



TRINITY
MCQUEEN

Scottish Water

SR21 Customer Engagement Programme
Research Stage One – Qualitative

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TMC

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Background



Aims and objectives

To update customer views to feed into the strategic review of charges for 2021-27



Future gazing

To gain an understanding of what customers think about when they think of the future in terms of their personal position, their community and Scotland as a whole. Furthermore, to understand Scottish Water's perceived role within that



Scottish Water's 20 year plan

To understand from current and future customers where Scottish Water should be focussing their efforts and how this fits with the Scottish Government's objectives for the next 20 years



Internal aspirations and priorities

To explore perceptions of Scottish Water's Internal aspirations and priorities and to understand how they can be improved to better meet customers' needs in the future

Key research & sample considerations



Our sampling and methodologies ensured a rounded understanding of the issues



GOAL ORIENTATION

According to Regulatory Focus Theory a.k.a. goal pursuit theory, people tend to fall broadly into two camps: **those who are motivated towards an outcome** and have a promotion focused orientation and **those who are motivated away from an outcome** and have a prevention orientation. Including both types of people in the research ensured **we kept a balance of responses that didn't tip too far in either direction on the scale of negativity to positivity**



SELDOM HEARD CUSTOMERS

Vulnerable, hard to reach groups and future bill payers were included in the research. Elderly customers, those with a disability, those living in remote areas and those on very low incomes are key and were reached via a more intimate 121 depth interview approach. Younger, future bill payers were included in the workshop sessions and **findings specific to these groups are highlighted throughout the report**



BUSINESS END USERS

Ensuring a good representation by business size and sector is key as this is linked to water usage and dependency which will impact on their views. In addition, given competition within Scotland within the water industry **we spoke to a broad representation of users of different suppliers** including former Scottish Water business. **These customers have been reported as a separate section within the report**

Research approach



An integrated three-stage approach



1

Workshops

- 7 in total across Glasgow, Stirling and Elgin
- Coverage of all lifestages, including current and future bill payers



2

Tele-depth interviews customers

- 12 in total with vulnerable and hard to reach current bill payers across Scotland



3

Tele-depth interviews businesses

- 14 in total with a range of business types and sizes across Scotland

Domestic customers

Current and future customers start with a rudimentary understanding of water, Scottish Water's internal aspirations, priorities and the relevance of the Scottish Government's objectives. Knowledge and ability to actively contribute to the solutions grows throughout the research process



Utilities

Customers are quick to think about the role utilities play in their day-to-day life when considering value for money



Utilities and essential services:

Reliability and consistency is key

- ✓ **Minimal customer input**
Customers don't want to engage with utilities more than is necessary
- ✓ **Reliable and trustworthy supply**
Consistency is key – product, service and price
- ✓ **Good customer service**
A quick and effective resolution when things go wrong
- ✓ **Value for money**
Transparency in what is provided for the money paid

Spontaneous mentions of utilities and services:

- Gas
- Electricity
- Water
- Council tax
- Broadband
- Phone

There is a learning curve when customers consider the value for money of their water/waste water services

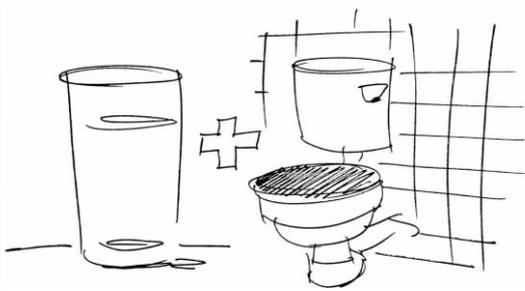


Spontaneously, other utilities like broadband are perceived to offer better VFM. Water's value becomes more apparent once its role has been considered in detail

Prior to the research, few had given much thought to their water supply and waste water services. They are utilities which are expected, trusted and relied upon. Many customers don't know how much they pay for water

By the end of the session customers realise water's importance and it's comparative VFM

On first consideration, customers associate choice and control with value for money



Water & Waste

Not spontaneously thought of as offering 'Value for Money'

The **equitable, plentiful nature of water supply** makes people positive about it

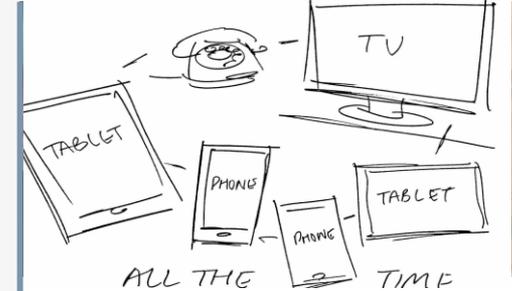
No choice of provider = negative connotations around monopoly supply



Gas & Electricity

The ability to **compare and swap** puts the consumer in **control** and makes them feel they have sought '**best value for money**'

New culture of checking and swapping providers



Phone & Broadband

Relative **low cost** compared to other utilities/services

Maximum impact on the **whole family** – opens up **access to other services**

Competitive market = best value deals

Water as a utility: High quality and equitable in nature



Top quality water
A sense of pride in the level of quality of the water compared to the rest of the UK

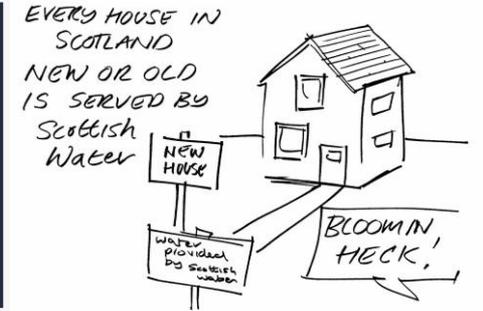


"Whether you live at the top of a mountain or in the city, it's the same water"

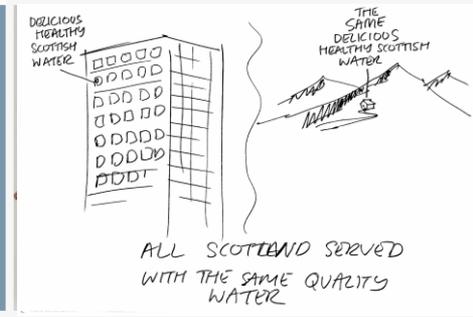
Good customer service
Those who have had contact with SW report positively



Plentiful supply
One price for all no matter how much is used. Seen to be equitable



Reliable & trustworthy
SW maintain the status quo well



"You take it for granted. You just trust that you turn on the tap and there's water"

Utilities: No single utility meets all expectations



Value for money

Pay the lowest amount for the highest gain – either in product or service



Community focused

Work to make local Scottish communities safe, healthy and prosperous

Good customer service

Quick and effective resolutions to questions and problems



Reliable

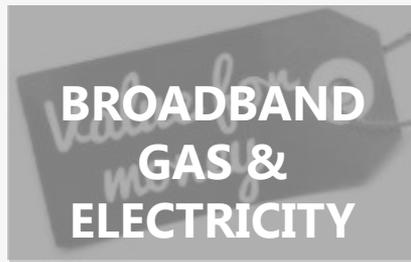
A trustworthy and consistent service and product

Utilities: Water is spontaneously described as reliable



Value for money

Pay the lowest amount for the highest gain – either in product or service



Community focused

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Good customer service

Quick and effective resolutions to questions and problems



Reliable

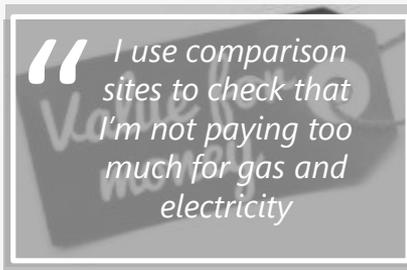
A trustworthy and consistent service and product

