

Listen, Learn, Inform: Interim Debrief

Limited Prior Knowledge



Accent is registered to the market, opinion and social research
International Standard ISO 20252

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This presentation is based upon qualitative data and should not be considered robust, but indicative of the views of the populations targeted



Research Background

SES Water have begun a comprehensive research programme for PR19

First phase of research is to Listen, Learn and Inform

PR19 Research Plan

Listen, Learn, Inform

Test and Review

Seeing the Full Picture

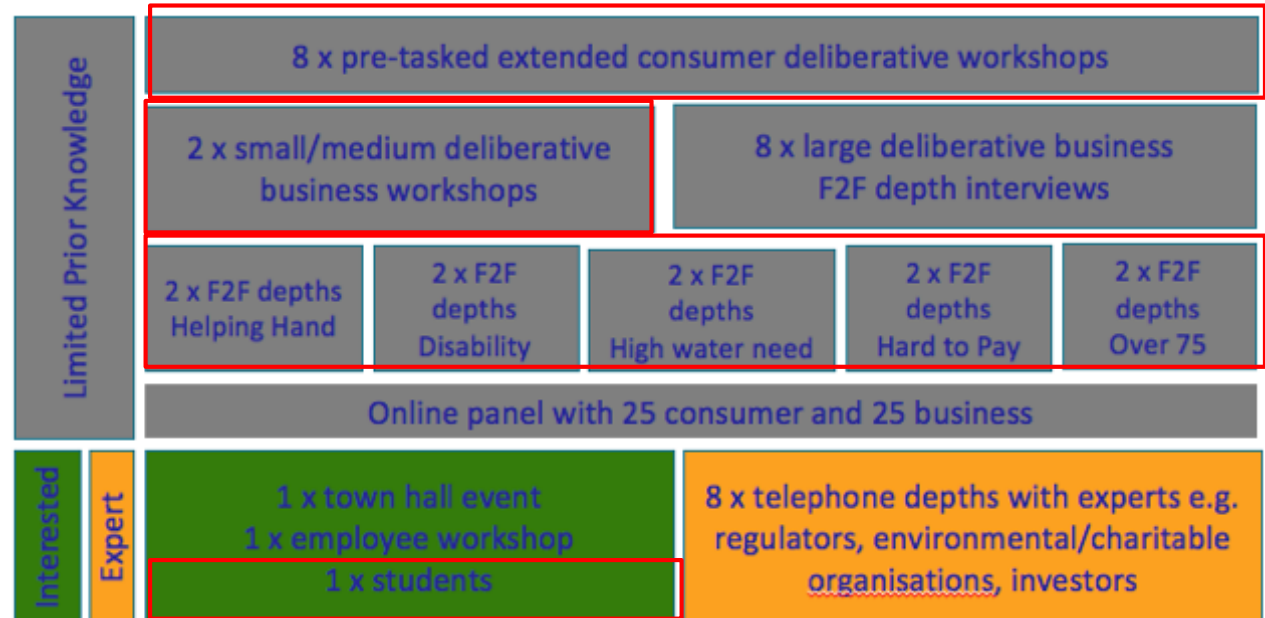
- Explore baseline perceptions of SESW and how these may change after full exploration of the business plan
- Understand stakeholder needs and priorities for service delivery both now and over the longer term (prompted and unprompted)
- Assess whether stakeholders understand the proposed business plan and what impact it may have on their world

SESW recognises the need to deliver a sound and comprehensive research programme for evaluation by OFWAT and the CSP

Programme needs to cover diverse range of stakeholders

Mixed qualitative methodology designed to cover all stakeholders

Key Stakeholders



This slide pack provides insight from those with limited prior knowledge including Future Bill Payers (Students)

Methodology and Sample

Qualitative methodology comprising 11 pre-task extended discussion groups and 10 depth interviews

Group	1	2	3	4	5	6	7	8	9	10	11
Type	HH	NHH	HH	HH	HH	NHH	HH	HH	HH	HH	Future
SEG	ABC1	Mix of SIC	C2DE	ABC1	C2DE	NHH	ABC1	C2DE	C2DE	ABC1	Mix
AGE	45-65		18-35	30-55	65+		65+	30-55	45-65	18-35	18-25
Location	Sutton	Leatherhead	Dorking		Purley		Caterham		Horley		Redhill

10 x In-Home depth interviews with Vulnerable customers

All fieldwork undertaken between 19th April and 8th May

Pre-task designed to ensure conscious response to water to enable articulation of spontaneous priorities

Five parts to pre-task

- Postcard to SES Water
- Water moments diary
- Water deprivation exercises
- Video selfie – Without water....
- Dig out your bill



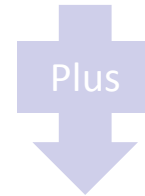
Sample Observations

Range of business customers in the sample

Mix of higher and lower water dependency

- Beauty Salon
- Café
- Catering Manager
- Marine Engineering
- Cycle shop

Higher water dependency = washing hair, pedicures, food preparation, cleaning engines, repairing bikes



