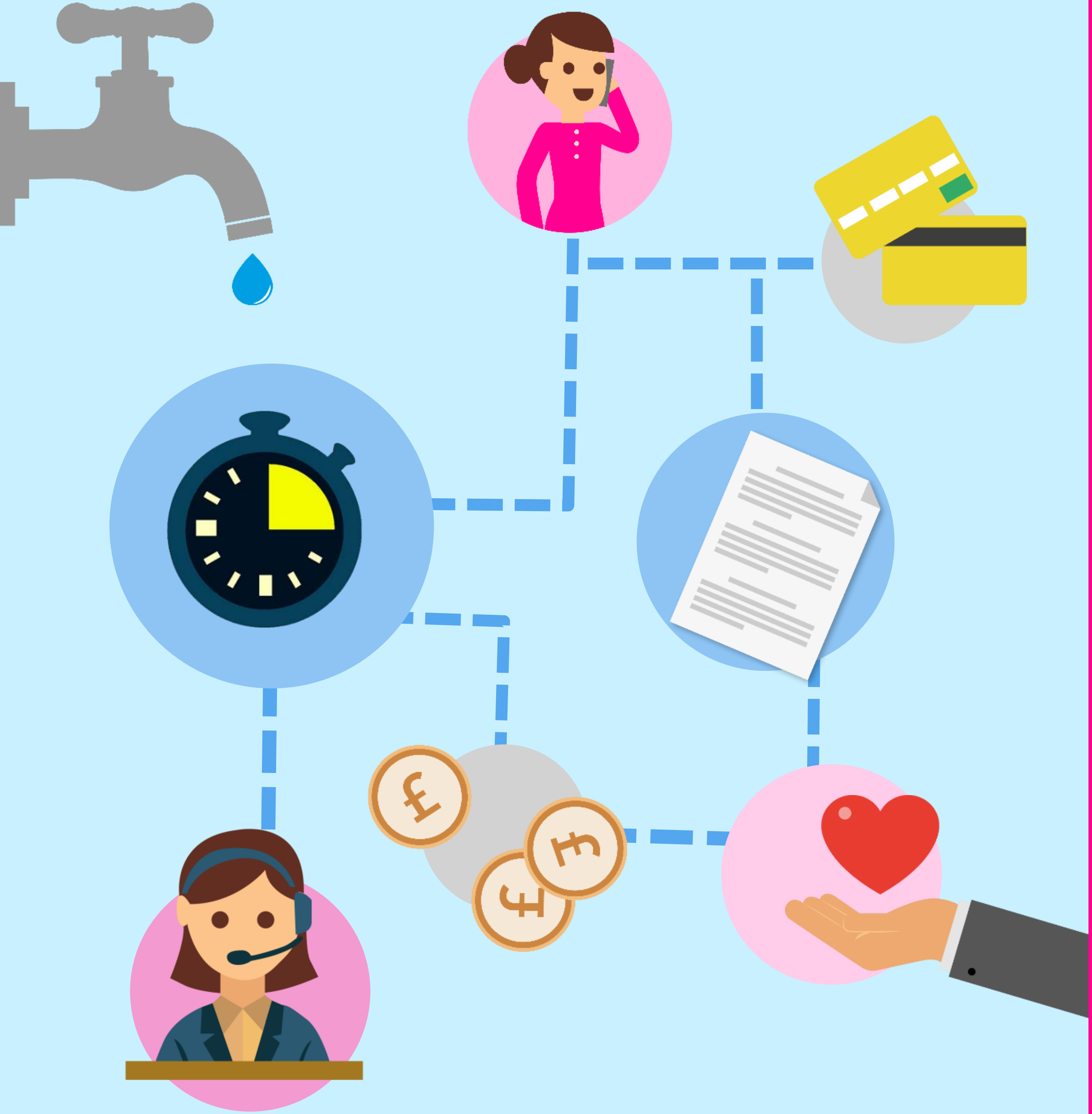
Appendix 18a:

DJS HHR Service Level Assessment

YorkshireWater



Household Retail Service Level Assessment. Phase 2

November 2017

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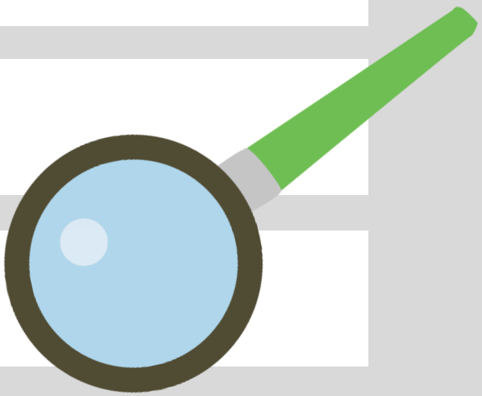
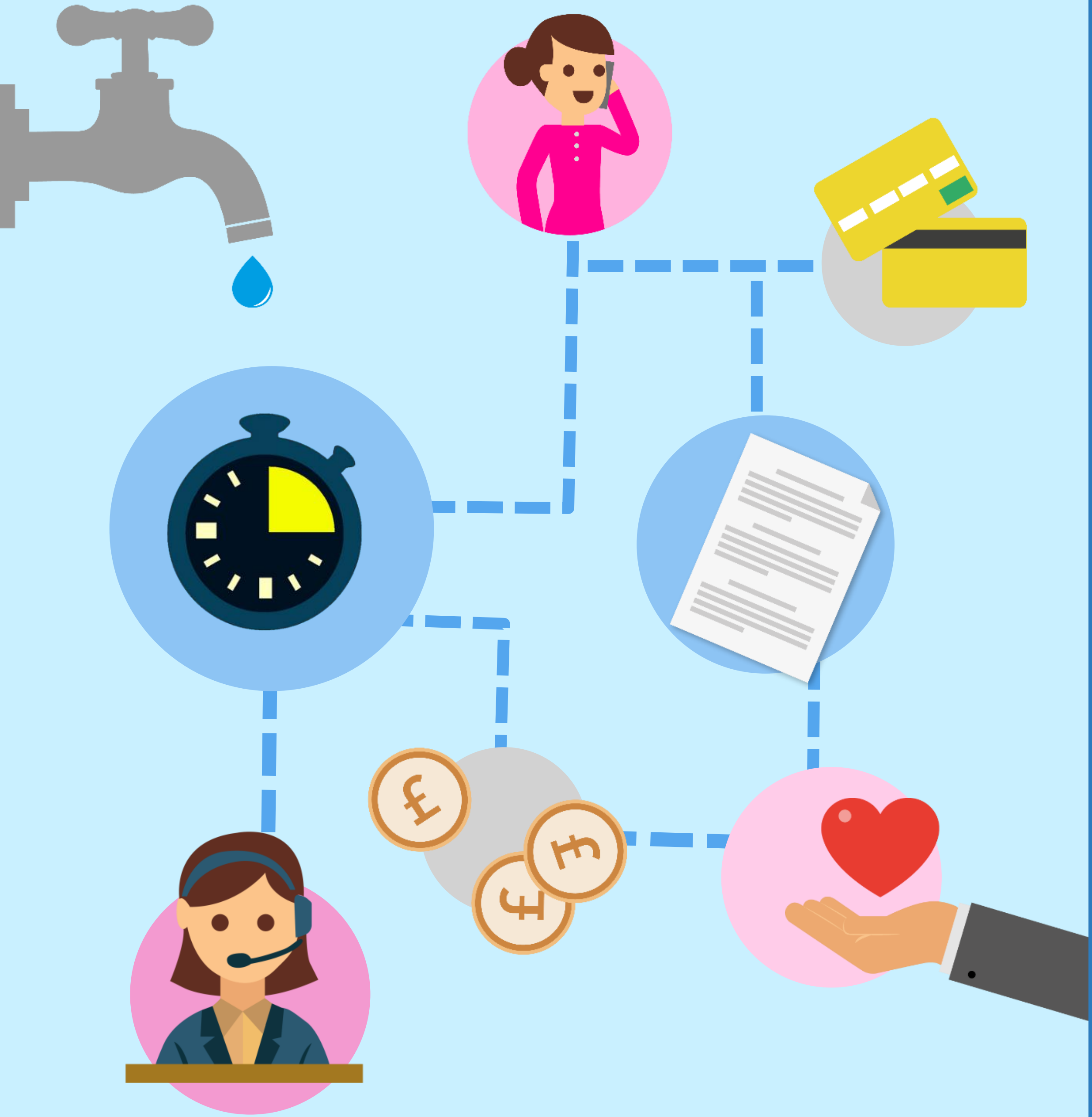
Contents





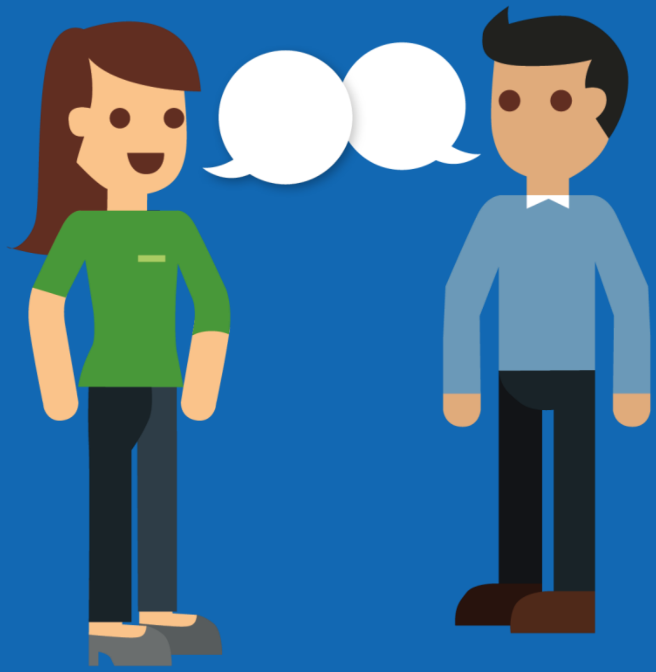
1. Objectives, method & respondent profile

Background

The next business plan (PR19) is due to be submitted to Ofwat in September 2018, to outline investment plans and charges for the 5 year period from 2020 – 2025. As part of this plan, Ofwat has confirmed that there will be 6 separate price controls, four covering wholesale areas of the business and two covering the retail side of the business.

The background requirements for this research project are to ensure that; Yorkshire Water's household retail price control plan is in line with Ofwat recommendations, that customers have been consulted on the plans, and that customers help shape the household retail business plan which will be submitted come September 2018.

This report details the findings from the second, quantitative stage of a two part research process.



Phase 2 objectives

The overarching research objective in Phase 2 of the research is to quantitatively demonstrate the ideal **retail service** offering from **YW** from the perspective of the different **customer** groups. To meet this objective, 3 key areas for investigation have been identified:

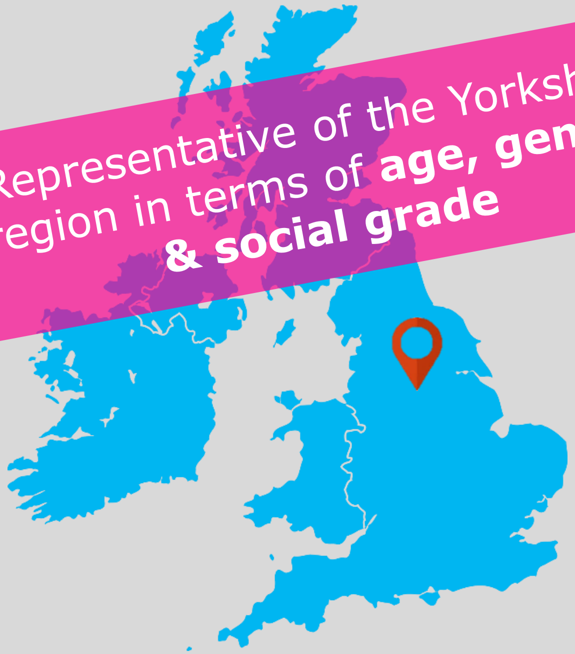
1. Explore customer satisfaction with current retail service performance and determine ideal levels of service for each aspect of the retail offering

2. Identify any customer appetite to potentially pay more for retail service improvements or make savings on their bill by reducing the current service level they receive.

3. To assess which service level scenarios customers find most satisfactory and identify a spend threshold for retail services.

Research method – Online & CAPI

Quantitative insight has been gathered through a regionally representative sample reached via an online panel as well as f2f CAPI interviews to reach out to offline customers.



Representative of the Yorkshire region in terms of **age, gender & social grade**

20 minute survey

Yorkshire Water customers who are solely (63%) or partly (37%) responsible for paying their water bill

Proportionately representative by region (online)

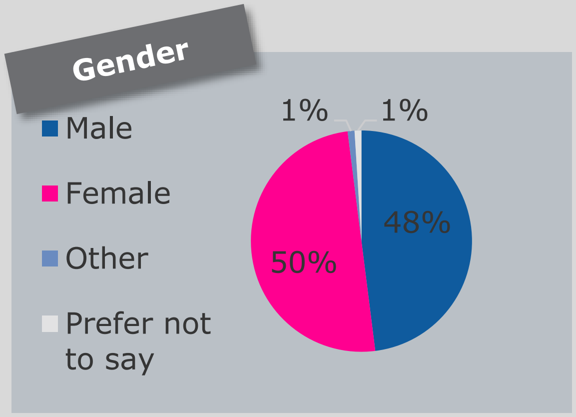
Total sample size n = **820** (707 online & 113 CAPI)

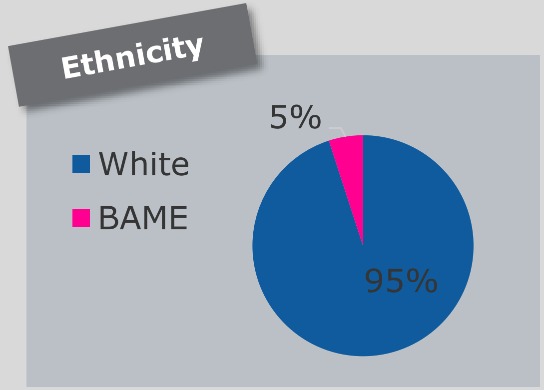
Fieldwork was carried out between the 3rd – 20th of October 2017

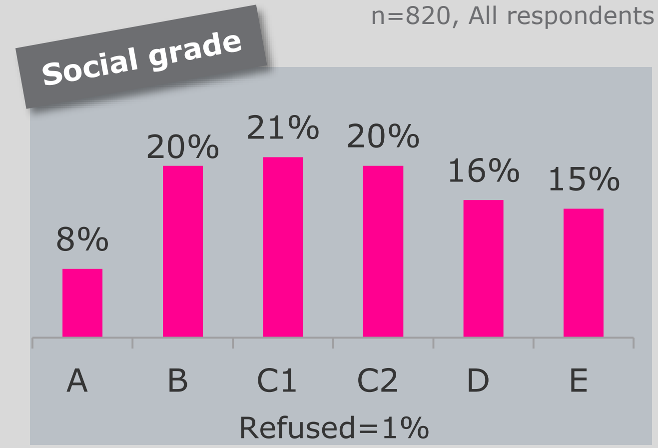
Due to a poor response rate from males the data has been weighted to reflect a proportional gender split

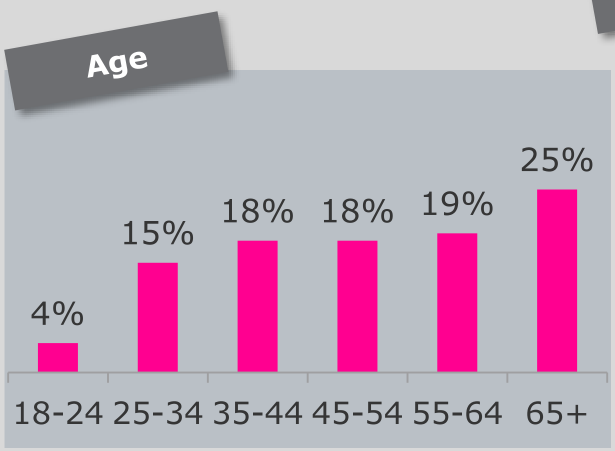
Respondent profile

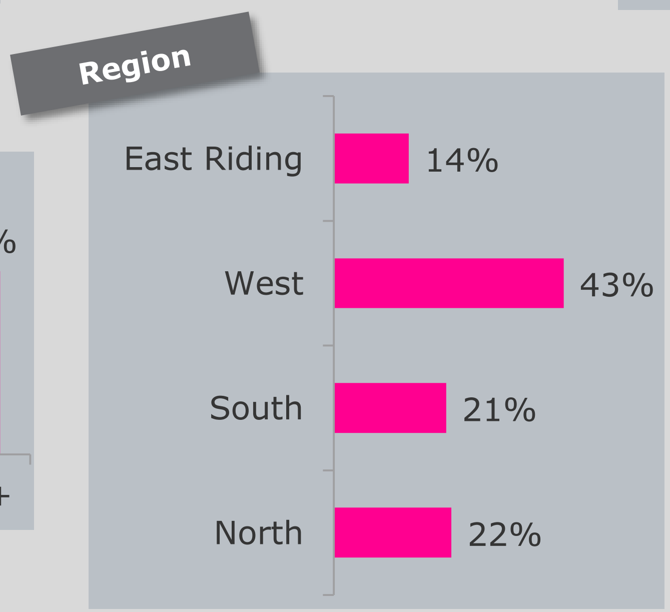
n=820, All respondents

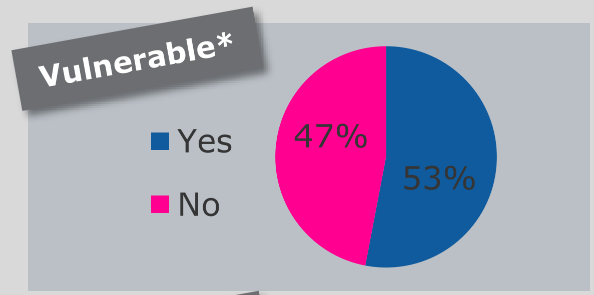


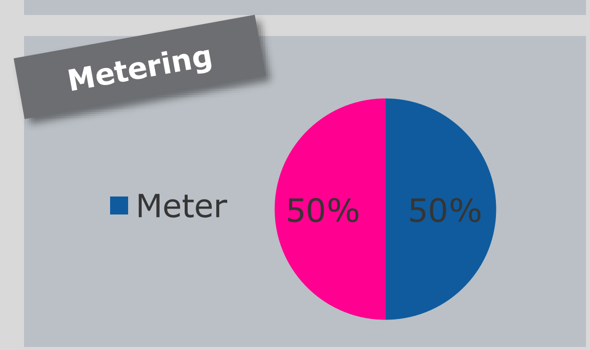




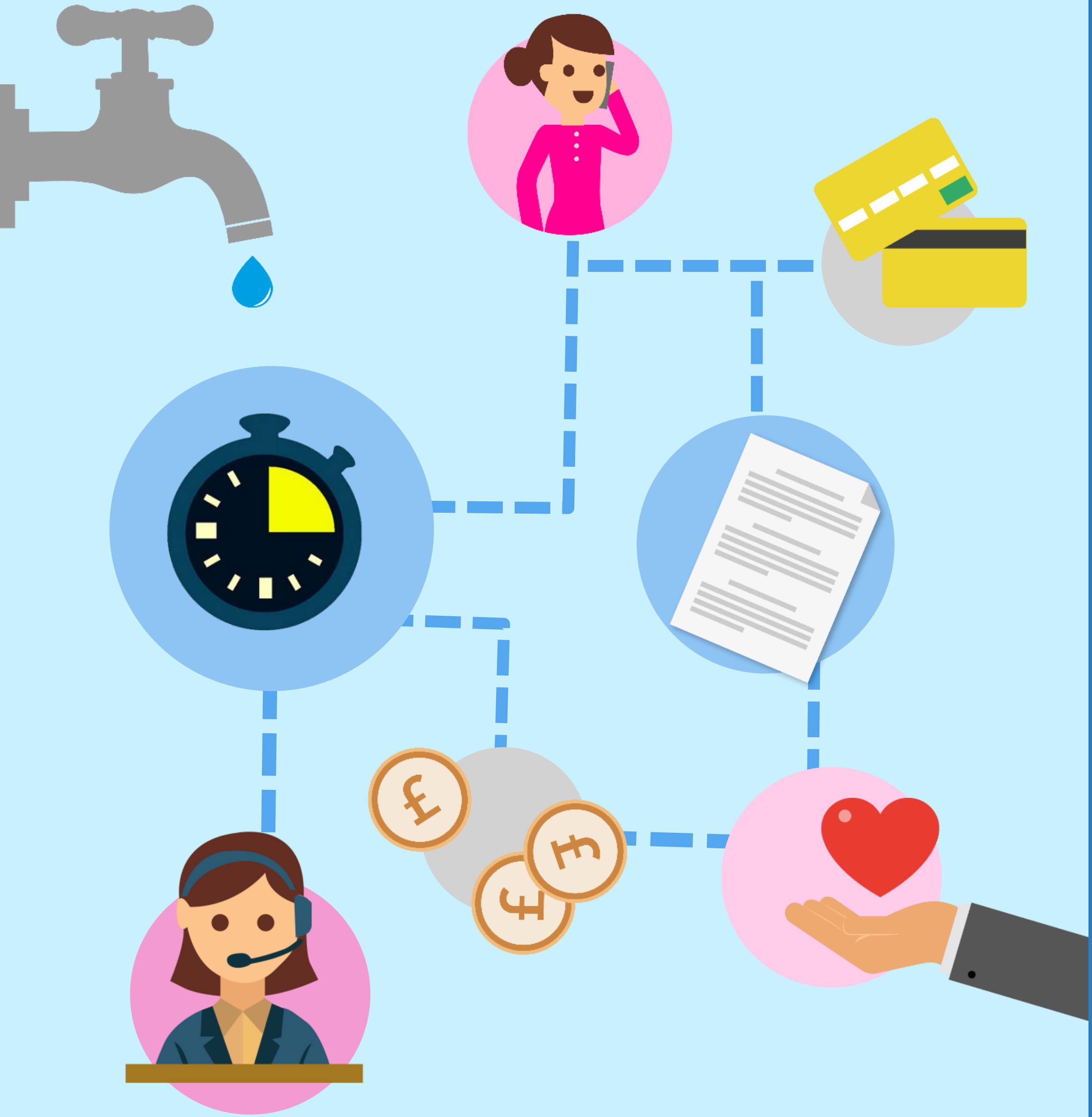








*Total vulnerable= those that either have a disability or long term illness / English not first language / Struggling to pay water bill / On benefits / Income of 10k or less / Income of 20k or less if 4 or more in household

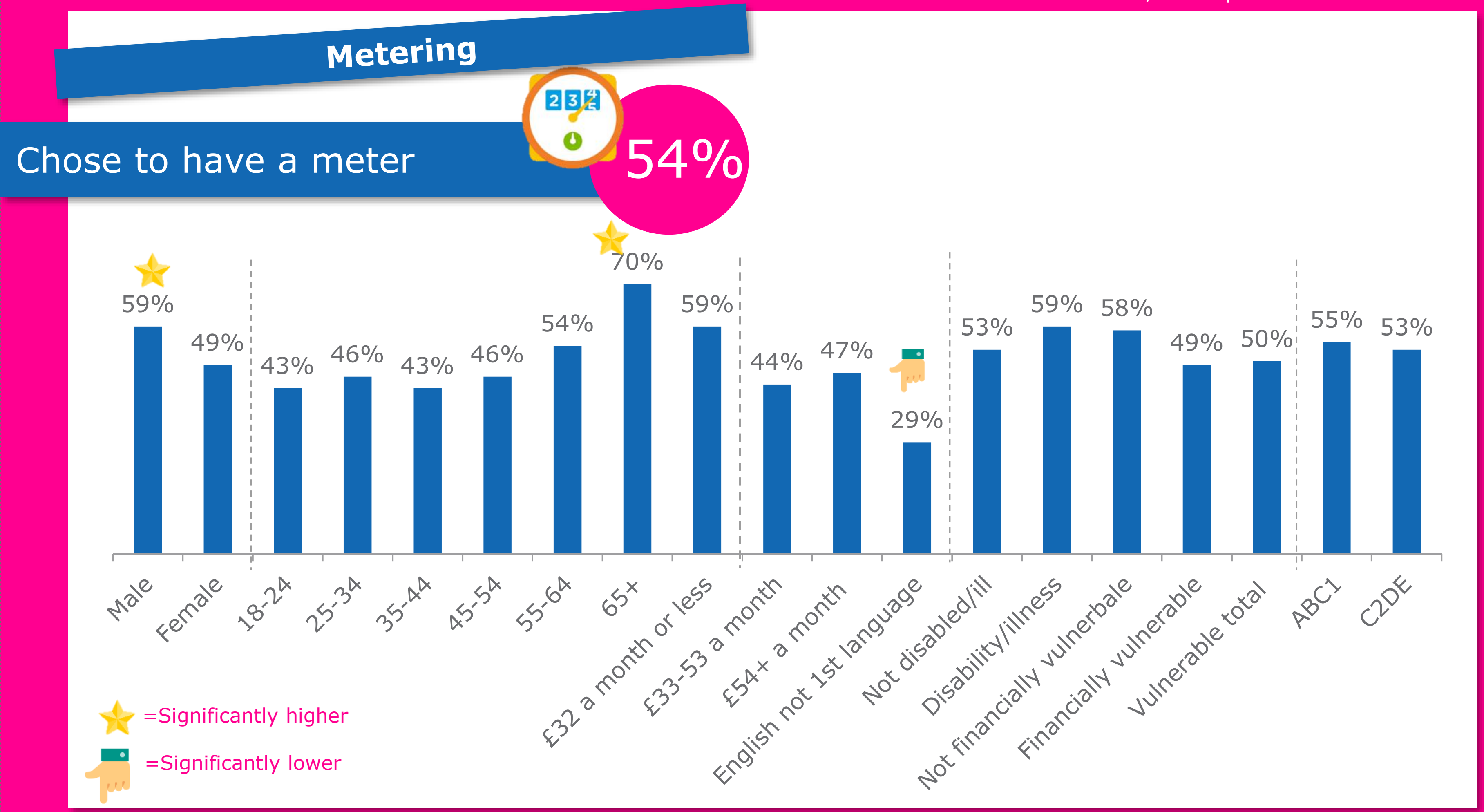


2. Metering, payments & affordability

Over half chose to have a water meter

Of those with a water meter, just over a half (54%) claim to have chosen to have a meter with older customers, males and those on lower bills being most likely to have opted for one.

