Appendix 1.1.M - Leakage

Wessex Water

September 2018

Wessex Water
YTL GROUP

Business plan section		Supporting document	
	Board vision and executive summary		
1	Engaging customers	**1.1**	**Summary of research findings**
		1.2	Communications strategy
		1.3	Customer participation and behavioural engagement strategy
2	Addressing affordability and vulnerability		
3	Delivering outcomes for customers		
4	Securing long term resilience		
5	Markets & innovation: wholesale		
6	Markets & innovation: open systems & DPC		
7	Markets & innovation: retail		
8	Securing cost efficiency		
9	Aligning risk and return		
10	Financeability		
11	Accounting for past delivery		
12	Securing trust, confidence and assurance		
13	Data tables and supporting commentaries		

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Wessex Water

Leakage: Qualitative Debrief

31ST JULY 2017

Populus

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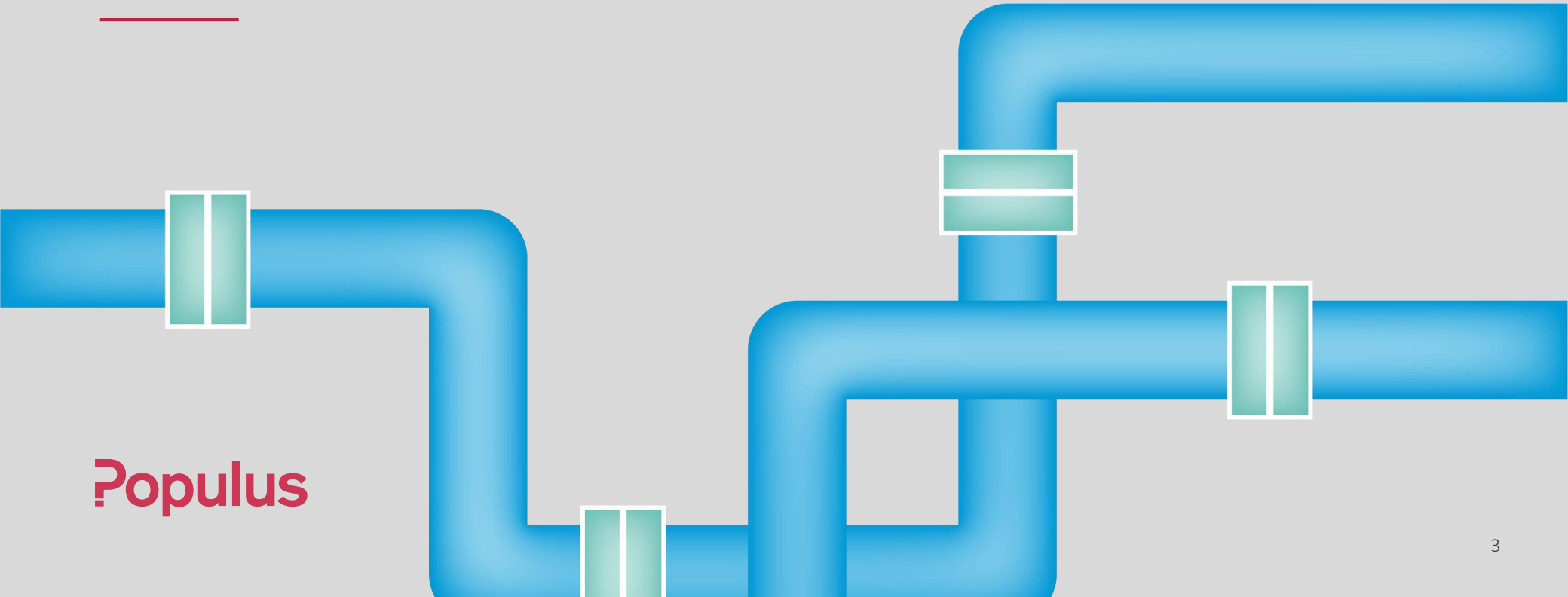
3	Exploring customer attitudes to leakage • Customer relationship with Wessex Water • Leakage experience • Financial impact • Leaks as a customer priority
4	What messages resonate with consumers?
5	What should Wessex Water do? • Conclusions and recommendations

Background, objectives & method



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Background

Wessex Water has halved levels of leakage since 1995 (from 140 million litres of water per day to 68.3 million litres of water per day in 2015-2016). Its performance commitments 2015-2020 on leakage state that the total water leaked will reduce by a further 5% by 2020 (to under 66.5Ml/day) and that at least 90% of reported leaks will be fixed within a day.

However, Wessex Water is currently operating at the level where reducing leakage further would cost more than the value of the water which has leaked. As leakage reduces it is more difficult and costly to find and fix the remaining leaks. Reducing leakage further will therefore impact on customer bill levels.

As performance commitments for the next planning cycle are to be decided in autumn 2017, customer research is now required to understand how to design the performance commitments regarding leakage. Wessex Water is now considering maintaining current leakage levels rather than continuing to reduce these. In order to do this, robust research is required to understand under what conditions, if any, customers would support this. As the research findings could challenge Ofwat's direction of travel on leakage, the method needs to be able to stand up to the highest levels of scrutiny.

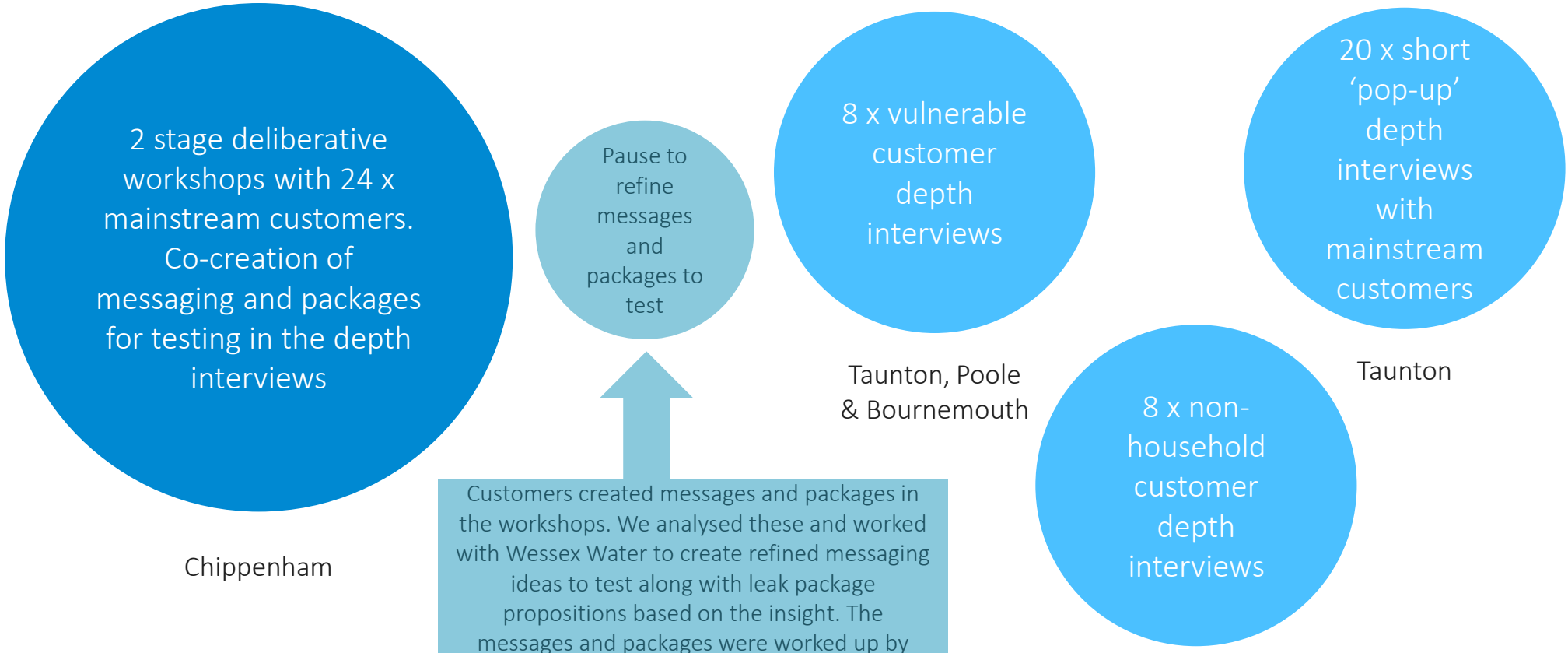
Objectives

There are five key objectives for this research, all of which build up to answering the main question: "What should Wessex Water's performance commitment for leaks be?"

Objectives	
1 To explore attitudes towards leakage, both top of mind and after deliberation.	3 To explore customers' priorities regarding water company activities, with regard to leakage. Specifically, how would customers divide up a single pot of investment with the knowledge of how much investment each area would need to realise an improvement?
2 To understand what lies behind attitudes towards leakage (emotional and rational response) and what would need to change for customer attitudes to change.	4 To co-create revised performance commitments that would be acceptable with regard to leakage (e.g. maintaining leakage but committing to fix leaks within 24 hrs, investing in R&D to find better ways to fix leaks, reduce bills, etc..)
	5 To co-create communications about leakage, to use when describing the issue to less well informed customers, To include appropriate use of language (e.g. 'leakage' or 'non revenue losses'?), comparative information, and overall messaging.

Method

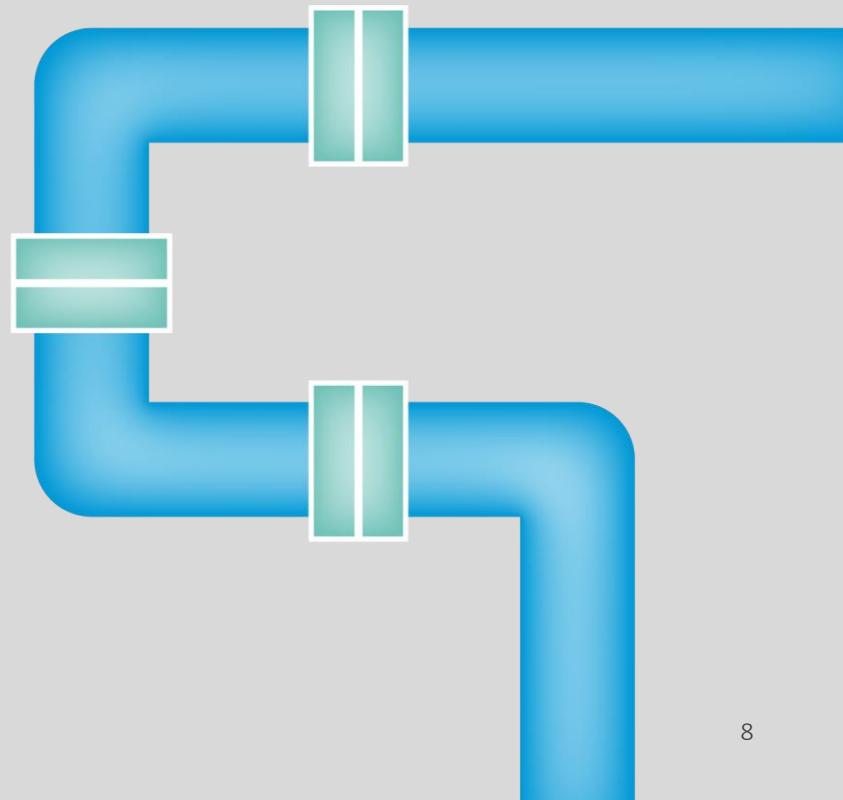
Populus ran a multi-stage qualitative research project to explore the issues surrounding leaks in deliberative workshops and then test the findings with a series of depth interviews



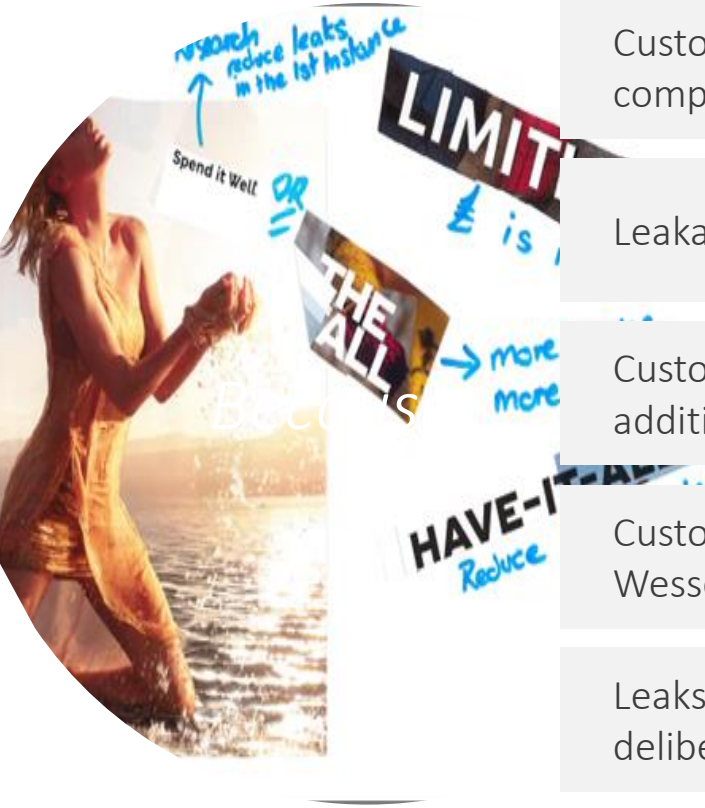
Co-creation in action

Customers worked using a range of hands-on and creative tasks, often in small groups, to come up with messages and potential packages of actions from which Populus and Wessex Water selected and refined messages for the next stage

Overview: Wessex should maintain leakage at the same level while investing in the future



Wessex should maintain leakage at the same level while investing in the future



Customers trust Wessex Water and have a degree of goodwill towards the company – they accept your expertise and trust your intentions

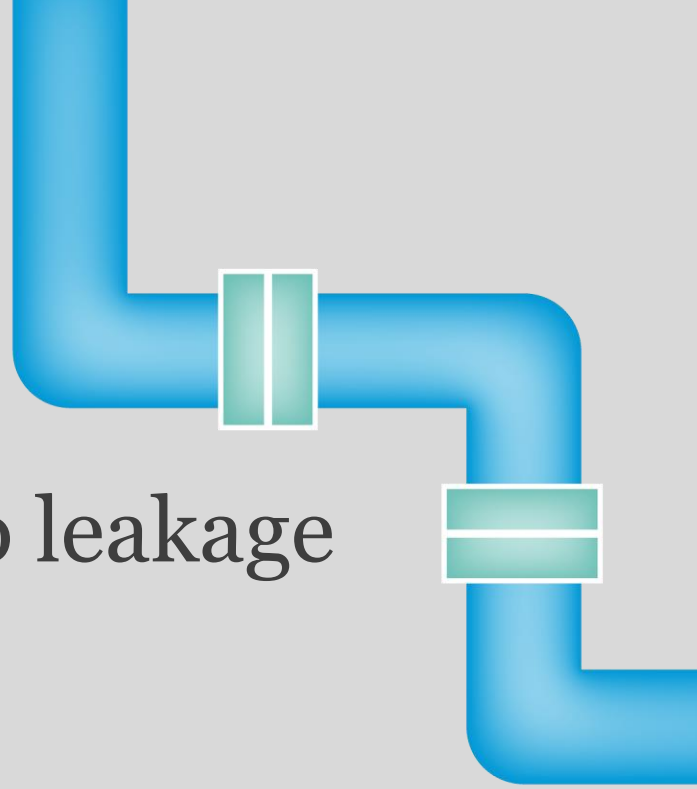
Leakage has no direct negative impact on most customers

Customers would prefer to see no bill impact (but are interested in modest additional investment)

Customers broadly accept the economic level argument (based on trust of Wessex Water and an intuitive sense of the complexity of the problem)

Leaks are a high priority but not the highest and are no more of a priority after deliberation

There are, however, two minority positions at the extremes – do more (paid for or not by customer) and do less



Exploring customer attitudes to leakage

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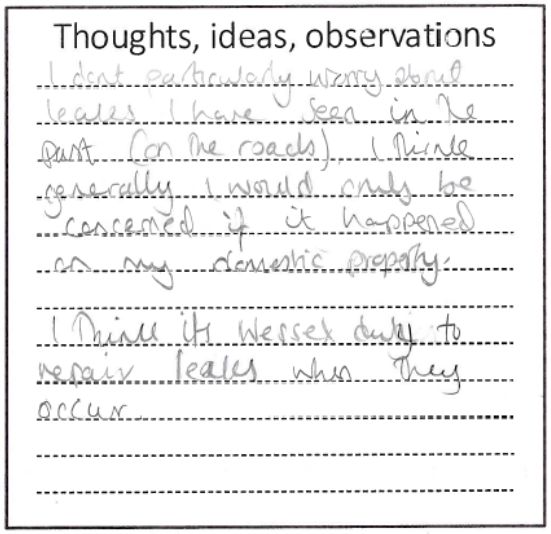
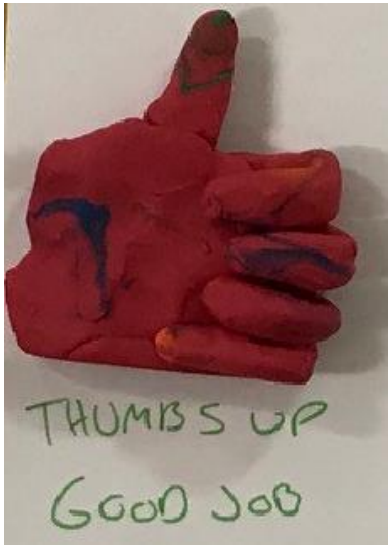
Customers in both the workshops and depth interviews trust Wessex Water and have a degree of goodwill towards the company

- Customers have a positive perception of service and value
- Little generally goes wrong in any area of service!
- Leaks are not top of mind, they don't dominate the brand mythology (cf others)
- They accept Wessex Water's knowledge and expertise as well as trust their intent
- They also are likely to accept assertions such as the resilience of resources

Leakage has no direct negative impact on most customers





- Most people had rarely if ever seen or heard of a leak
- In the homework task some searched for news about leaks and couldn't find any
- The perception of many is that leaks do not affect them on a day to day basis even when they (rarely) occur
- Knowledge of the % of water leaked did not materially affect this perception

- A minority of customers had experienced leaks in homes and businesses
- In many cases Wessex acted promptly even proactively
- E.g. 2 participants' leaks were identified by Wessex due to high bills/consumption
- Leaks were fixed quickly and with little cost to customer

Customers would prefer to see no bill impact (but are interested in modest additional future investment)

- People are naturally conservative (we see this manifested through various behavioural biases) and so need a good nudge to see a value in changing the status quo

- Most did not see a significant reason for them investing more (via their bills) to improve leak performance before or after deliberation

- They were however attracted to modest future investment (innovation, education, empowering and subsidising customers) which carried potential slight bill increases

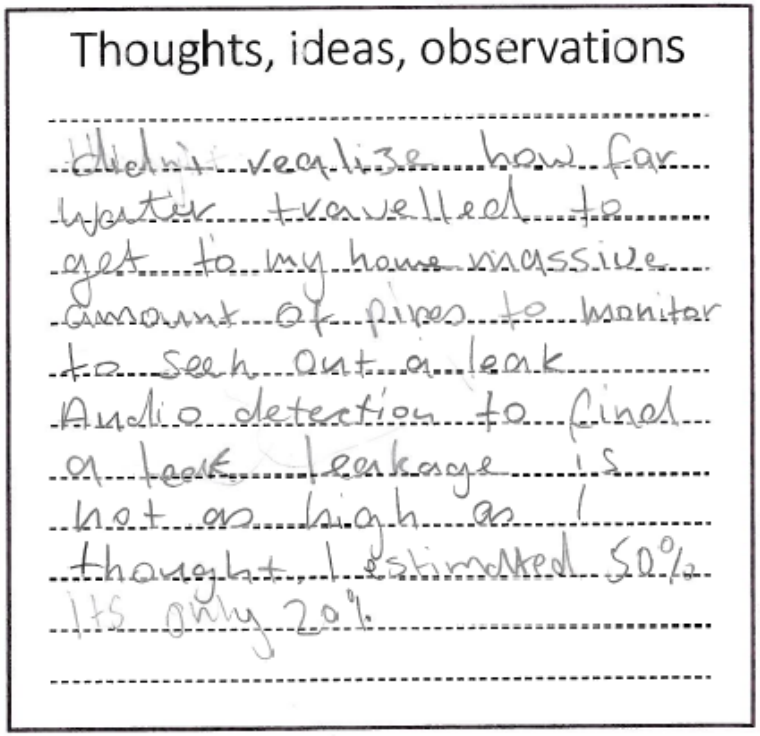
Customers broadly accept the economic level argument (based on trust of Wessex Water and an intuitive sense of the complexity of the problem)

- They accepted the economic level argument, although it was not immediately easy for everyone to grasp (see messaging section later)

- Because they trust Wessex Water they are willing to believe that (a) the numbers are accurate (rational trust) and (b) you wouldn't mislead customers (emotional trust)

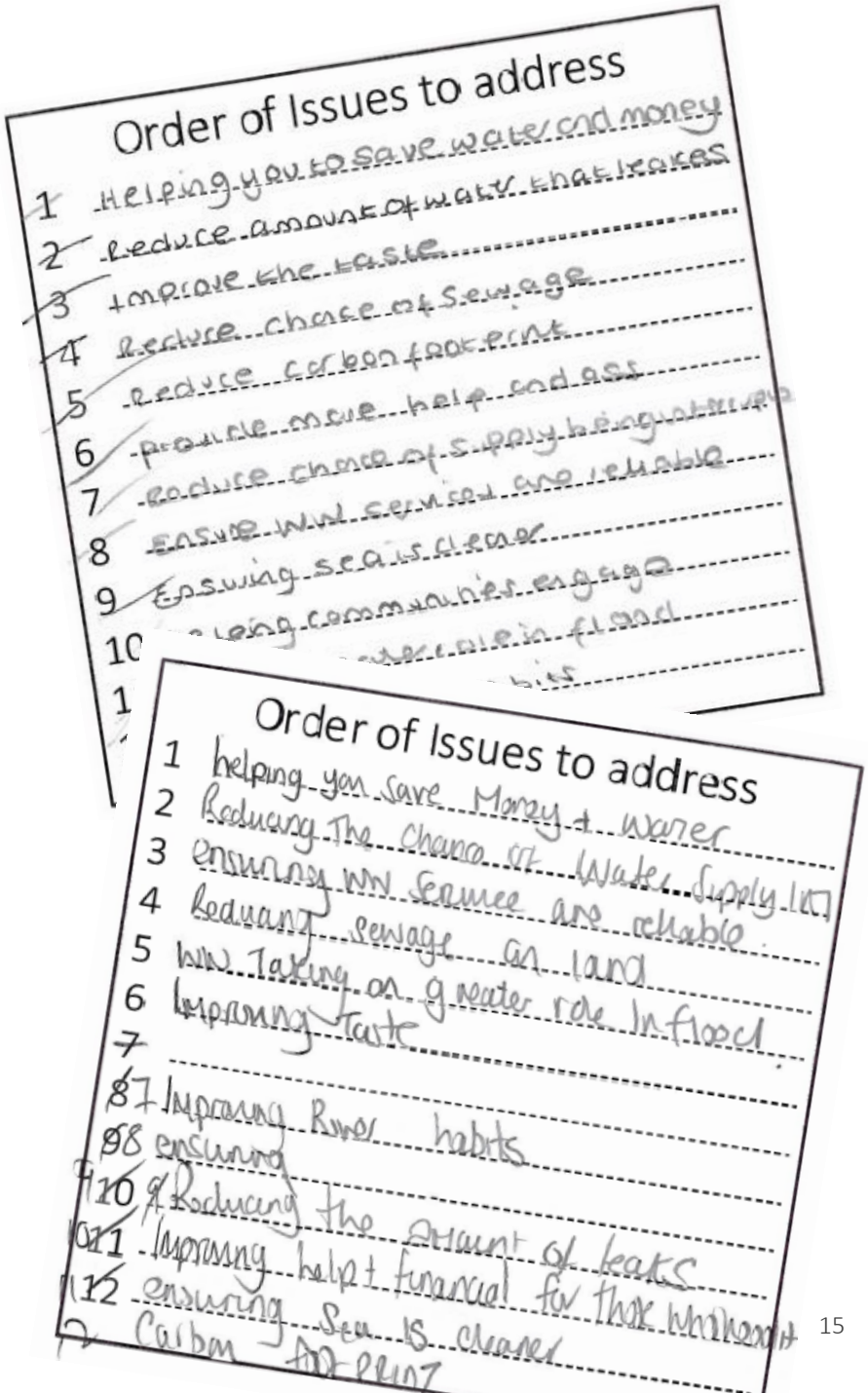
- Many (especially those with more practical jobs) had some existing perception of the complexity, scale and age of the supply network built on in the workshops and thus accepted that it is not easy to fix all leaks

- Vulnerable customers tend to want their bill to be as low as possible – often because money is tight – so easily accept the economic argument.