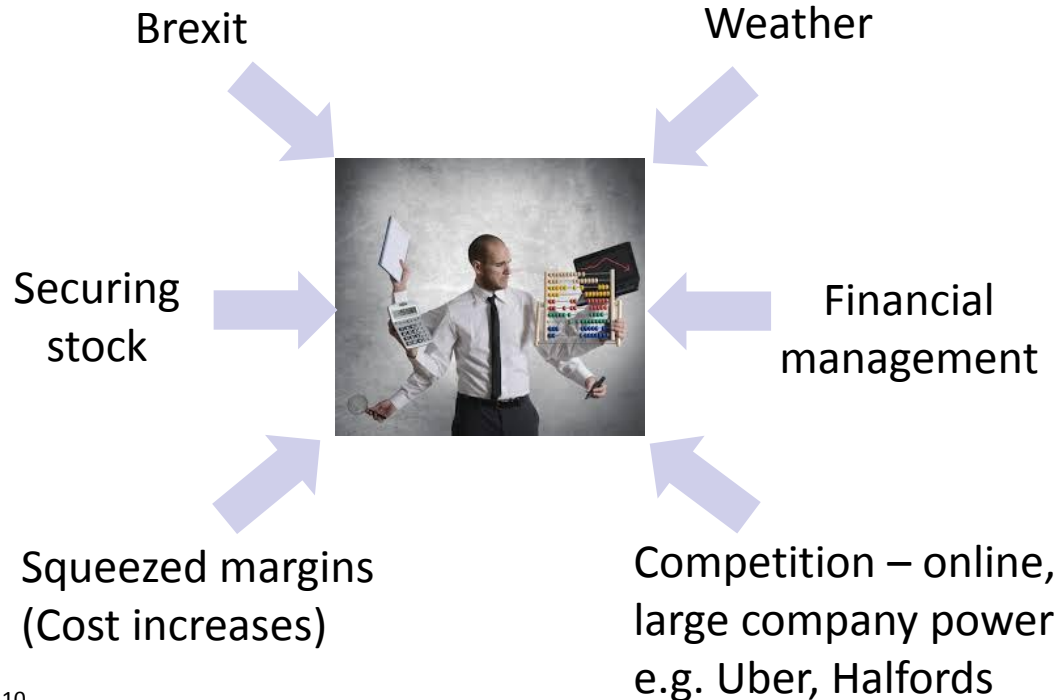
- Music producer
- Newsagent
- Drs surgery
- Minicab office
- Estate agents
- Charity

Lower water dependency = washing floor/cleaning offices, washing machines, tea/coffee, drinking water, flushing

No evidence of water recycling – 2 x HD businesses using water substitutes for cleaning

Lots of challenges exist for small/medium Business customers

Grateful that they don't have to think too much about water service provider



Most of our suppliers buy in Euros so it's a 20% increase
Leatherhead, Business

My broadband's just going up, telephone line's going up, the cost of produce ...everyone you talk to it's, 'Prices are increasing.'
Purley, Business

Low awareness of Open Water

Some recollection of re-branding letter – not sure whether this was related to Open Water

- Little attention paid to water
- Water is lowest utility cost
- Some recall of a letter that offered an incentive - £30 to stay with SES Water
- Easier to stay with SES Water
 - No issues or complaints
 - No concerns re high cost
 - One Bill/online
 - Unsure of advantage to switch
- Separation of retail and wholesale feels confusing so easier not to engage

I think the electric is different. I pay 550 a month and I just think, oh my God. I really need to get that down. But paying £84 a month, to me I've got other priorities.

Purley, Business

I do remember getting a letter saying about SES Water rebrand and I got 30 for staying. I don't think we had to do anything

Leatherhead, Business

With love from a high and low dependency business

Dear Friend in Scotland,

I'm writing to you to let you know about this company we have here- SES. They deal with our water billing for our company- both clean and waste water. One bill no fuss, this has changed recently but I find the One bill clearer & less hassle. They also have E-billing so you can view bills online and actually people you can talk to on the phone (not robots). I don't know who you're with at the moment or if SES cover any of Scotland but from using SES I've found I've saved money, the customer service is great and it might be worth giving SES a phone and seeing how they can help you.

Kind regards
Lucinda T

Dear friend in Scotland

I am writing to you in regards to Sutton and south east water. They are a company that supply my business with water and I have had no problem whatsoever whilst using them. They seem like a very trustworthy company and if you would ever be presented with a chance to use them I would recommend it. How's the weather up there.

Regards
R Patel

Regardless of business or household status, not all customers have the same attitude to water

Different attitudes to water affect behaviour

Cost conscious

- Aware of what they are using
- Thoughtful about water usage
- Metered
- Driven by cost

Water conscious

- Aware of what they are using
- Thoughtful about water usage
- Some metered/some not
- Driven by non-cost factors
 - Environment
 - Dislike waste

Water blind

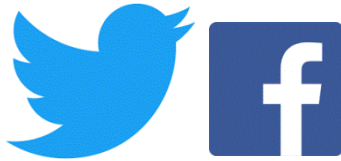
- Unaware of what they are using
- Never thought about water
- Driven by cost and non-cost factors
- Cost = Managing financially, lowest utility cost
- Non-Cost = Good product, no complaints, good service, why should I think about it



Already using water saving strategies e.g. half filling kettle, dishwater for the garden

Future customer group are present tense and demanding

Require instant feedback and really help highlight gaps in SES Water service delivery



- Commonality is speed of response
- Modern and fresh approach to business
- Customer is at the centre of everything
- Dedicated team to respond to communications and complaints on social media
- High social conscience – expect SESW to have CSR policy
- Present as more environmentally engaged than general audience

Demand high service from companies

Development of technology is critical take out and tone of communications for future audience

Vulnerable customers recruited to represent a range of vulnerabilities

2 x F2F depths
Helping Hand

2 x F2F
depths
Disability

2 x F2F
depths
High water need

2 x F2F
depths
Hard to Pay

2 x F2F
depths
Over 75

Vulnerable interviews usually reveal a more complex picture – multiple vulnerabilities

Financial Vulnerability

- Currently struggling to pay or at risk
- Overlap of vulnerabilities
- Hard to pay, helping hand also had other vulnerabilities e.g. high water need, medical issues
- Chaotic households
- Struggling to pay all bills
- Not sure where to start

Non-financial vulnerability

- Organised households
- Financial stable and managing
- Age = coping well and sprightly; sight issues (old school approach to finances)
- High water need = severe skin condition, incontinence

Overall priorities mirror core customer base BUT specific initiatives e.g. community representatives, sharing data also emerge, large bills, promotion of tailored tariffs

Case Study: Vulnerable customer with multiple needs

Not all in SES Water area are typical 'vulnerable customers'

Background

- Large family
- Wheelchair user in household
- Children
- Financially secure
- Higher water use (laundry, incontinence, bathing)

