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Perceptions and Trust in water companies

Insight Report by Yonder Consulting
February 2023

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Background, objectives and methodology

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Foreword

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We all rely on water. It is essential for getting through the day – for drinking, cooking, cleaning. It is one of those things that we may take for granted when we have it, but soon feel the effects when we do not.

We can take water for granted because we trust that the water we drink is safe, and that when we turn on the tap it will flow freely. But trust – both in a person's water company, as well as the industry as a whole – can be affected by any number of different factors, including service quality, level of communication and cost.

As part of this research, we wanted to dig deeper into people's levels of trust and perception in their water provider, to see whether this had changed over the last year, and, most importantly, what actions are needed to start rebuilding trust.

When asked to sum up their water company in a word or phrase, a third of people (34%) in England and Wales chose a negative phrase – but when asked to do so for the water industry as a whole, this jumped to half (50%). 'Trust' is therefore not a constant concept: customers may often perceive their own water company to provide a reliable service but the industry still needs to work better together to increase trust within the sector as a whole.

It will come as little surprise, then, that when it comes to restoring trust, the two key issues most commonly mentioned by consumers were leaks and sewage pollution of rivers and seas - something that people told us back in 2022 through our *Bridging the Gap* research. Significantly, this does not appear to have been shaped by recent heavy media coverage of these issues: less than a quarter (23%) of people said their views of their water company had got worse over the last year. These concerns are driving a loss in trust.

Water companies should ensure that their communication with customers is focused on raising awareness of the work they are doing to address key issues of trust, in order to start to rebuild it. Our previous research has shown that consumers want water companies to be transparent and improve how they protect and enhance the environment, but the practicalities are beyond people's scope of knowledge. By breaking down this awareness gap, water companies – and the sector as a whole – are in a far stronger position to gain credibility and, in time, renewed trust.

Background and objectives

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CCW wanted to understand the public's spontaneous attitude around water companies, and the water industry as a whole, to inform their work as the voice for the consumer. CCW was particularly interested to understand how people perceived the water industry and how far they trust their water company to deliver on key areas included in CCW's strategic plan.

1

Identify how consumers spontaneously describe their water company and the industry as a whole

2

Assess the levels of trust in water companies and the water industry, and whether this has changed in recent months

3

Investigate how water companies could increase trust amongst consumers

Methodology

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Overview

Online omnibus survey of 2,138 adults (aged 18+) in England and Wales

Fieldwork conducted 13th – 16th February 2023

The full sample has been weighted to be representative of England and Wales combined based upon the 2011 census profile. The boost sample has been weighted down to be representative of Wales

Approach

CCW commissioned Yonder Consulting to undertake an online omnibus survey in England and Wales.

Yonder own and manage a highly engaged online panel of 150,000 UK adults and this resource was used as the primary source of sample for the online survey.

Yonder conducted 2,138 online interviews with consumers in England and Wales. 296 boost interviews were conducted among consumers in Wales to allow for robust analysis and weighted back into the overall sample at the correct proportion.

Sampling

A stratified sampling technique was employed using multiple demographic groupings to select respondents randomly from Yonder Consulting's online panel. This approach helps to minimise selection bias and ensure certain segments of the population are not over- or under-represented.

Quotas were set on age, gender, region and social grade. The data was then weighted based upon the 2011 census profile of England and Wales combined. Rim weighting was applied for age, gender, government office region, social grade, taken a foreign holiday in the last 3 years, number of cars in the household, and working status. Tenure was weighted based upon the England and Wales profile as individual nations. The boost sample was weighted down to match the 2011 census profile of Wales.

Scope and limitations of this report

Scope

This report aims to establish attitudes and behaviours of the overall England and Wales population and highlights results at an overall level, as well as by the key sub-groups as outlined in Table 1. It provides a robust sample to be able to analyse the data on this basis.

The statistical reliability of the data at 95% confidence level is outlined in Table 1

In addition to highlighting key subgroups significantly different to the total, results are also charted for other sub-group categories of interest when data is significantly different to the total.

Statistical differences legend (at 95% confidence)

↑ Statistically **higher** than the **total**
↓ Statistically **lower** than the **total**

✚ Statistically **higher** than all other categories **within the subgroup**
▬ Statistically **lower** than all other categories **within the subgroup**

NB: Data may not sum to 100% due to rounding, multi choice questions or non display of other/don't know options

Table 1	Key subgroups	Unweighted Sample Size	Margin of Error for response of 50%
	Total sample	2,138	+/- 2.1%
Region	England	1,735	+/- 2.4%
	Wales	403	+/- 4.9%
Gender	Male	1,081	+/- 3.0%
	Female	1,050	+/- 3.0%
Age	18-34	589	+/- 4.0%
	35-54	704	+/- 3.7%
	55+	845	+/- 3.4%
Social grade	ABC1	1,202	+/- 2.9%
	C2DE	936	+/- 3.2%