n= 407, All Respondents with a water meter

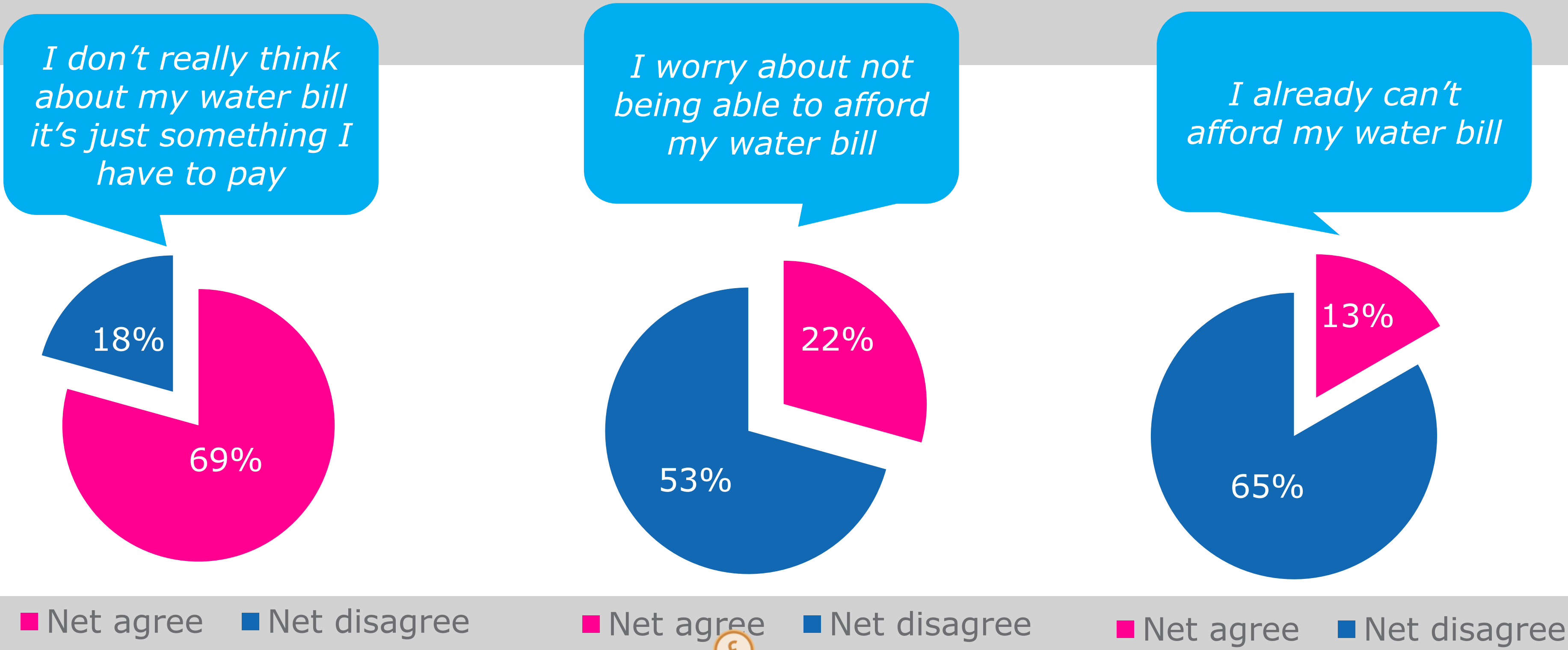


Q02 Did you choose to have a water meter?

Over a fifth worry about affording their bill

Whilst the majority of customers tend not to think about their water bills, just over a fifth (22%) have worries about not being able to afford their bill.

n=820, All respondents



In total **24%** agree with both financial vulnerability statements

Q04aSUM Please tell us how strongly you agree or disagree with each of the following statements in terms of how well it describes your attitudes towards your water bill.

18-24s & females more likely to worry

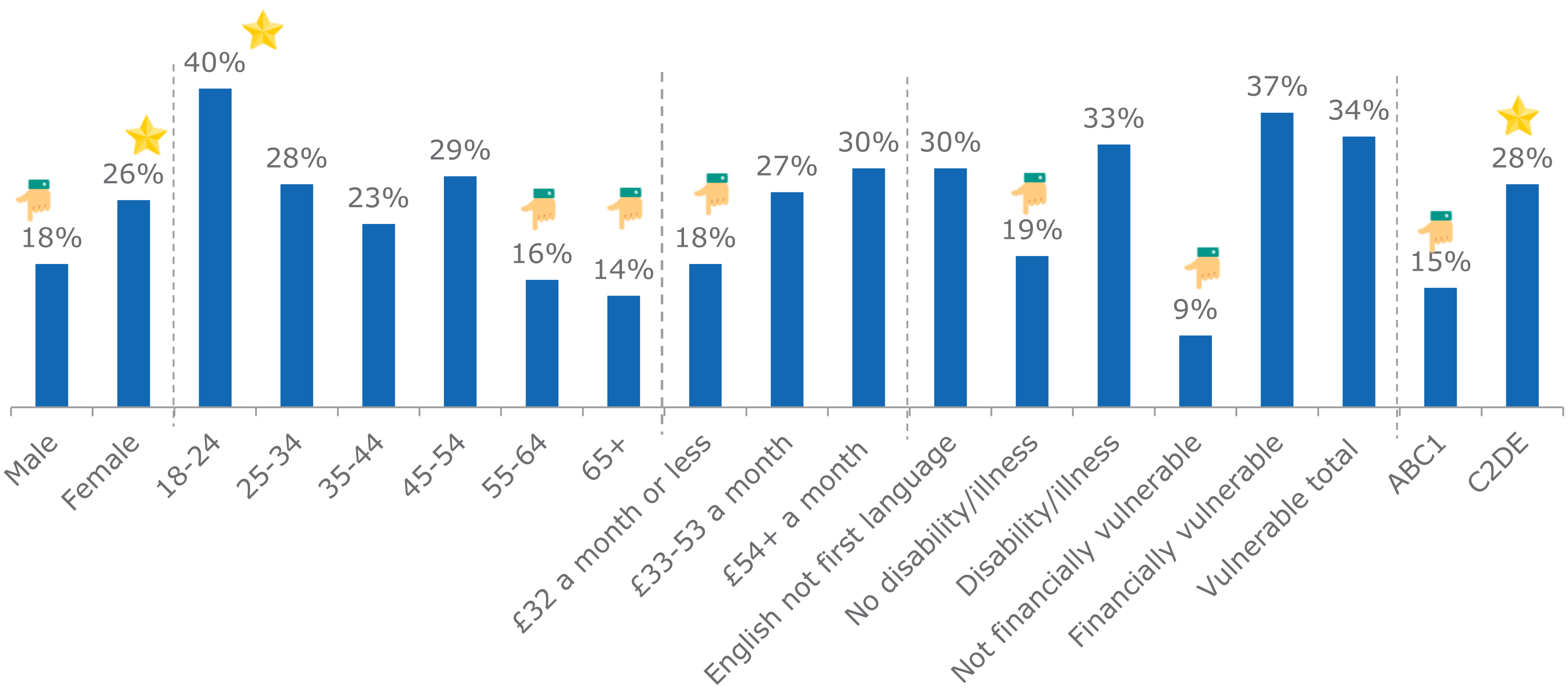
Younger, female and lower social grade customers are most likely to worry about not being able to pay indicating that they're perhaps less informed about ways to reduce their bills and less able to manage their payments long-term.

n=820, All respondents

Worry about not being able to afford bill

Net agree (Slightly agree/Strongly agree)

Total agree = **22%**

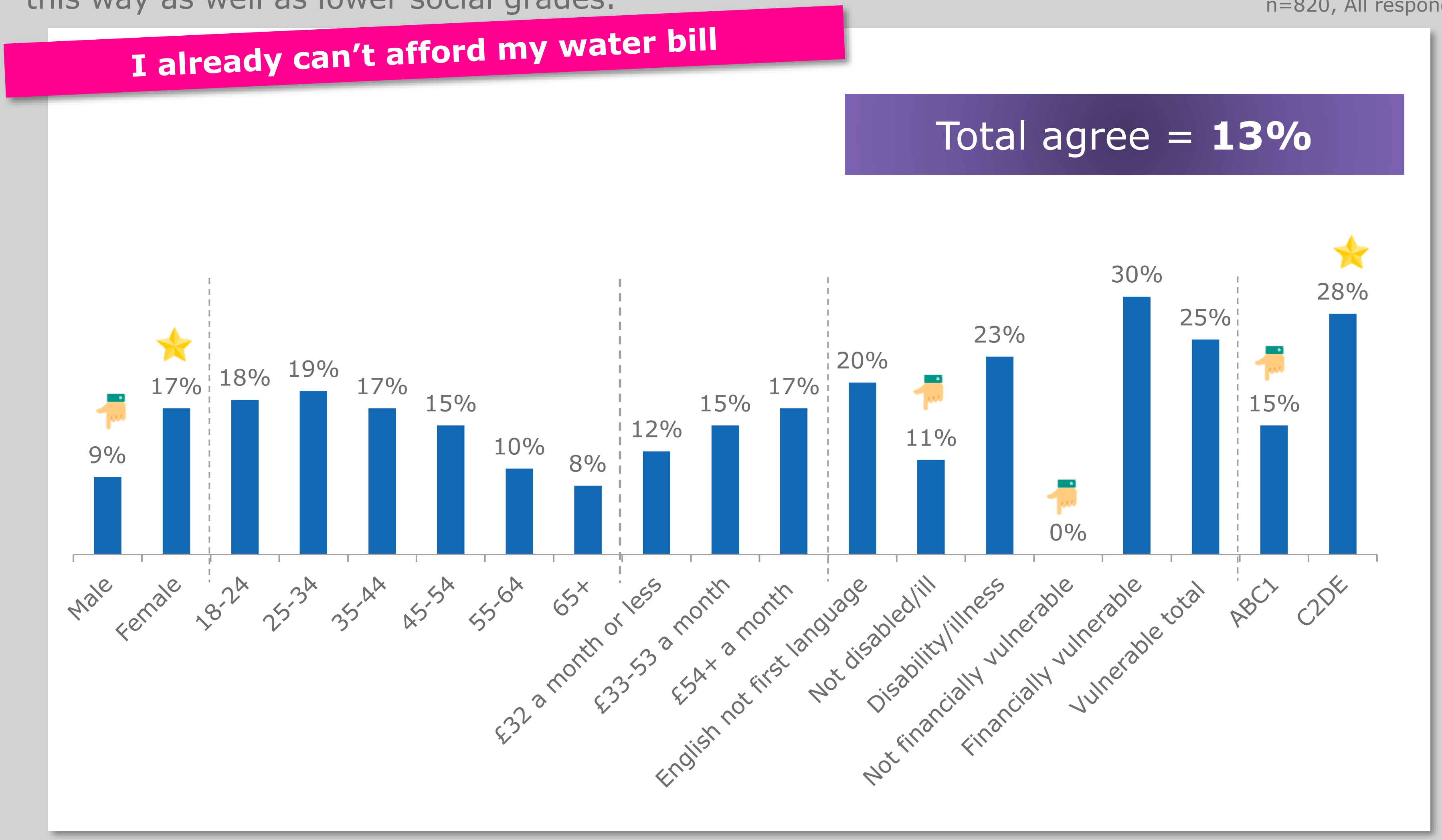


Q04a Please tell us how strongly you agree or disagree with each of the following statements in terms of how well it describes your attitudes towards your water bill.

Vulnerable least likely to afford bills

Whilst the vulnerable are generally more likely to feel that they can't afford their bills those on low incomes and on benefits (financially vulnerable) are the most likely to feel this way as well as lower social grades.

n=820, All respondents



Q04a Please tell us how strongly you agree or disagree with each of the following statements in terms of how well it describes your attitudes towards your water bill.

Under half of those that can't afford bills receive help

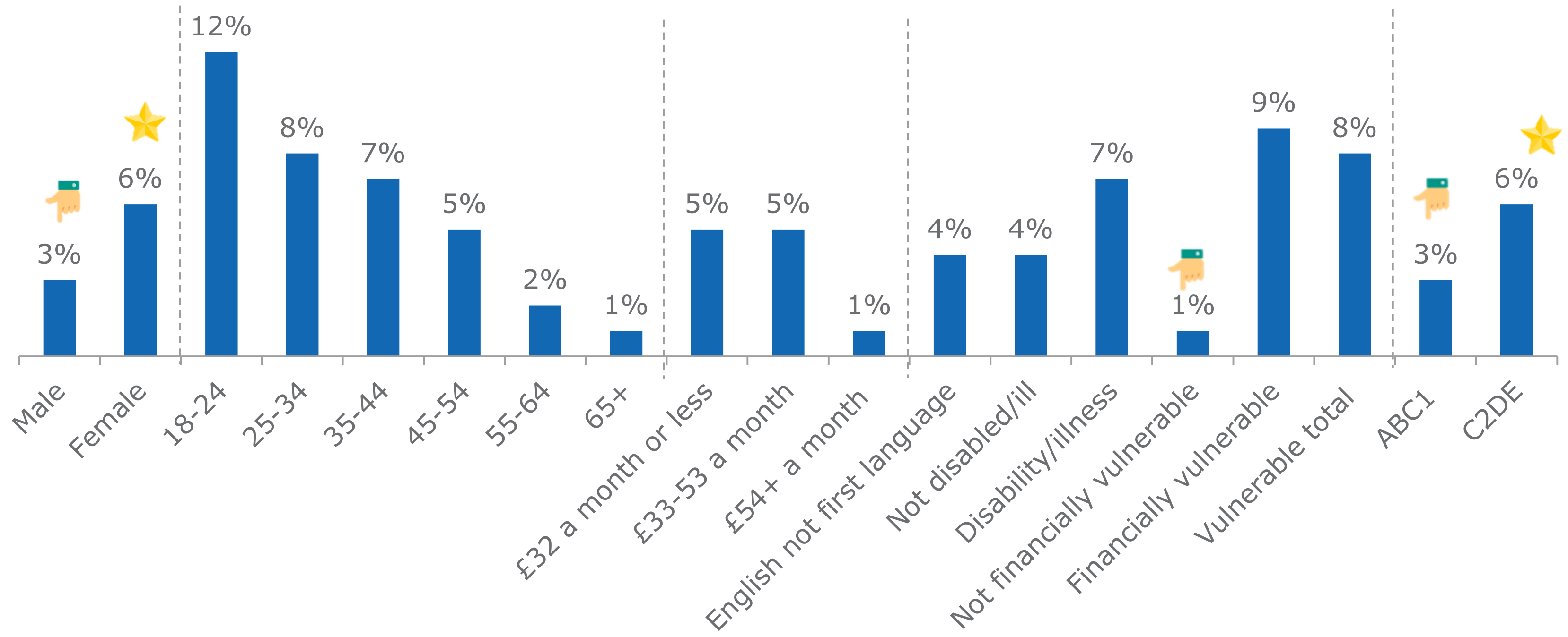
Whilst 13% of customers say they can't afford bills, only 5% actually receive help, with females and lower social grades being the most likely to do so.

n=820, All respondents

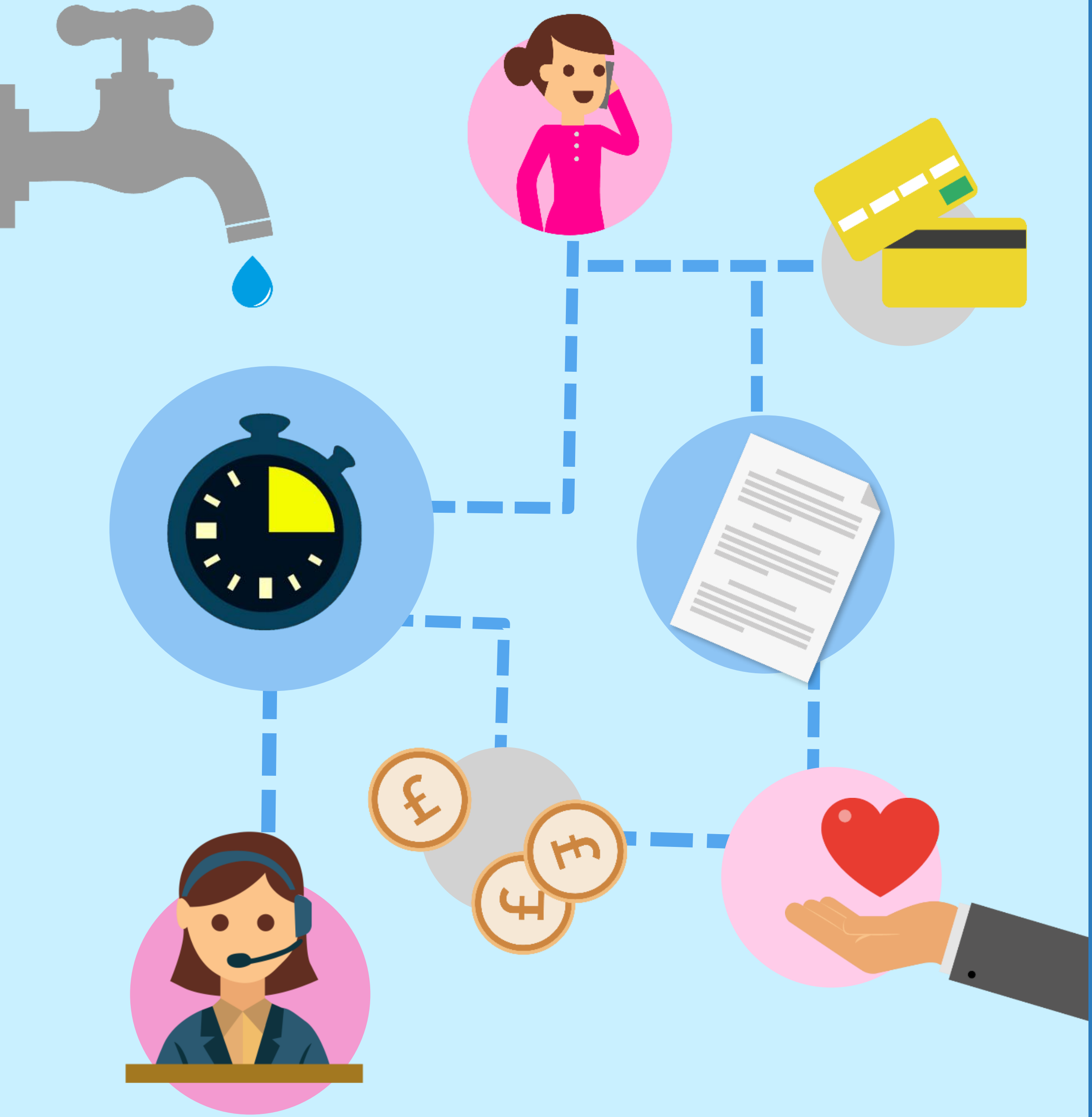
Received help to pay their bill

Yes, received payment help

5%



Q04B Do you/did you receive help to pay your water bill?



3.Perceptions & contact with YW

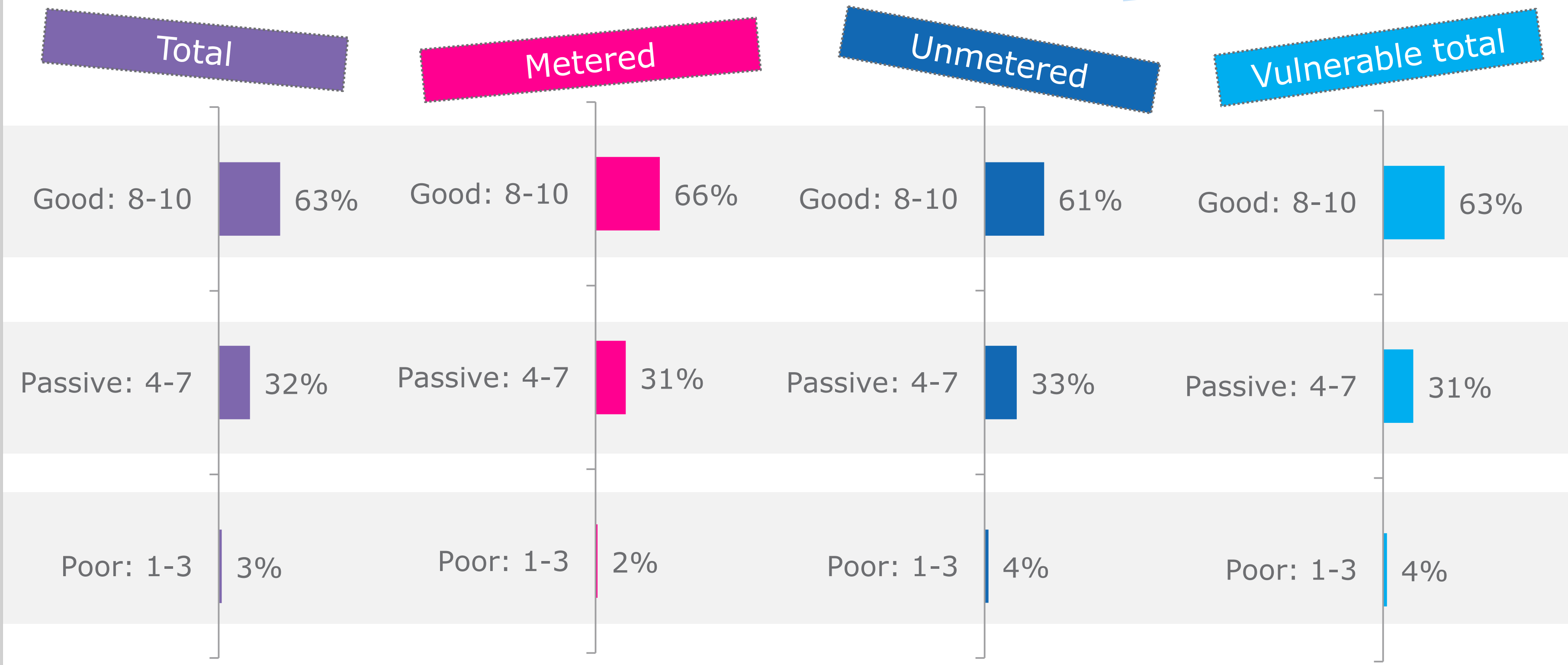
YW: A positive reception

n=820, All respondents

Yorkshire Water is generally rated highly amongst customers, with a slightly stronger rating amongst those on meters. Although vulnerable customers generally are no less likely to rate YW as good, those who speak English as second language are.

Rating of YW

The 'Good' rating drops to just **52%** amongst those that **don't speak English as a first language** – significantly lower than other vulnerable groups



Q05A How would you rate Yorkshire Water on a scale of 1 to 10 where 1 is very poor and 10 is excellent?

Initial perceptions based mostly on supply & cost

Ratings of YW appear to be mostly based on wholesale considerations with consistent and reliable supply being the main contributor to positive scores and perceptions that bills are high being the greatest source of negativity.

