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Northumbrian Water Ltd

Brand Values 2020 – The survey findings

Our ref. J3067

DEFINING THE CLEAREST DIRECTION

Contents

What drives perceptions of the brand, and how is it seen by customers?

Introduction

This report details the findings of the 2020 survey designed to track consumer perceptions of NWG's brand values – a total of 700 interviews were conducted by phone between 22 September and 27 October 2020.

The total spread across the sub-regions was as follows:

Location	Interviews
Northumbrian Water	420
Essex Water	178
Suffolk Water	102
TOTAL	**700**

Sample was provided by NWG, and we removed any customers who are TPS registered, before use. To qualify to take part, respondents had to be the person in the household who would deal with NWG (either solely or jointly). Note that this survey covers home-owners only; in the case of households renting their property, it will often be the landlord rather than the tenant who deals with water and sewerage bills.

The mean average interview length was 21 minutes, and the response rate (interviews as a proportion of interviews plus refusals) 15%.

We set age quotas, and have achieved the desired overall sample spread, with an age profile in line with the national home-owner population (as detailed in the Labour Force Survey).

Headlines

Headlines (1)

Brand recognition

Respondents had to be informed at the outset that this survey was being carried out on behalf of NW/ESW (in order to secure co-operation at a cost-effective rate), so it was to be expected that the brands most commonly associated with their region would be NW/ESW, and that NW/ESW would be brands that come to mind most readily when they think of water. The results show that recognition is far more clear cut in the north, whilst Anglian and Thames mean ESW's stand out is dialled down.

Comms recall

A healthy majority in both regions recall having seen or heard anything about the company in the last 6 months (87% north, 85% south), most commonly on a vehicle or on bills. Recall in the south was significantly higher than in 2019 (78%).

Website/app

Overall, 68% would either visit the NW/ESW website directly or search for it using Google if they wanted information about the company. 48% have ever visited the website, and perceptions of it are positive amongst these customers. Just 5% have downloaded/used the app; the vast majority of these are satisfied with it.

Headlines (2)

Customer service excellence

63% of respondents could give an instance of having experienced what they would consider to be excellent customer service, with utility companies (water, energy, phone/broadband), retailers and energy suppliers heading the list. A third of customers (34%) have contacted NW/ESW within the last 12 months, and these tend to respond positively when asked to rate the company for customer service excellence. The overall mean score out of 10 for CS excellence was 8.3, and the 'NPS equivalent score' (9-10s minus 0-6s) was +42.9 – this represents a significant improvement for both NW and ESW over last year's results.

Overall satisfaction/perceptions

The NPS score recorded was +51.3 overall, a significant improvement over last year's survey result of +42.0, driven by NW. 87% would say that their overall perceptions of the company are positive, compared to 4% saying negative (and 9% having no view). 6% say their overall opinion of NW/ESW has improved over the last 12 months, with only 3% saying it has got worse. For overall experience of the company, mean score satisfaction was 8.7 out of 10, with an 'NPS equivalent score' of +54.1 (a significant improvement on 2019).

Brand values

With the exception of 'organised and efficient', there are significant improvements since 2019 on all the brand value elements.

Customer priority areas

As far as customers are concerned, the primary issues for the business to prioritise should be top quality water, and value for money.

Respondents and their households

Demographics and billing profile

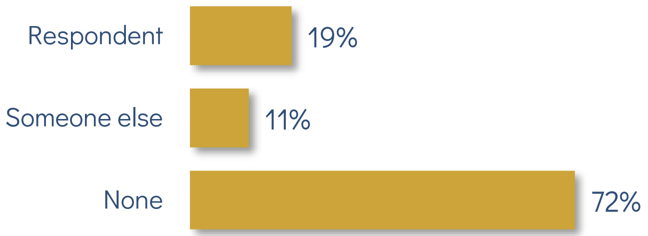
Sample profile	Total	NW	ESW
Male	45%	45%	46%
Female	55%	55%	54%
16-34	9%	10%	8%
35-44	15%	15%	14%
45-54	21%	21%	21%
55-64	21%	21%	20%
65+	33%	32%	35%
AB	31%	29%	34%
C1	45%	44%	48%
C2	10%	11%	9%
D	5%	6%	5%
E	8%	10%	4%
Information refused	0%	0%	0%

The sample profile this year is fairly similar to that achieved on the previous wave of this survey, carried out in 2019.

Billing profile	Total	NW	ESW
Metered	65%	56%	78%
Not metered	35%	44%	23%
Direct debit	81%	84%	78%
Not direct debit	19%	16%	22%

Disability and benefits

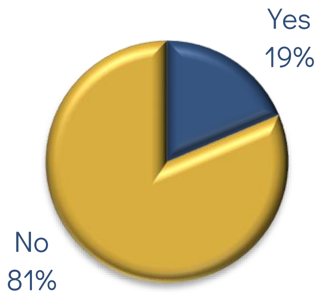
Three in ten households contain at least one person affected by a long-term illness or disability:



Base: all respondents, where answer given (690)

The incidence of long-term illness or disability rises with age. The level is highest (56%) in the DE socio-economic groups.

Nearly one in five respondents are in receipt of income support or any other benefits:



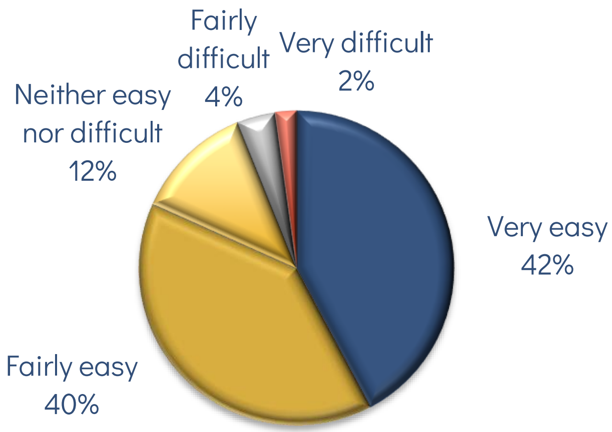
Base: all respondents, where answer given (691)

Women are more likely than men to be on benefits (23% vs 14%). Almost half (44%) of the DE socio-economic group are on benefits, and 43% of those with anyone in the household with a disability or long-term illness.

Q22/21

Ease of understanding bills, and overall vulnerability

The vast majority (80%) say they find it easy to understand bills and official documents, however 6% find this difficult.



Base: all respondents, where answer given (689)

The proportion of respondents meeting any of these 3 criteria for vulnerable circumstances (in receipt of benefits, having anyone in the household with a disability or long-term condition, and/or finding understanding official documents difficult) is 36%. This is the same as the equivalent 2019 result, albeit with slightly different criteria this time.

Only 72% of customers in vulnerable circumstances pay their water bills by direct debit, compared to 86% of the rest.

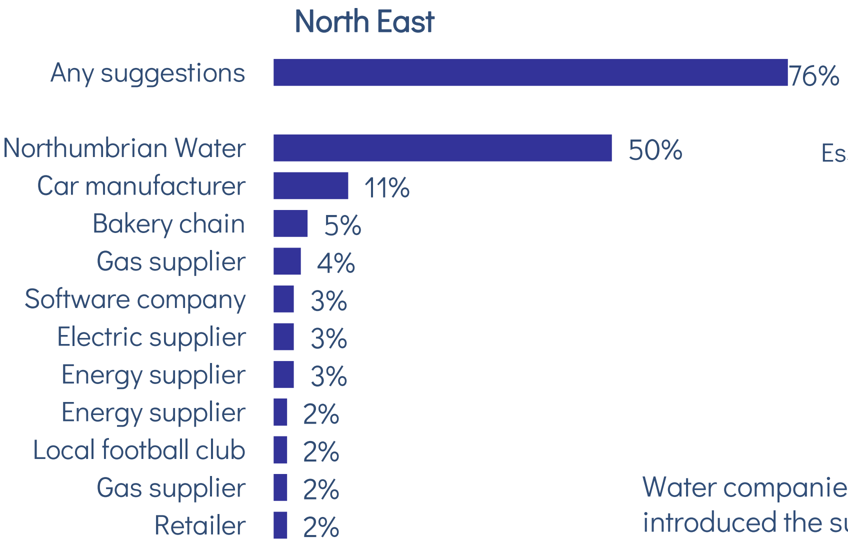
DEs, those not paying by direct debit, those on benefits and those with a disability in the household are particularly likely to find it difficult to understand bills.

