

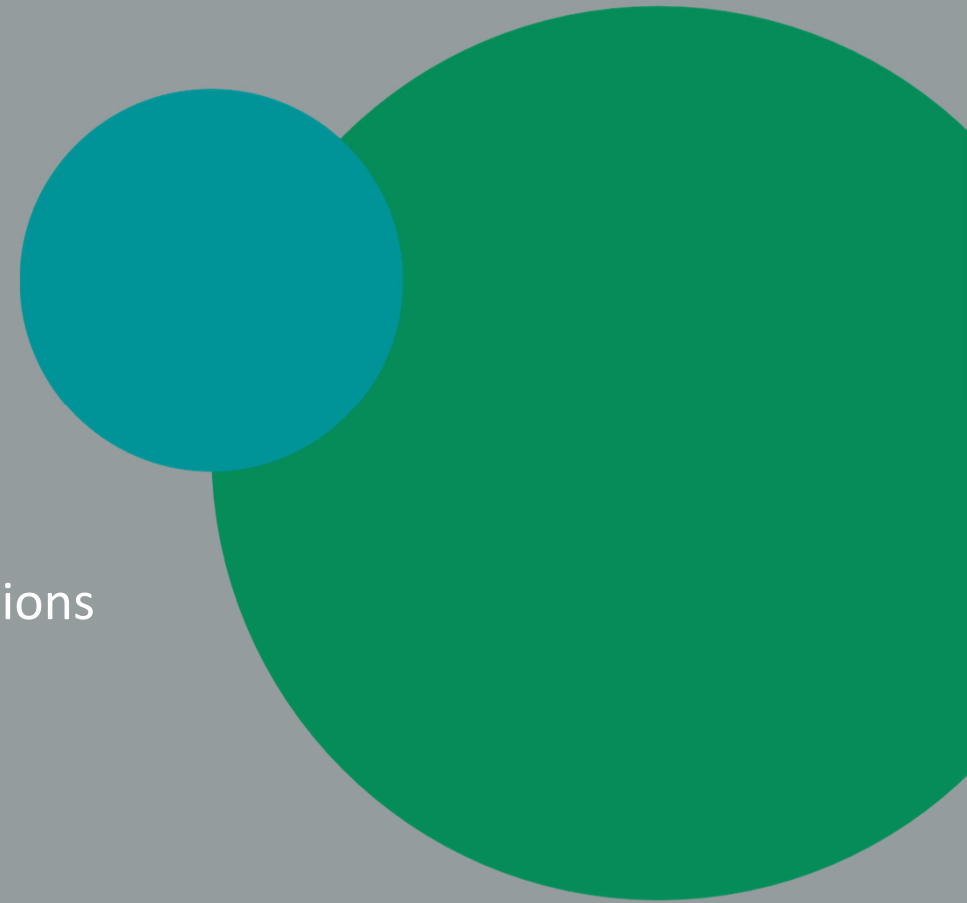


# Priorities Research Qualitative Insights – Year 3

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# Insight Agenda

- 1** Background to research
- 2** Your customers' world
- 3** Predicted challenges
- 4** Short term priorities
- 5** Long term priorities, plan and investment options
- 6** Summary and way forward



# BACKGROUND TO RESEARCH

## THE BRIEF

SSC (South Staffs Water and Cambridge Water) have put together a programme of research to track customer priorities on a consistent and regular basis throughout AMP7. We are now in the third year of the tracker



**WORK UNDERTAKEN** throughout the first year AMP7

### YEAR 1 PRIORITIES TRACKER

- Desk research = Spring/summer 2020
- Qualitative research = September/October 2020
- Quantitative research = November 2020 to March 2021
  - Design November 2020
  - Fieldwork phase 1 = December 2020
  - Fieldwork phase 2 = January 2021
  - Fieldwork phase 3 = February 2021
  - Analysis = March 2021

**WORK UNDERTAKEN** throughout the second year AMP7

### YEAR 2 PRIORITIES TRACKER

- Quantitative research
  - Fieldwork phase 1 = May 2021
  - Fieldwork phase 2 = September 2021
  - Analysis = October 2021
  - Fieldwork = December 2021
  - Fieldwork = March 2022

**WORK UNDERTAKEN** in the third year AMP7

### YEAR 3 PRIORITIES TRACKER

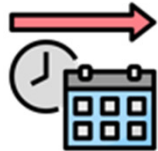
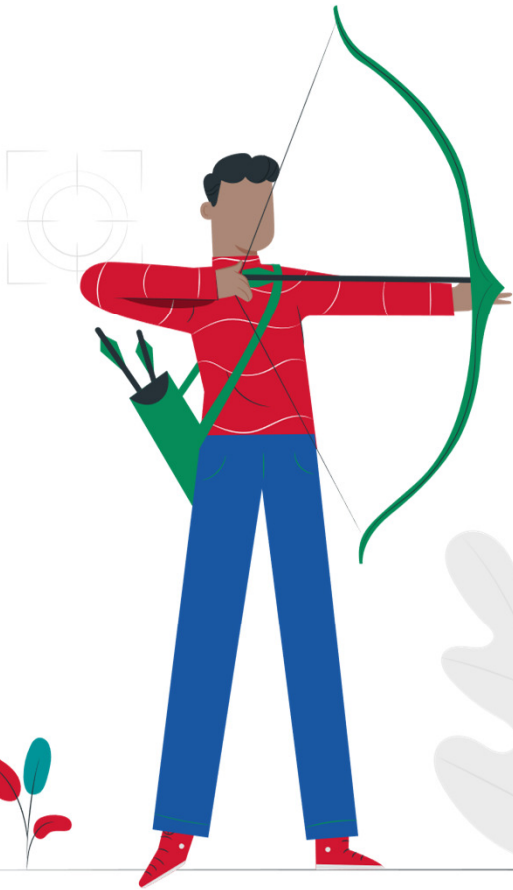
- Qualitative research
  - Understand any new trends that might drive changes in priorities
  - Explore short and long term priorities for household and region
  - Explore spontaneous and informed priorities

The qualitative research was undertaken in May 2022. Quantitative research with 1,000 HH customers to follow in 2022/23.

# SPECIFIC OBJECTIVES

**QUALITATIVE** identification and exploration of priorities with South Staffs Water (SSW) and Cambridge Water (CAM) household (HH) and non-household customers (NHH)

**QUANTITATIVE** tracking of priorities with SSW and CAM household customers



Explore what matters to customers now and in the future to root SSW/CAM plans in the customers' world



Understand what customers want and expect SSW/CAM to focus on in the short term and long term - to 2050



Track and measure any changes in short and long term priorities and what is driving these changes



## QUALITATIVE METHODOLOGY

Six Zoom groups with HH and NHH (SMEs) – 27 current and future HH consumers and 7 NHH customers

Five phone depth interviews to reach elderly (75+) and financially vulnerable (social grade E) customers

Five phone depth interviews with larger (50+ employees) NHH customers

Region	Location	Lifestage	SEG	Segments (see Appendix for descriptions)
SSW	Dudley/ Smethwick/ Walsall/ West Brom	Pre-family/ Future	C2DE	A, C, D, E
	Burton / Lichfield / Tamworth	Empty nester/ retired	ABC1	A, D, E
	Mix	NHH	n/a	Service, Manufacturing

ABC1 – higher affluence, C2DE – lower affluence

Region	Location	Lifestage	SEG	Segments (see Appendix for descriptions)
CAM	St Ives and Surrounds	Family/ Empty nester/ Retired	C2DE	A, C, D, E
	Cambridge and Surrounds	Pre-family/ Future	ABC1	A, D, E
	Mix	NHH	n/a	Service, Manufacturing

[Refer to appendices B and C for the discussion guides and stimulus showcards used to engage participants](#)

All recruitment was undertaken face-to-face or over the phone via an external supplier, Scout.  
Across the HH fieldwork: a good ethnic mix was achieved (at least one participant per group from self identified non-white background).  
Six financially vulnerable customers were engaged with as well as four customers on SSC's PSR

# QUALITATIVE PRE-TASK – GETTING TO KNOW YOU

### Task 1: All About You

In this first task we'd like you to write a quick postcard to introduce yourself to Cambridge Water. Please tell us your name, where you live and who's at home with you (humans and pets!). Then tell us what's the best thing about the area where you live, and what's not so great. Finally, we'd like to hear what two things currently bring you joy and what are you two biggest worries at this time:

Hi I'm Carl, a 25 year old recent graduate who for the past five years has lived in Cambridge in a combination of student housing and house shares. I currently live in a houseshare with 3 other 'professionals'.

I enjoy living in a househare since it's common for all the bills to be included, meaning you only really have to sort your rent money each month.

I like the area that I live in especially since it is really close to my work, however I don't particularly like the house I live in.

2 things that bring me joy are my girlfriend and creating music.

My 2 biggest worries tend to be rent and managing money in general.



### Task 1: All About You



In this first task we'd like you to write a quick postcard to introduce yourself to South Staffs Water. Please tell us your name, where you live and who's at home with you (humans and pets!). Then tell us what's the best thing about the area where you live, and what's not so great. Finally, we'd like to hear what two things currently bring you joy and what are you two biggest worries at this time:

Hi there,

My name is Sally. I am 31 years of age and currently live at home with my wonderful, beautiful, gorgeous daughter Hallie. Hallie is 20months old, she brings me so much joy.

I am currently a pastoral manager at a Birmingham Secondary school currently overseeing year 7. I love my job and have a passion and drive for safeguarding and child protection.

I am very lucky to live in the beautiful city of Lichfield. The best thing about living in Lichfield is having beautiful walks right on my doorstep. I feel safe whilst out walking with my daughter and I don't think you can put a price on that.

The only negative about Lichfield is, I think the main center needs modernizing and a few more attractions added for younger people and professionals as I feel this is a city that is more tailored towards the older generation.

The two things that bring me joy, My daughter Hallie, she brings a whole new meaning to the word Joy, and being lucky and fortunate to be in good health so I can enjoy life in the best way that I can.

Two worries, Money... I think naturally everyone worries about this as I aim to provide everything for my daughter and want to be able to give her the best experiences especially with the rising cost of living, this is




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Pre-tasks used to provide a jumping off point to discuss what matters to customers AND enable a vision of the future to ensure more meaningful long term priorities

# QUALITATIVE

## PRE-TASK – ENSURE A FUTURE MINDSET

My husband and I joined a cohousing community a few years ago, where we have neighbours and friends of all ages, 70 families sharing communal facilities but with our own private space. Our 2 bedroom south west facing flat is perfectly suited to our needs and is highly water and energy efficient - those astronomical utilities bills of the 2020s are a distant memory! There is a large garden where I love to sit and watch the children play and the wildlife scurrying around. Thanks to the green forest corridors that link Britain's 40 national parks and numerous Designated Green Spaces across the country, there is much more wildlife in urban areas than in the past. I am so grateful that we managed to pull back from the over-development of the early 20th Century and realised the benefits of investment in nature. I enjoy working in the fruit and vegetable gardens, hoeing and weeding, sowing seeds and suchlike. We grow around 70% of our community food needs, buying in staples and occasional luxury foods we took for granted 20 years ago - coffee beans, avocados, mangoes, rice and even pasta - all these have become so difficult to obtain: some of the children here have never eaten a mango! But our banana trees in the atrium started to bear fruit last year, they are small but very sweet and such a treat! I enjoy community gardening, spending time with our friends and our dog Penny, and keeping fit and healthy the way I have always done, with swimming, dancing, dog walking and gardening. My volunteering work is with young people - I help to mentor them in the soft skills of living a good life: developing gratitude, cultivating their connection with the earth, finding their joy in being of service.


I swapped my electric bike nearly 10 years ago for an E-trike - I feel more stable and easily seen on the roads, the young people now have to dodge me - which is a nice change! - there are almost no privately owned cars, these days people mostly use electric vehicle share clubs. There are trains and buses across the country between big city transport hubs and from there, you can quite easily get a local minibus ride to a smaller village or town, and then use a PEV (personal electric vehicle) to do the last mile or so. Although I don't miss all those plane flights we took in our younger days, I am sad that I can only meet my European and Asian friends online these days. and sad that the children here will likely never swim with dolphins in New Zealand or go skiing in the Alps. You can still experience these things in the virtual 'feelamas' like cinemas but fully sensory. It's amusing to do once in a while, but the dangers of Virtual Sensory Overload Syndrome are worrying - the sufferers have many mental health issues, a

severe inability to focus on anything for more than a few minutes, poor motor skills and have phobias about losing control and being with people in real life.