Utilities: Reliability relates to both product and service for water



Value for money

Pay the lowest amount for the highest gain – either in product or service

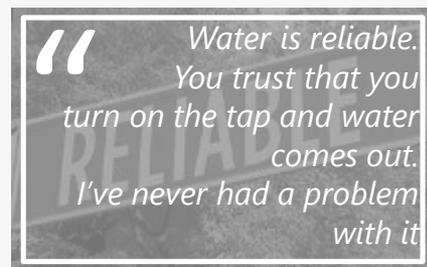


Community focused

Work to make local Scottish communities safe, healthy and prosperous

Good customer service

Quick and effective resolutions to questions and problems



Reliable

A trustworthy and consistent service and product

Vulnerable and hard to reach customers have lower engagement with utilities overall

They rarely engage with utilities providers as they are less likely to swap and change. There's greater emphasis on consistency and reliability



Utilities

All have limited engagement with their utilities providers - contact only takes place when there is a problem



Expectations

Value and customer service expectations are high (especially amongst those from lower SEGs). This group are looking to keep costs down but still expect top class customer service



Independence

Older and rural customers are especially keen to be (and to be seen to be) independent. Handling their own utilities is a way to do this



Support Networks

Many live nearby to friends and family or in an area with a strong community spirit – Some reported how they look out for those even more vulnerable than themselves in their community

“

Rates are really low considering what you're getting. It's always there and the quality is probably taken for granted

Customer service holds higher importance for vulnerable and hard-to-reach customers in terms of value for money



Cost

For all customers, but especially those on **lower incomes**, cost is the main component of value for money



Additional Support

There is a strong sense of independence amongst vulnerable and hard to reach customers. However, support services are vital if anything goes wrong



Customer Service

Some **older and rural customers** have experienced poor call centre services and welcome UK based customer services



Communication

Customers with disabilities feel they can cope with most scenarios if they are kept informed and a clear procedure is in place to ensure minimum impact

Perceptions of Scottish Water

Perceptions are shaped by the length of custom and past interactions with Scottish Water





Scottish Water

Trusted to Serve Scotland

Scottish Water is seen as a trustworthy, honest, diligent organisation who work quietly in the background

Linked to local



LINK TO COUNCIL TAX

Payment as part of council tax heightens 'public' status and reduces connotations of being 'corporate'



PUBLIC SECTOR?

People expect Scottish Water to work for the good of Scottish residents both in terms of product and service

Part of Scotland's heritage:



PRIDE IN WATER

The quality of the water in Scotland is something all Scots can be proud of - links to tourism (Lochs and river walks)



SELF RELIANCE

Water and waste services provided by a Scottish company proves an ability to be self-reliant as a country

Those who have been a customer for at least five years hold positive perceptions of Scottish Water



The more experience and contact the customer has, the more positive their perception of Scottish Water

The visibility of Scottish Water employees and vehicles provides positive reinforcement

Quick and effective resolution of problems reinforces this positivity further



"You phone them up with a problem and they deal with it quickly"

"I've never had a problem. They're just reliable"



"You always see them working"

Future bill payers vary in their outlook, depending on their current situation

Future bill payers can be disengaged with water services. It's low down on their priority list – especially those living in remote areas such as Elgin – who are more likely to focus on issues that effect them directly such as employment, affordable housing and transport links

University students living in less rural areas also have low awareness of Scottish Water – they do however recognise its importance for the future of Scotland, especially in terms of the 'Green agenda'



"Even when I moved I can't remember thinking about the water..."

"There's other things that come to mind first when you mention utilities"



"I pay £70 a month for my phone... but don't know what I pay for water"

Knowledge of Scottish Water as a company is higher amongst vulnerable and hard to reach customers

Those who have contacted Scottish Water with a problem are positive about the customer service they received and response times they experienced

Mostly Positive (majority)

Reliable – water is always there, **Older customers and those with disabilities** interruptions minimal. are accepting that there will be problems from time to time

Several accounts of **excellent customer service** experience

Becomes a source of **national pride** when cost and quality is compared with England

“When my friends from London visit they always say, ‘you’re so lucky, it’s like bottled water!’”

Ambivalent

Some **do not differentiate** water services from council tax

Low awareness of Scottish Water and their activities, particularly among **low SEG** customers

A few are **not engaged** at all or do not know who their supplier is – again this tends to be **low SEG** customers

“As long as we’ve got access to water then to be honest I don’t really care who supplies it”

Suspicious

Lack of knowledge breeds **scepticism** of Scottish Water -
Who owns them? What are they doing with my money?

Apathetic towards monopoly – those with greater involvement in their community, especially **elderly** customers, are concerned at the lack of choice

“We’re just lumbered with one monopoly. Who else are they competing with?”



Internal aspirations

The sentiment expressed by the aspirations resonates, however a lack of tangible evidence undermines their credibility

Internal aspirations – report notes

The internal aspirations are not designed to be customer facing

These were shared with customers to understand their associations & seek comparative feedback

They were also used to explore how Scottish Water might optimise the wording of the aspirations and expand them further

SERVING - We delight our customers by showing that we care

STRONG - We work hard to keep customers' prices low

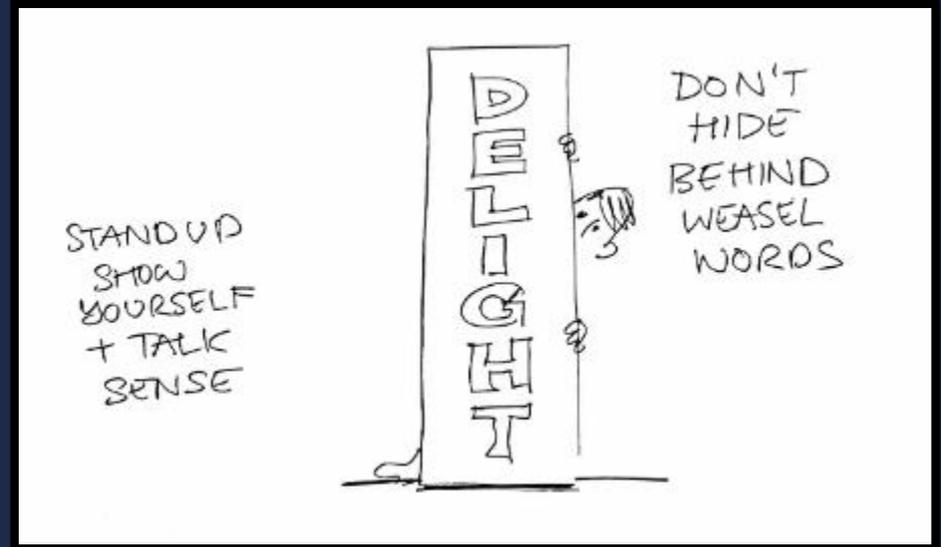
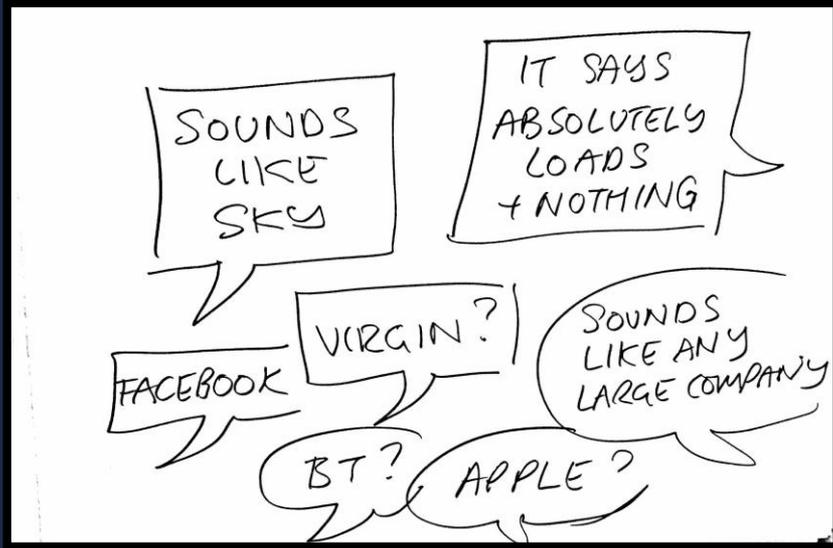
RESPONSIBLE - We always do the right thing for Scotland

