

Anglian Water 131. WATER QUALITY AND SOCIAL CAPITAL: A REPORT FROM THE ONLINE COMMUNITY



Water Quality & Social Capital

**Feedback from the Love Every
Drop online community**

Prepared for Anglian Water

by incling 15.06.2018



What's coming up...

01

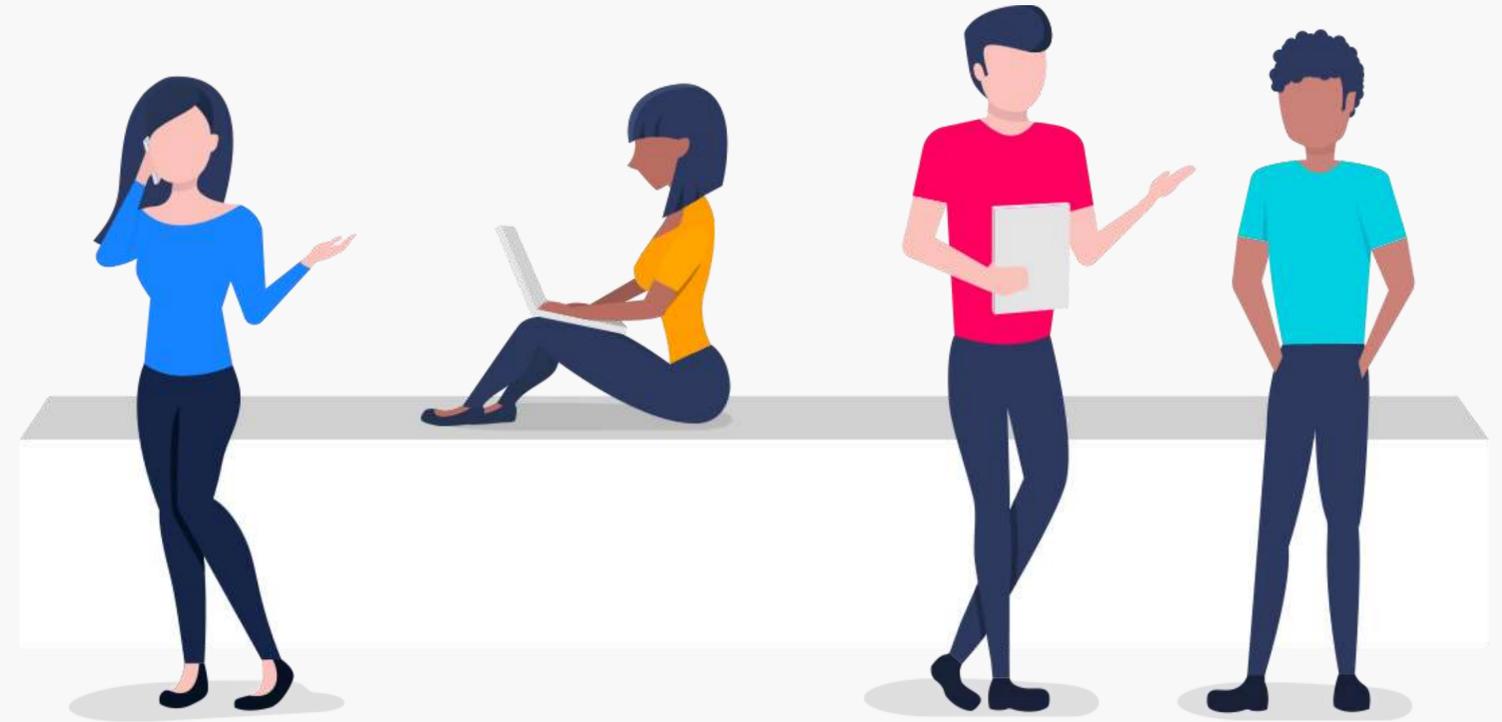
WATER QUALITY CONTACTS
Feedback around the target

02

SOCIAL CAPITAL
Feedback around the target

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RECOMMENDATIONS
And final thoughts





Overview of the engagement



The objectives: As a follow-up to Anglian Water’s PR19 consultation process, AW wanted to explore customer response to two more outcomes (Water Quality Contacts and Social Capital). In speaking to customers, we wanted to explore if customers felt AW were moving in the right direction, if customers had certain expectations around the target (and if the target has addressed them), and if there were any areas of the target that customers disagreed or challenged.