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Respondent profile

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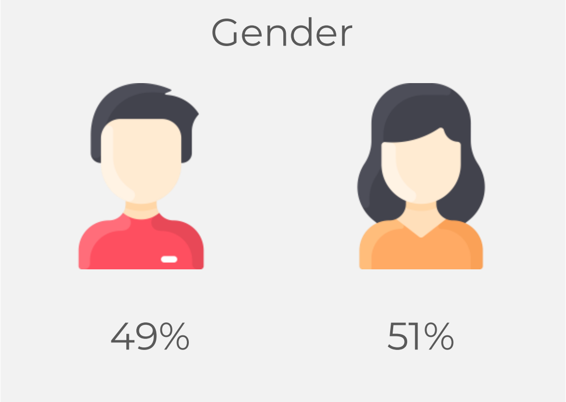
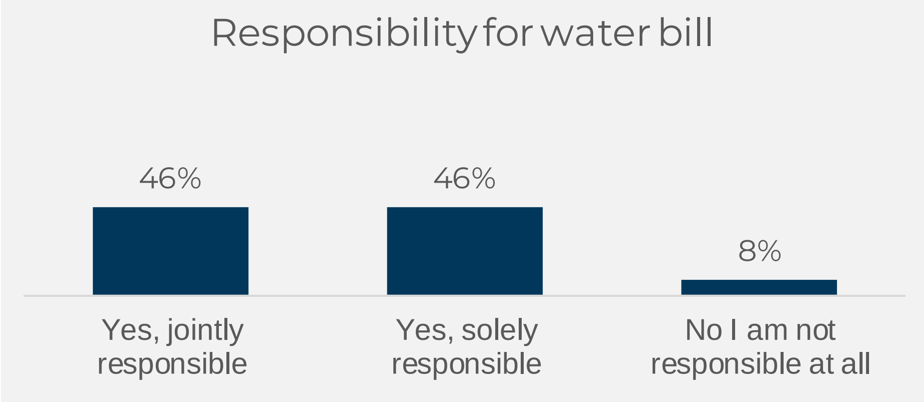
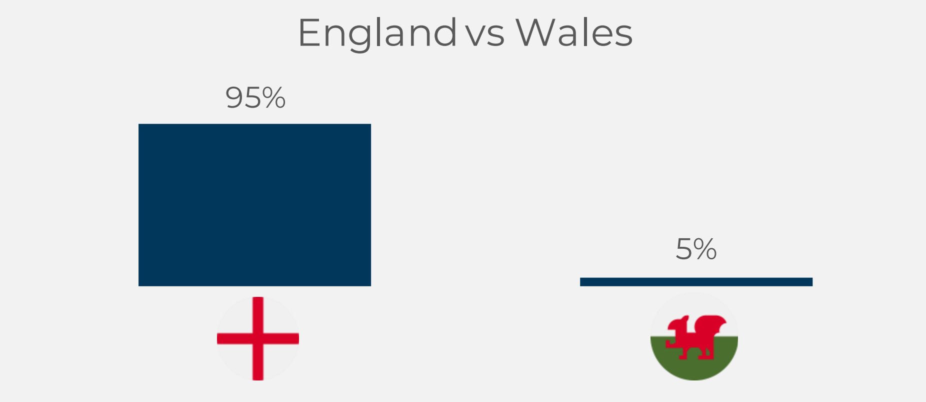
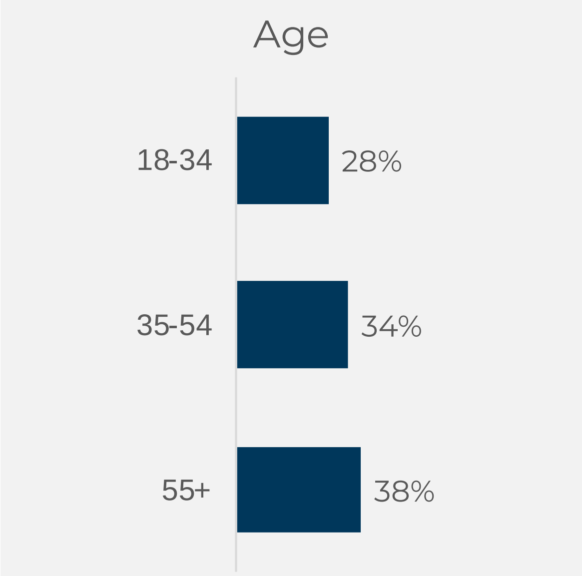
Respondent profile

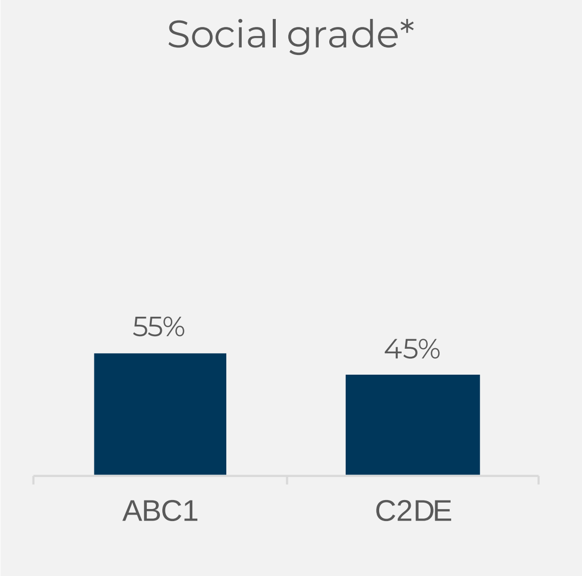
Weighted data

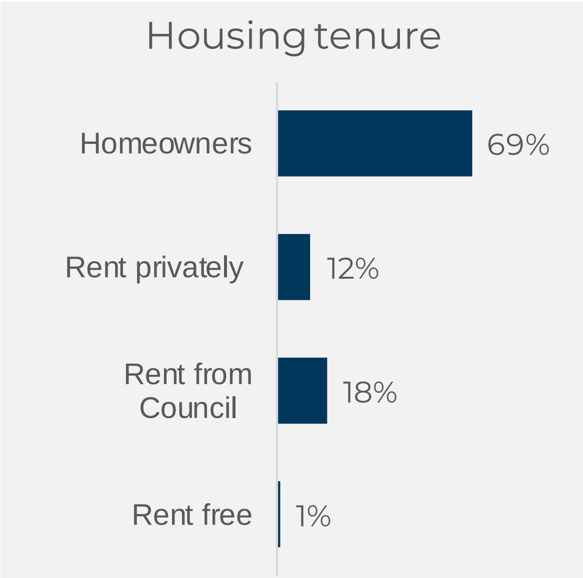


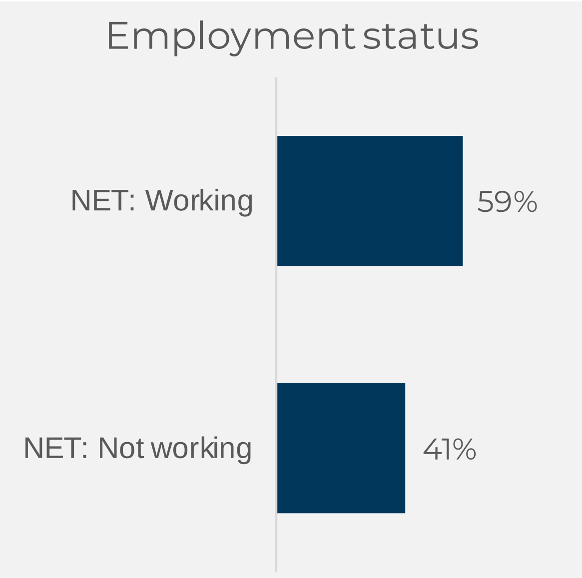












*Social grade is a demographic classification based on the occupation of a household's chief income earner. AB is higher or intermediate, managerial, administrative or professional; C1 is supervisory or clerical and junior managerial, administrative or professional; C2 is skilled manual workers; DE is semi-skilled and unskilled manual workers, state pensioners, casual workers and unemployed with state benefits only