Poor (1-3)

Too expensive

"Expensive charges because they know you cannot go anywhere else. I would consider switching if I could"

Price rises

"They do not do anything exceptional and prices keep increasing"

Poor water quality & disruption

"They have on a couple of occasions interrupted my water supply because of works and given zero notice"

Passive (4-7)

No previous contact

"I've never really had to deal with them but there's been no problems"

No comparison

"I can't really compare them to anything else"

Always room for improvement

"No real problems but they've never really excelled themselves so it's not perfect"

Good (8-10)

Constant supply

"Provide a good service that is reliable"

Responsive & helpful

"They did so much to help our village after the floods"

Reliable

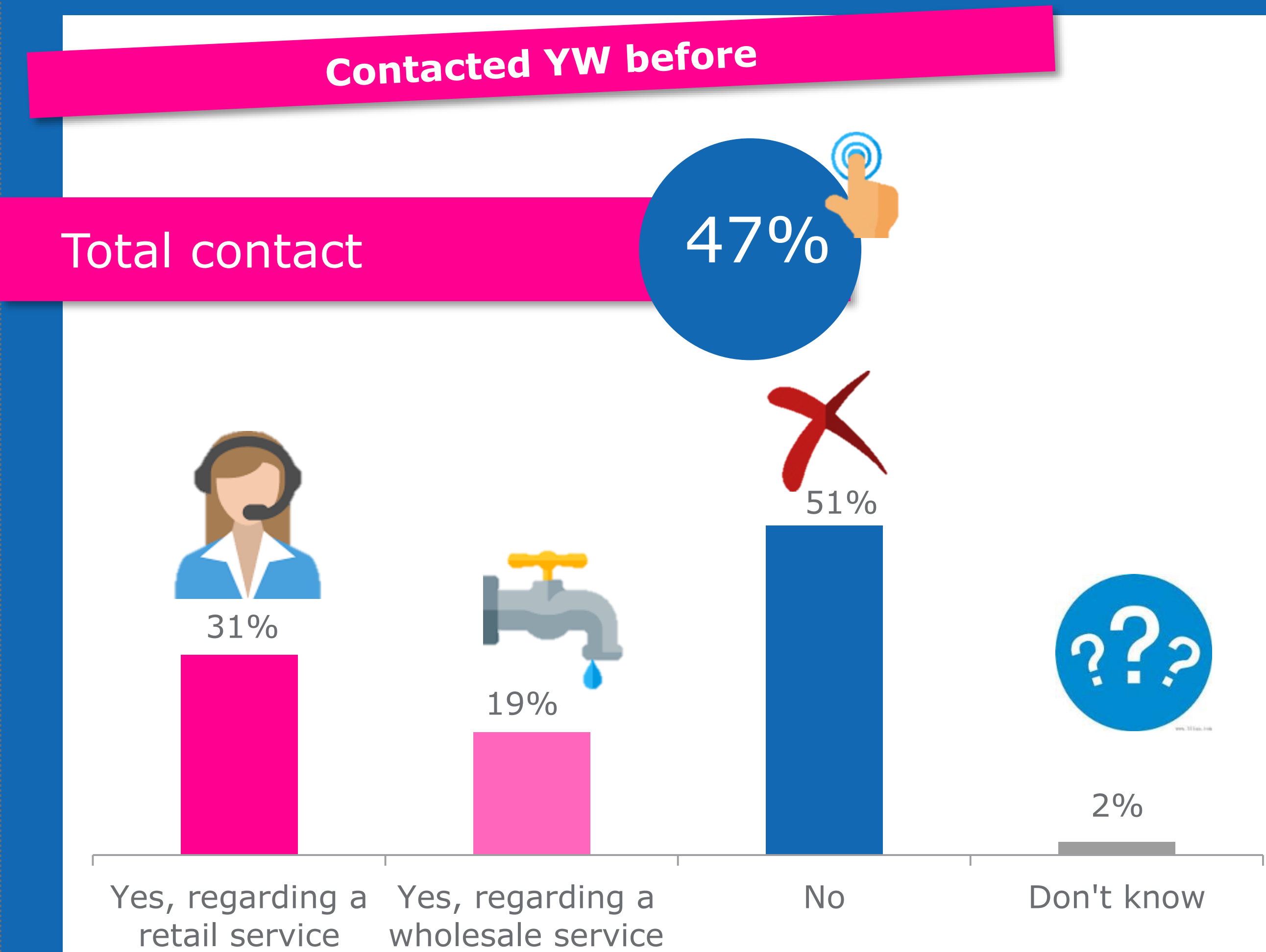
"looks out for ways in which they can deliver on their promises and environmental goals"

Q05b Why do you say that?

Around half have made contact

Just under half (47%) of customers have contacted YW before with around a third of customers (31%) contacting regarding a retail service.

n=820, All respondents



Those that **manage their water online** are significantly more likely to have contacted YW regarding a retail service (44%) as well as **those that say they worry or can't afford their bill** (45%)

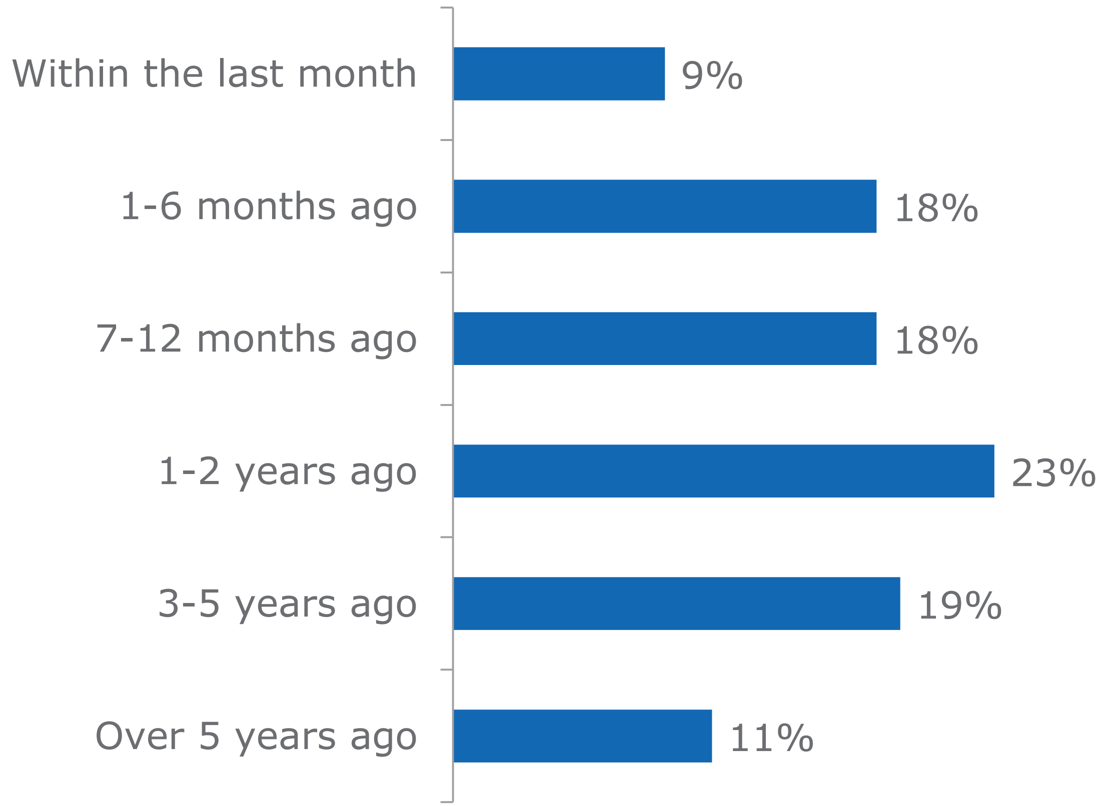
Q09C Have you ever contacted Yorkshire Water before?

Most last contacted over a year ago

Under half of customers (45%) made contact with Yorkshire Water within the past year.

n=380, All those that have made contact

When last contacted



Those that **manage their water online** (52%), say they **worry or that they can't afford their bill** (56%) or that are **on a meter** (50%) are significantly more likely to have made contact within the past year

Q09D How long ago was the last contact you made with Yorkshire Water?

Majority of contactors call YW directly

The vast majority of customer contactors (85%) contact YW directly via phone. Just 10% in total use some form of contact made via the website (Call back requests, Live chat & web form)

n=380, All those that have made contact

Method contacted YW

85%
Called YW directly

6%
Sent an email

4%
Requested a call back online

4%
Sent a letter

3%
Contacted via live chat

3%
Submitted a form via the web

2%
Contacted via social media

Those that **manage their water online** are significantly more likely to make some form of contact via the website (17% vs. 10% total)

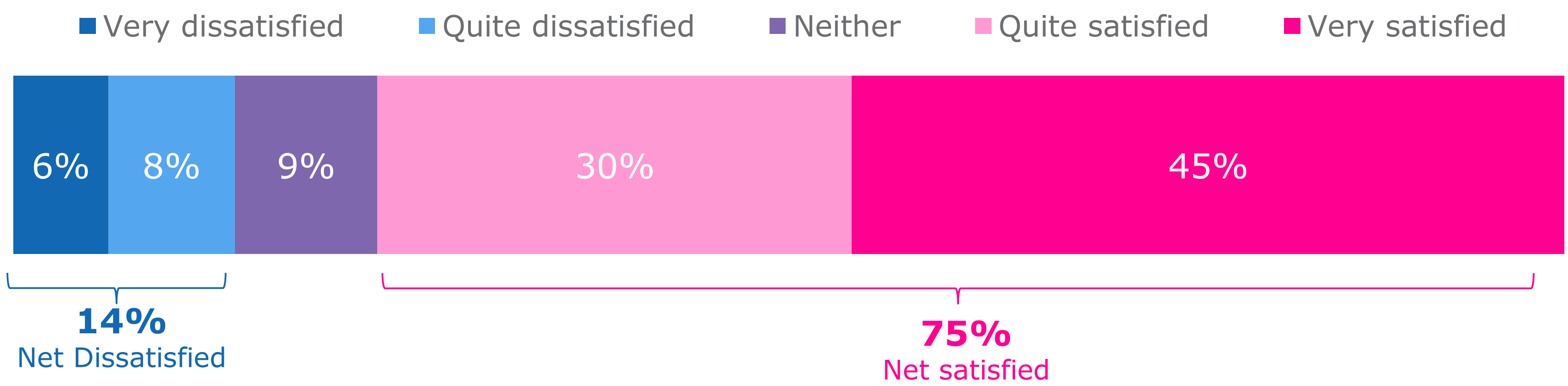
Q10 How did/have you contacted them before?

Three quarters of contactors are satisfied

The majority (75%) of customers who have contacted YW were satisfied with the service they received.

Satisfaction with contact

n=380, All those that have made contact



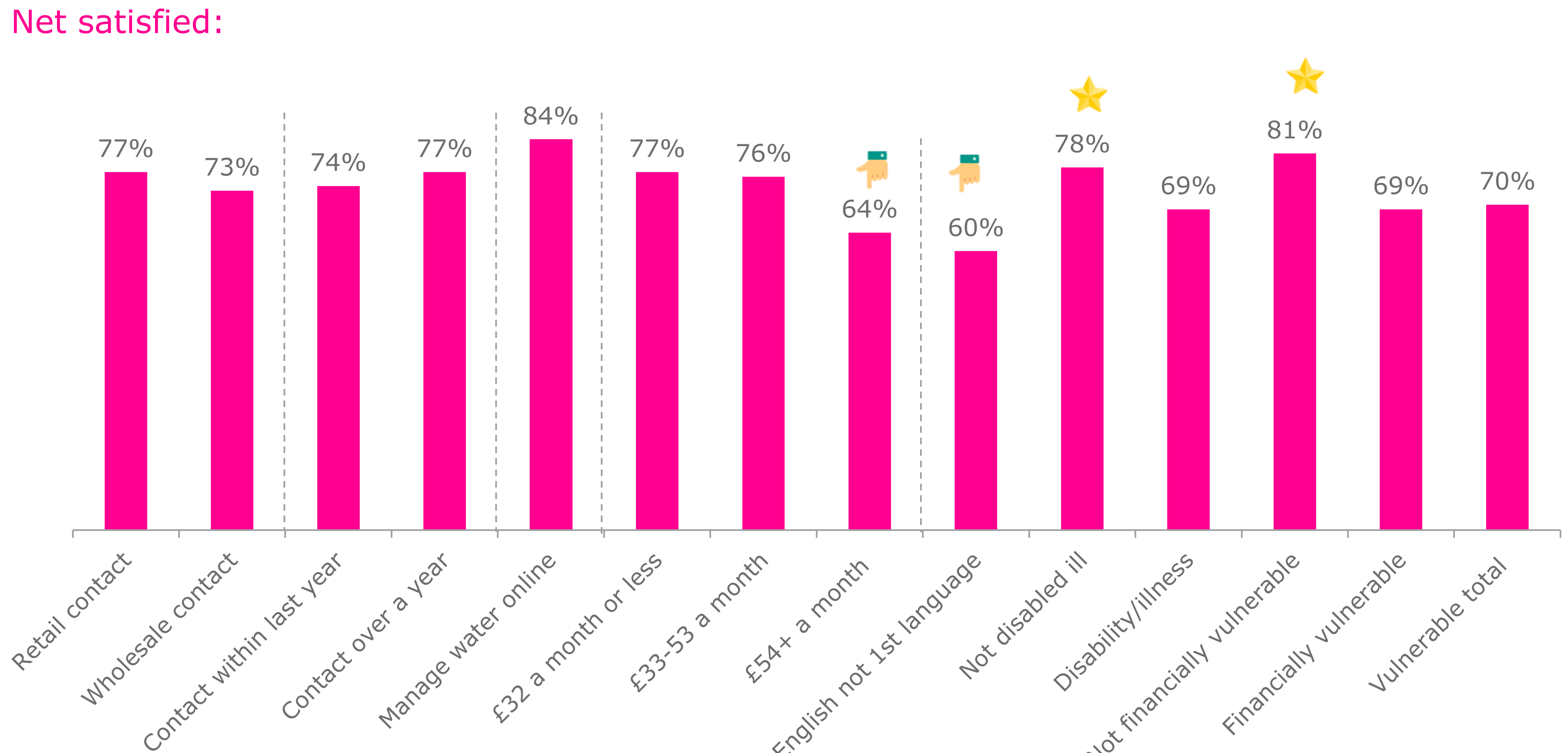
Q11 Overall how satisfied were you with the contact you made and the service you received?

Three quarters of contactors are satisfied

Those that manage their account online are particularly likely to be satisfied and those that pay a higher amount on their bill or don't speak English as a 1st language are least likely.

Satisfaction with contact

n=380, All those that have made contact



Q11 Overall how satisfied were you with the contact you made and the service you received?

Service satisfaction largely dependent on call responder

Many of the key contributors to satisfaction or dissatisfaction with the service relate to the quality & proficiency of service provided by the call responder.

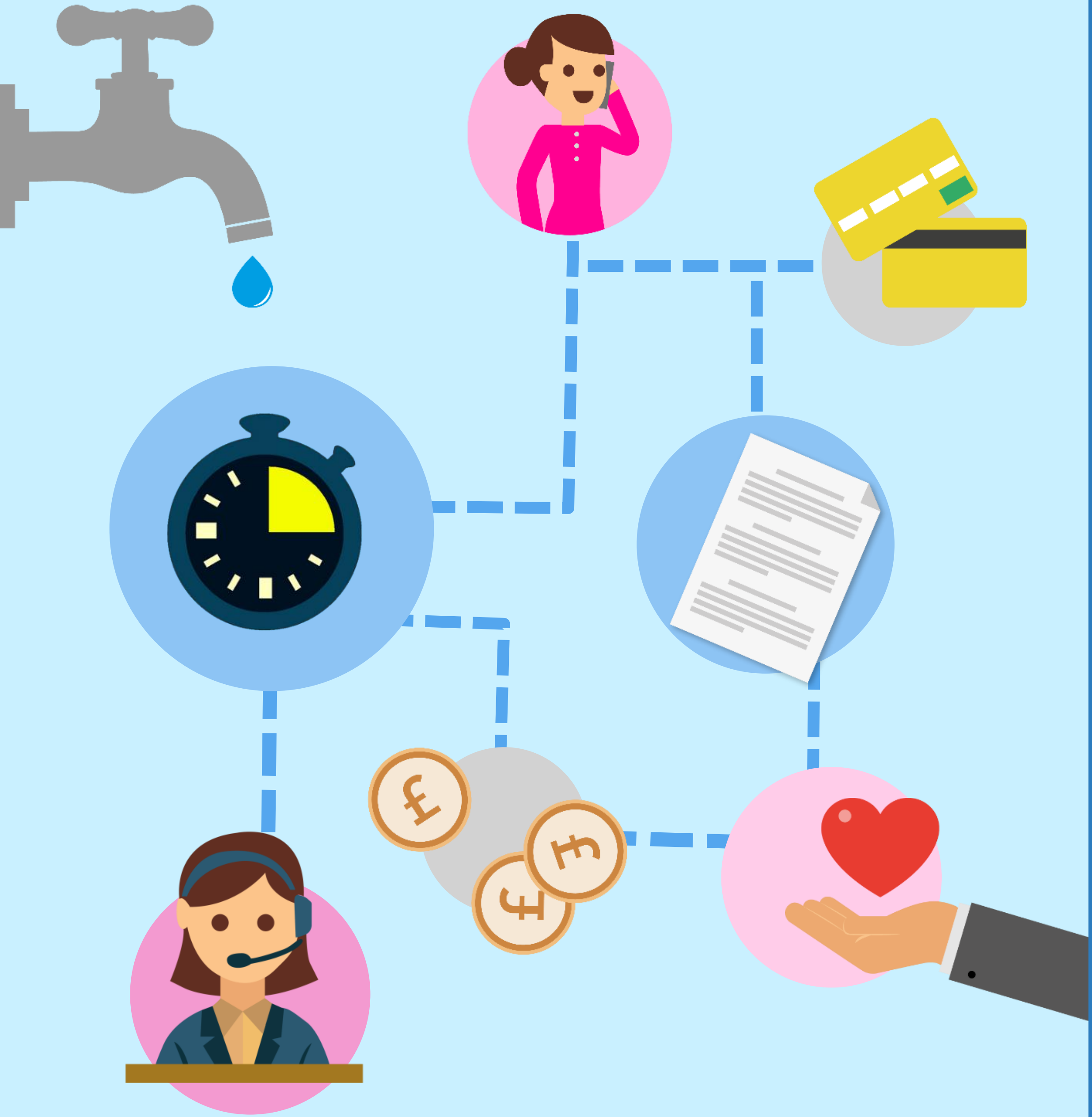
Reasons for satisfaction

- **Resolving queries quickly & efficiently**
- **Polite, empathetic & friendly responder**
- **Fast call out to repairs** — More wholesale
- **Sticking to agreed timings** — More wholesale
- **Issue dealt with in one call**

Reasons for dissatisfaction

- **Passed around different departments**
- **Query not resolved** — More wholesale
- **Unhelpful & disinterested staff**
- **Having to chase on progress** — More wholesale
- **Confusing/ unclear communications**

Q11c Why do say that?

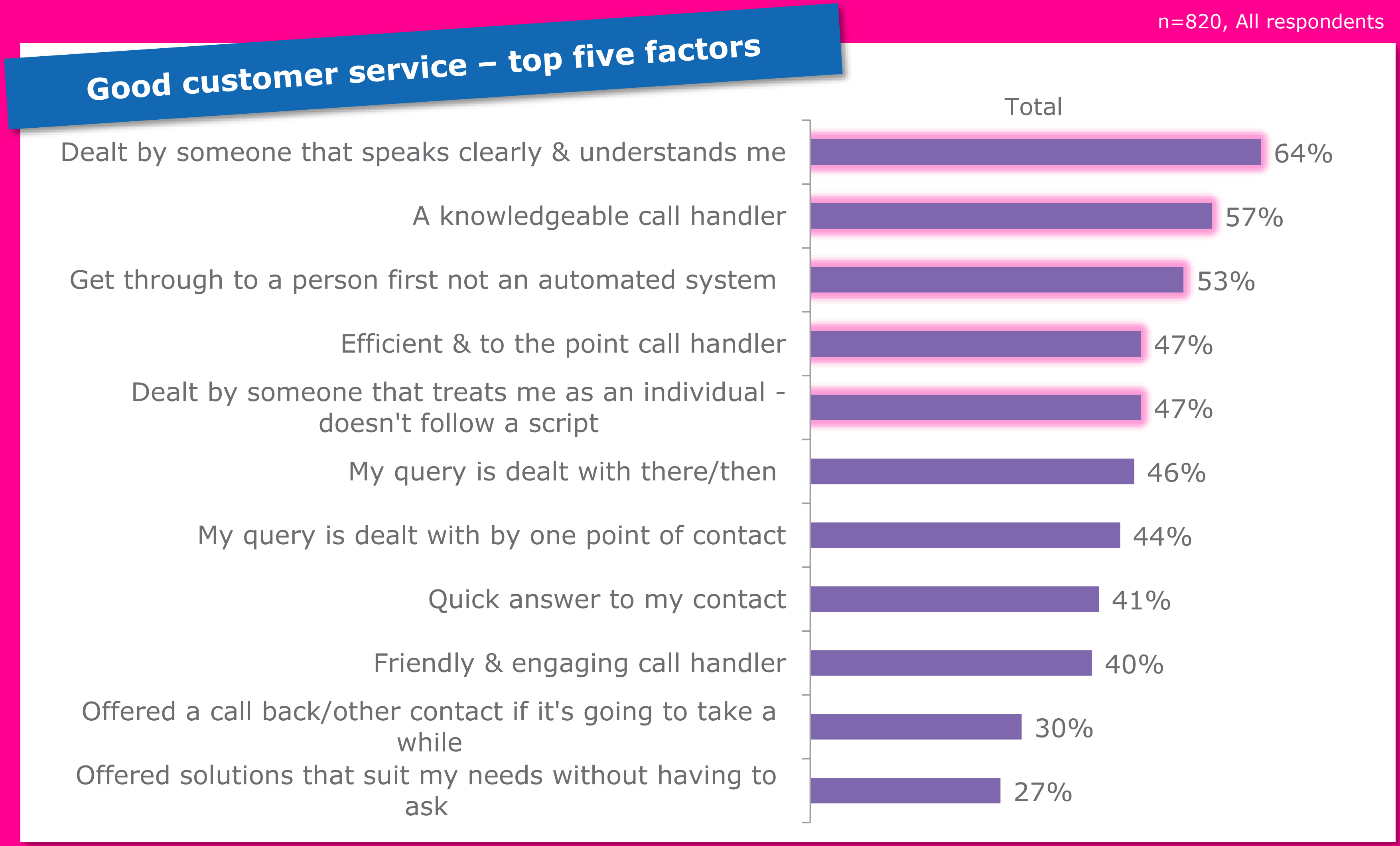


4. Customer service priorities & expectations

A clear & knowledgeable call handler is key

The top factors for customer service centre around speaking to a call handler that understands and can communicate clearly whilst demonstrating knowledge.

n=820, All respondents

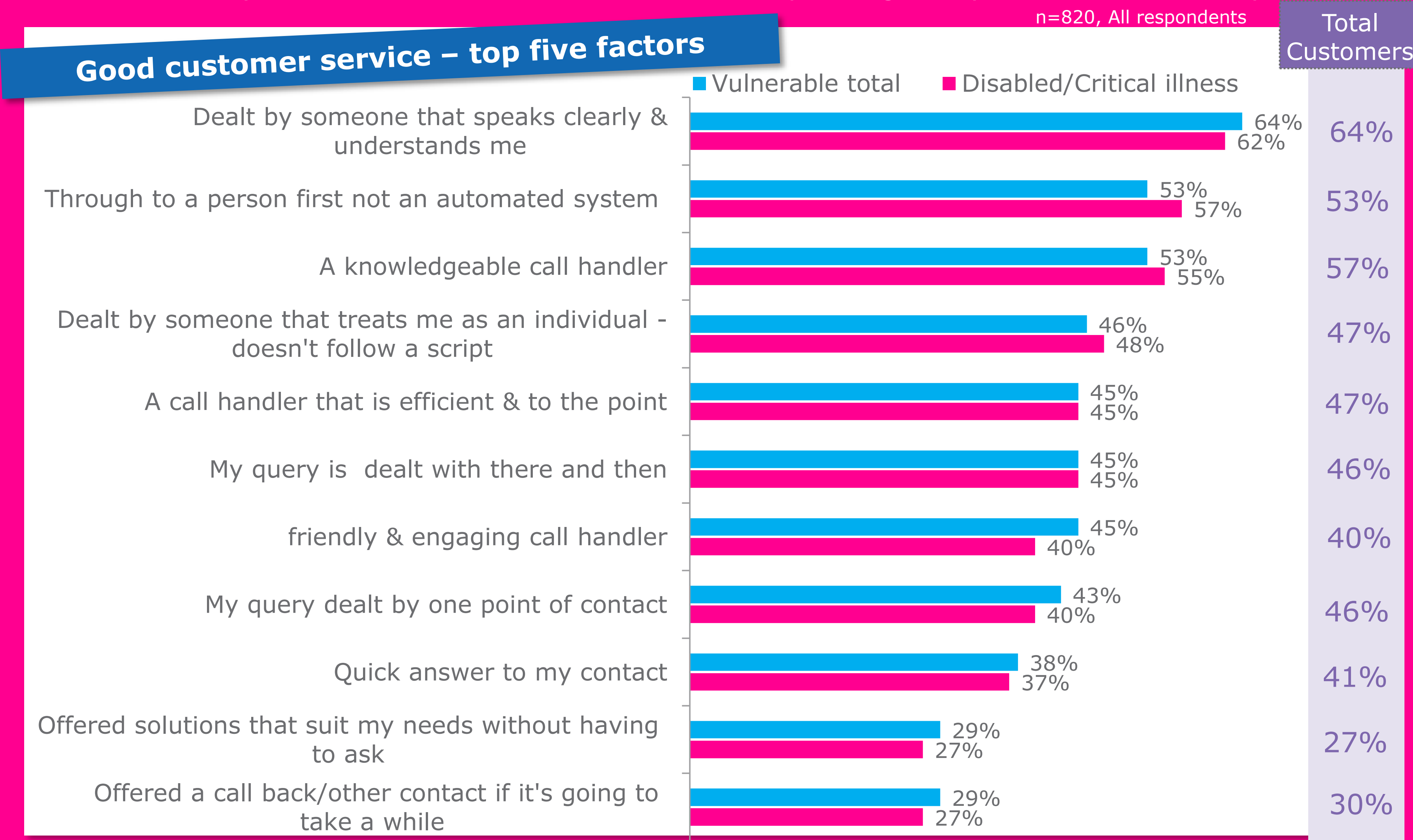


Q08A What is most important to you when it comes to good customer service?

