E054

Allto

30 / 06 / 21

Wholesale Tracker
Results: 2021

Our ref. J8085

NWG living water

DEFINING THE CLEAREST DIRECTION

Wholesale survey

Annual research programme among non-household customers, to monitor satisfaction with and perceptions of their wholesale water (and sewerage) service

Covering:

- Understanding of the NHH retail/wholesale market
- Satisfaction with their wholesale supplier – overall and in relation to specific service aspects
- Trust and other brand values measures
- Contact
- Where NW/ESW could improve their wholesale service
- The organisations' usage of water and how this is expected to change over the next few years

Approach

Survey carried out by phone

200 interviews per wave

Sample = bought in business list (from Experian)

Quotas set to achieve:

- 110 NW, 90 ESW
- Boosting coverage of larger businesses

2021 survey

Fieldwork carried out:

20 May – 8 June 2021

Company size

Employee size

As noted above, the sample was deliberately skewed towards larger organisations. The final employee size band profile achieved was as follows:

	TOTAL	NW	ESW
Base: answer given	*(186)*	*(102)*	*(84)*
Up to 5	9%	7%	12%
6-10	25%	29%	19%
11-20	19%	17%	23%
21-50	14%	14%	14%
51-100	13%	10%	18%
101-500	9%	10%	7%
Over 500	11%	14%	7%

Number of sites

Asked how many sites their organisation operates out of, respondents answered as shown in the table below. Around a third are multi-site operations.

	TOTAL	NW	ESW
Base: answer given	*(189)*	*(107)*	*(82)*
One	53%	55%	51%
2 – 3	17%	11%	26%
4 – 5	6%	7%	5%
6 – 10	8%	10%	6%
11 – 20	3%	3%	2%
21 – 50	5%	7%	4%
Over 50	7%	7%	6%

Respondents

Respondent job roles split out as follows:

	TOTAL
Base: all respondents	*(200)*
General manager	25%
Admin	18%
Director/Partner	11%
Facilities/Maintenance	11%
Accounts/Finance	8%
Owner/Chairman/MD	8%
Operations	3%
Others	17%

In the smaller organisations, we were more likely to be talking to the owner or a senior business leader; admin and accounts functions were more common in the medium sized companies and general managers or other specific functional managers in the largest ones.

Market competition

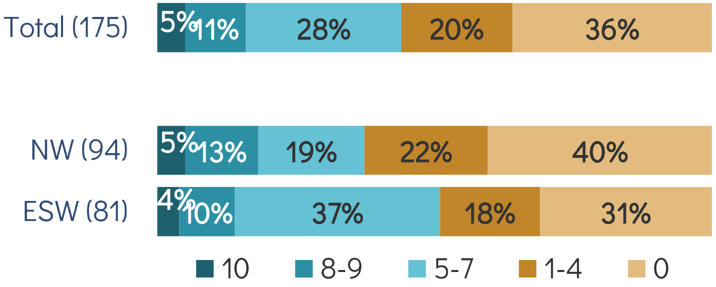
Awareness and understanding of the wholesale/retail market

Just under half are aware that as a non-household water industry customer, they are now able to choose which company they buy their water and wastewater services from:

Base: all respondents (as shown)

This result is rather lower than that seen in 2018 (when 53% said they were aware) and in 2017 (63%). The level of awareness of competition this year is higher in the South than the North; it is also highest in the smaller businesses and reduces as organisation size increases.

Asked to indicate on a scale of 10-0 how well informed they feel about the way businesses can now buy their water and sewerage services (where 10 is very well informed and 0 is not at all), respondents answered as shown below. The pattern of response is very similar to what we have seen on previous surveys.