LEADING - We shape our future for the benefit of customers

GROWING - We enable a thriving Scotland

COMMITTED - Together we are Scottish Water

Cynical reaction to the internal aspirations is due to the way they are expressed rather than their sentiment



The Internal aspirations are appealing in principle – customers are keen to understand how Scottish Water will achieve them



Serving

Intuitive: Scottish Water provide clean water for the Scottish people. A lack of awareness and contact with Scottish Water led some to ask, “how are they serving me?”

I don't see how they show they care because we have so little contact with them

You'd probably want a bit more of a presence in the local community

Responsible

Scottish Water's provision of quality water and environmental consciousness chimes with the idea of 'responsibility', but some question who they are *responsible to* and who should be *held responsible* when things go wrong

I'd say they're pretty responsible - they're on the ball when it comes to the environment

I don't know who actually owns Scottish Water – are they just using “Scottish” to seem responsible?

Strong

There was consensus that this objective is being achieved due to the low cost of water and perceived value for money, but customers do want greater transparency over spending

I'd want to know what they are doing on a day-to-day basis. I want to know where my money is going

It's difficult because we don't have anything to compare it with

The Internal aspirations are appealing in principle – customers are keen to understand how Scottish Water will achieve them



Leading

A positive objective but the wording (*'shape our future'*) is considered too vague. Some referenced to the physical shaping of the future with regards to through responsible environmental actions but generally awareness is low

I agree with this – they need to make sure the infrastructure is capable and let the customer know why what they're doing is in our interest

That's a bit open-ended. The sub-line makes more sense but the strapline by itself is meaningless

Growing

This is again considered too vague and many were unsure how a water company can help Scotland to thrive. Scottish Water International chimes with the hope that Scotland will stand on its own feet, but awareness of this arm of the company was low

I'm not sure how they're helping Scotland to 'grow' – I don't understand that objective

It makes sense in terms of helping Scotland to get there and grow, but I can't say if they're meeting that objective

Committed

A 'nice-to-have' objective with little tangible worth – there is confusion over the phrasing and the purpose of the objective, i.e. Who benefits from this objective? How will it be achieved?

What do they mean by that word 'together'? It's difficult because we don't know enough about them

I'd say they're meeting that objective – I've had really positive experiences with their customer service



They need to talk about what they actually DO... give examples that relate to their behaviour. I want to know I am a priority for them



Even with supporting information customers demand more

- Customers want the internal aspirations to link to tangible behaviour which everyone can relate to
- They also want the internal aspirations to be expressed in simple, concise & concrete terms e.g. Pillar > brief explanation > behaviours e.g.
- Serving – We deliver consistently good customer service and an ever improving experience for our customers and communities ...

...we invested £x million back into the communities we served last year

...we don't keep you on hold when you phone us

...we resolve billing queries within X hours

There's a general cynicism about company vision statements – even amongst future customers

//

...we are used to being let down, from referendum promises to Brexit. Energy companies say they'll keep prices low and every year they go up. Switching is exhausting... deliberately exhausting!

Waitrose **TESCO**



Best practice relates to tangible experiences where *companies 'live their values'*

- Customers find it difficult to think of similar company visions to compare and contrast, instead focussing on tangible interactions with companies they transact with regularly, for example:
 - Aldi:** pay staff above minimum wage; perceived positively, and assumed to filter through to better service
 - Tesco:** profit from 5p carrier bag charge goes to local causes; out of date products go to local charities; stores work with local primary schools on food education
 - BT/ Virgin/John Lewis/Waitrose:** Place emphasis on treating their staff well – that filters down to customer service, ultimately benefiting the customer
- On the flipside, an example of a 'least admired company' is Scottish rail because they are perceived to rarely deliver against their aspirations, objectives and values



Don't say "trust me" – that automatically makes me suspicious



Customers suggest supporting themes to enhance the internal aspirations

- /// **Sustainable:** A leading role in greener policies for Scotland, via infrastructure maintenance and development, healthy lifestyles (combating sugar) & sustainability (not bottled water)
- /// **Innovative:** Scottish Water have a core role to play in Scotland's Renewable Energy agenda and should promote this
- /// **Transparent:** Being 'transparent' is held in higher regard than being 'honest'. The latter can cause suspicion ("trust me")
- /// **Proud:** A proud (management) team - this feeling of pride has a filter down effect that ultimately benefits the customer
- /// **Generous:** Keeping prices low and looking after employees
- /// **Accountable:** Demonstrating regulatory practice underpins every pillar: a foundation of trust;

“

I think they need to be more transparent – they say they're doing all these things but people just don't know

The sentiment behind the objectives is acknowledged, but issues of vagueness and concerns over delivery persist

- Overall positive reaction – there is a good range with a clear focus on Scotland and the Scottish people
- Straplines on their own, e.g. “Committed – together we are Scottish Water”, can be confusing and non-specific – who is this benefiting? How does this affect me?
- The supporting information works to clarify the point – meaning each pillar is received more positively
- Lack of engagement with utilities leads to a lack of engagement with Scottish Water – customers do not know what Scottish Water are doing to achieve these objectives

DAD NEMO'S
DEAD!

Service preferences

Customers reiterated that the quality of the product and minimising flooding was particularly important

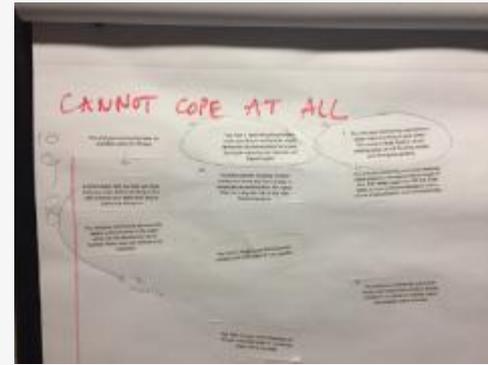
BLAME
SCOTTISH WATER
SON

Service preferences – report notes

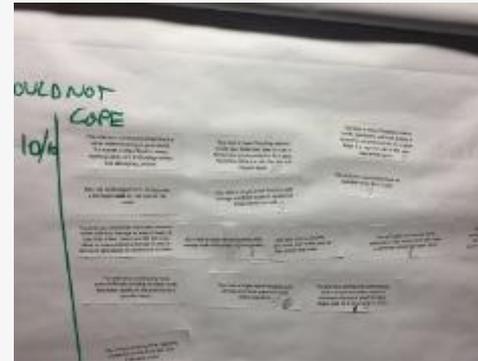
Customers were shown a range of coping scenarios and asked how easy each would be to cope with

Following an intense debate and lengthy discussion, a series of service areas were introduced and debated

The aim was to understand customer impressions of the service areas – which are most important and why



