



Understanding customer views on SMART meters

with Yorkshire Water's Online
Customer Community

18.08.20

join the dots



InSites Consulting



Background

Objectives

Yorkshire Water is currently running a trial of 2,500 SMART meters and would like to use the Your Water community to better understand customer perceptions of SMART metering technology and whether they would support the use of SMART metering technology by YW.

We want to understand:

- Customers' perceptions of SMART meters (benefits, drawbacks) and whether they see water meter data as particularly sensitive.
- Level of customer acceptance of YW using SMART meters.
- Customer expectations for additional cost/reduction in bill as a result of service improvements linked to SMART meters.

Methodology



A survey on the Your Water community



DATE: 4th – 10th August 2020



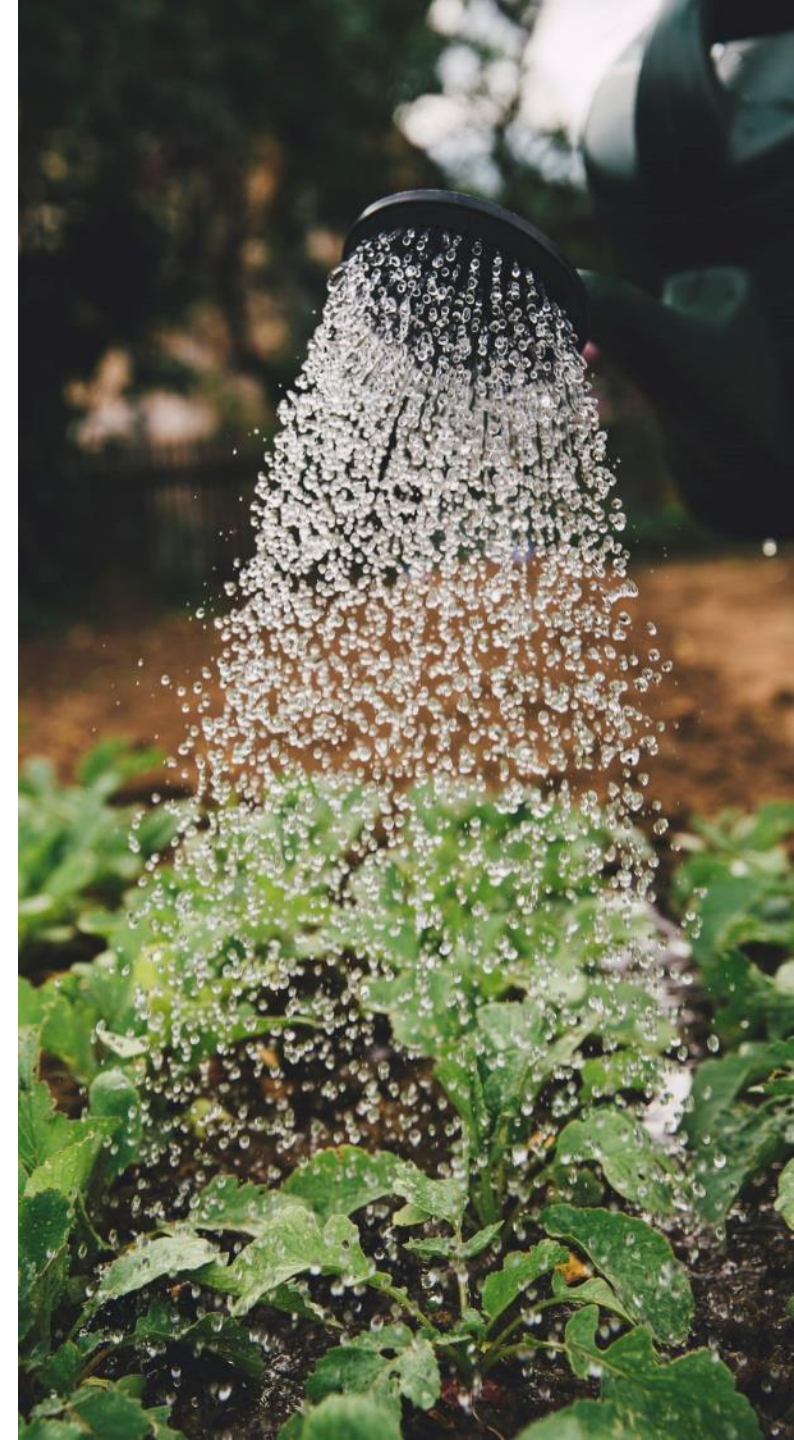
440 members of the community took part (sample in appendix 1)