Our water supply is managed very differently these days. Greywater harvesting and underground rainwater storage tanks for garden use have been mandatory in all building developments since 2025: when we started to see exponential growth in the popularity and sense of co-housing. communal saunas, waterless toilets, communal laundry rooms and kitchens are the new norm: taps can be programmed to deliver exactly the right amount of water for any task.

### Task 2: A Letter "Back From The Future"

Now we want you to think about what life might be like in the future. Think forward to 2045 and a letter "back from the future". We've put some prompts below that we'd like you to cover in your letter: (1) Tell the reader what you imagine life will be like for them in 2045 (2) What good things will be happening. And what might people be concerned about? And what will bring them joy? (3) What do you think car and transport services will be like? (4) How will people be spending their leisure time? (5) Finally, tell the reader what the water service from Cambridge Water will be like.

<p>Dear reader</p> <p>I expect you think we were daft having expensive gas <u>heating</u> but homes not properly insulated so the heat just escaped through the windows and doors. Your homes are much more <u>efficient</u> and you use natural ways to heat your homes in winter like solar power. At least you don't have air pollution now coal is <u>gone</u> and cars are all electric. You have computers to program your heating and robots to do the housework. That is a luxury.</p> <p>I bet the roads are quieter with cars banned from the whole city centre. The buses run by robots are much better at arriving on time. Electric bikes were an expensive luxury but now so many people have them they have reduced in cost.</p> <p>Water hasn't changed over time and Cambridge Water will still be providing everyone's water but using robots to test the water and detect any problems. We used to have lots of burst water mains but the technology they use can detect a problem straightaway.</p>	 <hr/> <hr/> <hr/>
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Pre-tasks used to provide a jumping off point to discuss what matters to customers AND enable a vision of the future to ensure more meaningful long term priorities



# QUALITATIVE

## PRE-TASK – WHAT MATTERS TO YOU: NOW / IN THE FUTURE

### Task 3 Part 1: Your Household and Water

We'd like you to think about how you use water in your home and what's important to you and your home life. Write down the three things you want Cambridge Water to really focus on doing **in the immediate future (so now to the next 2 years)** for your household - these can be new initiatives/services **or** could be about something they currently do well that you want them to carry on doing **or** something that they do now but you want them to improve. Then think about what you want Cambridge Water to really focus on in the longer term – so over the next **five to 25 years**. Is there anything that might become more important over the next five years? Again, we want you to just think about what's going to be most important for you and your household.

Remember that we're interested in what you want Cambridge Water to focus on. This relates just to your clean water services – i.e. the water that comes through your taps. This isn't about your sewerage, drainage or wastewater services, which are provided by Anglian Water.

What's important to your household NOW/OVER NEXT 12 - 24MONTHS	What's important to your household OVER NEXT 25 YEARS
1) clean drinking water	1) clean drinking water
2) reliable water	2) reliable water
3) affordable prices	3) affordable prices

### Task 2 Part 3: Your Region and Water

Now we want you to focus on whole supply area for which Cambridge Water is responsible. They supply drinking water to 319,000 people – their supply area doesn't just cover Cambridge, but also St Ives and Ely as well as a number of smaller towns and villages (there is a map on the final slide to refer to). Write down the three things you want Cambridge Water to really focus on doing **in the immediate future (so now to the next 2 years)** in the wider supply area, the people that live and work across the whole area and businesses that based in different parts of the area. Again, there may be things that aren't important to your business or immediate local community but might be important for communities or customers in other parts of the Cambridge Water supply region. Then think about what you want Cambridge Water to really focus on after that – so over the next **five to 25 years**. Again, we want you to think about what's going to be important to the people living and the businesses based across the wider area that Cambridge Water supply water to.

Remember, we're interested in what Cambridge Water should focus on. This relates just to the clean water services – i.e. the water that comes through your taps.

What's important for the entire supply area NOW/OVER NEXT 12 -24 MONTHS	What's important for the entire supply area OVER NEXT 25 YEARS
1) manage expectations of water stoppages /restrictions for non-essential use - private swimming pools car washing and hosepipes	1) ensure fair rationing for all: <u>prioritise</u> health services, sustainable nonpolluting food production <u>for fewer</u> interruptions to supply.
2) build/invest in more reservoirs	2) create more incentives for water saving in the home and workspace - <u>eg</u> cross promoting waterless / urine diverter toilets
3) invest in water supply systems (pipes?) from other water rich areas	3) work with influencers to persuade people to reduce excessive washing of clothes and bodies (within reason!)

Pre-tasks used to provide a jumping off point to discuss what matters to customers AND enable a vision of the future to ensure more meaningful long term priorities

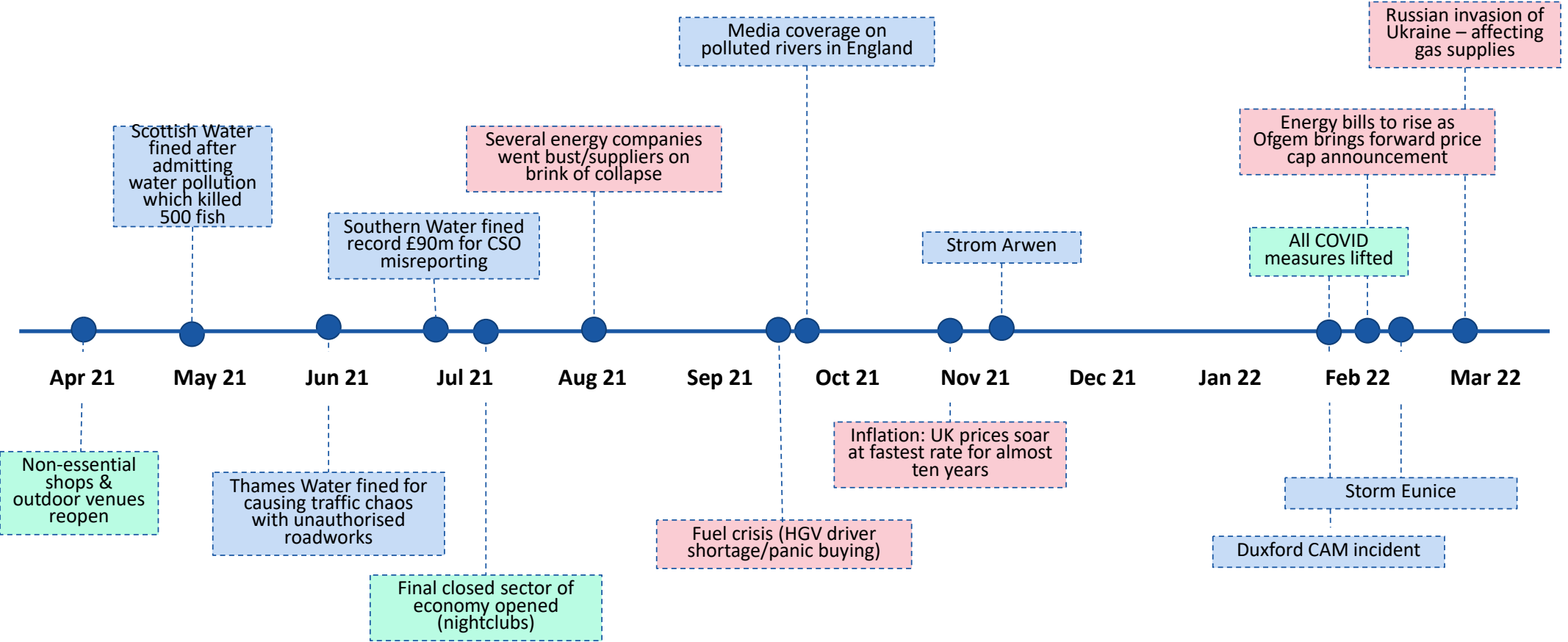




Your customers' world

# KEY EVENTS IN THE LAST 12 MONTHS

## PANDEMIC/WATER & FLOODING RELATED/ECONOMY



COVID related      Water & flooding related      Economy

## CUSTOMER WORLD

# HH – KEY CONCERNS RELATE TO MANAGING HOUSEHOLD FINANCES

Optimism when moving out of pandemic was short lived and has been replaced by significant cost of living concerns

### Dominant concern

- Cost of living crisis
  - Across SEG
  - Across lifestage
  - Future customers mindful vs. experience
- Sharp increase in bills e.g. energy/petrol/food inflation
- Unexpected and brutal
- Uncertainty and doom prophecy
- Implications:
  - No holidays (ABC1)
  - Rent/mortgages struggles
  - No ability to plan
  - No investment in environmental 'luxuries' e.g. Electric vehicles
  - Reviewing energy bills/switching
  - Household budget under scrutiny

Prices are going up so much, if water is another one that goes up if it does, then it's going to cripple people, I think.

CW. Pre-Family/Future

My gas bill has gone up £150 a month. My council tax has gone up as well £30 and just basically trying to get some quality of life of what I earn and what has to go out.

SSW, ABC1, Fam/En/Ret

Bigger world picture feels pessimistic and scary causing a sharper focus on household and everyday joy e.g. family, friends, pets, sunshine and food

Implications for SSC = fear of escalation in water bills and need for speedy reassurance that water bills won't automatically follow pattern of energy bills

# CUSTOMER WORLD

## NHH CONCERNS ARE ALSO ECONOMICALLY ROOTED

Tight margins and uncertainty over future cost/income predictions force businesses to focus on short term economics  
New observations = strong social conscience wanting to support local communities e.g. local jobs, local suppliers, apprenticeships, economy AND stronger environmental/affordable balance

### Type of business

- Manufacturing/Engineering
- Leisure – Trampoline Park
- Hospitality – Café
- Community – Church/Cafe
- Retail – Cheese Company
- Agriculture – Livestock farmer

### Water usage

- Drinking/cooking
- Hydration
- Cleaning
- Feeding animals
- Cooling in manufacturing process

### SSW/CW Service

- Very good
- Uninterrupted supply
- Decent quality water

### Current Situation: Positives

- Strong, loyal staff base
- Maintaining stable income
- Securing long term contracts
- Strong order books
- High demand for services (post Covid boom)

### Current Situation: Negatives

- General economic uncertainty
- Global impact on food shortages/prices
- Spiralling costs of supplies/materials and fuel/diesel
- Post Brexit staff shortages and skills
- Brexit red tape
- Reduced subsidies
- Future proofing resources/buildings
- Climate change – personal and business (more in CW area)
- Increased environmental responsibilities e.g. managing hedgerows

*To be honest my water bill is not the thing that's most important right now – I've got so much stress on an everyday basis running a million pound t/o business*  
NHH, SSW

*There's a lot of maintenance and we just need to keep on top of that .. that's my worry. The boiler's not going to make it through the next year or something like that*  
NHH, CW

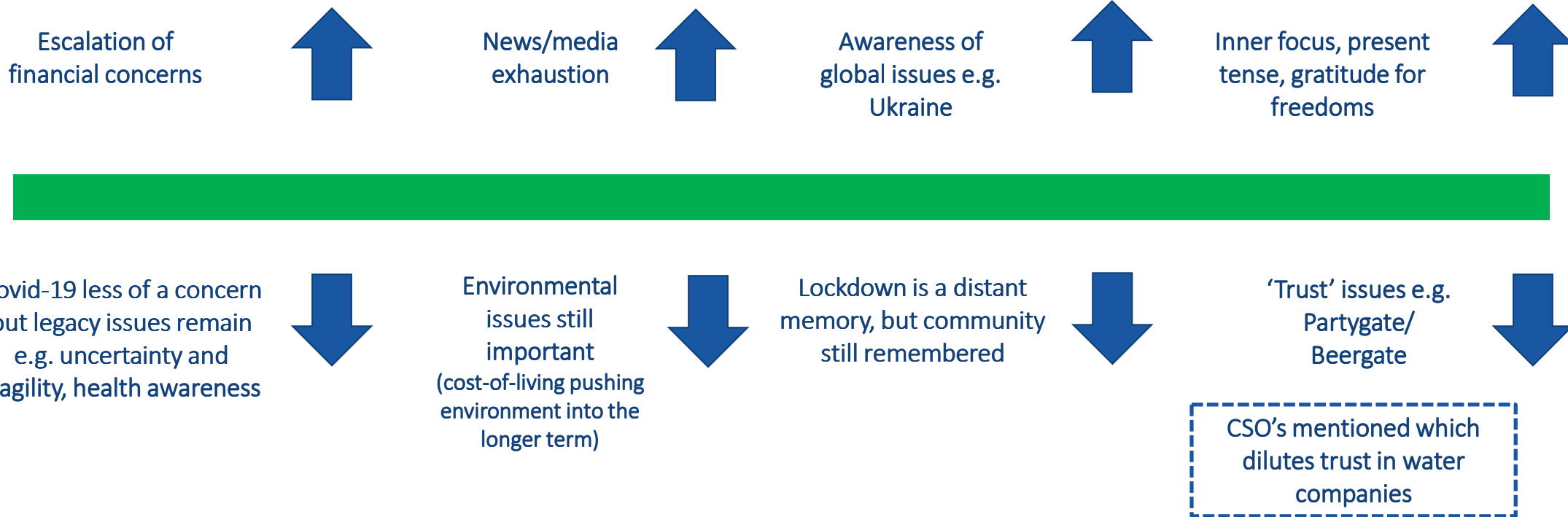
Implications for SSC = fundamentally NHH are short term focused and need stable pricing with uninterrupted, quality supply but desire to see businesses supporting businesses/community at a local level e.g. suggested they could partner SSW to promote (trampoline park with SSW water fountain)