Future bill payers, Stirling



Older customers, Stirling

Coping scenarios: a steep learning curve and a broad consensus

✓ Initially, most seem important

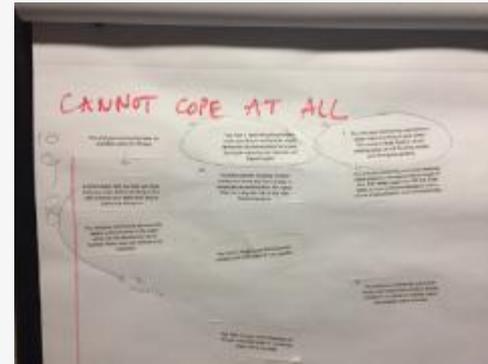
Priority order emerges when considered side by side – and a forced choice is made

✓ Property ownership affects priorities

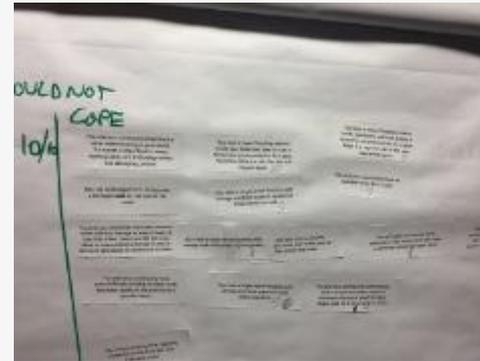
Property ownership & the cost of running a household is top of mind for families. This is not the case for future bill payers & empty nesters. They have a heightened concern for environmental issues (pollution incidents and river water quality)

✓ A broad consensus emerges

The top 5 priorities were clear (see over)

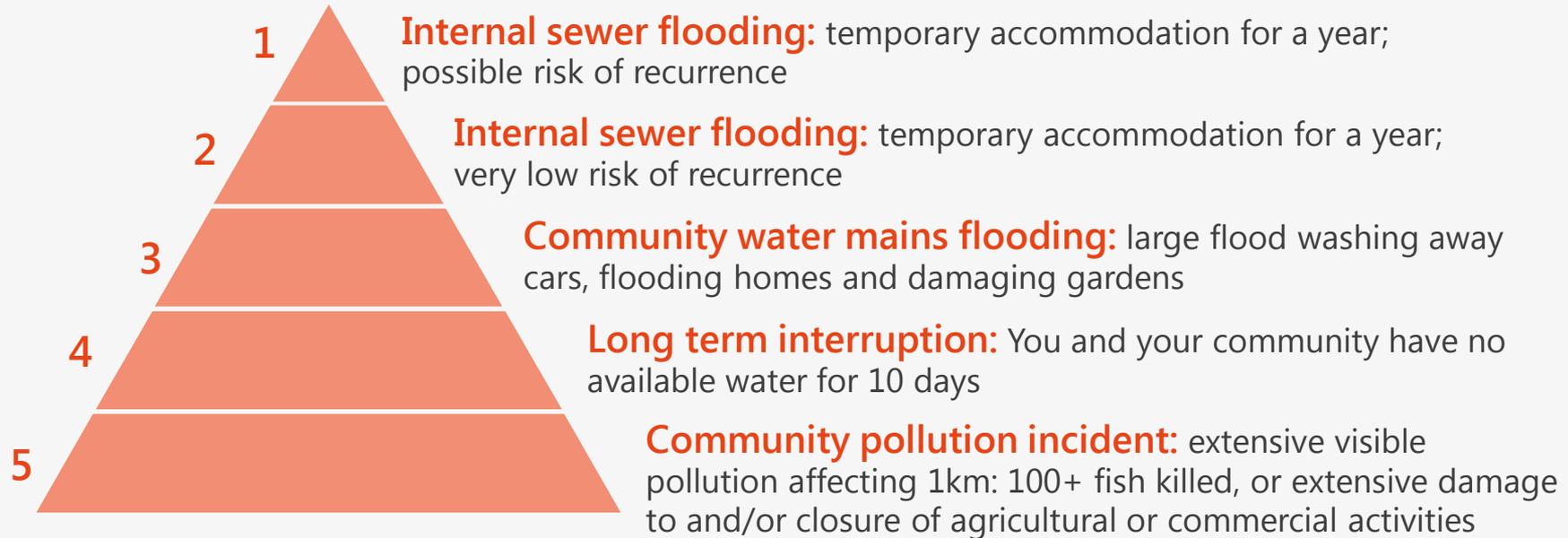


Future bill payers, Stirling

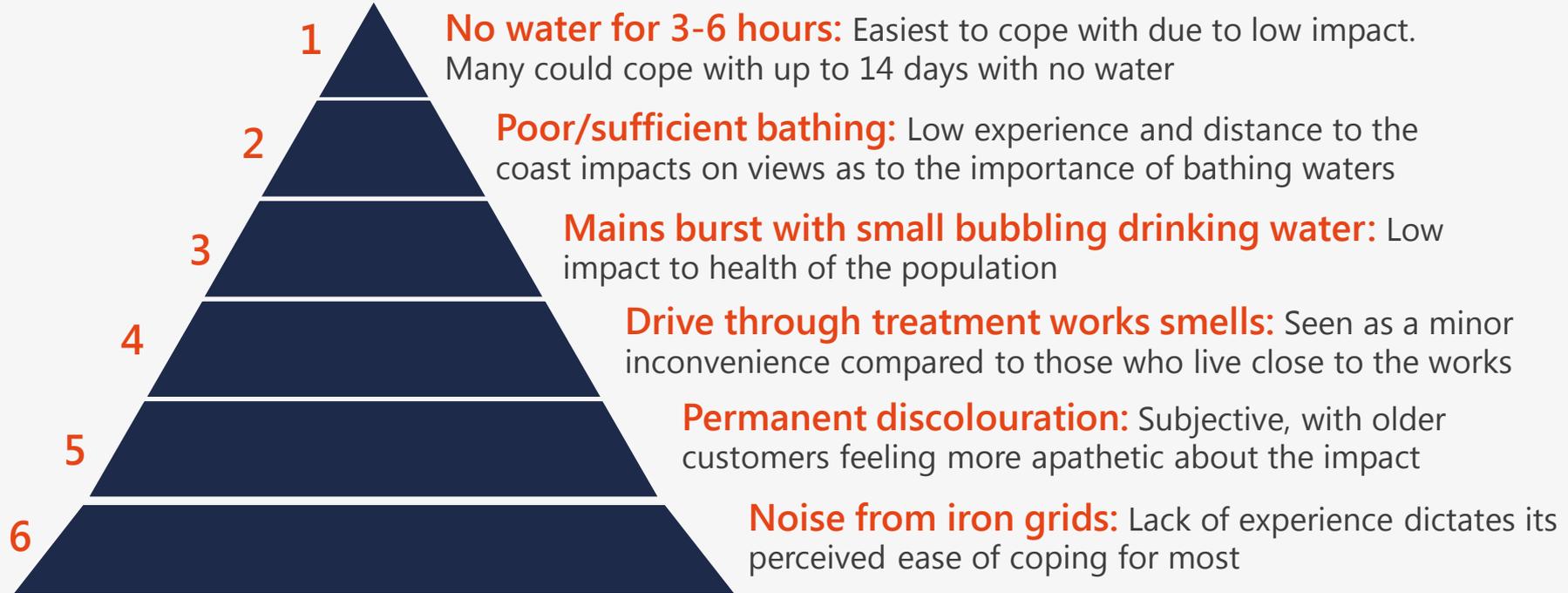


Older customers, Stirling

Scenarios *least* able to cope with: **Severity, longevity, and likely recurrence are key factors in coping**



Scenarios *most* able to cope with: Those that have minimal impact or are harder to set into context



Customer understanding of scenarios: **Some adjusting and/or additional information would make them clearer**