A note on sample.

There is a slight skew towards older customers in the current community sample so views won't be representative of the whole customer base.

Key insights

- Just under two-thirds of customers would be interested in having a SMART water meter, with environmental and cost saving benefits resonating the most.
- Consideration is significantly higher among customers that already have a meter: this group naturally represent your early target for SMART meter installation as any barriers around cost increases have presumably been eroded, or didn't exist.
- Those that have some form of SMART tech in their home are also more interested in water SMART meters.
- However, a notable group of your customers (largely those unmetered, without SMART home tech and in the middle aged groups) are either very much against SMART water meters or unsure.
- The main barriers to consideration are holding a strong view against SMART meters in principle, concerns around data security and a perception that their bills will increase.



Recommendations

- **Current metered customers are your easiest initial target for SMART meter roll out – and in theory acceptance would be high among the majority.**
- **Comms will be needed to reassure customers of the customer-centric benefits of SMART meters, and any communicated benefit to YW needs to also be seen to be passing the benefit onto customers (for example, efficiencies in monitoring could bring down the cost of bills).**
- **Concerns around bill increases need to be managed. Whilst the reality for larger households may be that bills do increase initially, perhaps framing the benefit as putting consumption in the control of the customer may help.**
- **Whilst the wider barrier of tech confidence / resistance is difficult for YW to tackle alone, reassurance messages around how you protect their data will be critical to ensuring a wider uptake.**
- **Positive stories about SMART water meters to counter any negative publicity may be worth considering, especially with an environmental angle.**

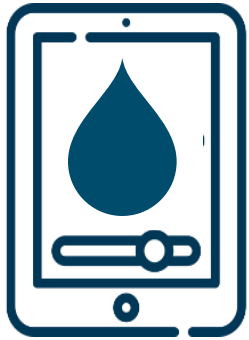


General customer view of SMART water meters



Accurate usage & billing, and raising awareness of usage are seen as the main advantages of SMART water meters

... although a notable group are unconvinced of their worth.



Benefits:

- Accuracy was a common theme: **accuracy in usage** and thus **billing**.
- Several also liked the '**real time**' aspect of monitoring their usage.
- Some customers saw benefits in **raising awareness of water usage** to motivate them to save water and reduce their bills.

Concerns:

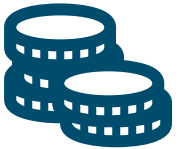
However, a notable group struggled to see any benefits – either genuinely unsure or were **sceptical** of the need as they already feel they are cautious consumers, have a standard meter or feel that their current **SMART meters for energy are unreliable**.

“ You can see what you are using in real time so where you can save money and water. ”

“ Accurate monitoring of water usage, so more accurate bills. ”

However, there are some real concerns around increased costs, data security and reliability

- **Concerns around costs** were common and covered these areas:



- Some felt that having to power a SMART Meter would increase their electricity bills.
- Others felt that their bills would be higher if they were metered.
- A smaller group felt that the readings wouldn't be reliable (e.g. a technical fault) leading to inaccurate bills.



- There was also some hesitancy among a notable group around the **security around their data** being online (specifically, concerns of hacking).
- Less commonly mentioned issues included how it would look or fit into their homes and concerns about paying more for undetected leaks.
- Some customers are simply **just against 'SMART' technology** in principle.

