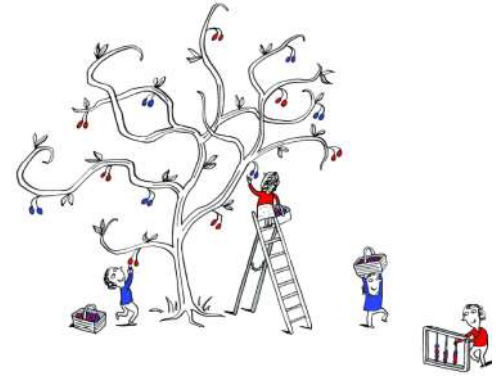


Anglian Water 13F. ACCEPTABILITY TESTING: PCS/ODIS



THE QUEEN'S AWARDS
FOR ENTERPRISE:
SUSTAINABLE DEVELOPMENT
2015





Acceptability Testing: PCs/ODIs

Final Results

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April 2018
3040pre02_total_v5



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

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Context

Acceptability Testing: ODIs/PCs

Quantitative Methodology

■ ODIs/PCs tested with customers

- 995 interviews with HH customers
 - 495 telephone – average length 31 mins 25 seconds
 - 500 online via commercial panel – average length 16 mins 3 seconds
 - 945 interviews in AW region
 - 50 interviews in HW region
- 500 interviews with NHH customers
 - Average interview length = 26 mins 12 seconds

■ Quotas were set to ensure that the overall dataset was representative of AW/HW customers in terms of age, SEG and gender

- Age, SEG and gender quotas were set on the basis of Census data for the Government region, using Household Reference Person (HHRP) as the proxy for bill payer

■ Data was weighted to latest Census data for age, SEG and gender for the supply areas.

Acceptability Testing: ODIs/PCs

Qualitative Methodology

Follow-up depth interviews with 16 participants to explore how descriptions of certain ODIs/PCs could be made easier to understand and why customers think they should be in period/end of period

Subjects covered: bathing waters, unplanned outages, treatment works compliance, retailer satisfaction

- 11 household interviews
 - 6 female
 - 5 male participants
- 5 non-household interviews
 - 3 with 0 to 4 employees
 - 2 with 5 to 25 employees

Key Findings



Compulsory Performance Commitments

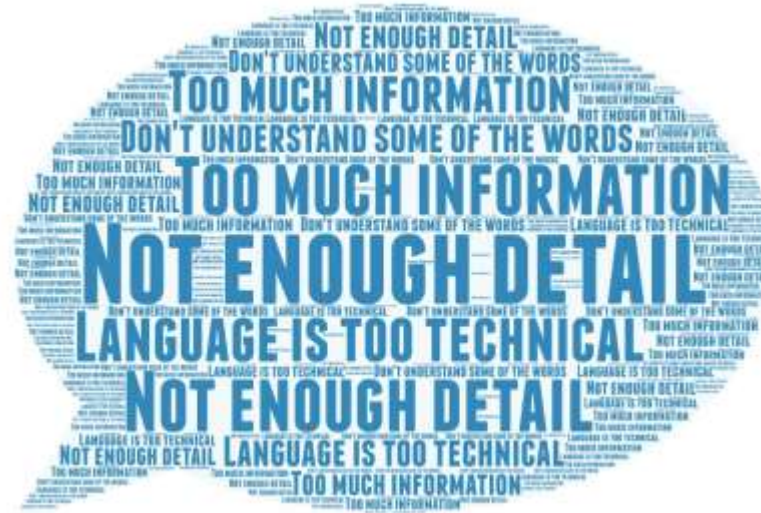
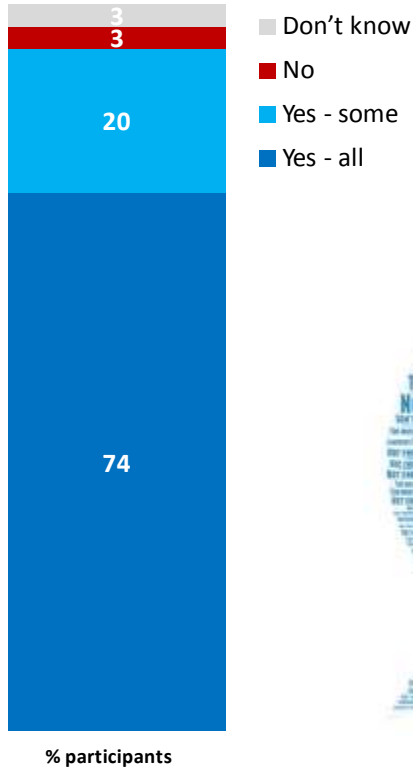
Compulsory Performance Commitments

