The voice for water consumers
Y corff sy’n rhoi llais i ddefnyddwyr dŵr

Engaging water customers for better consumer and business outcomes

blue marble

CONTENTS

2. FOREWORD

To ensure the credibility of the water industry, it is vital that water company engagement with their consumers – to understand their experiences of and needs for day-to-day services, and priorities for future services and consequent bills – leads to a meaningful understanding of what consumers want.

The five years leading up to the most recent price review (PR19), saw water companies significantly increase the amount of research and customer engagement they carried out to establish customers' priorities for investment and measuring how acceptable they found their companies' plans. Customers pay for all this research and engagement through their bills – so it must represent excellent value for money and deliver valid insights that are used to their full extent.

CCW commissioned Blue Marble Research to find out what consumers want to be engaged with, for day-to-day services and to inform water company business plans. We wanted to understand how consumers feel about the kind of research processes they are asked to take part in, and whether they feel they are able to make a meaningful contribution that fairly reflects their views for their water company to act on. To do this we used real life, anonymised examples of surveys and research materials used by water companies to understand their consumers' views.

We found that most participants struggle with some elements of what they are asked, and for some things, they would prefer 'experts' to be consulted on their behalf. For business plans, many things don't feel relevant or easy to follow, and some consumers default to looking at prices as a way of navigating what they are being asked. It is much easier for people to respond to questions about recent service experiences.

This raises important questions about the validity of the information that water companies are acting on, especially for business planning, where consumers are asked about services and service levels that are unfamiliar and abstract to them. There are questions too about the processes used to pilot research materials before they are used on consumers.

Consumers' experiences, wants and needs must remain at the heart of the water industry. We welcome the increase in engagement over the last few years but believe a more consumer focused engagement strategy is possible. This starts with understanding the consumer perspective on what it is important to be asked about, and how to enable consumers to have the meaningful say they deserve, rather than what the industry wants to evidence. This research is an important first step in that direction and will help shape our views on how consumers should be engaged on day-to-day issues, as well as business plans for future price reviews.

Finally, I would like to thank all those consumers and those within the industry who took part in or informed this research.

Dr Mike Keil
Head of Policy and Research
CCW
April 2020

2. EXECUTIVE SUMMARY

CCW represents the interests of consumers in the water industry in England and Wales and came into operation on 1 October 2005. It aims to provide a strong national voice for consumers to receive high standards and good value for money in water and sewerage services, comparing well with the best of other service sectors.

Each water company is required by Ofwat to produce a business plan every 5 years, that is placed in a long-term context. The most recent business planning cycle, PR19, is now complete for most companies and Ofwat has determined bill prices for the 2020-25 period. Customer research and engagement is integral to this planning process.

CCW has long advocated for consumers to be placed at the heart of water company and regulatory decision making around water and sewerage services and bills. Where consumers are engaged and consulted in a meaningful way, this should increase the acceptability of water company decisions around services and bills that affect them, and ultimately satisfaction with the industry as it develops and invests in the services which customers tell them will best meet their needs and expectations.

This new research, commissioned by CCW and conducted by Blue Marble as the sun sets on PR19, provides insight into the state of consumer research and engagement during the most recent business planning cycle. CCW will use this research to inform their lessons learnt review of the PR19 process and the development of the PR24 process.

Most importantly, this research focusses on the consumer perspective. Extensive qualitative research has explored numerous issues relating to water sector research – including the extent to which research conducted in the water sector is meaningful and meets consumer expectations. Specifically, establishing how customers and consumers of water and sewerage companies in England and Wales feel about the:

- Important issues for their water company to speak to them about, in relation to both Business as Usual (BAU) and water companies' 5-year business plans.
- Areas where they can provide meaningful input to inform water companies' work.
- Balance between BAU and 5-year business planning in current customer research.

2.1. Context – uninformed views

Low awareness of the water sector or that water companies plan ahead

The latest water sector business planning cycle (PR19) witnessed a step change in consumer research, with water companies in England and Wales spending a huge amount of time, effort and money speaking to consumers about their business plans. Fundamentally, however, water is a low salience issue for most consumers, most of the time. They know very little about what their company or others are responsible for, or how they are performing.

Consistent with this, most consumers are unaware that water companies are required to prepare future plans – or the nature of the sector's business planning cycles. When informed about companies' business plans, consumers find many aspects highly technical and difficult to understand – including (but not limited to) specific aspects of the water cycle, performance incentives, and the probabilistic nature of risk forecasting. When confronted with the details of companies' business plans, many consumers quickly feel out of their depth.

With little awareness of why water research is relevant, or interest in the subject matter, participating in market research usually relies on the financial incentive

Consumers say that most of the time (except perhaps when asked to give feedback on a service or brand that they feel very invested in, or where they feel there is a pressing need for change) the financial incentive is the primary motivation for taking part in research.

Participants in our workshops made it clear that, in the specific context of research about the water sector, this is particularly true. Consumers lead busy lives, with competing priorities. As most have little awareness of their water supply and only a weak relationship with their water company, they would be unlikely to take part for reasons other than the financial reward. Others think that the water sector is not very interesting and would be reluctant to engage for this reason. While there are exceptions (such as those whose hobbies or interests bring them into close contact with the water system – e.g. anglers – or those who have had experience of problems with their water supply), these appear to be a minority.

2.2. The five things that make research ‘meaningful’ for participants

The initial fieldwork phase explored consumer perspectives on taking part in research generally. Together, each group collaborated to define what was meant by the term ‘meaningful research’. Across the various research sessions, five core themes repeatedly emerged.

Criteria		Threshold questions
	Ease	• Am I able to answer the questions that I am being asked? • Is what I’m being asked to do straightforward and reasonable?
	Relevance	• Is the topic relevant / of interest to me? • Do I actually have a view on what I am being asked?
	Listening	• Do I feel like the organisation that has commissioned the research is paying attention to what I say?
	Making a difference	• Do I think anything will happen as a result of taking part? • Will taking part benefit others / the wider community?
	Financial incentive	• Do I receive a financial incentive for taking part? Or the prospect of a prize?

Clearly, all market research can be assessed against these criteria. Some studies will meet these criteria better than others, and all good researchers strive to ensure that their projects meet them as far as possible. In the context of the water sector, *listening* and *making a difference* are particularly relevant criteria – and it appears from consumer feedback that these are harder to achieve due to the monopoly nature of the companies.

2.3. Much more needs to be done to make water sector research meaningful for people to take part in

Participants in this research worked their way through several anonymised water company research pieces ranging from short, relatively simple surveys to more complex business plan surveys and supporting materials. They also reviewed and talked through excerpts of deliberative style discussion guides. The examples were included to reflect a good cross section of research that is conducted for the water sector. Respondents assessed these examples against the meaningful criteria above.

Many of the research examples for business planning purposes do not adequately meet the ‘meaningful’ criteria defined by participants in this research and although research around BAU fares better, there is still room for improvement. This matters because participation in research that is not felt to be meaningful by those responding undermines the principle of putting customers at the heart of decision-making. Furthermore, if the areas of research are presented in such a way that means they lack relevance or are too complex, the quality of the data and information on which decisions are based is compromised. In summary, consumers think it is appropriate to canvas consumer views for the following:

Business as Usual:

- Satisfaction with the service generally, or a recent service experience
- Perceptions of the water company and its reputation

- Research to understand consumers' needs so that services can be better aligned (e.g. vulnerable and non-household customer segments)
- Research where consumers can respond to new products and services to assist in their development and promotion

Business planning:

- Research enabling consumers to have an *input* into business planning – given the background information to make their contribution meaningful – when:
    - The investment/bill increases in question are perceived to be significant
    - The plans are relevant e.g. because they involve local development
    - Near-future investment scenarios (5-15 years) are clearly being decided on
- Research *evaluating* proposed business plans at a high level (not in detail) – provided the plan is communicated in an accessible way

Least appropriate areas for consumer research:

- Business plan inputs where the relevance of the subject matter is tenuous to consumers; or so technical to require expertise to understand; or relating to very long-term planning and future scenarios; or where the bill increases are seen as negligible
- Regulatory metrics such as setting performance targets and penalty thresholds
- Complex surveys such as WTP where respondents are required to assimilate large amounts of information

2.4. Consumer attitudes to water sector research range from complete disinterest to keen enthusiasm; most people sit in between these

There is no single customer view on taking part in research for the water sector. However, views typically fall into four qualitative 'typologies', which are used as a framework for the analysis in this report, rather than as a rigorous segmentation of the public.

Typology	*"I don't care"*	*"Leave it to the experts"*	*"I want to be involved, but I'm struggling"*	*"Give me everything you've got"*
Perspectives on the water sector	No interest at all. As long as their taps keep running and their wastewater is taken away, they do not want to think about the workings of the sector in any detail.	In response to dense stimulus materials, feel a fuller understanding of economics and the water sector is required to properly appraise a business plan. Happy to leave technical decisions to experts, who they trust will be working within water companies and for the regulator.	Keen, on principle, to give their feedback on what the water company is trying to do. But the practicality of scanning through complex information and trying to make their mind up sometimes feels taxing.	Certain consumers respond very positively to the stimulus materials that they are presented with - and love the challenge of trying to piece everything together.
Meaningful research for this typology would be…	As little research as possible. Quick, simple (BAU) activities will be most engaging.	Want broad oversight of what companies are planning, and to be able to feed into high-level direction of plans.	Qualitative sessions, particularly deliberative research, valued for the ability to ask questions and clarify uncertainties. Well-designed stimulus materials essential.	Would value opportunities for longer-term engagement with water companies e.g. through customer boards, research communities

Amongst this qualitative sample, who had been exposed to a wide variety of research examples, most people sat within the *'Leave it to the experts'* and *'I want to be involved but I'm struggling'* typologies, with much smaller numbers showing complete ambivalence or, at the other end of the spectrum, strong enthusiasm to participate.

The typology analysis indicates immediate areas for improvements to help consumers engage with water sector research

- The typologies demonstrate the need for the industry to improve the quality of communication stimulus materials i.e. showcards, display boards, presentations, videos - to help the majority of research participants who tell us they are struggling with what they are being asked to do, or prefer to outsource their role to experts

- The typologies are a reminder that large scale surveys need to be easy to complete and engaging to be truly inclusive: this argues against complex surveys covering multiple business plan details; and for short surveys to elicit appeal/acceptability of either specific aspects or an overview at a broad level

- The role of customer panels/communities to work closely with water companies both for BAU and business planning initiatives is supported by the typology analysis: some consumers are naturally highly engaged, and a larger group would want to be involved if the process was more accessible to them. These should be the target groups for customer panels as they are likely to be active participants over a longer period of time

- Finally, the typologies support the need to inform consumers for business planning research. This is easier to do within qualitative methodologies but is also relevant to quantitative surveys which need to evolve more to immerse respondents quickly but effectively as part of the design

2.5. Implications for research with specific customer segments

This research has identified that water companies should be placing greater emphasis on understanding their harder to reach consumers through BAU research rather than relying heavily on business planning engagement to do this. The reasons for this vary by customer segment:

Vulnerable consumers: shift to more BAU research relevant to specific circumstances, needs and experiences

Vulnerable customers said that where research purposefully includes respondents in vulnerability but does not actually relate to their vulnerable circumstances (or does so only weakly) it is not meaningful. For example, it was not clear why their views would be specifically sought on e.g. plans to reduce leakage or mitigate climate change, and there is no clear reason why their views – assuming they are not in economic hardship – would be any different to those in the ‘mainstream’ sample. However, research into the needs of consumers with specific assistance needs was highly relevant (and welcomed).