“ *I don't trust them to be particularly accurate. Would worry that bills would increase.* **”**

“ *I have heard some horrible stories about SMART meters being hacked. Makes me nervous.* **”**

Data security concerns around SMART home devices are a known, wider issue...

We've seen similar sentiment when exploring perceptions towards SMART Energy meters – uptake is mixed, with uncertainty around security and cost savings.

Findings from a recent nationally representative study by the University Of Warwick suggested that consumers had anxiety about the likelihood of a security incident with SMART home devices; they are unconvinced that their privacy and security will not be at risk when they use SMART home devices and this is a key factor influencing whether or not they would adopt SMART home technology.

Indeed, PWC found data security issues was a barrier to uptake of SMART home devices for 20% of people: ***“With the introduction of GDPR and recent controversies in the news, data privacy is likely to become an ever increasing issue in the connected home space”*** [PWC, 2019]

So what?

With customers hearing mixed reports of SMART technology in other industries, this will undoubtedly be impacting their views when it comes to water, and willingness to upgrade.



CULTURE + TRENDS

join the dots

join the dots



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**Customer reaction to
YW introducing SMART
water meters**



Customers were shown information on the mutual benefits of SMART water meters

SMART water meters come with numerous benefits to Yorkshire Water, their customers and the environment. Below is a list of some of these benefits:

Customer

- Customers will be able to view their water consumption and use this to inform decisions on how they use water
- Customers will be able to identify and flag leaks on their property, allowing them to be fixed much quicker than current processes allow, so saving money from their bill and preventing potential damage to property

Yorkshire Water

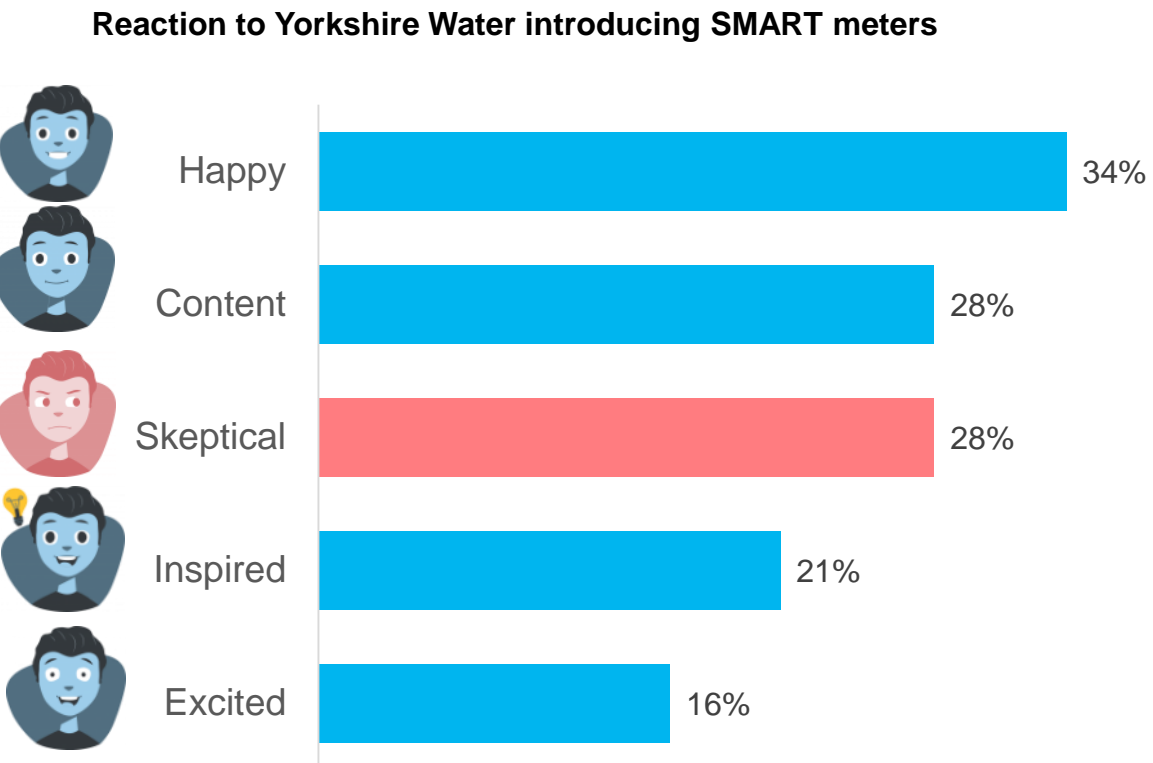
- Yorkshire water will be able to find leakage on their own network more efficiently, reducing the amount of water lost through leakage each year
- Yorkshire Water will be able to determine and treat the root cause of an issue on the network (such as low pressure or water quality) more quickly and accurately – minimising impacts to customers and reducing leakages