Leaks are a high priority but not the highest

- Whilst generally important, leaks are by no means always the highest priority
- Affordability is frequently more important as are "hygiene" factors such as reliability of supply, sewage floods and even taste
- After further discussion some felt that there is a principle of waste involved which means that regardless of relative priority:
  - Leaks need to be addressed and improved simply because waste is a priori wrong
  - Waste of an often scarce resource is wrong
- The notion of leaked water not being lost but returned to the environment was generally accepted, but possibly not fully believed



There are two minority positions occupying each extreme

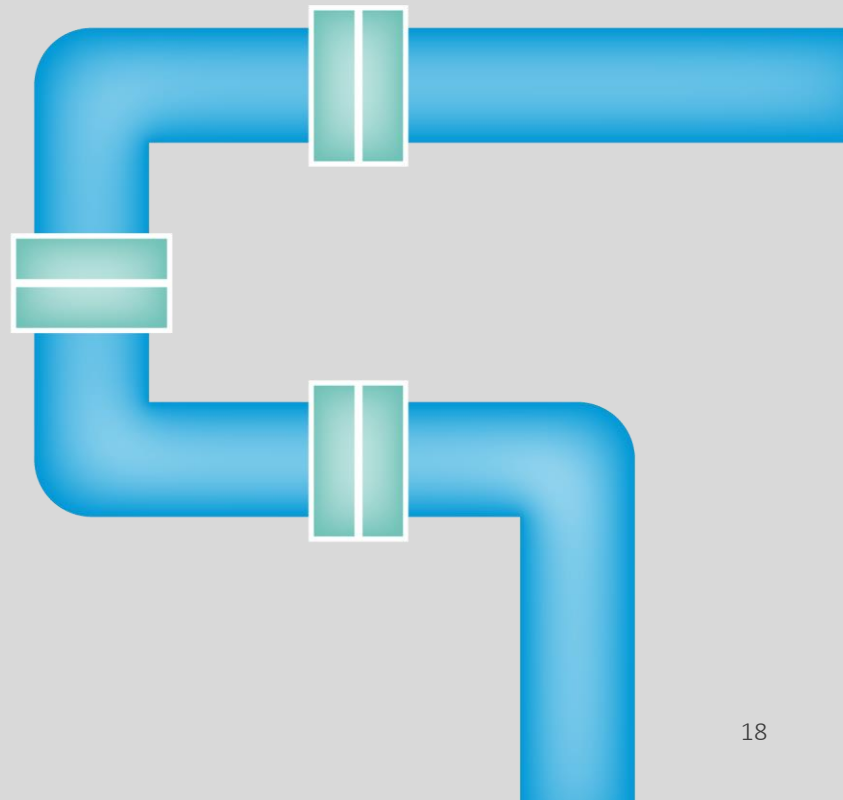
- The majority view at each stage of this qualitative piece of research was that Wessex Water should "hold" on leaks, but there was dissent:
- A minority felt (after the second session and so after careful deliberation) that Wessex should actually invest *less* in leaks and reduce bills instead
- Whilst a further minority felt that Wessex cannot "ignore" the problem and must continue to improve
  - Some felt not at the customer's expense (this was often the view of NHH customers who felt further investment should come from profits not directly from the customer)
  - A very small minority felt the customer might be prepared to pay

Customers would like to see investment, education and customer empowerment

If no major additional investment is made in day-to-day leak repair, then customers in the workshops found a number of supplementary activities interesting:

- Investment in innovative, technological solutions to better detect and repair leaks
- Empowering the customer (a strong theme) to fix their leaks, ideally with subsidies (perhaps targeted at those on low incomes)
- Education of the general public and children on how to use less water to ensure that leaks do not challenge supply

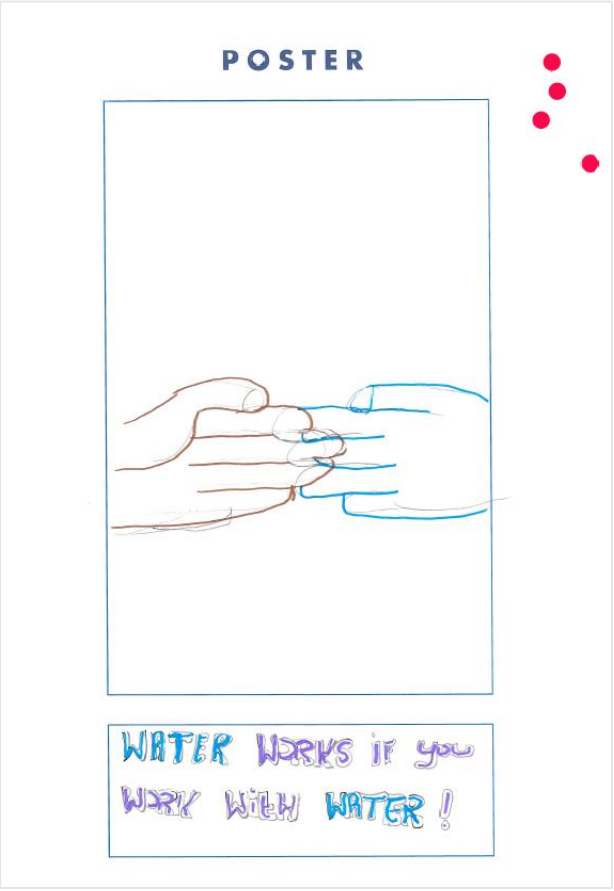
What messages resonate with customers?

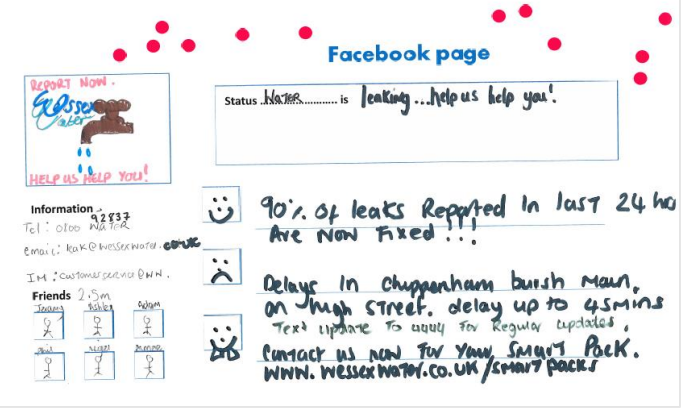


Our workshop customers came up with a range of potential messaging routes

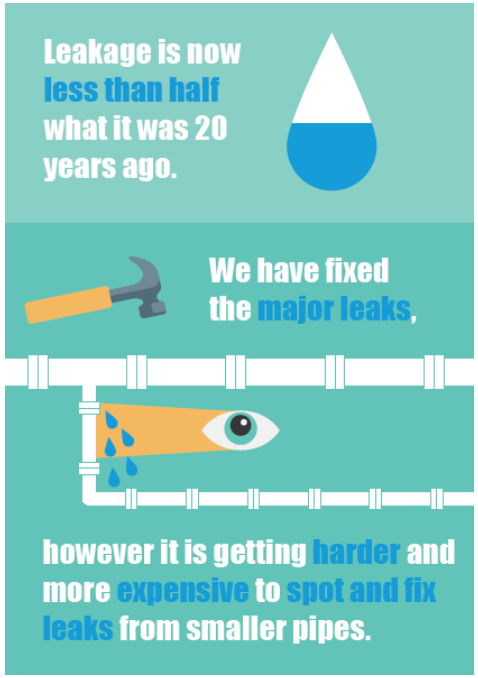
Participants focused on three main areas:

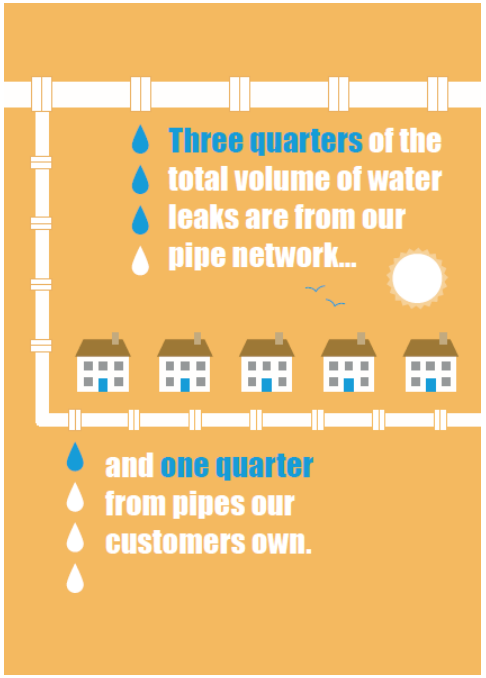
1. Working in partnership with Wessex Water to help decrease the number of leaks
2. The financial implications of leakage
3. Wessex Water's performance (perceived to be good)

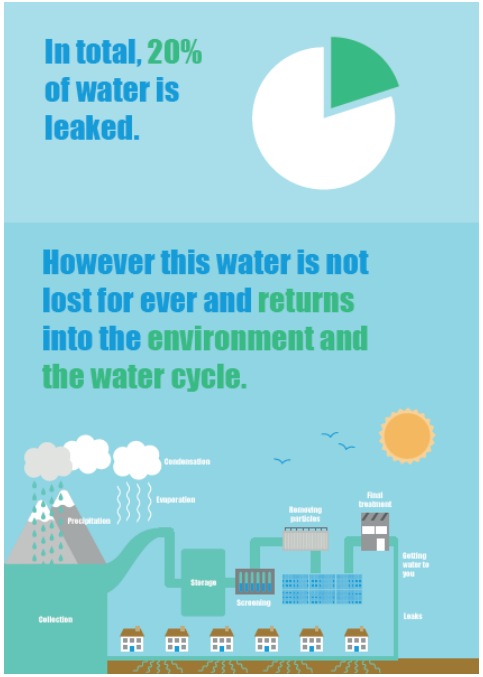


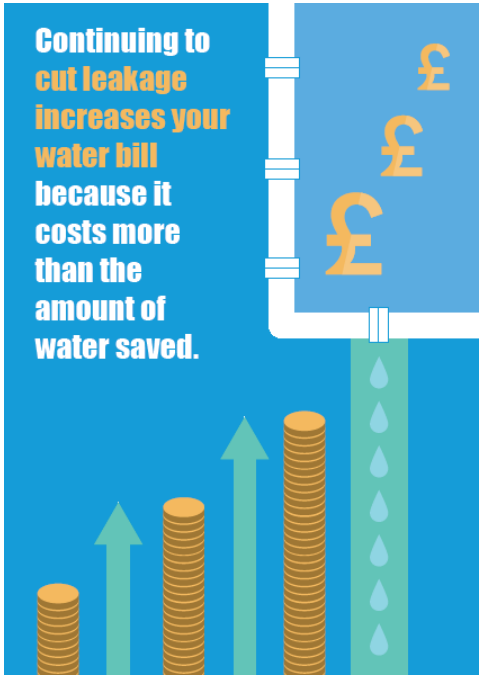


Four message territories felt especially relevant and these were turned into messages to test in depth interviews







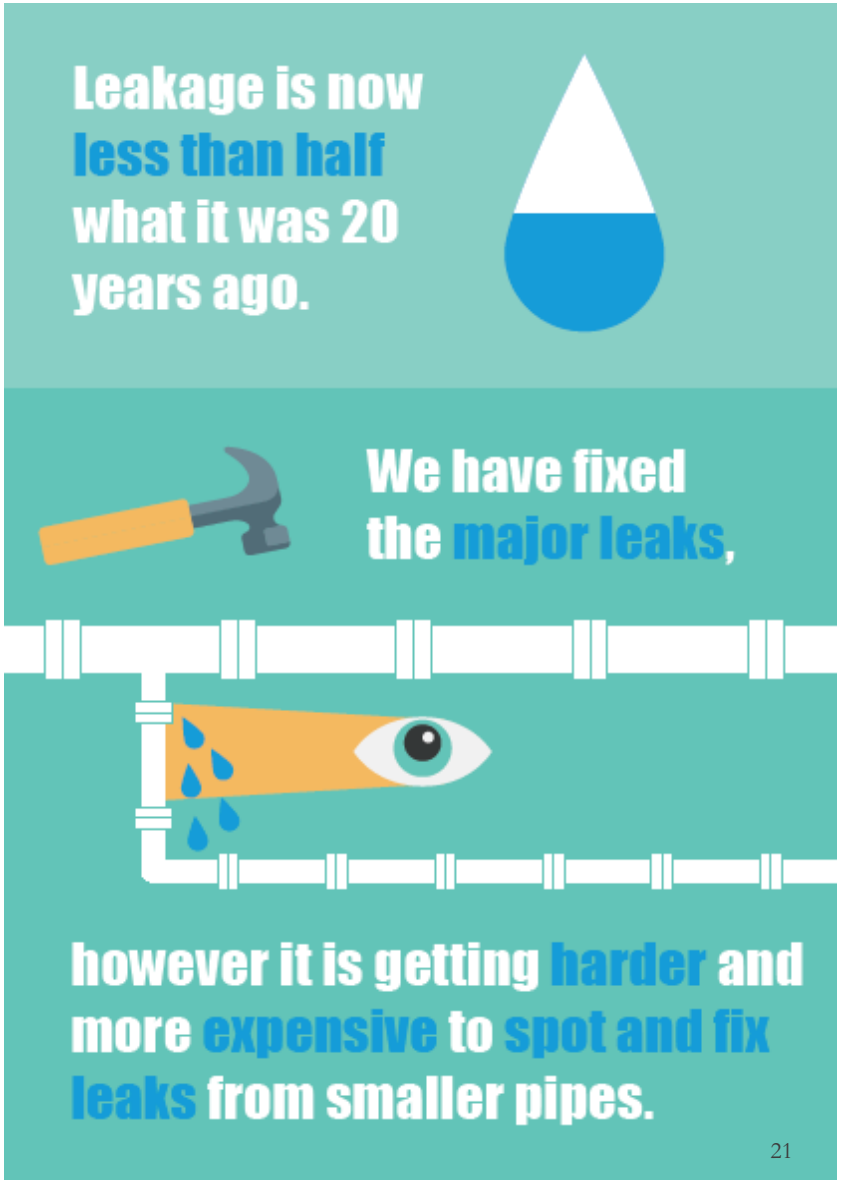


As set out in the introduction, Populus analysed customer responses from the workshops and worked with the Wessex Water team to create specific messaging ideas to test in the depth interview phase of the project

Message 1 feels reassuring and reinforces latent trust in Wessex Water

What works:

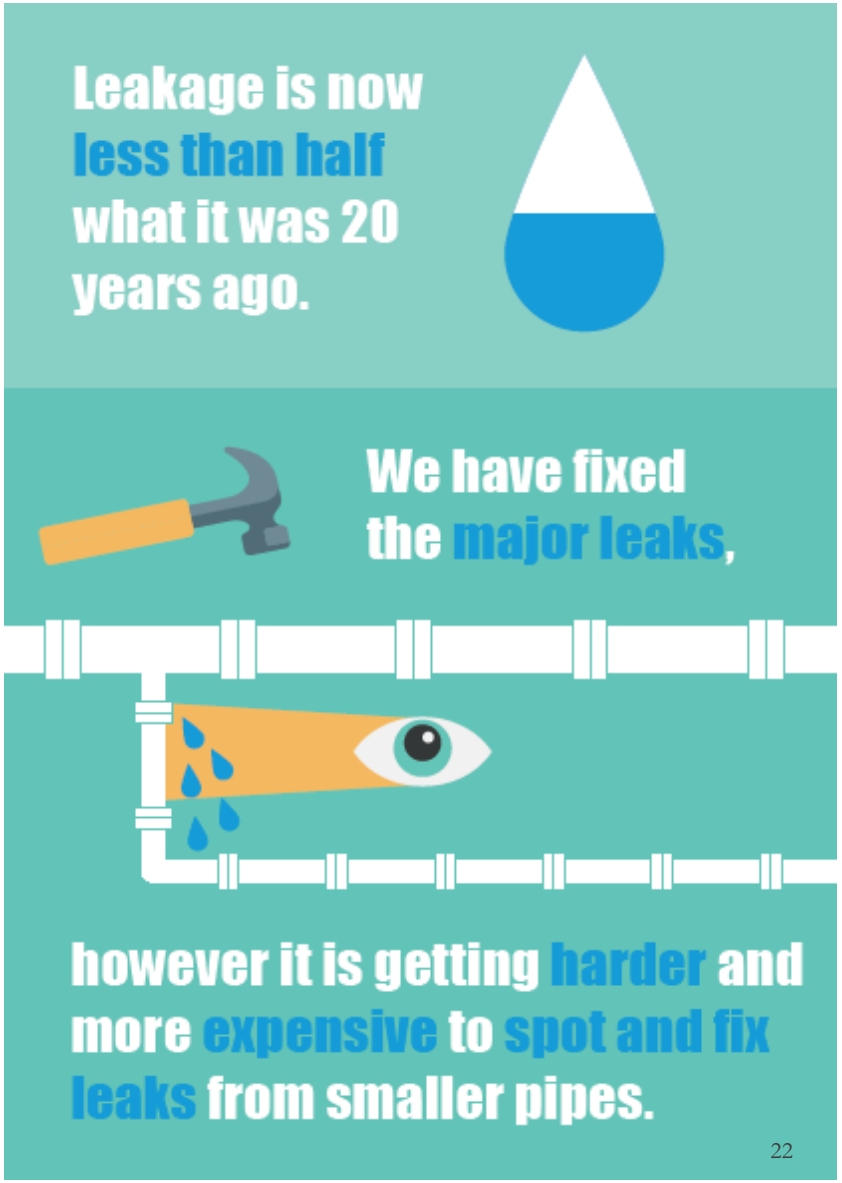
- Confirms latent belief that Wessex Water are a company to be trusted and are providing a good service
- Reduction in leaks over 20 years is a positive message and customers are often impressed with the progress made
- Offers reassurance around major leaks – which are assumed to be from large pipes and are the types of leaks at the forefront of customers' minds



However, it can be interpreted as asking for permission to stop fixing leaks

What doesn't work:

- Leads to some confusion about what constitutes a major leak
- The message has an aura of finality around it. Some customers take it to mean that there will be no further major leaks (which they see as a positive, but is a misunderstanding)
- A minority of customers felt that Wessex Water were looking for an excuse to stop work on leakage now it is hard to fix small leaks
- Without direct call out to the increased customer bills some customers assume that Wessex Water want to stop spending money on leaks so as to save *you* money



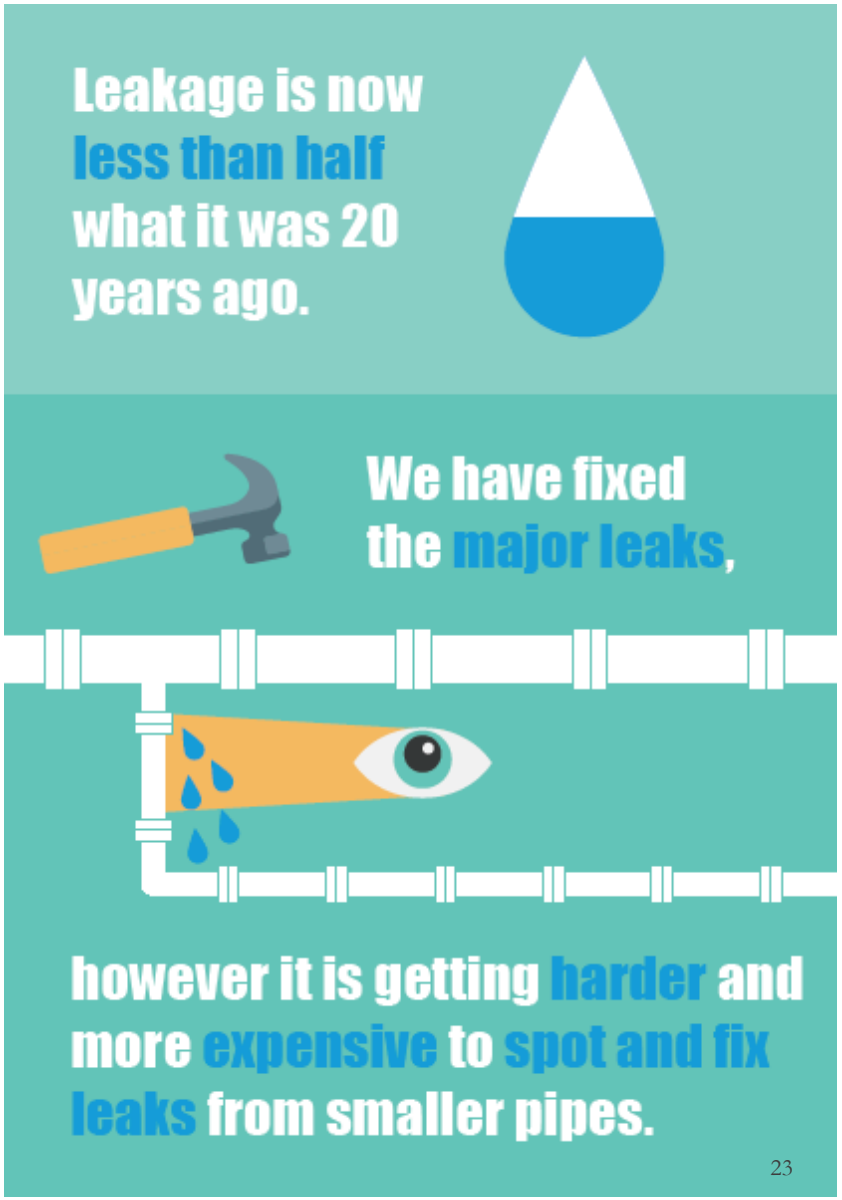
Recommendation

Things to consider:

- Wessex Water should take credit for the work that has already been done to maximise the goodwill most companies feel towards them

- “We have fixed the major leaks” feels too final - customers need to know that Wessex Water will continue to fix major leaks

- “Smaller pipes” feels like the wrong terminology as some customers feel that small leaks can still be a problem. There is a need to mention the effect of the leak e.g. “low impact leaks” or similar



Customers struggle to understand the relevance of this message

What works:

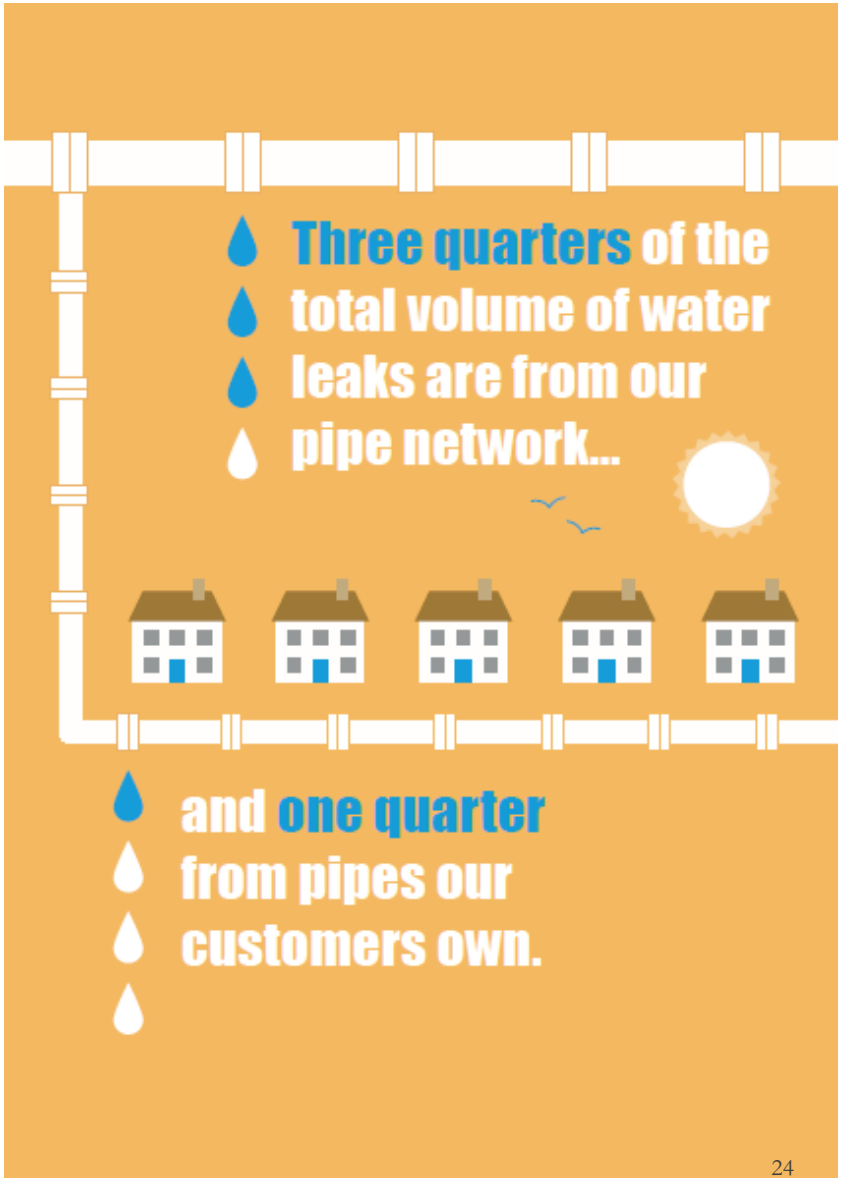
- Customers are quick to accept that they have a responsibility for the upkeep of the pipes and plumbing in their own home.