Disabled/ill have similar service preferences

There is little difference between vulnerable customers in total & those with a critical illness/disability vs. the total base of customers, but speaking to a person is more of a priority

n=820, All respondents



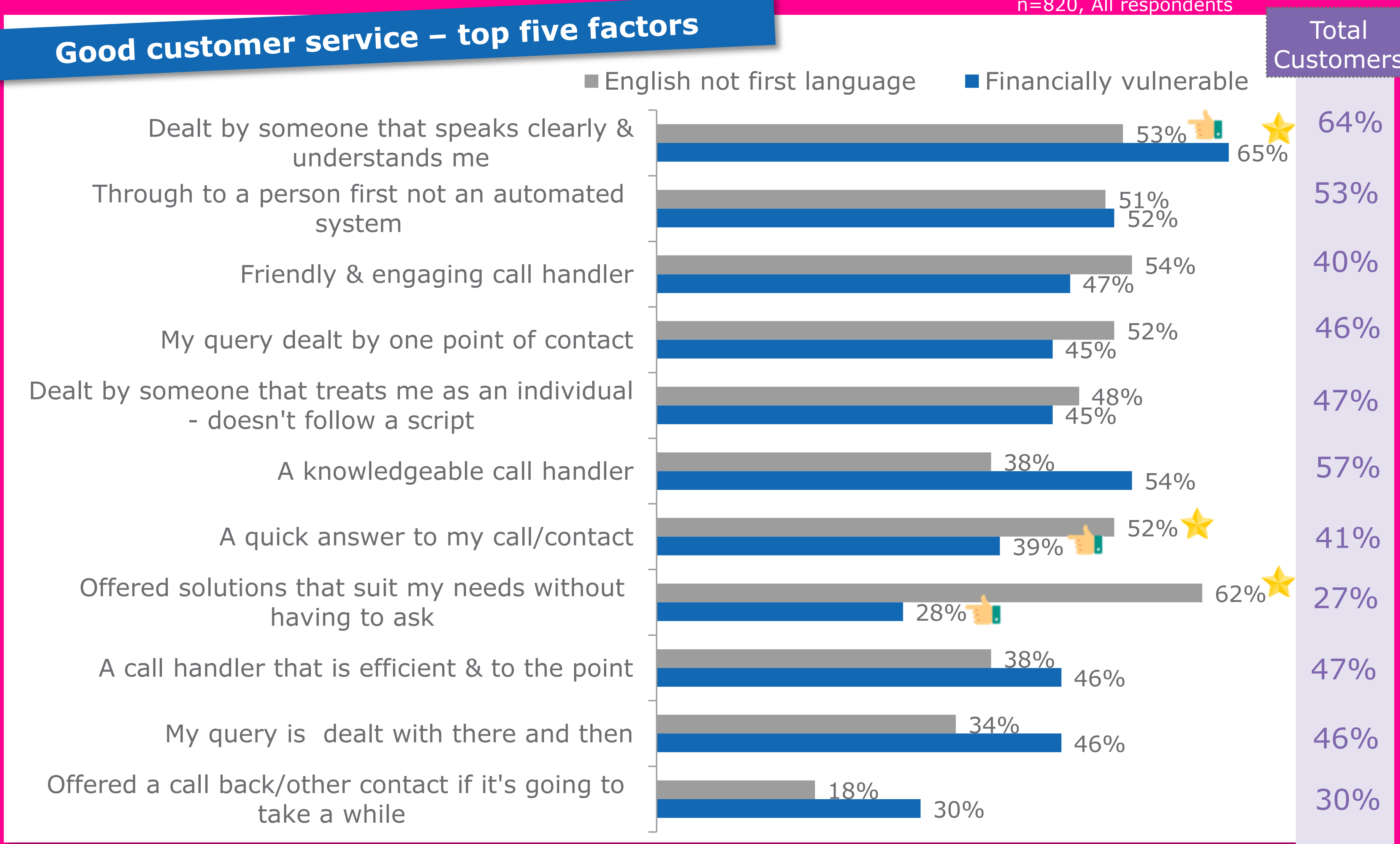
Q08A What is most important to you when it comes to good customer service?

English not a 1st language = very different needs

Being knowledgeable & to the point is less important whilst being friendly & proactive in terms of services offered is considerably more so to those that don't speak English as a 1st language

n=820, All respondents

Good customer service – top five factors

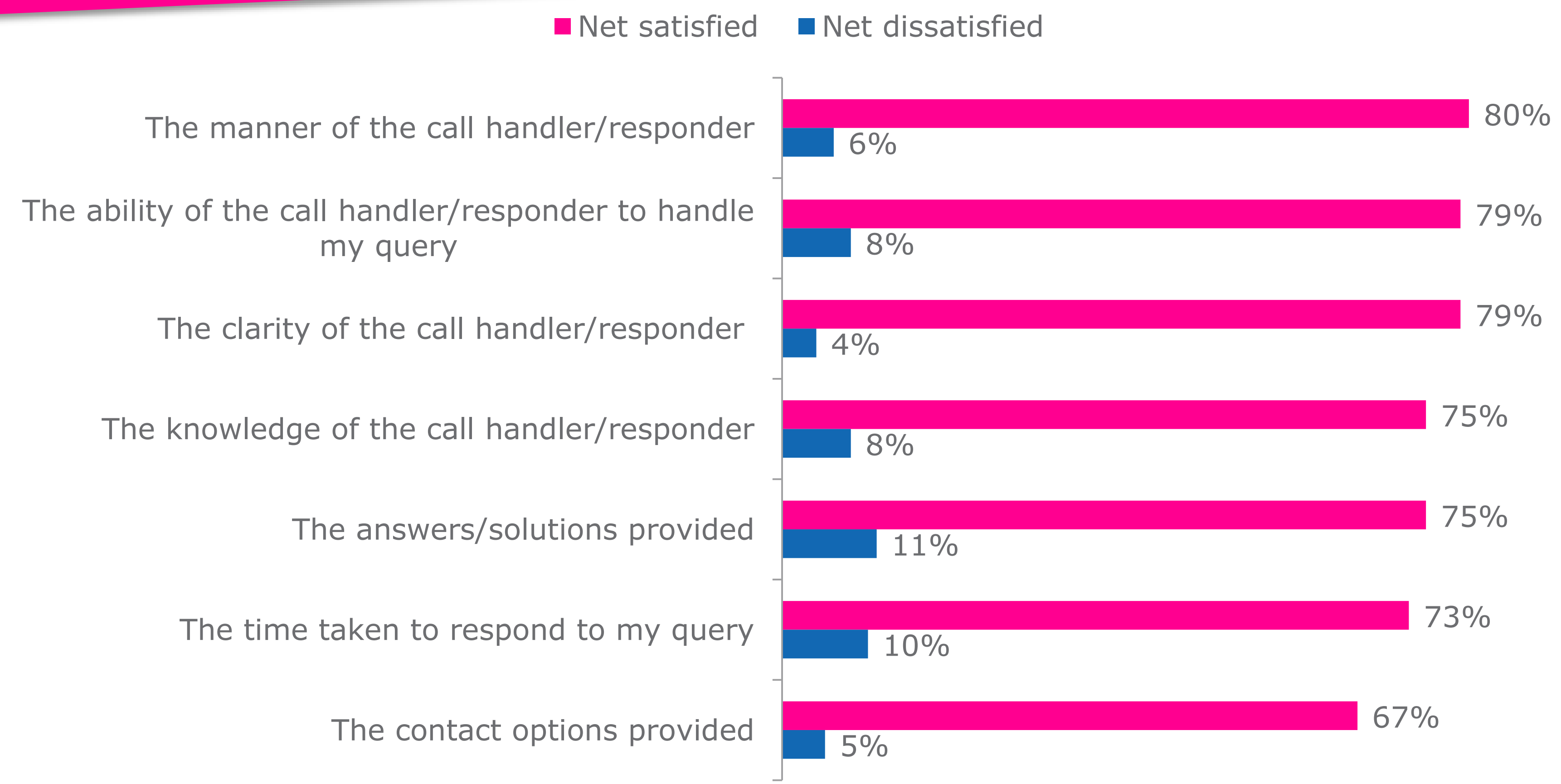


Call handler manner is greatest source of satisfaction

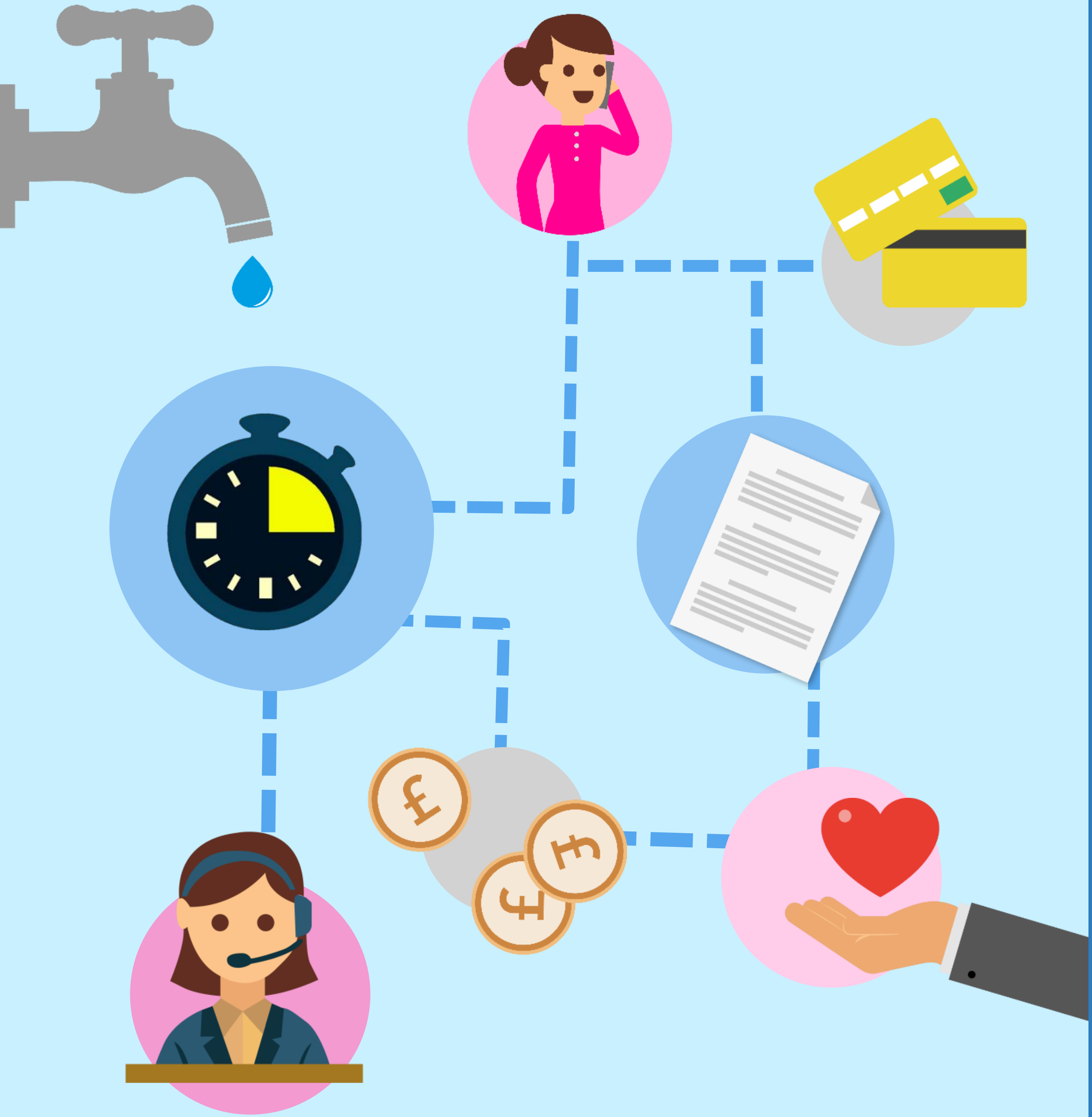
Satisfaction is high against most customer service areas but the manner, ability and clarity of the call handler ranks particularly high – the answers/solutions provided is the greatest source of dissatisfaction

Satisfaction with key contact service areas

n=380, All those that have made contact



Q13ASUM Thinking back to the contact you had how satisfied were you with the following areas?

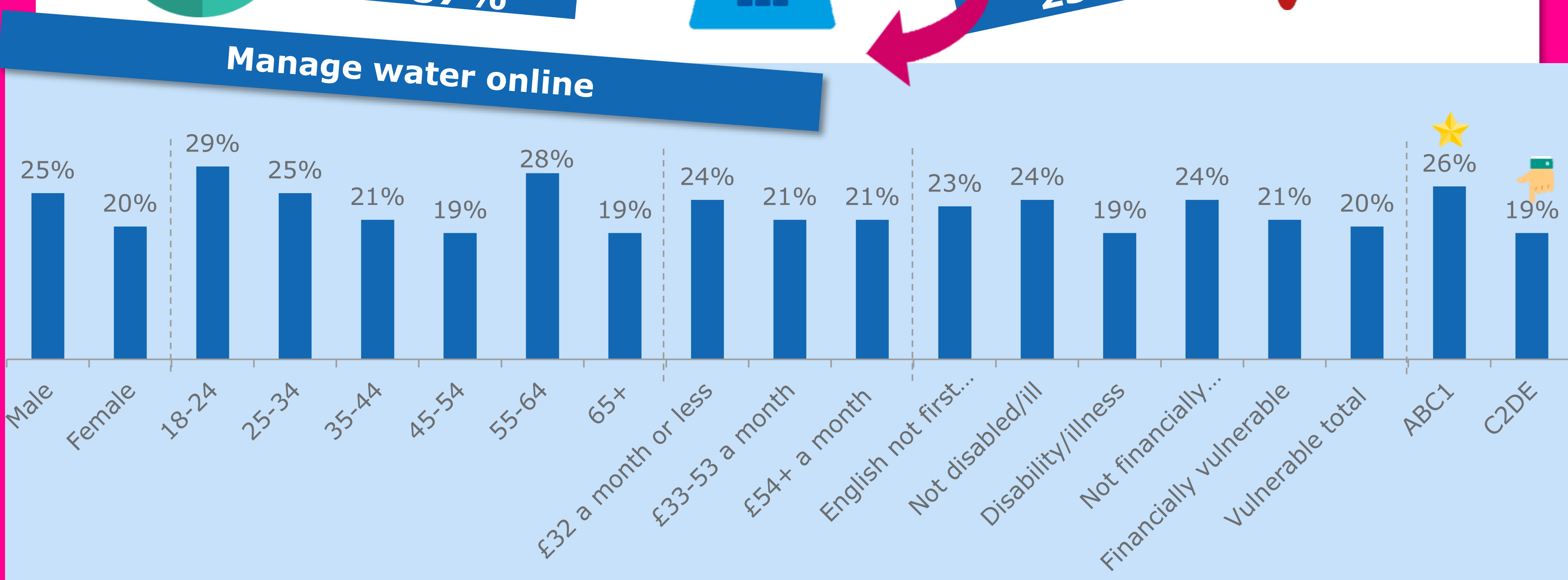


5. Account management & communication preferences

Nearly a quarter manage water account online

Although almost a quarter (23%) manage their water online this is much lower than other services. ABC1s and males are the most likely to choose to manage their account in this way.

n=820, All respondents

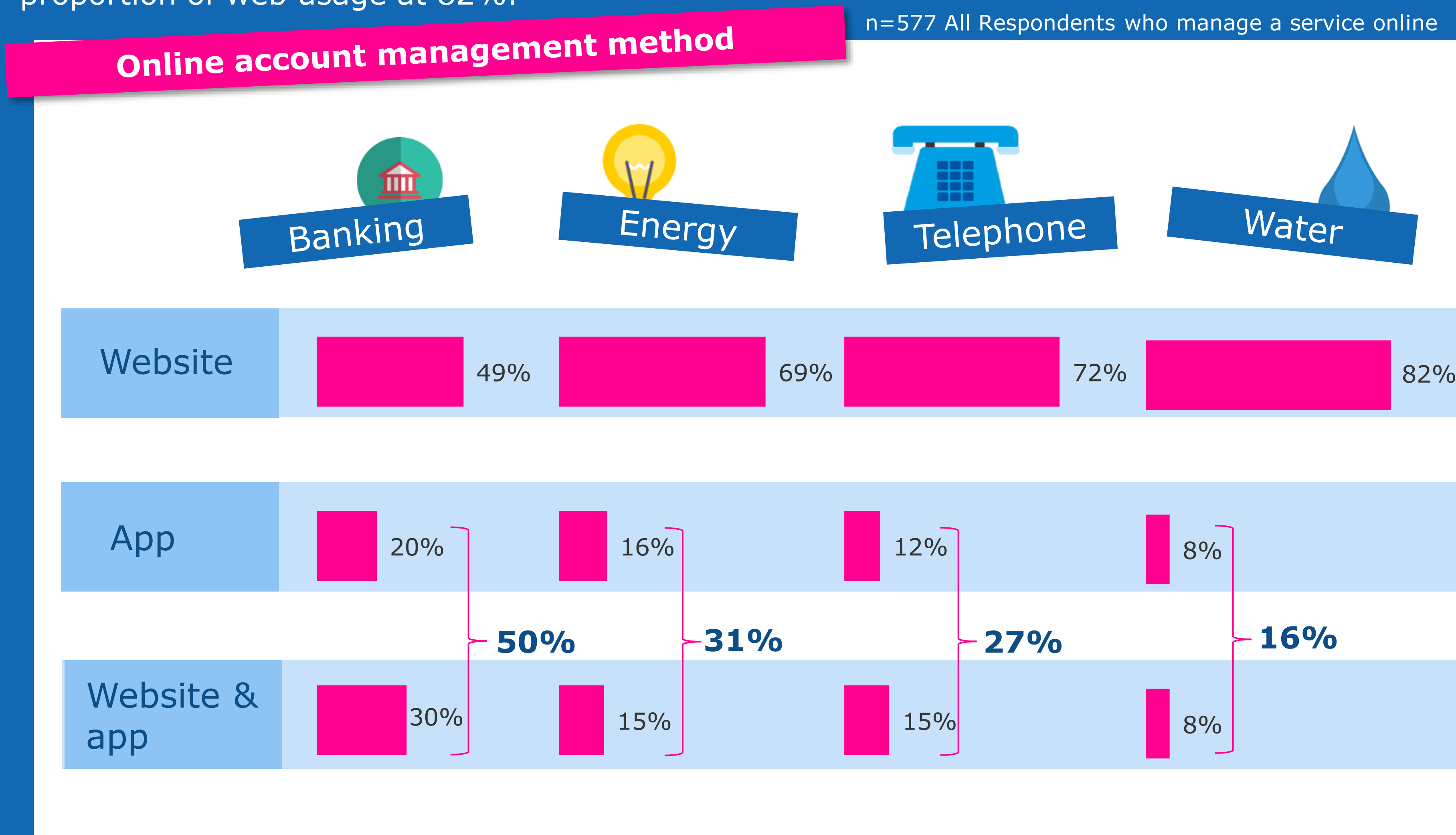


Q14 For which of the following services do you manage or monitor your account online?

Water has lowest use of app management

Out of all of the services managed online, water has the lowest use of apps with 16% total app usage compared to 50% for banking and 31% for energy. However, it does have the highest proportion of web usage at 82%.

n=577 All Respondents who manage a service online



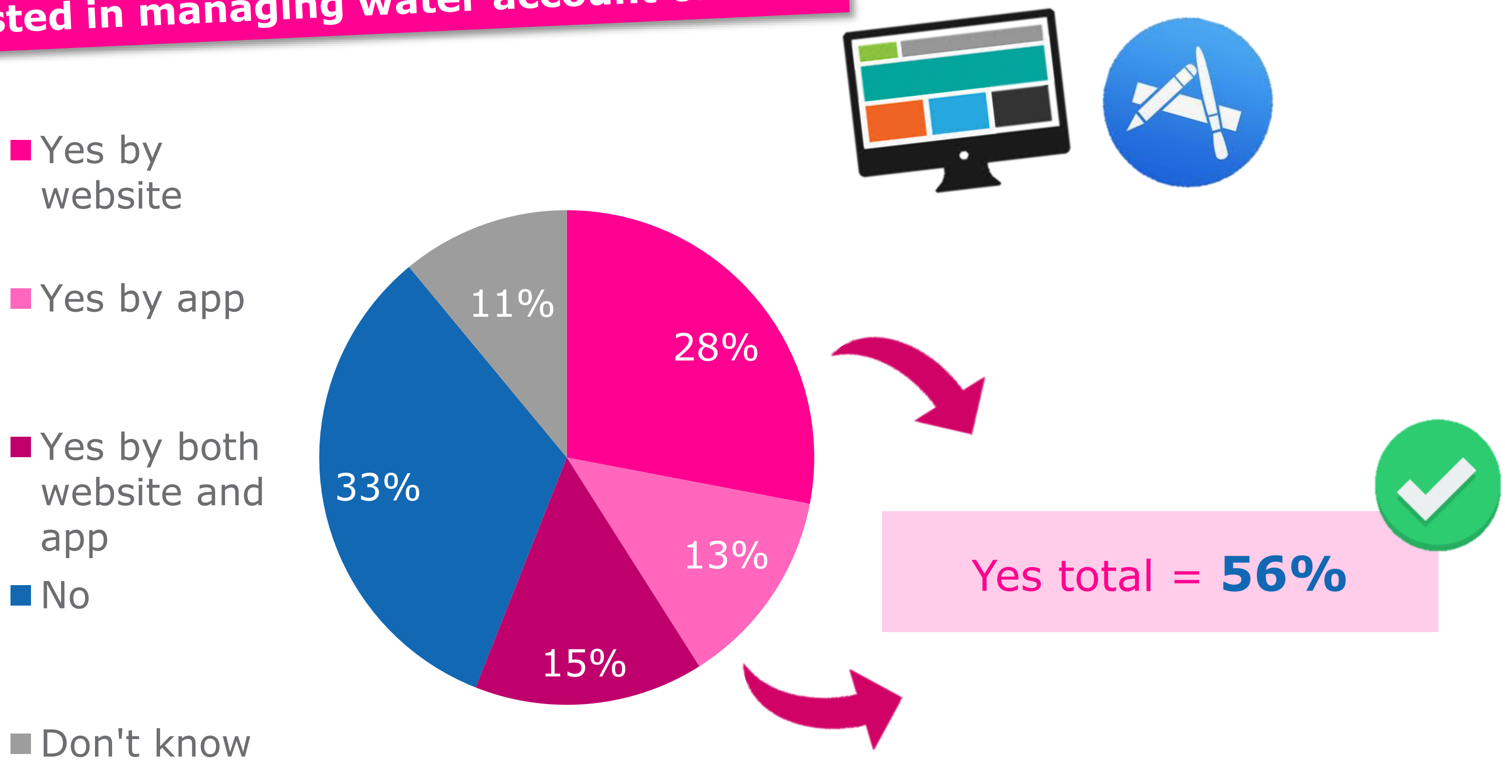
Q15SUM Thinking about the services that you manage online please tell me for each whether you do this using a website an app or both?