Q18

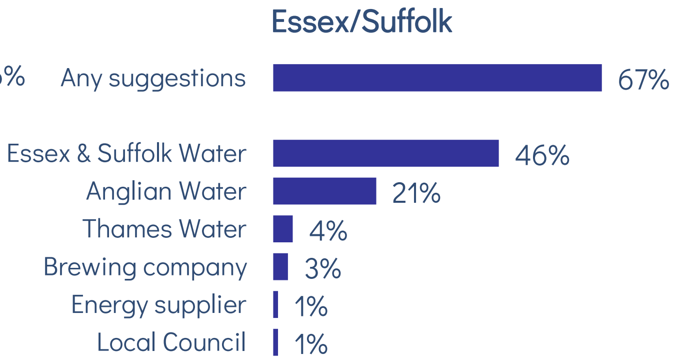
Brand recognition

Brands associated with the area

Which companies do you most associate with [the North East/ Essex/Suffolk]? (unprompted)



Base: all respondents (420)



Base: all respondents (280)

Water companies continue to score highly – understandable when we have introduced the survey as being on behalf of NW/ESW.

Respondents in the North, though, are much more likely to think of strong local brand associations.

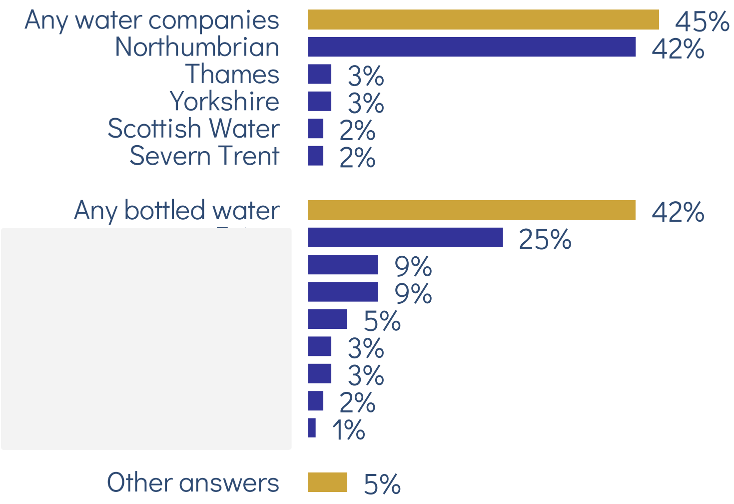
Q1

Top of mind water brands

Respondents in the North are slightly more likely than those in the South to think of a water company in this context. However, for around two-fifths in both regions, it is bottled water brands that come to mind.

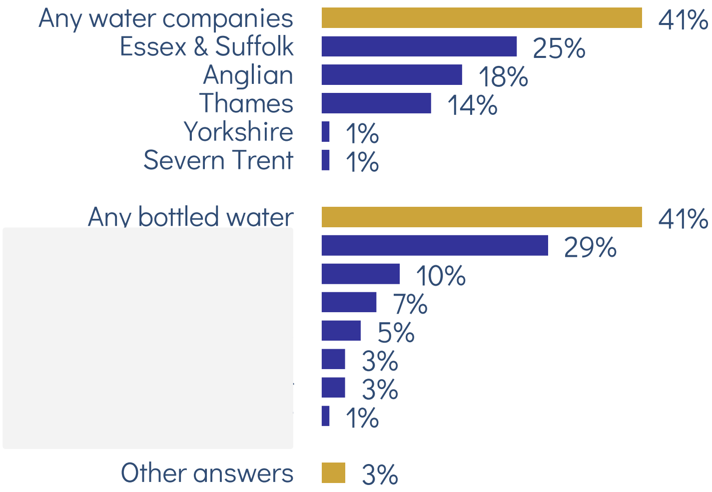
When you think of water, what brands come to mind? (unprompted)

North East



Base: all respondents (420)

Essex/Suffolk



Base: all respondents (280)

Q2

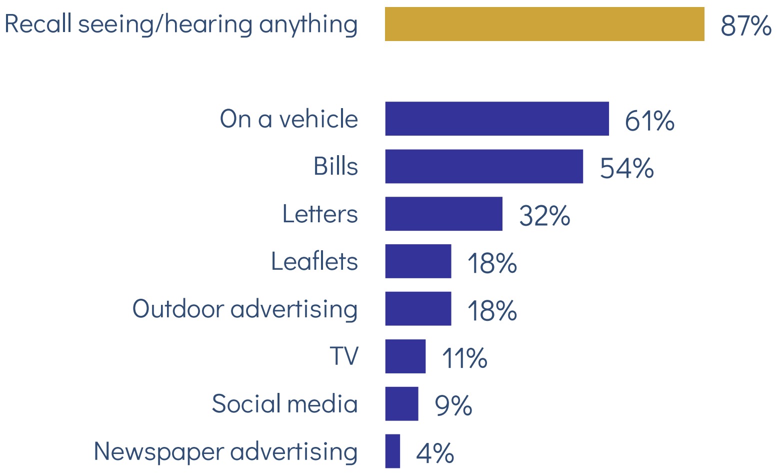
Comms recall

ESW customers are significantly more aware of comms activity than we saw in 2019 (78%)

Comms activity recall

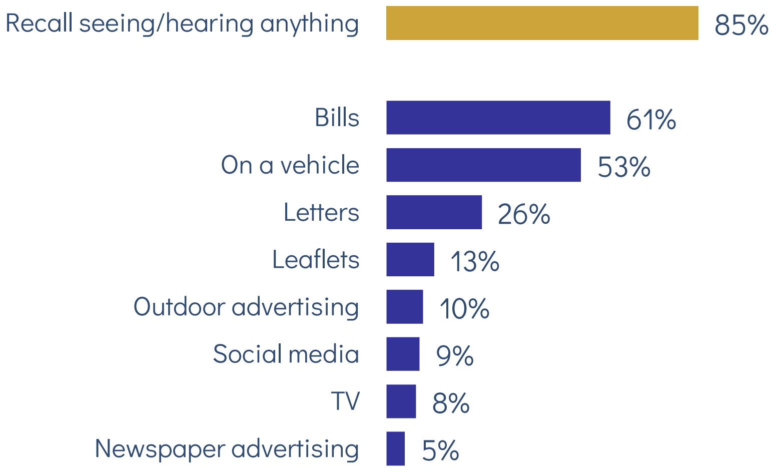
Can you recall seeing or hearing anything about NW/ESW in the last 6 months or so, on any of the following? (prompted)

North East



Base: all respondents (420)

Essex/Suffolk



Base: all respondents (280)

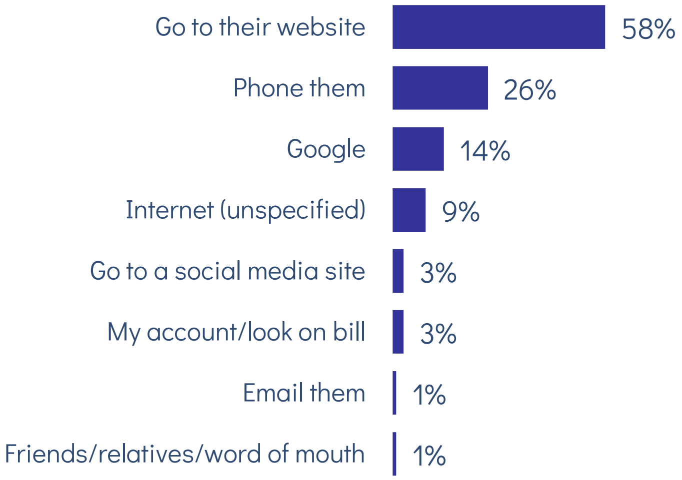
Q9

The website

Finding information

Younger customers (under 65s), ABs, Direct Debit payers, those not on benefits and without disabilities are all more likely to spontaneously mention the website

If you wanted to find out any information about NW/ESW, how would you go about doing this?