What doesn't work:

- Many customers don't understand what this message is trying to tell them – it misses the "so what"
- In some extreme circumstances, customers feel that Wessex Water are attempting to shift a quarter of the blame for leaks on to the customer

Recommendation

- This doesn't feel like a crucial message to tell to customers and it leaves most customers cold



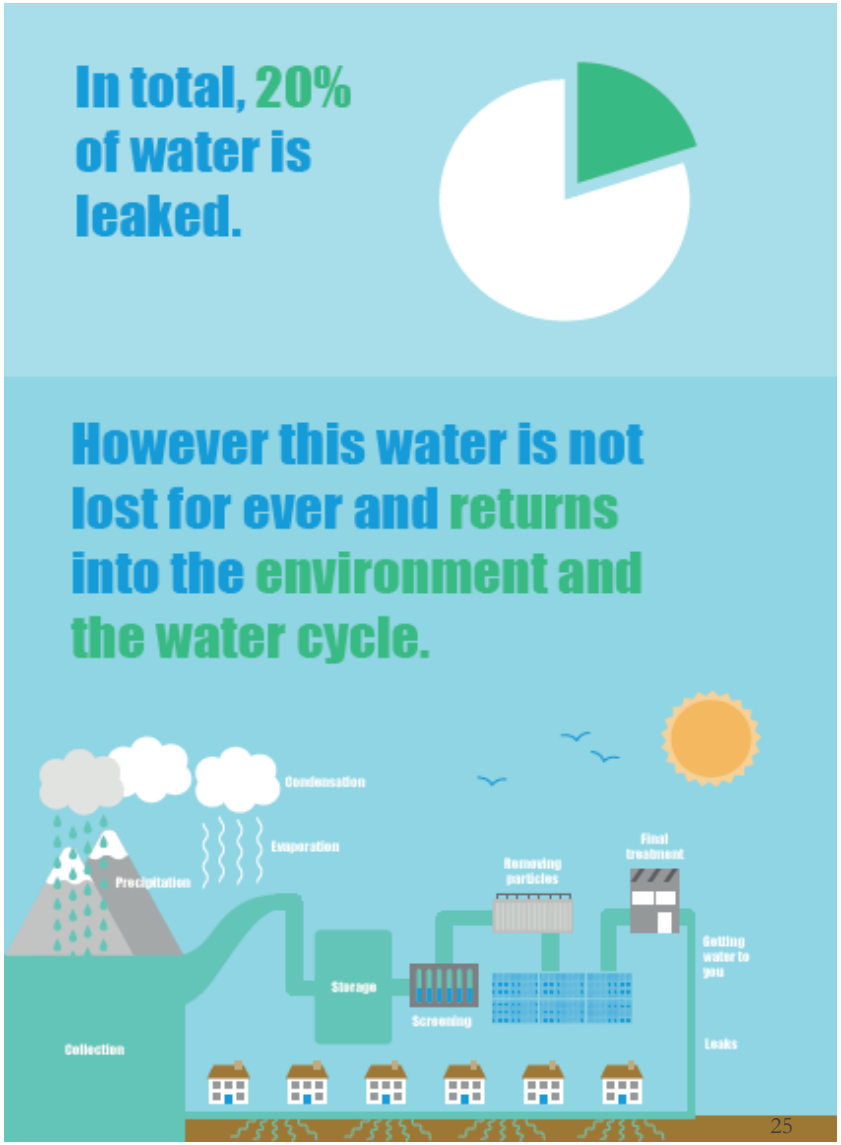
The water cycle premise is generally accepted without question – which reduces concerns over "20%"

What works:

- Most customers are happy to accept that water isn't 'lost'

- Customers usually don't think about the where water actually goes when it is leaked – adding back into the water cycle feels natural. As long as the environment isn't damaged by waste customers are less concerned about leakage

- Some customers are quick to rationalise the 20% leakage figure, taking in to account the size of the Wessex Water area. Again, they often display large amounts of trust in Wessex Water



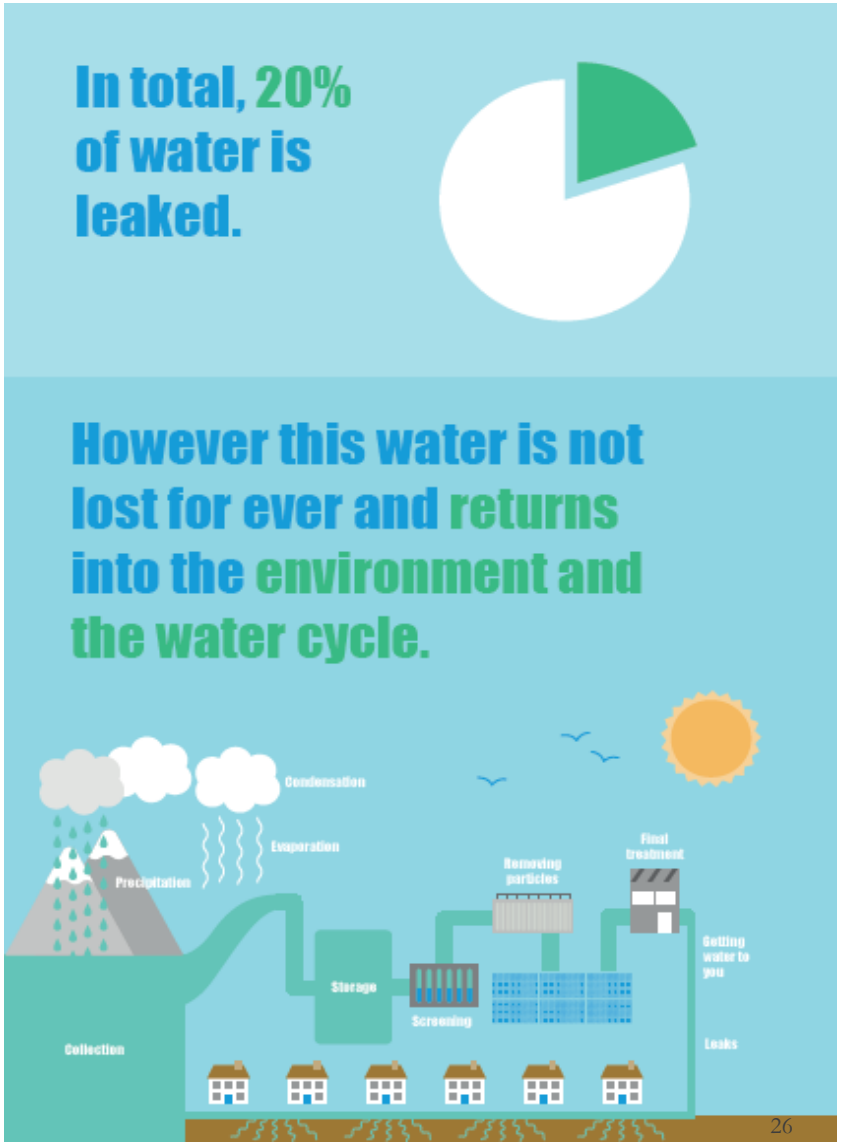
Customers have no idea what an acceptable leakage figure would be, but 20% feels high

What doesn't work:

- Some customers have a moral or philosophical dislike of waste – often prevalent in NHH customers. To them 20 % just feels far too high, no matter what extenuating circumstances might exist

- A very small number of savvy customers note that the water that has been lost will have been treated, and therefore money has been spent on it. When this connection is made the notion of loss is harder to debunk

- Some customers recognise that although the water goes back into the water cycle, it is lost to Wessex Water and the local area

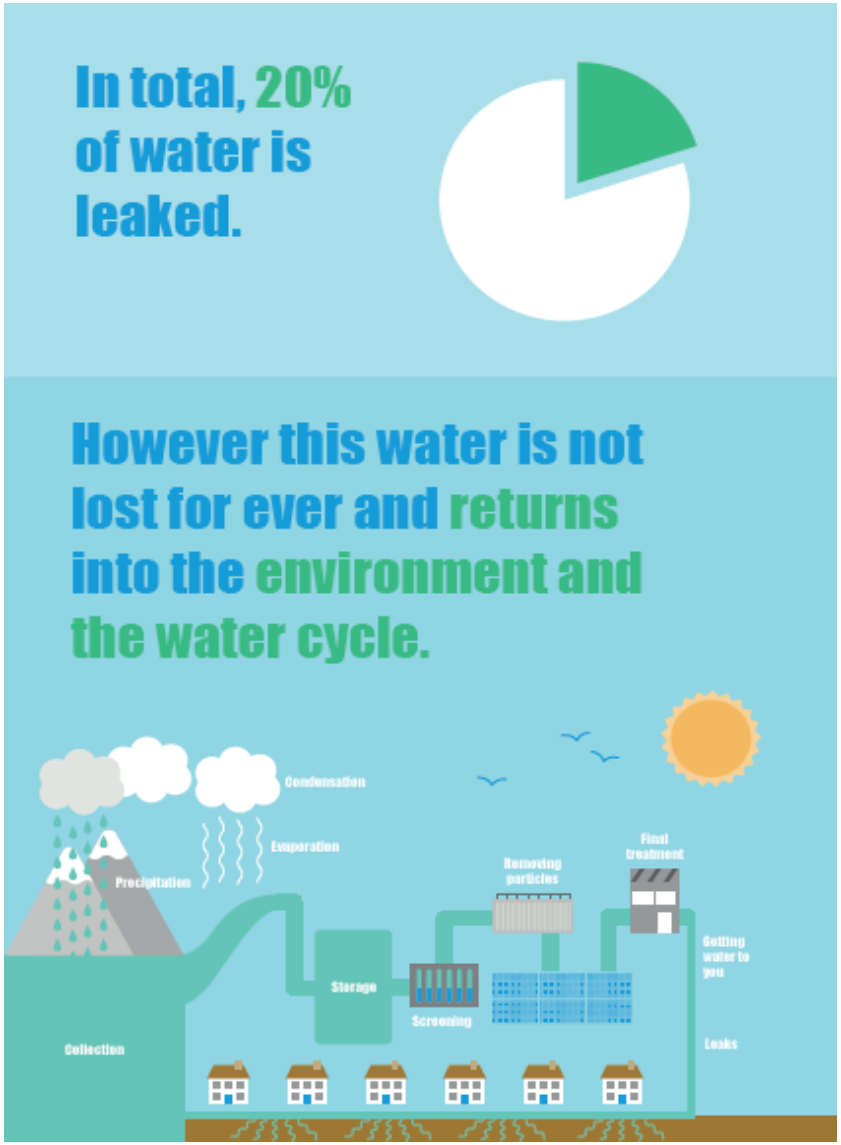


Recommendation

Things to consider:

- The 20% figure can be quite divisive. Customers really have no idea what is an acceptable level of leakage, other than they would like it to be as low as possible. 20% doesn't add anything to their conceptual knowledge of the pressures that are faced and the reasons for leakage. Without wider context it can feel a bit meaningless

- Most customers don't want to have to worry about leaks and take comfort from being told that the water isn't wasted. However this concept will be challenged by savvier customers



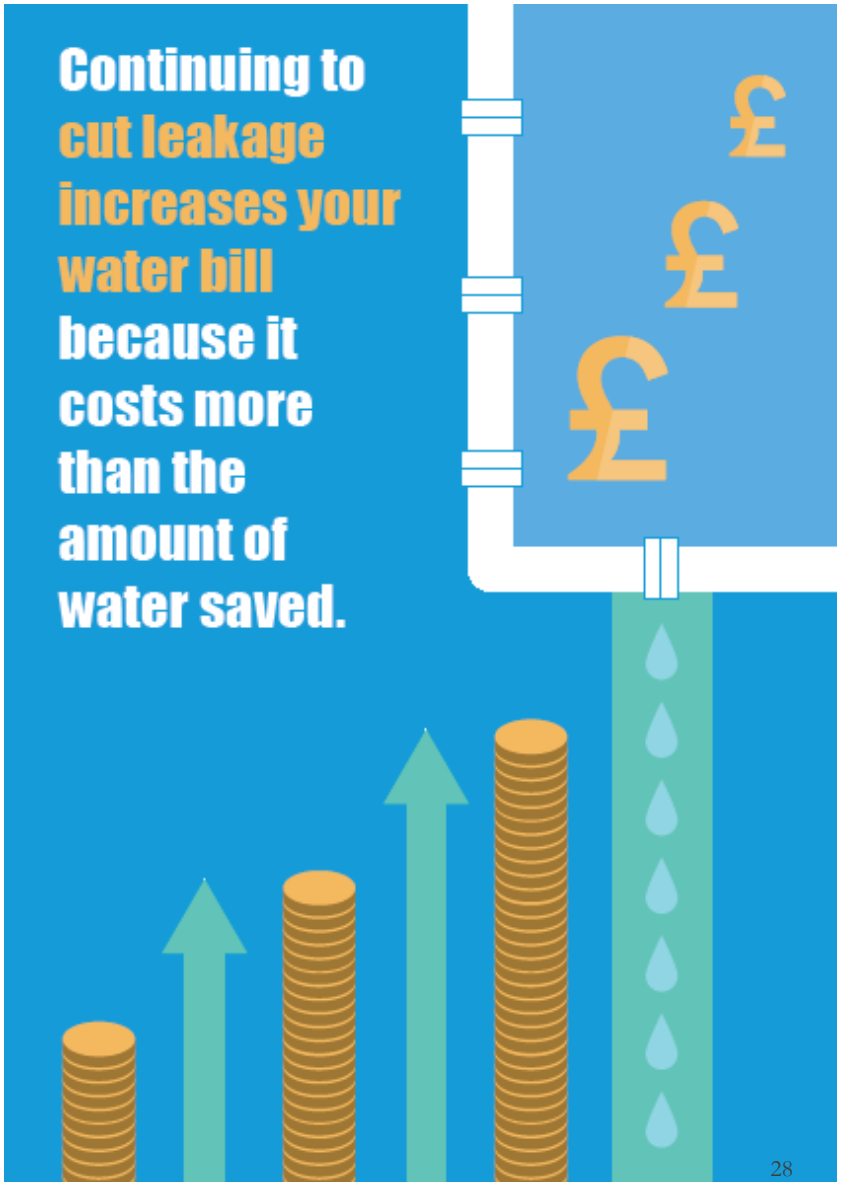
Customers generally want to avoid rising bills at all costs

What works:

- This message speaks to the biggest customer concern (money) and therefore has the biggest impact of all the messaging tested

- Customers are primarily interested in anything that impacts them personally. While few are directly effected by leaks, almost all customers don't want to see their bills rise

- While customers want to see leaks reduced, they don't want to have to pay more if they can be reassured that this isn't strictly necessary



Some customers feel that Wessex Water should aim to reduce leaks, and should pay for it themselves

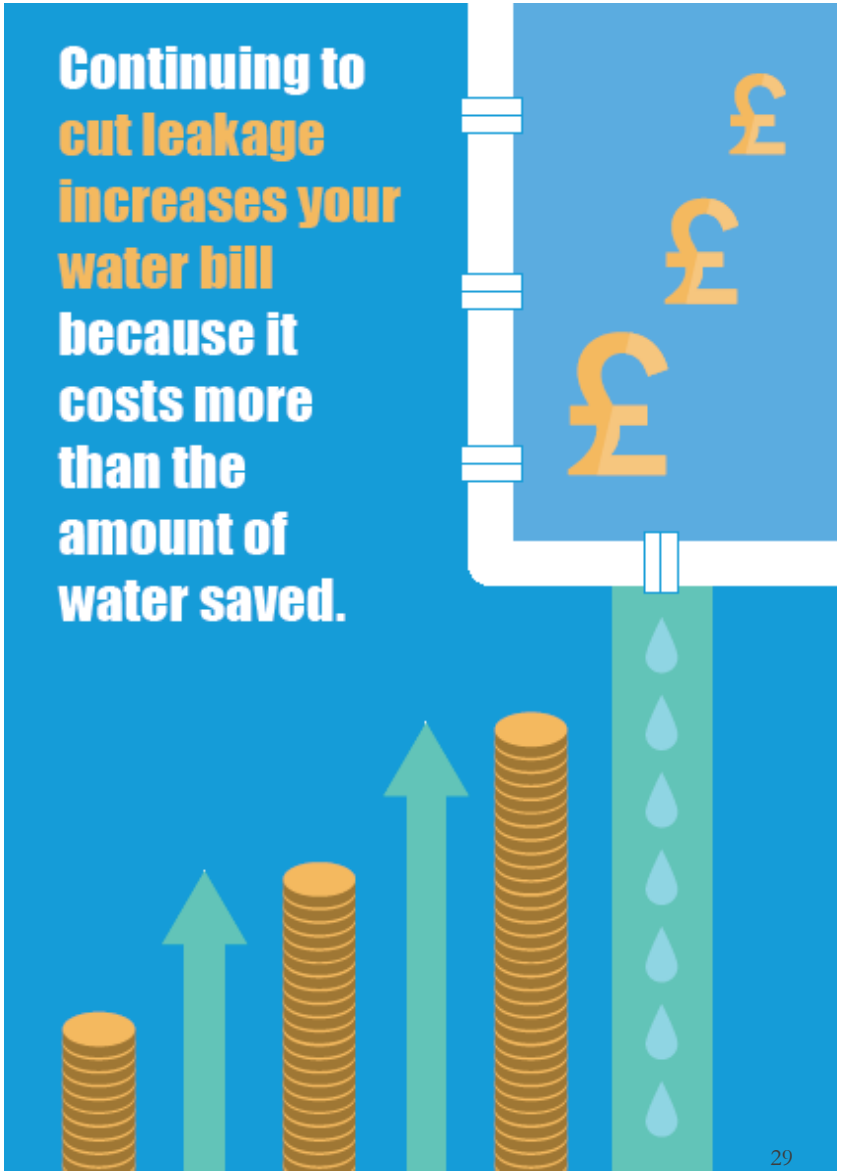
What doesn't work:

- There are some customers who believe that Wessex Water should aim to reduce leakage as much as possible. Some believe that the funding for this should come at the expense of any profits that are made. A very small minority are happy to pay extra on their bills because it is "the right thing to do"

- While the trade-off between cost of fixing a leak and the cost to the customer is generally understood the language used in this message can feel a little difficult to understand on first read

Recommendation

- This is the most impactful message for most customers who would choose to keep their bills down at all costs



Any messaging around bills needs to also include reassurance about the future

- While focusing on work that has been done and the short term bill impact, almost all customers are also interested in what Wessex Water has planned for the future.

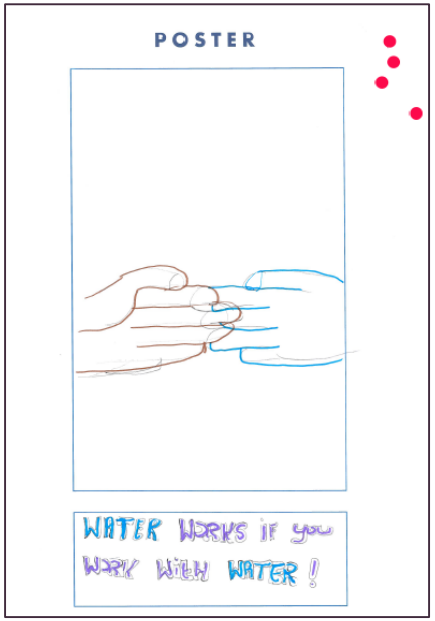
Reassurance:

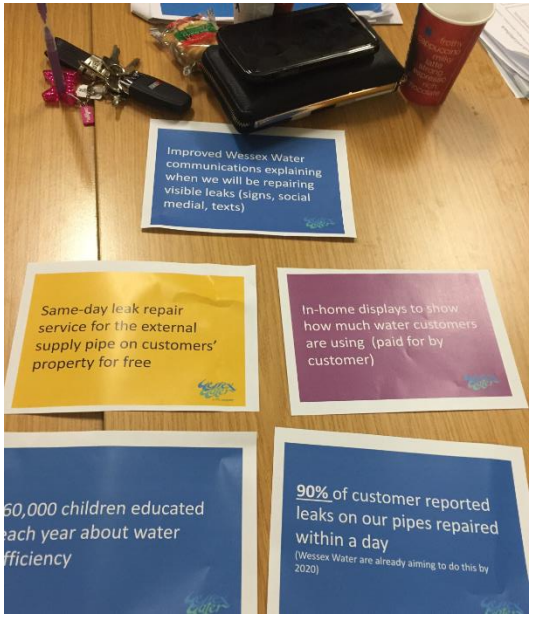
Customers need to be reassured that the level of focus and investment in leaks will continue; leaks will continue to be fixed using latest technologies, you will continue to search for unseen leaks, that the 20% volume of water leaked figure will not increase in the future

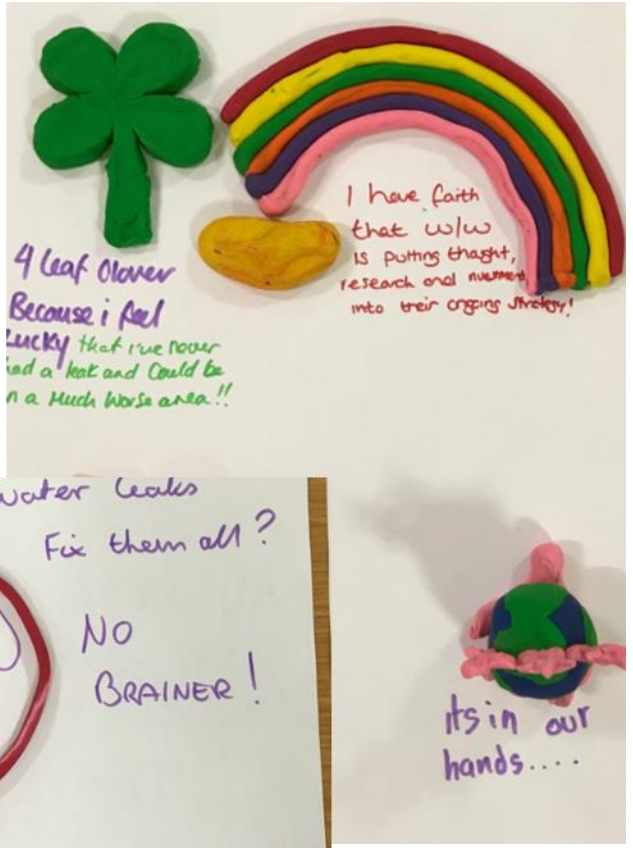
Forward planning:

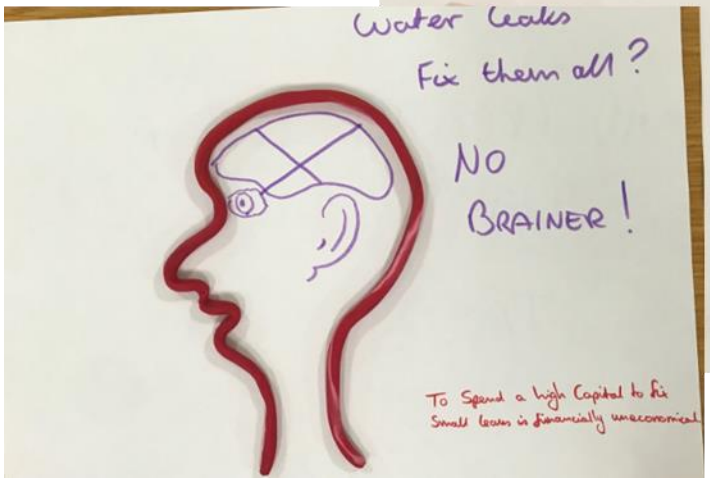
There is a sense among most customers that while it is expensive to bring the percentage of leaks down at the moment, future technologies may help in the long term. Customers need to be reassured that Wessex Water will continue to invest in new technologies and search for any solution that could reduce leakage in a cost effective way

In the workshops customers sorted priorities and created proposed plans, using a range of techniques







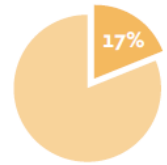


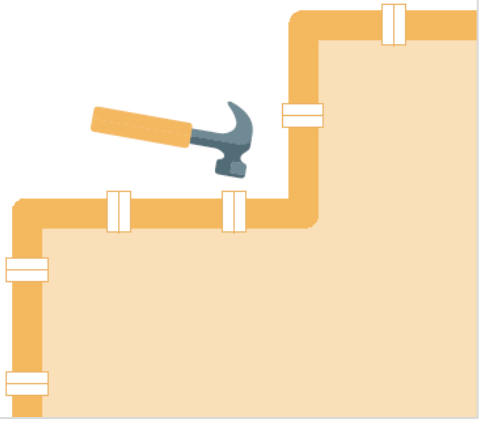
Based on customer suggestions, three performance commitment packages were also created to test customers' interest in different scenarios with different bill impacts

Option 1:

Up to 2025 we promise to:

- **Reduce the amount of water leaked to 17%** even though this may mean your bill is higher than it would otherwise be
- **Help customers to fix their own leaks** by subsidising the repair of leaking underground pipes on their own properties.





Option 2:

Up to 2025 we promise to:

- Reduce the impact of leakage on your bill by **keeping the total amount of water leaked the same as now**
- **Invest in innovation** to find cheaper ways to reduce leakage in future
- Help households fix their leaks by:
  - **Fixing dripping taps and leaking toilets in 10% of homes** and giving advice on how to fix future problems – this free service will be promoted to customers on lower incomes
  - Fixing leaks on household's **underground pipes** for free
- Fix as many **major leaks** as possible **(>90%)** on our own pipes reported by customers within a day – if we can't we'll explain using road signs, texts and social media.
- **Educate 150,000 school children** in our region on water efficiency through our school's programme
- Keep the **amount of water we take from the environment the same** despite a growing population

Option 3:

Up to 2025 we promise to:

- Reduce the impact of leakage on your bill by **keeping the total amount of water leaked the same as now**
- **Fix the majority of major leaks** on our own pipes reported by customers within a day.
- **Help customers to fix their own leaks** by subsidising the repair of leaking underground pipes on their own properties.
- **Fix dripping taps and leaking toilets** in their own homes – we will aim to provide this service to 5% of homes and will pay **50% of the cost.**

As set out in the introduction, these packages were created, to test in the depth interview phase of the project, based on the insights gleaned from the initial deliberative customer workshop.