Over half would be interested in online management

Of those that don't currently manage their water account online over half say they would be interested in some form of online management with website being the most popular.

n=635 All Respondents who don't manage water online

Interested in managing water account online

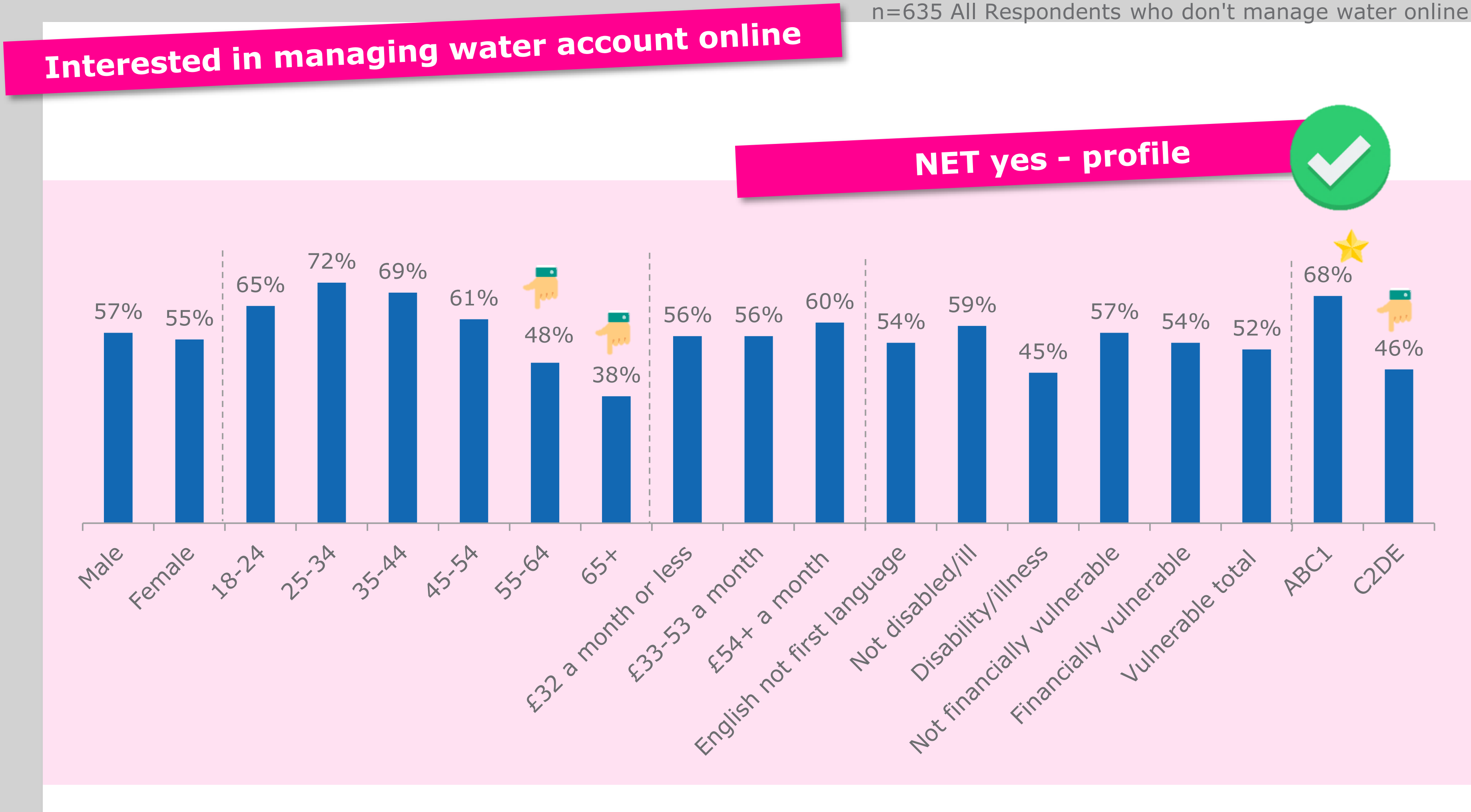


Q16 Would you be interested in managing your water account online if you were given the option?

Older & lower social grade customers least likely to be interested in online

Whilst those aged 55+ and C2DEs are least interested in managing their accounts online ABC1s are significantly more likely to want to do so

n=635 All Respondents who don't manage water online

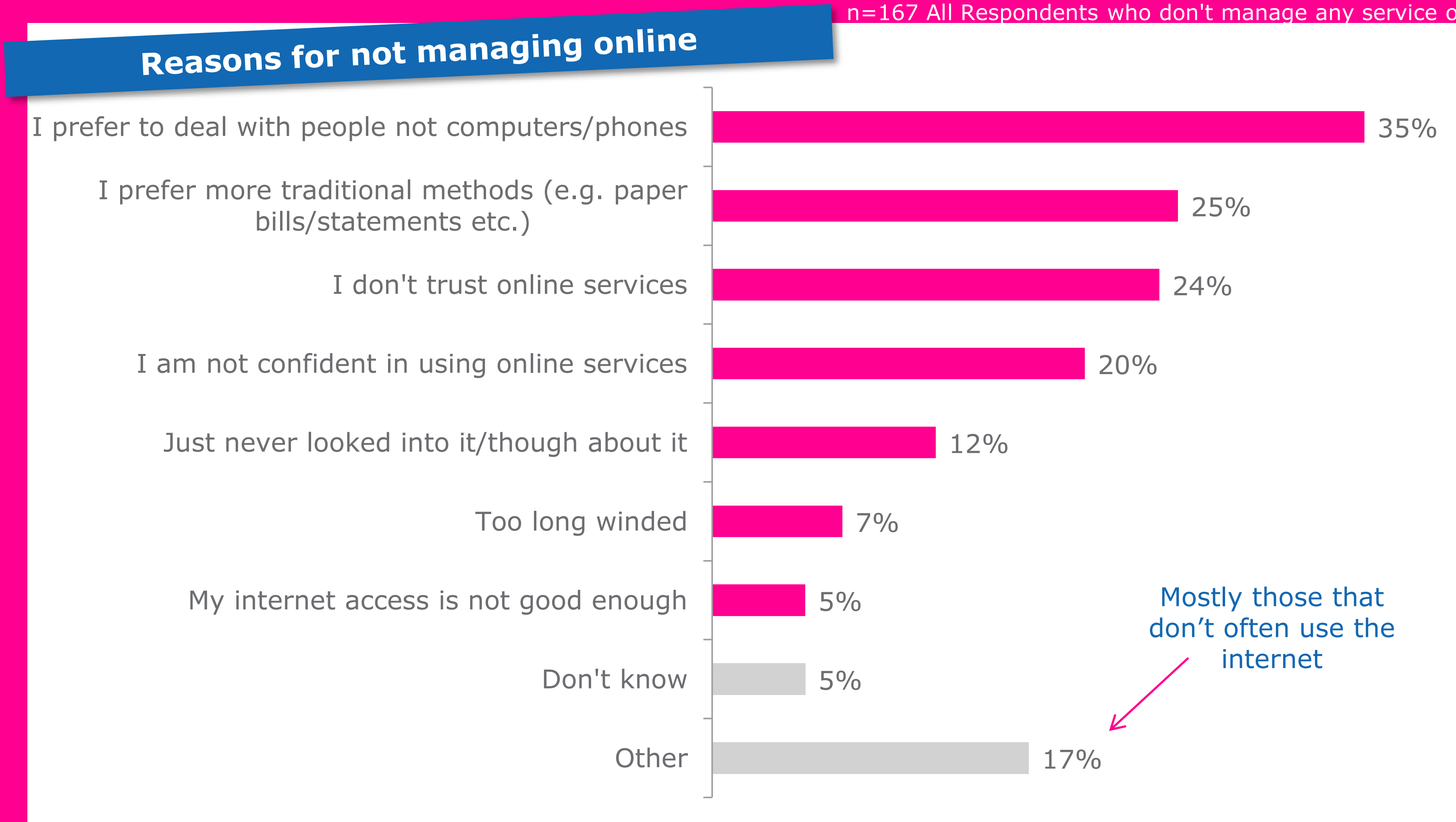


Q16 Would you be interested in managing your water account online if you were given the option?

A preference for people and not computers

Over a third (35%) of those that don't currently manage any services online choose not to do so as they prefer a more personal touch . A quarter (25%) also say that they prefer traditional methods and around the same proportion (24%) don't trust online sources.

n=167 All Respondents who don't manage any service online



Q17 Why don't you manage any of your services online?

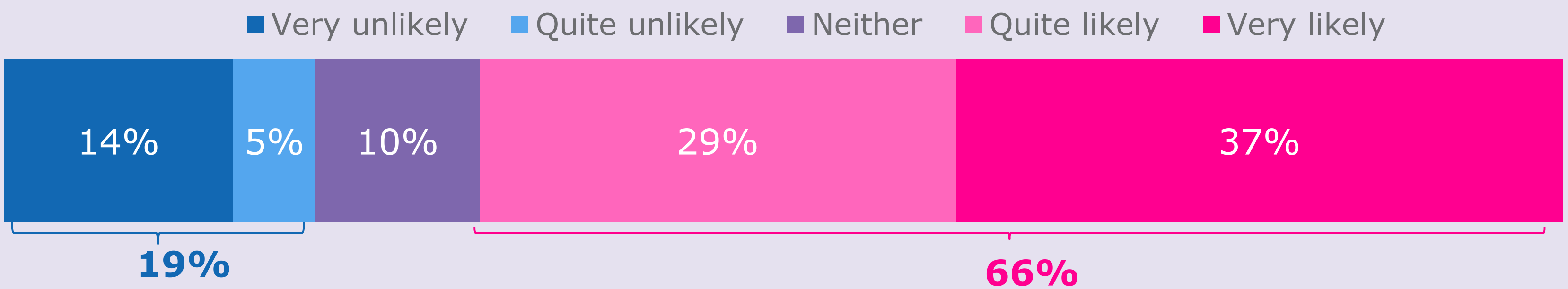
Two thirds likely to manage online to save

Two thirds (66%) say they would be likely to some degree to manage their water online if it was going to be cheaper. Interestingly those who are vulnerable and lower social grades are some of those least likely to do so.

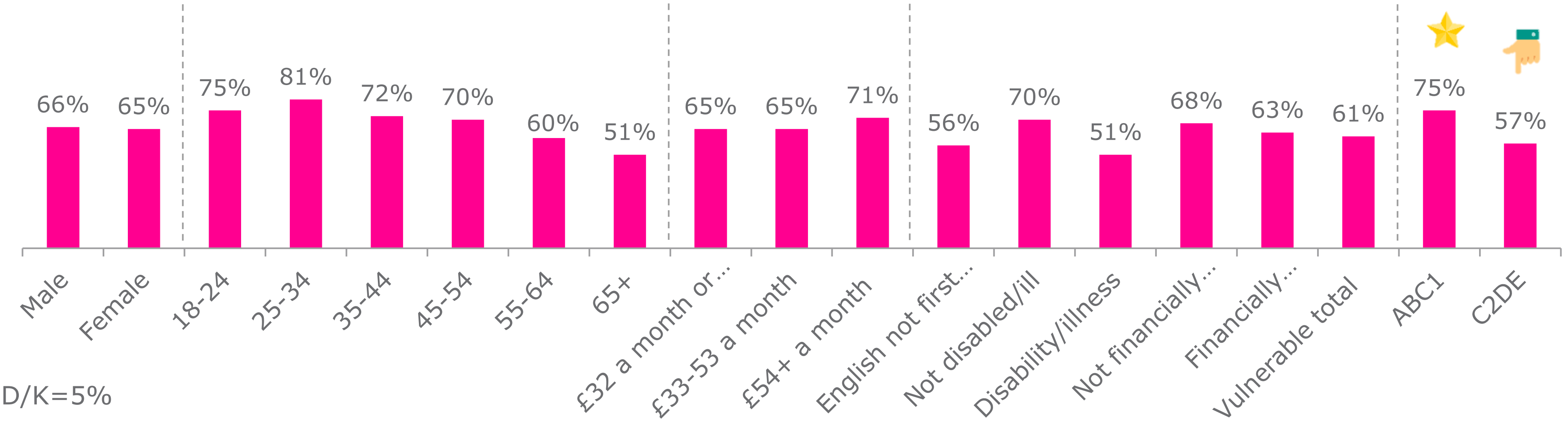
Likely to manage online if cheaper

n=635 All Respondents who don't manage water online

Total:



Net likely:



D/K=5%

Q19 If your water was guaranteed to be cheaper if you managed it all online how likely or unlikely would you be to change the way you manage your water?

Phone is still the most appealing but email is high

When asked to select the most potentially appealing methods of contact, phone still comes top but other digital formats such as email and Live chat are also popular.

n=820, All respondents

Appealing methods of contacting YW

69%
Phone
V.S 85% actual usage

59%
Email
V.S 6% actual usage

34%
Live chat
V.S 3% actual usage

24%
Website form
V.S 3% actual usage

23%
Letter
V.S 3% actual usage

17%
Live messenger

14%
Face to face

12%
Facebook

8%
What’s app

3%
Twitter

There is a clear gap between the appeal of digital methods (such as email, Live chat & website form) and the actual usage of these. This perhaps indicates a lack of awareness of these methods of contact.

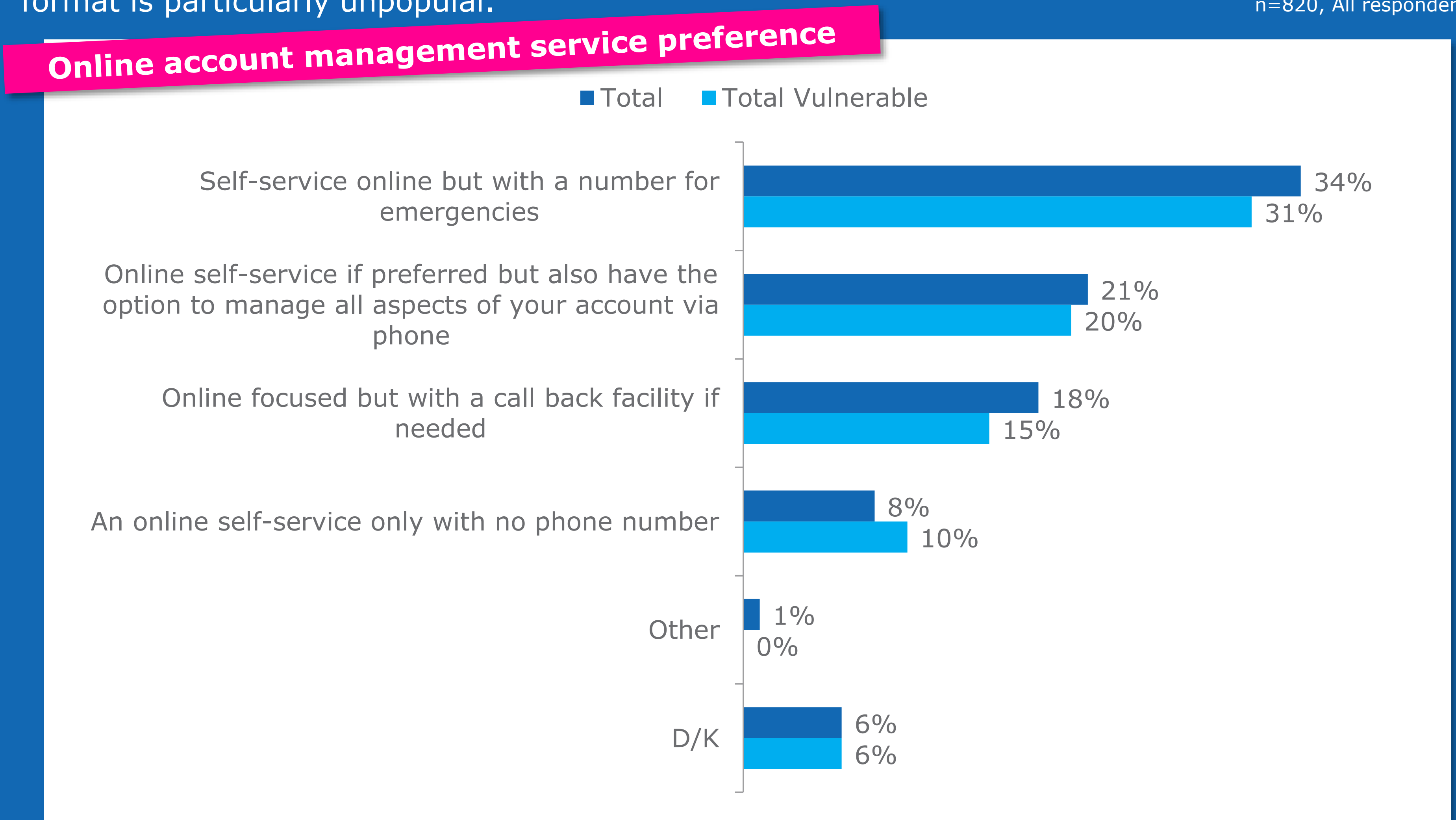
D/K=1%

Q18 Which of the following potential methods of contacting Yorkshire Water would be appealing to you?

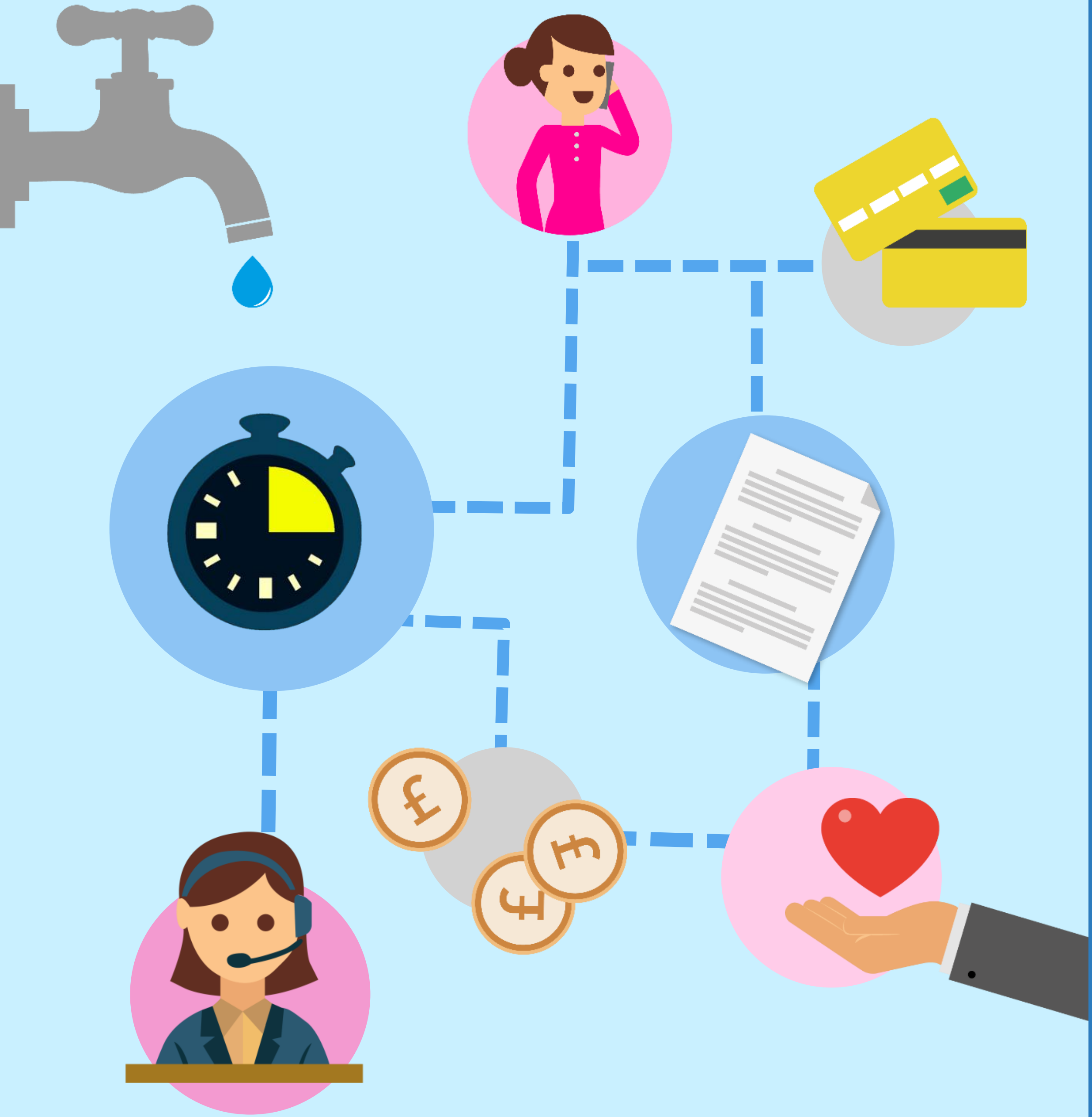
A number for emergencies would be required

If Yorkshire Water were to change to an online account management format there is definite desire to have a number for emergencies alongside the self-service system – a 'no number' format is particularly unpopular.

n=820, All respondents



Q21B If Yorkshire Water were to provide an online account management service which of the following models would you prefer?



6. The optimum service

SIMALTO: Building a tailored, ideal service package

In SIMALTO people are required to make **trade-off** decisions **between different services.** In this instance YW could choose to make service **improvements or savings**. YW customers were shown 11 retail attributes and asked to **choose the level of service** they would like.

They were made **aware of the current level** of service. Sticking with this service would not impact on their bill amount. They could choose to improve the level of service they received by **paying more** or to **save money** by decreasing the current level of service they received.

YW customers were shown each attribute in turn and asked to pick the level of service that they would like. They were then shown the **total impact to their water bill** for all of the service measures they had chosen and could **revise their levels/bill impacts** until they had created a combination that they were happy with.

The outcome of the process was a model which identified the **optimum mix of savings and improvements** from the customer's perspective, providing an indication of the level of **retail bill that would be seen as acceptable**.

The model can be used to look at what impact different mixes of savings and improvements would have on customer perceptions and **acceptable levels of service provision**.

SIMALTO analysis: The Optimum Specification model

The SIMALTO modelling approach we use in this analysis is an **Optimum Specification model**.

This is the specification where one level of service is chosen for each attribute that maximises respondent preference – i.e. **provides as many customers as possible with as many of their high priority choices** and as few of their low priority choices as possible within the restriction of a desired level of bill impact.

Mode of contact – optimal specification analysis

Although the largest proportion of customers chose to stick with the current level of contact methods provided by YW, on average the optimum level results in reduction of one service level for a four pence saving per year.

n=820, All respondents

= Optimal level

Ways of being able to contact YW					
Service levels	Online only	Phone and single online contact option	Phone and multiple online contact methods	A phone number and a range of traditional online and social media methods of contact	A phone number and an extensive range of traditional and new online points of contact
Bill impact	-£4.38	-£0.31	-£0.04	£0.00	+£11.37
% chose	20%	21%	20%	37%	2%

Those aged 18-24 were slightly more likely to opt to increase the current selection of contact methods with 5% choosing to upgrade however the next age group up (25-34s) were also the most likely of the age groups to save with 75% in total choosing to downgrade (vs. 61% Net save in the total sample).

Q20. SIMALTO

Opening hours– optimal specification analysis

For opening hours the optimum trade-off results in a 42p annual increase to include limited opening hours on a Sunday.

n=820, All respondents

= Optimal level

Contact centre opening hours					
Service levels	Monday to Friday 9am-5pm	Monday to Friday 8am - 8pm	Monday - Friday 8am - 8pm and Saturday 9am - 5pm	Monday to Friday 8am - 8pm, Saturday 9am -5pm and Sunday 11am - 2pm	Monday - Friday 8am - 8pm, Saturday 9am - 5pm and Sunday 10am - 4pm
Bill Impact	-£0.31	-£0.10	£0.00	+£0.42	+£0.67
% Chose	**15%**	**14%**	**54%**	**11%**	**7%**

Those aged 18-24 are the most likely to make a saving on opening hours with over half (55%) choosing some sort of saving (vs.29% net saving in the total sample). BAME customers are the most likely to upgrade the service with a net increase of 26% (versus 18% in the total sample).

Q20. SIMALTO

Initial point of contact – optimal specification analysis

The optimum level of service is to stick with the current service provided to customers when initially contacting YW.

n=820, All respondents

= Optimal level

Initial point of contact when calling YW					
Service levels		I go straight to a call steering system and have to press a number to get through to the department I need	My call is answered by a person and if they are not able to help they transfer me to the department I need	My call is answered by a person and they are able to deal with my query	
Bill Impact		-£0.07	£0.00	+£0.37	
% Chose		**20%**	**65%**	**15%**	

Younger age groups (aged between 18-34), those that have bills of over £54 a month, BAME and those that speak English as a second language are most likely to down grade the service, with around a third (30-34%) of these groups choosing to save compared to 20% of total customers.