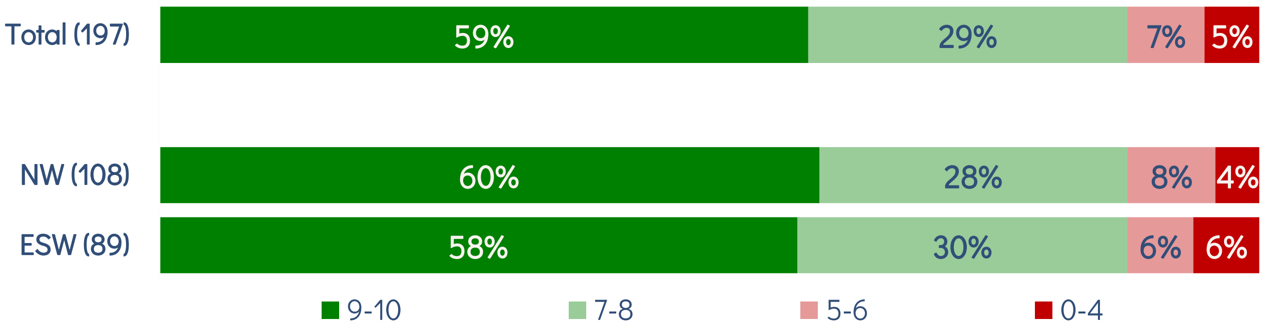
Base: all respondents, where answer given (as shown)

It seems that awareness and understanding of competition in the non-household water and wastewater market is not yet growing, as time goes on from its introduction in 2017.

Service satisfaction

Overall satisfaction

Respondents were asked for a score from 10-0 to indicate how satisfied they are overall with the service provided by their wholesaler:



	NPS-equivalent overall measure (9-10 minus 0-6)	vs 2018
Total (197)	47.7	+ 12.4
NW (108)	48.1	+ 10.4
ESW (89)	47.2	+ 15.4

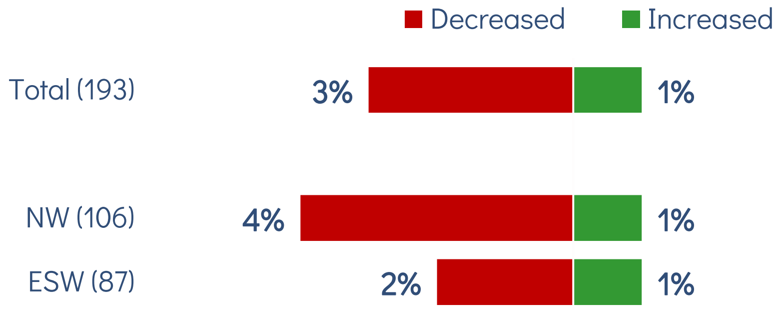
Base: all respondents, where answer given (as shown)

Scores were largely positive, across the board, and improved across both regions compared to the last time the survey was run, in 2018 (which had also seen an improvement over the previous year).

Within ESW, the scores for Essex and Suffolk were similar, at 45.8 and 50.0 respectively.

Change in satisfaction over the last year

The majority of businesses report that their level of overall satisfaction with their wholesaler has remained the same over the past year, with just 1% saying this has improved and 3% decreased:



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

Where a decrease in satisfaction was reported, some respondents' comments as to why they said this referred to works, leaks and outages that would indeed be the wholesaler's responsibility; others, however, still talked about billing and pricing, which underlines the apparent confusion in the market over the wholesale/retail separation. Examples are given on the next page.

Decrease in satisfaction over the last year

We had an issue where the water was cut off to our village.

Twice it has been switched off, twice we weren't given prior warning, twice we were told by a man in a high vis vest walking through the door, twice we weren't told when it was coming back on, and we were overcharged. Rather than spending on things like this, just decrease the prices or increase the service. It's absolutely crazy

I'm a developer and the lead times are terrible and the way they treat their customers. I'm doing a new build and had a problem with the outside tap and the guy who came was rude, arrogant and interfered when it was not his business. I think they should not subcontract but use their own workers. It's the same with phone companies - it's not OpenReach but a contractor and only half a job gets done. It needs to be how it used to be. It's a mess. They compete on prices, and you have to go to another supplier

