, flood defences and guards against water quality issues.

Over half of all customers want UU to work with other partners like EA and farmers to protect the water supply, influence and lower customers’ levels of water usage and improve security to protect from terrorist events.

Key from the research

Water services are invisible and taken for granted, however, many customers are conscious of their water usage.

Customer relationships with UU are generally perceived to be low level but there is an appetite for greater communication and education, particularly around bill calculations and how money is spent, for all customers.

Safe drinking water, ensuring there is enough water to meet demand and providing water that tastes and smells good and isn’t discoloured are the clear priorities identified by both household and non-household customers.

Providing financial help and tariffs that help customers save money is a high priority for customers in vulnerable circumstances and low income customer groups.

Preventing homes from flooding, preventing accidental pollution and reducing the level of leakage/responding quickly to leaks are also key priorities.

Working with local communities, providing money saving advice off water bills, reducing the need for hosepipe bans and allowing public access to UU land are all lesser priorities.

Half of all customers are resistant to bill increases, and the largest majority of all customers indicate that they are willing to accept up to a 2% rise in their bill to help fund improvements they see as priorities.

Key future challenges include:
- reducing water wastage and leaks
- ensuring appropriate plans are in place to service a growing population and cope with climate change
- putting preventative measures in place that guard against water quality issues

The majority of all customers would want to spread investments needed for the future across generations.

Action taken

Results from the results were used to recommend individual services areas to be included in the service valuation (willingness-to-pay) stated preference resource.

The results were also used to help identify service aspects which needed additional insight in order to provide the substantive evidence of deeper customers priorities beyond general stated preference research.

Overall, the research study was used as part of the triangulation of customer insight to provide input into the relative customer priorities around individual aspects of service.
<table>
<thead>
<tr>
<th>Project Ref: T1014</th>
<th>Title:</th>
<th>Innovating for retail services (stage one and two qualitative)</th>
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<tbody>
<tr>
<td>Related performance commitment</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>Service provider</td>
<td>BoxClever Consulting</td>
<td>Date of study</td>
</tr>
</tbody>
</table>

<p>| Research need | [X] |
| Research objectives | [X] |
| Methodology | [X] |
| Findings &amp; conclusions from the research | [X] |</p>
<table>
<thead>
<tr>
<th>Key messages from the research</th>
<th>Action taken</th>
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</table>
### Research need
- United Utilities produced an Annual Performance Report (APR) 2015-16 summary guide (in the form of an interactive PDF and printed document) which provides a summarised version of the APR 2015-16.
- In order to inform the way that UU provides summary information in the future, customer and stakeholder insight is required on both the current approach and also future needs.

### Research objectives
- Develop an understanding about how well the current summary report meets UU customer requirements from an APR summary guide.
- Explore how customers feel about the content and design and what do they take out from the summary.
- Identify future customer needs from APR summary guides and similar reporting.
- Identify what other content customers feel should be included/excluded in the future.
- Understand UU customer responses to the reporting approach taken by Discover Water ([http://www.discoverwater.co.uk/](http://www.discoverwater.co.uk/))

### Methodology
- In order to meet the Research objectives, Populus were commissioned to conduct two focus groups with household and non-household customers.
- Secondly, a small group discussion was completed with three stakeholders who were all members of the YourVoice Customer Engagement subgroup. The discussion took place in early December 2016.

### Findings & conclusions from the research
- Customers (HH and NHH) do not routinely seek out or read performance information from UU or indeed any utility or Service provider, with the exception of the local authority breakdown of what council tax pays for.
- Whilst the summary guide was well received customers did not feel they wanted or needed this information.
- However, the majority of customers researched felt that the summary performance report was interesting, clear, readable and honest; the design was also appealing (attractive, simple, localised).
- Customers did feel that there were some elements underplayed or missing from a report of this nature including community engagement, water efficiency (mainly HH) & financial reporting (NHH in particular).
- Stakeholders interviewed agreed with customers that the report was clear but raised the question of whether this information, in this format might only engage a small proportion of customers.
- The “Discover Water” approach was positively received because it was modern, digital, simple and included comparative information of more overt customer rather than corporate interest.
- Populus recommend considering increasing penetration of the summary report by considering the following: including a headline summary in bills; actively distributing copies in “time to peruse” channels such as doctors’ waiting rooms plus linking to a digital version via online account management/app.
- The tone and design of the report was very well received and so this should be a) repeated for future summaries and (b) translated into any alternative digital summaries or more interactive digital versions.
<table>
<thead>
<tr>
<th>Key messages from the research</th>
<th>Action taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The “Discover Water” approach should be considered (i.e. create an interactive, app-style approach with key summary information and comparisons alongside links to other customer-requested content such as water efficiency advice).</td>
<td>• The research was used as a guide to improvements for the 2016/17 version of the annual performance report.</td>
</tr>
<tr>
<td>• In future iterations, consideration should be given to including information beyond the core KPIs e.g. community engagement, water efficiency (mainly HH) &amp; financial reporting (NHH in particular); proposed actions to deal with poor performance are a must</td>
<td>• A key proposal was for further improvement including converting the report to a webpage (rather than interactive PDF) and to use compelling techniques such as video/animated to make the report more attractive and interactive. This was implemented for the APR 2016/17 and is now standard practice.</td>
</tr>
<tr>
<td>• Finally further effort could be made to “push” this information to customers rather than relying on them to find (a) a need for the information and then (b) the information itself.</td>
<td>• There is a proposal to create a single page summary version to be used for wider distribution. This development is to be implemented for the 2017/18 reporting period.</td>
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### Chapter 2: Supplementary document - S1001

<table>
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<tr>
<th>Project Ref: T1016</th>
<th>Title: Brand Tracker – Wave 12</th>
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<tbody>
<tr>
<td>Related performance commitment</td>
<td>You’re highly satisfied with our service and find it easy to do business with us</td>
</tr>
<tr>
<td>Service provider</td>
<td>McCann Manchester</td>
</tr>
<tr>
<td>Date of study</td>
<td>29 May 2015 to 18 June 2015</td>
</tr>
</tbody>
</table>

#### Research need

This research is designed to monitor the health of the United Utilities brand and to provide insight into the effectiveness of marketing programmes implemented by the company in the form of a brand tracking study. This is the summary of debrief of the 12th wave which tracks against data from the previous waves to measure performance over time and provide further insight.

This research allows us to track the effect of our weather sponsorship on awareness and opinion of UU between those who have and haven’t been exposed to it.

#### Methodology

- The sample 1200 online interviews split between 2 surveys: - 1000 customers & 200 small / medium size businesses. Geographically the interviews were targeted to provide a representative spread across the region.
  - **Household customers:** Greater Manchester (29%), Merseyside (18%), Cumbria (7%), Lancashire (26%), Cheshire (18%) and other areas (2%).
  - **Area:** Urban (31%), Suburban (54%), Rural (15%)
  - **Non-household customers:** Greater Manchester (31%), Merseyside (17%), Cumbria (6%), Lancashire (26%), Cheshire (18%) and other areas (1%)

Socio-demographic profile was representative (consumer sample)

- **Age** 18-24 (6%), 25-34 (17%), 35-44 (19%), 45-54 (19%), 55-64 (21%), 65+ (18%).
- **Gender split** Female (63%), Male (37%)
- **Homeownership** (68%), Rental (28%), Other (3%)
- **Measured:**
  - **Consumer Sample** Metered (42%), Not metered (55%), Not known (3%)
  - **Non-household Sample** Metered (48%), Not metered (42%), Not known (11%)

Overall, the consumer sample is slightly younger than the last wave, though a smaller proportion of households and non-households had non-metered properties.

#### Findings & conclusions from the research

- **Post Watermen and weather sponsorship key KPIs have remained high however with some marginal falls, primarily understanding:**
  - Penetration of the sponsorship within the sample was between 21% and 35%.
  - Of those who had seen the sponsorship, 58% were likely to either love, like or appreciate UU compared to only 46% of those who hadn’t.
  - Awareness has remained flat this wave compared to wave 11 then these idents first ran, though the sponsorship ended during the last period which might explain this.
  - The sponsorship was considered to offer more information, understanding and appreciation than past idents.

- **Leakspotters and capital programme services have penetration rates of 17% within the sample.**
  - Think before you flush still has a fairly small awareness rate at 7%, though this saw a marginal increase on wave 6.
  - The new THYF creative was the most informative campaign for customers. Its low penetration rate suggests some benefit in increasing the awareness of this new creative.
  - Those exposed to capital programme services work agree 24% more that UU cares about the environment and 23% UU cares about its customers.

- **Understanding has dipped after rising to its highest level since tracking began in wave 11.**
  - Those saying they have a good understanding of what UU does has fallen from 57% in the last wave to 53% this wave.
  - Overall satisfaction has fallen slightly from a high of 71% in wave 9 to 66% in wave 12.
  - However, satisfaction with value for money has increased to a new high of 54%.
  - Understanding, satisfaction, satisfaction with value for money and the love ladder appreciation all display clear upward trends since wave 1.
  - UU’s friendly ranking against peers fell by 1 to 6th, while UU’s helpful ranking fell from 1st to 3rd. In the same period, UU’s arrogance rating increased by 2 to 8th.

- **Overall a fairly stable wave but with little to no positive growth.**
  - However, the percentage of customers saying their water is affordable saw a large increase from around 40% last wave to 57% this wave.
  - There was also an increase in non-household customers believing UU recognises business needs, which now stand at 43%. This measure has fallen for 3 consecutive waves previously.
  - Customer service was the main driver behind customers reporting positive attitudes towards UU.

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**Note:**

- **Area:**
  - Urban (31%), Suburban (54%), Rural (15%)
  - **Sample:**
    - Lancashire (26%), Cheshire (18%) and other areas (1%)
  - **Non-household Sample:** Greater Manchester (31%), Merseyside (17%), Cumbria (6%), Lancashire (26%), Cheshire (18%) and other areas (1%)

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**Ref:** T1016
### Key messages from the research

- The upward trend in most KPIs has continued, although only marginally in a majority of areas this wave.
- The TBYT campaign has the largest impact on customers in terms of understanding, appreciation and information given, but has the lowest awareness rate. This suggests significant gains could be made from boosting this campaign’s awareness among customers.

### Action taken

- The brand tracker contains the key satisfaction with value for money KPI which is reported as part of the AMP6 performance commitments.
- Individual communications campaigns are monitored and adjusted in line with insight provided by the survey results over time.
<table>
<thead>
<tr>
<th>Project ref: T1017</th>
<th>Title:</th>
<th>Brand Tracker – Wave 13</th>
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<tbody>
<tr>
<td>Related performance commitment</td>
<td>You’re highly satisfied with our service and find it easy to do business with us</td>
<td></td>
</tr>
<tr>
<td>Service provider</td>
<td>McCann Manchester</td>
<td>Date of study</td>
</tr>
</tbody>
</table>

This research is designed to monitor the health of the United Utilities brand and to provide insight into the effectiveness of marketing programmes implemented by the company in the form of a brand tracking study. This is the summary of debrief of the 13th wave which tracks against data from the previous waves to measure performance over time and provide further insight.

This research was carried out during the Lancashire water quality incident so acts as a good indicator of how customers’ perceptions of UU changed during this period.

### Methodology

- The sample 1200 online interviews split between 2 surveys: - 1000 customers & 200 small / medium size non-household customers. Geographically the interviews were targeted to provide a representative spread across the region.
  - **Household customers**: Greater Manchester (30%), Merseyside (18%), Cumbria (6%), Lancashire (26%), Cheshire (19%) and other areas (1%).
  - **Area**: Urban (28%), Suburban (54%), Rural (18%)
  - **Non-household customers**: Greater Manchester (32%), Merseyside (19%), Cumbria (7%), Lancashire (20%), Cheshire (20%) and other areas (1%).

Socio-demographic profile was representative (consumer sample)

- **Age**: 18-24 (2%), 25-34 (14%), 35-44 (20%), 45-54 (25%), 55-64 (22%), 65+ (15%).
- **Gender split**: Female (48%), Male (52%).
- **Homeownership**: (73%), Rental (25%), Other (2%).
- **Measured**: Household Sample Metered (45%), Not metered (54%), Not known (1%).
- **Non-household Sample**: Metered (46%), Not Metered (40%), Not known (14%).
- **Overall** the consumer sample was slightly older, had a similar geographic spread and had a higher proportion of males than the last wave.

### Findings & conclusions from the research

- **Key KPIs** had small falls in wave 13
  - Overall satisfaction fell from 66% last wave to 62% this wave. This follows an overall downward trend from wave 8 when overall satisfaction was 71%. This suggests there may be a wider cause than just the water quality incident behind the pronounced drop.
  - Similarly, business satisfaction dropped to 57%, though this is not part of an overall downward trend.
  - Satisfaction with value for money is down from its peak of 54% last sample to 49% this sample.
  - Ratings of trustworthiness, customer service and reputation also fell in wave 13 due to Lancashire scores.
  - In all of these however the falls were due to specific dips in Lancashire relating to the recent water issue.

Scores for the overall sample excluding Lancashire were largely stable vs. wave 12. However, overall satisfaction was trending downwards pre-incident so this must be kept in mind.

  - Interestingly, when customers ranked UU against its peers, there was little movement, with only our reliable ranking falling by two to 3rd place. This was not the case for non-household customers however. Our rankings by non-household customers against our peers took a battering, with all positive personality traits seeing drops.

- **Understanding rose in wave 13**, possibly down to greater overall media coverage of the company and work it does.
  - However, reliability measures fell in this wave.
  - All agreement measures (e.g. my water bill is affordable) fell this wave.
  - Most other consumer statements (e.g. United Utilities helps improve my life) saw dips this wave.
  - The notion that UU is a faceless bureaucratic organisation increased to 44%
  - These dips were attributed to falls in Lancashire.

- **Awareness of the sponsorships started to fall in wave 13**.
  - For those who recalled the clips they were still doing positive work to perceptions achieving a good association with improving understanding and also appreciation.
  - Leaksplotters and capital programme services have also seen high awareness and positive feedback.
  - TBYF penetration also continued its upward trend increasing by 1%.

- **Reactions to TBYF were down slightly from the previous wave** but this campaign still performed better than Leakbusters and capital programme services.
### Key messages from the research

- Overall Wave 13 saw some small dips in key brand measures but these were attributed to the Lancashire water incident.
- The incident has had a big impact on our KPIs, which recorded poor scores this wave.
- How customers ranked us against our peers remained largely unchanged, suggesting they may have been happy with UU’s response to Franklaw.
  - However, overall satisfaction was on a downward trend for around a year before the incident. It would be rash to attribute all the falls in KPIs to this. Something else could be contributing to this fall.

### Action taken

- The brand tracker contains the key satisfaction with value for money KPI which is reported as part of the AMP6 performance commitments.
- Individual communications campaigns are monitored and adjusted in line with insight provided by the survey results over time.
Chapter 2: Supplementary document

**Project ref:** T1018

**Title:** Brand Tracker – Wave 14

<table>
<thead>
<tr>
<th>Related performance commitment</th>
<th>You’re highly satisfied with our service and find it easy to do business with us</th>
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<tbody>
<tr>
<td>Service provider</td>
<td>McCann Manchester</td>
</tr>
<tr>
<td>Date of study</td>
<td>25 November to 11 December 2015</td>
</tr>
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</table>

**Research need**

This research is designed to monitor the health of the United Utilities brand and to provide insight into the effectiveness of marketing programmes implemented by the company in the form of a brand tracking study. This is the summary of debrief of the 14th wave which tracks against data from the previous waves to measure performance over time and provide further insight.

**Research objectives**

This wave will provide an insight into the residual effects of the Lancashire water quality incident on customer’s perceptions of UU.

**Methodology**

- The sample 1200 online interviews split between 2 surveys: - 1000 customers & 200 small / medium size non-household customers. Geographically the interviews were targeted to provide a representative spread across the region.
  - **Household customers**: Greater Manchester (29%), Merseyside (14%), Cumbria (6%), Lancashire (29%), Cheshire (21%) and other areas (1%).
  - **Area**: Urban (27%), Suburban (53%), Rural (20%)
  - **Non-household customers**: Greater Manchester (31%), Merseyside (20%), Cumbria (4%), Lancashire (27%), Cheshire (17%) and other areas (9%).

  - Socio-demographic profile was representative (consumer sample)
    - **Age**: 18-24 (3%), 25-34 (10%), 35-44 (15%), 45-54 (20%), 55-64 (24%), 65+ (28%).
    - **Gender split**: Female (45%), Male (55%).
    - **Homeownership**: (75%), Rental (22%), Other (3%).
    - **Measured**: Household sample Metered (41%), Not metered (56%), Not known (3%). **Non-household sample**: Metered (44%), Not Metered (40%), and Not known (16%).

  - Overall the consumer sample had a slightly higher number of metered properties, had a smaller proportion of respondents aged under 35 and had a slightly higher proportion of males than the last wave.

**Findings & conclusions from the research**

- Wave 14 has seen some recovery in all the KPIs that fell in Wave 13, and most are now back to pre-wave 13 levels.
  - Satisfaction in Lancashire is now more in line with the region
  - Overall satisfaction increased and almost made up the ground it lost in wave 13. The same applies for non-households as well. This has reversed the downward trend that has been evident since wave 8
  - Satisfaction with value for money has remained flat since wave 13 at
  - There was very little movement in the consumer peer rankings although Non-household peer rankings saw some gains

- **Understanding remained high in wave 14 after a rise in wave 13**, possibly down to greater overall media coverage of the company and work it does.
  - Respondents in Lancashire thought UU was less reliable than the rest of the region; the reliability score of the region excluding Lancs was 84% and Lancs score was 76%
  - Agreement increased across all measures for Non-household respondents, although this is from a low base given the drops in wave 13
  - Trust in Lancs remains lower than other regions
  - Positive feeling towards UU was driven by reputation and customer service, while negative sentiment was driven by price

- **Awareness of the sponsorship fell from wave 12 to wave 13, and has remained unchanged in wave 14.**
  - The sponsorship generated slightly weaker reactions than in the last wave. This demonstrates a tailing off effect as sponsorship fades from people’s memory
  - Awareness of Leaksporters, programme services and TBYF all fell, with TBYF falling by the highest proportion
  - However, reactions to TBYF remained high for the smaller proportion of the sample who had seen it, with 79% saying it provided helpful advice.
  - Reactions to Leaksporters and programme services fell this wave
### Key messages from the research

- The Lancashire water quality incident continues to have a residual effect on customer perceptions of UU.
- However, there has been a slight recovery in Lancashire among key KPIs, and a lot of ground lost during wave 13 has been regained.
- It is clear from the trailing off effect of the sponsorship that it had a clear and discernible impact on customer perceptions of UU.
- TBYF continues to perform well in terms of providing useful information to customers.

### Action taken

- The brand tracker contains the key satisfaction with value for money KPI which is reported as part of the AMP6 performance commitments.
- Individual communications campaigns are monitored and adjusted in line with insight provided by the survey results over time.
## Chapter 2: Supplementary document - S1001

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<tr>
<th>Project ref: T1019</th>
<th>Title: Brand Tracker – Wave 15</th>
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<tr>
<td>Related performance commitment</td>
<td>You’re highly satisfied with our service and find it easy to do business with us</td>
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<tr>
<td>Service provider</td>
<td>McCann Manchester</td>
</tr>
<tr>
<td>Date of study</td>
<td>19 February to 3 March 2016</td>
</tr>
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</table>

### Research need
This research is designed to monitor the health of the United Utilities brand and to provide insight into the effectiveness of marketing programmes implemented by the company in the form of a brand tracking study. This is the summary of debrief of the 15th wave which tracks against data from the previous waves to measure performance over time and provide further insight.

### Research objectives
The objective of this research is to understand how UU’s customers perceive UU.

### Methodology
- The sample 1200 online interviews split between 2 surveys: - 1000 customers & 200 small / medium size Non-households. Geographically the interviews were targeted to provide a representative spread across the region.
  - **Household customers**: Greater Manchester (28%), Merseyside (17%), Cumbria (11%), Lancashire (24%), Cheshire (19%) and other areas (0.5%)
  - **Area**: Urban (27%), Suburban (53%), Rural (20%)
  - **Non-household customers**: Greater Manchester (29%), Merseyside (19%), Cumbria (5%), Lancashire (26%), Cheshire (19%) and other areas (0%)

  Socio-demographic profile was representative (Household sample)
  - **Age**: 18-24 (3%), 25-34 (10%), 35-44 (16%), 45-54 (21%), 55-64 (25%), 65+ (25%)
  - **Gender split**: Female (45%), Male (55%)
  - **Homeownership**: (78%), Rental (20%), Other (2%)
  - **Measured**: Household sample Metered (31%), Not metered (65%), Not known (4%)
  - **Non-household sample**: Metered (50%), Not metered (33%), Not known (17%)
  - Overall the consumer and Non-household samples were relatively unchanged in terms of demographics. However, there was a significant drop in the number of customers who had metered properties.

### Findings & conclusions from the research
- Perceived understanding of the United Utilities business is down in wave 15
  - This comes after rises in wave 13 and 14 which could possibly be linked to heightened news coverage.
  - After recovery in wave 14 satisfaction; satisfaction with value for money; and appreciation have largely held flat in wave 15. Satisfaction with value for money did fall by 3% however.

  - **Brand traits**: such as trustworthy, socially responsible, innovative, great customer service and good reputation, as ranked by Non-households, saw marginal gains this wave.
    - **UU’s rankings against its peers remained largely unchanged, though rankings by businesses saw marginal improvements.**

  - Consumer and business statements (such as ‘UU helps improve my life/business’) were all flat in this wave compared to the last wave.
    - Respondents who had positive feelings towards UU were driven primarily by good customer service.
    - Respondents who had negative feelings towards UU were driven by price.

  - **Awareness of the Leaksotters campaign** increased significantly this wave, from 17% to 24%, while awareness of the think before you flush increased marginally.
    - **TBYF** continues to be of more use to respondents, 78% of whom thought the campaign provided helpful advice.
    - **Awareness of ‘Helping Life Flow Smoothly’** has stalled, after seeing significant increases in previous waves.
    - **Aware of HLFS** is now at 40%.

  - **Satisfaction with value for money depends upon appreciation, which in turn depends upon understanding. So increasing understanding of what UU does should increase satisfaction with value for money.**
    - **Key traits associated with satisfaction with value for money are appreciation, good reputation, socially responsible and not being arrogant or misleading.**
    - **Increasing understanding in turn raises appreciation which strongly correlates with satisfaction with value for money.**

### Key messages from the research
- After seeing significant gains since the first waves, key KPIs have stalled after recovering from the hit they took following the Lancashire water quality incident.
- **To increase satisfaction with value for money, UU should increase understanding of UU’s activities among its customers.**

### Action taken
- **The brand tracker contains the key satisfaction with value for money KPI which is reported as part of the AMP6 performance commitments.**
Individual communications campaigns are monitored and adjusted in line with insight provided by the survey results over time.
### Chapter 2: Supplementary document - S1001

<table>
<thead>
<tr>
<th>Project ref: T1020</th>
<th>Title:</th>
<th>Brand Tracker – Wave 16</th>
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<tbody>
<tr>
<td><strong>Related performance commitment</strong></td>
<td>You’re highly satisfied with our service and find it easy to do business with us</td>
<td></td>
</tr>
<tr>
<td><strong>Service provider</strong></td>
<td>McCann Manchester</td>
<td><strong>Date of study</strong></td>
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### Research need

This research is designed to monitor the health of the United Utilities (UU) brand and to provide insight into the effectiveness of marketing programmes implemented by the company in the form of a brand tracking study.

This is the summary of debrief of the 16th wave which tracks against data from the previous waves to measure performance over time and provide further insight.

### Research objectives

The objective of this research is to understand how UU’s customers perceive UU.

- The sample 1,200 online interviews split between 2 surveys: - 1000 customers & 200 small / medium size Non-households. Geographically the interviews were targeted to provide a representative spread across the region.
  - **Household Customers**: Greater Manchester (28%), Merseyside (17%), Cumbria (11%), Lancashire (24%), Cheshire (19%) and other areas (0.5%).
  - **Area**: Urban (27%), Suburban (53%), Rural (20%)
  - **Non-household customers**: Greater Manchester (29%), Merseyside (19%), Cumbria (5%), Lancashire (26%), Cheshire (19%) and other areas (0%).

### Methodology

- Socio-demographic profile was representative (consumer sample)
  - **Age**: 18-24 (3%), 25-34 (10%), 35-44 (16%), 45-54 (21%), 55-64 (25%), 65+ (25%).
  - **Gender split**: Female (45%), Male (55%).
  - **Homeownership**: (78%), Rental (20%), Other (2%).
  - **Measured**: Household sample Metered (31%), Non-metered (65%), and Unknown (4%). Non-household sample: Metered (50%), Non-Metered (33%), Unknown (17%).
  - Overall the consumer and business samples were relatively unchanged in terms of demographics. However, there was a significant drop in the number of customers who had metered properties.

### Findings & conclusions from the research

- **Perceived understanding of the United Utilities business is up 4% in wave 16 from wave 15 in both household and business participants.**
  - The highest % of "very good understanding" of UU business responses since tracking began in both consumer and business areas.
  - Overall satisfaction has remained flat since wave 15 at 65%. However, business satisfaction has fallen to 54%, the lowest since wave 1. Satisfaction with value for money has risen by 4% following a decline in wave 15.

- **Brand traits scores, such as being trustworthy, socially responsible, innovative, great customer service and good reputation have remained flat since marginal gains in wave 15.**
  - UU’s rankings against its peers remained largely unchanged, though there was a recovery in UU’s rankings in social responsibility.

- **Brand personality traits such as being genuine, helpful, misleading, arrogant, efficient and reliable have remained largely static since wave 15.**
  - UU regained its position as the most reliable organisation compared to its peers but dropped one place to 3rd in being perceived as genuine amongst customers.
### Findings & conclusions from the research (continued)

- Amongst Non-households, UU dropped from being the leader in efficiency and responsiveness in comparison to its peers since wave 15 and saw a slight rise in being perceived as arrogant. However, UU is perceived as more helpful and genuine since wave 15.

- Agreement with statements such as ‘UU helps improve my life/business’ remain flat over the last few consumer waves but business agreement has declined slightly since wave 15.
  - There was a noticeable increase in consumer positivity towards how UU cares for the environment.
  - The decrease in business agreement is attributed to a drop in perception that “UU helps my business save money”.

- Awareness of all campaigns decreased between wave 15 and 16. The Leakspotters campaign has the most awareness at 19% of those surveyed.
  - Leakspotters and My Account decreased 5% following a 7% increase between wave 14 and 15.
  - ‘Think Before You Flush’ and programme services decreased by 1%.

- All campaigns saw an increase in positive feedback since wave 15.
  - ‘Think Before You Flush’ continues to provide the most helpful advice and helps customers understand and appreciate what UU does out of all campaigns.
  - Awareness of ‘Helping Life Flow Smoothly’ has remained flat, after seeing significant increases in previous waves. Awareness of HLFS remains at c.40%.

- Key traits associated with satisfaction with value for money are appreciation, good reputation, social responsibility and not being viewed as arrogant or misleading.
  - By increasing the understanding of what UU does will in turn raises appreciation which strongly correlates with satisfaction with value for money. Therefore increasing the understanding of what UU does should increase satisfaction with value for money.

### Key messages from the research

- KPIs are largely flat in wave 16 however understanding and satisfaction with value for money are slightly up after falling in wave 15.
- KPIs are below registered peaks which occurred between waves 9 and 12.
- All communications saw a decline in awareness in wave 16. Leakspotters remained the campaign with highest awareness at 19% (down 5%).
- TBYF continues to provide the most advice and understanding while all campaigns saw a rise on positive feedback.
- To increase satisfaction with value for money, UU should increase understanding of UU’s activities among its customers.

### Action taken

- The brand tracker contains the key satisfaction with value for money KPI which is reported as part of the AMP6 performance commitments.
- Individual communications campaigns are monitored and adjusted in line with insight provided by the survey results over time.
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<thead>
<tr>
<th>Project ref: T1021</th>
<th>Title: Brand Tracker – Wave 17</th>
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<tbody>
<tr>
<td>Related performance commitment</td>
<td>You're highly satisfied with our service and find it easy to do business with us</td>
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<tr>
<td>Service provider</td>
<td>McCann Manchester</td>
</tr>
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<td>Date of study</td>
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**Research need**

This research is designed to monitor the health of the United Utilities (UU) brand and to provide insight into the effectiveness of marketing programmes implemented by the company in the form of a brand tracking study.

This is the summary of debrief of the 16th wave which tracks against data from the previous waves to measure performance over time and provide further insight.

**Methodology**

- The sample 1,200 online interviews split between 2 surveys: - 1,000 customers & 200 small / medium size Non-households. Geographically the interviews were targeted to provide a representative spread across the region.
  - Household Customers: Greater Manchester (28%), Merseyside (17%), Cumbria (11%), Lancashire (24%), Cheshire (19%) and other areas (0.5%).
  - Area: Urban (27%), Suburban (53%), Rural (20%)
  - Non-household customers: Greater Manchester (29%), Merseyside (19%), Cumbria (5%), Lancashire (26%), Cheshire (19%) and other areas (0%).

- Socio-demographic profile was representative (consumer sample)
  - Age 18-24 (3%), 25-34 (10%), 35-44 (16%), 45-54 (21%), 55-64 (25%), 65+ (25%).
  - Gender split Female (45%), Male (55%).
  - Homeownership (78%), Rental (20%), Other (2%).
  - Measured: Household sample Metered (31%), Non-metered (65%), and Unknown (4%). Non-household sample: Metered (50%), Non-Metered (33%), Unknown (17%).

- Overall the samples were relatively unchanged in terms of demographics. However, there was a significant drop in the number of households who had metered properties.

**Findings & conclusions from the research**

- The perceived understanding of the United Utilities business amongst household customers is slightly up by 2% to 57% since wave 16 and up 9% to a new high of 68% with non-household customers.
  - This wave saw the highest perceived understanding amongst non-households since tracking began. The previous high was seen in wave 11 (60%).

- Overall satisfaction with UU has risen marginally since wave 16 but is at a record high with non-household customers. Value for money satisfaction is unchanged.
  - Overall satisfaction is at 67%, a 2% increase since wave 16, the highest since wave 11.
  - Business satisfaction this wave rose 10% to a new high of 64%. The previous high was at wave 12 (62%).
  - Satisfaction with value for money remained at 51%.

- The overall love ladder score has risen 3% but has increased 18% in the business sample to a record high.
  - 52% of customers surveyed either appreciate, like or love UU. Negative views towards UU have remained at c.10%.
  - 60% of non-household customers either appreciate, like or love UU, up from 42% in wave 15. This is 12% higher than the last high of 48% in waves 12 and 14.
Findings & conclusions from the research (continued)

- Brand traits such as being trustworthy, socially responsible, innovative and good customer service rose marginally amongst household customers. Innovative and customer service score rose significantly from non-household customers.
  - Customer service and Innovative scores are at an all-time high with non-household customers with gains made in all traits since wave 16.
- UU’s brand ranking versus other brands has remained largely static amongst household customers since wave 16 but some change in non-household customers opinion are observable.
  - Household customers ranked UU slightly more friendly and genuine than previously and remained the most reliable and efficient brand since wave 16.
  - Non-household customers rated UU significantly more arrogant since the last wave, rising 4 places to 2nd.
- UU also fell several positions in perceived friendliness, helpfulness and reliability.
  - Awareness of all campaigns was slightly down in wave 17 with the customers more aware of the Leakspotters campaign.
  - 19% of customers were aware of Leakspotters, down 5% since wave 16, followed by Programme Services (15%, -1%).
  - All campaigns saw an increase in positive feedback since wave 16.
    - ‘Think Before You Flush’ consistently continues to provide the most helpful advice and helps customers understand and appreciate what UU does out of all campaigns.
  - 70% of non-household customers surveyed had recent contact with UU, significantly up from previous wave’s average of c.35-40%.
    - This higher proportion of contacted non-household customers may explain record highs in non-household customer’s understanding and satisfaction of UU. The data is currently being analysed to confirm this hypothesis.
  - Over two-thirds of household and non-household customers have visited the UU website and 65% rate the site good or above.
    - Over 10% of household customers and 64% of non-household customers visit more than once a month.
    - 69% of household customers use the site to find information, 14% to make payment and 14% to do both.
    - 36% of non-household customers visit to make a payment, 33% for both information and payments, and 30% just for making payment.

Key messages from the research

- KPIs are largely flat in wave 17 however understanding and satisfaction are slightly up on wave 16. Business KPIs are largely strong in wave 17 with increases in key areas of understanding and satisfaction. This comes after a large rise in the % of the sample who have contacted UU this wave.
- KPIs are largely below their registered peaks, all of which happened between waves 9 and 12.
- Brand traits, such as trustworthy, socially responsible, innovative, great customer service and good reputation all were flat in wave 17 and wave 16 after small rises in wave 15. Measures still remain healthy.
- Equally personality traits are largely flat on wave 17, with a recovery in the competitive set position to Friendly and Genuine to 4th and 3rd respectively.
- All communications saw a slight rise in awareness in wave 17 after falls the previous waves. Leakspotters remained the campaign with highest awareness at 22%. Priority services, new to wave 17 had 6% awareness.
- Just over a quarter are concerned about household budgets coping with water bills and the majority of households put water bills above most other household bills.
- Key traits associated with satisfaction with value for money are appreciation, good reputation, socially responsible and not being arrogant or misleading. Increasing understanding in turn raises appreciation which strongly correlates with satisfaction with value for money.

Action taken

- Regular Brand Tracking surveys have been commissioned to monitor brand performance. The satisfaction with value for money measure is a key performance measure in our 2015-20 business plan.
- Individual communications campaigns are monitored and adjusted in line with insight provided by the survey results over time.
## Chapter 2: Supplementary document - S1001

### Project ref: T1022

<table>
<thead>
<tr>
<th>Related performance commitment</th>
<th>Title: Brand Tracker – Wave 18</th>
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<tbody>
<tr>
<td>You’re highly satisfied with our service and find it easy to do business with us.</td>
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### Research need

This research is designed to monitor the health of the United Utilities brand and to provide insight into the effectiveness of marketing programmes implemented by the company in the form of a brand tracking study. This is the summary of debrief of the 18th wave which tracks against data from the previous waves to measure performance over time and provide further insight.

### Research objectives

The objective of this research is to understand how UU’s customers perceive UU.

### Methodology

- The sample of 1232 online interviews is split between 2 surveys: 1020 household customers & 212 small/medium size non-households. Geographically the interviews were targeted to provide a representative spread across the region.
  - **Household Customers:** Greater Manchester (31%), Merseyside (17%), Cumbria (4%), Lancashire (26%) & Cheshire (21%) and other areas (1%).
  - **Area:** Urban (27%), Suburban (55%), Rural (18%)
  - **Business Customers:** Greater Manchester (43%), Merseyside (12%), Cumbria (9%), Lancashire (15%) & Cheshire (9%) and other areas (12%).
  - **Socio-demographic profile was representative (consumer sample)**
  - **Age:** 18-24 (2%), 25-34 (11%), 35-44 (14%), 45-54 (18%), 55-64 (28%), 65+ (27%).
  - **Gender split:** Female (54%), Male (46%).
  - **Homeownership:** (77%), Rental (22%), Other (1%).
  - **Measured:** Household sample Metered (49%), Not metered (49%), Not known (1%).
  - **Non-household sample:** Metered (44%), Not Metered (40%), and Not known (16%).
  - Overall the consumer and business samples were relatively unchanged in terms of demographics from wave 17. However there was a significant rise in the number of customers who had metered properties.

### Findings & conclusions from the research

- Understanding of United Utilities operations remains largely the same as the previous wave, for both Non-household (wave 18 = 66%, wave 17 = 68%) and household customers (wave 18 = 59%, wave 17 = 57%).
  - This measure has been steadily improving over time and is now significantly higher than the original wave 1 survey for both household, + 16% and non-household customers, + 13%.
- Overall satisfaction with United Utilities remains largely the same as the previous wave, for both Non-household (wave 18 = 65%, wave 17 = 64%) and household customers (wave 18 = 65%, wave 17 = 67%).
  - The level of household customers dissatisfied or very dissatisfied is unchanged from wave 17 (6%).
  - Dissatisfaction levels amongst non-household customers is down to 5% in wave 18, from 11% in wave 17.
  - Satisfaction with value for money remains largely unchanged at 50%.
- Overall satisfaction with United Utilities remains largely the same as the previous wave, for both Non-household (wave 18 = 65%, wave 17 = 64%) and household customers (wave 18 = 65%, wave 17 = 67%).
  - The level of household customers dissatisfied or very dissatisfied is unchanged from wave 17 (6%).
  - The overall love ladder score for household customers remains at 51%. The overall love ladder score for non-households customers was particularly high in wave 17 (60%) and has fallen to 50%, however this is still significantly higher than any other wave to date.
  - For the first time to date, no respondents from thenon-household sample reported feeling “hate” towards United Utilities.
Findings & conclusions from the research (continued)

- United Utilities brand trait scores; being trustworthy, socially responsible, innovative, great customer service and good reputation remain largely unchanged from wave 17.
- United Utilities brand personality traits, such as being genuine, helpful, misleading, arrogant, efficient and reliable have remained largely static since wave 17 for household customers.
  - Most non-household customer ratings of brand personality traits remain static since wave 17, however genuine (wave 18 = 27%, wave 17 = 23%) and helpful (wave 18 = 28%, wave 17 = 24%) have risen and misleading has fallen (wave 18 = 4%, wave 17 = 8%).
  - United Utilities ranking in the group of 10 peers, remains static at number 3.
- Awareness of all the campaigns by household customers has remained static from wave 17. Campaign awareness by non-household customers has decreased.
  - Non-household customer awareness of programme services (wave 18 = 30%, wave 17 = 40%), Priority Services (wave 18 = 25%, wave 17 = 31%) and Think Before You Flush (wave 18 = 23%, wave 17 = 28%) have decreased significantly from wave 17.
- The proportion of customers who are concerned about being able to pay for their water has risen significantly since wave 17 (wave 18 = 33%, wave 17 = 27%).
  - Water bills remain a high priority, alongside gas and electricity bills, for household customers.
- The same proportion of household customers (25%) contacted United Utilities in wave 18 as in wave 17.
  - Following on from a peak in contact by non-household customers in wave 17, the proportion of contacts is still considerably higher than in previous waves, although the proportion has fallen from wave 17.
  - Similarly to wave 17, 67% of household customers, who visited the United Utilities website, rate the site good or very good.
  - The proportion of non-household customers who rate the site good or very good has fallen 5% from wave 17 to 60%.
  - Similarly to previous waves, the majority of household (43%) and non-household (56%) customers visit the website to query a bill.

Key messages from the research

- Key performance indicators are fairly static in wave 18. Overall understanding of United Utilities operations is at its highest level for household and 2nd highest level for non-households customers since the tracker began.
- Brand traits, such as trustworthy, socially responsible, innovative, great customer service and good reputation have remained largely unchanged since wave 17.
- Personality traits have remained largely static for household customers. Non-households customers have increased their ratings for genuine and helpful and decreased their rating for misleading.
- Awareness of all the campaigns by household customers has remained static from wave 17. Campaign awareness by business customers has decreased from wave 17.
- Website ratings of household customers remain largely unchanged, whilst business customers rating of the website has fallen.
- The number of customers who are concerned about financially coping with water bills has increased significantly from 27% to 33% and the majority of households put water bills above most other household bills (with the exception of gas and electricity).
- Awareness of all the campaigns by household customers has remained static from wave 17. Non-household customer awareness of programme services, Priority Services and Think Before You Flush have decreased significantly from wave 17.

Action taken

- Regular Brand Tracking surveys have been commissioned to monitor brand performance. The satisfaction with value for money measure is a key performance measure in our 2015-20 business plan.
- Individual communications campaigns are monitored and adjusted in line with insight provided by the survey results over time.
This research is designed to monitor the health of the United Utilities (UU) brand and to provide insight into the effectiveness of marketing programmes implemented by the company in the form of a brand tracking study. This is the summary of debrief of the 19th wave which tracks against data from the previous waves to measure performance over time and provide further insight.

### Research objectives

The objective of this research is to understand how UU's customers perceive UU and to track results each quarter. In particular, the question of how customers rate the company on ‘satisfaction with value for money’ is key as this is an agreed measure for the delivery of performance commitments, 2015-2020.

### Methodology

- Online interviews were conducted with 1,014 HH customers between 23 February 2017 and 02 March 2017. A representative spread of customers were selected to include:
  - Customers across the UU region (Cheshire (19%), Cumbria (11%), Greater Manchester (GM, 29%), Lancashire (24%) and Merseyside (17%)
  - An urban and rural mix of customers (70%/30%)
  - Metered and non-metered customers (31%/69%)

### Findings & conclusions from the research

- HH customer’s understanding of what UU does has remained at similar levels as wave 17 and 18, with 58% of customers stating they have a good understanding of what UU does.
  - Men consistently stated that they have a better understanding of UU’s work compared to women.
  - Understanding amongst the younger age group has increased over time. The opposite is true amongst the 55+ age group.
  - Lancashire, Greater Manchester & Lancashire have had slightly higher understanding levels historically relative to Cheshire & Merseyside.
  - Overall customer satisfaction with UU is at its highest point since Wave 11 and the second highest recorded level of satisfaction since research began in 2011 (69% satisfied). Dissatisfaction is at a record low, with 4% of customers expressing dissatisfaction.
- Customer satisfaction with value for money is at its highest since research began in 2011, with 56% of customers satisfied. This is a 6% increase since wave 18. Pricing and lack of supplier choice are the key reasons customers were dissatisfied with value for money.
  - Women are more satisfied with the value for money they perceive from using United Utilities.
  - Satisfaction with value for money is higher for the younger age groups and is increasing over time.
  - Satisfaction dipped in 2016 for the older age group 55+ but increased in the first 2017 survey.
  - Satisfaction with value for money is slightly higher in Lancashire & Greater Manchester. Cheshire has shown increased satisfaction with value in the February 2017 tracker.
The love ladder score increased by 6% since wave 18 to 57% of customers ranging from showing appreciation to loving UU. This is the highest score ever recorded.