Base: all respondents (700)

Is there any particular reason you wouldn't use their website to find information?

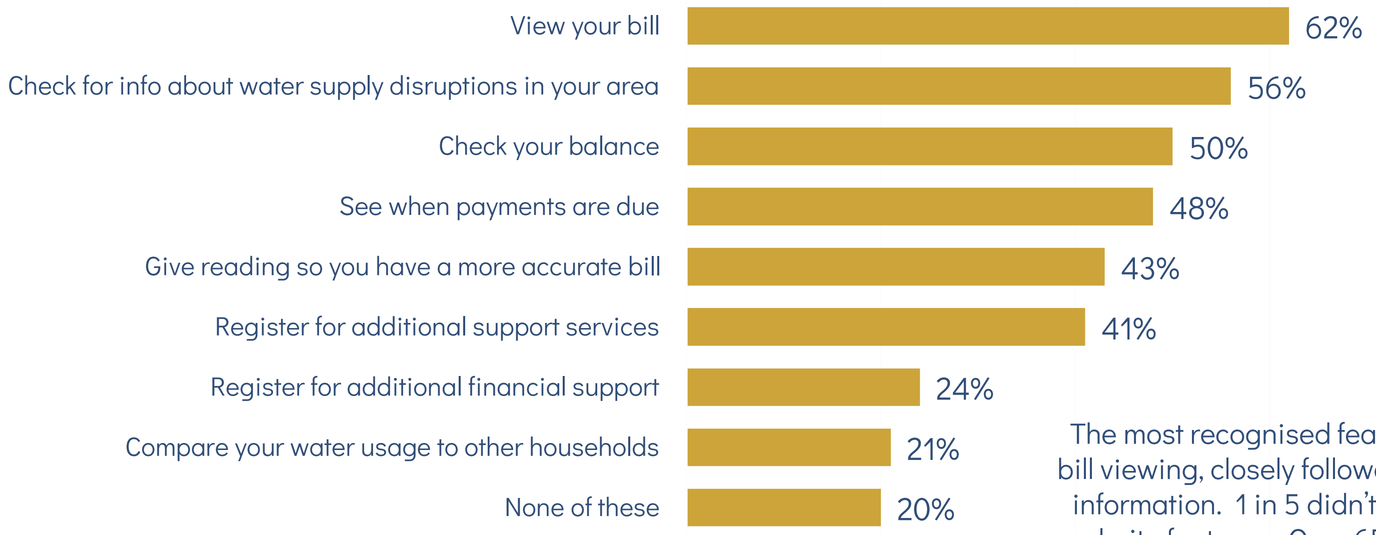
No internet access, don't like/use the internet	31%
Use Google to find website and then visit	21%
Prefer to speak to a person/prefer to call	10%
Never thought about it/didn't know they had one	3%
Would use website	3%
No need to visit website at the moment	2%
Don't find information on website trustworthy/reliable	2%

Base: all respondents who didn't spontaneously mention the NW/ESW website (292)

Q12a/b

Awareness of website resources

Can you tell me which of these resources and facilities you are aware of being available on the NW/ESW website?



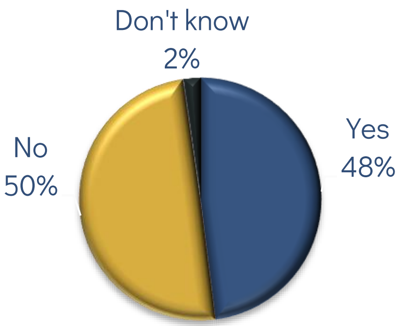
The most recognised feature of the website was bill viewing, closely followed by supply disruption information. 1 in 5 didn't recognise any of these website features. Over 65+s and customers with disabilities are significantly more likely not to know about any features of the website

Base: all respondents (700)

Q13

Usage of the website

Have you ever visited the NW/ESW website?



Base: all respondents (700)

Almost half of respondents had previously visited the website. Males, 16-64s, and ABs are significantly more likely to have visited the website; vulnerable customers are less likely to have done so.

What were you looking for?

Bills/my account/query/set up online account	27%
Contact number/email address	18%
Planned/unplanned disruptions/loss of supply	8%
Moving house	7%
General information	5%
Pay bill/query	5%
Give/request/check meter reading	4%
Water meter: installing/removing/changing	3%
Water meter: information/query	3%

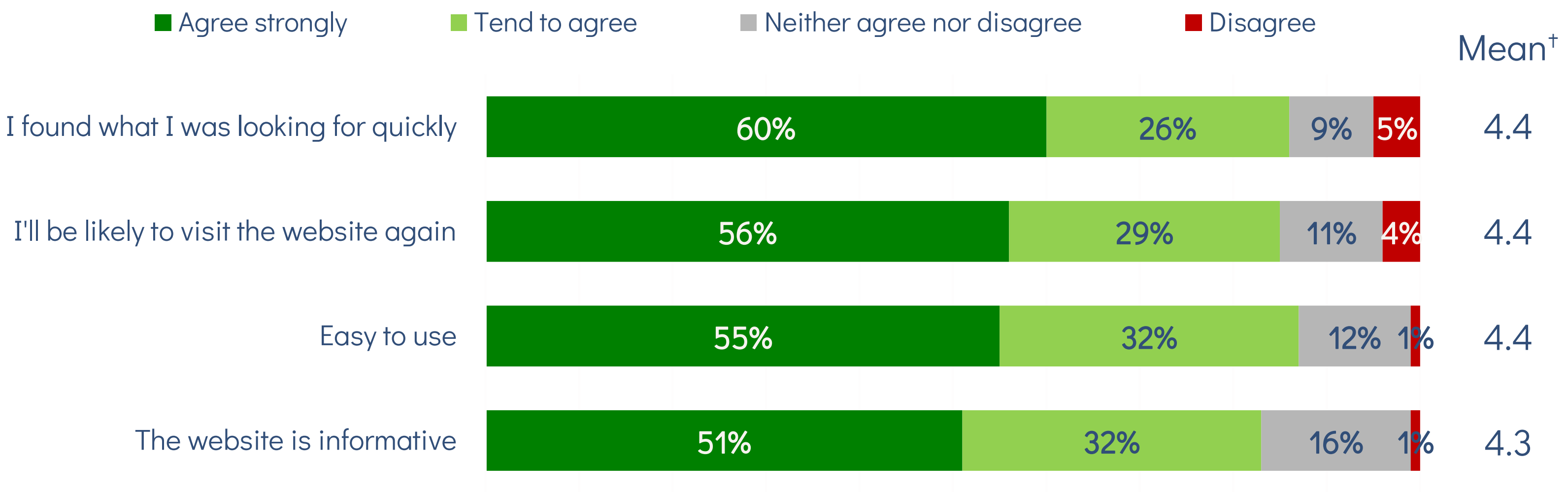
Base: respondents who have visited the website (336)

Q14a/b

Experience of the website

Amongst those who have visited it, the website scores highly for accessibility and ease of use

Please tell me to what extent you agree or disagree with the following statements, about the website



Base: respondents who had visited the website (336)

† where 5 = agree strongly and 1 = disagree strongly

Q14c

Non-user reasons to visit the website

Can you think of a reason you might ever visit the NW/ESW website?

