



**SES Water: PR19**

Acceptability Research Debrief

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# Topline Summary

- We see encouraging levels of overall acceptability, with 76% of customers accepting the PR19 plan as it stands
- 82% of customers find the planned service improvements acceptable
- Acceptability of the planned bill impact element is lower at 59%
  - This pattern is reflective of other similar studies we've conducted, where the individual elements are very well received, but the associated bill impact is met with lower acceptance
  - In effect, the overall acceptance score is a result of the customers' balancing of these two elements
- Key reasons for acceptability focus on themes of:
  - Water is a vital resource and it's right that we should be investing to protect it
  - The perceived amount of bill increase is very low
  - The service is very good
- For the small number of customers who found the plan unacceptable, their reasoning centred around:
  - Why should the customer pay? Shouldn't SES/the government/someone else pay?
  - Maintenance & improvements should be BAU activity – shouldn't be expected to pay more for this

# Topline Summary

- **There is a preference for service levels beyond the current plan for**
  - Leakage
  - Usage
  - For both these areas, around half (45% and 46% respectively) prefer the planned service improvements, while the majority of the remainder would like to see the plan go even further
- **Customers indicate a preference for lower levels than the current plan for**
  - Helping those in financial difficulty
  - Here, again, around half (54%) prefer the planned service improvements, whilst the remainder would like to see less done in this area
- **Overall acceptability levels are broadly high and consistent across customer groups**
  - Those on a meter would like to see more done around Leakage & Usage
  - Those in lower social grades are least likely to want to do more to help others (i.e. they don't want to have to pay more to help someone else)

## The challenge...

To establish how acceptable customers find SES Water's proposed PR19 business plan, and which elements they find acceptable / less acceptable, to enable the final plan to be optimised with customer feedback taken into account

## Research objectives

- To engage with customers in shaping the overall business plan
- To explore the most acceptable combinations of service and investment
- To support SES Water in demonstrating it has a customer mandate to implement its proposed business plan



## The solution...

Using a visual and intuitive quantitative research approach, we have assessed the levels of acceptability of SES Water's proposed plan for service improvement and associated bill impact

We have also evaluated the adjustments that customers suggest to the proposed plan for key service areas, in the context of bill impacts, to provide guidance on adapting the proposed plan to further reflect customer opinion

## The process...

**We have undertaken a robust and comprehensive quantitative study with SES Water's household customers to evaluate and quantify acceptance and preferences in relation to the investment plan:**

1. Which elements of the plan are most and least acceptable to customers and what trade-offs are customers willing to make with respect to changes in the bill amount?
2. Understand the psychology of the decision making process and why customers are making the choices that they do within the exercise
3. What are the adaptations that customers suggest to shape the final PR19 business plan?

# Sample Frame & Methodology

- Data capture methodology
- Survey structure and content
- Sample achieved



# A mixture of data capture methods were used to optimise coverage of SES Water customer base in a cost effective manner

## Customer responses captured via a combination of online and F2F CAPI methods

- A mixture of online and face to face Computer Assisted Personal Interviews (CAPI) methods were used to capture responses from SES Water customers
- Mixture of methods used as a cost effective method of achieving a robust and representative sample of SES Water customers
  - CAPI method provides greater coverage than a solus online panel sourced approach, but is more expensive
- Online responses were sourced via a consumer panel amongst panellists that live in the SES Water customer catchment area
- CAPI interviews recruited by going house to house in relevant locations in SES Water customer catchment area. Interviews undertaken in home using CAPI interview methodology – the survey undertaken was identical via CAPI to that undertaken online

# Quantitative survey structure and content

## Overview of survey structure and content

- 15 minute survey covering the following topics

### Screenener

- To confirm an SES Water customer
- Capture age, region, SEG and vulnerability to manage quotas
- Bill amount to feed into choice exercises

### Attitudes towards water & service

- Attitudes towards water as a resource and usage
- Educational stimulus

### Plan acceptability and preference

- Educational stimulus
- Acceptability of plan, bill impact and improvements
- Preferences for plan alterations

### Diagnostic questions

- Ease of deciding preferences
- Experience of specific service events and water based activities
- Rating of current charges

### Demographics

- Tenure in SES catchment
- Working status
- Size of HH
- HH income

## A total of 847 customer interviews achieved

Gender	n=
Males	449
Females	398

Age	n=
18-34	187
35-54	318
55+	342

Region	n=
South	489
North 1	257
North 2	101

Social Grade	n=
ABC1	431
C2DE	394

# Before reviewing the plan, respondents were given a brief introduction to SES Water and the services they provide

## Education:

SES Water (formerly Sutton and East Surrey Water) is responsible for maintaining and improving the water services in the areas of east Surrey, west Sussex, west Kent and south London. They provide you with the clean water that you use for drinking as well as many other functions in the home such as washing clothes, watering the garden, showering and flushing the toilet. They are responsible for taking raw water from its source and ensuring you have a safe supply readily available from your tap.

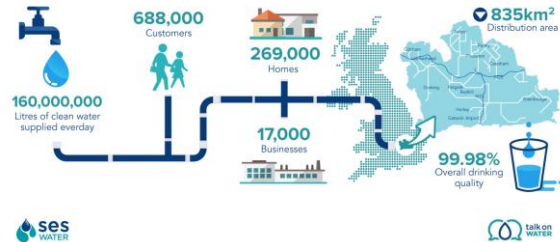
Another company deals with the dirty water that you have used which is flushed down the toilet or taken away via waste pipes. Depending on where you live either Thames Water or Southern Water will be your sewerage company.

Please take a moment to read a bit more information about SES Water and the services that they provide on the next 3 screens...

See Appendix for larger images

### Who we are

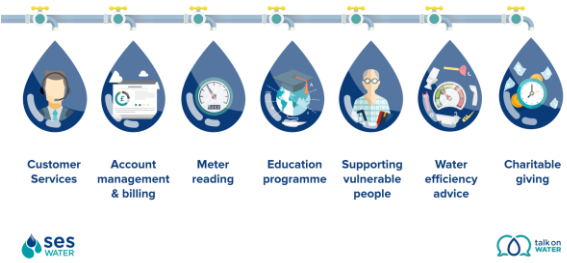
SES Water (formerly Sutton & East Surrey) supplies 160 million litres of clean water each day to 688,000 people in east Surrey and parts of West Sussex, west Kent and south London



### What we do



### Our services go beyond water



*There was a delay on the survey programming to ensure respondents had time to read the information presented*



# The impact inflation will have on the customer's bill in the coming years was explained

## Information graphics and narrative – the impact to inflation regardless of investment

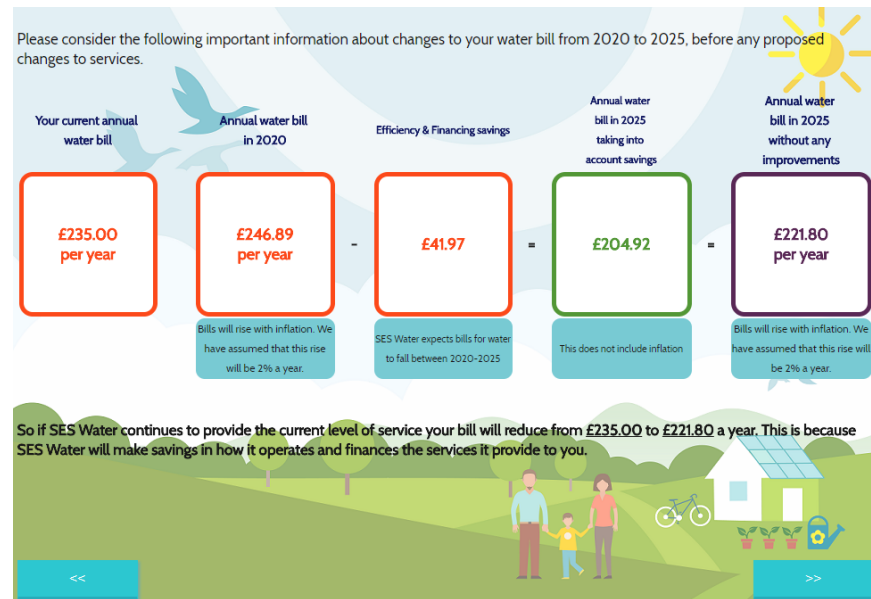
"In developing its plans for the future, SES Water wants to understand your views and priorities for your water services. All services that SES Water provides are paid for by customers, so it is important to find out where you think they should invest to improve your service and where you are satisfied that their service is good enough.