# CUSTOMER WORLD

## CHANGES SINCE YEAR 1 (OCTOBER 2020)



Qualitative shifts represent how NHH/HH customers currently think and feel about the big topics



Implications for SSC = Communication challenges will be intensified as people avoid news/social, focus on family and are more selective about communications – need for brand connection is more important than before to ensure messages cut through

# CUSTOMER WORLD

## ENVIRONMENTAL ISSUES

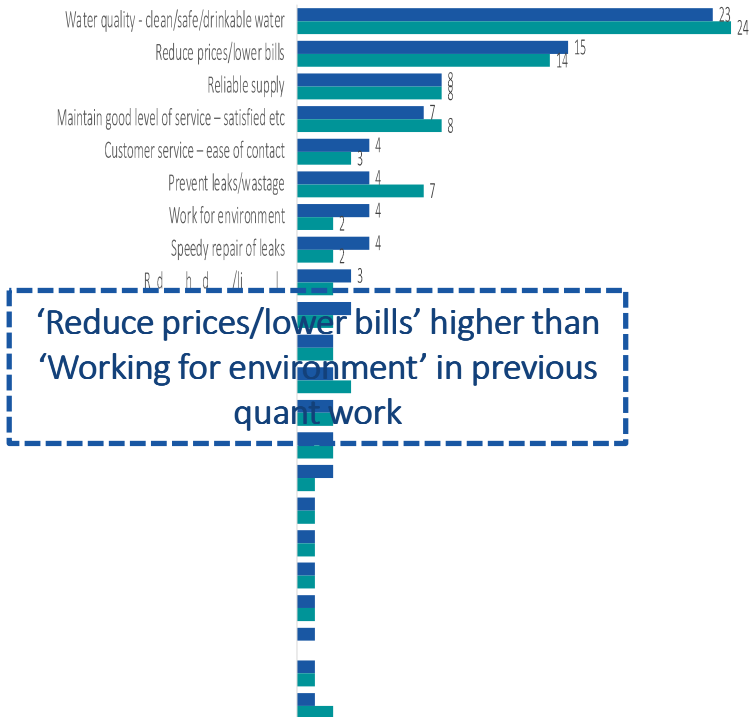
Environment is taken more seriously than ever and understood better BUT has been pushed to a longer-term issue and dwarfed by short term, personal economic concerns

*Think about way of saving money is a way of you know, keep my family fed and watered – that’s the priority rather than looking to the future  
CW, ABC1, Pre-Fam/Future*

### QUANTITATIVE SPONTANEOUS, UNINFORMED PRIORITIES

#### WHAT SHOULD SSW/CAM FOCUS ON

Spontaneous priorities in year 2 fall into similar categories as those mentioned by customers in year 1. Mostly focussed on hygiene and lower bills.



- Environment has grown in focus since 2017
- Climate Warriors and Climate Neutral still observed; no Climate Deniers
- NHH have particular responsibilities

#### Key observations:

- Link between climate change, rainfall patterns and water supply is increasing
- No/low rainfall could have personal impact in the future
- Desire to know about personal water usage continues to playback
- Primary driver is economic vs environmental e.g. way to reduce bills and save money

*I know how much energy I use when I put the kettle on. Until I get my water bill at the end of the year, I wouldn't have a scooby Doo what I was using  
SSW, Pre-Family/Future*

*We haven't had as much rainfall – I've noticed that  
SSW, NHH*

ed to be careful with water but not all practically engage; helping them y through smarter, real time usage technology is key



# CUSTOMER WORLD

## VULNERABILITY ISSUES

Generalised cost of living crisis makes people think more about their own situation vs. more altruistic qualitative picture in 2020

### Attitude towards big society and vulnerable people

Support for vulnerable customers in 2017 appeared more industry driven and part of the informed vs spontaneous priorities; this time it comes out in spontaneous homework exercise

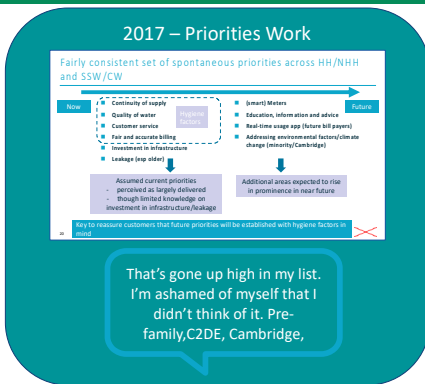


TABLE 1: PART 1: YOUR LOCAL COMMUNITY'S NEEDS	TABLE 2: PART 2: YOUR LOCAL COMMUNITY'S NEEDS
<p>What's important to your community NOW/OVER NEXT 12 MONTHS</p> <ul style="list-style-type: none"> <li>1. Water bill discounts for vulnerable customers</li> <li>2. Encourage investment in water infrastructure (e.g. smart meters)</li> <li>3. Consider viability of commercial water property to local residents</li> <li>4. Address impact of changing rainfall/usage in Cambridge on water health and supply reliability</li> <li>5. Monitor and address any water supply reliability issues (e.g. pipe bursts) that affect the local water supply</li> </ul>	<p>What's important to your community NOW/OVER NEXT 12 MONTHS</p> <ul style="list-style-type: none"> <li>1. Fair and accurate billing</li> <li>2. Real-time usage app</li> <li>3. Addressing environmental factors/climate change</li> <li>4. Education, information and advice</li> <li>5. Smart meters</li> <li>6. Investment in infrastructure</li> <li>7. Leaking pipes</li> <li>8. Water quality</li> <li>9. Customer service</li> <li>10. Continuity of supply</li> <li>11. Quality of water</li> <li>12. Fair and accurate billing</li> <li>13. Real-time usage app</li> <li>14. Addressing environmental factors/climate change</li> <li>15. Education, information and advice</li> <li>16. Smart meters</li> <li>17. Investment in infrastructure</li> <li>18. Leaking pipes</li> <li>19. Water quality</li> <li>20. Customer service</li> <li>21. Continuity of supply</li> <li>22. Quality of water</li> </ul>

- Mixed views here
- Little mention of 'society' in Future Letters
- BUT underlying shift towards 'being kind and looking out for each other' prompted by Covid-19
- Acknowledge that there is likely to be more people needing help post Covid-19
- Emerges as a 'Community' priority

Implications for priorities = Need to look after vulnerable customers is elevated post Covid-19

Previous qualitative work (see above) showed this issue was building

- Discussion around vulnerability not as prominent as 2020 qual study

*We don't know when it's going to end. We have to focus on managing our bills to survive CAM, NHH*

*We're focussing on our own bills now, much more than we used to CAM, Family*

*I know how much energy I use when I put the kettle on. Until I get my water bill at the end of the year, I wouldn't have a scooby Doo what I was using SSW, Pre-Family/Future*

Implications for SSC = although supporting the vulnerable still emerges as a community/regional priority, current financial crisis means everyone feels personally affected

# CUSTOMER WORLD

## FUTURE VISION – LIFE IN 2050

HH and NHH customers long term projections provide context for their longer-term needs/expectation of SSW/CW  
Current world shapes future thinking and it can feel more daunting than exciting despite the technological opportunities envisaged



### Global politics

- Continued uncertainty in Eastern Europe/other regions
- Implication on fuel prices
- Cause some to be more isolationist e.g. self/community



### Environmental Pressures

- Rising global temperatures
- Resources likely to be strained e.g. energy AND water
- Governments/companies forced to adopt greener policies e.g. green energy
- Electric cars/buses will help cleaner air strategies
- Protecting green spaces



### Economic/Social

- Rising population/development
- Difficult to see the end of the 'cost of living crisis'
- Greater inequality and social division
- Less socialising and more automation
- Fewer jobs due to increased AI/automation
- Lower individual income/wealth
- Structural changes to transport sector e.g. trams in Cambridge



### Technology

- New transport solutions
- Digitalised customer service
- Online businesses/channels
- Virtual social world
- Robotics and automation expected to fix/construct
- Immediate communications
- Benefits = efficient service, health solutions and entertainment
- Fears = less human interaction, lazy people, being left behind

NHH and HH feel quite present tense focused vs. long term plans

Implications for SSC = Reassurance of managing future supply/demand more top of mind than ever before (increased awareness of climate change/rainfall AND noticeable increase in building/population) PLUS critical to see SSW/CW utilising technology in a positive way that is solution focused – important story to tell

## CUSTOMER WORLD

# LEADING BRANDS

Out of sector brands mentioned threw up similar themes in their future vision; leading the agenda for technology/automation, future customer service, environmental policy while effectively managing staff and resourcing



Learnings from other industries:

- Strong customer service focus = quick, speedy responses, speed of service, efficient, responsive
- Environmentally friendly = carbon offset, no bags, electric vehicles
- Innovation = driving change, embracing technology
- Automation/Cost efficiencies = electronic stock controls, manage resourcing
- Trust = self service (trusting customers to manage their own processes/accounts/journeys)
- Staff = invest in the right people, manage staff redundancies (automation)

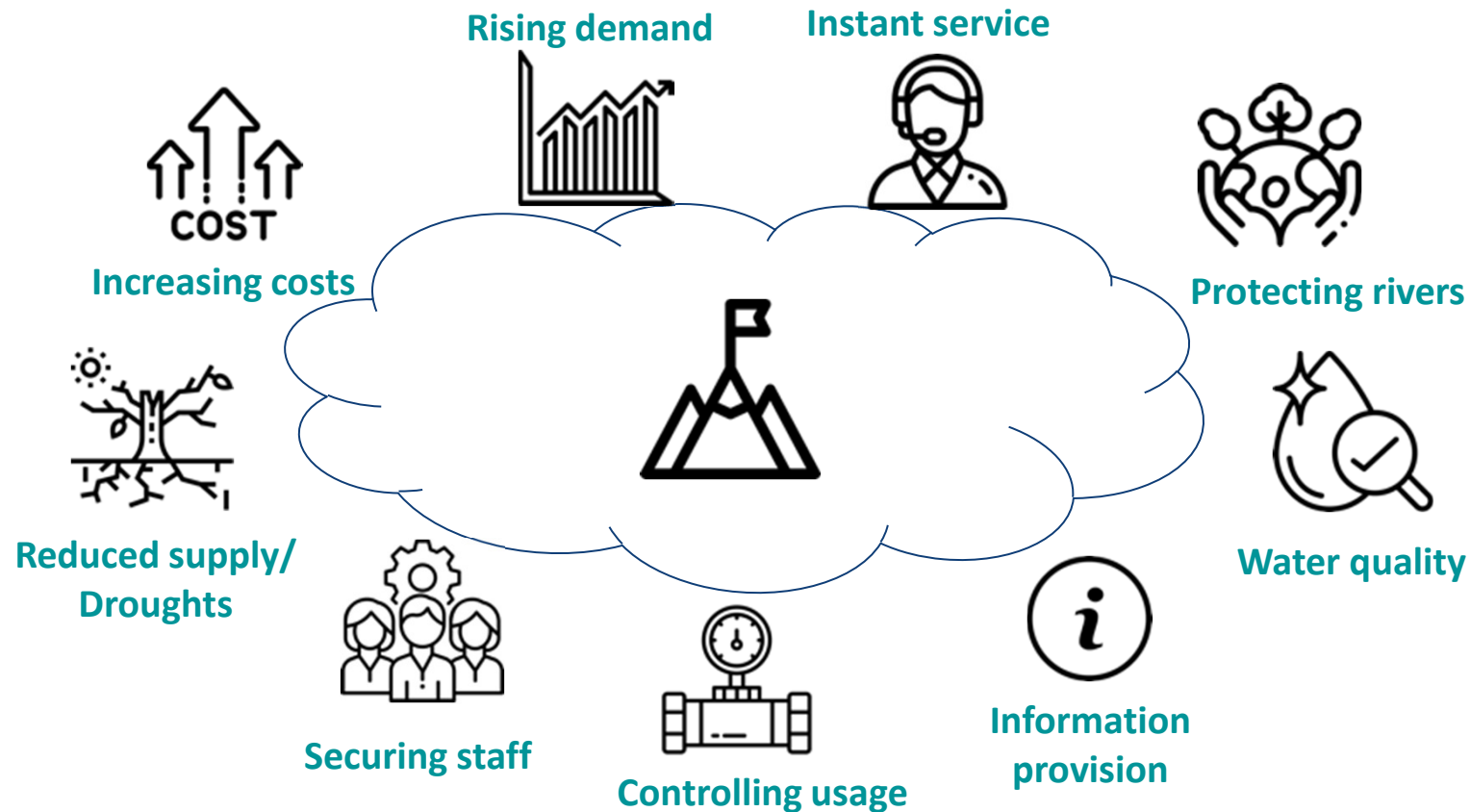


## Predicted challenges for SSW/CAM

# CHALLENGES

## CUSTOMERS PREDICT HUGE CHALLENGES FOR WATER INDUSTRY

Unprompted, HH and NHH customers identified many future challenges for SSW/CW



Opportunities relate to technology and population growth - SSW/CW to get more revenue growth