Priorities

- Consistency of water supply
- Proactive support from SES Water
- Smart meter to control usage
- Priority register
- Education and community engagement e.g. local schools



Perceptions of SES Water

Very positive response towards SES Water across groups

In a very busy 'global' world, having a reliable, local service provider with a social conscience is welcomed



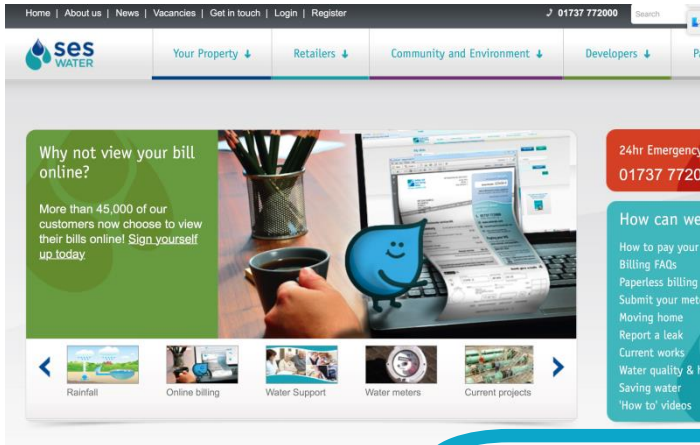
Specifics

- User friendly website
- Easy moving house process
- Clear bills (vs. energy)
- Good communications e.g. little booklet that 'looks like they are trying to help the community'
- Proactive when customer overpaid
- Speedy to deal with a leak
- Local call centre
- Quick to answer the phone
- Free stuff
- School visits

No comparative company or organisation – everyday 'invisibility' of SES Water is a good thing; other utilities standout for wrong reasons

More on the SES Water website

Look and feel and content of website felt to be effective



Content

- Informative
- Leak / service interruptions
- Planned interruptions
- Calculators
- Detail on community projects

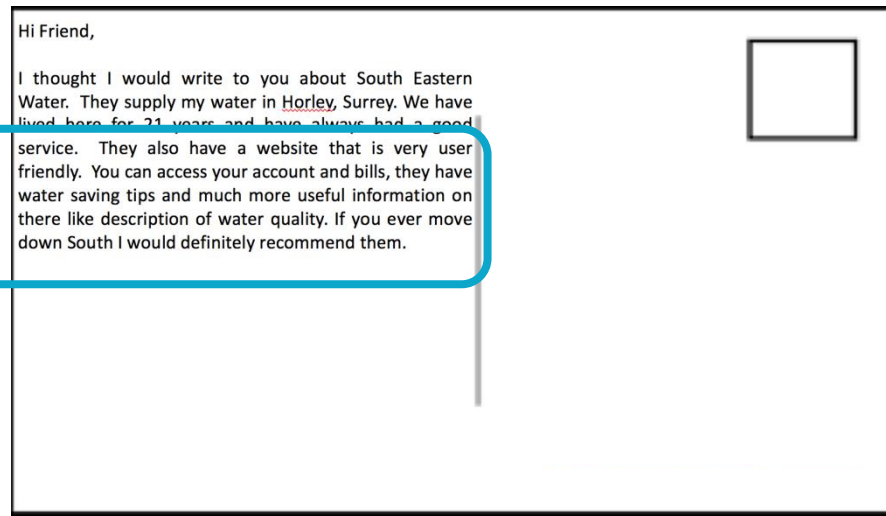
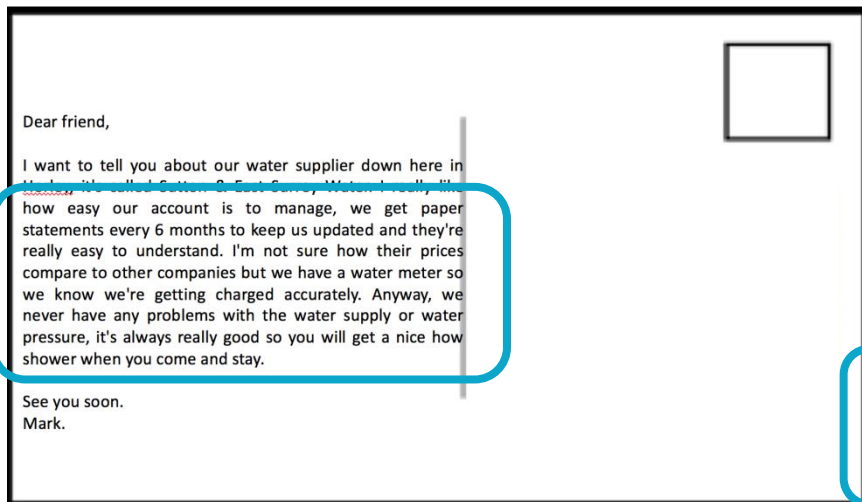
Look and Feel

- Easy to use/intuitive
- Pictorial
- Large font

They go round giving free talks and you're told how you could book a free talk for your school on the website as well.
Caterham, ABC1, 65+

Surprisingly good – more information on the website than expected

Postcards reinforce how straightforward customers find SES Water



General consensus that SES Water are better than other service providers e.g. energy, broadband – not as much goes wrong and when it does, it is dealt with swiftly

Minority of negative product and service related stories

Product Related

- Few stories relating to water quality
- Hard water - Impact on products e.g. limescale build up and £ of replacing appliances
- Chalky water – Impact on £ e.g. need to buy bottled water

Service Related

- Few stories where SES Water are inefficient and less slick
- Request for water meter ignored
- Slow to deal with moving house request
- Response to Open Water letter
- Confusion over 'making good' of repairs

Dear friend

Our local water supplier is SES Water. They supply us with good tasting water, I am never tempted to buy bottled water for home. I have travelled a great deal around the country and around the world and it's always nice to return home where I know the water will taste the way I like it. If I had to make a constructive comment, I would prefer softer water as I am forced to use Calgon in my washing machine to stop the deposits. However, this is a small price to pay for the quality we get. We had a nearby water main burst last year but they sorted it quickly so that was good. No one likes to pay more for anything but I feel overall we get good value for money.

