



AFW Engaging Customers

Evidence Document

March 2019

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1. High level response to Ofwat Feedback

Summary

Engaging customers is part of everything we do, ensuring we remain relevant, responsive and that our communications resonate with our customers to encourage active participation.

While there were not any required actions for the Engaging Customers area, we are sharing here additional material in response to the comments within the initial assessment of plans. We will also outline the additional customer research we have undertaken.

Since receiving Ofwat's feedback on 31 January 2019, we have undertaken 6 further pieces of customer research, engaging with 3,839 customers – taking the total to 19,162. This has allowed us to explore various topics in more depth with customers, to support the Revised Plan as follows (see Appendix EC.Summary.1 for more detail).

Table 1: Summary of customer research conducted since 31 January 2019

Research	Format	Test Area Evidence Document
Bill profile	Quantitative online panel	Affordability & Vulnerability
Performance Commitment Incentives & Rewards	Quantitative online panel	Delivering Outcomes for Customers Addressing Affordability & Vulnerability
rdWRMP	Quantitative online panel	Targeted Controls, Markets & Innovation
rdWRMP	Focus groups	Targeted Controls, Markets & Innovation
Community Engagement	Focus groups	Engaging Customers
Willingness to Pay	Quantitative online panel	Delivering Outcomes for Customers

Additionally, we have further research planned between April 2019 and August 2019 as follows:

Table 2: Additional qualitative work planned for April-August 2019

Engagement	Scope	2019				
		Apr	May	Jun	Jul	Aug
Quantitative survey on final bill profile	Re-test very final bill profile with 3 sewerage companies	x	x			
Qualitative focus groups on bill profile	Customer groups less likely to have been engaged with as part of quantitative online survey during March 2019		x	x		
Qualitative research for resilience issues	Prioritisation of the following area: bursts, no water, pressure, debt, bill queries. Innovative research methods being explored		x	x	x	x

This research will allow us to develop greater insight into the reasons behind customer preferences and needs and will build on findings shared within the Revised Plan on 1 April 2019. It will form part of our standard customer engagement programme and support readiness for C-MeX introduction, as we start the shadow year of 2019-20.

Table 3: Evidence to support the high-level response to Ofwat Feedback

Appendix	Description
EC.Summary.1	Additional customer engagement completed since 31 January 2019

2. Detailed response to Ofwat feedback actions

We did not receive any feedback actions from Ofwat.

3. Additional Ofwat Feedback

3.1. AFW.EC.C1

PR19 Initial assessment of plans: summary of test area assessment p5, section 1.2.1 Engaging Customers

Great customer service starts with an in-depth understanding of customers' preferences and priorities. We assess how well the business plans show this understanding in the 'engaging customers' test area. Performance in this area is good, and all companies provide evidence to show they have adopted our principles of good customer engagement. Companies made more use of research and used a range of techniques to identify customer preferences to inform their business plans.

3.1.1 Our Response

During March 2019, we reran the stated preference study of the PR14 survey with minimal changes implemented such as updating bill values. This study has been referenced in the Delivering Outcomes for Customers Evidence Document.

3.2 AFW.EC.C2

Affinity Water: Test area assessment p1

While there is evidence of the company having analysed customer contacts and social media data it has provided insufficient detail on the insights obtained from this analysis and how these have been incorporated into its business plan.

3.2.1 Our Response

Our performance commitments have been driven by customers' priorities. We understand these priorities from daily interactions, conversations, feedback and consultations we have with customers. We have reached a wider customer base this AMP by obtaining feedback on our plans through the website, social media, interviews and customer forums. We have seen, for example, how customer contact and social media data reflects the importance customers place on making sure they have enough water, while leaving more water in the environment. We have also seen how customer contact analysis supports the priority we have placed on minimising disruption to customers and their communities.

Insights obtained from social media supporting the importance of environmental responsibility.

The environment matters to our customers. Aggregated data from our Value for Money Surveys from 2017-18 showed that 87% of our customers said they were environmentally minded. This is also reflected in our social channels, where posts relating to environmental matters including water saving, river restoration and regeneration projects, receive the highest traction. Our joint #TapChat campaign with environmental charity Hubbub reached millions of customers, through press, display, digital channels and face-to face events in 2017 and 2018, with good levels of engagement (Appendix EC.C2.1). Yet we recognise we still have more to do to bridge the perception gap between our commitment to the environment and our customers recognition of the role we play.