In a moment we'll show you how much you currently pay and how much your bill is likely to be in 2025 if they maintain their current level of performance and don't make any additional investment to improve your services.

We'll then show you their proposed investment plan and how much that is likely to change the cost of your water bill between 2020 and 2025. We'd like you consider whether you support the proposed improvements.

Please note, we are asking you about your bill for water services only. Your sewerage service is provided by a different water company. Sewerage bills may also be going up or down by 2025. You can get in touch with your sewerage provider to find out more.

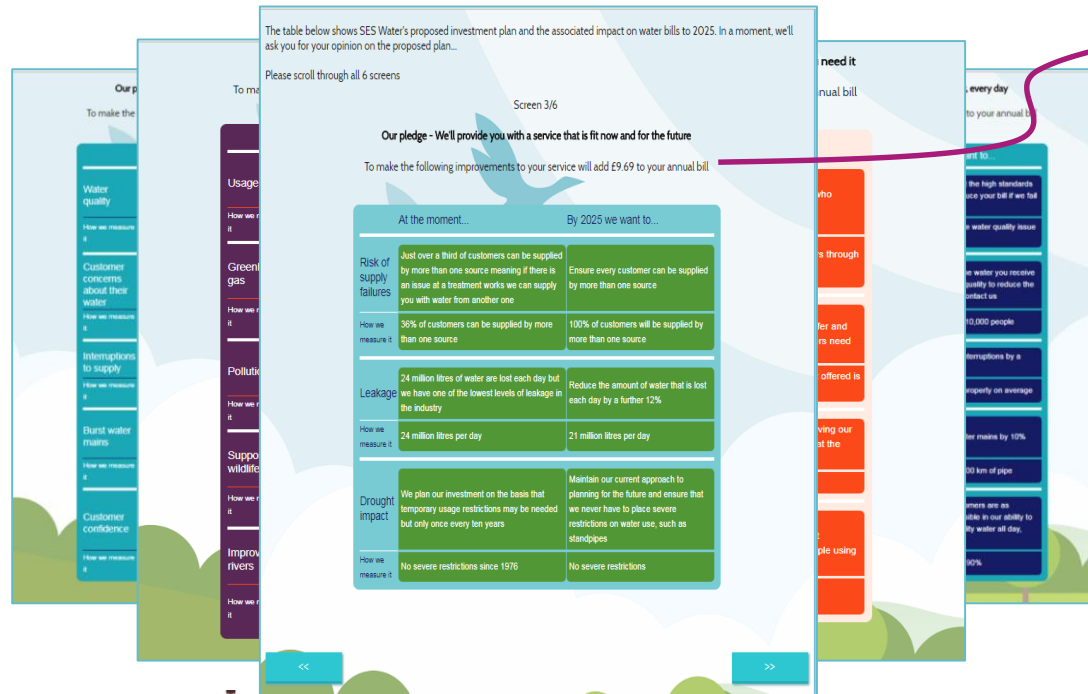
Before you see the proposed investment plan, please consider the following important information about changes to your water bill from 2020 to 2025, as a result of inflation and other factors".



*There was a delay on the survey programming to ensure respondents had time to read the information presented*

# After seeing the educational materials, respondents were shown the PR19 Plan summary

## Example of stimulus shown - PR19 Plan summary



Bill amount shown was calculated from what the customer tells us is their bill amount so evaluation in relevant context in terms of bill impact



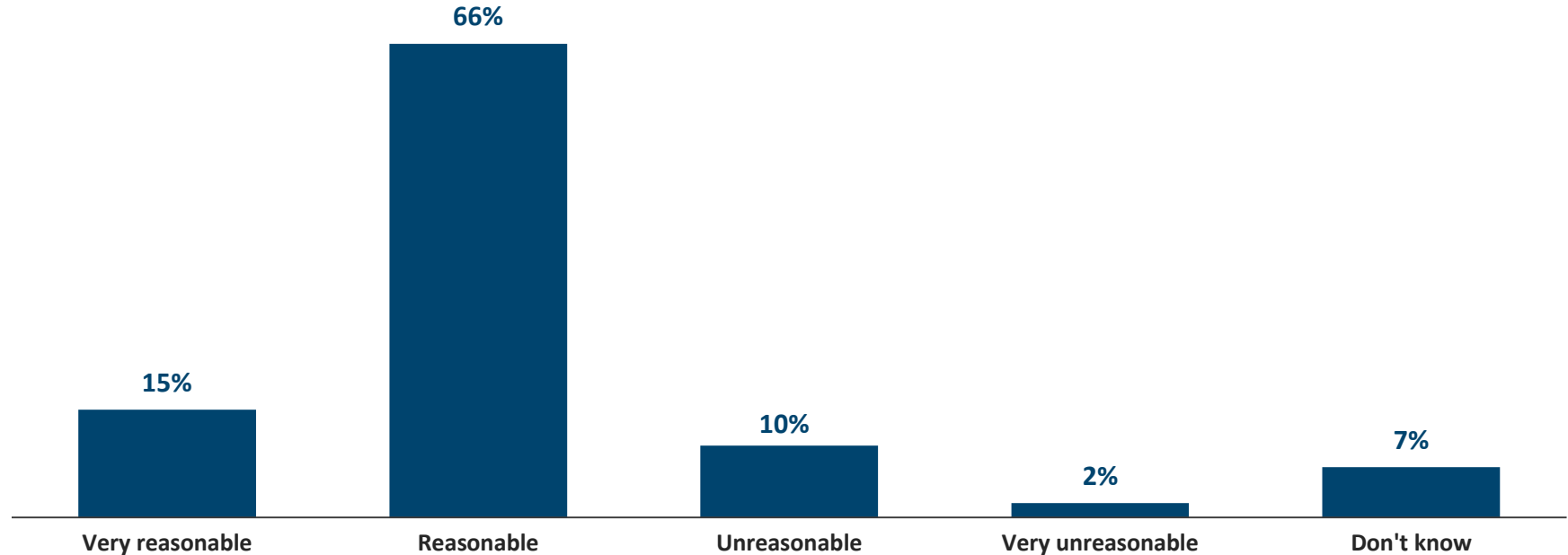
There was a delay on the survey programming to ensure respondents had time to read the information presented

# Current Perceptions

The image shows two construction workers in high-visibility yellow vests and white hard hats kneeling on a road surface. They are working on a small hole in the pavement. The worker on the left is holding a tool, and the worker on the right is holding a small object. They are surrounded by orange safety barriers and a white truck in the background. The text 'Current Perceptions' is overlaid on the image.