Best wishes
Clive.

Well it does affect me because I have to run it for so long before I get clear water. And also I have to buy a lot of bottled water and I have a filter, so it really does affect me Purley, HH, 65+

Many addressing hard water issues with water softeners, filters but welcome any advice from SES Water to achieve optimum experience

Most had noticed the change in SES Water brand/logo

Consensus = positive change creating a more modern and progressive brand



- Shift in logo has been well noticed
- Letter seems to have achieved cut through
- Look and feel = highly positive
- Acronym vs. Name = trendy and modern AND more practical
- Demonstrates investment in the brand
- Rationale for brand shift is less clear
 - Modernising vs. SES Water expanding/losing local focus

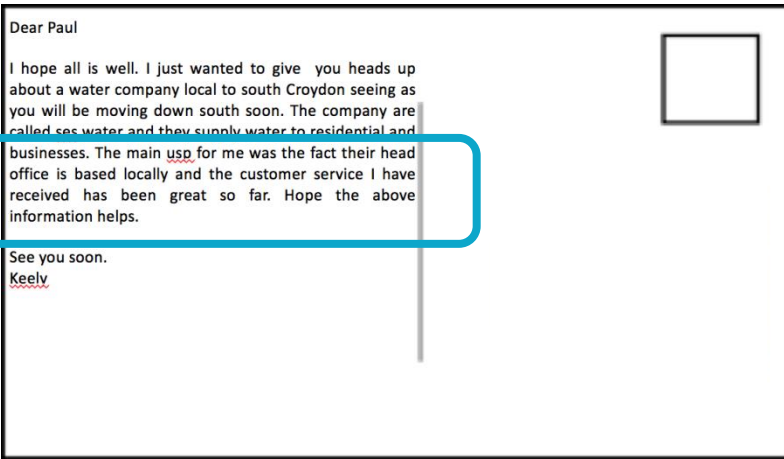
They've recently rebranded so you might not recognize them but they're called SES water now and they have contemporary new logo which I really like!
Horley, ABC1, 18-35

I said a logo was better because it's SES and not Sutton and you know, such a long mouthful
Purley, C2DE, 65+

Some fear that SES Water are losing their local USP

Maintaining 'local' story is important for existing customers

SES Water seen as a small company serving local communities



Note – Under 30s limited connection with old Sutton & East Surrey brand world

- Involvement in the community is welcomed
- Customers suggestions for further involvement:
 - Supporting local recreational areas e.g. Bough Beech Reservoir
 - Resources for local schools
 - Promoting health benefits of water e.g. providing schools with SES Water drinking bottles
 - Local community officers to support those in vulnerable situations e.g. recommending tariffs
 - Working with deprived communities

4 Water Moments

Water moments exercise uncovers the emotional value of water and multi-sensory experience vs. more obvious functional usage

Recognised as the most essential and important service in the household



Whole tapestry of emotions to reflect in comms to build stronger brand connection

Water discolouration significant issue for majority of water moments

Strong negative emotion associated with discoloured water; fills many with disgust

No understanding that discoloured water = safe to use; even when they know this, customers still very uncomfortable

Extreme negative emotions associated with deprivation tasks

Desperation, Agitated, Moody, Snappy, Tired, Anger, Fear, Frustrated, Embarrassed, Stress, Discomfort, Lethargic, Loss of earnings

Water moments observations

Regardless of original water attitude and behaviour, water moments exercise challenged customers 'take it for granted' approach to water

Waste conscious

- Older households
- Metered customers
- 'War mentality'
- Aware that water is a precious resource
- Exercise reinforced current attitude and behaviour

Waste oblivious

- Tended to be younger households (pre-family)
- Conscious of sell by/use before dates
- Bottled water better than tap water
- Some state behavioural change as a result of exercise but still there is a segment – Use what I want, when I want - who will revert back to ordinary behaviour

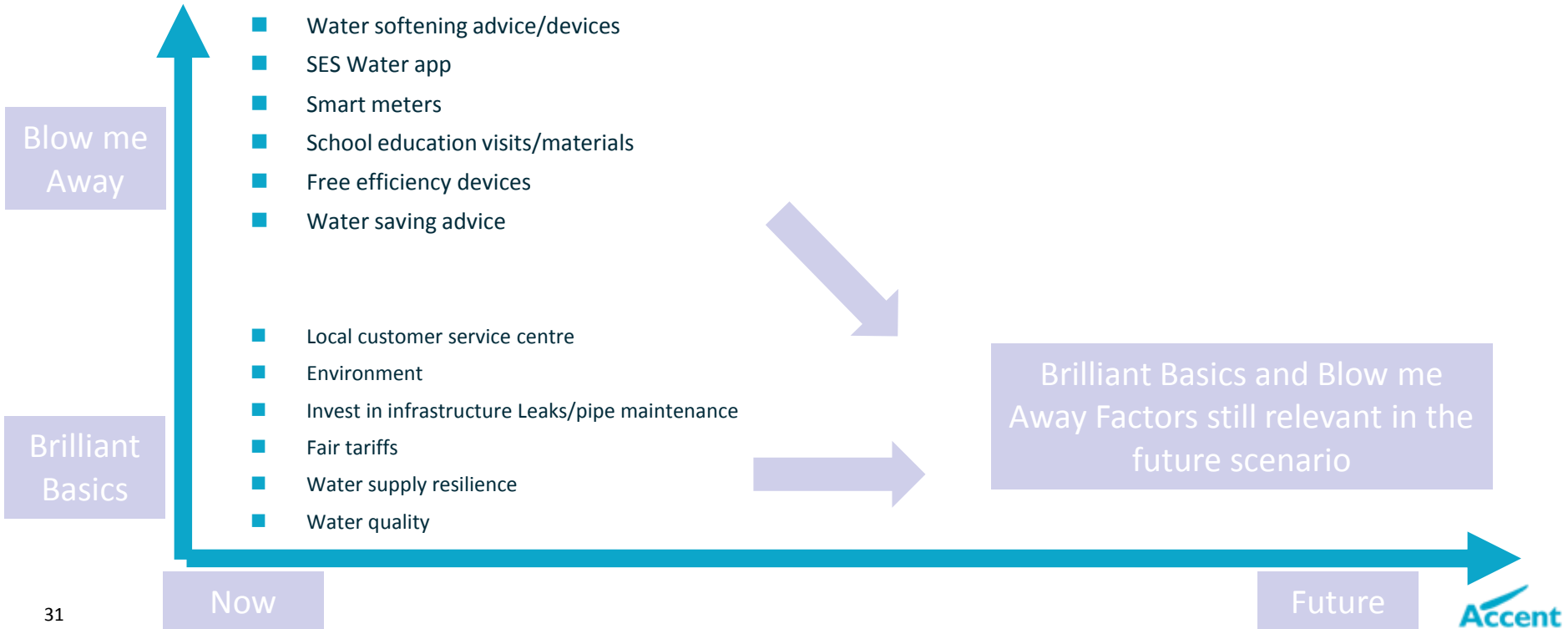
Potential to think about using this 'game' as part of app development