Implications for priorities = any long term plan needs to address the range of issues identified

# CHALLENGES

## **CHALLENGES PROVIDE STARTING POINT FOR PRIORITIES**



### **Rising demand**

Population growth, new houses, managing spikes in demand

### **Reduced supply/droughts**

Changing climate, erratic rainfall, droughts, flooding

### **Increasing infrastructure costs**

New connections, maintaining infrastructure, bad debt costs, burst pipes, addressing leakage, pipe pressure

### **Controlling usage**

Installing meters, accuracy of billing, enforcing water use restrictions – e.g. TUBs

### **Water quality**

Clean water, greater purification, managing microplastics, managing security risk of water getting polluted

### **Protecting rivers, net zero**

Protecting environment, river health for leisure, reducing pollution

### **Instant service**

Demanding customers, instant messaging, balancing need for human interaction


### **Information provision**

More information to manage usage, apps, water audits, transparency of plans

### **Staff resourcing**

Securing staff, managing staff, retaining staff





# Priorities

1.

2.

3.

Short term priorities

## SHORT TERM PRIORITIES

### **CONTEXT = STRONG BASELINE SATISFACTION WITH SSW/CW**

Baseline is strong satisfaction levels with SSW/CW due to limited/no contact and consistent supply

*They do provide clean water and are affordable – no reason not to trust them*  
CW, ABC1, Pre-Fam/Future  
SSW, NHH

*Happy with them – they do a good job*  
SSW, NHH

Only issue consistent with previous waves is high limescale content and impact on water taste

*I only drink it with squash because of the taste*  
SSW, C2DE, Pre-Fam/Future

*You go to make a cup of tea in the morning and then it's got this weird taste. So keeping the water clean worries me a bit; keeping it all kind of. Again, it must be a challenge for them but it's definitely; it tastes very chlorinated, weird.*  
SSW, C2DE, Pre-Fam/Future







*I said to put filters on the taps because I'm the same; I do not drink tap water at all so if there was a good filter thing put on taps as standard or as an incentive then with enough research, I probably would be more inclined to do it but at the moment I definitely wouldn't.*  
SSW, ABC1, Fam/EN/Ret

Implications for priorities = previous insight has said water hardness is not a major concern but important to keep an eye on how loud this is getting

# SHORT TERM SPONTANEOUS PRIORITIES

## HOUSEHOLD/BUSINESS LEVEL – BASIC/EXPECTED

**Attributes in bold =**  
*louder as hygiene factor*  
*this time vs 2020*

	Household/Business	Drivers - Why is this important?
 Quality of Water/Hardness	Clean, safe, good tasting water <b>Reduce water hardness</b> Quality water Good pressure	Improve water pressure in the shower (HH) Improve taste Reduce limescale/stop replacing appliances
 Reliability	24/7 supply	Ensure business can be run effectively/efficiently Maintain convenient service
 Leakage	Fast repair of pipes/leaks Investment in pipework	Avoid loss of water Reduce wastage Protect environment
 Affordability and Bill Support	Affordable prices Stable prices Regular meter reading (HH) <b>Help customers to reduce bills</b>	Protect customers against price spikes Smooth out any bill fluctuations Help customers manage and control bill spend
 Customer Service (HH)	Quality staff Speedy responses Human/digital Easy home moves	Contingency in case of need Continue good service levels
 Notification, Comms & Advice	<b>Education on water usage</b> Devices to support usage reduction Proactive notification of disruption	Help customers manage and control bill spend Minimise any inconvenience

We need them to provide us with a fresh supply of clean water on a regular basis and keep the price down – it's really as simple as that  
 NHH, SSW





How you can cut back and save water and whether there are different things that people can be doing to kind of help change how much we are using today. SSW, Pre-Fam/Future

Changes/Observations: 'Taste and cleanliness' of water feels louder e.g. minimise impact on appliances, not hard; more focus on personal 'bill responsibility and reduction' through provision of information that would help them control bills

# SHORT TERM SPONTANEOUS PRIORITIES

## HOUSEHOLD/BUSINESS LEVEL – ENHANCING

**Attributes in bold =  
louder as hygiene this  
time vs 2020**

	Household/Business	Drivers - Why is this important?
	Reliability  <i><b>Water recycling schemes</b></i>	Secure supply/more reliance Reduce bills Ensure business can be run effectively/efficiently Maintain convenient service
	Affordability and Bill Support  <i><b>Smart meters</b></i> <i><b>Variety of price tariffs</b></i> <i><b>Usage restrictions</b></i> <i><b>Rewards for lower usage</b></i>	Real time information Protect customers against price spikes Help customers manage and control bill spend
	Customer Service (HH)  Usable app	Real time communication Greater transparency of information
	Notification, Comms & Advice  <i><b>Information about SSW/CW</b></i>	Help customers manage and control bill spend Minimise any inconvenience

### ENVIRONMENT

Last time,  
environmental  
issues were an  
urgent concern

Environment still  
recognised as a  
challenge but  
mentioned more in  
long term priorities  
this time as focus  
shifts to economic  
concerns (more for  
SSW than CW)

Changes/Observations: At a household/business level, enhancing priorities focus on utilising technology to provide more self sufficiency and control



# SHORT TERM SPONTANEOUS PRIORITIES

## WIDER COMMUNITY – BASIC AND ENHANCING

### BASIC

#### Household/Business

#### Drivers - Why is this important?



#### Quality of Water

Good quality, clean water for everyone  
Maintain pressure

Ensure quality / pressure with growing population and climate change



#### Reliability

Sufficient supply for increasing population  
Good regional storage/reserves

Manage supply for increasing population



#### Leakage

Fast repair of pipes/leaks  
Investment in pipework

Minimise wastage  
Minimise community disruption



#### Pricing

Affordable prices for those who need  
Water meters for everyone

Protect vulnerable customers against price spikes  
e.g. lower income families  
Ensure billing is fair



#### Comms & Advice

Education on water usage  
Proactive notification of disruption  
Information on regional wastage (NHH, CW)

Help customers manage and control bill spend  
Minimise any inconvenience  
Greater transparency

### ENHANCING

Community enhancing priorities focus on supply/demand issues:

- Water recycling at Community level to share resources
- Collaborative approach with other counties to manage supply

Changes/Observations: Within current context, community focus is about managing supply/demand as local populations grow rather than 'giving back' to the community (cost of living crisis implication)

# SHORT TERM SPONTANEOUS PRIORITIES

## QUALITATIVE HIERARCHY

### Household/Business (for me)

#### Enhancing

- Information about SSW/CW
- Usable app
- Smart meters
- Variety of price tariffs
- Usage restrictions
- Rewards for lower usage
- Water recycling schemes

#### Hygiene

- Clean, safe, good tasting water
- Not hard
- Quality water
- Good pressure
- 24/7 supply
- Fast repair of pipes/leaks
- Investment in pipework
- Affordable prices
- Stable prices
- Regular meter reading (HH)
- Help customers to reduce bills
- Quality staff
- Speedy responses
- Human/digital
- Easy home moves
- Education on water usage/PCC
- Devices to support usage reduction
- Proactive notification of disruption

Above & beyond

Enhancing

Hygiene

### Community/Region (for others)

#### Enhancing

- Water recycling at Community level to share resources
- Collaborative approach with other counties to manage supply

#### Hygiene

- Education on water usage
- Proactive notification of disruption
- Information on regional wastage (NHH, CW)
- Affordable prices for those who need
- Water meters for everyone
- Fast repair of pipes/leaks
- Investment in pipework
- Sufficient supply for increasing population
- Good regional storage/reserves
- Good quality, clean water for everyone
- Maintain pressure



## SHORT TERM PRIORITIES

### KEY QUALITATIVE DIFFERENCES: OBSERVATIONS

2020 qualitative work: hardness of water was an enhancing factor but we are now (in 2022) hearing cleanliness – purification, taste, softer – talked about more as a basic priority

2020: advice on usage consumption/targets was seen as an enhancing priority but is now being driven towards a more basic need as customers try to control bills. This has built since 2017

2020: water saving tools and smart meters were 'over and above' – still enhancing but feels like this is becoming an increasingly mainstream need

Despite acknowledgement of environment as key issue, it is now an enhancing and future issue playing second fiddle to the more urgent cost of living crisis

Water recycling schemes mentioned across groups in an attempt to save water and control bills



Long term priorities, plans and investment

# LONG TERM SPONTANEOUS PRIORITIES FOR ME/FOR OTHERS

## Household/Business (for me)

### Above and Beyond (WOW)

Greywater recycling  
Rainwater harvesting  
Compost toilets, no flush

### Enhancing

Embracing technological changes e.g. website/app provision  
Smart meter rollout  
Separate hot/cold tap  
Water efficiency devices e.g. butts, timers  
Different, smarter tariffs e.g. variable peak/off peak for business OR reward tariffs

### Hygiene

Continual supply  
High standard of clean, quality, soft water  
Good communication during outage  
Technology to provide PCC information e.g. app  
Reduce household/business water wastage  
Good water pressure  
Maintain efficient customer service – multi channel  
Affordable pricing

Above &  
beyond

Enhancing

Hygiene

## Community/Region (for others)

### Above and Beyond (WOW)

Charity – home and abroad  
Community support/local projects e.g. planting trees, tying up with local business  
Collaborative approach e.g. water sharing  
Community rainwater harvesting

### Enhancing

Education in schools  
Innovative technology to fix infrastructure and minimise community disruption  
Business restrictions on wastage

### Hygiene

Continual supply for growing community  
Forward thinking resource planning e.g. supply/demand e.g. bigger reservoirs, increase rain water capture and storage  
Environmentally friendly, sustainable business policies  
Protect rivers, natural habitats  
Reduce wastage/leakage through smart repairs, investment, technology and education  
Efficient customer service – including human for digitally excluded  
Financial and PSR support for vulnerable people