Who we spoke to: Each topic is run with up to 80 participants from Anglian Water customers including:

- Spread of age and gender
- Representation from all 6 customer segments
- Geographical spread across the Anglian Water region



How we did it: Over a one-week period, we created two concept evaluations to allow participants to use ‘heat map’ pinning to feedback on specific aspects of the targets. A follow-up question enabled us to probe in more detail, understand which areas resonated the most, and how participants felt about specific aspects of the performance commitments.

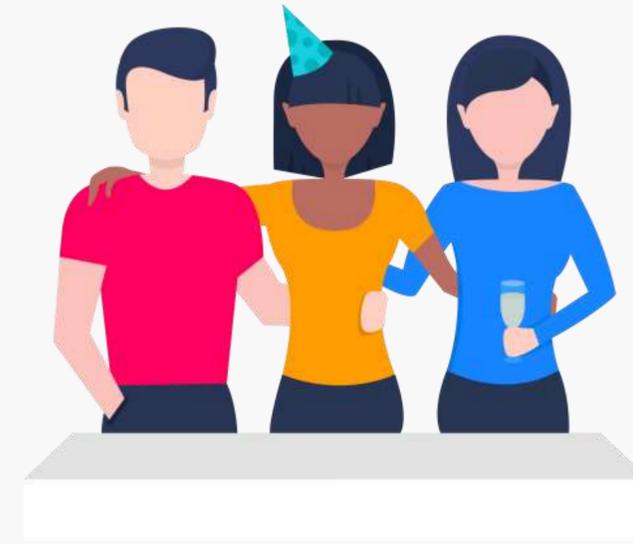




Water quality contacts

Performance area feedback

Customers buy-in to maintaining current levels



- ✓ **Investing further to** reduce the number doesn't feel like the best use of resources, and a waste of bill-payers money, especially when other investments may have a **greater impact**.
- ✓ Customers feel **reassured** that discoloured water is a cosmetic nuisance, rather than a serious health issue. Perceived lack of severity underpins buy-in towards lower future investment.
- ✓ Though AW **shows ambition** to want to reach the 11.7 number, some question if **it's even necessary** when AW are **already well ahead of their industry peers**. Concentrating on the status quo sounds like a more sensible option.
- ✓ If there is no benefit, no health risk and will cost more money, some would even settle for **maintaining this number at 13.8** – already better than others in the industry.

The numbers are acceptable and better than the national average. As it's impossible to eliminate all discolouration issues that may occur, it would seem that numbers staying flat is the best that can be expected.

Tech Savvy

It's not a major issue and AW shouldn't waste resources if it's going to affect other areas of investment. And if there's no impact on health of customers, don't waste too much money on this problem. It's purely cosmetic.

Tech Savvy

It's ok to stay flat at a very low level. So forget achieving zero calls, don't waste valuable money trying to achieve perfection, 'Very low' is good enough for me!

Comfortable & Caring

Proactively informing customers is seen as part of the solution



INFORM & EDUCATE

People who contact AW about discoloured water are obviously concerned, but it's costly (in time and money) to investigate each and every query. Keep customers well informed of what is being done. There is an expectation that part of the solution is to **proactively communicate** the low risk so that calls numbers are lowered



MAINTAIN

With investigating individual reports difficult and expensive to maintain, it feels wiser to make **general improvements** to water supply pipes and improve existing **infrastructure** to minimise instances of discoloured water happening.

Working to maintain the infrastructure that delivers the water is so important, so in that respect, AW are moving in the right direction.

