Testing the Waters: SME customers' views on water & sewerage services 2014

Report Prepared for:

CONSUMER COUNCIL FOR Water

July 2014

Prepared by:
Ali Sims, Research Director & Tessa Montague, Associate Director

Tel: 01663 767857
Email: asims@djsresearch.com, tmontague@djsresearch.com

Website: http://www.djsresearch.co.uk

Follow us:

Table of contents

Chart index

1. Executive summary

1.0.1 The Consumer Council for Water (CCWater) represents the interests of business and household water and sewerage consumers in England and Wales. In order to be effective in this role, CCWater recognises that it is essential to have an understanding of the views and opinions of all water consumers.

1.0.2 In 2012, CCWater conducted research among Small and Medium Enterprise customers (SMEs), primarily to understand their experiences and perceptions of water and sewerage companies, and to determine their perceptions of market reform.

1.0.3 Two years on, CCWater wanted to track SME customers' opinions about water and sewerage providers, the services they receive, and to establish awareness and perceptions of the future market reform[1].

1.0.4 A total of 2,079 interviews were conducted with SME customers across England and Wales. At least 200 interviews were conducted with customers in each of the ten water and sewerage company regions. In Wales, 50 booster interviews were conducted with medium and large SME businesses in order to ensure the sample was robust enough for comparisons with 2012 data.

1.0.5 In order to strengthen the approach, the sample structure was changed compared to 2012 so that smaller weights could be used and to make the sample more statistically robust for analysis. The final weighted data allows for comparisons between 2012 and 2014 at a total level and at an England and Wales level. However, what is not possible is a level comparison between the years at a regional level or between business sizes. Moving forwards, comparisons will be possible if the revised sample structure is maintained.

1.0.6 In addition, some changes to the questionnaire were made to align it with the CCWater's household customer tracker so that better comparisons can be made between the views of household and non-household customers. Where the questionnaire was changed it has been noted that any changes in the data could be attributable to changes in the questionnaire as opposed to real changes in the data.

1.0.7 This Executive Summary details the key findings from the 2014 survey.

[1] From 2017, all non-household customers in England will be able to choose who provides their water and sewerage retail services i.e. reads their meters, sends their bills and deals with customer service.

1.1 Headlines

Typical yearly expenditure on water is under £1,000 per annum

1.1.1 Half of SMEs are spending under £1,000 per year on water and sewerage services (50%); but nearly a third (31%) were unable to recall off hand how much they are spending.

- There has been a significant increase in SME customers reporting that they are paying for surface water drainage charges as one of the services they receive (28% in 2012 compared to 36% in 2014). This is particularly the case for SMEs in the North West.
- SME customers believe that water (48%) and sewerage (24%) services are the largest part of the bill.

1.1.2 Most SME customers believe they are water dependent (72%).

- But, it's all about perspective → whilst domestic uses (kitchen, hand washing, toilet use) are dependent activities for many customers, these same activities are seen differently by others who consider their business to be 'non-dependent'.

Perceptions of bill clarity are improving

1.1.3 Perceptions of bill clarity have improved since 2012 (77% in 2012 compared to 84% in 2014):

- Those who disagree that their water bill is clear would like to see greater clarity in the bill breakdown and on how the bill is calculated.

Satisfaction with value for money of sewerage and surface water drainage services is declining, as is overall satisfaction with sewerage services[2]

1.1.4 Satisfaction with value for money has declined for both sewerage (72% in 2012 compared to 68% in 2014) and surface water drainage services compared to 2012 (56% in 2012 compared to 47% in 2014).

- Those perceiving they are not receiving value for money cite increasing prices.

1.1.5 Overall satisfaction with sewerage services has decreased (90% in 2012 compared to 78% in 2014).

Satisfaction with value for money and satisfaction with water services remains stable

1.1.6 Satisfaction with value for money of water services is stable (72% in 2012 compared to 74% in 2014).

1.1.7 Overall satisfaction with water services is stable (87% in 2012 compared to 88% in 2014) – satisfaction is highest with reliability of water.

[2] However, the overall satisfaction question has changed since 2012 and so the decline may be a reflection of changes in the questionnaire rather than an actual change in customers' views

Satisfaction with contact has fallen since 2012

1.1.8 One in seven SME customers (15%) has contacted their provider in the past 12 months
- Mainly to enquire about the bill (42%).

1.1.9 About half were satisfied with the contact they had (56% satisfied), which is a significant fall compared to 2012 (74% satisfied).

When service failure occurs, it has a major impact on a third of businesses

1.1.10 One in eight SME customers has experienced a service failure at some time (13%).
- Mainly as a consequence of blocked sewage pipes.
- This resulted in a major impact for a third of SME customers suffering a service failure – 5% of all SMEs.
- The majority are satisfied with the company's response but a significant minority are not (29%) – which is 4% of all SMEs.

As with household customers, water companies are trusted more than energy providers

1.1.11 Just over half of SMEs believe that water companies care (56%) about the service that they give their business customers.
- Particularly companies with 50+ employees (medium sized businesses) → this is likely to be because access to dedicated account managers tends to increase with business size/spend on water.
- And particularly SMEs in the Wessex region, Yorkshire and Wales.

1.1.12 Business customers trust their water company more than their energy company (water/sewerage company 7.3 out of 10, energy company 6.5 out of 10)[3].

SMEs are not in the habit of either looking for, or asking their water company for information – but the few that do take up advice generally find it useful

1.1.13 Perceptions about the advice and support provided by their water company are similar for each of the different water companies; they appear to be performing equally (33% to 53% agree the advice and support provided is sufficient).

1.1.14 Very few SMEs have actively looked for information about water/ water and sewerage services (6%) and most have not been offered nor asked for advice (8% or less).
- Where advice has been offered or requested, take up is divided, with around half taking up the advice and half not.
- But, once taken up the advice is seen as useful by the majority (77% or more).

[3] Rating based on a scale of 1-10, where 10 means that customers trust the energy/water company completely and 1 means that they don't trust the company at all

Awareness of market reform is low; two thirds are open to switching

1.1.15 Very few SME customers are aware of the impending market reform:
- Less than 1% could describe the reform spontaneously.
- Only 5% were aware when prompted.

1.1.16 Almost two thirds of the market (64%) claim they would be open to switching once the market opens to all non-household customers in England:
- The average bill saving required to prompt a switch is 19%.

1.1.17 36% of SMEs claim they would not switch irrespective of the potential bill savings.

Very few are aware that CCWater is the consumer body in the water industry

1.1.18 Although 20% are aware there is a consumer body in the water industry; it is almost universally believed to be Ofwat. Less than 1% recalled the Consumer Council for Water spontaneously.

2. Introduction

2.0.1 The Consumer Council for Water (CCWater) was set up in 2005 to represent the interests of business and household water and sewerage consumers in England and Wales.

2.0.2 Currently the household market and a large proportion of the business market operate as regional monopolies, with the water and sewerage service provider being determined by business or household premises location. However, the market for businesses is becoming more competitive. From 2003, in England and Wales, businesses using at least 50 megalitres (50,000m3) of water a year were allowed to switch water supplier. In 2011 the eligibility threshold in England reduced so that those using at least 5 megalitres of water a year could switch water supplier. The threshold in Wales remains at 50 megalitres. In April 2017 the water and sewerage market in England will open so that all businesses will be able to choose to switch their retailer, regardless of their consumption.

Figure 1: Recent changes in the water market for non-households

- **2003 → non-household customers using > 50 Ml/year allowed to choose water supplier**
- **2,200 businesses affected**
- **1 business switched**

- **2011 → non-household customers in England using > 5 Ml/year qualify for choice of water supplier**
- **27,000 businesses affected**
- **A few businesses switched**
- **In Wales, the threshold of > 50 Ml/year remains**

- **Government proposes to remove the consumption threshold completely for non-household customers in England in 2017**
- **1.2 million businesses affected**
- **In Wales, the threshold of > 50 Ml/year remains**

2.0.3 Understanding the views and opinions of businesses and household consumers is essential for CCWater in meeting its business objectives, in order to ensure that it continues to provide a strong national voice for water industry consumers throughout England and Wales.

2.0.4 In order to keep up-to-date with business customers' thinking, in 2012 CCWater and Ofwat conducted research among SMEs in order to:

- Inform about SME business customers' experiences and perceptions of water and sewerage companies;
- Explore CCWater's role with business customers, as highlighted in the Gray report (July 2011)[4]; and
- Provide an update on business customers' perceptions' of market reform.

2.0.5 In 2014 it was recognised that there was a need to update the research conducted among business customers in 2012.

2.1 Research aims

2.1.1 Overall, the **business objective** of this piece of research was to provide CCWater with updated information about SME perceptions of the water industry in order to feed into CCWater's price review and business customer representation activities.

2.1.2 The main **research objectives** were to:

- Establish SME customers' perceptions of value for money across all aspects of water and sewerage services; and
- Establish satisfaction with service delivery by the water industry including:
  - Satisfaction with contact
  - Awareness and availability of advice/information and wider service options
  - Identify the impacts of service failures on routine business activity
  - Identify satisfaction with supplier response to service failures
  - Perception of supplier attitude to SME customers – specifically, trust and care.

2.2 Approach

2.2.1 As in 2012, a quantitative methodology was followed, using telephone interviewing across England and Wales. In 2012 the sample was structured equally between the four business sizes (1-9 employees, 10-49 employees, 50-99 employees and 100-250 employees) with 500 interviews being conducted in each.

2.2.2 In 2014, the sample structure was reviewed and amended so that the weightings applied to make the sample representative of the market in England and Wales were closer to 1, in order to make the sample more robust. Weighting has the potential to increase sampling error, which then reduces the statistical robustness of the sample. It is advisable to use weights as close to 1 as possible in order to minimise the impact on sampling error – i.e. so we are doubling or tripling the weight of opinion up or down. This was the objective of the sample review in 2014.

[4] Review of Ofwat and consumer representation in the water sector, Gray 2011

2.3 Fieldwork

2.3.1 The study was carried out using CATI (Computer Aided Telephone Interviewing) from DJS's in-house telephone unit.

2.3.2 A total of 2,079 interviews were achieved across England and Wales. Interviewing took place from 13 January 2014 to 18 March 2014.

2.4 Sample

2.4.1 For continuity, the sample was structured based on data from Experian as it was in 2012. The sample of business names and contact numbers from which the interviews were conducted were also bought from Experian.

2.4.2 At least 200 interviews were conducted in each of the ten water and sewerage company regions.

2.4.3 Quotas were set on business size, within each region and at a total level as follows:

Business size (number of employees)	Interview quota (total sample)	Interview quota (within region)
1-9	1,000	100
10-49	500	50
50-99	250	25
100-250	250	25
Sample total	**2,000**	**200**

2.4.4 In addition, a booster sample among medium and large SME businesses (50-99 employees and 100-250 employees) in Wales was included to ensure that data among these groups was robust for the analysis between England and Wales.

Business size (number of employees)	Interview quota
50-99	25
100-250	25
Booster sample total	**50**

2.4.5 Quotas were also set on business sector within each specific water and sewerage company (WaSC) region. These quotas varied depending on the WaSC region. In a few instances the quotas on business sector were not achieved and so in these cases the data were weighted.

2.4.6 Respondents were screened to ensure that they were responsible for the utility bills of the business.

2.5 Questionnaire

2.5.1 In order to track customers' views and opinions since 2012 the questions were kept largely the same. However, the questionnaire has been aligned better with CCWater's household tracking survey (Water Matters) so that stronger comparisons can be made between non-household and household customer views and so there were some changes in order to achieve this.

2.5.2 Additional questions were also included in line with CCWater's objectives, in particular around awareness of market reform.

2.5.3 The questionnaire focused on the following eight key themes:

- Views on current services
- Value for money
- Contact with water and sewerage company
- Water services
- Sewerage services
- Service failure
- Information needs and relationship with water and sewerage company
- Market reform

2.5.4 The interviews took 15 minutes to administer. A copy of the questionnaire is included in Appendix 1.

2.6 Data processing and computer tables

2.6.1 Weighting has been applied to the data to ensure that it is representative of businesses in England and Wales. A sample profile is included at Appendix 2, which shows the actual number of interviews achieved against the weighted data.

2.6.2 In 2014, to improve the robustness of the data and reduce the use of weighting, the sample was re-structured within WaSC region so that the SMEs interviewed within each region were broadly representative of the profile of business sectors in each WaSC. This is different to 2012, when interviews were not structured by business sector and instead the sample within in each WaSC region was significantly weighted after interviewing in order to be representative of each region. The new sample structure removed the need for this level of weighting. However, as a result of the change in sample structure this does mean that some comparisons to data from the 2012 survey are not reliable.

2.6.3 In order to ensure meaningful and robust analysis, weights were applied to the final data as follows. Note that the new sample structure means that comparisons with the 2012 survey are valid across some but not all groups, as noted below:

Data set	Weighting factors	Analysis/comparison
Total data excluding Wales booster	• Business sector • Business size • Region	Total market analysis/ comparison to 2012 is valid
Total data excluding Wales booster	• Business sector • Business size	Regional analysis. Comparison to 2012 is not valid
Total data excluding Wales booster	• Business sector • Region	Business size analysis. Comparison to 2012 is not valid
Total including Wales booster	• Business sector • Business size • Region	England and Wales analysis/comparison to 2012 is valid

2.6.4 Computer tables have been provided to CCWater with each question analysed by the same sub-groups as in 2012. An additional breakdown of single/multi-site businesses was also included.

2.7 Interpretation of data

2.7.1 It should be noted that results are based on a sample of businesses (as this is not a census of all businesses). This means all data are subject to sampling tolerances.

2.7.2 Where percentages do not add to 100, this may be due to rounding, the exclusion of 'don't know' categories, or multiple answers.

2.7.3 The table below shows the statistical reliability of results for total base sample sizes of 2,032 (the total number of interviews excluding the Wales booster), 1,011 (the total number of interviews among businesses with 1-9 employees), 502 (the total number of interviews among businesses with 10-49 employees) and 200 (the approximate number of interviews achieved per WaSC region).

Table 1 Statistical reliability

	Approximate sampling tolerances applicable to percentages at or near these levels		
Base size	**10% or 90%**	**30% or 70%**	**50%**
2,032 (total sample)	± 1.3%	± 2.0%	± 2.2%
1,011 (total 1-9 employees)	± 1.8%	± 2.8%	± 3.1%
502 (total 10-49 employees)	± 2.6%	± 4.0%	± 4.4%
200 (total per WaSC)	± 4.2%	± 6.4%	± 6.9%

2.7.4 Throughout the report, we have highlighted differences at a total level where they are different to 2012, and in England and Wales compared to 2012 where they are statistically significant.

2.7.5 All the data presented in this report is weighted. The average weighting factor applied across all of the data sets was 1.06 to 1.45, with a maximum factor of 4.20 to 4.57 and a minimum of 0.12 to 0.15. The robustness of the sample was maintained by not over-weighting.

3. Views on current service

3.0.1 SME customers were asked a number of questions to establish which water and sewerage services they currently receive and their attitudes towards water usage.

Summary

- Almost all SMEs receive both water and sewerage services; 99% receive water services and 89% receive sewerage services.

- Over a third of SMEs (36%) report they are receiving and paying for surface water drainage services, which is significantly more than in 2012 when it was 28%.

- Water usage is consistent across the year for the majority (92%) of SMEs.

- Most SMEs spend on average less than £1,000 a year on water and sewerage services and this represents an average of 6.7% of total annual operating costs.

- As in 2012, the majority (72%) of SMEs feel they are water dependent, though this figure has fallen significantly since 2012 (79%).

- Water dependency is a matter of perspective; those who claim not to be water dependent do not view their domestic staff needs as dependent activities whilst others do.

3.1 Services used

3.1.1 Almost all SME customers recognise that they receive a water and a sewerage service. However, only a third (36%) are aware they receive a surface water drainage service, albeit significantly more than the 28% in 2012. It is difficult to comment on whether this increase is due to increased awareness that they are paying for surface water drainage, or an increase in the number of SMEs receiving the service. Trade effluent remains a service received by a small minority (2%) but slightly more state they receive this service in the North West (5%). Of those using trade effluent removal, only about a third (37%) receive a separate bill.

Chart 3.1 Water and sewerage services used

Services used by the market

S5 From which sources do you obtain your water? S6a Which water and sewerage services does your business take? S6b Do you receive a separate bill for the removal of trade effluent?

- Most obtain their water from the public water supply (97%)
- Water supply is the main service used:

Services used	Total 2012 (n=2116) %	Total 2014 (n=2021) %
Water	100	99
Sewerage – waste water	94	89
Surface water (rainwater) drainage	28	36
Trade effluent removal	3	2
Receive a separate bill for trade effluent	**57%** (n=54)	**37%** (n=44)

Base: All respondents

Denotes significant difference compared to 2012 12

3.1.2 Awareness of the surface water drainage service is particularly high among SMEs in the North West (49%) and is lowest in the Eastern region (24%) and Wales (28%). Awareness increases with bill size, for example the incidence among those with bills up to £400 is only 35% versus 49% among those with bills over £2,001. Again, it could be that awareness is higher in areas where surface water drainage is itemised in the water bill.

3.1.3 Water usage is non-seasonal for the majority (92%) of SMEs; just 7% have peak periods of water usage over the year. The following types of businesses are more likely to experience peaks of usage than others:

- Accomodation and food services (26%)
- Education (11%)
- Agriculture, forestry and fishing (10%)
- Arts, entertainment and recreation (7%).

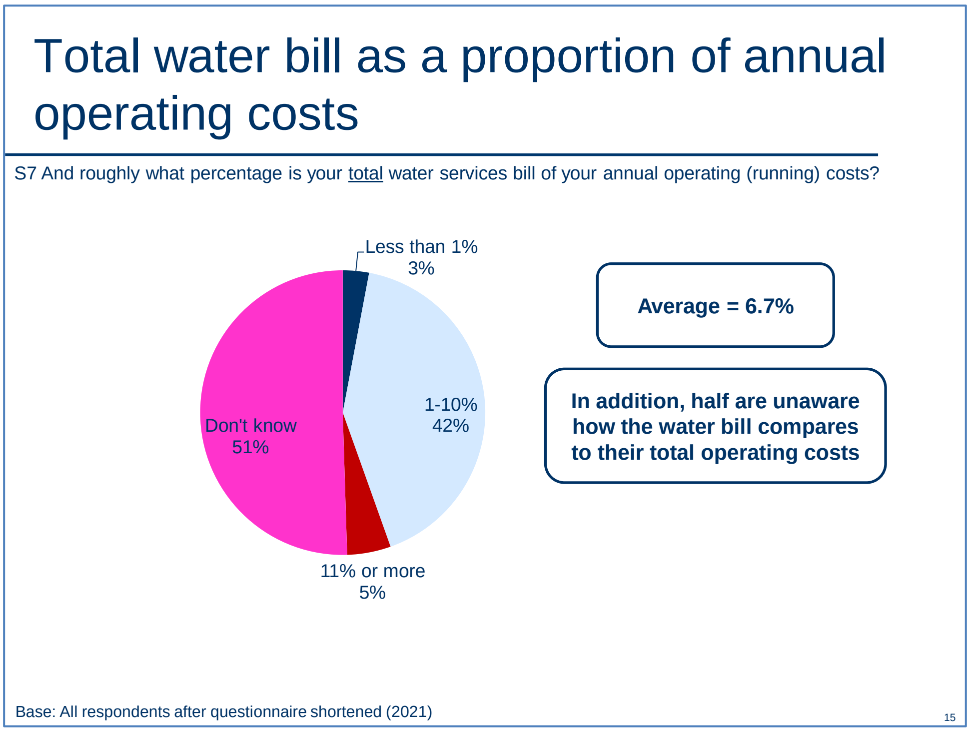
3.2 Spend across all water and sewerage services

3.2.1 Half of SMEs pay £1,000 or less for their annual water bill, a further 10% pay between £1,001 and £2,000 and 9% pay more than £2,001. Almost a third (31%) of SMEs were unable to recall the amount they spend on water each year; this group is made up of larger SME customers (47% are medium SMEs with 50-99 employees and 53% are large SMEs with 100-250 employees). Although these people are responsible for the water bill and they are able to comment on the clarity of it, they tend to not be able to recall the bill amount. At this point in the interview some of the smaller SMEs either knew the amount or were able to get the bill to hand easily, whereas for the larger SMEs this was not the case.