Environment

- Reducing leakage reduces the likelihood that clean water enters a water course and creates a "clean water" pollution event that can adversely affect the ecosystems
- By reducing leakage we would reduce the amount of water we have to treat and pump around Yorkshire, by doing this we can significantly cut carbon emissions
- Currently drive-by meter readers drive over 1 million miles per year to read household meters, this will be reduced significantly, cutting our carbon emissions



Most were positive about the prospect of Yorkshire Water introducing SMART meters



Driven by those currently metered and those that have some form of SMART tech in their homes.

Scepticism was significantly higher among non-metered customers, older customers and those without any SMART tech in their homes.

 Early leak detection, the prospect of supporting the environment and lowering costs were motivating.

“ I think they are the way forward. Anything that can monitor/detect water leaks/wastage is a plus. ”



However, for a notable group, scepticism prevailed and was dominated by staunchly held views about SMART tech and being unconvinced about customer benefit

Reasons for a negative reaction

- A general objection to SMART technology: a mixture of personally held views and those influenced by other people's 'stories'.
- Some are convinced that their water bills would increase – unlikely to be helped by negative media*
- Smaller groups of customers felt:
 - A greater change to water saving can be made elsewhere by changing people's mindset / behaviour and not just monitoring it.
 - Feeling that the benefit is more skewed in YW's favour.

*For example: <https://www.thisismoney.co.uk/money/bills/article-8512809/Now-theyre-trying-make-SMART-water-meters.html>



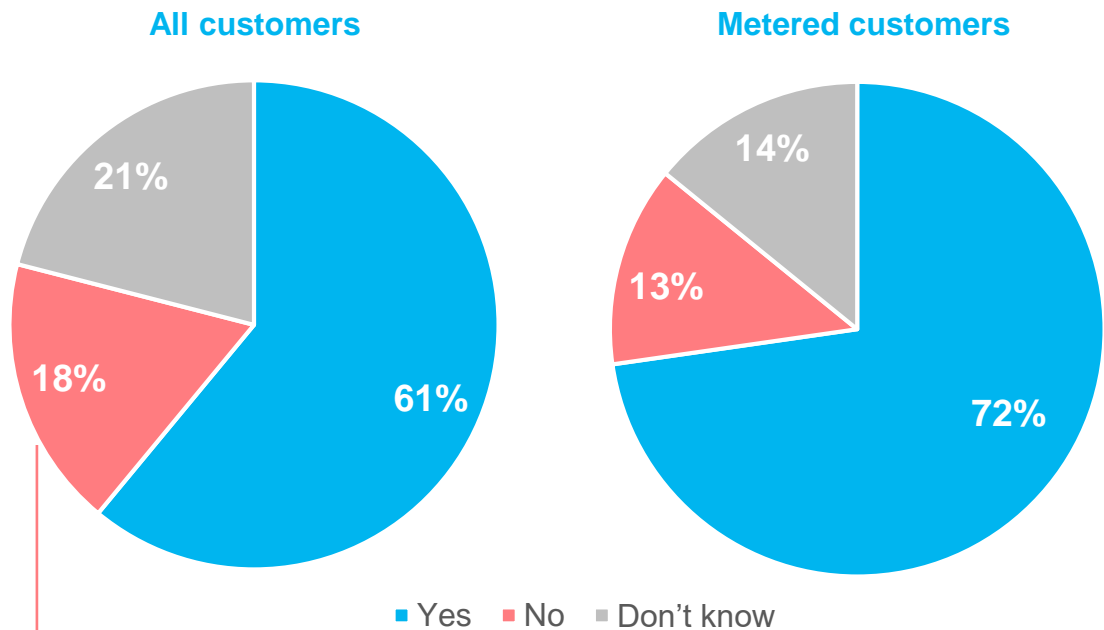
I have little confidence in SMART technology, we all know how costly SMART gas & electric meters have been plus many have now to be replaced.