## Current satisfaction levels with the bill amount are high - 81% find it either very reasonable or reasonable

Current perceptions of bill amount:





# A significant proportion of customers are thinking about their water services quite frequently

## Psychological impact of water bills...

I don't really think about my use of water  
30%

I think about my water services when I  
pay for it  
21%

I think about my water  
services a fair bit  
49%

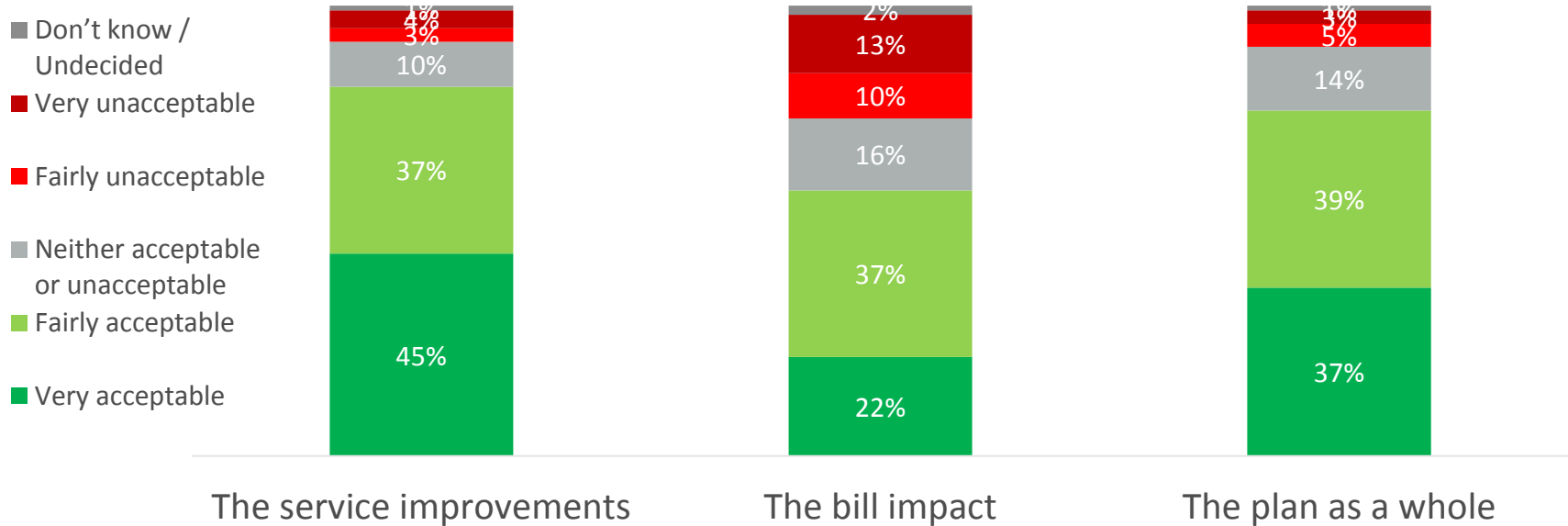


A background image showing several hands giving thumbs up, overlaid with a semi-transparent orange filter. The hands are positioned at various heights and angles, suggesting a group of people expressing approval or agreement.

**Acceptability of the plan**

# Over three quarters of customers accept the PR19 Plan as it stands although acceptability is lower for the bill impact

## Acceptability of the plan



## Reasons for acceptance

*“Many benefits/improvements for a relatively modest cost increase over time”.*

*“Service good now. Promises to be better with only small cost increase”.*

*“Water seems to be an ignored resource. people need to understand and respect this precious resource”.*

*“Water is a vital life source. Investment in protecting both the quality and supply of water is sound investment. The commitment to ensuring vulnerable groups have access is one I support thoroughly. The cost increase seems reasonable, as long as the plan is delivered”.*

*“In view of general inflation over the planned period this seems reasonable”*

*“The amount of increase is very small compared to what the services we will actually be getting from the water company. To improve and keep water safe and do all the things you want to do, this is a very small increase and will be needed to pay for all these things. Still good value”.*



## Areas of concern among those who found it unacceptable

*“Why should the customer pay?”*

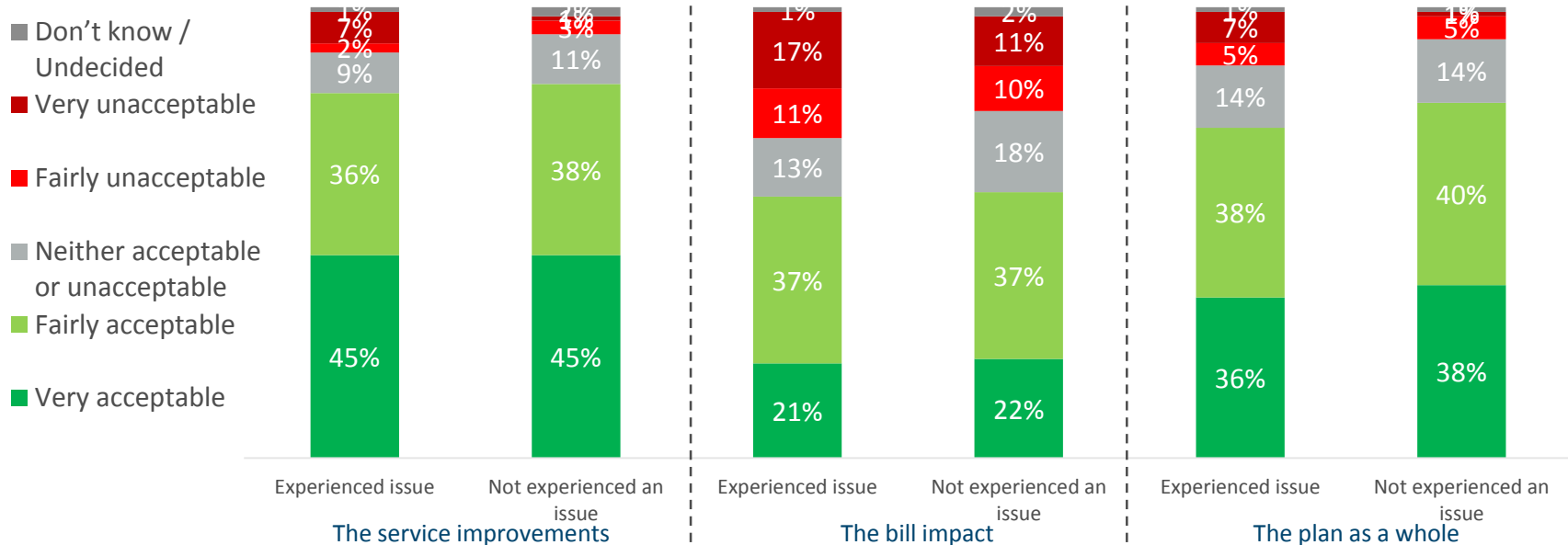
*“None of the improvements shouldn't come at our cost. The water bills in UK are quite high, given we have plenty of rain and surrounded water”.*

*“The water quality is poor that should be the priority. Maintenance of pipes and wasted water is something which should have been done and should continue to be done as a regular part of the service provision there is nothing special about this. When clean water and sewerage services were separated this was used as an excuse to step up prices. Service and water quality deteriorates and now you want to increase prices to remedy your failings. I think we are already paying too much for what we get”.*

*“It is good to improve the service but this can be kept to the same price or it could decrease the price if the company compromise with the customers only. Do not support charities. This is just a mislead as the cost of what you are given to them it comes directly from all the customers and that is unacceptable. Besides that is proven that charities have bosses with big salaries so the real people in need receive very little so when talking about charities we are talking about business behind it as some people (few) are profiting from it, living from it”.*