3.2.2 Almost half (48%) of SMEs perceive water services to be the largest part of their water bill. A quarter (24%) think that sewerage services are the largest portion particularly those in the South West region. Whilst just 5% of SMEs say that surface water drainage accounts for the greatest portion of their water bill. This view is more widely held in the North West where 18% view surface water drainage as the the largest part of the bill.

3.2.3 Half of SMEs don't know how their water bill compares to the total operating costs of the business; which is the same irrespective of region and business size. It seems that for many SMEs, the person responsible for paying and managing the water and sewerage services account(s) does not have access to operating cost information in order to make this comparison. For 5% of SMEs, their annual water and sewerage services bill accounts for 11% or more of their annual operating costs, for 42% the water bill accounts for 1-10% of their annual operating costs. On average, the total water bill represents 6.7% of annual operating costs.

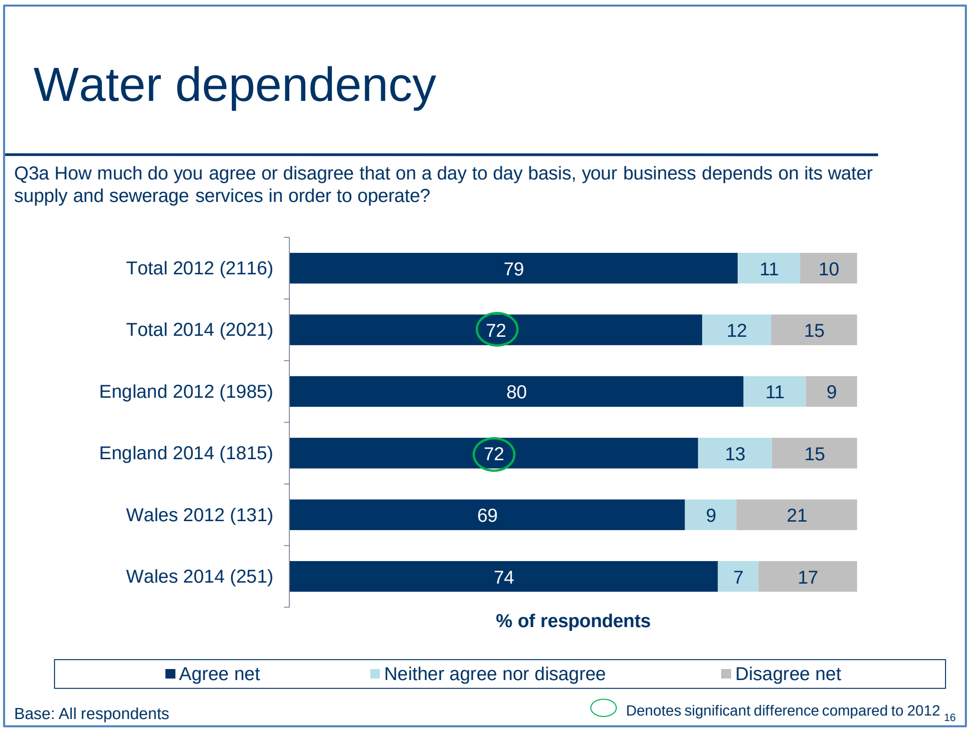
Chart 3.2 Proportion of annual operating costs spent on water



3.3 Water dependency

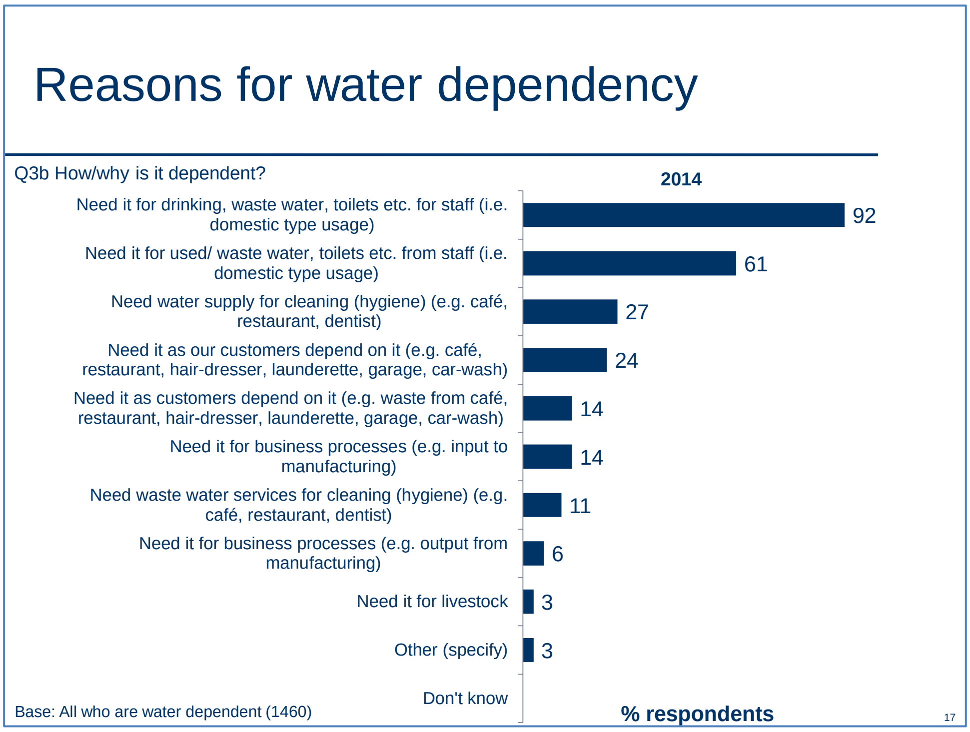
3.3.1 Dependency on water supply and sewerage services is high in 2014 (72%) but this is significantly less than it was in 2012 (79%). Dependency in Wales has increased from 69% in 2012 to 74% in 2014.

Chart 3.3 Water dependency



3.3.2 Those that are water dependent explain that they mostly need water for domestic purposes e.g. drinking, waste water and toilets (92%) and for the removal of used domestic waste water (61%). A further 27% are dependent on water for cleaning/hygiene, whilst 24% of SMEs use water as part of the services they offer e.g. café, hair-dresser, laundrette, car-wash.

Chart 3.4 Reasons for water dependency



3.3.3 However, it would seem that water dependency is a matter of perspective. Those who claim not to be water dependent do not view their domestic staff needs as dependent activities (unlike many of those who feel they are water dependent). They still use water for these purposes but they do not feel that these are water dependent activities; over four fifths (83%) use water for drinking and toilets etc. (compared to 93% in 2012) and 62% use water for removal of waste water for domestic purposes, which is a significant increase from 2012 (27%).

4. Value for money perceptions

4.0.1 As in 2012, value for money was established with each of the different components of the water bill. In this section, we also cover perceptions of bill clarity.

Summary

- Perceived clarity of how much needs to be paid and when has improved significantly since 2012 (84% in 2014 cf. 77% in 2012).

- Clarity of how the final bill amount was reached has also improved significantly (79% in 2014 cf. 74% in 2012).

- Perceptions of value for money of sewerage services and surface water drainage services have both fallen significantly since 2012:
  - sewerage services (68% in 2014 cf. 72% in 2012)
  - surface water drainage (47% in 2014 cf. 56% in 2012).

- However, perceptions of value for money of water services have increased slightly (74% in 2014 cf. 72% in 2012). Increasing prices are the main cause for dissatisfaction with value for money across all services.

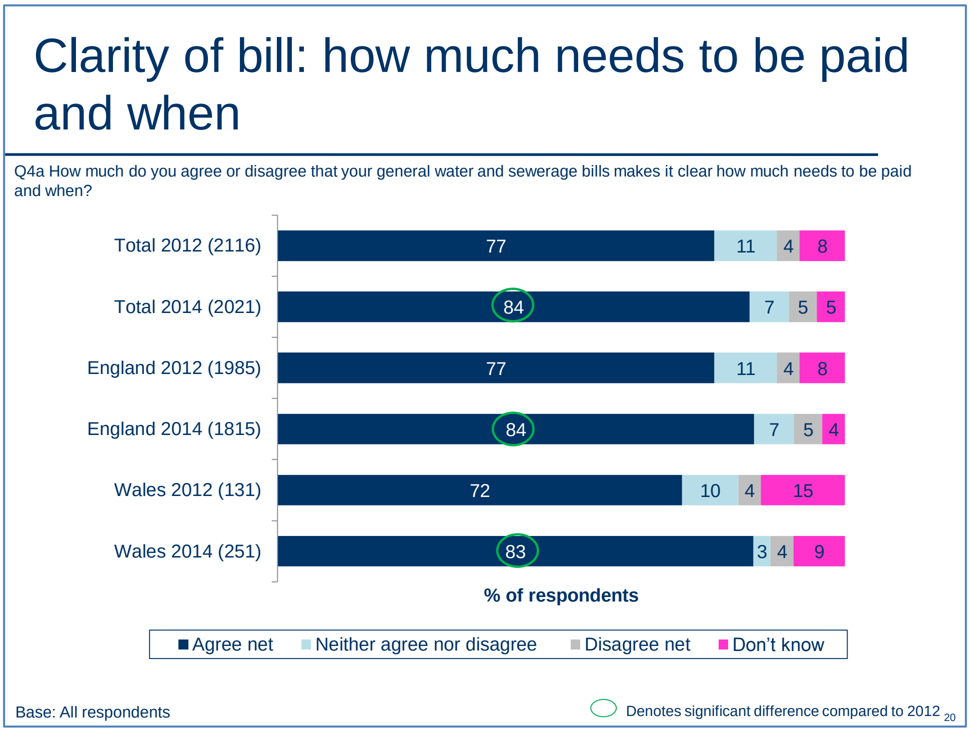
- Awareness of the Guaranteed Service Standards (GSS) scheme compensation entitlement has increased significantly in 2014 to 39% (cf. 24% in 2012).

- The majority (75%) are unaware that that they could be entitled to a reduced sewerage bill if none of the rainwater that runs off their property drains into the public sewer.

4.1 Clarity of bill

4.1.0 The majority (84%) of SMEs feel that their bills show how much needs to be paid and when in a clear way; this is significantly higher than in 2012 (77%). Views are similar across the WaSC regions.

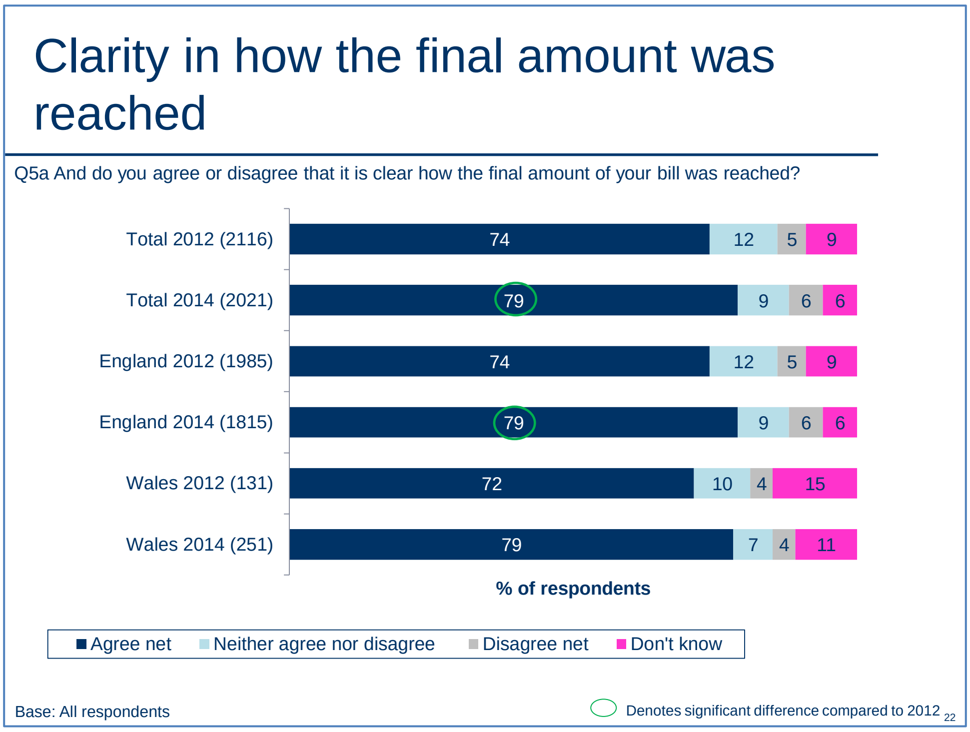
Chart 4.1 Clarity of bill: how much needs to be paid and when



4.1.1 Of the 5% of SME customers who disagree that it is clear how much needs to be paid and when; 51% say the breakdown on the bill is not clear, 19% do not think it is clear when to pay the bill, whilst 12% have difficulty understanding it.

4.1.2 Clarity on how the final bill amount was achieved has improved significantly since 2012 from 74% to 79% in 2014. Perceptions are similar across the WaSC regions.

Chart 4.2 Clarity of bill: how the final amount was reached

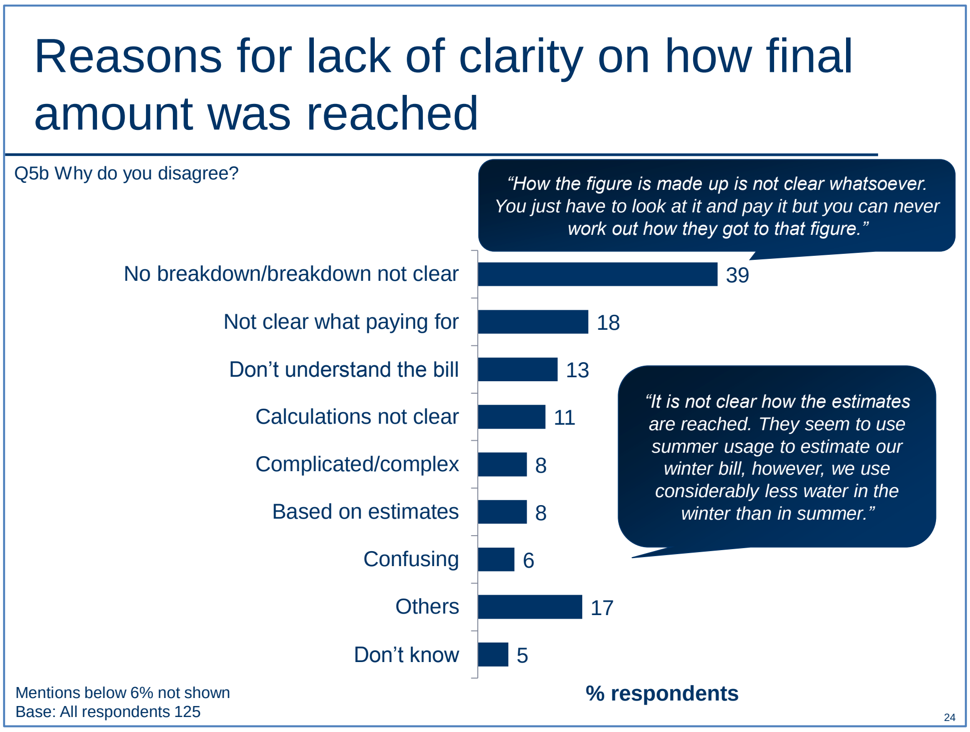


4.1.3 Interestingly, among those who could not recall the actual amount of the bill, there was only slightly less satisfaction with the clarity of the bill (70% net agree; 4% net disagree).

4.1.4 A few SME customers felt it was difficult to understand how the final bill amount was reached (6% disagreed it was clear how the final amount of the bill was reached). They explained that the main reasons for this were because:

- There was a lack of bill breakdown/ bill breakdown not clear (39%)
- Lack of clarity on what the bill covers (18%)
- Not understanding the bill (13%)
- Calculations not clear (11%).

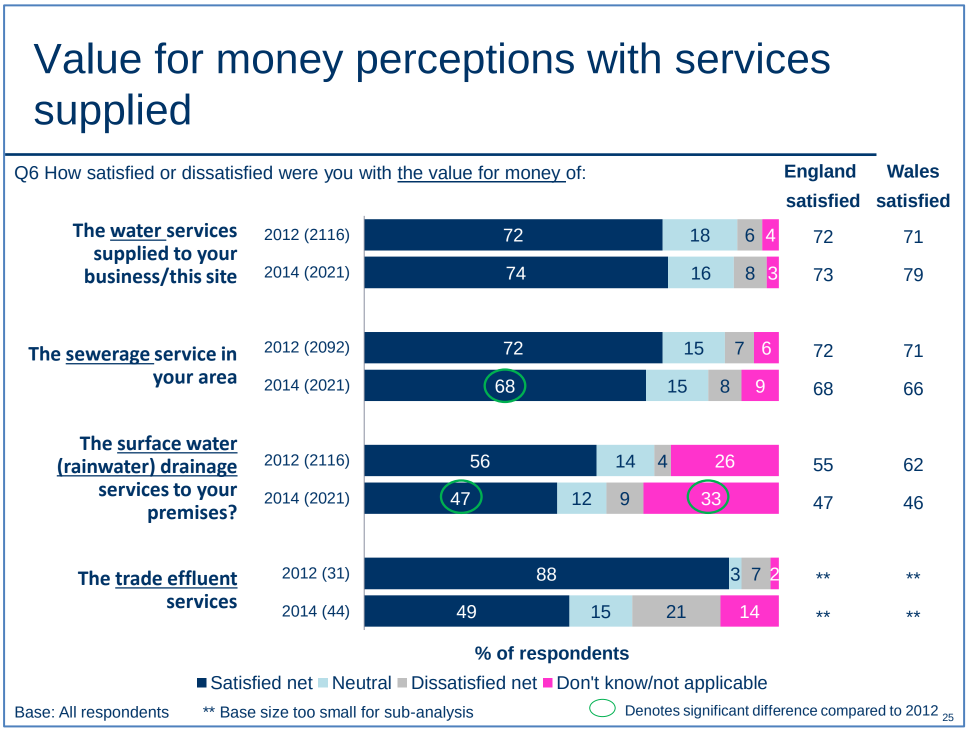
Chart 4.3 Reasons why final bill amount achieved is not clear



4.2 Value for money

4.2.0 SME customers' perceptions of value for money of water services have increased slightly since 2012 (74% cf. 72%), yet their perceptions of value for money of sewerage services (68% cf. 72%) and surface water drainage services (47% cf. 56%) have declined in 2014.

Chart 4.4 Value for money perceptions with services supplied



4.2.1 There are some regional differences in satisfaction with value for money:

- SME customers in Yorkshire and Wales are most satisfied with value for money of water services (81% and 79% satisfied), whilst customers in the South West are most dissatisfied (14% dissatisfied).
- SMEs in the Wessex region are most satisfied with value for money of sewerage services (74%) and customers in the North West are most dissatisfied with value for money of surface water drainage (17%).

While there does not appear to be a consistent trend in the regional differences, those where satisfaction with value for money is highest (Wessex, Yorkshire and Wales) are all among the regions that are perceived to be the most caring by customers (see paragraph 8.1.2).

Chart 4.5 Value for money perceptions with services supplied by region

Value for money perceptions with services supplied by region

Q6 Thinking about your contact with your water and/or sewerage company, overall how satisfied were you with the value for money of?