Q20. SIMALTO

Speed of contact – optimal specification analysis

The optimum service is to slightly reduce current level provided by YW and increase the time before a call is answered to between 30 seconds and a minute.

n=820, All respondents

= Optimal level

Speed of getting through to YW				YorkshireWater	
Service levels	My call is answered between 10-15 minutes on hold	My call is answered between 1 - 5 minutes on hold	My call is answered between 30 seconds and a minute	My call is answered in under 30 seconds	My call is answered in under 20 seconds
Bill Impact	-£0.17	-£0.10	-£0.03	£0.00	+£0.20
% Chose	**6%**	**21%**	**26%**	**43%**	**4%**

25-34s and BAME customers are most likely to opt to save (68% vs. 53% net saving in the total sample) but 9% of those who speak English as a second language opt for an increase compared to just 4% of total customers.

Q20. SIMALTO

Treating customers as individuals – optimal specification analysis

The optimum level for treating customers as individuals is to stick with the current service level provided by YW.

n=820, All respondents

= Optimal level

Treating customers as individuals				YorkshireWater	
Service levels	The person I speak to is only able to speak from a script, they struggle to help if I go off script, they lack energy and are uninterested	The person I speak to can listen to me and move from the script as needed, they can service basic needs and they are polite but uninterested	The person I speak to is polite but gets on with the job quickly, they listen to my needs and can move from script if needed, they can service most of my needs	The person I speak to is polite and friendly, they have the time to speak to me and listen to my needs. They are knowledgeable about the business and can quickly help me in with most queries	The person I speak to is polite and friendly, they are knowledgeable about the business and take the time to understand me as an individual. They can examine my account history and identify where they can offer support, they are empathetic and make me feel valued
Bill Impact	-£0.57	-£0.28	-£0.14	£0.00	+£5.38
% Chose	**4%**	**6%**	**20%**	**64%**	**5%**

Q20. SIMALTO

Proactive staff – optimal specification analysis

The level of service currently provided by YW is the optimum level of service in terms of the proactivity of staff.

n=820, All respondents

= Optimal level

Proactive staff			YorkshireWater		
Service levels	The person I speak to is unaware of solutions would suit my needs	It is clear I'd benefit from solutions available from YW but the person I speak to doesn't offer them proactively	The person I speak to offers me a range of solutions without me asking, but they're not based on my needs	The person I speak to offers me a range of solutions to suit my needs without me asking for them	The person I speak to offers me a range of solutions to suit my needs, without me asking for them, and without being pushy offers good advice to help me decide which is best for me
Bill Impact	-£0.21	-£0.13	£0.00	+£5.21	+£11.19
% Chose	**4%**	**10%**	**67%**	**14%**	**4%**

Those that rate YW as poor or passive and those that worry or can't afford to pay their bill are most likely to choose to save in this area with a net saving of 22-23% respectively vs. 14% of total customers. Those that speak English as a second language are most likely to upgrade (29% net upgrade vs. 18% total sample).

Q20. SIMALTO

Keeping customers informed – optimal specification analysis

In terms of keeping customers informed, the optimum would be a slight upgrade in service with a bill impact of +5p a year.

n=820, All respondents

= Optimal level

Keeping me informed					
Service levels		They contact me and know what is happening but it isn't necessarily at the right time for me	They know what is happening and they contact me when they say they will and at a time that suits me	I have a case manager who knows my situation & what is happening. They keep me informed & contact me in a way that suits me.	
Bill Impact		£0.00	+£0.05	+£5.37	
% Chose		**48%**	**47%**	**5%**	

Those that answered via CAPI (offline customers) and those that pay over £53 a month on their bill are some of the least likely to opt to upgrade in this area with just 28% and 43% respectively choosing to do so vs 52% of the total sample (net upgrade).

Q20. SIMALTO

Personalised service – optimal specification analysis

The limited level of personalisation provided by YW is at the optimum level for customers with there being limited demand to upgrade and face the proportionately significant bill increases.

n=820, All respondents

= Optimal level

Personalising how Yorkshire Water customer contact is handled/delivered		YorkshireWater			
Service levels	There is no personalisation in any form of contact provided, there's no reference to you by name or to your individual circumstances	There is some personalisation	Personalisation across all contact methods but this is still restricted just to your name & only related to a service query	Personalisation across all channels & YW can tell you about your usage & provide tips on saving money when asked	Everything is personalised to who you are & your water usage
Bill Impact	-£0.14	£0.00	+£5.27	+£5.38	+£37.93
% Chose	**14%**	**74%**	**5%**	**5%**	**1%**

BAME & younger customer groups (18-34) are most likely to make a saving in this area (31% & 21% respectively vs. 14% total sample).

Q20. SIMALTO

Flexible payment options – optimal specification analysis

In terms of the payment options provided to customers the current level of flexibility is the optimum trade-off choice.

n=820, All respondents

= Optimal level

Flexible payment options			YorkshireWater		
Service levels		There is one payment option for all customers	There are a number of payment options and customers can change payment methods and plans at request	There are a number of payment options and these are actively promoted as is the flexibility of payment methods and plans.	
Bill Impact		-£0.11	£0.00	+£5.54	
% Chose		**14%**	**80%**	**6%**	

Those that speak English as a 2nd language are slightly more likely to choose to upgrade this element of the service (15% upgrade vs. 6% total sample).

Q20. SIMALTO

Support tariffs – optimal specification analysis

Customers believe that the optimum service level regarding support tariffs is to stick with the current service level and level of expenditure.

n=820, All respondents

= Optimal level

Support tariffs					
Service levels		Support tariffs/payment plans are offered to customers struggling to pay, they are suggested once a customer has missed one payment & contacted YW	YW has a number of payment plans & proactively contacts customers struggling to pay to suggest tariffs/support plans once they miss one payment	YW proactively contacts customers before they get into debt & suggest the best tariff/support plan for them	
Bill Impact		£0.00	£0.11	+£5.60	
% Chose		**78%**	**18%**	**4%**	

Those that speak English as a second language, BAME customers and those that worry/can't afford their bill are most likely to upgrade in this area (34%-44% vs. 21% total sample).

Q20. SIMALTO

YW App– optimal specification analysis

Customers are generally not willing to pay extra to increase the functionality of the Yorkshire Water App with the current service and spend level being the optimum.

n=820, All respondents

= Optimal level

YW App					
Service levels		A basic app is offered where you can pay your bill and send meter readings	In addition, the app shows incidents in your area & information on YW recreation land & reservoirs	In addition the app shows graphs of your water usage	The app is personalised to your interests notifies you when consumption is high & suggests water saving tips.
Bill Impact		£0.00	+£0.20	+£4.79	+£10.43
% Chose		**80%**	**16%**	**2%**	**1%**

Younger age groups are most likely to upgrade the app service area with 33% of 18-24s and 34% 25-34s doing so in comparison to just 19% of total customers.

Those currently managing their water via app are also more likely to upgrade at 30%.

Q20. SIMALTO

Individual attribute choice vs. revised level

Customers first considered each attribute in turn and then as a combined bundle of all attributes with a total bill impact. The level of change between the initial individual service selections and the revised selection is very small. All attributes with the exception of Mode of Contact have **over 90% agreement between the initial and revised choice** of service level. n=820, All respondents

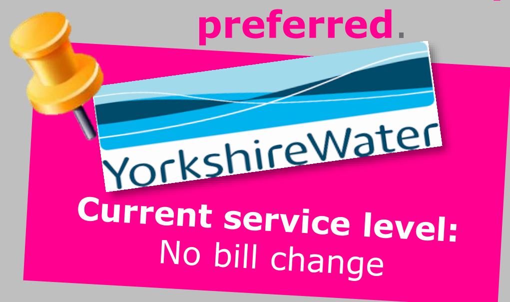
The high level of preference for maintaining the current level of service implies that customers are happy with their initial selection and feel little need to revise or change the priorities.

	Stick with initial level	Revise level
Mode of contact	85%	15%
Opening hours	94%	6%
Initial contact	95%	5%
Speed	96%	4%
Treat individual	96%	4%
Proactive	97%	3%
Keeping informed	98%	2%
Personalisation	97%	3%
Flexible payment	98%	2%
Support tariffs	98%	2%
YW App	98%	2%

Since the results vary little between the initial and revised levels the analysis focusses on the revised/final model of priorities.

Majority stick with current level in most service areas

Although the YW App, flexible payments & support tariffs come top for sticking at the current service level there are no saving options for these areas. In **8 out of 11** service areas the **status quo is preferred**.

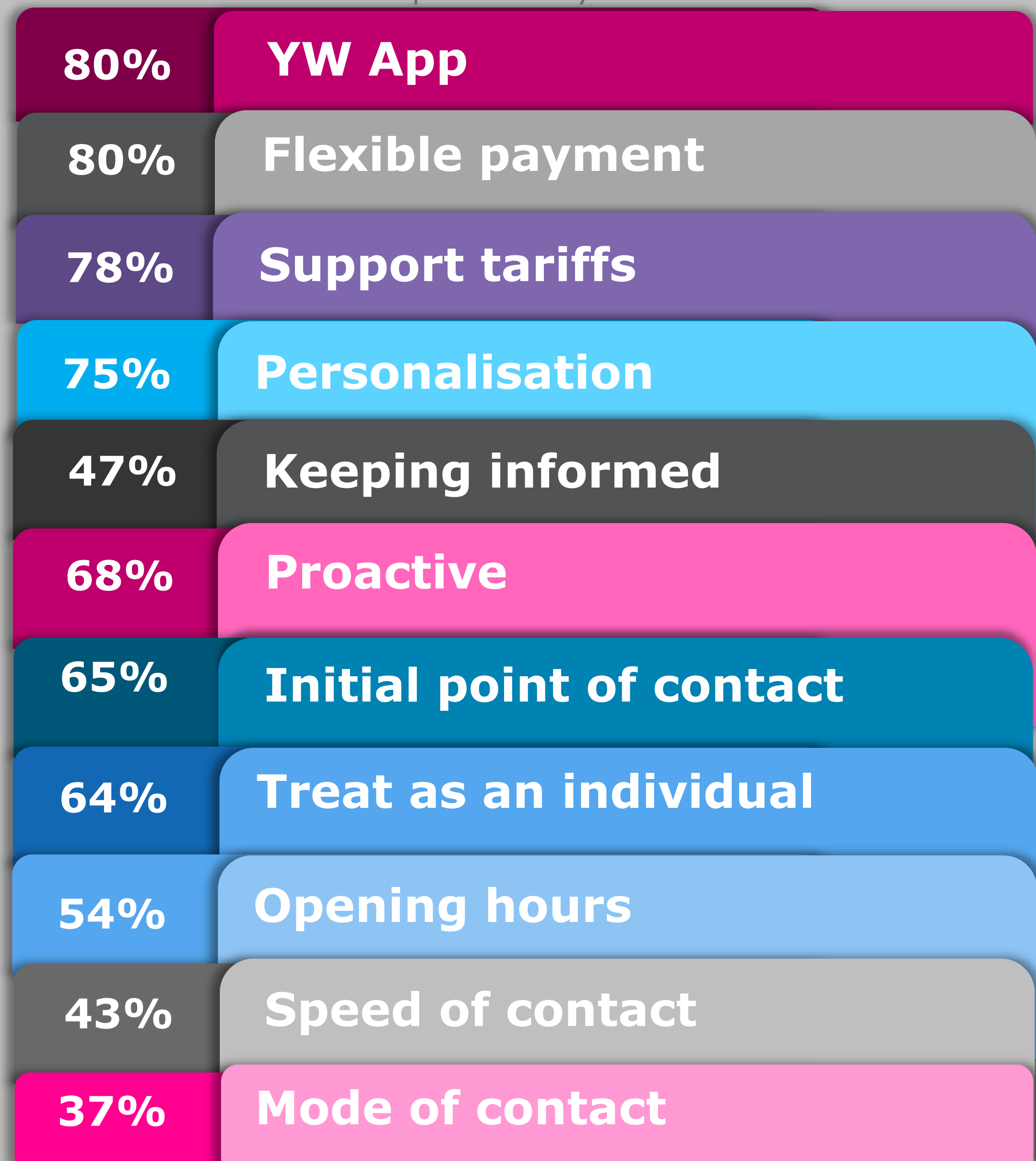


In total **12%** of customers want every element of every area to remain at the current level with flexible payment options, the YW app and support tariffs being the areas where customers are most likely remain the same

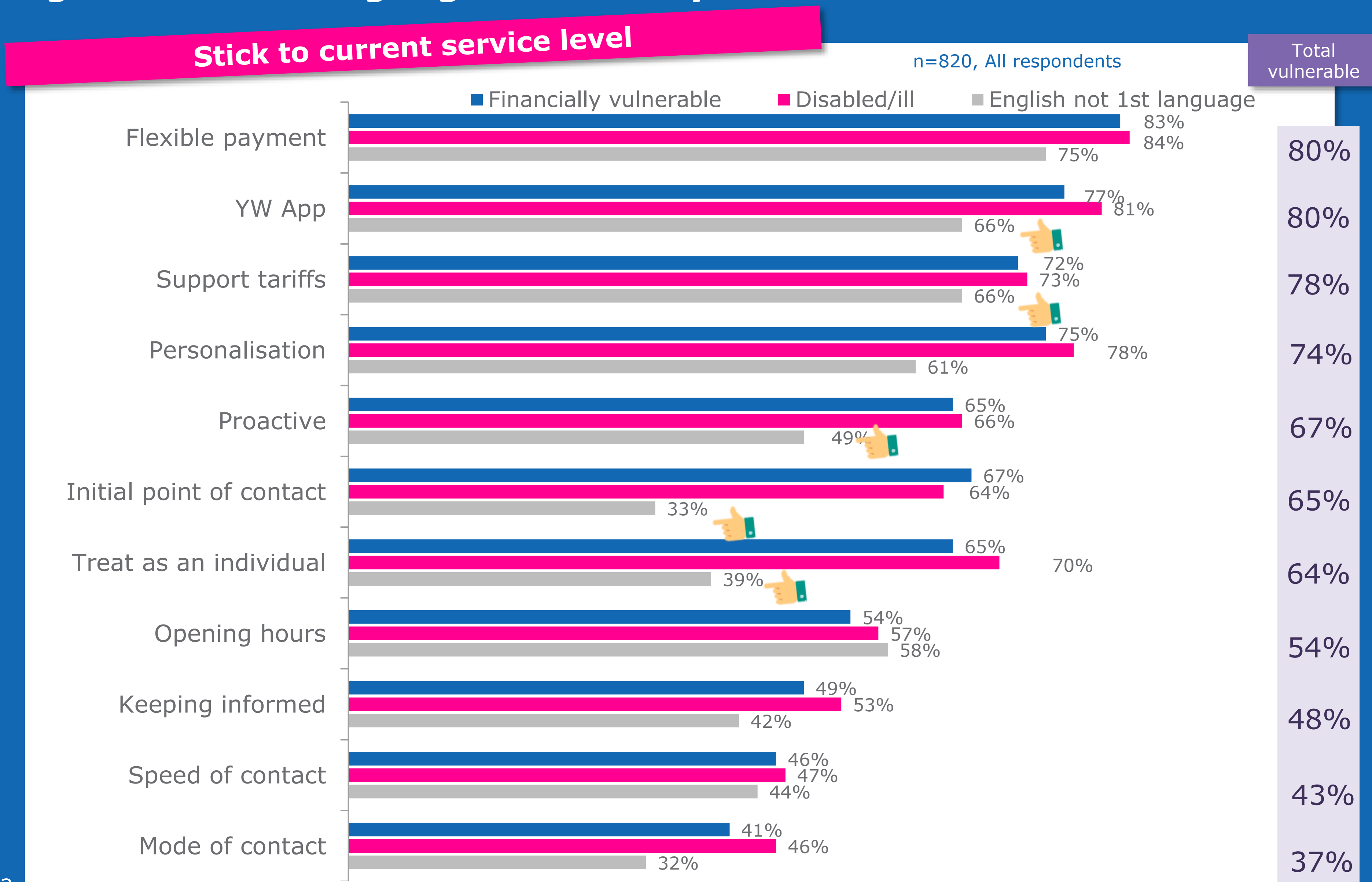
44% of customers would like to keep their retail package ‘broadly the same’ (2 or less changes to their package resulting in a bill impact of no more/less than +50p/-50p). **+£1.90** per year was the average bill impact but optimum was just +£0.40.

% stick with current level provided by YW

n=820, All respondents



English not 1st language least likely to stick with current levels



Q20. SIMALTO

Over two fifths choose a bundle to save

Mode of contact was the service area to draw the greatest level of saving from followed by speed of contact – these were the only two options were the majority of customers opted to downgrade from the current service level.

n=820, All respondents

YorkshireWater

Reduced service level:
Bill decrease

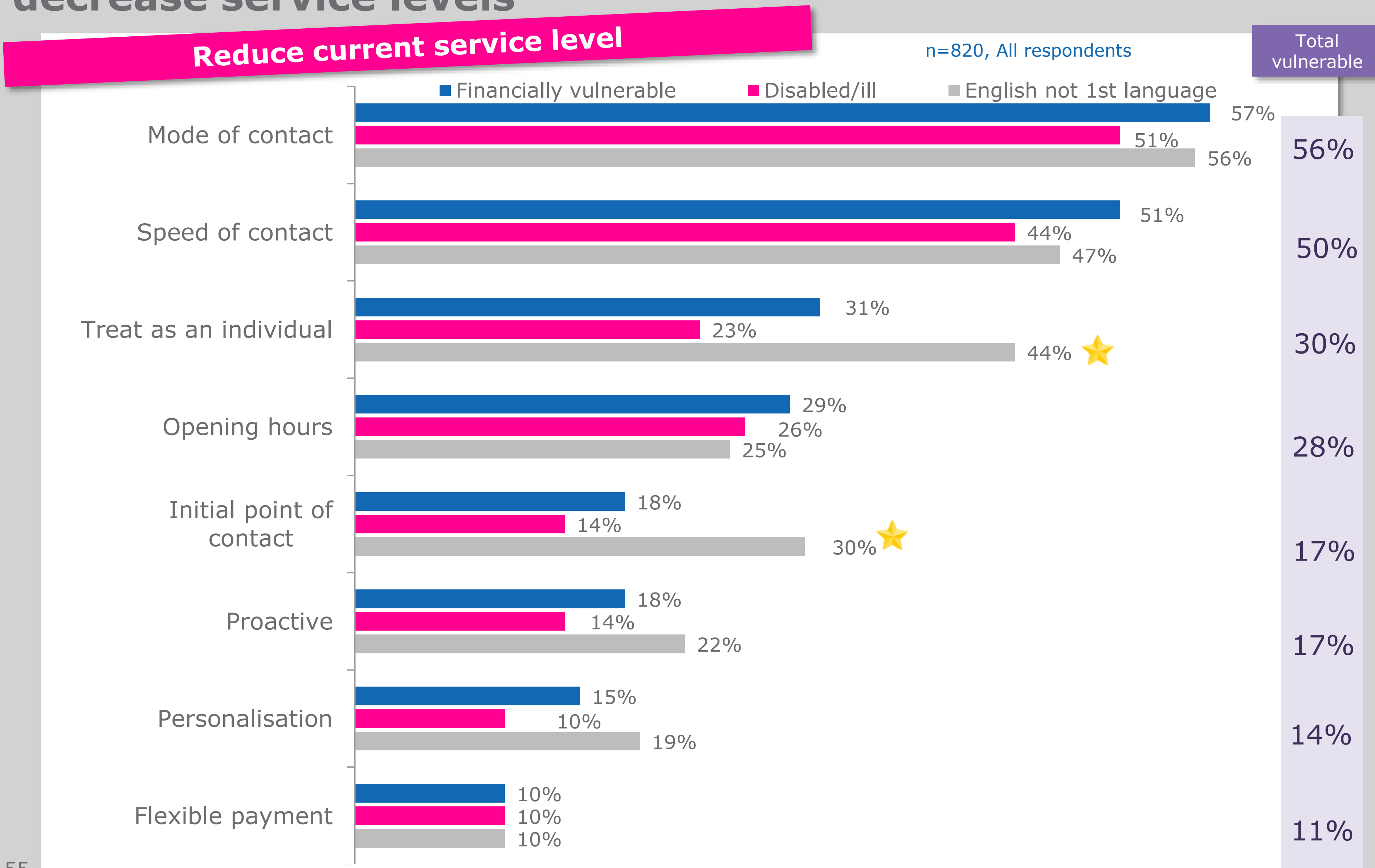
In total **44%** of customers choose to have a range of service options that result in saving money

Bill reductions ranged from **-£5.96 to -£0.02 per year** per year

% reduced service level provided by YW

61%	Mode of contact
53%	Speed of contact
31%	Treat as individual
29%	Opening hours
20%	Initial point of contact
14%	Proactive
14%	Personalisation
14%	Flexible payments

Those with disabilities/long term illnesses most likely to not decrease service levels



Q20. SIMALTO

The same proportion also chose to spend more

% increased service level provided by YW
n=820, All respondents

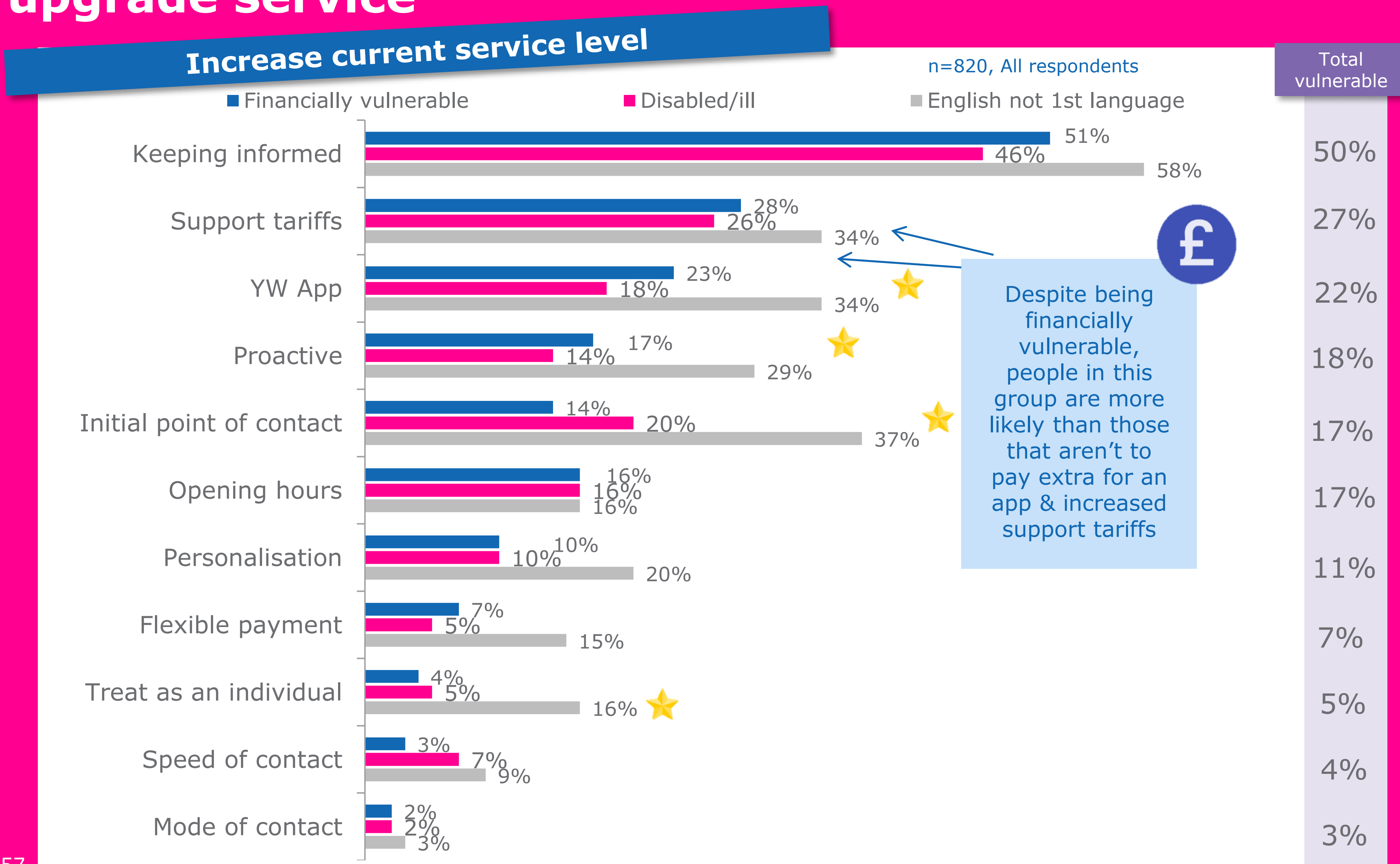
In total **44%** of customers choose to have a range of service options that result in spending a little more money

Bill increases ranged from **+£0.02 to +£93.72** per year

Although the range in prices is high, we only have 50 customers who have a total bill impact of over £20, no single customer chose the highest level of increase across all measures

53%	Keeping informed
22%	Support tariffs
20%	YW App
18%	Proactive
17%	Opening hours
16%	Initial point of contact
11%	Personalisation
6%	Flexible payments
5%	Treat as an individual
4%	Speed of contact
2%	Mode of contact

Customers with English as 2nd language most likely to upgrade service



Q20. SIMALTO

Priority change: Keeping me informed

The coefficient (weight of importance) for each service level varies across the service areas allowing us to identify an order of priority with keeping me informed being the top priority for change.