The conclusions from this are threefold:

Firstly, the needs of vulnerable customers are often very specific to their set of circumstances (e.g. psychological, physical, economic, cognitive, sensory and cultural) – and understanding the fundamental needs (both permanent and temporary) of these diverse customer groups – rather than gleaning them through the prism of a business plan – is important for water companies to provide a truly inclusive service.

Secondly, some vulnerable consumers may have a closer BAU relationship with their water provider than other household consumers. For example, an economically vulnerable consumer may be on a social tariff or be more likely to have had to contact their water provider in relation to an unpaid bill. Others may be on a water company’s Priority Services Register and have had contact with their water company in relation to this. These closer relationships may mean that these consumers have a more detailed account of the BAU aspects of their water service and of their water company’s performance.

Thirdly, the physical, practical or cognitive effort that a vulnerable consumer must put into participating in research is often greater than that of a mainstream sample. It is therefore even more important that the research topics are relevant to their specific lived experiences. BAU research used to understand needs and expectations (that are fed into the business plan) is meaningful; however, business plan research that is not applicable to their set of circumstances often leaves vulnerable respondents perplexed about their role in the process.

Non-household customers: make research more relevant to business specifics

The research found that non-household consumers – particularly decision-makers with responsibility for managing the relationship with the water bill – tend to feel more comfortable than household consumers about discussing business planning decisions relating to their water company.

However, non-household respondents can find it hard to respond with their business hat on when the water company plans shown are no more relatable to their business than their domestic life. Stimulus materials and research approaches need to be tailored more sensitively, for example, using language, visuals and scene-setting scenarios that all relate to non-household settings.

When asked about e.g. service priorities or future resilience (i.e. business plan inputs) there is reticence amongst NHH customers about whether they have the knowledge to provide relevant or useful input – and concerns that these research exercises are convened to justify price increases. With both very long-term proposals (up to 30 years' hence) and setting performance targets, many feel experts, the government or the water companies should be making these decisions.

Future customers want future plans to reflect their values

Future customers, unsurprisingly, find the business plan research examples largely inaccessible as they have no direct experience to draw on (and the research materials used in this research were not tailored to non-bill payer/future customer samples). However, they want to have their say because they perceive that their values and attitudes may differ from older generations – and this should be heard by water companies.

Again, understanding generational differences and enabling future customers to express their attitudes and values relating to e.g. the environment, can be achieved through BAU activities. Their view is that the involvement of future customers in business plan research should be at a high level – to understand the principles behind the plan rather than the detailed aspects (which they don't feel qualified to evaluate). One future customer respondent had attended a 2-day deliberative event related to one aspect of resilience planning and had found it worthwhile and informative – though others on hearing this were sceptical about the time commitment.

2.6. Recommendations

We have outlined eight recommendations for improving the value and meaning of consumer research:

i) Research is reputation-building: provide a gold standard experience
  - The sector must work harder to prioritise the respondent experience which will involve better tailoring of materials and methods to different segments; improving the appeal, comprehension and therefore effectiveness of surveys and stimulus materials;

ii) A greater emphasis is needed on describing the context and relevance of every research exercise to respondents
  - Better communication about how the research will be used, showing how this is not a tick box exercise, will improve consumers' belief that the research is worthwhile
  - Incorporating feedback loops where possible to let participants know how their views have been used

iii) Rebalance the use of Business as Usual research to inform business plans – especially for hard-to-reach consumer segments
  - Water companies should be using their BAU research and insight to determine current consumer priorities and to meet their needs
  - This is particularly important for vulnerable, future and NHH customers who are either less able or less willing to engage with business planning research processes.

iv) An understanding of all customer needs and expectations should be a means to take pressure out of the business planning timetable
  - Furthermore, understanding customers' perspectives on issues pertinent to the business plan, but not specifically about it, should give companies the insight to plan in a consumer-centric way, without needing to test every aspect with large scale samples

v) Place greater emphasis on 'informed' research for business planning

- As soon as research strays beyond the way in which consumers think about their water service – which on the whole they do not very much – uninformed research ceases to be a meaningful exercise. It is more valid to ask for consumers' views on specific business planning topics once they are briefed and feel able to give a considered answer. Where respondents feel they are guessing at answers, or only have partial knowledge to comment, they feel the exercise is meaningless
- This does not mean to say that surveys with uninformed samples should not be conducted: instead, to be meaningful to consumers, there need to be improvements in the way they are designed and implemented (see recommendation1)

vi) Design and analyse future-focussed objectives with care

- Consumers, when faced with a future scenario in business planning research, are often hesitant to commit to a point of view because they know that no one can anticipate the social, political, economic and environmental factors that will exist in 20-30 years' time. Rooting research in consumers' current and historic experiences and extrapolating from this the principles on which future plans should be developed, may be more valid. (And complex decision-making about future needs is an area where consumers expect experts and specialists to be involved.)

vii) Use deliberative approaches as intended: to understand broad principles consumers want to see upheld

- Consumers clearly enjoy the process of deliberative events especially when they can convey the broad principles that they want to see upheld, and the key criteria for success in their eyes. Using consumer research to ascertain broad support for the thrust of a proposal is useful: using it to provide consumer sign-off on complex and technical aspects of a business plan is overwhelming for all but the most enthusiastic respondents

viii) Make greater use of 'expert consumers' and true 'co-creation'[1] methods

- Informed perspectives are crucial for capturing feedback on complex areas of the business plan. But there is a limit to what can be achieved in a deliberative event lasting one or even two days – and long-term online approaches present challenges in terms of continued respondent engagement. 'Expert consumers' could be very valuable for water companies – becoming immersed in the full range of issues that the company is considering and taking a much more prominent role in business planning than a traditional research participant would. This is particularly relevant for the least engaged audiences (such as SMEs) and for vulnerable audiences

[1] Consumer co-creation refers to research methods that involve end users in developing ideas, solutions and concepts for the client to further develop and implement. Co-creation usually involves the participation of both consumers and client representatives and can be conducted via workshops or online communities. Co-creation is different from traditional research methods where consumers respond to ideas and propositions developed by the client organisation.

3. OBJECTIVES AND METHODOLOGY

The objectives are summarised as follows:

3.1. Objectives

Overall, to understand the extent to which research conducted in the water sector is meaningful and meets consumer expectations

- What issues do consumers want their water company to speak to them about?
- When do consumers think they are able to provide meaningful feedback?
- What the balance should be between ongoing and Business as Usual (BAU) research

Specifically,

- To understand what research is appropriate and meaningful for **uninformed customers**
  - What are the appropriate (or not) topic areas on which a general sample and specific segments – NHH, future, vulnerable – can contribute meaningfully (for BAU and future business planning)?
  - What are the conditions for being able to give a meaningful contribution e.g. level of information provided/stimulus materials/methodology?
- To understand what research is appropriate and meaningful for **informed customers**
  - Evaluating the current topics and methods across the typical set of business plan engagement e.g.: priorities; willingness to pay; future resilience; ODIs[2]; bill profiles; plan acceptability; industry comparisons
  - What aspects specifically do customers/consumers want to be consulted on
  - What level of engagement meets customer expectations and/or is providing meaningful customer input?
  - Where can engagement approaches be improved?
  - How could BAU research & engagement be used to support business planning?

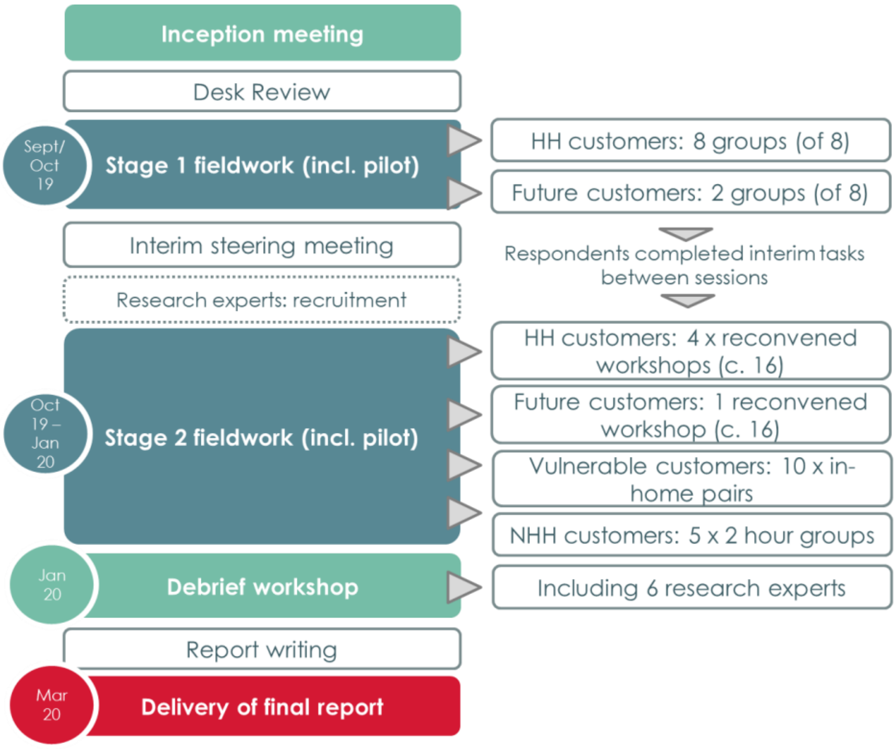
3.2. Sample and methodology:

Blue Marble adopted a multi-phase approach, speaking to a wide range of household (HH), non-household (NHH), future and vulnerable customers. This included both ‘fresh’ participants (who had never previously taken part in any research conducted on behalf of the water sector) and ‘experienced’ participants (who had previously taken part).

Fieldwork took place between w/c 30th September – w/c 28th October 2019. There was then a hiatus owing to purdah rules ahead of the December General Election. Fieldwork was completed in w/c 6th January 2020.

A summary of the research process is shown below:

[2] Outcome Delivery Incentive (ODI) research typically involves asking customers which aspects of their water and sewerage services should have financial rewards or penalties applied to them. Rewards and penalties feed into bills, either increasing them or reducing them. Customers are also asked if the service levels which trigger a reward are ‘stretching’ enough. These service levels are called Performance Commitments – some companies have 30-40 of these. This is done through qualitative research, and surveys.



A more detailed breakdown of the sample and locations is outlined in the following table:

CCW regions (location of research)	Central & Eastern (Solihull)	London & South East (Crawley)	Northern (Manchester)	Wales (Swansea)	Western (Exeter)
Water cos. within each region	Anglian Cambridge Essex & Sussex Severn Trent South Staffs	Southern SES Thames SE Water Portsmouth Affinity	Northumbrian United Utilities Yorkshire Hartlepool	Dŵr Cymru Hafren Dyfrdwy	Wessex Water South West Water Bristol Water Bournemouth Water
A: HH customers		2 initial groups 2 hours ▼ 1 reconvened workshop 2.5 hours	2 initial groups 2 hours ▼ 1 reconvened workshop 2.5 hours	2 initial groups 2 hours ▼ 1 reconvened workshop 2.5 hours	2 initial groups 2 hours ▼ 1 reconvened workshop 2.5 hours
B: Future customers	2 initial groups 2 hours ▼ 1 reconvened workshop 2.5 hours				
C: Vulnerable	2 in-home 1 hour pairs	2 in-home 1 hour pairs	2 in-home 1 hour pairs	2 in-home 1 hour pairs	2 in-home 1 hour pairs
D: NHH	1 x 2-hour group	1 x 2-hour group	1 x 2-hour group	1 x 2-hour group	1 x 2-hour group

Reconvened groups with household customers and future customers

Each location had one group of people who had taken part in water industry research previously, and a separate group of ‘fresh’ respondents, who had never participated in water research. The two groups were reconvened to form one larger group for the second session. The reconvened group was designed to be more deliberative in style, with the opportunity for respondents to consider objectives from a more informed standpoint.