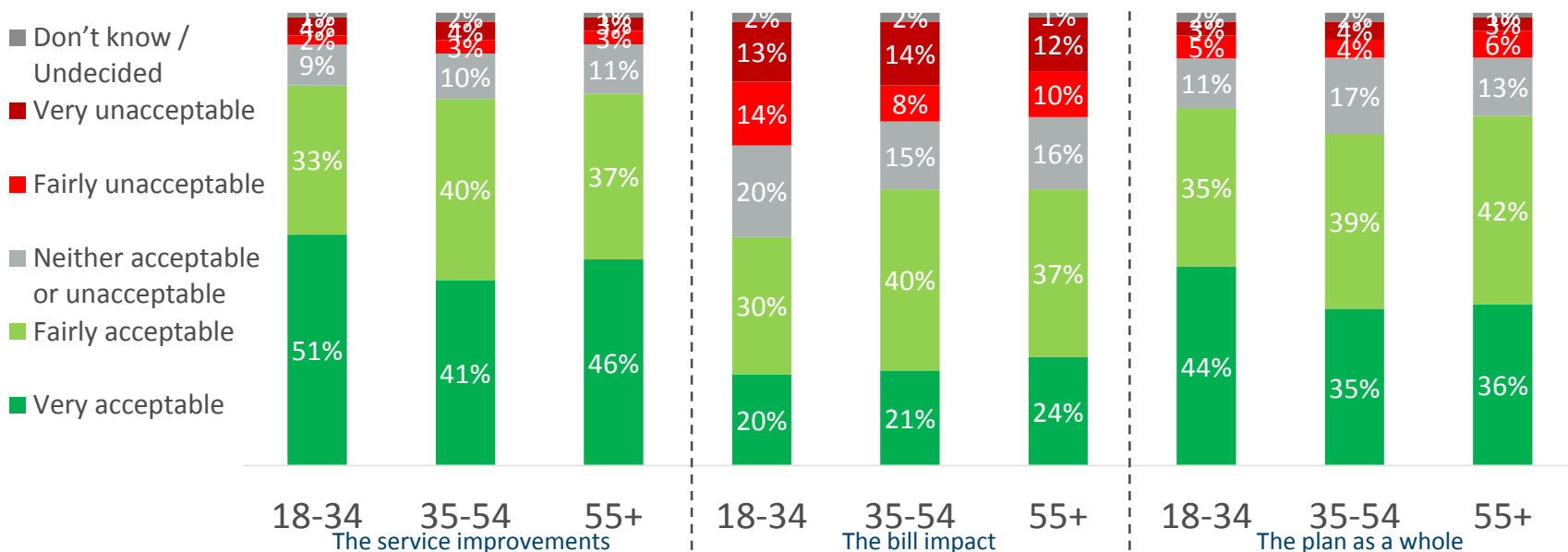
# Those who have experienced an issue are slightly more negative towards perceived bill impact, but otherwise overall acceptability is consistent

## Acceptability of the plan – by Experienced Service Issue / Not experienced service issue



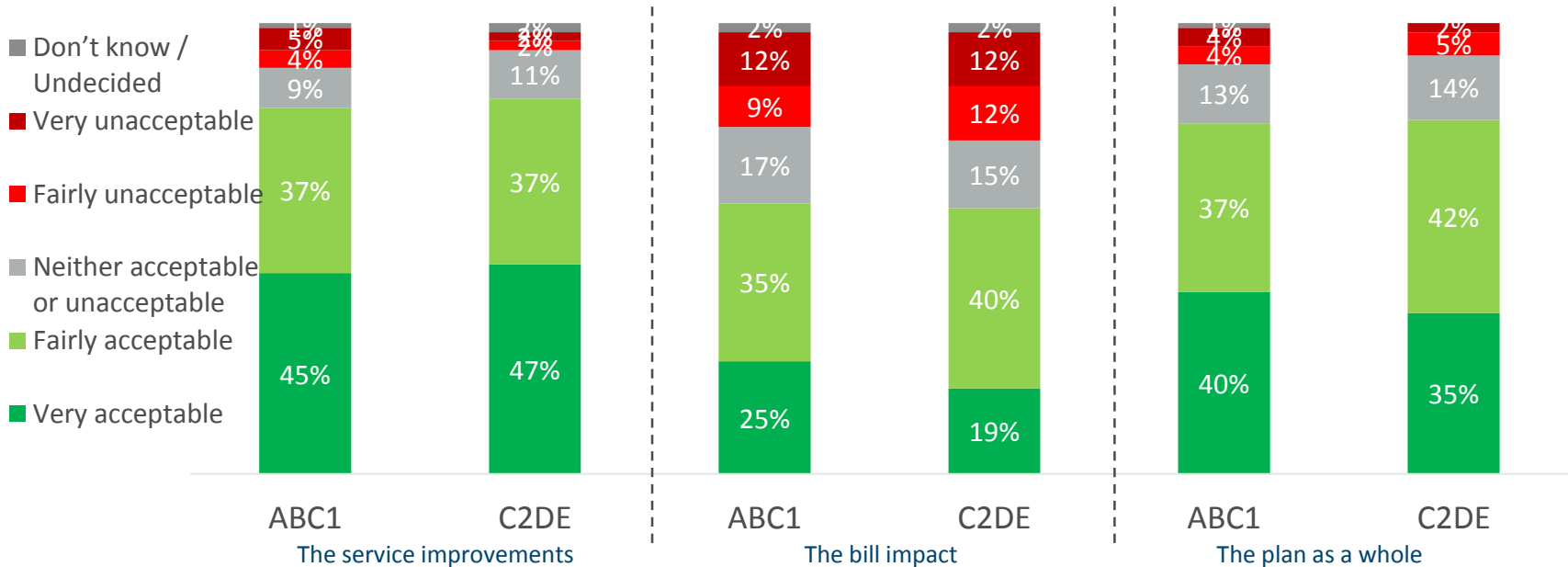
# 18-34 year olds show the most positive acceptance overall, albeit the most sensitive to bill impacts