Performance Commitment Option 2 best captures customer sentiment

Delivers:

- A sense of forward planning through both education and innovation. This provides customers with the reassurance that even though leakage levels will remain stable in the short to medium term, there is a chance that in the long term leakage will reduce
- Offers an element of the status quo – most participants estimated that it would cause a slight increase in their bill, but expected the increase to be manageable. Also felt that the benefits would be worth the increase.
- Captures the sense of partnership that came through so strongly in the workshops – customers feel that initiative such as free fixes and advice show that Wessex Water are trying to help them
- Education and investment in children feels like the 'right thing to do'

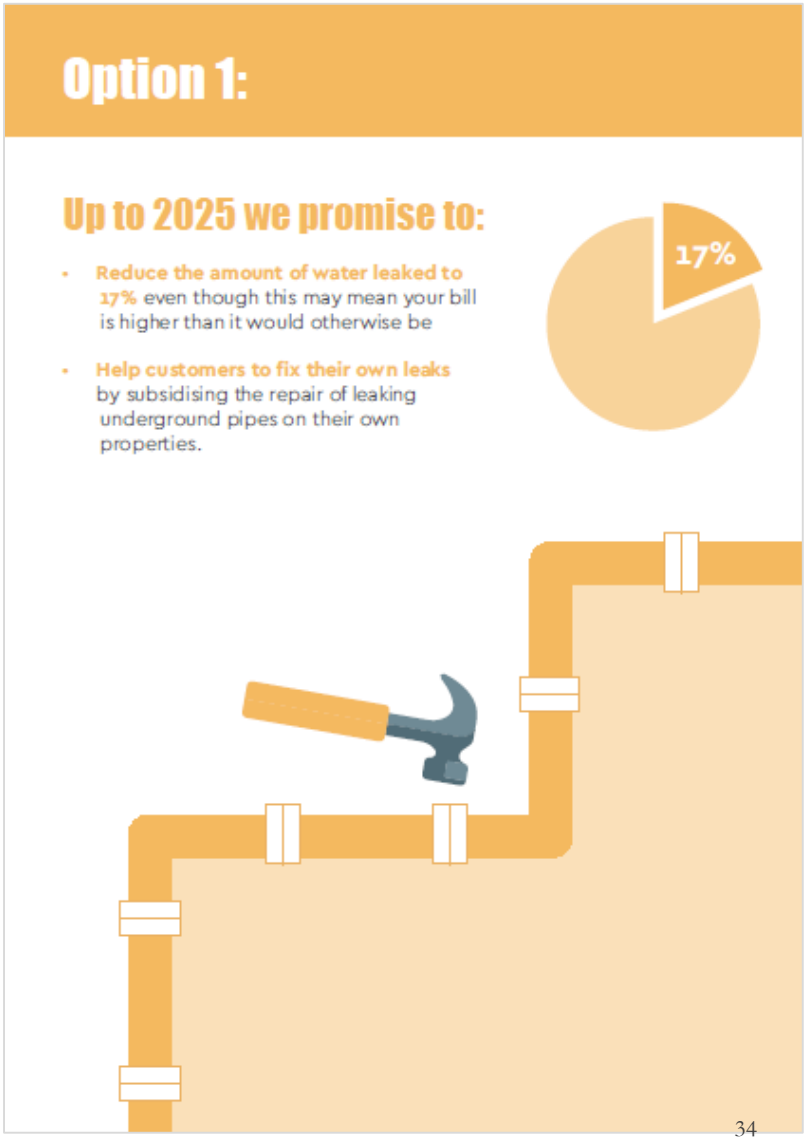
As most customers are happy for leakage (and bill cost) to stay the same, Option 1 feels unnecessary

Delivers:

- A reduction in the level of leakage, which appeals to those few customers who believe that leaks should be reduced at all costs
- Customers are impressed that Wessex Water will fix leaks on “their property” for free

However:

- Most people are content to maintain the level of leakage and bills at the same level as now
- Those people who want leakage reduced are not particularly impressed that leaks will only be brought down to 17%. Without understanding the full complexity and expense of reducing leaks further, this doesn’t feel like much is being achieved



Option 3 feels like too little is being done about leaks

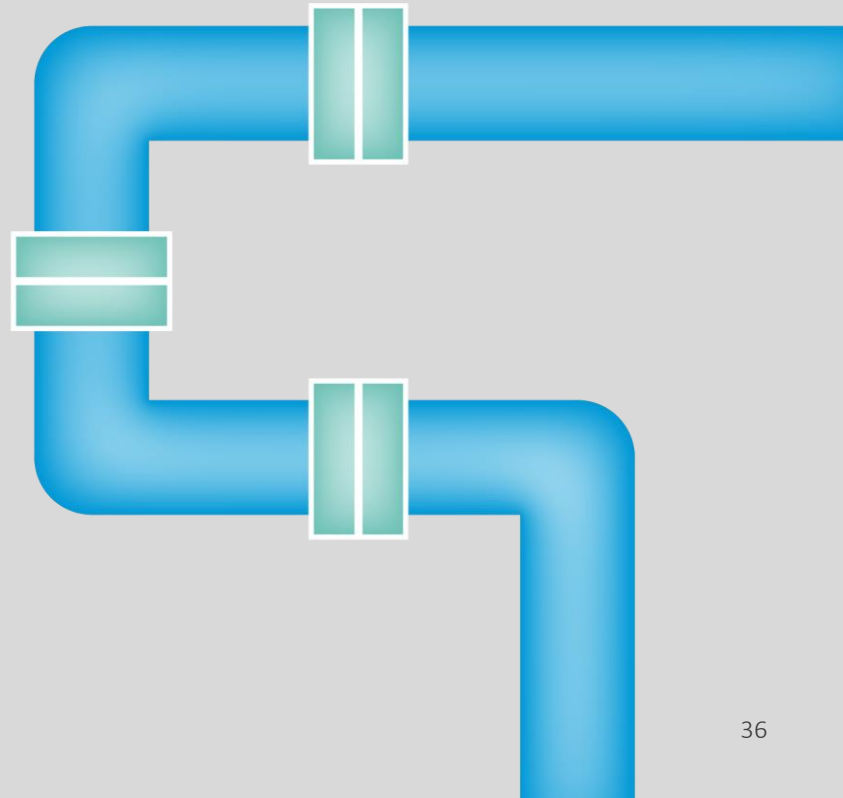
Delivers:

- Total amount of leakage is the same with no impact on the customer bill
- Offers some customer help and assistance

However:

- This option doesn't deliver a plan for the future, which is what customers like about Option 2.
- Customer assistance options are less than those offered in Option 2

Conclusions & Recommendations



Populus

Conclusions & Recommendations (1)

Insight:

- Customers display a large amount of goodwill towards Wessex Water. They trust you to do what is right
- Few customers have been directly effected by leaks and generally have higher water priorities

Recommendation: Build on the strong brand trust and goodwill to take customers with you – there is a practical and emotional willingness to accept Wessex Water's informed judgment on leaks and what to do about them.

Recommendation: Messaging around what a good job you've done will increase goodwill further and will be accepted by customers – be confident

Recommendation: Wessex Water have to provide high quality solutions to ensure that your reputation with customers remains high. Anything that is seen as a shortcut or a 'cop out' isn't what customers expect of you and could therefore damage your brand/reputation

Conclusions & Recommendations (2)

Insight:

- There is little appetite for Wessex Water to invest in reducing leakage further in the short term if it means that bills will rise for little overall leak reduction
- Telling customers that their bills will have to go up in order to reduce leakage is a powerful message that resonates with customers.
- Most customers won't simply accept a bill freeze if the service they receive is poor – they do believe that in an ideal world there would be no leaks.
- Customers like to think that Wessex Water will still look for any low-cost ways to reduce leaks in the future

Recommendation: Messaging around customers paying the same needs to be allied to a strategy that tells customers Wessex Water will still provide an excellent leakage service

Recommendation: Wessex Water need to reassure customers that they will invest in the future and use any low-cost, bill-neutral solutions that might exist in the future

Conclusions & Recommendations (3)

Insight:

- Most customers accept the “economic” argument in cases where it costs more to fix a leak than the water costs. This makes sound financial sense to most people – as long as they can be reassured that the lost water doesn’t create any damage
- The “environmental” argument that water isn’t lost but goes back into the system is generally accepted by lots of customers – especially those who don’t give it much thought. However, savvier customers and particularly NHH customers often pick this argument apart in terms of waste of treated water or water lost to Wessex Water

Recommendation: The “economic” argument is more compelling to use with customers, even those who believe you should continue to reduce leakage accept that there are commercial imperatives at play. The “environmental” argument can work, but there is greater risk of looking contrived

Recommendation: Additional information around future water levels in the area will help strengthen the economic argument as it only makes sense to lose water if Wessex Water are certain that there is enough water for the future

Conclusions & Recommendations (4)

Insight:

- Customers want Wessex Water to continue to invest money in fixing and finding leaks. Some messaging was interpreted as Wessex Water stopping their work on leaks – this was not acceptable
- Very, very few customers want leaks to go up if their bills were to go down

Recommendation: Very important to stress that current investment of time, resource and money is significant and will continue not decline – the status quo in leakage levels doesn't mean doing nothing in terms of continued spend

Insight:

- Customers are prepared to "pay" for this modest, long term, smart investment and empowerment strategies

Recommendation: The future investment message is really important – balancing the "smart" and sustainable nature of that investment with the modest level of incremental spend

Workshop Guide

Outline – Workshop 1

V4 20th June 2017

WORKSHOP 1

Intro & Energiser

AIM: To kick off the session by mixing customers and staff, breaking down barriers and getting to know everyone

- Tom & Andy introduce the Populus team, what to expect from the session
- Senior Wessex stakeholder says a few words about why this is important for Wessex and what they hope to get from the days (without being specific about leaks)
- Populus : thanks for coming along to the session
- It will be fun and informative and we really value your feedback – workshop rules
- Even though we are here with Wessex Water staff, the sessions are confidential
- As we are going to be working together let's get to know each other
- First of all I would like you to pair up with someone you do not know and do not work with and find out from them their name, 3 facts about them and one must be something unusual!
- Then we would like each person to introduce their partner

Break out into 4 x tables

Priorities Task

AIM: To find out what customers' spontaneous priorities are when it comes to Wessex Water's performance and activities

- The first thing we would like to do is find out about what is important to you, the customer when it comes to Wessex Water's operations
- Each table will have a pile of cards with the different aspects of Wessex Water's performance (see appendix for the full list e.g. helping communities engage with their local water environment; helping you to save money etc.)
- The tables will be asked to order the factors in terms of importance to them and to say why – first of all they will do this individually (in their "workshop journals") and subsequently discuss as a group and try to agree a "group" list
- Each group then feeds back its prioritised lists to the rest of the room and says why the top 2 were top and the bottom 2 were bottom
- Prioritised lists are captured and put on the "gallery wall" – an area of wall where tasks are displayed for future reference

Leaks Deep Dive

AIM: To explore understanding and perception of leaks

- We would like to pick up on one of those areas in particular – leaks (EXPLAIN BROAD SCOPE OF LEAKS – AT THIS STAGE OF THE WORKSHOP THIS CAN BE ANY TYPE OF (CLEAN) WATER LEAK
- You put it at position X on your lists (feed back prioritization), remind me why that was – whole group "shouts out"
- Back in your table groups again we are going to do an exercise all about leaks

Open discussion in table groups

- What is a leak; what are the different causes; how much of a problem is it for Wessex Water
- Why is it an issue for you the customer, why is it important
- Are there different kinds of leaks (e.g. burst vs trickle…)
- Where do you find out about leaks (from general information to specific incident)
- What causes leaks

Leak deep dive task #1

- Let's imagine we are water flowing through the Wessex Water system from source to your tap
- Imagine flowing through the system and "leaking" out
- Tell us what is happening – how are you leaking out of the system; what happens to you then (e.g. lost vs going back into the water cycle)?

Leak deep dive task #2

- Let's draw the water system and identify where leaks are and what causes them
- Either give respondents blank paper or a template with some hints and put them into pairs in groups to do the task
- Mark on how the water flows around the system and where the leaks occur

Wessex Water's Performance on leaks

- Would you say that Wessex are any better or worse than other water companies (and is that relevant)
- How much water do you think is leaked (Wessex Water-side, customer side, total) – in terms of actual amount, % of total, other measure (e.g. swimming pools)…
- Do you know what targets Wessex Water (and other companies) have on leakage; do you think they hit those targets?
- What do you think Wessex Water should do about leaks/different kinds of leaks and why

Leaks & Losses

- Let's just pause to think about other things that are leaked or lost or wasted.
- In your own lives what do you find that you waste (from food to money to energy) and how acceptable is that?
- And do you know how much of other resources we use is "lost" before it gets to us? E.g. how much energy is lost in power cables

Each table feeds back to rest of session

- Spokesperson feeds back to whole group
- Results captured again on gallery wall

BREAK

- Participants are encouraged to look at the other tables' tasks on the gallery wall

Education

AIM: To introduce a factual basis of knowledge on leaks so that customers' views can be explored in the light of education

- Thanks for your feed back in the first half of the session
- We would like to spend the rest of today giving you information about leaks and seeing how that affects what you think about them and what you think Wessex Water should do about leaks

Business Context – Whole Room

- Senior Wessex Water stakeholder (Phil) addresses the whole room and gives an overview of Wessex Water (eg region, number of customers,) and explains the business context of leaks e.g. how much Wessex has invested in leakage reduction in past few years, the impact on overall leakage levels, and where we are now, in overview before we deep dive into specifics in 4 "subject zones"
- Populus facilitator "comperes" whole room feedback
- What's New – first of all people will be asked what surprised them about what they heard
- Q&A – questions can be a really significant indicator of customer perception and understanding – we will hold a "whole room" Q&A for 5-10 minutes after this key presentation

Subject Zones

- Each table group will then rotate around the room being educated about different aspects of leaks and then briefly discussing their views in the light of the education
- The subject presentations can and should be in a range of formats from "talks" to boards to videos to interactive websites

Workshop Guide

- Participants use their personal journals where they can take notes and write comments – this will be prepared and printed by Populus with specific subjects and tasks; it will be collected at the end of the sessions and used in analysis and reporting
- Zones will cover the following :

1. WHY DO PIPES LEAK . (Nigel, or Julian)

- Member of Wessex Water staff leads presentation of reasons for leakage, different kinds of leakage etc
- Each table group (1) listens (2) comments on what they have learnt by writing down in their personal journal and then sharing as a group and (3) contributes to a Q&A

2. WATER CYCLE & LEAKS (Aimee and/or Julie)

- A Wessex Water stakeholder leads a short presentation (using visual aids or even objects – jugs of water, pipe with hole, sponges, soil etc.) bringing to life what happens to leaked water
- Each table group (1) views the presentation (2) comments on what they have learnt by writing down in their personal journal and then sharing as a group and (3) contributes to a Q&A with Wessex member of staff covering that zone

3. COMPARATIVE PERFORMANCE (Phil)

- We use the Discover Water website to illustrate different performance levels on leaks between different water companies
- Customers are encouraged to view and interact with leaks data as well, potentially, as other broad measures *they see as relevant to leaks* (such as average bill)
- Each table group (1) views stimulus on the site (2) comments on what they have learnt by writing down in their personal journal and then sharing as a group and (3) contributes to a Q&A with Wessex member of staff covering that zone

4. MEASURES TAKEN BY WESSEX WATER (Ash)

- Stimulus showing what Wessex Water does to mitigate/minimize etc. leakage
- Each table group (1) listens (2) comments on what they have learnt by writing down in their personal journal and then sharing as a group and (3) contributes to a Q&A with Wessex member of staff covering that zone
- In this session probe around how much Wessex should spend on water efficiency/behaviour change measures vs leakage?

Educated Reflection

AIM: To find out what has made the most impact on customers in the different areas

- First of all please could repeat the prioritisation exercise we did at the start, individually, in your journal again
- And thinking about everything we have discussed today, what was new that you have heard or learnt in this session
- What were you most convinced by and why
- What were you least convinced by and why

Wrap up

- Many thanks for your participation so far
- We look forward to seeing you next time

Workshop 2

REVISED 27th June 2017

WORKSHOP 2

Welcome Back & Re-Energiser (10 mins)

AIM: To get customers working as a team again, quickly

- Thanks for coming back
- We hope you have had time to reflect on the first session – we will be building on that today
- VOTE ENERGISER
    a. We will ask people to stand up and move to a corner of the room to "vote" on whether they think Wessex should reduce leaks, keep them at the same level or allow leaks to increase
- Thanks for that, now let's crack on

Refresh & Playback (10 mins)

AIM: To reiterate key points from the first session – both Wessex Water education points and a summary of customers' key insights and reflections from the day

- Quick Q&A to ensure everyone is engaged and clear
- Collect any questions they have from their between workshops homework and answer main, relevant ones
- Any thoughts on comparative information

Performance Commitments Task (50 mins)

AIM: To build on the education and insights from the first session creatively to come up with a plan of (a) what they think Wessex Water should do about leaks

- We are going to put you back into groups
- What we want you to do is to come up with an action plan for Wessex Water on leaks and what you think they should be aiming for and thus commit to delivering on leaks

SPONTANEOUS PRIORITIES - ALTERNATIVE WORLDS

- Customers imagine that a different company in a different sector is in the position that Wessex Water is re. leaks. How would they approach the issue? What would they do and not do? And how would they tell customers about it?
- Groups get a task template which they complete to help them, to give the task structure and to make reporting and analysis easier
- E.g. they might choose something classic like Amazon
- They brainstorm what makes Amazon effective or unique
- Then they apply those characteristics to leaks action plan and PC

FEEDBACK TO REST OF ROOM AND BUILD/DISCUSS

PROMPTED PRIORITIES – SELECT AND RANK

- We provide the Wessex suggested activities on cards, without any overt value/cost and ask people to select the top 5 from these for a revised action plan

FEEDBACK TO REST OF ROOM AND BUILD/DISCUSS

COSTED PRIORITIES – SELECT AND RANK

- We then tell people that different actions have different costs associated (and thus potential impact on bills) and ask them to repeat the exercise with the Wessex suggested activities on cards

FEEDBACK TO REST OF ROOM AND BUILD/DISCUSS

BREAK (10-15 mins)

Creative Development Task

AIM: To take everything that consumers have learnt and created so far and put it into communication ideas

- So now we are all experts on leaks and we know what sort of solution/strategy we think Wessex should be adopting
- Now we need to devise a communication campaign to tell other customers about it
- We are going to do some more exercises

CREATIVE JUICES (30-40 mins)

- The first one is all about coming up with the message we want to tell customers
- We have 3 possible tasks arranged in “zones” and you can chose which one you prefer or even move between them in the time allowed

1. AUTOMATIC WRITING

— Take a pad/your journal and write down all the possible messages you would want to tell customers about leaks if you were Wessex Water; don't think too hard just write!
— Then when you have finished try and decide which is the single most important message and rewrite that in a sentence of less than 10 words

2. ART ATTACK

— Using the materials provided (pens, paper, collage materials etc.) create a picture or collage of how you now feel about leaks and then sum up the message to customers in a caption of less than 10 words

3. HANDS-ON

— Our third area is where you can use Lego and Play Doh to create a model of how you feel about leaks and of what Wessex Water should be communicating to customers. Again if you could sum up your idea with a title that would be great.

AD CREATIVE FOR A DAY (30-40 mins)

— Our second task is to create some advertising
— So now you have got the creative juices flowing we would like you to come up with some advertising ideas. For this we would like you to get into pairs to double the creativity!
— We'll give you some templates to use or you can go off-piste if you prefer – we have plenty of plain paper
— Templates include TV ad storyboard; poster; newspaper; website; facebook page; event…
— We will also provide video cameras and audio recorders in case anyone wants to make a TV/radio ad…
— Each pair to quickly present your idea(s) to the rest of the participants and then put onto the gallery wall

Final Votes & Actions (10 mins)

AIM: To get a final feel for the mood of the room on direction of strategy and message

— We would like you to spend a little time looking at all the adverts ideas and placing a sticker against your favourite(s) – you will each have 5 stickers and can distribute them as you see fit e.g. you can put all 5 on one idea
— And write down finally in your journal the 3 actions that you would like to see Wessex Water taking with regard to Leaks as a result of these sessions

Wrap up

- FINAL VOTE AGAIN ON 3 OPTIONS
- Wessex Water stakeholder wraps up by saying what they have got from the sessions and thanking everyone for their time

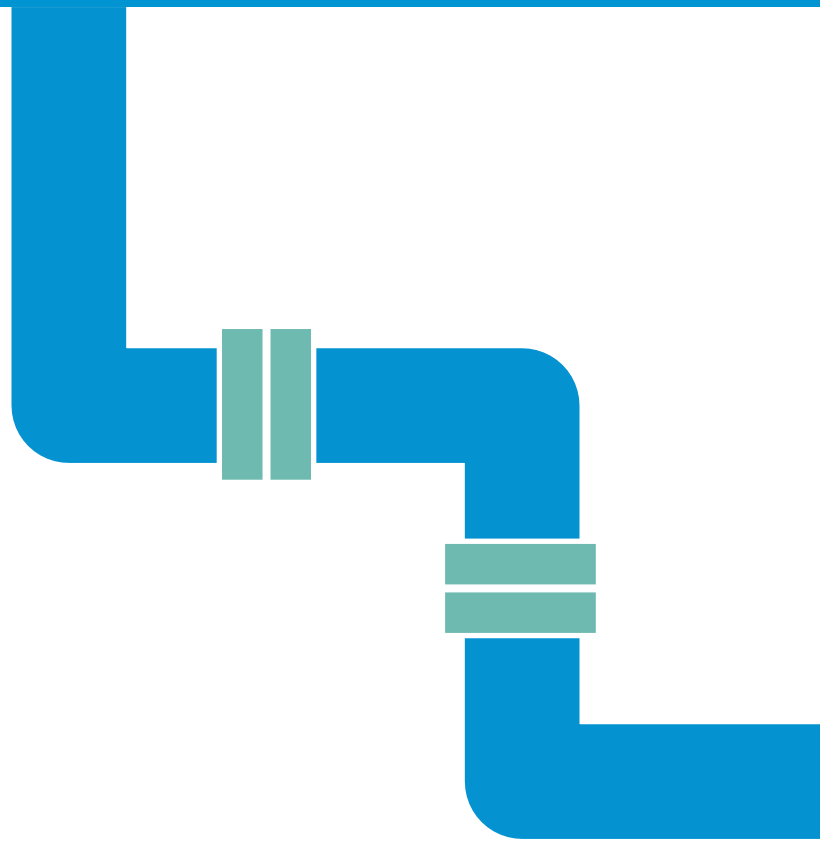
POST WORKSHOP TASK

AIM: To capture any builds and remaining questions or issues that customers might have following the sessions

- With your (customers) permission, we will email you in a couple of days to ask you whether you have any final ideas, questions or feedback so that we can provide you with any answers/clarifications and take your feedback on board for our leaks strategy and also future events such as this

Workshop Stimulus Pack

Business Context



Water is supplied (and waste water processed) by regional water companies in England

The English Water Market

Wessex water:

Supplies water to

1.3 million customers

Supplies sewerage services to

2.7 million customers

Wessex Water is the supplier for this region

All the money we spend comes from our customers through their bills

Regulating the water industry

Water companies like Wessex are private companies but are regulated by a number of different organisations

Environment Agency	Regulates environmental impact of water industry
OFWAT	Reviews company performance and sets bills
defra	Setting policy and law
dwi	Ensures water is clean and healthy to drink
Consumer Council for Water	Represents customer interests
Natural England	Regulates environmental impact of water industry

Wessex Water supplies clean water to 1.3 million customers in the West Country

Treats **280 million** litres of water a day

Through **7,200** miles of water mains - longer than the distance from here to New York and back again

Wessex Water gets the **highest customer service scores** in the industry (according to the independent regulator Ofwat)

The Government's Environment Agency also assess Wessex as a **"leading"** water company for **environmental protection**

The weather would need to be dryer than any time in the last **100 years** before we would need to impose a hosepipe ban

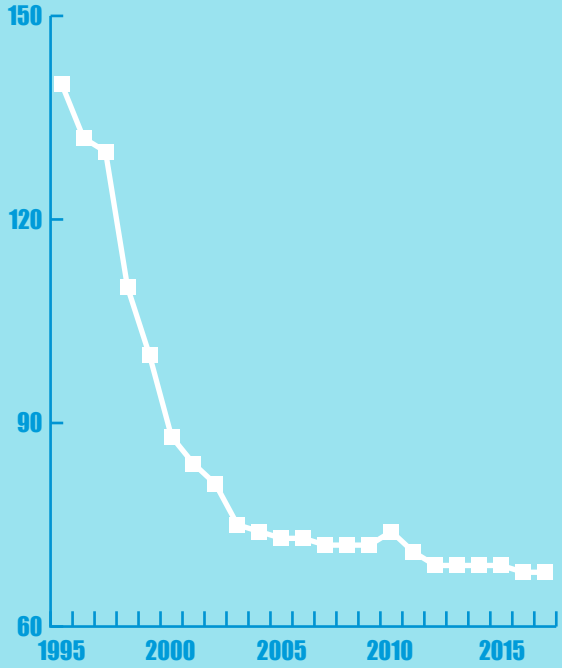
Average annual water bill

Wessex

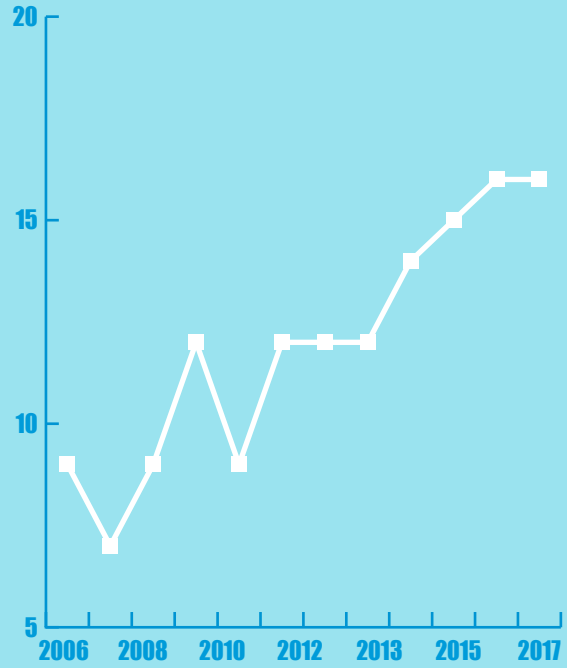
av. England and Wales

Wessex Water has been steadily reducing the amount of leaked water

Leakage has been halved since 1995:



Expenditure on leakage has been steadily increasing:



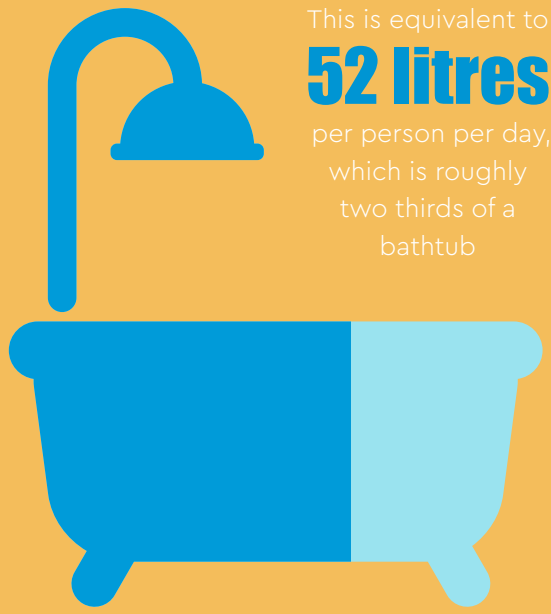
We spend

£24 million

on the production and distribution of water.