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Executive summary

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Executive Summary

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Awareness and perceptions	• The majority (96%) claim to be aware of who their water company is. However, levels of awareness are lower among younger people (78%), those not responsible for water bills (75%), and those living in the North West (94%) • Nearly half (46%) have positive associations with their water company whilst a third have negative associations (34%). The findings are reversed when it comes to perceptions of the water industry as a whole with half having negative (50%) and a third having positive (34%) perceptions. • Over 3 in 5 (62%) say their perceptions of their water company have not changed in the last year, but where there was change it tended to be for the worse (23%).
Improving Trust	• General levels of trust in water companies are fairly high for providing reliable services that are fit for the future and keeping consumers well informed. However, consumer trust in water companies to protect the environment is the lowest of the aspects measured. • Welsh residents are more likely to trust their water company than respondents in England, across all metrics. • Looking out for the environment more as well as fixing leaks come out as top measures that would improve trust levels. • A quarter (24%) say that water companies don't need to do anything to improve their trust; this group generally has high levels of trust in their water company already. A similar proportion (28%) said there was 'nothing' their company could do to improve their level of trust. However this group had mixed levels of trust, from very low – suggesting disengagement – to more positive, suggesting that their trust is high already.

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Detailed findings

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The majority claim to know which company provides their water services, with only a minority unaware

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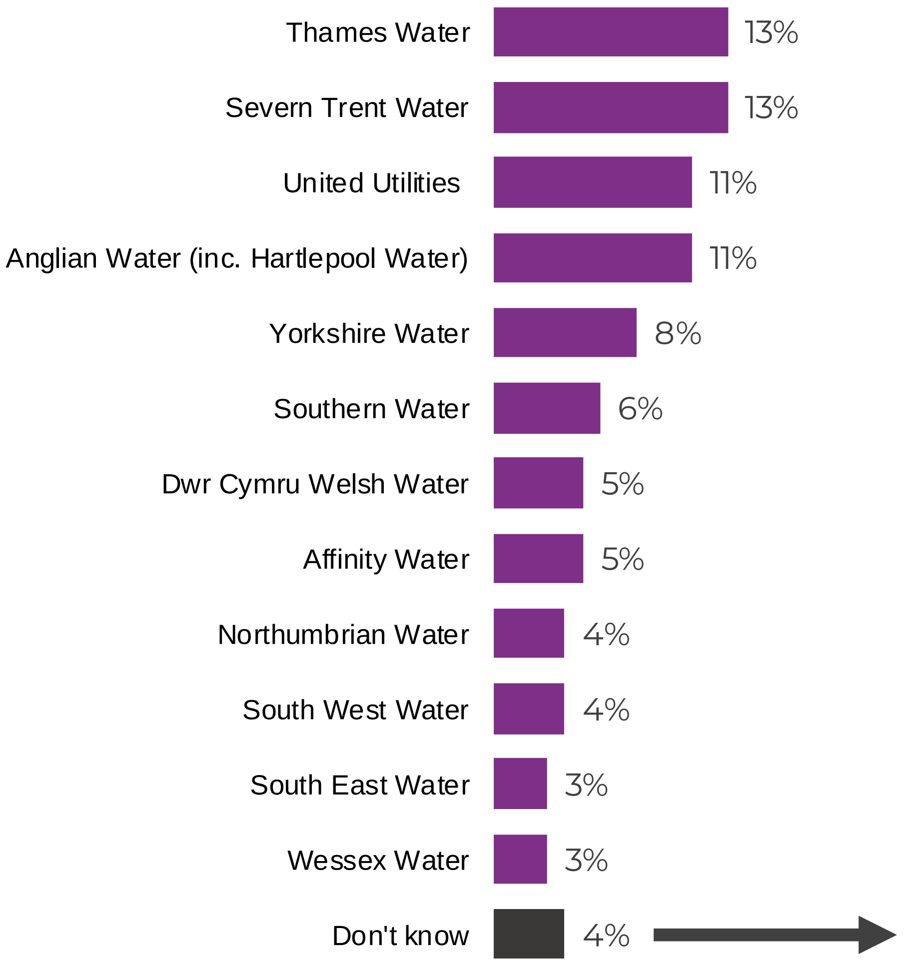
Which water company they think provides their household's water services (prompted/unvalidated)



96% are aware of who provides their water services

More likely NOT to know who provides their water services

Those not responsible for the water bills (25%)

Those aged 18-24 (22%)

Those living in the North West (6%)

Results under 3% are not shown

Q7. Which water company provides water services to your household?