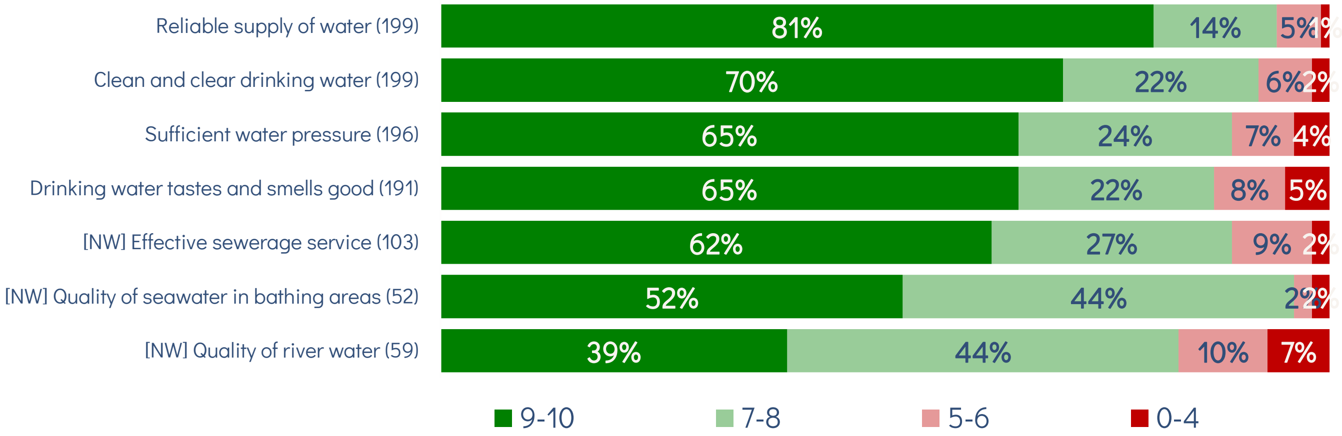
Because of the issues we've had with leaks on our site. They are a faceless company; you don't see them.

We've been closed due to Covid for 15 months and had no contact, no feedback, and the bills remain the same even though we are not open.

I get no service. I keep on sending letters, they don't respond; they send threatening letters, I send them new letters, they don't respond. We have a dispute and they're prolonging that forever. There is a problem with the metering, and they invoiced me for about £50,000. Instead of getting somebody senior to look into that they rely on secretaries who don't know what they're talking about, and you never, ever, ever get down to somebody that can take on responsibility and solve a problem.

Key aspects of service

Respondents were asked for a score from 10-0 to indicate how satisfied they are with specific aspects of the service provided by their wholesaler:



	NPS-equivalent overall measure (9-10 minus 0-6)	vs 2018
Reliable supply of water (199)	75.4	+ 6.2
Clean and clear drinking water (199)	61.8	+ 10.6
Sufficient water pressure (196)	54.1	+ 6.7
Drinking water tastes and smells good (191)	51.8	+ 15.4
[NW] Effective sewerage service (103)	51.5	+ 14.0
[NW] Quality of seawater in bathing areas (52)	48.1	+ 24.4
[NW] Quality of river water (59)	22.0	+ 7.6

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

All of the scores show improvement compared to the last time the survey was run, in 2018.