Interim tasks were also set between the two groups. These took the form of completing four real research exercises and evaluating them against a 'meaningful' checklist. This checklist was developed from the discussions in the pilot group and included the five most important aspects that consumers want to experience when participating in research[3]. This is described in more detail in the body of this report. Respondents came to the reconvened group prepared to comment on these examples.

NB: these examples were largely complete surveys rather than extracts to ensure respondents appreciated the real research experience. Basic context was given for each, for example if the original was completed online, or on paper in someone's home (postal survey); and if there was an incentive for taking part in the exercise.

Non-household customer groups

As NHH customers are generally harder to recruit into research, it was likely to be both difficult and expensive to request the same time commitment from them as for HH participants. The methodology for NHH customers was adapted accordingly, to one single session, covering both objectives within a shorter timeframe.

An emphasis was placed on NHH customers who say their water supply is critical: either vital for their processes and/or because they have staff and offices that could not function without water for any time at all.

The sample was designed to be broadly representative of different NHH customer types in terms of size and sector and both operational and financial roles (i.e. individuals responsible for choosing suppliers and paying bills), depending on what is most relevant to the size and function of the organisation.

Ofwat's recent 'State of the market' report found that around 10% of NHH customers have engaged in the open market, either by switching, renegotiating, or considering switching[4]. In this sample, quotas were set for a minimum of 3-4 organisations **across** the sample who fell into this description of 'engaged' to ensure that conversations about the expectations of water company consultation could be had in the context of the open water market.

Group profiles were broadly homogenous in terms of organisation size. A wide range of business sectors were included: retail; business services; light manufacturing; leisure & hospitality; health and social care. Organisations with over 250 employees were excluded for the following reasons:

- Large businesses make up under 1% of the total number of UK businesses and are 'hard to reach' in research terms
- These organisations are typically account managed by water companies and engagement tends to be more bespoke e.g. via account managers

Micro /SMEs (1-9 employees)	SME (9-250 employees)
• Minimum 3 x water critical per group • Minimum 3 x water as per domestic use	• Minimum 4 x water critical per group

[3] *Ease, relevance, listening, making a difference* and *incentives*

[4] Open for business: Reviewing the first year of the business retail water market (Ofwat 2018). Accessed on 2/3/20 via: https://www.ofwat.gov.uk/wp-content/uploads/2018/07/State-of-the-market-report-2017-18-FINAL.pdf

• Range of water spend from £500 - £5,000 pa	• Range of water spend from £2,000 - £50,000 pa
3 x 2-hour groups	2 x 2-hour groups

Paired depths with vulnerable consumers

10 in-home depths of 1 hour were conducted with consumers in vulnerable circumstances. The sample included those whose vulnerability was the result of a single (primary) factor e.g. severe health issue; frailty, low mobility or in crisis. However, vulnerability is often the result of several factors, hence we also included people whose vulnerability was driven by a combination of 2 or 3 factors.

The sample included both those in economic and non-economic related circumstances (with an emphasis on non-economic forms of vulnerability as the consumer sample already included low-income consumers). The interviews were conducted as paired depths, allowing a carer or supporter to attend.

The detailed sample structure is included in the appendix.

Expert panel to act as 'critical friends' to the project

The sample also included a group of experts familiar with current research practices in the water sector (and in some cases who were senior research practitioners). This comprised experts from a range of backgrounds – alongside their other experience (in business, academia and the public sector). All had spent time on CCGs[5] during PR19.

Their participation took the following form:

- A telephone conversation with one of the Blue Marble team to capture top-of-mind responses to the issue of current research practices
- Attendance at the debrief meeting, which included a discussion on the implications of the research for the key players: the regulators, water companies, consumers and CCW. 2 of the 6 experts were unable to attend the debrief and shared their thoughts via email instead

These experts' views have informed the analysis and recommendations.

3.3. Research content design

The diagram below provides an overview of the approach to engaging the main consumer sample. The discussion covered:

- Detailed exploration of 'uninformed' responses over a two-hour period, to develop a set of principles on when and what to engage customers/consumers about meaningfully
- A briefing session to begin to inform consumers about the industry and its requirement to engage customers/consumers about future plans
- Interim exercises which enabled respondents to experience a range of topics and types of research in depth – by completing and reviewing real (anonymised) examples of research examples provided by water companies. These examples were selected at the initial desk review
- Applying the learning from real examples to identify areas for improvement

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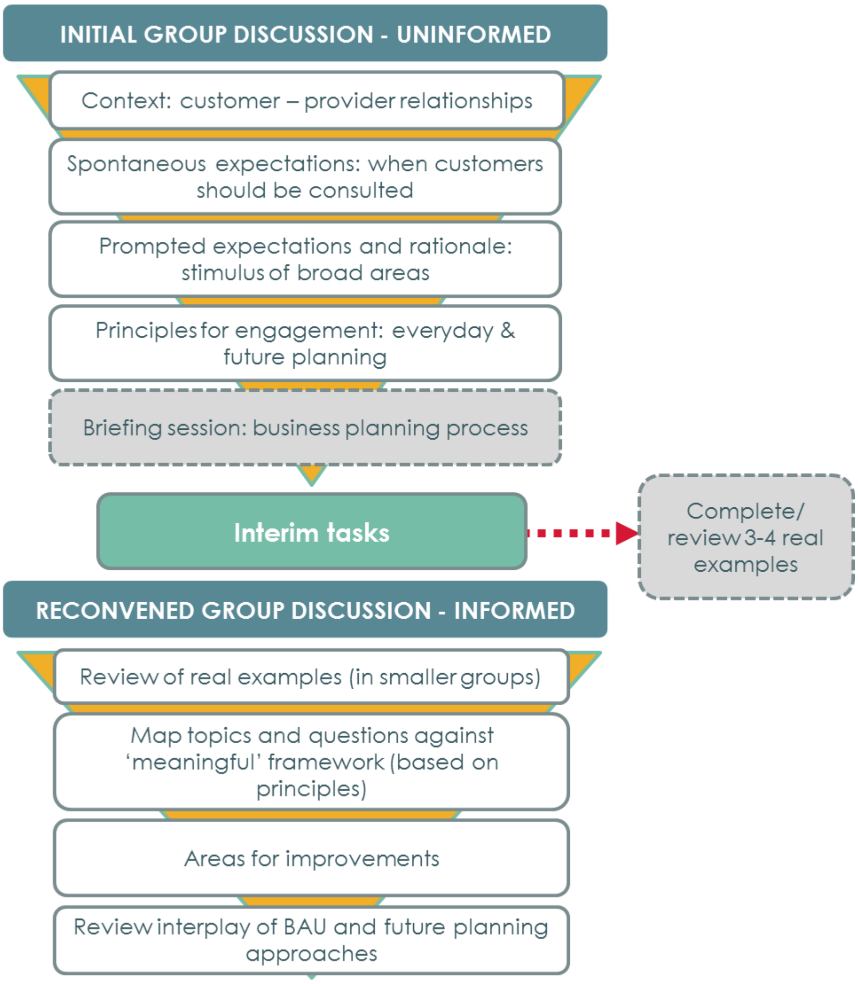
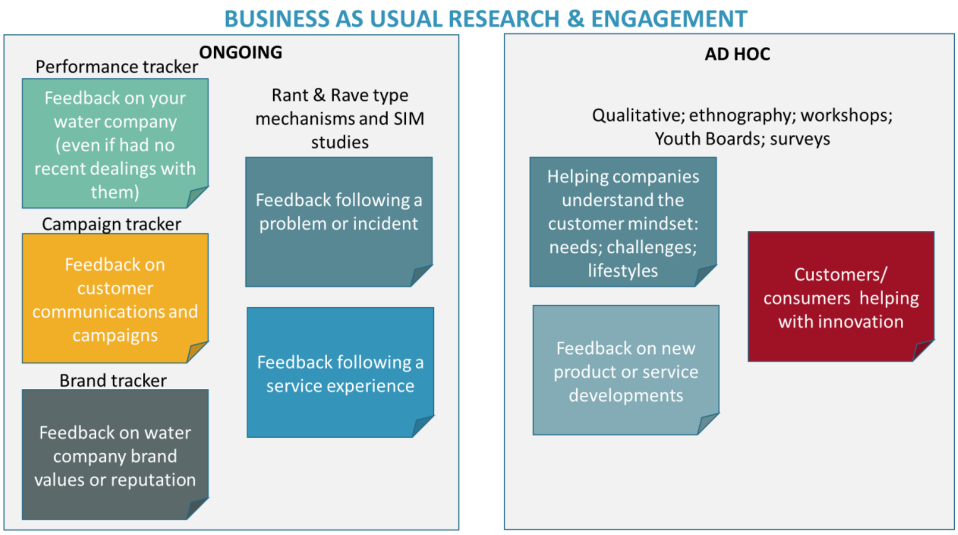
[5] Customer Challenge Groups: required by Ofwat, each company has an independent CCG whose role is to help the sector to put customers at the heart of the way companies run their businesses. CCGs provide independent challenge to companies and independent assurance to Ofwat.

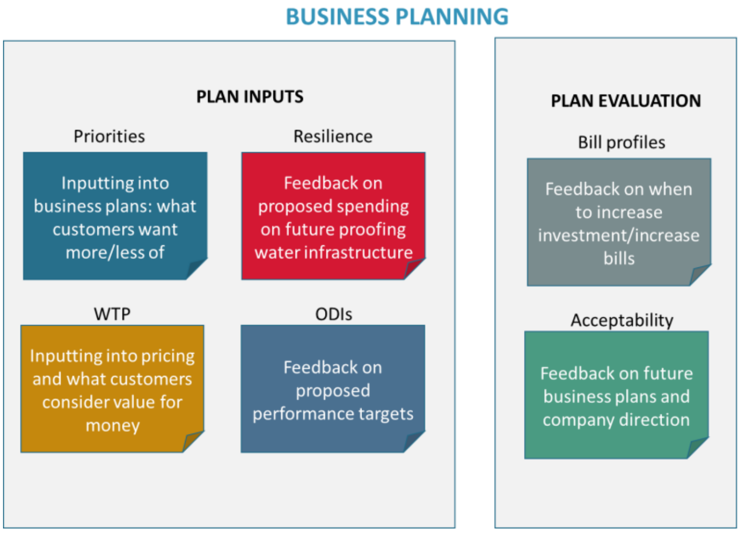
- With a sample that was now "informed", drawing conclusions about how research processes could be more meaningful to customers/consumers across the BAU and future planning spectrum



3.4. Examples of current research practices

The initial research design covered 14 current research areas across the water industry – broadly divided into BAU research and business planning.





Using this framework, examples of each type of research were tested with consumers – showing each consumer a subset of relevant research examples and asking them to complete these between research sessions.

All the examples were drawn from real examples used by companies during PR19: CCW asked companies to share examples of their PR19 research for the project. Prior to use in the workshops, all examples were anonymised so that the original water company was not apparent from the materials. In some cases, minor changes were made to allow the materials to be tested easily – e.g. changing surveys from online format to paper format.

A detailed analysis describing how each example was evaluated by respondents is included in the appendix (however to preserve commercial confidence, the actual examples are not included as an appendix).