Scenario

You and your community have no available water for 3-6 hours

Understanding level

Easily understood by all

Additional insight

Responses differed but 2 weeks was the maximum that participants felt they could cope without water

Scenario

You and your community have poor/sufficient bathing in waters with low water quality in the summer in a popular beach

Understanding level

Confusion around word 'bathing'. Low experience = low understanding of the impact. Further explanation of 'sufficient' may be needed

Additional insight

Polarising - potentially dependent on proximity of home to beach or frequency of going to the beach. When discussed some were alarmed by idea of sewage pollution

Scenario

You and your community experience a small water mains bursting in your street. This causes a small bubbling pool of drinking water to form in your street

Understanding level

Potentially need to emphasise that this is 'fresh drinking water' and therefore wasteful

Additional insight

None

Scenario

You drive through a community and encounter smells from the local treatment works where there are high levels of traffic and experiences

Understanding level

Easily understood by all. Younger participants may understand 'Sewage Works' better

Additional insight

None

Customer understanding of scenarios: **Some adjusting and/or additional information would make them clearer**

Scenario

You and your community permanently detect a discoloration in the water which are not harmful but which Scottish Water does not remove in its treatment

Understanding level

Easily understood by all. Potential to expand 'treatment' to a lengthier explanation. What is involved?

Additional insight

Highly subjective. Younger people are more "squeamish" about this; older have perspective. Urban less likely to have experience than rural.

Scenario

You and your community has permanent noise from traffic over an iron grid in the roads

Understanding level

Most have no experience of this issue - meaning less consideration / empathy of the impact. Younger participants may not know what an 'Iron Grid' is.

Additional insight

Compared to other scenarios seems less serious - however it depends on previous experience. One participant in particular had experienced this and was vocal about its impact.

Scenario

You and your community have permanent high pressure in your taps and shower which damages pipes

Understanding level

Impact of this is a little unclear to those with little experience. Potentially need to emphasise the level of damage to pipes to contextualise the scenario better.

Additional insight

Most familiar (thus associate concern) with low rather than high pressure.

Scenario

You and your community have permanent low pressure in your taps and shower affecting the heating system and temperature of the water in the shower

Understanding level

Participants had to "fill in the blanks" around the likely impact on the heating system and shower. Could add a sentence to explain.

Additional insight

Participants with experience living with an issue (e.g. of an intermittently working shower) on a daily basis recognise it would impact on quality of life.

Customer understanding of scenarios: **Some adjusting and/or additional information would make them clearer**

Scenario

You and your community encounter extensive visible pollution, damage an area of length of 1km (0.62 miles), cause over 100 fish to be killed, or cause extensive damage to and/or closure of agricultural or commercial activities.

Understanding level

Easily understood as a concept: Customers need to think about scale - imagining a 1km area in their locality. Consider linking the scenario to a well know river/area of natural beauty/fishing/farming to help

Additional insight

None

Scenario

Your car is damaged from driving over a damaged over an iron grid in the roads

Understanding level

Easily understood - people however question a) was I driving at the time b) the specific level of damage to the car as this is not clear. 'Iron grid' is a term which some younger participants are unclear on - as in previous scenario.

Additional insight

Older / car owners saw this as more of an issue. Potential impact on you as an individual and hassle in claiming back compensation. Tangible compared to some other scenarios.

All other scenarios were easily understood and needed no further explanation

Customers debated the importance of several of the service area statements

These included...



Taste and odour (H) – highly subjective, more important to young. Chlorine 'sounds horrible'



Sewer maintenance (H) can be a root cause of other issues



During incidents customer service (H) becomes vital – less so in normal times



Communication, low pressure, river water quality & pollution incidents (all L>M) were heavily debated points

Service areas where there was debate (to be prioritised in the quantitative research)

High

- Long term interruptions to water supplies
- Drinking water quality
- Internal flooding
- External flooding
- ↓ • **Short term interruptions**
- ↓ • **Visible leakage**

Medium

- ↑ • **Sewer maintenance**
- ↑ • **Customer Service**
- Carbon Emissions
- Business price issues
- ↑ • **Taste and odour**
- • *Pollution incidents*
- Bathing water quality
- Discolouration

Low

- • *River water quality*
- Iron works/Covers
- • *Low pressure*
- • *Communication*
- Odour



...really they should be looking at these together as sewers link to flooding and pollution, and the rest

Many of the priorities are intrinsically linked



- ▀ The cyclical impact of some priorities e.g. sewer maintenance is seen to lead to pollution and a negative impact on the environment, health/hygiene and water quality increasing it's importance as a priority
- ▀ This links to SW's environmental stewardship – working tirelessly in the background to maintain the water supply and ensure you never need to think about your water/waste water
- ▀ It also has relevant themes which can be linked back to the Internal aspirations: tangible examples of SW's actions - which engender trust



Impact on health is a concern for older and more vulnerable customers

Key considerations by customer type



Health & Hygiene

The **elderly** and those with families are more concerned about potential threats to health than other groups



Communication

The **elderly** and **those with disabilities** see communication from utilities companies as an integral part of planning and coping with incidents



Customer Service

Low SEG customers have higher expectations of utilities companies and their service – customer-oriented priorities are significant for them



Environment

Environmental issues are of the greatest concern for **rural** customers - minimising impact of activities on Scotland's landscape

Hygiene and customer-oriented statements are particularly important

Possibly move up...

Possibly move down...



Sewer Maintenance
(M→H)

Hygiene-related priorities was important for all and sewer maintenance was seen as a safeguard of public health



Communication (L→M) and Customer Service (M→H)

Not needed all the time but vulnerable customers need to know someone is there when there is a problem



Odour (L→M)

Many had experienced the smell from sewage treatment works – the constant smell affected their quality of life



Short-term interruptions
(H→M)

Customers are sympathetic – they know nothing is perfect and they can deal with short-term interruptions if they are kept well-informed

Coping Scenarios: Communication from authorities is key to how well vulnerable and hard-to-reach can cope

- ✓ **Low SEGs...**
...are most concerned about physical damage to their property and belongings. The expense of buying bottled water and food that does not require boiling becomes increasingly difficult during long-term interruptions, especially with children to feed/bathe
- ✓ **Elderly and disabled...**
...fear they could not protect their home in the event of flooding. Moving belongings to a safe place is virtually impossible without support. Concerned about health-threatening incidents like sewers flooding – anything that isn't resolved quickly can develop into serious concern
- ✓ **Rural customers...**
...feel they could cope most easily across the scenarios. Many already live in challenging environments and are better equipped to deal with water outages and incidents where boiling is necessary, e.g. rain-collection equipment, nearby rivers. Communication is still needed

How Scottish Water can help?

