



Executive summary

SES Water commissioned Explain to conduct independent research with SES Water customers to explore willingness to pay a premium to be served by a small and local company.

In total, 100 hall test interviews were conducted with customers in Redhill and Sutton, with all respondents watching an explanatory video on the advantages and disadvantages of being served by a small company, to enable them to provide an informed response. The video can be found here: https://youtu.be/l_O51_w-cgQ

Results

53% of respondents were not aware that their water was supplied by a small and local company

A mean rating of 3.8 out of 5 (where 1 was not at all important and 5 was very important) in terms of how important it was to customers that they were served by a small and local water company

The top positive factor identified from being served by a small and local water company was having better customer service (23)

The majority of respondents (53) were unable to provide a negative factor, although respondents who did highlighted higher costs (19)

82% of respondents were willing to continue to pay a £4 premium to be served by a small and local water company

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1.0 Introduction

Introduction to project and methodology can be found in this section.



Introduction

Having conducted previous qualitative research into customer acceptance of being served by a small and local water company, SES Water commissioned Explain to specifically measure willingness to pay for a small company premium. Specifically the research had the following objectives:

- Determine customer awareness of being served by a small and local company
- Determine customer willingness to pay an additional amount to continue to be served by a small water company
- Gain insight into customer opinions on the advantages and disadvantages of being served by a small and local company

Methodology

In order to achieve the objectives, a total of 100 face to face interviews were conducted; 50 in Redhill and 50 in Sutton. Respondents were recruited on-street, with quotas set during recruitment to ensure that the sample was reflective of SES Water's customer base in terms of key demographics – age, socio-economic group and gender.

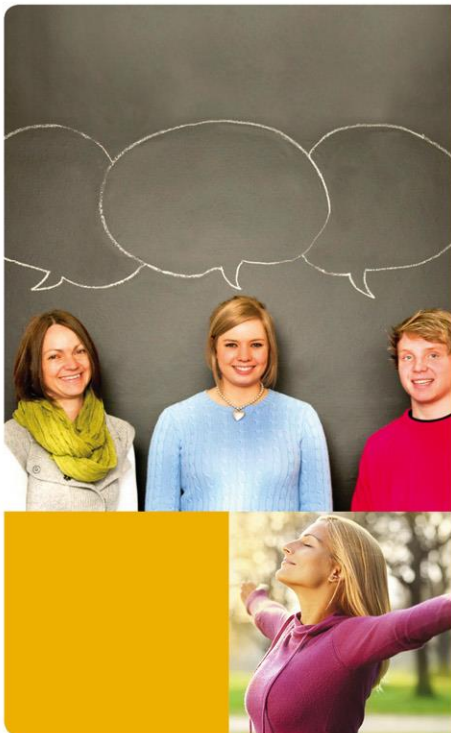
On-street researchers invited respondents into local venues (Harlequin Theatre in Redhill and Sutton Trinity Church) where they initially watched a video created by the SES Water team to provide an introduction to the company and a balanced view on the advantages and disadvantages of being served by a small company. The advantages and disadvantages highlighted were taken from previous qualitative research. The video can be viewed here: https://youtu.be/l_051_w-cgQ

After watching the video, respondents completing a survey with a researcher answering a number of key questions around the importance and acceptance of being served by a small and local water company.

All completed surveys were quality checked and analysed by Explain and the findings of this analysis form the basis of this report.