Protective Provincial

Be aware it's not just about how many phone calls you receive, it's about ensuring customers are kept informed about what is being done - like a simple advert during primetime TV. Just ensure that customers are made aware that the water is safe to drink.

Tech Savvy

Don't think too much on numbers, get on with the improvements and remember that every single employee has the potential to be an ambassador. Arm them with the info and the information gets out!

Comfortable & Caring

WATER QUALITY CONTACTS AIM:

Continue to improve the aesthetic quality of water our customers receive

Outcome: Safe, clean water

Water quality continues to be a key priority for us. Many customers contact us about discoloured water. Short term discolouration can be caused by iron sediments, but the level of iron which can be found in tap water is **not harmful** and discoloured water is normally quite short lived and doesn't usually last more than 24 hours. This is purely about colour, and has **no impact on health** or use of water.

We have a maintenance programme for our network of pipes, which is designed to help keep the water mains free of iron sediment which causes the discoloured water. We proactively investigate possible issues after 2 calls in a given area and we will proactively communicate with customers if we think there may be a problem. We also provide more information and tips for customers on what discolouration is and how to deal with it on our website.

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Our proposed performance commitment level:

We measure our performance by the number of customer contacts. Our **current performance measure** is **13.8 contacts per 10,000 customers** and we propose to **maintain this level to 2025**.

By **2020** we expect this to be around **11 contacts per 10,000 customers per year** and we propose to **maintain this level to 2025**.

This is significantly **ahead** of the **industry average** due to a very proactive approach to investigating contacts and maintenance since 2015. However, it is **expensive** to maintain and further improvements would be costly to deliver which could impact bills. This means that instead of investing further into this, we are concentrating improvements and additional investments in other areas of our business.

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Customers support...

- ✓ Trust AW's expertise: Water quality AW's core remit, but customers agree that cosmetic improvements shouldn't merit the same attention.
- ✓ Maintenance programme feels like a proactive step in the right direction; customers feel reassured that AW is working hard to keep the mains free from sediment. It's anticipated improvements in this will lead naturally to less instances of discoloured water (and therefore less customer complaints).
- ✓ A 2 call approach sounds sage: a safe step to quickly address potentially serious issues in the water supply (i.e. in the off chance that discolouration doesn't stem from just iron sediments)

'Water quality continues to be a key priority for us'- this sentence should always be AW's guiding principle.

Comfortable & Caring

AW is taking the sensible, pragmatic approach to something that isn't a health risk. Little sense trying to reduce this further when they're already the industry leader.

Family First

AW's maintenance programme of infrastructure and numbers of customers calling to complain shows that they're on the right track. If this is maintained in the future, there's no reason for an increase in customer complaints.

Tech Savvy



Questions or concerns...

- ✓ A need to educate: Though customers trust you, simplicity feels unnerving. If all instances of short-term discolouration are not harmful, customers need to be educated accordingly. Customers expect AW to proactively relay this information in multiple forms (not just on website) to avoid customers worrying unnecessarily and minimise the amount of customer calls.
- ✓ A tough sell? There's a difference between AW stating safety and what customers see and believe, especially after seeing media coverage of water poisoning (e.g. Flint). Customers are unlikely to be reassured by a response of 'look it up on our website' when experiencing the emotions of discolouration in their own taps.

Tricky one. We've seen in the news about mistakes made: chemicals, villages having hair loss. So if my water changes colour, I want to make sure it's harmless. How quickly could you ascertain if it's a real issue and contain it?

Comfortable & Caring

Coloured water doesn't give a visual impression that it's suitable for drinking. Might be impossible to convince the public unless the region is transformed into a desert by global warming and we're dying of thirst.

Eco Economiser

Is it not harmful across the board- children and elderly included? Can you say this is true in ALL cases?

Protective Provincial



Customers support...