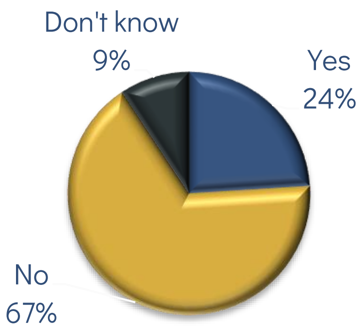
Loss of supply/problems with water/planned/unplanned disruptions	16%
If I had an issue/problem	14%
Contact number(s)	7%
Check my usage/bill/meter readings	5%
Billing query/issue	5%
General information/curiosity	3%
Report a leak	3%
If I had a query/needed more information	2%
None/nothing	2%

Q14d *Base: respondents who haven't used website (364)*

E-billing

A quarter of respondents have already signed up for e-billing. 16-44s (34%) and last 3 month contactors (34%) are most likely to have done so. Amongst those who haven't, over half said there was nothing that could be done to encourage them to sign up.

Are you signed up for e-billing with NW/ESW?



Base: all respondents (700)

What might encourage you to sign up to e-billing?

Nothing	55%
More information about it/make customers aware/invite to join	12%
Incentive/discount/reduced bills	9%
Happy to do so	5%
Like the idea of saving paper/the environment	4%
Prefer paper bills	3%
Prefer an app rather than internet/pc	1%
Would be easier/more convenient	1%
If easier than it is now/easy to do	1%

Base: respondents who haven't signed up to e-billing (467)

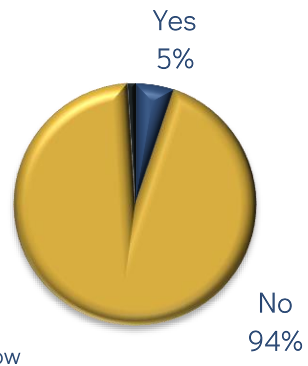
Q15a/b

The app

Usage of the app

Have you used or downloaded the NW/ESW app?

Only 5% of respondents have either used or downloaded the NW/ESW app – 5% in the NW region, and 6% in ESW



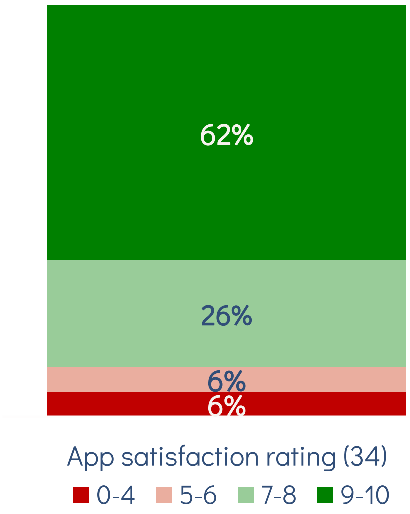
NB: 1% said don't know

Base: all respondents (700)

This figure was highest amongst 16-44 (10%) and non-Direct Debit bill payers (11%).

Using a scale of 10 to 0, where 10 is very likely and 0 is very unlikely, how satisfied are you with the app?

Three in five gave the app 9 or 10 for satisfaction.



Mean score : 8.6
'NPS equivalent score' (9-10's minus 0-6's) : +50.0

Base: respondents who had used/downloaded the app (base as shown)

Q16a/b

What else app users would like to see

What else, if anything, would you like to see in the app?

- Nothing else - 23
- Feature to make payments, that works - 2
- Ability to use Apple Pay - 1
- Average cost of water in different areas of UK - 1
- Clearer layout - 1
- Combine water and waste bills into one - 1
- Price comparisons for households with meters & those without - 1
- Face recognition for logging in - 1
- Information on what they are doing for the environment - 1
- Instant update to bill after inputting readings - 1
- Links to products you offer eg water butts - 1
- More general information available - 1
- Not to be automatically logged out – 1
- Price of water per litre - 1

Q16c

Base: respondents who have used/downloaded the app (36)

Encouraging use of the app

What might encourage you to use an app from NW/ESW?

Nothing	63%
Check on usage/track costs	11%
Sounds good/interested	9%
Make customers aware of it	7%
View bills	3%
Incentive/reduced bill	2%
If it showed planned/unplanned works/disruptions	2%

Base: respondents who haven't used/downloaded the app (664)

Q16d

Customer service excellence

Examples of excellent customer service

Can you think of an instance when you have experienced what you would say is excellent customer service from a company?

63% could suggest such an instance

- 17% in the north named Northumbrian Water
- And 11% in the south named Essex & Suffolk Water

The main other categories of business mentioned were:

- Mobiles/phone/broadband (especially Sky and EE)
- Retailers (especially Amazon)
- Energy suppliers
- Financial services
- Holiday and travel companies
- Car marques and dealers

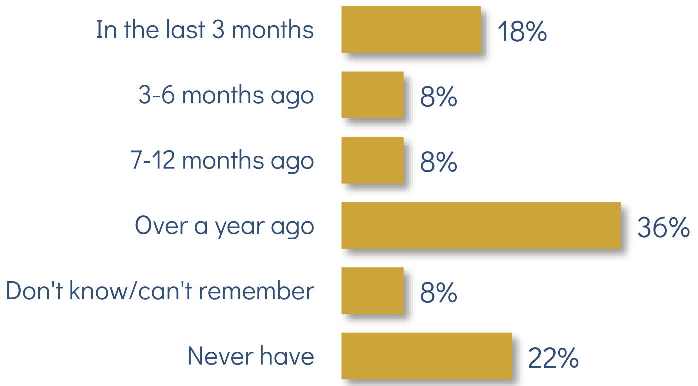
Top themes in these cases were:

- Good communication
  - Offering good information/advice
  - Keeping the customer informed if something could not be resolved immediately
- Speedy service
- Not pushy
- Fulfill promises
- Prompt query/problem resolution
- Discounts/money back given
- Helpful and friendly staff who listen to the customer

Q3

Contact

When did you last have any contact with NW/ESW – apart from receiving a bill?



Base: all respondents (700)

Those in the NW region are more likely ever to have contacted (81%) than those in ESW (73%), and more likely to have done so in the previous 3 months (20% vs. 14%).

Q4

Customer service excellence

Overall customers gave a significantly better score than in 2019 (NPS equivalent 27.6). This was the case for both NW (45.0 vs 32.1 in 2019) and ESW (39.7 vs. 20.6)

Using a scale of 10 to 0, where 10 is very likely and 0 is very unlikely, how likely are you to describe the customer service you receive from NW/ESW as being excellent?

CS excellence rating (608)

NB: 13% could not answer

Mean score : 8.3
'NPS equivalent score' (9-10's minus 0-6's) : +42.9

Base: all respondents, where answer given (as shown)

Q5a

CS sub-sample differences

Women and customers who are 45+ score NW/ESW particularly highly on customer service excellence.