2.0 Respondent profile

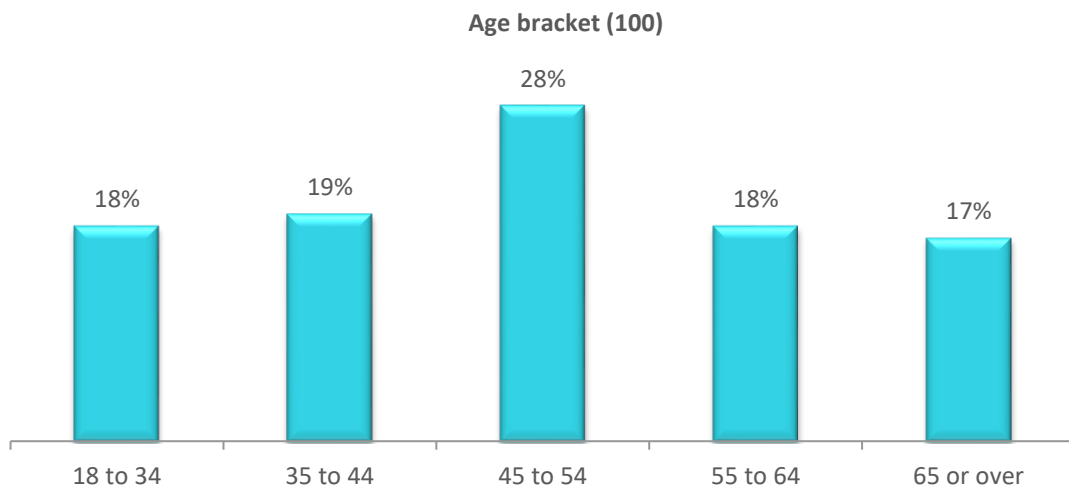
Demographic information can be found in this section.



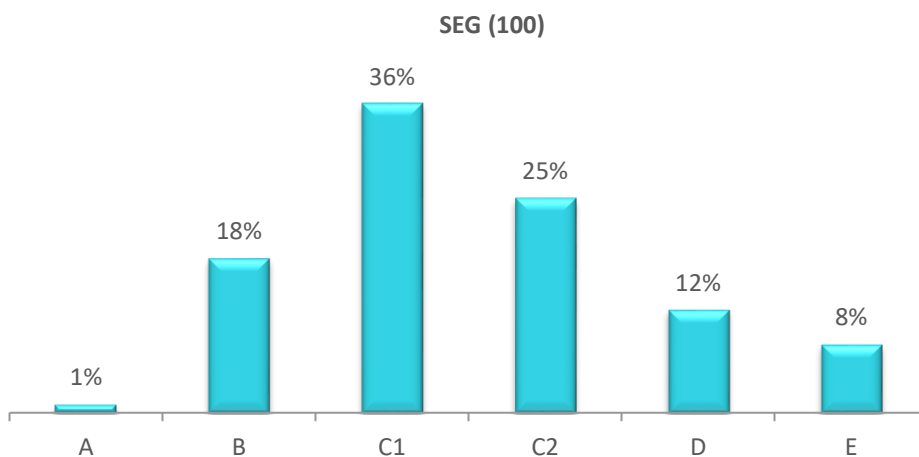
Respondent profile

In total 100 respondents took part in the research, 50 in Redhill and 50 in Sutton, with sampling quotas set to reflect SES Water's overall customer base.

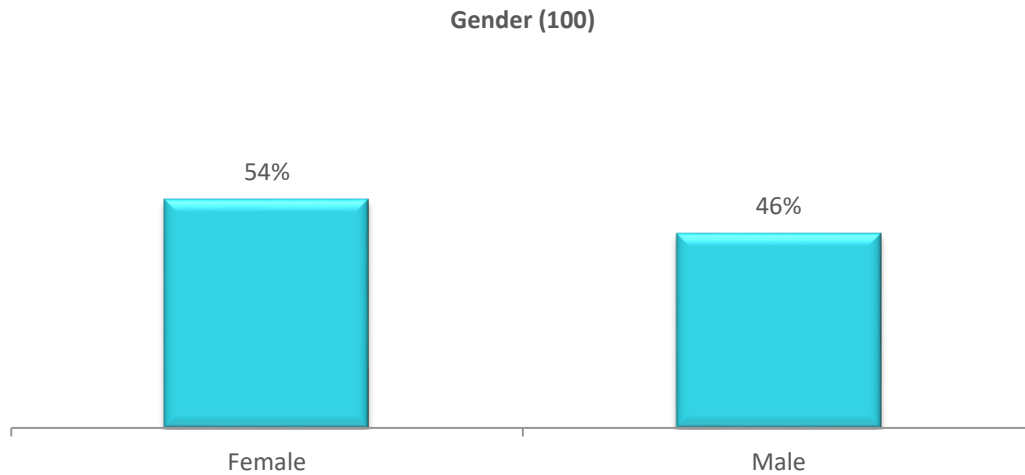
As shown in the graph below, respondents from a range of age groups participated in the research.