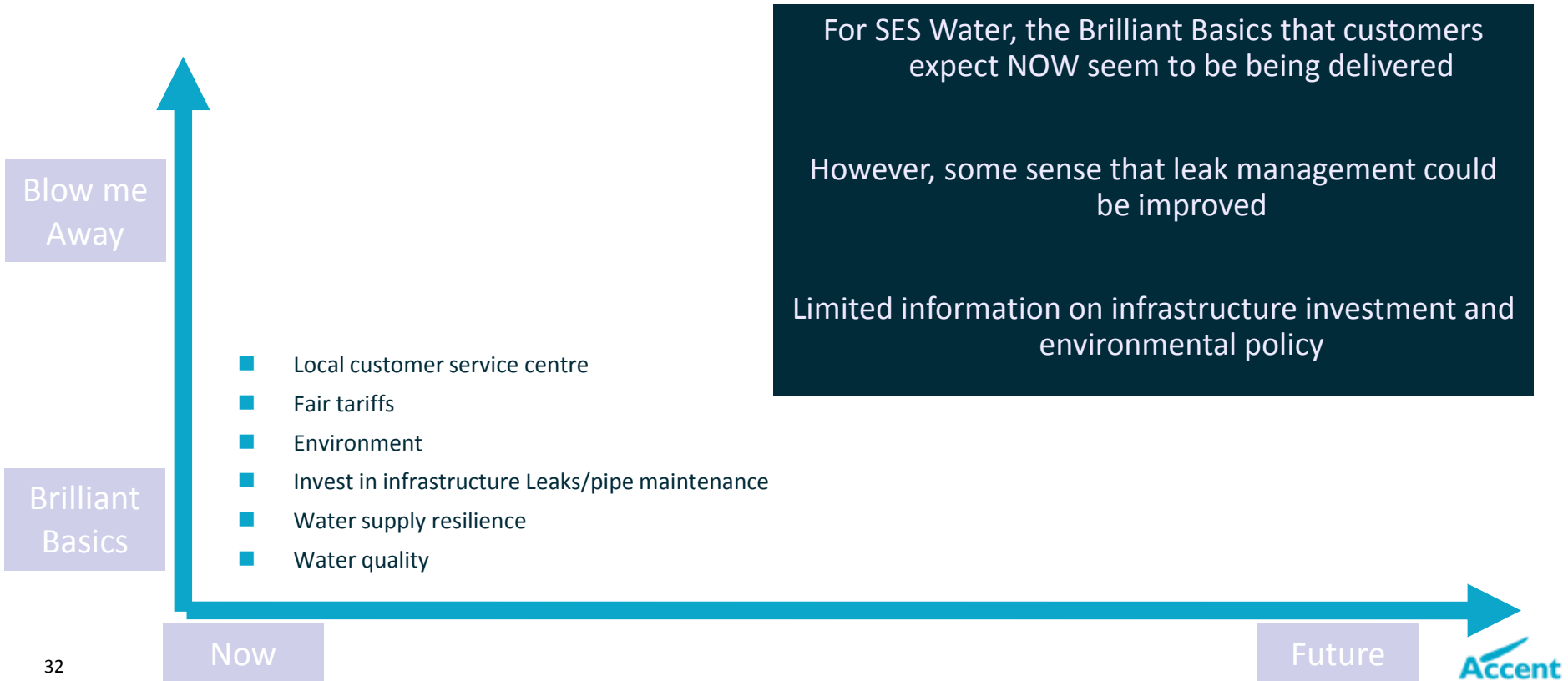
Priorities and Promises

Spontaneous priorities consistent across sample

Some priorities are hygiene factors whereas others will surprise and delight



Brilliant Basics are the hygiene factors that people simply expect



Brilliant Basics: Water Quality

Water quality is good but addressing the hard/chalky water would be a basic service improvement

Overall most are happy with the water quality and accept they are in a 'hard water area'. It tastes good, is pure and clear water. Minority have issues with discoloured/chalky water

Overall water quality

99.95%

Target: 100%



Taste, odour and
discolouration
contacts

419 contacts

Target: 350 contacts



Water
softening

Delivery on schedule

Target: Deliver programme



High target and high performance

100% target impossible to achieve

Nobody wants poor tasting, discoloured water

BUT 419 contacts out of 688k people feels good

Interesting

What does this mean?