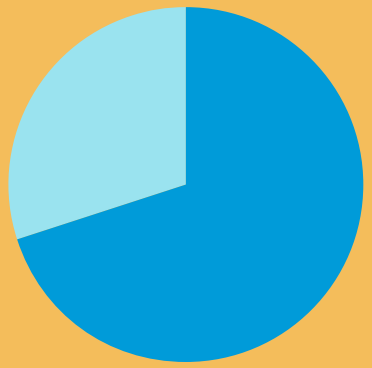
Wessex Water has been steadily reducing the amount of leaked water

Currently, **20%** of processed water **(68 million litres per day)** leaks from the system back into the environment.



This is equivalent to **52 litres** per person per day, which is roughly two thirds of a bathtub

70% **of reported leaks are repaired within a day.**



We also invest around **£3m a year** helping customers save water through water efficiency schemes and funding free meters, in order to reduce overall levels of water consumption

We are now at the stage where reducing leakages further will increase customers' bills.

To compare with other sectors...

- In the UK, 8% of electric power is lost through transmission and distribution

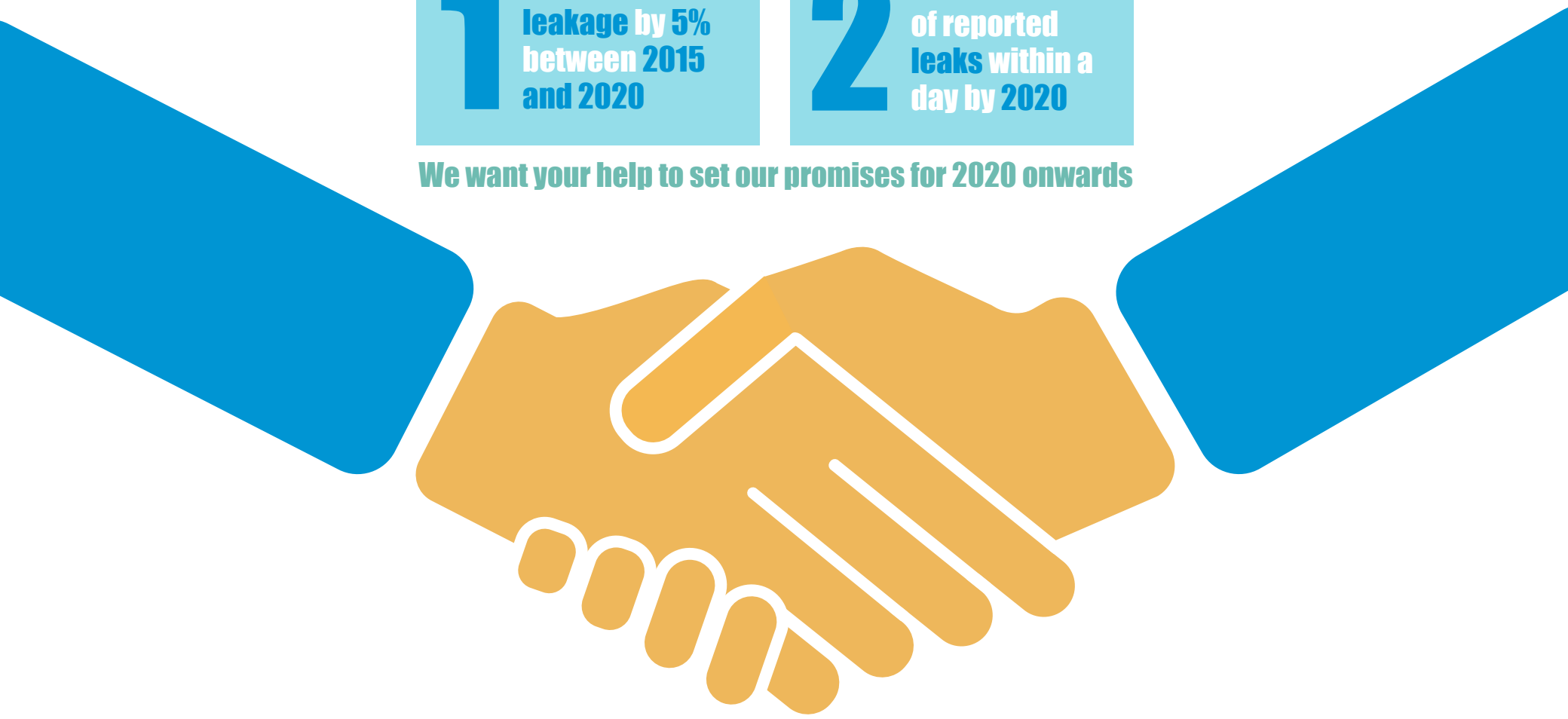
- In a typical British home, around one-third of the heat produced by its heating system is rapidly lost through the roof, ceiling and walls

Our Customer Promises

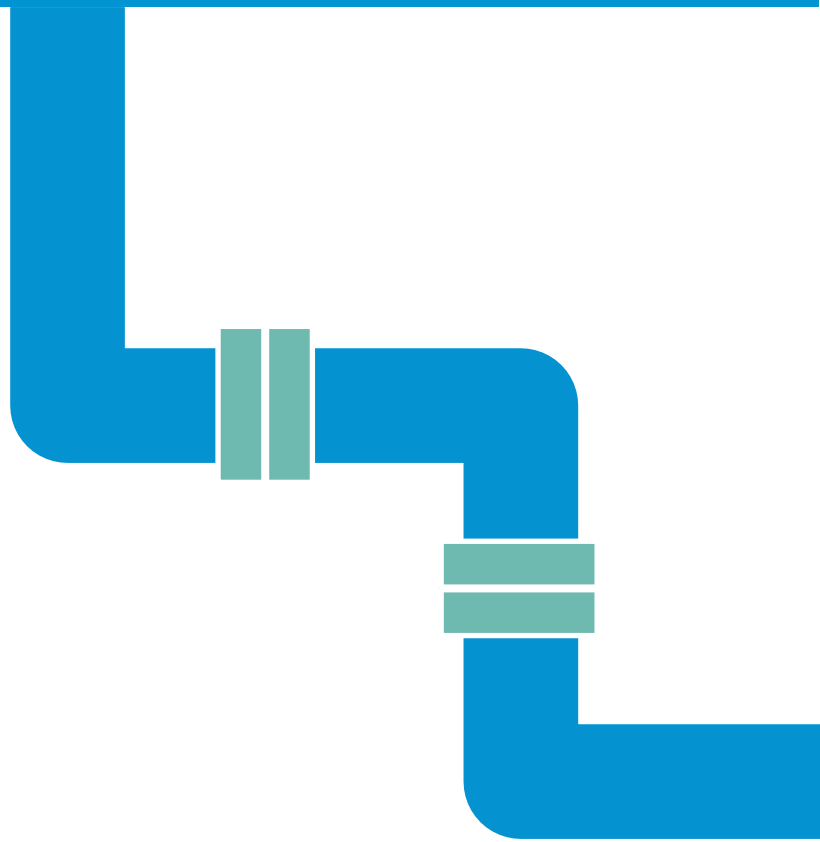
1 We will cut leakage by 5% between 2015 and 2020

2 We will fix 90% of reported leaks within a day by 2020

We want your help to set our promises for 2020 onwards



Why do pipes leak?

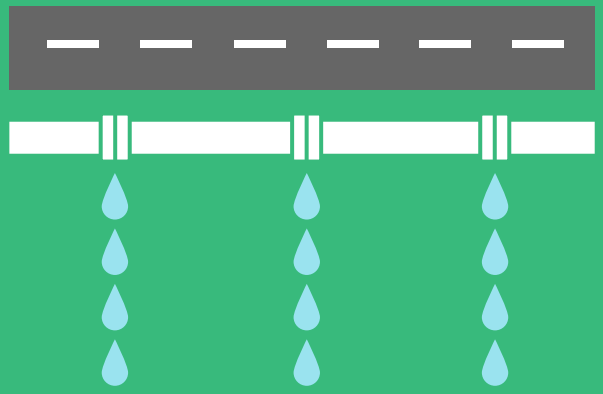


Wessex Water's 7,200 miles of clean water pipes form an enormous and complex network

Water travels on average **30 miles** from its source to your tap

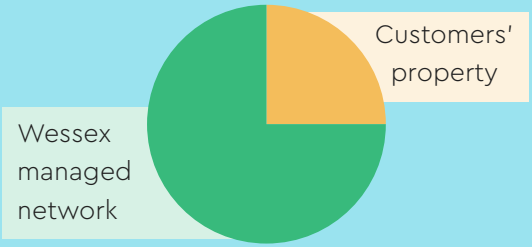
Leaks are not visible in approximately **60%** of cases as the water doesn't always get to the surface

7,200 miles of water mains run under fields and roads



The whole network has around **7,000,000** joints which can fail causing leaks

4,300 miles of service pipes feed individual properties – **25% of all leaks** are on customers' property rather than the Wessex managed network



Why pipes leak?

It is not necessarily the age of the pipes that causes leaks, pipes can also break due to underground movement/vibration from roads (e.g. natural freezing and thawing of the ground, increases in road traffic)

In fact, leaks are also caused by a range of things:

- Corrosion of metal pipes
- Older plastic pipes can split as they get brittle
- A sudden change in pressure can result in a leak
- Third Party Damage

We currently replace around 31 miles of pipe work per year

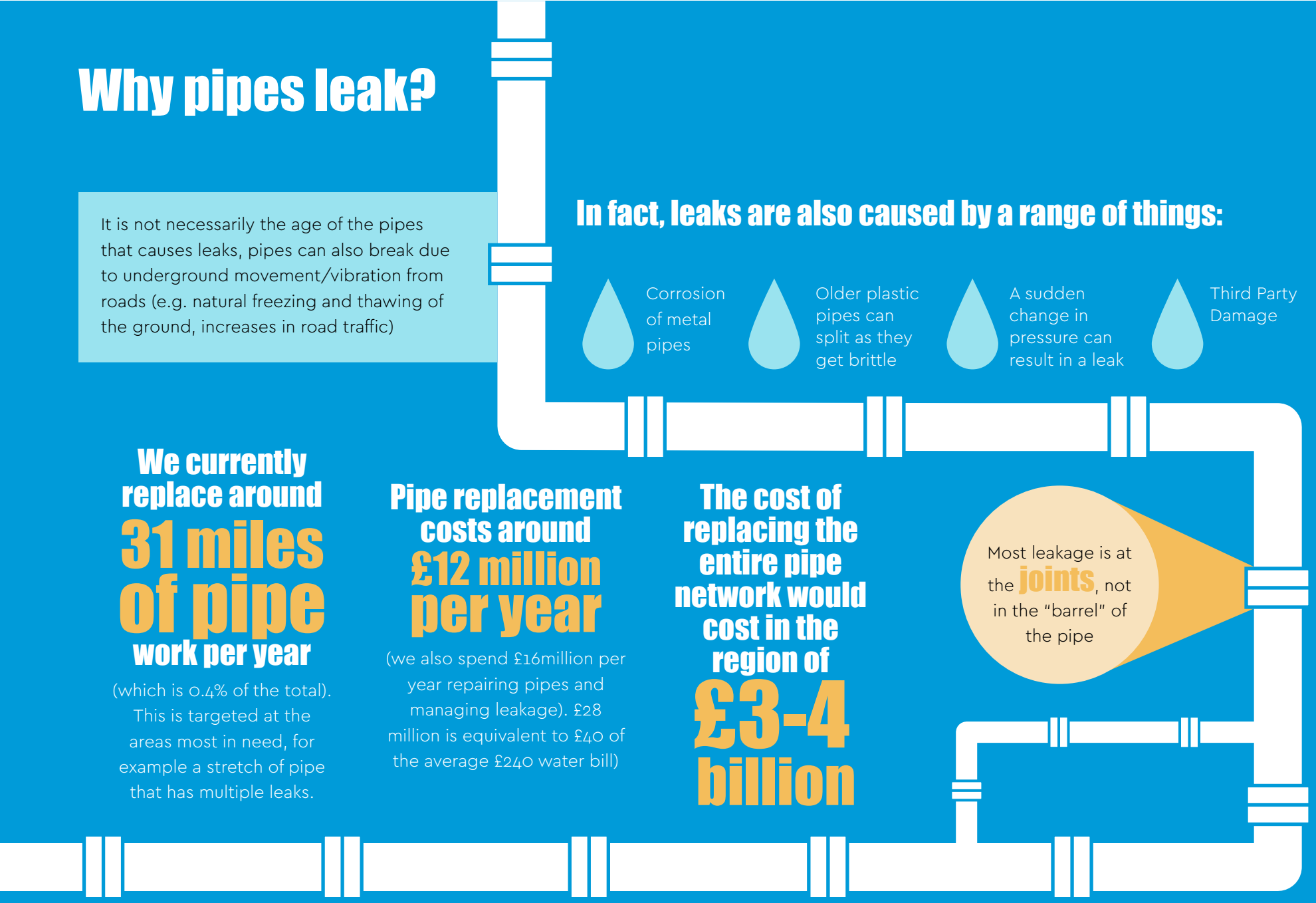
(which is 0.4% of the total). This is targeted at the areas most in need, for example a stretch of pipe that has multiple leaks.

Pipe replacement costs around £12 million per year

(we also spend £16million per year repairing pipes and managing leakage). £28 million is equivalent to £40 of the average £240 water bill)

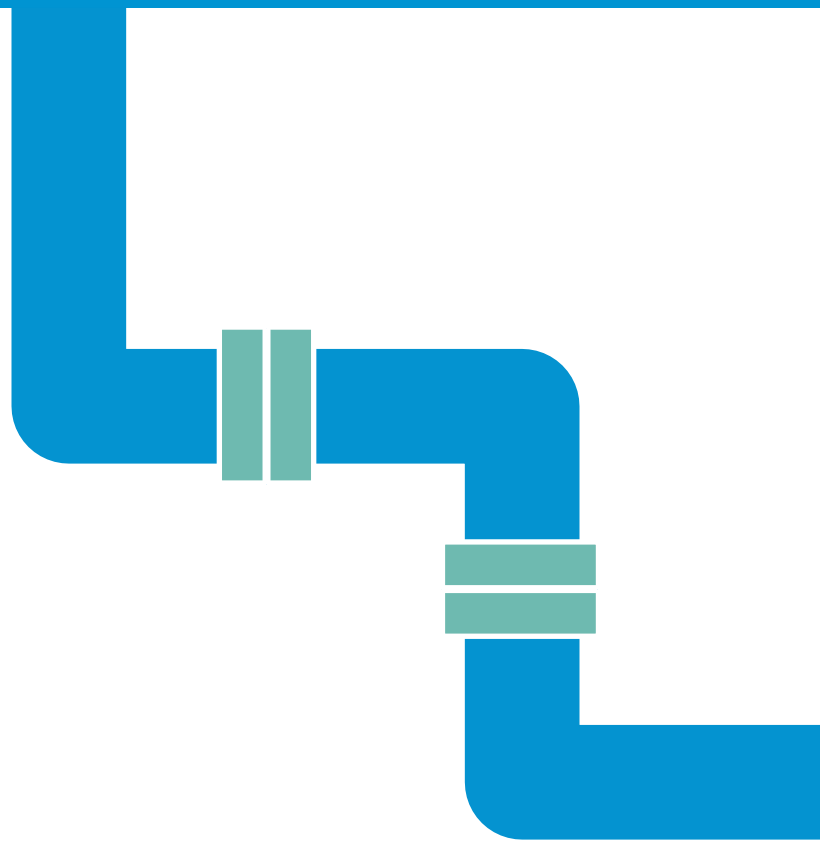
The cost of replacing the entire pipe network would cost in the region of £3-4 billion

Most leakage is at the **joints**, not in the "barrel" of the pipe

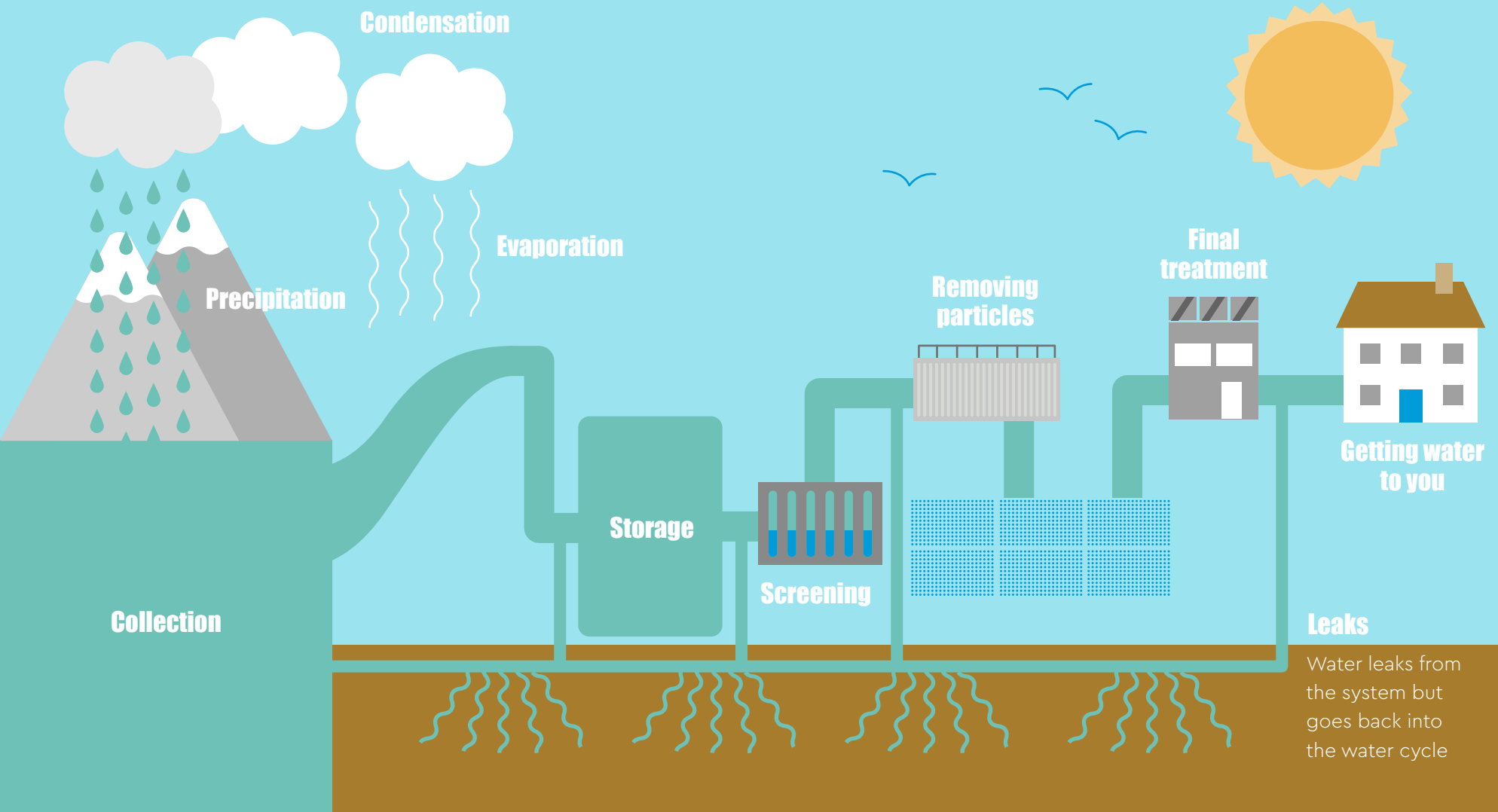


Here are some actual pipes (new and old, large and small) so you can visualise what we are dealing with

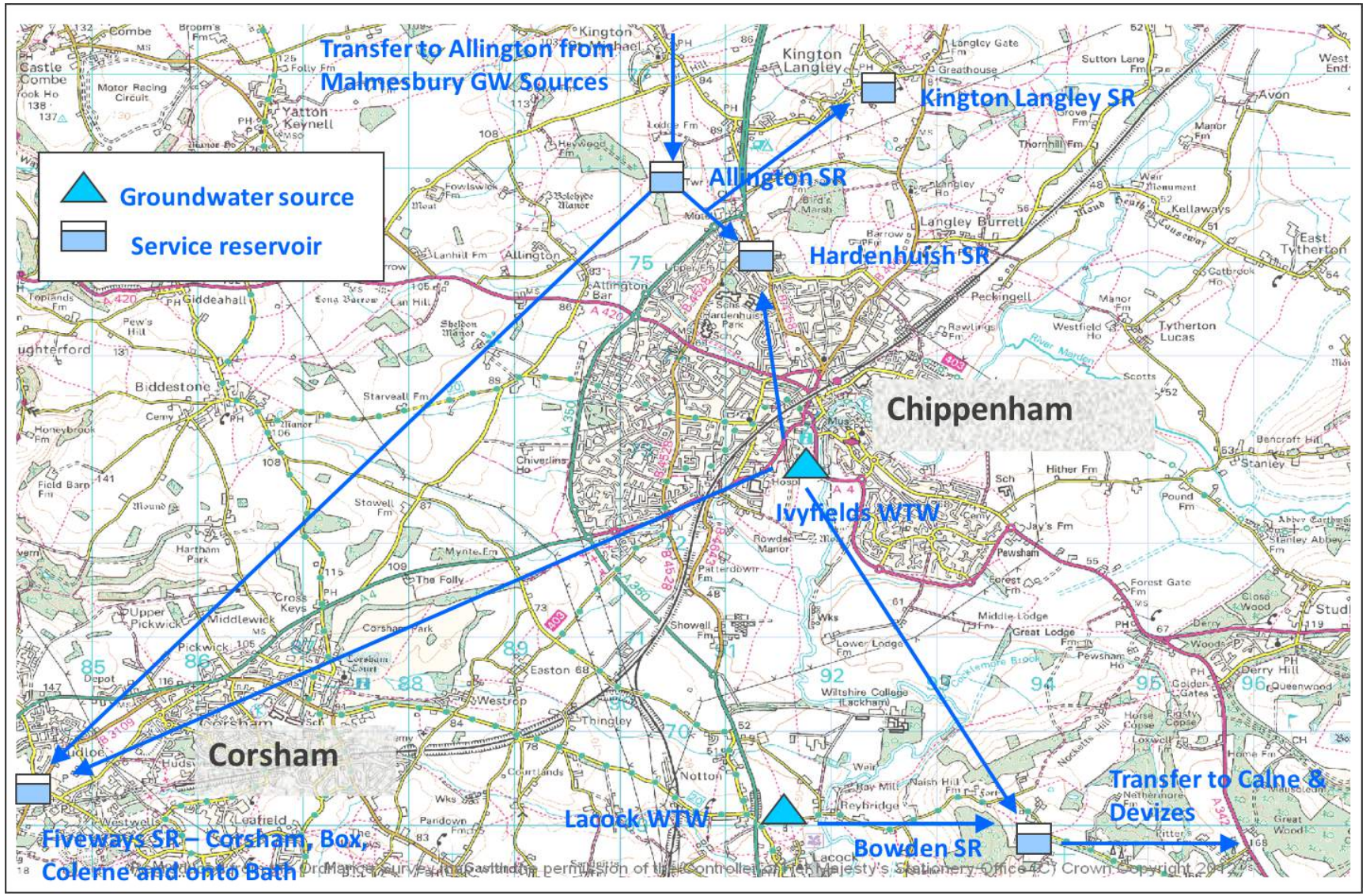
The water cycle & water resources



Water that leaks from the system is not "lost", it goes back into the environment



Water sources in the Chippenham area



The Wessex Water area has enough water to cope with customer demand, at the current level of leakage.