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- ✓ Striving to improve resonates: Despite already being ahead of the rest, it's impressive that AW is aiming to get this number down even lower, *but this isn't a priority concern for customers.*
- ✓ The right priority: With discoloured water being an aesthetic inconvenience rather than threat to wellbeing, *for the vast majority, it makes sense to limit investment* and have a natural maintenance level after 2020.
- ✓ Looking out for the needs of customers: The cost-benefit equation doesn't add up, and in the grand scheme of things, added investment won't bring many benefits (just put added financial pressure on customers). If it comes at a cost, customers aren't sure that it's ALWAYS best to be ahead of the competition!

I would be interested to see this result, but only so long as it's not because something else has to suffer.

Comfortable & Caring

This is not high priority stuff, and if it detracts too much from other, more important areas, then it needs to be bottom of the list.

Protective Provincial

It would be a waste of bill payers money to take it any lower. If there's no benefit to take it to 11.7 and will cost money, why not leave it at 13.8? It's still better than others in the industry!

Comfortable & Caring



Questions or concerns...

- ✓ Comparing contacts can be difficult to digest: Potential to present this differently, e.g. 'AW is x% better than the industry standard.'
- ✓ Is further investment needed? If it's expensive to maintain, will reaching the 11.7 2020 target put pressure on other areas of investment?
- ✓ A minority question why improving the number of contacts further will be expensive, and ask why it's manageable to get to 11.7 but not beyond that number.
- ✓ A few are concerned that less investment may bring more risks or more incidents of discolouration that may be serious ones?
- ✓ Don't focus too much on the numbers: Customers are less concerned to see the number of contacts go down. They're more interested in being ensured that AW is doing everything they can to keep customers informed and aware that water is safe to drink.

I am not sure why this service, if always been maintained before, suddenly becomes too expensive- what has changed to cause the increase in cost that makes the service and target set by your own company to difficult to achieve?

Eco Economiser

I need to know my water is safe to drink. I need to know BEFORE I drink it. Don't ever tell me that you knew you were going to poison me, but it cost too much to avoid.

Comfortable & Caring

Social capital

Performance area feedback

Customers see the value in *the idea* of social capital

- ✓ Though the term itself feels **vague**, customers can get behind AW's belief in contributing to local communities and environments.
- ✓ Customers **expect** all big companies to be doing something to 'give back' to customers. Social capital is expected to have a **positive impact** on AW's operations (improving public reputation, being an educator, and bringing communities together).
- ✓ It's important to ensure a **cross-section of the community** benefits with customers seeing AW showing support for **local initiatives**. There's a concern that social capital will be restricted to big cities and coastal regions, leaving the rural areas feeling left out.
- ✓ However, with customers showing **limited awareness** of existing initiatives, there's a need for AW to **broadcast** what they're doing (especially when AW's social media pages are themselves recognised as a form of social capital).



Outside of day-to-day business, I really think you could help communities. For example, providing free talks in schools, water butts for home owners, and taking forward suggestions by the local public to implement.

Tech Savvy

Help address problems of flood risk that sometimes go beyond the formal responsibilities of AW. AW has the knowledge and expertise to make a real different to people's lives in the area.

Eco Economist

I think AW do need to raise their profile. This is the first time that I have heard of Love to Help, RiverCare and BeachCare...

Protective Provincial

Organisation relevance is key

Customer expectations of what falls under 'social capital' from other organisations points to natural links between the company and the initiatives



INCENTIVISING CHANGE

Nudging behavioural change and fostering good habits by incentivising community members to do good.

The Leeds City Council issues free parking permits for ultra-low emission vehicles and the Park n Ride site at Elland Road allows motorists to charge their electric cars for free. It seems the Council's message is to encourage low emissions

Comfortable & Caring



LOCAL INITIATIVES

Making positive contributions and improvements to the community they serve through local events (e.g. organising events and walks)

My local hospital does bat walks to show off its natural habitats which is good community fun, and our local garden center donates and plants daffodils in small green spaces.

Tech Savvy



GIVING SOMETHING BACK

Annual charity partnerships or giving out services or products for free that have with a direct link to the company (e.g. supermarkets teaming up with local food banks).

Some supermarkets have token boxes to donate to local charities or causes, but the choice of which charity to support is dictated by the customer.