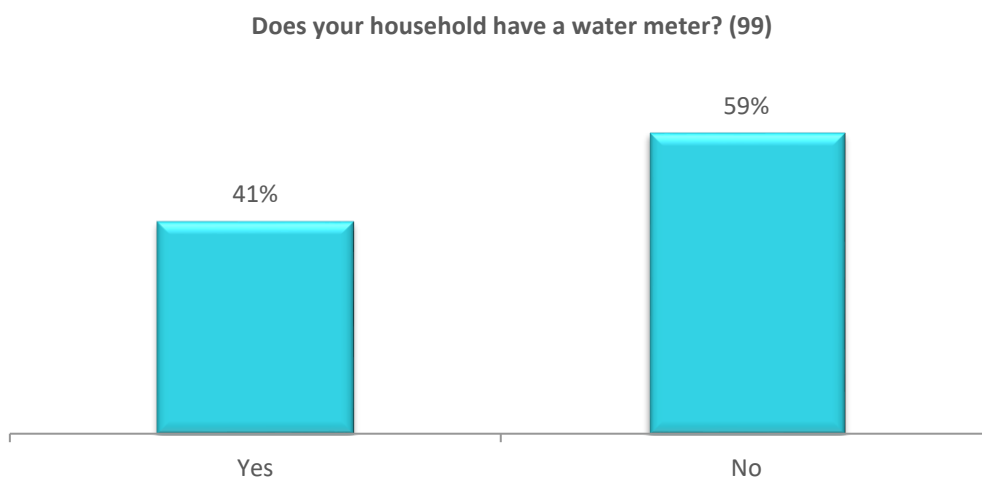
36% of respondents fell into socio-economic group C1 and a further 25% C2.



Looking at the representations of gender, there was a slightly higher representation of female respondents, at 54% - compared to 46% male.

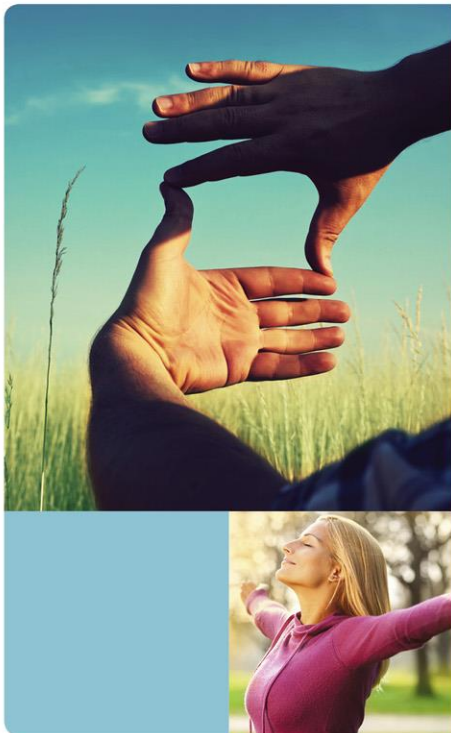


To understand the context behind their responses in relation to SES Water services, respondents were also asked to state whether or not their household had a water meter installed. 59% said their household didn't have a water meter.



3.0 Results

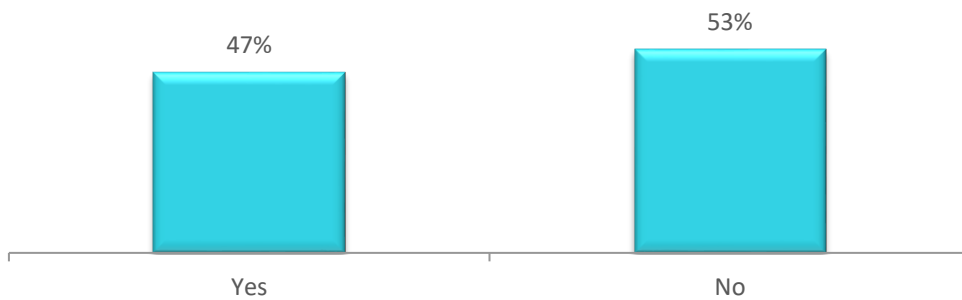
Key findings from the research can be found within this section.