Base: All respondents (2,138), Not responsible for water bills (186), 18-24 (229), North West (223),

When asked to describe their water company in their own words, people were more likely to be positive than negative, largely focusing on customer service experiences

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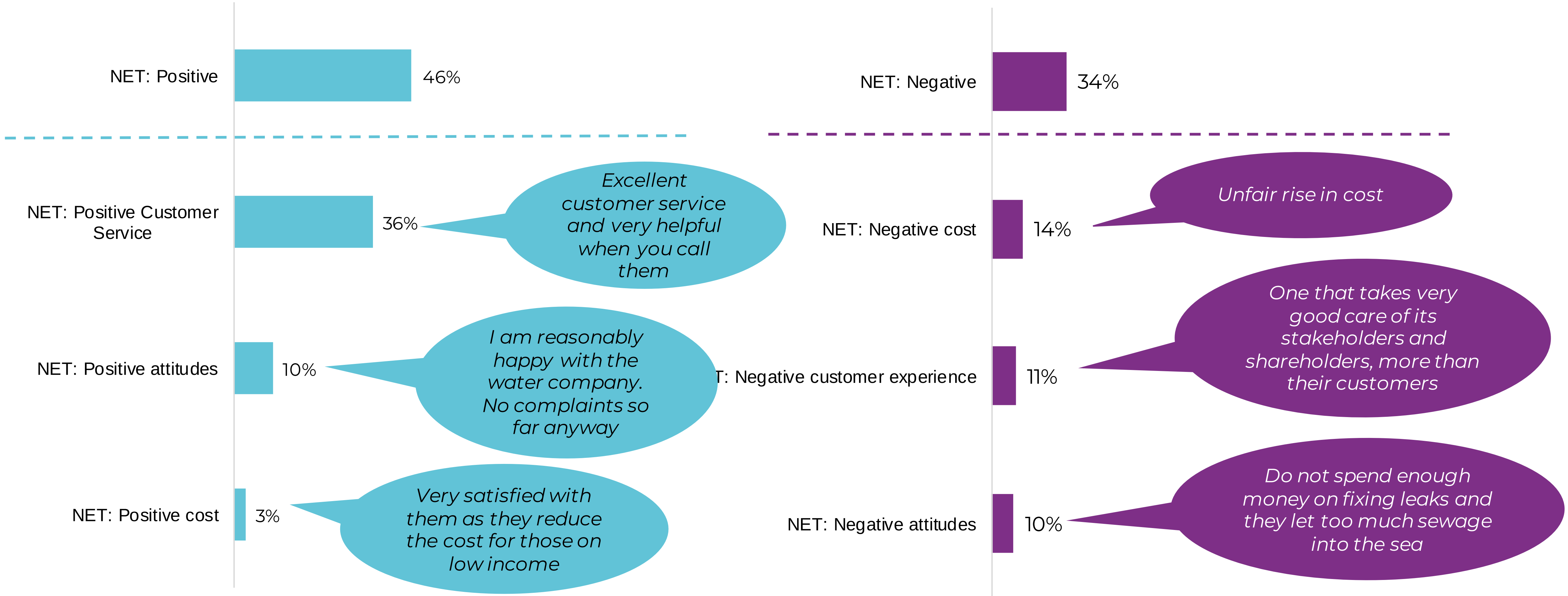
Spontaneous word/ phrase used to describe their water company



Q2. What one word or phrase would you use to describe your water company, that is, the company which provides water services to your home?
Base: All respondents (2,138)
NOTE: Q2 was an open ended question where responses were manually coded. Respondents' answers could fall into multiple answer codes, therefore the sub-categories of NET: Positive/ NET: Negative may sum to a higher percentage than the overall figure

Good, reliable and efficient are the top positive words that were spontaneously used by consumers to describe water companies

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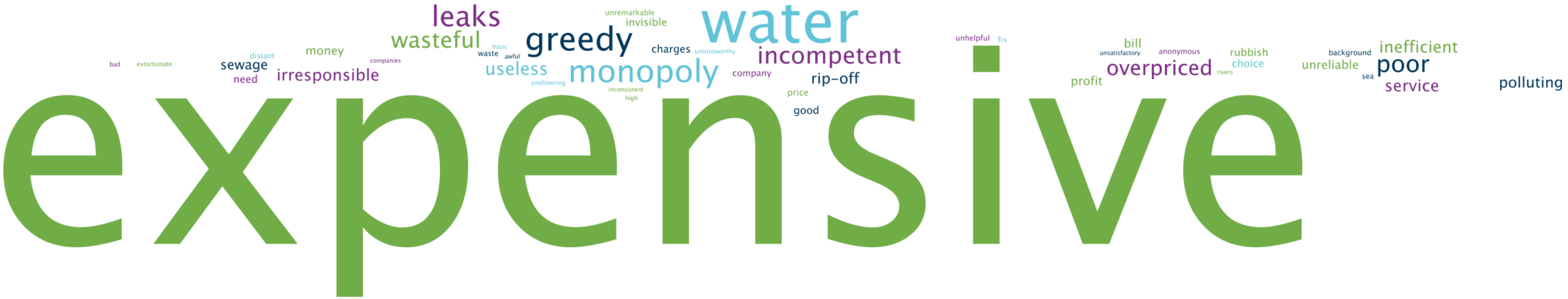
Spontaneous <u>positive</u> words/phrases used to describe their <u>water company</u>

Q2. What one word or phrase would you use to describe your water company, that is, the company which provides water servicesto your home?
Base: All respondents (2,138)

Expensive is overwhelmingly the top negative word that is being used about the water companies, suggesting lack of value for money seen

Spontaneous negative words/phrases used to describe their water company



Q2. What one word or phrase would you use to describe your water company, that is, the company which provides water services to your home?
Base: All respondents (2,138)

Nearly half gave negative descriptions of the water industry as a whole when asked to describe it in their own words, with associations of greed, corruption and pollution