## Acceptability of the plan – by age



# Overall levels of acceptance are broadly comparable across social grade

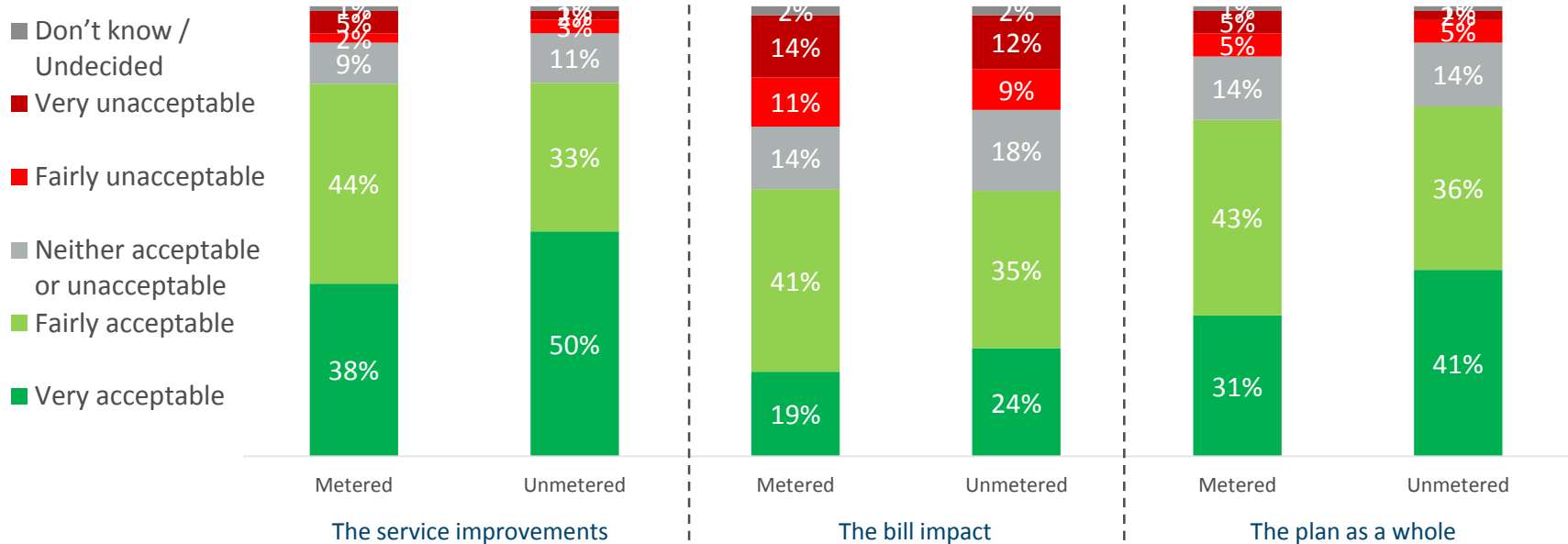
## Acceptability of the plan – by SEG





# Some differences in the degree (very vs fairly) of acceptance, with metered showing lower levels

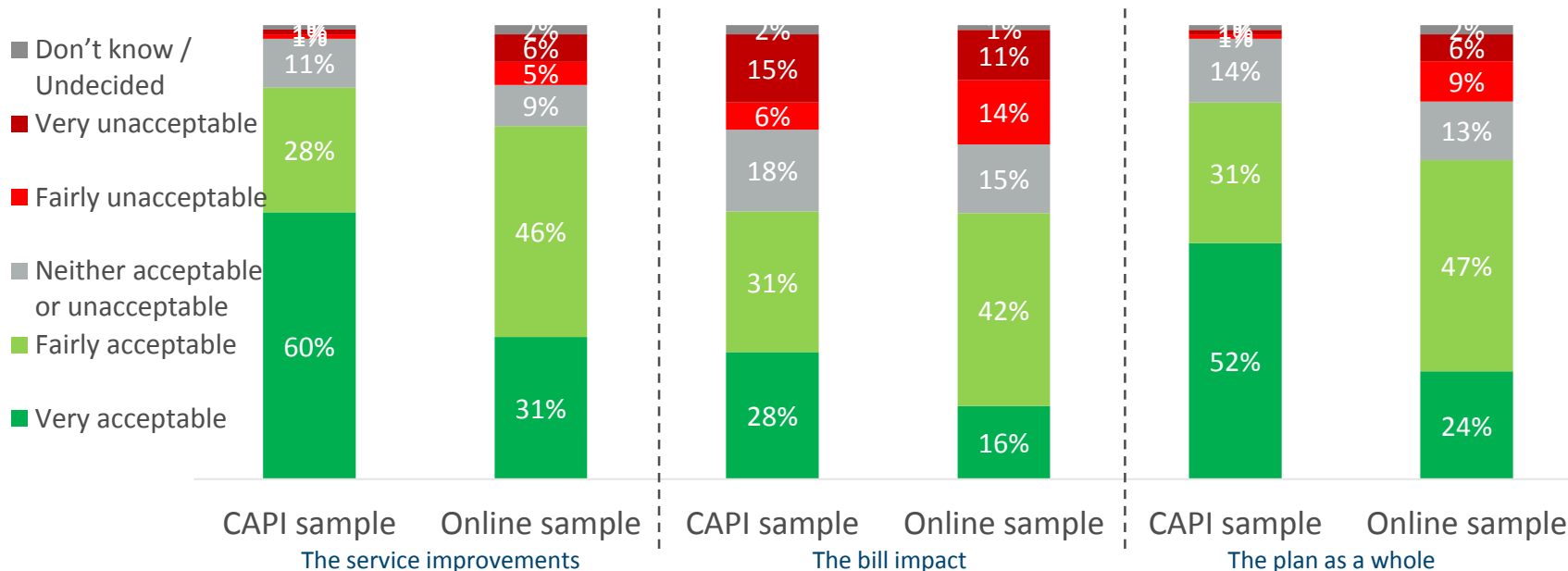
## Acceptability of the plan – by Metered / Unmetered



# Those interviewed in-home indicate higher levels of acceptability for all elements of the plan

## Acceptability of the plan – Main sample CAPI and Online – split out

Interviewer presence for CAPI interviews typically leads to more positive responses. It is a methodological effect that is seen across a wide range of studies.



# Customer adaptations to the plan

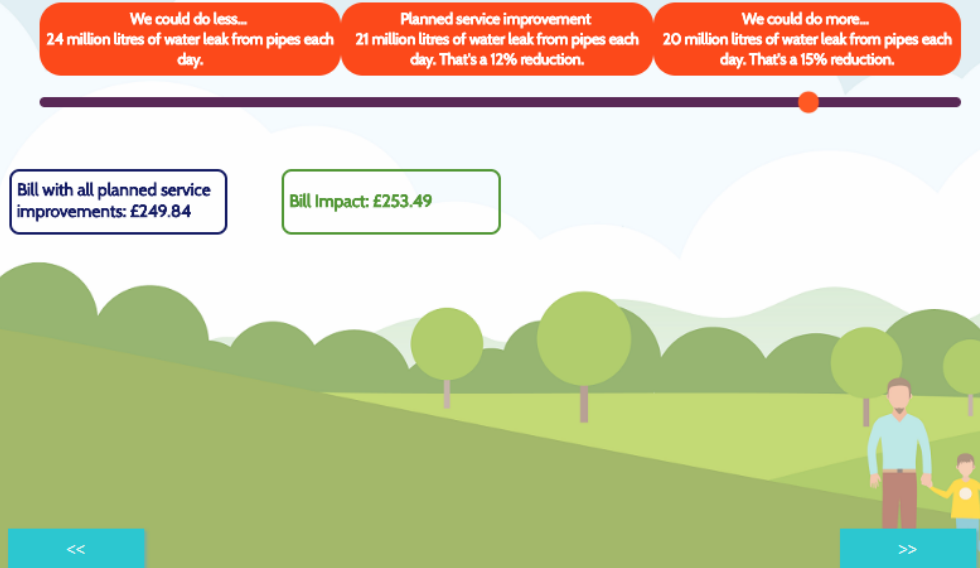
- What individual changes to service choices did customers make?

In the next task we would like you to imagine that you are in charge of SES Water and you are able to adjust the scale and extent of the planned changes to 3 key service areas.

For each service area the current level of service provision is indicated as well as the current plan and some alternative options. For each service area please select the option that best reflects your preference for this service area. Any changes you make will increase or decrease your potential bill. The impact on your annual bill is shown on screen.

**Leakage** - Pipes that deliver water to your property can leak. This means that some of the water that SES Water takes from under the ground and rivers can escape before it reaches your home. SES Water invests in people and technology to find and fix leaky pipes and monitors pressure in the pipes, because fluctuations in pressure can weaken pipes. The more SES Water invests the more it can prevent leaks in the first place and the faster leaks can be spotted and fixed.

Please select the option that best reflects your preference.