## LONG TERM PRIORITIES

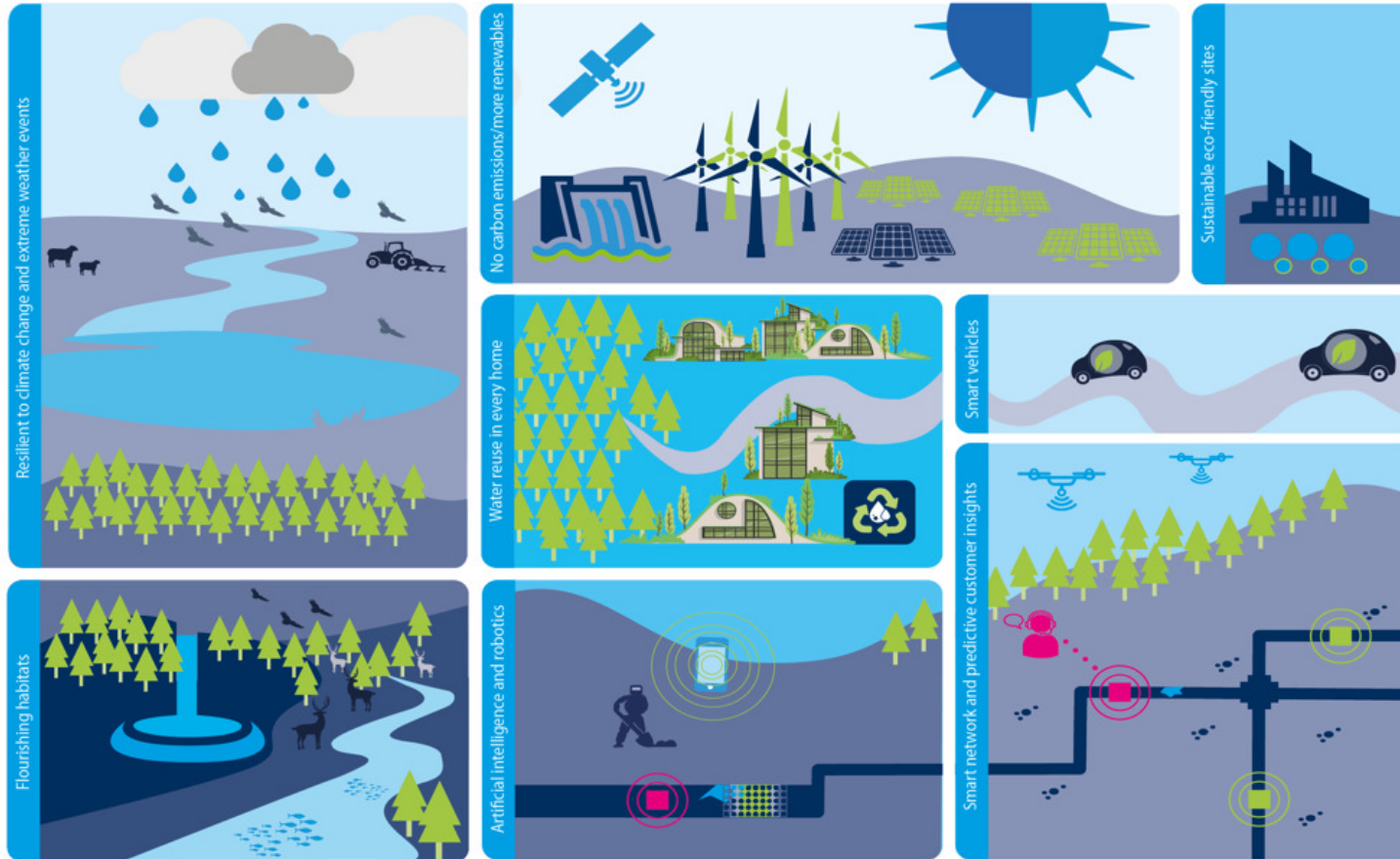
### **KEY DIFFERENCES: OBSERVATIONS**

Long term priorities include the things customers cover in the shorter term basic and enhancing – expect these to still be an issue vs. solved

2020: the collection of environmental priorities felt more long term (for some esp SSW area)

Much more imaginative, technological solutions expected for longer term e.g. hot/cold tap, no flush toilets, predictable usage apps, water efficiency devices, real time/instant service support

# Introducing “Looking to the Future” plan



‘Looking to the Future’ visual was used in groups to introduce SSW/CW long term plans

Participants were asked to select areas they were most interested in for further discussion

# 'LOOKING TO THE FUTURE' BUSINESS PLAN

## INITIAL RESPONSE

High level response to the plan is very positive – mapping back spontaneous long-term priorities to this made customers feel SSW/CW were covering the challenges raised and meeting future expectations

It's good and feels reassuring to know they are doing all of these things - impressive SSW, C2DE, Pre-Family/Future



This is all good and of course, need to be resilient to climate change I'm wondering what the costs will be CW, NHH

### Positive Responses

- Addresses key challenges
- Strong, solid plan
- Different categories that address key areas
- Pushes beyond everyday needs
- Technology lifts this and feels ambitious

### Questions

- Are these essential things that SSW/CW need to do?
- What are the increased costs for these initiatives?
- Unsure of personal/business impact e.g. climate change
- More information needed

NOTE: The plan was presented at a high level – recommend it is fleshed out and we reconvene participants to explore in greater detail once developed further



# 'LOOKING TO THE FUTURE' BUSINESS PLAN

## CLIMATE CHANGE

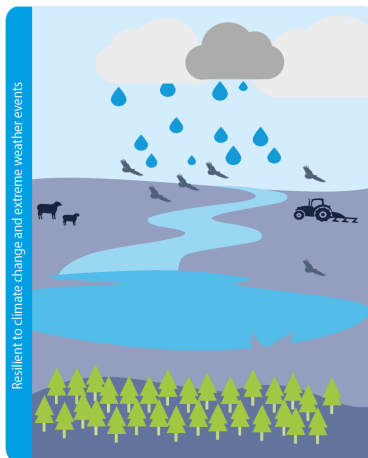
Climate change frequently picked first as a critical area for SSW/CW and one that is increasingly understood to impact on securing future water supply, which is a long-term priority

### Resilience to Climate change

South Staffs Water / Cambridge Water will reduce the chance of needing to use standpipes and water rationing during periods of drought – this is a national target the Environment Agency has set for all water companies

By investing in new reservoirs and/or regional water transfers and reducing demand for water, the company aims to be resilient to needing to use these types of restrictions on customer water use to once in every 500 years, by 2040. The current level of resilience the company plans for is once in every 200 years.

The benefit for customers is a reliable supply of clean water, which is resilient to the impacts of climate change and population growth.



- Supply/Demand was a key challenge identified by customers
- Reality of climate change understood as a future threat that could be relevant to household/businesses
- Some surprise that SSW was a water stressed area; CW more believable
- Welcome plans to increase storage solutions e.g. reservoir investment
- Resilience to climate change AND population growth recognises the concerns from supply (which is starting to be seen) and demand (which is already visible)

That is the most important thing I think, the resistance to climate change because the changing seasons we've got now, the 4 seasons that we had when we grew up as children don't seem to be the seasons anymore and I think it will only get worse  
CW, NHH

# 'LOOKING TO THE FUTURE' BUSINESS PLAN

## **WATER REUSE IN EVERY HOME AND BUSINESS**

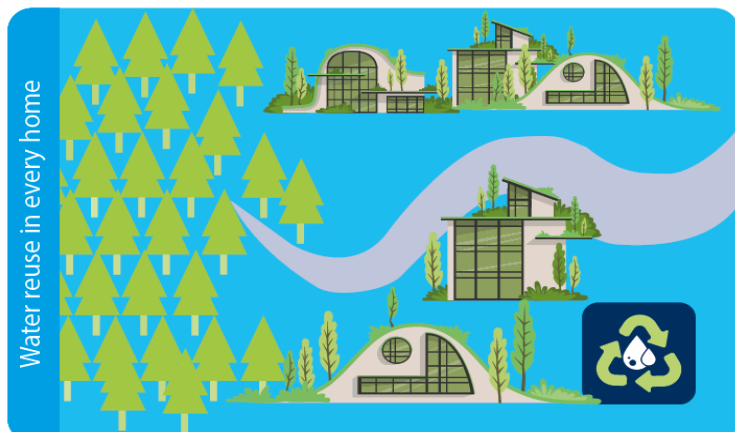
Water reuse was a spontaneous long-term priority – plan for 'every home/business' feels very ambitious and relevant to customers homes and businesses

### **Water Re-use in every home and business**

South Staffs Water / Cambridge Water will work with partners to help install water recycling systems in every home and business (where possible) it serves – such as grey water or rainwater reuse, which means that highly treated drinking water is not used for everyday activities like flushing toilets and washing windows

South Staffs Water / Cambridge Water will work in partnership with customers to educate and support customers are reduce the amount of water each person uses every day from over 150 litres per day, down to 110 litres a day by 2040. For new homes and business properties South Staffs Water / Cambridge Water will work with developers and the Government to influence building regulations and policy to ensure 80 litres a day is achieved from building water efficient new homes.

This reduction in usage will mean that demand for water is reduced, and bills can be kept affordable for customers and their will also be less water taken from rivers and underground reservoirs



- Focus on new technology to recycle water was strong
- Plans feel inclusive and exciting
- Good to work in partnership with builders
- Offer way for HH/NHH to save money on their bills through usage reductions
- Education/information also welcomed

This does sound really good and they do this in Australia so when you shower it goes somewhere else and not down the drains so you can use it again  
SSW, C2DE, Pre-Fam/Future

# 'LOOKING TO THE FUTURE' BUSINESS PLAN

## **FLOURISHING HABITATS**

Concerns about rivers and wildlife mean customers respond very well to the ambition of 'flourishing habitats'

### **Flourishing Habitats**

South Staffs Water / Cambridge Water will reduce the amount of water it takes from rivers and underground water sources (aquifers) by reducing demand for water, to restore and improve the region's water environments (i.e. rivers and underground aquifers).

By reducing leakage levels and customer demand for water and finding new sources of water the aim is that all rivers in the country meet "good ecological status" (that means being healthy) by 2050 – which is what the Environment Agency want customers to achieve

The benefit is that river flows and groundwater levels are returned to their natural levels and so are more resilient to drought for plants and animal life to thrive, and that these environments continue to support wellbeing and recreation for communities to enjoy.



- Emotional connection to wildlife AND protecting green/river spaces
- Desire to see these thrive and keen to see SSW/CW take responsibility
- Not all understand the abstraction link between leakage/demand but these are both concerns
- Joining the dots between these is educational and helpful e.g. saving water is more than just helping you save money, it helps keep the rivers flourishing

*I do, I do care about that  
do care about it because I  
drive through town every  
morning and see the  
canals and the boats going  
out whatever and I love it  
love love open water.  
SSW, NHH*

# 'LOOKING TO THE FUTURE' BUSINESS PLAN

## CARBON NEUTRAL

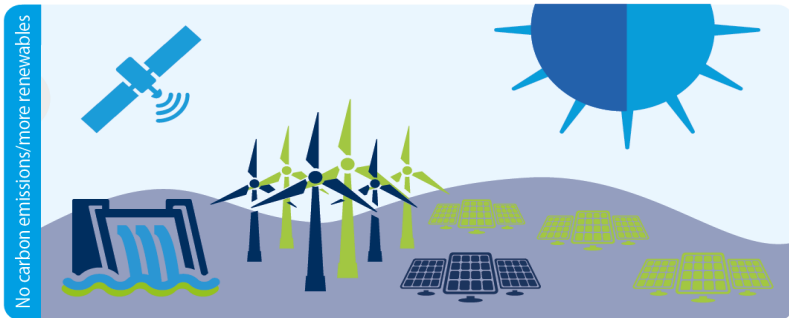
Customers spontaneously talked about Electric Vehicles, hydro power, water recycling as a long term priority and a way of SSW/CW being more environmentally friendly; promises in this category delivered well against expectations

### Zero Carbon emissions and renewables

South Staffs Water / Cambridge Water , along with all other water companies, will not add any additional carbon emissions from all its operations into the atmosphere by 2050 to help limit the dangerous impacts of global warming on people and the environment.

To do this, the company will look at all options to reduce carbon emissions from its operations – e.g. having a full fleet of electric vehicles, generating power from renewable energy from its sites and working with its suppliers to find news processes and materials that reduce emissions.

The benefit is that these actions will help to reduce the frequency and intensity of weather events such as heatwaves, heavy rainfall and droughts.



No carbon emissions/more renewables

- Concept of 'low emissions' is now recognisable everyday lexicon for many (seen here and in other studies across energy, transport, retail and water)
- Understood to be important future concern
- Significant advances in technology predicted by customers and expect SSW/CW to be adopting innovation that addresses carbon emissions
- Electric Vehicles are the customer proxy for this – it's relevant to them and they know these are coming.

I'd go the one at the top in the middle which has got the turbines and stuff on, the solar panels because I think that's the way the world is going and the way the world will end up in the next 50 years so just interesting to see what that will be all about.

SSW, ABC1, Fam/EN/Ret

## 'LOOKING TO THE FUTURE' BUSINESS PLAN

# SMART NETWORKS, ROBOTICS, AI, FUTURE PROOFING

Inclusion of smart/robotics/AI generates interest and 'excitement'; maps neatly back to the initial challenges predicted and provides real examples of how technology might be utilised to generate smart solutions to address supply/demand

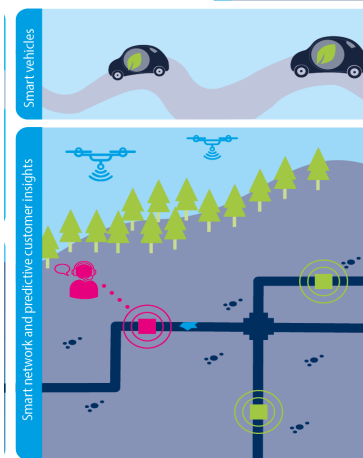
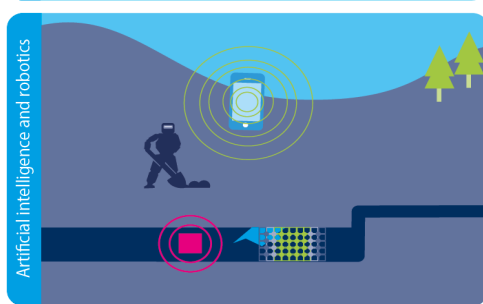
### Smart networks, robotics, AI and future proofing assets

South Staffs Water / Cambridge Water will invest in new technology that can predict when pipes and other assets (like pumping stations) might fail. This data and insight can help the company reduce leakage, the number of pipe bursts and ensure the smarter investment in when assets are replaced over time to keep the network running efficiently

This type of approach will help further reduce any unplanned interruption to customers' water supply and technology, like smart sensors, can help to reduce leakage by 50% by 2050 (from the levels recorded in 2017/18)

By installing lots of smart metering technology, customers will have more control over when and where they use water at home and at work.