I've noticed they've got water softening down here but how do we know whether it had been softened or not?
Caterham, ABC1, 65+

Brilliant Basics: Continuous Supply

No issues with current water supply but spotlight on potential droughts raises importance of resilient supply

- Short and long term resilience necessary
- Noticeable population growth across the region that will impact on demand e.g. Horley developments, Sutton = no 1 place from London
- Media coverage of lack of 2016 rainfall means concerns raised over supply
- Customers need assurance of supply (now/future)

Supply interruptions
over 3 hours

6.3 minutes

Target: 15.6 minutes

Number of bursts

212 bursts

Target: 290 bursts

Security of
supply index

100%

Target: 100%

Targets look acceptable

Not sure how these are derived but reduction of burst pipes is important

Pre-notification of supply interruptions requested (some say they have had these)



Regular text updates requested

Strong sense that responsibility of continued supply is with SES Water; many customers not conscious of what they can do personally to control demand

Brilliant Basics: Infrastructure

Investment in infrastructure is a hygiene factor – customers expect SES Water to be protecting and investing in their assets

- Expectations heavily interlinked with Continuous Supply
- Short and long term resilience necessary
- Protecting current resources through management and investment of the current assets is critical
- Proactive replacement of old lead pipes
- Future focused response to environmental concerns e.g. will we run out?
- Impact of terrorist threats

MEASURES	PERFORMANCE IN 2016
Water restrictions	0 Target: 0 
Building a more resilient network	36% Target: 36% 

Targets look acceptable

Zero water restrictions is excellent

Perception that we still have 'enough rain'

Building a more resilient network is imperative but % in context of this quick review were meaningless

Whilst environmental concerns (pollution, etc) didn't come up repeatedly, resilience to the impact of climate change is a concern for many

Brilliant Basics: Environment

Focus on climate change (future impact) and managing rivers (present impact) but not everyone buys into 'the environment'

Environmentally disengaged (Future)

- Focus on own world
- Present tense
- Not sure what to believe
- Exhausted with debates
- Not interested

I've got too much 'environment' in my life.
Dorking, ABC1, 35-65

Environmentally engaged (Future and Present)






- Future focused and aware of environmental issues
- Read about climate change and are concerned
- Trying to keep the message alive
- Interested in supporting positive environmental change

It's something that's still stuck with me and then I just teach that to my kids.
Dorking, ABC1, 35-65

Even those who choose to ignore climate change impact tend to support protection of wildlife/rivers

Brilliant Basics: Environment

Real concerns about the leakage target

<div>Aim 5</div> <p>Reduce our impact on the environment while seeking to make a positive contribution to its quality</p>	MEASURES	PERFORMANCE IN 2016
	Leakage (millions of litres per day)	24.17 Target: 24.40 
	Environmental education programme	13,314 people Target: 8,000 people 
	Customer usage reductions through metering	160.9 litres per person per day Target: 161.2 
	Greenhouse gas emissions (kgCO ₂ eq/MI)	470 Target: 525 
	Severe pollution incidents	2 incidents Target: Zero incidents 

Environmental education programme is positive

Leakage target is unacceptable

Lack of comprehension of industry leakage standards

Impossible to imagine that much water being wasted

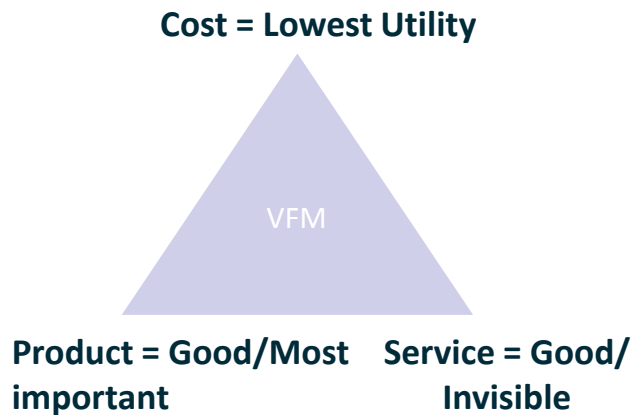
Creates resentment about customer usage behaviour

Severe pollution incident feels unacceptable – why/what is the cause of this?

Need to be explicit about in-home leakage contribution and have a solution e.g. explain how this can be minimised via smart meters

Brilliant Basics: Fair Tariffs

Pre-task exercise elevated awareness of bill but limited prior knowledge beyond 'low cost'






- Current perceptions of VFM are good and bills are fair
- No easy way of determining VFM/fairness
 - No comparison for HH / Business customers haven't tried
- Generally VFM 'what is paid for service/product delivered' is good
 - Positive service/product experience (maj.)/lowest cost
- Where product quality is a concern (Chalky), VFM is diluted e.g. cost of buying bottled water factored in

Sense of duty for SES Water to promote better tariffs to those who may benefit e.g. singles/young couple AND to encourage smarter water usage

Brilliant Basics: Fair Tariffs

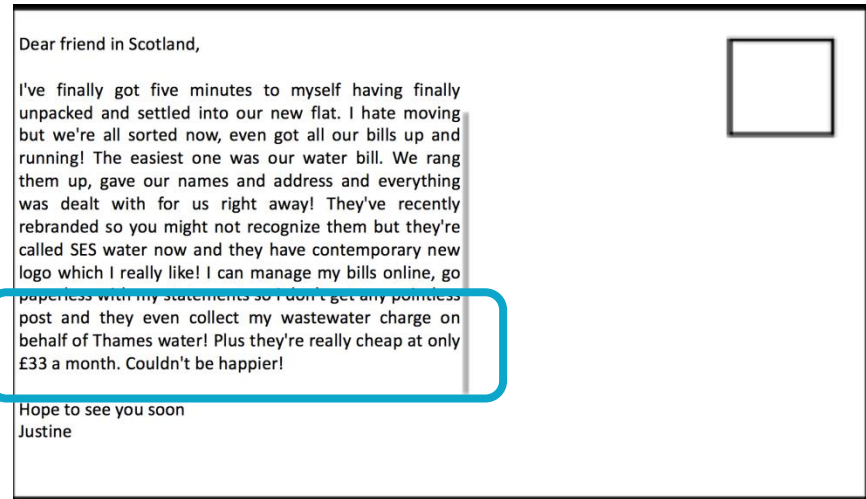
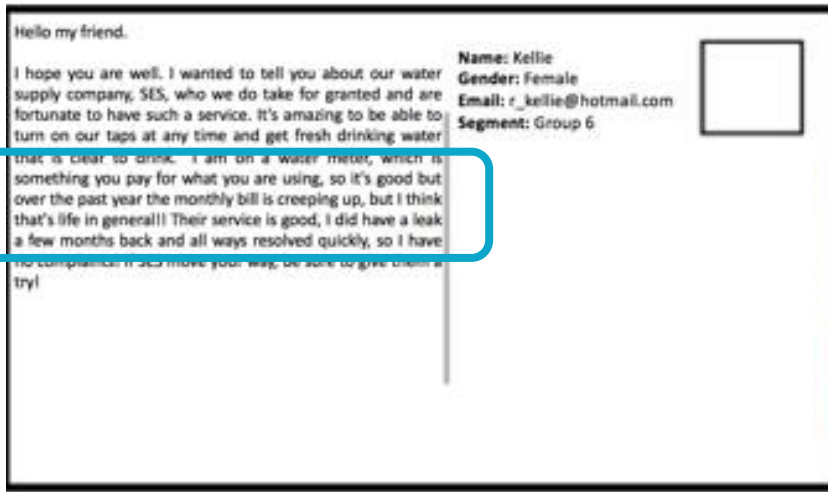
Discussion uncovers variety in bills and debate over social tariff justification