Differences in the 'NPS equivalent scores' for customer service excellence by respondent sub-group are listed below. Figures shown in green are significantly better than those in red:

Total (608)	**42.9**
NW (371)	45.0
ESW (237)	39.7
Essex (152)	38.8
Suffolk (85)	41.2
Direct debit (490)	40.6
Not (118)	52.5
Metered (406)	44.3
Unmetered (202)	40.1

Men (281)	35.2
Women (327)	49.5
16-44 (145)	30.3
45-64 (255)	45.5
65+ (202)	50.0
AB (193)	42.0
C1 (270)	39.6
C2 (62)	45.2
DE (82)	54.9

In vulnerable group (226)	45.6
Not (333)	42.0
On benefits (117)	47.9
Not on benefits (484)	42.6
Disability in household (170)	47.6
Not (431)	41.5
Last contacted NW/ESW:	
In last 3 months (124)	53.3
3-12 months ago (116)	38.9
Longer/don't know (307)	43.1
Never have (153)	34.0

Base: all respondents, where answer given (as shown)

Q5a

Top reasons for CS excellence scores

9-10s (344)
Had no problems – 23%
Helpful – 18%
Quick response/resolution – 18%
Good communication/proactive communication – 15%
Polite/friendly staff/good staff/engineers – 15%

5-6s (49)
Have no contact with them – 12%
Slow to fix problem/answer query – 12%
Wouldn't take responsibility/refused to do anything – 6%

7-8s (181)
No problems – 19%
Quick response/resolution – 12%
Helpful – 9%
Good service/customer service – 8%
Good communication/proactive communication – 8%

0-4s (34)
Wouldn't take responsibility/refused to do anything – 15%
Take too long to answer phone/kept on hold – 12%
Had previous poor experience – 12%
Have no contact other than paying bill – 9%
Poor staff attitude – 9%

Q5b *Base: all respondents giving each score (as shown)*

Overall satisfaction/ perceptions

Overall perceptions

Would you say that your overall perceptions of NW/ESW are generally positive or negative?

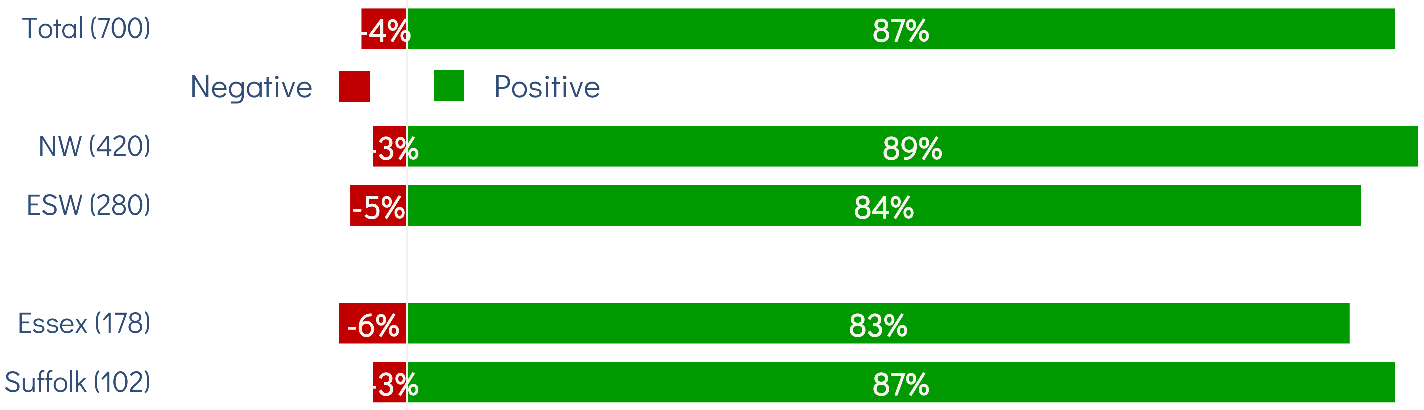
Customers in Essex significantly more likely to have negative perceptions than in 2019

Most likely to be positive:

- Females (90%)
- 45+s (89%)

Least likely to have a view (9% neither/don't know overall):

- 16-44s (13%)
- Never contacted (14%)



Base: all respondents (as shown)

Q6a

How this opinion is formed

Positive (610)
Had no problems – 37%
Good customer service – 12%
Reliable supply – 12%
Proactive communication/keep you up to date – 11%
Bills are clear – 8%
Good previous experience – 8%
Quick response – 7%
Helpful – 5%
Good water quality – 5%
Responsive/handle issues well – 5%
Been with them a long time – 5%
Good/fair prices – 4%

Negative (27*)
Poor previous experience – 26%
Too expensive – 15%
Unhelpful – 11%
Poor water quality – 11%
Do not resolve problems – 11%
Slow to respond -7%

Base: all respondents answering each way (as shown)

Q6b

** caution – low base*

Opinion change

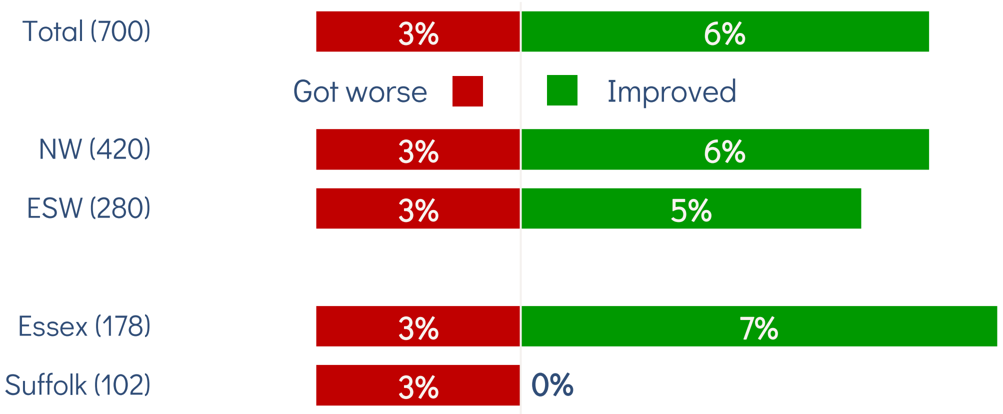
Overall, significant rise since 2019 in those saying 'improved' (from 3% to 6%)

- Essex saw significant rise (from 2% to 7%)
- But Suffolk saw significant fall (from 4% to 0%)

Most likely to be improved:

- 45-64s (8%)
- Contacted in last 12 months (11%)

Has your overall opinion of NW/ESW changed at all, over the last 12 months or so?



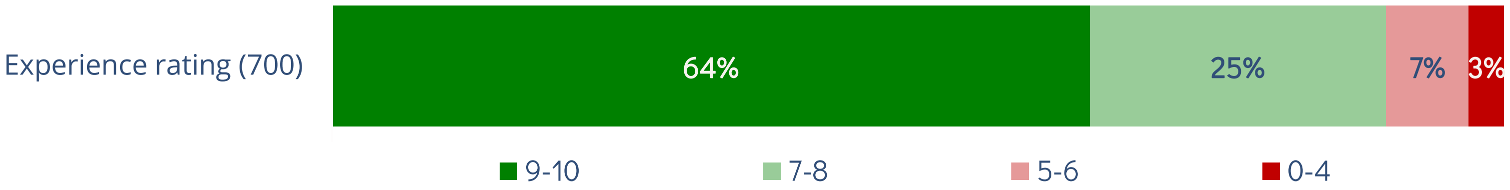
Base: all respondents (as shown)

Q7

Overall experience

Significant rise since 2019 in NPS equivalent score, from 46.5 to 54.1

Using a scale of 10 to 0, where 10 is very satisfied and 0 is very dissatisfied, how satisfied are you with your experience of NW/ESW?