		Eastern (215)	Midlands (200)	Northumbria (200)	North West (210)	Thames (201)	Southern (201)	South West (201)	Wessex (200)	Yorkshire (201)	Wales (203)
Water services supplied to this site	Satisfied net	75	75	73	72	74	66	61	76	81	79
	Dissatisfied net	8	10	10	6	7	8	14	7	5	8
Sewerage services for this site	Satisfied net	67	73	70	63	70	63	56	74	71	66
	Dissatisfied net	7	9	9	10	8	9	12	4	7	7
Surface water drainage services for this site	Satisfied net	44	51	53	48	46	46	45	45	48	46
	Dissatisfied net	6	10	8	17	7	8	10	6	7	7

Base: All respondents

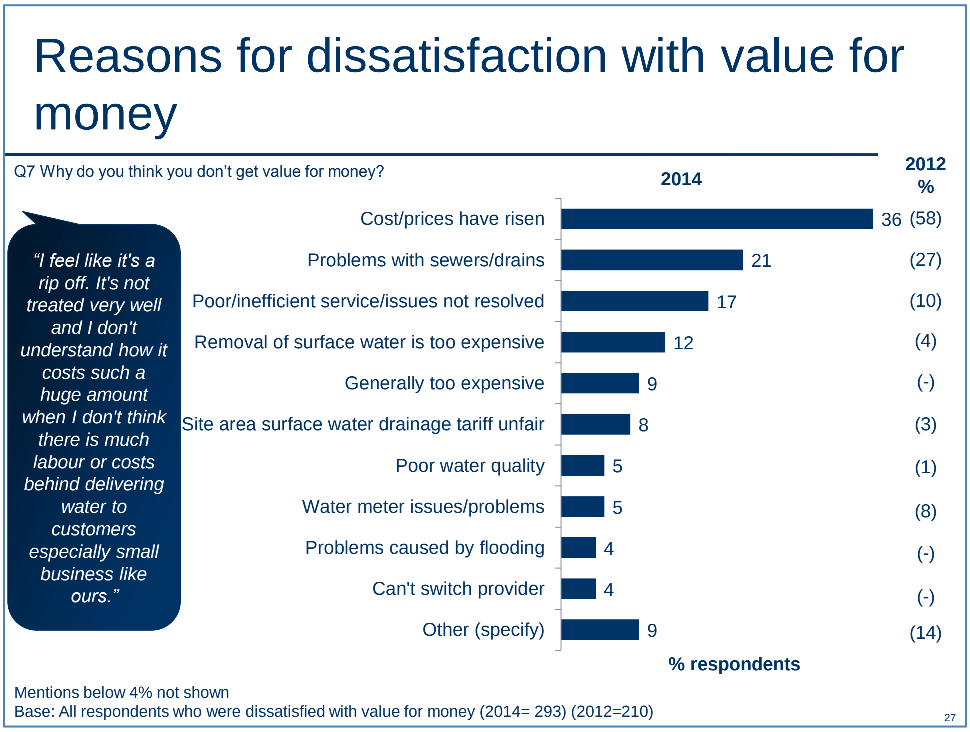
www.djsresearch.co.uk

Denotes significant difference compared to two or more regions

26

4.2.2 Dissatisfaction with value for money is a result of increasing prices; more than one third (36%) of SMEs that are dissatisfied with value for money say that this is because prices have risen (cf. 58% in 2012). Twelve percent say that surface water drainage is too expensive and 9% say that water services are generally too expensive.

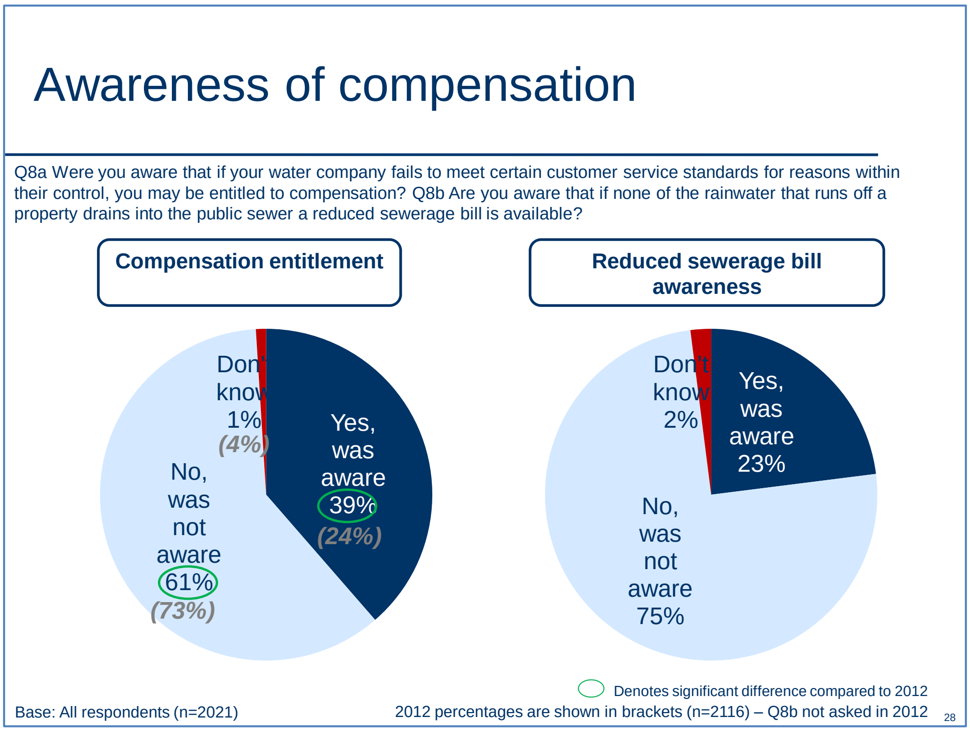
Chart 4.6 Dissatisfaction with value for money



4.3 Awareness of compensation

4.3.0 SMEs were asked if they are aware that customers may be entitled to compensation if their water company fails to meet certain customer service standards for reasons within their control. Awareness of compensation entitlement has increased significantly from 24% in 2012 to 39% in 2014.

Chart 4.7 Awareness of compensation and reduced sewerage bill



4.3.1 Large SME customers (100-250 employees) are more aware than others of compensation entitlement (51% as compared to less than 40% among other SMEs). Regionally, SMEs in the Midlands (46%) and Wales (48%) are the most aware whilst those in Thames, Northumbria and North West are the least aware (with 31%, 34% and 35% aware respectively).

4.3.2 Just 23% know that they could get a reduced sewerage bill if none of the rainwater that falls onto their business premises drains into the public sewer. Levels of awareness are the same irrespective of business size.

4.3.3 Awareness of the potential for a reduced surface water drainage bill is highest among those in Wessex (33%), Wales (31%) and the South West (28%). Conversely, awareness is lowest among those in Northumbria (87%), Thames (82%) and the North West (81%).

4.3.4 Overall, there appears to be a consistent pattern in awareness of both compensation entitlement and the potential for a reduced surface water drainage bill, with awareness highest in Wales and lowest in Northumbria and Thames.

5. Water & sewerage services

5.0.1 In 2014, respondents were asked detailed levels of satisfaction with each aspect of water and sewerage services following which they were asked their overall satisfaction with water and sewerage services. In 2012, the questions were asked differently, overall satisfaction was asked first and only those who were dissatisfied with the service were asked individual satisfaction with each aspect. The question order was changed so that moving forwards it will be comparable to the household tracker. Therefore, any comparisons between 2012 and 2014 data should be treated with caution because the change in the way the questions are asked could be impacting the data and any observed differences in the data.

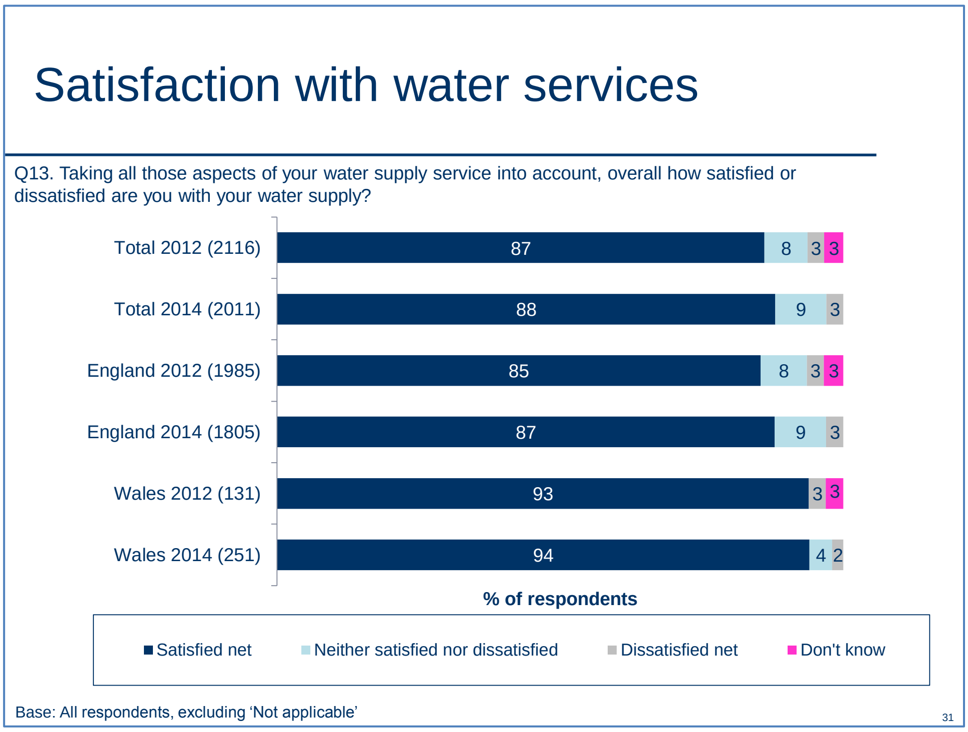
Summary

- Overall, satisfaction with water services is unchanged since 2012 (88% cf. 87%).
- Customers are most satisfied with the reliability of their water supply (95% satisfied).
- Customers are least satisfied with the hardness/ softness of their water (65% satisfied).
- SMEs are generally satisfied with sewerage services (78%) though not quite as satisfied as they were in 2012 (90%).

5.1 Water services

5.1.0 Satisfaction with water services remains stable overall in both England and in Wales, with around nine out of ten customers satisfied with their water supply.

Chart 5.1 Satisfaction with water services



5.1.1 SME customers in Yorkshire and Wales are most satisfied (93% and 94% satisfied respectively). Medium sized businesses with 50-99 employees are more satisfied than other business sizes (96% satisfied).

5.1.2 When considering the different aspects of water supply, customers are most satisfied with:

- the reliability of their water supply (95%);
- the colour and appearance of tap water (90%);
- water pressure (89%); and
- safety of drinking water (88%).

5.1.3 The majority (83%) are also satisfied with the taste and smell of tap water.

5.1.4 Customers in Yorkshire are most satisfied with the taste and smell of tap water (91%), as are customers in Wales (88%), the North West (88%) and Wessex (86%).

Chart 5.2 Satisfaction with water supply aspects by region

Satisfaction with water supply aspects by region

Q12. How satisfied or dissatisfied are you with each of the following aspects of your water supply?

% Satisfied net (very or fairly satisfied)	Eastern (215)	Midlands (200)	Northumbria (200)	North West (210)	Thames (201)	Southern (201)	South West (201)	Wessex (200)	Yorkshire (201)	Wales (203)
Reliability of water supply	95	95	93	97	96	93	92	97	98	92
Colour and appearance of tap water	92	90	90	92	87	89	90	93	96	93
Water pressure	84	93	89	91	87	88	89	91	93	90
Safety of drinking water	89	88	87	92	84	87	88	89	92	88
Taste and smell	82	84	82	88	79	84	77	86	91	88
Hardness/softness	52	65	70	81	57	62	75	60	74	81

Base: All respondents, excluding 'Not applicable'

www.djsresearch.co.uk

Denotes significant difference compared to two or more regions

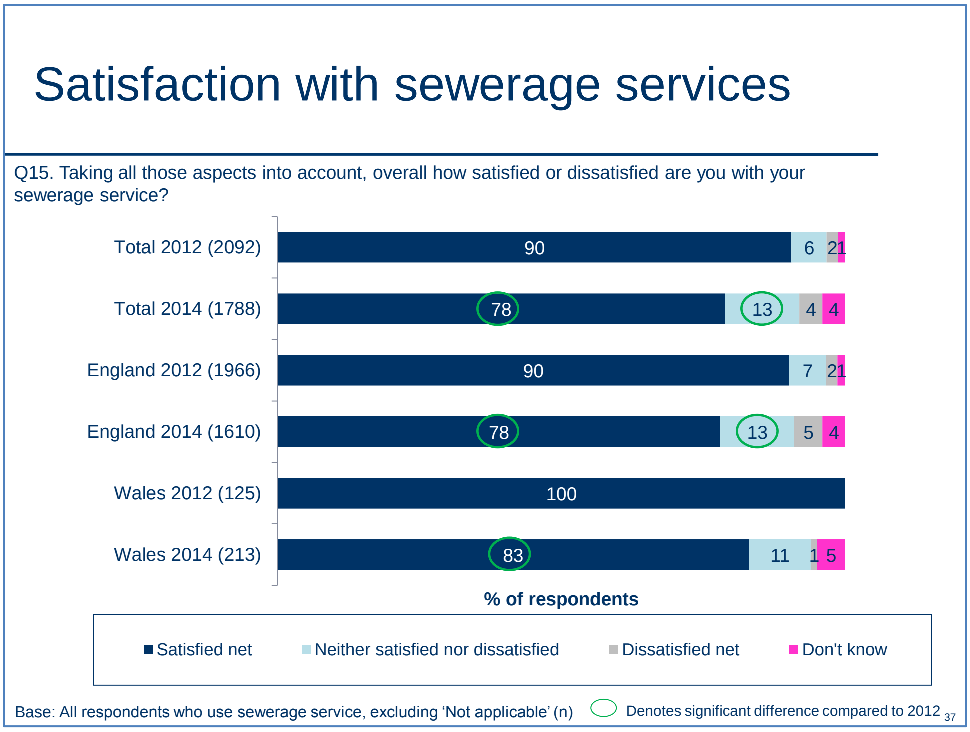
35

5.1.5 Satisfaction is lowest for the hardness/softness of the water (65%). Satisfaction is greatest on this aspect in Wales (81%), the North West (81%), South West (75%) and Yorkshire (74%). Notably, satisfaction with hardness/softness of water does not appear to be driven by dependency on water as it does not vary in relation to water dependence.

5.2 Sewerage services

5.2.0 While satisfaction with sewerage services is high with almost eight out of ten being satisfied (78%), it has fallen from nine out of ten in 2012 (90%). All (100%) of SMEs in Wales were satisfied with sewerage services in 2012, however, satisfaction has declined to 83% in 2014. Satisfaction in England has also declined from 90% in 2012 to 78% in 2014. However, these declines in satisfaction should be treated with caution because they may be a reflection of changes in the questionnaire rather than an actual change in customers' views.

Chart 5.3 Satisfaction with sewerage services



5.2.1 Satisfaction is greatest amongst medium sized businesses with 50-99 employees (84%) and 100-250 employees (87%).

5.2.2 Three quarters (75%) of those SMEs that require removal of trade effluent are satisfied with their sewerage services (note that base sizes are small).

5.2.3 SME customers are most satisfied with the way their sewerage company manages smells from treatment works (70%) and the removal of surface water (69%). They are reasonably satisfied with the maintenance of sewerage treatment works (67%) and actions taken to minimise sewer flooding (64%).

5.2.4 Customers are significantly less satisfied with how their sewerage company cleans waste water before releasing it back into the environment (58%).

Chart 5.4 Proportion satisfied with individual aspects of sewerage services

Satisfaction with aspects of sewerage services

Q14. How satisfied or dissatisfied are you with your sewerage company's management of each of the following aspects of their service:

Proportion of respondents satisfied	Total (1674) %	England (1510) %	Wales (198) %
Removal of trade effluent (only asked if using trade effluent services) Base: Total (40*)/ England (36*)	75	74	-
Reducing smells from sewage treatment works	70	70	71
Removal of surface water (rainwater) from the site	69	69	73
Maintenance of sewerage pipes and treatment works	67	67	64
Minimising sewer flooding	64	67	64
Cleaning waster water properly before releasing it back into the environment	58	58	60

Scale: 1= Very satisfied, 2= Fairly satisfied, 3= Neither satisfied nor dissatisfied, 4= Fairly dissatisfied, 5= Very dissatisfied, 6= don't know 7= not applicable

Base: All respondents who use sewerage service, excluding 'Not applicable' (n)

39

Chart 5.5 Satisfaction with aspects of sewerage services by region

Satisfaction with aspects of sewerage services by region

Q14. How satisfied or dissatisfied are you with your sewerage company's management of each of the following aspects of their service:

% Satisfied net (very or fairly satisfied)	Eastern (202)	Midlands (193)	Northumbria (195)	North West (205)	Thames (195)	Southern (187)	South West (182)	Wessex (188)	Yorkshire (189)	Wales (184)
Reducing smells from sewage treatment works	67	65	67	71	75	70	66	71	67	71
Removal of surface water (rainwater) from the site	70	69	73	70	66	65	72	81	71	72
Maintenance of sewerage pipes and treatment works	66	66	69	65	69	65	67	72	68	64
Minimising sewer flooding	61	64	65	67	60	68	65	73	63	67
Cleaning waster water properly before releasing it back into the environment	59	61	59	57	55	61	56	69	55	60

Note: Base for 'Removal of trade effluent too small for sub-analysis

Base: All respondents who use sewerage services, excluding 'Not applicable' (n)

www.djsresearch.co.uk

Denotes significant difference compared to two or more regions

40

5.2.5 Medium SMEs with 50-99 employees are significantly more satisfied than other business sizes with:

- the management of smells from sewage treatment works (81%);
- the maintenance of sewerage pipes and treatment works (78%);
- the removal of surface water (84%);
- actions taken to minimise sewer flooding (75%); and
- cleaning waste water before it is released back into the environment (71%).

6. Contact

6.0.1 The frame of reference for contact changed in 2014 to “within the last 12 months” to align the questionnaire with the household tracker (previously respondents had been asked to think about contact they had within “the past few years” with the water and/or sewerage company). As in the previous chapter, this means that comparisons to the previous data should be made with caution.

Summary

- Fewer SME customers have contacted their water company (6% cf. 10%) or sewerage company (2% cf. 3%) in 2014 than in 2012. This is to be expected because the time period has narrowed from “the past few years” to the last 12 months.

- Most customers contacted their water/sewerage company to query a bill (42%).

- Overall, satisfaction with the contact with the water/sewerage company has decreased since 2012 (56% cf. 74%).

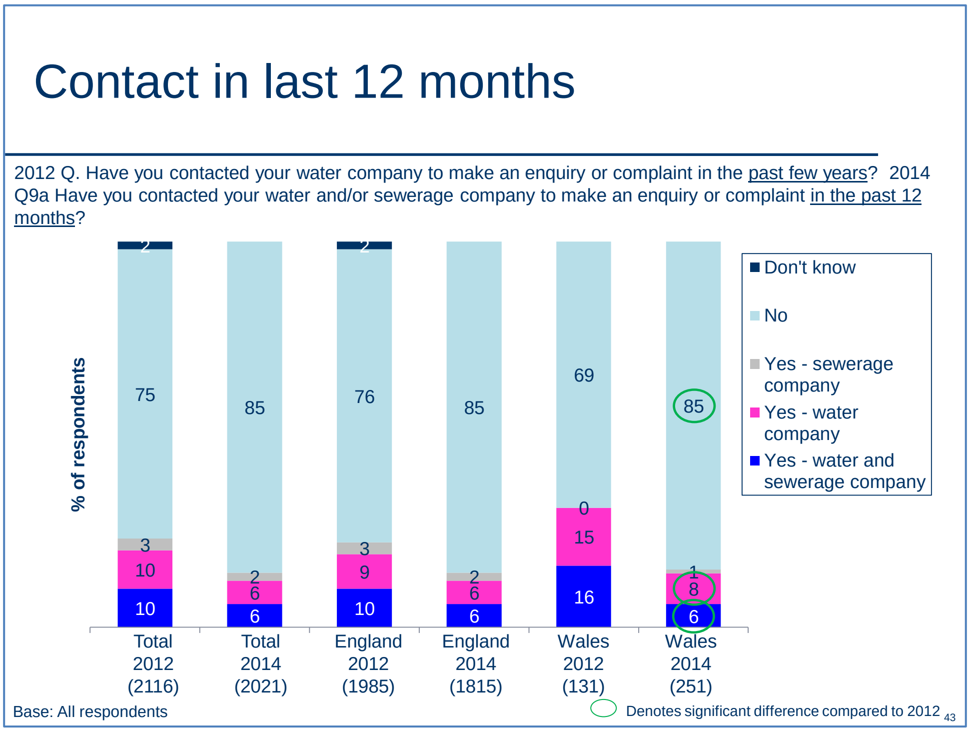
- SME customers are most satisfied with the knowledge and professionalism of staff (62%) and least satisfied with the way that they were kept informed about the progress of their enquiry (50%).