4. MAIN FINDINGS

4.1. What is the context to research in the water sector?

General engagement with the water sector

The latest water sector business planning cycle (PR19) witnessed a step change in consumer research. Over the last 5 years, the UK's water companies have spent a huge amount of time, effort and money speaking to their customers about their business plans – as evident from the large volume of research summaries included as appendices in business plan documents, and by the prominence of water industry research at the annual Market Research Society Utilities Conference.

However, this research demonstrated once again that, fundamentally, water is a low salience issue for most consumers, most of the time. Most do not think about their water service on a regular basis and take it for granted. Consistent with this, many consumers that we spoke to during this research told us that they are only really aware of their water supply when something goes wrong.

"I take it [my water supply] for granted." HH Customer, Birmingham

Many consumers have relatively low awareness of their water company: they know very little about their own company, or the wider sector. Indeed, some of the consumers in this research – and consistent with other studies were unable to remember the name of their water company. Some future customers are unaware that you have to pay for your household water supply.

Consumers tend to describe their relationship with their water provider in very transactional terms. Undoubtedly, the fact that HH consumers do not have to choose their water provider is a major factor in this. It means that they do not have to engage with water in the same way that some do in, for example, the energy sector (e.g. by reviewing companies against each other, at least in terms of price and customer service). They also say that they do not come across their water company as much as other utilities companies – particularly through advertising or marketing – which could explain this apparently lower brand awareness. Even where companies do try to communicate with consumers, many people (in this study and in others) say that they do not read the letters they are sent by their water provider(s).

Consistent with this, consumers do not usually have strong views on their water company – conversations are typically framed by neutrality rather than overt positivity or negativity. However, this consumer-provider relationship often changes when there is a problem. Depending on the nature of the problem, consumers are often suddenly thrust into a much closer relationship with their water company than they have previously had.

Unsurprisingly, given most consumers' low levels of interaction with the water sector, most are unaware of the nature of the water sector's business planning cycles. When informed about companies' business plans (as they were in this study), consumers find many aspects highly technical and difficult to understand. We have included a few examples below:

- **Detailed descriptions of the water cycle** given low levels of basic knowledge, unfamiliar ideas – such as water transfer, water reuse or desalination – are challenging for some consumers to understand.
- **Probabilities:** all market research using probabilities tends to run into difficulties. This is no different in future-facing aspects of the water sector.
- **Performance incentives:** many consumers struggle to understand the need for performance incentives in a monopoly system – and specifically why improved performance could be detrimental to customers in terms of bill increases.

This is exacerbated by the prevalence of jargon in the water sector. Although efforts are being made to convert materials into plain English and materials are often tested via pilot surveys, there are still instances where jargon is being used. When confronted with the details of companies' business plans, where they are rich in acronyms and specialist terms, many consumers quickly feel out of their depth.

"To be honest, I don't understand it." HH Customer, Crawley

Future customer engagement with the water sector

Consumers who are not yet water bill payers tend to be young adults, often still in education and often living in the family home or rented accommodation that includes bills in the tenancy. As a group they lacked knowledge of the water sector and how it works, sometimes unaware that water was a paid-for service. They were unable to draw on examples of seeing water companies operating in their communities except for isolated cases where the family home had experienced a problem. Their low level of engagement was highlighted when asked to reflect on whether they had felt differently about water services during the two weeks between the first and reconvened group: when probed, none had seen, heard or spoken about water provision following the initial immersion and in the intervening time.

"I only just realised now that you actually pay for water." Future Customer, Birmingham

Vulnerable consumer engagement with the water sector

Views on the water sector vary depending on the specific circumstances of an individual's vulnerability.

When thinking about their **water service** (i.e. the supply of water to their home and the removal of wastewater from their home), certain groups of vulnerable consumers are more reliant on this than other household consumers. For example, a person on dialysis is dependent on water to a greater extent than other household consumers – in some cases, their life literally depends on it. Likewise, a person who is housebound – e.g. due to a physical or mental health condition – is dependent on their water supply to a far greater extent than someone who might be able to go to a friend's house or a supermarket if there was a water outage (for example). This relatively high degree of dependency on their water service means that they often have a closer relationship with their water company than others (e.g. through a Priority Service Register) and a more pronounced view of the service that they receive.

Some other vulnerable groups may also have a closer relationship with their **water provider** than other household consumers. For example, an economically vulnerable consumer in precarious financial circumstances may be on a social tariff or have had to contact their water provider in relation to an unpaid bill. These closer relationships may mean that these consumers have a more detailed account of the BAU aspects of their water service and of their water company's performance.

Non-household customer engagement with the water sector

Engagement with water services generally is slightly higher among non-household (NHH) consumers than among HH consumers but is still not very high. NHH customers are more likely to know the cost of their bill and usage (almost all are metered). This is particularly the case for those NHH customers where water is a critical part of their process or service. However, in this research there was confusion about whether NHH customers can choose their supplier – with several thinking that the logo on the bill was simply the operating name for their existing (monopoly) water provider. Ofwat's own research from July 2019 indicates that only 12.9% of NHH customers are "active" in the water market – i.e. having switched or renegotiated since April 2017. Around half of NHH customers are not aware that it is now possible for organisations to change their supplier.[6] This was very evident in the focus groups conducted among NHH customers as part of this study:

"I just thought one was taking over from the other and I assumed that it was compulsory." NHH Customer, Crawley

NHH customers – particularly decision-makers with responsibility for managing the relationship with the water bill – tend to feel more comfortable about discussing business planning decisions relating to

[6] Business Customer Insight Surveys 2019 (Ofwat / CCW). Accessed on 17/2/20 via https://www.ofwat.gov.uk/wp-content/uploads/2019/07/Ofwat-Quantitative-FINAL-report.-v6.pdf

their water company. While their water company is typically a far larger organisation than their own company, the language of business – covering areas including investment decisions, cost-benefit analysis and forecasting – usually feels more familiar than it does for HH consumers.

However, issues that are water-specific – such as climate change adaptation, resilience and wastewater treatment, to name but a few – still feel complex NHH consumers.

4.2. Participating in market research generally

Before discussing the types of research conducted by the water sector, this project explored participation in market research generally. These findings relate to consumers generally (irrespective of whether they represented HH customers, future customers or NHH customers in this research).

While consumers are often familiar with the concept of market research, their primary exposure to it is through companies' ongoing activity such as post-service feedback surveys.

"You can barely make a phone call without receiving another phone call to be asked how it was." HH Customer, Exeter

Participation in, and familiarity with, other forms of research is much less common. This is particularly true of qualitative research – which usually takes longer than quantitative research and which many do not feel they have time for in their already busy lives.

Motivated mainly by the incentive, occasionally through a personal interest or hobby

Consumers are motivated to take part in market research when they feel that there is something in it for them – whether this is a financial incentive, an interest in the subject matter, or a belief that their contribution will make a difference.

"If it's a proper [set of] questions, it can benefit the community, it can benefit the country and actually make a difference for the better." HH Customer, Exeter

Consumers say that most of the time (except perhaps when asked to give feedback on a service or brand that they feel very invested in, or where they feel there is a pressing need for change) the financial incentive is their primary motivation for taking part in research.

Participants in the workshops made it clear that, in the specific context of research about the water sector, this is particularly true. Consumers lead busy lives, with competing priorities. As most have little awareness of their water supply and only a weak relationship with their water company, they would be unlikely to take part for reasons other than the financial reward. Others say that they find the water sector actively boring and would be reluctant to engage for this reason. While there are exceptions (such as those whose hobbies or interests bring them into close contact with the water system – e.g. anglers – or those who have had experience of problems with their water supply), these appear to be a minority.

"It's not exciting is it, water?" NHH Customer, Birmingham

Low awareness of the research process and link to business decisions

An unsurprisingly limited understanding of how research "works" – both the research process and how research feeds into businesses' decision-making – is accentuated in the water sector because of its monopoly status (which leads to questions about the motives behind activities such as market research). As a result, many assume that anything they say won't have an impact.

"They are just doing due diligence, it's as simple as that. They've already decided how they are moving forward. It's a tick box." NHH Customer, Birmingham

"I'd like to give an opinion, but I don't think it will make any difference." HH Customer, Swansea

Non-households are the least likely segment to want to engage

NHH customers typically face just as much, if not more, pressure on their time than HH consumers – and, more than a decade on from the financial crisis, taking part in market research remains a low priority relative to keeping their business afloat. These pressures are particularly true for SMEs, who form the bulk (in number) of water companies' non-household consumers.

NHH customer samples are increasingly difficult to recruit for research, evidenced by the steep rise in incentive payments now required to convene samples. Several insights from the NHH customer sample help to explain this:

- The huge growth in unsolicited calls from utilities, telecoms and other business services is a blight. Organisations have strategies to block or avoid calls and have become adept at getting rid of callers quickly. Market research requests get lost in this 'noise'

"I dislike getting random phone calls." NHH Customer, Crawley

- Market research only cuts through where the research subject is very relevant; where the commissioning client is known to the respondent; and/or the incentive is significant
- Water sector research lacks relevance and interest for the majority of NHH customers (where it is a low priority as a service or a cost)

Those participating in water sector research relating to business planning are often confused by (or unaware of) market opening and the role and relevance of the research is questioned.

Participation in research is more challenging for vulnerable households

Consumers in vulnerable circumstances are 'hard to reach' as research participants for a number of reasons:

- Not all vulnerabilities are visible (e.g. psychological, cognitive, sensory or many physical health conditions).
- Many circumstances associated with vulnerability are highly personal and therefore sensitive.
- Some vulnerabilities (age and health related – and physical conditions) present practical problems for participation.

The additional practical challenges and/or cognitive demand requires research to be tailored to individuals for direct research – or for specific vulnerable groups to be represented by e.g. carers or support organisations).

4.3. What is meaningful research from a consumer perspective?

The initial fieldwork phase discussed consumer perspectives on taking part in research. Together, each group collaborated to define what was meant by the term 'meaningful research'. Across the various research sessions, five core themes repeatedly emerged.

Criteria	Threshold questions
Ease	• Am I able to answer the questions that I am being asked? • Is what I'm being asked to do straightforward and reasonable?
Relevance	• Is the topic relevant / of interest to me? • Do I actually have a view on what I am being asked?
Listening	• Do I feel like the organisation that has commissioned the research is paying attention to what I say?
Making a difference	• Do I think anything will happen as a result of taking part? • Will taking part benefit others / the wider community?
Financial incentive	• Do I receive a financial incentive for taking part? Or the prospect of a prize?

1) Ease

Consumers think that research is meaningful when there are low cognitive barriers to taking part – in other words, when they can participate 'as they are' and without much effort.

Post-service feedback surveys, which are typically part of a water company's ongoing engagement strategy, for example, usually feel easy for consumers to complete – they are able to draw on their experience of the service and typically are only asked to answer relative straightforward questions ('how positive or negative do you feel about x?' / 'in what way, if at all, could your experience of y have been improved?').

Research methods that require participants to get their heads around complex economic concepts before offering a view tends to feel less reasonable to most.

2) Relevance

Participating in research is far more interesting for participants and feels more meaningful when the topic is relevant to them. This may partly be because it is easier for them to take part – they do not necessarily have to think too hard to work out what their views are – but it is also because they genuinely have a view on the topic. This includes feedback on recent service experiences, but consumers are generally happy to provide feedback on other issues which touch their lives – for example, by sharing gripes about service interactions or offering their thoughts on proposed changes to their local area.

Feeling that a topic is relevant is closely linked with the belief that taking part in a research study will make a difference – which is the fourth criteria.

Relevance is particularly key for vulnerable audiences.