Protective Provincial

'Social capital' according to customers

Certain customer groups were excited by social capital, while others were sceptical over AW's role in it...

Family First & Tech Savvy

The most aware of existing initiatives - spontaneously mention recreational facilities like Grafham and Alton Water as great examples of social capital. They're most excited about:

- ✓ Using education as a tool for social change (e.g. customer open days, schools).
- ✓ Getting social with technology: social media content around what AW do, prize draws and quizzes online. Even the LED community is noted as a form of social capital!



Comfortable & Caring & Eco Economiser

Eager to see social capital impact on a local scale. They see a role for AW in:

- ✓ Supporting local community groups: e.g. small allotment grants, local clean up groups.
- ✓ Creating local job opportunities for young people via apprenticeships and sponsoring courses through colleges so skills needed can be kept local from the regions served.
- ✓ Commitment to local environmental protections, e.g. working closely with local farmers to reduce pesticides, show presence at country Agricultural shows to promote, publicise and showcase what AW does.

Protective Provincial & Careful Budgeter

The most cynical, concerned that social capital isn't in AW's remit (pushes the responsibility off environmental agencies) and becomes something that customers can't 'opt out' off (but will end up footing the bill!)

‘Social capital’ according to customers

But customers do agree that social capital needs to have a natural tie to AW’s purpose to avoid being seen as a token charitable gesture

Family First & Tech Savvy



Comfortable & Caring / Eco Economiser

The fact that AW is open to having a forum like this community is a good example of their social capital. It allows us, the customers, to communicate our thoughts and ideas which ultimately will improve their service in the future.

Tech Savvy

Protective Provincial / Careful Budgeter

This is effectively a charitable contribution paid for by your customer who can’t opt out. Do the shareholders also suffer or does spending money in this way hide spend from regulators? Stop it now. Lots of companies make a positive contribution but they operate in a competitive market and I don’t have to contribute.

Protective Provincial

AW needs to recognise that even very low cost amounts in AW’s terms (e.g. £2k) can be prohibitive for small communities to achieve, so many a small grants scheme might be appropriate. Proper CSR involves listening, innovation and a readiness to embrace flexibility rather than adhere to rigid standards.

Comfortable & Caring

SOCIAL CAPITAL AND SOCIAL IMPACT AIM:
Recognise the role our business plays in society, the positive impact we have through community investment and the impacts our operations have on the communities we serve

Outcome: Positive impact on communities

We believe strong **social capital** is vital to how we work as a business. This goes beyond just relationships and trust; it's also about the **positive contribution** we make to society through community investment, and the impacts our operations can have on our customers and the communities we serve.

This measure seeks to **recognise our role within society** as a whole. As it's a developing area, we will evolve approaches in order to maximise the positive contribution Anglian Water makes to our customers, the environment, and society at large (and minimise any negative impacts).

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Customers support...

- ✓ Giving back to the community is expected to strengthen customer relationships.
- ✓ Seeking to minimise negative impact reinforces AW's sustainability agenda.
- ✓ Not just about profits: Proud to see a big company standing up for the public. Corporate social responsibility is an invaluable asset.
- ✓ Investing in communities demonstrates the future-facing mission of AW. It's resonant to see the company thinking about social capital on both local and wider scale.

Good to see AW is not just an organisation that is mostly interested in price strategy

Comfortable & Caring

It is a caring attitude that big businesses sometimes lack. And this attitude pushes companies like AW into a different bracket than others

Comfortable & Caring

Agree, it's important to ensure that the company's operations don't have a detrimental impact on the community, and seek to enhance it, where possible

Family First

? Questions or concerns...

- ✓ Sounds nice, but what is it? It's difficult for customers to get to grips with social capital – the term itself alienates and feels intangibly vague. Customers query over how this can ever be measured.
- ✓ Do customers expect this from their water company? Some question if this is in your role and worry stretching yourself too thin may detract from the main remit.
- ✓ What's it going to cost customers? Some flag that investing in this could be counter-intuitive: with costs ending up in customers' pockets, the resulting financial pressure on customers may in fact result in negative social capital!