Mean score : 8.7
'NPS equivalent score' (9-10's minus 0-6's) : +54.1

Base: all respondents, where answer given (as shown)

Q8

Experience sub-sample differences

Differences in the 'NPS equivalent scores' for satisfaction with experience, by respondent sub-group, are listed below. Figures shown in green are significantly better than those in red:

Total (689)	54.1
NW (415)	57.8
ESW (274)	48.5
Essex (173)	48.0
Suffolk (101)	49.5
Direct debit (560)	53.4
Not (129)	57.4
Metered (448)	54.5
Unmetered (241)	53.5

Men (310)	42.6
Women (379)	63.6
16-44 (165)	44.8
45-64 (289)	54.0
65+ (227)	62.6
AB (213)	55.4
C1 (313)	48.6
C2 (71)	60.6
DE (90)	67.8

In vulnerable group (253)	55.3
Not (377)	54.1
On benefits (128)	57.0
Not on benefits (553)	53.9
Disability in household (192)	58.3
Not (487)	52.8
Last contacted NW/ESW:	
In last 3 months (124)	56.5
3-12 months ago (116)	44.0
Longer/don't know (302)	59.3
Never have (147)	49.7

Base: all respondents, where answer given (as shown)

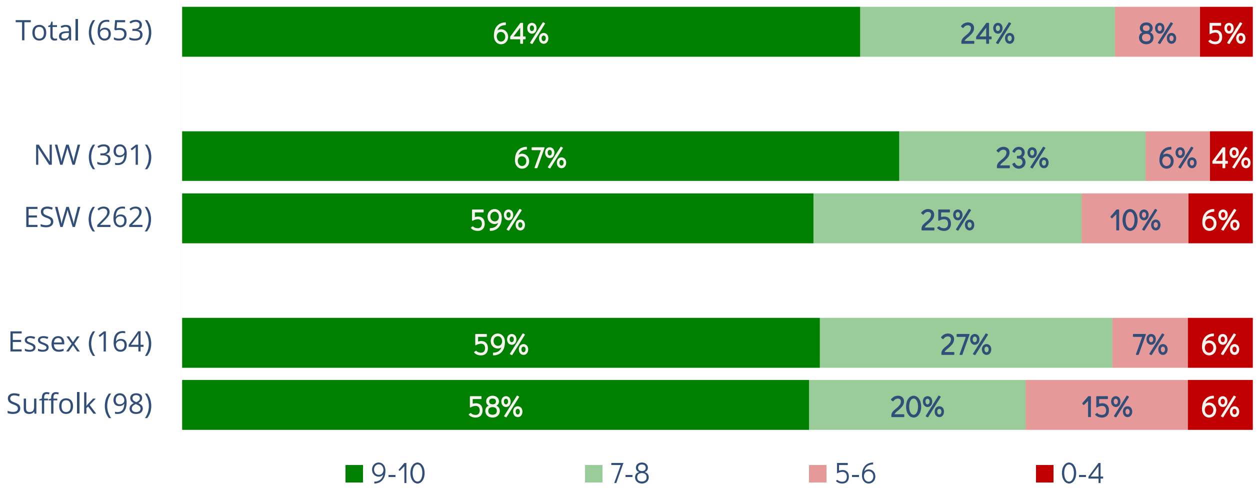
Q9

NPS

NPS

The overall NPS result this year is significantly better than that seen in 2019, with particular improvement in the North East.

Respondents were asked for scores out of 10 on likelihood to recommend NW/ESW:



	NPS	2019
Total (653)	51.3*	42.0
NW (391)	57.3*	46.6
ESW (262)	42.4	35.1
Essex (164)	45.7	36.3
Suffolk (98)	36.7	33.0

Base: all respondents, where answer given (as shown)

** Significant change since 2019*

Q19a

NPS sub-sample differences

Differences in the NPS score by respondent sub-group are listed below. Figures shown in green are significantly better than those in red:

Significant improvements vs last year:
- Women (51.1 in 2019)
- ABs (27.6), C1s (34.0) and C2s (48.4)
- Pay by direct debit (39.5)
- Unmetered (41.8)
- Contacted longer than 12 months ago/don't know (31.7)
- Not on benefits (37.2), no disability in household (40.1), not vulnerable (35.9)

Total (653)	51.3
NW (391)	57.3
ESW (262)	42.4
Essex (164)	45.7
Suffolk (98)	36.7
Direct debit (529)	49.9
Not (124)	57.3
Metered (421)	48.2
Unmetered (232)	56.9

Men (294)	36.4
Women (359)	63.5
16-44 (161)	43.5
45-64 (271)	55.7
65+ (214)	53.7
AB (201)	44.8
C1 (295)	47.8
C2 (66)	69.7
DE (89)	64.0

In vulnerable group (238)	55.9
Not (358)	49.4
On benefits (123)	61.0
Not on benefits (525)	49.5
Disability in household (181)	58.0
Not (463)	49.5
Last contacted NW/ESW:	
In last 3 months (119)	59.7
3-12 months ago (107)	45.8
Longer/don't know (291)	49.1
Never have (136)	52.9

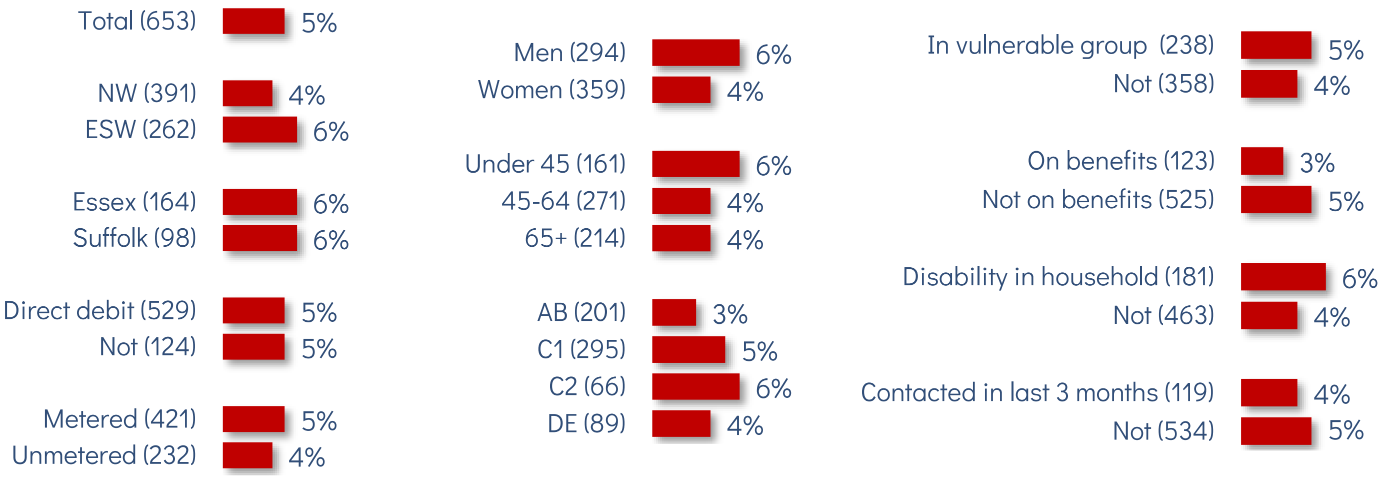
Base: all respondents, where answer given (as shown)

Q19a

Lowest propensity to recommend

While getting rid of 0-4 scores entirely is unrealistic, it is heartening to see that there are no customer groups who are especially disgruntled.

Scores of 5-6 on the NPS scale are often not indicative of actively poor perceptions, but 0-4s generally are. Overall, 5% of customers gave a low score of 0-4 against likelihood to recommend NW/ESW if they had the choice of supplier. Proportions of 0-4 scores by sample sub-group are shown below; there were no statistically significant differences.