- Customer valuation of UU brand values (trustworthy, socially responsible, innovative, great customer service and good reputation) are at the highest ever recorded.
- Compared to its peer group, UU is consistently ranked 3rd in regards to brand values, behind John Lewis and Marks and Spencer’s with either NatWest or the customer’s local council coming in last place.

Price reductions, fast problem resolution and good communication are the key reasons customers score UU high for customer service.

- The % of customers perceiving UU as friendly, genuine, helpful and reliable have increased since wave 18. The % of customers perceiving UU as arrogant and impersonal have decreased but customers perceiving UU as misleading has increased by 3% to 8% of customers surveyed.
- Ranking of UU by personality trait against its peer group brands remains largely static. UU are seen as the most efficient of the ten brands, the second most reliable brand and the third most genuine and helpful brand.
- A quarter of customers surveyed have had recent contact with UU and almost half of which were due to a query with their bill.
- Awareness of “Helping Life Flow Smoothly” has continue to drop since wave 14, “Supplying Life’s Essentials” has remained largely flat since wave 13 and “Delivering Today Building for Tomorrow” has remained largely flat since wave 3.
- Awareness of Programme Services has increased by 1% to 18%, Priority Services by 2% to 11%, Think Before You Flush by 4% to 12% and Leaksotters has remained the same as in wave 18 (23%).

For the first time, as many customers surveyed are concerned about being able to pay their water bill as those that are not concerned (34%).

- Water bill payment remains a high priority, similar to paying their gas/electric bill.

**Key messages from the research**

- KPIs are very positive in W19. Overall the love ladder rating and satisfaction for money are the highest levels recorded. Overall satisfaction is high and understanding remains in line with previous ratings.
- Brand traits, such as trustworthy, socially responsible, innovative, great customer service and good reputation have significantly risen in W19 and are the highest scores recorded across any of the brand trackers.
- Ratings against peer brands is consistent and United Utilities continues to score below John Leis and M&S but predominantly above all other brands within the survey.
- Personality traits are continuing to improve which has halted the downward trend across the last few waves.
- Website visit frequency has increased for the ratings has increased significantly from 67% in W18 to 73% in W19.
- The number of customers who are concerned about household budgets and coping with water bills is steadily on the increase with now as many customers concerned as not concerned. As seen in previous waves the majority of households put water bills above most other household bills.
- Campaign awareness has risen for both Priority & TBYF in W19 the latter of which continues to receive positive feedback. The leakages campaign fairer stronger for providing helpful advice.
- An increasing number of respondents value the campaigns from United Utilities.
- Overall W19 has seen some of the strongest feedback and ratings across all areas of the tracker.

**Action taken**

- Regular Brand Tracking surveys have been commissioned to monitor brand performance. The satisfaction with value for money measure is a key performance measure in our 2015-20 business plan.
- Individual communications campaigns are monitored and adjusted in line with insight provided by the survey results over time.
**Project ref:** T1024  
**Related performance commitment:** You’re highly satisfied with our service and find it easy to do business with us.

<table>
<thead>
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<th>Service provider</th>
<th>Date of study</th>
</tr>
</thead>
<tbody>
<tr>
<td>McCann Manchester</td>
<td>July 2017</td>
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**Research need**
- This research is designed to monitor the health of the United Utilities (UU) brand and to provide insight into the effectiveness of marketing programmes implemented by the company in the form of a brand tracking study. This is the summary of debrief of the 20th wave which tracks against data from the previous waves to measure performance over time and provide further insight.

**Research objectives**
- The objective of this research is to understand how UU’s customers perceive UU and to track results each quarter. In particular, the question of how customers rate the company on ‘satisfaction with value for money’ is key as this is an agreed measure for the delivery of performance commitments, 2015-2020.

**Methodology**
- Online interviews were conducted with 1,009 HH customers between 10 July 2017 and 21 July 2017. A representative spread of customers were selected to include:
  - Customers across the UU region (Cheshire (19%), Cumbria (11%), Greater Manchester (GM, 29%), Lancashire (24%) and Merseyside (17%)
  - An urban and rural mix of customers (70%/30%)
  - Metered and non-metered customers (31%/69%).

**Findings & conclusions from the research**
- Wave 20 saw a drop in most ratings/rankings since wave 19 where multiple “highest ever ratings” were recorded. However, the drop has seen ratings/rankings return to similar levels pre-wave 19.
- The key KPI measures, including customers understanding of what UU does, overall customer satisfaction and satisfaction with value for money remain in line with pre-wave 19 results.
- Brand traits such as being trustworthy, socially responsible, innovative, providing great customer service and having a good reputation are similar to pre-wave 19 levels. Cheshire and Cumbria customers rated UU lower in all traits compared to other counties served by UU.
- When comparing UU to its peers on a range of brand measures, UU consistently ranked 3rd again, as it has done consistently across waves, just behind John Lewis and Marks & Spencers but ahead of all other brands in the survey.
- When asked how UU could improve its customer services the overall consensus is that customer bills are too high. There was a sense that not enough communication between the customer and UU is made as a quarter felt they could not rate customer service as they had no contact whilst some customers felt they wanted more communication/information from the business.
- Personality trait scores were similar to pre-wave 19 results although efficiency and reliability scores fell back slightly and this should be monitored going forward. Cheshire and Cumbria customers rated UU lower for efficiency and Lancashire customers gave their lowest scoring for reliability.
- The percentage of customers visiting the UU website remained at c.70%. Customer satisfaction with the website has decreased significantly to 59% from a typical 65%+ satisfaction level. Customers aged 35+ all rated the website lower relative to previous waves.
- Statements regarding UU attributes are largely consistent with previous waves. However, there was a small decline in agreement that UU handles customer queries rapidly and that UU’s responsiveness to an issue until final resolution which should be monitored going forward.
- The volume of customers who were concerned about household budgets was slightly lower this wave, with just fewer customers concerned than not concerned.
- As seen in previous waves, the majority of customers placed more importance towards paying the water bill above other household bills.
- Campaign awareness rose slightly for ‘Leak Spotters’. ‘Think before You Flush’ communications continue to receive the most positive feedback.
### Key messages from the research

- Overall wave 20 generated results largely in line with trackers previous to wave 19. There were a few small drops in some of the brand traits/attributes and these need to be monitored going forward.
- Although scores have dropped back from W19, trends for the main indicators show an overall levelling in the ratings over time with W19 being the peak.
- The website satisfaction scores dropped significantly, particularly with older customers, which should be monitored and responded to accordingly going forward.

### Action taken

- The brand tracker contains the key satisfaction with value for money KPI which is reported as part of the AMP6 performance commitments.
- Individual communications campaigns are monitored and adjusted in line with insight provided by the survey results over time.
Project ref: T1025

Title: Brand Tracker – Wave 21

Related performance commitment

You’re highly satisfied with our service and find it easy to do business with us.

Service provider

McCann Manchester

Date of study

Nov 2017

Research need

- This research is designed to monitor the health of the United Utilities (UU) brand and to provide insight into the effectiveness of marketing programmes implemented by the company in the form of a brand tracking study. This is the summary of debrief of the 21st wave which tracks against data from the previous waves to measure performance over time and provide further insight.

Research objectives

- The objective of this research is to understand how UU’s customers perceive UU and to track results each quarter. In particular, the question of how customers rate the company on ‘satisfaction with value for money’ is key as this is an agreed measure for the delivery of performance commitments, 2015-2020.

Methodology

- Online interviews were conducted with 1,009 HH customers between 13 November 2017 and 27 November 2017. A representative spread of customers were selected to include:
  - Male (46%), Female (54%)
  - Customers across the UU region (Cheshire (17%), Cumbria (13%), Greater Manchester (28%), Lancashire (27%) and Merseyside (16%)=  
  - 18-34 (16%), 35-54 (37%), 55+ (48%)
  - An urban and rural mix of customers (73%/27%)
  - Metered and non-metered customers (47%/53%)

Findings & conclusions from the research

- All main KPI measures such as understanding, satisfaction, satisfaction with value for money and the love ladder ratings remain the same as W20 (latter has increased by 1%).
- Regionally Cheshire does not rate United Utilities as highly as other regions when it comes to satisfaction. However, there is an increase in satisfaction with value for money from Cheshire, Manchester and Cumbria with a drop within the Lancashire area. As expected price is the main reason for lower value for money satisfaction. Interestingly, this result from Lancashire coincides with the results of the Franklaw court case being made public.
- Brand traits, such as trustworthy, socially responsible, innovative, great customer service and good reputation have all increased and are back to some of their highest levels (exception of wave 19). Lancashire has rated UU a little lower whilst Greater Manchester is consistently stronger.
- Ratings against peer brands is consistent and United Utilities continues to score just below John Lewis and M&S but predominantly above all other brands within the survey.
- When asked how United Utilities could improve its customer service responders stated that prices were too high. However, there is also a sense that United Utilities has none/limited interaction with its customers as 25% indicated a combination of:
  - No contact with United Utilities’ so could not comment, and
  - Wanted either more information or communication from the organisation.
- Efficiency and reliability have increased and are similar to waves 18 and prior.
- Website visit frequency is slightly higher at 74%. Website ratings has risen from 59% to 63%. Ratings are fairly consistent across all age groups.
### Key messages from the research

- Awareness of what United Utilities does is consistent with previous waves (question has been omitted for the last 12 months) but more customers do appear to realise that the company operates in the North West (significant rise from 55% 3 years ago to 73% in W21).
- Affordability scores have dropped back to 52%, in line with the levels seen in 2015 and early 2016.
- The number of customers who are concerned about household budgets is lower this wave with not as many concerned relative to the not concerned group. As seen in previous waves the majority of households put water bills above most other household bills.
- Campaign awareness remains static for all campaigns with the exception of an increase for Priority Services. The TBYF communications continue to receive increasingly positive feedback.
- United Utilities as an employer has a higher awareness in Cheshire and Manchester and there has been a higher increase in the number of responders who would recommend UU as an employer.
- United Utilities NPS score is negative (-22%) which is not uncommon in the utilities sector (-9% average). A small proportion of scores have been provided in the knowledge that there is no actual competitor.

### Action taken

- The brand tracker contains the key satisfaction with value for money KPI which is reported as part of the AMP6 performance commitments.
- Individual communications campaigns are monitored and adjusted in line with insight provided by the survey results over time.
Chapter 2: Supplementary document - S1001

Project ref: T1026  Title: Brand Tracker – Wave 22

Related performance commitment
You’re highly satisfied with our service and find it easy to do business with us.

Service provider
McCann Manchester  Date of study  March 2017

Research need
• This research is designed to monitor the health of the United Utilities (UU) brand and to provide insight into the effectiveness of marketing programmes implemented by the company in the form of a brand tracking study. This is the summary of debrief of the 22nd wave which tracks against data from the previous waves to measure performance over time and provide further insight.

Research objectives
• The objective of this research is to understand how UU’s customers perceive UU and to track results each quarter. In particular, the question of how customers rate the company on ‘satisfaction with value for money’ is key as this is an agreed measure for the delivery of performance commitments, 2015-2020.

Methodology
Online interviews were conducted with 1,002 HH customers between 12th and 29th March 2018. A representative spread of household customers were selected to include:
  • Gender: Male (52%), Female (48%)
  • Regional split: (Cheshire (17%), Cumbria (13%), Greater Manchester (29%), Lancashire (24%) and Merseyside (16%)
  • Age:18-34 (19%), 35-54 (39%), 55+ (42%)
  • Urban and rural mix of customers (83% / 17%)
  • Metered and non-metered customers (44% / 53%)

Findings & conclusions from the research
• Overall W22 has delivered stronger scores and ratings for United Utilities, in some cases, generating the highest scores recorded e.g. love ladder.
  • Service satisfaction, satisfaction with value for money and the love ladder ratings remain the same or higher.
  • Generally, Cheshire continues to rate United Utilities lower than other regions when it comes to service satisfaction and other attributes. Greater Manchester, in contrast, rates United Utilities higher across all traits and attributes.
  • Brand traits, such as trustworthy, socially responsible, innovative, great customer service and good reputation have all increased and are back to one of their highest levels recorded (with the exception of wave 19).
  • Ratings against peer brands is consistently high and United Utilities continues to score just below or alongside John Lewis and M&S but predominantly above all other brands within the survey. United utilities is now first for social responsibility and Innovation.
  • Efficiency and reliability have increased and are similar to waves 18 and prior.
  • Website visit frequency remains high at 70%. Website ratings has risen from 63% to 65%. Ratings are fairly consistent across all age groups.
  • Awareness of what United Utilities does is consistent with previous waves (question re-introduced back into the survey in w21) and more customers appear to realise that the company operates in the north west (significant rise from 55% 3 years ago to 73% in W21 & W22).
  • The number of customers who are concerned about household budgets continues to drop with not as many concerned relative to the not concerned group.
    • 92% of responders stated that they can always afford or usually afford to pay for their water bill and awareness of United Utilities payment schemes is relatively low.

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### Key messages from the research

- Campaign awareness remains static for all campaigns with the exception of an increase for Think Before You Flush (TBYF) campaign. The TBYF communications continue to receive increasingly positive feedback.
- Awareness of United Utilities and the associated benefits as an employer increased in W22. Greater Manchester has a higher awareness across all benefits and people in this geographical area are much more likely to recommend United Utilities as an employer. The same is true for responders who are aged 44 or under.
- United Utilities NPS score, whilst still negative at -19%, is an improvement on the results from W21 (-22%). A negative NPS is not uncommon in the Utilities sector where -9% is the overall industry average. There is an opportunity for United Utilities to positively influence customers who currently fall into the ‘Passive’ group (30% of responders) and move them towards promoters.

### Action taken

- The brand tracker contains the key satisfaction with value for money KPI which is reported as part of the AMP6 performance commitments.
- Individual communications campaigns are monitored and adjusted in line with insight provided by the survey results over time.
<table>
<thead>
<tr>
<th>Project ref: T1080</th>
<th>Title: Innovation and systems thinking</th>
</tr>
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<tbody>
<tr>
<td>Related Performance Commitment</td>
<td>All</td>
</tr>
<tr>
<td>Service Provider</td>
<td>Verve (via WaterTalk online community panel)</td>
</tr>
<tr>
<td>Date of study</td>
<td>Apr - May 2018</td>
</tr>
</tbody>
</table>

### Research need
- New innovations often take significant time and capital to develop, and can deliver tangible benefits.
- Consequently, companies should collaborate with customers and stakeholders to consider where to place innovation focus. United Utilities is considering how and where to invest, using customer feedback to inform its decision making.

### Research objectives
- To measure customer opinions and expectations regarding:
  1. What does ‘innovation’ mean to customers – both generally and in the context of water supply?
  2. How innovative is UU perceived to be?
  3. How willing customers are to contribute towards innovation?
  4. How do customers think UU should talk to them about innovation?

### Methodology
- A 2 day pop up community with 29 community members between 29th and 30th May 2018.
- 10 were selected on the basis of being ‘forward thinking’ in terms of their attitudes towards technology and the environment.

### Findings & conclusions from the research
**What does ‘innovation’ mean to customers and what are the perceived benefits?**
- Customers’ understanding of innovation is consistent with the broad, official definition
- Benefits fall into four categories:
  1. Using technology in a new way
  2. Discovering a new idea
  3. Solving an existing problem in a new way
  4. Identifying or creating a new need
- Most customers talk about innovations in terms of their benefits
- But the best innovations provide positive short and longer term benefits

**Do customers perceive United Utilities as innovative and how do they react to the systems thinking concept?**
- United Utilities’ existing focus on innovation is not top of mind for customers – but they can suggest examples when prompted
- Almost universally, customers believe it is important for the brand to innovate, to secure future water supplies
- Customers mention the benefits should consider future customers as well as the environment
- The notion of ‘systems thinking’ therefore appeals to customers as it is forward looking and holistic

**To what extent are customers willing to contribute towards innovation?**
- Many customers are prepared to accept contributing towards innovation, if it means securing water supply for the future
- But there are some caveats, which largely depends on transparency of the investment decisions and the risk propensity of individual customers

### Action taken
- The research findings used in the preparation of the PR19 business plan,
- Customers views and opinions expressed were taken into account when planning communications to inform customers about the costs, benefits and opportunities presented by potential innovation and the systems thinking approach
- The results were used to influence the development of the performance commitments and ODI concerned with Systems Thinking.
<table>
<thead>
<tr>
<th>Project ref: T1027</th>
<th>Title: Service valuation for PR19 – stated preference willingness-to-pay survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related performance commitment</td>
<td>Provide you with great water, dispose of your wastewater, give you value for money, protect and enhance the environment.</td>
</tr>
<tr>
<td>Service provider</td>
<td>BoxClever Consulting / Frontier Economics</td>
</tr>
<tr>
<td>Date of study</td>
<td>June 2017</td>
</tr>
</tbody>
</table>

**Research need**
- To enable decisions around investment in future service levels United Utilities needs to understand how customers value the core services that they receive and their expectations regarding future development and investment in those services.

**Research objectives**
- To provide customer insight on a subset of core services, and customer valuations (i.e. monetary values) for possible future service levels for;
  - Safe clean drinking water
  - Water appearance
  - Water taste and smell
  - Internal sewer flooding
  - External sewer flooding
  - Unplanned supply interruptions
  - Accidental pollution
  - Cleanliness of rivers and lakes
  - Cleanliness of sea and lakes for swimming

**Methodology**
- 1,754 online (68%) and face to face (32%) surveys completed with household customers between 15\(^{th}\) May and 6\(^{th}\) June 2017.
  - 46% male / 54% female
  - 18% 18-34 / 39% 35-54 / 43% 55+
  - 14% AB / 53% C1C2 / 29% DE
  - 12% Cheshire / 7% Cumbria / 40% Greater Manchester / 24% Lancashire / 13% Merseyside
  - 43% metered / 57% unmetered
  - 14% vulnerable / 86% not vulnerable
- Data was weighted by age, gender, income, SEG and county to be demographically representative of United Utilities’ customer base.
- 306 face to face surveys completed with non-household customers between 8\(^{th}\) June and 20\(^{th}\) June 2017, segmented by industry SIC code.
- Behavioural economics insights were applied to the survey design to ensure a high quality response from customers and to improve the cognitive validity of the results.

**Findings & Conclusions from the Research**
- Affordability is still a keen issue for customers on the whole - a change in annual bill was the single biggest attribute driving customer choices.
- Household customers:
  - When asked to make choices and build their own plan, on average, customers select a plan that would amount to a 6% increase in their bills and more than 40% select a plan that includes a higher level on all service attributes presented.
  - Households showed the strongest service valuation for improvements in the quality of drinking water and in improving the cleanliness of rivers and seas.
• Service valuation for improvements in some service attributes was around 2%-3% of bills.
• Appetite for a reduced level of service (and bill saving) was limited.
• Consumer affluence has a strong bearing on service valuation (and willingness to pay based on a ‘build your own bill’ exercise).
• Respondents who have experienced a service failure had a significantly higher service valuation for the service attribute that they have experienced a disruption in.
• Changes in their annual bill is significantly more important to customers who might be classified as in vulnerable circumstances based on income; water taste and smell is more important for those not on a water meter.
• Older customers and those not on a meter were more likely to select improvements (with associated cost).

Non Household customers

• On average, non-household customers exhibit a higher valuation for service improvements than household customers.
• This is especially the case for safe clean drinking water, water taste and smell, sewer flooding, accidental pollution and unplanned interruptions.
• Valuations are lower for non-household customers for cleanliness of the sea and lakes for swimming.

Actions taken

• The project provided key input into the development of business plan proposal and performance commitments, measures, targets and incentives for the service areas contained.
• The insight provided fed into the overall triangulation of research to allow appropriate balance to be applied to individual valuation and to the plan as a whole.
As part of its 2020-2025 plan, United Utilities will put in place a series of performance commitments (PCs) and Outcome Delivery Incentives (ODIs), under the guidance from Ofwat and other regulators. These will PCs and ODIs will link performance targets with financial and reputational incentives. As these performance commitments are designed to provide additional service benefits for customers (and potential financial impacts if beaten or missed) United Utilities aims to consult with customers to understand their views on performance commitments, ODIs and expectations for bill profiles and refine the business plan accordingly.

Specifically, United Utilities aims to understand:
- What customers think about the principles of ODIs
- Customer understanding of individual ODIs and their views on acceptability of the proposed targets
- Views on potential bill increases/decreases by ODI theme
- Reactions to cross subsidies and approaches to longer term bill profiles

A 6 day pop-up community was conducted with 65 community panel members from the 4th to 11th July 2018. This included 25 of the most engaged community members, to provide a more informed response to the subject matter. This also included 14 members who are either vulnerable themselves or live with someone who is vulnerable.

How do customers react to the idea of ODIs being introduced?
- Many initially react to ODIs and the variable bill element with cautious positivity.
- There are questions from some about how targets will be initially set and measured.
- Some are concerned ODIs could be counter-productive – if missed targets lead to less investment, when they need more.

Do customers understand the performance measures and how they are evaluated?
- Customers made best efforts to evaluate performance measures, and were more confident with those areas familiar to them (e.g. water quality).
- Whilst the measures are understandable, customers would benefit from:
  - Simpler, customer-friendly language in some cases
  - Some further context about how targets have been set
  - More information on benchmark targets (especially those with zero and non-linear variable annual targets)

What do customers think about the suggested bill impacts by individual areas?
- A large proportion of customers think the potential maximum bill increase is acceptable.
- But some still remain resistant to the idea of incentivisation on principle.
- Some admit it can be hard to tell whether bill impacts are acceptable across ODI themes, with some defaulting to perceived personal importance and size of impact to make a judgement.

Are customers willing to help support those more financially sensitive?
- Half of customers participating indicate a willingness to subsidise those on lower incomes – the bill increase is relatively small.
- When the subsidy is positioned as an addition to United Utilities’ subsidy at lower cost, acceptance is nearly three quarters of those participating.
- But opinions are dependent on the system being managed effectively – so that only those truly in need will benefit.

What do customers think about intergenerational investment?
Most customers believe investment should be spread across generations.
Customer preference is for bills to be relatively stable into the future – to reduce and remain flat rather than rising again at a later date.

**Having been provided additional info and context, do customers’ views change?**
- Many customers become more positive towards ODIs as their understanding grows, with most of those that took part stating that they are broadly supportive.
- But, there remains a small core of customers that remain resistant to, or unsure, about ODIs.

**What are the key elements to communicate, to maximise customer acceptance for ODIs?**
- As acceptance grows with understanding, several communication needs emerge:
  - Explanation of the rationale of ODIs – and emphasise ‘beating’ rather than hitting targets (with accompanying benefits)
  - Reassurance on the maximum bill increase cap
  - Specifying where incentives will go (i.e. paying for additional investment rather than bonuses)
  - Highlighting Ofwat’s independent scrutiny

<table>
<thead>
<tr>
<th>Action taken</th>
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<tbody>
<tr>
<td>The research findings were used to influence plans for communicating the package of performance commitments, outcome delivery incentives and associated element to customers</td>
</tr>
<tr>
<td>The results of the research provided general support for the proposals with the business plan, but it also feedback provided on individual aspects that could be improved to help customers understand the proposals, which will be revised in supporting documentation</td>
</tr>
<tr>
<td>Customer view of bill profile reflected similar results to that gained in PR14 and showed a preference for stable and predictable bill profiles, which will influence future plans on the profile of bills over AMP7 and beyond.</td>
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</table>
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<table>
<thead>
<tr>
<th>Project ref: T1028</th>
<th>Title: Acceptability testing for PR19 stage 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related performance commitment</td>
<td>All</td>
</tr>
<tr>
<td>Service provider</td>
<td>BoxClever Consulting</td>
</tr>
<tr>
<td>Date of study</td>
<td>Dec 2017 and Jan 2018</td>
</tr>
</tbody>
</table>

### Research need
- In developing its proposed PR19 business plan UU needs to establish how acceptable customers find the proposed plan and which elements they find acceptable / unacceptable.
- The project is set in 2 separate phases; this the first stage is to enable the final plan to be optimised with customer feedback from the research taken into account.
- Phase 2 is expected to test the final plan and to take place in May/June 2018

### Research objectives
- To engage with customers in shaping the overall business plan
- To explore the most acceptable combinations of service and investment
- To identify the limits in affordability and acceptability of bills
- To support UU in demonstrating it has a customer mandate to implement its proposed business plan

### Methodology
- 2,089 online and CAPI quantitative surveys completed with household customers in December 2017. (1,045 sourced commercially, 581 sourced via My Account database, 463 sourced via WaterTalk)
  - 49% male / 51% female
  - 15% 18-34 / 17% 35-44 / 20% 45-54 / 26% 55-64 / 23% 65+
  - 20% AB / 52% C1C2 / 28% DE
  - 8% Cumbria / 17% Merseyside / 42% Greater Manchester / 20% Lancashire / 13% Cheshire
  - 42% metered / 58% unmetered
- 211 online quantitative surveys completed with non-household customers in January 2018.
- 24 x 1 hour qualitative depths (8 x pre family, 8 x family, 8 x post family) with household customers and 15 x 1 hour qualitative depths with vulnerable customers (3 x English not first language, 3 x elderly, 3 x low income, 3 x disability, 3 x learning difficulties) conducted in December 2018.
- The research used a creative and intuitive research approach incorporating ‘sliders’ to assess the levels of acceptability of UU’s proposed plan for service improvement and associated bill impact

### Findings & conclusions from the research
#### Household customers
- 75% of customers accept the PR19 plan as it stands
- 81% of customers find the planned improvements acceptable
- Acceptability of the planned bill impact element is lower at 64%
- Bill impact acceptability is lowest amongst the financially at risk (43%)* and amongst those who find their current bill amount very unreasonable (21%)
- Acceptance of the plan is highest in Merseyside, Cumbria and those that find their current bill amount very reasonable, although acceptance of the bill impact is lowest in Cumbria
- Customers indicate a preference for lower levels than the current plan for interruptions, internal sewer flooding and helping customers struggling with their bill
- There is a preference for service levels beyond the plan for leakage, accidental pollution and helping customers that require extra support
- Customers who believe their current bill is reasonable are more likely to want improvements beyond plan, those who view their bill as unreasonable are more likely to opt for levels below plan

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Those in Cumbria are the most likely to want improvements above plan, those in Cheshire typically want improvements below plan.

Non-household customers:
- 72% of non-household customers accept the PR19 plan as it stands (75% HH)
- 78% of non-household customers find the planned improvements acceptable (81% HH)
- Acceptability of the planned bill impact element overall is lower at 65% (64% HH)
- There is a split of preference for service levels above, below and on plan for the majority of service areas amongst non-household customers
- Non-households customers indicate a preference for lower levels than the current plan for reducing interruptions to supply
- There is a preference for service levels beyond the plan for reducing leakage and avoiding accidental pollution

Action taken:
- The research output will be used to further develop the overall PR19 business plan in line with customers’ preferences.
- A second phase of acceptability testing research was undertaken to test the subsequent iteration of the plan in terms of revised service levels and bill impact, taking account of feedback from phase one.
- The results were included as an input to the overall triangulation of customer insight to help provide additional weighting to the valuation of service aspects, and to influence the development of targets, measures and ODIs.
### Research need
- In developing its proposed PR19 business plan UU needs to establish how acceptable customers find the proposed plan and which elements they find acceptable / unacceptable.
- The project is set in 2 separate phases; this the second stage is to enable the revised plan to be tested with customer.
- Phase 2 is expected to test the final plan and to take place in May/June 2018.

### Research objectives
- To engage with customers in shaping the overall business plan
- To explore the most acceptable combinations of service and investment
- To identify the limits in affordability and acceptability of bills
- To support UU in demonstrating it has a customer mandate to implement its proposed business plan

### Methodology
- 1,604 online and CAPI quantitative surveys completed with household customers in July 2017.
- Sample structure:
  - 49% male / 51% female
  - 16% 18-34 / 16% 35-44 / 20% 45-55 / 25% 55-64 / 19% 65-75 / 3% 75+ Not stated 2%
  - 20% AB / 51% C1C2 / 29% DE
  - 7% Cumbria / 20% Merseyside / 39% Greater Manchester / 19% Lancashire / 15% Cheshire
  - 46% metered / 54% unmetered
- 200 online quantitative surveys work progress with non-household customers in August 2018.
- 2 x 1½ hour focus groups conducted in July 2018.
- Overall bill impacts, based on 2020 average bills of £450:
  - Savings from efficieny and financing -£73
  - Bill increase associated with improvements +£32
  - Plus inflation to 2025 +2% per year +£42
  - Overall average bill in 2025 £451
- The sample was structured to allow the testing of 2 plan variants to help extrapolate alternative options, aiding decision making (see debrief for full details)
- The research used a creative and intuitive research approach incorporating bill information targeted to customers own current bills and included the impact of inflation over the period to 2025
- The survey also tested the acceptability of the impact of a ‘reasonable range’ bill impacts as a result of potential outcome delivery incentives, to assess the levels of acceptability of UU’s proposed plan overall (potential bill impact tested -£21.40 to +£23.00)

### Findings & conclusions from the research

#### Household customers

**Acceptability of the plan overall**
- Acceptability of the revised plan unprompted (ie before investments and service changes were explained) achieved 76%
- When customers were then informed about the planned service level improvements and bill impacts, overall acceptability increased to 82% for the plan as a whole
  - 86% of customers find the planned improvements acceptable
  - Acceptability of the planned bill impact element is lower at 77%
- Bill impact acceptability is lowest amongst the financially at risk (63%) and this is considerably higher than the level achieved in acceptability research stage 1
- Acceptance of the plan is highest in Greater Manchester, followed by Lancashire and Merseyside at similar levels

**Acceptability of the impact of potential ODIs**
- Overall customers showed a lower level of acceptability to the impact of ODIs.
- As a whole, acceptability for a potential impact of ODI from -£21.40 to +£23.00 achieved a score of 63%
- The highest level achieved was 71% acceptability for the package of services ad associated bill impacts related to the customer support ODIs
- The remaining ODI packages (water supply, sewer flooding & environmental) were broadly similar, ranging for acceptability rating of 60 to 65%
### Non-household customers

At the time of writing, non-household customer research is work in progress.

<table>
<thead>
<tr>
<th>Action taken</th>
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<tbody>
<tr>
<td>- The research output was used to finalise the overall PR19 business plan in line with customers’ preferences.</td>
</tr>
<tr>
<td>- The results were included as an input to the overall triangulation of customer insight to help provide additional weighting to the valuation of service aspects, and to influence the development of targets, measures and ODIs.</td>
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</table>
3 Section B: Retail Price Control customer research programme

List of projects included in this section:
1. Disengaged customers – rehabilitated customers
2. Disengaged customers – non payers
3. Town action plan trial
4. Social tariff research
5. Promoting competition in the household water market (quantitative)
6. Customer communication channel and payment preferences
7. Payment reminder letters trial
8. Payment break trial
9. Use of behavioural economics in bad debt management
10. Customer behaviour change in water efficiency (Qualitative Stage)
11. Customer behaviour change in water efficiency (Quantitative Stage)
12. Water efficiency research
13. Water efficiency trial
14. Mobile App development
15. Unmeasured bill co-design
16. Measured bill co-design
17. Lowest bill guarantee (price promise) research
18. Lowest bill guarantee (price promise) trial
19. Household customer website development research
20. Non-Household tariff research for PR16 (quantitative)
Project ref: T1104

Title: Disengaged customers – rehabilitated customers

Related performance commitment
Deliver customer service you can rely on

Service provider
Populus

Date of study
July 2015

Research need
To understand how customers perceive and deal with debt in order to inform the development of strategies for UU to effectively engage with customers to support them in improving their debt profile.

Research objectives
To understand customer perceptions and attitudes with regard to:
1. What is the wider context of debt / what are the main factors affecting income and debt?
2. How do people currently make decisions about which bills/debts to pay?
3. Where does the water bill & UU fit into the picture?
4. How might UU more effectively engage with customers with the ultimate goal of improving their debt profile?

Methodology
- The project was conducted in two phases. This is the first phase and it focussed on rehabilitated customers to investigate what debt meant to them and what UU did that worked well for them in terms of debt recovery. The output from this phase will allow the development of hypotheses regarding how UU might engage with disengaged indebted customers which will be tested in the second phase.
- 19 qualitative in depth interviews were conducted in June 2015.
  o 12 x customers were interviewed that were previously indebted and have since been reached and helped by United Utilities.
  o Interviewees covered a range of ages and life stages and also included migrant workers.
  o 7 x experts were interviewed that are regularly involved with debt issues including representatives from debt advice agencies, the Citizens Advice Bureau, charities that deal with debt and vulnerability and those involved in community outreach initiatives.

Findings & conclusions from the research
- Whilst there are many different “types” of budgeters, they share much in common but have very different stories.
- Most people “find themselves” in debt – it is rarely a single event that pushes them over, more a culmination of struggles, misfortunes, misjudgements & circumstances.
- People often experience a process of exponential decline (and also recovery) with a tipping point reached which makes it very difficult to seek help.
- This tipping point is where the debt(s) are out of control, too large to contemplate ever being able to clear, potentially having significant consequences i.e. they become an “existential threat”.
- At this traumatic point, people’s response is rarely “rational” it is a stress response (fight or flight, usually flight).
- Water bills are either “one of the important bills that must be paid”, a less “top of mind” bill than some others, or even something they might not have previously known they had to pay.
- When they get assistance it is often because they have stumbled across it or someone has recommended it, they rarely actively seek it out.

People are quite vague about the “schemes” that they are on, but all generally appreciate the help and have a more positive view of UU as a result.

Key messages from the research
- The barriers to seeking help are knowledge of available assistance, embarrassment & humiliation of being vulnerable (child vs adult), stress of how they feel the encounter will be, temporary denial of the problem, cost of a phone call.
- Any opportunity to engage with customers early on in the payment process to retrieve a potentially deteriorating situation could help rehabilitation.

Action taken
- The research findings were distributed and presented to the relevant stakeholders in July 2015.
- The output from this phase of the research shaped the second phase in which UU developed ideas on how to engage with disengaged indebted customers and test these hypotheses with customers.
**Research need**
To understand how customers perceive and deal with debt in order to inform the development of strategies for UU to effectively engage with customers to support them in improving their debt profile.

**Research objectives**
To understand customer perceptions and attitudes with regard to:
1. What is the wider context of debt / what are the main factors affecting income and debt?
2. How do people currently make decisions about which bills/debts to pay?
3. Where does the water bill & UU fit into the picture?
4. How might UU more effectively engage with customers with the ultimate goal of improving their debt profile?

**Methodology**
The project was conducted in two phases. This is the second phase and it focussed on indebted disengaged customers to investigate what debt means to them and to test some of the hypotheses developed as a result of phase one of the research, which focused on customers who had been rehabilitated from debt situations by UU actions and support.

44 x qualitative depth interviews were conducted in September 2015 which included:
- recent migrants to the UK from range of ethnic origins
- 75yrs+ participants, including singles, couples, and carers
- People with chronic mental or physical disabilities including people who are or have recently been out of work as a result of illness
- Interviews were spread across the same locations as phase one:
  - Liverpool, Manchester, Mid/East Lancs, Blackpool and Barrow
  - 30 interviews were conducted in Liverpool/Manchester and 14 in other locations
- A qualitative focus group session was conducted with migrant workers
- Qualitative depth interviews were also conducted with experts, intermediaries & and influencers including local community representatives and private landlords.

**Findings & conclusions from the research**
- Many disengaged customers are experiencing chronic difficulties in their lives, with regular, acute flares of financial and other difficulties.
- They often face multiple challenges, physical and mental health, education, employment, relationships, financial etc.
- They are often quite mobile and are at transient stages of their lives.
- Therefore they struggle to plan and organise their lives they are almost always on the back foot in some aspect of their lives; they naturally prioritise what they do on the basis of immediate attention rather than longer term planning.
- Payments (and debts) that can be managed on a day-to-day, week-to-week basis and which command more immediate attention will tend to be paid before those that don’t.
- Often a mismatch of billing and payment cycle can lead to debt. UU bills which arrive every 6 months or once a year are out of step with many disengaged customers’ money management.
- Water, it seems has the longest “attention cycle” of any bill and can thus have less salience and attention than other bills; thus it is at odds with this customers audience’s micro, focussed, day-to-day, week-to-week financial cycles.
- Inability to pay one month’s bill can lead instantly to problems, customers who miss a single payment (on any bill) feel that there is “no point” in paying the next time’s payment because they cannot pay in full.
- Poor payment behaviour is exacerbated by negative attitude towards UU and sense that water is least justified bill they have (they tend to believe water should be free for all).
- The disengaged audience had a more negative view of UU and water generally than the rehabilitated customers interviewed in phase one.
Action taken

- The research findings were distributed and presented to the relevant stakeholders in July 2015.
- The output from both phases of the research were used to develop a range of solutions to test with disengaged indebted customers during 2017 and 2018.
- The trial of the Town Action Plan payment scheme pilot was designed as a consequence of the research.
- Proposals for performance commitments in relation to supporting customers in vulnerable circumstances and lifting customers out of water poverty have been designed using the research as evidence of customer behaviour and needs relating to payment of their water bills.
### Title: Town action plan trial

**Related performance commitment**
We will improve the way we work to keep bills down and improve services for you and future customers

**Project ref:** N/A  
**Service provider:** Internal – Household Retail  
**Date of study:** 2015

### Trial need
- Research carried out during 2015 with disengaged customer whose account was in debt revealed that often they needed extra support and flexibility in order to give them the opportunity to recover their financial control in relation to water bills.
- The Town Action Plan (TAP) initiative is aimed at providing an effective direct channel for customers, focusing in on those in vulnerable financial circumstances to help identify the most appropriate tariff and payment assistance schemes that customers may be eligible for.
- The trial provided the opportunity to understand how the initiative could be made to work successfully in the field, including the right customer relationship management process needed to support the customer, and to restore their water account to a more sustainable status.

### Trial objectives
- To test the use of customer segmentation data in providing targeting data, identifying towns and postcodes where customers are most likely experiencing water poverty
- To understand the process and training required for staff to provide ‘doorstep’ advice assessing the entitlement for customers to payment assistance schemes
- To establish a process for engagement with local advice sector personnel and councils to help understand the needs of the local community
- To develop appropriate literature to help explain the purpose of the initiative and promote the benefits to the individual and to the community as a whole

### Methodology
- A bespoke iPad software application was developed which allowed customers’ eligibility for assistance schemes to be determined in the field.
- After scrutinizing segmentation data and targeting appropriate residential areas, specially trained field staff set up home visits with account holders who potentially required special support.
- Home interviews lasting approximately 45 minutes where undertaken, often resulting in signing up the customer to an assistance scheme and agreeing a payment plan

### Findings & conclusions from the trial
- Out of 77,000 visits 46% had a successful outcome.
- Around 20,000 customers have signed up to a payment arrangement and as of July 2018, 67% are being maintained.
- Of these 18,700 customers have also been signed up to the Payment Matching+ arrears allowance scheme and/or a lower tariff to help with affordability going forward.
- In total 35,706 customers who would otherwise have been referred to Debt Collection Agencies (DCA) have been successfully supported.
- A sample of 600 of the people visited were surveyed, and asked how satisfied they were with the experience of the visit. Rating achieved an average of 4.76 out of 5.

### Key messages
- The Town Action Plan initiative has been shown to be successful in identifying customers in vulnerable financial circumstances who could benefit from targeted support
- The scheme is effective in converting this need into manageable relationships which are to the benefit of both the customer and the company
- The success rate in terms of customers maintaining their schemes are high
- The logistical arrangements required to facilitate the initiative are sustainable for the trial and in support of roll-out across the customers base

### Actions taken
- The Town Action Plan service is proposed for inclusion as part of the ongoing customer service process
- Roll-out of the scheme will take place area by area incrementally so that it remains targeted, effective and manageable
## Research need
- Customer vulnerability is a key Ofwat priority and will be a driver for its evaluation of all water company’s PR19 business plans.
- 16,000 customers currently receive the “help to pay” social tariff but more than 200,000 customers could be eligible for the scheme.
- UU would like to serve vulnerable customers better by increasing the cross-subsidy for its “help to pay” social tariff and seeks to gauge customer appetite for increasing the social tariff cross-subsidy from the current 43p p.a. customer contribution.

## Research objectives
- To quantify customer appetite, if any, for a larger contribution to the current cross-subsidy social tariff scheme.
- To identify what customers feel should be the level of financial contribution customers should contribute each month towards the “help to pay” scheme.
- To understand if the way in which the customer is asked about social tariff contributions influences their decision-making.