Compulsory Performance Commitments

Water supply interruptions	Per capita consumption
Internal sewer flooding	Reducing leakage
Household customer satisfaction	Pollution incidents
Developer satisfaction	Asset health – mains bursts
Compliance risk index	Asset health – unplanned outages
Drought resilience	Asset health – sewer collapses
Rainfall resilience	Asset health – treatment work compliance

Three quarters found all PCs clear and understood what they mean

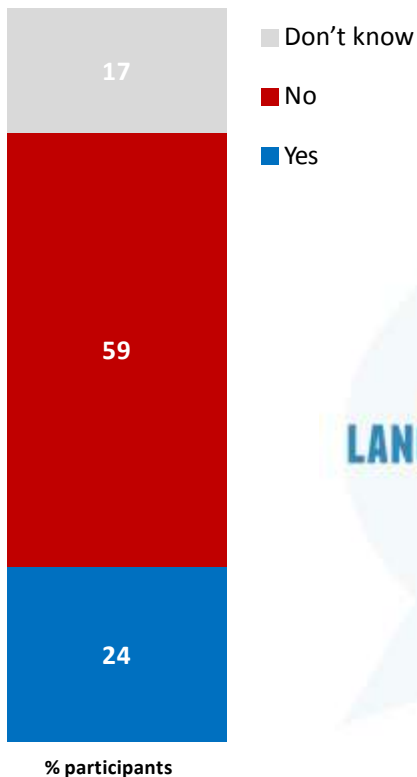
For those who didn't understand all there was general concern about the clarity of language or a desire for more information rather than a specific issue with a particular PC



Some/All = Clear	
94%	Yes
3%	No
Family First	97%
Eco Economisers	97%
Comfortable & Caring	96%
Protective Provincials	94%
Careful Budgeters	93%
Tech-Savvies	92%
NHH	99%

Asset Health: Mains Bursts

A quarter of all HH customers thought the description could be improved. Improvements focused on clarity/simplification of language. Minority also struggle with the term “asset health”



PROVIDE BENCHMARK/TARGET/STANDARD
STATE FREQUENCY

MORE CLARITY REQUIRED

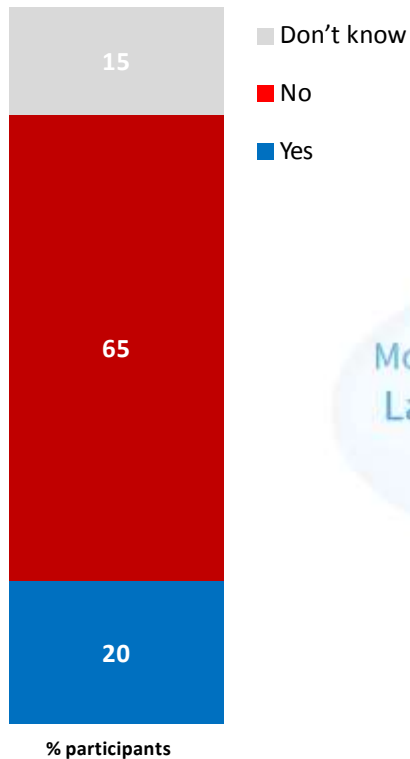
MORE DESCRIPTION/INFORMATION/DETAIL
LANGUAGE SHOULD BE EASIER TO UNDERSTAND
PROBLEMS UNDERSTANDING 'ASSET HEALTH'