Results

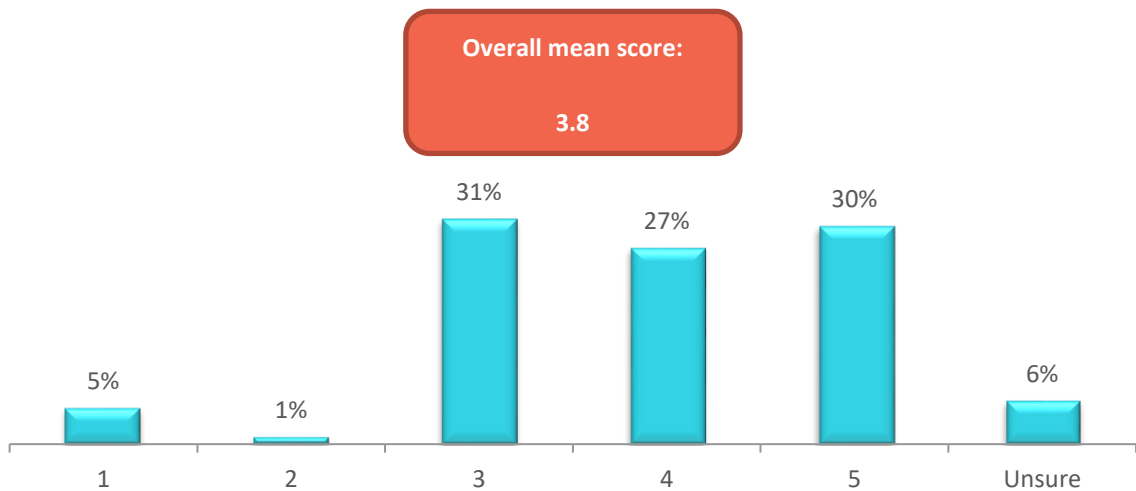
After viewing the small company video, respondents were first asked whether or not they had been aware that their water is supplied by a small and local company. Just over half of the respondents (53%) stated that they were not aware of this.

Were you aware that your water is supplied by a small and local company? (100)



Taking into account the information presented in the video, respondents were then asked to rate the importance of having their water supplied by a small local company, with a scale from one to five where one was not at all important and five was very important. A mean score of 3.8 was obtained for this question, with 57% rating a four or five out of five. 6% of respondents stated they were 'unsure'.

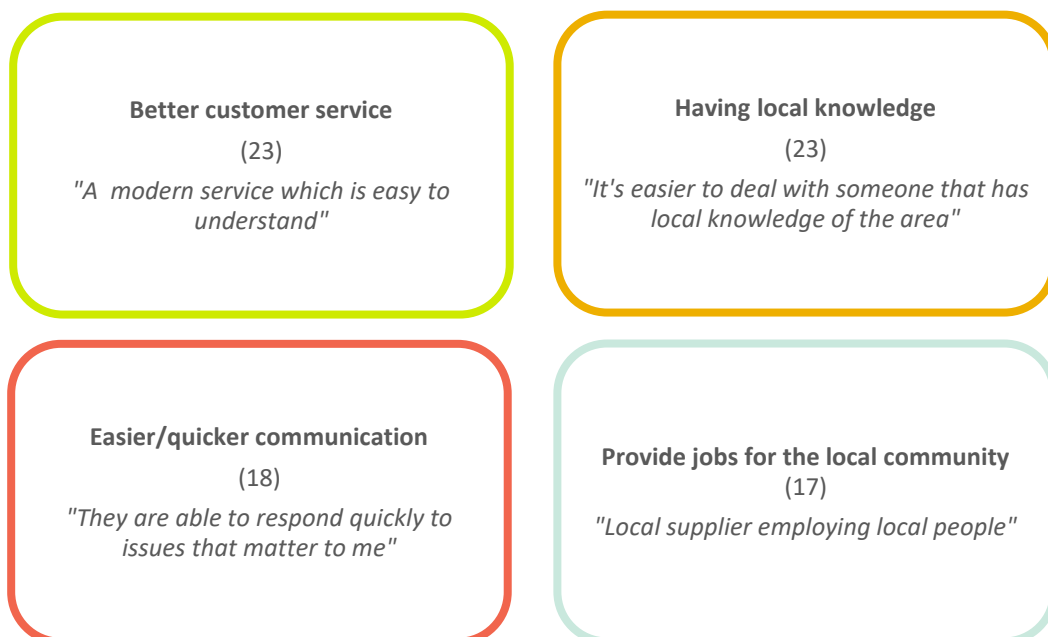
How important is it to you that your water is supplied by a small local company? (100)