## Methodology
- To meet the Research objectives, 1,800 telephone surveys were conducted with respondents that demographically represent the wide range of customers from across the UU service area: social grade – 24% ABs, 50% C1/C2, 25% DE; gender – 51% male, 49% female; age – 16-34 16%, 35-64 44%, 65+ 21%.
- 9 equally-distributed variations of the survey were used using three different primes with either only direct or only multiple-choice questions to follow. The three primes used were:
  1. Personification of scheme beneficiaries: describing social tariff recipients as archetypical personas.
  2. Social norms and positive UU actions: stressing the positive actions of UU and that similar schemes are common, and other customers already pay towards social tariffs in most other water and utilities companies.
  3. Water bill prime: reminding customers of their water bill levels as an implicit comparison.
- Direct question surveys required a yes/no answer about a certain level of support, graded on an acceptability scale. One set of survey variations asked the customer specific £/person starting at a low amount and one set starting at a high amount.
- Multiple-choice questions required the respondent to choose the maximum level of contribution they were willing to make.

## Findings & conclusions from the research
- Results indicate overall support of an increased social tariff contribution with most of the variation depending on the question framing:
  - 66% of respondents would accept an additional contribution of 8p p.m. when asked directly whilst mentioning positive action by UU and the norm in other utilities companies. 60% would accept 15p or more.
  - 34% of respondents did not show a willingness to contribute to the scheme under any survey variant.
  - In any survey variant, at least 37% of respondents would accept an additional monthly contribution of 8p.
  - 29% of customers either accepted or didn’t accept a contribution of 8p per month, depending on how the question was framed.
Respondents who were willing to support the scheme agreed to much higher amounts than the current 4p a month contribution and how the questions were framed produced different results.

- **Respondents asked directly, starting low**: most respondents who accepted an addition 15p per month contribution also agreed to higher contribution amounts.
- **Respondents asked directly, starting high**: Slightly more than half of respondents agreed to 95p per month contribution when this was the first value suggested to them. If the respondent said no initially, they were unlikely to agree to any other lower contribution amount.
- **Respondents asked in directly via multiple choice questions**: 61% of respondents did not want to contribute further amounts, c.40% (cum.) found 15p p.m. acceptable, 28% (cum.) found 35p acceptable, 21% (cum.) found 95p acceptable and 5% were happy to pay up to £3.95.

Priming had no effect on the willingness to support the scheme and awareness of the scheme is low.

- 95% of respondents had not heard of the ‘help to pay’ scheme and 54% did not know the size of their water bill.
- Despite the low awareness of social tariffs, customers generally did not have difficulty providing answers to the survey.

Younger and better-off customers were more likely to support the scheme.

- Customers with the highest incomes were more likely to accept a higher level of support, although half of respondents chose not to provide income information.
- Younger people have the highest maximum willingness to contribute and are most likely to accept a given level of support.
- Gender had no statistically significant effect on the level of support respondents were willing to support.

UU’s customers were more likely to support social tariffs if asked about a specific amount rather than given a choice between different amounts.

- When asked directly, support remained above 50% across all counties, age groups (except 75+) and social grades.
- When asked to choose between levels of support, support was significantly lower. Only a quarter of Cumbria respondents accepted higher contributions, as opposed to 56% of Cumbria respondents asked directly. The acceptance rate dropped sharply amongst older customers.

**Key messages from the research**

- Customers who are willing to contribute to the scheme are not particularly sensitive to the amount, between 8p-95p per month.
- UU should either increase its cross-subsidy to 15p or introduce a voluntary contribution.
- UU can further explore with customers the co-creation of a voluntary scheme or the status-quo effect of the current scheme

**Action taken**

- The research provides evidence of customer support which enables UU to propose changes to its existing social tariff scheme for low-income pensioners and plans have been brought forward to achieve additional volumes of customers helped.
- The research findings also provided input into plans for performance commitment proposals on supporting customers who need help to pay their water bill.
- Additionally the findings were an input into the research triangulation which provides a framework for balancing valuation data to help improve decision making reflecting customer preferences.
United Utilities Water Limited 2018

Chapter 2: Supplementary document

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**Project ref:** T1031  
**Related performance commitment:** All  
**Service provider:** Systra  
**Date of study:** May 2016

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**Title:** Promoting competition in the household water market (quantitative)

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**Research Need**

- United Utilities seeks to understand its household customers’ views of the potential of competition being introduced into the household water market.
- Furthermore, customer insight is required into the key drivers and barriers of customers’ potentially switching supplier.
- Finally, a measurement of the likeliness of household customers considering switching suppliers at various value offerings.

**Research Objectives**

- To understand UU household customer’s range of opinions and perceptions of the principles of introducing competition into the household water and wastewater market.
- To identify the key drivers and barriers of potential to switching water suppliers.
- To quantify customers’ likeliness of considering switching water suppliers at various value offerings.

**Methodology**

- 520 telephone surveys were undertaken by Systra during May 2016 with UU household customers across a diverse range of demographics:
  - **Age:** 18-34 (18%), 35-59 (49%), 60+ (33%)
  - **Gender:** Female (54%) Male (46%)
  - **Socio-economic group:** AB (35%), C1C2 (51%), DE (15%)
  - **Employment status:** Full-time (57%), part-time (7%), retired (23%), looking after home (1%), student (1%), other (5%)
  - **Water meter penetration:** water-metered (41%) non-metered (58%) unknown (1%)
  - **Bill affordability:** feel bills are affordable (53%), not affordable (25%), neither agree nor disagree (22%)
  - **Bill payment:** On time (89%), sometimes late (10%), usually pay late/have payment difficulties (1%)
  - **Internet Usage:** Internet user (87%), non-Internet user (13%)

**Findings & conclusions from the research**

**Immediate, Uninformed Customer Views**

The Principles of Competition

- Two-thirds (67%) of customers support the principle of introducing competition in the water and sewerage industry - Males (74%) were more likely to agree with competition compared to females (61%).
- Customers that disagree that their water bill charges are affordable were more likely to agree with competition (73%) compared to those that find their bills affordable (61%).

**Reasons For Customers Opinions towards Competition**

- Customers who support competition believe it will lower their bills, give more choice to the consumer and lead to a better quality of service by pressuring poor performing companies to improve.
- More than a quarter (27%) of customers that do not support competition feel it will overly complicate the industry,

**Likelihood of Considering Changing Water Supplier**

- Overall, 56% of customers would consider changing who supplies their water if competition was introducing into the market with younger customers were more likely to consider switching suppliers compared to older customers
- Customers that find their water bill unaffordable were more likely to consider switching (71%) compared to those that find their bill affordable (47%).

**Informed, Considered Customer Views**

The Principles of Competition

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• 3% more customers (70%) supported the principle of introducing competition in the water and sewerage industry once extra information about competition implications was provided.
• Customers who find their current water bills unaffordable saw a 6% increase in support for competition once more information was given. This was the highest % increase across all customer segments and also the segment that showed the highest support for competition (79%).

Likelihood of Considering Changing Supplier
• 3% more customers (59%) were likely to consider switching water suppliers once extra information was provided.
• With more information, fewer younger customers (-2%) were likely to consider changing suppliers but slightly older customers (+1%) were.
• 70% of customers who find their current water bills unaffordable were likely to consider switching with more information, a drop of 1% following further information being given.

Unequal Competition Availability
Only 1% fewer customers would be unsupportive of competition in the water industry if some customers had more choice of suppliers than others.

A Potential Increase in Water Bills
10% fewer customers (60%) would be supportive of competition in the water industry if some customers save money and some customers pay more than they presently do.

Financial Savings From Another Supplier
70% of customers are likely to change their water supplier if a new company offered them a lower price than they currently pay, regardless of the size of the financial saving.
Metered customers are slightly more likely to switch supplier for a small financial saving (65%) compared to non-metered customers (57%). However, when customers where asked if a £4-£8 annual saving on an annual bill of £389-£438 would encourage them to switch, only a third of customers were stated they were likely to switch.

Multiple Service provider - Approximately half of all customers would consider switching to a supplier who already provided them another service, such as energy or broadband.

Incentives to Switch - Over half of all customers would consider switching to a supplier who offered an incentive, such as cashback or loyalty points (e.g. Nectar points).

A Better Level of Service - Approximately half of customers would consider switching if they were offered better services than they currently receive, such as meter readings, customer service, billing and payment handling.

A “better price” was the key service improvement that would encourage customers to switch supplier.

Wider Implications to Switching Suppliers and Competition
• Half of all customers would not consider switching suppliers if it meant they had to have a meter installed, even if it led to cheaper bills and improved customer service.
• Two-thirds of all customers feel customers who owe their current supplier money should not be allowed to switch suppliers.
• Over half of all customers want the same bill discount scheme at all water suppliers for simplicity reasons.
• Half of all customers felt their scheme should be automatically transferred if they change supplies.
• Over one-third of customers were more likely to consider switching providers if their account was transferred to another supplier.
### Key messages from the research

- Over two-thirds of household customers supported the principles of competition in the water industry.
- Only 3% of customer’s immediate, uninformed opinions on the principles of competition in the water industry changed once more information was provided.
- With further information, 60% of all customers would consider changing supplier if competition was introduced, with younger customers and customers who feel their bill is unaffordable most likely to switch.
- One in ten customers would not support competition if it meant some customers would pay more and other less than at present. Half of all SEG DE would not support competition in this scenario.
- The younger the customer, the greater the likelihood of switching for incentives.
- Half of customers would consider switching supplier for a better level of customer service, with a reduction in bills being key.
- Two-thirds of customers do not feel indebted customers should be allowed to switch supplier.
- One-third of customers would consider switching suppliers if their account was transferred to another supplier.

### Action taken

- The results of this research were used to inform the project on Household Retail Innovation referred to earlier, in terms of understanding what type of service UU could offer customers that would satisfy their wants and needs more effectively.
### Related performance commitment
You are highly satisfied with our service and find it easy to do business with us.

### Service provider
Populus  
**Date of study**  
February 2017

## Research need
- United Utilities needs to make decisions about how its customer services will develop in the future, so that business plans incorporating appropriate service proposals and levels of investment can be developed.  
- It is important that the perspective of customers is built in to this decision-making process.

## Research objectives
- To understand the wider influences on customers’ choice of contact channel or payment method  
- To explore what customers know and understand of current contact and payment options  
- To explore how customers currently use mobile and online to pay bills and contact other suppliers  
- To understand how customers prioritise various bills  
- To determine how customers prefer to pay for their water and what would encourage use of certain channels  
- To explore expectations of contact centre opening hours for all channels, for a water company

## Methodology
- 8 x focus groups with 8 respondents per group (2 x Liverpool, 2 x Manchester, 2 x Blackpool, 2 x Barrow In Furness). Mix of gender, socioeconomic grade and age  
- 12 x face to face depth interviews with customers in vulnerable circumstances including:  
  - struggling customers, migrant workers, carers, disabled customers and large families  
  - covering Liverpool, Manchester, East Lancashire & Barrow

## Findings & conclusions from the research
- Different customer types have different needs and behaviours when it comes to both communication channels and payments, and customers value ease, flexibility, mobility and speed  
- Many customers will not need to contact UU but need to feel that if there was an issue there are easy, quick, effective and helpful channels available to them.  
- The default inbound contact method option is by “phone” but this is really only necessary for urgent or complex issues.  
- Younger customers are more likely to use only digital & mobile channels and are most open to innovation.  
- Customers in vulnerable circumstances can be engaged using existing community and social media networks.  
- Customers have diverse payment needs according to their circumstances with the majority content with direct debit.  
- Customers with flexible/unpredictable income or non-calendar month pay/salaries need equally flexible options, including, for example, four-weekly direct debit (rather than calendar month)  
- Customers in financially vulnerable circumstances need early intervention and communication using direct channels.  
- Opening hours expectations are “reasonable” – 24/7 for emergencies but extended business hours for much else.

## Action taken
- The research resulted in changes to customer communications arrangements, including changes to website navigation and informing customers payment flexibility
### Project ref: N/A  
### Related performance commitment
<table>
<thead>
<tr>
<th>Title:</th>
<th>Payment reminder letters trial</th>
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<td>We will improve the way we work to keep bills down and improve services for you and future customers</td>
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**Service provider**

| Service provider | Internal – Household Retail | Date of study | 2016/17 |

### Trial need
- Payment reminder letters and legal notices are sent to customers whose account fall behind in terms of payment status in relation to outstanding balances.
- Previously no account was taken of the previous payment history in terms of payment behaviour or risk on payment default in the triggering and content of payment letters and legal notices.
- This trial was developed to understand the impact of improving the targeting and communications content of payment letters and legal notices, by deploying intelligence based on previous customer payment behaviour.

### Trial objectives
- To quantify the cost:benefit of implementation of targeted payment letters and legal notices, based on previous account behaviour.
- To gauge the impact on complaint channels to determine whether volumes of complaint increase or reduce.
- To understand the impact of cash collection, positive or negative.
- To obtain customer feedback on the experience of receiving the new letters and the behaviour they are likely to drive.

### Methodology
- 4 new categories of customer payment behaviour / risk where deployed into the payment letter process.
- The levels of behaviour / risk were categorised as excellent, good, fair and poor, and customers assigned to a category based on how closely their account history matches the criteria of a given category.
- The letter content generated was tailored to reflect the risk category that the customer account was assigned, with an escalation in severity of messaging up the scale from excellent to poor.
- Results were monitored versus a control sample for a period of nine months.

### Findings & conclusions from the research
- Results achieved to May 2017:
  - 34% reduction in complaints about reminders
  - 51% reduction regarding legal notices
- No material impact has been seen on cash collection to date.
- Positive customer feedback continues to be received:
  - Customers have commented the tone of voice is more likely to motive positive action
  - Less ‘aggressive’ style has been noted as removing stress from an already stressful situation.

### Key messages
- The customer payment reminder letters and legal notices process has been improved by targeting content based on previous payment behaviour as indicated by account data analysis.
- The trial indicated significant improvements in customers service metrics and no deterioration in cash collection.
- Customer experience appears to have been enhanced, with customers indicating higher motivation toward positive response and a proactive positive contact from some customers on the back of receiving the new form of payment reminders.

### Actions taken
- The programme has since been rolled-out as a standard customer service practice.
## Chapter 2: Supplementary document

### Title: Payment break trial

**We will improve the way we work to keep bills down and improve services for you and future customers.**

### Service provider

<table>
<thead>
<tr>
<th>Service provider</th>
<th>Date of trial</th>
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<tr>
<td>Internal – Household Retail</td>
<td>June 18 – on-going</td>
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### Trial need

Customer feedback received during research into customer communication, channel and payment preferences showed that customers valued flexibility in how they can make payments to UU.

UU promotes a range of payment methods that provide customers with such flexibility on when they are able to make a payment to UU. This includes direct debits, standing orders payment cards, the UU app, the ‘My Account’ online facility and automated payments via the telephone. Customers can make payments with any amount at any time by using these methods.

In certain circumstances however, customers needed a special consideration when faced with temporary affordability issues as a result of a change in their personal circumstances – e.g. bereavement, loss of job, divorce etc. After benchmarking other similar schemes in the financial service sector, UU has now developed a new payment break service for customer.

### Trial objectives

This service is currently under trial, providing customers who are facing temporary difficulties with the ability to take a break from making a payment for up to 3 months, giving them breathing space until their circumstances improve.

The trial will allow UU to understand whether by offering this new service to customers, it is able to rescue customer accounts that might potentially deteriorate into more permanent difficulty.

The trial will be deemed effective if customers who take up the payment break, start to make and maintain their payments to UU after the break period.

### Methodology

The Payment Break service has been “soft launched” on inbound customer channels using specialized operational teams in the customer services function, with controlled promotion to during conversations with customers.

It is also promoted on the web-site, in outreach work with the debt advice community in the North West and also when our contact centre agents speak to customers who are facing temporary changes in their circumstances.

All assessment of eligibility for the scheme is undertaken by our dedicated affordability team who have been specifically trained to handle complex and sensitive interactions, and on how to identify customers who may be eligible for the scheme.

### Findings & conclusions from the trial

The early indications from customers are that they place a high degree of value on the payment break scheme. Numbers of accepted applications are steadily growing and there are now circa 100 customers using the payment break option.

An example of a type of customer who is being helped someone who is scheduled for a major operation whose wages had been stopped. Payment break allowed a 3 month payment break over the recovery period.

Encouragingly, there is now evidence that customers who have now come to the end of their payment break period are starting to make their first payments following this period of grace.
### Key messages

Customers clearly stated that payment plan flexibility is a key requirement that they want from UU. UU has listened to customer’s views and has acted on this by launching the payment break scheme. It is clear that customers value the scheme and flexibility it provides and they are responding positively to it in terms of re-starting payments.

### Actions taken

In September 2018, a series of system changes will enable automated application and monitoring of customer accounts that have been placed on the payment scheme, replacing the current a manual process. This will support rollout of promotion for the scheme, to manage increased volumes of customers on to it.

The new customer segmentation model, built in conjunction with CACI, will assist in targeting appropriate customers for the scheme.

Dedicated customer communications campaigns will promote the service to customers who may benefit from it, using the most appropriate communications channels.
## Project ref: T1120

### Related performance commitment

**Title:** Use of behavioural economics in bad debt management

We will improve the way we work to keep bills down and improve services for you and future customers

**Service provider:** Internal – Household Retail  
**Date of study:** Nov 2017

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### Research need

Understanding and preventing debt accumulation

- Bad debt is a significant issue across the water sector and for UU
- Bad debt accounts for approximately 50% of the cost-to-serve to customers
- Approximately 10% of the customer base at any time are in debt management routines.
- UU continuously seeks to understand how bad debt can be reduced to improve the running of the business and keep bills low for all customers

### Research objectives

- To better understand behaviour leading to bad debt
- To understand how debt could be prevented by nudging customers to change payment behaviour

### Methodology

- Analysis of existing customer data on payment behaviour over time to provide a better understanding of debt was undertaken
  - Analysed three years’ worth of payment data, in quarterly intervals
  - Defined “debt” as any outstanding balance due not from the current year
  - Review of UU communication literature and contact centre call handling to provide evidence of specific customer behaviour drivers
  - Review of academic literature and trials carried out to drive payment behaviour by other 3rd parties

### Findings & conclusions from the research

**Data analysis**

- Analysis suggested that various elements have an effect on the level of debt, and it is not easy to disentangle them
- Most of the three-year debt is accumulated in the first year – there is then a strong tendency to remain in debt
- After each bill a small proportion of those who end up in debt, do manage to pay back older debt
- Up to half of those who pay back their debt in the first quarter after a bill remain without debt
- Most of those who repaid in the second year remained without debt
- Most of those who repaid their debt did so in the last 12 months
- Predictors of a customer not in debt ending up in debt
  - The biggest predictors appear to be a high balance at the end of the year, a non-active payment plan and the lack of a water meter
- Propensity for debt varies by demographic for example:
  - Affluent achievers are rare within the indebted population, compared to their share in the overall population
  - Urban adversity postcodes account for about a quarter of customers, but over 50% of those in debt
- However average levels of debt are similar
- For instance, urban adversity postcodes account for over half the total debt, but the average debt per customer is only slightly higher than for other categories
- Direct debit customers are less likely to be in debt, while DWP and payment card payers are more likely
  - Direct debit payers are more likely to have debt under control once it has appeared, but don’t necessarily repay it faster
- The likelihood of debt varies by geography, but area ranking stays constant
- Looking at the geographical spread, debt is mostly concentrated in the urban regions, but debt in some areas is higher than demographics would predict
- Generally, areas with higher debt have lower direct debit penetration rates
- Direct debit take-up rate also varies by geography and is rising over time
UU Literature Review

- Welcome letter – could be better designed to more readily grab attention and could contain a stronger call-to-action.
- Website – focus on reducing complexity of transactions
- Inbound calls – focus on making direct debit the default option

3rd party activity

- Medway Council used a social norms approach in council tax collections to try to influence direct debit take-up rates – payment rates increased, but no effect on direct debit rates
- Lewisham Council used £25,000 reward, direct debit sign-up forms and pre-paid envelopes in a staged communications campaign to encourage sign-up – the reward treatment performed well, increasing payment by 9%
- London Councils sent letters to taxpayers which including a prize draw offer and which was promoted by a marketing campaign encouraging constituents to sign up to direct debits – approx. 34k new direct debit payers signed up, resulting in estimated £345k in efficiency savings

Key messages

- There is some evidence that encouraging customers to sign-up for a direct debit could be beneficial in reducing the potential for the account to fall into debt
- Customers transactional data also suggests that getting customers to sign-up and sign-up early in their account relationship is also important
- Empirical research results indicates that removing any unnecessary complexity from the customer service process, as well as improving the accessibility of communications, will have benefits in nudging behaviour

Actions taken

- The research led to creation of hypotheses as to the psychological drivers of good payment behaviour (specifically direct debits) which could be tested independently.
- Development of potential tests to improve the take-up of direct debits is ongoing at the time of writing
United Utilities (UU) commissioned Corporate Culture to undertake a two phase research project to identify and understand customer’s perceived motivations, barriers and benefits towards being more water efficient and to identify UU’s required actions to influence its customers to use less water.

A sustained approach to changing water use behaviours will minimise risk of penalties and maximise the opportunities for rewards in AMP 6, aligned to ODI measures:
- Per property consumption (PPC) reduction, value for money perception, security of supply, free meter option process

**To understand the barriers and motivations towards desired customer behaviour and willingness to act towards achieving greater water efficiency.**

**To define actions required to influence customers to use less water in order to achieve real savings.**

**To identify any differences in preferences for offers, messages and channels by metered status, with a focus on West Cumbria.**

**Methodology**

- **4 x 2 hour co-design workshops with 36 non-metered customers to explore reactions to initial water efficiency propositions.**
  - **Group 1: Age 18-24:** mix of students, young singles and couples either living with family or starting out. Total 10 participants in the Manchester area.
  - **Group 2: Age 25-34:** Young families with children aged 0 to 10 living at home, mix of owners and renters of houses with gardens. Total 8 participants in Liverpool area.
  - **Group 3: Age 35-54:** Families with older children living at home, mix of owners and renters of houses with gardens. Total 9 participants in Manchester area.
  - **Group 4: Age 55-70:** Older singles and couples, empty nesters, retired. Total 9 participants in Liverpool area.

**Findings & conclusions from the research**

- **Water usage awareness:** the majority of participants across all groups are unsure about the amount of water they use. All participants identified their personal hygiene usage, with teenagers and men mainly using showers whilst older customers and women tended to use the bath more often. Older participants identified using hosepipes for gardening and car/yard cleaning. Pet owners identified dog grooming as a high water usage exercise. Almost all participants did not see flushing the toilet as a use of water.

- **Being water efficient:** Participants see water as essential but admit they take water for granted. The majority use water freely, with little thought for efficiency, consistently demonstrating the attitude that it rains a lot in the North West therefore there is an abundance of water. Many feel they should save water but don’t know why beyond feeling guilty. The majority state they are not wasteful but a few extreme examples of leaving the tap running for long periods were identified.

- **Current bills and cost of water:** A minority of older customers felt very strongly that commercial profiting from an essential service is unacceptable. The majority do not understand the cost of water or the bills they receive. Respondents said they were glad they aren’t on a water meter so they don’t need to worry about unexpected costs.

- **Water efficiency drivers:** All participants agreed cost would be the key driver, if they were on a meter. All participants are willing to be more efficient at times of water shortage but only a few participants saw water as a scarce resource. Beyond a couple of older families, the environment was not a driving factor.
Findings & conclusions from the research (continued)

- Water efficiency barriers: No financial incentive or perceived need were identified as the main barriers to being more water efficient. An “All you can eat” payment encourages waste and devalues the product/service whilst the perceived abundance of water in the North West further discourages water efficiency. The enjoyment of long baths and showers alongside the overriding need for water for cleaning is seen more important that being efficient. A lack of usage awareness and no social norms for efficiency in the UK are further barriers.

- Metering attitudes: Metering was mentioned spontaneously in all groups. Drivers: Word of mouth was the most powerful influence driving their opinions towards meters. If metering saved money, this would be the key driver for using meters for all participants. Barriers: fears of rising bills and uncertain bills were the main barrier. A paranoia that UU would sell their personal data, the hassle of instalment and devaluing their house were also barriers to metering. The location of the meter would not be a barrier.

- Stimulus reaction: The personal calculator, “family fortunes” and cost-saving message received the most positive interest. The 2 year free trial was liked but the logistics confused some and others felt they would be trapped in a 24 month contract. Older people would like to ring someone to help with the calculator. The majority feel there is a catch and want honest communications from UU.

- Efficiency behaviours: The participants rated their knowledge of how to save water as 5/10, mentioning tap usage, showering, full washing loads, kettle filling, short-flush devices and water butts. Older participants were strongly attached to their hosepipes. The majority would never use toilet or shower gadgets. They don’t understand them and the terminology is off-putting.

Key messages from the research

- Un-metered customers believe using a meter will cost them more, largely driven by word of mouth.
- A perceived abundance of water, an unwillingness to ration water/use gadgets or change cleaning habits alongside perceived household arguments lessen the chances of them ever wanting meters.
- The majority trust UU but a general suspicion of UU’s reasons for water meters, mainly higher bills and selling their data, exists.
- Current/future cost saving and environment communications were liked, but unlikely to change long-term behaviour and were rarely recallable.
- Personalised water reports and audits were received well by younger participants but older participants found it too intrusive and divisive.
- All participants agreed TV was the best channel to communicate with them but welcome variety (mail/digital/radio). Younger people were comfortable with social media and personalised tips but not older people.
- Communication timing matters. Efficiency message less likely to have impact when raining or around wet periods.
- Suggestions of freebies, discounts and honest communications were suggested as likely to encourage people to save water.
- All participants felt educating children from an early age was vital to setting an efficiency mind-set.

Action taken

- The findings where used to inform further quantitative phase of research to provide regionally representative data on customer attitudes and opinions.
**Project ref: T1034**

<table>
<thead>
<tr>
<th>Title:</th>
<th>Customer behaviour change in water efficiency (Quantitative Stage)</th>
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**Related performance commitment**

Giving value for money, protecting and enhancing the environment.

**Service provider**

Corporate Culture

| Date of study | Mar to Apr 2016 |

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**Research need**

- United Utilities (UU) commissioned Corporate Culture to undertake a two phase research project to identify and understand customer’s perceived motivations, barriers and benefits towards being more water efficient and to identify UU’s required actions to influence its customers to use less water.
- A sustained approach to changing water use behaviours will minimise risk of penalties and maximise the opportunities for rewards in AMP 6, aligned to ODI measures; Per property consumption (PPC) reduction, Value for money perception, Security of supply & free meter supply process

**Research objectives**

- To explore current perceptions of water usage and water saving among UU customers.
- To identify the key motivators to encourage customers to save water and understand the benefits and barriers to a range of specific water saving behaviours.
- To understand what key messages would draw their attention to the need to save water and the most cost effective way of delivering these messages.
- To understand if customers are receptive to advice and information from UU on saving water, and their views on what methods of communication they prefer.
- To understand how UU could affect behaviour change and whether UU and/or alternative organisations are seen as the right body to do this.
- To identify any differences in preferences for offers, messages and channels by metered status, with a focus on West Cumbria.

**Methodology**

- 1,233 face to face interviews with UU customers to identify priorities, drivers and inhibitors to water efficiencies.
- Participants were selected from across Cheshire, Cumbria, Lancashire, Manchester and Merseyside in rural, urban and coastal areas.
- Participants were 40% metered/60% non-metered customers who are responsible for paying their water bill.
- A variety of ages and social classes were surveyed to capture varying views regarding water efficiency.
Findings & conclusions from the research

- **is UU doing all it can to promote water efficiency?** Overall, 39% agreed to some extent that UU is helping customers save water, 30% disagreed to some extent and 32% didn't know.

- **Do customers trust UU’s efficiency motivations?** The majority of respondents are suspicious of UU’s motivations for meters, believing it is a way for UU to make larger profits and to raise bills. An apathy exists over lack of tariff choice.

- **Key motivators for becoming water efficient:** 39% of all respondent’s key motivation for saving water is to save money, 16% to protect the environment, 9% to ensure there is enough for everybody, 7% to save energy and 5% because they do not like to waste.

- **Key barriers for becoming water efficient:** 37% just don’t think about water usage as their main barrier, 9% pay a flat price no matter what they use, 7% feel they cannot control other household member’s water usage, 5% feel it is too much effort and 4% believe water is in abundance. For unmetered customers, the barriers to save water far outweigh the benefits. Also, water usage behaviours are deeply ingrained and difficult to change.

- **Diverse water wastage:** the type, level and learning of water wastage varies from age, gender and household type. Future messages need to be highly tailored to each group to drive behaviour change.

- **Young children** – internalise family norms. Influenced by school. Can impact family norms positively.
  
  o **Teenagers** – long showers and regular clothes washing. Driven by peer pressure.
  
  o **Young adults** – general high levels of water usage. Shared housing can drive behaviours.
  
  o **Early families** – highest household water consumption, family laundry, personal/car washing. Looking for ease in tasks.
  
  o **Midlife** – most concerned about environment and most likely to act, especially when kids move out. Established routines are difficult to alter.

- **Older years** – can have high consumption as spend longer in the home/garden in retirement. Can be fixed in ways.

- **Identified low water users:** Older, male, small households (no kids), higher incomes, home owners, metered, newer houses, no/small gardens, high concern environment.

- **Identified high water users:** younger, female, larger households, lower incomes, renters, not metered, older houses, larger gardens, low environment concerns.

- **Previous UU communications:** Recollection of previous UU communications is low with 81% of respondents failing to remember any UU efficiency communications. 36% of participants are aware that meters are free. Only 16% are aware of the two year switch back offer but 31% are interested in knowing more. Only 28% showed awareness of free water saving devices whereas 40% showed interest in using the devices. 16% were aware of efficiency checks but 31% were interested.

- **Previous channels of communication:** Of those that recall UU communications, 58% were via leaflet with their bills, 23% via TV, 15% via direct mail, 11% via radio, 9% via newspapers and 6% via posters. Digital communication channels recollection was low, with just 2% recalling communications on websites and <1% via social media platforms.
Key messages from the research

- Focus on specific behaviours with the biggest impact: low cost water saving actions and water meters.
- Different groups have different wastage behaviours. Target specific audiences with specific messages via channels that work for different groups.
- Offer a choice of tariffs to overcome apathy and encourage switching.
- Use visible communications to raise awareness and make it easy to act.
- Provide tools and prompts in the right place and time of wastage.
- Make saving personal. Pilot personal water reports for meter savers.
- Reframe water saving tips, tools and gadgets to focus on personal benefits and understandable language.
- Engage communities by educating children, workplace advocates & social areas to drive social responsibility.
- Engage with partners and collaborate to achieve shared goals.
- Test and measure performance of schemes before rolling out to larger audiences.
- West Cumbria strongest motivation to save money is the environmental benefit compared to most other areas driver being to save money. However, the “running tap water wastes 9p per minute” was most liked in West Cumbria suggesting that saving money is still a key driver in the region. Coastal areas of West Cumbria, like most coastal areas, preferred the “save water” messages rather than the “Frank” messages.

Action taken

- The research led to changes in the way that UU communicated the need for water efficiency
- UU trialled new communications approach in the key regional town of Egremont to trial a variety of communication propositions and messages to understand which provided best buy-in.
- Campaigns continue to be develop reflecting the feedback achieved
**Research need**
- Customer demand for water has been increasing in recent years, despite efforts made to encourage greater water efficiency
- A new performance measure of water consumption ‘per capita consumption’ is to be introduced as a common measure across the water industry for the period 2020-2025, and it is important to step up all efforts to influence customers to reduce consumption.
- UU runs a number of activities to reduce water consumption including home audits, offering water saving devices, encouraging meter installation as well as customer communications campaigns
- This research uses data analysis and behavioural economics to better understand the key drivers of consumption behaviour and what approaches are most effective in driving behavioural change.

**Research objectives**
- To provide recommendations for new or updated approaches that can be implemented, that aim to change water consumption behaviours to meet new targets

**Methodology**
- Analysis of existing customer data to better understand water consumption and the impact of UU’s audit and device initiatives was undertaken
  - Data from weekly metered customers in Warrington and Stockport was reviewed, with the focus on those who had ordered water saving devices and who had had home audits
- Specialist interviews to explore the psychology of the customer experiences of those who received water saving devices and/or water saving audits were carried out.
  - These were concerned with understanding what might explain the low levels of observable changes in consumption and what clues there are as to how to address these
  - 15 depth interviews carried out with UU metered customers (8 who had ordered water-saving devices, 7 who had experienced a water audit)
  - Age range 30 – 75, although skewed toward retirees
  - All interviews carried out in January 2018

**Findings & conclusions from the research**
- Data analysis – observable changes in water usage are not statistically significant
  - Analysis showed water usage is extremely variable over time
  - Data cannot robustly demonstrate that audits/devices have a significant impact on reducing consumption
  - New approach is needed to isolate the impact of devices, either through direct measurement or by controlling for changes in circumstances and behaviour
- Behavioural interviews – used an interviewing technique known as ‘ReTrack’ that makes a respondent re-live a specific past experience
  - The nature of the study was not revealed to recruits to avoid sensitization and idealized responses
  - ReTrack interviewing was used to re-live audit and device ordering and usage behaviour
  - Communication is tested reflexively – respondents immediate reactions are established first to understand how the material primes them and reflect the limited attention that consumers typically give to communication from brands

**Interview results**
- Customers pay limited attention to UU communication
  - Paperless billing means customers may not normally see UU material
  - Association with ‘junk’ mail means that other messaging is ignored
  - Customers often only look at the amount of their bill and not much else
  - However, messaging focused on money saving can be a key motivator
  - Device impact is short-lived and may be being picked up by low-usage households
  - Devices are often discarded after short period (stopped working, viewed as unappealing or caused issues)
  - Customers who engage with the initiative are possibly the least likely to drive savings (largely retired/elderly, with low water usage)
- Device ordering limit may mean that their impact is dampened
  - Customers reported a limit of one free device of each type that can be ordered lessens their potential impact
  - Customers’ value of ordering further devices is low, given that they are free (at least the first one) – customers therefore unlikely to choose to order more at their own cost
- No on-going attention to saving water
Some of the longer-lived devices are ‘invisible’
- There is no ‘reward’ from installing devices
- Water saving is viewed as a ‘one-shot’ activity
- Customers don’t develop new water-saving habits or attitudes
- Engagement seems focused among an older demographic, who are likely to use less water anyway
  - Customer responses to UU communications give an indication as to the types of messaging that are likely to be most effective
  - Saving water is not a ‘desired’ behaviour for customers
  - Customers interview responses can help to better understand what drives a ‘call to action’
  - A review of different types of water saving devices is needed to better understand which are most effective at reducing water usage across water usage practices
  - Further trials will test the use of targeted communications and a feedback loop to track behaviour change would be beneficial

### Actions taken
- Recommendations for a programme of water efficiency trials was put forward and developed by the Customer Communication team
- A summary of the process and results of this activity is covered separately
### Project ref: | Title: Water efficiency trial
---|---

**Related performance commitment**

We will improve the way we work to keep bills down and improve services for you and future customers

<table>
<thead>
<tr>
<th>Service provider</th>
<th>Date of trial</th>
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<tr>
<td>Internal – Household Retail</td>
<td>Autumn 2018</td>
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</table>

### Trial need

- Customer demand for water has been increasing in recent years, despite efforts made to encourage greater water efficiency
- A new performance measure of water consumption ‘per capita consumption’ is to be introduced as a common measure across the water industry for the period 2020-2025, and it is important to step up all efforts to influence customers to reduce consumption.
- UU runs a number of activities to reduce water consumption including home audits, offering water saving devices, encouraging meter installation as well as customer communications campaigns
- Recent research using data analysis and behavioural economics to better understand the key drivers of consumption behaviour and what approaches are most effective in driving behavioural change has been completed. UU is now keen to develop and run further trial activity to test initiatives aimed at influencing customer behaviour change

### Trial objectives

- To effectively communicate to customers with messaging and formats designed to drive behaviour change around water efficiency and understand which intervention encourages the most change from which customer group
- To provide timely information to customers about their water consumption
- To empower customers to manage their bills through improved water efficiency

### Methodology

- Working with digital start-up company Advizzo around 100,000 new Home Usage Reports are due to be trialed with metered customers
- The reports will be generated online, via email, and will contain consumption information and test different usage comparisons and incentives by trial group, such as comparisons with average and efficient neighbours, financial saving incentives or goal setting objectives, supported by specifically designed encouragement messages and suggestions as to how to make savings
- The reports will also highlight personalised insights specific to the account, such as unusual consumption patterns, which may point to issues such as leaks
- The communication and messages have been designed using behavioural science design principles to have best opportunity to drive changes in behavior
- The online reports will link back to a broader range of information and advice accessed through the online portal, designed to further encourage digital engagement

### Findings & conclusions from the trial

- The trial will launch in Autumn 2018 and results are not therefore not yet available
- The outcome of the 12-month trial will then be used to design and grow home usage reports, information and advice to a target in excess of 500,000 customers from 2020

### Key messages

- The 12-month trial will inform and influence what a scaled up service would look like from 2020 to maximize the effectiveness of driving behavior change to reduce demand. The outcome will also influence onward development of the digital offering to customers and a seamless interaction via online portal and mobile app

### Actions taken

- The customer portal, My Account, has been adapted to accommodate the trial, allow customers to access specifically designed information and advice to encourage water efficiency and savings. A second phase of development is to align the same capability to the mobile app to provide a seamless customer experience, should the trial prove successful and to further develop the digital services available to customers.
<table>
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<tr>
<th>Project ref: T1035</th>
<th>Title: Mobile App development</th>
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<td>Related performance commitment</td>
<td>You’re highly satisfied with our service and find it easy to do business with us.</td>
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<tr>
<td>Service provider</td>
<td>Verve (via WaterTalk online community panel)</td>
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<tr>
<td>Date of study</td>
<td>June 2017</td>
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**Research need**

- At the launch of the United Utilities App, functionality is limited to making payments, viewing account details, and submitting a meter reading. However, there is already a plan in place to add new features, including potentially: ‘Reporting a leak’; ‘Water efficiency rating’; ‘Push notifications’; ‘Moving Home’ via the app; ‘Fingerprint ID’; ‘In-app FAQs’; and ‘How-to’ video content.
- It is important that the needs of customers is built in to this development process. The purpose of the research was to help ‘bench-test’ the app for further development.

**Research objectives**

- To measure customer opinions and expectations regarding:
  1. What are perceived to be the elements of a successful app, and in particular a successful household management app?
  2. What do customers think of the functionality of the current United Utilities app, and how could this be improved?
  3. What features would customers like to see added to the app in the future?

**Methodology**

- A four day online community discussion with 26 WaterTalk members (including 15 metered and 11 unmetered customers) conducted between 31st May and 3rd June 2017 - a mix of age, gender, and region.

**Findings & conclusions from the research**

**What Makes A Successful App?**

- Customers have come to expect that any app will deliver on certain hygiene factors, i.e. be stable and secure, take up acceptable amounts of storage, and enable basic tasks to be completed quickly and easily.
- However, the apps they value most offer more –these apps enhance the user experience by having interesting and engaging features that make a real impact on people’s lives, e.g. lead to better budgeting or cost savings.

**What Do Customers Think Of The Current United Utilities’ App?**

- Customers applaud the current app for meeting their expectations in terms of hygiene factors. They like its look and feel, and find it easy to do the available tasks –submit a meter reading, make a payment, and check their payment history.
- Their suggestions for improving basic functionality include:
  - making it possible to use an email address and password to register and log in respectively;
  - adding a contact button to the dashboard;
  - and making the screen that takes card payments look more like the rest of the app, to reduce concerns around security.

**What Features Would They Like To See Added In the Future?**

- Customers would like priority to be given to features that:
  - help them to make smarter decisions about their water usage, i.e. ‘Water efficiency rating’, useful hints and tips for increasing efficiency, and usage / cost projections based on historical usage and meter data
  - keep them ‘in the know’ about their water supply and make it easy to report problems, i.e. ‘Push notifications’ and ‘Report a leak’.

**Action taken**

- The research feedback provided areas for immediate changes (such as the payment screen) which were implemented.
- It also provided input for further developments of the mobile app to improve functionality which will be incorporated in future releases.
Feedback from customers has revealed that the current UU bill has become cluttered and some customers find it difficult to understand and navigate through.

Taking into account this feedback, a new bill has been designed to overcome these issues, using colours and iconography with the aim of aiding clarity and understanding. UU now seeks customer feedback on the proposed new bill structure and design.

To understand customer opinion on the new bill. Specifically, to understand:
1) Whether the new bill is easy to understand.
2) If the key information is clearly communicated.
3) Whether payment information meets customer needs, including those customers who do not pay by Direct Debit.
4) Whether any improvements are needed before the launch of the new bill.

Methodology
- 16 telephone interviews completed with metered and unmetered customers from a range of age groups, counties and payment methods
  - 10 x Direct Debit payment customers, 5 x online payment customers and 1 x giro payment customer.
- Customers were shown the current bill alongside two versions of the new bill design in order to compare and contrast the designs. The only difference between the two new designs was the "fixed" versus "rateable" charge language used under the “Your Charges” section. The order of the bill presentation was randomised to give a clean read on customer preferences for fixed versus rateable billing.