It was explained that water companies seek to include people in vulnerable circumstances in their research, so that their views are represented. Vulnerable consumers told us that where research purposefully includes respondents in vulnerability but does not actually relate to their vulnerable circumstances (or does so only weakly) it is not meaningful. For example, it was not clear why their views would be specifically sought on e.g. plans to reduce leakage or mitigate climate change. However, research into the needs of consumers with specific assistance needs was highly relevant (and welcomed).

Where research doesn't appear to address the reasons for their inclusion in the study, or where it is not tailored appropriately, vulnerable consumers described that they felt that they had been included in research "as an add-on". There appeared to be little thought into how the research might draw on the specific perspective of this audience.

3) Listening

Consumers say that research is more meaningful when it is clear that someone is actually listening to what they say. This can be achieved through a well introduced survey, however this feeling is stronger when consumers are aware of a human researcher – such as in a face-to-face or telephone interview – than when they are not (e.g. in unmoderated online research). Active listening approaches (the researcher nodding or making encouraging noises) add to this.

The objectivity and confidential nature of research is fundamental to gaining unguarded responses from consumers – and there is always the potential to sacrifice reaching truths when client staff view qualitative sessions. However, consumers also told us that the feeling of being listened to is most powerful when they are aware that the commissioning organisation, and not just the researcher(s), is listening to them. This is often most pronounced when an observer sits in on face-to-face qualitative research – e.g. focus groups or deliberative workshops.

In quantitative research (particularly when this is online) this is often less obvious, but still not impossible – thank you messages at the end of surveys, for example are one very simple way in which consumers can be reassured that someone is listening.

> *"When you're doing an online survey, you don't always get anything back – whether it's been useful or led to anything." NHH Customer, Crawley*

Listening adds to the sense that the commissioning organisation is grateful for the time that participants are giving up and care about what is being said. This is also important in terms of the organisation's reputation – showing that it cares about the audience in question. Where possible, feeding back to participants on how the research has been implemented is good practice.

4) Making a difference

Participants were nearly unanimous in saying that the belief that research participation will make a difference is crucial. It lends a sense of purpose to the participation – making consumers feel that their views can shape a future service or product. These impacts can be big or small – but nearly all participants feel that knowing that their efforts will generate an outcome not only makes this feel more worthwhile but can also lead to a more serious, considered engagement with the subject matter – and hence more valid responses.

> *"If you knew the impact that this work was going to have… [that would be useful]." NHH Customer, Crawley*

5) Financial incentive

In almost all our discussions, the financial incentive emerged as the single greatest reason why participants had given up their time to take part in market research. In their busy lives, consumers often see research participation as a fundamentally transactional exercise.

Financial incentive a weaker pull for Non-households

For NHH consumers, the incentives to participate are typically weaker than for household consumers. Against the backdrop of increasingly busy, pressurised day-to-day working lives, most NHH customers are either unable or unwilling to take part in market research.

While a significant financial incentive can encourage participation, it is rarely the deciding factor – particularly among larger NHH customers, where internal processes may prevent participants from taking the money themselves.

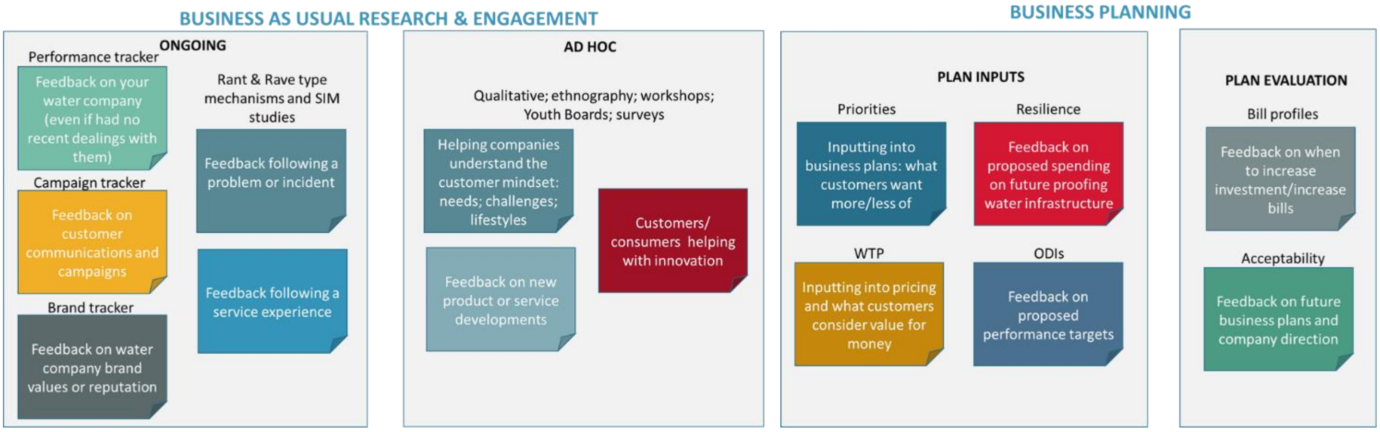
This research focussed on smaller businesses – particularly those in the SME bracket. These NHH customers told us that they face incredible pressures to simply survive. Indeed, bombarded by unsolicited (sales) calls, they often have avoidance strategies that will also screen out calls inviting them to participate in research.

Research among NHH customers is likely to be a more attractive proposition when the research centres on a value exchange – providing genuinely valuable information in return for their expertise and time. For example, incorporating networking or providing advice on water/cost efficiency as part of gathering insight.

The "making a difference" criteria is also particularly important with this audience. Where NHH customers feel that their involvement might help to resolve a long-standing issue, for example, they may be more inclined to participate. Where they feel they are simply being included as part of a tick box exercise, their patience is likely to wear thin.

4.4. To what extent is research in the water sector meaningful?

As part of the project design, the different types of research typically conducted in the water sector were categorised – as shown in the diagram below (and an enlarged version in the appendix):



The coloured boxes were used as sort cards in the first round of group discussions and elicited several themes about what types of research exercises are expected from water companies.

Business as Usual research

As described earlier in this report - the public are very used to participating in post-service feedback surveys. The reasons for participating are logical (an opportunity to shape the service that has been provided; to complain or praise a specific interaction / member of staff; potentially to earn money or enter a prize draw); and the potential feedback loop is compelling provided companies are listening and responding to such feedback. It is expected that the water sector would conduct this type of research.

"It's good to have your opportunity to have your say." HH Customer, Crawley

Consumers also understand the potential value of a water company engaging with its customers from time to time (ad hoc research), particularly where the subject is something tangible such as giving feedback after a community-wide incident or helping to shape a communications campaign. The relevance of the research is important for consumers to understand, particularly in a monopoly context where the usual 'rules' of marketing to consumers are not applied. The idea of researching consumer lives and lifestyles seems unnecessary until this is contextualised in understanding specific needs e.g. of vulnerable consumers or cultural differences in water use that create different expectations for services.

Business planning research

The public find it harder to immediately understand the value of their involvement in the business planning process – in that the questions being asked don't often seem personally relevant (but instead unfamiliar, not part of their experience). With uncertainty about what they can contribute, and a lack of understanding about how this feeds into the business plan, participants struggle to feel like this is a worthwhile use of their time.

"I don't think I could provide meaningful input." NHH Customer, Crawley

When asked about e.g. service priorities or future resilience (i.e. business plan inputs) there is reticence about whether they have the knowledge to provide relevant or useful input – and concerns that these research exercises are convened to justify price increases. With both very long-term proposals (up to 30 years' hence) and setting performance targets, many feel experts, the government or the water companies should be making these decisions.

"If they told us they were going to invest 2 million in the next 10 years […] I wouldn't be able to say whether that's a good thing or not. You wouldn't be able to understand what the consequences are of whether that's great or not. Customers aren't the right [people]; their Ombudsman would probably have a better sense – with us we wouldn't have a clue." NHH Customer, Crawley

Research that evaluates business plans e.g. bill profile preference and acceptability testing, is perceived to be more appropriate for consumer input as it is directly relevant (how will the plans affect 'my' bill and services) provided the research is easy to complete. This type of research also suggests transparency on the part of water companies, which is seen as positive.

"It's important, but it needs to be easier or shorter." Future Customer, Birmingham

Consumers' perspectives on how research in the water sector performs against their criteria for meaningful research

Whether research is meaningful depends heavily on the methodology, topic and type of research participant. Consumers' perspectives on how research in the water sector performs are summarised in the table below.

	Business as Usual	**Business Planning**
Easy to participate?	Ongoing 'rant and rave' feedback surveys are easy to participate in, often popping up immediately after a service experience. requiring simple responses to an event that is easy to recall. Lengthier surveys, such as perception trackers, are easy in that respondents can give quick responses to closed questions. Exercises in this research show, however, that some of the routinely used questions relating to e.g. value for money and affordability are not easy to answer – particularly where the bill level is not known. Even though 'don't know' options are usually available, it appears that respondents apply some guesswork to their responses.	Participating in water sector research about business plans is challenging. Many consumers report feeling bewildered by complex jargon and theoretical concepts used in some water sector research, particularly in relation to business planning. Even where considerable work has gone into the research design to simplify and explain complex ideas, much water sector research requires significant cognitive effort from participants. When even the most engaged and the most confident say that they struggle to take part, the quality of the data collected must be called into question. For non-household customers, ease is often related to time – and this audience has even less inclination than other audiences to take part.
Relevant to me?	Research about everyday service (e.g. billing, customer service, or after a problem) often feels directly relevant to consumers. Other ad hoc research relating to water/wastewater services can also feel relevant when the topic in question is something that affects and matters to the respondent e.g. water efficiency campaign development; or for those who use them, a change to Developer Services.	Low latent interest in water-related topics is accentuated by consumers feeling that they are asked about irrelevant or arcane topics within the water sector as part of business planning research. In the worst cases, consumers feel like they are being asked to give opinions where they do not have any (or should not have to form any). Research that evaluates business plans e.g. bill profile preference and acceptability testing, is perceived to be more appropriate for consumer input as it is directly relevant (how will the plans affect 'my' bill and services) provided the description of the plan is high level and the research is easy to complete. Informed consumers are much more likely to understand the relevance of more complex business plan topics.
Am I being listened to?	Ongoing service feedback surveys do convey that customers are being listened to – and that poor feedback can result in service improvements. Respondents do feel listened to where they can see how the research will be useful.	Some survey formats and poor research design can lead respondents to feel that their views are not that valuable – or that the research is a tick box exercise. Some business plan research, where the context and rationale remain unclear, is perceived to be the means to justify price increases rather than a genuine listening exercise.

		Qualitative methods, where a moderator is actively facilitating, generally leave respondents with the sense that they are being listened to. This is particularly the case where water company staff are physically present – such as at deliberative events which allow consumers to question staff in person.
What difference will this make?	Ongoing or ad hoc research exercises which have a clear objective and tangible aspect are seen to be worthwhile. This includes post service feedback surveys; new service or product testing; and developing communications campaigns etc.	Respondents are unsure whether their views make a difference in the business planning sphere, and some question whether companies do anything in response to consumers' input. This is driven by: - Low awareness of what their water company does. - The lack of an effective feedback loop from the research specifically - and from water companies in general. - Limited understanding of how the water sector works. - Low awareness of the business planning process. Other factors accentuate the impression that taking part doesn't make a difference: - In particular, the seemingly small sums of money involved – when it is revealed that the change being discussed could make a difference of e.g. 50p to the annual bill, leaving many feeling their contribution has been meaningless. - Awareness of water companies' monopoly status: When consumers are informed that water companies *must* consult their customers, this can make research feel like a tick-box exercise.
Financial incentive?	Consumers do tend to receive a financial incentive. However, as discussed above, consumers feel little attachment to or investment in the companies that are being discussed and say that the financial reward is even more important in the water sector than it is in other sectors (such as food & drink; cosmetics; leisure & travel where they are more immediately interested in the subject matter of the research)	

4.5. Summary of when consumers want to be consulted for meaningful engagement

Consumers think it is appropriate to canvas consumer views for the following:

Business as Usual:

- Satisfaction with the service generally, or about a recent service experience
- Perceptions of the water company and its reputation
- Research to understand consumers' needs so that services can be better aligned (e.g. vulnerable and non-household customer segments)
- Research where consumers can respond to new products and services to assist in their development and promotion

Business planning:

- Research evaluating proposed business plans at a high level (not in detail) – provided the plan is communicated in an accessible way

Most of these topic areas relate to BAU research activities and meet the criteria for meaningful research because participation is likely to be *easy*; *relevant*; and useful for the organisation commissioning the research (hence *listening* and *making a difference* both apply).