Stop doing non-core activities – just treat sewage and provide clean water. Everything else is a waste of my money, or give me the option to opt out of supporting your charitable contributions

Protective Provincial

Will making a 'positive contribution' have a negative impact on bills?

Protective Provincial

I agree with maximising benefit for the community. I'm just wary of money being spent on other community benefits that may not be directly water-related

Family First

Our proposed performance commitment level:

We are **already actively involved** in this area, through many different initiatives such as Love to Help, RiverCare and BeachCare. We measure this in different ways, for example frameworks like the London Benchmarking Group allow us to quantify the number of people who have been impacted and supported by our programs.

Our proposal is to develop a strategy alongside our PR19 business plan and between 2020 and 2025 report on the implementation of that strategy, along with a number of other indicators.

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Customers support...

- ✓ Initiatives such as RiverCare and BeachCare feel like they have clear links to Anglian Water's core mission, and with current media coverage of plastics in water, these initiatives feel like a relevant response to a pressing problem.
- ✓ Reassuring to see that this is already in place rather than being a future aspiration – customers see an opportunity for you to broadcast this more vocally.
- ✓ Unlike some of the other targets, it sounds like this one can already be done within the existing model, rather than investment costs reflected in customers' bills.

These sound like the correct aspirations of a responsible business in the 21st century.

Comfortable & Caring

I am not sure how many of your customers are aware of your involvement with these organisations – they should be made aware!

Comfortable & Caring

I think that AW have an excellent commitment to its customers and the environment. If you were to ask public around the country, I'm sure most have heard what AW does and probably couldn't name many others.

Tech Savvy



Questions or concerns...

- ✓ Interesting initiatives... but as many customers haven't heard of them, initiatives don't feel local to them.
- ✓ Keeping it real: Though community action is admirable, customers are wary of AW spending money on other community benefits, which may not provide an income stream for AW, especially if these initiatives are not directly water-related.
- ✓ Goodwill vs actual responsibility: Some feel rivers and beaches should be the responsibility for the Dept. of Environment.
- ✓ How much freedom does AW really have against shareholder interests?

It bothers me that they state they are already doing this, yet there is very little evidence of it happening in my area.

Protective Provincial

AW is a water supply and sewage treatment company. Social impact is to fail to do that. There's no need to be involved in anything else. Beach and river conditions are a matter for gov agencies and special interest groups.

Eco Economiser

I don't think AW has enough freedom from shareholder interference to implement too many changes. In practice, shareholders will not be happy with a company which fails to make profits for them.

Protective Provincial

Recommendations

And final thoughts

Recommendations

WATER QUALITY



- ✓ With Anglian Water well above their peers, customers nearly unanimously agree that getting the number lower **doesn't merit investment**.
- ✓ **However**, there is concern that concentrating too much on numbers overlooks the in-the-moment emotions that customers experience when seeing discoloured water in their taps. In order to reassure customers, there's a need for **readily-available** and robust information, shared across your communication channels.

Unaesthetic water is not a health risk, affects very few customers, and is a short-term problem. The cost-benefit equation doesn't add up in the grand scheme of things. To propose more expenditure seems unnecessary and not the best use of finite funds available.