Customer Reaction to the New Bill Design
- Overall impressions of the new bill were very positive. Customers found it clear and easy to understand, more colourful with a cleaner, less cluttered design.
- The colour, layout and contents drew customers in and improved comprehension of the document.
- The new design helped customers engage with their bill and feel more positively about UU as a brand commenting that it was “more friendly”, “from a caring company” and “more modern and contemporary”. Customers also stated it encouraged them to spend a little longer reviewing their bill in future.
- The new bill design addressed several of the concerns that customers had about the current design including the monochrome design, confusing navigation and the “cluttering” amount and placement of small print.

Customer Opinions towards Each Section of the New Bill Design
- ‘Account details’ section: provides a clear and useful overview, though some confusion existed over the choice of colours used and the only including a telephone number. Some customers found the idea of calling into UU too time-consuming and wanted email addresses and Live Chat options in this section.
- ‘Your water charges for the next year’ section: navigation is clear but the high total bill had the potential to shock customers. It was felt that stronger colours could help highlight this section better. Customers preferred the term “fixed charge” rather than “rateable value”.

Findings & conclusions from the research
- Overall impressions of the new bill were very positive. Customers found it clear and easy to understand, more colourful with a cleaner, less cluttered design.
- The colour, layout and contents drew customers in and improved comprehension of the document.
- The new design helped customers engage with their bill and feel more positively about UU as a brand commenting that it was “more friendly”, “from a caring company” and “more modern and contemporary”. Customers also stated it encouraged them to spend a little longer reviewing their bill in future.
- The new bill design addressed several of the concerns that customers had about the current design including the monochrome design, confusing navigation and the “cluttering” amount and placement of small print.
- ‘Could you save with a free water meter?’ section: customers felt this section stood out better than on the old design but felt through changes to the colours, icons and content used could encourage customers to find out more.

- ‘Your charges’ section: the new design helped clarify the distinction between water and wastewater although the water icon and the wastewater description confused some customers.

- ‘Your payments’ section: the customer journey for those paying by Direct Debit is clearer than in the old bill but the payment journey feels more disrupted for those paying in ways, particularly the language used being seen as confusing.

- “More information” section: this section was well received though reducing the volume of content could help maintain interest. Customers felt the telephone numbers could be more prominently featured in this section. The orange colour scheme limits the standout and clashes with other colours used in the bill.

### Key messages from the research

- The new bill design is clearer, easier to understand and more engaging that the current bill, all of which creates a positive brand impression.

- Possible amendments suggested to the new bill design include:
  - using colour to aid navigation, for example to link themes and make certain sections stand out more, or less, as appropriate.
  - ensuring clarity regarding possible payment options including splitting the cost to show there are other options/frequencies available to the customer.
  - using the terminology “fixed charge” rather than “rateable value” throughout the bill.
  - ensuring each icon used is unambiguous and conveys the most pertinent message.
  - reducing the content in the “more information” section (if possible)
  - tightening messaging to ensure customers see a variety of reasons to get a water meter and how wastewater is dealt with.

### Action taken

- The suggested improvements co-created by the customers as part of the research project were taken into account and implemented to finalise the new bill design.
Chapter 2: Supplementary document - S1001

<table>
<thead>
<tr>
<th>Project ref: T1037</th>
<th>Title:</th>
<th>Measured bill co-design</th>
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<tr>
<th>Related performance commitment</th>
<th>You are highly satisfied with our service and find it easy to do business with us.</th>
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<tr>
<td>Service provider</td>
<td>Verve (via WaterTalk online community panel)</td>
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Research need

- Feedback from customers has revealed that the current UU bill has become cluttered and some customers find it difficult to understand and navigate through.
- Taking into account this feedback, a new bill has been designed, in consultation with customers, to overcome these issues, using colours and iconography with the aim of aiding clarity and understanding. UU now seeks further customer feedback on the proposed new bill structure and design.

Research objectives

- To understand customer opinion on the new bill. Specifically, to understand:
  1. What do customers want from their bills, and does the new design address these needs?
  2. What do customers think about each section of the new bill?
  3. What impact do the changes have on the United Utilities brand?

Methodology

- 16 telephone interviews completed with metered customers from a range of age groups, counties and payment methods
  - 12 x Direct Debit payment customers and 4 x online payment customers.
- Research was conducted to understand customer reaction to two versions of the new bill for those with a water meter:
  - The standard water meter bill
  - A bill for those who have recently had a meter installed.
  - Both of these new bills were compared against the original bill design.

Findings & conclusions from the research

What do customers want from their bills, and does the new design address these needs?

- Customers want to spend as little time with their utility bills as possible. This means:
  - Navigation should be easy
  - Language should be clear
  - Key information – i.e. the charges – should be prominent and feature clearly on the first page
  - All other information featured after this / on subsequent pages.
- The new bill is a vast improvement on the old bill. It meets customer needs in a visually appealing way, by:
  - Using colours to link and define sections
  - Showing icons that are logical
  - Featuring consistent text formatting.

What do customers think about each section of the new bill?

- All sections are considered an improvement vs. the last bill. The usage section could be improved by:
  - Unifying the different measurements used and focusing on litres
  - Linking the average daily usage data with the usage icons (e.g. x many showers, x cups of tea, etc.)
  - Removing the ‘freebies’ information, which doesn’t feel a natural fit here.
- The contact section is currently ‘text-heavy’. In order to aid navigation:
  - Text could be split out
  - Icons could be included.
<table>
<thead>
<tr>
<th>Key messages from the research</th>
<th>What impact do the changes have on the United Utilities brand?</th>
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<tbody>
<tr>
<td></td>
<td>• These changes reflect well on United Utilities. Increased clarity of information and easy navigation promote perceptions of:</td>
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<td></td>
<td>o Transparency</td>
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<td></td>
<td>o Openness</td>
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<td></td>
<td>o Being an organisation that cares about its customers.</td>
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<tr>
<td></td>
<td>• The visually appealing design and the increased focus on water usage also support the opinion that United Utilities is a modern and environmentally conscious company.</td>
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| Action taken | • The suggested improvements co-created by the customers as part of the research project were taken into account and implemented to finalise the new bill design |
To promote water meter installation, United Utilities recently trialled two new direct marketing communications: ‘Price Promise’, and ‘Price Promise + free home check’.

Price promise relates to the offer that customers’ bills after installing a meter would be capped so that they would not pay any more than the bill would have been prior to installation. The free home check relates to a water efficiency audit of the customers water appliances to advise on any opportunities to save water (and therefore, money)

However, neither approach resulted in any greater take-up than a control message, i.e. “those who don’t think they are saving money with a meter can switch back at any time within 2 years”, which is the existing promotional message

Taking this into account, new communications have been designed to improve clarity and understanding and UU requires customer feedback on the proposed new designs to help co-create improvements for future tests.

To understand customer opinion on the new communications. Specifically, to understand:
1) Why are customers resistant to installing a water meter?
2) How do they respond to the ‘Price Promise’ and ‘Price Promise plus free home check’ communications?
3) How could these communications be improved, to encourage take-up of water meters?

A 3 day qualitative pop up community of 30 household customers was held between the 10th and 12th January 2018.

Customers were split into two groups focused on different stimulus – ‘Price Promise’ or ‘Price Promise + free home check’

Why have customers not yet installed a water meter?
When prompted, customers acknowledge that a water meter may save some households money, and may help them to conserve water.

However, there are a number of barriers to installation in their own home, including:
  o feeling comfortable with a fixed water bill
  o fearing that their water bills would rise
  o having concerns about what a meter looks like, how big it is and where it would need to be located in their home.

Those in rented accommodation feel that the decision lies with their landlord.

How do customers respond to ‘Price Promise’ and ‘Price Promise + free home check’ communications?
The leaflet has visual appeal and draws customers in; but the letter is less inviting, and customers question whether they would read it in a real life context. Given that the letter contains key details about the offer, this may help explain lack of take-up.

In addition, the communication does not:
  o make it immediately obvious that the ‘Price Promise’ relates to water meters
  o address other barriers to getting a water meter beyond fear of bill impact
  o crucially, offer an online channel for taking action.

The ‘Price Promise + free home check’ offer is not compelling enough to sway customers’ decisions.

How could the communications be improved, to encourage take-up of water meters?
Consider the following:
  o enhancing accessibility, by creating a hybrid of the leaflet and letter, which has visual appeal, but also explains the ‘Price Promise’ clearly
  o making it clearer at-a-glance that the ‘Price Promise’ relates to water meters
  o offering an online route for customers to take advantage of the offer
  o introducing a link to further information about water meters (and the water usage calculator) on United Utilities’ website, to help counter other barriers.

Further refinement of the promotional material was actioned to take account of the customer feedback.
### Trial need

Recent research into barriers preventing customers switching to a water meter revealed:

- When prompted, customers acknowledge that a water meter may save some households money, and may help them to conserve water.
- However, there are a number of barriers to installation in their own home, including:
  - Feeling more comfortable with a fixed water bill however much water is being used
  - Fearing that their water bills would rise if they switch to a ‘pay for what you use’ meter
  - Concerns about what a meter looks like, how big it is and where it would need to be located in their home and the process involved in the meter installation
  - Those in rented accommodation feel that the decision lies with their landlord and adds complexity to the process of switching.

This trial is focused on customers for whom internal meter and payment data suggests that they would potentially save money by switching to a meter – this includes empty nesters, single occupiers and some customers with a propensity to be more careful with water used, such as those retired/on a pension.

### Trial objectives

- To promote a new lowest bill guarantee proposition (positioned as a price promise) to customers that guarantees that after installation, they will only ever pay the lower of their previous rateable value based bill or the new meter based bill
- To test this base-line proposition against lowest bill guarantee plus the offer of a home water efficiency audit

### Methodology

1. Normal control group – sample cell of customers receiving no additional promotion, other than existing free meter option messages in current contact point – 2,500 customer contacts in the Wirral areas of Merseyside
2. Test group 1 – sample cell of customers receiving fixed and variable pricing with the price promise message – 2,500 customers contacted in the Oldham area of Greater Manchester
3. Test group 2 – sample cell of customers offered home water efficiency check and the installation of water saving devices, along with the price promise – proposal to contact 2,500 customers in the Oldham area from mid-September

### Findings & conclusions from the trial

**Key performance criteria** that will be monitored include:

- Customer conversion rate, £ saved per customer, Water consumption change – building normalized comparisons, Customer opinion changes (positive and negative
- Fixed and variable pricing principle evaluation

**Initial results**

- Control group achieved successful take-up (conversion rate) of 2.8% (70 applications)
- Test group 1 has achieved successful conversion rate of 3.5% (88 applications)
- Uplift of test group 1 versus control group +26%
- This equates to an additional 8,000 meter installations per annum at full roll-out

### Key messages

- Incentivising customers appropriately to switch to a meter can reduce the influence of natural barriers for customers
- Saving money is more of a motivator than saving water in terms of meter installation and a salient incentive appeals to customers and can cut through to attract attention
- More work needs to be done to monitor the results ongoing

### Actions taken

- The test will continue, with planned test 2 activity taking place during the autumn
- Plans are progressing to introduce consumer champion endorsement to improve the credibility of the proposition still further by using a trusted and independent voice particularly influential with some of those target customer groups
HH Retail PR19 Research / Engagement Proforma

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<thead>
<tr>
<th>Project ref: T1039</th>
<th>Title:</th>
<th>Household customer website development research</th>
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<tr>
<td><strong>Related performance commitment</strong></td>
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<tr>
<td><strong>Service provider</strong></td>
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<td>Join The Dots Research</td>
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**Research need**

Following redesign of the UU customer website, this study tested the output with customers

**Research objectives**

To explore customer responses to the site and within this:

- Understand the user experience across seven key journeys
  - Identify any stall points and explore possible resolutions
  - Explore reactions to layout and look and feel
  - Evaluate tone of voice and language used throughout

**Methodology**

- 24 United Utilities customers, 18 x 60 minute studio depths interviews
- Venue locations - Stockport, Cumbria, Blackburn
- 6 x 60 minute in-home depths with customers in vulnerable circumstances.
- Mix of gender and age, mix of SEG (favouring C1-D)
- 10 x pay by DD/14 x pay when billed 12 x financially vulnerable
- Mix of devices and internet confidence.

**Findings & conclusions from the research**

- Although most would typically deal with issues over the phone, the vast majority were comfortable navigating the site across the seven key journeys
- All like the look and feel and tone of voice of the new website, unexpected from a utility company. Although, in reality most would pick up the phone to deal with issues and journeys often start on Google which can mean the homepage functionality loses some value
- ‘Submitting a water meter reading’ is the most challenging journey overall and needs review. Users also struggle to identify an appropriately efficient route when ‘Reporting low or no water’. The mega menu causes some confusion - ‘Our Services’ and ‘Help & Support’ lack clarity
- The uniformity of the online forms enables users to familiarise themselves with key processes quickly. And for sensitive scenarios (e.g. unable to pay a bill) the site reassures very effectively (tone of voice)

**Recommendations from the research**

- Mega menu structure needs review – not intuitive for customers
- Make language around problems more explicit
- Prioritise ‘Submit a water meter reading’ customer journey
- Consider revisiting items and icons on tiles above the homepage fold
- Ensure all links are given prominence on the page
- Ensure ‘your contact details’ are readily available on the homepage.

**Action taken**

- A continuous improvement plan to review all elements of customer feedback:
  - Reviewed content on key pages and made sure it is plain English.
  - Added incident banner to the help and support page to help customer who come in via Google, rather than the homepage
  - Complete redesign of the incident pages to make the call to action for customers much clearer
  - Used analytics to understand customer’s true journey and identify actionable insights that allow us to improve the customer experience
  - Made small design changes to better align customer journey to the UU brand
  - A vs B tested where necessary to pick the right approach/copy for the customer
  - Personalisation introduced to make content relevant for the customer
  - Accessibility action plan to ensure we make web services available to all customers.
  - Introduced intelligent search to allow us to make sure customers find what they are looking for easier and quickly.
  - Improved FAQ functionality to allow customers to self-serve where possible.
## Research need
- During PR14, United Utilities (UU) tried to adjust its cost and margin allocations across different customer segments to be more in line with other companies. In particular, it proposed increases to the tariff for customers using under 50Ml of water by including a proportion of key account management costs. More significantly it sought to change the constant application of a 2.5% net margin to a variable percentage based, amongst other things, on differing working capital requirements and levels of bad debt.

## Research objectives
- The overall objective of the research is to provide customer insight to inform revised tariff proposals to Ofwat.
  - What is the meaning of ‘fairness’ in the context of a utility’s price setting process?
  - How do customers feel about how acceptable it is for one group of customers to subsidise another?
  - To what extent are these views sensitive to resulting price changes?

## Methodology
- In October 2015, Populus conducted qualitative research with a mix of focus groups with SMEs (lower water users) and interviews with larger Non-households/water users (50ML+) to explore customer’s views on water tariff fairness.
- This research, in conjunction with YourChoice, aided the design of a customer survey focusing upon water tariff fairness, which was piloted online between 11th and 16th March 2016 to assist in the final design of the quantitative stage of the study.
- Between 23rd March and 12th April 2016, 542 full online surveys were conducted with UU customers, weighted at 12% key and 88% non-key customers to ensure it was representative of the NHH customer base. This stage is the focus of this summary.

## Findings & conclusions from the research
- Two-thirds of customers were not aware of competition being introduced to the water market.
- Likelihood of Switching Water Supplier
  - Once informed of water competition, two-thirds of all customers were likely to switch supplier.
  - Customers with the lowest annual bills need a higher % bill saving to switch than customers with the highest annual bills.
  - On average, customers would need a 15% saving on their bill to switch supplier.
  - Customers with an annual bill >£250k p.a. would require a 9% saving to switch supplier.
- Customers are generally uninformed about how water charges are set, and often underestimate the proportion of wholesale charges.
- Over half of customers surveyed didn’t know how their water charges are set. Key UU customers and smaller businesses had the least knowledge of how their water charges were set (4 in 5 Non-households did not).
- Of the remaining customers that said they did know, the consensus was that one quarter of their total bill consisted of retail charges and three-quarters were wholesale charges.
- The fairness of water charges is an emotive subject for customers. Over one-third of customers think water charges are unfair with the key drivers for perceived unfairness being wholesale costs and previous negative experiences with UU.
- 8 out of 10 customers feel “pay for what you use” is the fairest billing method presented to them.

## Findings & conclusions from the research (continued)
- In the qualitative phase of this study, “everyone paying the same rate” seemed the most reasonable and rational charge method for customers but when this was presented in terms of cross-subsidising, customers felt it was not fair that one group should subsidise another.
- A third of customers felt charging specific groups of customers based on common characteristics was fair.
- Customers were presented with a future scenario where all customers:
  - that use an account manager will pay equally for the service.
  - that take the longest to pay and are high debt risk customers paying more than quick paying, low risk customers.
- pay a fixed amount towards UU fixed costs, regardless of services they use, based on whether they are in a low or high volume group.
- face a varying profit margin charge added to their bill to maintain a set level of UU profit, but higher risk
- customers would pay more than low risk customers:
- 48% of customers would support this scenario even if their bills went up as a result, 70% would support the scenario if their bills went down.

When presented with the most likely monetary impact figures for different types of customer groups:
- 39% of all customers found the proposals reasonable and 36% found the proposal unreasonable.
- Perceptions of unreasonableness are spurred by the belief that customers making the most profit are paying less.
- Customers that believe the proposals are reasonable do so because they feel customers should pay for what they use and because the monetary impact is affordable to them.
- When presented with a double impact figures (i.e. bills that are double the most likely monetary impact), only 24% found the proposal reasonable and 50% found them unreasonable.

### Key messages from the research
- 65% of customers say they are likely to switch when the market is opened in 2017.
- Customers generally think that “pay for what you use” is a fair way to set water charges, but think cross subsidy is unfair.
- Before customers saw the actual monetary impact of the proposed changes, they thought changes were less reasonable if they affected them negatively.
- Customers are evenly split between thinking the proposed scenario is reasonable or unreasonable and fair or unfair.
- Amongst customers who have said they are unlikely to switch in 2017, more see the changes as fair and reasonable than unfair and unreasonable for the most likely scenario.

### Action taken
- The research was used to develop proposals for NHH default pricing tariffs prior to the NHH market opening in April 2017.
- The principles behind the research have also been taken into account in research concerning performance commitment, ODIs & bill profiles and acceptability testing proposals for PR19 business plans.
4 Section C: Wholesale customer research programme

List of projects included in this section:
1. Service Requests – Household customers
2. Service requests - Non-household customer research
3. Customer research into the impact of the Lancashire water quality Incident – qualitative stage
4. Customer research into the impact of the Lancashire water quality Incident – quantitative stage
5. Customer research into the impact of the Lancashire water quality Incident - post court case
6. Tameside water quality incident - quantitative research
7. Manchester and Pennine resilience
8. Household long term supply interruptions – immersive research
9. Non-household long term supply interruptions - Immersive Research
10. Leakage reduction (willingness to pay) research
11. Safe, clean, drinking water research
12. Drinking water taste, smell and appearance
13. Short term interruptions to water supply
14. Managing water catchments research
15. Lead pipe adoption research
16. Understanding Supply Interruptions – internal data analysis summary
17. Understanding water quality - safety, & aesthetics - internal data analysis summary
18. Understanding bursts and leaks – internal data analysis summary
19. Understanding water quality - Taste and Odour, – internal data analysis summary
20. Understanding lead in water – internal data analysis summary
21. Water resource management plan (WRMP) qualitative – stage 1
22. Water resource management plan (WRMP) quantitative – stage 2
23. Water resource management plan (WRMP) quantitative – stage 2
24. Water resources management plan (2) - Sliders
25. Water resources management plan (WRMP) occupancy survey
26. Water abstraction research
27. Water Trading research
28. Reducing wet wipe flushing trials
29. Sewer misuse – Phase 1
30. Sewer misuse quantitative research – stage 2
31. Understanding behaviour causing blockages – qualitative stage
32. Understanding behaviours causing blockages – quantitative Stage
33. Natural experiments In resilience – supply Interruptions and sewer flooding
34. Impact of repeat sewer flooding versus single flooding research
35. Immersive household research - River Irwell catchment
36. River Petteril water catchment research
37. Using bathing waters in the northwest (quantitative)
38. Managing land and waste research
39. Surface water management incentives research
40. Sustainable drainage solutions research
41. Understanding blockages, flooding & pollution – internal data analysis summary
42. Asset Health research
43. Being a Good Neighbour – internal data analysis summary
44. Customer preferences for recycling biosolids
45. Customer preferences for conforming to BAS scheme (willingness to pay) for biosolids recycling
46. Bioresources: Land-bank availability versus dormant and active farms in the UU area
47. NFU bioresources
Chapter 2: Supplementary document - S1001

Project ref: T1041  
Title: Service Requests – Household customers

Related performance commitment: You’re highly satisfied with our service and find it easy to do business with us.

Service provider: Verve (via WaterTalk online community panel)  
Date of study: May 2017

Research need:
- United Utilities needs to make decisions about how field-based service requests will be dealt with in the future, so that business plans incorporating appropriate service proposal and levels of investment can be developed.
- It is important that the perspective of customers is built in to this decision-making process.

Research objectives:
- To measure customer opinions and expectations regarding:
  1. What do customers perceive to be the elements of good service?
  2. How do they expect installation service requests to be dealt with?
  3. How do they expect distress service requests to be dealt with?

Methodology:
- 3,420 online surveys completed with WaterTalk members between 8th and 16th May 2017.
  - 62% male / 38% female
  - 8% 18-30 / 31% 31-54 / 60% 55+
  - 15% Cheshire / 7% Cumbria / 37% Greater Manchester / 23% Lancashire / 17% Merseyside
- Data was weighted by age, gender, and region to be demographically representative of United Utilities’ customer base.
- A six day online community discussion with 31 WaterTalk members (including 20 metered, 11 unmetered and 3 priority customers) conducted between 16th and 21st May 2017 - a mix of age, gender, and region.

Findings & conclusions from the research:
From a customer perspective, four principles are integral to good service:
- Empathy: treating each customer as an individual and responding to their needs.
- Efficiency: aiming for first-time resolution, and keeping customers updated with information and advice every step of the way.
- Integrity: taking ownership, and being transparent and honest at all times.
- Timeliness: communicating with customers and resolving issues in a time-frame that meets or exceeds their expectations.

Customers recognise that there is a difference between ‘service requests’ and ‘distress requests’ – the latter being more urgent, especially if there is a risk to property or health. However, in both cases, in order to meet customers’ expectations, United Utilities needs to:
- keep its website and social media channels up to date with information and advice, so that these are efficient first ports of call when an issue arises
- continue to invest in the training of frontline staff, so that they are fully equipped with the knowledge they need to deal with issues first time and with appropriate empathy
- offer a range of communication channels, and keep customers updated every step of the way
- offer appointments, and ideally narrow timeslots too, to fit in with customers’ busy lives
- make sure that every issue is dealt with and resolved with appropriate urgency
- follow up after issue resolution, to demonstrate that United Utilities cares and is constantly striving to improve.

Key messages from the research:
There are some minor differences between ‘service’ requests and ‘distress’ requests such as flooding:
- Phone is the most popular initial contact channel for all requests with the exception of online being preferred for a water meter.
- Phone is the preferred contact channel for all follow up contacts involving distress requests particularly leaks and flooding in the home which are seen as most urgent and distressing.
- For non-urgent issues customers prefer to receive updates via text message
- The majority of customers expect all distress requests - with the exception of poor water pressure - to be resolved within 12 hours whereas service requests are expected to be dealt with within 2 weeks.
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Chapter 2: Supplementary document - S1001

Project ref: T1042  
Title: Service requests - Non-household customer research

Related performance commitment
You’re highly satisfied with our service and find it easy to do business with us.

Service provider
Verve (via WaterTalk online community panel)  
Date of study  
September 2017

Research need
- United Utilities needs to make decisions about how field-based service requests will be dealt with in the future, so that business plans incorporating appropriate levels of investment can be developed.
- It is important that the perspective of non-household customers is built into this decision-making process.

Research objectives
- To measure non-household customers’ opinions and expectations regarding:
  1. What do non-household customers perceive to be the key principles of good service?
  2. How do they expect distress service requests to be dealt with?
  3. How do they expect installation service requests to be dealt with?

Methodology
- 200 online surveys completed with business WaterTalk members between 28th August and 5th September 2017 (50 with <5 employees, 150 with >5 employees).
- A six day online community discussion with 24 business WaterTalk members (11 with <5 employees; 13 with >5) conducted between 29th August and 4th September 2017.

Findings & conclusions from the research

From the perspective of non-household customers, five principles are integral to good service:
- Empathy: Treating each customer as an individual and responding to the needs of their specific business.
- Accessibility: Facilitating easy contact both ways between the customer and United Utilities / their water retailer.
- Efficiency: Having a clear plan of action from the start, and getting things right first time every step of the way.
- Speed: Making fast resolution a priority, in recognition of the fact that disruption costs customers money.
- Integrity: Taking ownership and being transparent at all times.

Customers recognise a distinction between ‘distress requests’ and ‘service requests’. However, in both cases, in order to meet their expectations, there is a need to:
- Continue to invest in the training of frontline staff, so that they are fully equipped with the knowledge they need to deal with requests first time and with appropriate empathy.
- Ensure that the service provided by phone and email in particular is of the highest standard.
- Be transparent about resolution times, while making sure that each type of request is handled with appropriate urgency – to minimise customers’ potential loss of revenue.
- Keep customers regularly updated on progress along the way, ideally offering the option of updates by phone – often customers’ preferred channel for on-going communication.
- Offer as broad a range of specific appointment slots as possible, across both weekdays and weekends - even if some slots need to come at an additional cost.
- Follow up after resolution, to demonstrate that United Utilities cares and is constantly striving to improve.

Unlike household customers, non-household customers prefer the telephone for all contacts including all following and resolution contacts.
- There is a role for online and email contacts but these are secondary to the telephone
- Online and email can be used to confirm details that have been agreed on the telephone
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On Thursday 6th Aug 2015, during routine tests United Utilities reported that it had discovered the cryptosporidium parasite in water samples taken from Franklaw treatment works, which supplies more than 320,000 households across 17,500 individual postcodes in Blackpool, Fylde, Preston, and South Ribble & Wyre.

After consultation with the appropriate authorities, such as the Drinking Water Inspectorate (DWI) and local government, affected customers were issued with a 'Boil Water Notice' advising them, as a precaution, to boil any water to be used for personal consumption, for rinsing dishes and for preparing food.

This resulted in around 320,000 households being without drinkable tap water and having to boil water for consumption, until the boil water notice was lifted starting with a partial lifting on 27th August up until the final areas were announced as free of contamination on 6th September.

United Utilities commissioned Accent to undertake two stages of research exploring the impact of this incident among the company's household and non-household customers as well as other stakeholders.

To gauge views on how the company dealt with communications

To determine the impact the incident has had on the reputation/brand image (if any)

To understand customer reaction to the compensation process and amounts

Household customers: Impact on reputation and levels of trust

- Mostly no real change in views, no real shift in levels of trust. Both due, in part, to the nature of the service provided and to a 'limited' relationship with UU
- Water use - remains relatively the same as before the incident

Experience & expectations

- Final views of UU will be determined when the cause of the incident is known – there is a strong desire to know what happened
- Customers want reassurances about ensuring the risk of this happening again is low along with information about current testing procedures
- There is a need for customers to update their details to aid information dissemination and support
- Communication – word of mouth was a key communications channel
- There was very limited experience of events of this nature – there is a need to educate people on what to do (including those outside the impact zone)
- Communications preference – multiple channels are preferred, with comments about access to social media made by all age groups. Updates should regular and clearer signposted
Findings & conclusions from the research (continued)

- Mixed views on the impact of the event – bottled water helped to mitigate worries about the water and with the practical, logistical problems of boiling quantities of water. Boiling water is not always practical or feasible even in household settings and the company needs to consider solutions for a wider range of customers.
- Priority customers – strong views of who should be a priority. Some confusion about conditions such as pregnancy, or suppressed immune systems. The company needs to be able to identify ‘vulnerable customers’ more quickly.
- Information hubs – there was low awareness of the hubs during the incident. The company should consider how these are advertised/more locations. Could these provide additional function such as providing bottled water?
- Compensation – a sense that compensation was paid quickly. Generally approved of, but some cynicism amongst younger groups about the reason of the speed. Some question why this was not linked to bill amount.
- Boiled Water Advice vs other service incidents – generally ‘no water’ is worst, then ‘boil water/discoloured/poor taste problems. Least impact, hose pipe ban.

Non-household customers - Impact on reputation and levels of trust
- Views of the company are largely unchanged – however part of this is related to the lack of choice in water utility providers
- The company needs to develop stronger contact links with business and relevant stakeholders

Experience & expectations
- Water use has largely returned to as it was before the incident
- Most interviewees were neutral in their views of how the company managed the incident, but there is a strong desire to know what the cause of the contamination actually was.
- A wide range of communication methods is needed in general, and these should be suited to each business requirement. In emergencies, customers need to know straightaway (especially 24/7 business operations).
- Website – needs clear and simple routes to the emergency information. Future postcode checkers and map need to be more accurate.
- The concept of business hubs may be useful, but they need to provide detailed technical information.
- If third party cascade is used, the source of the information should be clear.
- There is limited contingency planning for such events, the company could help close this gap.
- Logistics – boiling water for many business/non-household customers is totally unfeasible. The company needs to understand where this is the case.
- Compensation – definitely the right thing to do. The claims process is, however burdensome. An acceptance that proof of loss is required, but mindful of the effort to provide this. The company should consider providing guidance for the claims process.
- BWA Vs other service incidents – having no water has the biggest impact. However ‘noticeable’ issues (taste, odour, discolouration) are often more problematic, despite reassurances of safety.
- There is a strong desire to understand the cause of the incident.

Key messages from the research

- Incidents of this nature are disruptive to customers of all types and some have particular requirements that we need to better understand
- Customers were tolerant - they raised questions, and expressed concerns, but broadly managed to get through unscathed
- There was a balanced perspective from people – younger customers were more questioning and treated the relationship more like buying a service; older customers were more likely to react as if they were dealing with the old water board
- Customers want to have continued trust and confidence, which is contingent on the outcome of the ongoing DWI investigation

Action taken

- The research was used to inform a quantitative survey to gain a wider, regionally representative view of customer sentiment and views of the management of the boil water event
On Thursday 6th Aug 2015, during routine tests United Utilities reported that it had discovered the cryptosporidium parasite in water samples taken from Franklaw treatment works, which supplies more than 320,000 households across 17,500 individual postcodes in Blackpool, Fylde, Preston, South Ribble & Wyre.

After consultation with the appropriate authorities, such as the Drinking Water Inspectorate (DWI) and local government, affected customers were issued with a ‘Boil Water Notice’ advising them, as a precaution, to boil any water to be used for personal consumption, for rinsing dishes and for preparing food.

This resulted in around 320,000 customers being without drinkable tap water and having to boil water for consumption, until the boil water notice was lifted starting with a partial lifting on 27th August up until the final areas were announced as free of contamination on 6th September.

United Utilities commissioned Accent to undertake two stages of research exploring the impact of this incident among the company’s household and non-household customers as well as other stakeholders.

Customers were recruited by telephone to take part in an interview lasting approximately 15 mins.

- 350 HH customers (300 from within the affected area and 50 from outside as a control sample). HH customer data file was provided by United Utilities.
- 200 non-household customers, all from within the affected area
- Target quotas were set to ensure a representative mix of interviewees; HH, based on population data from the Office of National Statistics (Age, SEG); non-household customer based on the mix of the non-household customer data base (size & sector)

- Overall satisfaction with the services provided by United Utilities remains high. In total, 84% of household customers and 79% of non-household customers were either ‘very satisfied’ or ‘satisfied.’
- For a large majority of customers, 87% of households and 82% of businesses, the incident did not change their overall opinion of United Utilities.
- Similarly, the majority of customers (83% of households; 79% of businesses) stated that the incident had not affected how much they trust United Utilities.
- The overall level of information was felt to be good with a large majority (89% of households; 85% of businesses) saying that they felt either ‘well informed’ or ‘partially informed.’
- Over half (60% of households; 54% of businesses) thought that United Utilities were open and transparent in their communication, but around a third (32% of households; 39% businesses) did not agree.
- Of those who could remember how they initially found out about the incident, exactly half of household customers (50%) were satisfied with how long it took to find out about the incident. The satisfaction was lower among businesses – 43% in total.
- Regarding communications specifically from United Utilities, 68% of affected households and 54% of businesses (informed in some way by United Utilities) were satisfied with the availability of information.
- In terms of the advice they received from United Utilities, around three quarters of households (73%) and just under two thirds of businesses (65%) were satisfied.
- Direct communication between United Utilities and customers appears to be important to customers – the majority (70% of households; 80% of businesses) did not think it is acceptable to hear about such incidents via word of mouth.
### Findings & conclusions from the research (continued)

- Explaining the cause behind the incident is also an important part of communications – around three quarters (76% of households and 72% of businesses) said it was ‘very important.’
- Response times appear to be a key area for improvement as 27% of household customers and 19% of non-household customers rated the time taken to resolve the incident as ‘good’ or ‘very good.’
- The compensation policy was believed acceptable by a large majority of customers – 95% of households and 93% of businesses agreed United Utilities were right to pay compensation.
- Over a half of household customers (58%) were also satisfied with the amount paid, but a sixth (16%) were not.
- Similarly, non-household customers were asked how they felt about the claims process. In total, over a third (37%) were satisfied whereas just under a quarter (23%) were not.
- Since the ‘boil water notice’ was lifted, a strong majority (91% of households, 93% of businesses) had returned to consuming water as they did prior to the incident.
- Around two thirds (65% of households; 62% of businesses) had never heard of a ‘boil water notice’ before.
- Three quarters (74%) of businesses stated that they do not have a continuity plan in place to cover incident of similar nature while just over a fifth (22%) did.
- When rating four different service failures against a ‘boil water notice,’ the most negatively perceived service failure was ‘no water supply’ – this was thought to be worse than a ‘boil water notice’ by a large majority (82% of households; 84% of businesses).

### Key messages from the research

- Customers proved remarkably resilient to the disruption caused by the incident.
- Company reputation has not been significantly affected by the incident and customers in the main felt the company was being open and honest in its communications about the situation.
- However there are some practical lessons to be learnt as a result, particularly about household customers with vulnerability and how non-household customers need to operate to continue running their businesses in emergencies.
- There is an almost universal need by customers to understand what caused the incident and to hear reassurance about future water supply resilience.

### Action taken

- The research was used to inform communications planning for Lancashire area, to guide activity aimed at providing additional reassurance and building confidence.
- The research also fed into proposals for enhancing our service provision for customers in vulnerable circumstances, both in cases of emergency, and more generally in business as usual situations requiring greater sensitivity.
- Further the principle behind commissioning the research is now applied whenever there is a significant service incident where it is feasible to conduct an immediate post-incident study to obtain ‘real-time’ view from the customer point of view.
## Project ref: T1045

<table>
<thead>
<tr>
<th>Related performance commitment</th>
<th>Title: Customer research into the impact of the Lancashire water quality Incident - post court case</th>
</tr>
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<tbody>
<tr>
<td>Provide you with great water</td>
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<table>
<thead>
<tr>
<th>Service provider</th>
<th>Date of Study</th>
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<tbody>
<tr>
<td>Accent</td>
<td>Dec 2017</td>
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### Research need
- To understand if customers attitudes have been impacted by the recent court case findings regarding the Lancashire water quality incident in 2015.
- To understand the financial impact of any customer behaviour which is different as a result of the incident (based on revealed preference analysis).

### Research objectives
- To understand customer perceptions and attitudes following the outcome of the court case and how these compare with the customer views that were collected immediately after the incident in 2015 to measure any lasting impact.
- To determine a cost impact relating to any changes in behaviour resultant from the incident to indicate a willingness to pay for prevention in the future.

### Methodology
- 586 telephone surveys completed with household customers between 23rd November and 20th December 2017.
  - 17% 18-34 / 27% 35-49 / 30% 50-64 / 25% 65+
  - 39% AB / 42% C1C2 / 15% DE
  - 12% <£16kpa / 38% £16k - £52k pa / 20% > £52k pa (30% preferred not to say)
- 404 telephone surveys completed with non-household customers between 23rd November and 20th December 2017.
- Samples included both in-area directly affected customers and out-of-area non-affected customers as a comparison / control.

### Findings & conclusions from the research
The findings below focus on in-area participants. For full details on out-of-area comparisons, please see the detail project report.
- Most people still remember the incident (87% of HH and 86% of NHH).
- There is high recall of the UU letter (94% HH and 84% NHH) and high awareness of the prosecution. However, less than half are aware of the DWI report.
- In all cases awareness was stronger in the over 50 age group.
- There has been an increase in HHs who’ve changed opinion for the better (5% vs. 1% in 2015) and 1 in 10 in area HH have changed opinion of and trust in UU for worse which is similar to 2015 levels.
- Slightly more NHH (14%) than HH have changed their opinion or trust for the worse, but this is similar to 2015 levels for NHH.
- For most HH and NHH customers the outcome of the court case hasn’t affected trust and more have now changed opinion for the better than before.
- Satisfaction overall with UU is slightly lower than in 2015 but this is not all explained by the court case, 9 in 10 said the outcome of the court case hasn’t changed satisfaction with United Utilities.
- Four in ten NHH customers would still be unprepared if a similar incident occurred in future.
- At least 7 in 10 in area HHs and NHHs bought more bottled water and boiled kettle more during the incident.
- In area 1 in 10 has continued to buy more bottled water and 1 in 25 has continued to boil the kettle more.
- This equates to an estimated £98.6k extra weekly spend by HH and £9.4k for NHH customers (9p per HH and 14p per NHH weekly).

### Action taken
- The research findings were distributed and presented to the relevant stakeholders in January 2018.
- The results were used in the post-incident lesson learnt process to improve decision-support in future incident management.
- Revealed preference valuation are also included in the overall triangulation of supply interruptions / water quality insights for the PR19 Price review process.
- The YourVoice Customer Engagement subgroup were involved in the dissemination of the results of the project.
United Utilities (UU) had an incident on Sunday 11th December at Buckton Castle water treatment works affecting 17,000 properties (1k NHH and 16k HH) covering the areas of Stalybridge, Dukinfield, Hyde, Saddleworth, Greenfield and Ashton-Under-Lyne. Water that had not been sufficiently treated was allowed to escape from the works leading to the necessity to alert customers in the affected properties. Customers at these addresses were advised to boil their drinking water and this advice remained in place until the evening of Tuesday 13th December. Research was carried out to understand how customers felt about the incident, UUs response and the communications surrounding it. The research included both household and non-household customers directly affected, customers living on the periphery of the affected area and customers who live away from the affected area. One of the key aims of the research is to obtain a measure of the benefit of avoiding similar incidents in future via the ‘averting behaviour’ method of willingness to pay (WTP) calculation.

Identify how customers found out about the incident and how satisfied they were with the time it took for the customer to be informed of the issue. Measure customer satisfaction levels towards the availability and advice UU gave about the incident, and with the length of time required to resolve the issue. Understand what actions customers took outside of UU’s advice. Identify any increase in purchases of bottled water and kettle boils during the incident before, during and after the incident and the costs involved. Identify which groups in society customers feel should be offered free bottled water. Understand customer satisfaction about the level of financial compensation given to affected customers. Identify the change in customer’s opinions and trust of UU following the incident.

Telephone interviewing was conducted with 878 household (HH) and 185 non-household (NHH) customers (total 1,063 customers). Interviews were undertaken with those directly affected (in area) 600 HH/100 NHH), those in neighbouring areas (194 HH/65 NHH) and those further away from the affected site (84 HH/20 NHH). Any customer unaware of the incident were not interviewed (volumes of which are referred to in the following Findings and conclusions section.

Communication about the Incident - The majority of in-area HH and NHH customers initially found out about the incident via word of mouth (friends/family) then were subsequently informed by UU. The remaining customers either saw/heard/read about the incident on the news, Out of area HH customers mainly heard about it on the news. Finding out about incidents by word of mouth was not acceptable for the majority of customers. 65% of HHs and 48% of NHHs felt it was unacceptable. It was significantly less acceptable for 50-64 year olds. Well-informed about the Incident by UU? - NHH customers felt less informed than HH customers with 38% feeling well informed, 29% partially informed and 31% feeling poorly-informed. Satisfaction levels with how quickly they found out about the incident are similar to HH customers. 75% of in-area HHs and 81% of NHHs felt UU were open and transparent in the information UU provided. 80% of HH and 71% of NHH customers were satisfied with the advice given by UU. 9% of HHs and 11% of NHHs were dissatisfied. Dissatisfied customers highlighted advice being given too late, concerns about water already consumed, lack of bottled water provided and not enough detail in the advice given as causes for dissatisfaction.
70% of HHs and 63% of NHHs were satisfied with the availability of incident information. 12% of HHs and 22% of NHHs were dissatisfied, stating not being informed by UU, lack of information/detail and information being received too late as key reasons for dissatisfaction.

A third of customers were satisfied with the time taken to resolve the issue, 17% were dissatisfied and a third could not remember. Dissatisfied HH and NHH customers felt it took too long to resolve alongside poor communication.

Actions Customers Took - 39% of HH customers who bought bottled water did so as they did not trust boiling water made it safe to drink. 16% did so because the water was discoloured, 15% because it was easier that boiling, 8% preferred to drink bottled water and 8% felt boiled water took too long to cool down.