- SME customers in England and Wales appear to have similar views about the contact that they have had with their water/sewerage company.

6.1 Contact with water/ sewerage company

6.1.0 Only a minority of SME customers have contacted their water company (6%) or sewerage company (2%) to make an enquiry or complaint in the last 12 months; significantly fewer customers than in 2012 (though in 2012 businesses were asked about contact they had made in the past few years).

Chart 6.1 Contact with water/ sewerage company



6.1.1 SMEs in the South West are slightly more likely to have contacted their water or sewerage company (21%). There are no significant differences between the different business sizes.

Chart 6.2 Contact with water/sewerage company by region

Contact in the last 12 months by region

Q9a Have you contacted your water and/or sewerage company to make an enquiry or complaint in the past 12 months?

% of respondents	Eastern (215)	Midlands (200)	Northumbria (200)	North West (210)	Thames (201)	Southern (201)	South West (201)	Wessex (200)	Yorkshire (201)	Wales (203)
No	**86**	**89**	**85**	**82**	**83**	**88**	**78**	**83**	**85**	**85**
Yes – water company	8	4	7	3	8	4	10	11	3	8
Yes – water and sewerage company	4	5	7	11	6	6	10	4	7	6
Yes – sewerage company	2	2	1	2	4	2	1	1	4	1
Yes net	**13**	**11**	**15**	**17**	**17**	**12**	**21**	**16**	**14**	**15**
Don't know	1	-	-	1	-	-	1	1	1	-

Base: All respondents

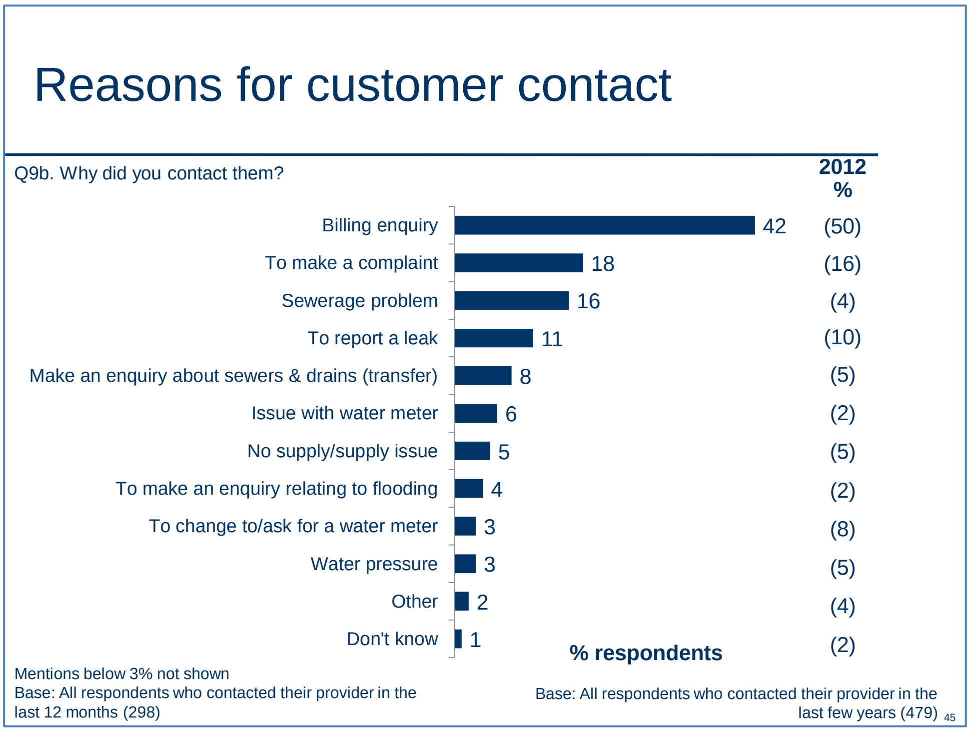
www.djsresearch.co.uk

Denotes significant difference compared to two or more regions

44

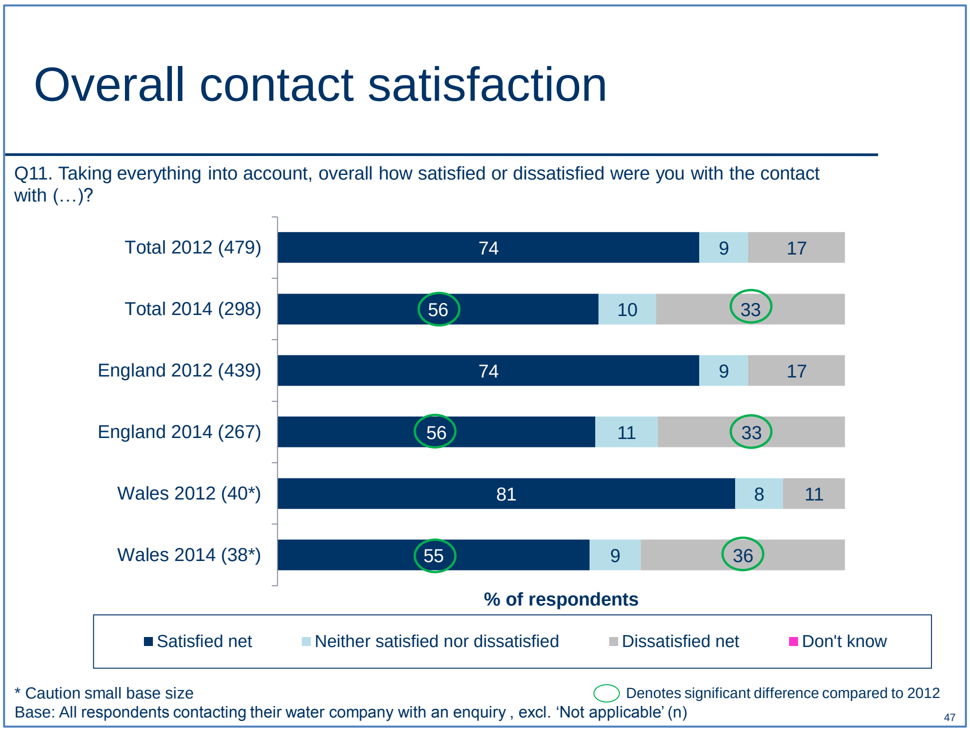
6.1.2 The majority contacted their water or sewerage company regarding a billing enquiry (42%); fewer were making a complaint (18%) or reporting a problem with sewerage services (16%).

Chart 6.3 Reasons for customer contact



6.1.3 Overall, satisfaction with contact has fallen since 2012 (from 74% in 2012 to 56% in 2014). Satisfaction in Wales has decreased significantly (55% cf.81%), with a slightly narrower difference in satisfaction amongst businesses in England (56% cf. 74%).

Chart 6.4 Satisfaction with contact



6.1.4 Contact satisfaction was the same irrespective of business size or water dependency.

6.1.5 Customers were most satisfied with:

- knowledge and professionalism of staff (62% satisfied);
- ease of contacting someone who was able to help you (59% satisfied);
- quality and clarity of the information provided (57% satisfied); and
- the feeling that their query has been, or would be, resolved (57% satisfied).

6.1.6 Customers were least satisfied with the way in which they were kept informed of progress (only 50% satisfied).

6.1.7 SMEs in England and Wales have similar views and experiences of contact with their water/ sewerage company; there are no significant differences between the two countries.

Chart 6.5 Satisfaction with individual aspects of water supply

Satisfaction with individual aspects of contact

Q10. How satisfied or dissatisfied were you with each of the following aspects:

Proportion of respondents satisfied	Total (295) %	England (265) %	Wales (38) %
The knowledge and professionalism of staff	62	62	60
The ease of contacting someone who was able to help you	59	59	67
The quality/ clarity of information provided	57	57	55
The feeling that your query had been, or would be, resolved	57	57	58
The way that the water/sewerage company has kept you informed of progress with your enquiry/ claim	50	50	50

Scale: 1= Very satisfied, 2= Fairly satisfied, 3= Neither satisfied nor dissatisfied, 4= Fairly dissatisfied, 5= Very dissatisfied, 6= don't know 7= not applicable
Base: All respondents who have contacted water and/or sewerage company in last 12 months (n)

49

7 Service failure

7.0.1 SME customers were asked whether they had, by their own definition, ever experienced a failure of water and/or sewerage services. Those that had experienced a failure were asked several diagnostic questions about the failure, the impact on the business and their satisfaction with the way in which the failure was handled.

Summary

- Slightly more SMEs have suffered from a service failure in 2014 than in 2012 (13% cf. 10%).

- SMEs in the South are least likely to have experienced a service failure (92% have not suffered a water or sewerage failure).

- Blocked sewage pipes (22%) and burst water pipes (20%) are the main cause of service failures.

- SMEs affected by service failures experienced a greater impact on the business than in 2012 (34% in 2014 cf. 29% 2012 caused major impact). However, the proportion of businesses, which experienced a failure but were unaffected has also increased (12% cf. 9% in 2012).

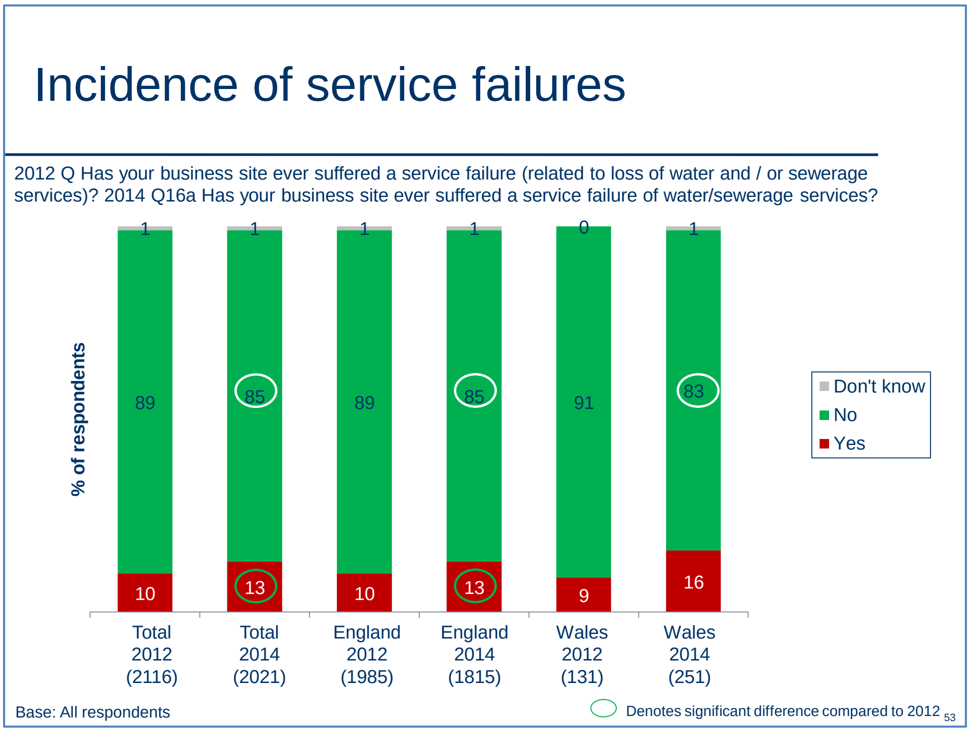
- Satisfaction with the water/sewerage company's response to the service failure is high (71%), though dissatisfaction has increased since 2012 (29% cf. 24%).

- A lack of response to the failure is the main reason why SME customers were dissatisfied.

7.1 Service failure

7.1.1 There has been a slight increase in the number of businesses experiencing a service failure (13% cf. 10%). This might be a result of a change in question wording, because in 2012 businesses were asked if they have 'suffered a service failure related specifically to loss of water and/or sewerage services', whereas in 2014 the question was broadened to ask businesses if they 'suffered a service failure of water/sewerage services' (no loss of water and/or sewerage services was mentioned).

Chart 7.1 Businesses experiencing a service failure in the past 12 months



7.1.2 Businesses in the Southern region are least likely to report having suffered a failure (92% no failure). Conversely, those in the Thames region (17%), South West region (17%) and Wales (16%) are more likely to have experienced a failure.

Chart 7.2 Businesses experiencing a service failure in the past 12 months by region

Incidence of service failures by region

Q16a Has your business site ever suffered a service failure of water/sewerage services?

% of respondents	Eastern (215)	Midlands (200)	Northumbria (200)	North West (210)	Thames (201)	Southern (201)	South West (201)	Wessex (200)	Yorkshire (201)	Wales (203)
Yes	7	15	14	15	17	7	17	12	12	16
No	90	82	85	84	83	92	83	87	87	82
Don't know	3	3	1	1	1	1	1	1	1	1

Denotes significant difference compared to two or more regions

Base: All respondents

www.djsresearch.co.uk

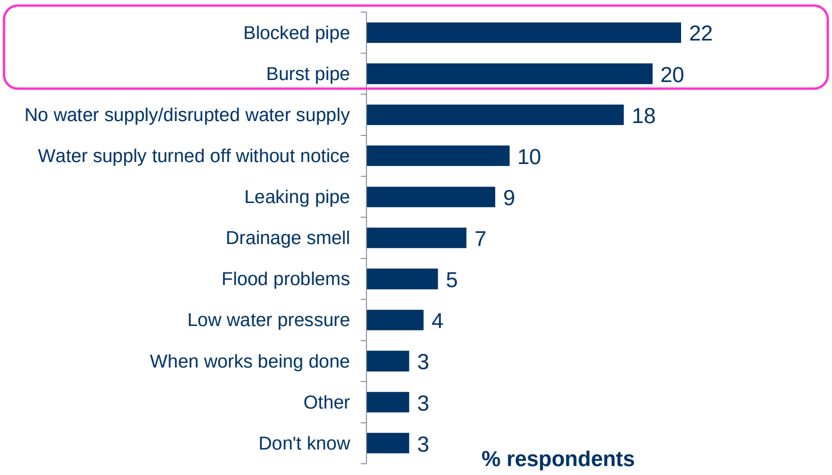
54

7.1.3 Amongst those that have suffered a service failure, blocked sewage pipes (22%) and burst water pipes (20%) are the main causes. 18% also suffered disruption to or loss of water supply.

Chart 7.3 Causes of service failure

Causes of service failure

Q16b What was this related to?



Mentions below 3% not shown

Base: All respondents experiencing a failure of water/sewerage services (272)

55

7.1.4 One third (34%) of SMEs that suffered a service failure report that this caused a major impact to their business; this is an increase from 29% in 2012. Over half (54%) report a minor impact to their business, a decrease since 2012 (61%). The proportion of businesses that have been unaffected by any service failures that occurred has increased slightly (12% cf. 9%).

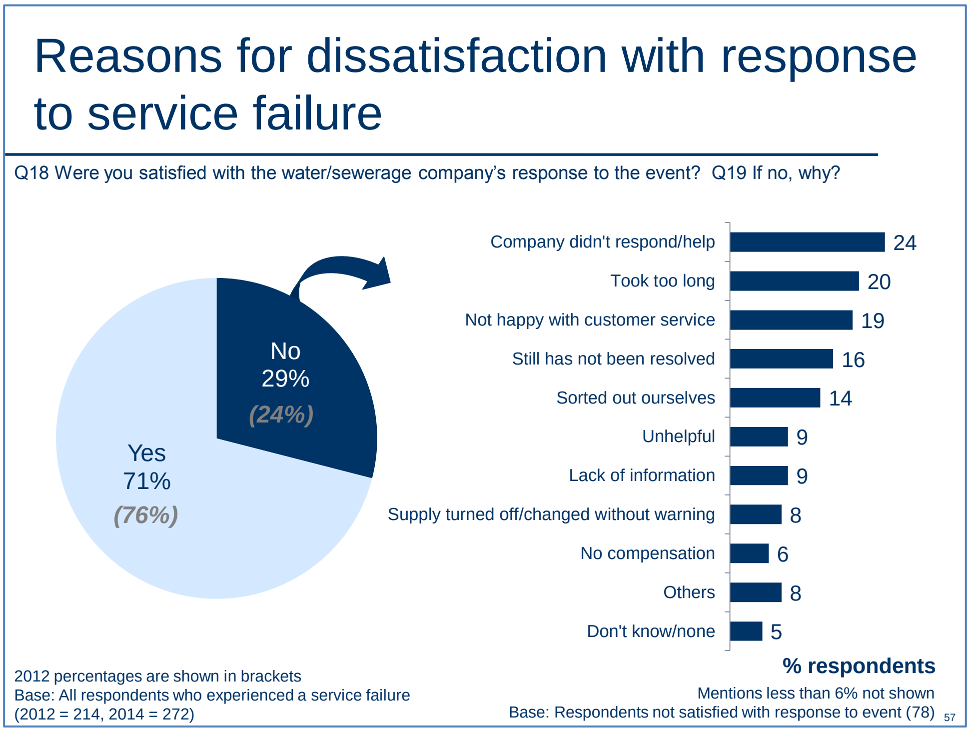
7.1.5 Seven in ten (71%) customers that suffered a service failure are satisfied with the response that they received from their water/sewerage company. Of the 29% of businesses not satisfied (an increase from 24% in 2012), around one quarter (24%) say that the water/sewerage company did not respond or help:

> *"They did not respond at all they said it's not their responsibility"*

Whilst a fifth (20%) said that the water/sewerage company took too long to resolve the problem and 19% are unhappy with the customer service that they received:

> *"Nobody comes from [water company] to sort problems out unless you've proved it's actually them. There's a smell from next door and on our site but we would need to get outside consultants to prove that it's [the water company's] problem."*

Chart 7.4 Reasons for dissatisfaction with response to service failure



8 Information needs & relationship

8.0.1 SME customers were asked what information they would expect from their water/sewerage company versus what they received. Questions were also asked to establish the quality of the relationship customers have with their water and sewerage company.

Summary

- Over half (56%) of SMEs agree that their water/sewerage company cares about the service it provides to customers. This is consistent with perceptions in 2012.

- SMEs trust their water/sewerage companies more (7.3/10) than their main energy supplier (6.5/10).

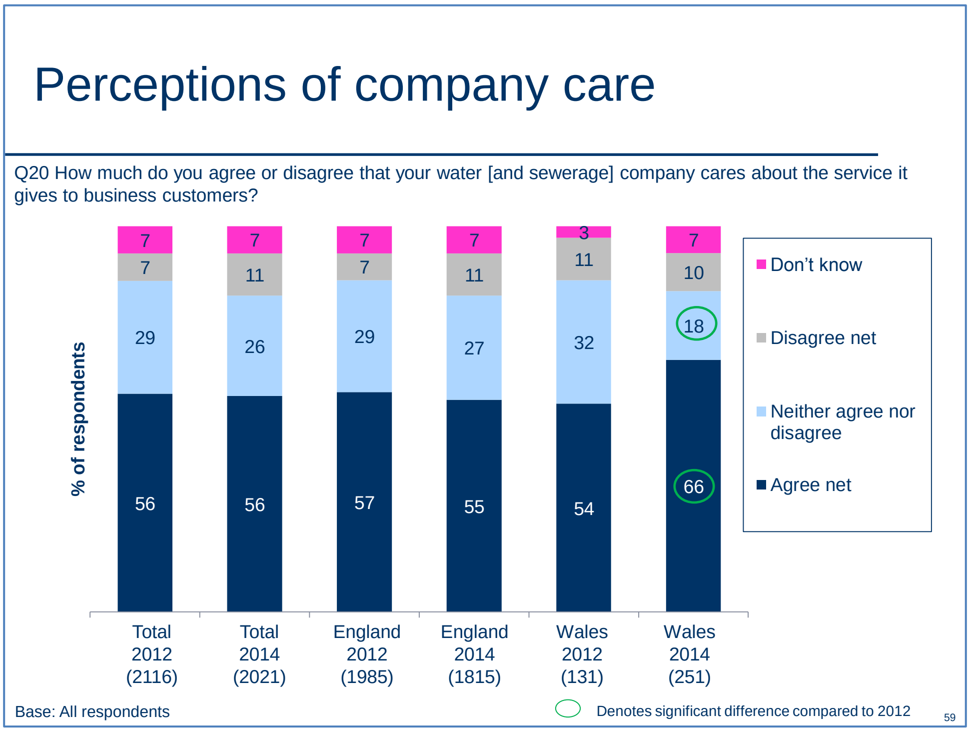
- Perceptions of the advice and support provided by water/sewerage companies is not significantly different between providers – between about a third (33%) and a half (53%) of customers in each WaSC feel that their water/sewerage company provides them with what they need.