Being able to tell customers about any problems with the water supply before an issue arises means we can offer a more reliable and trusted service. This will help to save water over the long term.



- New 'smart' technology to address leakage is well received – often spontaneously mentioned
- Predicting/pre-empting bursts is good business sense, saves water, stop interruptions and is more efficient
- Smart metering technology is welcomed as customers strive for more control over all bills and want to understand usage spikes/troughs
- Ideal would be linked to an app for ease of use

And the second click would definitely be the smart network and proactive customer insights because I think the more you empower people, the more they will kind of jump on board and go with the plan.  
CW, ABC1, Pre-Fam/Future

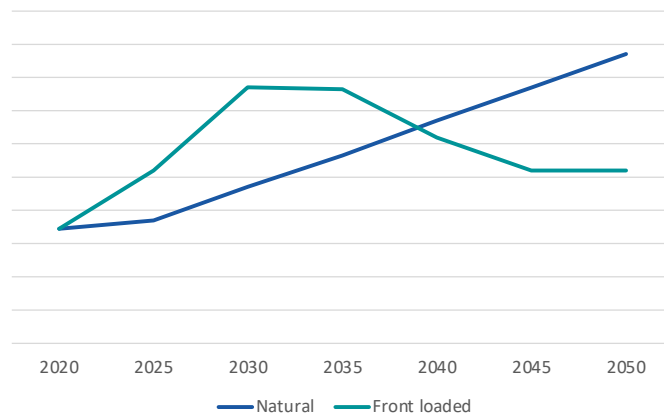
# INVESTMENT STIMULUS USED TO TEASE OUT PREFERENCES FOR SHORT/LONG TERM BILL INCREASES

Showcard D

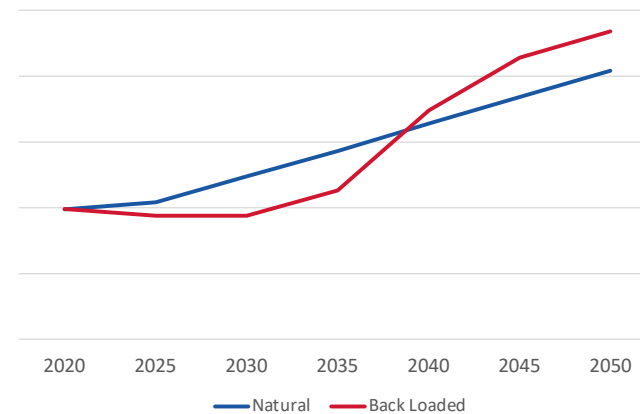
## Paying for long-term investments

Between 2025 to 2050 the total paid will be the same: this is about your preference for when customers pay for long term investments

Example of how bills will change over time between current and future customers



Example of how bills will change over time between current and future customers



### Pay More Now Example:

More investment is **MADE in the short-term** to address future issues with infrastructure e.g. burst pipes/leaks/water quality and environmental investments  
Customers pay more between 2025-2040 compared to a smoother change in the bills (including inflation)  
Bills start to fall from 2035-2050

### Natural Example:

Blue line shows the long term investment spread more equally from 2025 to 2050 (inflation is included)

### Pay More Later Example:

Investment is **MADE LATER** to address future issues with infrastructure e.g. burst pipes/leaks/water quality and environmental investments  
Customers pay less between 2025-2040 compared to a smoother change in the bills (including inflation)  
Bills start to rise more between 2035-2050



## INVESTMENT

### QUALITATIVE VALUE FOR MONEY (VFM) BASELINE APPEARS MIXED

- Current economic situation means all household bills are a concern
- Hopeful that Water bills will stay stable and not follow energy patterns
- Some say current water bill is good value – not as high as other
- Others feel that all bills are high, including water
- Differences in bills across group (Metered/Non-Metered) can cause friction

When you compare what Deb's bills are compared to what Spencer's are, that's quite shocking really because if Spencer's are over 9 months so Deb's 2-month bill is what Spencer gets for 9 months; that doesn't make sense and that's not good value.

SSW, ABC1, Fam/EN/Ret

*It's good, good value for money. It's how many times a day do you use it for washing machine, dishwasher, cup of tea, baths, shower, brushing your teeth. If you use your heating that much. SSW, ABC1, Fam/EN/RET*

*It's quite high along with everything else CW, C2DE, Fam/En/Ret*

*Its affordable at the moment SSW, C2DE, Pre-Fam/Future*

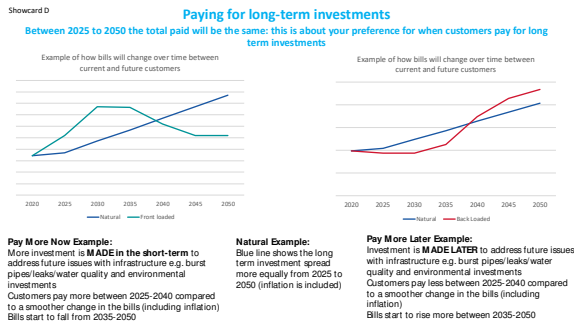
*I've not received any emails or anything asking to increase how much I'm paying I really don't have any competitors in that sense, I mean Obviously it would be nice if the bill was less. CW, ABC1, Pre-Fam/Future*

# INVESTMENT PREFERENCES FOR SHORT/LONG TERM BILL INCREASES

Regardless of NHH/HH status, age or SEG, groups were split – no demographic trends, but differences within groups  
 Most opt for what they see as a compromise of a natural bill with minorities supporting short term OR long-term investment

The future is going to be I think so difficult for people from 2035-2040 onwards in ways that I don't think we're even thinking about imagining most of us at the moment.  
**CW, NHH**

- Pay Now**
- Minority here
  - Drivers are:
    - Altruism/worry about future youth
    - Prefer to get it out of the way
    - Concern things will get worse and won't be able to pay in the future
    - Water bills are lower than others so some flex potential
  - Would want some guarantee that money was well spent
  - Keen to know that it wouldn't increase again in the future e.g. transparent updates



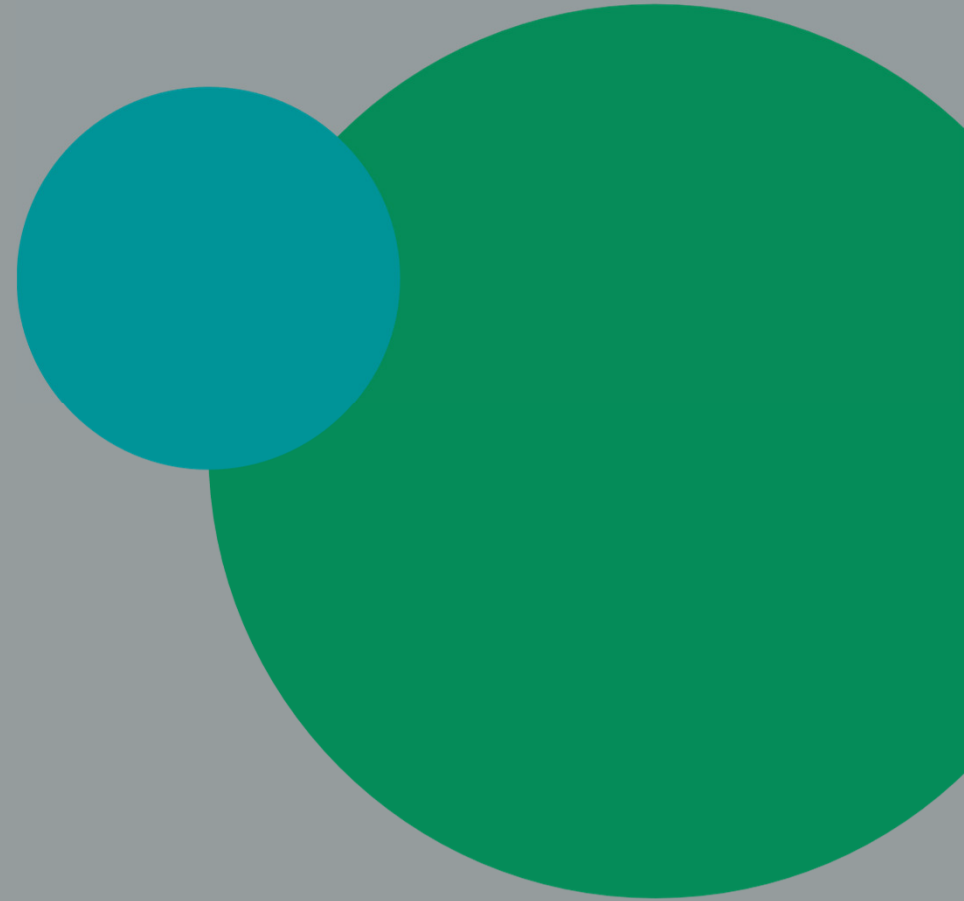
- Natural**
- Majority here
  - Least noticeable option – it feels like this would be a gradual increase and less noticeable on household finances
  - Smooth investment over time
  - Current service still maintained
  - Feels 'Fairer' for everyone
  - Fits with current economic strain

I live for now so I don't want to pay for something in the future when it's just live in the moment. I feel a bit selfish saying that now  
**HH, SSW, ABC1, Fam/EN/Ret**

- Pay Later**
- Some here
  - Any increase now feels unaffordable
  - Focus is on self/family
  - Some slightly embarrassed/feel selfish BUT need to survive
  - Lack of trust in SSW/CW that would pay now AND again later

A few mentioned shareholder profits, or just wanted SSW/CW to take it from their profits

# Summary and way forward



## Summary of customer context

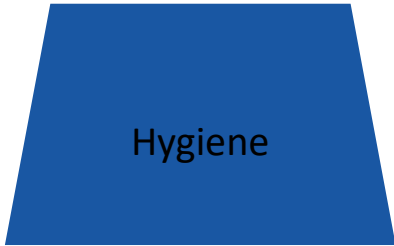
- Optimism when moving out of pandemic was short lived and has been replaced by significant cost of living concerns (for both HH and NHH customers)
- Many NHH customers have a strong social conscience wanting to support local communities AND stronger environmental/affordable balance
- Environment is taken more seriously than ever and understood better BUT has been pushed to a longer-term issue and dwarfed by short term, personal economic concerns
- Generalised cost of living crisis makes people think more about their own situation vs. more altruistic qualitative picture in October 2020.
- Current world shapes future thinking and it can feel more daunting than exciting, despite the technological opportunities envisaged
- High level response to the “Looking to Future” plan is very positive – mapping back spontaneous long-term priorities to this made customers feel SSW/CW were covering the challenges raised and meeting future expectations
- Most customer opt for what they see as a compromise of a natural bill profile to 2050, with minorities supporting increased front-loaded short-term investment OR back-loaded long-term investment.