Attribute	Optimal Specification – whole sample	Priority ranking
Mode of contact	-1 level Phone and multiple online contact methods	PRIORITY 3
Opening hours	+1 Monday to Friday 8am - 8pm, Saturday 9am -5pm and Sunday 11am - 2pm	PRIORITY 4
Initial point of contact	Current level	
Speed of contact	-1 level My call is answered between 30 seconds and a minute	PRIORITY 2
Treat me as an individual	Current level	
Proactive	Current level	
Keeping me informed	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me	PRIORITY 1
Personalisation	Current level	
Flexible payments	Current level	
Support tariffs	Current level	
YW App	Current level	

Focus on age:

	18-34	35-54	55+
Bill reduction	32.9%	28.3%	17.7%
Broadly the same*	33.5%	41.4%	51.1%
Bill increase	33.5%	30.3%	31.1%
Average bill impact	+ £2.13	+ £1.54	+ £2.10

*(2 or less changes to their package resulting in a bill impact of no more/less than +50p/-50p)

Attribute	18-34	35-54	55+
Mode of contact	-2 levels Phone and single online contact option	-1 level Phone and multiple online contact methods	Current level
Opening hours	Current level	+1 Monday to Friday 8am - 8pm, Saturday 9am -5pm and Sunday 11am - 2pm	Current level
Initial point of contact	- 1 level I go straight to a call steering system and have to press a number to get through to the department I need	Current level	Current level
Speed of contact	Current level	-1 level My call is answered between 30 seconds and a minute	Current level
Treat me as an individual	Current level	Current level	Current level
Proactive	Current level	Current level	Current level
Keeping me informed	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me
Personalisation	Current level	Current level	Current level
Flexible payment	Current level	Current level	Current level
Support tariffs	Current level	Current level	Current level
YW App	Current level	Current level	Current level
Total Bill impact	-£0.33	+£0.40	+£0.05

Focus on SEG:

	ABC1	C2DE
Bill reduction	27.5%	22.1%
Broadly the same*	40.6%	47.3%
Bill increase	32.0%	30.6%
Average bill impact	+£1.81	+£1.97

*(2 or less changes to their package resulting in a bill impact of no more/less than +50p/-50p)

Attribute	ABC1	C2DE
Mode of contact	-2 levels Phone and single online contact option	Current level
Opening hours	Current level	+1 Monday to Friday 8am - 8pm, Saturday 9am -5pm and Sunday 11am - 2pm
Initial point of contact	Current level	Current level
Speed of contact	-1 level My call is answered between 30 seconds and a minute	Current level
Treat me as an individual	Current level	Current level
Proactive	Current level	Current level
Keeping me informed	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me
Personalisation	Current level	Current level
Flexible payment	Current level	Current level
Support tariffs	Current level	Current level
YW App	Current level	Current level
Total Bill impact	-£0.29	+£0.47

Focus on Metering:

	Unmetered	Metered
Bill reduction	24.7%	24.7%
Broadly the same*	41.7%	46.4%
Bill increase	33.6%	28.9%
Average bill impact	+£ 2.01	+£1.78

*(2 or less changes to their package resulting in a bill impact of no more/less than +50p/-50p)

Attribute	Unmetered	Metered
Mode of contact	Current level	-1 level Phone and multiple online contact methods
Opening hours	+1 Monday to Friday 8am - 8pm, Saturday 9am -5pm and Sunday 11am - 2pm	Current level
Initial point of contact	Current level	Current level
Speed of contact	Current level	-1 level My call is answered between 30 seconds and a minute
Treat me as an individual	-1 level The person I speak to is polite but gets on with the job quickly, they listen to my needs and can move from script if needed, they can service most of my needs	Current level
Proactive	Current level	Current level
Keeping me informed	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me
Personalisation	Current level	Current level
Flexible payment	Current level	Current level
Support tariffs	Current level	Current level
YW App	Current level	Current level
Total Bill impact	+£0.33	-£0.02

Focus on Disability/illness:

	No disability/illness	Disabled/ill
Bill reduction	26.1%	19.9%
Broadly the same*	43.4%	46.2%
Bill increase	30.5%	33.9%
Average bill impact	+£1.73	+£2.46

*(2 or less changes to their package resulting in a bill impact of no more/less than +50p/-50p)

Attribute	No illness	Long term ill
Mode of contact	-1 level Phone and multiple online contact methods	Current level
Opening hours	+1 Monday to Friday 8am - 8pm, Saturday 9am -5pm and Sunday 11am - 2pm	Current level
Initial point of contact	Current level	+1 level My call is answered by a person and they are able to deal with my query
Speed of contact	-1 level My call is answered between 30 seconds and a minute	Current level
Treat me as an individual	Current level	Current level
Proactive	Current level	+1 level The person I speak to offers me a range of solutions to suit my needs without me asking for them
Keeping me informed	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me
Personalisation	Current level	Current level
Flexible payment	Current level	Current level
Support tariffs	Current level	Current level
YW App	Current level	Current level
Total Bill impact	+£0.40	+£5.63

Focus on financial vulnerability:

	Not vulnerable	Vulnerable (financial)
Bill reduction	25.1%	24.2%
Broadly the same*	44.9%	42.8%
Bill increase	30.0%	33.0%
Average bill impact	+£ 1.84	+£1.97

*(2 or less changes to their package resulting in a bill impact of no more/less than +50p/-50p)

Attribute	Not vulnerable	Vulnerable (financial)
Mode of contact	-1 level Phone and multiple online contact methods	-1 level Phone and multiple online contact methods
Opening hours	Current level	+1 Monday to Friday 8am - 8pm, Saturday 9am -5pm and Sunday 11am - 2pm
Initial point of contact	Current level	Current level
Speed of contact	-1 level My call is answered between 30 seconds and a minute	-2 levels My call is answered between 1 - 5 minutes on hold
Treat me as an individual	Current level	Current level
Proactive	Current level	Current level
Keeping me informed	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me
Personalisation	Current level	Current level
Flexible payment	Current level	Current level
Support tariffs	Current level	Current level
YW App	Current level	Current level
Total Bill impact	-£0.02	+£0.33

Focus on total vulnerability:

	Not vulnerable	Vulnerable total
Bill reduction	25.7%	23.8%
Broadly the same *	45.6%	42.5%
Bill increase	28.7%	33.7%
Average bill impact	+£1.68	+£ 2.10

*(2 or less changes to their package resulting in a bill impact of no more/less than +50p/-50p)

Attribute	Not vulnerable	Vulnerable (any flag)
Mode of contact	-1 level Phone and multiple online contact methods	Current level
Opening hours	Current level	+1 Monday to Friday 8am - 8pm, Saturday 9am -5pm and Sunday 11am - 2pm
Initial point of contact	Current level	+1 level My call is answered by a person and they are able to deal with my query
Speed	-1 level My call is answered between 30 seconds and a minute	-1 level My call is answered between 30 seconds and a minute
Treat me as an individual	Current level	Current level
Proactive	Current level	Current level
Keeping me informed	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me	+1 Level - They know what is happening and they contact me when they say they will and at a time that suits me
Personalisation	Current level	Current level
Flexible payment	Current level	Current level
Support tariffs	Current level	Current level
YW App	Current level	Current level
Total Bill impact	-£0.02	+£0.81

Increased monitoring & communication options desired

Other suggested ways to improve the service included providing a range of communication options for different needs, better & easier ways to monitor water usage and a more consultative service.

Any other ways to improve the service – key themes

More ways to monitor usage

Real time view

"Ability to view real time water usage & bills to date via the YW website"

Indoor/smart meter

"My water meter is outside – I'd like to see something inside so I know if the kids have left the tap running"

Increased communication options

Online options & proactive YW contact

"I suffer with anxiety & struggle on the phone so would prefer to communicate via email. I would also like to see a rep contact me first if there are any issues on my account as sometimes I find it difficult to make first contact with people/companies"

Service accessibility via all methods

"Less App centred – many people would prefer to access those services via the internet rather than their phone & some people aren't online"

A more consultative service

Have a say in how money is spent

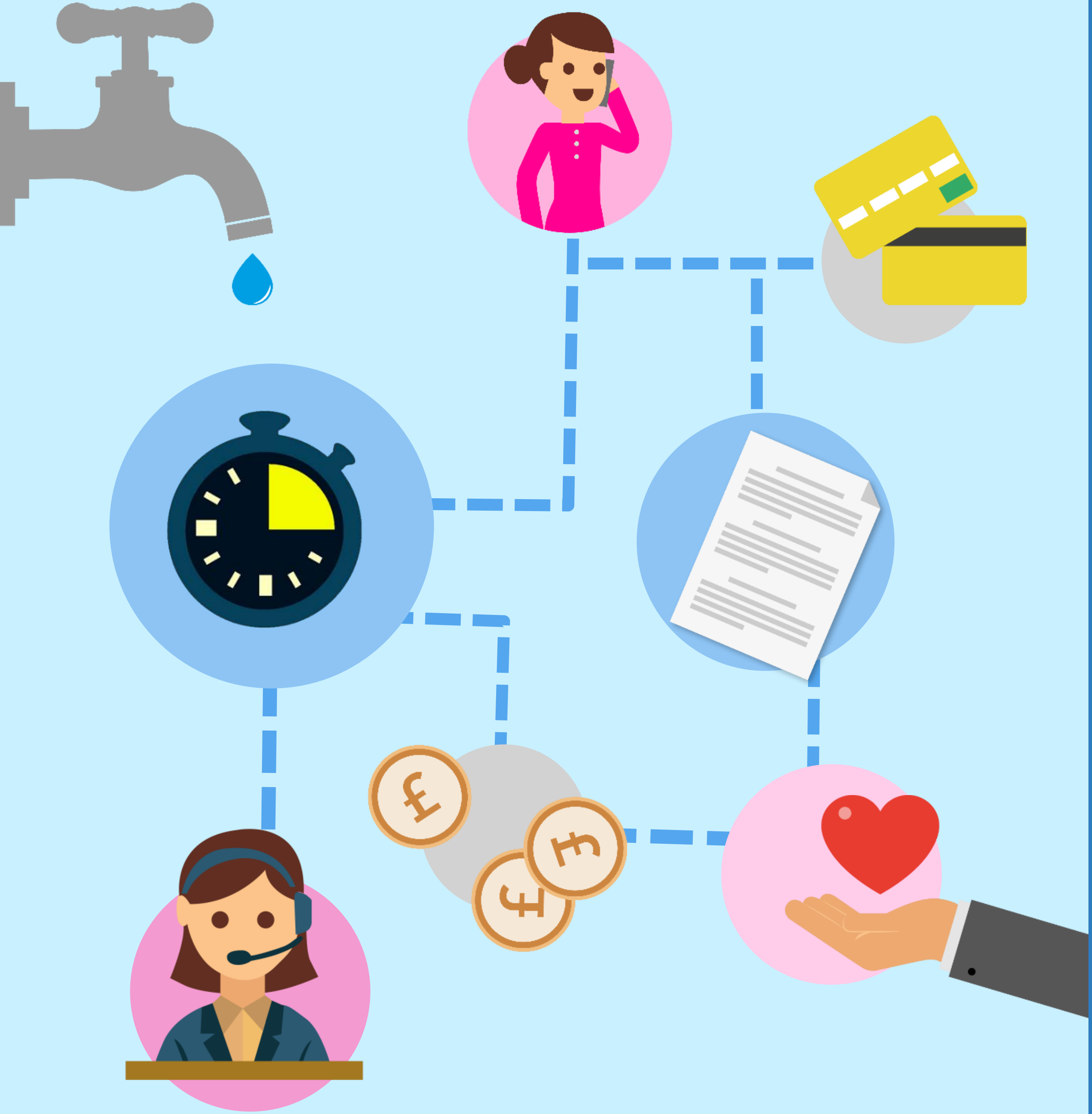
"Longer term plans to be consulted upon with customers, open forums whether in person or online"

"To have a say on the pay scale of directors"

Account management reviews

"Regular reviews of my monthly payments to ensure I am not paying too much"

Q21a. Are there any other ways in which you would like to be able to adjust or tailor the service you receive from Yorkshire Water?



7. Conclusions & recommendations

Nearly 1 in 6 (13%) of customers can't afford their water bill, yet only 5% say they currently receive help with payments.

YW may benefit from providing more information on support tariffs & ways to reduce consumption.

Nearly a quarter (23%) manage their YW account online and more than half of those not currently managing their accounts online would be interested in doing so – this increases to two-thirds if bills were then cheaper

YW should continue to promote to customers that they can manage their account online and offer a financial incentive to go paperless.

Contacting YW by phone is still the most appealing form of contact and if YW were to move to more digital methods, a large proportion of customers would still like a number for emergencies.

YW should bear in mind that although customers tend not to reject the idea of online account management the prospect of losing the ability to call YW in the event of any additional queries or emergencies is largely unpopular.

When given the option to up or downgrade the current service, the current service is preferred in 8 out of 11 areas.

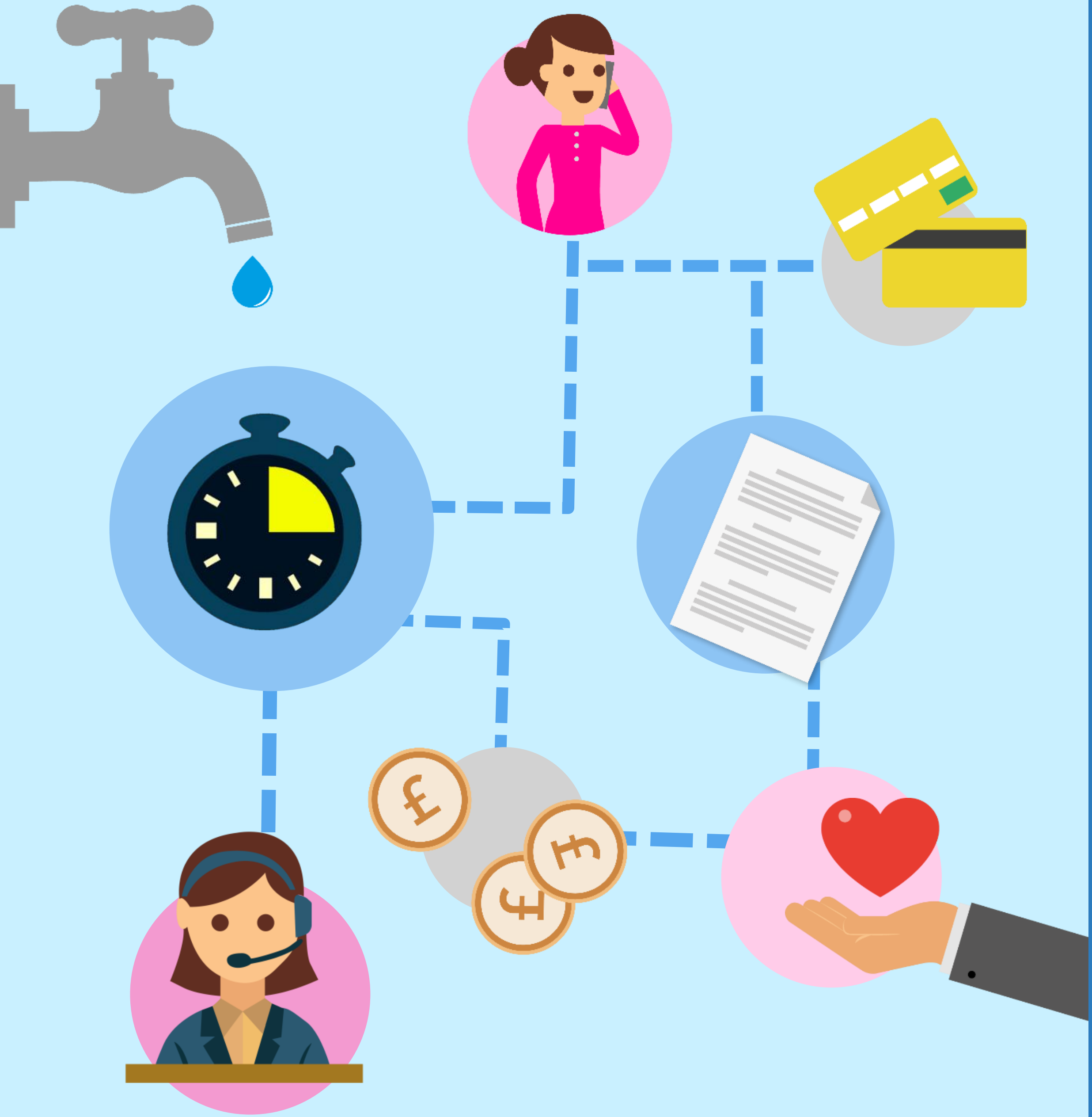
Customers are largely happy with the current SLAs in place and mostly happy to keep their payments at around the same level. YW should therefore look to maintain these SLAs where possible,

Although 44% of choose SLAs that result in a reduction in their bill, these savings were fairly limited, ranging from just £5.96 to £0.02 a year. `

If YW were to consider ways to reduce the current service level provided 'Mode of contact' and 'speed of contact' would be the only areas where this would be considered acceptable by most customers.

The same proportion of customers also choose to upgrade their current SLAs with expenditure ranging from +£0.02 to +£93.72 per year. However, there were only two service areas where an increase was optimum. The average bill impact was +£1.90 per year but the 'optimum' trade off was just +£0.40

Customers are willing to accept a *very* slight increase in their annual retail bill to make some improvement - particularly for 'keeping me informed'. If YW were looking to increase SLAs this particular area would be a good start.



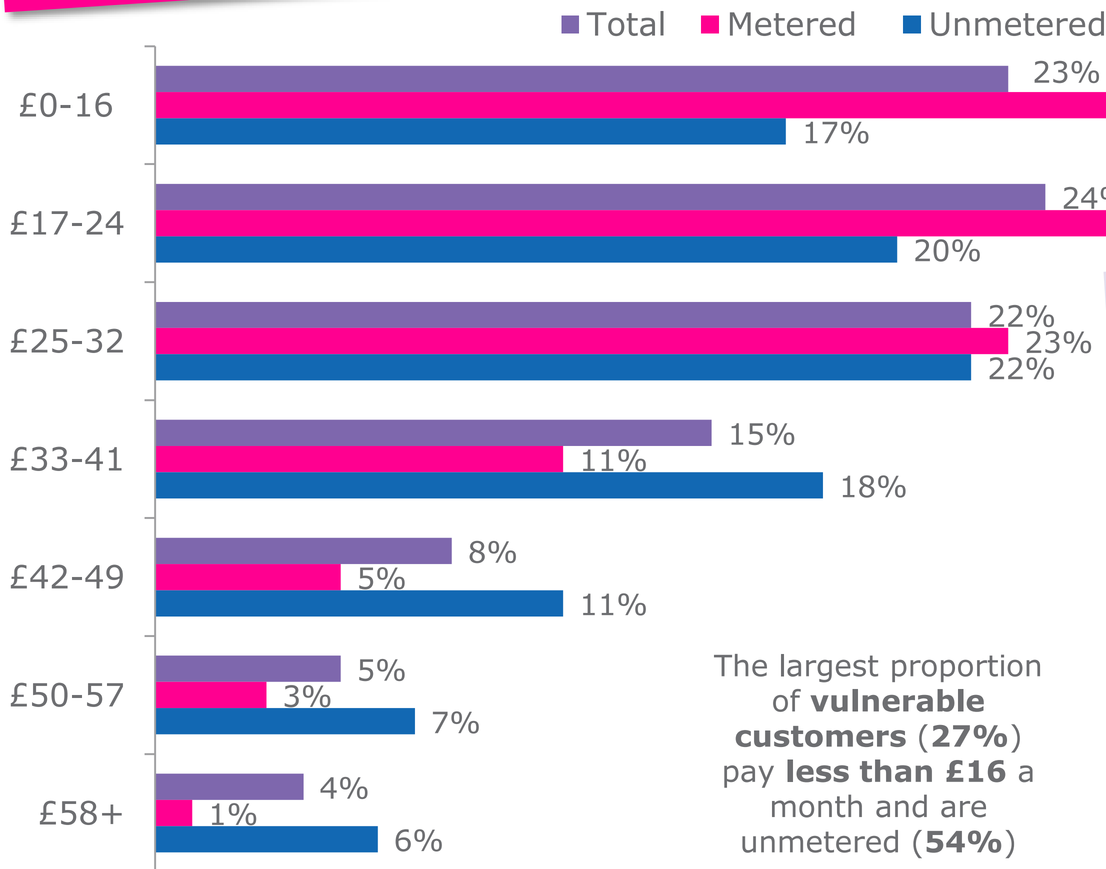
Appendix

Billing

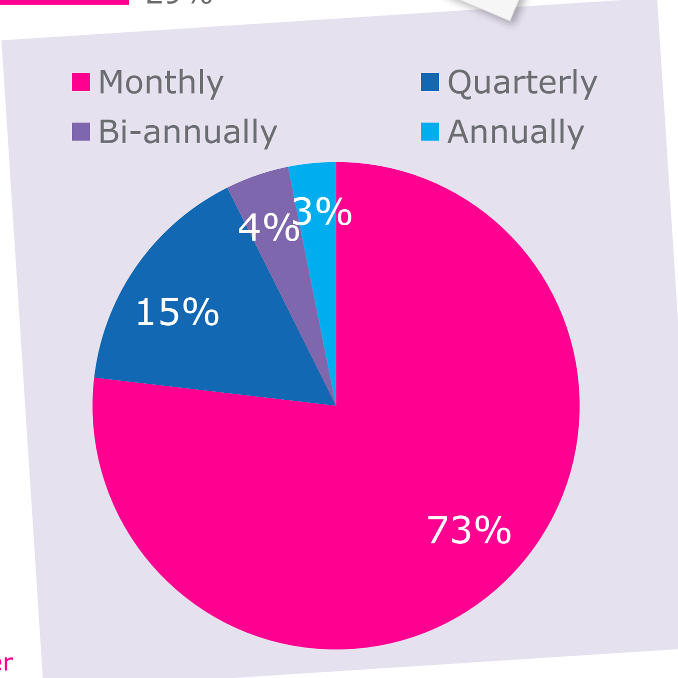
n=820, All respondents

Those that are on a meter appear to be more likely to pay a lower amount on their bill and the vast majority choose to pay on a monthly basis.