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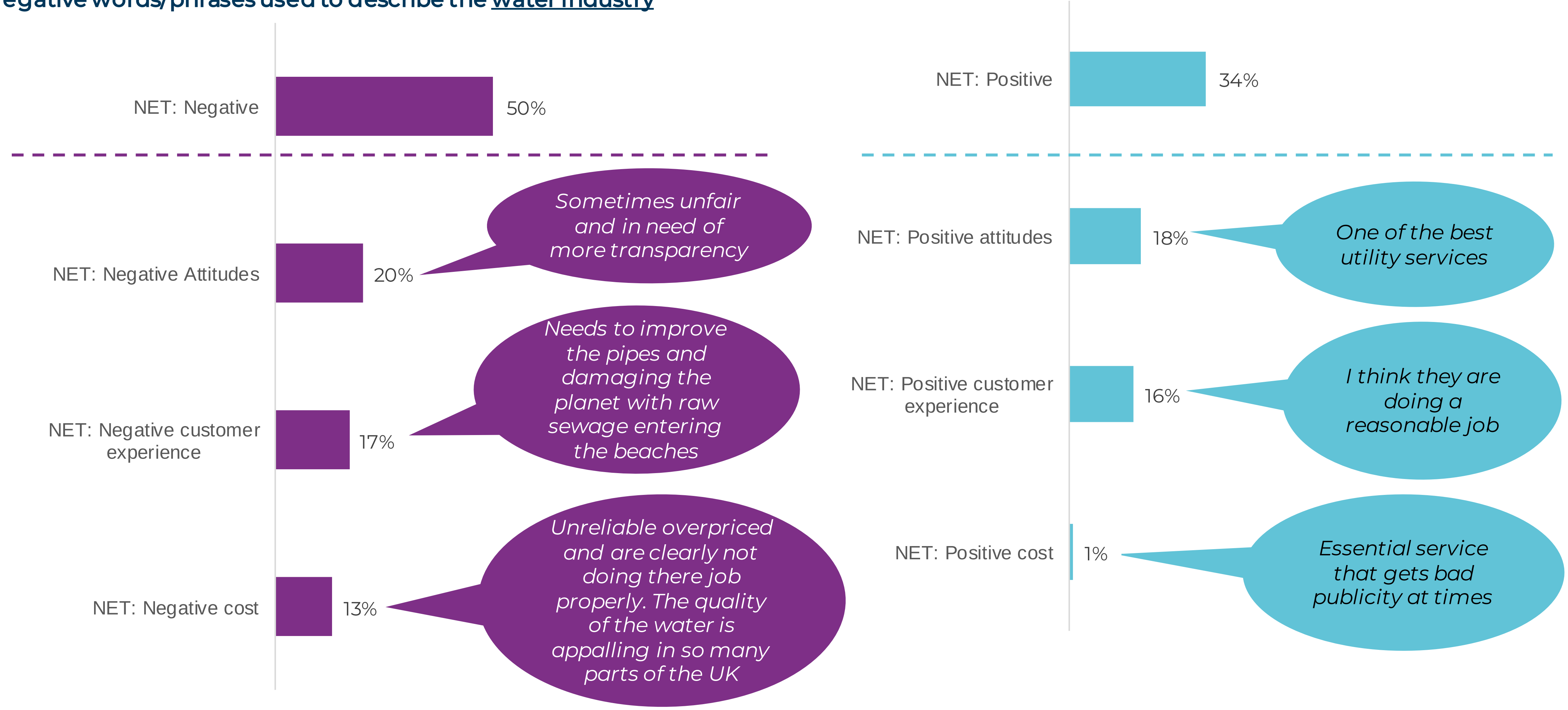
Negative words/phrases used to describe the water industry



Q3. Thinking more widely, what one word or phrase would you use to describe the water industry as a whole?
Base: All respondents (2,138)

In positive terms, consumers see the water industry as good, reliable and essential

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Spontaneous positive words/phrases used to describe the water industry as a whole

Q3. Thinking more widely, what one word or phrase would you use to describe the water industry as a whole?
Base: All respondents (2,138)

Similar to the view of water companies, the water industry is also seen as expensive, with words like wasteful and greedy also coming through strongly

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Spontaneous negative words/phrases used to describe the water industry as a whole

Q3. Thinking more widely, what one word or phrase would you use to describe the water industry as a whole?
Base: All respondents (2,138)

It is younger people and those who are less wealthy who tend to have positive associations with their company and the industry, as well as people in specific locations

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Those who are more likely to have positive associations with the water company or the water industry

Water Company

- **Total average is 46%**
- Those living in the North East* (63%)
- Welsh residents (57%)
- People aged 18-24 (59%)
- Those in the C2DE social grade (49%)

There are no significant differences between bill payers and non-bill payers

Water Industry

- **Total average is 34%**
- Those living in West Midlands (43%)
- People aged 18-34 (48%)
- Those with joint bill paying responsibility (37%)

Q2. What one word or phrase would you use to describe your water company, that is, the company which provides water services to your home?
Q3. Thinking more widely, what one word or phrase would you use to describe the water industry as a whole?
Base: All respondents (2,138), North East (91*), Wales (403), 18-24 (229), C2DE (936), 18-34 (589), Joint bill paying responsibility (968)
*Caution: base under 100. treat as indicative

It is older people and those who are wealthier who tend to have negative associations with their company and the industry, as well as people in the South East

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Those who are more likely to have negative associations with the water company or the water industry

Water Company

- **Total average is 34%**
- Those in the ABC1 social grade (38%)
- Those living in the South East (47%)
- People aged 55+ (40%)
- Those with bill paying responsibility (35%)

In the last year, the South East was particularly hard hit by hosepipe bans and issues with leaks. Bridging the Gap research has found that those under a hosepipe ban and in the South East have become more negative over time about their water company as a result

Water Industry

- **Total average is 50%**
- Those in the ABC1 social grade (52%)
- Those living in the South East (63%)
- People aged 55+ (63%)
- Those with bill paying responsibility (51%)
- Welsh residents (56%)
- Men (53%)

Q2. What one word or phrase would you use to describe your water company, that is, the company which provides water services to your home?
Q3. Thinking more widely, what one word or phrase would you use to describe the water industry as a whole? Base: All respondents (2,138), ABC1 (1,202), South East (253), 55+ (845), Bill paying (1946), Males (1,081) Wales (403)

Just under two thirds of consumers say their perception of their water company has not changed in the last year – although where there was change, it tended to be for the worse