So what?

Your current metered customers are your early target for SMART meters as the appetite is there and any concerns around being metered negatively impacting bills have presumably been eroded. Non-metered and the older market will need more convincing; the greater tech confidence barrier is a more difficult one for you to navigate alone but ensuring messages are customer-centric will be important; providing reassurance on trials completed with customer testimonials on effectiveness and simplicity could also help.

Almost two thirds would consider a SMART Meter from YW, but over 1 in 4 remain opposed

Consideration of water SMART Meter



Customers replayed the same reasons for not wanting a SMART meter: Worry around cost of bills increasing and lack of trust in SMART technology dominated, with some practical barriers around how / where it would be fitted and tenure barriers (e.g. live in rented, shared accommodation).



Significantly higher among water meter customers (72% vs 42%) and those with SMART tech in their homes.

CULTURE + TRENDS

Join the dots

Interestingly, the oldest (65+) and youngest groups were more interested than the 'middle aged' groups – perhaps this group represent the larger HHs and thus brings concerns around cost of bills with measured consumption, as we have seen. But actually other research by Warwick University has found this trend with SMART home technology: Young people (under 25s) were the earliest adopters, however older people (ages 65+) also adopted it early, possibly as they have more disposable income and less responsibilities – e.g. no mortgage, no dependent children.

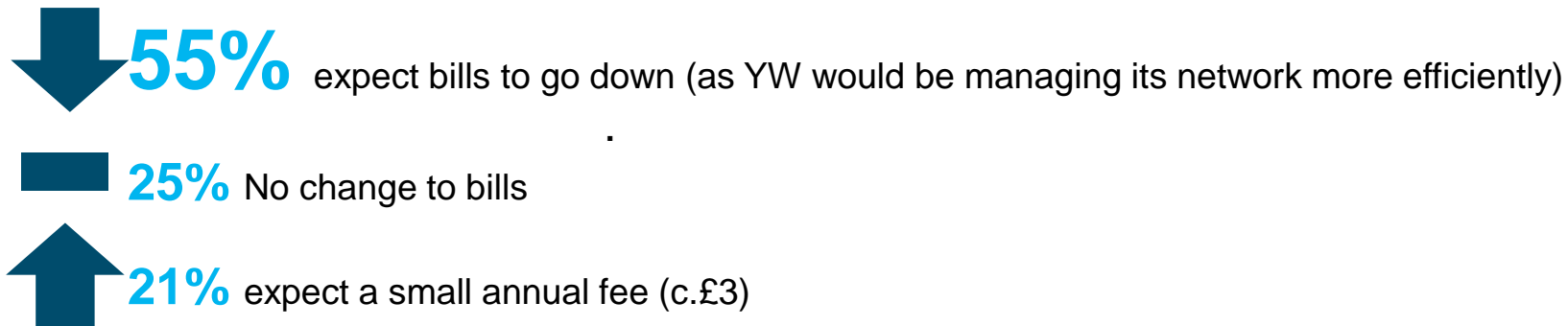
So what?