Insights obtained from customer contacts supporting the importance of minimising disruption to customers and their communities.

Our research and analysis of social media data and customer contacts supports the importance customers place on minimising disruption to customers and their communities. That is why, in AMP7, we will continue to stretch our ambition and performance to meet customer expectations.

Additionally, our dWRMP research has highlighted that minimising leakage is seen as a key part of the ‘contract’ between company and customers. The importance customers place on us resolving potential leaks or incidents of low pressure is reflected in the quantity of contact we receive on these events across all channels. Operational data shows that contact about potential leakage and low-pressure accounted for an average of 46% of all operational contact each month in 2018 (Appendix EC.C2.2). Furthermore, diagnosing low pressure has consistently appeared in our top 15 web pages since 2015, with over 46,000 web hits each year.

3.2.2 Evidence

Table 4: Evidence to support the response to AFW.EC.C2

Appendix	Description
EC.C2.1	#TapChat Campaign Results 2017 & 2018
EC.C2.2	Leakage and Pressure Contacts (all contacts) as % of total operational contact

3.3 AFW.EC.C3

Affinity Water: Test area assessment p1

There is insufficient evidence of the company's approach to engagement with future customers (in the form of two qualitative research exercises) and customers with experience of resilience issues (appears to be limited to a very small number of customers such that it is not likely to yield robust insight).

3.3.1 Our Response

During the development of our September Plan, we undertook research with future customers using a variety of research techniques.

We visited five schools within our communities during April and May 2018. We ran focus groups with 107 future customers – each session led by a member of our Education Team.

The session started with background information given about Affinity Water and our water resource, followed by a fun, interactive game to explore water demand and supply. Participants were then asked a series of individual questions followed by group discussions that aligned to our PR19 engagement with existing customers. Each session followed a structured and consistent format. The questions and discussion topics related directly to the proposed performance commitments we were consulting on with existing customers but were rephrased in a way that young people would better understand.

This qualitative study formed part of a wider engagement and market research, including a quantitative survey with 895 secondary school children. These discussion groups did not constitute a representative sample of customers in our supply area.

Table 5: Qualitative focus groups in schools (1)

Area	Age Range	No. of participants	Gender
Sir John Lawes School, Harpenden	11-17	15	M/F
Watford Grammar School for Boys	12-13	29	M
Stanborough School, Welwyn Garden City	11-17	23	M/F
Manningtree High School, Essex	11-15	20	M/F
Onslow St. Audrey's School, Hatfield	14-15	20	M/F
TOTAL		107	M: 66 F: 41

During Phase 2 of our acceptability testing, we ran two qualitative focus groups - there were three main objectives of this research:

- Exploring customers' understanding and experience of Affinity Water services
- Collecting insights about customers' priorities and opinions for the business plan
- Testing acceptability of different packages of options and exploring preferences

The participants of these focus groups exhibited a very low level of knowledge, both about us and about their water supply in general. This was the case across the groups, but particularly pronounced within the younger and future customer groups. Within the groups with future customers, there was very little knowledge about the distinction between clean water supply and sewerage services. Those in the future customers group who had not been involved in bill paying before, really had no idea about how much water costs, or other bills for that matter so it was very difficult for them to consider the figures in any kind of context.

Table 6: Qualitative focus groups in schools (2)

Location	Recruitment quotas	Duration	No. of participants
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Hatfield (Herts)	Group 3: Future customers (primarily students at university)	1.5 hours	10
	Group 4: Future customers (primarily on those aged 18-34 and living with their parents)	1.5 hours	7

3.3.2 Evidence

Table 7: Evidence to support the response to AFW.EC.C3

Appendix	Description
Appendix EC.C3.1	Schools Focus Report – a detailed report of the findings from qualitative research
Appendix EC.C3.2	Schools online survey – quantitative research
Appendix EC.C3.3	Business Plan qualitative research – from Phase 2 of the customer engagement programme

3.4 AFW.EC.C4

Affinity Water: Test area assessment p1, p2

Limited engagement with future customers and those that have experienced resilience issues. The company provides limited evidence that customers have been consulted appropriately about options to improve resilience. There are significant concerns regarding the company's customer engagement on resilience. The evidence in the plan lacks the depth and scope necessary for the proposed level of investment and identified options. The company provides limited evidence that customers have been consulted appropriately about options to improve resilience.