- Very few SMEs have been offered information, and very few have asked for it. About half of those who contacted and asked their company for information subsequently took it up – notably, among these, three quarters or more found it useful.

8.1 Perceptions of care

8.1.1 Overall perceptions of care are consistent with 2012; 56% agree that their water and sewerage company cares about the service it gives to customers cf. 56% in 2012. In Wales, a greater proportion (66%) feel that their water or sewerage company cares when compared to England (55%).

Chart 8.1 Perceptions that the water and sewerage company cares



8.1.2 Within England, SMEs in Yorkshire (64%), Wessex (64%) and Northumbria (60%) are most likely to agree that their water or sewerage company cares about the services provided; less than half agree in the South (46%) and South West (47%).

Chart 8.2 Perceptions that the water and sewerage company cares by region

Company care by region

Q20 How much do you agree or disagree that your water [and sewerage] company cares about the service it gives to business customers?

	Eastern (215)	Midlands (200)	Northumbria (200)	North West (210)	Thames (201)	Southern (201)	South West (201)	Wessex (200)	Yorkshire (201)	Wales (203)
Agree net	58	56	60	51	54	46	47	64	64	66
Neither	24	26	25	31	26	33	32	21	22	18
Disagree net	10	10	12	10	13	13	17	10	6	10
Don't know	8	7	3	8	6	8	4	5	8	7

Base: All respondents

www.djsresearch.co.uk

Denotes significant difference compared to two or more regions

60

8.1.3 Larger SMEs are more likely than smaller SMEs to believe that their water or sewerage company cares about services provided to customers; 72% of large SMEs with 100-250 employees and 67% of medium SMEs with 50-99 employees agree that their company cares, which is significantly greater than smaller and micro SME businesses (57% 10-49 employees and 55% 1-9 employees). This is probably as a result of account managers from the WaSCs being dedicated to larger accounts, which in turn makes the larger businesses feel as though the company cares more.

Chart 8.3 Perceptions of care by business size

Perceptions of care by business size

Q20 How much do you agree or disagree that your water [and sewerage] company cares about the service it gives to business customers?

	1-9 employees (1010)	10-49 employees (502)	50-99 employees (264)	100-250 employees (255)
Agree net	55	57	67	72
Neither	26	27	24	17
Disagree net	11	12	6	3
Don't know	7	5	3	9

Base: All respondents

www.djsresearch.co.uk

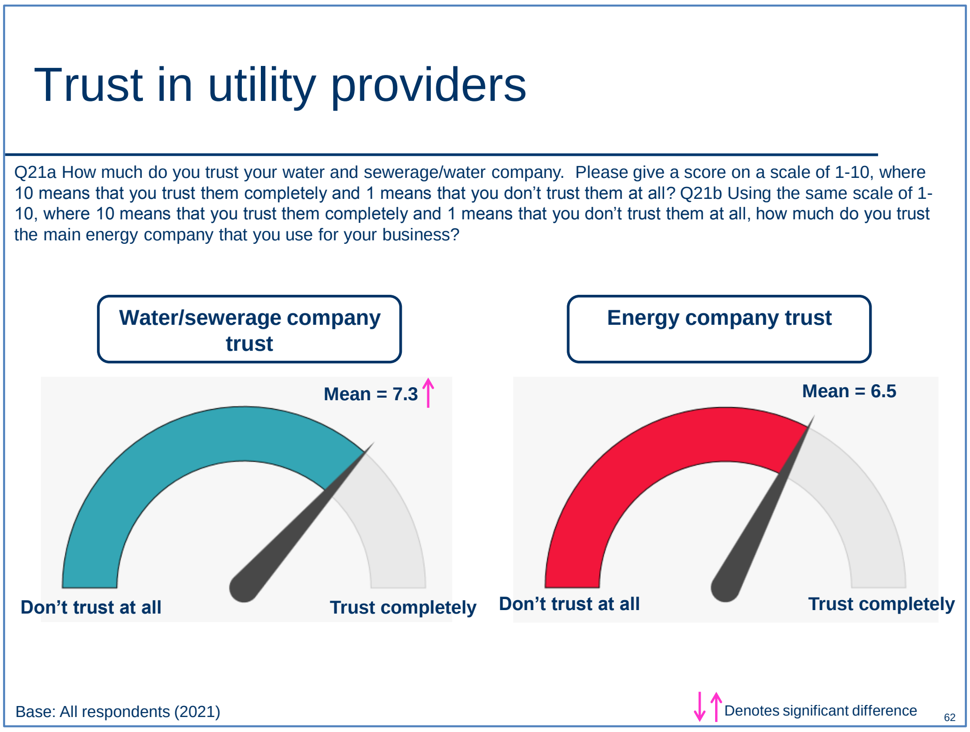
Denotes significant difference compared to two or more regions

61

8.2 Perceptions of trust

8.2.1 SME customers were asked to rate their trust in their water company on a scale of 1-10, where 1 is trust not at all and 10 is trust completely. They were then asked to rate their main energy supplier using the same scale. Trust of water and sewerage companies (mean score of 7.3) is significantly greater than trust of energy suppliers (mean score of 6.5).

Chart 8.4 Trust in water company and energy supplier



8.3 Perceptions of support

8.3.1 SME customers were asked to think about the advice and support they receive from their water and sewerage company about water and sewerage services and billing arrangements. Perceptions were similar across all of the water and sewerage company regions. The data below are reported on the individual water and sewerage company rather than region.

Chart 8.5 Perceptions of advice and support by water and sewerage company

Perceptions of advice and support by water and sewerage company

Q22a Thinking about the advice and support you receive from your water/water and sewerage company, how much do you agree or disagree that they give your business the advice and support you need to get the most out of your water and sewerage services, and billing arrangements?

Water company asked about (base in brackets)

	Anglian (173)	Dwr Cymru (192)	Northumbrian (192)	Severn Trent (183)	South West (201)	Southern (127)	Thames (167)	United Utilities (208)	Wessex (159)	Yorkshire (199)
Agree net	46	50	39	39	35	38	32	44	53	39
Neither	27	23	31	23	30	30	29	30	24	30
Disagree net	16	16	26	27	26	19	29	19	14	16
Don't know	12	11	3	11	10	13	10	7	9	14

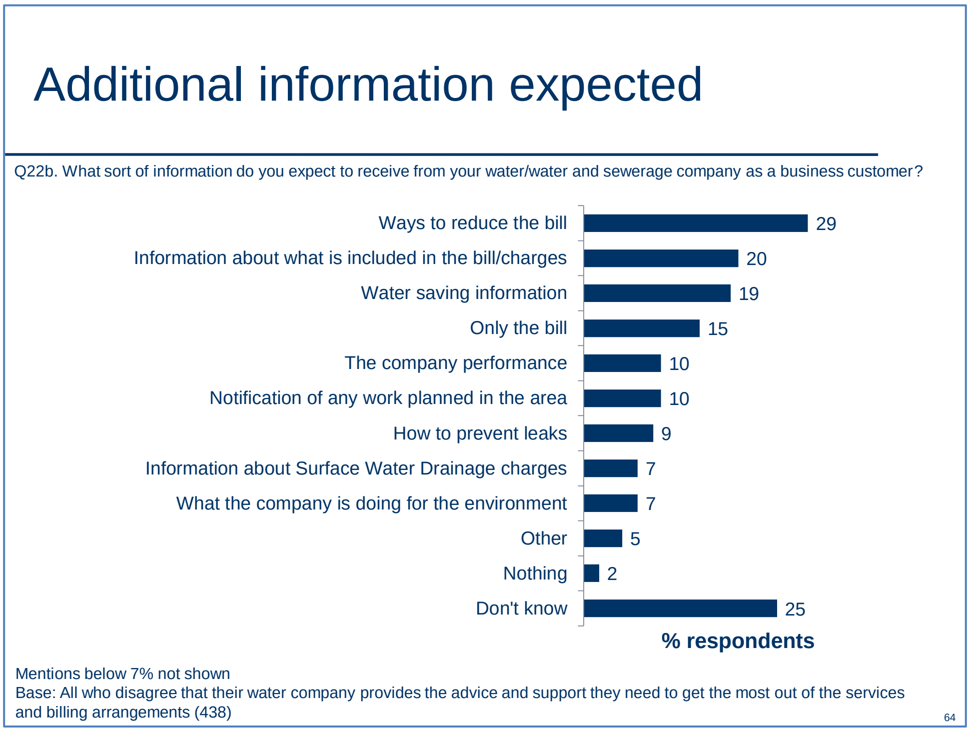
Base: All respondents

63

8.4 Information from water and sewerage companies

8.4.1 Those SMEs that feel their water or sewerage company does not provide the advice and support they need are generally looking for information about charges and cost savings. Twenty nine percent would like information about how to reduce the cost of their bill; a fifth (20%) would like information about the services and charges that are included in the bill, whilst a further 19% are looking for water saving information.

Chart 8.6 Additional information expected



8.4.2 Only 6% of SME customers have actively looked for information about water/ sewerage services. The majority (59%) are searching the internet for information, mostly via google word searches, comparison websites or are visiting the website of their water/ sewerage company. Nearly a quarter (23%) directly contact their water or sewerage company for information, whilst 7% rely on word of mouth and information from other businesses.

8.4.3 Small SMEs (1-9 employees) are slightly more likely than large SMEs (100-250 employees) to have not looked for information at all (93% cf. 87%).

8.4.4 The majority of SMEs have not asked for nor been offered advice from their water/ sewerage company. Where customers have been offered advice from their provider, it is most likely to be about alternative billing options (7%) followed by advice about finding leaks (4%). Just 1% of customers asked for information about leaks. As expected, consolidated billing was requested by more multi-site customers (4% versus 1% among single site customers).

Chart 8.7 Type of advice and information offered and requested

Type of advice and information offered and requested

Q23a. In the last year, what advice, if any, has your business **asked** for or what advice have they **offered** you without being asked? I'm going to read out a list and I'd like you to tell me which apply

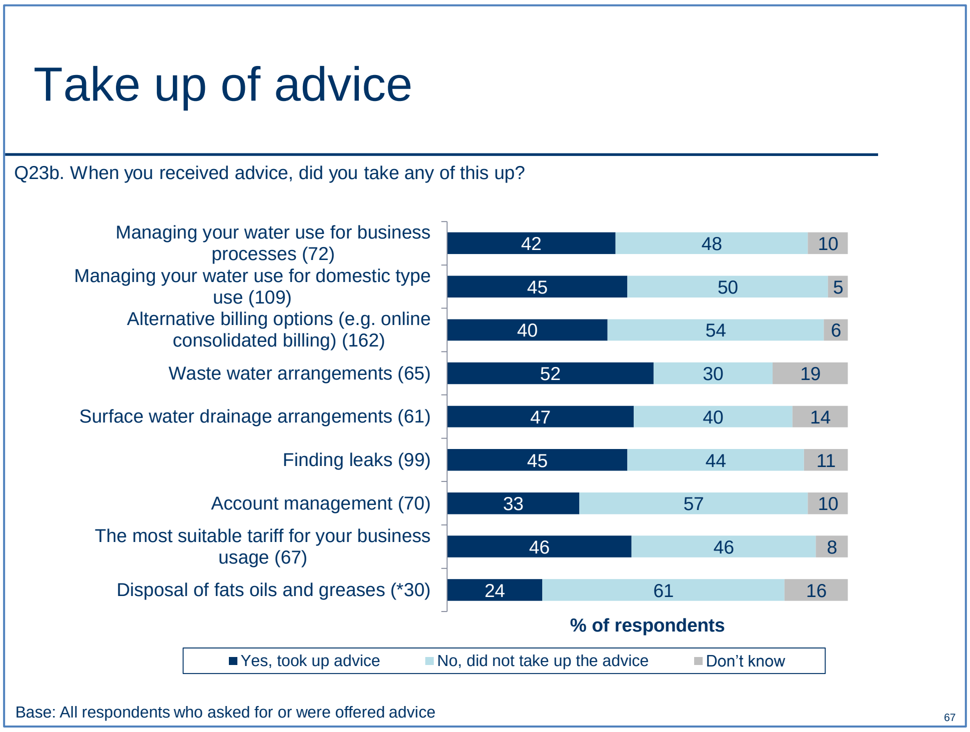
	Asked for %	Offered %	Neither %
Managing your water use for business processes	1	3	96
Managing your water use for domestic type use	1	5	95
Alternative billing options (e.g. online consolidated billing)	1	7	92
Waste water arrangements	1	2	97
Surface water drainage arrangements	1	2	97
Finding leaks	2	4	94
Account management	1	3	96
The most suitable tariff for your business usage	1	3	97
Disposal of fats, oils and greases	-	1	98

Base: All respondents (2021)

66

8.4.5 Whether the advice was requested or offered made little difference to the likelihood of acting on the advice once it had been received, with both channels having similar final take-up.

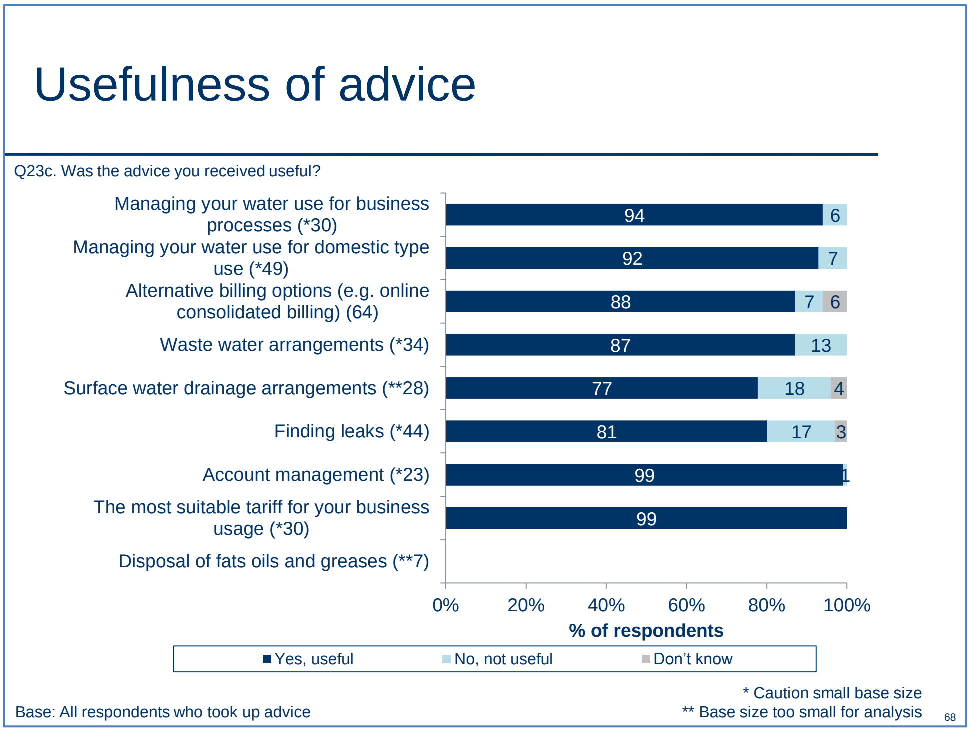
Chart 8.8 Take up of advice



8.4.6 Large SMEs appear to be taking up advice more so than small SMEs. However, the differences are not significant due to small base sizes.

8.4.7 When asked how useful the advice has been, most of those taking the advice find it useful (77%) – it would appear that once the information reaches the appropriate audience it has the potential to be turned into a positive action.

Chart 8.9 Usefulness of advice



8.4.8 Very few respondents taking advice did not find it useful (21 respondents). The reasons they gave for not finding the advice useful included that:

- The information did not answer their question and this remained unanswered
- The information did not tell them anything new
- The advice told respondents to deal with the query themselves.

8.5 Information with bill

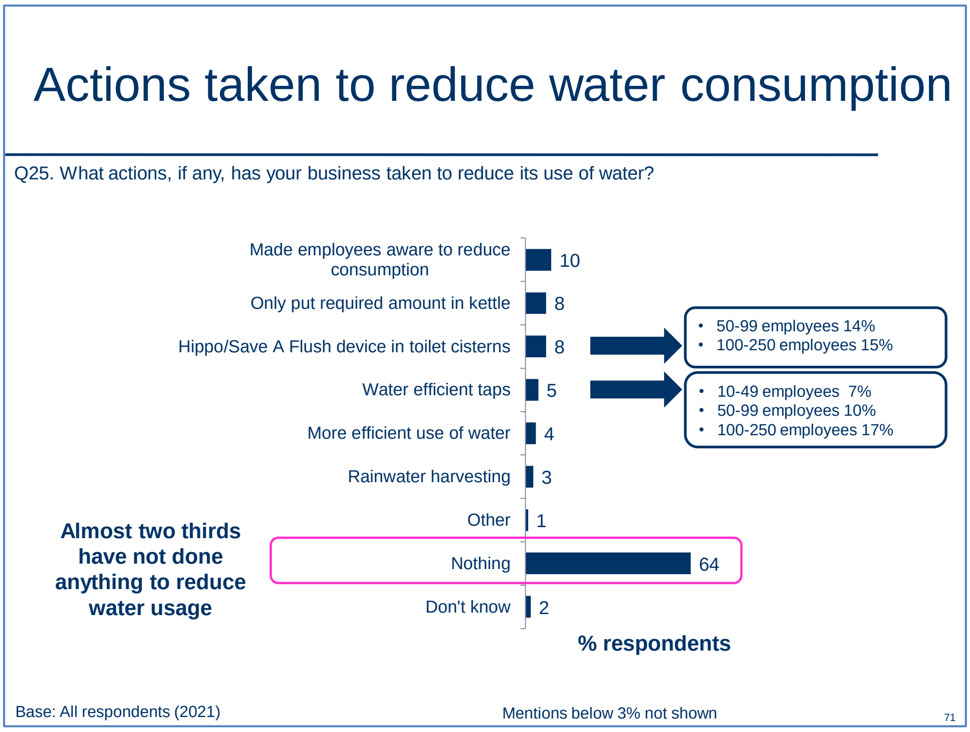
8.5.1 Just over two fifths (42%) of SME customers claim to routinely read information that is enclosed with the water/sewerage bill.

8.5.2 SMEs in the Southern region are most likely to routinely read information with the bill (52%), whilst SMEs in Northumbria are least likely (65% do not routinely read information enclosed with the bill).

8.6 Taking action to reduce water usage

8.6.1 Over a third (36%) of SMEs have taken action to reduce water usage. This includes primarily domestic activities such as making employees aware to reduce water consumption (10%), only filling the kettle to the required amount (8%) and using water saving devices (8%).