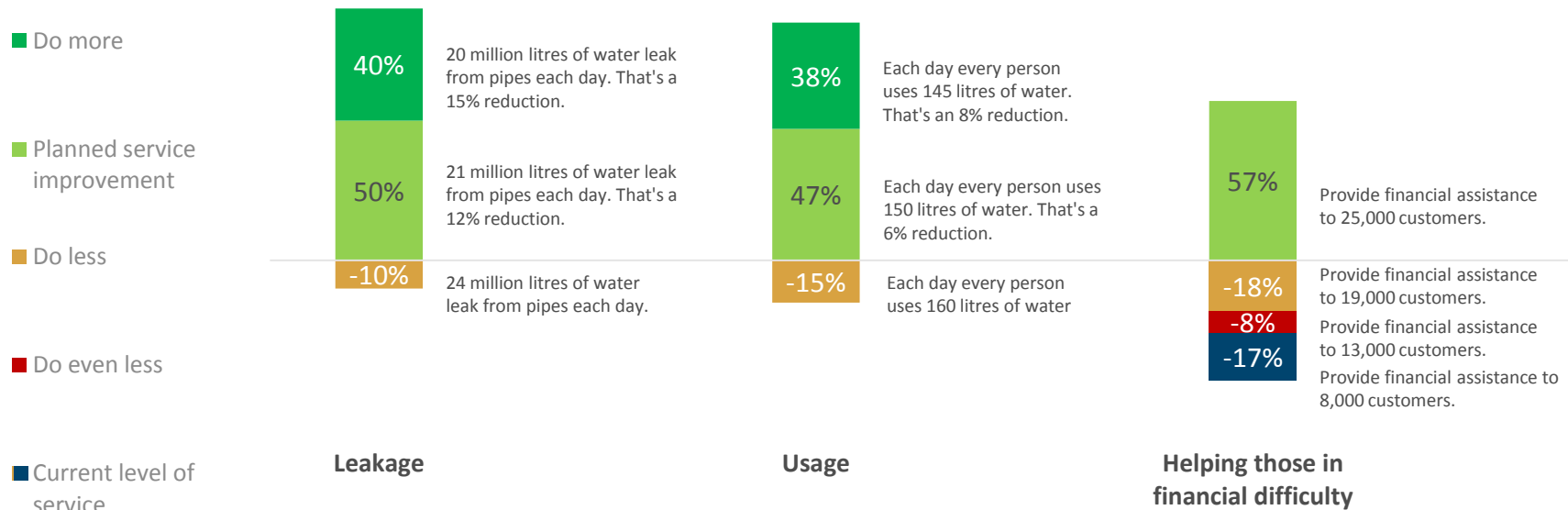


**Customers were first shown each service area individually and asked to choose their preferred level of performance in context of bill impact**

**Example of task completed**

**When viewed independently, around a half select the planned improvement in each case. The majority of the remainder want to see more done on Leakage & Usage, but less done on helping those in financial difficulty**

## Customer Preferences



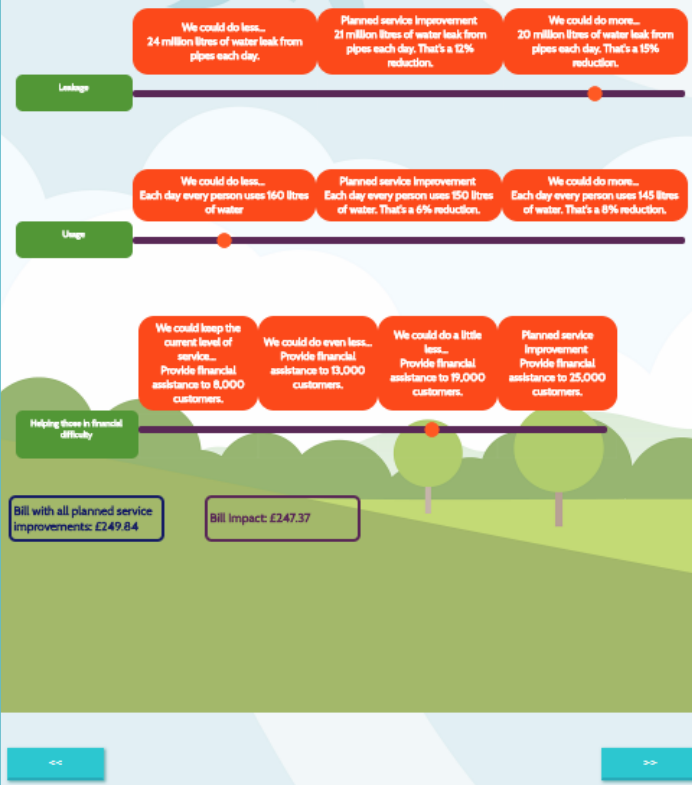
Thank you for selecting the option that best reflects your preferences for each service area individually.

Please take a moment to review your preferences now you can see them all together; if you want to adjust any of the choices made you can do so by moving the sliders left or right.

Any changes you make will increase or decrease your potential bill. The resulting changes to the total bill will be shown underneath.

If you would like a reminder of what the levels mean please hover over the service area label at the left of the slider. And if you want a reminder of the level selected this is shown above the slider in the box.

Please review your preferences and make any final changes to each service area, the changes you make will be reflected in the bill amount below.

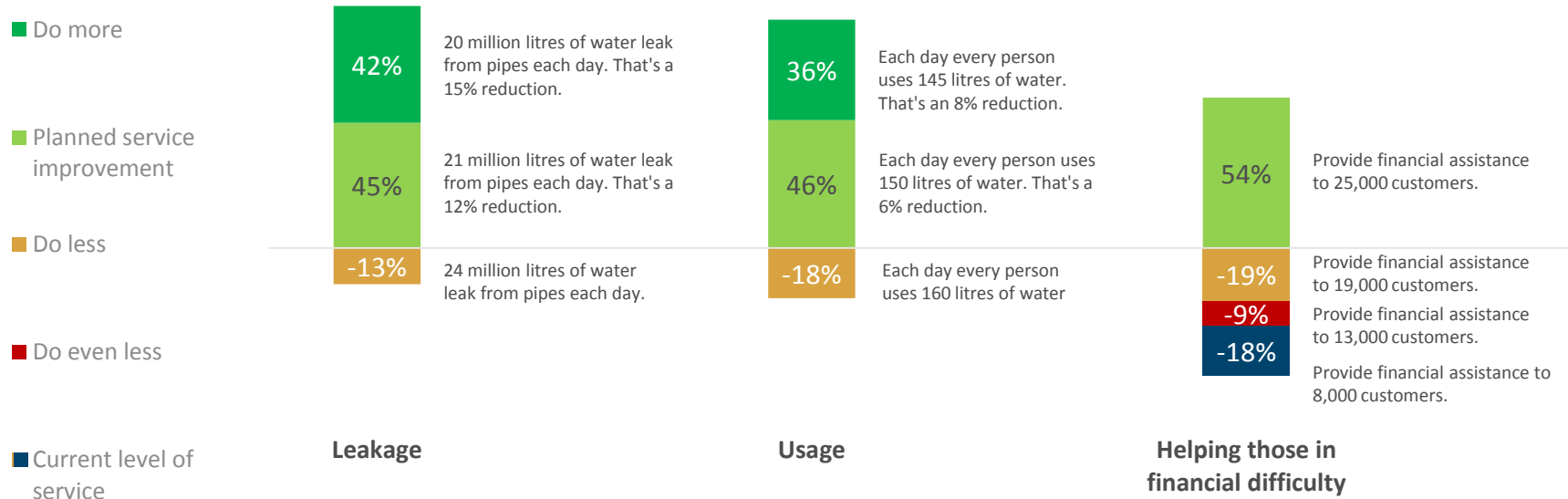


# Customers then made further adjustments via the 'slider task' reflecting their preferences, and were then asked to do a final review

## Slider task to review choices

# When viewed in combination, the picture remains broadly unchanged (suggesting a good level of comprehension and understanding of impact)

## Total plan – All customers (representative sample)





# A very consistent picture, regardless of whether respondents have experienced a service issue

## Total plan – by Experienced Service Issue / Not Experienced Service Issue

	Leakage		Usage		Helping	
	Experienced Issue	Not Experienced Issue	Experienced Issue	Not Experienced Issue	Experienced Issue	Not Experienced Issue
Do more	42%	42%	36%	36%		
Planned Service Improvement	47%	44%	46%	45%	56%	53%
Do less	12%	14%	17%	19%	19%	19%
Do even less					8%	9%
Current level of service					17%	19%

## 18-34yr olds are most accepting of the proposed plan in each case. Older groups want to see more done for Leakage & Usage, but less done for helping others

### Total plan – by Age

	Leakage			Usage			Helping		
	18-34	35-54	55+	18-34	35-54	55+	18-34	35-54	55+
Do more	30%	42%	48%	25%	38%	40%			
Planned Service Improvement	55%	43%	42%	55%	42%	45%	58%	53%	53%
Do less	14%	15%	10%	21%	20%	15%	21%	19%	17%
Do even less							9%	7%	10%
Current level of service							12%	20%	20%

## Comparable results across SEG for Leakage and Usage. Lower social grades want to see less done in terms of paying to help others.