Protective Provincial

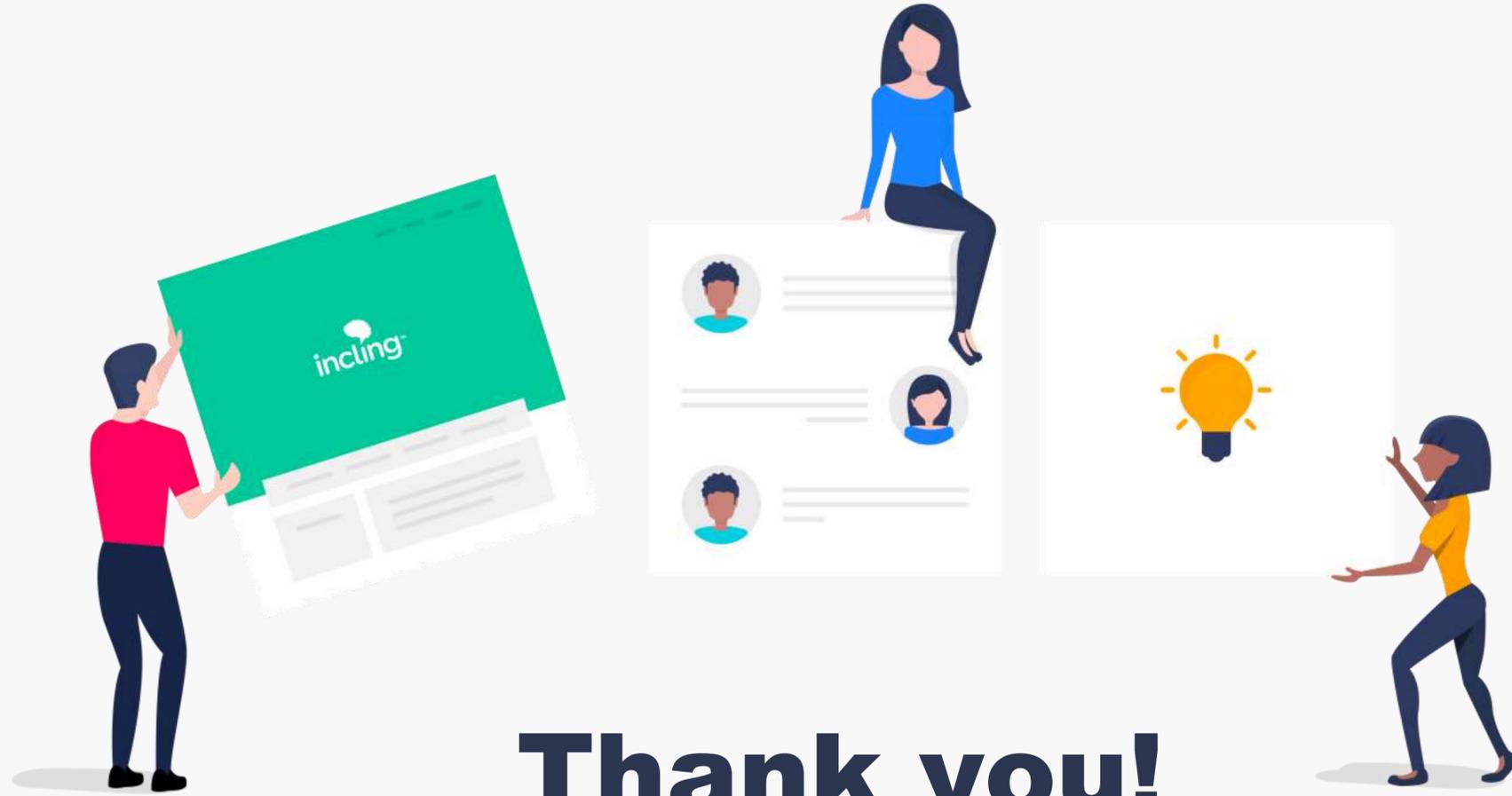


SOCIAL CAPITAL

- ✓ **Make it relevant to me:** Customers see AW as something local, and expect social capital to have a local presence; something they can tangibly see in action in their own neighbourhoods, e.g. via local community partnerships, workshops, and educational campaigns.
- ✓ **Make it relevant to you:** Customers expect big companies to be doing something extra, however to avoid being seen as a token gesture, it's important to closely align with AW's mission, e.g. raise awareness for existing water-related issues, recycling and waste-reducing schemes, and environmental protection.

There are a large number of companies that undertake local amenity projects which are diverse and tailored to local communities' needs. If AW is to take anything from this, it's that!

Eco Economist



Thank you!

**Any questions? Just reach out to us on
rhonda.nicholl@incling.co.uk**