Chart 8.10 Actions to reduce water consumption

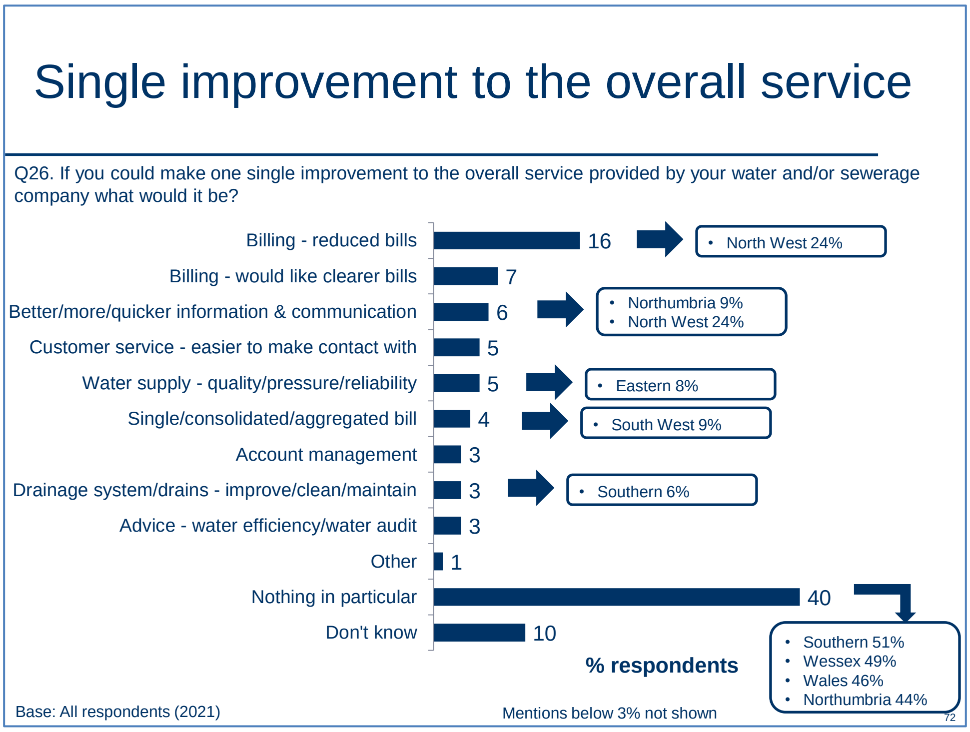


8.6.2 Large SMEs with 100-250 employees are most likely to have adopted water saving activities in business processes:

- 7% have changed business processes in order to save water
- 7% have lagged pipes to protect against bursting
- 6% have installed energy and water efficient dishwashers
- 5% have installed energy and water efficient washing machines
- 4% have installed a water meter.

8.6.3 When asked how improvements could be made to the overall service provided by water and sewerage companies, over half were unable to answer (40% nothing and 10% don't know). The main improvement customers would like is a reduced bill (16%). After a reduced cost, the top three improvements were clearer billing (7%), better communication (6%) and improved customer service (5%), which aligns with the earlier findings on billing and contact.

Chart 8.11 Improvements to service



8.6.4 Medium SMEs (50-99 employees) tended to be more positive about their water and sewerage services overall. They were also less likely to feel that there was anything that could be done to improve the service (51% felt there was nothing in particular).

9 Market reform

9.0.1 The level of awareness of the impending market reform was established through both prompted and unprompted questioning.

Summary

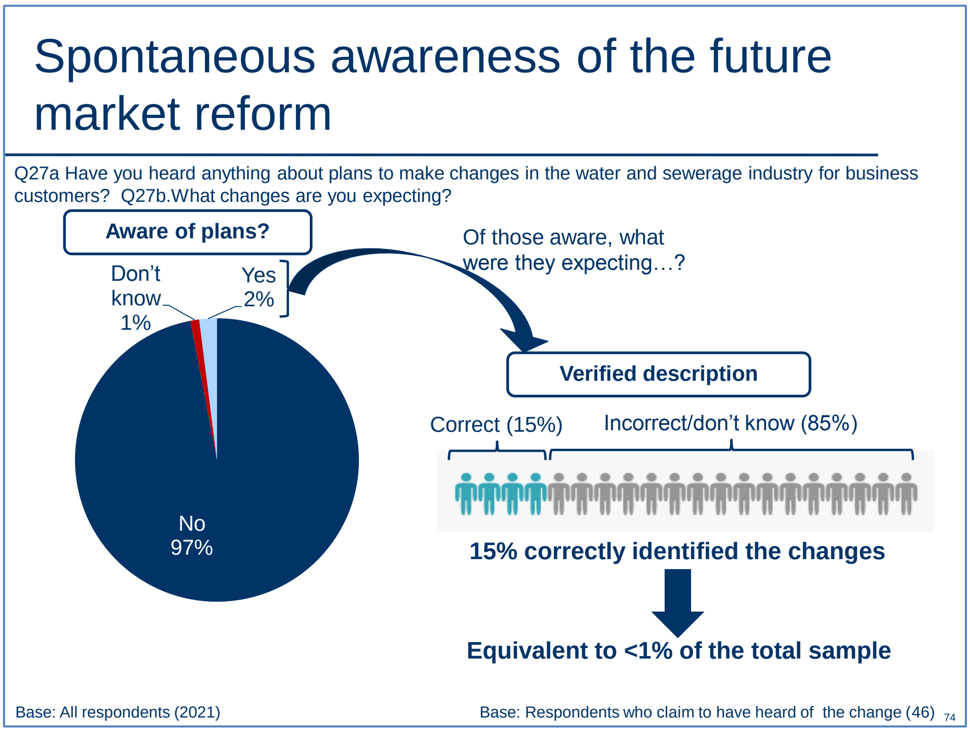
- Awareness of market reform planned from 2017 is very low – less than 1% of SMEs are aware at a verified spontaneous level.
- No SMEs knew about the difference in market arrangements for England and for Wales.
- The majority believe that competition in the market will be a good thing; only 13% feel it will be bad for the market.
- On average, SMEs are looking for a 19% bill saving to entice them to switch.

9.0.2 Spontaneous awareness of the future market reform is low, with less than 1% correctly able to describe the future changes in the market:

"I have heard that from 2017 it's going to be more competitive where you can choose a different supplier"

"Opening up to choose customer service provider"

Chart 9.1 Awareness of market reform

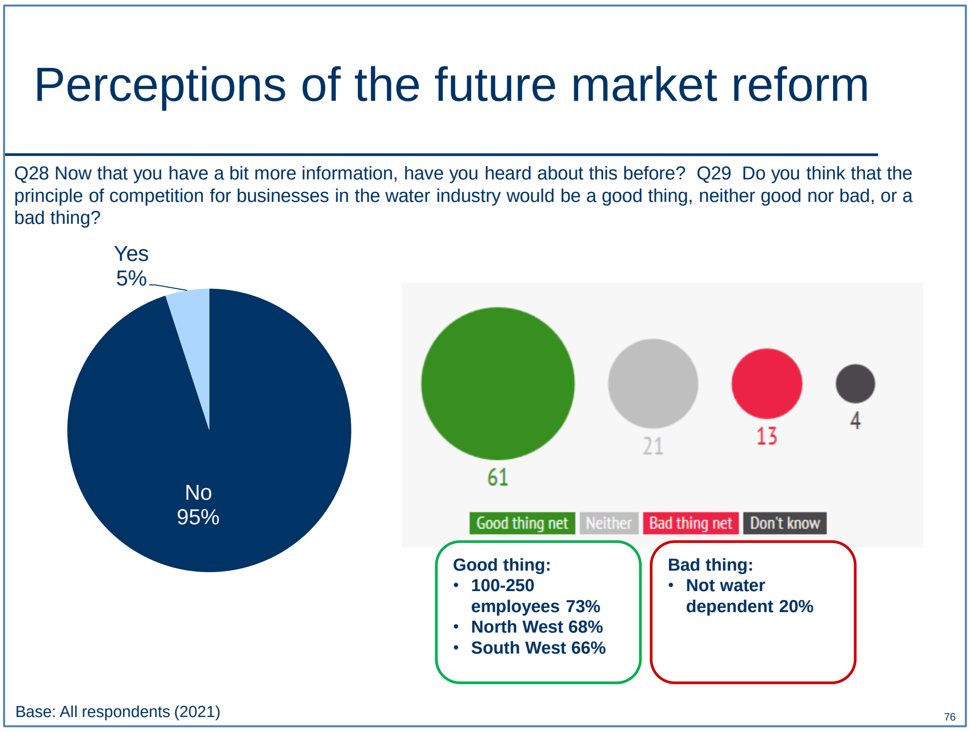


9.0.3 Respondents were also asked if they were aware of any differences in the market arrangements for non-household customers in England and Wales; only 1% claimed to be aware of any differences. However, on further questioning it was clear that no one was referring to the fact that the market will open up for all non-household customers in England from April 2017 regardless of the amount of water used, whereas in Wales non-household customers will still need to use more than 50 megalitres of water a year before they can potentially switch retailer.

9.0.4 Once prompted about the market reform changes, one in twenty SMEs report they are aware (5%).

9.0.5 Once everyone was made aware of the future reform, six out of ten feel it would be a ‘good thing’ and only 13% believe it would be a ‘bad thing’. The remainder, about one in five, feel it would be neither a good nor bad thing (21% neither).

Chart 9.2 Perceptions about market reform



9.0.6 Those who feel the reform will be positive tend to be those from large businesses, the North West and South West. While those who see it as a bad thing tend to be businesses which consider themselves as not being water dependent.

Chart 9.3 Perceptions about market reform by region

Perceptions of the future market reform by region

Q29 Do you think that the principle of competition for businesses in the water industry would be a good thing, neither good nor bad, or a bad thing?

% of respondents	Eastern (215)	Midlands (200)	Northumbria (200)	North West (210)	Thames (201)	Southern (201)	South West (201)	Wessex (200)	Yorkshire (201)	Wales (203)
Good thing net	53	62	56	68	62	62	66	63	58	54
Bad thing net	15	13	14	13	13	7	9	14	17	17
Don't know	6	5	9	5	2	6	3	5	2	7

Base: All respondents

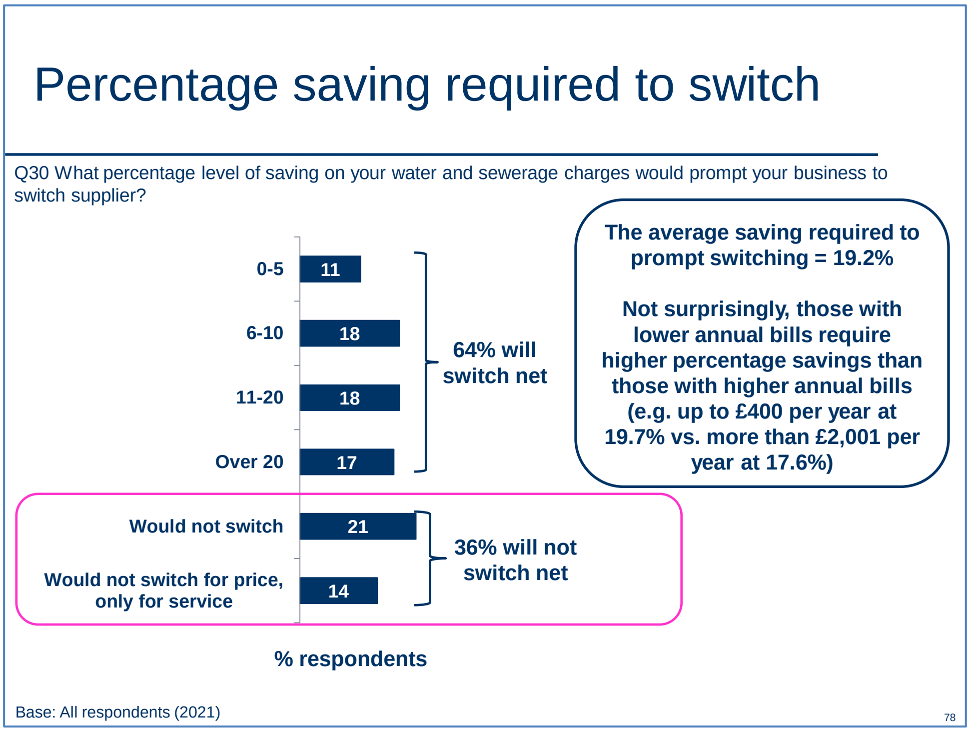
www.djsresearch.co.uk

Denotes significant difference compared to two or more regions

77

9.0.7 Once the market is open in England, those businesses who would switch would be encouraged to do so if offered an average financial saving of 19%. SMEs with higher annual bills are expecting the lowest percentage savings. Those with annual bills more than £2,001 would switch for an average saving of 17.6%, while those with an annual bill up to £400 are expecting a saving of 19.7% before they would switch.

Chart 9.4 Percentage saving required to switch



9.0.8 Small SMEs with 10-49 employees are the most likely to switch (72% switch net).

10 Awareness of CCWater

10.0.1 Several questions were asked of respondents in order to understand if they were aware that CCWater is the consumer body in the water industry.

Summary

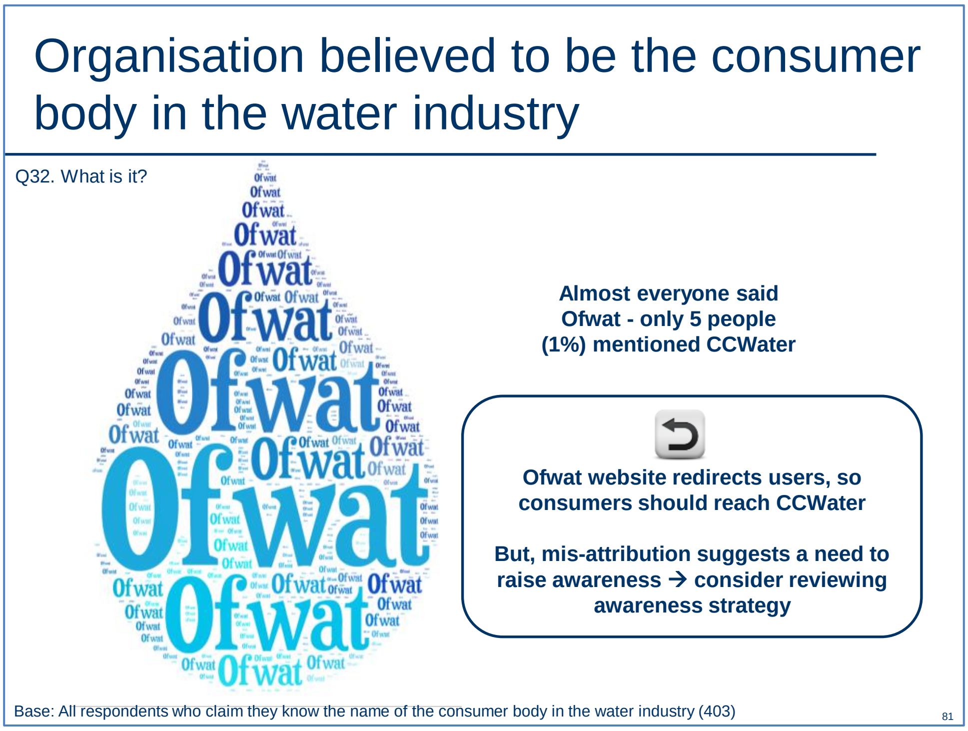
- Many claim to be aware there is a consumer body in the water industry, but almost everyone believes it is the economic regulator, Ofwat, and not CCWater.

- Nevertheless, 15% are aware of CCWater when prompted.

10.0.2 One in five claim to be aware that there is a consumer body in the water industry.

10.0.3 When asked what they thought the name of the consumer body was, almost everyone said Ofwat. Only five respondents said the Consumer Council for Water (CCWater); they were from a range of business sizes (4, 27, 40, 68 and 125 employees) and regions.

Chart 10.1 Organisation believed to be the consumer body for water



10.0.4 When prompted, 1 in 7 respondents were aware of CCWater (15%). There was no difference in awareness by business size.

11 Profile by business size

11.0.1 This chapter summarises the key differences by business size based on the number of employees. Analysis was performed on the data after it had been regionally weighted so that it was representative of the UK by region. This allowed the base sample size of those interviewed in each business size to be preserved whilst ensuring that each business size was regionally representative of the UK.

11.0.2 As in 2012, most measures are similar across the different business sizes. Where there are signifcant differences between the different business sizes they are detailed here.

11.0.3 Broadly speaking, micro and small businesses appear to behave similarly while medium and large businesses equally exhibit similarities.

11.1 Micro businesses

11.1.1 In the research 1,010 interviews were conducted with micro SMEs, with 1-9 employees. Within each WaSC about 100 interviews were conducted with micro businesses.

11.1.2 As expected, expenditure on water is lowest among micro businesses, with average spend at £994 per year compared to more than £2,000 among other businesses.

11.1.3 Micro businesses believe they are less water dependent than medium SMEs, with 50 or more employees – with more respondents diagreeing that they depend on water to operate (16%).

11.1.4 The bill seems to be clearer for micro businesses than for the largest SMEs, with signifcantly more agreeing it is clear what needs to be paid by when (84%, versus only 77% of 100-250 employee businesses who felt the same). This could be due to a number of factors – for example micro businesses generally have one site and most have only one bill to deal with so they have less detail to deal with. Or it could be because those interviews from micro businesses tended to be closer to their bills and utilities – in larger businesses this can be spread over more people.

11.1.5 Micro businesses are least likely to have contacted their water and sewerage company, with 86% not having contacted their water and sewerage company in the last 12 months (significantly less than large SMEs, of whom only 78% have not been in contact). This could be because smaller SMEs are more likely to have fewer water meters and so billing arrnagements tend to be simpler (micro SMEs in this research had an average of 1.2 meters and small SMEs 1.3 meters compared to medium SMEs 1.6 meters and large SMEs 2.8 meters).

11.1.6 Micro businesses are less likely than larger businesses to believe that the water and sewerage company cares about the service it gives (11% disagree the company cares about the service it gives to customers compared to 6% of medium and 3% of large businesses who are of the same view). Furthermore, they trust the water and sewerage company and their main energy provider less than larger companies.

11.1.7 Awareness of market reform was consistently low across all business sizes.

11.1.8 Once made aware of market reform, micro businesses want a higher percentage of saving than large SME businesses in order to switch (19.4% on average, compared to 12.2% among 100-250 employee businesses).

11.2 Small businesses

11.2.1 Five hundred and two interviews were conducted among businesses with 10-49 employees (small SME businesses) – approximately 50 interviews in each WaSC.

11.2.2 As expected, expenditure on water is significantly higher than among micro businesses but significantly lower than medium and large businesses at £2,234 per annum. Although small, surface water drainage is perceived to be the biggest portion of the bill among a significantly higher proportion of small businesses than large businesses (6% versus 1% respectively).

11.2.3 Overall, small businesses are as satisfied as others with sewage treatment, but they are slightly less satisfied with some aspects of the service, specifically:

- Reducing smells from sewage treatment works;
- Cleaning waste properly before releasing it back into the environment; and
- Removal of surface water from the site.

11.2.4 Like micro businesses, small businesses are less likely to believe that the water and sewerage company cares about the service it gives to customers than larger businesses (among small businesses 12% disagree that the company cares about the service it gives to customers compared to 6% among medium businesses and 3% among large businesses who feel the same). Also, like micro businesses, small businesses trust their water and sewerage provider and main energy provider less than larger businesses.

11.2.5 Awareness of market reform was as low among small businesses as it was amongst other businesses. Once made aware of the change, significantly more small businesses than micro and medium businesses would consider switching (72% as compared to 63% among micro businesses employing 1-9 employees, and 64% among medium businesses with 50-99 employees) – they want a significantly higher percentage bill saving than large businesses, of 19.0%.

11.3 Medium businesses

11.3.1 Among medium (50-99 employees) businesses 264 interviews were conducted, with about 25 being completed in each WaSC region.

11.3.2 On average medium businesses have 1.6 water meters on site, significantly more than micro and small businesses. Notably respondents from medium businesses were less likely to know how many meters were on site (14% don't know); this is possibly because the person dealing with the bill lacked the detailed operational site knowledge.

11.3.3 Medium sized business expenditure on water is £4,325 per year, which is significantly more than micro and small businesses but less than large businesses. More medium businesses than small businesses are of the view that sewerage costs are the largest portion of the bill (27% versus 18% of 10-49 employees who feel the same).

11.3.4 Medium businesses are more satisfied than micro and small businesses with the value for money of surface water drainage services (59%). This could be because the surface water drainage charge and the sewerage charge are more proportionate to each other on the bills of medium users as they tend to use more water than micro businesses.