41% of NHHs bought bottled water did so as they did not trust boiling water made it safe to drink. 18% felt it was easier than boiling, 11% required it for business operations, 8% due to discoloured water, 7% stated they always use bottled water, and 6% of customers required it for cooking, 6% needed to provide it for patients/residents/pupils and 6% felt boiled water took too long to cool down.

99% of HHs and 98% of NHHs have gone back to using water in the way they did before the incident. However, 12% of customers who have a larger reliance on water have not returned to their typical water usage, compared to 2% of those without increased water reliance).

Revealed Preference (willingness to pay) - The total averting behaviours (buying water & kettle boils) for HHs converted to a monetary value ranges from a low of £4.51 to a high of £17.30 per household. This converts to a total averting expenditure of all HHs in the affected area ranging from a low of £69,167 to a high of £265,363. Neighbouring areas ranged from a total expenditure of £10,629 (low) to £32,129 (high). For further afield customers this ranged from £555 (low) to £1,125 (high).

The total averting behaviours (buying water & kettle boils) for NHHs converted to a monetary value ranges from a low of £9.77 to a high of £19.72 per NHH. This converts to a total averting expenditure of all NHHs in the affected area ranging from a low of £6,948 to a high of £13,998. Neighbouring NHH customers’ total expenditure ranged from a low of £596 to a high of £4,507.

Help Provided by UU - Two-thirds of HH customers believe elderly people should be given bottled water, 40% to HHs with children, 29% to people with disabilities, 25% to unwell/sick people, 24% to schools, 13% believe water should be given to anyone that requests it, 8% to vulnerable people, 6% to hospital, 4% to nursing homes/housebound people and 4% to people on low incomes/unemployed.

Of those surveyed, 33% of HHs and 25% of NHHs were not aware of UU advice centres set up during the incident. 83% of HH/NHH in-area customers thought local advice centres were helpful during an incident.

Compensation Payments - 92% of HHs and 84% of NHHs felt it was right for UU to pay compensation to affected customers. 9% of HHs and 53% of NHHs were satisfied with the compensation amounts paid to customers.

There was no change in trust in UU for 8 in 10 NHH and 9 in 10 HH customers.

Action taken

- The general feedback from the research was used to review arrangements surrounding the company response to local community requirements during service failures.
- The revealed preference valuation was subsequently used in the PR19 insight triangulation for valuing water quality and supply interruption to improve the balance of evidence.
- The evidence was also considered in the development of proposals for performance commitments on safe, clean drinking water.
<table>
<thead>
<tr>
<th>Project ref: T1047</th>
<th>Title: Manchester and Pennine resilience</th>
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<tr>
<th>Related performance commitment</th>
<th>Provide you with great water, give you value for money, protect and enhance the environment.</th>
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<tr>
<td>Service provider</td>
<td>DJS Research</td>
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**Research need**
- In developing its business plan for AMP7, UU is considering options for increasing resilience of water supplies for the future. Currently, parts of its region are dependent on single sources of water, meaning that if this source was lost or compromised there would be a significant risk that service would be disrupted. UU is considering a number of solutions that could reduce the likelihood of prolonged interruptions of water supplies and/or water quality failures.
- The Haweswater Aqueduct which supplies 2 million of UU’s 7 million customers in parts of Lancashire, Cheshire & Cumbria is the focus of the research.

**Research objectives**
- Test customer attitudes to the risks of potential service failures in relation to the condition of the Haweswater aqueduct.
- Test customer views of the bill impacts relating to the reduction of the service failure risks and the extent to which these alter as the risk factor/bill impact changes.
- Test customer preferences of potential options for improvements to the Haweswater Aqueduct, with consideration of the risk associated with such improvements including:
- Exploring whether customers have a preference for full rebuild or targeted repairs providing customer valuations with regards to alternative methods of delivering resilience.
- Provide evidence of customer priorities for UU to factor in decision-making a potential options to maximise benefit to customers, balanced against cost expectations and impact on customer bills.

**Methodology**
- 1,965 online surveys completed with household customers in November and December 2017.
  - 48% male / 52% female
  - 12% 18-34 / 19% 35-44 / 26% 45-54 / 24% 55-64 / 19% 65+
  - 26% AB / 52% C1C2 / 22% DE
  - 7% Cumbria / 20% Merseyside / 36% Greater Manchester / 22% Lancashire / 14% Cheshire
  - 40% metered / 58% unmetered / 1% not sure
- Regional quotas were applied to gender, age, region, SEG & customer metering. Weighting was applied to customer metering.
- 300 online surveys completed with non-household customers in November and December 2017.
- 14 household qualitative focus groups (8 participants each) and 11 face to face interviews with vulnerable customers conducted in December 2018.
- 4 business qualitative focus groups (8 participants each) and 6 teledepths with non-household customers conducted in December 2018.
- To improve robustness of the responses participants were shown a number of options with and without solutions description context. Additionally, a number of different techniques were used to draw out and analyse customer ranking of the options including choice experiments and odds ratios.
- Furthermore, split samples were used in the quantitative research, to test sensitivity of option description & risk figures.
Findings and conclusions from the research

- For both households and non-households there is a strong preference to act upon the current situation and participants were asked to rank 5 options in order of preference:
  1. A - Target repairs of the two tunnel sections that are in the worst condition
  2. B - Rebuild the tunnel section that is in the worst condition and provide targeted treatment for water quality
  3. C - Build 5 new water treatment works
  4. D - Rebuild all tunnel sections
  5. E - Rebuild all tunnel sections and provide additional water sources

- The two most expensive and comprehensive solutions (D and E) were preferred by households and non-households.
- For households 62% of respondents chose option D in their top two choices and 59% chose option E as one of their two most preferred options.
- For businesses 68% of business respondents chose option E in their top two choices and option D has identical levels of ‘top 2’ preference.
- Respondents thought that the cheaper options were “a waste of money” and seen as “sticking a plaster” on the problem.
- Customers in vulnerable circumstances (low income groups) also preferred the more comprehensive solutions despite the risks being higher in terms of a loss of supply and the larger bill impact.
- When household customers were asked what the main factor was which influenced their decisions when making choices, 45% said the risk reduction figures and 32% said the annual bill impact.
- However, for 43% of non-households, the most important factor which influenced their decision was the annual bill impact.

Action taken

- The YourVoice Customers Engagement subgroup was closely involved in the assurance of the research and commissioned academic experts in social & economics policy research from Sheffield Hallam University to help scrutinise the project.
- The YourVoice independent report on the quality of this work is available to reference.
- The research output was used in the development of a cost benefit case to support the proposal for the solution contained in the business plan.
- The business case was submitted as a special factor in May 2018 together with the supporting papers.
<table>
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<tr>
<th>Project ref: T1048</th>
<th>Title: Household long term supply interruptions – immersive research</th>
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<tbody>
<tr>
<td>Related performance commitment</td>
<td>You have a reliable supply of water now and in the future.</td>
</tr>
<tr>
<td>Service provider</td>
<td>Frontier Economics, Start Design and Systra Research</td>
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<tr>
<td>Date of study</td>
<td>July 2017</td>
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**Research need**

- In advance of PR19, UU needs to make decisions about its service operations and future investments.
- Research is needed to understand customers’ views and preferences on interruptions to their water supply, and the extent to which they are willing to pay to support improvements to the existing service.

**Research objectives**

- To measure customer opinions in order to:
  1. Understand how customers would feel during a supply interruption, and how long they feel they could live without water.
  2. Understand views on compensation levels, and WTP for service improvements relating to water supply, including testing how the WTP may change depending on the cause of the supply interruption.

**Methodology**

- An immersive experience was created for customers in the form of a simulated events workshop so that they could give meaningful views on issues that are not part of their usual customer experience.
- Room sets, Emoji Diaries, role-plays, interactive games and activities were designed to give the sessions increased impact compared with standard research techniques.
- Participants were provided with educative information to help with decisions.
- 196 customers took part across two immersive workshops on 16th and 18th July 2017.
  - 54% male / 46% female
  - 21% 16-35 / 51% 36-65 / 24% 65+
  - 20% AB / 54% C1C2 / 26% DE

**Findings & conclusions from the research**

**Supply Interruptions**

- More than half of customers were prepared to pay to reduce the risk of supply interruptions and on average participants are prepared to pay around £3 to improve the service, for up to 2.1 million customers.
- The results for the per day compensation values suggest that customers’ perceptions are that the impact of a supply interruption would get worse between 1-3 days, but plateau out after 3 days.
  - £27.30 for 1 day
  - £35.00 per day for 3 days
  - £35.51 per day for 14 days
- 58% of participants said they would not be able to manage without water for 3-7 days (17% said less than 3 days, and 26% said more than 7 days).

**Action taken**

- These findings were used in informing the business plan proposals and in setting targets and incentives rates for the ODI - reducing interruptions to water supply.
- The results also provides input to the overall PR19 insight triangulation framework, providing a range of valuation insight to improve decision making.
## Project ref: T1115

<table>
<thead>
<tr>
<th>Title: Non-household long term supply interruptions - Immersive Research</th>
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### Related performance commitment

- **You have a reliable supply of water now and in the future.**

### Service provider

- **Frontier Economics, Start Design and Systra Research**
- **Date of study**: October 2017

### Research need

- In advance of PR19, UU needs to make decisions about its service operations and future investments.
- Research is needed to understand non-household customers’ views and preferences on interruptions to their water supply, and the extent to which they are willing to pay to support improvements in this area.

### Research objectives

- To measure non-household customer opinions in order to:
  1. Understand how customers would feel during a supply interruption, and how long they feel they could live without water.
  2. Understand views on compensation levels, and WTP for service improvements relating to water supply, including testing how the WTP may change depending on the cause of the supply interruption.

### Methodology

- An immersive experience was created for customers in the form of a workshop so that they could give meaningful views on issues that are not part of their usual customer experience.
- 30 non-household customers took part across two immersive workshops on 23rd and 24th October 2017.

### Findings & conclusions from the research

- Only 29% of customers were prepared to pay to reduce the risk of supply interruptions and on average participants were prepared to pay around £17.55 to improve the service.
- The results for the per day compensation values suggest that customers’ perceptions are that the impact of a supply interruption lessens over time.
  - £847 for 1 day
  - £679 per day for 3 days
  - £466 per day for 14 days
- The majority of participants (77%) felt that they would be able to manage without water for around 3-7 days, while 19% felt they could only manage for one day or less.

### Action taken

- The research were a key input into the PR19 insight triangulation framework
- Proposals for performance commitments and supporting ODIs on long term supply interruptions were informed and influenced by the insight and valuations gained in this study.
**Research need**
- United Utilities need to ensure that efforts to manage leakages are incorporated into PR19 business plans.
- A vital part of the planning process is to collect feedback from customers, and to take account of their opinions when decisions are made.

**Research objectives**
- To measure customer opinions and expectations regarding:
  1. Do customers think that leakage reduction is an important issue?
  2. Are customers willing to pay extra to support the reduction of leakages, and if so, how much?
  3. What impact will addressing leakages have on United Utilities’ brand perceptions?

**Methodology**
- 3,261 online surveys completed with WaterTalk members between 2nd and 9th June 2017.
  - 63% male / 37% female
  - 7% 18-30 / 30% 31-54 / 64% 55+
  - 16% Cheshire / 7% Cumbria / 36% Greater Manchester / 24% Lancashire / 16% Merseyside
- Data was weighted by age, gender, and region to be demographically representative of United Utilities’ customer base

**Findings & conclusions from the research**

Do customers think that leakage reduction is an important issue?
- Yes. When its importance is ranked against other United Utilities services, working to reduce leakages comes just below ‘providing safe, clean drinking water’ and ‘providing a reliable water / wastewater service’. And when asked specifically, over nine in 10 survey participants say it’s important for United Utilities to work to reduce leakage, with older customers seeing this as especially important.
- It is recognised that reducing leakage is not only essential to prevent water wastage, but may also contribute to lower water bills in future.

Are customers willing to pay extra to support the reduction of leakages, and if so, how much?
- Yes. The vast majority (80%) of the survey participants would pay 20p on top of their annual bill to help United Utilities meet its leakage targets by 2030.
  - 61% would pay £1 extra per year.
  - Females, under 35s and higher earners are more willing to support the (especially larger) increases.
- The higher leakage reduction targets proposed by 2040 led 68% to say that they would be willing to pay £1.80 to support this goal –however acceptance does drop off at higher amounts.
  - The same demographic groups (females, under 35s & high earners) are the most willing to accept these price increases.

What impact will addressing leakages have on United Utilities’ brand perceptions?
- Once customers know more about leakage and how United Utilities is working to improve it, most brand perceptions improve –especially the perceptions that United Utilities ‘considers its impact on the environment’ and ‘does enough to control water leakage’.
Further promotion of United Utilities' efforts in reducing leakage, with a particular focus on the impact on water wastage and the environmental benefits, may have a positive brand effect.

**Action taken**

- The study contributed to decision making on the appropriate level of leakage to base business plan performance commitment proposals on for the PR19 submission
- It also informed further development of the water resources management plan considerations, for which increased leakage targets were implemented
- The research findings were also used in the PR19 insight triangulation framework to provide key valuation and customer priority data to improve decision making
Chapter 2: Supplementary document - S1001

<table>
<thead>
<tr>
<th>Project ref: T1050</th>
<th>Title: Safe, clean, drinking water research</th>
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<tr>
<th>Related performance commitment</th>
<th>Your drinking water is safe and clean.</th>
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<tbody>
<tr>
<td>Service provider</td>
<td>Verve (via WaterTalk online community panel)</td>
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<tr>
<td>Date of study</td>
<td>August 2017</td>
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**Research need**
- The Drinking Water Inspectorate expects water companies to achieve 100% compliance in relation to water quality, and for customers to ‘remain confident’ in their drinking water.
- United Utilities needs further customer insight on customer attitudes to safe, clean water to support the development of its PR19 submission relating to the provision of safe, clean drinking water.

**Research objectives**
- To measure customer opinions and expectations regarding:
  1. Are customers confident in the quality of their drinking water, and do they think United Utilities should do more?
  2. What do customers know about the factors that affect water quality, and what information would be helpful to them?
  3. How should United Utilities communicate with customers, if a variation in water quality does occur?

**Methodology**
- 1,119 online surveys completed with WaterTalk members between 2nd and 9th August 2017.
  - 64% male / 35% female
  - 7% 18-30 / 28% 31-54 / 66% 55+
  - 17% Cheshire / 7% Cumbria / 36% Greater Manchester / 23% Lancashire / 15% Merseyside
- Data was weighted by age, gender, and region to be demographically representative of United Utilities’ customer base
- A three day online community discussion with 30 WaterTalk members conducted between 8th and 10th August 2017 - a mix in terms of region, life-stage, and previous experience of or interest in water quality.

**Findings & conclusions from the research**

1. Are customers confident in the quality of their drinking water, and do they think United Utilities should do more?
   - 84% of customers are at least reasonably confident in the quality of their drinking water, despite limited knowledge of the things that United Utilities does to meet regulatory standards.
   - However, past experience of a variation in quality – which applies to two in five customers – leads to lower confidence; and a majority claim to think about the quality of their water at least occasionally.
   - Although most customers are satisfied with United Utilities’ current efforts to ensure water quality, a fifth would support further action.

2. What do customers know about the factors that affect water quality, and what information would be helpful to them?
   - While most customers are aware that factors within United Utilities’ remit (e.g. the treatment of water) can affect water quality, fewer are aware of the role that can be played by factors within their own home.
   - There is a need to:
     - educate customers about the full range of factors that can affect quality, and advise them about actions that they can take within the home to help;
• reassure them that United Utilities is taking its responsibilities seriously, by informing them of what the company is doing to maintain and improve the detection and prevention of quality issues.

3. How should United Utilities communicate with customers, if a variation in water quality does occur?
   • Trust in United Utilities and confidence in water quality are more likely to be maintained or increased, if:
     • Customers are informed quickly and proactively of any variation in quality, e.g. via text, email or post (rather than just via the local news or the website).
     • The communication is detailed and transparent, so that customers know: what has caused the variation; what is being done to resolve it; how long this will take; and what they should do in the meantime.
     • There are regular updates, to keep customers informed of progress.

Action taken
• Results of this study have fed into the business plan proposals for water quality in the PR19 business plan
• The results have been factored into the case for performance commitments on drinking water quality and to provide evidence for ODI proposals on water quality compliance
Chapter 2: Supplementary document - S1001

Project ref: T1051

Title: Drinking water taste, smell and appearance

Your drinking water is safe and clean.

Service provider: Verve (via WaterTalk online community panel)

Date of study: July 2017

Research need

- Occasionally customers experience changes to their drinking water. When these issues occur UU needs to be able to respond in a way that meets customer needs and to address the concerns that customers have whilst preferably limiting the volume of direct customer contacts with UU call centres.

Research objectives

This research aims to address three questions:

1. How important an issue do customers perceive changes to taste, smell and/or appearance of drinking water to be?
2. What do customers do when a change occurs?
3. What does UU need to do when a change occurs?

Methodology

- 2 x qualitative online communities with 30 WaterTalk members each to understand in-depth reactions to each scenario (1 x changes to drinking water taste and smell and 1 x changes to drinking water appearance)
- An online survey with 2,513 respondents to collect robust feedback on behaviour, experiences and expectations.
  - 64% male / 35% female
  - 6% 18-30 / 27% 31-54 / 67% 55+
  - 17% Cheshire / 7% Cumbria / 35% Greater Manchester / 23% Lancashire / 17% Merseyside
- Data was weighted to ensure it is representative of the UU customer base in terms of age, gender and region.

Findings & Conclusions from the research

How importance do customers perceive changes to the taste, smell or appearance of their water?

- Nearly all customers drink tap water so any change to its perceived quality is an important issue. Two-fifths have experienced a problem with their drinking water in the past.
- A change in the appearance of water causes a stronger reaction than changes to the taste or smell and, as a result, is more likely to lead to customers contacting UU.
- The most important factor that determines how customers are likely to respond to an issue is knowledge of an issue. There is more concern and likelihood a customer will contact UU when there is a lack of information about a change. Customers want to know why the issue occurred.

What happens when a change occurs?

- The journey that customers go through when a change occurs can comprise up to four stages: immediate actions, investigation, contact and resolution.
- Immediate actions include waiting to see if the problem resolves itself, changing water consumption behaviour and/or searching for more information about the issue.
- 39% of customers would contact UU at some point during a change in water smell, taste and/or appearance, however only 10% do so as an initial response. The provision of suitable information about the issue has the potential to reduce the volumes of customers contacting UU.
What does UU need to do when a change occurs?
There are opportunities to provide information and advice to customers before, during and after a change has occurred:

- General education about the causes and impact of potential changes. This should include information relating to when issues are and are not the supplier’s responsibility as current customer knowledge is very low.
- Issue specific, targeted communications. These could be:
  - a banner on the UU website briefly highlighting known issues with a summary of cause, likely duration, actions that can be taken by the customer and the level of risk.
  - Email alerts sent out quickly to all customers who are likely to be affected by the change.
  - Both the email and banner should have links to more detailed information on the UU website. The existing content works very well but customers find it difficult to find.
- When there is direct customer contact, dealing with concerns in the right way will make re-contact in the future less likely.

Key messages from the research

- The majority of customers drink tap water and any change is likely to be a significant issue, particularly changes in the appearance of the water.
- Customers behaviour when a change in water taste, smell and/or appearance occurs include immediate actions (e.g. changing water consumption behaviour), further investigation (searching Twitter/website), contact UU and resolution behaviour (returning to pre-issue norms).
- Communication and education opportunities exist to help customers respond to a change in water taste, smell or appearance adequately.
- Proactive communications via email, SMS and on the UU website could limit the volumes of customers contacting UU when a change occurs.

Action taken

- Results of this study have fed into the business plan proposals for water quality in the PR19 business plan
- The results have been factored into the case for performance commitments on drinking water quality and to provide evidence for ODI proposals on reducing the need for customers to contact UU about the taste and smell of their drinking water & helping customer to look after water in their homes
Research need

- Research is needed to understand customers’ views on interruptions to their water supply, and the extent to which they are willing to pay to support improvements in this area.

Research objectives

- To measure customer opinions and expectations regarding:
  1. How many customers have experienced an interruption to their water supply, and at what point is it considered ‘unacceptable’?
  2. How important do customers think it is that United Utilities works to reduce the impact of supply interruptions?
  3. Are customers prepared to pay to reduce the time it takes to resolve any supply interruption, and if so, how much?
  4. Are customers prepared to pay to reduce the number of households affected by any supply interruption, and if so, how much?

Methodology

- 1,559 online surveys completed by Verve with WaterTalk members between 23rd August and 4th September 2017.
  o 49% male / 51% female
  o 28% 18-30 / 35% 31-54 / 37% 55+
  o 14% Cheshire / 7% Cumbria / 38% Greater Manchester / 21% Lancashire / 20% Merseyside
- Data were weighted by age, gender, and region to be demographically representative of United Utilities’ customer base

Findings & conclusions from the research

1. How many customers have experienced an interruption, and at what point is it considered ‘unacceptable’?
   - Half have experienced an interruption to their water supply in the last five years, with low water pressure being the most common issue. In the majority of cases, the interruption was unplanned.
   - Customers are accepting of occasional short-term water supply issues. An issue that lasts less than three hours is not seen as particularly inconvenient.
   - However, an issue that lasts six hours is perceived to be very inconvenient, and one that lasts nine hours is considered unacceptable.

2. How important do customers think it is that United Utilities works to reduce the impact of supply interruptions?
   - Nearly all customers (95%) think that United Utilities should strive to reduce unplanned interruptions to supply, because water is considered vital. Service issues related to electricity and water are perceived to be far more annoying than issues related to gas or boilers.
   - If customers do have an interruption to their water supply, they would prefer to have to deal with low pressure than a boil water notice or no water at all.
   - 72% state a preference for a permanent solution to deal with large-scale water supply issues.
   - When the costs of a permanent versus a temporary solution are known, 64% are willing to pay, with 2 in 5 supporting the permanent option.
3. Are customers prepared to pay to reduce the time it takes to resolve any supply interruption, and if so, how much?
   - Half (48%) say that they would pay 50p on top of their annual bill to reduce the average resolution time of any supply interruption, from 6 hours (as it is currently) to 5 hours 15 minutes. Willingness to pay falls steadily as the average resolution time reduces and the impact on the bill rises.
   - Females are more willing to pay to support this initiative, as are those who have yet to suffer from an interruption - fear of the unknown perhaps being worse than the actual experience.

4. Are customers prepared to pay to reduce the number of households affected by any supply interruption, and if so, how much?
   - Customers seem more willing to pay for a reduction in the number of households affected by a supply interruption than for a reduction in the average resolution time.
   - Two-thirds (66%) are willing to pay 50p on top of their annual bill to reduce the average number of households affected in the North-West, from 120,000 households (as it is currently) to 105,000 households.
   - Again, willingness to pay falls steadily as the number of affected household’s falls and the impact on the bill rises.
   - There is little difference in willingness to pay by gender, age or region. Those who haven’t experienced an interruption are again more willing to pay, to avoid the inconvenience.

**Action taken**
- Results of this study have fed into the business plan proposals for water quality in the PR19 business plan
- The results have been factored into the case for performance commitments to provide evidence for ODI proposals on reducing supply interruptions, unplanned outage, water service resilience and reducing areas of low pressure
Project ref: T1053
Title: Managing water catchments research

Related performance commitment
You have a reliable supply of water now and in the future. The risk of sewer flooding for homes and business is reduced & The natural environment is protected and improved in the way we deliver our services.

Service provider
Verve (via WaterTalk online community panel)

Date of study
October 2017

Research need
- United Utilities sources water from around 780 thousand hectares of catchment land. Some of this land is managed sustainably, which improves the condition of the land and the cleanliness of the water collected from it.
- Applying this sustainable approach more widely may result in bill increases. Therefore research is needed to understand customers’ views on land management, including the extent to which they are willing to support investment in this area. Results will feed into business planning related to spending between 2020 and 2025.

Research objectives
To measure customer opinions and expectations regarding:
1. How do customers feel about sustainable methods of catchment land management?
2. Are customers prepared to pay, to support more sustainable catchment land management, and if so, how much?

Methodology
- 1,308 online surveys completed with WaterTalk members between 24th and 30th October 2017.
  - 67% male / 33% female
  - 6% 18-30 / 27% 31-54 / 67% 55+
  - 16% Cheshire / 8% Cumbria / 35% Greater Manchester / 22% Lancashire / 16% Merseyside
  - 17% £0 - £20k / 43% £20k - £60k / 22% £60k+
- Data was weighted by age, gender, and region to be demographically representative of United Utilities’ customer base.

Findings & conclusions from the research
How do customers feel about sustainable ways of managing catchment land?
- Three-quarters (78%) think it’s important that they have a say in how UU manages its land.
- Two-thirds (69%) would support more investment in sustainable land management if bills would not increase.
- The most important benefits of sustainable land management are securing water supplies – seen as a vital commodity – and reducing the chances of flooding, which can be devastating.

Are customers prepared to pay to support more sustainable catchment land management, and if so, how much?
- Almost two-thirds (65%) still support investment in sustainable land management even if bills increase. These customers would be happy with a £0.27 increase, translating into 420,000 hectares managed sustainably. Over half (57%) would support a bigger rise of £0.57 annually (540,000 hectares managed sustainably).
- Three-quarters (74%) are willing to accept price rises now, in order to help protect the environment and water supplies for future generations.

Action taken
- The results of the study were used to inform proposal for performance commitments in the PR19 business and to influence the case for the ODI on enhancing natural capital for customers
- The evidence was also factored into the PR19 insight triangulation framework to improve valuation for decision making.
Project ref: T1054
Title: Lead pipe adoption research

Related performance commitment: Your drinking water is safe and clean.

Service provider: Verve (via WaterTalk online community panel)
Date of study: Mar - Apr 2018

Research need:
- Lead pipes are known to affect the quality of water, and homes built pre-1970 may still have lead pipes inside customer property boundaries. Currently, these pipes are the responsibility of the homeowner – but United Utilities (UU) is proposing taking ownership of them and replacing them on behalf of the customer.

Research objectives:
- To measure customer opinions and expectations regarding:
  1. Are homeowners aware of pipe ownership and of issues around the existence of lead pipes?
  2. What are the perceived benefits and challenges UU must consider in relation to the adoption/replacement?
  3. Would homeowners agree to have a water meter installed when the supply pipe is replaced?
  4. How could UU most effectively communicate this initiative to homeowners?

Methodology:
- A 3 day pop up community with 32 affected homeowners (i.e. live in a house built pre-1970s and have lead supply pipes) between 26th and 28th March 2018.
- 1,025 online quantitative surveys were completed with WaterTalk members between 12th and 16th April 2018.
  - 67% male / 33% female
  - 7% 18-30 / 20% 31-54 / 73% 55+
  - 17% Cheshire / 9% Cumbria / 34% Greater Manchester / 24% Lancashire / 14% Merseyside

Findings & conclusions from the research:

Are homeowners aware of pipe ownership and of issues around the existence of lead pipes?
- Almost all respondents (98%) are aware of the general health issues associated with lead pipes, although not necessarily the specific risks.
- There is also a high reported awareness (91%) of pipe ownership and who has responsibility for maintaining them – often via UU’s website/comms.
- Whilst more than half of homeowners (61%) know whether they have lead pipes or not, only just over half of those that do (8%) have considered replacing them.
- Costs, low perceived risks and disruption are the main barriers that prevent homeowners from replacing the pipes themselves – as well as general inertia.

What are the perceived benefits and challenges UU must consider in relation to the adoption/replacement?
- Most (88%) homeowners are receptive to the proposition of United Utilities taking ownership and replacing lead pipes.
- Cleaner water, professional work and demonstrating customer care are the main perceived benefits.
- However, around two thirds have concerns about damage to property, cost increases and not being kept informed about the replacement work.
- There’s also a desire for specific info relating to the exact cut-off point of pipe ownership and what the legal implications might be.
- Homeowners seek reassurances about the short term requirements and the longer term outcomes.
Would homeowners agree to have a water meter installed when the supply pipe is replaced?

- There’s a mixed reaction to the idea of United Utilities installing water meters at the same time as replacing lead pipes (54% positive)
- Those who are positive think it would provide benefits for homeowners, United Utilities and the environment.
- Unsurprisingly, the majority of those who are negative (33%) about water meters feel United Utilities is planning to install meters by stealth.
- United Utilities therefore has to overcome a dual barrier for the water meter installation not to impact negatively on the overall proposition.

<table>
<thead>
<tr>
<th>Action taken</th>
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<tbody>
<tr>
<td>- The results were used to help decision-making for the PR19 planning process</td>
</tr>
<tr>
<td>- The feedback was used to build the business case for the performance commitment to trial the adoption of customer-owned lead service pipes</td>
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<tr>
<td>Project ref: T1055</td>
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<tr>
<td>Related performance commitment</td>
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<td>Service provider</td>
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<table>
<thead>
<tr>
<th>Research need</th>
<th>UU seeks a holistic, deeper understanding of customers’ requirements as illustrated through data collected from the range of inbound customer contact channels available.</th>
</tr>
</thead>
</table>
| Research objectives | • As part of a broader customer insight programme, this research aims to bring together inbound customer contact data specific to water supply interruptions for the period April 2014 to January 2017.  
 • It aims to highlight trends in the water supply interruptions contact reasons and volumes, from a regional perspective, over a three year period.  
 • The research will draw upon CSAT, SIM and Rant & Rave data to understand what how customers who make contact about water supply interruptions rated UU’s response, whilst highlighting what UU did well and what UU could do better from the customer’s perspective.  
 • It aims to understand the potential links, if any, between customer deprivation and the likelihood of customers making contact about supply interruptions. |
| Methodology | • Inbound customer contact data was collated from various internal reports for inbound customer telephone calls, Live Chat conversations, Member of Parliament enquiries, written complaints and Twitter mentions specific bursts and leaks. The data was analysed for trends at a postcode and county level over a three year period (April 2014 to April 2017).  
 • CSAT and SIM data was collated to track customer’s overall satisfaction with UU’s response to their contact about a burst/leak issue over the same two and a half year period. The data was also used to highlight what customer’s thought UU did well and what could have been done better.  
 • Rant & Rave data was analysed to seek trends, if any, in the overall scores as to how customers rated UU’s response to their specific burst/leak issue.  
 • Multi-deprivation analysis was used, based on postcode data of customers contacting UU about supply interruptions to better understand the customers’ situation and potential motivations. |
| Findings & conclusions from the research | Customer Contact Volumes  
 • There was a total of 219,667 primary inbound customer contacts relating to water supply interruptions between 01 April 2014 and 01 January 2017.  
 • Unplanned water supply interruptions were the main reasons customers contacted UU about water supply issues, accounting for 38% (82,658) of all customer contact in the period. Customer contacts about low water pressure (standard and urgent) accounted for 22% (48,817) and providing information and communication responses accounted for 13% (28,556).  
 • The top 5 reasons for customer contact are the same for each county. The most noticeable county variation related to no supply (unplanned) customer contacts in Cumbria. In all other counties approximately a third of all customer contact related to no supply (unplanned) but in Cumbria no supply (unplanned) contacts accounted for almost half (48.1%) of all customer contact received.  
 • Customers from 791 postcodes have contacted UU each FY about no supply (unplanned) generating 7.5k contacts. Customers from 526 postcodes have contact UU each FY about low pressure issues, generating 3.3k contacts. |
### Customer Satisfaction

- 21% of customers who completed SIM/CSAT surveys stated that UU did well in providing great customer service, 16% were pleased with fast response times to issues and 10% were pleased by good communication with the customer. However, over a quarter of customers (29%) surveyed said we could have communicated with the customer better and 14% wanted a faster resolution of their issue.
- The average Rant & Rave score for customers contacting UU about chasing update/planned start date, event update, investigate high pressure and poor supply/blockage (plumber) has been below four. Customers scored the highest percentage of 4 or 5 scores for UU’s response to no supply (unplanned) (86% of scores received) and investigating low pressure (both urgent and non-urgent) (84%).
- The majority of customers contacting UU about water supply issues, in most deprivation indices, live in some of the most deprived postcode areas in England.

### Action taken

- The results of the data analysis has been considered as a key component in building a business case for the performance commitments concerning supply interruptions, weighted along with valuation evidence developed elsewhere.
## Project ref: T1057

<table>
<thead>
<tr>
<th>Related performance commitment</th>
<th>Title:</th>
<th>Understanding water quality - safety, &amp; aesthetics - internal data analysis</th>
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<tbody>
<tr>
<td>Your drinking water is safe and clean.</td>
<td>Service provider</td>
<td>N/A – internal analysis</td>
</tr>
<tr>
<td>Date of study</td>
<td>Jan/Feb 2017</td>
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### Research need

### Research objectives

### Methodology

### Findings & conclusions from the research
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Chapter 2: Supplementary document - S1001

<table>
<thead>
<tr>
<th>Project ref: T1056</th>
<th>Title: Understanding bursts and leaks – internal data analysis summary</th>
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<tbody>
<tr>
<td>Related performance commitment</td>
<td>You have a reliable supply of water now and in the future.</td>
</tr>
<tr>
<td>Service provider</td>
<td>N/A – internal analysis</td>
</tr>
<tr>
<td>Date of study</td>
<td>March 2017</td>
</tr>
</tbody>
</table>

Research need
UU seeks a holistic, deeper understanding of customers’ requirements as illustrated through data collected from the range of inbound customer contact channels available.

Research objectives
- As part of a broader customer insight programme, this research aims to bring together inbound customer contact data specific to bursts and leaks for the period April 2014 to March 2017.
- It aims to highlight trends in the burst/leak contact reasons and volumes, from a regional perspective, over the three year period.
- The research will also draw upon CSAT, SIM and Rant & Rave data to understand how customers making contact about burst/leaks rated UU’s response, whilst highlighting what UU did well and what UU could do better from the customer’s perspective.
- It also aims to understand the potential links, if any, between customer deprivation and the likelihood of customers making contact about bursts/leaks.

Methodology
- Inbound customer contact data was collated from internal reports, including inbound customer telephone calls, Live Chat conversations, Member of Parliament enquiries, written complaints and Twitter mentions specific to bursts and leaks. The data was analysed for trends at a postcode and county level over a three year period (April 2014 to March 2017).
- CSAT and SIM data was collated to track customer’s overall satisfaction with UU’s response to their contact about a burst/leak issue over the same three year period. The data was also used to highlight what customer’s thought UU did well and what could have been done better.
- Rant & Rave data was analysed to seek trends, if any, in the overall scores customer’s rated UU’s response to their specific burst/leak issue.
- Multiple deprivation analysis was used, based on postcode data of customers contacting UU about bursts and leaks to better understand the customers’ situations and motivations.

Findings & conclusions from the research
Customer Contact Volumes
- There were a total of 141,570 primary inbound customer contacts relating to water leaks and bursts between 01 April 2014 and 01 March 2017.
- Overall leakage inbound contact volumes have fallen each financial year, with a 14% (7,484) decrease between FY14-15 and FY15-16, largely due to a substantial reduction in Greater Manchester (GM) and Lancashire contacts.
- Almost a half (46%, 66k) of all leakage related customer contacts were about water showing (not private). This was followed property leaks (22%, 30.9k) and 14% (23.1k) of all contacts received related to customers chasing an update/planned start date (23.1k).
- There has been a year on year decrease in contact volumes related to customers chasing an update (-25% between FY14-15 and FY16-17, 1.9k contacts), confirming an appointment (-45%, 363) property leaks (-14%, 1.5k), leaking meters (-74%, 656), noise in pipes (-23%, 146) non-UU area (-44%. 46), private problems (-20%, 1.2k) and water showing (not private) (-20%, 3.4k).
Defective fitting complaints and query contact volumes have remained largely flat across all three financial periods.

‘Urgent water showing’ (not on private property) volumes fell between FY14-15 and FY 15-16 but FY16-17 volumes were slightly higher that the preceding financial period with c.7.4k contacts.

The overall % of customer making multiple contacts about the same leakage issue has decreased slightly each financial year, from c.16% in FY 14-15 to c.13% in FY 16-17.

There are 929 postcodes that reported water showing every FY, responsible for 5,524 individual customer contacts. The top two highest contacting postcodes, within 200 meters of each other, are both near Crewe train station, making 58 contacts in total.

There are 517 postcodes that contacted UU about leaks on properties each FY, accounting for 2,528 individual customer contacts. The top 3 contacting postcodes were in Workington (Cumbria, 18 contacts), Frodsham (Cheshire, 17 contacts) and Whitworth (Greater Manchester, 16 contacts).

Customer Satisfaction/Dissatisfaction and Rant & Rave Scores

Overall, 75% of customers were satisfied with UU’s response to their leakage issues and 17% were dissatisfied. (CSAT/SIM)

Over a quarter of customers who were satisfied with UU’s response said UU did well at providing customer service, 17% said we did well in providing a fast response to the issue and 14% were pleased by knowledgeable employees. (CSAT/SIM)

Despite 17% of customers being pleased by UU’s response time, 25% of dissatisfied customers said we should have responded faster. 11% felt UU could have performed better at communication and keeping the customer updated. 10% said we could have done better by actually fixing the issue at the first time of asking. (CSAT/SIM)

Approximately 4 in every 5 customers scored UU’s response 4 or 5 via Rant & Rave in every leakage category other than DF queries/complaints. The average score for DF complaints was just 2, although volumes are low. DF queries averaged 3.9.

More customers each year are turning to Twitter to highlight leakage issues (3.5k inbound tweets to date). Monthly volumes fluctuate with seasonality but are increasing year-on-year.

Action taken

The results of the data analysis has been considered as a key component in building a business case for the performance commitments concerning reliable supply of water, weighted along with valuation evidence developed elsewhere.
### Project ref: T1058

**Title:** Understanding water quality - Taste and Odour, – internal data analysis summary

<table>
<thead>
<tr>
<th>Related performance commitment</th>
<th>Your drinking water is safe and clean.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service provider</td>
<td>N/A – internal analysis</td>
</tr>
<tr>
<td><strong>Date of study</strong></td>
<td>May 2017</td>
</tr>
</tbody>
</table>

### Research need
- UU seeks a holistic, deeper understanding of customers’ requirements as illustrated through data collected from the range of inbound customer contact channels available.

### Research objectives
- As part of a broader customer insight programme, this phase-two research aims to bring together inbound customer contact data specific to aerated water, chlorine/musty taste/odour, illness (medical opinion) for the period April 2014 to April 2017.
- It aims to highlight trends in the various water safety, quality and aesthetics contact reasons and volumes from a county, DMZ, WSZ, postcode and, where applicable, individual household perspective over the three year period.
- The research will also draw upon CSAT, SIM and Rant & Rave data to understand how customers make contact about water safety, quality and aesthetics rated UU’s response, whilst highlighting what UU did well and what UU could do better from the customer’s perspective.
- The research also focuses on chlorine reduction at two WwTWs: Sutton Hall and Huntington and seeks to answer the question ‘have musty taste/odour contacts increased since the reduction in chlorine?’.

### Methodology
- Inbound customer contact data was collated from various internal reports including inbound customer telephone calls, Live Chat conversations, Member of Parliament enquiries, written complaints and Twitter mentions specific to the above water safety, quality and aesthetics topics. The data was analysed for trends at a postcode and regional level between April 2014 and April 2017.
- CSAT and SIM data was collated to track customer’s overall satisfaction with UU’s response to their contact about a water safety, quality and aesthetics issue over the period. The data was also used to highlight what customer’s thought UU did well and what could have been done better.
- Rant & Rave data was analysed to seek trends, if any, in the overall scores customer’s rated UU’s response to their specific water safety, quality and aesthetics issue.

### Findings & conclusions from the research

[<<]
Action taken

- Further analysis to review the contacts around lead in water was completed in June 2017.
- The results of the data analysis have been considered as a key component in building a business case for the performance commitments concerning drinking water quality and the proposal to trial the adoption of customer owned lead pipes.
- The results have been reviewed along with valuation evidence developed elsewhere to provide input for the business plan.
<table>
<thead>
<tr>
<th>Project ref: T1059</th>
<th>Title: Understanding lead in water – internal data analysis summary</th>
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<tbody>
<tr>
<td>Related performance commitment</td>
<td>Your drinking water is safe and clean.</td>
</tr>
<tr>
<td>Service provider</td>
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</tr>
<tr>
<td>Date of study</td>
<td>May 2017</td>
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| Research need | [×] |
| Research objectives | [×] |
| Methodology | [×] |
| Findings & conclusions from the research | [×] |
| Action taken | [✗] |
United Utilities (UU) is obliged to consult its customers before preparing its Water Resources Management Plan (WRMP). The WRMP is a key component of the wider business planning process and any research around the WRMP will be used to support the 2020-2025 Business Plan.

UU is in the process of carrying out a broader piece of research into overall customer priorities, which will shape the 2020-2025 business plan; however, specific customer research is also required to explore customers’ preferences for water resources, levels of service and the options or plans that UU might create to address any changes to levels in service or to address a supply-demand deficit.

UU wishes to explore customer’s preferences for water resource levels of services and the options or plans that it might then create to address any changes to levels in service or to address a supply-demand deficit.