### Total plan – by SEG

	Leakage		Usage		Helping	
	ABC1	C2DE	ABC1	C2DE	ABC1	C2DE
Do more	40%	43%	39%	33%		
Planned Service Improvement	48%	42%	44%	47%	59%	50%
Do less	12%	14%	17%	20%	19%	18%
Do even less					8%	10%
Current level of service					15%	22%

**Those who are on a meter are clearly more concerned about leakage and usage, wanting to see improvements beyond the current plan.**

### Total plan – by Metered/Unmetered

	Leakage		Usage		Helping	
	Metered	Unmetered	Metered	Unmetered	Metered	Unmetered
Do more	58%	32%	45%	30%		
Planned Service Improvement	32%	53%	39%	50%	49%	57%
Do less	10%	15%	16%	20%	21%	18%
Do even less					13%	5%
Current level of service					18%	19%

# **Business Customers' Acceptance of the Plan**



## A more bespoke methodology was used to optimise coverage of the SES Water business customer base in a cost effective manner

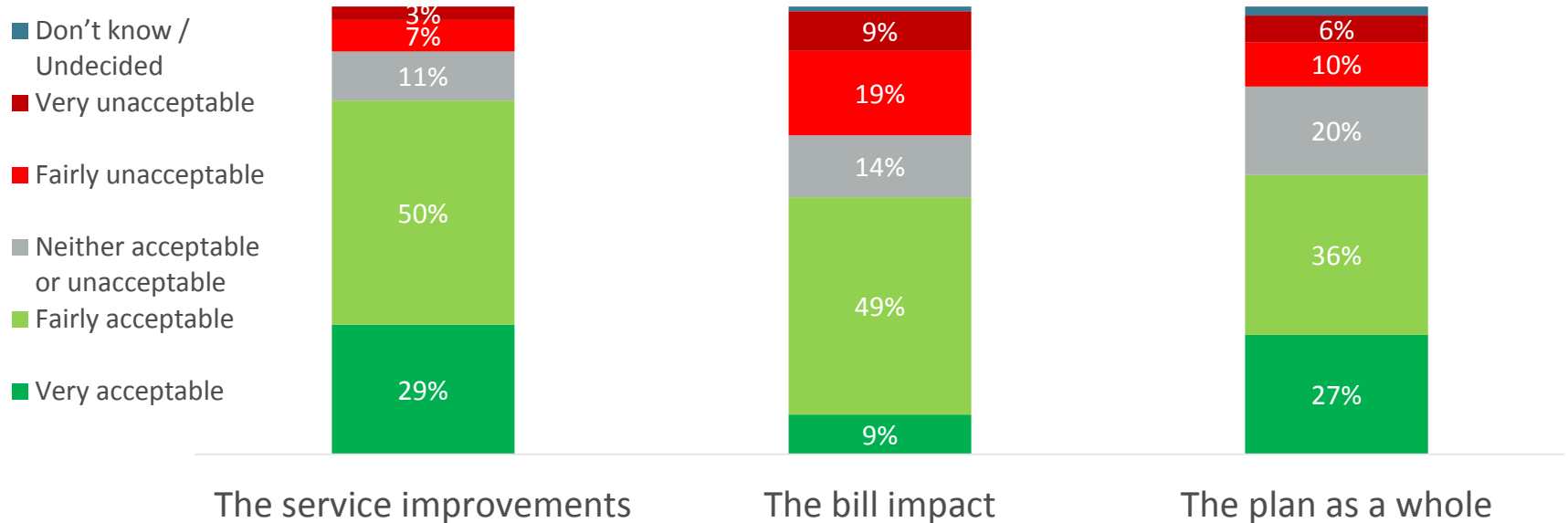
Business customer responses captured via an initial telephone recruitment methodology, with qualifying respondents then sent an online survey to complete

- Telephone recruitment ensures the best coverage of hard to reach respondents within a small catchment area
- A total of 105 business customer interviews were achieved, ensuring a robust base for analysis



# Almost two thirds of business customers accept the PR19 Plan as it stands although acceptability is lower for the bill impact