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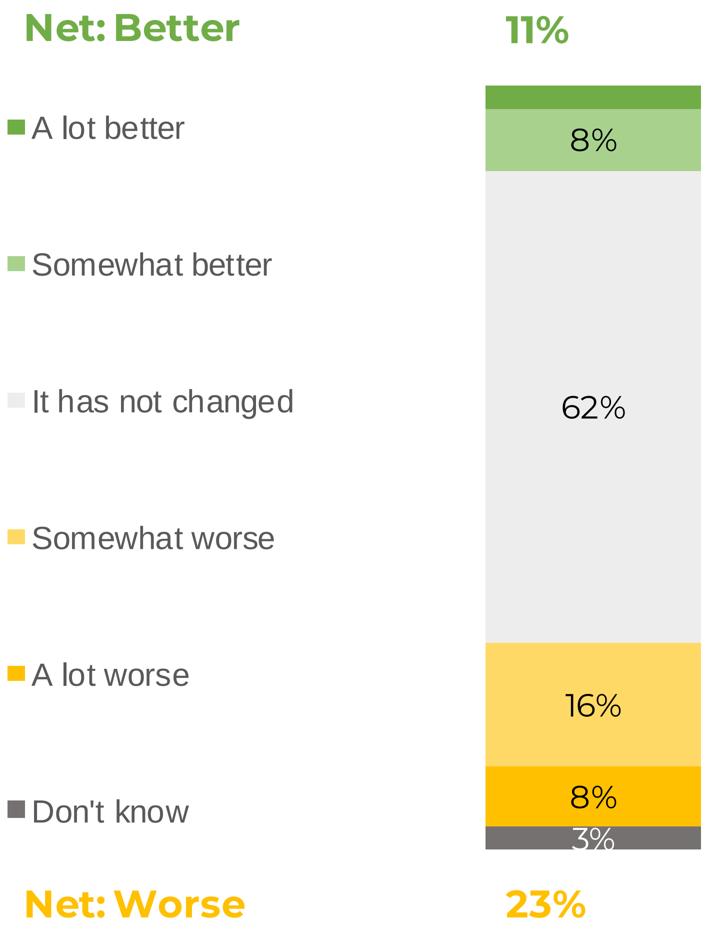
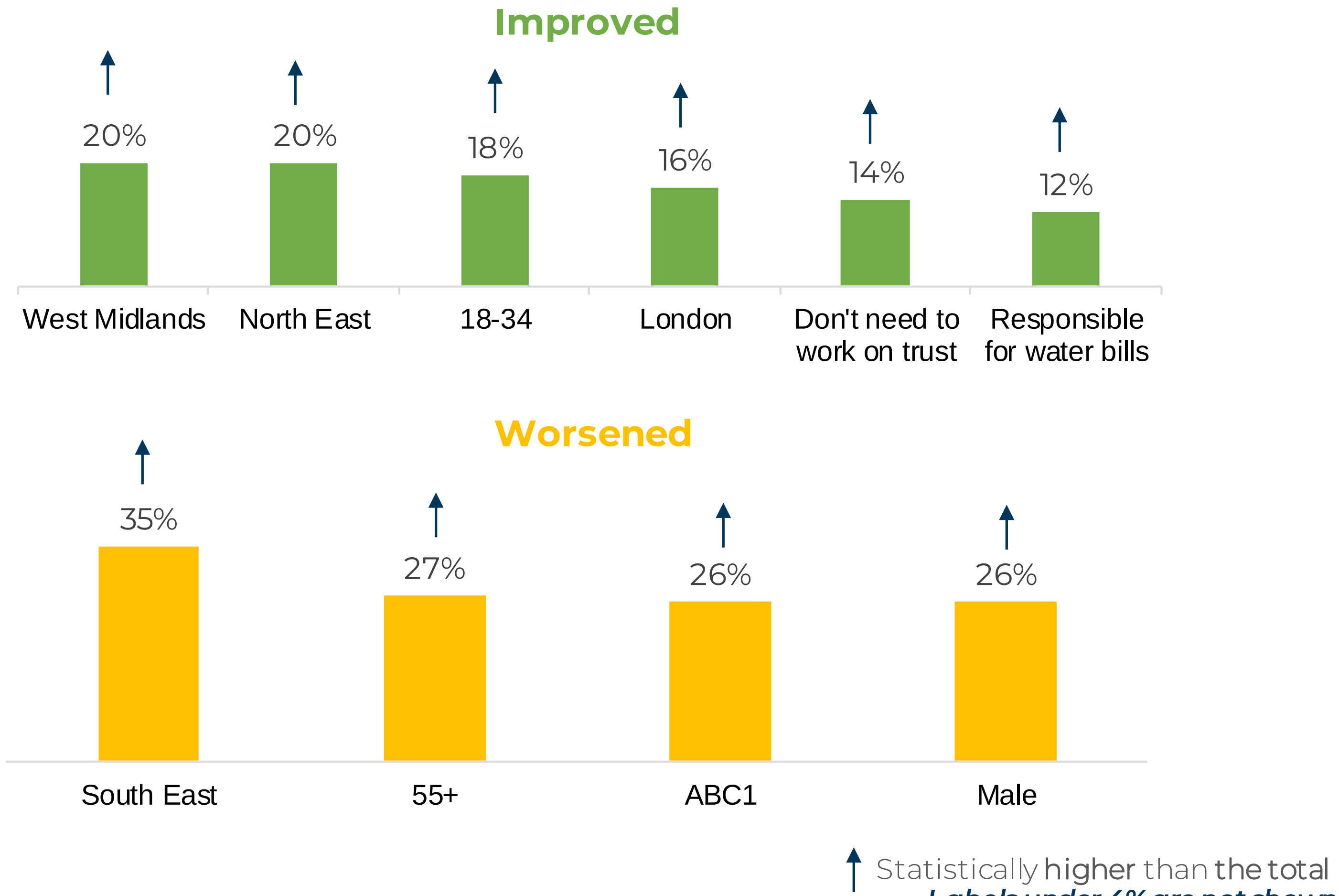
Changes in perception of their water company in the last year



Who has changed their perceptions of their water company in the last year?