- explore customer priorities with regards to water resources service and option choices.
- capture customer views and opinions on how the company could respond to challenges it faces in the future
- test at a high level, aspects of affordability and impact of water bills on household budgets, of the potential plan choices.
- help to improve the awareness of customer behaviour, albeit noting that UU has already completed research in this area.
- guide the development of UU’s plan and inform the quantitative stages of engagement and UU’s approach to communicating with customers on this area.

7 focus groups conducted with household customers in the UU region across a diverse range of socio-economic groups, ages including metered and non-metered customers:
- Workington, Carlisle, Manchester, Blackpool, Macclesfield Liverpool and Burnley
- 10 depth interviews with non-household customers across a range of business sizes (by number of employees). A mix of water dependent companies (e.g. manufacturing, agricultural, leisure, some retail) and non-water dependent companies (e.g., offices, some retail) Specifically:
  - Micro-businesses (<10 employees): 2 x dependent and 1 x non-dependent, SMEs (10-249 employees): 3 x dependent and 2 non-dependent, Large water volume business users: 2 x dependent.

The role that UU plays - Awareness of water supply services that UU provides was high across all customers, other than future bill payers. Awareness of UU’s maintenance work was predominately amongst customers who had experienced issues in their local area.

- When presented with a full list showing the extent of UU’s services, no participants expressed surprise.

Customer priorities towards water management - Both household and non-household customer’s immediate priorities were the supply of clean, clear drinking water alongside wastewater removal. Over the next 5 years priorities were to have safe water, less impact on the environment, enough water to meet demand and sufficient wastewater treatment and drainage facilities to meet demand.

- The same views were expressed as priorities for the next 25 years but with several customers wanting customers being discourage to waste water, water meter usage whilst fixing more leaks.
- Educating people about the need to save water is considered one major factor to improve efficiency. Financial incentive to save water, including seasonal tariffs, higher rates for high water users and cheaper bills if water is saved is seen as the other major factor in making customers more efficient.
### Interruptions to water supply
Shorter, more frequent interruptions (12 hours every 2 months) were favoured by the majority of customers.
- Less frequent, longer interruptions (3 months every 10 years) were unacceptable to almost all customers.
- Household and non-household customers had few issues with TUBS, NEUBs and drought permits. Non-household customers did question the length of time they would be in place due to the impact on their businesses.
- Customers believe 1 TUB per year and 1 NEUB per decade was generally acceptable.

### Demand management options
When uninformed of cost, reliability and environmental impact, customers favoured desalination, reservoir storage, leakage reduction and water efficiency products.
- When informed of cost and environmental impact, desalination became unpopular amongst customers and leakage reduction became the most popular option.
- When informed of the relative reliability of each approach, reservoir storage and groundwater abstraction became the favoured options. Water efficiency products became the least popular option.

### Views on Water Trading
The large majority of customers believe the principle of trading water to other parts of the country at times of need is acceptable “as long as we don’t suffer”.

### Key messages from the research
- In the immediate, short and long term, business and customer’s priorities remain the same: safe drinking water, sufficient water supply and sufficient wastewater treatment services to meet demand.
- Education and promoting the benefits of meters is important. However some are reluctant to install a meter.
- Offering incentives, particularly financial, could help encourage customers to save more water.
- The frequency of TUBs, NEUBs and drought permits were acceptable for all. Non-household customers felt NEUBs could be as frequent as 1 in 10 years if it had an impact on their bill.
- When presented with reliability information, reservoir storage, groundwater extraction and water transfers became the most popular options amongst customers. Water efficient measures decreased in popularity.
- Many participants saw a number of benefits across the demand management options. Very few were completely disregarded.

### Action taken
- The study was used to help design further quantitative results required to support the water resources management plan development.
- The findings were inputs to constructing a service valuation element of the quantitative research to enhance decision making.
## Project ref: T1060

**Title:** Water resource management plan (WRMP) quantitative – stage 2

<table>
<thead>
<tr>
<th>Related Performance Commitment</th>
<th>Date of study</th>
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<tbody>
<tr>
<td>All</td>
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<tr>
<th>Service Provider</th>
<th>DJS Research</th>
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### Research need
- UU needs to consult its customers before preparing its Water Resource Management Plan (WRMP). The WRMP is also a key component of the wider business planning process and any research around the WRMP will also be used to support the 2020 – 2025 business plan.
- Specific customer research is required to explore customers’ preferences for water resources, levels of service and the options or plans that UU might create to address any changes to levels in service or to address a supply-demand deficit.

### Research objectives
- UU wishes to explore customer’s preferences for water resource levels of services and the options or plans that it might then create to address any changes to levels in service or to address a supply-demand deficit.
- More specifically, UU would like the research to:
  - Explore customer priorities with regards to water resources service and option choices.
  - Capture customer views and opinions on how the company could respond to challenges it faces in the future.
  - Test at a high level, aspects of affordability and impact of water bills on household budgets, of the potential plan choices.
  - Help to improve the awareness of customer behaviour, albeit noting that UU has already completed research in this area.
  - Guide the development of UU’s plan and inform the quantitative stages of engagement and UU’s approach to communicating with customers on this area.

### Methodology
- 595 face to face CAPI interviews were conducted with household customers
  - Male (47%) / female (53%)
  - 18-29 (7%) / 30-44 (28%) / 45-64 (38%) / 65-74 (17%) / 75+ (10%)
  - Cumbria (42%) / Merseyside (8%) / G Manchester (19%) / Lancashire (19%) / Cheshire (8%) / North Derbyshire (3%)
  - Metered (28%) / Unmetered (72%)
  - AB (24%) / C1C2 (46%) / DE (31%)

- 302 non-household customer interviews were conducted, 266 were online and 36 were face to face.
  - Single site (83%) / multi-site (16%)
  - Cumbria (17%) / Merseyside (14%) / G Manchester (40%) / Lancashire (19%) / Cheshire (8%) / North Derbyshire (2%)
  - Water consumption low (46%) / med (42%) / high (11%)

### Findings & conclusions from the research

#### Attitudes to Water Saving (Household)
- 81% of customers claim that they make a conscious effort to save water.
- 63% of customers don’t worry about water shortages due to rainfall in area (90% in Carlisle).
- 43% of customers claim that they don’t think about water saving and just take it for granted.

#### Attitudes to Water Saving (Business)
- 66% of non-household customers claim that they make a conscious effort to save water.
- 55% of businesses don’t worry about water shortages due to rainfall in area (90% in Carlisle).
- 40% of businesses claim that they don’t think about water saving and just take it for granted.
- 50% of businesses said they would be happy to restrict employee water usage to protect species (250+ employees – 65%).

#### Levels Of Service – Acceptability
- Levels of acceptability for TUBs and NEUBs are high, especially for households.
- 92% of all customers would accept a lower level of service for Temporary User Bans (TUBs), this increases to 94% for Non Essential User Bans (NEUBs).
- Acceptance levels for drought permits are lower, with 84% of HH and 77% of businesses accepting the status quo.
- Levels of acceptability are lower for respondents in the Integrated (West Cumbria) Zone compared to other areas for both drought permits and extreme events.
- Lancashire has a significantly lower acceptance of ‘extreme events’, and Greater Manchester has low scores for acceptance across all different measures and has a significantly lower acceptance for TUBs, Drought Permits and Extreme events.
• Initial questioning shows that 83% of households would like to keep the same level of service for TUBs, this increases to 85% for drought permits. This figure drops for business to 62% for TUBs and 65% for Drought Permits.
• Almost a third of businesses would like to see a better level of service with a potential bill increase.

Levels Of Service – Willingness To Pay / Accept
• Household customers express a slightly higher willingness to pay for a reduced frequency in Drought Permits (£4.57) compared to TUBs (£4.46).
• A high value is placed on the current levels of service and customers would expect a significant reduction on their bill if the service was to decrease.
• Just over 40% of households express £0 willingness to pay due to affordability or a strong desire that the service level is kept at the current level.
• Customers in Cumbria have significantly lower WtP whilst customers in Cheshire gave higher values for reduced frequency in TUBs.
• For non-household customers there is little difference in WtP for TUBS and Drought permits despite business customers expressing lower acceptability for current frequency of Drought permits.
• Non-household customers display less ‘elasticity’ in acceptance across different levels of service and this translates into more polarised WtP levels. Around a third of non-household customers would offer £0 WtP and a further third of customers would be willing to pay an additional 5%+ on top of their bill in order to improve the level of service. Business customers who have low levels of reliance on water (using water in the same way as a Household customer) have the lowest levels of WtP. Customers with a medium reliance on water have significantly higher WtP.

Priorities For Investment – Water Supply Options
• Reducing leakage is a clear priority for further investment for both household and non-household customers.
• Whilst there is some variation across resource zone, region and metering, leakage consistently appears top.
• Encouraging customers to use meters appears next on the priority list, however as one would expect this is significantly driven by metered customers views.
• Companies who have high water reliance are less likely to prefer leakage reduction and more likely to prefer river abstraction, desalination and building new reservoirs.
• The more environmentally friendly options such as water efficiency, metering and leakage reduction are more appealing to low water reliance companies.
• Option preferences have changed somewhat over time, however leakage continues to be the ‘top’ choice in both PR14 and PR19.
• Desalination has increased in popularity since PR14 as has river abstraction. Many of the options remain at the same level (underground water, transfer outside of the region, metering).
• Water efficiency has reduced in popularity but is still in the ‘top 5’.

Action taken
• The results of the analysis were used within Water Resources and Water Network to assist in business and operational planning and development of future strategy.
• The results were also used as part of the insight triangulation strategy to provide improved balance of valuation data
### Research need

United Utilities aims to engage with customers to ensure its investments and activities reflect customer priorities. Significant research has been conducted to understand customer views on individual service level improvements in water resources management planning. However, further understanding is needed in terms of how customers would perceive these proposals in totality (i.e. how do customers see the combined impact of service improvements alongside each other, their impact on supply and the impact on bills).

### Research objectives

To understand how customers would priorities and trade off investment in various service options when presented with a suite of service levels, the impact on supply and the associated bill impact.

### Methodology

866 customers completed an online survey in September 2017. A further update was undertaken in June 2018 to compare changes over time, which might indicate a range within which tolerances could be considered. The results of the second study are shown in square brackets in each of the services areas below.

The survey included an innovative interactive tool that allowed customers to decide how to balance their water supply-demand. The tool involved ‘sliders’ where customers could manipulate the supply and demand choices to their preferred levels whilst seeing the impact on supply levels and the bill impact of their choices.

Service options presented included leakage, hosepipe bans, drought permits, water efficiency, metering and supply options.

### Findings & conclusion from the research

#### Leakage

- A total leakage reduction of 44 Ml/d, [June 51 Ml/d] on average was preferred with a net willingness to pay over a supply scheme of around 40p [June 43p] per cubic metre. No preference for reducing visible leakage over non-visible.

#### Hosepipe bans

- 14% [June 16%] of customers wanted less frequent bans. An average choice 1 in 13 years (7.7 annual risk in each study), an additional 10 Ml/d available from the choices made.

#### Drought permits

- There was a slight preference for less frequent drought permits (1 in 24 years on average, 4.2% annual risk) – a reduction of 10 Ml/d resulted from the choices made. This was consistent in each study.

#### Water efficiency

- Most customers [June 88%] chose some water efficiency measures. No expensive schemes included so not possible to say whether it would be chosen over schemes to increase supply capacity.

#### Metering

- 75% [June 81%] metering was chosen on average. 14% of customers [June 13%] chose no increase and 43% [June 50%] chose near-universal metering (90% +).

#### Supply options

- Customers chose more water from reservoirs and boreholes and less from rivers, despite higher costs. This was consistent in both studies.

In a direct choice question customers generally chose in favour of the environment

- Reduced bills vs. improving the environment – customers chose to improve the environment (+1.6), again consistent across both studies.

- Reduce leakage despite costs v no change in leakage – customers chose to reduce leakage in both studies

- Hosepipe bans v environment – customers chose hosepipe bans to protect the environment in both studies

- Less water v enough for what I want to use – customers chose to use less water to protect the environment in both studies

### Action taken

- The research findings formed a key customer insight input into the water resources management plans.
- The findings were used in the PR19 service valuation initiative to provide additional data input and to aim balanced in decision making.
### Project ref: T1063

<table>
<thead>
<tr>
<th>Title:</th>
<th>Water resources management plan (WRMP) occupancy survey</th>
</tr>
</thead>
</table>

### Related performance commitment

Provide you with great water, dispose of your wastewater, give you value for money, protect and enhance the environment.

### Service provider

DJS Research  

**Date of study**  

October 2016

### Research need

- United Utilities (UU) supplies drinking water to approximately 7 million businesses and households in the North West of England. As part of its latest Water Resource Management Planning process UU needs to outline how it will make sure it can supply reliable, clean drinking water for customers over a minimum 25 year period.
- To make predictions around supplying reliable, clean drinking water for customers, household surveys are required to measure occupancy, property type and water usage.

### Research objectives

- To measure household occupancy, property type and water usage including water consumption, water efficiency measures and use of water outside the home.

### Methodology

- 2,082 telephone surveys completed with household customers between 3rd October and 2nd November 2016.
  - 73% owned / 26% rented
  - 18% detached / 34% semi-detached / 10% bungalow / 26% terraced / 11% flat
  - 51% metered / 49% unmetered

### Findings & conclusions from the research

#### Water Usage

- The majority of customers have a washing machine (97%), followed by a bath (85%) or a vehicle (77%).
- West Cumbria residents are significantly more likely to possess vehicles (82%), dual flush toilets (61%) and dishwashers (45%).
- The larger the household the more frequently appliances are used and detached houses tend to use various appliances on a more frequent basis than a number of other property types.

#### Water Saving

- Whilst ownership does vary by device, it is clear that the vast majority do not own a device of any kind.
- Water saving devices are more likely to be in newer properties, properties with a meter and in West Cumbria.

#### Outside the Home

- Over four-fifths (84%) of customers have a garden in their properties - size of garden varies with home ownership with home owners being significantly more likely to own larger sized gardens than those who only rent.
- However, not all those who own a garden also own a lawn and/or plants that require watering. In fact only 54% of garden owners also own a lawn or plants whilst 46% of garden owners do not.
- The main appliance owned is a hosepipe (47%) followed by a pressure washer (22%). Nearly half (46%) of all garden owners don’t own an appliance of any kind, a figure that rose to 60% amongst terrace properties and 93% amongst flats.
- Most do have either one of an outside tap (48%), water butt (8%) or both (14%). Around a third (29%) had neither.
- Those on a water meter are significantly less likely to wash their vehicles at home (72% say no cf. 68% unmetered).

The main pieces of equipment used when washing vehicles are a bucket and sponge (83%) and/or a hosepipe and attachments (46%).

### Action taken

- The project is a component part of the wider set of customer research required to construct the 5-year water resources management plan
Chapter 2: Supplementary document - S1001

<table>
<thead>
<tr>
<th>Project ref: T1064</th>
<th>Title: Water abstraction research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related performance commitment</td>
<td>You have a reliable supply of water now and in the future. The natural environment is protected and improved in the way we deliver our services.</td>
</tr>
<tr>
<td>Service provider</td>
<td>Verve (via WaterTalk online community panel)</td>
</tr>
<tr>
<td>Date of study</td>
<td>Jan – Feb 2018</td>
</tr>
</tbody>
</table>

**Research need**
- There are certain guidelines that United Utilities need to adhere to when water is taken from the environment. Guidelines are set by the Water Industry National Environment Programme (WINEP) in order to protect the environment, meet legal requirements, and show that water is being collected in a responsible way.
- The aim of this customer research is to assess customer priorities in this area.

**Research objectives**
- To measure customer opinions and expectations regarding:
  1. What do customers expect of United Utilities when it comes to environmental initiatives, and why?
  2. Would customers like United Utilities to invest more, less or the same amount in these?
  3. What do customers think of United Utilities’ performance in this area?

**Methodology**
- 1,049 online quantitative surveys were completed with WaterTalk members between 25th January and 5th February 2018.
  - 60% male / 40% female
  - 10% 18-30 / 29% 31-54 / 61% 55+
  - 15% Cheshire / 8% Cumbria / 35% Greater Manchester / 24% Lancashire / 17% Merseyside
- Data was weighted by age, gender, and region to be demographically representative of United Utilities’ customer base.

**Findings & conclusions from the research**
- What do customers expect of United Utilities when it comes to environmental initiatives, and why?
  - Ensuring environmental protection is very important. Almost all (96%) think it is important for UU to invest in related initiatives, primarily to secure water supplies now and in the future.
  - When collecting water, customers expect United Utilities to:
    - Protect the natural environment
    - Monitor and manage water supplies
    - Minimise negative environmental impact.
  - Customers would also welcome investment in broader, non-essential schemes such as ensuring all UU land is put to best use, and supporting customers to also act responsibly (NB the impact on customers’ bills were explored based on £0.33 per annum.)

- Would customers like UU to invest more, less or the same amount in environmental initiatives?
  - Opinion is split in terms of whether United Utilities should invest more in WINEP-related initiatives.
  - Half (51%) – and more of those on higher incomes – would pay for greater investment in this area; they see environmental protection as a shared responsibility and feel that the current payment to support this is small.
  - However, half (49%) – especially those on lower incomes and those over 35 – think this should be part of United Utilities’ core responsibility, and / or feel that their water bills are high enough already.
<table>
<thead>
<tr>
<th>Action taken</th>
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</thead>
<tbody>
<tr>
<td>What do customers think of United Utilities’ behaviour in this area?</td>
</tr>
<tr>
<td>• Two-thirds (66%) trust UU to challenge environmental requirements when appropriate, and 60% agree that they act responsibly towards the environment.</td>
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<tr>
<td>• However, before reading about WINEP-related initiatives, a considerable proportion (%) were unaware how UU acts in this area.</td>
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<tr>
<td>• Positivity (towards trust in UU?) increases after seeing relevant information – demonstrating that further communication about UU’s work in this area would promote trust and other positive brand impressions.</td>
</tr>
<tr>
<td>• The results will be used in decision-making for the PR19 planning process on Water Abstraction strategy and will be used to help triangulate results gained across the customer research programme</td>
</tr>
<tr>
<td>• The findings also contributed to considerations in the performance commitments for enhancing natural capital value for customers</td>
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<tr>
<td>Project ref: T1083</td>
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<td>-------------------</td>
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<tr>
<td>Related Performance Commitment</td>
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<tr>
<td>Service Provider</td>
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<td>Date of study</td>
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**Research need**
- UK water resources are under significant and growing pressures. The UK water industry is developing water resource management plans (WRMPs) to ensure the long-term resilience and sustainability of water supplies.
- One of the ways in which water companies could help to manage future resources is to trade water between regions. This would mean transferring water from areas in which there is a surplus (such as the North West of England / Wales), to those areas that will be hardest hit by a deficit (i.e. London and the South East).
- Research is needed to evaluate customer views on water transfer solutions in comparison with water supply and demand management alternatives.

**Research objectives**
- Insight will feed into WRMPs ensuring customer interests are at the heart of any long term plans produced
  - To understand the spontaneous views of customers towards possible water resource management options
  - Ascertain customer views towards water trading specifically, focusing on perceived barriers and assurances needed to overcome these barriers
  - How the above differs across key customer groups including region, household / non-household and demographic

**Methodology**
- A joint research project was conducted between United Utilities, Thames and Severn Trent to understand customer views on water trading from the North West to the South of the UK.
- 1505 online surveys conducted with household customers across the United Utilities, Thames and Severn Trent regions. Samples for each water company reflected a mix across age, gender and social grade. Selected by water company postcode to ensure accurate representation of customers.
- 173 household depth interviews conducted across the United Utilities, Thames and Severn Trent regions (a mix of location, demographics (age, gender, social grade) and vulnerability (financial, health and wellbeing, water dependent medical condition))
- 49 non household depth interviews conducted with small, medium and large businesses across the United Utilities, Thames and Severn Trent regions. (a mix of location, business size, sector, water bill spend and water critical and non-critical businesses)

**Findings & conclusions from the research**

<table>
<thead>
<tr>
<th>Informed reaction to water scarcity</th>
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<tbody>
<tr>
<td>- 72% of customers are concerned about water scarcity, particularly those in Thames Water areas. The main reason for lack of concern is due to the UK’s wet climate</td>
</tr>
<tr>
<td>- Customers question why they don’t know more given the severity of the issue</td>
</tr>
<tr>
<td>- In addition to running out of water, customers are worried about the potential impact on water quality, bills, restrictions and wastage</td>
</tr>
<tr>
<td>- Customers question why they don’t know more given the severity of the issue</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Anticipated solutions to the water scarcity issue</th>
</tr>
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<tbody>
<tr>
<td>- Customers recognise that water scarcity is a long term issue requiring immediate nationally co-ordinated action</td>
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<tr>
<td>- Customers believe widespread education is needed</td>
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<tr>
<td>- They assume that fixing leaks will be the major priority for water companies. This is also the preferred demand solution for all customers</td>
</tr>
<tr>
<td>- Both Household and Non Household customers believe individuals have a role to play in conserving water</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Preference for supply solutions</th>
</tr>
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<tbody>
<tr>
<td>- Water reuse is the most preferred solution, closely followed by building new reservoirs. Whilst re-use and reservoirs are preferred, Thames Water customers are more likely than other customers to choose water transfer first</td>
</tr>
<tr>
<td>- Customers recommend that *sustainability is the top selection criteria</td>
</tr>
</tbody>
</table>
## Level of support for water trading
- Multiple concerns raised about security of supply, environmental and financial impacts
- Donor customers are concerned as to the impact on their supply
- Thames Water customers ask whether water will be available when needed
- Despite concerns, 74% ‘agree’ they support water trading as part of the solution - it’s logical to share

## Cost implications of water trading
- Customers assume they will cover the cost of water trading through increased bills.
- Thames customers recognise the need for bill increase but are unable to assess fully without a figure
- In donor regions, 40p is seen as better reinvested into future water resources

## Key assurances required
- Customers find it difficult to decide on the best solution and put their trust in water companies to choose for them
- Transparency and fairness is at the heart of assurances needed
- Eight assurance statements have been developed to help mitigate core areas of concern with water trading
- Customers also need to know that there is continued improvement in demand management

## Action taken
- The research findings have informed the approach to the water resources management plan (WRMP).
- Future discussions with potential water trading partners will reflect customer attitudes and concerns
- Findings have been discussed with the YourVoice Customer Engagement subgroup
### Project ref: T1065

<table>
<thead>
<tr>
<th>Title:</th>
<th>Reducing wet wipe flushing trials</th>
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### Related performance commitment
- The risk of sewer flooding for homes and businesses is reduced.

### Service provider
- Frontier Economics and Systra Research
- **Date of study**: September 2017 - Ongoing

### Research need
- Around 50% of United Utilities 25,000 blockages per year are caused by soft blockages which often involve wet wipes and costs around £10m per annum to unblock. 3.8 billion Wet wipes are brought annually in the North West covering around 1.5 million households and blockages are more common in areas that buy more wet wipes.
- Reducing wet wipe flushing will help to reduce the number of blockages affecting customers and ultimately reduce the cost of blockages.

### Research objectives
- To determine the most effective and impactful messaging to reduce the incidents of wet wipe flushing.

### Methodology
- **Cubicle Trials** were conducted using different messaging to determine which types of messages impact wet wipe flushing the most. Messages were placed in toilet cubicles in a shopping centre during December 2017 and the number of wipes dispensed and binned was measured for each message. The messages were split into three types, environmental messaging, household damage / cost messaging and no message. 75% of cubicles were ladies and 25% of cubicles were men’s. 1,603 wipes were counted in total.

- **Nursery school trials** were conducted aimed at changing behaviours, targeting habit formation in young children and their parents.

  18 nursery schools were recruited to take part (6 x control group / 6 x environmental messaging / 6 x household damage / cost messaging). They have been issued with toilet training packs, advice, messaging and reward charts. A survey was conducted at the start of the trial to measure reported behaviour and a further survey will be completed at the end of the trial to determine any changes in reported behaviours. This research is ongoing.

### Findings & conclusions from the research

#### Cubicle Trials
- Only 1/3rd (37%) of the general population will flush wipes.
- 63% of people have learned to bin them and did this without any messaging.
- Point of use messaging was effective at further reducing wipes flushed and both forms of strong message used were effective
  - There was a reduction of 33% in wipes down the drain using the environmental messaging
  - There was a reduction of 26% in wipes down the drain using the household cost messaging
- Recommendation is to continue with strong messaging (both household and environmental) in key blockage areas. Messaging should be provided at point of use (i.e. in cubicles) to build association between the message and desired behaviours. This could be developed in partnership with local businesses with an interest in reducing blockage costs.

#### Nursery Trials
- The nursery trials are ongoing with results expected mid-2018.

### Action taken
- Results of the trial informed the development of proposals in the business plan concerned with helping to reduce the risk of sewer flooding.
- A new performance commitment and supporting ODI focused on raising the awareness to reduce the risk of flooding was informed as a result of lessons learned from this trial activity as well as evidence from other research.
## Chapter 2: Supplementary document - S1001

### Project ref: T1071

<table>
<thead>
<tr>
<th>Title:</th>
<th>Sewer misuse – Phase 1</th>
</tr>
</thead>
</table>

### Related performance commitment

- The risk of sewer flooding for homes and businesses is reduced & Protect and enhance the environment

### Service provider

- DJS Research
- **Date of study**: Feb 2017

### Research need

The misuse of sewer by flushing/putting items other than pee, poo or paper down the toilet and drain is an area of particular concern for UU due to the damage and problems this causes to the sewerage network. UU has been issuing communications around what to put down sewers and drains in the Preston area. Prior to embarking on this campaign, UU wished to understand more about the existing behaviours of customers in the area and to explore the reasons behind the misuse of sewers. In order to effectively measure the success of the campaign, further research is required in the area.

### Research objectives

- Explore which specific items customers are choosing to flush or put down the drains and the frequency in doing so.
- Analyse awareness levels in terms of which items customers believe they should or shouldn’t put down their loo/drains and whether or not customers’ actions correlate with awareness levels
- Identify how many and which types of customers have experienced blockages and issues with their drains.
- Explore the attitudes towards putting items down the loo/drains and whether or not customers are aware of seeing any communications regarding sewer misuse previously.

### Methodology

- 620 interviews were conducted with customers, 450 by CATI and 170 online.
- Two areas were surveyed, Preston, as the target area (430 interview) and Chester, as the control area (190 interviews)
- Additionally, in order to provide a control area to check if the research itself has had any impact on awareness, a number of Preston postcodes were removed from the sample. This area will be tested and compared to the rest of Preston in the post wave research.

### Findings & conclusion from the research

- **18% of customers flush toilet wipes down the loo and 25% put some form of wet wipe down the loo.** Toilet wipes are the most disposed of items down the loo/drains (apart from the three Ps) and customers that have children in nappies are even more likely to do this. If you look at all types of wet wipes then this rises to a quarter of customers. Pet/human hair and food waste also ranked highly in terms of other items flushed.

- **32% of those that dispose of these wipes in this way do so daily.**
- Of the customers that have flushed toilet wipes, around a third of these are disposing of them on a daily basis.

- **25% of customers believe that they are allowed to flush toilet wipes.**
- Nearly a quarter of customers believe they are allowed to dispose of toilet wipes down the drains and a fifth of customers say they sometimes flush items because the packaging says it’s flushable. Although toilet wipes are the top misconception, this item was closely followed by tampons with around a fifth of customers believing they are allowed to flush these (this rises to 30% in Chester). Around a fifth have also experienced a blocked toilet.

- **Only 17% of customers are aware of seeing any communications regarding what not to flush.** (16% in Preston and 20% in Chester)

### Action taken

- The research findings were taken into account when creating the communications campaign to support the planned trial of influencing customer behaviour concerning what not to flush down the drain.
### Chapter 2: Supplementary document - S1001

**Project ref:** T1112  
**Title:** Sewer misuse quantitative research – stage 2

| Related performance commitment | The risk of sewer flooding for homes and businesses is reduced & Protect and enhance the environment |
| Service provider | DJS Research  
| Date of study | August 2017 |

<table>
<thead>
<tr>
<th>Research need</th>
<th>The misuse of sewer by flushing/putting items other that pee, poo or paper down the toilet and drain is an area of particular concern for UU due to the damage and problems this causes to the sewerage network. UU has been issuing communications around what to put down sewers and drains in the Preston area. Prior to embarking on this campaign, UU wished to understand more about the existing behaviours of customers in the area and to explore the reasons behind the misuse of sewers. In order to effectively measure the success of the campaign, further research is required in the area.</th>
</tr>
</thead>
</table>
| | • Explore which specific items customers are still choosing to flush or put down the drains and the frequency in doing so.  
| | • Analyse any changes in awareness levels in terms of which items customers believe they should or shouldn’t put down their toilets/drains and whether or not customers’ actions correlate with awareness levels.  
| | • Identify how many and which types of customers have experienced blockages and issues with their drains.  
| | • Explore any shift in attitudes towards putting items down toilets/drains and whether or not customers are aware of seeing any communications regarding sewer misuse. |

| Methodology | To meet the objectives listed above a total of 370 interviews were conducted with customers living in the Preston area where the communication campaign was trialled. 303 interviews were via CATI and 67 were completed online.  
| | • To ensure that customers’ awareness of the campaign was not influenced by/due to the research agency contacting participants during the first wave of surveys, previously contacted customers were excluded from this wave of surveys. |

| Findings & conclusions from the research | Two in five customers put some form of wet-wipe down the toilet. A slightly higher proportion of women are more to flush them than men but this has reduced since the first survey. The two segments which are most likely to flush them are customers in the 25-34 age range and parent with children under the age of five but out of nappies.  
| | • There has been a slight increase in awareness of what not to flush since the first round of surveys however 21% of customers still felt toilet wipes were fine to flush, 16% tampons, 8% pet/human hair and 7% cleaning/disinfectant wipes.  
| | • Whilst there has been a slight decrease in the number of people flushing items because the packaging says it is flushable there has been an increase in customers stating they have had a blocked toilet due to putting too much toilet paper into it, with one in five customers saying this has occurred recently.  
| | • Four in every five customers surveyed were unaware of any communication campaigns about what not to flush. Of the 16% of customers that were aware the majority said they saw it on a TV programme, on the news or in a newspaper.  
| | • Only 1% of customers surveyed mentioned seeing a leaflet/flyer spontaneously. Once shown the UU campaign, 7% of customers recalled seeing the campaign. 40% of those who recalled seeing the campaign saw it on a leaflet and 40% recalled hearing about it when they called UU or seeing something on their water bill.  
| | • Although awareness of the campaign was low, those that could recall it correctly remembered the key messages. |
### Key messages from the research

- There has been a slight reduction in the proportion of customers flushing unwanted items since the first wave of surveys with wipes (particularly toilet-wipes), cooking oils and kitchen towels being significantly different.

  The demographic of those flushing wipes appears to be changing. In the first wave there was a stronger propensity amongst females in their mid-thirties to forties with young children out of nappies but this has become less prominent with the demographic becoming less defined. It is unclear whether the flattening of this demographic is the result of targeted messaging but the lack of demographic definition now means that UU can concentrate targeting other indicators such as geographical area.

- There appears to be greater awareness of the items that should not be disposed of down the toilet/drains but conversely there has been a rise in the number of instances where customers have blocked their toilets by flushing too much toilet paper. Whilst toilet paper is acceptable to flush and UU communication stress this point, it might be beneficial for customers to remind them that excessive use of toilet paper is not without risk.

- Customer awareness of hearing/seeing about what not to flush is largely consistent with the first wave of survey results with unprompted and prompted recall of the UU campaign being fairly limited. It may be more telling for UU to monitor real behaviour change as opposed to campaign recall as the attitudinal and behavioural changes seen do not appear to corroborate with the low awareness levels.

### Action taken

- This research, along with other ancillary studies has been used to develop proposals concerned with reducing the risk of sewer flooding, which is a material issue for the business plan.

- It has also provided a key focus for making customers more aware of how their behaviour can adversely affect the risk of flooding. This is now underpinned in the business plan by a targeted performance commitment and associated ODI.
**Project ref:** T1072  
**Title:** Understanding behaviour causing blockages – qualitative stage

<table>
<thead>
<tr>
<th>Related performance commitment</th>
<th>Protect and enhance the environment &amp; The risk of sewer flooding for homes and businesses is reduced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service provider</td>
<td>Keep Britain Tidy</td>
</tr>
<tr>
<td><strong>Date of study</strong></td>
<td>July 2017</td>
</tr>
</tbody>
</table>

### Research need
- UU engineers unblock over 20,000 blockages per year with items such as wet-wipes, sanitary towels and fats, oils and grease often the cause.
- The impact of blockages and flooding from non-flushable items being disposed of incorrectly has a negative impact on individuals, communities, the environment, the UU network and household bills.
- UU seeks to understand customers’ beliefs and behaviours about what is acceptable to flush/pour down a drain in order to successfully change the behaviour through educational campaigns.

### Research objectives
- To identify and understand customers’ beliefs and behaviours that dictate:
  - how people dispose of fats, oils and grease (FOG)
  - the items people choose to flush, or not flush, down the toilet.
- To measure the impact of previous campaigns and overall awareness of what not to flush and pour down the drain.

### Methodology
- 12 x 1 hour depth interviews with customers from three areas across the North West to explore the beliefs, motivations and behaviours behind what people flush/pour down the drain.
- Due to the majority of the products causing blockages used mainly by females and parents (e.g. sanitary towels, tampons, make-up wipes, nappies and baby-wipes), slightly more females than males will be interviewed alongside a proportion of parents to children under the age of three.
- The results from this stage will shape the following quantitative and innovation workshop stages.

### Key messages from the research
- People see businesses as the cause of large volumes of FOG entering the sewer system and see themselves as unlikely to be adding to the situation due to the small amounts they wash away down the drain.
- Pouring/flushing behaviour is often habitual, with little thought of the consequences at the time.
- Confusion about product packaging with “flushable” written on is high.
- Wet-wipes and small, easy-to-flush items are most likely to be flushed. Items such as cotton are thought to biodegrade quickly.
- There is widespread uncertainty about what not to flush/pour down the drain and education is needed to inform people better.
- Awareness of campaigns and the environmental impact is very low and with the correct information it could challenge and change behaviours.
- People tend to only alter their behaviour once they have experienced a personal blockage/flooding issue.

### Action taken
- This research, along with other ancillary studies has been used to develop proposals concerned with reducing the risk of sewer flooding, which is a material issue for the business plan.
- It has also provided support for the future messaging to make customers more aware of how their behaviour can adversely affect the risk of flooding. This is now underpinned in the business plan by a targeted performance commitment and associated ODI.
### Project ref: T1119

**Title:** Understanding behaviours causing blockages – quantitative Stage

**Related Performance Commitment**

Protect and enhance the environment  
The risk of sewer flooding for homes and businesses is reduced

**Service Provider**

Keep Britain Tidy  
**Date of study**  
Aug 2017

### Research need

- UU engineers unblock over 20,000 blockages per year with items such as wet-wipes, sanitary towels and fats, oils and grease often the cause.  
- The impact of blockages and flooding from non-flushable items being disposed of incorrectly has a negative impact on individuals, communities, the environment, the UU network and household bills.  
- UU seeks to understand customer’s beliefs and behaviours about what is acceptable to flush/pour down a drain in order to successfully change the behaviour through educational campaigns.

### Research objectives

- To identify and understand customer’s beliefs and behaviours that dictate:  
  - how people dispose of fats, oils and grease (FOG)  
  - the items people choose to flush, or not flush, down the toilet.
- To measure the impact of previous campaigns and overall awareness of what not to flush and pour down the drain.

### Methodology

- 1,073 online surveys completed by a regionally representative sample of North West residents on fats, oils and greases (FOG) in Aug 2017.  
  1. 47% males / 53% female  
  2. 15% 18-34 / 17% 35-44 / 22% 45 – 54 / 23% 55-64 / 24% 65+  
  3. 41% metered / 59% unmetered
- 1,118 online surveys completed by a regionally representative sample of North West residents on non flushables in Aug 2017.  
  4. 45% males / 55% female  
  5. 20% 18-34 / 16% 35-44 / 21% 45 – 54 / 23% 55-64 / 20% 65+  
  6. 42% metered / 58% unmetered
- These quantitative surveys were a follow up to an qualitative research stage that took place in July 2017

### Findings & conclusions from the research

- 4 out of 10 people (42%) admitted to washing FOG down the sink. This, however, increased to 67% of people who admit to washing FOG down the sink with hot water and washing-up liquid.
- Only 40% of people said they always or often pour leftover FOG into a container to dispose of in the bin. 12% of people pour leftover FOG onto their garden compost and 7% said they dispose of FOG directly down their toilet.
- Looking at gender differences, more males (32%) than females (26%) believe it is acceptable to pour a ‘glug’ of FOG or more down the sinks without causing an issue.
- A quarter of people agreed that fat and oil is ok to put down the sink as long as washing up liquid is used and 22% said this is ok as long as hot water is used.
- Almost 3 in 10 people who use containers for collecting FOG said they do this to avoid harming the environment. Awareness of the environmental issues caused by FOG appeared to be fairly high, with 67% saying it would harm aquatic/marine species and 64% saying it would pollute beaches and waterways.
- Half of all respondents stated they have never been told what should be done with leftover oil or fat. 1 in 5 people said they have been told how to dispose of FOG by a parent.
- An average of 76% of respondents suggested that being aware of the impacts of FOG would change their behaviour. The two impacts which appear to be slightly more likely than the others in changing behaviour were: knowing that disposing of no FOG down the sink would help to prevent a blockage in household drains (77%) and knowing that disposing of no FOG down the sink would help to prevent pollution in seas and rivers (76%).
- The most frequently flushed item was toilet tissue wet wipes, with 30% of people who use these suggesting they always or frequently flush these down the toilet.
- The most acceptable reason for flushing an item, was if it said ‘flushable’ on the packet, with 68% of people suggesting this is acceptable. The second most acceptable scenario in which to flush items was if it has been used in place of toilet paper (e.g. toilet tissue wet wipes) (44%).
- The products perceived as most likely to break down or biodegrade in the sewer if they are flushed down the toilet, aside from toilet paper, were toilet tissue wet wipes, with a third of people believing these would break down.
2 in 5 people believe that all items will be filtered out at the water treatment plant if they are flushed down the toilet.

37% of people who use toilet tissue wet wipes suggested they have never been told how they should be correctly disposed of these, and 45% of people said they have never been told how to dispose of baby/children’s wipes.

38% of people said that being more aware of the environmental impacts of flushing the wrong things down the toilet would be most likely to change their behaviour.

Of respondents who have previously experienced a drain blockage in their house, 75% said that this had made them more careful about what they put down the toilet, and the same amount said it made them more careful about what they put down the sink.

**Action taken**

- The research findings have been used to influence the business plans concerning reducing sewer blockages and flooding for PR19.
- In particular, the development of the ODI for raising customer awareness to reduce flooding has been informed by our research of the behavioural causes of blockages.
## Related performance commitment
You have a reliable supply of water now and in the future.
The risk of sewer flooding for homes and businesses is reduced.

## Service provider
Frontier Economics
date of study August 2017

## Research need
- At PR19, Ofwat expects companies to make the best use of the available data they have to inform valuations including operational data and customer contacts.
- There is a need to understand what our internal data is telling us about supply interruptions, sewer flooding and customer contact reasons.

## Research objectives
- To analysis internal customer contact data to understand:
  1. What does the data tell us about customers’ relative priorities to avoid different service interruptions?
  2. What are the impacts on customers from different types of supply interruptions?
  3. How much worse is a sewer flood than a supply interruption?
  4. How does the length and time of an unplanned interruption affect customer contacts?
  5. What else can we learn about who contacts, when and how?

## Methodology
- Analysis and review of multiple internal data sources including:
  - Customer contact data
  - Supply interruption data
  - Sewer flooding data
  - Area characteristics
- All data was matched together for econometric analysis, and then split into 3 ‘cuts’ to address different issues
  - Cross sectional data sets
  - Weekly panel datasets
  - Hourly panel datasets

## Findings & conclusions from the research
- Customer contact data suggests sewer flooding is between 170 and 1,500 worse than an unplanned supply interruption.
- Customer contacts per property affected are highest in the first 2 hours of a supply interruption and decrease afterwards. The contact levels appear to increase after 6 hours of a supply interruption, but this is interpreted from the much smaller number of properties who experience events of longer duration suggesting that customers are most “worried” during the first two hours of an interruption.
- Events affect telephone call volumes, but not other channels of communication such as live chat and written complaints
- Local characteristics affect the mean number of contacts of a particular postcode:
  - Urban or less deprived customers contact more than rural or more deprived customers
  - Home ownership and full time employment, older age and being a family also increase contacts
However, while local characteristics affect the baseline rates of contact, they do not affect the increase in contacts that follows a resilience event.

- Three ‘big’ events at Franklaw, Sweetloves and Buckton Castle water treatment works had a bigger response than a typical unplanned interruption; Franklaw and Sweetloves was even worse than a typical sewer flooding event.
  - In terms of calls per affected properties, Franklaw and Sweetloves were much worse than a typical sewer flood.
  - Franklaw had around twice as many calls per affected property than single typical sewer flooding event.
  - Sweetloves had around three times as many calls per affected property than single sewer flooding events.
  - Buckton Castle was ten times worse than single unplanned interruptions, but had only around 60% of the calls that single sewer flooding had.

- This information will be used within the research cross-check / triangulation process to provide customer evidence in scaling the relative impact of service failure incidents.