STATE WHAT IT MEANS
USE IMPERIAL MEASUREMENT
RELATE TO AREA COVERED/% OF TOTAL AW AREA

Mains bursts = could be improved	
24%	Yes
59%	No
Family First	73%
Comfortable & Caring	69%
Eco Economisers	66%
Careful Budgeters	55%
Tech-Savvies	51%
Protective Provincials	47%
NHH	76%

Asset Health: Unplanned Outages

One in five HH customers thought the description could be improved. Again improvements focused on clarity/simplification of language



Unplanned outages = could be improved	
20%	Yes
65%	No
Comfortable & Caring	75%
Family First	69%
Eco Economisers	69%
Careful Budgeters	69%
Tech-Savvies	58%
Protective Provincials	57%
NHH	83%

Unplanned Outages

Description actually works well with customers. However, more detail needed regarding “asset health”

“Sometimes water treatment works are not able to perform at the capacity for which they were designed. In most instances customers are not affected by this reduction in capacity. However, they are measured against these instances to provide a picture of the long term resilience of water treatment works”

- On reflection the key issue was understanding the term “asset health” rather than specific problems with the unplanned outages PC
- Customers asked for a more explicit explanation on “assets” and then “asset health” before asking specifically about each of the PCs that sit under the “asset health” area. They suggested something like the following would be useful:

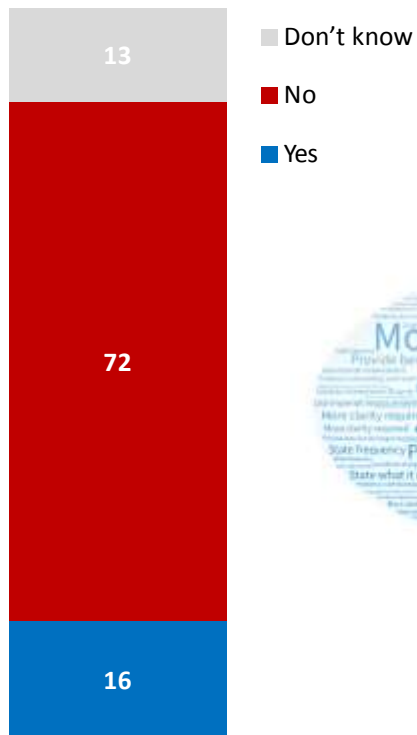
Anglian Water provides customers with clean water and water recycling (sewerage) services across a large area in the East of England. To do this they have an extensive network of pipes (thousands of miles of water pipes and sewers) and a great many water treatment works, pumps, water towers, sewerage treatment works, etc. These are known as assets.

Asset health is a way of describing how well these assets are operating/working.

- This added introduction would help customers understand where treatment works sit in the overall context of Anglian Water’s operations.

Asset Health: Sewer Collapses

Majority happy with this description with around 15% suggested some improvements



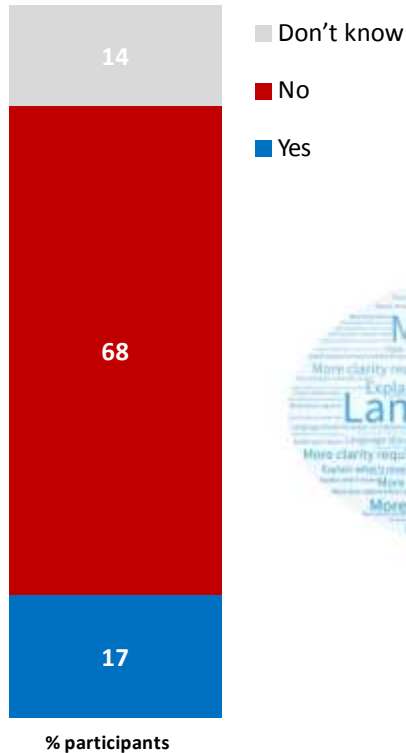
% participants



Sewer collapses = could be improved	
16%	Yes
72%	No
Family First	85%
Eco Economisers	77%
Protective Provincials	76%
Comfortable & Caring	76%
Careful Budgeters	72%
Tech-Savvies	61%
NHH	78%