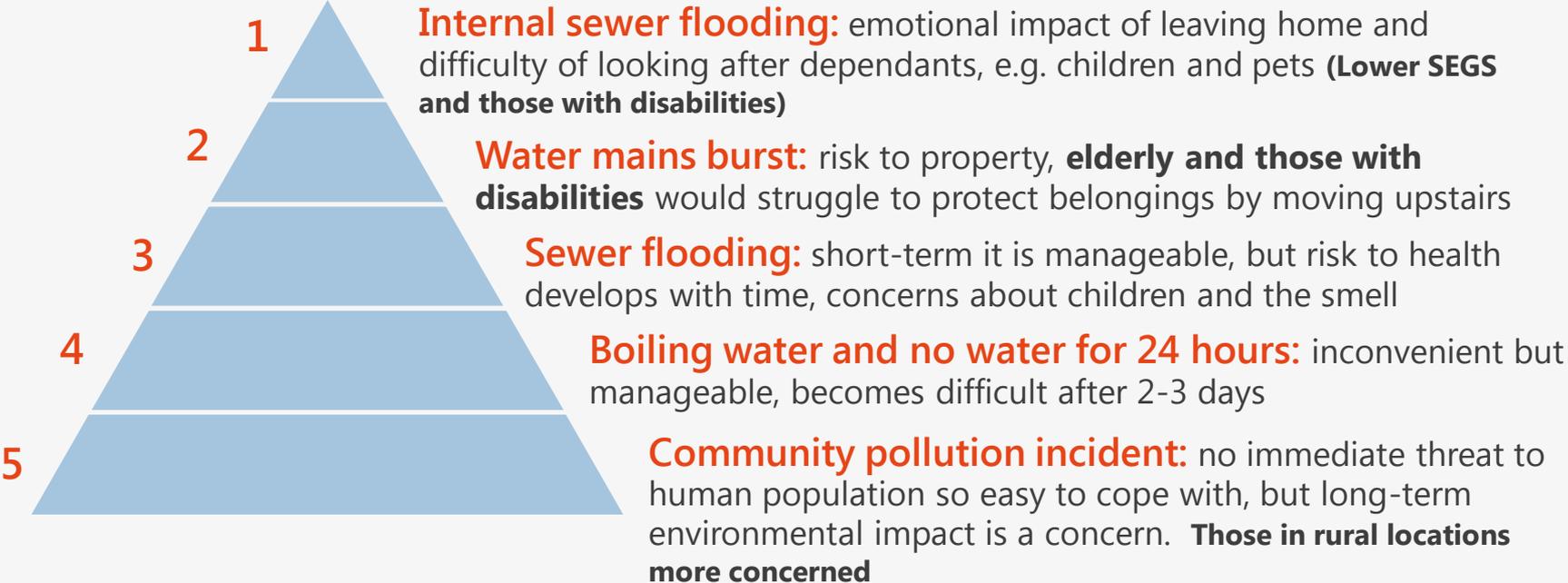
Customers feel there is little more Scottish Water can do beyond fixing the problem quickly, but...

...they could support in developing action plans by clear communication of what the problem is, what is being done to solve it and the timeline to solution

That is why most would like to see **communication** and **customer service** included as higher priorities



Scenarios least able to cope with: Longevity and the fear of property damage are key considerations for vulnerable and hard-to-reach customers



Customer understanding of scenarios: **Additional notes on understanding for those more vulnerable**

Scenario

You have a sewer flooding incident inside your home and have to stay in temporary accommodation for a year. You know there is a risk that this will happen again

Understanding level

Some confusion over what temporary accommodation consists of, i.e. rehoused with help from authorities? or must they find their own accommodation, incurring costs

Additional insight

Customers are concerned about property damage, becoming a burden to friends and family and the welfare of dependents

Scenario

You and your community experience a water mains bursting in your street. This causes a large flood in the street, flooding homes and damaging gardens

Understanding level

Easily understood by all

Additional insight

Potential damage to property and belongings drove concern over this scenario. Disabled customers feared they would not be able to salvage belongings, e.g. by moving upstairs

Scenario

You and your community have no available water for 24 hours

Understanding level

Easily understood by all

Additional insight

Responses differed but 3-4 days was the maximum that participants felt they could cope without water, particularly those with children or other dependents. Communication from authorities in this scenario is key

Scenario

You have a single sewer flooding with sewage and toilet paper in residential areas where you walk

Understanding level

Easily understood by all

Additional insight

Hygiene in this scenario and potential health implications was a concern to elderly and disabled customers, and to those with families and young children

Customer understanding of scenarios: **Additional notes on understanding for those more vulnerable**

Scenario

Scottish Water tells you that you must boil your water before drinking it. It is safe to brush your teeth with and to bathe and shower in

Understanding level

Easily understood by most. Some were concerned that the water was not safe to start with and would need greater reassurance and information

Additional insight

Most see this as an inconvenience but could cope easily for a few days at least. Those with families are more concerned about potential health implications, as are elderly customers

Scenario

You and your community encounter murky river water that smells in places, there are limited or no plants or wildlife near the river and the water is not suitable for any water activities

Understanding level

Easily understood by all

Additional insight

Rural customers claimed they would struggle more in this scenario as their local economies are heavily dependent on tourism. Most other customers felt they could avoid and ignore the problem just by taking alternative routes

The future

Customers are hopeful of a stable political landscape
and a prosperous future for Scotland



Customers are concerned most about the local economy but still have high hopes for a thriving Scotland

Myself

- Impact of Brexit and IndyRef2 on personal finances and employment opportunities – this is of particular concern to Low SEGs and families

My community

- Restore and maintain community spirit – fears it is being lost
- Remote customers want improved connection to essential services, e.g. broadband, electricity, transport

Scotland

- Scotland to stand on its own feet on a global stage
- Showcase Scotland's natural resources to the people of Scotland and the world

What is Scottish Water's role?

- To maintain the status quo
- To push forward on renewable energy
- To improve life for Scots
- To educate and empower
- To play their part in tourism
- To become a global role model



Maintain the status quo

Maintain the status quo for current bill payers. Perception is high and experience is good amongst these customers.

Expectations:

- /// Clean water in plentiful supplies
- /// Effective waste services
- /// Work quietly in the background
- /// One low cost for every household
- /// Good customer service when things do go wrong



The next 20 years...

For current bill payers, nothing needs change in terms of product and supply

“Just provide clean water. Just be reliable

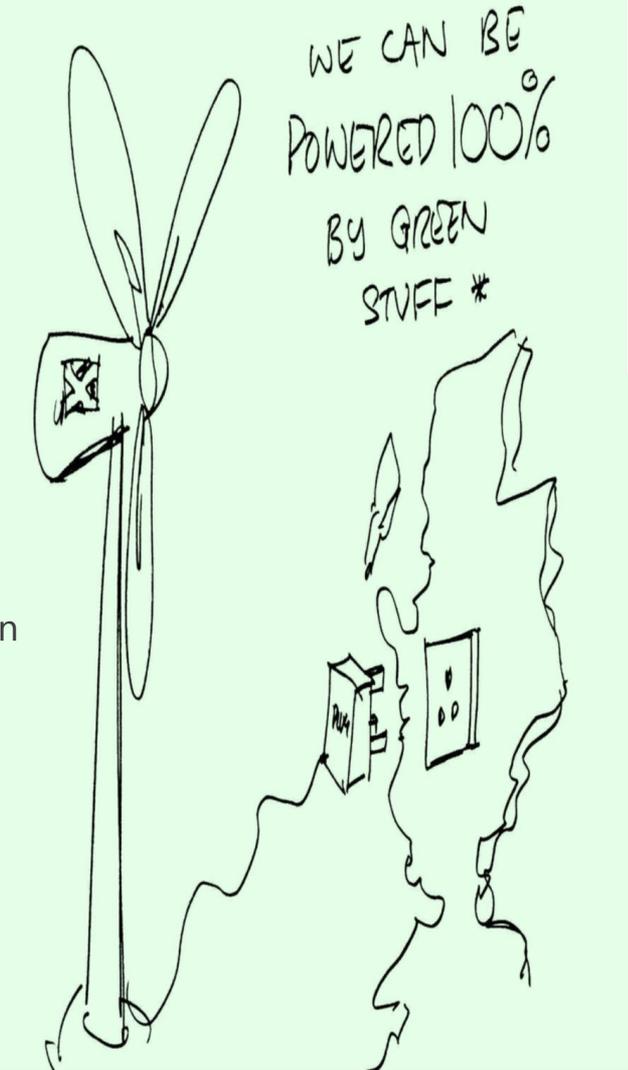


Renewable energy

There's a high level of confidence in Scottish Water's ability to push forward on the 'Green' agenda and this is particularly attractive to some future bill payers

Expectations:

- Continue to minimise pollution through activity
- Remain sympathetic to the environment in development work
- Play a key role in developing renewable energy solutions – Hydro Power



The next 20 years...