Labels under 4% are not shown

Q6. Has your perception of your water company gotten better, worse or remained unchanged in the last year?
Base: All respondents (2,138), West Midlands (174), 18-34 (589), London (298), Don't need to work on trust (538), NET: Responsible for water bills (1,946), South East (253), 55+ (845), Male (1,081), ABC1 (1202), West Midlands (174)

Levels of trust are the highest for water companies providing reliable services but the lowest when it comes to protecting the environment

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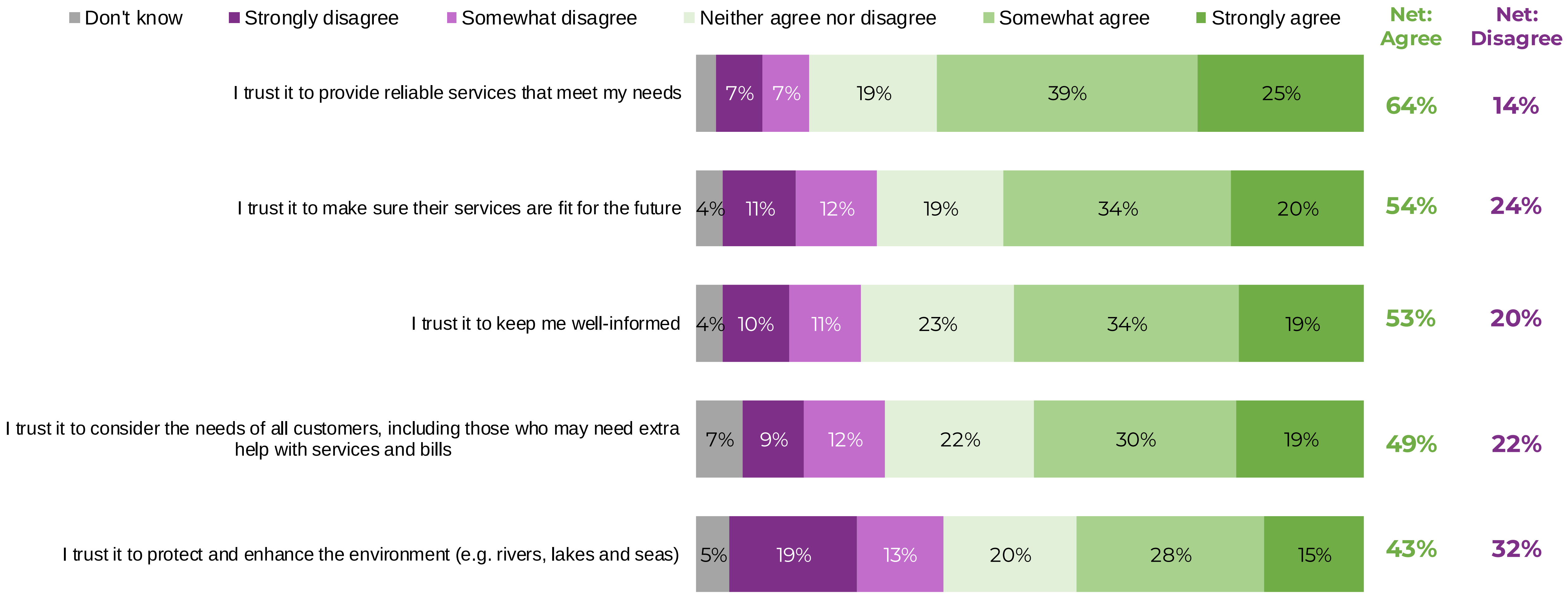
Levels of trust in the respondents' water companies

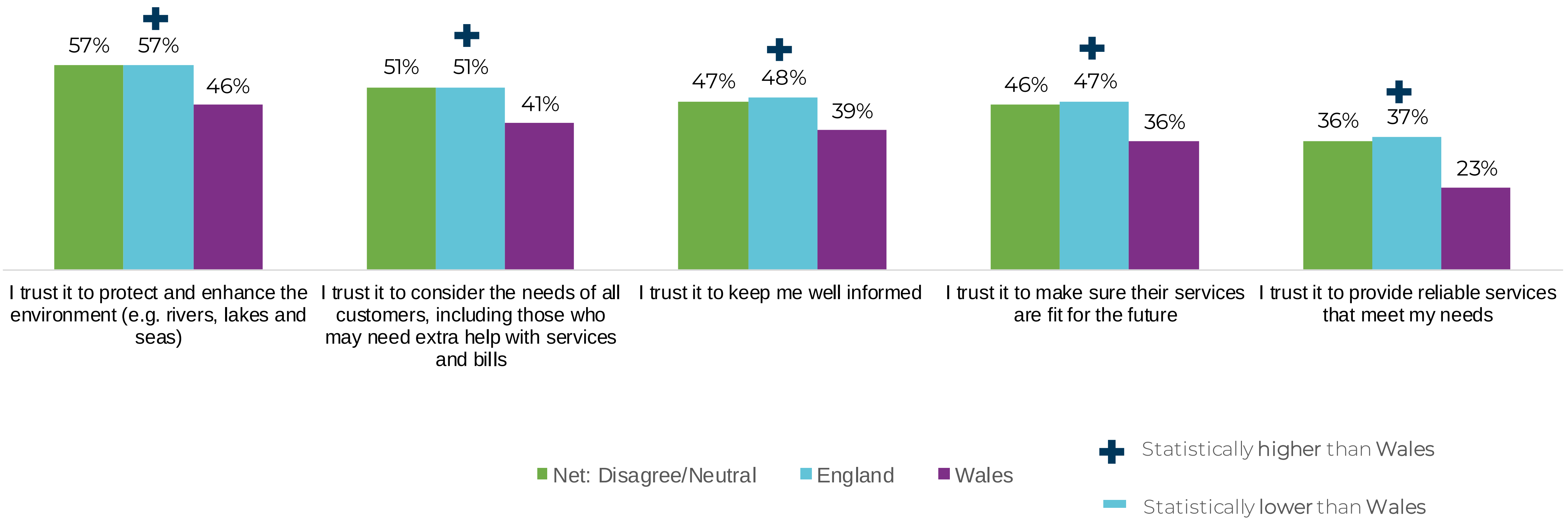


Labels under 4% are not shown

Q4. To what extent do you agree or disagree with the following statements when thinking about your water company?
Base: All respondents (2,138)