Asset Health: Treatment Works Compliance

Again, majority happy with this description. 17% suggested some improvements which were consistent with feedback on other asset health PCs



Treatment works compliance = could be improved	
17%	Yes
68%	No
Comfortable & Caring	78%
Family First	76%
Eco Economisers	75%
Careful Budgeters	67%
Protective Provincials	62%
Tech-Savvies	60%
NHH	91%

Treatment Work Compliance

Customers would like to understand why the EA monitors Anglian's performance

"The Environment Agency (EA) monitors Anglian Water's performance at its water treatment works. Anglian Water needs to comply with the consents given by the EA. There are rare occasions where they might fail to comply – this could be due to a failure on-site or a trader accidentally putting something into the water supply"

- Customers would like to understand more about why and what the EA monitor
- They would also like to understand what consents are given
- Another suggestion was to talk about "sewerage treatment works" rather than "water treatment works"

The Environment Agency (EA) monitors Anglian Water's performance at its sewerage treatment works. They specifically monitor xxxxx and give Anglian Water consents to xxxxx which they must comply with. Anglian Water's performance is monitored to ensure there are no leaks into the environment (rivers, streams, land etc). However, there are rare occasions where Anglian Water might fail to comply – this could be due to a failure with on site equipment or one of Anglian Water's traders/suppliers accidentally putting something into the water supply"

If I read this two or three times I get what they're saying but it just takes a bit of reading. It would be good to know a bit more – you know some "whys" and "whats" need adding
HH customer