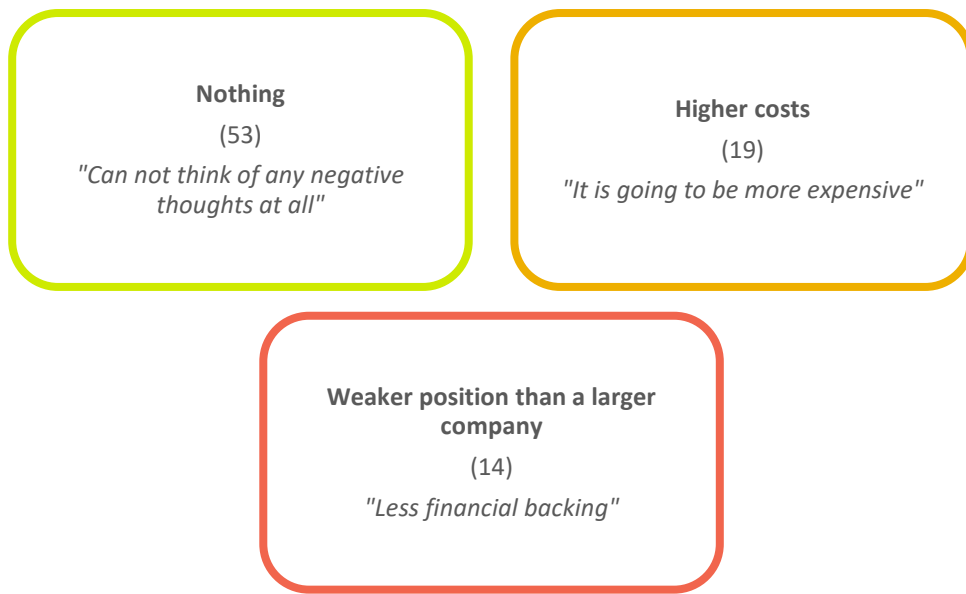
Looking at the demographic breakdown, respondents who represented the DE socio-economic group were more likely to rate being supplied by a small local company as important with a mean score of 4.4 out of 5. *Please note small base sizes



Respondents were asked to outline their key positive factor in receiving water services from a small local company – key themes included providing better customer service (23), having local knowledge (23), being easier and quicker to communicate with (18) and providing jobs for the local community (15).

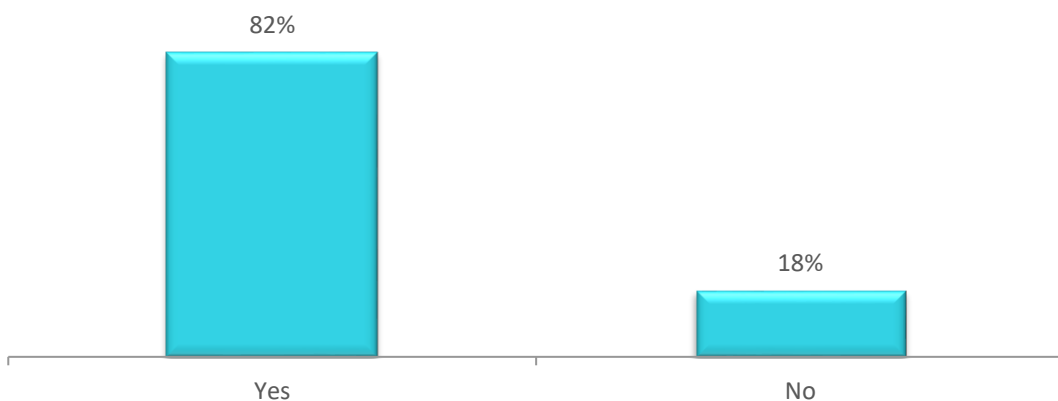


Respondents were also asked to outline the key negative factor in receiving water services from a small and local company. Over half of the respondents stated they could not think of a negative factor (53). For respondents who did provide a negative factor, key themes were higher costs (19) and a weaker position than a larger company (14).