Consumers think it is also appropriate to canvas consumer views for the following business plan topics – however they anticipate that they will be provided with information to make their contribution meaningful:

- Research enabling consumers to input into the business planning process when:
  - The investment/bill increases in question are perceived to be significant
  - The plans are relevant e.g. because they involve local development
  - Near-future investment scenarios (5-15 years) are clearly being decided on

These topics relate to business planning activities and lend themselves to qualitative research exercises where setting the context for the research, engaging in more complex areas and informing samples is easier via a moderator; or using deliberative research techniques that are designed to inform citizens of the implications of different policies/decisions.

The following topic areas are seen to be the least appropriate for consumer research:

- Business plan inputs where the relevance of the subject matter is tenuous to consumers
- Business plan inputs that are technical and require expertise to understand
- Business plan inputs relating to very long term planning and future scenarios
- Regulatory metrics such as setting performance targets and penalty thresholds
- Complex surveys such as WTP where respondents are required to assimilate large amounts of information
- Where the bill increases are seen as negligible

> *"I don't think I'm in a place to have an opinion on [performance targets] that would be viable."* HH Customer, Exeter

> *"[It] needs some context. We don't understand anything about these topics – so can't say what's a priority."* Future Customer, Birmingham

> *"[The research] is not worth doing if [the decision is about a cost to the customer] of pennies."* HH Customer, Exeter

There is a challenge for the industry which clearly needs quantitative data to provide evidence of consumer opinion that is representative and statistically robust. Current examples of surveys did not generally fit consumers' criteria for meaningful research, suggesting that innovation is needed to develop more accessible, comprehensible and visually engaging surveys.

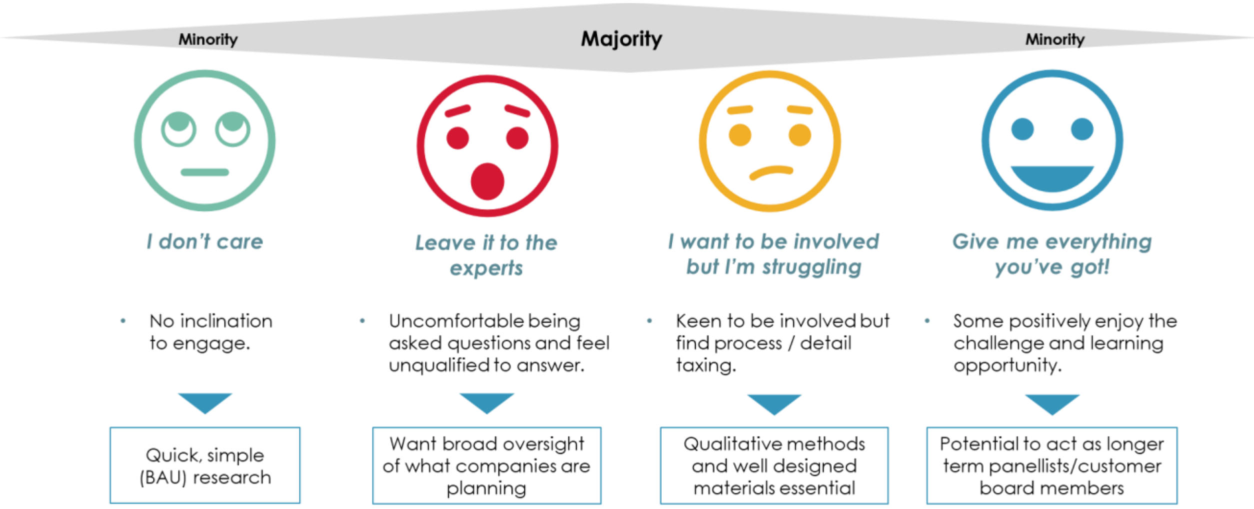
It is not known whether the examples used in the research were piloted or subject to cognitive testing. The approach to testing research materials may also need to be developed to achieve a better experience for consumers e.g.

- Building in enough time for an iterative process to questionnaire development (through cognitive testing and piloting)
- If a survey pilot exercise indicates many changes are needed, simply acting on these may not be enough to make it 'meaningful', if the level of detail is better suited to qualitative approaches. This may need a wider review to bring the survey to a simpler level which people can give meaningful feedback on
- Using the meaningful criteria developed in this project as a framework for evaluating research materials

4.6. How do consumer groups respond differently to research in the water sector?

Respondent typologies

Response to the water sector research examples varied across the sample and four consumer typologies emerge which encompass the views of HH, Future and NHH samples. These are illustrated below:



I don't care: A minority of the sample are not inclined to engage with water sector research (or any research). Bearing in mind that these individuals were participating in a research project, it is possible that this ambivalence is reflective of a larger group in the population. They indicate that they are most likely to participate in very low effort research – such as post-service surveys.

"It's important, but do they really need my opinion on it?" HH Customer, Swansea

Consideration: to ensure 'BAU' and business planning research reaches the widest audience and includes the unengaged, consider using very simple surveys similar in length to post-service surveys.

Leave it to the experts: many more people in the sample felt unqualified to answer the questions being put to them in current water sector surveys, despite efforts made to make the information and materials accessible. This group underline the importance of conducting BAU research with audiences who are happier to participate in research that is easy to do and relevant to their lives (rather than asking them to step into the unfamiliar world of water company planning).

"I think that's more [for] the water body and the Government. They should report to us what's been suggested and decided." HH Customer, Crawley

Consideration: business planning research needs to be accessible to this group who are only comfortable with high-level expression of plans to contextualise the bill impact.

I want to be involved but I'm struggling: many become engaged in the subject matter but find the research process too taxing – either because of the time investment required or because the materials are cognitively demanding.

"It's important and necessary but needs to be presented better with more information." Future Customer, Birmingham

Consideration: this group highlights an opportunity for the sector to become better at communicating business plan concepts via engaging research stimulus materials (eliminating jargon, using professional communications specialists to create stimulus materials; and using a variety of channels/media).

Give me everything you've got: A minority enjoy engaging in water sector research and find the process revelatory. The detail and information may be just as complex for them, but the experience of discovery appeals to their sense of curiosity.

"I could have spent an hour digesting this – it's interesting." HH Customer, Manchester

Consideration: this group presents an opportunity to convene 'expert panels' of people who will engage deeply with the decisions and deliberations water companies face during business planning. Eager to learn and engage, this typology can cope with the more technical and complex questions which most consumers would rather not take on.

4.7. Differences by specific consumer segments

Future Customers

This consumer segment raised two important points:

- Future customers have a clear role in participating in research for water companies, particularly where future plans are being consulted on. Their perception is that the younger generation have different priorities to their older counterparts – particularly in relation to planning for climate change
- They acknowledge their lack of knowledge about the water sector and hope that when they do become customers, the onboarding process implemented by water companies is instructive and informative

"We have different views on the environment while the older more fixated on pricing." Future Customer. Birmingham

Vulnerable Consumers

Both through observation and conversation, these households conveyed the following:

- Participation in market research requires more effort – both from a practical perspective because travelling and leaving the house can be difficult; and cognitively - where processing new information takes more time and can be too much. The method and materials are critical in allowing people to participate – but different vulnerabilities require different approaches
- People in vulnerable circumstances are often coping with their circumstances hour by hour. Unless they can express their lived experiences and convey their needs, the relevance of research is questionable

Non-household Customers

NHH samples are becoming an increasing challenge for the sector to include in its research. Time pressures of SMEs - and low involvement in the topic of water – makes it hard to convene high quality samples.

4.8. Implications for including specific segments in consumer research

The findings relating to these particular consumer segments suggest there should be a greater emphasis on BAU research and engagement, both to elicit a deeper understanding of needs and priorities; and to alleviate the need to conduct some elements of the business planning programme that are less relevant or appropriate with these audiences. This is summarised in the table below.

	Future customers	Vulnerable consumers	NHH customers
Greater emphasis on BAU	Insight to understand future needs and expectations		Understanding through wider engagement
Tailored approach for business planning	Broad principles; outcomes not process	Include in representative samples; or if specially recruited, focus only on relevant aspects	'Informed panel' approach

For future customers and vulnerable consumers, BAU research should be used to understand their needs, expectations and perspectives – and where these differ from the mainstream HH customers. This is also true for NHH customers, although their antipathy towards unsolicited requests to participate in research argues for water companies adopting new ways to engage with these consumers. While very small owner managed organisations can be enticed with an incentive payment, other larger SMEs may be more receptive to engaging with their water company through networking events, via account managers or other engagement approaches that have more appeal.

In terms of business planning research, future customers want to understand the broad principles that lie behind their company's plan rather than lengthy detail. The focus should be on the outcomes that the plan will deliver rather than the means to achieve them.

For vulnerable audiences, assuming that the water company is clear on which vulnerable segments have attitudes and behaviours (on the topics in question) not reflected in mainstream household samples, the research design should be tailored to include only the aspects of the plan that are relevant to an individual's particular vulnerability. For instance, while it is relevant to show the bill impacts of the whole plan for consumers in economic vulnerability, for a consumer with a chronic health condition or disability, there is no reason why their views should differ from a mainstream sample, hence their input should allow them to comment specifically on aspects of the plan specifically relevant to their circumstances.

SMEs generally don't want to participate in business planning research because of the time commitment to participating and perceived lack of relevance. One way around this would be to recruit a smaller number of businesses to join an expert panel for e.g. a 1-2 year period, incentivised financially, but a more meaningful experience for participants and a means for companies to explore plan details with an engaged NHH group.

5. EXPERT PERSPECTIVES ON THE VALUE AND MEANING OF WATER SECTOR RESEARCH

The research incorporated the views of six members (including two Chairs) of water company CCGs[7]. These individuals were asked to participate in the research because of their expertise in research and/or because they could draw on their experience of other sectors (e.g. energy distribution network operators (DNOs); airports; financial services).

All took part in initial telephone conversations with the research team to gain their perspective on the way the sector is using research. This expert group also attended the debrief presentation and fed back on the lessons for the sector.

In terms of current views on research in the water sector, the common themes were:

i) Things are better than they were: The water industry has taken great strides (compared to previous price reviews) in putting consumers at the heart of business planning. There was a particularly strong belief that water companies have worked hard to explore the views of vulnerable consumers – with some good examples of strong work being done in this area, especially in comparison to PR14. However, the question of whether research is always meaningful is a pertinent one and some approaches and practices are questioned (see below).

ii) CCGs observe a lack of research strategy within some water companies: this is evident when water companies develop their research programme before the CCG is established; and when research programmes lack coherence (with no overarching plan and seemingly directed by the regulator). A poorly conceived research plan means the 'golden thread' is lost.

iii) The role of the CCG and its relationship with the water company: while mostly associated with positive working relationships, improvements in current arrangements would have a positive impact on the quality and meaning of the research undertaken by water companies e.g.