3.4.1 Our Response

We engaged with customers who have experienced resilience issues on multiple occasions and here is an in-depth example, in an area where customers had been affected by repeat supply interruption problems:

- When and where
 - Barnet, Southgate School. July 2018 in partnership with LB Barnet and two MPs.
- How customers had been affected

- Resilience had failed on several occasions, particularly during the Beast from the East where 8,686 customers in total had experienced some degree of interruption to their supply.
- We met with key Councillors, the LRF and MPs within 24 hours of the incident.
- How we engaged
 - We worked with the local MPs (one Conservative, one Labour) to hold a public meeting in Barnet with customers who had experienced failures in resilience. We also hosted a public meeting with the MP for Enfield Southgate, the MP for Chipping Barnet, the MP for Epping Forest, the AM for Barnet and Camden and their constituents to apologise in person and make them aware of the changes we have made to make their supply more resilient moving forward.
 - We helped to hand deliver leaflets to affected residents as well as promote the meeting using digital and social media.
 - The event had nearly 100 attendees and lasted over three hours with people being able to ask questions about resilience and customer service from senior management and local area managers.
- What we learned from customers, what they said, and what we've done
 - Customers were most concerned to know what we had done and what we were doing differently in the area to manage the network to ensure future resilience.
 - We were able to take them through the steps we were taking and helped them to visualise what we were saying with the use of maps and visual aids to show distances and technology.
 - Customers were most interested in operational resilience and communications.
 - They felt that while stakeholder communications and social media responses were useful, they would want to ensure that this tied up with operational responses in terms of being able to distribute bottled water at the right time, to the right places and people.
 - We have expanded our priority services register and worked with the local MP to promote it.
 - We have reviewed our bottled water distribution practices to better reflect local circumstances and to use local knowledge to ensure that water reaches customers more quickly, were there to be a failure of resilience.

We also have additional focus groups planned between May and July 2019, as part of our research programme and C-MeX readiness, to continue engagement with customers who have experienced unrelated resilience issues, to further develop our understanding, to continually improve performance.

3.5 AFW.EC.C5

Affinity Water: Test question assessment p1

Whilst the company delivered customer engagement via a multi-phased approach, and used a wide range of methods, there is evidence of limitations in some of the qualitative research it conducted such as the use of small sample sizes. The CCG has also flagged the ineffective use of research stimulus in qualitative research.

3.5.1 Our Response

Additional qualitative work planned for April-August 2019:

Table 8: Additional qualitative work planned for April-August 2019

Engagement	Scope	2019				
		Apr	May	Jun	Jul	Aug
Quantitative survey on final bill profile	Re-test very final bill profile with 3 sewerage companies	x	x			
Qualitative focus groups on bill profile	Customer groups less likely to have been engaged with as part of quantitative online survey during March 2019		x	x		
Qualitative research for resilience issues	Prioritisation of the following area: bursts, no water, pressure, debt, bill queries. Innovative research methods being explored		x	x	x	x

4 Appendices

All the appendices listed below for this evidence document are included in the appendices titled AFW Engaging Customers Appendix.

Table 9: Full summary of Engaging Customers appendices

Appendix	Action ref(s)
EC.Summary.1 Additional customer engagement completed since 31 January 2019	Additional evidence for summary
EC.C2.1 #TapChat Campaign Results 2017 & 2018	AFW.EC.C2
EC.C2.2 Leakage and Pressure Contacts (all contacts) as % of total operational contact	AFW.EC.C2
EC.C3.1 Schools Focus Report – a detailed report of the findings from qualitative research	AFW.EC.C3
EC.C3.2 Schools online survey – quantitative research	AFW.EC.C3

Appendix	Action ref(s)
EC.C3.3 Business Plan qualitative research – from Phase 2 of the customer engagement programme	AFW.EC.C3