# Range of short-term priorities generated – for “self” and community/ region. Customers expecting more to be delivered as part of basic service compared to 2020

## Household/Business (for me)

- Enhancing**
- Information about SSW/CW
  - Usable app
  - Smart meters
  - Variety of price tariffs
  - Usage restrictions
  - Rewards for lower usage
  - Water recycling schemes

- Hygiene**
- Clean, safe, good tasting water
  - Not hard
  - Quality water
  - Good pressure
  - 24/7 supply
  - Fast repair of pipes/leaks
  - Investment in pipework
  - Affordable prices
  - Stable prices
  - Regular meter reading (HH)
  - Help customers to reduce bills
  - Quality staff
  - Speedy responses
  - Human/digital
  - Easy home moves
  - Education on water usage/PCC
  - Devices to support usage reduction
  - Proactive notification of disruption



- Attributes that have got louder as hygiene factors vs 2020
- Reduce water hardness
  - Help customers to reduce bills
  - Education on water usage

- Attributes that have got louder as enhancing factor vs 2020
- Smart meters
  - Variety of price tariffs
  - Usage restrictions
  - Rewards for lower usage
  - Water recycling schemes
  - Provision of information about SSW/CW

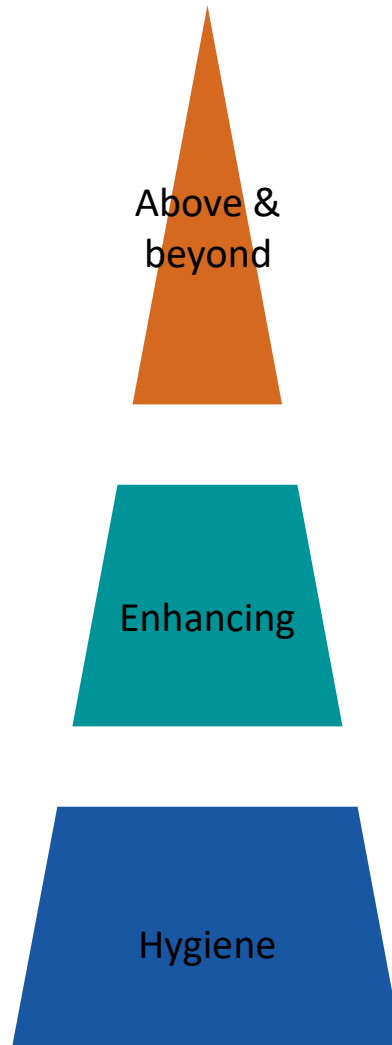
## Community/Region (for others)

- Enhancing**
- Water recycling at Community level to share resources
  - Collaborative approach with other counties to manage supply

- Hygiene**
- Education on water usage
  - Proactive notification of disruption
  - Information on regional wastage (NHH, CW)
  - Affordable prices for those who need
  - Water meters for everyone
  - Fast repair of pipes/leaks
  - Investment in pipework
  - Sufficient supply for increasing population
  - Good regional storage/reserves
  - Good quality, clean water for everyone
  - Maintain pressure

## Long-term priorities included existing hygiene factor in addition to enhancing and above & beyond service development

Household/Business (for me)
<p><b>Above and Beyond (WOW)</b></p> <ul style="list-style-type: none"> <li>Greywater recycling</li> <li>Rainwater harvesting</li> <li>Compost toilets, no flush</li> </ul>
<p><b>Enhancing</b></p> <ul style="list-style-type: none"> <li>Embracing technological changes e.g. website/app provision</li> <li>Smart meter rollout</li> <li>Separate hot/cold tap</li> <li>Water efficiency devices e.g. butts, timers</li> <li>Different, smarter tariffs e.g. variable peak/off peak for business OR reward tariffs</li> </ul>
<p><b>Hygiene</b></p> <ul style="list-style-type: none"> <li>Continual supply</li> <li>High standard of clean, quality, soft water</li> <li>Good communication during outage</li> <li>Technology to provide PCC information e.g. app</li> <li>Reduce household/business water wastage</li> <li>Good water pressure</li> <li>Maintain efficient customer service – multi channel</li> <li>Affordable pricing</li> </ul>



Community/Region (for others)
<p><b>Above and Beyond (WOW)</b></p> <ul style="list-style-type: none"> <li>Charity – home and abroad</li> <li>Community support/local projects e.g. planting trees, tying up with local business</li> <li>Collaborative approach e.g. water sharing</li> <li>Community rainwater harvesting</li> </ul>
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<p><b>Hygiene</b></p> <ul style="list-style-type: none"> <li>Continual supply for growing community</li> <li>Forward thinking resource planning e.g. supply/demand e.g. bigger reservoirs, increase rain water capture and storage</li> <li>Environmentally friendly, sustainable business policies</li> <li>Protect rivers, natural habitats</li> <li>Reduce wastage/leakage through smart repairs, investment, technology and education</li> <li>Efficient customer service – including human for digitally excluded</li> <li>Financial and PSR support for vulnerable people</li> </ul>



## Qualitative Way forward

### ■ Bill Profile:

- Continued understanding of customers' preferences in this area will be important. Customers struggle to project forward – particularly in given events over the last two years (global pandemic, cost of living crisis, war in Ukraine, etc).

Monitoring preferences and understanding what's driving them will provide SSC with valuable insight as they work through PR24 business planning

### ■ LTF:

- Tested at a high level in this piece. Recommend that customers are reconvened to provide feedback on the evolved document as detail is developed. Timing will depend on internal SSC timelines – however, would recommend a customer review at next draft and final draft stages

### ■ Priorities:

- Assume these will be covered at a high level in WTP qualitative work
- For the priorities tracker; suggest qualitative work is conducted at the end of Year 3 to map against short and long term priorities pyramid

## SSC segment Descriptions

Customer segment	Overview of segment
<b>A – 23% (of SSC's customer base)</b>	Very time pressed juggling all their commitments. Consequently don't think much about their water usage and don't want their time wasted. Often online.
<b>B – 35%</b>	Highly engaged with their water usage and the wider community they live in. Expect a very high level of service from companies they use. Use technology, but prefer a personal relationship.
<b>C – 15%</b>	Often financially and time pressured. Strong preference for being on-line and using social media.
<b>D – 8%</b>	Highly engaged with using the 'latest' technology and managing their lives online. Switched on to saving water.
<b>E – 18%</b>	Highly engaged with technology and very focused on their network of family and friends. Admit to not thinking much about their water usage or services and prefer a more transactional relationship with their water company.

# Appendix A



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## All participants completed feedback forms

	<b>HH</b>	<b>NHH</b>
I enjoyed taking part in the event on Zoom	4.9	4.8
Everyone was given a fair chance to have their say	4.9	5.0
The event was well organised and structured	4.7	4.8
The information provided was easy to understand	4.8	4.9

Differences between digital groups and F2F groups are well documented in the industry (less naturally interactive, shorter attention spans, less share of voice) BUT these issues were mitigated by having a strong pre-task analysed in advance of the groups.

# CUSTOMER WORLD


## EXAMPLE LETTERS

### South Staffs Water – Pre-Family

#### Task 2: A Letter “Back From The Future”



Now we want you to think about what life might be like in the future. Think forward to 2050 and a letter “back from the future”. We’ve put some prompts below that we’d like you to cover in your letter: (1) Tell the reader what you imagine life will be like for them in 2050 (2) What good things will be happening. And what might people be concerned about? And what will bring them joy? (3) What do you think car and transport services will be like? (4) How will people be spending their leisure time? (5) Finally, tell the reader what the water service from South Staffs Water will be like.

<p>1/ I think life will be very fast paced for you and continually moving! People are more impatient than ever</p> <p>2/ Technology will have improved in terms of health and medical improvements!</p> <p>3/ People will be concerned about the pace of living and will then spend all their leisure time relaxing or going on holiday in quicker modes of transport. People will be concerned about money as prices for everything continue to rise!</p> <p>4/ transport will all be faster and quicker with self driving cars</p> <p>5/ south staffs water will have immediate hot and cold water from taps with extreme temperatures</p>	 <hr/> <hr/> <hr/>
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# CUSTOMER WORLD

## EXAMPLE LETTERS

### Cambridge Water – Empty nester/Retired/Family



#### Task 2: A Letter "Back From The Future"

Now we want you to think about what life might be like in the future. Think forward to 2045 and a letter "back from the future". We've put some prompts below that we'd like you to cover in your letter: (1) Tell the reader what you imagine life will be like for them in 2045 (2) What good things will be happening. And what might people be concerned about? And what will bring them joy? (3) What do you think car and transport services will be like? (4) How will people be spending their leisure time? (5) Finally, tell the reader what the water service from Cambridge Water will be like.

Dear future people,

Welcome from 2045! Life is very different now from back in 2022, with there being more sustainable energy and less carbon emissions. There are fewer petrol stations, a more affordable energy source and there is only 1 company who provides you with your energy, and water, rather than the multiple options at the moment. Liverpool Football Club have won the premier league for the last 23 years in a row, and are really rather good. People are healthier now, and there are so many cures for awful diseases like cancer and dementia, and the thing we knew as COVID many years ago is no more.

There are cars on the road still, but they are all electric cars that can be charged at home and are almost free to use. The environment is better and people are living longer. People are spending more free time walking and enjoying nature, rather than watching televisions and playing computer games.

The water services from Cambridge Water are so much better than they used to be. There is a cheaper way for people to have water, and people are more educated about how to save water. Water poured down drains is now recyclable and can be re-used after completing a filtration process.



# CUSTOMER WORLD

## EXAMPLE LETTERS

### South Staffs Water – NHH



South Staffs Water

#### Task 2: A Letter "Back From The Future"

Now we want you to think about what life might be like in the future. Think forward to 2045 and a letter "back from the future". We've put some prompts below that we'd like you to cover in your letter: (1) Tell the reader what you imagine life will be like for them in 2045 (2) What good things will be happening. And what might people be concerned about? And what will bring them joy? (3) What do you think car and transport services will be like? (4) How will people be spending their leisure time? (5) Finally, tell the reader what the water service from South Staffs Water will be like.

Hi,

Life must be very different now! Compared to what it was! The world has changed immeasurably since 2022. In 2045 life is much more automated with cars and buses that drive themselves so the roads are much calmer as everyone has to stick to the speed limits! This is definitely a good thing.

We have more green energy being produced which reduces our reliance on standard fossil fuels and environmental pollution is improving but there is still a long way to go.

The problem with some advancements is that there are less jobs for people, which is a real concern because people have less disposable income to visit our coffee shop.

Leisure time is now spent outdoors a lot more as air quality is better and the weather is generally warmer. Travelling to places in our own country is much more preferred as it is so expensive to travel by plane.

South Staff water is more expensive as the company's costs have escalated through fuel rises and also more investment from water companies goes into maintaining rivers and sea's and preventing pollution.



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# Appendix B



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# APPENDIX B

## DISCUSSION GUIDE (household)

3410 / Priorities Tracker – Year 1  
Topic Guide (after initial night)



Welcome

5 mins [3]

Good evening – My name is ... and I work for an independent market research company called Accent. We are conducting important research for South Staffs Water/Cambridge Water looking to understand what customers expect the company to focus on – now and in the future. Our ideas will help their senior teams to ensure their short and longer-term plans are continuously updated to reflect any changes to what customers think is most important about their water services. As a reminder, South Staffs Water/Cambridge Water is only responsible for your water that comes through your tap and not the wastewater that's taken away by Sewer Street Water/Cambridge Water.

Thank you very much for agreeing to help us with this research and for being here this evening.

The research is being conducted in accordance with the Code of Conduct of the Market Research Society (MRS) and also with the Data Protection Act, with which Accent is registered. This means that everything you say here this evening is confidential and will not be attributed to you personally.

The discussion is being recorded to allow the team at South Staffs Water/ Cambridge Water to view it from time to time. This is standard market research procedure and is to ensure accuracy – as I don't have a way to remember what you have said – and for analysis purposes only. The recordings will not be passed to any third party not associated with the research project, and in our reporting of the findings from this research everything that you say will be confidential and will be reported in grouped format only. Please don't let that stop you expressing your views freely.

You will see that we also have a couple of observers who will be viewing the session – these are the dark screens you can see that have initials on them. These are members of the South Staffs/Cambridge Water team who wanted to hear your views firsthand. Please be reassured that they will not take part in the discussion and it's important that you don't change your view because they are in at bedside.

The discussion will last around 90 minutes. Can I stress that we are looking for your honest views. There are no right or wrong answers. I hope you will all contribute to the discussion as everyone's views count.

Warm Up

10 mins [15]

**OBJECTIVE – MAKE EVERYONE FEEL CONFIDENTIAL AND SAFE TO SHARE VIEWS**

- We would like you to find out a bit about you
  - First name
  - Where do you live/work/study?
  - Who lives at home with you?
- Let's do a quick round the room game to find out what were your joys and worries and why?

Moderator note: Items to use when it emerges spontaneously here e.g. cost of living, global issues, personal issues, covid, government trust, etc

Please note that the questionnaire is regionalised to South Staffs Water or Cambridge Water where appropriate. There were also variations used for non-household customers

Getting in the Future Mindset

10 mins [25]

**OBJECTIVE – GET PARTICIPANTS INTO THE FUTURE MINDSET. PROVIDE CONTEXT FOR FUTURE PRIORITIES**

It's really important as we go through the session that we focus on what your needs and wants might be in the future – we asked you to think about 2030 in the homework. So, before we start talking about water let's have a look at your responses.