- A desire for greater partnership working to enable more input and steering from the CCG – particularly at the early stages when developing the research strategy (Several in this group of experts have strong research credentials to bring to the process underused when companies act independently of the CCG)
- The need for CCGs to have (more) members with strong research skills, not least because those that do tend to take on a disproportionate amount of the work
- Broaden the remit of the CCGs to deliver wider social value through its role

"I think the CCG role needs to be developed from being part of the "check and balance" on the company, as this is a function of a customer watchdog that can be fulfilled by CCW. Instead it needs to be a focal point for enabling co-creation and participation, working as an independent customer stakeholder group but actively engaging with the process rather than standing on the outside receiving and then producing reports." Expert Panellist

iv) Some water companies lack 'proper' research resource/expertise: where water companies do not have an insight function, the staff responsible for PR19 comprise e.g. engineers, economists and regulation specialists who are not customer-facing nor skilled in using research data – and this can lead to poorly briefed research. Additionally, companies need to have a better understanding of the value and validity of what they are commissioning which also argues for skilled research practitioners procuring research.

v) Water companies' use of and presentation of research is sometimes questioned and can undermine the credibility – and meaningfulness – of the data:

- Misuse of research terms, namely 'deliberative' and 'co-creation'. These are effective methodologies and suited to the business planning process, but they have specific roles

[7] Customer Challenge Groups: an independent scrutiny board set up as part of the regulatory framework to challenge companies on the quality of their customer engagement. CCGs report their findings to Ofwat.

and design requirements (such as distinct choices to debate in the case of deliberative events; and for co-creation, companies and consumers to work together to develop something new or different which can be acted on). CCG members have observed more standard research approaches being labelled as deliberative events etc.
- Similarly, the terms 'research' and 'engagement' are used interchangeably across the sector. A clearer understanding of differences would lead to more considered use of different approaches (see appendix for a review of these terms)
- Some have observed companies that appear selective in how they use research, or cherry pick data to support their plans (which may be a feature of the triangulation process and not accounting for some data or insight is not obvious)

vi) The lack of consistent approaches across the industry is seen as a problem – including the different amounts of research some companies do compared with others. One specific example is the inconsistency in whether price increases shown include inflation in research exercises: some water companies included inflation, some did not. This makes it difficult to compare results fairly

vii) A perception that the way research is sometimes conducted indicates that the consumer is not at the heart of business plans. For example, the use of prescriptive methods (e.g. WTP and Acceptability surveys) which are not reflective of the customer journey or experience. Similarly, researching ODIs with consumers is questioned:

"If the customer was being put first, a different research programme would have emerged." Expert Panellist

"There must be a question on how meaningful some of the research has been both in terms of superficial nature of engagement in some aspects of the research…through to questionable models of research being applied to complicated issues e.g. willingness to pay where the level of confidence in validity must be questioned." Expert Panellist

- Use of willingness to pay methods generally: it is perceived to be debatable whether this is a sound methodology because it relies on detailed briefing of the showcard material which is incompatible with a survey format. Hence, a widespread belief that these surveys, while providing a statistical analysis, are not valid in terms of outputs and are incredibly complex for consumers – an example of a tick box exercise

- Sometimes it is unclear that the consumer research has changed the plan or whether the approach has 'led the witness'

"They just shuffled the dials here and there." Expert Panellist

- Concerns when companies do not start the process with an open mind – because consumers should be having an input before plans are in development. Where used, deliberative research is received very positively and seen as a long-term investment in understanding at a principle level what consumers want. Foundational deliberative research to debate high-level principles prior to plan development was seen to have served as an excellent platform for all future research activity

"It was positive where we saw the company starting from customers' lives…not the business plan (including projects where water didn't feature at all)." Expert panel

- A desire to see greater use of *properly* informing consumers – and using reconvened methodologies.

"Some topics (e.g. gearing) are incredibly tough to do research on – but at some level it is important to engage customers in these issues." Expert panel

6. RECOMMENDATIONS

This research has focused on what consumers think is meaningful for them to be asked about by their water companies via research and leads to the following recommendations for the industry:

i) Research is reputation-building: provide a gold-standard experience

Consumers feel that they have few interactions with their water company, and they tend to have a limited understanding of how the water sector works. As a result, they are very sensitive to the quality of the research that they encounter. Where they encountered examples of research that felt poorly thought through, appeared pre-determined or which included mistakes, it makes them think worse of the company that has commissioned the research – as well as adding to the feeling that their views are not being taken seriously.

"If [I was] at home and on laptop and I get £5, [then I'd keep going] but at the end I was just skimming through the questions…'Yeah…yeah…'" HH Customer, Birmingham

The sector must work harder to prioritise the respondent experience:

- Research should be tailored to the consumer segment – and topics must be relevant
- Stimulus materials need to be designed carefully and creatively, making them appealing and easy to understand. Avoid industry terminology or jargon and 'cognitive overload'
- More complex studies should be thoroughly piloted to achieve more effective cognitive assessment of research materials – or use independent experts to review and challenge

ii) Place greater emphasis on describing the context and relevance of every research exercise

There is currently a vacuum of understanding among consumers about how their input is acted upon by the water industry. It is essential that:

- Every piece of insight work with consumers explains what will happen to the data that is collected – although we recognise that the broader lack of understanding about how the water sector works means that this can only ever be partially successful
- Respondents are told how previous research views have delivered change to benefit consumers, how consumers' views in the current research matter, will be used and that the research is not a tick box exercise
- More is done to ensure feedback loops, demonstrating to consumers why their views are being sought

iii) Rebalance the use of Business as Usual research – especially for hard-to-reach consumer segments

Currently, water companies try to establish consumer needs and priorities by asking them to prioritise a long list of water company investment areas – but consumers have told us this is meaningless. Instead, water companies should be using their BAU research and insight to determine current consumer priorities by listening to their needs. This is particularly important for vulnerable, future and NHH customers who are either less able or less willing to engage with business planning research processes.

iv) An understanding of all customer needs and expectations should be a means to take pressure out of the business planning timetable

Furthermore, understanding customers' perspectives on issues pertinent to the business plan, but not specifically about it, should give companies the insight to plan in a consumer-centric way, without needing to test every aspect with large scale samples. This should also enable companies to observe trends and understand the impact of changing contexts.

v) Make greater use of 'informed' research for business planning

There is a clear role for research with uninformed consumers in the water sector, particularly in terms of Business as Usual – to understand and improve responses to specific service issues (e.g. water outages), or to explore top-of-mind views of their water company (e.g. the extent to which they trust communications from them). Additionally, uninformed consumers can be engaged on business plan acceptability, provided the plan is accessible, well-presented and high level.

But as soon as research strays beyond the way in which consumers think about their water service – which on the whole they do not very much – uninformed research ceases to be a meaningful exercise. Is it valid to ask for consumers' uninformed views on specific business planning topics? Can they reasonably be expected to provide an answer?

vi) Design and analyse future-focussed objectives with care

Consumers find it difficult to give informed responses in research that focusses on the future. Comparative information, which is often used to help consumers reach a decision on future scenarios, can add to consumers' confusion. Additionally, there are sensitivities when asking people to consider a world beyond their own lifespan – not always treated sensitively in research. Consumers, when faced with a future scenario in business planning research, are often hesitant to commit to a point of view because they know that no one can anticipate the social, political, economic and environmental factors that will exist in 20-30 years' time.

While future-oriented research will clearly be essential for business planning work, it should be used sparingly, and great care should be paid to the way that it is designed. Rooting research in consumers' current and historic experiences, and extrapolating from this where necessary, may be more valid in some instances.

vii) Use deliberative approaches as intended: to understand broad principles consumers want to see implemented

Of those consumers who want to be engaged in the business planning process, most want it to be at a high, conceptual level rather than wading around in the details. Consumers clearly enjoy the process of deliberative events especially when they can convey the broad principles that they want to see upheld, and the key criteria for success in their eyes.

Using consumer research to ascertain broad support for the thrust of a proposal is useful: using it to provide consumer sign-off on complex and technical aspects of a business plan is overwhelming for all but the most enthusiastic respondents in our typology analysis.

> *"They should be asking the Chief Executive of the company that [...] You'd have to be a specialist to answer that."* HH Customer, Swansea

viii) Make greater use of 'expert consumers' and true 'co-creation' methods

Informed perspectives are crucial for capturing feedback on highly technical areas of the business plan. But there is a limit to what can be achieved in a deliberative event lasting one or even two days – and long-term online approaches present challenges in terms of continued respondent engagement. 'Expert consumers' could be very valuable for water companies – becoming immersed in the full range of issues that the company is considering and taking a much more prominent role in business planning than a traditional research participant would. This is particularly relevant for the least engaged audiences (such as SMEs) and for vulnerable audiences.

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As a separate note, research agencies also have a role in ensuring that the sector improves continually, for instance by identifying and building on best practice in water and other comparable sectors – and in assisting water companies as they define and develop a consumer-first ethos. In practical terms, this might mean:

- Questioning briefs from water companies which risk delivering 'meaningless' research (as identified in this report)

- Ensuring research proposals fully articulate how the approach will overcome issues that can lead to 'meaningless' research
- Agencies should seek clarification on how the brief fits with the research strategy (or the golden thread)
- Ensuring effective recruitment and screening to enable high-quality engagement with consumers
- Looking for different approaches to designing and using consumer segmentation models
- Considering more effective means of engaging with 'hard to reach' consumers
- Creating effective reporting dashboards, infographics, video and other multi-media capture to bring the consumer experience to life
- Ensuring that the right research techniques are used effectively – and methods newer to the sector, such as ethnography, deliberative and co-creation have meaning and value
- Ensuring a clinical approach to the piloting of surveys and discussion groups, allowing time for cognitive testing of materials to ensure they are meaningful; if lots of changes to research materials are subsequently needed, the question should be asked if the research is meaningful in that format – making mechanical changes may not address this more fundamental issue

7. Appendix

7.1. Sampling approach

Below we outline the detailed sampling approach for the household customer and future customer sample.