Wessex has sufficient water resources to cope with the current water consumption levels in the region, now and for the next 25 years, which is how far ahead we plan

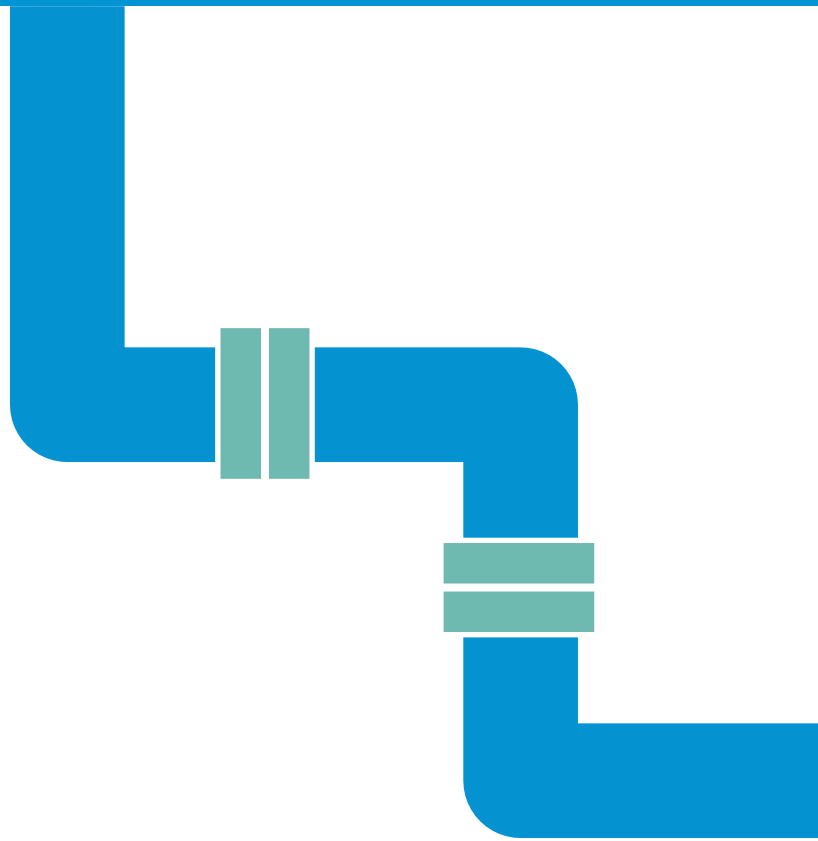
To help maintain the balance of resources with demand into the future we also help customers manage their own water use through our water efficiency and metering programmes

This means we can cope with the current levels of leakage within the system without it impacting on the supply to customers.

We do not expect to have to develop any new water resources over the next 25 years

We would only impose hosepipe bans if we experienced a drought worse than 1976

How Wessex Water compares with other water companies for leaks



The Discover Water website is an independent source of information about different water companies' performance

This is how Wessex compares against other companies for leaks

1 **Absolute performance**

2 **Ranking/league table position**

(http://www.discoverwater.co.uk/leaking-pipes)

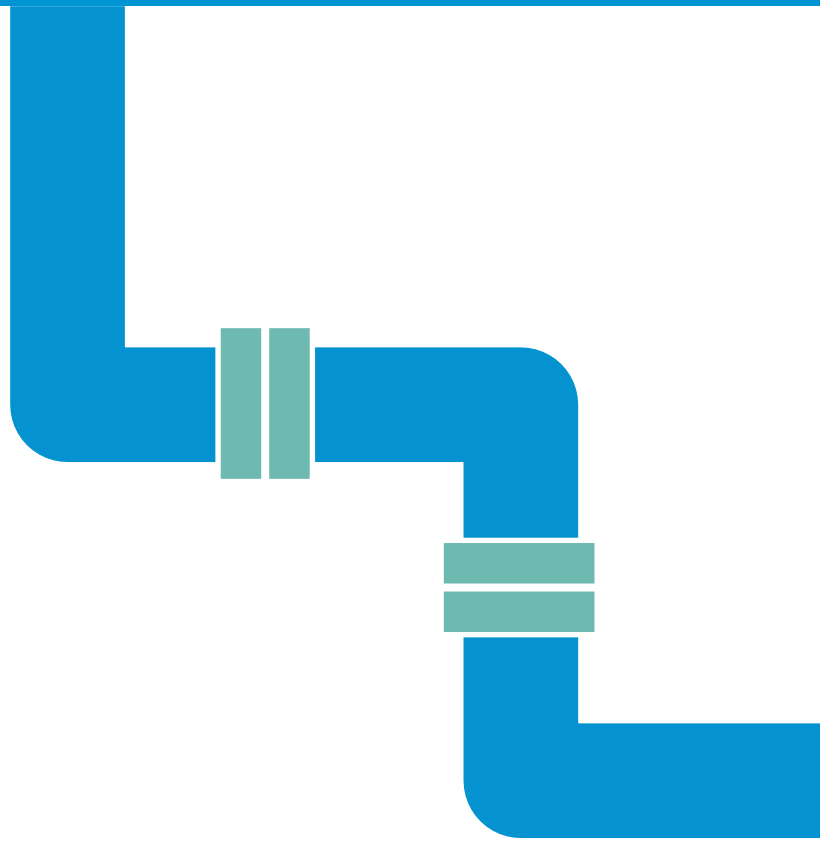
This is how Wessex compares with other companies for the "resilience" of water resources

(http://www.discoverwater.co.uk/resilience)

To customers:

Feel free to look at/ask about any other comparison but only that you feel is relevant to our relative leakage performance

What are Wessex Water doing about leaks?



Wessex Water spends £28m every year on replacing pipes (£12m) and repairing or dealing with leaks (£16m)

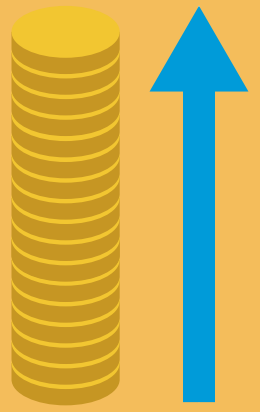
£ £ £

Wessex invests heavily in leak prevention and repair

and we are currently at the stage where it would cost more to reduce leakage further than to process the amount of water lost.

All the major investment that can be made in leaks is being made. To deal with the smaller, harder to fix, inaccessible leaks would cost more than treating the same volume of water (imagine it cost you £££ to install extra loft insulation but would only save you £ in energy costs) – this is the **"economic level"** of leakage

This **pushes up** the cost of water in the Wessex area and this cost would ultimately be paid by the customer



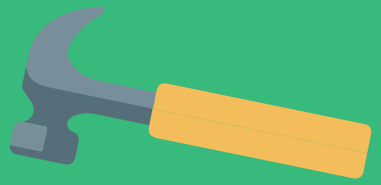
We have halved leakage (from 140 million litres per day to 68 million litres per day) over the last 20 years and we now operate well below the optimum level at which is it cost effective to reduce leakage further (92 million litres per day), i.e. the economic level

The economic level assessment (it's official name is SELL - Sustainable Economic Leakage Level) incorporates carbon and social costs of processing the water and carrying out leakage control activities. Customers might feel that Wessex Water should only reduce leakage up to the point where it would cost more to reduce leakage further than to process the amount of water lost. Alternatively customers might feel that Wessex Water should spend more money to reduce leakage to reduce the overall levels of water taken from and returned to the environment, even if this results in higher bills

Because just spending more isn't the answer Wessex Water are working to proactively deal with leak prevention and repair

We use the most up to date equipment and technology to improve the speed of detection and repair of leaks (e.g. acoustic equipment) and we constantly adopt the latest innovations

We are targeting our pipe **replacement and refurbishment** on sections most likely to leak (due to age, pipe material and location)



We have installed meters on the supply network to help to identify where leaks are happening

Actively managing the pressure in our network of pipes is one of the key ways we manage leakage. We **continually collect data** in c.650 areas across our network to ensure the pressure is neither too high nor too low

Customers are encouraged to report leaks to us. We aim to repair reported leaks within a day, and we currently achieve this for 70% of cases.

25%
of leaks happen on customers' property

We encourage take up of customer meters as these make it easier to spot when leaks happen on your property

We advise customers on how to spot and/or prevent leaks – e.g. lagging over winter as more leaks happen during this time.

Wessex Water also has a household customer service pipe leak repair offer

- we can normally fix a leak on your private supply pipe free of charge -

even though it is your responsibility

We also invest in helping customers save water through water efficiency schemes and funding free meters, in order to reduce overall levels of water consumption (£3 million per annum)

Same-day leak repair service for the external supply pipe on customers' property for free

Essex Water
a YTL company

Same-day leak repair service for the external supply pipe on customers' property, paid for by the customer

Essex Water
a YTL company

Free repairs of pipes that customers' already own

(Wessex Water currently provide this service)

100% of customer reported leaks on our pipes fixed within a day

Essex Water
a YTL company

90% of customer reported leaks on our pipes repaired within a day

(Wessex Water are already aiming to do this by 2020)

Wessex Water
a YTL company

70% of customer reported leaks on our pipes repaired within a day

Essex Water
a YTL company

Improved Wessex Water communications explaining when we will be repairing visible leaks (signs, social medial, texts)

Fitting more meters to properties so that we can spot leaks more quickly

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5,000 free water home checks to fit low-cost water efficiency devices and fix plumbing problems each year (e.g. dripping taps)

Essex Water
a YTL company

10,000 free water home checks to fit low-cost water efficiency devices and fix plumbing problems each year (e.g. dripping taps)

Essex Water
a YTL company

Give customers more information about how their water use compares to similar households

In-home displays to show how much water customers are using (paid for by customer)

Essex Water
a YTL company

In home displays to show how much water customers are using (free to customers)

Essex Water
a YTL company

30,000 children educated each year about water efficiency

(Wessex Water currently provide this service)

60,000 children educated each year about water efficiency

Essex Water
a YTL company

Guaranteed innovation fund to find more efficient ways of reducing leakage in future

Subsidise the replacement of old leaky toilets with big cisterns

Essex Water
a YTL company

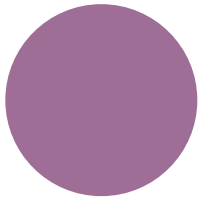
Leak repair service for leaks inside the customer's property, for free

Veolia Water
a YTL company

Keeping the amount of water taken from the environment the same, even with population growth

Essex Water
a YTL company

Moderator Key:



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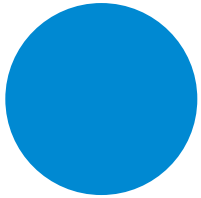

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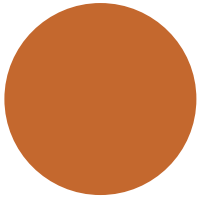

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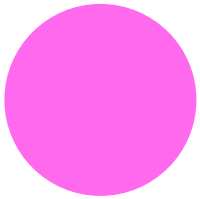

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Wessex Water

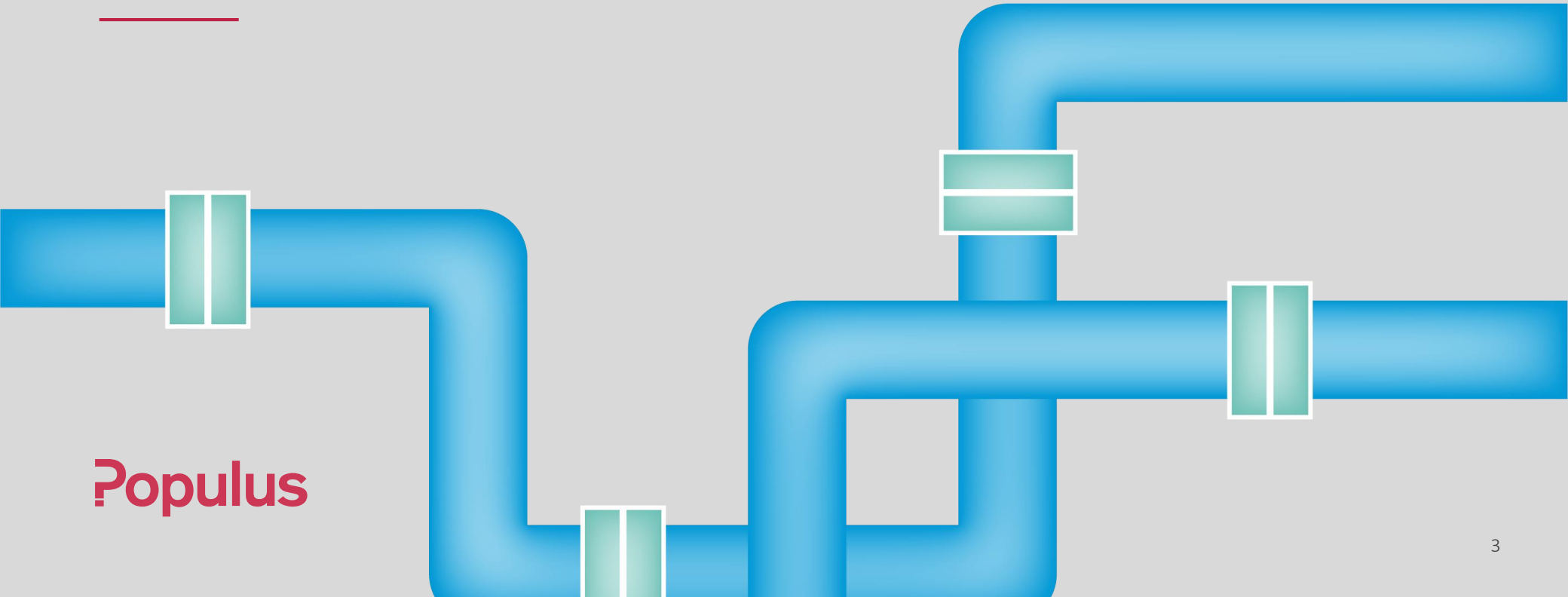
Populus Proposal – Leakage

UPDATED 11/05/17

Populus

Contents

Background, Objectives and Benefits



Populus

Background

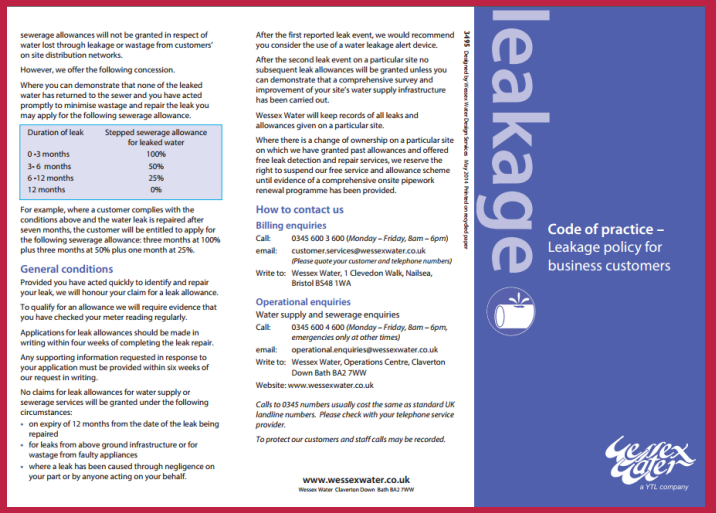
Wessex Water has halved levels of leakage since 1995 (from 140 million litres of water per day to 68.3 million litres of water per day in 2015-2016). It's performance commitments 2015-2020 on leakage state that the total water leaked will reduce by a further 5% by 2020 (to under 66.5Ml/day) and that at least 90% of reported leaks will be fixed within a day.

However, Wessex Water is currently operating at the level where reducing leakage further would cost more than the value of the water which has leaked. As leakage reduces it is more difficult and costly to find and fix the remaining leaks. Reducing leakage further will therefore impact on customer bill levels.

As performance commitments for the next planning cycle are to be decided in autumn 2017, customer research is now required to understand how to design the performance commitments regarding leakage. Wessex Water is now considering maintaining current leakage levels rather than continuing to reduce these. In order to do this, robust research is required to understand under what conditions, if any, customers would support this. As the research findings could challenge Ofwat's direction of travel on leakage, the method needs to be able to stand up to the highest levels of scrutiny.

Populus has therefore designed a program of research that consists of both qualitative and quantitative components to provide Wessex Water with the relevant and robust information needed to design its future performance commitments with regards to leakage and potentially challenge Ofwat's direction of travel on the subject.

Populus



sewerage allowances will not be granted in respect of water lost through leakage or wastage from customers' on site distribution networks.

However, we offer the following concession.

Where you can demonstrate that none of the leaked water has returned to the sewer and you have acted promptly to minimise wastage and repair the leak you may apply for the following sewerage allowance.

Duration of leak	Stepped sewerage allowance for leaked water
0 - 3 months	100%
3 - 6 months	50%
6 - 12 months	25%
12 months	0%

For example, where a customer complies with the conditions above and the water leak is repaired after seven months, the customer will be entitled to apply for the following sewerage allowance: three months at 100% plus three months at 50% plus one month at 25%.

General conditions

Provided you have acted quickly to identify and repair your leak, we will honour your claim for a leak allowance.

To qualify for an allowance we will require evidence that you have checked your meter reading regularly.

Applications for leak allowances should be made in writing within four weeks of completing the leak repair.

Any supporting information requested in response to your application must be provided within six weeks of our request in writing.

No claims for leak allowances for water supply or sewerage services will be granted under the following circumstances:

- on expiry of 12 months from the date of the leak being repaired
- for leaks from above ground infrastructure or for wastage from faulty appliances
- where a leak has been caused through negligence on your part or by anyone acting on your behalf.

After the first reported leak event, we would recommend you consider the use of a water leakage alert device.

After the second leak event on a particular site no subsequent leak allowances will be granted unless you can demonstrate that a comprehensive survey and improvement of your site's water supply infrastructure has been carried out.

Wessex Water will keep records of all leaks and allowances given on a particular site.

Where there is a change of ownership on a particular site on which we have granted past allowances and offered free leak detection and repair services, we reserve the right to suspend our free service and allowance scheme until evidence of a comprehensive onsite pipework renewal programme has been provided.

How to contact us

Billing enquiries

Call: 0345 600 3 600 *(Monday – Friday, 8am – 6pm)*
email: customer.services@wessexwater.co.uk
(Please quote your customer and telephone numbers)
Write to: Wessex Water, 1 Clevedon Walk, Nailsea, Bristol BS48 1WA

Operational enquiries

Water supply and sewerage enquiries
Call: 0345 600 4 600 *(Monday – Friday, 8am – 6pm, emergencies only at other times)*
email: operational.enquiries@wessexwater.co.uk
Write to: Wessex Water, Operations Centre, Claverton Down Bath BA2 7WW
Website: www.wessexwater.co.uk

Calls to 0345 numbers usually cost the same as standard UK landline numbers. Please check with your telephone service provider.

To protect our customers and staff calls may be recorded.

www.wessexwater.co.uk
Wessex Water Claverton Down Bath BA2 7WW

3498 Designed by Creative Visitors Design Services May 2017. Printed on recycled paper

leakage

Code of practice – Leakage policy for business customers

a YTL company

Objectives

The key objectives of this research project are shown on the right:

1. To explore attitudes towards leakage, both top of mind and after deliberation.
2. To understand what lies behind attitudes towards leakage (emotional and rational response) and what would need to change for customer attitudes to change.
3. To explore customers' priorities regarding water company activities, with regard to leakage. Specifically, how would customers divide up a single pot of investment with the knowledge of how much investment each area would need to realise an improvement?
4. To co-create revised performance commitments that would be acceptable with regard to leakage (e.g. maintaining leakage but committing to fix leaks within 24 hrs, investing in R&D to find better ways to fix leaks, reduce bills, etc..)
5. To co-create communications about leakage, to use when describing the issue to less well informed customers, To include appropriate use of language (e.g. 'leakage' or 'non revenue losses'?), comparative information, and overall messaging.

Why Populus?

Experience

We have allocated a highly skilled team to this project who have relevant experience in 'leakage' research and the methodologies proposed (p35-40). Andy Barker and Tom Anderson collectively have over 23 years of qualitative research experience in the utility sector (p31-32). They are passionate about delivering high quality outputs to our clients and are continuously striving to find new and improved ways of uncovering important insights on complex issues relating to the water industry – an industry which is generally not understood by consumers.

Trusted Advisor

We were named the fastest growing research and insight agency in the UK by the MRS in 2015. We achieved this through developing strong, long-term relationships with our clients who now trust us with their most strategic projects. In 2016, we were nominated for the Aura: Trusted Advisor award. Members of Aura (100s of market research buyers) nominate those agencies that they feel add most value. We regularly conduct client audits to ensure we are delivering to a high standard and continuously improving. We have included some of the outputs/feedback from our last audit on the right.

2016 Client Audit

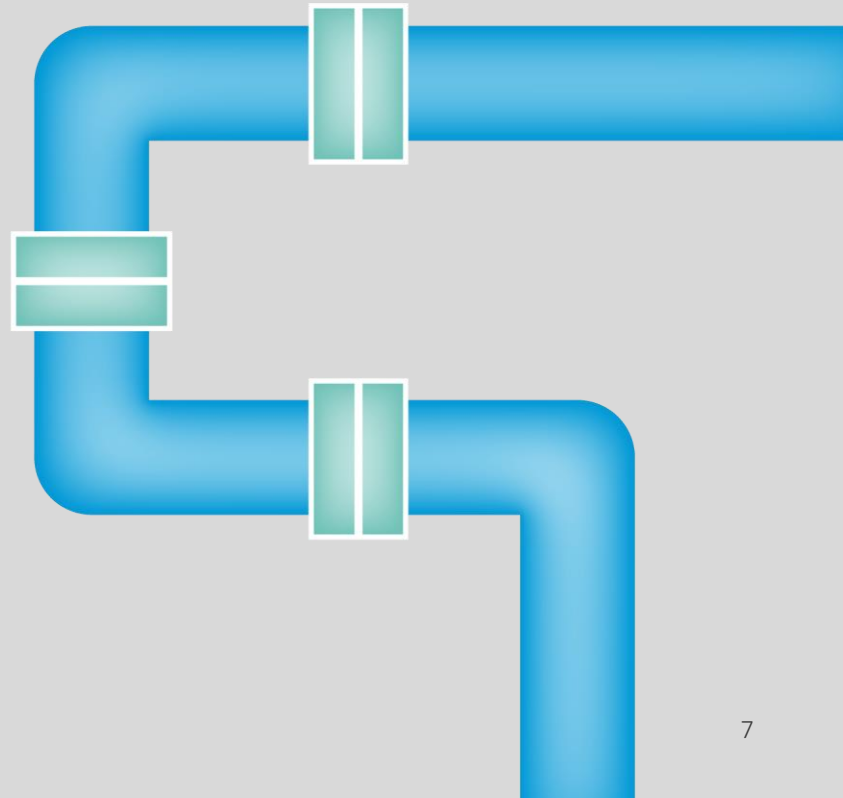
Our clients gave us average scores of:
- 10/10 on referral
- 9/10 on attitude
- 9/10 on process and delivery

Key Strength – Trusted partner
"A trusted working relationship"
"There when I need them" – "inherent trust"
"I could have them run more meetings with stakeholders without me, if I needed to"
"Trustworthy, helpful, personal"
"Reliable, accessible, trusted, partner"
"A 'trusted advisor' vs supplier of services"
"Sound, solid, honest – in trusted hands"

Key Strength - Powerful client empathy
"They get what we're trying to achieve"
"Open, friendly but professional"
"Extension of my team"
"Options considered to reach best solution"
"I like working with them"

Key Strength - Highly regarded capabilities
"Fantastic all-round agency"
"Know their stuff"
"Good with complexity
"Rapid, high quality research"
"Influential output, with business impact"
" Credibility with important stakeholders"

Approach – Qualitative Component



Overview of qualitative approach

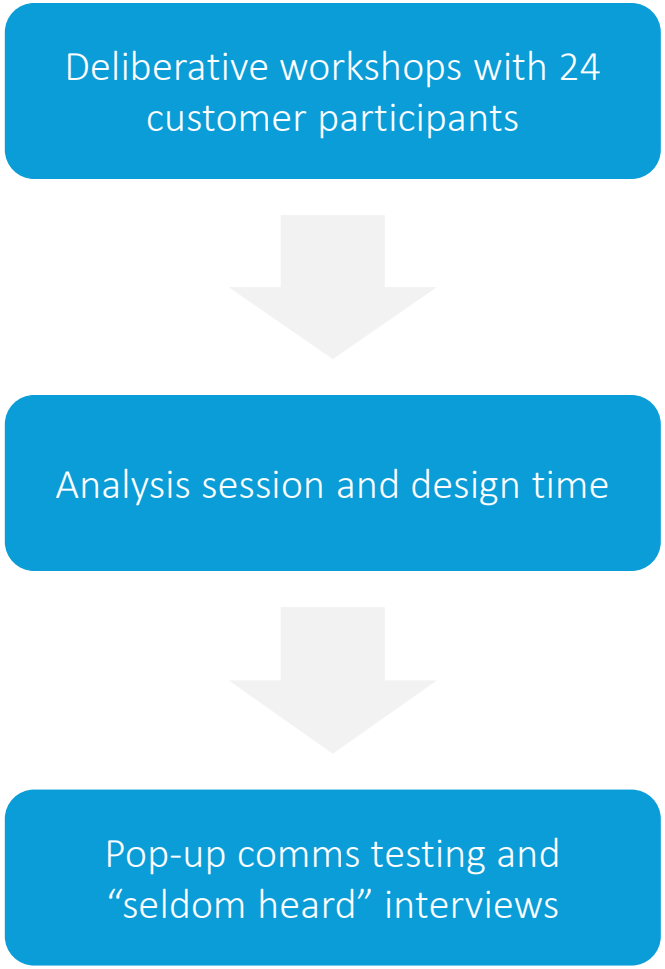
Our extensive experience researching water tells us that the issue of leaks is always at the forefront of customers' minds when they think of water companies. Generally customers think that leaks should always be avoided, often placing it close to ensuring clean drinking water in levels of importance.