- What do you imagine life to be like in 2030 for people in your area (USE PRE-TESTED AND THEMED ACTING GROUPS: HIGHLY AUTOMATED, TECHNOLOGICAL, CONVENIENCE, LESS HUMAN INTERACTION, ENVIRONMENT FOCUSED, ECONOMIC CRISIS, etc) (10M)
- What do we think are the challenges and opportunities that will face organisations in 2030:
  - Think about your most loved brand/provider
  - What challenges/opportunities are they facing in delivering their service at this time NOTE THIS IS THE FULL LIST THAT IS USED BY THE WATER COMPANY OPS/CSL LISTS

Moderator: this is to get people thinking about what are the big themes that will face companies as we can use as a framework for the new 'water sector' which will be more abstract for them (technology, environmental, social, economic, health, etc)

Water Sector in the Future

10 mins [35]

**OBJECTIVE – UNDERSTAND WHAT THE WATER SECTOR COULD LOOK LIKE IN 2030-2050 AND HOW SOUTH STAFFS WATER AND CAMBRIDGE WATER COULD WORK FORWARD THAT VISION**

Now we've set the scene for that future world and thought about the big challenges and opportunities companies may face, let's think about what the Water Sector might look like in that time

- Let's think about the big challenges and opportunities for the water companies in the future
- Spontaneous then prompt with framework established above
- (DON'T MISS THE PROMPT BULLETS WITH THE NEXT SECTION SO JUST RUN ON TO A BIT)
  - What do you expect the water companies to have achieved by then e.g. MOST/BEYOND CUSTOMERS REQUIRED: supporting customers, protecting/improving the environment, being more sustainable
  - And briefly, what kind of services and activities would you expect water companies to be delivering at that time

Understanding Spontaneous Priorities: Future

15 mins [50]

**OBJECTIVE – UNDERSTAND WHAT PARTICIPANTS SPONTANEOUSLY SAID ABOUT PRIORITIES**

**FUTURE**

Given that we've just talked about that future world and thought about what the water sector might look like, let's start with what services/activities you would want South Staffs/Cambridge Water to focus on in the future. Thanks for doing the homework exercise for us. In the exercise, you put down what you want South Staffs Water/Cambridge Water to focus on – now and in the future. So, grab your homework exercise sheets and let's use these to start the discussion.

Let's start with you and your home/household and then look at what you might want them to focus on from a regional/community perspective.

Show visual of home/household and regional/community PRE-POPULATE WITH PRE-TESTED INFORMATION

- What do you want South Staffs/Cambridge Water to be focusing on in that 2030 world you described
  - Reasons why they are important
  - Is this something you're/they're doing well and you want them to carry on doing/looking they're doing badly that you want them to improve?
  - Let's think a bit about energy, banking, supermarkets and how they will be servicing their customers in 2030
    - What will they be doing for customer service
    - What are the best/worst. Forward thinking brands you deal with
    - What can South Staffs Water/Cambridge Water learn from those organisations
  - Now let's think about your wider community/region and what services/activities that you want them to do in 2030 that might support your local area
    - Reasons why they are important
    - Is this something that would have any impact on you/your household or it is just about the wider community/region
  - Let's think a bit about other companies (local/national/global brands) who support their community and how they will be servicing their customers in 2030 – what can South Staffs Water/Cambridge Water learn from those organisations

Understanding Spontaneous Priorities: Now-3 years

15 mins [55]

**OBJECTIVE – UNDERSTAND WHAT PARTICIPANTS SPONTANEOUSLY SAID ABOUT PRIORITIES (NOW-3 years)**

Let's now focus on what you want South Staffs Water/Cambridge Water to do in the next couple of years for you and your household and the wider regional/community. PRE-POPULATE WITH PRE-TESTED



# APPENDIX B

## DISCUSSION GUIDE (household)

Please note that the questionnaire is regionalised to South Staffs Water or Cambridge Water where appropriate. There were also variations used for non-household customers

INFORMATION – NOTE THAT WE ARE NOT SETTING HARD DIFFERENTIATION BETWEEN NOW AND FUTURE SO THIS CAN BE QU 100%

- What are the challenges/issues that are giving you sleepless nights at the moment? (note – we will have covered the joys/excuses at the beginning so this may feel repetitive and we may raise an quality)
- What are the main issues that you face about your water/water supply (if any) – this could be about your bill or the actual water supply?
  - List of services/activities that you want them to do in the next couple of years for you at home and your household AND then for region/community
  - Issues why they are important
    - Is this something new/something they're doing well and you want them to carry on doing/something they're doing badly that you want them to improve?
  - How do these address the main challenges for you/your household AND your community/region
    - How would they help you and your household
    - How could they work with local businesses to address the community/regional challenges
  - Was there anything else that you wanted to include (but couldn't because we limited you to three priorities) – note we can add it but we are not just asking them to repeat the pre-task but to springboard from it so they will be allowed to say as many as they think
- Are these different from the things you want them to do in the future (Q10)

### Quick Ranking 5 m ins (70)

#### OBJECTIVE: DREAM QUALITY OF SERVICE (VIVID/SMART/NOV/NOV)

Okay, as now we've got a list of priorities let's group them. NOTE THAT THIS DATA THAT WILL BE DIFF A BIT TO THE OTHER GROUPS AND OTHER AND NOT MUCH OF DIFFERENTIATION BETWEEN GROUPS 1 AND 2

- Group 1: "essential" priorities – these are the things that you think South Staffs/Cambridge Water should be doing as a matter of course, the things that you would not accept the service to get worse in any way
- Group 2: "enhancing" priorities – these are the things that you think South Staffs/Cambridge Water should focus on next, after making sure the group 1 "essential" priorities are being delivered
- Group 3: "above and beyond" priorities – these are the things that would really make South Staffs/Cambridge Water really stand out for you, things that you wouldn't necessarily expect of a water company.

### Sharing SWW/CW Challenges and Plans 10 m ins (80)

#### OBJECTIVE: ANNUAL PLANS ROUND UP CUSTOMER FEEL FROM JANUARY AND WITH EXPECTATIONS

##### ONLY FIVE MINUTES (MORNING) AT 10 C

- A and I have background about South Staffs/Cambridge Water to give some information
- Showcard to explain that this is a high-level slide showing South Staffs/Cambridge Water's activities and targets
- Initial response to visual showcard
- This is designed to be an easy visual guide to the CP – imagine you are this, what would you click on or want to look at first and why
- When you see these and then, have for discussion towards meeting your needs and the challenges you identified at the beginning?
- What are you pleased to see/excited about?
- What is missing for you/your local community from this long-term plan?
- Having seen the overview of the plan and some of the content, broad score out of 10 and why?

### Bills and Intergenerational Fairness 10 m ins (90)

#### OBJECTIVE: UNDERSTAND HOW WATER COMPANIES CAN IMPROVE SERVICES AND AFFORDABILITY FOR ALL

- How much do you pay for your water bill currently? MODERATOR PROMPT FOR CONTEXT: WHETHER YOURS IS THE CLASS WATER VS OTHER BUILT SPILT AND WHETHER THE AMOUNT IS MONTHLY, YEARLY
- NOTE THAT THESE 3 QUESTIONS OFTEN COME OUT SPONTANEOUSLY AT THE TOP OF THE DISCUSSION WITH BILLING ABOUT COST OF LIVING DOES THIS GO ABOVE AND BEYOND THE PLAN AND RECALL ON
  - How does this compare to other household bills you receive (bill)?
  - Scale of 1-10, how much do you feel your water bill is value for money? Why do you say this?
  - How easy or difficult is it to pay your water bill at the moment?
- As we've discussed, there are a number of services/activities that South Staffs Water/Cambridge Water should implement now and in the future. Investment in their infrastructure (such as pipes, treatment works) is needed and also investment to protect and improve the water environment (like rivers and catchment areas) for current and future generations, and support local communities to ensure people can access the services and help themselves and if people are struggling to pay their water bills. All water companies have a number of different choices, and we want to show these to you and talk about how they should fund these future investments to best meet customers' expectations.

#### TAKE THROUGH SHOWCARD B

- Response to the bill profiles – what do you understand by these?
- For each how fair do you think this is for you?
- Which of these do you think is the best option and why?
- How fair do you think this is for the future generations of customers who will pay water bills?
  - Generally, is it fair for today's customers to pay extra on their bills now for investments that are needed that they may not benefit from directly in the future?
  - Or do you feel it is fairer to wait to make investments and let the next generation potentially have bigger increases in their bills to pay for them?
  - Why do you think this – (listen for any issues around current cost of living or COVD which may have come out in the beginning)
  - Are there any particular areas that you would be happy to think 'pay now' e.g. environmental improvements or financial support for other bill payers OR any areas that you would like to be paid for in the future.
- ADDITIONAL NOTE: if customers say take from profits/household, explain that in previous work customers were reluctant for householders to decide to go under 2% as this would mean that South Staffs/Cambridge Water might not attract enough investment
  - What do you think about this – agree/disagree

### Wrap and Close

Thank you very much.

Can I finally ask whether any of you would be happy to be contacted again if we need clarification of any of your comments tonight or to take part in other research for South Staffs/Cambridge Water? Would you like an update on the priorities as they develop in the next few months?

We'll be sending some feedback forms for you to provide feedback on this evening's events. There's also an opportunity to sign up to South Staffs/Cambridge Water's customer online community called i3Online if you're interested in being involved in ongoing engagement to help the company shape its plans. They have over 100 South Staffs Water/100 Cambridge Water members on their customer community already.

# Appendix C



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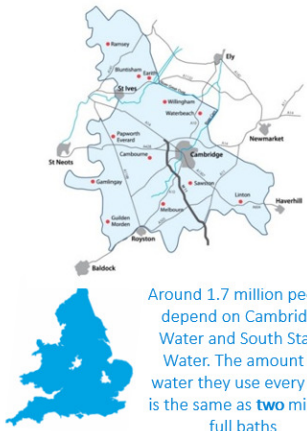


# APPENDIX B

## DISCUSSION GUIDE (household)

Showcard A

### About Cambridge Water



Around 1.7 million people depend on Cambridge Water and South Staffs Water. The amount of water they use every day is the same as two million full baths

- Serves almost **360,000** people across 1,175sq km
- Supply approx. **139,000** homes and almost 9,000 business properties
- Supply close to **83** million litres water per day, up to 101 million litres in peak periods of use - e.g. a hot summer's day
- Drinking water comes from **23** underground water sources
- As a household customer, you **can't** choose which company supplies your water
- The amount of money that will go to shareholders between 2020 and 2025 is **2%** of customers' bills
- Merged with South Staffs Water in April 2013
- Employ approximately **440** staff in Cambridge and Walsall
- The Cambridge Water region has recently been classed by the Government as 'seriously water stressed'. This means that there is a high risk of the amount of water available not being enough to meet human demand

Showcard B

### Cambridge Water's and South Staffs Water's Responsibilities

#### Water supply for customers

- Taking/collecting water from the environment
- Transport water – through 8,622km of pipes, powered by 113 pumping stations
- Operate 41 water treatment works - 20 in the Cambridge region
- Maintenance, repairs and renewals of all these assets
- Delivering water to customers' premises and fitting water meters
- Protecting and improving the natural environment by working with landowners - i.e. wildlife, trees, plants, rivers and streams



#### Customer facing activities

- Read meters: 75% of customers have meters in the Cambridge region / 45% in South Staffs
- Send out bills: including offering an online MyAccount service
- Customer service: handle hundreds of queries every day through e-mail, phone, website, webchat, APP, social media, letter, SMS texts
- Extra support: help over 39,000 customers with discounted bills and assists over 49,000 customers who need extra help accessing their services – e.g. supplying bottled water in the event of people losing their supply or visiting communities to offer support.



Showcard C

### Introducing Cambridge Water's "Looking to the Future" plan

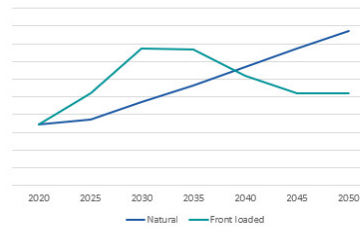


Showcard D

### Paying for long-term investments

Between 2025 to 2050 the total paid will be the same: this is about your preference for when customers pay for long term investments

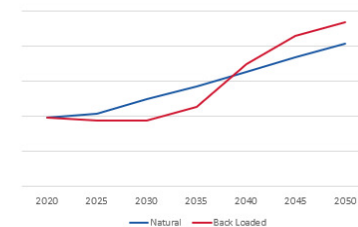
Example of how bills will change over time between current and future customers



#### Pay More Now Example:

More investment is **MADE in the short-term** to address future issues with infrastructure e.g. burst pipes/leaks/water quality and environmental investments  
Customers pay more between 2025-2040 compared to a smoother change in the bills (including inflation)  
Bills start to fall from 2035-2050

Example of how bills will change over time between current and future customers



#### Natural Example:

Blue line shows the **long term** investment spread more equally from 2025 to 2050 (inflation is included)

#### Pay More Later Example:

Investment is **MADE LATER** to address future issues with infrastructure e.g. burst pipes/leaks/water quality and environmental investments  
Customers pay less between 2025-2040 compared to a smoother change in the bills (including inflation)  
Bills start to rise more between 2035-2050

# Thank you



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