Household customers (all joint/solely responsible for paying water bills) 8 groups; 8 per group	Future customers (none responsible for water bill payment) 2 groups; 8 per group
4 groups with ABC1 social grades[8] 4 groups with C2DE social grades	1 group with BC1 social grades and/or in tertiary education 1 group with C2D social grades

• Age:
  • 2 groups with customers aged under 35
  • 2 groups with customers aged 35 - 50
  • 2 groups with customers aged 51 – 65
  • 2 groups with customers aged over 65
• 4 groups of people who had participated in previous water sector research (in last 3 years)
• 4 groups of 'fresh' respondents
• Minimum of 2 customers per group with direct experience of /contact with their water company
• Gender: even split per group
• Metered: reflecting meter penetration at each location
	• All aged 20 – 30
	• None had been a customer of water company (water bill paid by parent or landlord)
	• Gender: even split per group
	• Spread of environmental views (using Blue Marble's 'green' scale denoting both attitudes and effort to environmental issues)[9]
	
	NB: the sample design excluded the highest and lowest social grades A and E for this audience, reflecting their very low numbers within this age group

[8] Social grade is a classification system based on occupation and it enables a household and all its members to be classified according to the occupation of the Chief Income Earner (CIE). In addition, if the respondent is not the CIE and is working, then the social grade of that individual is also recorded. This system, derived from the UK's National Readership Survey, has been used in the UK since the 1960s as a system of demographic classification. There are six groups: A, B, C1, C2, D, E:

A = high managerial, administrative or professional (4% of UK population)

B = intermediate managerial, administrative or professional (23%)

C1 = supervisory, clerical and junior managerial, administrative or professional (29%)

C2 = skilled manual workers (21%)

D = semi and unskilled manual workers (15%)

E = state pensioners, casual or lowest grade workers, unemployed with state benefits only (8%)

[9] Environmental attitudes determined using the following screening question:

Thinking generally about how you make decisions about what to buy, how to travel, how to live your day to day life; which of these descriptions comes closest to describing you? (SINGLE CODE)

1. *I don't tend to think about my impact on the environment in my day to day life.*
2. *It's a bonus if what I'm doing is environmentally friendly but it's not a big issue for me.*
3. *I think about my impact on the environment and try to do things to make a difference whenever I can (i.e. I make green choices but ideally this doesn't cost me more in money or effort)*
4. *I'm very concerned about my impact on the environment and make considerable effort to reduce it (e.g. I am prepared to spend more time, effort and/or money in order to make green choices)*

• 1-2 per group digitally excluded/no internet at home/not comfortable dealing with digital communication/transactions • Life stage and children at home: falling out naturally within age quotas • Range of bill levels falling out naturally	
Reconvened customers 4 groups; 16 per group	Reconvened future customers 1 group; 16 per group

Economic vulnerability – bill payers	Non-economic vulnerability – customers and consumers
3 in-home paired depths (with family member or friend) 1 hour	7 in-home paired depths (with family, friend or carer) 1 hour
• Low income/unemployed (HH income under £15k) • In receipt of means tested benefits • May include other (non-financial) vulnerability factors	Primary factors – in need of additional care: • Life limiting mental or physical health condition; Limited/no mobility; Frail/very elderly; Crisis (transient) Combination factors which alone do not necessarily make someone vulnerable but which in combination can do • Sight/hearing loss; Mental illness/anxiety; Digital exclusion/no internet at home; Literacy/numeracy/learning difficulties; Addiction; Carer; Over 80; Live alone; Live in rural/remote area (with poor transport links) (Respondents recruited for non-economic vulnerabilities may also be in financial vulnerability)
• 3 interviews with customers aged under 40 • 3 interviews with customers aged 40 or above • Mixed gender • 2-3 on social tariff	• 3 x primary vulnerability factors • 6 x combination of vulnerability factors • Mixed gender • 2-3 to be on Priority Service Register • 2 aged under 40
10 in-home interviews	

7.2. Current research practices

In our initial desk review, we divided current research into a series of categories:

7.3. Review of real research examples

The research methodology also included eight real – but anonymised – research examples. We asked respondents to complete a selection of these either in the initial group discussion, as part of the homework exercises, or within the reconvened workshop session. The examples were selected to reflect the range of topics and methods commonly seen in water sector research.

The following table highlights the analysis of the research examples using the 'meaningful framework' to evaluate responses:

Description of research example	How consumers responded
1. An extract from typical tracking surveys. This was a 1-page self-completion survey including **satisfaction, value for money** and **affordability** questions	• *Ease:* easy to complete (though not interesting or fun) • *Relevance:* not always easy to have a view as bill level not known; value for money difficult/impossible to assess; unaware of inflation (meaning and/or implication) • *Listening:* in monopoly context, assume answers will be used as a justification for increasing bills • *Making a difference:* unclear how. Respondent does not learn anything from taking part • *Financial incentive:* low or none (not a motivator to participate) • *Overall:* low meaningful engagement with the exercise
2. A short 4-page postal survey including business plan priorities and bill profile preferences	• *Ease:* easy to understand (at a superficial level), enhanced by using graphs. However, this example was seen to be poorly designed with confusing layout, ambiguous rating scales and lengthy terms and conditions for the prize draw • *Relevance:* respondents asked to list 10 water company aspects in priority order. However, many felt unable to do this meaningfully, without any real understanding of each priority area • *Listening:* unable to see what the company can do with this information – especially as perceive answers are random/guess-work • *Making a difference:* survey comes across as pointless with no obvious intention or purpose, hence assume this is a tick box exercise • *Financial incentive:* large (£1000) prize draw is the motivation to complete • *Overall:* low meaningful engagement
3. Self-completion task prior to a qualitative group: plotting **business plan priorities** by importance; imagining **future world scenarios**	• *Ease:* this varied. Some people enjoy creative thinking and future-gazing whilst others find it very difficult. The design of the priorities exercise required a lot of writing and the plotting exercise was difficult to complete meaningfully (for the reasons cited in the previous example) • *Relevance:* the imagery used to stimulate ideas about future lives was often alienating and criticised for being idealised; or 'middle-class' – and therefore not relevant to some. Older people were uncomfortable imagining a world that was beyond their likely lifespan and felt the exercise was insensitive because of this. • *Listening:* respondents were unclear about the purpose of the task, undermining the idea that their views were being listened to. • *Making a difference:* respondents largely felt in the dark about the purpose of the exercise and therefore that they were unable to add value • *Financial incentive:* motivated to complete as part of the incentive to attend a group discussion or similar

	• *Overall:* engagement varied depending primarily on age and appeal of creative tasks
4. **Online panel tasks**: various, including gauging personal optimism/pessimism; defining water company purpose and vision; attitudes to cultural trends	• *Ease:* all open-ended questions; generally easy to complete • *Relevance:* questions strayed away from water-related areas and some felt the exercises were intrusive – not relevant to a utility provider • *Listening:* purpose unclear; not linked to water. Question what a water company will do with the information. • *Making a difference:* Personal nature of some exercises leads to suspicion about what the data would be used for (and possibly that the intention is to share with other organisations) • *Financial incentive:* motivation to be on a panel over a period of weeks/months • *Overall:* engagement varied depending primarily on appeal of exercises
5. Plan acceptability survey including **ODIs**; 23 pages 6. Business plan acceptability survey – 26 pages	• *Ease:* compromised by length and 'cognitive load', containing jargon and unfamiliar concepts; language suggests designed for an expert audience*. Use of diagrams and graphs can aid comprehension • *Relevance:* the topics appear to be important and relevant – some enjoy becoming better informed • *Listening:* the effort that appears to have gone into designing the survey suggests the company is listening… • *Making a difference:* …however, many think the survey is so long/difficult that it will not be completed properly – and the accuracy of the data collected is in doubt • *Financial incentive:* a suggested £5 incentive was deemed too low. Most said they would not be motivated to participate – perhaps because at the time of asking they were being incentivised considerably more to take part in a reconvened qualitative project (NB this level is tried and tested across the industry and does help to achieve samples.) • *Overall:* mixed views. Some become engaged as they learn about the sector; others put off by size of task
7. **Willingness to pay** survey – with 16 briefing pages; 10 **Max Diff** showcards; and 8 choice packages	• *Ease:* 16 slides of information is too much to absorb – very daunting for some. The Max-Diff exercise choosing least and worst scenarios from 4 simple choices was easy to complete. 8 choice exercises much harder and almost all overwhelmed by package detail and make choice based on price only • *Relevance:* purpose of survey becomes lost as respondents negotiate the exercises. Describe answering 'randomly' rather than through consideration • *Listening:* Assume the organisation is listening but question whether participants can give accurate answers • Making a difference: unclear • *Financial incentive:* £5-10 incentive was not felt to be motivating considering the difficulty and lack of enjoyment of the process (again, this could reflect the research effect of receiving a larger incentive in this project) • *Overall:* low engagement
8. **Deliberative event:** presentation materials about river quality with a task to	• *Ease:* presentation materials easy to absorb – and deliberative context enables respondents to ask questions and discuss - which aids comprehension. (This approach appeals to some because participation is less reliant on reading and writing skills.)

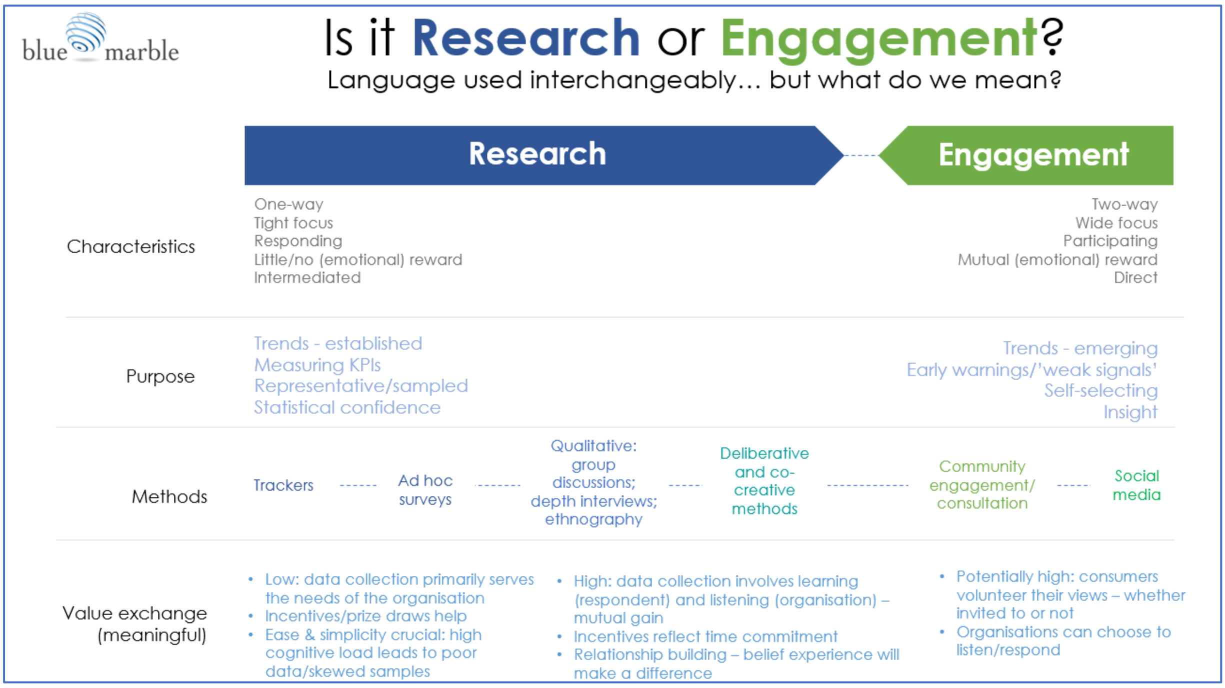
choose best investment level	• *Relevance:* even the more esoteric topics become relevant with good explanation and debate • *Listening:* strong belief that the organisation is listening – especially when staff from the commissioning water company are in the room and there is direct dialogue • *Making a difference:* if the broader context is explained (e.g. input into business plan), this can be relatively strong – however, broader lack of awareness of what water company is doing means that feedback loop isn't strong. • *Financial incentive:* perceived to be valuable considering the time commitment (but this can exclude busy people/workers/those with dependents from participating – and some question how representative these events are). • *Overall:* high engagement. Positive experience allowing people to share views, learn and learn from others

*Examples of jargon found in the surveys that were tested in this research:

- Interruptions to supply
- Breaches of abstraction licences
- Discharge consents
- Outperformance payment
- Asset health
- Unplanned outage: % of production capacity that is due to temporary asset failure
- Developer experience (D-Mex): survey of developer service experience based on Ofwat methodology
- Void properties and gap sites: % of households on billing system classified as void (and not billed)

7.4. Research vs engagement

The diagram provides Blue Marble's working definitions of 'research' and 'engagement'.



The voice for water consumers
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