Hopes that Scotland could be entirely self sufficient in terms of renewable energy, with the help of Scottish Water

“ We know that as a country we can be self reliant when it comes to energy

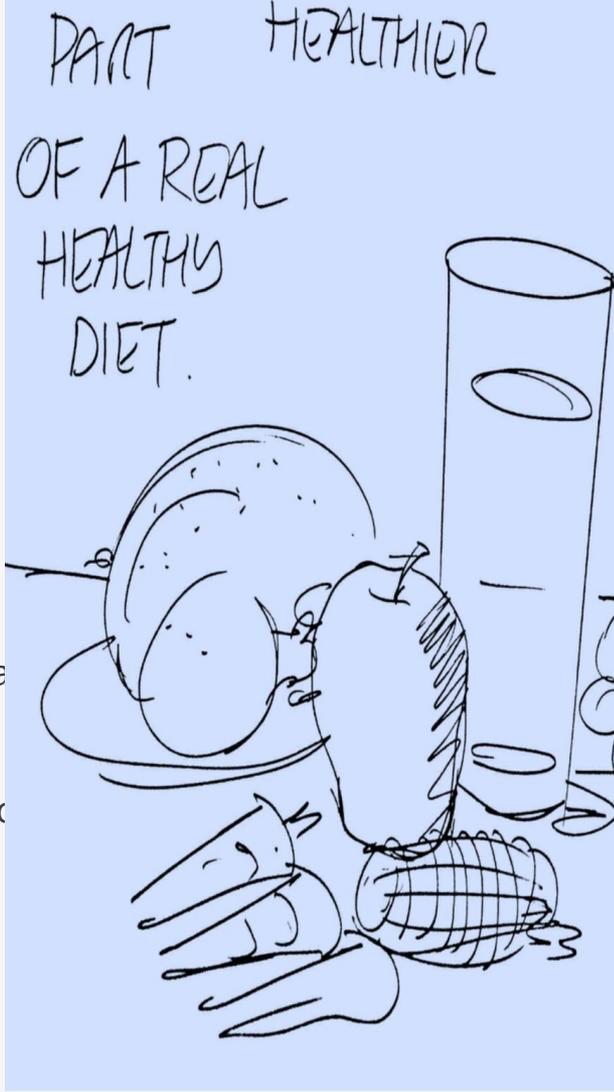


Improve life for Scots

Even when engagement with Scottish Water 'the company' is low, there's a sense of pride in the quality of the water and it's plentiful supply

Expectations:

- /// Clean drinking water to maintain good health
- /// Employ & train locally
- /// Work across agencies to provide training and employment opportunities



The next 20 years...

Scottish Water as a major contributor in training and employment opportunities for Scottish people

“ They should provide apprenticeships

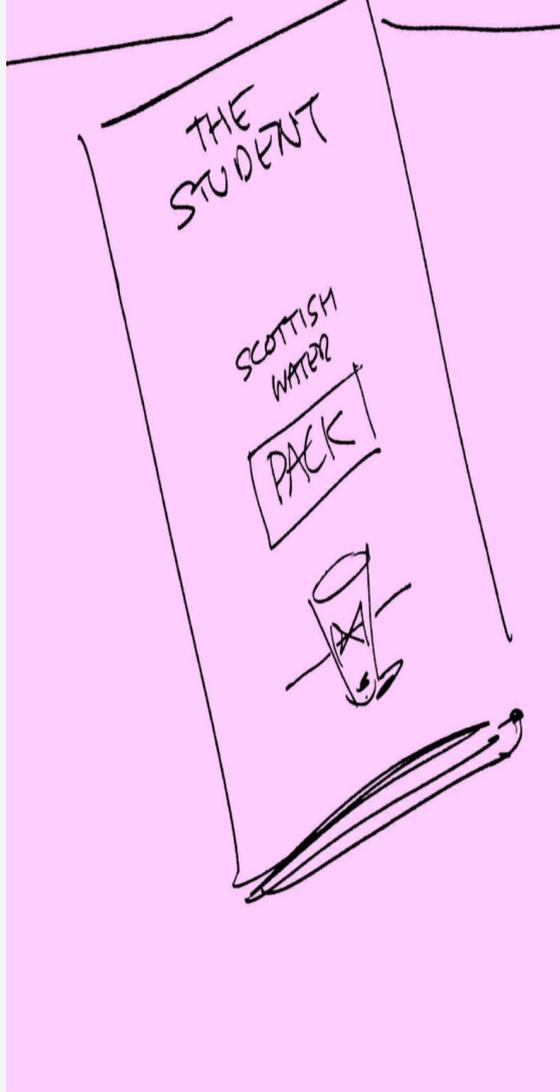


Educate and empower

There's opportunity to educate across both current and future bill payers to increase awareness and give residents a role to play in maintaining their pride in water

Expectations:

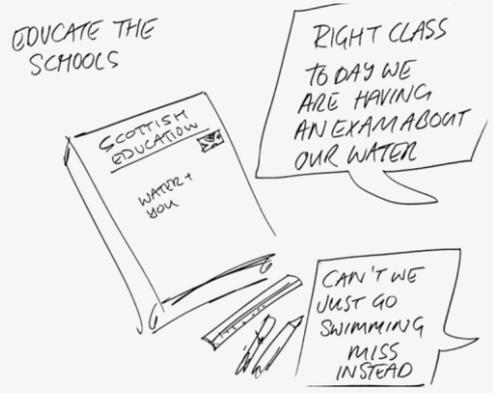
- Continue to educate to impact positive change in consumer behaviour
- Link with schools to increase engagement with future bill payers
- Expand education further to include Scottish Water's role in the Green agenda to provide a 'hook' for many future bill payers



The next 20 years...

With a solid education programme in place, Scottish people are empowered to make good choices when it comes to water

It's important to know about water because we're all responsible in some way

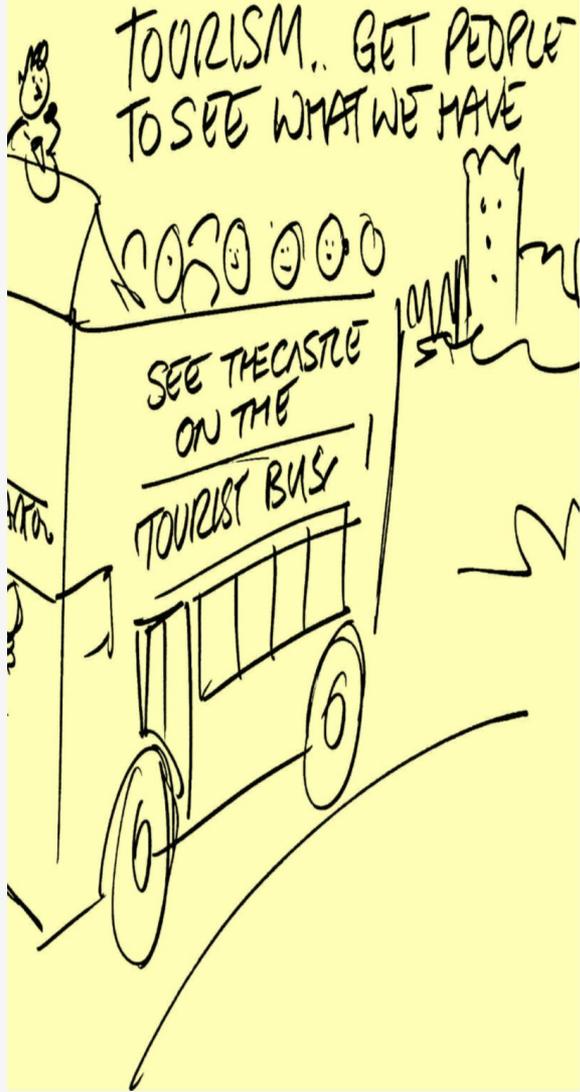


Put Scotland on the global map

Both in terms of tourism and business, there's appetite for Scottish Water to play their part in ensuring Scotland stays relevant, especially amongst more long standing bill payers

Expectations:

- Promote the link between water and tourism – both in terms of drinking water and open water
- As a business, be a global role model both in terms of top class customer service and innovation of new technologies



The next 20 years...