### Action taken

- The analysis has been used to inform the business plan proposal relating to supply interruptions and reducing sewer flooding.
- It has also been used in the PR19 insight triangulation framework to provide balanced input to improve decision making.
### Project ref: T1109
- **Title:** Impact of repeat sewer flooding versus single flooding research
- **Related performance commitment:** The risk of sewer flooding for homes and businesses is reduced.
- **Service provider:** Frontier Economics and Systra Research
- **Date of study:** September 2017

**Research need**
- In advance of PR19, UU needs to make decisions about its service operations and future investments.
- There are existing customer valuations for external and internal sewer flooding by ad-hoc causes such as blockages and collapses, but for systemic, network-related flooding may require larger investments.
- An understanding of how customers think about repeat sewer flooding vs. one-off sewer flooding is required, and particularly the size of any repeat flooding “factor” vs single incidents.

**Research objectives**
- To measure customer opinions in order to:
  1. Understand how customers feel about sewer flooding and in particular how a single incident might compare to repeat sewer flooding incidents.
  2. To determine valuation ranges for the ‘repeat flooding factor’

**Methodology**
- A multi staged online survey was used to collect customers views in two different ways (direct valuation and trade off valuation) in order to reduce genuine ambiguity as most customers haven’t experienced flooding, and an extreme situation can be difficult to imagine.
- 491 face to face interviews with general customers and 10 phone interviews with customers that have experienced repeat sewer flooding took part between 14th and 31st August 2017.
- Demographics were broadly reflective of the customer base:
  - 56% male / 44% female
  - 23% 17-35 / 37% 36-55 / 40% 55+
  - 20% AB / 54% C1C2 / 26% DE
  - 34% Cheshire / 12% Cumbria / 24% Greater Manchester / 20% Lancashire / 9% Merseyside

**Findings & conclusions from the research**
- Most customers haven’t experienced flooding, and an extreme situation is difficult for them to imagine.
- On average customers think that a repeat sewer flooding incident is 3.4 times worse than the first.
- Customers could not prioritise preventing repeat sewer flooding vs. one-off sewer flooding.
  - Many customers felt they shouldn’t have to choose between preventing one off and repeat sewer flooding, and that all flooding should be prevented
- Respondents rated customers with young children and customers over 65 as those that should be prioritised for the prevention of sewer flooding

**Action taken**
- The analysis findings have been used to inform the business plan proposals relating to reducing sewer flooding.
- In particular, the performance commitments focusing on reducing hydraulic internal and external flood risk have been influenced by this research.
- The analysis has been used in the PR19 insight triangulation framework to provide balanced input to improve decision making
**Chapter 2: Supplementary document - S1001**

<table>
<thead>
<tr>
<th>Project ref: T1068</th>
<th>Title: Immersive household research - River Irwell catchment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related performance commitment</td>
<td>You have a reliable supply of water now and in the future and the natural environment is protected and improved in the way we deliver our services</td>
</tr>
<tr>
<td>Service provider</td>
<td>Frontier Economics, Start Design and Systra Research</td>
</tr>
<tr>
<td>Date of study</td>
<td>July 2017</td>
</tr>
</tbody>
</table>

**Research need**
- In advance of PR19, UU needs to make decisions about its service operations and future investments.
- Research is needed to understand customers’ views and preferences associated with the environmental impacts of collecting, treating and recycling water, and the extent to which they are willing to pay to support improvements to the existing service.

**Research objectives**
- To measure customer opinions in order to:
  1. Collect customer views and valuations relating to collecting, treating and recycling of water on:
     - a healthy river to support wildlife;
     - managing land to protect wildlife;
     - visual appearance of rivers;
     - safety of rivers for recreational use; and
     - green spaces for recreation and well-being.
  2. Understand views on WTP for service improvements relating to catchment solutions including testing how the WTP may change depending on the environmental focus of the management interventions

**Methodology**
- An immersive experience was created for customers in the form of a workshop so that they could give meaningful views on issues that are not part of their usual customer experience.
- Room sets, Emoji Diaries, role-plays, interactive games and activities were designed to give the sessions increased impact compared with standard research techniques.
- Participants were provided with educative information to help with decisions.
- 196 customers took part across two immersive workshops on 16th and 18th July 2017.
  - 54% male / 46% female
  - 21% 16-35 / 51% 36-65 / 24% 65+
  - 20% AB / 54% C1C2 / 26% DE

**Findings & Conclusions from the research**

- More than half of customers said they were prepared to pay for improvements to ecosystems on three or more of the five ecosystem services presented to them.
- The results showed that:
  - 86% of participants opted to buy at least one service improvement;
  - 55% bought three or more service improvements; and
  - 20% bought service improvements on all five ecosystem services.
- The mean spend across all five ecosystem services was £3.43 per household per year.
- Green spaces for recreation, and a healthy river to support wildlife were the most popular ecosystem services.

**Action taken**
- These findings were used in informing the business plan proposals and in setting targets and incentives rates for the following ODI s
  - reducing pollution incidents,
  - improving the water environment and
  - improving water quality.
- These results have also provided input to the overall PR19 insight triangulation framework, providing a range of valuation insight to improve decision making.
Research need

- The Water Framework Directive (WFD) provides a legal requirement for river water quality standards, and the Environment Agency (EA) tests the quality of rivers in the UK to assess if they are meeting these standards. The EA has found that some stretches of rivers in the UU region (particularly in smaller river water catchments) are struggling to meet good ecological status, due to phosphorus levels in the river. UU is in discussion with the EA on how the quality of these rivers can be improved.
- Two possible options are available to UU to improve the quality of rivers: chemical dosing or catchment management solutions (CMS) and customer and stakeholder opinions are needed to help guide UU’s decision-making in the option it chooses to use.

Research objectives

- To explore the benefits and challenges of chemical dosing and CMS options with customers and stakeholders.
- Once educated on chemical dosing and CMS, identify which option is preferred by both groups.
- Understand how UU could work with stakeholders to make whichever option is preferred a success.
- Explore customer and stakeholder opinion towards biosolids as an alternative to traditional fertilizers.

Methodology

- Two deliberative workshops held on the 26th July 2017, one containing fifteen stakeholders (farmers and landowners within the Petteril catchment area) and one containing thirty customers living up and downstream of the River Petteril.
- The customer group was first educated on the challenges and the potential options available before a discussion about the available options. Discussion included what UU should invest any potential financial savings achieved through the option chosen. Behavioural-Economic insights to the way sessions were designed (e.g. framing of options) were also applied.
- The stakeholder group, recruited in partnership with the Eden Rivers Trust, discussed the challenges UU and stakeholders face in regards to river quality and the two options available to UU. Stakeholder’s willingness to work with UU on the chosen initiative was also discussed, including the reduction of phosphorus use/run-off.

Findings & conclusions from the research

- CMS is the more popular of the two options available.
  - The stakeholder group was strongly critical of chemical dosing.
  - The customer group generally preferred CMS but were open to a hybrid approach due to the reliability of chemical dosing.
  - CMS was perceived to be a more sustainable, long-term option by both groups.
- Concerns exist about the elements needed for CMS to be a success.
  - The customer group was concerned that success depends on effective engagement with local farmers and landowners but felt it was possible with financial support.
  - Stakeholders believed a strategic approach must be adopted for selecting schemes and that a funding mechanism must be in place. They felt any mechanism should be easy to apply for and should operate on a long-term basis.
  - There was enthusiasm for an independent party to manage the scheme.
- Any savings made through CMS should be invested in flood mitigation.
  - The majority of customers felt that any saving that is achieved through the adoption of CMS, rather than chemical dosing, should be invested in flood mitigation schemes.
  - Customers were broadly supportive of greater use of SuDS.
Customers and stakeholders were supportive of the use of biosolids in principle.
- Both groups welcomed the opportunity to recycle a waste product into something useful.
- Stakeholders pointed out that not all farm types can use biosolids (e.g. organic farms). They also noted that a number of farms are already self-sufficient in terms of fertilizer as they use slurry from their livestock.
- Some stakeholders felt that the general public may have an inaccurate perception of biosolids and that education may be required on the nature and benefits of biosolids.
- Several customers said they would not want to pay any more for biosolids. They would also want assurances that farmers would use biosolids products.
- Other customers were concerned about the smell of producing biosolids.

### Key Messages from the Research
- The research shows customer and stakeholder opinions and support for flood mitigation schemes, CMS, SuDS and biosolids.
- It also highlighted opportunities for UU to engage with customers to educate them about biosolids and the benefits of producing and using them.

### Action Taken
- This research, along with other ancillary studies has been used to develop proposals concerned with improving the water environment, river water quality and recycling of biosolids which are material issues for the business plan.
- The research has also provided input into performance commitments and associated ODIs for these service areas.
**Research need**

- UU’s AMP6 investment programme is aimed towards helping improve the North West’s bathing waters to at least “sufficient,” which is the minimum requirement under the European Environment Agency’s Bathing Water Directive.
- To assist a multi-stage project to understand the monetary value UU should place on bathing waters meeting different quality classifications, insight is required to measure visitors’ perceptions, behaviours and awareness towards various types of bathing waters (e.g. resorts vs. rural).
- To conduct customer research to value bathing water status for the main types of coastal site in the North West (resort, town, rural), specifically:
  a) maintaining bathing water classifications - protecting current ‘sufficient’, ‘good’, or ‘excellent’ status
  b) improving bathing water quality - reaching ‘good’, or ‘excellent’ status
- Consistent with Ofwat expectations to broaden customer valuation evidence base and United Utilities’ framework, use revealed preference method(s) to estimate these values.
- To capture data on customer perceptions and behaviour towards bathing water at beaches, encompassing:
  o Visitor’s reasons for visiting beaches (choice of site and frequency of visits), visitor’s main activities at beaches & visitor’s awareness of bathing water quality and information sources

**Methodology**

- 1,829 beach visitors surveyed at 12 sites across in the United Utilities (UU) area. Surveys conducted at 2 major resorts, 6 town resorts and 4 coastal villages/resorts during the summer holidays. Survey sites comprised of:
  o Major resorts (Blackpool Central and Blackpool South), Coastal towns/resorts (Morecombe South, Cleveleys, St. Annes, Ainsdale, Formby, Wallasey), Coastal villages/resorts (Allonby, St Bees, Walney Biggar Bank, Moreton)

**Findings & conclusions from the research**

**Types of Visitor by Resort Size** – Approximately 3 out of 4 visitors to coastal villages and towns are from within UU region.
- 48% of coastal village visitors are local residents, 30% are day-trippers and 20% are overnight visitors.
- 33% of town resort visitors are local residents, 30% are day-trippers and 19% are overnight visitors.
- Half of visitors to major resorts are from outside the UU area, drawn by the greater amount of amenities and attractions on offer. 49% of major resort visitors are overnight visitors, 30% day-trippers and 18% local residents.

**Distance Travelled by Resort Size** - Day-trippers travel the furthest of all visitor types and travel further the larger the resort size is.
- Day-trippers on average travel 24 miles to visit coastal villages, 31 miles to coastal towns and 57 miles to major resorts. Local residents average travel distance was between 4 and 5 miles, regardless of resort size. Overnight visitors travel 14 miles from their accommodation to coastal villages, 9 miles to coastal towns and 43 miles for major resorts.

**Visit Frequency by resort size** - Local residents visit resorts approximately twice a week regardless of resort size, 10 times more often than day-trippers and 20 times more often than overnight visitors.
- Local residents on average visit coastal villages 104 times a year, coastal towns 117 times and major resorts 95 times.
**Visitor Spending Habits** - Although local residents spend the least per visit, annually they spend considerably more than other visitor types.
- Local residents spend £3.25 per visit, day-trippers spend £10.80 and overnight visitors spend £58.50 on average. Annually, local resident spend between £308-380 depending on resort size, day-trippers between £43-£108 and overnight visitors £176-£293.

**Beach Activities Undertaken by Visitors** - 75% of beach visitors do not plan to come in contact with the water during their visit. Walking, with or without a dog, is the key reason for visiting for all visitor types.

**Awareness of Bathing Water Quality, Information Available and Designated Beaches** - Over two-thirds of visitors rated the water quality as between average and excellent and just 9% consider the quality to be below average. A quarter of visitors did not know if the water was good or poor quality. Awareness of bathing water signs is low with 7% seeing a bathing water advisory sign at the beach and just 3% seeing a bathing water status sign.

**Key Factors Visitors Consider When Choosing to Visit a Beach** - Although awareness of bathing water quality is low, it is still considered an important factor when considering which beach to visit.

<table>
<thead>
<tr>
<th>Key messages from the research</th>
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<tbody>
<tr>
<td>• UU customers make up 75% of beach visitors to coastal villages and towns in the North West –</td>
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<tr>
<td>they frequently visit these beaches, travel short distances, and typically spend a small amount</td>
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<tr>
<td>of money each visit. However, annually, local residents spend the most money in beach resorts due</td>
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<tr>
<td>to the frequency of their trips.</td>
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<tr>
<td>• Around half of all visitors to large beach resorts at Blackpool are overnighters from outside the</td>
</tr>
<tr>
<td>United Utilities area – they visit less frequently but spend more money per visit</td>
</tr>
<tr>
<td>• Day-trippers travel the furthest distance to beaches, between 5-10 times further than local</td>
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<tr>
<td>residents, and up to 3 times further than overnighters</td>
</tr>
<tr>
<td>• The majority of visitors do not participate in water-based activities at the beach and the major</td>
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<tr>
<td>ity state they do not plan to come in contact with the water during their visit</td>
</tr>
<tr>
<td>• Visitors’ awareness of the bathing water status at beaches is relatively low. The majority did</td>
</tr>
<tr>
<td>not know the beach they were surveyed at was designated, and few knew the actual status</td>
</tr>
<tr>
<td>• Awareness of water quality signage was also low at between 3% and 7% overall.</td>
</tr>
<tr>
<td>• Even through awareness of bathing water status is low, the perceived importance of water quality</td>
</tr>
<tr>
<td>is high - 60% of visitors stated it was very or fairly important to their decision to visit the</td>
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<tr>
<td>beach</td>
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<table>
<thead>
<tr>
<th>Action taken</th>
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</thead>
<tbody>
<tr>
<td>• If information were more readily available, it may influence customer behaviour. Currently,</td>
</tr>
<tr>
<td>information provided by UU and other stakeholders appears to have little influence.</td>
</tr>
<tr>
<td>• This suggests that awareness needs to be raised as a precursor to being able to demonstrate</td>
</tr>
<tr>
<td>customer support for more investment in bathing water quality.</td>
</tr>
<tr>
<td>• The research provided evidence that further substantial investment in improving bathing waters</td>
</tr>
<tr>
<td>was not in customers’ best interests.</td>
</tr>
</tbody>
</table>
### Chapter 2: Supplementary document - S1001

<table>
<thead>
<tr>
<th>Project ref: T1073</th>
<th>Title: Protect and enhance the environment &amp; Give you value for money.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related performance commitment</td>
<td>Managing land and waste research</td>
</tr>
<tr>
<td>Service provider</td>
<td>Date of study</td>
</tr>
<tr>
<td>Verve (via WaterTalk online community panel)</td>
<td>July 2017</td>
</tr>
</tbody>
</table>

#### Research need
- UU aims to continuously operate in an environmentally sustainable, economically beneficial and socially responsible way.
- In order to make informed business decisions about the ways in which land and waste are managed, there is a need to understand customer opinions and expectations towards how UU land is managed, waste management is prioritised and the impact these decisions have on customer bills.

#### Research objectives
- To measure customer opinions and expectations regarding:
  1. How important it is that UU manages land and waste in a sustainable way.
  2. What UU should prioritise when managing waste, both before and after knowing the potential impact on customer bills.
  3. What UU should prioritise when managing non-catchment land, both before and after knowing the potential impact on customer bills.

#### Methodology
- 2,423 online surveys completed by Verve with WaterTalk members between 6th and 14th July 2017.
  - 63% male / 36% female
  - 7% 18-30 / 29% 31-54 / 64% 55+
  - 15% Cheshire / 7% Cumbria / 35% Greater Manchester / 24% Lancashire / 16% Merseyside
- Data was weighted to ensure it is representative of the UU customer base in terms of age, gender and region.

#### Findings & conclusions from the research

##### The Importance of Managing Land and Waste Sustainably
- Customers acknowledge that a sustainable and socially responsible approach to both waste and land management is important. 97% of respondents said it was important to manage waste in a sustainable way and 91% said it was important to manage land to get the best possible use from it.
- Younger customers (18-34 years) are more likely to say that managing waste sustainably is important.
- Lancashire and Merseyside respondents perceived land management as a higher priority than other counties.

##### What UU Should Prioritise when Managing Waste?
- Overall, approximately half of respondents prioritised extracting maximum value from waste. The older the age segment, the higher the percentage.
- Under 35s placed highest importance on reducing the disposal of waste.
- Regional differences exist, with more rural regions showing a stronger preference for turning waste into products.
- Customers who favour turning waste into products see an opportunity to create revenue and reduce customer bills alongside being beneficial to the environment.
- Customers who wanted UU to reduce the amount of waste it produces perceive this would help solve the problem of how to deal with it.
- Customers who favour reducing the amount of waste disposed of tend to focus on the benefit to the environment rather than cost savings.
The majority of customers are not willing to pay more for sustainable management of waste. This is especially true when it comes to turning waste into products which would produce revenue streams.

Older customers (55+) are more open to increased bills if investment is targeted towards their preference of turning waste into products.

What UU should Prioritise when Managing Non-Catchment Land?

- The key priority for managing non-catchment land is creating a protective environment for wildlife and natural habitats.
- The younger the customer group, the greater the importance they place on creating a protective environment for wildlife and natural habitats.
- Customers in more urban areas feel more strongly that protecting wildlife and habitats should be prioritised.
- Customers recognise that protecting the environment, including wildlife, has wide-ranging benefits for current and future generations.
- Some customers preferred using land for financial benefits which could help reduce bills whereas others focused on the wider importance of protecting bees.
- Some customers felt land should be kept for future expansion recognised the growing population whilst others stated the importance of research of alternative methods for the future and enhance the processes in place to maximise efficiencies.
- Few customers felt land should be used for recreational/educational purposes and that minimising the visual impact of UU buildings or selling land was a priority.
- Using land for a financial benefit is equally appealing across all ages with Cheshire customers more likely to support this than other counties.
- As with other actions that result in revenue increases or cost savings, customers expect a reduction in bills if UU were to sell surplus land.
- Younger customers and/or those living in urban areas were strongly in favour of providing food sources and/or breeding places for bees.
- Customers are more likely to accept higher bills if the money goes towards protecting wildlife but more reluctant to see a bill increase for any other reason.
- Customers under 35 are more receptive to paying higher bills for investment in protecting wildlife but older customers are less interested in the idea.

Key messages from the research

- Customers acknowledge that a sustainable and socially responsible approach to both waste and land management is important. This is particularly true of waste management, which, in terms of priority, they rank just behind the ‘hygiene’ factors of: providing clean and safe drinking water; offering a reliable water service; reducing leakage; and providing good customer service.
- Nearly half prioritise turning waste into products that could be sold. The assumption is that this will create additional revenue for United Utilities, and some feel that increased revenue should lead to lower bills – therefore most are not willing to pay more to support this. Priorities differ by age, with younger customers thinking that reducing the amount of waste that is disposed of is equally important. But again there is little willingness to pay more to support investment.
- Customers think that land management should be focused on protecting wildlife and natural habitats. They perceive that this will have far-reaching and long-term benefits, which younger customers especially are willing to pay for. Using land in a financially beneficial way, so that cost savings can be passed on via lower bills, is also a popular land management solution.

Action taken

- The research findings provided input into PR19 considerations for proposals for enhancing natural capital, and protecting the environment from growth and new developments.
### Related performance commitment
The risk of sewer flooding for homes and business is reduced.

### Service provider
Verve (via WaterTalk online community panel)

### Date of study
Aug and Sept 2017

### Research need
- Surface water management is an area of focus for the business, and customer research around the issue is needed in order to feed into business planning.
- A lack of surface water management can have many negative implications for United Utilities, including greater risks of sewer flooding, pollution-related incidents and higher operational costs.

### Research objectives
- To measure customer opinions and expectations regarding:
  1. How much do customers know about surface water and its potential impact?
  2. What do customers think of surface water management solutions, and how can United Utilities encourage voluntary take-up of these solutions?

### Methodology
- 1,490 online surveys completed with WaterTalk members between 18th and 25th September 2017.
  - 66% male / 34% female
  - 6% 18-30 / 24% 31-54 / 66% 55+
  - 17% Cheshire / 8% Cumbria / 35% Greater Manchester / 22% Lancashire / 16% Merseyside
- A four day online community discussion with 50 WaterTalk members conducted between 14th and 17th August 2017.
- Data was weighted by age, gender, and region to be demographically representative of United Utilities’ customer base

### Findings & conclusions from the research

1. How much do customers know about surface water and its potential impact?
   - Customers claim to be familiar with the term ‘surface water’, but are less clear about its correct definition. When referring to water that collects on land after rainfall, they tend to use terms such as ‘puddles’, ‘pools’ and ‘flooding’.
   - Surface water is most commonly associated with drainage issues and flooding in public areas, particularly on roads where it has an impact on driving conditions.
   - Customers acknowledge their responsibility to manage water drainage on their property, but do not tend to link this with the issue of surface water or poor drainage in public areas.

2. What do customers think of surface water management solutions, and how can United Utilities encourage take-up of them?
   - Take-up of any surface water management solution is most likely if:
     - customers can clearly see the benefits for them personally (e.g. a lower bill, less risk of flooding)
     - the solution is inexpensive to buy and install
     - installation and upkeep are easy.
   - Water butts fulfil the twin needs of offering a clear benefit and being low cost – they are the most commonly known and used solution
   - Even among those who feel that they are unlikely to purchase the solutions in future, over half on average could be encouraged to take them up if incentives, such as help with costs or a home consultation, were offered.
### Key messages from the research

- **Raise awareness of the different solutions and their individual features** - help customers find the best solution for them, given the type of property and land they have. The aim should be to ensure that they understand exactly what the solution looks like and how it works, so that they can give it proper consideration when an opportunity / incentive arises.

- **Be clear and specific about how each solution benefits customers** - customers need to see how a drainage solution will benefit them personally, for example: saving them money; helping them to manage surface water issues on their property; being aesthetically pleasing.

- Where possible, support customers financially, or provide advice and information to support the purchase decision and make the installation process hassle-free.

### Action taken

- The findings have informed proposals for our flood resilience in partnership with other stakeholders, catchment approaches and water quality improvement activity.
## Chapter 2: Supplementary document

### Project ref: T1075

**Title:** Sustainable drainage solutions research

**Related performance commitment:** The risk of sewer flooding for homes and business is reduced.

**Service provider:** Verve (via WaterTalk online community panel)

**Date of study:** Aug and Sept 2017

### Research need

- In the past, issues with United Utilities’ sewer capacity have been managed with traditional, hard engineering solutions. Due to the expense of these solutions and the disruption they cause, there is now a need to look towards more sustainable solutions to manage these issues.

- In order to ensure that customers are active participants in decisions made in this area, customer research was needed to feed into business planning.

### Research objectives

1. To measure customer opinions and expectations regarding:
   1. How much do customers know about drainage issues and their solutions?
   2. How do customers feel about sustainable drainage solutions versus traditional solutions?
   3. How should United Utilities communicate about sustainable drainage solutions?

### Methodology

- 1,490 online surveys completed with WaterTalk members between 18th and 25th September 2017.

- 66% male / 34% female

- 6% 18-30 / 24% 31-54 / 66% 55+

- 17% Cheshire / 8% Cumbria / 35% Greater Manchester / 22% Lancashire / 16% Merseyside

- A four day online community discussion with 41 WaterTalk members conducted between 22nd and 24th August 2017.

- Data was weighted by age, gender, and region to be demographically representative of United Utilities’ customer base.

### Findings & conclusions from the research

1. **How much do customers know about drainage issues and their solutions?**
   - Customers are aware of drainage issues, and see a link between greater urbanisation (more paved / tarmacked surfaces), and an increasing need for good drainage solutions.
   - However, this subject is not top of mind for them, in part because they tend not to have had negative experiences of hard engineering solutions.
   - They also tend not to have heard the term ‘sustainable drainage solutions’. Even if they are familiar with a sustainable solution such as wetlands, they do not currently link the solution with effective water drainage.

2. **How do customers feel about sustainable drainage solutions versus traditional solutions?**
   - Customers respond positively to the idea of sustainable drainage solutions; they acknowledge that such solutions:
     - are environmentally friendly
     - provide green spaces and improved air quality, both of which contribute to well-being
     - are potentially less disruptive than traditional solutions.
   - Consequently, over two-thirds feel it is more important for United Utilities to invest in sustainable drainage solutions than traditional solutions.
   - However, traditional solutions are still valued for their reliability and efficacy – they are seen as better able to cope with severe / flash floods.
• Therefore, in the absence of more information / reassurance, customers would like an option that incorporates both types of solution.

3. How should United Utilities communicate about sustainable drainage solutions?
   • Educate customers on the issues surrounding drainage and the two types of solution, by:
     o explaining the problem of surface water and the risk of flooding
     o describing the traditional vs. the sustainable route to reducing flooding, and pulling out the differences between them
     o selling the benefits of sustainable solutions over traditional solutions, i.e. being environmentally friendly; increasing the number of green spaces; increasing habitats for wildlife; improving air quality; creating less disturbance; and being sustainable in the long-term.
   • In addition, ensure that communications address the following issues that customers raise about sustainable solutions:
     o their reliability vs. hard engineering solutions
     o their limitations in terms of capacity
     o the personal benefits they offer to today's customers, especially those who live in built-up areas where there is little space for solutions such as wetlands; and the benefits they will provide for future generations such as more green spaces and reduced risk of flooding.

Action taken
• The findings have informed proposals for our flood resilience in partnership with other stakeholders, catchment approaches and water quality improvement activity.
Chapter 2: Supplementary document - S1001

<table>
<thead>
<tr>
<th>Project ref: T1076</th>
<th>Title:</th>
<th>Understanding blockages, flooding &amp;</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Related performance commitment</td>
<td>The risk of sewer flooding for homes and businesses is reduced.</td>
<td></td>
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</tr>
<tr>
<td>Service provider</td>
<td>N/A - internal analysis</td>
<td>Date of study</td>
<td>April 2017</td>
</tr>
</tbody>
</table>

Research need
UU seeks a holistic, deeper understanding of customers’ requirements as illustrated through data collected from the range of inbound customer contact channels available.

Research objectives
- As part of a broader customer insight programme, this research aims to bring together inbound customer contact data specific to bursts and leaks for the period April 2014 to March 2017.
- It aims to highlight trends in the blockage, flooding and pollution contact reasons and volumes, from a regional perspective, over the three year period.
- The research will also draw upon CSAT, SIM and Rant & Rave data to understand how customers making contact about burst/leaks rated UU’s response, whilst highlighting what UU did well and what UU could do better from the customer’s perspective.
- It also aims to understand the potential links, if any, between customer deprivation and the likelihood of customers making contact about bursts/leaks.

Methodology
- Inbound customer contact data was collated from various internal reports for inbound customer telephone calls, Live Chat conversations, Member of Parliament enquiries, written complaints and Twitter mentions specific to blockages, flooding and related-pollution incidents. The data was analysed for trends at a postcode and regional level over a three year period (April 2014 to April 2017) and compared to data collected from engineers who attended blockage and flooding incidents.
- CSAT and SIM data was collated to track customer’s overall satisfaction with UU’s response to their blockage/flooding issue over the same three year period. The data was also used to highlight what customer’s thought UU did well and what could have been done better.
- Rant & Rave data was analysed to seek trends, if any, in the overall scores customer’s rated UU’s response to their specific blockage/flooding/pollution issue.

Findings & conclusions from the research

**Combined Blockage, Flooding, Pollution Contact Volumes** - There were 134.2k inbound customer contacts about blockages and flooding related issues between April 2014 and April 2017. Total annual blockage/flooding contact volume have fallen each financial year (FY), with an 18% (9k) reduction between FY 14-15 and FY 16-17.

**Blockage Customer Contacts** - There were 55.6k inbound customer contacts regarding blockages as well as an additional 70k blockages (code 601) incidents recorded by UU engineers between April 2014 and April 2017.
- Over a quarter (28%) of blockage incidents recorded by engineers were caused by rags/wipes. Such blockages fell by 35% between FY 14-15 and FY 15-16 from 8.4k incidents to 5.5k. In FY 16-17 incidents rose by 7% to 5.8k.
- Soft blockages were the second most common cause of blockages accounting for 1 in 5 blockages (21% of total incidents, 14k incidents) and have risen year on year.
- Tree roots were the third most common cause of blockages accounting for 12% (8.2k) of all blockages. The volume of blockages has remained largely flat at between 2.6k to 2.8k blockages per year.
- Food/grease blockages were the fourth most common blockage cause, accounting for 9% (6k) of all blockages. The volume has dropped each financial year, falling by 600 blockages (25%) between FY14-15 and FY 16-17.

**Sewer Flooding Customer Contacts** - There were a total of 69.7k customer contacts regarding flooding, 56.4k regarding external flooding and 13.3k regarding internal flooding between 2014 and 2017.
- External flooding contact volumes have decreased each financial year. Between FY 14-15 and FY 15-16 contacts fell by 5% from 20.4k to 19.4k. In FY 16-17 volumes fell to 16.7k, a reduction of 14%. Internal flooding contact volumes remained largely flat with between 4.3k to 4.4k contacts annually.

**Pollution Customer Contacts** - There were 1.3k customer contacts regarding pollution caused by blockages/flooding between April 2014 and April 2017.
- Volumes rose by 4% (19) between FY 14-15 and FY 15-16 but fell 29% (144) between FY 15-16 and FY 16-17.

**Deprivation Indices vs. blockage/flooding Incidents** - There appears to be a correlation between deprivation levels of an area and the specific causes of blockages identified by engineers. Rag/wipe blockages are most likely to occur...
in areas of the highest deprivation levels. In contrast, tree root blockages are most likely to affect the most affluent areas, perhaps due to more rural locations.

**Blockage/flooding on comments on social media** - Inbound tweets related to problems caused by severe weather incidents account for 72% of all blockage/flooding tweets received (2,378). Excluding severe weather events, blockage tweets have declined by 45% between FY 14-15 and FY 16-17. Tweets about flooding remained flat at between 114 and 120 tweets per year. This differs to water quality, supply interruption and leakage issue tweets, which have increased year on year.

<table>
<thead>
<tr>
<th>Action taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The findings have informed proposals for our pollution reduction, sewer blockages and flood resilience activity.</td>
</tr>
<tr>
<td>• The research has also been used as an input to development of plans for associated ODIs</td>
</tr>
</tbody>
</table>
Project ref: T1081 | Title: Asset Health research

### Related performance commitment
Provide you with great water & Dispose of you wastewater.

### Service provider
Verve (via WaterTalk online community panel) | Date of study | Apr - May 2018

### Research need
- United Utilities’ assets include water mains, sewers, treatment works and reservoirs. The company is responsible for ensuring that its assets remain fit for purpose, both today and in the future.
- Before making decisions related to its assets and how to effectively maintain them, United Utilities wants to engage with customers on the subject to understand opinions and views.

### Research objectives
- To measure customer opinions and expectations regarding:
  1. What do customers know about asset health?
  2. How and when do customers think asset health should receive investment?
  3. What assets do customers think should be prioritised, and why?
  4. How do customers feel about linking asset health performance to bills?

### Methodology
- 720 online quantitative surveys were completed with WaterTalk members between 1st and 7th June 2018.
- A 3 day pop up community with 32 members who had completed the online survey between 18th and 20th June 2018.

### Findings & conclusions from the research
#### What do customers know about asset health?
- Customers have not heard of the term ‘asset health’, but most can take a relatively accurate guess at what the concept means.
- Tangible elements, such as pipe bursts and sewer blockages, are easy for customers to understand. These specific examples, therefore, are well-placed to feature in communications about asset health.

#### How and when do customers think asset health should receive investment?
- Initially opinion was split as to whether United Utilities should invest in asset health now even if it means higher bills, or whether investment should be shared equally across generations.
- However, once customers realise that investing more now may result in a (lower than expected) average annual bill increase of c.£2, a higher proportion (83%) support investing now.

#### What assets do customers think should be prioritised, and why?
- Once presented with a list of asset health areas that need investment, the three areas seen as most important are:
  1. Ensuring the compliance of waste water treatment works, seen as vital for a healthy environment
  2. Preventing sewer blockages, important for public health
  3. Reducing the risk of pipe bursts, which has a potential immediate and severe impact.

#### How do customers feel about linking asset health performance to bills?
- Seven in ten agree that asset health targets should be linked to bills. If this happens, customers would like information made available on how and what their money is being used for, as well as the impact it will have.
- Willingness to pay to maintain assets is very high. Fewer – though still around half – of customers want to receive money off their bills if targets are missed.

### Action taken
- The research findings informed the development of PR19 business plans, particularly concerning proposals on operational and asset resilience
- The results were used in the triangulation of valuation data for the programme as a whole, and in the development and validation of performance commitments and ODIs concerning Asset health.
<table>
<thead>
<tr>
<th>Project ref: T1077</th>
<th>Title:</th>
<th>Being a Good Neighbour – internal data analysis summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related performance commitment</td>
<td>You are highly satisfied with our service and find it easy to do business with us, &amp; Bills for you and future customers are fair.</td>
<td></td>
</tr>
<tr>
<td>Service provider</td>
<td>N/A – internal analysis</td>
<td>Date of study</td>
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| Research need | ![X] |
| Research objectives | ![X] |
| Methodology | ![X] |
| Findings & conclusions from the research | ![X] |
Action taken [×]
Research need

- In advance of PR19, UU needs to make decisions about its bioresources operations and future investments. In order to ensure customers are active participants in these decisions, research is required to identify customer preferences associated with specific processes relating to the collection, transportation, cleaning and future use of wastewater.

Research objectives

- To understand whether customers would like UU to invest, or not invest in the following areas:
  1) recycling vs. disposal of wastewater by-products
  2) nutrient recovery from wastewater by-products
  3) using cleaner technologies during wastewater treatment to reduce emissions
  4) using technology to reduce the number of road journeys made
  5) bringing in and treating other types of waste into UU treatment works.

Methodology

- An online survey conducted with 1,765 customers who are part of the WaterTalk community, conducted between 28th July and 3rd August 2017.
  - 64% male / 36% female
  - 6% 18-30 / 27% 31-54 / 67% 55+
  - 17% Cheshire / 7% Cumbria / 35% Greater Manchester / 22% Lancashire / 17% Merseyside
- Data was weighted to ensure it is representative of the UU customer base in terms of age, gender and region.
- Customers were asked to assess any cost impact of the choices to the above areas in isolation of other issues that may impact their yearly bill.

Findings & Conclusions from the research

How important is it that customers have a say in bioresources issues?

- The majority of customers would like a say in all bioresources decision, especially the “recycling vs. disposal of by-products” and “investing in cleaner technology” topics, where circa 4 in 5 customers wanted to have input on decisions.
- Customers showed the least interest in having a say in the “bringing in and treating other types of waste”, perhaps due to a lack of understanding of this issue and its implications.
- Females are more likely than males to think all issues are important, potentially creating implications for future communications from UU.
- There are no regional differences in the order of perceived importance of the five issues but customers in Cumbria place a higher importance on nutrient recoveries and less on investing in cleaner technologies in comparison to other counties.

What would customers want UU to invest in and would they be prepared to pay more to support this?

- Given its importance, customers are willing to pay to support cleaner technologies, especially when they knew the relatively small bill impact of £0.83 per year. Approximately 79% of respondents were willing to pay more for this.
• Reducing the number of road journeys was also a popular choice after seeing how little this may cost (+£0.52 per year). 82% of respondents were willing to pay more for this.

• Before knowing the cost, opinion was split regarding the proportion of waste that should be recycled or disposed. However, when customers learned that by recycling all waste would lead to a bill reduction of £0.82 per year, 47% wanted UU to recycle everything.

• Nine in ten customers thought UU should recover nutrients for use in high quality fertiliser. The same level of support was recorded once the impact of a £0.25 bill increase was revealed.

• Despite it not being as important as other issues (due to a lack of understanding), more than eight in ten customers are positive about treating other waste at UU facilities.

• Over a third of customers changed their responses after knowing the impact their decisions would have on their bill with the changes being consistent across all demographics.

• The average bill value based on customer choices before knowing the impact on their bills was £420.76. The average bill value based on choices made after knowing the impact on their bills was $420.40, a £0.32 difference and £1.44 higher than the current average bill.

<table>
<thead>
<tr>
<th>Key messages from the research</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Around three-quarters of customers feel that it is important that they have a say in these bioresource issues.</td>
</tr>
<tr>
<td>• The customer’s key preferences were for “investing in cleaner technologies during wastewater treatment” and ‘recycling vs. disposal of wastewater by-products”.</td>
</tr>
<tr>
<td>• Before and after knowing the impact on the bill, the most popular choices were the more overtly environmentally friendly ones.</td>
</tr>
<tr>
<td>• Customers are prepared to pay an average of £1.44 on top of the average annual water bill to support investment in these areas.</td>
</tr>
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<table>
<thead>
<tr>
<th>Action taken</th>
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</thead>
<tbody>
<tr>
<td>• The research provided customer preference input into the performance commitment, targets and measures for the recycling biosolids proposals in the business plan</td>
</tr>
</tbody>
</table>
Project ref: T1079  
Title: Customer preferences for conforming to BAS scheme (willingness to pay) for biosolids recycling

Related performance commitment  
Give you value for money. Protect and enhance the environment. Dispose of your wastewater.

Service provider  
Verve (via WaterTalk online community panel)  
Date of study  
February 2018

Research need  
- In advance of PR19, UU needs to make decisions about its bioresources operations and future investments. In order to ensure customers are active participants in these decisions, research is required to identify customer preferences associated with specific processes relating to the collection, transportation, cleaning and future use of wastewater.
- Previous research has revealed that most customers are in favour of recycling waste products that occur as a result of the wastewater treatment process, particularly if this results in lower water bills.

Research objectives  
- To measure customer opinions and expectations regarding:
  1. Whether customers support more of United Utilities’ waste products adhering to the Biosolids Assurance Scheme (BAS)
  2. Whether customers support BAS targets being linked to their water bill
  3. Customer’s preference between two potential implications on their water bill.

Methodology  
- 973 online quantitative surveys were completed with WaterTalk members between 16th and 22nd February 2018.
  - 53% male / 47% female
  - 9% 18-30 / 31% 31-54 / 60% 55+
  - 16% Cheshire / 8% Cumbria / 37% Greater Manchester / 22% Lancashire / 16% Merseyside
- Data was weighted by age, gender, and region to be demographically representative of United Utilities’ customer base.
- The survey contained a monadic element in which each respondent only saw one bill impact, to allow for a ‘clean read’ on the acceptability of each option.

Findings & conclusions from the research  
Do customers support greater involvement in the BAS, and how do they feel about targets being linked to water bills?
- The majority of customers (86%) do support a greater involvement in the BAS. In their opinion, United Utilities should increase the amount of waste conforming to the BAS.
- Customers feel positive about targets being linked to water bills as it would lead to savings on their annual bill. When presented with the two bill impact options without any cost implication, higher risk/higher gain is preferred (57%) over lower risk/lower gain (37%).
- However, in both cases, some feel bill impacts shouldn’t be what drives United Utilities to hit targets – UU should be hitting them regardless.

Which of the two bill impacts are most acceptable, and why?
- Whereas both bill impacts are deemed acceptable, after seeing the potential cost implications for the bill, lower risk/lower gain is preferred.
- Customers like the idea of cheaper bills regardless of targets being hit or missed, although some deem the bill impact insignificant.
- Those customers who saw the lower risk/lower gain option in more detail are even more likely to choose that option compared to those who were exposed to the higher risk/higher gain option. This suggests that when customers are given time to consider the options in more detail, the lower risk/lower gain option is definitely preferred.
The research provided customer preference input into the performance commitment, targets and measures for the recycling biosolids proposals in the business plan.
Project ref: T1117  
Title: Bioresources: Land-bank availability versus dormant and active farms in the UU area  

Related Performance Commitment  
Protect and enhance the environment & Give you value for money.

Service Provider  
N/A – internal analysis  
Date of study  
July 2017

Research need  
UU seeks a holistic, deeper understanding of customers’ requirements as illustrated through data collected from the range of internal customer data available and publically available information and statistics.

Research objectives  
To assess the types of farm land available within the UU region including its current usage, its area size and its proximity to a United Utilities waste water treatment plant to allow predictions for future usage of biosolids.

Methodology  
Data was collated from various internal reports and externally available statistics and analysed for trends at a postcode, local authority and county level.

Findings & conclusions from the research  
Active and Dormant Farms by Volume, Land Usage and Penetration
- 661 (63%) of the 1,054 farms were active in 2014 and 393 (37%) were dormant.
- Active farm land is 31% grassland, 14% mixed usage, 13% arable and 42% unknown.
- Dormant farms land is 8% grassland, 3% mixed usage, 2% arable and 87% unknown.

Active and Dormant Farms: Potential Farm Land Available
- The potential land size of all 1,054 farms is 87,774 ha of which 58,629 ha (67%) is at active farms and 29,145 ha (33%) at dormant farms.
- The average farm size 83.3 hectares (ha). Arable farms have the largest average potential land available at 123 ha, followed by mixed usage farms at 112 ha. Grassland farms have the least average potential land available, with 64.2 ha.