What do they have to comply with?
And what happens if they don't?
HH customer



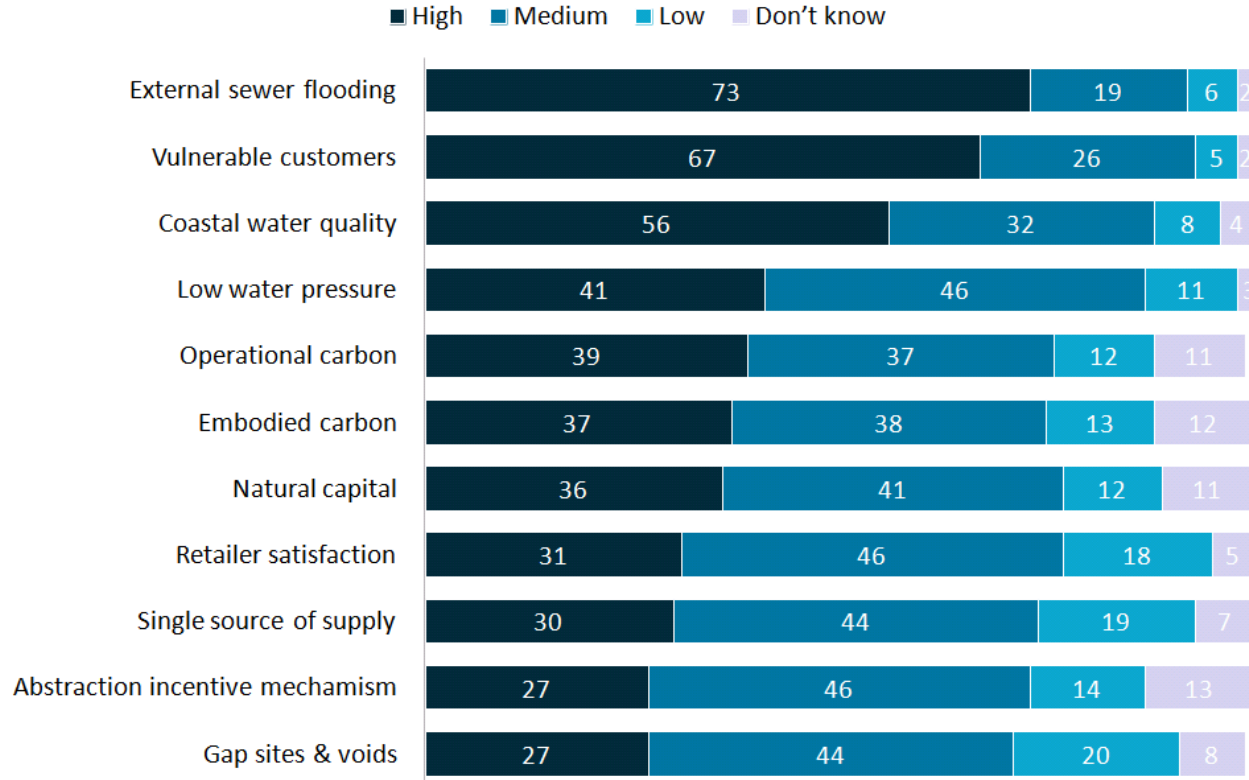
Bespoke Performance Commitments

Bespoke Performance Commitments

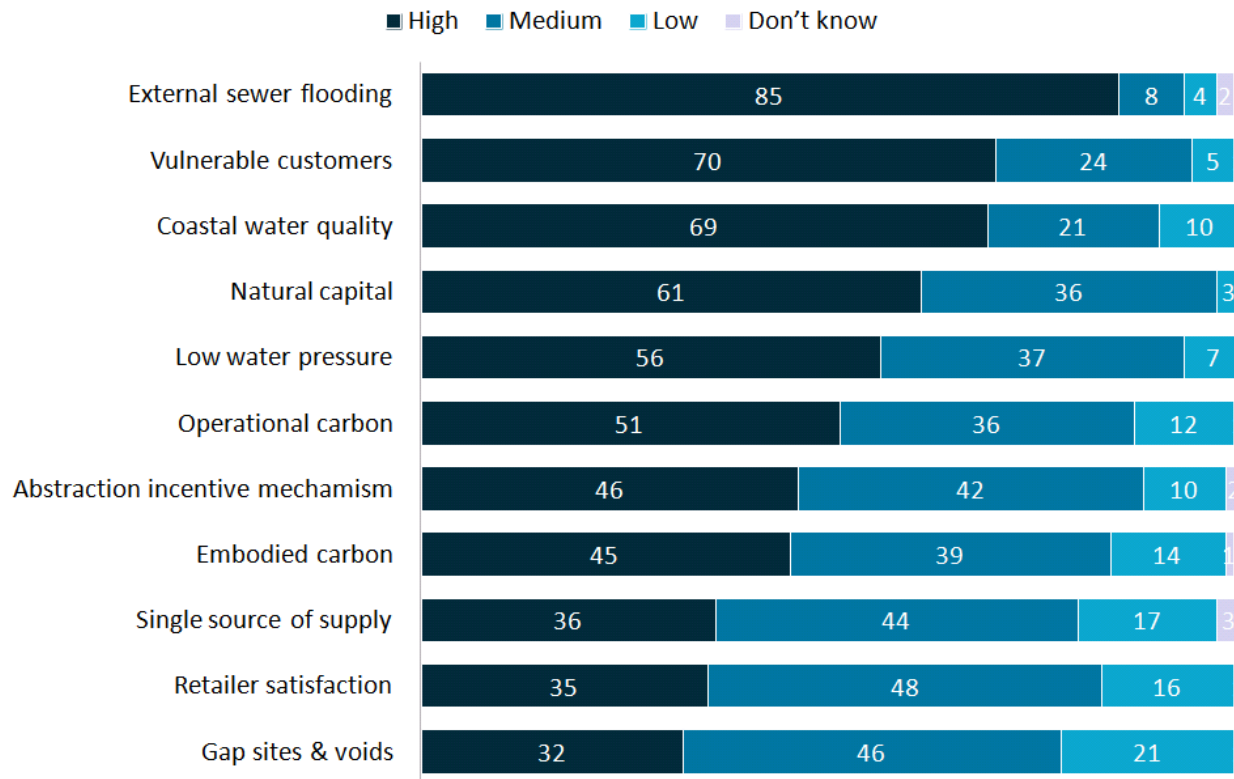
Bespoke Performance Commitments	
Low water pressure	Coast water quality
External sewer flooding	Abstraction incentive mechanism
Retailer satisfaction	Natural capital
Vulnerable customers	Operational carbon
Gap sites and voids	Embodied carbon
Customers supplied by a single source	