Scottish Water are a key player in promoting tourism whilst holding resonance globally as a role model for other businesses

Scottish Water could lead the way



Scottish Government 20 year objectives

Scottish Water should play a pivotal role in supporting 'Greener' and 'Healthier'

Scottish Government objectives - overview



**Wealthier &
Fairer**



Smarter



Healthier



**Safer &
Stronger**



Greener

Greener and Healthier are most relevant objectives for Scottish Water to concentrate on



Greener



Improve Scotland's natural and built environment and the sustainable use and enjoyment of it

Healthier



Help people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care



Being greener and healthier are high on the radar for future and current billpayers. Water services have a larger and more obvious role on these agendas

Safer & Stronger

Help local communities to flourish, becoming stronger, safer place to live, offering improved opportunities and a better quality of life

Wealthier & Fairer

Enable businesses and people to increase their wealth and more people to share fairly in that wealth

Smarter

Expand opportunities for Scots to succeed from nurture through to lifelong learning ensuring higher and more widely shared achievements



Less relevant to water services, but Scottish Water can still play a role

“Everyone has a responsibility”

Greener: Scottish Water should play a key role across all areas of the business



Minimise pollution

Through good waste services and reduced carbon emissions



Renewable energy

The water industry hold a responsibility to actively source better options to benefit the environment - such as hydro power solutions



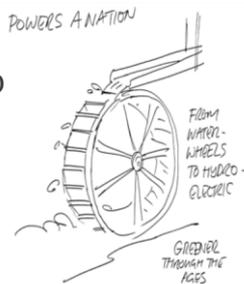
Educate future billpayers

On how to be green, and empower them to make the right decisions when it comes to water



Communicate on green issues

It's a topic that resonates well with domestic customers and is likely to increase engagement



Other industries responsible:

- Energy
- Farming
- Construction
- Oil
- Healthcare
- Local Authority Services

Healthier: serving the health industry and providing good quality water

Reliability is key in terms of:

✓ Providing clean drinking water throughout Scotland

✓ Safe disposal of waste water
To ensure communities are kept healthy

✓ Allow customers to make healthier choices

Educate on the key benefits of water, i.e. healthier vs fizzy drinks, how much should be drunk per day etc.

✓ Communication
If/when things go wrong, communicate what to do, to ensure communities remain healthy



“Keep us healthy with your services and encouragement”

Other industries responsible:

- Local Authority Services
- Healthcare
- Farming

Less important objectives

'Wealthier & Fairer', 'Smarter' and 'Safer & Stronger' objectives can be supported by Scottish Water, but seen as less relevant for water services





Vulnerable and hard-to-reach customers also include 'Smarter' as a key objective for Scottish Water

Greener

- Be a responsible company – minimise environmental impact by, for example, not building on green belt

Healthier

- Educate and raise awareness
- Maintain bathing water quality for swimming and other sports

Smarter

- Invest in smarter technology
- Educate schoolchildren through talks and site tours
- Promote apprenticeships and graduate schemes

Safer & Stronger

- Everybody should be doing more to support local communities
- Scottish Water can run/sponsor community events

Wealthier & Fairer

- A great objective but unsure where Scottish Water can support
- Focus on renewables and pass on savings

 **Less relevant to water services, but Scottish Water can still play a role**



Key insights

Domestic customers

Key insights



Utilities and value for money

- /// Few give much thought to their water supply and waste water services. They are utilities which are expected, trusted and relied upon. Many customers don't know how much they pay for water
- /// Spontaneously other utilities like broadband are perceived to offer better VFM. Water's value becomes more apparent once its role has been considered in detail. There was a significant learning curve within the research sessions. At the end of the session customers are aware of water's importance and it's comparative VFM.
- /// Scottish residents are proud of the quality and plentiful supply of fresh drinking water and the effective protection of their environment. Because of this, water is regarded as a equitable utility - especially important given the uncertainties within the current political landscape.

Recommendation: When promoting Scottish Water emphasise value for money, the quality of the water & plentiful supply, reliability of water and waste services & best in class customer service. Scots are proud of their water – this too can be reflected. Innovation & development activity over the next 20 years will reinforce perceptions of value.

Key insights



Internal aspirations

- // The sentiment expressed by the internal aspirations resonates, and is the foundations of an organisation most would want to be customers of
- // The lack of tangible evidence for the internal aspirations can undermine credibility, making them feel generic

Key recommendation: Amend and update the Internal aspirations. Make them simple, concise & concrete. Give tangible examples of the ways Scottish Water are 'living' these values. Bringing out the ways Scottish Water *innovates* also demonstrates future orientation & work globally, especially within the renewable energy agenda. This has a natural fit.

Key insights



Service preferences

- /// The current service areas feel broadly right to customers, with concentration on maintaining the quality of the product and minimising flooding
- /// For many, activities relating to reducing pollution and conducting development work that remains sympathetic to the environment should take higher priority

Key recommendation: Quantitative research will give a more definitive ranking. Test priorities further against specific coping scenarios, adding in breadth, depth and longevity to 'stress test' the priorities and where they currently sit. Scottish Water should also continue to adapt their priorities to meet up and coming needs of future customers, who place a greater emphasis on environmental and innovation strategies.

Key insights



Vulnerable and hard to reach customers

- Older customers, those from lower SEG groups and those living with disabilities are unlikely to see themselves as any different in terms of their support needs from utilities companies. However there is higher importance for customer service and communication
- Those living in rural locations see themselves as highly resistant, with good community level measures in place to deal with problems with water. These customers expect Scottish Water to work with them in developing coping strategies as and when there is activity that will impact on day to day life

Key recommendation: Continue to work with community groups to identify vulnerable and hard to reach customers and support them at a community level, utilising the resistance strategies already in place there. Ensure the continued inclusion of vulnerable and hard to reach customers in customer engagement work to develop flexible strategies that meet changing needs.

Key insights



Scottish Water's role in Scotland

- Water and waste services may be taken for granted day-to-day, but customers know the important role Scottish Water plays in ensuring that people can live wherever they want to live in Scotland
- Infrastructure is important in communities – making people feel secure that they will receive the same high quality product and service no matter where they live

Key recommendation: Ensure customers that they will continue to receive the same quality service and product over the next 20 years whilst also pushing forward to innovate.

Key insights



Scottish Water and the Scottish Government's objectives

- /// Most find it difficult to make the connection between Industry, Scottish Water and the Scottish Government's objectives for the next 20 years. 'Greener' and 'Healthier' are the two key agendas for Scottish Water to contribute to
- /// Customers (especially the young) and future bill payers are keenly tuned into environmental issues in Scotland – both in terms of protecting the environment and pushing forward the use of renewable energy
- /// Clean drinking water and effective waste services are intrinsically linked to health

Key recommendation: Focus on 'Greener' as this provides an engaging hook for many whereas 'Healthier' naturally ties in with high expectations for quality of product and service. Continue to innovate in these areas and promote through education and awareness raising.