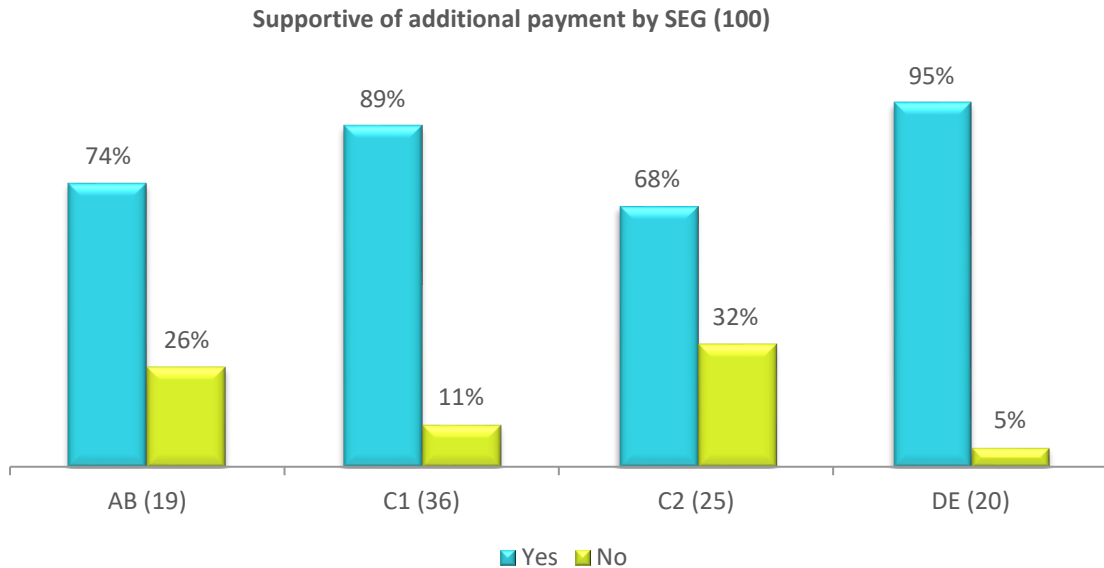


All respondents were asked if they would be supportive of continuing to pay an additional £4 a year to be provided with water services from a small and local company. Overall 82% of respondents said that they were happy to continue to pay the additional £4 a year.

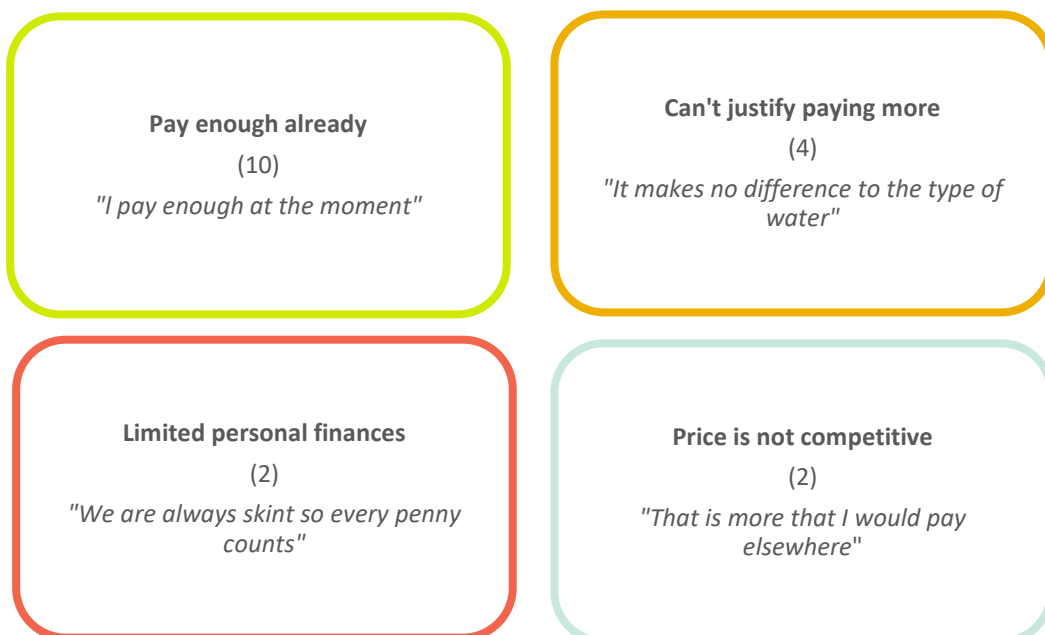
Are you supportive of continuing to pay an additional £4 a year to be provided with water services from a small and local company? (100)



In socio-economic groups DE respondents were most supportive with 95% saying they were supportive of the additional payment. The lowest amount of support was amongst C2 where 68% of respondents were supportive. Please note the small base sizes across all groups.