YW will need to work to overcome this bill increase fear; whilst the reality may be that customers' bills could increase, careful comms to manage this and put the control into the customer's hands could reassure this group of people. Focussing on customer-centric reasons to have one will be important. As before, upgrading current meter holders would be the easiest initial path.



There is an expectation among half for a bill reduction...

Having seen the benefits, customers' expectations for cost...










Watch out


This question was asked of only these three answer options – in reality there are real concerns of bill increases – we need to acknowledge a notable group will feel this way.

“I'd be concerned that the savings the water companies make will not be passed onto customers in the form of lower prices”

Environmental and customer saving benefits are motivating, but data privacy is a consistent theme of concern

% agree in the scenario of having a SMART water meter fitted

	Happy knowing it's benefitting the environment	89%
	Happy knowing it's benefitting me, as a customer	84%
	Happy knowing it's benefitting Yorkshire Water	79%
	Feel better knowing how much I'm spending on water each month	75%
	Knowing more about how and when I use water would encourage me to save water	73%
	I would look at my water use patterns on a day to day basis	58%
	I'd be concerned about what information is being shared with Yorkshire Water	45%

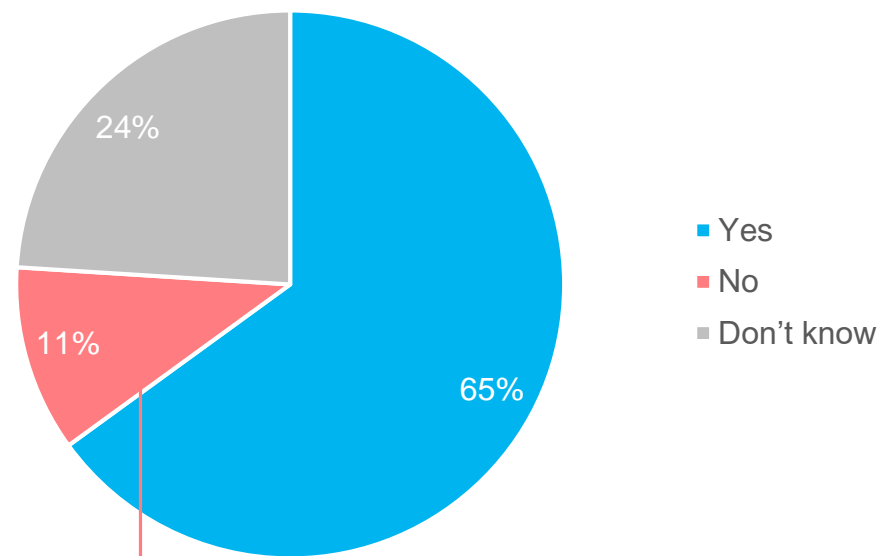
 Younger customers were more likely to review their water use patterns daily and feel that this additional knowledge would encourage them to save. Data security was a concern across all age groups – but more pronounced with those without any SMART tech in their homes already.

So what?

It will be key to leverage environmental and customer-centric benefits in comms, and ensure that any communications of how YW benefit are seen to be also 'passing these benefits onto your customers'. Reassurance around data security and privacy will be absolutely key to run alongside any other messages.

Two thirds would be happy for YW to access data every 15 minutes to enable identification of leaks, but others need reassuring about data privacy

Happy for YW to access SMART meter data every 15 mins?



So what?

YW need to:

- Override data security concerns
- Address scepticism about the cost of monitoring vs. other mechanisms to fix leaks and issues

“ I am totally against the risk of data breaches.

You are using energy to send pointless information. If pipe flows carrying larger volumes are monitored this would highlight leaks.

”

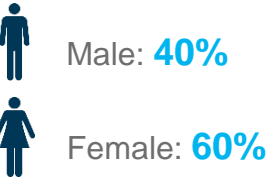
Q10a: And lastly, as one of the mentioned benefits, SMART meters would enable Yorkshire Water to react more quickly in identifying and fixing leaks. Would you be willing to allow Yorkshire Water to obtain readings from your SMART water meter every 15 minutes, to enable service improvements? This data would be sent to Yorkshire Water with at least a 3 hour delay from the actual time of use.)