Household customers place the highest importance on external sewer flooding followed by vulnerable customers

Lowest importance PCs are gap sites & voids and single source of supply



NHH customers rating follows a similar pattern to household customers – with the exception of Natural Capital (61% NHH cf 36% HH) and AIM (46% NHH cf 27% HH). NHH more likely to rate all more highly than HH customers



NHH customers ranked retailer satisfaction” towards the bottom of the list of PCs covered – with only “gap sites & voids” ranked lower

Customers struggled to understand why retailer satisfaction should be a priority for AW. They would prefer focus on the end customer satisfaction which is driven by delivering excellent service across the other PCs covered

- The Open Water situation is still “new news” to many customers – both household and non household
- Therefore the role of the retailer is not understood and customers struggle to understand why their satisfaction should take priority over that of the end customers or other areas of AW’s work
- Even when greater information was provided customers still felt that the satisfaction of the “middle man” should not be a priority for Anglian Water

Why should their satisfaction be more important than mine?
And all those other areas are just more important aren't they?
NHH customer

Okay, now that you've told me more about what the retailer does I still don't think that this should be a focus for the water company. I mean they're making money out of billing us
NHH customer

Comfortable & Caring and Eco Economisers most likely to attribute higher importance to PCs than other segments

HIGH

Comfortable & Caring

Eco Economisers

Protective Provincials

External sewer flooding

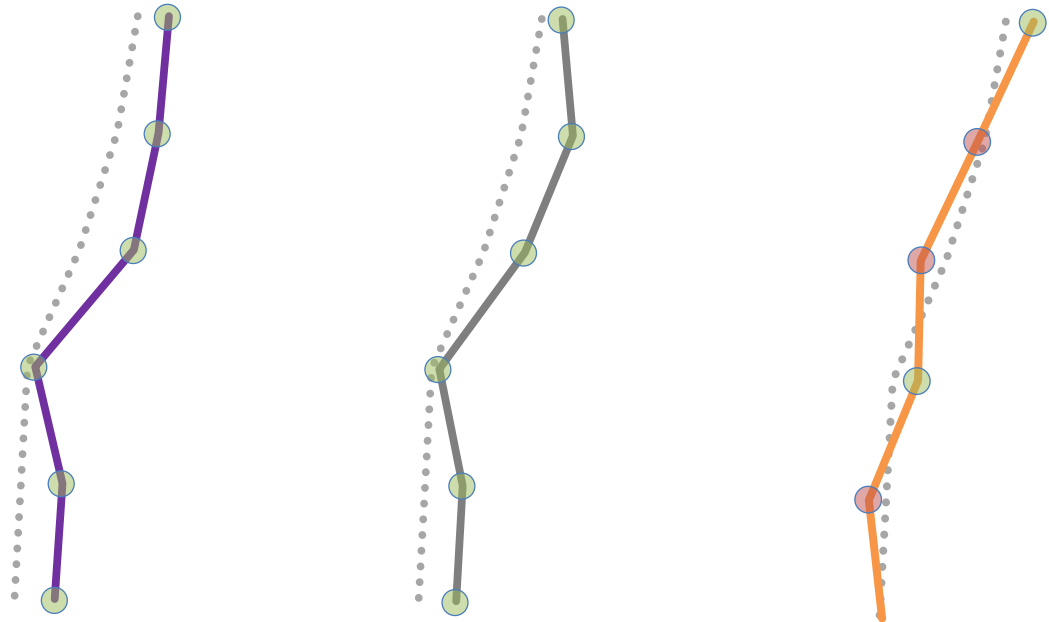
Vulnerable customers

Coastal water quality

Low water pressure

Operational carbon

Embodied carbon



And Tech Savvies least likely to attribute higher importance

HIGH

Family First

Careful Budgeters

Tech-Savvies

External sewer flooding

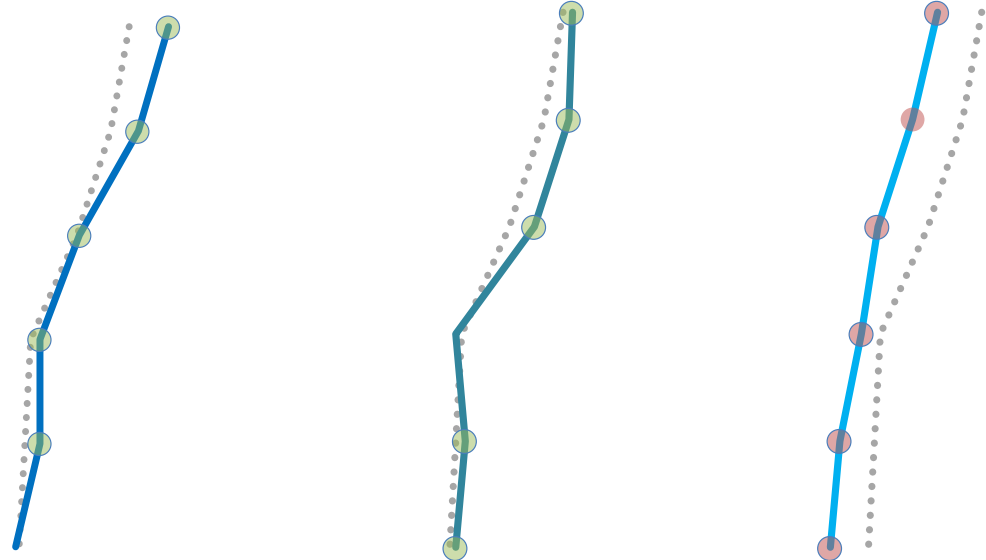
Vulnerable customers

Coastal water quality

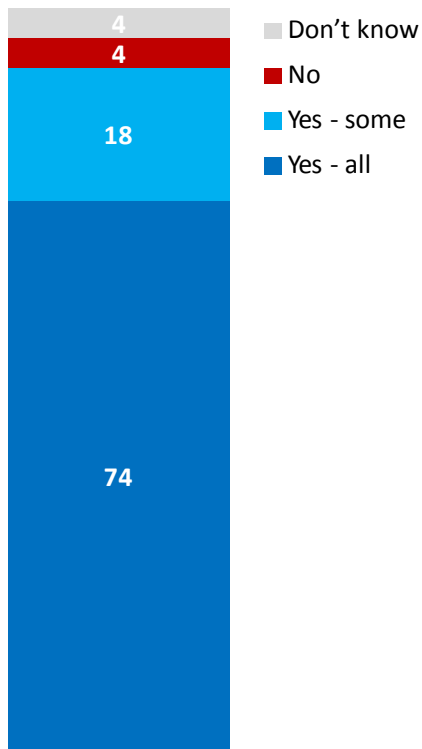
Low water pressure

Operational carbon

Embodied carbon



Three quarters found all bespoke PCs clear and easy to understand
 And a similar proportion believe AW/HW should be measured against all of these