Bill payments (per month)



The largest proportion of **vulnerable customers** (**27%**) pay **less than £16** a month and are unmetered (**54%**)



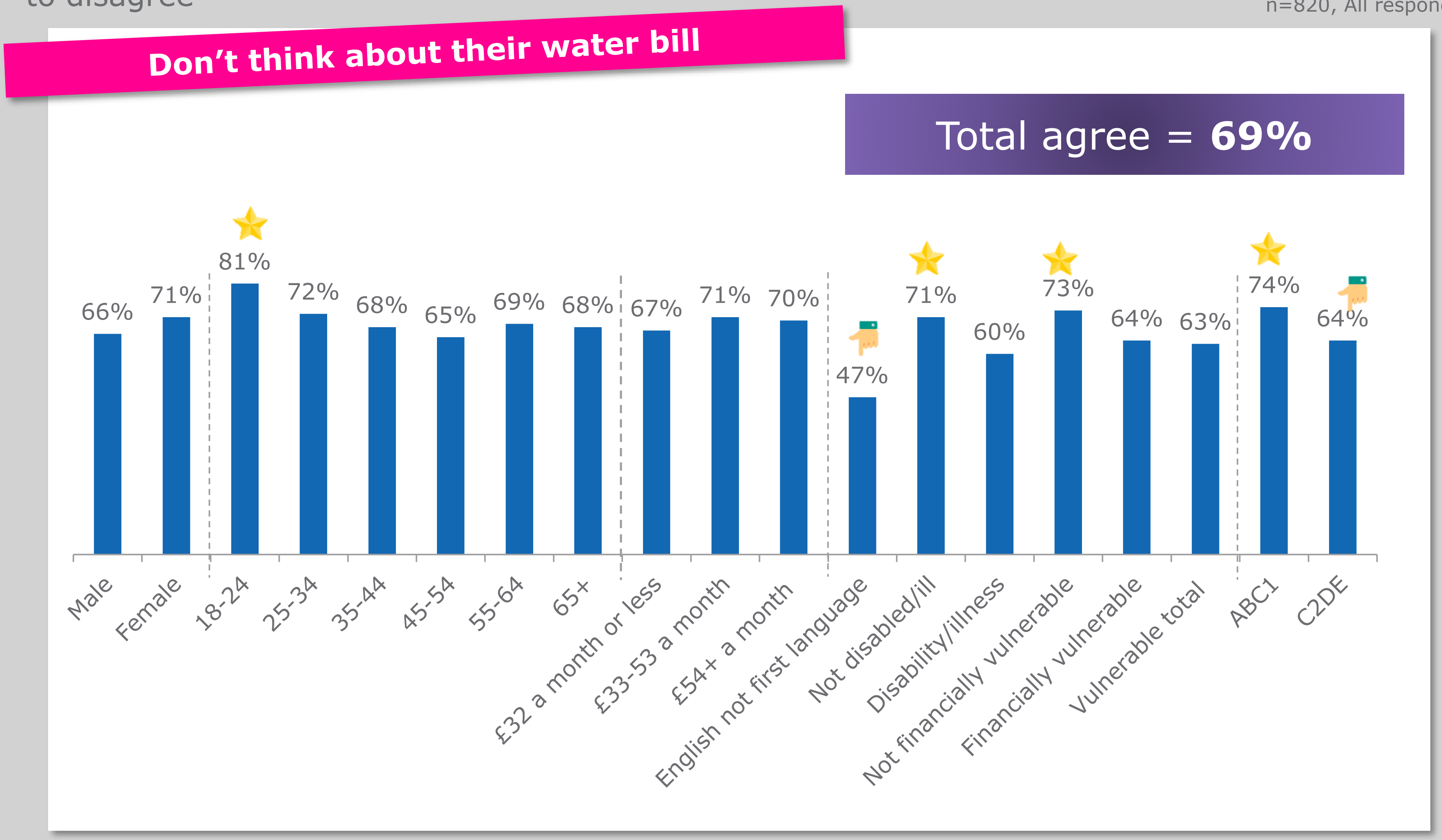
=Significantly higher =Significantly lower

Q03A Roughly how much do you pay for your water and sewerage services?
Q03B Do you pay your bill…

Younger age groups less likely to think about bills

Younger customers and those that are less financially vulnerable appear to think the least about their water bills with those not speaking English as a 1st language being most likely to disagree

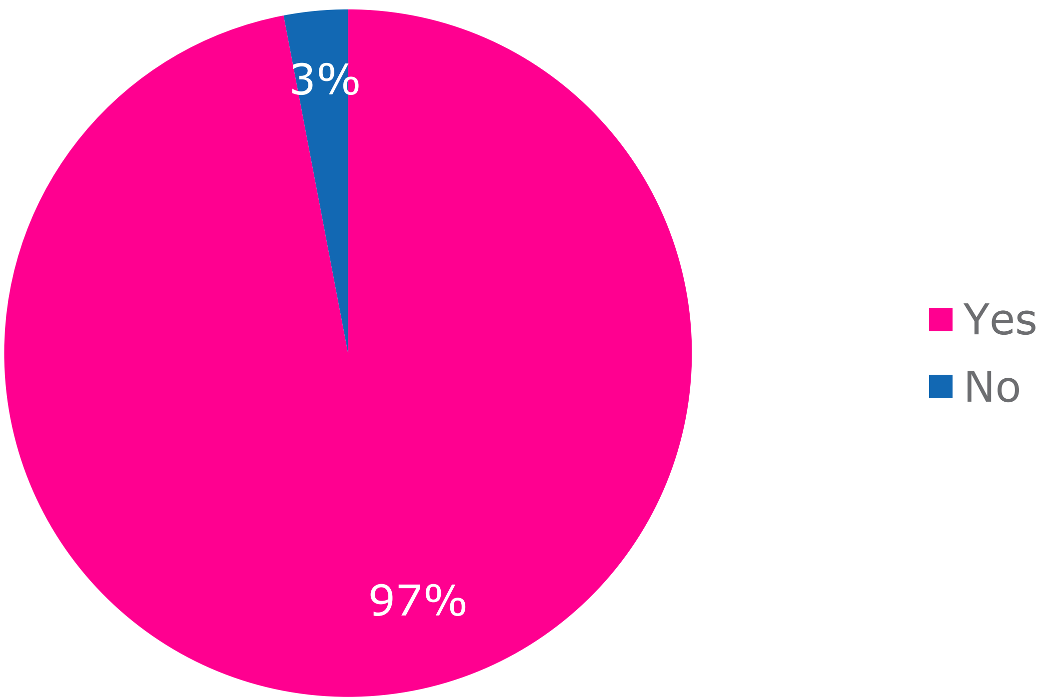
n=820, All respondents



Q04a Please tell us how strongly you agree or disagree with each of the following statements in terms of how well it describes your attitudes towards your water bill.

English first language

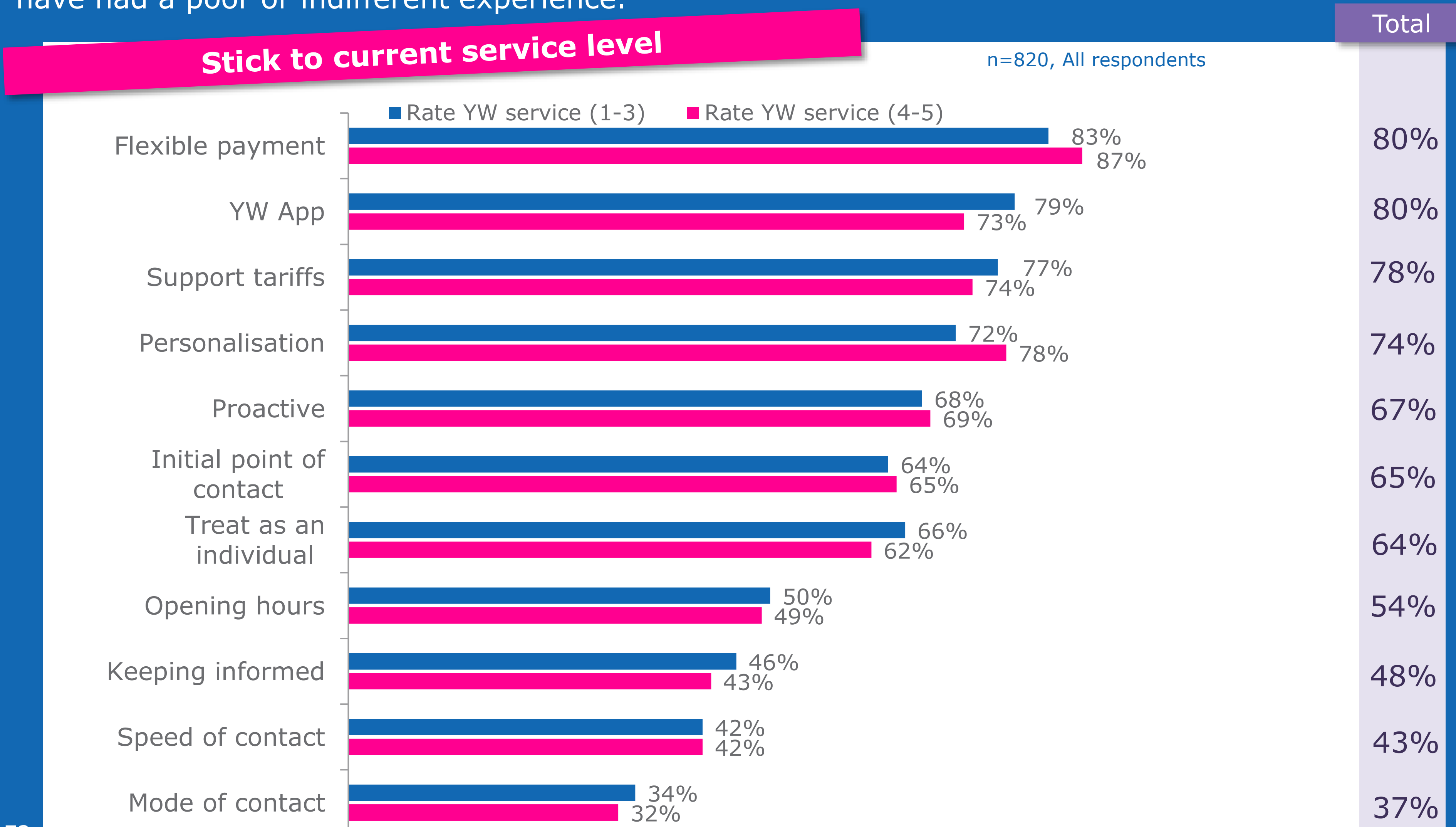
n=820, All respondents



Q23 Is English your first language?

Little difference between satisfied & dissatisfied

Although those that have had a positive experience of the YW service in the past are a little more likely to stick with the current levels of personalisation & payment options compared to those that have had a poor or indifferent experience.



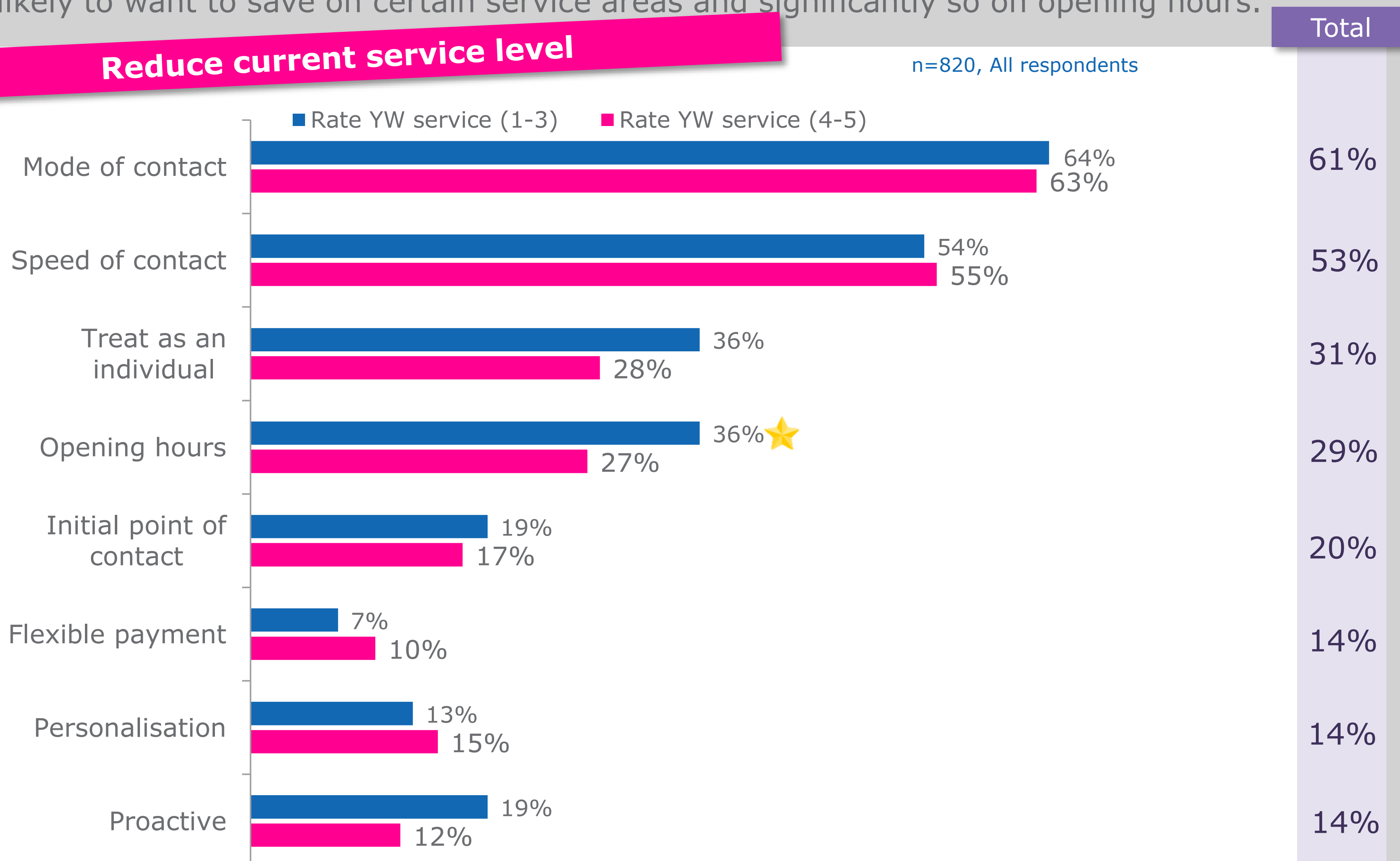
Q20. SIMALTO

Those dissatisfied with service most likely to identify savings

Those that have been dissatisfied with the service previously received from YW are significantly more likely to want to save on certain service areas and significantly so on opening hours.

Reduce current service level

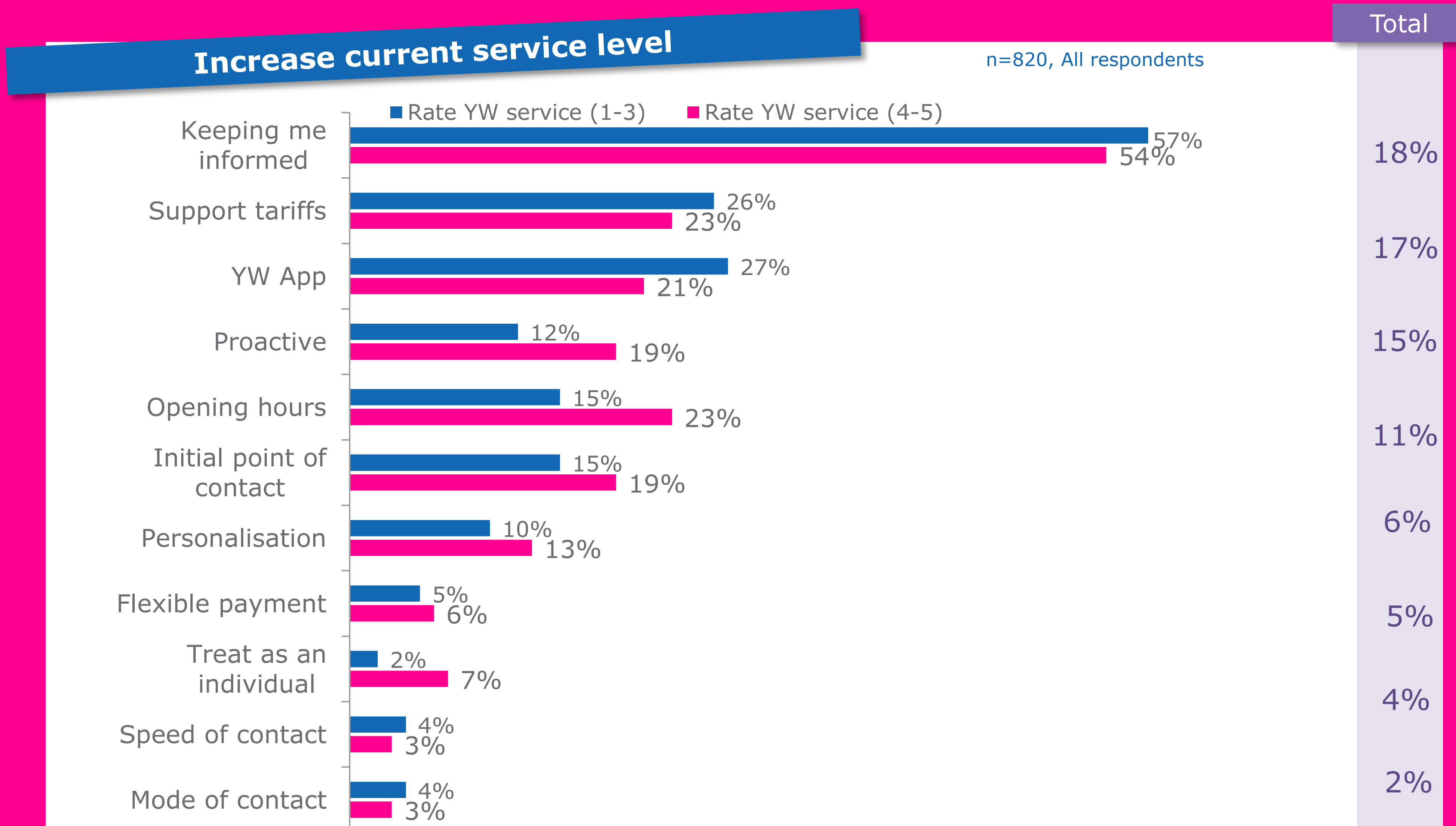
n=820, All respondents



Q20. SIMALT0

Satisfied customers most likely to upgrade

Those that have had a previously positive experience with YW's service are most likely to be open to paying extra to make service improvements – particularly to increase opening hours.

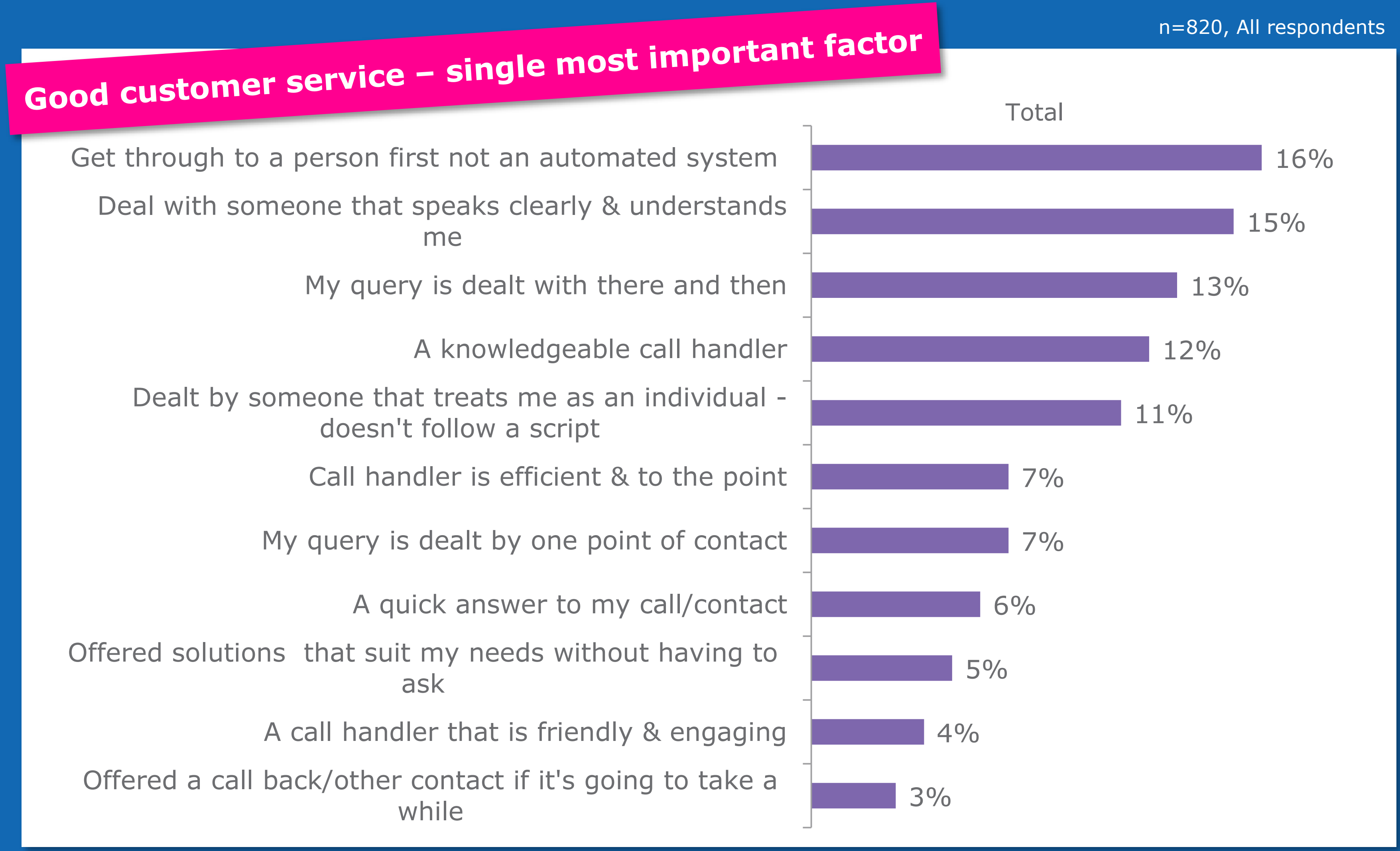


Q20. SIMALTO

Speaking to a person first is paramount

When asked which single factor is the most important aspect of good customer service 'getting through to a person first and not an automated system' comes top.

n=820, All respondents



Q08B And which of these is most important to you?

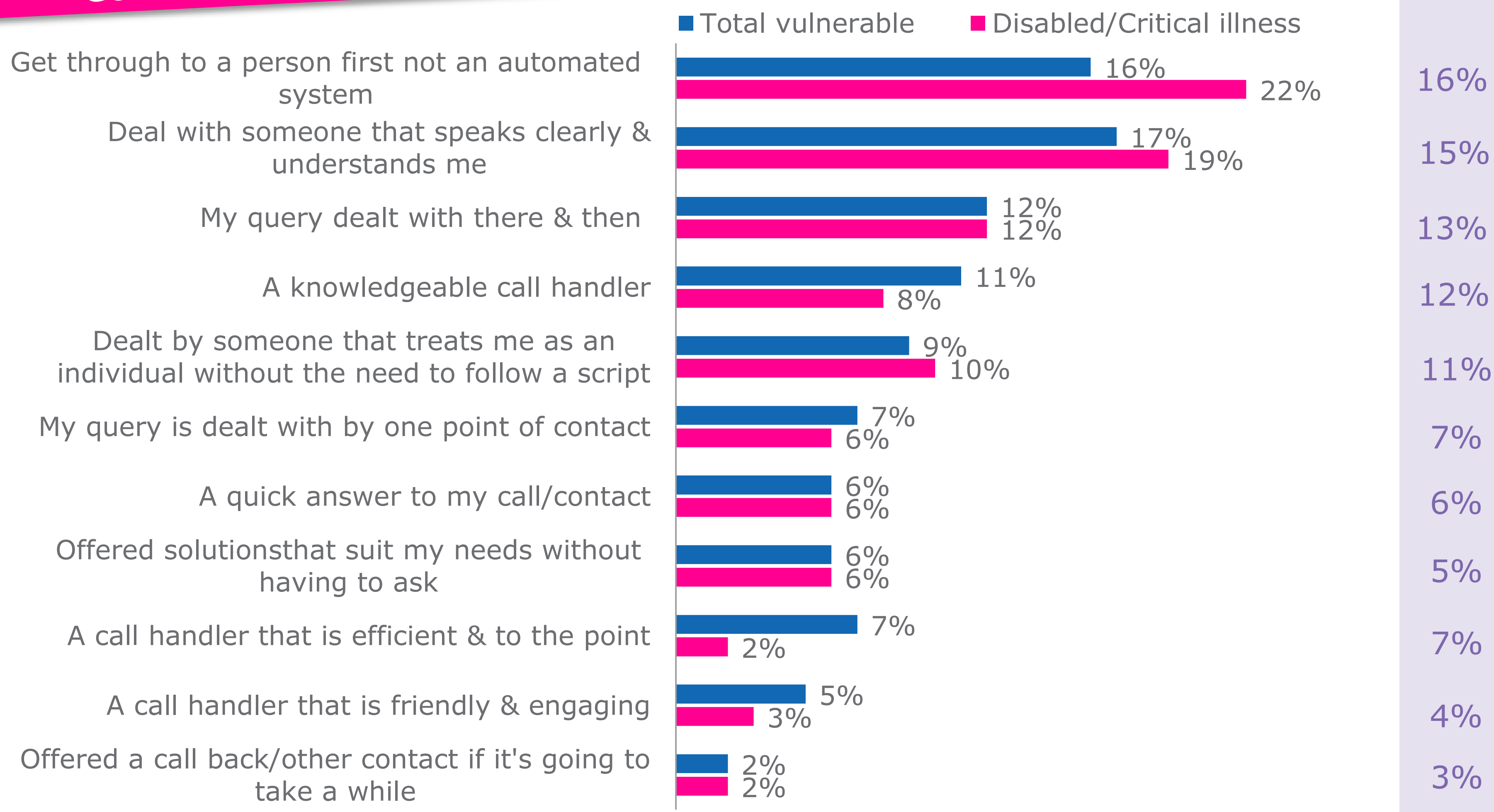
Speaking clearly key for disabled/ill

Someone that speaks clearly & understands them is especially important for the critically ill/disabled with an efficient & to the point call handler being less so – perhaps indicating concerns over being rushed?

n=820, All respondents

Good customer service – single most important factor

Total Customers



Q08B And which of these is most important to you?

Being treated as an individual critical for English not 1st language

However, for the financially vulnerable it is more important to speak to a person that is clear & understands them.

n=820, All respondents

Good customer service – single most important factor