We also know that customers have very little understanding of why leaks occur and the challenges that water companies face in repairing, resolving and avoiding leaks. We agree with the brief that a deliberative approach is required to educate customers about some of the leaks issues, before we begin to develop strategies and comms for Wessex Water.

We are also conscious that the leaks strategies and comms approaches will have to be easily understood by the "man on the street". After the deliberative workshop we will run an analysis session with Wessex Water to pick the best or most useful outputs from the session. Our designer will then mock-up some example comms for our recommended Pop-up round of research to test the workshop outputs with regular, 'uneducated' customers.

Over the next few slides we will detail:

- How our deliberative workshop will run
- Our workshop sample design
- Information about our analysis session and the design outputs from that
- How the Pop-up comms testing will work
- Our approach to seldom heard audiences



Deliberative Workshops

Our deliberative approach will be split over two sessions:

The first session will focus on developing knowledge
1. Spontaneous associations and understanding – p10
2. Education – p11

The second session (run a week later) will focus more on outputs and the future
3. Developing performance commitments – p12
4. Creative development – p13

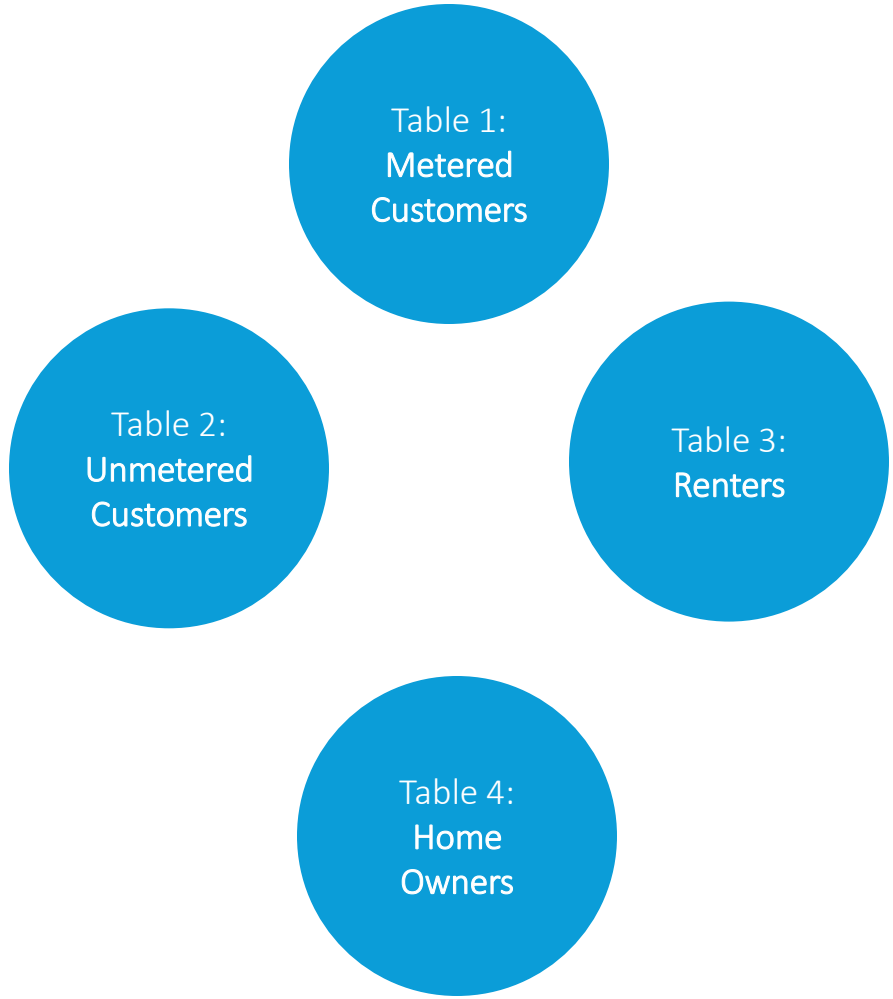
To engage the participants over two sessions and ensure that we include people from across the region we will need to provide high incentives, use a welcoming and well designed workshop venue and pay travel expenses.

In order to keep participants engaged during the workshops we will use a range of different tasks and techniques including creative design techniques, ideation techniques and external speakers.

We will keep participants in small, sample specific groups all day so they can develop a rapport with each other, by the time we come to focus on the creative tasks at the end of the session the participants will know each other well and be highly sensitised – which is always vital when getting consumers to do creative tasks.

Each table will also have 1 x Populus facilitator working with them all day to keep them on track and answer any questions. We would also welcome Wessex Water stakeholder participation, we would allow for 2 x Wessex Water attendees per table (10 total).

The workshop will be led from the front of the room by Tom Anderson, who will also be the primary contact for this project and will be responsible for overseeing the creation of the workshop guide and all materials.



Workshop 1, Part 1:

Spontaneous associations and understanding

AIM: To understand the pure, uneducated view on leaks. We know that most participants won't think too much about water, but that leaks will probably be front of mind when they think about water companies. This section will initially explore where 'leaks' sits in terms of water priorities, before we start to understand what people think about when they think about leaks and what their expectations are of Wessex Water. This section will also be a useful reference in our analysis, as we'll be able to clearly see how (or if) opinions change after education.

TASK 1: Rank Wessex Water Priorities

AIM: To understand where leaks feature in the priority hierarchy.
METHOD: Each table will be given a list of all the different WW priorities and asked to order them by level of importance to them as a customer
Participants will not be told that the workshop is about leaks at this stage so we will get a 'clean read'.

TASK 2: Leak Discussion

AIM: Uncover what people know about leaks, the causes of leaks and what Wessex Water's role should be
METHOD: The Populus moderator on each table will lead the discussion, asking key questions. There will also be the opportunity for Wessex Water stakeholders to ask questions and join in the discussion too.

Workshop 1, Part 2:

Education

AIM: To provide our participants with all the information they need to give an informed opinion regarding future performance commitments. We will provide participants information in a number of ways, a mixture of talks, tasks and video testimonials. We will present the business case to the whole room, then each table will rotate through the remaining four topics. (n.b. the topics selected are our interpretation of the issues from our experience and the brief, however these can be refined upon commission).

The 5 topics (20 mins on each)

1. Business Case: A Wessex Water stakeholder or expert to talk to the table about the cost of investment in infrastructure, future plans, the state of the pipes and other key issues. (15 min talk, 5 mins for questions)

2. Why do pipes leak? : Wessex Water to explain some of the challenges they face with preventing leaks – why does a pipe leak? What can be done to prevent it? (15 minute talk, 5 mins for questions)

3. The impact on customers: We will pre-recruit some participants who have been impacted by a leak (loss of pressure, closing a business etc) for quick teledepth interviews before the session to create stimulus. We will create pen portraits of their experiences and share audio from the interviews to bring the customer experience to life

4. Comparative Performance Information: We will provide participants with information relating to how Wessex Water performs compared to other water companies – does this make a difference to participant expecations?

5. Understanding the water cycle: Water leaks are not like gas leaks in that the water isn't 'lost' but goes back into the water cycle – we'll provide information about the water cycle and host a discussion about the impact this has on views on leaks.

Workshop 2, Part 3:

Developing Performance Commitments

AIM: We will look to apply the participants' new found knowledge by putting them in Wessex Water's shoes and asking them to develop a strategy for the future. Each table will be provided with a summary of the deliberative information and presented with a number of bespoke ideation tasks to help their thinking, before creating a plan and presenting to Wessex Water stakeholders. Potential idea generation tasks are illustrated below:

TASK 1: Alternative Worlds

AIM: Understand what is possible by thinking what other companies would do!
METHOD: Participants are provided with a template to work through, they think of an alternative company (e.g. John Lewis, Apple, Amazon) and think how they would solve the leak problem
OUTPUT: By approaching the problem form an alternative angle we open the space to ideas of what is possible

TASK 2: Break the rules

AIM: If we know what the worst that can happen is, and we do the opposite we get a best case scenario (and what to avoid!)
METHOD: Participants imagine the worst things that Wessex Water can do then flip them and do the opposite
OUTPUT: It's always easier to think of the worst case scenario – this task takes those cynical thoughts and spins them round to present the ideal situation

TASK 3: Scenario Modelling

AIM: Understand the ramifications of different choices
METHOD: Our analytics team will create a bespoke tool (see p18-23) allowing participants to input different choices and then see the impact of those choices on their bills or the environment
OUTPUT: Participants to have a deeper knowledge of the impact of various decisions

TASK 4: Dragon's Den

AIM: For each table to distil and then share their thoughts with the wider group
METHOD: Each table creates a plan and then presents it to Wessex Water 'Dragons' who can ask questions
OUTPUT: 5 plans from (1 per table) from which we can create a master customer plan in our analysis session

Workshop 2, Part 4:

Creative Development

AIM: To understand what the key messages are for Wessex water to communicate with their customers. Plus we will think about the best channels and ways of contacting customers. Ultimately we will deliver some example comms approaches and the types of content to test in the next stage.

PART 1

Participants to think about what the key messages are that Wessex Water needs to communicate, and how they should think about delivering them creatively. To get the creative juices flowing we will provide a range of materials so that customers get creative in different ways before we move to Part 2 which is slightly more directional. Approaches:

1. Automatic writing: Each participant to write down what they think the key story is that they would want to be told. They have 5 minutes to keep writing (without thinking too much about it) and the challenge is to fill the page.
2. Art from within: Participants to simply draw how they feel about leaks. We want them to think about the images that come up and best tell the story.
3. Making Models: Using materials such as Lego and play-doh participants create models that represent the issues involved. Creating using unusual materials helps open the mind creatively.

PART 2

We will provide various templates including; TV storyboard, print poster outline, Facebook interactive advert template, comic strip etc.

Participants will be asked to direct their creative juices to developing different templates to best tell the leaks story they think it is important to tell.

They will use the stimulus they created in Part 1 as thought starters for the types of imagery and different messages they should be trying to get across.

Once all the different comms plans have been developed we'll share each tables' designs with the wider group.

Workshop sample overview

We have laid out who we imagine participating in the deliberative workshop, however we anticipate refining the sample design in consultation with Wessex Water after commission

	Table 1 (metered)	Table 2 (metered)	Table 3 (unmetered)	Table 4 (unmetered)
Metered Customers	X 6	X 6	NA	NA
Unmetered customers	N/A	N/A	X 6	X 6
Age	25-39	40+	25-39	40+
Bill Size	All participants to be responsible for bill paying: 2 x high bills 2 x medium bills 2 x low bills			
Leaks	Each table will contain 2 x participants who have been impacted by a leak (e.g. seen leek in street, low water pressure due to leak)			
Demogs	Mix of social grade and gender			
Green Attitude	Mix of green mindsets in line with previous recruitment practice			

Post-workshop

Wash-up & design

The day after the second workshop we will hold a “wash up session” where we will do the following:

1. Review the workshops – what did we find out? Was anything surprising? Were any of our hypotheses challenged?
2. Sift through materials – what was created in the workshop that is most useful? What needs to be built on or discarded?
3. Create a brief for our designer to work-up for our final Pop-up stage.
4. Create a list of questions we want to ask in our final Pop-up stage. Are their any areas that we need more detail on? Are there any new hypotheses that we want to verify with a new batch of consumers?

We would love to hold this session at the Wessex Water offices with the input of the stakeholders who attended the days. We realise that some stakeholders will have limited time available, so we would encourage quick 15 minute downloads where they can share their thoughts with the wider team to ensure they are included in the next stage.

Populus would facilitate this wash-up session.

Following the wash-up session we will brief our in-house designer to take selected outputs from the deliverables workshop and create some initial comms.

Obviously at this stage the comms created will merely give an idea of the types of materials that may be created at a later date. However, we feel that it is vital to provide our new cohort of customers with professionally created materials in order to get the best possible feedback.

All materials that are created will be passed to Wessex Water for sign-off prior to the final Pop-up sessions.

Final stage

Pop-ups

AIM: Much of our proposed approach has focused on developing a strategy and various comms after working with customers to educate them about leaks. However, it is vital that the strategy and associated comms work for the 'man on the street'. Therefore we recommend a final stage to take our hypotheses and designed consumer comms and present them to a new set of participants. The quickest and most cost effective method is to use a pop-up research methodology.

How it works

- We rent a room somewhere in the centre of town (ideally a different location to that of the deliberative workshop)
- We recruit 20 Wessex Water customers from the street using a pre-hired recruiting team
- Participants are interviewed for around 20 minutes on the following topics:
    1. Spontaneous thoughts on leaks
    2. Present them with key or most impactful information from the deliberative workshop to gauge reaction and understanding
    3. Show mocked-up comms and check for understanding and how they could be further improved
    4. If required, we can also work out how to develop the trade-off simulator (see p18-23) as a customer facing tool in this final pop-up stage

Why it works

- Covering c.20 participants in an afternoon will allow us to explore the objectives with a range of participants in a cost effective way
- We reach participants that regular market research techniques often fail to reach – perfect for checking understanding and relevance of comms
- This method enables us to sense check whether the outputs from the deliberative workshop actually work for normal, uneducated customers and enables us to make refinements as necessary

Including seldom heard audiences

We recommend some further depth interview with harder to reach or vulnerable audiences for who participation in a workshop may not be appropriate

We have done a lot of work in this area for a number of clients including Thames Water, Scottish Power and United Utilities.

When conducting research with harder to reach audiences we know that it is necessary to be cognisant of the individual needs of each participant and we adapt our approach accordingly depending on the project. At the heart of our approach is ensuring that the participant is comfortable and understands the process. We also use a specialist recruiter who is expert at finding the right participants through a range of channels including social media and community groups.

We recommend conducting 8 interview with seldom heard audiences. The interviews will follow a similar format to the Pop-up sessions in that we will seek to understand spontaneous responses to the leaks issue. We will then share some of our hypotheses and messaging with the participant before getting them to reflect on the comms our designer has created. In each interview we will finish by establishing what the needs are of the participant and how Wessex Water can best serve them with information.

Talking to NHH

NHH customers often have very different needs to HH participants and their attitude to comms is informed by their business requirements.

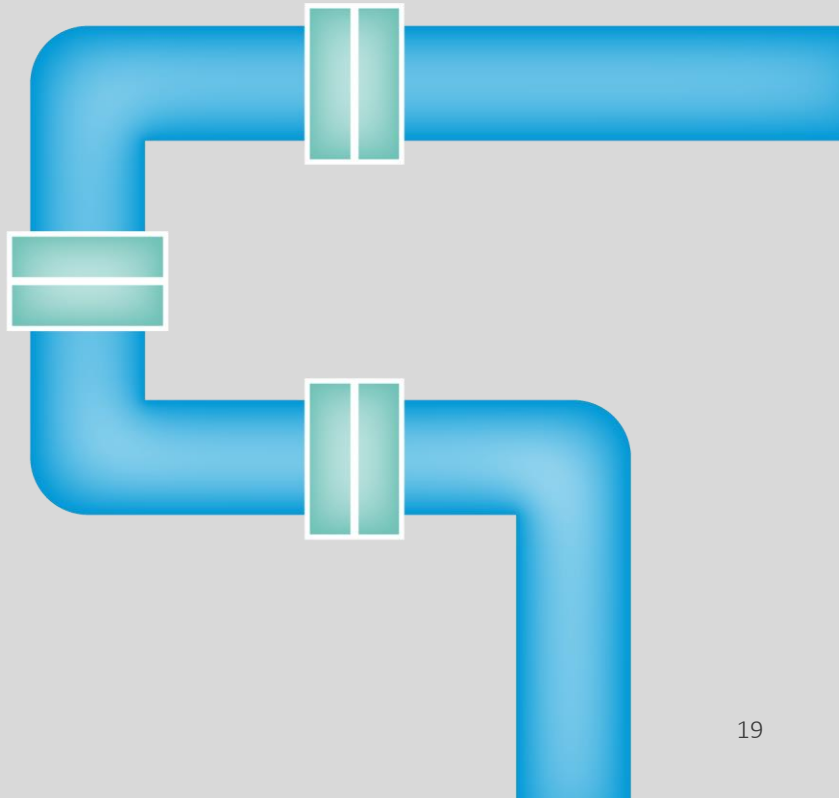
Therefore it is vital that we allow NHH customers to feed in to the process. They will be able to highlight the areas that are important to them and the areas that potentially require more focus to satisfy NHH needs.

We propose running 6 x 1hr depth interviews with decision makers in various SME businesses.

SAMPLE OVERVIEW
2 x fewer than 4 employees 2 x 5-10 employees 2 x 10 + employees
3 x water is business critical 3 x water is not business critical
Mix of industries

Approach – Quantitative Component

We propose to run a quantitative survey amongst 400 of your household customers, which will give you robust findings that can stand up to the highest levels of scrutiny. The survey will incorporate a real-time trade-off simulator aimed at exploring customers' priorities regarding water company activities to reduce leakage. Specifically, it will identify how customers divide up a single pot of investment to realise an improvement.



Populus

Overview of Approach

Online survey amongst 400 Wessex Water household customers (250 from PopulusLive Panel and 150 from other partner panels)

Questionnaire will be 15 minutes in duration and will incorporate a real-time trade-off analysis

Populus will quantify the potential decline in 'willingness to pay' for leak reductions once customers understand the overall impact on their bills

Trade-off Analysis

We propose an interactive model which allows respondents to select service elements with various costs associated with them and then modify these based on their reaction to the overall bill (bottom right). The service elements will be specific to the reduction of leaks (e.g. investment in technology, response times, pipe replacement, etc.)

This analysis would allow us to determine which factors are valued and prioritised when real world price-tags are associated with them.

- For each service feature, we would be able to identify the proportion that wished to have it included and wished to pay for it.
- We would also be able to identify the most common combination of service attributes desired.
- We could also examine the most common combinations of service attributes selected for given total price levels, allowing Wessex Water to be able to determine what are the attributes that respondents actually want and what they're willing to pay for.

In order to achieve this, we would need to work with Wessex Water to transform each of the services into something specific which could have a specific price tag associated with it (see top right). This would allow us to test the various propositions when their associated cost was explicit and when that contribution to the overall bill was immediately realised.

Please click on this link for a live demonstration of this tool: http://populuslive.online-host.solutions/mrIWeb/mrIWeb.dll?I.Project=DEMO_BILLING&i.user2=cl2

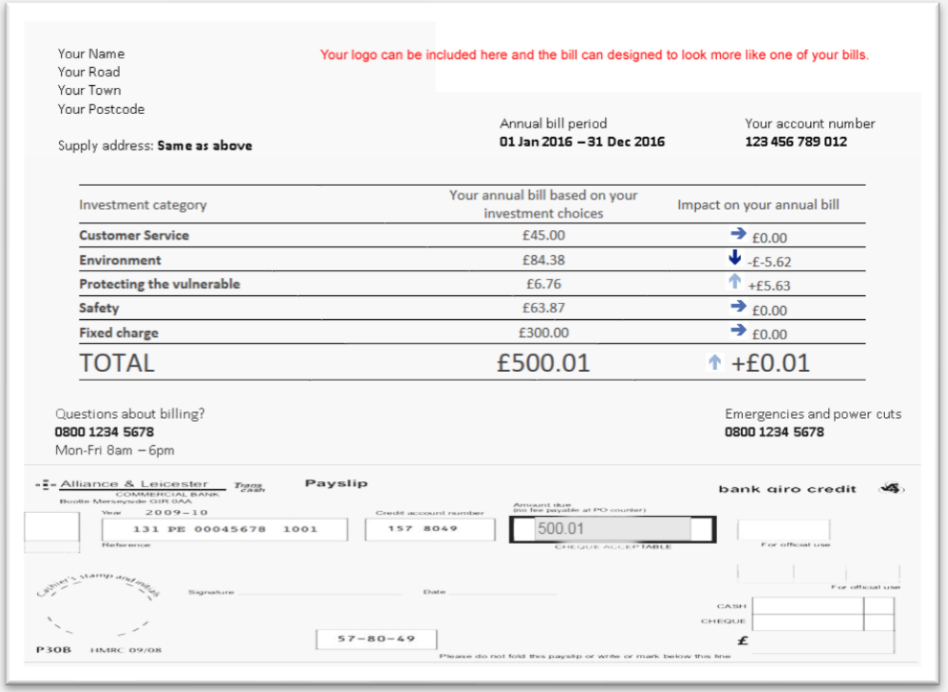
Populus

* Current reported leak fixture rate in Wessex Water annual report 2016

We would develop three options for each service element: A reduction in service (with reduced bill), no change to current service (no effect on bill) and an enhanced service (with increased bill).

50% of customer reported leaks are fixed within a day	*68% of customer reported leaks are fixed within a day	90% of customer reported leaks are fixed within a day
Effect on bill: Reduction by £7 per year	Effect on bill: nill	Effect on bill: Increase by £15 per year
○	◉	○

Example of what the respondent would see at the end of the exercise:



Your Name
Your Road
Your Town
Your Postcode

Your logo can be included here and the bill can designed to look more like one of your bills.

Supply address: **Same as above**

Annual bill period
01 Jan 2016 – 31 Dec 2016

Your account number
123 456 789 012

Investment category	Your annual bill based on your investment choices	Impact on your annual bill
Customer Service	£45.00	→ £0.00
Environment	£84.38	↓ -£-5.62
Protecting the vulnerable	£6.76	↑ +£5.63
Safety	£63.87	→ £0.00
Fixed charge	£300.00	→ £0.00
TOTAL	£500.01	↑ +£0.01

Questions about billing?
0800 1234 5678
Mon-Fri 8am – 6pm

Emergencies and power cuts
0800 1234 5678

Alliance & Leicester COMMERCIAL BANK — Payslip — bank giro credit

Year 2009–10 | 131 PE 00045678 1001 | Credit account number 157 8049 | 500.01

57–80–49

P30B HMRC 09/08

Consumer Engagement

Consumers find this real time approach to trade-off analysis engaging. It makes complicated, long term investment decision about difficult-to-understand regulated businesses relevant and accessible to consumers. See case study on p36.

A more bespoke tool can be created for Wessex Water if budgets permit. As mentioned in the pop-up section of the proposal (p16), our internal graphics designers can create a more visual customer facing version of this tool to be added onto the Wessex Water website ongoing. For example, we can incorporate an exact replica of your bill for the tool and ensure that the overall survey is branded. Optional costs have been included for these deliverables.

Typical comments from people who have participated in our approach are detailed below:

'Interesting and informative and has made me more aware of difficult decisions which may have to be made for the general benefit of all.'

'Interesting and thought provoking.'

'Excellent, quite an eye opener.'

'It made me think about the service we take for granted.'

'This survey was of great interest and provides a better insight into the industry.'

'I found the survey very interesting. Decisions that need to be made about present and future investment should be put to the consumer as per this survey.'

'The questionnaire format made understanding the questions easier.'

'Very interesting survey ... completely different.'

Example output

The outputs would allow Wessex Water to determine which service levels were important once effect on overall bill is taken into account. Specifically, it will contribute to objective 3 (p5) and identify how customers would divide up a single pot of investment to realise an improvement.