The 18% of overall respondents who stated they would not be supportive of paying an additional £4 to be served by a small local company were asked to provide their reasoning behind this, with the majority stating they felt they were paying enough for their water bill already (10).



The 82% of respondents who were supportive of paying an extra £4 a year were also asked why they supported this, the key themes amongst these respondents were that it was not a lot more to pay (34), it would lead to better quality service (20), it support the local infrastructure (13) and because it was worth supporting a small company (5).



4.0 Conclusions and recommendations

Key conclusions can be found in this section.



Conclusions

53% of respondents were aware that their water was supplied by a small local company. When asked how important it was that their water was supplied by a small local company, respondents gave a mean score of 3.8. The mean score was highest amongst the DE socio-economic group (4.4).

All respondents were asked to consider what they thought both the key positive and key negative aspect of receiving water services from a small and local company were, with better/more personal customer service (38) and helping and understanding the local community (24) being highlighted as key positive factors. Over half of the respondents did not provide a key negative factor (53), although higher cost (19) was most commonly cited as a key negative factor.

The vast majority of respondents (82%) were supportive of paying an additional £4 a year to be provided with water services from a small local company. Support was highest amongst respondents in the DE socio-economic (95%) and lowest amongst C2 respondents (68%).

Respondents who supported paying an additional £4 stated they did not feel it was a lot more to pay (34) and felt they would receive a better quality service (20). Respondents who did not support paying the additional amount stated they paid enough already (10).

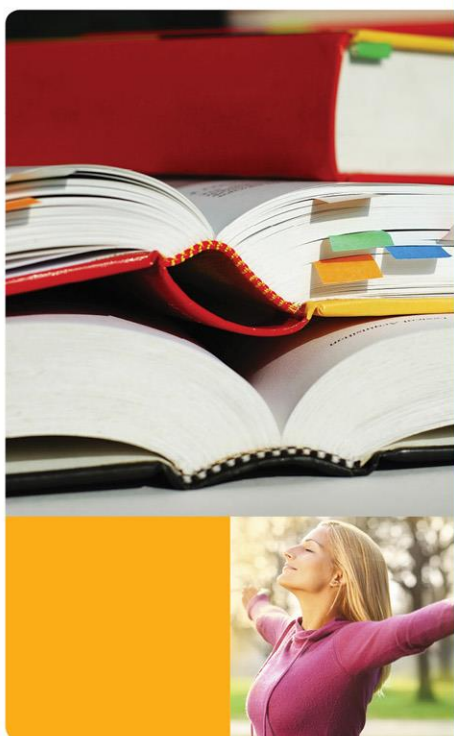
Recommendations

Overall respondents were happy to pay the additional amount to be served by a small company.

To increase customer acceptance of paying the additional £4 to be served by a small and local company, SES Water should address concerns in relation to cost and promote the positive factors associated with being served by a small and local company, such as an improved and personal service and being served by a company with local knowledge.

5.0 Appendices

The questionnaire used in the research can be found in this section.



Appendix 1 – Questionnaire

Small company questionnaire

Were you aware that your water is supplied by a small local company?

- Yes
- No

Having heard about SES Water, on a scale of 1 to 5, where one is not important at all and five is extremely important, how important is it to you that your water is supplied by a small local company?

- 1
- 2
- 3
- 4
- 5
- Unsure

Taking into account your own thoughts and the information from the video, what do you consider to be the key positive of receiving water services from a small local company?

Taking into account your own thoughts and the information from the video, what do you consider to be the key negative of receiving water services from a small local company?

Overall, are you supportive of paying an additional £4 a year to be provided with water services from a small local company?

- Yes

– No

If yes – why would you say you are supportive of paying an additional £4 a year?

If no – why would you say you are not supportive of paying an additional £4 a year?

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