MEASURES	PERFORMANCE IN 2016
Customers on our Water Support tariff	5,686 Target: 5,000 
Perception of value for money	9.0% Target: Less than 15% of customers dissatisfied 
Bad debt as a percentage of turnover	0.75% Target: Less than 1% of turnover 

- Not everyone supports the social tariff
- Concerns about qualification criteria inflamed by media coverage of benefit fraud, etc
- So target of 5,000 on social tariffs gets mixed response
- Some vulnerable customers unaware of opportunity to be on this
 - Young family
 - 2 small children one with autism
 - Mum diagnosed with weeping skin condition
 - Financially challenging as difficult to work

Idea of higher community presence to support vulnerable customers supported by those who need and others who feel its important to help those in need





Postcards reinforce sense of good value



Brilliant Basics: Local Customer service centre

Maintaining current local customer service centre is expected

- Majority of customers have no experience of contacting SES Water
- They see this as a positive thing (HH and Business) – one less thing to worry about
- Very surprised that only 265 employees
- Those who have contacted the call centre tend to tell positive stories
 - Straight through to a human
 - No transferring from pillar to post
 - Efficient
 - Happy to call back
 - Explain about other tariffs

 Aim 4 Deliver consistently high levels of service	MEASURES	PERFORMANCE IN 2016
	Customer satisfaction with the water service	91.5% Target: 89% 
	Quality of customer experience, as measured by Ofwat's Service Incentive Mechanism	Below industry average Target: Above industry average 
	Number of complaints (per 1,000 properties)	10.0 Target: 7.4 

Overall customer satisfaction target is being met

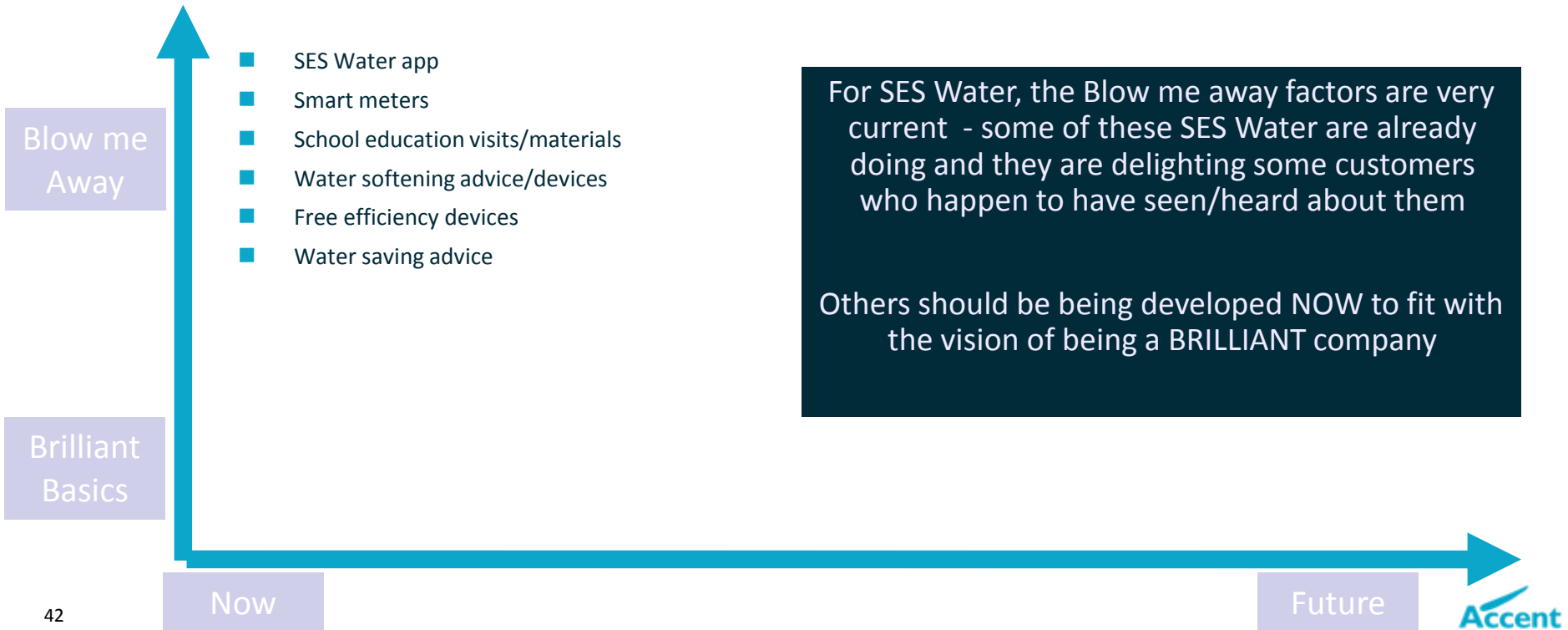
BUT 89% satisfaction feels like SES Water lack ambition