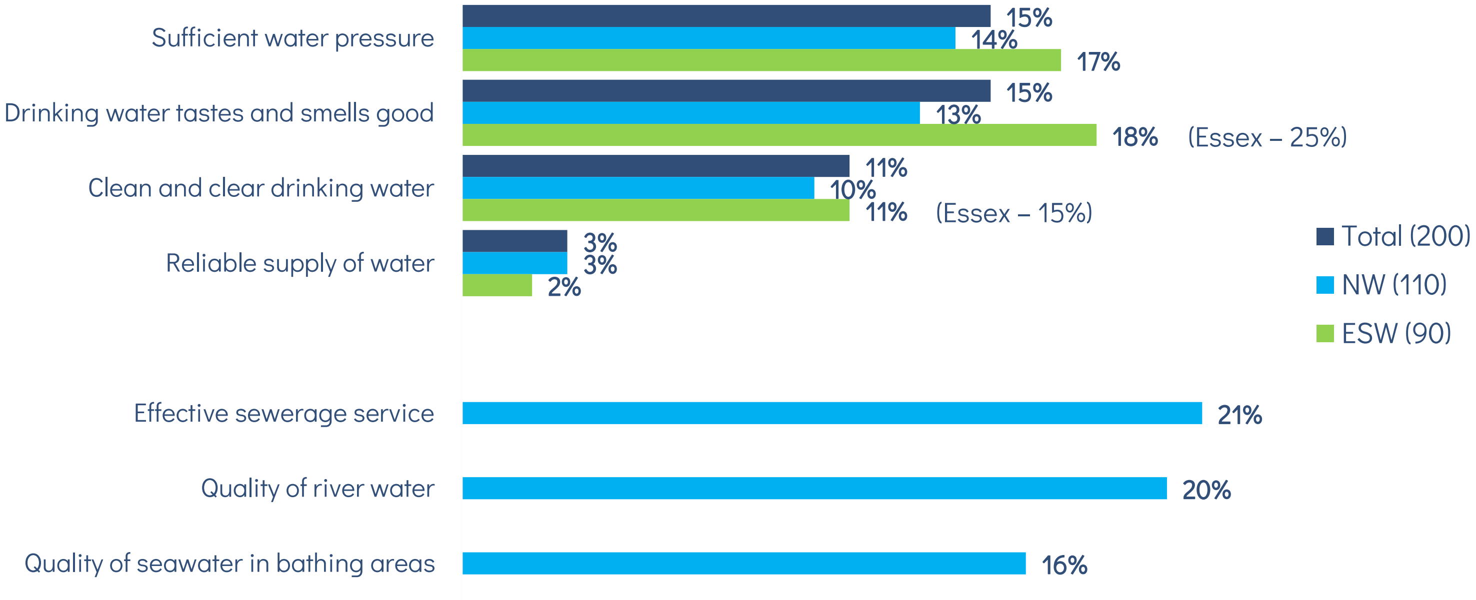
Key aspects of service – region scores

The scores are lower in ESW than NW (although there is not a great deal of difference on reliable supply). For clean and clear and taste and odour, it is Essex driving this lower satisfaction.

	TOTAL		NW	ESW		Essex	Suffolk
Reliable supply	75.4		77.1	73.3		73.3	73.3
Clean and clear drinking water	61.8		66.4	56.2		49.2	70.0
Sufficient pressure	54.1		59.6	47.1		49.1	43.3
Taste and odour	51.8		58.3	43.4		37.0	55.2

What needs improving?

For each of these service aspects, respondents were asked whether they feel this needs improving, or it is okay as it is. Proportions saying each needs improving were:

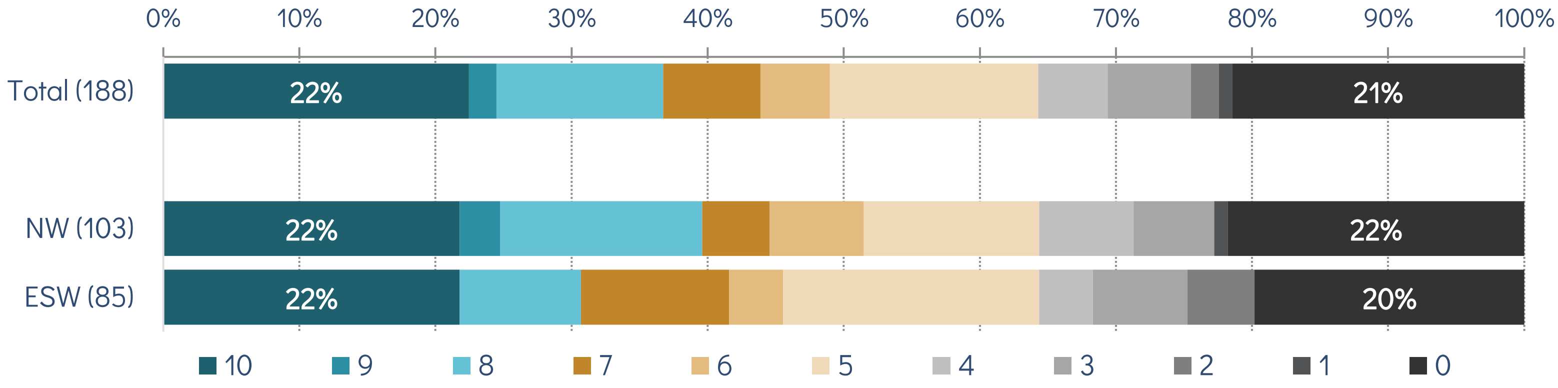


Base: all respondents (as shown)

Contact

Knowing who to contact for what

Respondents were asked to what extent they feel they would know when they should get in touch with their wholesaler and when their retailer, if they needed to contact someone about anything to do with an emergency to their water service – using the usual scale of 10-0 (where 10 means they are sure they would know):



Just over a third (36%) gave a score of 8-10, indicating they are quite confident they would know who to contact. About the same proportion, 35%, gave a low score of 0-4, though, and a fifth gave the lowest possible score of 0.

There is not much difference on this issue compared to the results we saw in 2018.

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

Handling of contact

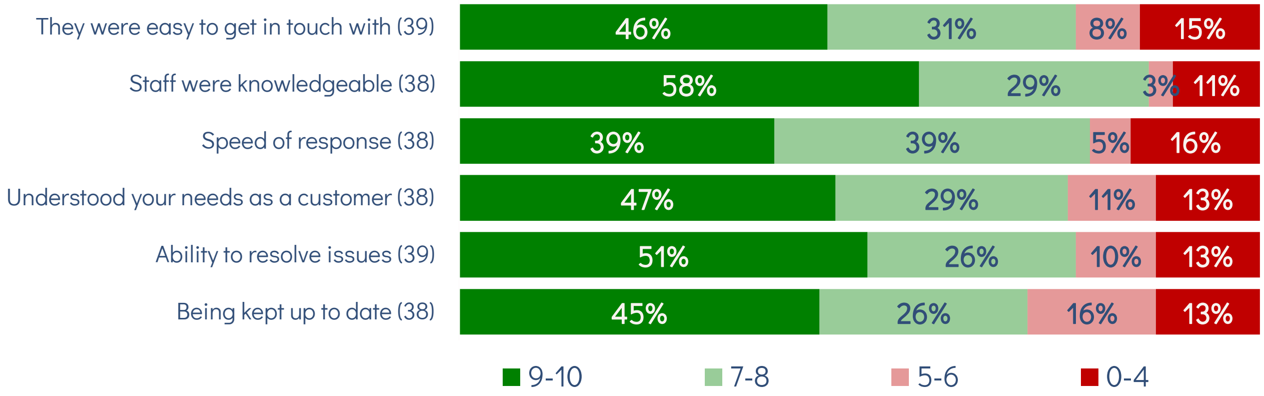
Respondents were then asked if they have personally contacted Northumbrian Water/Essex & Suffolk Water, as their wholesaler:

Base: all respondents (as shown)

In most instances, this contact was about either a water meter, leaks, no water, a blocked drain or a water pressure issue

Those who said they had contacted the company were asked for scores out of 10 according to how far they were satisfied with a number of aspects about this contact.

The scores are mostly up compared to 2018 – and would be even more improved if it were not for particularly low results in ESW this wave.