Potential Farm Land Available vs. Land Bank Grid Availability
- The 63% of total farms that are active have 67% of the potential total farm area. The remaining 29,145 ha (33%) is currently dormant,
- Farms in land-bank grid sizes of 501-1,500 ha have the largest total potential farm area with 20.4k hectares. 23% of farms are located within land-bank availability grid sizes of 501-1,500 ha. And just under half (42%) are dormant.
- The largest volume of active farms are located in 2,501-3,500 ha grid sizes, with 151 farms.
- Of dormant arable farms, only 1.1k ha is available, dormant grassland farms 1.8k ha and dormant mixed farms 1.1k ha.

Distance¹ between Active and Dormant Farms and UU Sites
- **Active Farms:**
  - 18% (120) of active farms are located within a 5km radius of a UU site,
  - 46% (309) of active farms are located within a 10km radius,
  - 75% (505) within a 15km radius and
  - 96% (650) within a 20km radius.
  - 4% (24) of active farms are more than 20km from a UU site.
- **Dormant Farms:**
  - 17% (66) of dormant farms are located within a 5km radius of a UU site,
  - 43% (169) of dormant farms are located within a 10km radius,
  - 74% (290) within a 15km radius and
  - 95% (379) within a 20km radius.
  - 5% (21) of dormant farms are more than 20km from a UU site.

Action taken  
The results of the data analysis were used within Bioresources to assist in business and operational planning and development of future strategy.
<table>
<thead>
<tr>
<th>Project Title: T1118</th>
<th>Title:</th>
<th>NFU bioresources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related Performance Commitment</td>
<td>Dispose of Your Wastewater &amp; Protect and Enhance the Environment</td>
<td></td>
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<tr>
<td>Service Provider</td>
<td>Verve (via WaterTalk online community panel)</td>
<td>Date of study</td>
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<tr>
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<td>Apr - May 2018</td>
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</tbody>
</table>

**Research Need**
- Every year UU transport, treat and dispose of sewage sludge. One of the by-products from this process is called biosolids. Biosolids can be disposed of at our incinerator or given to farmers to be used as high quality fertilizer. UU would like to engage with farmers via the National Farmers Union to understand its members expectations biosolids products and service or how they could use biosolids differently.

**Research objectives**
- To understand the preferences of our stakeholders in the NFU agricultural community for the use of biosolids.

**Methodology**
- An online questionnaire sent to farmers via a link in the NFU newsletter during April and May 2018.
- 30 famers completed the questionnaire during this timeframe.

**Findings & conclusions from the research**
- Awareness of the term ‘biosolids’ is high (87%) but a third of all farmers did not know the definition. 50% (15) of all farmers defined biosolids as, in their own words, either “sewage sludge” or “treated sewage sludge”.
- 44% of all farmers either currently use biosolids or have done in the past and 88% received the biosolids from UU.
- A quarter of farmers have clients that place requirements on the types of nutrients placed on their fields
- 2 in 5 farmers would be interested in using biosolids in the future with 85% stating they would do so because of the nutrient content, 38% because of the price and 38% due to FACTS guidance.
- Over a third of farmers would consider using biosolids that include sewage sludge and other organic wastes (e.g. food waste)
- Over half of all farmers would be interested to some extent in securing a contract to guarantee several years’ supply of biosolids if United Utilities offered this in the future.
- Two-thirds of farmers could not store any biosolids product (particularly pastoral and Cheshire farmers).
- 83% of farmers agree to some extent that biosolids in agriculture is a sustainable thing to do in the long-term (especially large farm and Lancashire farmers.)
- Only 13% of farmers would agree to paying for biosolids, all of which are large farm managers (200+ acres)
- 93% of farmers surveyed would be interested in using biosolids if they were paid to do so.
- 43% of farmers would be interested in receiving more information about using biosolids in agriculture, particularly Cheshire farmers, arable farms and/or large farms (200+ acres).
- 57% of farmers would be interested in receiving more information about UU agricultural products and services, particularly Lancashire farmers and small farm managers (1-49 acres).
- 27% of farmers want no further information, particularly Cumbria farmers, farmers of other/mixed land types and farmers who have clients with specific requirements.

**Action taken**
- The research findings were used as inputs into the range of customer data collated on aspects of bioresources products and services.
- The results provided additional insight into specific customer group needs in relation to bioresource strategy and future planning.
5 Section D: Developer Services research projects

List of projects included in this section:

1. Developer Day 2013
2. Developer Day 2016
3. Developer Day 2017
4. Developer forum
5. Self-lay contractors Joint forum
6. North West technical meetings 2015
8. Developer Services & Story Homes
9. New connection charges – Developer Services
Chapter 2: Supplementary document - S1001

Project ref: N/A

Title: Developer Day 2013

Related performance commitment

None

You’re highly satisfied with our service and find it easy to do business with us

Service provider

United Utilities

Date of study

November 2013

Research need

• To further engage with key stakeholders external to the business and share what work we are currently undertaking.

Research objectives

• To communicate what is happening industry wide from a water and wastewater point of view and what challenges we currently face.
• An update of what Developer Services within UU is currently doing as well as what we have delivered.
• Understand what our customers think of us/how we are performing in their eyes and off the back of this what we can do to maintain and improve our standards.

Methodology

This event was the 1st to be delivered jointly to water and wastewater delegates. The event had been oversubscribed with 134 of the 130 spaces available being booked by land developers, self-lay companies and their associates. Of those subscribing to the event, 94 delegates attended and it is thought the majority of non-attendees had been unable to attend due to a number of incidents on the local motorway networks.

There were 14 stands operated by product suppliers/self-lay companies and 5 rooms operated by United Utilities. The 5 rooms were:

• How do you feel (electronic voting on how we have performed)
• Developer Services Water
• Developer Services Wastewater
• Wastewater looking forward
• The Green Room (business development)

The method of voting at previous events had been via an electronic voting button system with all delegates voting at the end of the event. This year, the delegates were split into specific groups dependent on the area of developer services most relevant to them. The groups were, water only, wastewater only and combined. The water only and combined delegates voted using the electronic voting buttons, the wastewater only delegates voted on the same set of questions via feedback forms. The scores from both sets of voting have been collated and converted to a percentage score using the following formula -

• 1st most favourable response = 5 points
• 2nd most favourable response = 4 points
• 3rd most favourable response = 3 points
• 4th most favourable response = 2 points
• 5th most favourable response = 1 point (FORMULA = Score(Response/500) = % score)

Findings & conclusions from the research

<table>
<thead>
<tr>
<th>Measure</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer Services Water</td>
<td>81%</td>
<td>80%</td>
</tr>
<tr>
<td>Contractor (Developer Services Water)</td>
<td>61%</td>
<td>66%</td>
</tr>
<tr>
<td>Developer Services Water improvements</td>
<td>72%</td>
<td>71%</td>
</tr>
<tr>
<td>Joint Water &amp; Wastewater Developer Services</td>
<td>75%</td>
<td>72%</td>
</tr>
<tr>
<td>Event</td>
<td>89%</td>
<td>79%</td>
</tr>
</tbody>
</table>

The water results from 2013 do not show much improvement on last year and the reasons are not fully understood. A plan was put in place for the Key developer managers to visit all the delegates as a combined water and wastewater team (Fact Sheets developed). They were surveyed to understand why there was a flat line on the water results and a plan will be agreed to ensure the joint developer services improvement programme is communicated effectively, and their concerns will be fed into the continuous improvement programme.
<table>
<thead>
<tr>
<th>Action taken</th>
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<tbody>
<tr>
<td>Demonstrated above are the key themes and issues that came out of Developer Day 2013 and we are proactively managing these by implementing solutions to the queries raised by our customers. We have</td>
</tr>
<tr>
<td>• Introduced new ways to communicate, the big one being the developer forums, allowing us to manage these relationships and ensure key stakeholders are happy with the direction being taken.</td>
</tr>
<tr>
<td>• Delivered some new processes and documents giving tangible evidence that co-creation can benefit everybody involved and generate better ways of working between parties. This engagement will ultimately allow all involved to proactively manage and adapt to any industry wide changes efficiently.</td>
</tr>
<tr>
<td>• As a result of how useful this day has been we are committed to holding Developer Day annually as it benefits everyone as well as giving us a good view of how we are performing in our customers’ eyes year on year.</td>
</tr>
</tbody>
</table>
### Project ref: N/A  
**Title:** Developer Day 2016

<table>
<thead>
<tr>
<th>Related performance commitment</th>
<th>You’re highly satisfied with our service and find it easy to do business with us</th>
</tr>
</thead>
</table>
| Service provider              | United Utilities  
| Date of study                 | 21/11/2016  

### Research need
- To further engage with key stakeholders external to the business and share what work we are currently undertaking.

### Research objectives
- To communicate what is happening industry wide from a water and wastewater point of view and what challenges we currently face due to this.
- An update of what Developer Services within UU is currently doing as well as what we have delivered.
- Understand what our customers think of us/how we are performing in their eyes and off the back of this what we can do to maintain and improve our standards.

### Methodology
- We hold a developer day on an annual basis, this year it was held at Haydock racecourse at which 224 people were in attendance.
- These attendees were from a vast number of businesses that covered Developers, Consultants and SLO’s.
- As well as attendees we also hosted 14 stallholders (Appendix A) over the lunch period to promote their services/businesses. Rather than asking for a numerical fee we took the opportunity to hold a raffle and each stall donated a prize towards this.
- During the morning session there was firstly an update on changes industry wide, mainly regarding the changes to new connections charges. We also shared a view of our half-yearly results and how as a business we have acted upon feedback from customers in the past year.
- We then held several workshops on the following topics: wastewater developer services, water developer services and Gallagher, wastewater workshop, SLO workshop. The aim of this was to gain an understanding of how we could better improve our standards.
- We issued a questionnaire at the end of the day to obtain some quantitative research giving us an idea of how different areas of the department deliver relative to the expectation of the customer (Appendix B).

### Findings & conclusions from the research
- The feedback received shaped our approach and allowed us to develop/deliver the changes highlighted below.
  - Improved website and guidance documentation.
  - We have produced, distributed and published new guides, consulting customers and the HBF throughout their creation and design, with suggestions being incorporated into the final versions.
  - New construction, design and service guides.
  - Customers said our asset standards were sometimes unclear, resulting in assets being constructed that were non-compliant. Our construction, design and service guides have been created to support and help customers and have directly impacted customer’s construction time and cost (through redesign and removal of substandard assets).
  - Our contractors.
  - They have also delivered significant service improvements; they’ve introduced ‘pre-work’ discussions and visits resulting in delivery of a ‘right first time’ service, minimising work/disruption time for the developer and our other customers, the general public.

### Action taken
- This co-creation with key customers & stakeholders has given us a view of what we do well and not so well. As a result this has allowed us to target areas for development and deliver useful outcomes for the people we provide a service to.
- Event are now hosted annually to mutual beneficial of both parties.
You’re highly satisfied with our service and find it easy to do business with us.

United Utilities

Date of study 14/10/2017

• To further engage with key stakeholders external to the business and share what work we are currently undertaking.

• To communicate what is happening industry wide from a water/wastewater point of view and what challenges we currently face due to this.

• An update of what DS within UU are currently doing as well as a look book at where we have come from.

• Understand what our customers think of us/how we are performing in their eyes and off the back of this what we can do to maintain and further improve our standards.

On 15th October 2014, water and wastewater developer services held the 5th annual developer services awareness day. Event no’s 1, 2 & 3 were attended by water only delegates. Event number 4 was attended by water and wastewater delegates and event number five, appears to be the 1st event that has been attended equally by water and wastewater representatives (approx. 50% rise in the number of delegates attending to circa 150 attendees). These attendees ranged from developers, Self-lay companies, housing associations and wastewater consultants. We first gave an overview of where we have come from over the past few years as a Developer Services department and where we are now. There were then 5 workshops operated by United Utilities. The 5 workshops were:

1. Developer Services Water
2. Developer Services Wastewater
3. Water Self Lay
4. Wastewater Consultants
5. The impact of The Water Act 2014 and Open Water

All previous events have included a set of benchmark questions to gauge the performance of Developer Services Water. The method of voting at previous events for water attendees has been via an electronic voting button system, with 60-80 water delegates attending previously posting a vote at each event. The waste-water delegates attending the 2013 event were not able to vote electronically and voted via feedback forms. This year, all delegates were asked to vote via anonymous feedback forms that were subsequently posted into a box. The number of water delegates posting votes was disappointing, with only 21 responses. The votes relating to water developer services have been collated and converted to a percentage score using the following formula -

Excellent = 5 points, Good = 4 points, Average = 3 points, Poor = 2 points, Unacceptable = 1 point

FORMULA = Score(Response/500) = % score

The responses have shown a continuing upward trend in all aspects of developer services as highlighted in the points below.

Comparative results 2013 event Vs. 2014 event

- 6% increase in Developer Services Water satisfaction (80% Vs. 86%)
- 2% increase in Developer Services Contractor satisfaction (66% Vs. 68%)
- 9% increase in W & WW combined overall satisfaction (72% Vs. 81%)
- 11% increase in event satisfaction (79% Vs. 90%)

It is likely the event satisfaction score has recovered due to the choice of venue and the number of delegates attending as the format remained unchanged from 2013. Feedback at the event included, “It felt busier, it was easier to get to, easier to park and the room transitions were much better than the previous year”.

What we do well...

- People - Approachable, knowledgeable, helpful & good communications
- Business - Listening, Reactive, Good/established processes, Clear information, Good communications

Where we can improve...

- Contract delivery - There was also negative feedback in relation to design approvals and POC’s not being issued on time.
The feedback forms support the verbal comments made during the day that UU people, policies, processes and information available were generally good but contractor issuing of approvals, quotes and POC's are an area of concern.

**Action taken**

- We will continue to carry annual developer meetings to help improve the management process and build relationships with these critical stakeholders
### Chapter 2: Supplementary document - S1001

<table>
<thead>
<tr>
<th>Project ref: N/A</th>
<th>Title:</th>
<th>Developer forum</th>
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<tbody>
<tr>
<td>Related performance commitment</td>
<td>You’re highly satisfied with our service and find it easy to do business with us</td>
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**Service provider**

- United Utilities

**Date of study**

-Aug 2013 – April 2015

<table>
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<tr>
<th>Research need</th>
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<tbody>
<tr>
<td>To lay the foundations and start to build a relationship and understanding with developers.</td>
</tr>
<tr>
<td>Discuss any updates to the way we or the industry operate and what this means for me (UU or developer).</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Research objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>To get to a position whereby we contact each other pro-actively if any issues/queries arise during development.</td>
</tr>
<tr>
<td>Constantly update each other with any changes to individual businesses as well as any industry updates.</td>
</tr>
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<table>
<thead>
<tr>
<th>Methodology</th>
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<tbody>
<tr>
<td>These sessions were originally set up to develop relationships and discuss what works well/not so well. As time progressed, significant changes became less frequent, we didn’t want to meet and it not be productive. Therefore dates and agendas were flexible around the ever changing industry.</td>
</tr>
</tbody>
</table>

1. The initial meeting was set up to discuss what would be in/out of scope, as highlighted in the above point, this ultimately changed. It also included Legislation, Update on Developer Services internal changes & developer’s issues (representatives from: Miller Homes, Story Homes, Bloor Homes, Redrow, Southdale & Taylor Wimpey)

2. The first agenda (16/01/14) looked at: Update on Developer Services internal changes (Pre-dev enquiry form amended, sewer diversion & requisition update) & Developer’s issues (not day-to-day site issues). (Representatives from: Miller Homes, Persimmon, Bowsall).

3. The second agenda (29/04/14) looked at: legislation changes (national build standards, SuDs & water), update on DS internal changes (new sewer connection pack) & developers issues (representatives from: Miller Homes, Bloor Homes, Taylor Wimpey, Lovell Partnership, Southdale Homes and Chandos remediation).

4. The third agenda (05/08/14) looked at: legislation changes (national build standards, SuDs & water), update on Developer Services internal changes (charging for printing of drawings, update on pumping stations) & developers’ issues (not day-to-day site issues). (representatives from: Miller Homes, Bloor Homes, Taylor Wimpey, Lovell Partnership, Story Homes, Anwyl Homes, Thomas Consulting and Chandos remediation).

5. The fourth agenda (08/01/15) looked at: legislation changes (SuDs & clean water update), Update on Developer Services internal changes (intro to 3 stage up-front S104 fee) & developer’s issues (not day-to-day site issues). (representatives from: Miller Homes, Bardsley, Applethwaite Homes, Jones Homes, Harbour Construction, Rowlinson Construction, Thomas Consulting and Keepmoat).

6. The last agenda (27/04/15) looked at: Legislation changes (SuDs & clean water update), Update on Developer Services internal changes (intro to new sewer connection forms) & developer’s issues (not day-to-day site issues). (representatives from: Bloor Homes, Taylor Wimpey, Bett Associates, Thomas Consulting & Wates Living Space).
### Findings & conclusions from the research

1. The main topics of conversation from the initial meeting revolved around what we have done as a business to improve processes driven by feedback given at previous developer days. As a result of processes being disjointed development enquiry engineers were moved to Gatewarth so the whole engineering team were based on one site. The new pre-development enquiry form was circulated for feedback and some initial comments were received from Steve Wielebski helping to shape the document. There was discussion regarding how different engineers deal with 104 submissions differently, however, this was addressed with the changes highlighted previously. The final major point of discussion was around the pumping station addenda: 1. could it be circulated prior to formal launch and 2. Was it going to be written in accordance with SfA 6 or SfA 7 and if both then can we clarify some of the issues where these two differ.

2. The main body of this meeting was again discussing the changes within UU’s developer services department. An updated version of the pre-development enquiry form was circulated and all parties were happy with the amendments made. In the previous meeting the question was raised regarding whether UU should continue to ask developers to work to SfA 7th edition as it wouldn’t come into circulation for some time and developer preference was to work to SfA 6th edition until the legislation changed. An internal discussion was had and as a result UU removed a statement from the website preferring S104 submissions to be submitted to SfA 7th edition. This was replaced with SfA 6th edition would be preferred until Mandatory Build Standards had been introduced. Finally following on from the last meetings feedback we decided we would base our adoptions on SfA 7 and this is what the pumping station addenda is being written in relation to. Two great examples of us working with businesses to develop better ways of working for both parties.

3. The pumping station addenda close to being finalised and would be circulated to the HBF for comment prior to final sign off as requested earlier in the process. A new sewer connection is shortly going to be introduced to streamline the process.

4. A conversation around SuDs and how developers are keen to get some guidance on what UU will/will not adopt. As a result of this a guidance and an asset standard document are being written up to give an idea of what we look for. It was advised that developers should enquire on a site by site basis as UU need to discuss how we maintain these assets once adoption has occurred. An update on the pumping station addenda was given, we received a few touch ups from the HBF and it was circulated prior to Developers Day. The new check list for S104 submission was being finalised and was also circulated before Developer day. This S104 checklist came as a result of the feedback we received saying it wasn’t clear what an engineer looked for and also that the process was too slow.

5. The only major update from this meeting was another update to the S104 process to further streamline and speed it up - The introduction of a 3 stage upfront fee.

6. The first point for discussion was that a tender process had begun for the developer services water contract, a self-lay company and UU had identified a trial site where the self-lay could make the initial branch connection from the host water main. This approach was taken to improve contestability of work to drive competition within the market. There was then further discussion around the new 3 stage charging for S104’s and that BACS payment should not be made until a reference number had been received as payments would get lost. A concern was raised around the length of time a BACS payment could take and so UU will investigate other payment methods. Finally, restrictions in access to SafeDig was raised as an issue and it was stated that unless the applicant is registered with NJUG they should have to buy our information of us, this is currently under review as what information we can provide developers.

### Action taken

- There are several examples of co-creation in which several stakeholders have been part of. The best example is targeting the knowledge gaps between various engineers. There were several mechanisms that have been put in place to bridge this gap based on views given by developers, consultants etc.
- The first action was to base everyone in the same place so that communication was easier.
- Next, the development of the S104 checklist was started and progressed to give both developers and engineers a view of the key thing to look out for/inspect. This clarity and continuity was vital in ensuring a better prepared developer/contractor and a consistent approach across all areas.
### Project ref: N/A  
**Title:** Self-lay contractors Joint forum

<table>
<thead>
<tr>
<th>Related performance commitment</th>
<th>You’re highly satisfied with our service and find it easy to do business with us</th>
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</thead>
<tbody>
<tr>
<td><strong>Service provider</strong></td>
<td>Severn Trent Water</td>
</tr>
</tbody>
</table>

### Research need

- Develop a better relationship with all customers we (developer services) interact with and to improve the service we provide.

- To understand how SLO’s and ourselves were performing on a regular basis versus each other’s expectations and what could be done to improve the working relationship.

- To ensure that SLO’s were having their opinions heard and any concerns they had were being listened to and fed into industry wide working groups. The ultimate aim was to ensure we had a better working relationship with our customers.

### Research objectives

- To understand how SLO’s and ourselves were performing on a regular basis versus each other’s expectations and what could be done to improve the working relationship.

- To ensure that SLO’s were having their opinions heard and any concerns they had were being listened to and fed into industry wide working groups. The ultimate aim was to ensure we had a better working relationship with our customers.

### Methodology

- We undertook feedback meetings with the largest developers and quarterly performance reviews with active SLO’s based on their level of activity.

- The SLO reviews would mainly focus on compliance with our request for work (RFW) process. Included within this meeting was also a scorecard & a section of the meeting was dedicated to taking AOB feedback.

- This was a 2 way feedback exercise where we would feed everything into our business improvement plan, the national groups we attended and to our compliance manager who sat on the Water UK LoS group. All info from these groups was fed back to developers and SLO’s and into our business plan.

- The national groups eluded to in the above point are: Water UK Developer Network, WaterUK/HBF Joint Industry Committee NJICD, Water Industry Registration Scheme Advisory Panel WIRSAP (we used to chair this meeting) & SLO Joint Operators Forum.

### Findings & conclusions from the research

- The group reviewed documentation which broke down each part of the CoP into:
  - Initial enquiry procedure
  - Enquiry
  - Design by water company
  - Design by SLO/developer
  - Construction
  - Service Pipe

After a short assessment of all six processes the forum agreed to concentrate on the initial enquiry & enquiry processes. It was determined that the current CoP set out terms and documentation expectations well, however the differences between the types of responses and time setting expectations could be better.

One of the main concerns transpired to be when an enquiry can be classed as simple or complex as greater surety in this area would afford the SLO & developer better ability to plan to an agreed timescale. There were many suggestions put forward to how this could be set in the CoP such as setting complexity due to the number of units or amount of water usage, however it was agreed that the variables made this impractical.

The forum members determined that the way to set timescale expectations would be to wrap all enquires up into one standard ‘Point of Connection’ (POC) procedure with clear deadlines as follows:

- Within 5 Calendar days of receipt of a complete POC application, the water company must determine if the POC is simple or complex and provide acknowledgment to the applicant
- All simple POC’s will be returned to the applicant within 21 Calendar days of receipt
- All complex POC’s will be returned to the applicant within 90 calendar days of receipt
As a result of holding these sessions, we have seen a marked increase in performance over the past few years as displayed below:

**Actions taken**

- A scorecard has been established to enable operational performance of SLO and UUW to be monitored over time.
- Regular review of the scorecard, along with the forum, allows Uu to target improvements in service and to agree priorities with stakeholders (SLOs).
### Related performance commitment
You’re highly satisfied with our service and find it easy to do business with us.

### Service provider
HBF

### Date of study
2015

### Research need
- To understand and improve our relationships with the HBF and developers.

### Research objectives
- To strengthen our relationship with the HBF by meeting regularly and understanding any concerns they may have.
- We also want to obtain the view of the developers on a regular basis to make sure we both understand each other’s industry/priorities.

### Methodology
Attended two North West technical meetings hosted by the HBF during 2015.
- The first on 24th February 2015 at which the agenda included: NHBC update – to include housing supply updates and any revisions/updates to NHBC standards, MA Infrastructures presentation, Considerate Constructors Scheme housebuilders presentation, Floods and Water Management Act – latest position, Mandatory Build Standards (MBS), Sustainable Urban Drainage (SUDs), Technical Housing Standards, National issues including Technical Update and Regional issues.
- The second on 11th November 2015 with and agenda including: NHBC Land endorsement, Broadband update, Future regulations and risk for the house building industry - Zero Carbon Hub, Floods and Water Management Act – latest position, Mandatory Build Standards (MBS), Sustainable Urban Drainage (SUDs), NHBC update – to include housing supply updates and any revisions/updates to NHBC standards, National issues including Technical Update, Brick pricing & Regional Issues.

### Findings & conclusions from the research
- (24/02/15) A member of the HBF made reference to the recent Supreme Court decision in United Utilities versus Manchester Ship Canal Company (MSCC). In short, this decision confirmed that all existing WaSC surface water outfalls discharging into rivers and watercourses are perfectly legal providing they were in place prior to the coming into force of the Water Industry Act 1991. After this date there is a clear requirement to have the written consent from the owner of any watercourse/pond, to discharge surface water into the receiving water body. A particular school of thought considered that such consents would be required from all subsequent downstream third party land owners but Greg Jones confirmed that the view of United Utilities lawyers was this was not a requirement.
- (11/11/15) There has been a site where a customer stated that UU gave him a discharge rate to the public S.W. sewer which the LLFA halved through the planning consultation. Apparently UU supported the customer in getting the discharge rate re-instated to the rates allowed by UU.
- On the topic of SuDs we emphasised that we do not want to adopt SuDs of any kind currently and moving forwards we wouldn’t want to adopt surcharged, overgrown or silted up outlets to ponds and our aspiration is to have the invert above the design storm water level as a minimum.
- Discussion about the impact on site levels, importation of fill, environmental impact etc. of this requirement. We agreed to discuss each situation at the earliest opportunity if they believe they cannot achieve this criteria.
- HBF / Developers want to be involved in our upcoming SuDS project and work with us on formulating our design requirements rather than be presented with them as a fait accompli.
According to HBF’s Steve Wielebski, the benefit of UU participation in the meetings is:

- Discussion of issues of mutual importance
- Establishing working groups of UU and HBF representatives to review proposed changes to design and construction conventions to produce mutually agreed guidance
- Setting up a process to agree how and when such changes should be introduced to avoid any element of surprise in the technical approval process.
### Project ref: N/A

**Title:** North West technical meetings 2016

**Related performance commitment**
You’re highly satisfied with our service and find it easy to do business with us

**Service provider**
HBF

**Date of study**
2016

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<table>
<thead>
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<tbody>
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<td>- To strengthen our relationship with the HBF by meeting regularly and understanding any concerns they may have.</td>
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<thead>
<tr>
<th>Methodology</th>
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<tbody>
<tr>
<td>- We attended three North West Technical Meetings hosted by the HBF during 2016.</td>
<td></td>
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<tr>
<td>- The first was held on 8&lt;sup&gt;th&lt;/sup&gt; March 2016 at which the agenda included: NHBC update including Housing Supply updates and standards, United Utilities update, Water Management Matters – Latest position/recent floods, National issues including Technical Update &amp; Regional issues.</td>
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<tr>
<td>- The second was on 25&lt;sup&gt;th&lt;/sup&gt; May 2016 and followed an identical agenda to the previous meeting.</td>
<td></td>
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<tr>
<td>- The final meeting was on 1&lt;sup&gt;st&lt;/sup&gt; November 2016 at which the agenda included: NHBC Quality Inspections – Rob Pannell, Health and Safety updates, NHBC update including Housing Supply updates &amp; standards, Revolutionary alternatives to sewer adoption, Water Management Matters – Latest position, National issues &amp; Regional issues.</td>
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### Finding & Conclusions from the research

**8th March 2016**

- NHBC statistics show that there were 2,367 new homes started in the 3 months to the end of January 2016. Overall this is 14% above the 10 year average for this 3 month period.
- We delivered a presentation to the group specific to SuDS and UU’s approach to adoption. This included some of the background surrounding SuDS and various SuDS scenarios. For United Utilities the lifecycle impact of SuDS is a key consideration, in particular how SuDS infrastructure interacts with adoptable sewers etc. UU asked members for feedback/information surrounding SuDS and surface water drainage in general.
- A first briefing of the new charging rules was mentioned and that it is likely transitional arrangements will be required.

**25<sup>th</sup> May 2016**

- An update was given on the SuDS workshop UU held. UU want to look at potential outputs from that workshop and understand this is a high priority topic so we want to progress this.
- At the latest Defra, Overarching Task & Finish Group Meeting on 19th May, HBF can report that there is still much to be done before the intended ‘Charging Rules’ are capable of being crystallised. It still remains Ofwat’s intention to oversee their introduction in April 2017 and we have been advised that the initial Charging Rules consultation can be expected within the next few of weeks. Depending upon the content and direction of the consultation it is likely that HBF will create a dedicated working group to review the proposals and to formulate an informed response.

**1<sup>st</sup> November 2016**

- NHBC statistics show that there were 4,186 new homes started in the 3 months to the end of September 2016. Overall this is 47% above the 10 year average for this 3 month period. Compared to last year, there has been a 15% increase in private homes and a 0% decrease in affordable homes being started, combined this gives a 12% increase.
Charging rules have now been delayed by a year until April 2018. HBF lobbied very hard for this in order to get a more robust practical solution for house builders and one that would not delay the delivery of new homes. That said, it was advised that there is still much to do to ensure that any eventual ‘charging rules’ are fair, equitable, transparent and proportional.

Action taken

- The meeting on 8th March 2016 allowed us to identify the issue of SuDS and how it is a high priority topic industry wide. This allowed us to take a proactive approach in coming up with ideas in which to tackle it.

- As a result at the meeting on 25th May UU created a project team to look at adoption of pipe outlets, offline treatment measures and the potential adoption of SuDS. UU asked if members could forward any SuDS designs they were doing so they could get a better understanding of this. This co-creation has enabled us to implement a strategy to create an approach to possible adoption of SuDs.

- The final meeting in November ‘16 gave us the first view that the implementation of the new charging rules had been pushed back to April 2018. The early view of this will ultimately allow us to shape a better more detailed plan around how we are going to approach, develop and define our new charges. This will aid us in producing more accurate, fairer and clearer new connections charges for developers.
### Related performance commitment
You’re highly satisfied with our service and find it easy to do business with us.

### Service provider/Participant
| Story Homes & UU | Date of study | 06/07/2017 |

### Research need
- To continue to build and develop relationships with our customers.

### Research objectives
- To understand what the view of Story Homes is on the way charging is changing moving forwards.
- To gain an insight into what a developer would like to see on the agenda for developer day 2017.
- To discuss information that could be made available to both parties to make development easier and to give us greater visibility of where that development is going to be and the likelihood of it happening.

### Methodology
- We sat down for an informal chat to discuss the objectives laid out in the above section.

### Findings & conclusions from the research
- It would be useful to Story Homes if UU could provide information on where there are mains/sewers, how deep they are, material they are made from, size etc. This would allow the developer to make more informed decisions when selecting land allocations for purchase. The knock on effect of this would be that we would receive 1. Less pre-development enquiries. 2. The pre-development enquiries we do receive would be more informed, therefore, more likely to lead a planning application and ultimately a development being built.
- The view that Story Homes gave regarding the approach to new connections charges was, in summary, as long as they are clear, transparent and consistent, developers will not mind the figure as it is such a small cost in the scale of a new (large) development.
- At Developer Day there needs to be a section dedicated to the transition arrangements and how this process is going to work. As a home builder they just need clarity around what they are going to pay and when this is due to change so that costing can be forecasted efficiently and the developer can budget accurately.

### Action taken
- We have now put in place sessions off the back of this catch up to look at what information we have that could be shared with the developer and how easy this would be to do. This information is being shared industry wide with a Water UK working group looking at the possibility of a self-serve portal for new connections customers.
- The partnership and meeting between us (the service-provider) and Story Homes (the developer/customer) helps to identify both parties needs in an informal environment. This example of co-creation will enable both parties’ to see more benefits than we would working as individual entities.
<table>
<thead>
<tr>
<th>Research need</th>
<th>Research objectives</th>
<th>Methodology</th>
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</table>
| • The water sector is introducing a new approach to connections charging for water companies wholly or mainly in England. These charges will come into place April 2018 and will directly affect builders and developers. | • To explore the views of SLOs, developers, NAVs and consultants on United Utilities’ current charges.  
• To understand feelings towards the new charging reform.  
• To quantify and gain a better insight into the thoughts and preferences of our external stakeholders regarding our charging options moving forward.  
• To gather thoughts on cost risk.  
• To provide evidence we have a delivered ‘proportionate, timely and effective consultation with groups of persons likely to be significantly affected by the proposed Charging Arrangements (or their representatives)’. | • We first worked in partnerships with regulatory bodies to understand the impact of the new charging rules set by Ofwat to best inform us on how to develop our new charges for developers.  
• Entered into partnership with DJS, used this to set up a focus group day (May 2017) in which 11 people attended the morning session and 12 in the afternoon to discuss several questions put forward by UU (see Appendix A).  
• As a second stage of quantitative research a written consultation was issued by ourselves along with a number of questions for 955 external stakeholders to complete (May 2017), some questions overlapped with those raised by Water UK on an industry wide level. We had responses from a variety of businesses: 2 x large developers, 2 x consultants, HBF and a groundworks contractor.  
• DJS were then utilised to pull together all the information identified through our stakeholder engagement into a more commercially friendly format. The aim of this was to give us a good understanding of general trends as well as any individual concerns regarding our approach. |

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<th>Findings &amp; conclusions from the research</th>
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| • Concerns around UU’s current charges are based around uncertainty with infrastructure charges and the lack of clarity and accuracy surrounding charges in general  
• Definitions are clear surrounding site-specific and non-site specific although clarification is needed around network reinforcement  
• Standardised fixed charges for connections and infrastructure are considered clear and simple for developers  
• The majority of developers, SLOs, NAVs and consultants prefer a per plot calculation followed by a fixed percentage  
• In order to minimise risk where exceptional costs could materialise and ease the transition period for developers United Utilities need to be as clear and transparent as possible  
• UU should build more recognition of NAVs into the consultation | • In order to achieve the last objective highlighted in the ‘Research objectives’, we have ensured that we will consider the views on how NAVs will be affected. The mechanism we have put in place to capture this is a dedicated section within our overall charging plan. This aims to shine a spotlight on everything we do and how it will affect different organisations like NAVs, so any decisions made do not negatively impact them.  
• It is key to highlight our partnership with DJS and how co-creation has allowed us develop a better understanding of key points highlighted to us by different businesses. This should allow us to address these in our approaches so that they don’t become issues further down the line.  
• DJS highlighted the following: ‘We feel United Utilities gained the opinion of a mix of NAVs, developers, SLOs and consultants during the workshop. UU was able to share the new charging rules ahead of any changes and stakeholders seemed happy to be consulted at this stage in the process. The qualitative research helped in providing a discussion around stakeholders’ thoughts and feelings towards the current...
charges and a platform for them to ask any questions they may have had. The quantitative research backed up the insights gained from the qualitative research and included opinions from others not present at the workshops.

- With regards to our charging options there was no unanimous decision on which way this should go so we will continue to look at all possible options and possibly impact assess all of these.
- We aim to have a second focus day to further discuss all the issues that arose and how we have gone about tackling them. Also giving an update of where we are up to and what we need next to again help us develop a transparent, clear, fair set of new charges.
6 Section E: Public engagement

List of projects included in this section:
   1. Engaging the public on business plan themes: #nwmaters
   2. PR19 Youthforia Engagement
## Chapter 2: Supplementary document - S1001

<table>
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<tr>
<th>Project ref: S1009</th>
<th>Title: Engaging the public: #nwmatters – Summary Report</th>
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<tbody>
<tr>
<td>Related performance commitment</td>
<td>All</td>
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<td>Service provider</td>
<td>United Utilities &amp; Delineo</td>
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### Research need
- United Utilities is developing its business plan for 2020 to 2025 and wishes to engage in a two-way dialogue with customers about the plans that it is developing to ensure that customers are informed and involved in the ongoing development.
- Part of the planning involves investing in the business and United Utilities needs to understand, at a high level, customer attitudes to, and willingness to support, investment in the plan. Results will be used to triangulate with statistically representative insight on business plan acceptability and willingness to pay.

### Research objectives
- To engage customers in a two-way dialogue about the high level proposals in the business plan and give them an opportunity to ask questions and find out more.
- To gather high level customer feedback on the PR19 business plan including:
  1. How do customers feel about the three broad priorities we have identified through research and engagement; supporting customers that need extra help; improving the services we provide; and protecting and improving the environment?
  2. Are customers prepared to pay, to support investment in these three broad areas?

### Methodology
- A simple survey mechanism was created in order to stimulate involvement and to capture customer feedback, supported by an experiential engagement campaign involving shopping centre exhibitions in the North West. This was supported by social media campaigns and website communication.
- 28,022 interactions took place and 2,241 surveys were completed by the public during November and December 2017 across the range of engagement activities:
  - 9 roadshows were held across the North West generating 1,364 survey completions and a further 2,880 interactions (placing votes for business priorities).
  - As a result of 34 posts from UU across social media (Twitter, LinkedIn and Facebook) 753 survey responses and a further 25,182 interactions (comments, shares and likes) were achieved. Close to 500 customer comments were received via social media.
  - Innovative social media techniques were used to help maximise audiences and to go beyond those that usually engage with UU on social networks.
  - A survey was hosted on the corporate website which generated 40 survey completions.
  - An event was held with the Youthforia network (11-18 year olds) generating 84 survey completions.

### Findings & conclusions from the Research
- In terms of priorities all three areas (supporting vulnerable customers, improving services and protecting and improving the environment) were seen as important with a slight preference for supporting vulnerable customers.
  - Over half (52%) of participants thought that both customers in vulnerable circumstances and those financially struggling should be given equal priority in the future.
  - Over half (53%) thought all proposed customer support services should be provided. Discounted prices and flexible payments were the preferred single choices and 59% were willing to pay to support this.
  - Half (47%) thought all proposed service improvements should be prioritised. Reducing sewer flooding was the preferred single choice. 38% were willing to support this.
  - Two thirds (63%) thought all environmental improvements should be prioritised and 58% were willing to pay to support this.

### Action taken
- The consultation results were considered alongside results from acceptability research for further development of the draft business plan proposals.
- A further round of customer communications campaigns are planned for the autumn of 2018 to inform customers about the results of the insight gathering activity and the resultant business plan proposals.
<table>
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<tr>
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<tr>
<td>• United Utilities is developing its business plan for 2020 to 2025 and wishes to seek the high level views of customers during this time about the plans that it developing to ensure that customers are informed and involved in the ongoing development.</td>
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<tr>
<td>• United Utilities also needs to understand, at a high level, whether the next generation of customers show support for investment priorities proposed in the plan. Results of the engagement will be used to triangulate with other more detailed work on business plan involving willingness to pay and acceptability of the plan.</td>
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<tr>
<td>• To engage young future customers in the high level proposals of the PR19 business plan and give them an opportunity to ask questions and find out more.</td>
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<tr>
<td>• To capture views and expectations including how they feel about the three broad priorities we have identified through customer engagement; supporting customers that need extra help; improving the services we provide; and protecting and improving the environment. And whether, if they were bill payers, they would be willing to pay to support investment in these three broad areas.</td>
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<td>• An event was held through our Youth Forum partnership with the Youthforia network in December 2017.</td>
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<tr>
<td>• Youthforia is a North West Youth Forum that co-ordinates youth voice and the UK Youth Parliament in the North West</td>
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<tr>
<td>• Ages range from 11-18 year olds</td>
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<tr>
<td>• The survey used was an adaptation of the simple feedback questionnaire designed for use in the general business plan consultation. 84 survey forms were completed</td>
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<td>In terms of priorities all three areas (supporting vulnerable customers, improving services and improving and protecting the environment) were seen as important, with a slight preference for supporting vulnerable customers. This was similar to views expressed across other public engagement activity.</td>
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<tr>
<td>Supporting people in vulnerable circumstances</td>
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<tr>
<td>• 64% thought that both vulnerable and financially struggling customers should be given equal priority in the future.</td>
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<tr>
<td>• 55% thought all proposed customer support services should be provided. Discounted prices and flexible payments were the preferred single choices.</td>
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<td>• 46% were willing to pay something towards supporting vulnerable customers but 24% were not sure. 30% were not willing to pay at all.</td>
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<tr>
<td>• When asked if there was more we should do to support vulnerable and financially struggling customers most respondents talked about personal contact and lowering payments.</td>
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<tr>
<td>Service</td>
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<tr>
<td>• Half of participants thought all proposed service improvements should be prioritised. Reducing sewer flooding was the preferred single choice.</td>
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<tr>
<td>• 43% were willing to pay something towards supporting improved services and 27% were not sure. 30% were not willing to pay at all.</td>
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<tr>
<td>• When asked why they chose a particular service improvements, most respondents talked about the importance of safe clean water and devastating impact of flooding.</td>
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<tr>
<td>Environment</td>
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<tr>
<td>• 68% thought all environmental improvements should be prioritised, similar to the general public engagement results.</td>
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<td>• 55% were willing to pay something towards improving the environment and 27% were not sure. Only 18% were not willing to pay at all.</td>
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<tr>
<td>• When asked why they chose a particular environment improvements, most respondents talked about the need to protect the environment now and for future generations.</td>
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