Concern that they are seen as 'below industry average' although no understanding of how that is measured

Number of complaints target feels challenging – less than .5% of properties

Pushing customer service beyond ordinary call centre delivery begins to delight

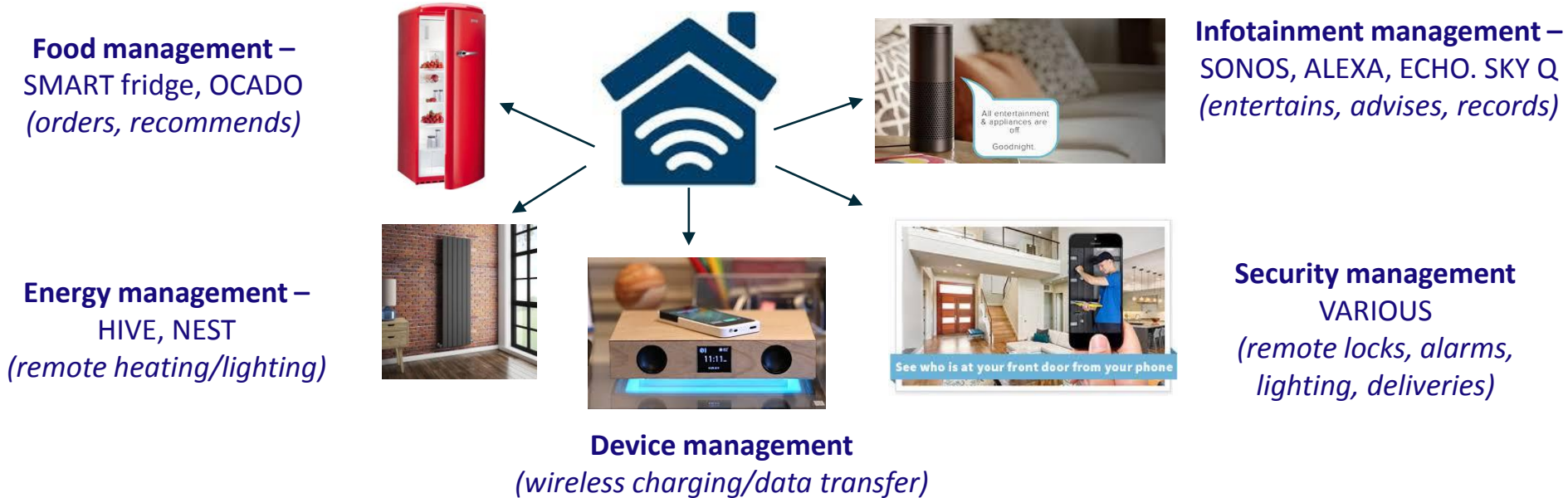
'Blow me away' priorities are unexpected initiatives that can surprise and delight



Blow me away: Context

Future bill payers visualise future home

Smart homes becoming more mainstream and SES Water need to keep up



Surprise that there was no technology aim/promise – need to be pushing boundaries and help customers understand what the future SES Water home will look like

Blow me away: SES Water app and Smart Meters

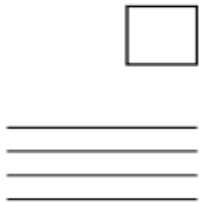
Practical and emotional benefits of the smart home - things that make life smoother and reduce everyday stress are valued



- Look/monitor bills
- Suggest tips to save water
- Reward behaviour
- Best day of saving water that week
- Facts about SES Water
- Log complaints
- Live chat
- Supply interruptions
- Alerts when using too much (set targets)



They seem to take pride in going the extra mile for their customers, with quick response times over the phone. Although, it would be great if they used technology more to make customer queries more efficient (i.e a phone app)



Benefits = £ saving, environmental, reduce hassle, safety, save time

I think an app should be mandatory
Redhill, Future Bill Payers

Although not all will want to switch to a smart meter, SES Water perceived to be falling behind other utility providers

Blow me away: school education/materials

Seen be everyone as a valuable community project



I think it would probably be quite educational for kids to be able to see how it's purified and test for chalk levels etc.

Caterham, C2DE, 30-55

- Mixed awareness of this SES Water community project
- Some children/grandchildren had experienced visits/talks
- Others had looked on website and seen this how this initiative currently works
- Overall seen as positive way of engaging with the community
- Children = high emotional value
- Educating future generations
- Promoting health benefits of water (branded SES Water bottles)

Potential to include within promises to demonstrate community commitment – more support for schools than local charities which seem a bit polarising

Blow me away: advice/device

Appetite to reduce usage esp. in future metered world but need support from SES Water

Advice

- Water efficiency advice = good
- Fairly easy suggestion though – no guaranteed action, talk is cheap
- Looking for:
 - Water efficiency packs
 - Neighbour comparisons
 - Water calculators

I would thoroughly recommend them as a service provider. I would however be keen to learn more in terms of my water usage and what I could do to conserve water
HH, Sutton, 50+

Device

- Devices are more sexy
- Free stuff = something for nothing
- Feels more tangible
 - Push taps
 - Shower heads
 - Hippos
- Water softeners/filters also welcomed

Three pronged strategy for water saving suggested to ensure action – advice, device and an app that's nice (app helps keep the action top of mind e.g. fitbit)

Innovation and future priorities reflect need for sustainability

Long term priorities tend to focus on innovation for supply side initiatives
Dome demand management with expectation of smart meters for all

Blow me
Away

Brilliant
Basics

Water sharing
New ways for sourcing water
e.g. Desalination
Best practice (UK/overseas)
Storage/collection

Supply

Recycling water
Reward tariffs

Demand

Sponsorship
Brand awareness
Packaged Utilities

Brand

Now

Future