Your Name
Your Road
Your Town
Your Postcode

Supply address: **Same as above**

Annual bill period
01 Jan 2016 – 31 Dec 2016

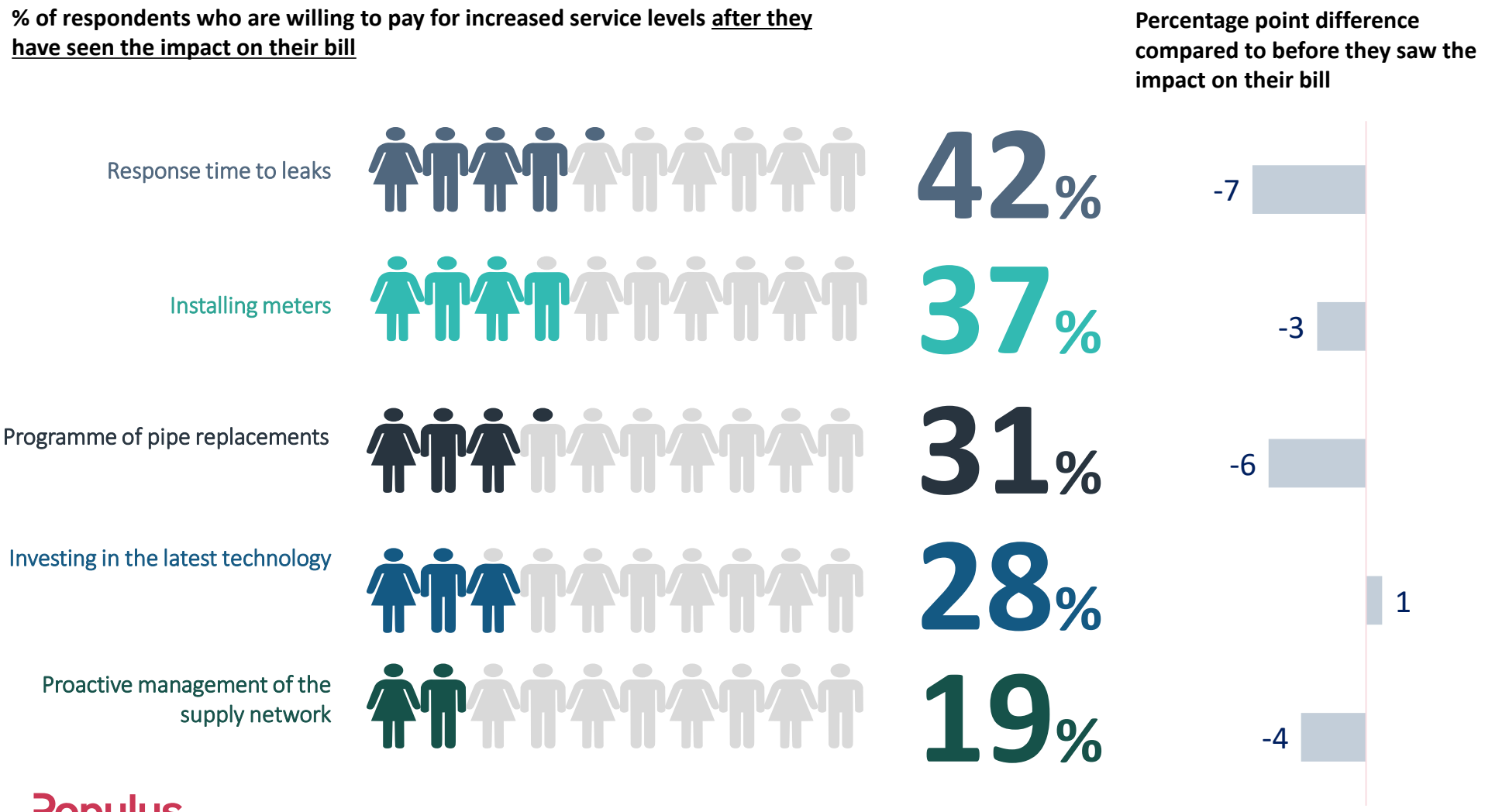
Your account number
123 456 789 012

Investment category	Pre-bill	Impact	Post-bill	Impact
Response time to fixing leaks	£4.05	+£1.35	£3.26	+£0.56
Installing meters	£0.28	+£0.10	£0.26	+£0.08
Programme of pipe replacements	£0.10	+£0.06	£0.09	+£0.05
Investing in the latest technology	£1.64	+£0.33	£1.51	+£0.20
Proactive management of the supply network	£13.62	+£1.14	£13.23	+£0.75
Investing in R&D	£4.09	+£0.79	£3.71	+£0.41
Response time to fixing burst pipes in the winter	£0.62	+£0.26	£0.58	+£0.22
Fixed charge	£100.00	0.00	£100.00	0.00
TOTAL	£124.40	+£4.03	£122.64	+£2.27

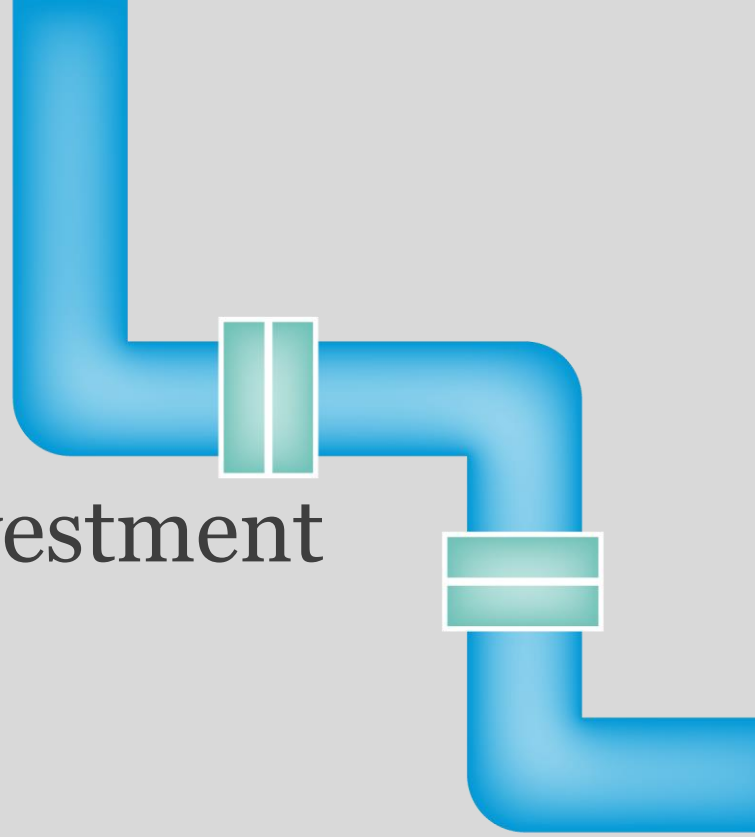
In this made up example, the total amount that customers were willing to pay on enhanced service levels dropped from an extra £4.03 to an extra £2.27 per annum once they saw the overall impact that their choices had on their bill.

Example Output:

Customers are most willing to pay for an improvement in response time to leaks, even though this has reduced the most once they see the impact on their bill (down from 49% pre bill shown)



Populus



Deliverables, Timings and Investment

Deliverables

At Populus, we see research as a means to an end – the end being the delivery of critical knowledge to Wessex Water in a way that can effectively drive business change. To do this successfully, it is vital to engage with key stakeholders and for the outputs of the research to become embedded into your organisation.

SUMMARY REPORT

We will provide a summary report of the key findings from the deliberative event within a week of the fieldwork concluding.

FINAL FACE TO FACE PRESENTATION

Presentation of our qualitative and quantitative findings delivered at the end of the project. Will deliver clear and direct conclusions as to what your future performance commitments regarding leakage should entail.

BESPOKE CONSUMER FACING SIMULATOR (TRADE-OFF) TOOL

Optional costs have been provided for the delivery of a bespoke consumer facing simulator tool to Wessex Water that can be embedded into the company's website.

INFOGRAPHIC

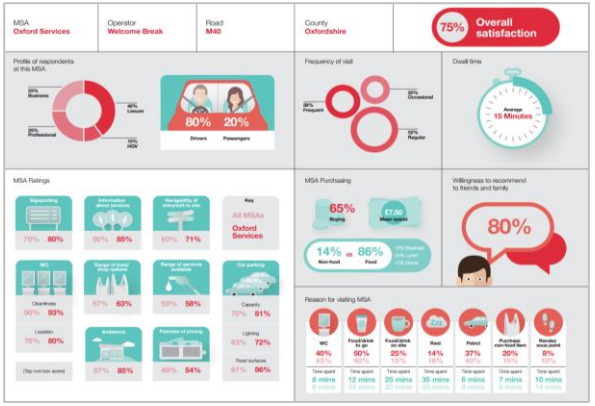
A professionally produced infographic that visualises the key findings from the research in a standalone, refreshingly clear poster format (see overleaf).

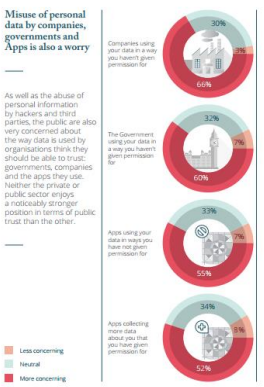
COLATERAL APPENDIX

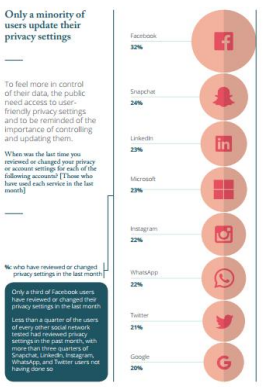
Wessex Water will be given open access to all collateral material produced during the deliberative event and pop-up stage (task outputs, images, transcripts and notes).

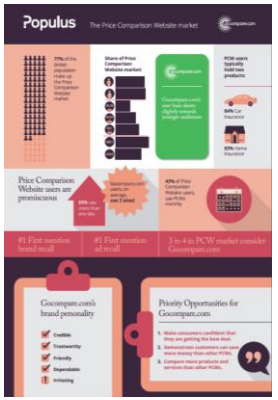
Infographics

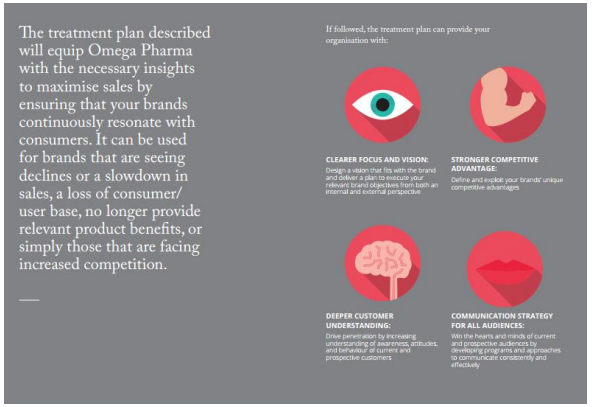
Our in-house team of graphic designers will produce a bespoke infographic that will pull together the main themes of the research to assist in stakeholder engagement. Some of their work is included below.

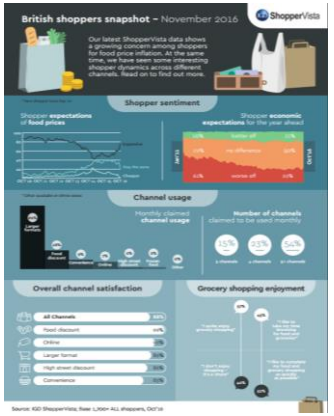










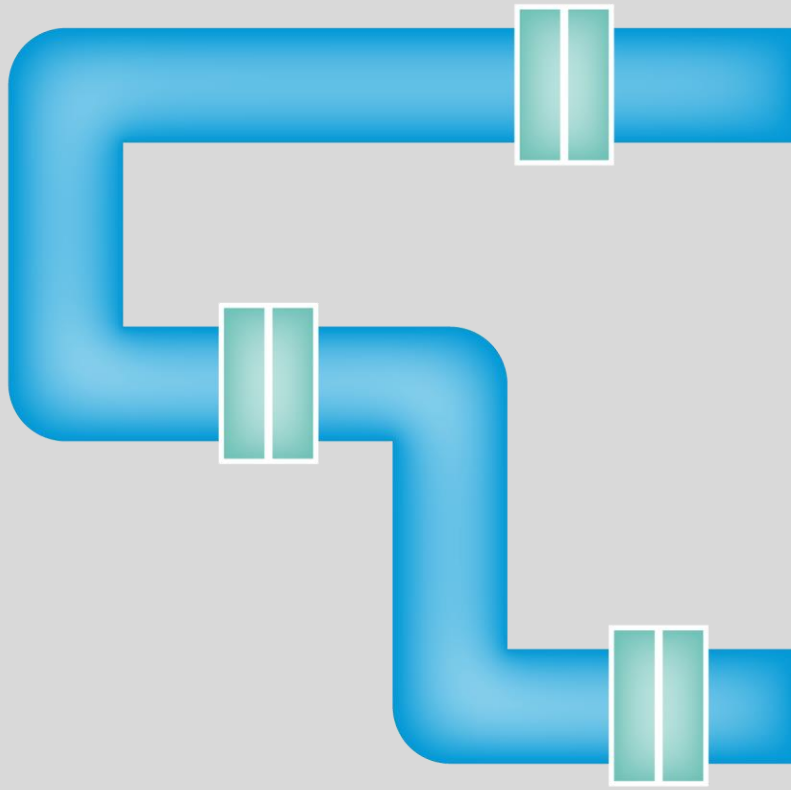


Timelines

Below are our proposed timings for the qualitative components of this project. If incorporated into the research programme, the trade-off survey can be set up, run and analysed by the end of April.

Month	May			June				July	
w/c	15	22	29	5	12	19	26	3	10
Potential Kick-off call/meeting									
Screener Delivered									
Screener Signed-off									
Recruitment									
Activity Guides & Stim Developed									
Activity Guides & Stim Delivered									
Activity Guides & Stim Signed-off									
Workshop 1									
Workshop 2									
Wash-up session									
Design time									
Pop-up & seldom heard guides agreed									
Pop-up interviews									
Seldom heard interviews									
Initial findings summary & analysis									
Report delivered									
Debrief presentation									

Team and Experience



Populus

Your Team

Gary Muncaster – Managing Director

As Account Director, Gary will oversee the overall implementation of this research project, including our approach to reporting and the interpretation of results.

With a PhD from Middlesex University and 20 years' research experience, Gary applies a rigorous analytical framework to meet his client's business objectives. He is extremely business oriented, and consistently ensures that the insight we deliver is of commercial relevance.

Gary is an accomplished presenter and is able to adapt his style to suit various audience sizes, levels of seniority and agendas. He is just as comfortable delivering consolidated and impactful findings to a board of Directors as he is presenting detailed research findings to an insight team.

Gary has worked with numerous utility organisations to deliver research projects on topics as diverse as customer experience, brand and campaign development and behaviour change. When delivering the outputs of this project to Wessex Water, he would draw on this experience as well as the knowledge he has developed from conducting research projects for blue chip clients across a range of other industries (e.g. broadband, broadcast media, and sports).

Your Team

Andy Barker – Head of Qualitative

Andy will lead on the qualitative elements of this project and will be involved in everything from choice of methodology, creating the workshop guide, facilitating the workshop, and reporting.

Having previously headed the qualitative units at YouGov and Research International, Andy brings with him a wealth of experience in consumer research and a proven track record for helping companies identify innovation opportunities, develop new products, evolve their brands and communicate more effectively. In 2014, Andy was nominated for the MRS award for 'Best workshop' and also won an award for 'Best presented paper' at the AQR-QRCA global qualitative conference in 2011.

Andy has 20 years' experience of conducting research for a range of utilities clients such as British Gas, Scottish Power, SSE, Thames Water and United Utilities. His knowledge enables him to engage effectively with individuals in focus groups, depth interviews and deliberative events in order to uncover important insights on complex issues relating to a market that is generally not understood.

Given that water suppliers mostly have regional monopolies, Andy is inspired by the effort that is placed by the insight teams to positively engage with customers via effective marketing material that is developed with the right research.

Your Team

Tom Anderson – Associate Director

Tom will co-lead on the qualitative elements of this project and will be involved in everything from choice of methodology, creating the workshop guide, facilitating the workshop, and reporting.

Having graduated in 2006 with a Law degree from Sidney Sussex College, Cambridge, Tom worked in advertising and at the BBC, where he developed an appreciation for brands and the challenges faced by research teams.

At Populus, Tom has conducted research for a range of utilities clients including Thames Water, United Utilities, Smart Energy GB and EDF. The projects he has led have involved the development of brand strategies, testing and developing campaign messaging, testing consumer awareness of important issues (e.g. misconnections), reviewing tariffs, understanding disengaged customers and reviewing customers' smart meter journey.

Tom's qualitative research experience has been invaluable to his utility clients, particularly as he and the rest of the team have developed ways of talking to customers that maximise participant engagement, making it easier to uncover the deeper and less understood issues at play.
Tom is passionate about ensuring that research delivers actionable and practical insight. He would love to work with Wessex Water to facilitate the delivery of these outputs and ensure that stakeholders are engaged.

Your Team

Karsten Shaw – Head of Analytics

Karsten will be responsible for the Trade-off analysis – working with Wessex Water to develop the content for the simulator, setting it up, analysing the data and reporting .

Karsten has worked as a statistician in market research for 20 years. He has recently joined as Director of Analytics at Populus before which he was a Director in the prestigious Marketing and Data Sciences team at GfK for 11 years.

Karsten has broad experience in working with clients and projects across all industry sectors including Utilities, Public Sector, Technology, Telecommunications, and Automotive clients. Karsten is able to provide statistical expertise and support in an extensive range of areas including conjoint analysis, pricing analytics, segmentation, driver modelling, data fusion, econometric and time series modelling as well as in research design, sampling and weighting.

Karsten also works as a Teacher at the London School of Economics, where he tutors Market Research and Statistics to undergraduates. He also teaches for the MRS, where he contributes to a range of their statistical courses.

In 2011 he was part of the winning team for the MRS Advertising in Research Award. He also gave a presentation to the European Commission in 2013 to methodologists and research users on the long running Consumer Confidence Barometer. And in 2014 he was part of a team which won a Marketing Society award for a global segmentation for a technology client.

Our Experience

We believe we are ideally placed to deliver this research for Wessex Water given our combination of research expertise for utilities companies, our excellent track record in deliberative events/co-creation workshops and our ability to bring research-based insights to life to develop actionable recommendations. We believe the case studies on slides 35-40 are demonstrative of our expertise.

Some of our clients

Case Study - Leaks

Problem

Every day, millions of litres of water are lost though leaks, which have the potential to negatively impact brand reputation.

As such, research was required to understand customer attitudes towards leaks; including expectations for the time needed to investigate and repair the leak, and to understand what resolution looks like.

In order to fully understand the importance of leaks, it was essential to capture awareness of recent leaks, and to understand the perceived impact on their lives; providing a holistic understanding for how to best manage leaks in order to protect brand reputation and meet customer needs.

Approach

Populus carried out a fully integrated qualitative and quantitative approach to answer the core business issues. For the qualitative element, a temperature check was conducted with customers who had reported a leak to understand how their needs and emotions fluctuate during a 'leak journey'.

In-depth interviews were conducted separately to gain a deep understanding into how leaks make customers feel; both personally and in relation to the water provider.

Finally, the quantitative stage was conducted to provide robust evidence for customer attitudes towards leaks and their expectations regarding timeframes for investigating and repairing the leak.

Insight

Findings were reported to the senior stakeholders, with one of the key insights demonstrating the optimum timeframe for investigating and repairing a leak in order to maintain the brand reputation.

In addition, the insight from the report gave guidance to help shape how the provider handles leaks with its customers; from initial communications through to resolution.

Case Study – Trade-Off Analysis

In response to Ofgem's increased onus on Distribution Network Operators (DNOs) to demonstrate their understanding of key stakeholders, Electricity North West enlisted Populus to investigate the attitudes of stakeholders in its region including consumers, MPs, local government, journalists, civil servants, major electricity users and NGOs. An innovative process was used to educate consumers about the important but little-understood role of DNOs in the electricity sector. These 'educated consumers' were then able to express informed opinions about the key issues facing DNOs on a range of topics including investment decisions and the challenges of introducing a low carbon economy.

An engaged consumer panel composing of c200 'educated individuals' was set up and consulted three times at weekly intervals with online surveys. Additionally, the panel provided a readymade source for recruiting informed consumers to participate in focus groups.

The online surveys covered various elements including priorities and trade-offs that ENW faces such as renewable energy, network security, asset replacement, reliability, rationing, and pricing. A valuable trade-off analysis enabled consumers to visualise the cost/savings of investment activities on their typical electricity bill and then re-examine their priorities. This was particularly useful in helping consumers understand how their investment priorities impact on the amount that they pay for electricity now and in the future.

The results of this research programme provided evidence that 'educated consumers' backed a particular business plan that was eventually put forward by Electricity North West.

Case Study – Perceptions of costs

Problem

Our client needed to gather customer feedback to feed into a review of business tariffs following Ofwat's PR14 settlement.

Increases to the tariff for non-household customers using under 50 MI of water were proposed. They also sought to vary the net margin percentage applied to reflect the different costs of servicing different customer sizes (e.g. to more accurately represent the levels of bad debt).

Our client wished to understand business responses to proposed tariff changes and understand what "fairness" meant in a pricing context.

Approach

Populus conducted a mix of qualitative and quantitative approaches.

For the qualitative stage of research we used a mix of focus groups and depth interviews with businesses of different sizes, based on their water consumption:

- 6 x Mini-Groups with <50 MI business customers
- 12 x individual Depth Interviews with >50 MI business customers

For the quantitative stage, we used a telephone survey amongst a representative sample of business customers.

Insight

Fairness as a principle can be ambiguous but is an underpinning value of how businesses would like to be treated and to behave.

In terms of pricing/tariffs, fair = honest, open and balanced. However when applied to business, there can be a difference between what is absolutely fair vs commercially fair.

Businesses tend to judge suppliers by their own projected (high) standards.

Businesses consider risk as much as opportunity when it comes to switching any supplier and thus need a good reason to switch (such as a significant saving).

Case Study – Deliberative Event

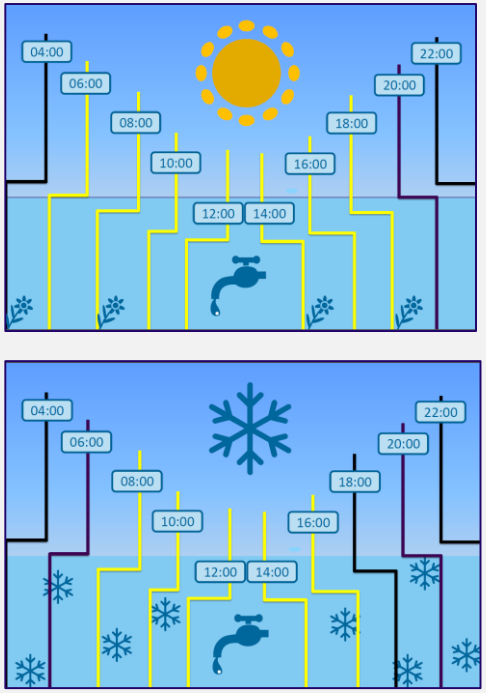
Large Water Supplier

Populus ran a programme of deliberative research sessions, with the objective of building on existing insight to inform all stages of the trial. The development of the trial included refining the tariff ideas themselves, optimising the communications to go out to consumers, and tracking consumer attitudes and behaviour over time. We ran 10 consumer workshops in the initial development stage, covering 80 participants which were representative of the general UK population (including age, family composition, religion, bill payment issues, and others.

Each 2.5 hour session involved three key elements: discovery (exploration of basic behaviours, pre-task feedback and discussion), co-creation (using creative tasks and techniques to encourage participants to create own advertising ideas), and deliberation (building in education points to explore how greater knowledge affected needs and perceptions).

As a result of these sessions, we provided the client with a set of reports and debriefs that included key findings and recommendations for action. Our reports highlighted both the potential issues and risks associated with the trial, but also informed the client's approach which avoided the pitfalls of alienating their customers.

Examples of visual stimulus used, contrasting peak use of water at various times across different seasons. Respondents were asked to explore water use based on their own experiences.



Case Study – Co-creation

Problem

In 2015 BT launched an innovative cloud based telephone system as an alternative to their traditional landlines.

BT wanted to understand how their customers were using the new cloud system and identify any issues with the installation process.

They were keen to meet their customers face to face and generate new ideas that they could implement that would improve customer experience.

Approach

Populus conducted two co-creation workshops in central London. The workshops were attended by a mix of BT employee's and BT customers and took place over two full days.

The Populus team led the sessions, using a range of creative tasks to facilitate group discussion and idea generation.

Tasks included Alternative worlds ideation, getting BT staff and customers to think about how the product and experience may differ if created by a different company e.g. Apple

Other tasks included drawing their emotions by hand at each stage of the journey and pitching the ideas generated to each other in a mock awards ceremony.

Insight

Findings were reported to the BT insight team and their senior stakeholders.

The insight generated during the sessions was used by the BT team to inform future product development in the cloud voice category and improve the customer purchase journey.

Case Study –Vulnerable Customers

Large Water Supplier

Populus ran a large deliberative project for a big water company with disengaged customers who were in arears and resisting all attempts by the company to engage with them. The client has a range of successful interventions and support mechanisms in place, and most customers who they manage to contact are helped. Their problem was that a significant minority remained resistant to contact. They were geographically clustered in the north of England and most had some level of vulnerability (long term mental or physical health issues, recent migrants, transient youth and very low income households).

Populus designed a research approach to help the client determine the wider context of debt, how people make decisions about which bills/debts to pay, where the utilities bill fits in the picture, and how the client could more effectively engage with debt-ridden customers.

Given the complexity of the research, we developed a piloted, staged and multi-audience approach. The project began with an initial scoping stage of exploration and hypothesis creation by talking to customers who have been reached and helped by the company, involving face-to-face in-depth interviews to explore their journey from debt to regular bill payments. The second stage was a pilot to approach the disengaged audience, allowing us to test our hypothesis, refine our method and fine tune the sample specification.

In order to successfully engage hard to reach audiences, we used a mix of direct and indirect approaches – letters, phone calls, emails, etc. as well as partnering with various intermediaries who knew addresses and contact details of potential respondents. We worked with local charities, local voluntary and community groups, local neighbourhood businesses, and ethnic minority representatives in the community.

The final approach included a mix of in-depth interviews with experts, intermediaries and influencers, a focus group with 6-10 migrant workers, and in-depth interviews with at risk customers (recent migrants from a range of ethnic origins, the elderly 75+, people with chronic mental or physical disabilities, and people who have recently been out of work as a result of illness).

As a result, we were able to identify the key issue for the client: that a mismatch of billing and payment cycle was leading to debt. We proposed a range of solutions related to communication and to billing innovation.

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