11.3.5 Satisfaction with water supply is highest among medium businesses, with 96% satisfied overall. Medium businesses are more satisfied with every element of water supply apart from the reliability of supply, on which all business sizes are equally satisfied (between 95% and 97% satisfied).

11.3.6 Medium businesses are also more satisfied than small businesses with their sewerage service (84% versus 76% of small businesses). They are more satisfied than other business sizes with all aspects of sewerage service, apart from the removal of trade effluent – among whom the base is too small for sub-analysis (6 respondents).

11.3.7 Unlike micro and small businesses, medium businesses are more likely to believe that the water and sewerage company cares about the service it gives to customers (67% agree versus 55% and 57% of micro and small businesses who agree). Furthermore, medium businesses also trust their water and sewerage provider and main energy provider more than micro and small businesses.

11.3.8 Notably, medium businesses have taken more actions to reduce their water consumption than micro and small businesses, particularly domestic activities where a Hippo/Save a Flush device or water efficient taps etc, could be used.

11.3.9 Medium businesses were as unaware as other business sizes about the future market reform. However, once they had been made aware, medium businesses that would switch wanted a higher percentage saving than large businesses (16.8% versus 12.2% respectively).

11.4 Large businesses

11.4.1 As part of the research, 255 interviews were conducted among large businesses (those with 100-250 employees) – about 25 interviews were conducted in each WaSC region.

11.4.2 Large businesses spend the most on water with an average expenditure of £9,282 per year.

11.4.3 Like other businesses, most large businesses mainly use water services. In addition, large businesses use sewerage services and surface water drainage services slightly more than other businesses (95% and 45% respectively). However, even though they are using these services more than others, they do not feel that they make up more of the bill.

11.4.4 Even so, as larger users of surface water drainage, large businesses are more satisfied than micro and small businesses with the value for money of surface water drainage services (59%). This could be because the surface water drainage charges of large SMEs are in proportion to the rest of the bill, whereas for micro, small and medium SME businesses the charges could appear disproportionately high in comparison to other parts of the bill.

11.4.5 Large businesses are more aware than all other businesses that compensation is available should their water company fail to meet its obligations (51% aware as compared to less than 40% among other business sizes).

11.4.6 Like medium businesses, large businesses are also more satisfied than micros and small businesses with the sewerage service (87% satisfied). In particular they are more satisfied than micro and small businesses with the cleaning of waste water before it goes back into the environment (68% satisfied versus 55% of small businesses who felt the same) and the removal of surface water from the site (77% satisfied versus only 64% satisfaction among small businesses).

11.4.7 Large businesses feel the same way as medium businesses in terms of company care and trust. Like medium businesses, more large businesses than micro and small businesses believe that the water and sewerage company cares about the service it gives to customers (72% agree it cares). In terms of trust, large businesses trust their water company more than micro businesses and they trust their main energy provider more than both micro and small businesses.

11.4.8 In terms of information, large businesses are more likely to have asked for information about alternative billing options (4% asked for it compared to 1% for each of the other business sizes).

11.4.9 Like medium businesses, large businesses are also more active at saving water than micro and small businesses. In particular they are saving water by more domestic water saving activities, such as using Hippo/Save a Flush devices, water efficient taps, water efficient washing machines/dishwashers and so on.

11.4.10 All businesses are similarly unaware of the open market for non-household customers in England from 2017. However, large businesses are the most positive about the change, with 73% believing it will be a good thing for competition, significantly more than micro businesses (60%). Large businesses required the lowest percentage saving to prompt switching of 12.2%.

11.5 Single site versus multi-site

11.5.1 Within the sample there were no quotas on the number of business sites – this was allowed to fall naturally. There were 1,582 interviews among single site businesses and 449 interviews among multi-site businesses.

11.5.2 As would be expected, multi-site businesses tend to be larger businesses, employing more people than single site businesses (76 employees on average compared to only 22 employees at single site businesses).

11.5.3 Single site businesses are less likely to have contacted their water/ sewerage company in the last 12 months than multi-site businesses (85% have not contacted their provider compared to 78% of multi-site businesses). This could be a reflection of the complication of billing across several sites, although billing was not mentioned as the reason for contact by significantly more multi-site businesses than single site businesses.

11.5.4 In fact, multi-site businesses are more likely to contact their provider about water quality than single site businesses (11% compared to 2% of single site businesses).

11.5.5 In terms of the actual contact, single site businesses are more satisfied with the quality/clarity of the information provided than multi-site businesses (61% satisfied compared to 46% of multi-site businesses who felt the same).

11.5.6 Single and multi-site businesses have experienced service failures equally (14% each). However, the impact has been more severe on multi-site businesses, with 47% stating the impact was major compared to 29% of single site businesses.

11.5.7 Multi-site businesses are more likely to have actively looked for information about water/ water and sewerage services (9% compared to 6% of single site businesses).

11.5.8 Claimed awareness of market reform is higher among multi-site businesses (4% aware compared to only 2% of single site businesses). However, once asked to provide details about the reform it transpired that both single and multi-site businesses were equally unaware (only 5 single site respondents correctly described the reform and 4 multi-site respondents).

11.5.9 Single site businesses require a higher percentage saving to switch (18.7% compared to 16.0% among multi-site businesses).

12 Significant differences between England and Wales

12.0.1 As in the survey in 2012, overall views between SME customers in England and Wales were similar with few significant differences. Nevertheless, there was a tendency for SMEs in Wales to have a slightly more positive view about their water and/or sewerage company than SMEs in England; the significant differences are detailed in this chapter.

12.0.2 In the research, 1,829 interviews were conducted among SMEs in England and 250 among SMEs in Wales (the Wales data included a booster sample of 50 interviews among medium and large businesses to ensure it was robust enough for the comparison). Weights were applied to the data on business size, region and business sector so that it was comparable to the 2012 data.

12.1 Significant differences between England and Wales

12.1.1 All SMEs in England and Wales are using water services, however, more in England identified that they receive and pay for sewerage services (90%) and surface water drainage services (37% compared to 28%) than in Wales. Correspondingly, the incidence of those thinking that surface water drainage is the biggest portion of the bill was significantly higher among English SMEs.

12.1.2 Water usage varies slightly. Most SMEs have consistent water usage throughout the year – those in England even more so than those in Wales (92% vs. 82% respectively). More SMEs in Wales experience peaks of usage as compared to those in England (15% vs. 7%).

12.1.3 Expenditure on water is similar in England and Wales; on average £1,342 and £1,084 respectively.

12.1.4 SMEs in Wales are more aware that they are entitled to compensation (48%) if their water company fails to meet certain customer service standards than those in England (only 38% aware). They are also more aware that a reduced sewerage bill is available if none of the rainwater on their property drains into the public sewer (31% aware versus only 23% among respondents in England).

12.1.5 Overall, more SMEs in Wales are satisfied with their water supply than in England (94% satisfied in Wales as compared to 88% satisfied in England). The only specific area that seems to be driving this is higher satisfaction with hardness/softness of the water (81% among business in Wales versus 64% among business in England).

12.1.6 More SMEs in Wales feel that the water and sewerage company cares about its customers, with 66% agreeing that it cares. They also trust the water and sewerage company more than SMEs in England, giving water and sewerage companies an average trust score of 7.9 out of ten (compared to those in England who give 7.3 out of ten). Notably, there is no difference in perceptions about the main energy provider, with both SMEs in Wales and England scoring it similarly (6.6 and 6.5 respectively).

12.1.7 In terms of information, SMEs in Wales have been offered more information on:

- Managing your water use for business processes; and
- Managing your water for domestic use.

12.1.8 And more SMEs in Wales have asked for information on finding leaks, which they are doing in order to reduce their water usage. Notably slightly more SMEs in Wales recall fixing leaks as a means of reducing their water use than those in England (2% as compared to 1%).

12.1.9 Furthermore, a larger proportion of SMEs in Wales are installing and monitoring meters in an attempt to reduce their water use (4% as compared to 1% in England who are doing the same).

12.1.10 Awareness of market reform in 2017 is similarly low in England and Wales and attitudes to the reform are similar after being told about it.

13 Conclusions

13.0.1 Typically, SMEs spend under £1,000 per year on water and sewerage services (50%). As one would expect, larger businesses spend more on average, with expenditure increasing with size (micro business expenditure is £994 per year vs. large businesses at £9,282 per year).

13.0.2 Nine out of ten (89%) of SMEs say they receive water and sewerage services, down from 94% in 2012. Large SMEs and SMEs in England are more likely to recognise that they pay for sewerage services than others (95% among large compared to 89% among micro and small SMEs; 90% among SMEs in England compared to 82% among SMEs in Wales).

13.0.3 Recognition of surface water drainage charges has increased from 28% in 2012 to 36% in 2014. Awareness increases with bill size (35% among those with bills up to £400 and 49% among those with bills over £2,001). Not surprisingly, given the link of bill size with company size, large businesses are also more aware that they are receiving surface water drainage than other businesses (45%). SMEs in England (37%) are more likely to recognise that they pay for surface water drainage than SMEs in Wales (28%).

13.0.4 Most SMEs believe that water (48%) and sewerage (24%) services are the largest part of their bill. Only 5% think that surface water drainage accounts for a large part of the bill – even among large businesses, where surface water drainage is recognised by a greater proportion as a service they receive, they don't feel that it makes up a large portion of the bill. In fact, a significantly higher proportion of small businesses than large businesses feel that surface water drainage is the biggest part of the bill (6% vs. 1%).

13.0.5 Around seven out of ten businesses believe they are water dependent (72%). However, the activities cited as making them water dependent or non-dependent (typically domestic usage e.g. kitchen, staff toilets) are the same and so water dependence is a matter of perspective.

13.0.6 Perceptions of bill clarity i.e. how much needs to be paid and when, have improved (77% in 2012 compared to 84% in 2014). Micro businesses find their bill(s) clearer than large businesses (84% vs. 77%) – it is likely that the greater clarity among micro businesses is down to smaller businesses being less complex e.g. more likely to have one site and one water meter.

13.0.7 Only 5% feel the bill is unclear. For this 5%, the main reason is that the bill is simply 'unclear' (51%); it is not clear when to pay the bill (19%) and they have difficulty understanding the bill (12%).

13.0.8 Just over seven out of ten SME customers remain satisfied with the value for money of the water services supplied to the site (72% in 2012 vs. 74% in 2014).

13.0.9 Whereas satisfaction with value for money of sewerage and surface water drainage services has fallen to 68% for sewerage services (72% in 2012) and 47% for surface water drainage services (56% in 2012).

13.0.10 Notably, medium and large businesses are more satisfied than micro and small businesses with the value for money of surface water drainage (59% among both medium and large businesses compared to 46% among micro and 48% among small businesses). For large businesses, this could be because it appears to be in proportion to the rest of the bill.

13.0.11 Those that think they get poor value for money from their services are most likely to say this is because of increasing prices.

13.0.12 Awareness of compensation entitlement if their water company fails to meet certain customer service standards has increased since 2012 (39% vs. 24%). Large SME customers are more aware than others (51% aware). SMEs in Wales are also more aware than businesses in England (48% vs. 38%).

13.0.13 Almost a quarter of SMEs know that a reduced bill is available if no rainwater drains from their property into the public sewer (23%) – awareness does not differ by business size. However, businesses in Wales are more aware than those in England (31% vs. 23%).

13.0.14 Overall satisfaction with water services is unchanged (87% in 2012 vs. 88% in 2014). Medium businesses are most satisfied overall (96%) and businesses in Wales (94%).

13.0.15 Satisfaction is highest with reliability of supply, and the colour and appearance of water (with all regions achieving almost 90% or above). Satisfaction is lowest with hardness/softness of water – which shows considerable regional differences (from 52% to 81%). Medium businesses are also most satisfied with each element of water supply. In Wales, higher overall satisfaction is driven by satisfaction with hardness/softness of the water (81% among businesses in Wales cf. 64% among businesses in England).

13.0.16 Overall satisfaction with sewerage services has declined from 90% in 2012 to 78% in 2014, although this may have been influenced by a change in the question format since 2012. Medium and large businesses are more satisfied than others with sewerage services (84% and 87% respectively compared to 76% among small SMEs).

13.0.17 In the last 12 months, one in fourteen (14%) has contacted their water/sewerage company. Micro businesses are least likely to have made contact, which could be because they have fewer meters and less complex scenarios to deal with. The most likely reasons for making contact are to enquire about the bill (42%), just under a fifth made a complaint (18%) and 16% reported a sewerage problem.

13.0.18 13% of businesses have suffered a service failure at some time – there is significant variation by region (from 7% to 17%). The incidence of major service failures increased from 29% in 2012 to 34% in 2014. Seven out of ten (71%) were happy with the way the service failure was dealt with but the remaining three out of ten (29%) were dissatisfied primarily because of the lack of response/slow response.

13.0.19 As in 2012, just over half of SMEs believe that companies care about the service they give to customers (56%). Almost a third are undecided (29%) and one in fourteen (7%) actively disagrees that they care – a further 7% is unsure.

13.0.20 Medium and large businesses are more likely to believe that the company cares about their service than micro and small businesses (67% and 72% vs. 55% and 57% respectively) – this is likely a result of larger companies having access to dedicated account managers. Furthermore, more SMEs in Wales than in England feel that their water/sewerage company cares about the customer (66% among SMEs in Wales versus 55% among SMEs in England). Within England there are significant regional differences, from the lowest at 46%/47% (South and South West) to the highest at 60%-64% (Northumbria, Wessex and Yorkshire).

13.0.21 Similar to domestic customers, SMEs trust their water companies more than their energy providers (7.3 out of ten for the water/sewerage company vs. 6.5 out of ten for the energy company). Again as with perceptions about water company care, large and medium businesses trust their water/sewerage company more than micro and small businesses. Also, SMEs in Wales trust their water/sewerage company more than SMEs in England (7.9 out of ten among SMEs in Wales vs. 7.3 out of ten among SMEs in England).

13.0.22 Few SMEs have looked for information about their water and sewerage services (6%), and most have neither been offered nor asked for advice (8% or less). Take up of advice is divided, with half taking it up and half not. Most do see the information as useful once it is taken up (77%).

13.0.23 Businesses in Wales are more likely to have been offered information on managing water use for business processes (8% vs. 2%) and domestic uses (9% vs. 4%) than those in England. More SMEs in Wales have asked for information about finding leaks than others (4% vs. 1%), in order to reduce usage. Large businesses are more likely to have asked for information about alternative billing options (4% cf. 1% among other business sizes).

13.0.24 Awareness of the future market reform is very low. Less than 1% of SMEs could describe the changes spontaneously. On prompting, only one in twenty (5%) claimed they were aware of the changes that are coming.

13.0.25 Nevertheless, once made aware almost two thirds of SMEs are open, in principle, to switching. Small businesses are significantly more open to switching than others (72% open to switching).

13.0.26 On average, SMEs are looking for a 19% bill saving to entice them to switch. The percentage saving that businesses expect decreases with increasing business size (e.g. micro businesses are expecting 19.4% whilst large businesses are expecting 12.2%).

13.0.27 Almost no one knew spontaneously that the consumer body in the water industry is the Consumer Council for Water (less than 1%). Although when prompted with the name, 15% report that they have heard of CCWater.

Appendix 1 – Questionnaire

CCWater 1734
Research into SME customer's views on water and sewerage services

Introduction

Good Morning/Afternoon, my name is… calling from DJS Research on behalf of the Consumer body for the water industry. We are carrying out a survey about water and sewerage services. Could you spare some time to answer some questions?

The survey should take around 15 minutes and is intended to help ensure that you get a good service from your water company.

We would like you to give your honest opinions as this is completely confidential and we can assure you that our discussion will be undertaken under strict market research codes of conduct.

Some of the questions will need you to be familiar with your water bill and so you may find it useful to have it to hand - would you be interested in taking part now or at another time when you have the bill in front of you?

Firstly I would like to ask you some questions to ensure that you are eligible to take part in the survey:

About you / your company

Record / confirm details:

Contact Name	
Contact Position / Job Title	
Company Address / Post Code	

ONLY ONE RESPONDENT TO BE INTERVIEWED PER COMPANY

Interviewer record if the sampled site is in England or Wales: Code one only

England
Wales

Screening questions

S1a Can I just ask, are you the person in your business who deals with utility suppliers?

Yes	**CONTINUE**
No	**ASK FOR RELEVANT PERSON**

NOTE: The respondent must be the person responsible for paying the water bill/handling queries and complaints/contacts, on behalf of the business.

S1b Capacity in which respondent is taking part in the interview:

Company representative on-site
Head office company representative
Other (specify)

S2a How many sites does your business have in England and Wales?
TYPE IN NUMBER OF SITES

IF MORE THAN ONE SITE AT QS2A THEN ASK:
S2b Does your business have sites in England, Wales, or both?

England
Wales
Both

NOTE: If a head office representative is completing the survey, then all questions should relate to the site location/premises sampled, and not the head office location

ASK ALL:

S3 How would you classify the nature of the business?

A Agriculture, Forestry And Fishing
B Mining And Quarrying
C Manufacturing
D Electricity, Gas, Steam And Air Conditioning Supply
E Water Supply; Sewerage, Waste Management And Remediation Activities
F Construction
G Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles
H Transportation And Storage
I Accommodation And Food Service Activities
J Information And Communication
K Financial And Insurance Activities
L Real Estate Activities
M Professional, Scientific And Technical Activities
N Administrative And Support Service Activities
O Public Administration And Defence; Compulsory Social Security
P Education
Q Human Health And Social Work Activities
R Arts, Entertainment And Recreation
S Other Service Activities
Other (specify)

S4a How many employees are based on this site?

TYPE IN NUMBER OF EMPLOYEES

IF ONLY ONE EMPLOYEE MENTIONED, CHECK IF THAT IS IN ADDITION TO THE RESPONDENT – IF THE RESPONDENT DOES NOT EMPLOY ANYONE OTHER THAN THEMSELVES THANK & CLOSE

ASK S4B IF MULTIPLE SITES AT S2A:

S4b How many employees are there in total in the overall business?

TYPE IN NUMBER OF EMPLOYEES

ASK ALL:

S5 From which sources do you obtain your water? **READ OUT**

100% from public water supply (e.g. water company)
Mix of public and private supply
Private supply only **THANK & CLOSE**

S6a Which water and sewerage services does your business take? **MULTI CODE**

Water
Sewerage – waste water
Surface water (rainwater) drainage
Trade Effluent removal **GO TO S6b**
Other (specify)

ASK S6B IF TRADE EFFLUENT REMOVAL (CODE 4) USED AT S6A

S6b Do you receive a separate bill for the removal of trade effluent?

Yes
No
Don't know

ASK ALL:

S6c. Does your business use water consistently over the year or does it have peaks of usage?

IF RESPONDENT DOES NOT UNDERSTAND 'PEAKS' REFER TO SEASONAL USAGE INSTEAD

Consistent usage throughout the year
Peaks of usage
Don't know

S6d How much do you pay for water and sewerage services and surface water drainage which are all covered in your main bill?
(Note: this information will be on the water bill, and should be monthly / quarterly/ half year /yearly – record which level information is supplied at)

TYPE IN AMOUNT PAID
SELECT IF PER MONTH, QUARTER, 6 MONTHS OR YEARLY. IF OTHER SPECIFY

£_______________ per month/quarter/6 months/yearly/other (delete as applicable)

S6e In cost terms, what do you think is the biggest portion of your main bill? **MULTI CODE POSSIBLE**

Water services
Sewerage services
Surface water drainage
Don't know

S7 And roughly what percentage is your total water services bill of your annual operating (running) costs?

TYPE IN PROPORTION

_______________%

Don't know **(DO NOT READ OUT)**

S8 How many water meters are based on this business site?