Base: all respondents, where answer given (as shown)

Q19a

Top reasons for NPS scores

9-10s (417)
Had no problems – 42%
Good customer service – 23%
Happy with them/good experience – 13%
Good quality water – 12%
Been with them a long time – 9%
Good/fair prices – 8%
Good company – 7%

7-8s (154)
No problems – 25%
Good customer service – 14%
Happy with them/good experience – 12%
Good company – 8%
Good quality water – 6%

5-6s (52)
Poor previous experience – 6%
Poor water quality – 6%
No problems – 6%
Okay/middle of the road – 4%
Too expensive/comes down to cost – 4%
Do not recommend – 4%

0-4s (30)
Poor previous experience – 20%
Do not recommend – 17%
Poor customer service - 10% (= 3 respondents)
Too expensive/comes down to cost – 10%
No response to issues – 7% (= 2 respondents)

Q19b

Base: all respondents giving each score (as shown)

Most important improvement to raise score…

…to 7-8 (those giving scores of 0-6: 82 people)

Cheaper/better value – 24%
Improve water quality – 6%
Proactive communication – 5%
No supply problems – 4%
Listen to customers – 4%
Reduce leakage/fix leaks more quickly – 4%
Make customers aware of what you are doing – 4%
Improve customer service – 2%
Put customers first – 2%

Nothing – 6%

…to 9-10 (those giving scores of 7-8: 154 people)

Cheaper/better value – 19%
Improve water quality – 13%
Reduce leakage/fix leaks more quickly – 5%
Proactive communication – 4%
Be environmentally friendly – 4%
Make customers aware of what you are doing – 3%
Improve water pressure – 2%
Comparison tables versus other water companies - 2%

Nothing – 7%

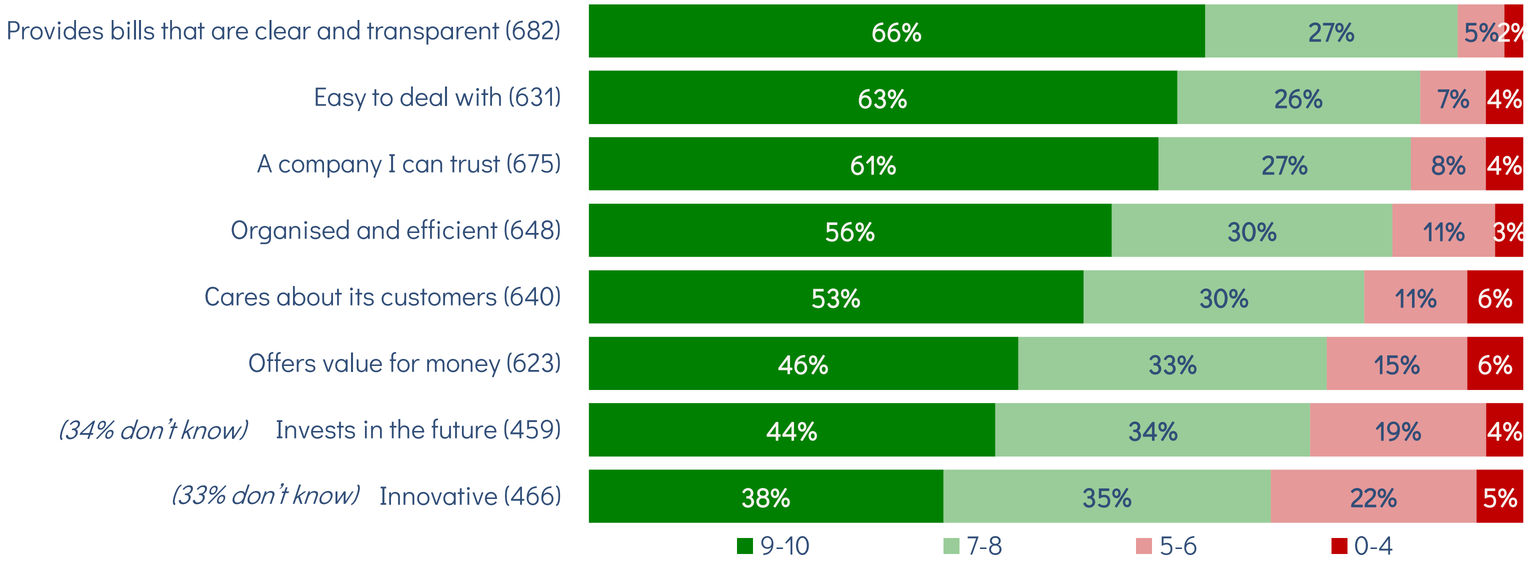
Q19b

Base: all respondents giving a score 0-6/7-8 (as shown)

Impressions of the brand

Brand values

Scores given from 10-0 on each of these elements (10 being the most positive) were as follows:



	2020 9-10 – 0-6	2019 9-10 – 0-6
Provides bills that are clear and transparent (682)	58.8	52.4
Easy to deal with (631)	51.8*	40.8
A company I can trust (675)	49.6*	38.2
Organised and efficient (648)	41.7	34.8
Cares about its customers (640)	35.5*	22.6
Offers value for money (623)	24.9*	3.7
Invests in the future (459)	21.4*	-0.5
Innovative (466)	10.3*	-14.4

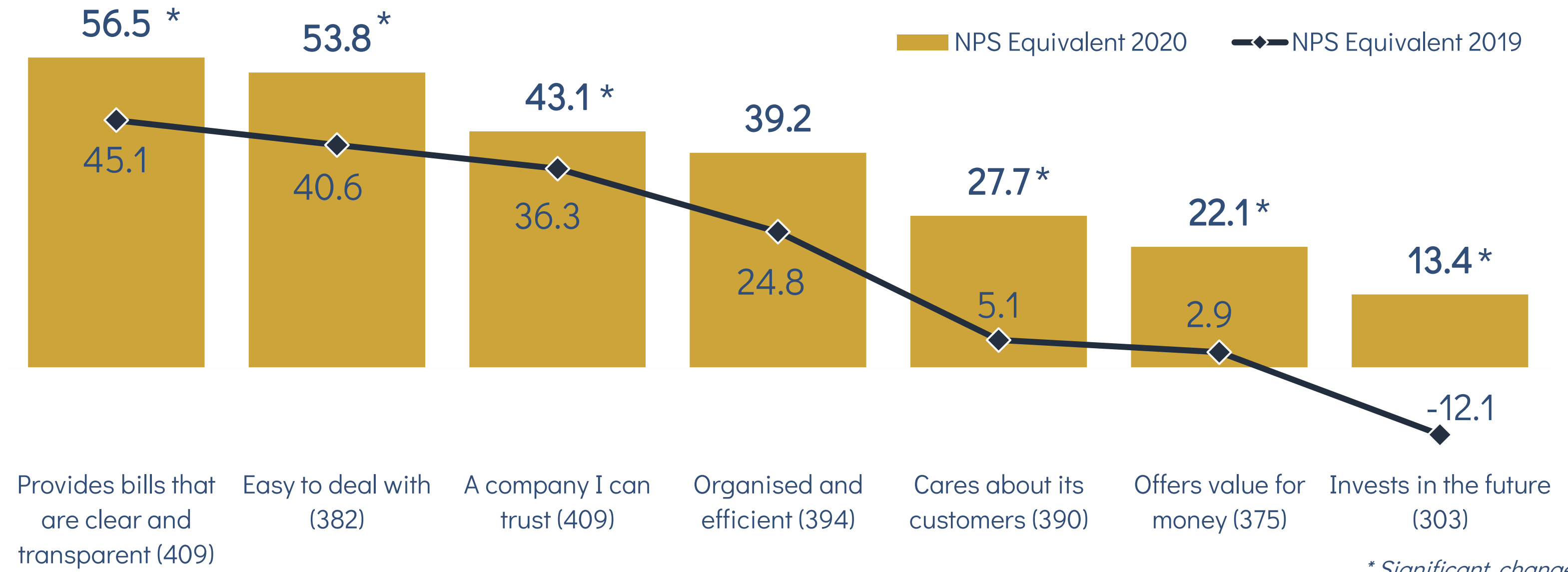
Base: all respondents, where answer given (as shown)

** Significant change since 2019*

Q10

Brand values - NW

NPS equivalent scores for each element for Northumbrian Water were as below. Significant improvements since 2019 were apparent in almost all areas.