Consumers in England are less likely to trust their water company across all these metrics than those in Wales

NET: Disagree/Neutral per trust statement by nation



Net: Disagree/Neutral is composed of Neither agree nor Disagree, Net: Disagree, and Don't know/No opinion
Q4. To what extent do you agree or disagree with the following statements when thinking about your water company?
Base: All respondents (2,138); England (1,735); Wales (403)

When asked to describe what water companies could do to improve their trust, a quarter say that no action is needed

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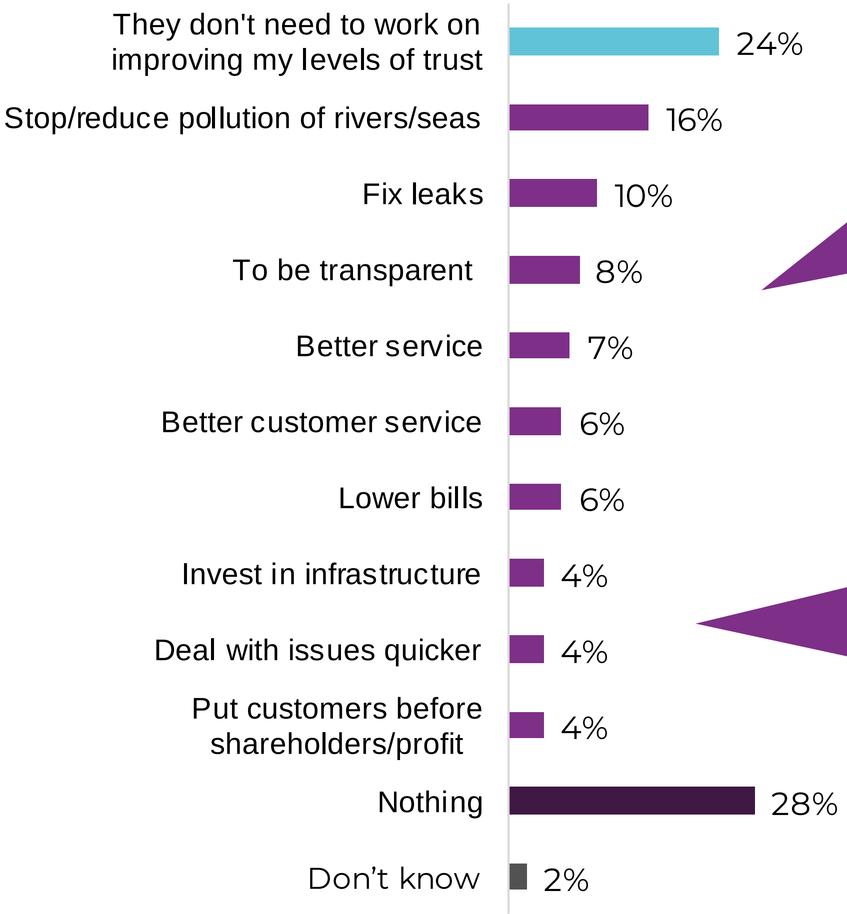
How, if at all, trust levels can be improved



Releasing data about its contributions towards improving environment. Also, information about the renumeration of top people and the general workforce

More transparency, there are reports of some water companies leaving sewage in the rivers which is not good for us or the environment

Stop polluting the rivers, minimise dividends and invest heavily in infrastructure. With the climate we have we shouldn't have water shortages, why aren't they building more reservoirs and storage solutions?

Repair leaks on a regular basis and put more of the profits into running a good service

Results under 4% are not shown

Q5. What could your water company do in order to improve your levels of trust in them?
Base: All respondents (2,138), South East (253), 55-64 (321), NET: Responsibility for water bills (1,946)

Words relating to leaks and pollution of water are coming out most strongly when it comes to what could improve levels of trust

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Words/phrases suggesting what water companies could do to improve levels of trust

Q5. What could your water company do in order to improve your levels of trust in them?
Base: All respondents (2,138)

A quarter don't need their trust levels to be improved, however, the group stating that nothing can be done is composed of those who feel positively and negatively

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Demographic groups more likely to <u>need</u> or <u>not need</u> the water companies to work on their trust

<u>More likely to suggest something that could be done to improve trust</u>

Total average is 76%

Those with bill paying responsibilities (94%)

Those in the ABC1 social grade (58%)

Men (52 %)

People aged 55+ (44%)

Those living in the South East (20%)

<u>More likely to not need their trust improved</u>

Total average is 24%

Those living in Yorkshire & Humberside (34%)

Those aged 18-34 (29%)

<u>More likely to say that nothing can be done to improve their trust</u>

Total average is 28%

Those aged 18-34 (36%)

Those in the C2DE social grade (33%)

Women (31%)

Those in the North West (42%) and North West (36%)

Note: *those who said their* ***trust did not need to be improved*** *tended to be the* ***most positive*** *about their water company and the water industry overall. Those who said* ***something could be done to improve trust*** *were the* ***least positive****. People who said* ***nothing*** *could be done to improve their trust tended to sit* ***in the middle*** *in terms of positivity towards their water company and the water industry as a whole.*

Q5. What could your water company do in order to improve your levels of trust in them?
Base: All respondents (2,138), 55-64 (321), Yorkshire & Humberside (182). 18-34 (589), Female (1,050), C2DE (936), All of those who provided a write-in suggestion (978)

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Conclusions

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Conclusions

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- Communication is key. As the cost of living crisis continues to impact consumers, water companies need to tell them about the work they are doing so people understand what they are getting in return for the money they spend on water bills.
- Different customers have different levels of trust. Trust in the industry needs to be improved most for older (55+), wealthier, bill payers. Communicate the services provided and where profits go to.
- Trust varies by region too and is lowest in the South East. This is an area that has recently had hosepipe bans and publicity about water leaks, so fixing these issues could serve to increase trust locally.
- Trust in water companies to protect the environment is relatively low, so there is an opportunity to educate consumers on this point.

*CCW Price Review Objectives Research 2022

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