	NPS-equivalent overall measure (9-10 minus 0-6)		vs 2018
They were easy to get in touch with (39)	23.1	(- 15.4 in ESW)	- 4.2
Staff were knowledgeable (38)	44.7	(7.7 in ESW)	+ 24.7
Speed of response (38)	18.4	(- 15.4 in ESW)	+ 1.5
Understood your needs as a customer (38)	23.7	(- 23.1 in ESW)	+ 7.0
Ability to resolve issues (39)	28.2	(- 15.4 in ESW)	+ 15.9
Being kept up to date (38)	15.8	(- 23.1 in ESW)	+ 19.0

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

Referrals to retailer

Asked if there have been any times when they have contacted their wholesaler and been referred by them to their retailer instead, 2% of all respondents said this had happened (the same as in 2018).

All 3 of these 3 respondents said that their wholesaler had explained why the matter should be referred to the retailer.

In 2 of these 3 cases, the wholesaler had said straight away that this was a matter for the retailer. In the remaining one, there was some delay in coming to this conclusion, and the respondent did not feel that the length of the delay had been reasonable.

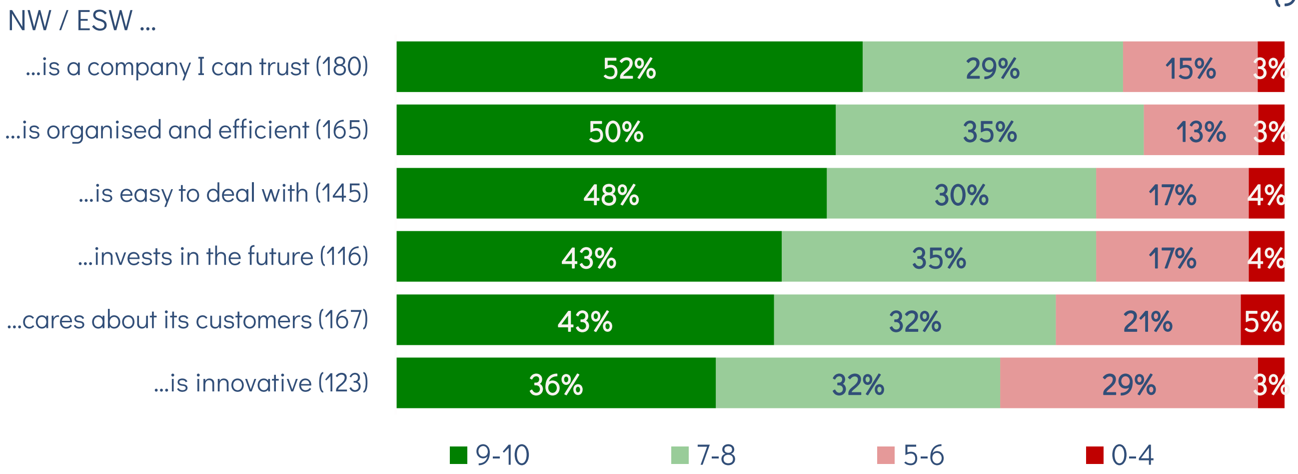
Of these 3 cases, 2 said their wholesaler had given them the contact details they would need for their retailer; 1 said not.

Impressions of the brand

Brand values – agreement levels

Respondents were read a list of specific brand values elements and asked to rate their wholesaler on each, based on their own experience and impressions of the company.

Scores given from 10-0 on each of these brand values elements were as shown below (note that the list of elements was changed this year, so we only have a comparison vs last wave on some of these):



NW / ESW …	NPS-equivalent overall measure (9-10 minus 0-6)	vs 2018
…is a company I can trust (180)	33.9	+ 6.8
…is organised and efficient (165)	33.9	+ 19.3
…is easy to deal with (145)	26.9	n/a
…invests in the future (116)	21.6	+ 23.4
…cares about its customers (167)	16.8	n/a
…is innovative (123)	3.3	n/a