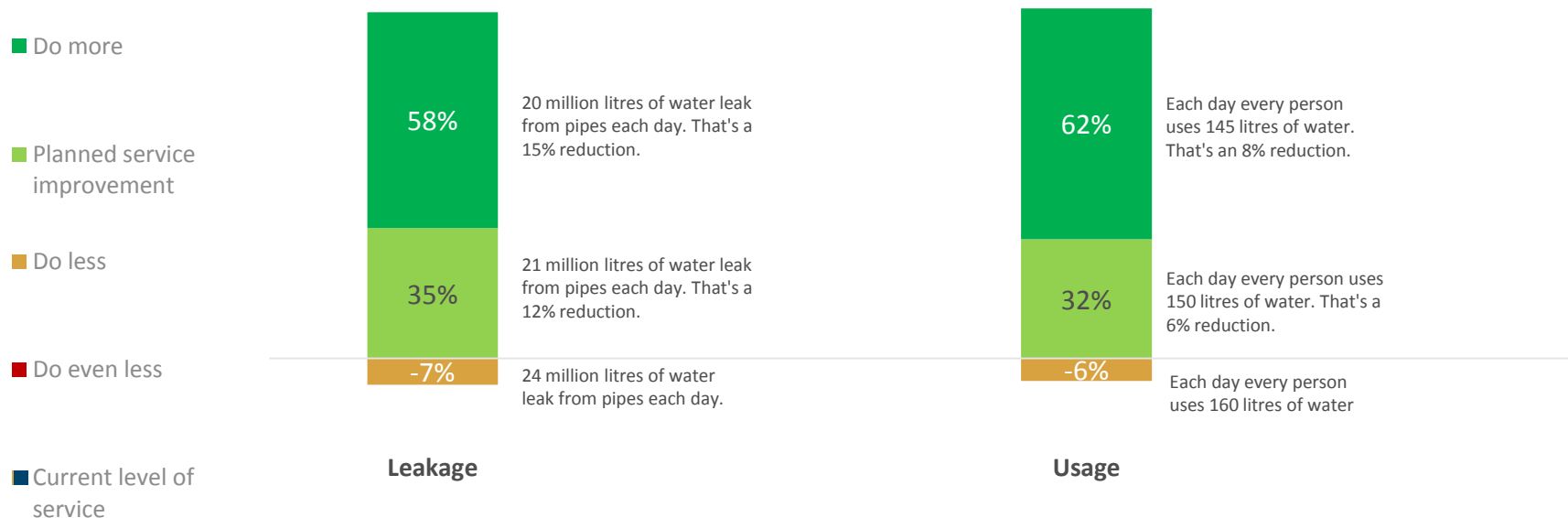
## Acceptability of the plan





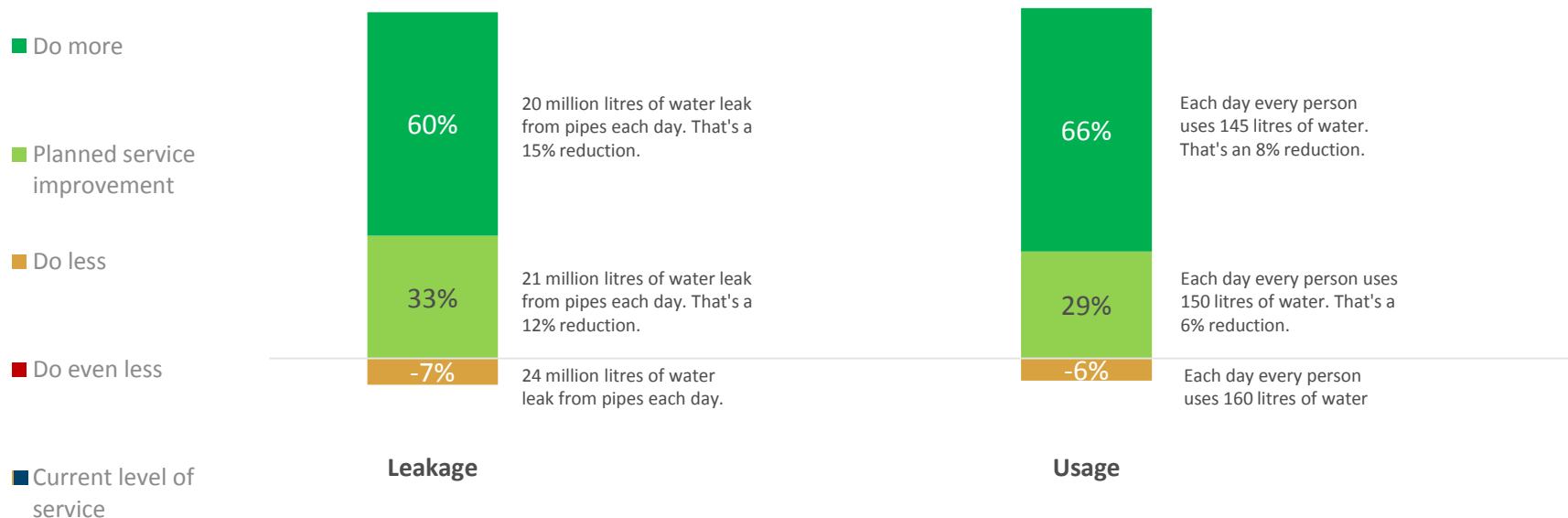
# When viewed independently, we see a significantly stronger appetite than among the household sample, to see more done with both Leakage & Usage

## Business Customer Preferences



As with the household sample, when viewed in combination, the picture remains broadly unchanged (suggesting a good level of comprehension and understanding of impact)

## Total plan – All business customers





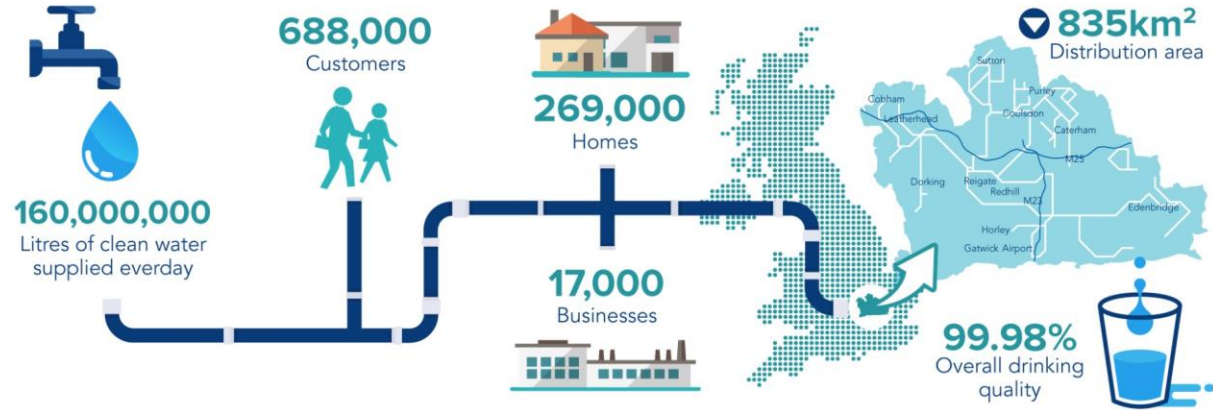
# Appendix

## Education:

Before reviewing the proposed plan, respondents were given a brief introduction to SES Water and the services they provide....

## Who we are

SES Water (formerly Sutton & East Surrey) supplies 160 million litres of clean water each day to 688,000 people in east Surrey and parts of West Sussex, west Kent and south London



## Education:

Before reviewing the proposed plan, respondents were given a brief introduction to SES Water and the services they provide....

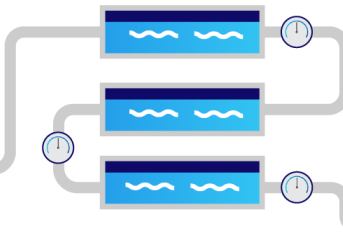
# What we do

## We collect



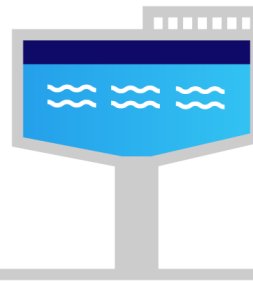
85% of our raw water comes from underground sources (groundwater) and 15% from river sources

## We clean



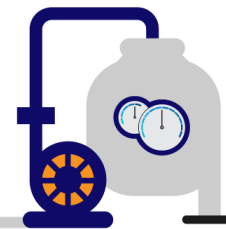
To make sure we maintain high quality drinking water for our customers, our water quality is continuously monitored at all our treatment works

## We store



We have 31 operational service reservoirs and water towers

## We distribute



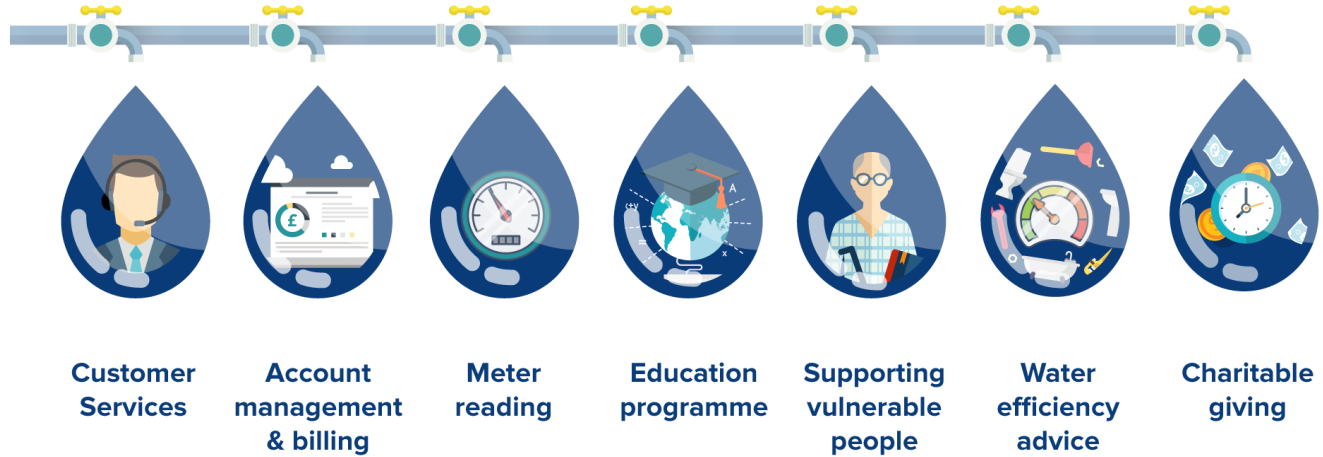
24 pumping stations pump water to our customers through 3,500km of pipes



## Education:

Before reviewing the proposed plan, respondents were given a brief introduction to SES Water and the services they provide....

## Our services go beyond water



boxclever