TYPE IN NUMBER OF WATER METERS

Don't know

S9 If you had to choose, would you say that this business site is located in a rural or urban area? **SINGLE CODE**

Rural

Urban

Views on your current water supply services

1. Who is your water company? (This may be a company that deals with your sewerage too) **SINGLE CODE – PROMPT WITH HIGHLIGHTED COMPANIES IF NECESSARY**

Anglian Water
Dwr Cymru (Welsh Water)
Northumbrian Water
Severn Trent Water
South West Water
Southern Water
Thames Water
United Utilities
Wessex Water
Yorkshire Water

Water only companies:

Sembcorp Bournemouth Water
Bristol Water
Cambridge Water
Cholderton Water
Dee Valley Water
Essex & Suffolk Water
Hartlepool Water
Portsmouth Water
South East Water
South Staffordshire Water
Sutton & East Surrey Water
Affinity Water (Central)
Affinity Water (East)
Affinity Water (Southeast)
Don't know

IF RESPONDENTS SAYS DON'T KNOW ABOVE (Q1a) READ OUT - YOUR WATER COMPANY IS LIKELY TO BE… [LOOKUP IN POSTCODE FILE]
IF RESPONDENTS SPECIFY A COMPANY NOT NAMED IN THE LIST ABOVE: THANK & CLOSE
IF RESPONDENTS STILL DON'T KNOW: THANK & CLOSE

2. And who is your sewerage company?

ADD IF NECESSARY: the bill from your water company will also say who provides your sewerage services.

SINGLE CODE – PROMPT WITH HIGHLIGHTED RESPONSES IF NECESSARY

Anglian Water Services Ltd
Dwr Cymru (Welsh Water)
Northumbrian Water Ltd
Severn Trent Water Ltd
South West Water Ltd
Southern Water Services Ltd
Thames Water Utilities Ltd
United Utilities Water Plc (North West Water)
Wessex Water Services Ltd
Yorkshire Water Services Ltd
I have a private facilities/septic tank
Don't know

IF RESPONDENTS SAYS DON'T KNOW ABOVE (Q1b) READ OUT - YOUR SEWERAGE COMPANY IS LIKELY TO BE… [LOOKUP IN POSTCODE FILE]
IF RESPONDENTS SPECIFY A COMPANY NOT NAMED IN THE LIST ABOVE: THANK & CLOSE
IF RESPONDENTS STILL DON'T KNOW: THANK & CLOSE

Interviewer note: If respondent answers codes 11 or 12 (have a private facilities/septic tank or other), do not ask Section on Sewerage in the questionnaire (Q15 and Q16).

3a How much do you agree or disagree that on a day to day basis, your business depends on its **water supply and sewerage services** (e.g. removal and treatment of used/waste water) in order to operate?

Strongly agree	**GO TO Q3B**
Tend to agree	**GO TO Q3B**
Neither agree nor disagree	**GO TO Q4**
Tend to disagree	**GO TO Q3C**
Strongly disagree	**GO TO Q3C**
Don't know	

ASK Q3B IF STRONGLY/TEND TO AGREE AT Q3A

3b. How/why is it dependent? **DO NOT READ OUT. MULTI-CODE**

Need it for drinking, toilets etc. for staff (i.e. domestic type usage)
Need it for used/waste water, toilets etc. from staff (i.e. domestic type usage)
Need it as our customers depend on it (e.g. café, restaurant, hairdresser, launderette, garage, car-wash)
Need it as our customers depend on it (e.g. waste from café, restaurant, hairdresser, launderette, garage, car-wash)
Need it for business processes (e.g. input to manufacturing)
Need it for business processes (e.g. output from manufacturing)
Need water supply for cleaning (hygiene) (e.g. café, restaurant, dentist)
Need waste water services for cleaning (hygiene) (e.g. café, restaurant, dentist)
Need it for livestock
Other-specify
Don't know

ASK Q3C IF STRONGLY/TEND TO DISAGREE AT Q3A

3c. Why? **DO NOT READ OUT. MULTI-CODE**

Only use it for drinking, hand washing etc for staff (i.e. domestic type usage)
Only use it for removal of waste water, toilets etc for staff (i.e. domestic type usage)
Other-specify
Don't know

ASK ALL:

4a How much do you agree or disagree that your general water and sewerage bill makes it clear how much needs to be paid and when? **SINGLE CODE**

Strongly agree
Tend to agree
Neither agree nor disagree
Tend to disagree
Strongly disagree
Don't know

ASK Q4B IF TEND TO/STRONGLY DISAGREE AT Q 4A (CODE 4 OR 5)

4b Why do you disagree?

ASK ALL:

5a And do you agree or disagree that it is clear how the final amount of your bill was reached? **SINGLE CODE**

Strongly agree
Tend to agree
Neither agree nor disagree
Tend to disagree
Strongly disagree
Don't know

ASK Q5B IF TEND TO/STRONGLY DISAGREE AT Q5A (CODE 4 OR 5)

5b Why do you disagree?

ASK ALL:

6. Using a scale where 1 equals very satisfied, 2 equals fairly satisfied, 3 equals neither satisfied nor dissatisfied, 4 equals fairly dissatisfied and 5 equals very dissatisfied, how satisfied or dissatisfied are you with the value for money of:
READ OUT EACH STATEMENT & SINGLE CODE

Scale: 1= Very satisfied, 2= Fairly satisfied, 3= Neither satisfied nor dissatisfied, 4=Fairly dissatisfied, 5= very dissatisfied, 6= don't know 7 = not applicable.

a) The **water** services supplied to this site
b) The **sewerage** service for this site
c) The **surface water (rainwater) drainage** services for this site? The charge for this service could be determined either by the site area of your business premises or the business rate

IF HAVE TRADE EFFLUENT SERVICES AT S6A, INCLUDE:

d) The **trade effluent** services

IF RESPONDENT ANSWERS FAIRLY/VERY DISSATISFIED TO Q6A, B, C, OR D ASK Q7

7. Why do you think you don't get value for money?
DO NOT READ OUT. MULTICODE

Cost/prices have risen
Can't switch provider
Poor/inefficient service/issues not resolved
Poor water quality
Problems with sewers/drains
Removal of surface water is too expensive
Leaking pipes
Water meter issues/problems
Some businesses have an account manager at their water and sewerage company but we can't
Site area tariff unfair
Trade effluent services too expensive
Other (specify)

ASK ALL

8a Were you aware that if your water [and/or sewerage] company fails to meet certain customer service standards for reasons within their control you may be entitled to compensation?

Yes, was aware
No, was not aware
Don't know

8b Are you aware that if none of the rainwater that runs off a property drains into the public sewer (e.g. it may drain into a soakaway or the ground), a reduced sewerage bill is available?

Yes, was aware
No, was not aware
Don't know

Contact with your water and sewerage company

9a. Have you contacted your water [and/or sewerage] company to make an enquiry or complaint in the past 12 months?

Yes – water and sewerage company	**GO TO Q9B, Q10 & Q11**
Yes – water company	**GO TO Q9B, Q10 & Q11**
Yes – sewerage company	**GO TO Q9B, Q10 & Q11**
No	**GO TO Q12**
Don't know	**GO TO Q12**

ASK IF YES AT Q9A (CODES 1, 2 OR 3)

9b. Why did you contact them?
DO NOT READ OUT. MULTICODE

Billing enquiry
To make a complaint
To make an enquiry relating to drought/water shortage
To make an enquiry relating to flooding
To make an enquiry about sewers and drains (transfer)
No supply/supply issue
To report a leak
To change to/ask for a water meter
Water quality
Water pressure
Sewerage problem
Issue with water meter
Other (please specify)
Don't know)

ASK IF YES AT Q9A (CODES 1, 2 OR 3)

10. Using a scale from 1 to 5 where 1 equals very satisfied and 5 equals very dissatisfied, how satisfied or dissatisfied were you with each of the following aspects:
    READ OUT EACH STATEMENT & SINGLE CODE

    Scale: 1= Very satisfied, 2= Fairly satisfied, 3= Neither satisfied nor dissatisfied, 4= Fairly dissatisfied, 5= Very dissatisfied, 6= don't know 7= not applicable.

a) The ease of contacting someone who was able to help you
b) The quality/ clarity of information provided
c) The knowledge and professionalism of staff
d) The feeling that your query had been, or would be, resolved
e) The way that the water/sewerage company has kept you informed of progress with your enquiry (and /or) claim

ASK IF YES AT Q9A (CODES 1, 2 OR 3)

11. Taking everything into account, overall how satisfied or dissatisfied were you with the contact with [INSERT CODE FROM Q9A]? **SINGLE CODE**

Very satisfied
Fairly satisfied
Neither satisfied or dissatisfied
Fairly dissatisfied
Very dissatisfied
Don't know

Your water supply

Thinking about tap water supplied to your site for offices, toilets, or for business processes where it is not treated or filtered in any way before use.

12. Using a scale from 1 to 5 where 1 equals very satisfied and 5 equals very dissatisfied, how satisfied or dissatisfied are you with **each** of the following aspects of your water supply: **READ OUT EACH STATEMENT & SINGLE CODE**

    Scale: 1= Very satisfied, 2= Fairly satisfied, 3= Neither satisfied nor dissatisfied, 4=Fairly dissatisfied, 5= very dissatisfied, 6= don't know 7= not applicable.

a) The colour and appearance of your tap water
b) Taste and smell of tap water
c) Hardness/softness of your water
d) The safety of your drinking water
e) The reliability of your water supply
f) Your water pressure

13. Taking all those aspects of your water supply service into account, overall how satisfied or dissatisfied are you with your water supply? **SINGLE CODE**

Very satisfied
Fairly satisfied
Neither satisfied or dissatisfied
Fairly dissatisfied
Very dissatisfied
Don't know
Not applicable

Your sewerage services

ASK ALL

14. Using a scale from 1 to 5 where 1 equals very satisfied and 5 equals very dissatisfied, how satisfied or dissatisfied are you with your sewerage company's management of **each** of the following aspects of their service:
READ OUT EACH STATEMENT AND SINGLE CODE

Scale: 1= very satisfied, 2= Fairly satisfied, 3= Neither satisfied nor dissatisfied, 4= Fairly dissatisfied, 5= very dissatisfied, 6= don't know 7= not applicable.

a) Reducing smells from sewage treatment works
b) Maintenance of sewerage pipes and treatment works
c) Cleaning waste water properly before releasing it back into the environment
d) Minimising sewer flooding
e) Removal of Trade effluent **(only ask if Yes to S6a)**
f) Removal of surface water (rainwater) from the site

15. Taking all those aspects into account, overall how satisfied or dissatisfied are you with your sewerage service? **SINGLE CODE**

Very satisfied
Fairly satisfied
Neither satisfied or dissatisfied
Fairly dissatisfied
Very dissatisfied
Don't know
Not applicable

Service failure

ASK ALL

16a. Has this business site ever suffered a failure of water/sewerage services?

Yes
No
Don't know

ASK IF YES AT Q16a

16b What was this related to? **DO NOT READ OUT MULTI CODE**

Burst pipe
Blocked pipe
Leaking pipe
No water supply/disrupted water supply
Water supply turned off without notice
Discoloured water supply
Low water pressure
Drainage smell
Other (specify)
Don't know

ASK IF YES AT Q16a

17. What was the impact on your business?

Major
Minor
None

ASK IF YES AT Q16a

18. Were you satisfied with the water/sewerage company's response to the event?

Yes
No

ASK IF NO AT Q18

19 If no, why?

TYPE IN RESPONSE IN FULL

Relationship with your water and sewerage company

ASK ALL

20. How much do you agree or disagree that your water [and sewerage] company cares about the service it gives to **business** customers? **READ OUT. SINGLE CODE**

Strongly agree
Tend to agree
Neither agree nor disagree
Tend to disagree
Strongly disagree
Don't know

21a. How much do you trust your water and sewerage/water company [INSERT CODE FROM Q1A CODES 1-10= 'water & sewerage, CODES 11-22='water only']. Please give a score on a scale of 1-10, where 10 means that you trust them completely and 1 means that you don't trust them at all? **READ OUT. SINGLE CODE**

10 – trust them completely
9
8
7
6
5
4
3
2
1 – don't trust them at all

21b. Using the same scale of 1-10, where 10 means that you trust them completely and 1 means that you don't trust them at all, how much do you trust the main energy company that you use for your business? **READ OUT. SINGLE CODE**

10 – trust them completely
9
8
7
6
5
4
3
2
1 – don't trust them at all

22a. Thinking about the advice and support you receive from your water/water and sewerage company [INSERT CODE FROM Q1A CODES 1-10= ‘water & sewerage, CODES 11-22=’water only’], how much do you agree or disagree that they give your business the advice and support you need to get the most out of your water and sewerage services, and billing arrangements?
READ OUT. SINGLE CODE

Strongly agree
Tend to agree
Neither agree nor disagree
Tend to disagree
Strongly disagree
Don’t know

ASK IF DISAGREE AT Q22A (CODES 4 OR 5)
22b. What sort of information do you expect to receive from your water/water and sewerage company as a business customer? **DO NOT READ OUT MULTI CODE**

Only the bill
Ways to reduce the bill
Information about what is included in the bill/charges
Information about Surface Water Drainage charges
Water saving information
How to prevent leaks
How to prevent pipes freezing
How the water/water and sewerage company is performing
More information on what the water company is doing for the environment
Notification of any work planned in the area
Information about the disposal of fats, oils and greases
Other (specify)
Don’t know

TYPE IN RESPONSE IN FULL

ASK ALL
22c. Has your business actively looked for information about water /water and sewerage services anywhere?

Yes
No
Don’t know

ASK IF YES AT Q22C:

22d. Where has your business looked?
DO NOT READ OUT. MULTI-CODE

Internet – which website
From water/sewerage company
From other businesses – word of mouth
From umbrella organisation
Other (specify)
Don't know

ASK ALL:

23a. In the last year, what advice, if any, has your business **asked** [INSERT CODE FROM Q1A CODES 1-10= 'water & sewerage, CODES 11-22='water only'] for or what advice have they **offered** you without being asked? I'm going to read out a list and I'd like you to tell me which apply.
READ OUT. MULTI-CODE

ASK FOR EACH WHICH APPLY (Did you ask for that or were you offered it?)**:**
Asked for
Offered

READ OUT. MULTI-CODE
Managing your water use for business processes
Managing your water use for domestic type use, such as flushing toilets, filling kettles and so on
Alternative billing options (e.g. online, consolidated billing)
Waste water arrangements
Surface water drainage arrangements
Finding leaks
Account management
The most suitable tariff for your business usage
Disposal of fats, oils and greases
Other specify
None of the above (EXCLUSIVE)

ASK IF CODES 1-9 SELECTED AT Q23A

23b. When you received advice, did you take any of this up?

ASK FOR EACH SERVICE AREA SELECTED AT Q24A

SINGLE CODE

Yes
No
Don't know

Managing your water use for business processes
Managing your water use for domestic type use, such as flushing toilets, filling kettles and so on
Alternative billing options (e.g. online, consolidated billing)
Waste water arrangements
Surface water drainage arrangements
Finding leaks
Account management
The most suitable tariff for your business usage
Disposal of fats, oils and greases
Other specify

ASK IF YES (CODE 1) AT 23B

23c. Was the advice you received useful?

ASK FOR EACH SERVICE AREA SELECTED AT Q24B

SINGLE CODE

Yes
No
Don't know

Managing your water use for business processes
Managing your water use for domestic type use, such as flushing toilets, filling kettles and so on
Alternative billing options (e.g. online, consolidated billing)
Waste water arrangements
Surface water drainage arrangements
Finding leaks
Account management
The most suitable tariff for your business usage
Disposal of fats, oils and greases
Other specify

ASK IF ADVICE NOT USEFUL (CODES 2) AT 23C

23d. Why wasn't the advice useful?

TYPE IN RESPONSE IN FULL

ASK ALL

24. Do you routinely read information enclosed with your water/sewerage bill or shown on the back of the bill?

Yes
No
Don't know

ASK ALL

25. What actions, if any, has your business taken to reduce its use of water?
DO NOT READ OUT. MULTICODE.

Water efficient taps
Energy & Water efficient dishwasher
Energy & Water efficient washing machine
Energy & Water efficient – other water using machinery
Trigger device fitted to hosepipe
Hippo/Save A Flush device in toilet cisterns
Lag pipes to protect against bursting
Wait until full load for Washing Machine / dishwasher
Only put required amount in kettle
Grey water recycling
Rainwater harvesting
Changed business processes to use less water
Made employees aware of the need to reduce water consumption
Water efficiency audit from water company
Other (specify)
Nothing
Don't know

ASK ALL

26. If you could make one single improvement to the overall service provided by your water and/or sewerage company what would it be? **DO NOT READ OUT MULTI-CODE**

Customer service - easier to make contact with
Water supply – quality/pressure/reliability
Sewage treatment - reduce/get rid of smells from sewage treatment sites
Information/communication-More/better/quicker
Drainage system/drains - improve/clean/maintain
Sewerage pipes – maintain/improve
Water pipes - maintain water mains/pipes to fix/reduce leaks
Staff – more experienced/knowledgeable/polite/interested
Billing – could like one/consolidated/aggregated bill
Billing – would like clearer bills
Advice – water efficiency/water audit
Advice – disposal of fats oils/greases
Account management
Leakage detection
Would like to choose supplier
Nothing in particular
Other – specify
Don't know

Market reform

27a. Have you heard anything about plans to make changes in the water and sewerage industry for business customers?

Yes
No
Don't know

ASK IF YES AT Q27A (CODE 1):

27b. What changes are you expecting?

TYPE RESPONSE IN FULL
PROBE FOR FULL UNDERSTANDING

27c. Are you aware of any difference in market arrangements for business customers in England and for those in Wales?

Yes
No
Don't know

ASK IF YES AT Q27C (CODE 1):
27d. What differences are you aware of?

TYPE RESPONSE IN FULL

READ OUT:
From 2017, all businesses in England will be able to choose who provides their customer service and bills them for both their water and sewerage services. In Wales businesses need to use more than 50,000m^3 (50,000 cubic metres) of water a year to choose their billing agent.

ASK ALL:
28. Now that you have a bit more information, have you heard about this before?

Yes
No

ASK ALL:
29. Do you think that the principle of competition for businesses in the water industry would be a good thing, neither good nor bad, or a bad thing?

A very good thing
Quite a good thing
Neither a good nor bad thing
Quite a bad thing
A very bad thing
Don't know

ASK ALL
30. What percentage level of saving on your water and sewerage charges would prompt your business to switch supplier?

TYPE IN PERCENTAGE SAVINGS REQUIRED

__________________%

I would not switch
I would not switch on price, only for service

ASK ALL:

31. Do you know the name of the consumer body in the water industry?

Yes
No
Don't know

ASK IF YES AT Q31:

32. What is it?

TYPE IN RESPONSE

ASK ALL:

33. Have you heard of the Consumer Council for Water before now?

Yes
No
Don't know

THANK & CLOSE

Appendix 2 – Sample profile

Table 2 Sample profile

	Total (excl. Wales booster) Unweighted		Total (excl. Wales booster) Weighted	
	No.	%	No.	%
Total	**2032**	**100**	**2021**	**100**
Region				
Eastern	215	11	224	11
Midlands	200	10	325	16
Northumbria	200	10	80	4
North West	210	10	233	12
Thames	201	10	472	23
Southern	201	10	203	10
South West	201	10	85	4
Wessex	200	10	113	6
Yorkshire	201	10	159	8
Wales	203	10	128	6
Business size				
1-9 employees	1011	50	1620	80
10-49 employees	502	25	335	17
50-99 employees	264	13	43	2
100-250 employees	255	13	23	1
Nature of the business				
A Agriculture, Forestry And Fishing	59	3	53	3
B Mining And Quarrying	1	-	-	-
C Manufacturing	158	8	116	6
D Electricity, Gas, Steam And Air Conditioning Supply	2	-	-	-
F Construction	168	8	187	9
G Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles	330	16	356	18
H Transportation And Storage	82	4	70	3
I Accommodation And Food Service Activities	200	10	187	9
J Information And Communication	94	5	104	5
K Financial And Insurance Activities	25	1	25	1
L Real Estate Activities	69	3	88	4
M Professional, Scientific And Technical Activities	223	11	209	10
N Administrative And Support Service Activities	131	6	171	8
O Public Administration And Defence; Compulsory Social Security	9	-	7	-
P Education	100	5	65	3
Q Human Health And Social Work Activities	98	5	123	6
R Arts, Entertainment And Recreation	80	4	55	3
S Other Service Activities	187	9	193	10