Appendix

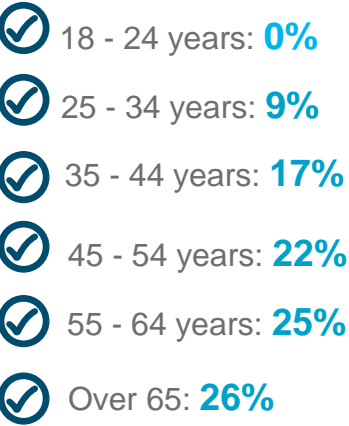
Appendix 1: Sample Profile



GENDER



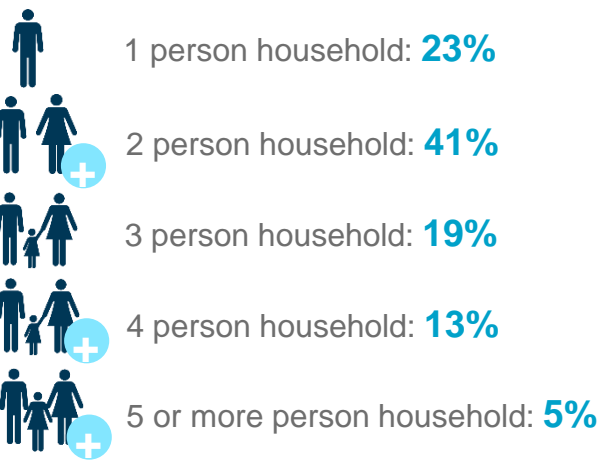
AGE



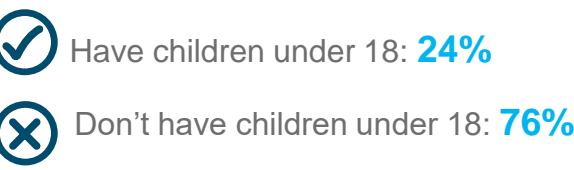
SEG



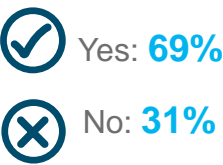
HOUSEHOLD SIZE



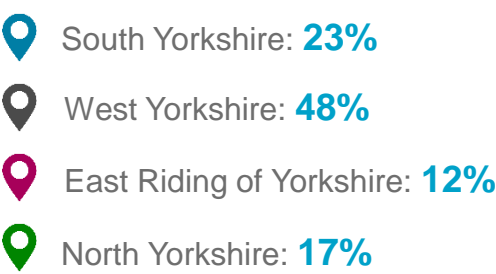
CHILDREN UNDER 18



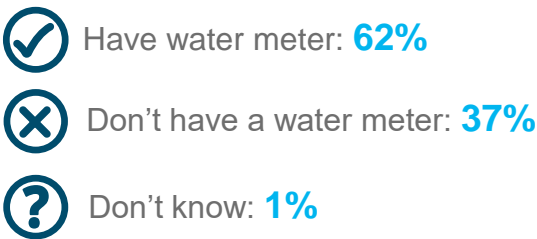
EVER HAD SMART HOME TECH



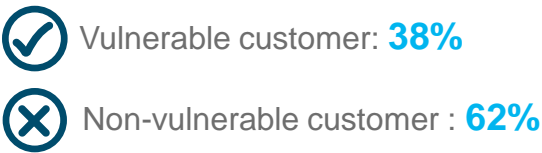
AREA OF YORKSHIRE



WATER METER



VULNERABILITY





About our community

Your Water is an online research resource giving you easy access to Yorkshire Water customers.

The community offers a wide range of conventional and innovative research techniques and approaches.

Our aim is to approach every project with fresh thinking and apply methodologies that we truly believe will get you tangible, actionable results.

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Any questions?

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