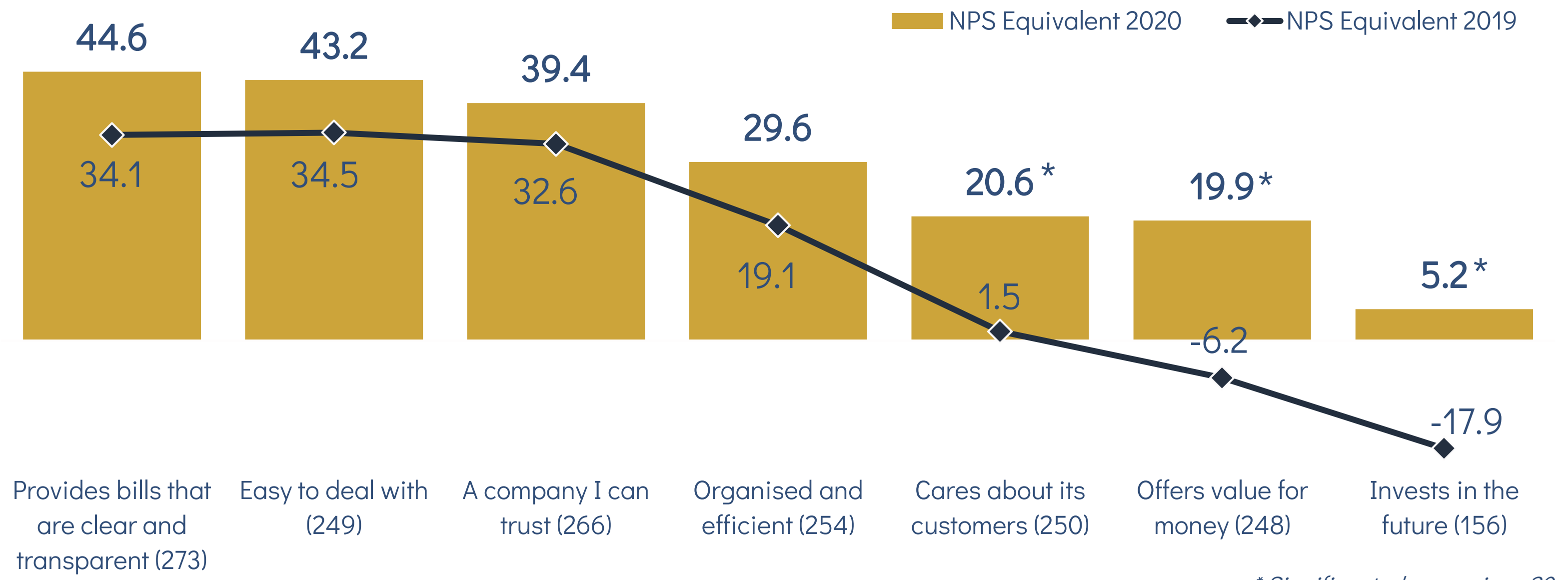
** Significant change since 2019*

Q10

Base: all respondents, where answer given (2020 bases shown)

Brand values - ESW

NPS equivalent scores for each element for Essex & Suffolk Water were as below. Significant improvements since 2019 were apparent for caring about customers, offering value for money and investing in the future. Suffolk results were a significant improvement on 2019 on all aspects except 'a company I can trust' and 'organised and efficient'; Essex results did not differ significantly on any measure.



Q10

Base: all respondents, where answer given (2020 bases shown)

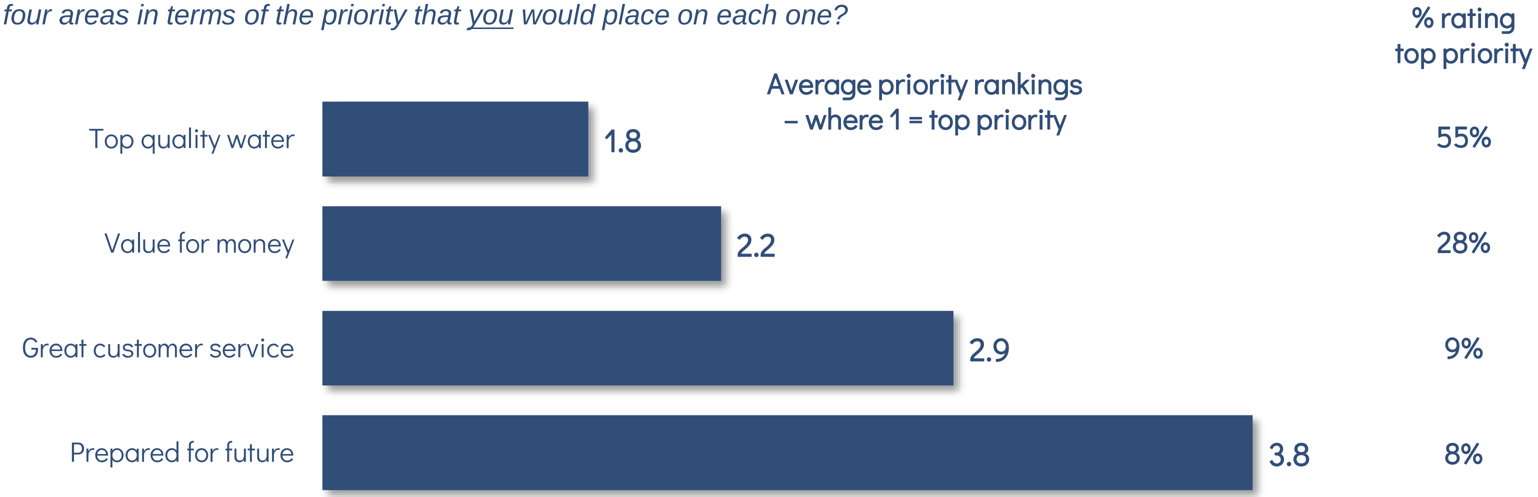
** Significant change since 2019*

Customer priority areas

Ranking of priority areas

Top quality water was of highest priority to customers, followed by value for money, with no difference overall in the rankings between NW and ESW.
Customers in Suffolk, though, were much more likely than those in Essex to have quality water as their top priority (64% vs. 49%) while those in Essex were more likely to put value for money in first place (33% vs 19% in Suffolk)

Customers have told [NW/ESW] that there are four priority areas that matter most to them - value for money, great customer service, top quality water, and being prepared for the future (eg having reliable, resilient infrastructure and service). Could you rank these four areas in terms of the priority that <u>you</u> would place on each one?



Q17 *Base: all respondents (700)*

Other priority areas

Do you think there are any other areas NW/ESW should focus on?

No further areas – 68%
More environmentally friendly – 6%
Reduce leakage/fix leaks more quickly – 4%
Plan for the future – resilience/innovations - 3%
Improve water quality – 2%
Maintain infrastructure more regularly – 2%

Base: all respondents (700)

Q18

Allto

DEFINING THE CLEAREST DIRECTION

THANK YOU

NWG living water

TELEPHONE | +44 (0)113 237 5590
WEBSITE | www.allto.co.uk
ADDRESS | 23 Harrogate Road, Chapel Allerton, Leeds, LS7 3PD

All of our work is carried out in accordance with the requirements of the international quality standard specific to the market research industry, ISO 20252