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

Brand values – region scores

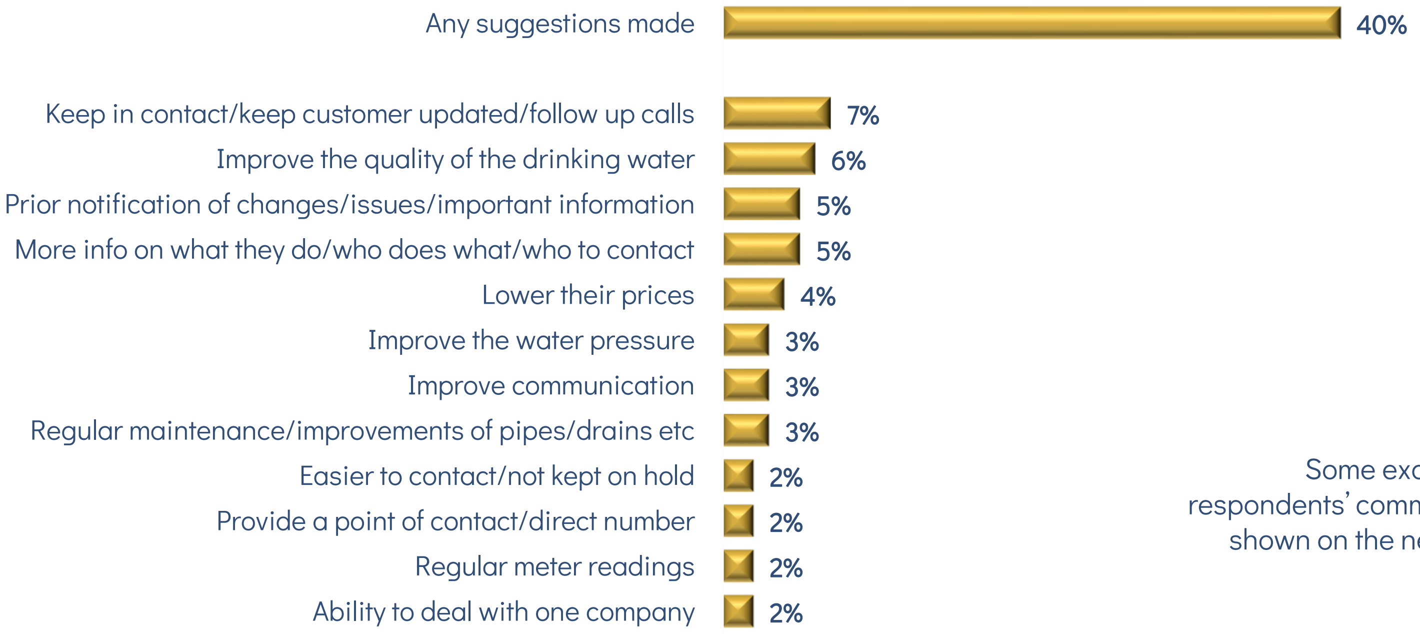
NW significantly out-performs ESW on all of these apart from Invests in the future, where its lead is less marked. Within ESW, Essex again scores lower than Suffolk in several cases.

	TOTAL		NW	ESW		Essex	Suffolk
A company I can trust	33.9		45.5	19.8		14.8	29.6
Organised and efficient	33.9		47.8	17.3		17.6	16.7
Easy to deal with	26.9		40.7	9.4		4.8	18.2
Invests in the future	21.6		23.5	18.8		11.4	38.5
Cares about its customers	16.8		29.7	1.3		0.0	4.3
Innovative	3.3		13.9	-11.8		-17.6	0.0

Customers' improvement priorities

What needs improving?

Finally, respondents were asked if there were one thing their wholesaler could do to improve, what would this be:



Some examples of respondents' comments are shown on the next page.