% participants

- Don't know
- No
- Yes - some
- Yes - all

Some/All = Clear	
92%	Yes
4%	No

Eco Economisers	98%
Family First	96%
Comfortable & Caring	93%
Careful Budgeters	91%
Protective Provincials	91%
Tech-Savvies	89%
NHH	94%

Measured against all	
77%	Yes
9%	No

Family First	86%
Comfortable & Caring	84%
Eco Economisers	81%
Careful Budgeters	76%
Protective Provincials	74%
Tech-Savvies	69%
NHH	90%



Bill changes
Caps/collars
Buffer

Overall two thirds of HH customers prefer in period bill changes (Careful Budgeters the highest).
 NHH customers more evenly split

In Period Reasons

More immediate/accurate

Better option fairer/more sensible

5 yrs is too long would mean large increase all at once

Better for bills budgeting etc

Can track/understand change better

Benefit sooner - savings etc

Bill preference

61% In period

39% End of period

Careful Budgeters 69%

Tech-Savvies 66%

Eco Economisers 57%

Family First 57%

Comfortable & Caring 56%

Protective Provincials 52%

NHH 53%

End of Period Reasons

Better time frame - more time to improve etc

Better for planning/decision making

More consistent, stable, less fluctuation

Better for bills, budgeting etc

Better option, fairer/more sensible

Bathing Waters

Preference for in period changed to end of period once customers were provided with more information on how the PC is measured

“The classifications of bathing waters are produced via the EU Bathing Water Directive. Each year bathing water classifications are calculated looking at 4 years worth of water quality samples. Any improvements in the numbers of bathing water in our region to an ‘Excellent’ standard will take time following investigations and investment.

There can be a natural fluctuation at some bathing waters in and out of ‘Excellent’ classification, due to the actions of other parties causing pollution. Anglian Water would therefore be vulnerable to penalty with issues out of their control such as third party sources causing decline.

Anglian Water could also be penalised when they are in fact doing the correct work its just that more time is required to allow for the bathing waters to improve in quality”

- During the follow up interviews customers who originally preferred in period changed their preference on learning more about how the measures is reported and measured
- The time period over which the data is gathered and analysed was instrumental in customers changing their preference from in to end of period
- Preferences also changed on understanding that there are some external factors that can impact on AW’s performance and it was felt unfair to penalise AW immediately for this. It was felt that they should be provided with an opportunity to fix this. But they don’t want AW to use external parties as an excuse for not hitting their targets on an on-going basis.

Oh, I hadn’t realised that they looked at the data in such big chunks. I guess that makes sense. In that case they need more time to look at averages etc
HH customer

Yeah, I guess if something happens that’s out of their control then they need time to put it right. But they need to work with whoever was responsible and make sure it doesn’t happen again
NHH customer

Majority in favour of a buffer zone and for potential rewards/penalties to be capped

Preference for buffer zone

69% Yes

29% No

Family First 76%

Comfortable & Caring 73%

Careful Budgeters 71%

Tech-Savvies 68%

Eco Economisers 66%

Protective Provincials 61%

NHH 70%

Support for Buffer

Better incentive/better motivation
 Would mean better service/performance
Should have leeway, some flexibility
 Some issues outside company's control, extreme weather etc
 The unexpected/unavoidable, things go wrong
Realistic

Opposition to Buffer

More responsible/accountable
 Simple/straightforward
Should aim for/stick to target, it's fixed
 Less wriggle room, stricter
 More effective, target will be met

Upper limit on rewards and lower limit on penalty

74% Prefer cap

26% Prefer no cap

Eco Economisers 83%

Comfortable & Caring 80%

Protective Provincials 72%

Tech-Savvies 70%

Family First 68%

Careful Budgeters 65%

NHH 83%



Any questions please
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