Base: all respondents (200)

Improvements suggested

Make it easier for the customer to get hold of the correct department to deal with their issues

Better communication with the customer. We only hear from Essex & Suffolk when doing a survey and have no other communication

Communicate to its customers. If they communicate, we have clear direction on contact numbers on Wave and NWL

If they could send out an annual breakdown of the contact details for who I need to contact if in any situation

Sewage and rainwater drainage, and the smell and taste of tap water. I would love to be able to drink water that I don't have to filter

Make the water taste nicer so it doesn't taste of TCP

They waste quite a lot of water. Groundworks, underground piping should be replaced sooner to help less wastage

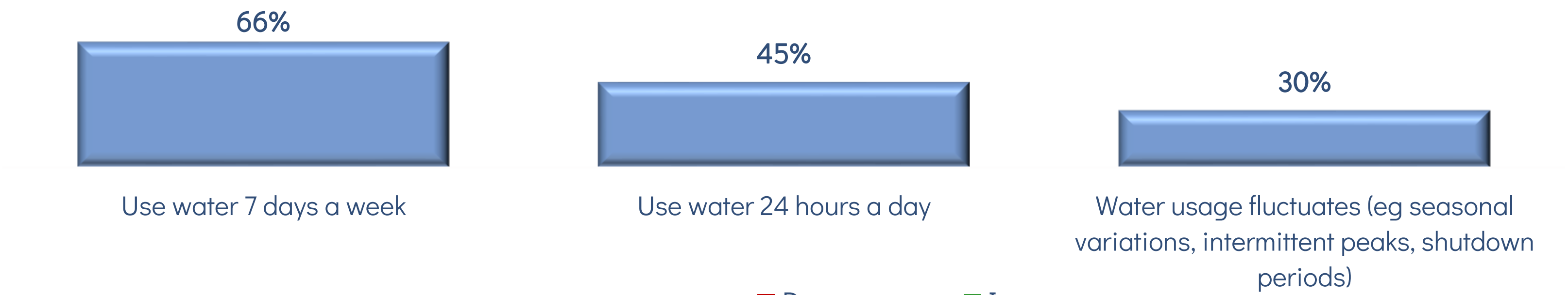
The drainage and sewerage needs to be improved. When there is heavy rain, the water doesn't run away quite so readily

Water use

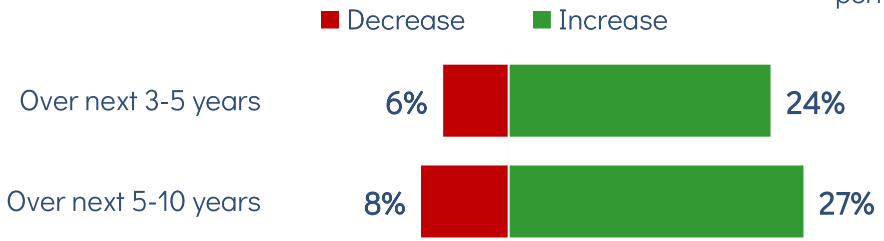
Water use

43% say that their business uses water for anything other than typical domestic-type uses such as washing hands, toilets and employee drinks. These would include restaurant cooking and dishwashing, hotel and care home cleaning and residents' bathrooms, agricultural irrigation, drinks production, golf course watering, car washes, swimming pools etc.

Of these, many are using water on an on-going basis. For 30% of them (which equates to 13% of the entire survey sample), their usage fluctuates throughout the year rather than being consistent.



Among these with specific business water needs, around a quarter expect their usage to increase in the short to medium term:



Base: use water for other than just domestic-type purposes (83)

HEADLINES

This year's results show improvement over the last time the survey was run (in 2018), in all respects

There is still confusion in the business market over the 'new' wholesale/retail market. In some cases, dissatisfaction with pricing and billing are affecting perceptions of NWL as the wholesaler. More communication with businesses over who is responsible for what may help in this regard

Satisfaction in the ESW area (most commonly in Essex) is considerably lower than NW on a number of fronts. Particular issues are the quality of drinking water, and contact handling

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THANK YOU

NWG living water

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

MARKET RESEARCH SERVICES ISO 20252 MQA 0464 UKAS PRODUCT CERTIFICATION 036

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