



Image Tracker

2022-23 Annual presentation

With appendices 30th June 2023



Context

Performance

Trust

Storm overflows

Water use

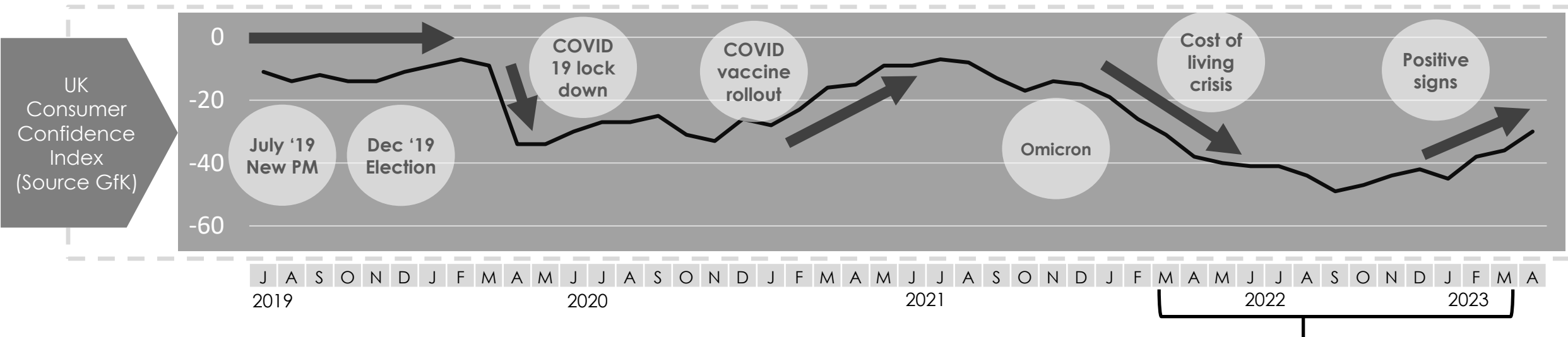
Communication



Wider context

UK consumer confidence has been at lowest-ever levels through 2022

However, after reaching the lowest point on record in September '22, there are signs of some improvement going into 2023.



26 May
Chancellor announces every household to get energy bill discount of £400 in Autumn

20 June
Biggest rail strike in 30 years

7 July
Boris Johnson resigns

30 Aug
Environment Agency announces drought in South West

8 Sept
Queen dies

Oct 2022
UK inflation rates reaches 11.1%, highest since 1981

6 Dec
December rail strikes announced, followed by Royal Mail

15 Feb
Inflation falls for the third month in a row, from 10.5% to 10.1%



3 June
The Queen's Platinum Jubilee

19 July
Britain records hottest day ever at 40.3 degrees

6 Sept
Liz Truss appointed as Prime Minister

25 Oct
Rishi Sunak becomes Prime Minister

21 Dec
Ambulance workers and other NHS staff walked out on strike

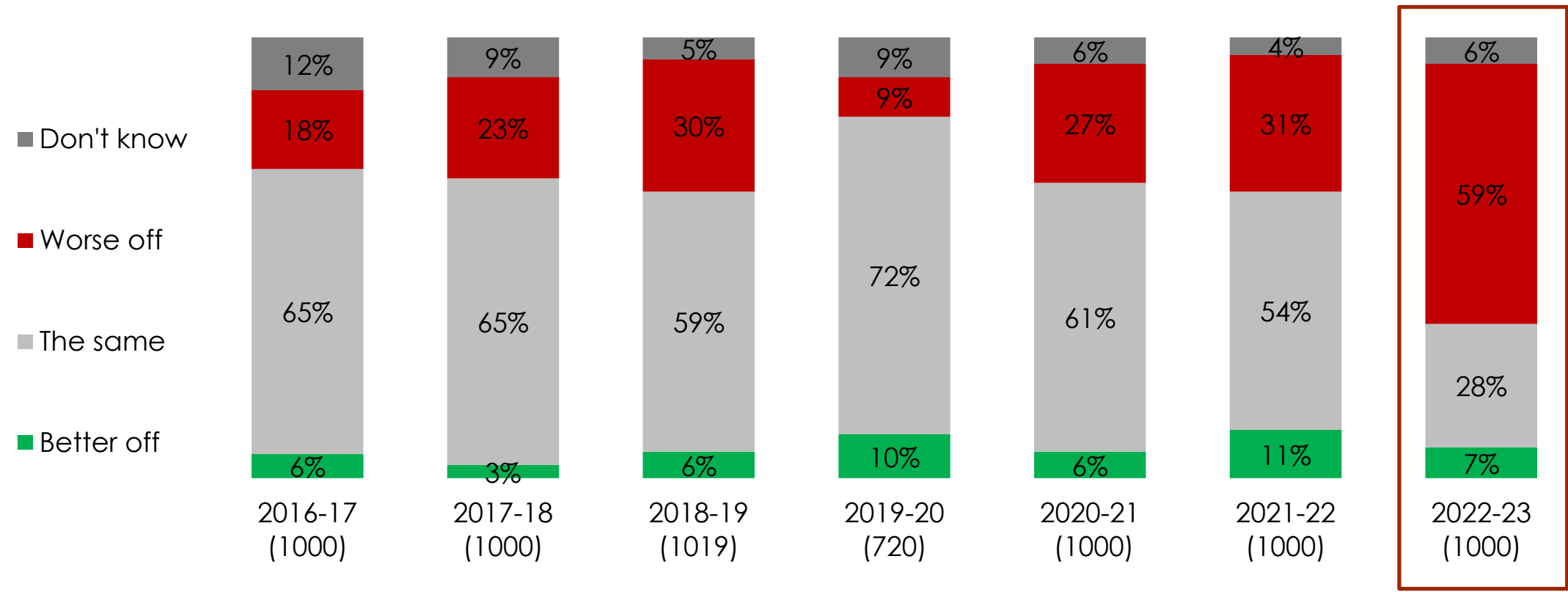
27 Feb
Ofgem announces decrease in quarterly price cap from £4279 to £3280

March 2023
Wettest March for England in over 40 years

Financial outlook in the Wessex region has dramatically shifted

Wider events in 2022-3 have led to unprecedented negativity about household finances in the Wessex Water region.

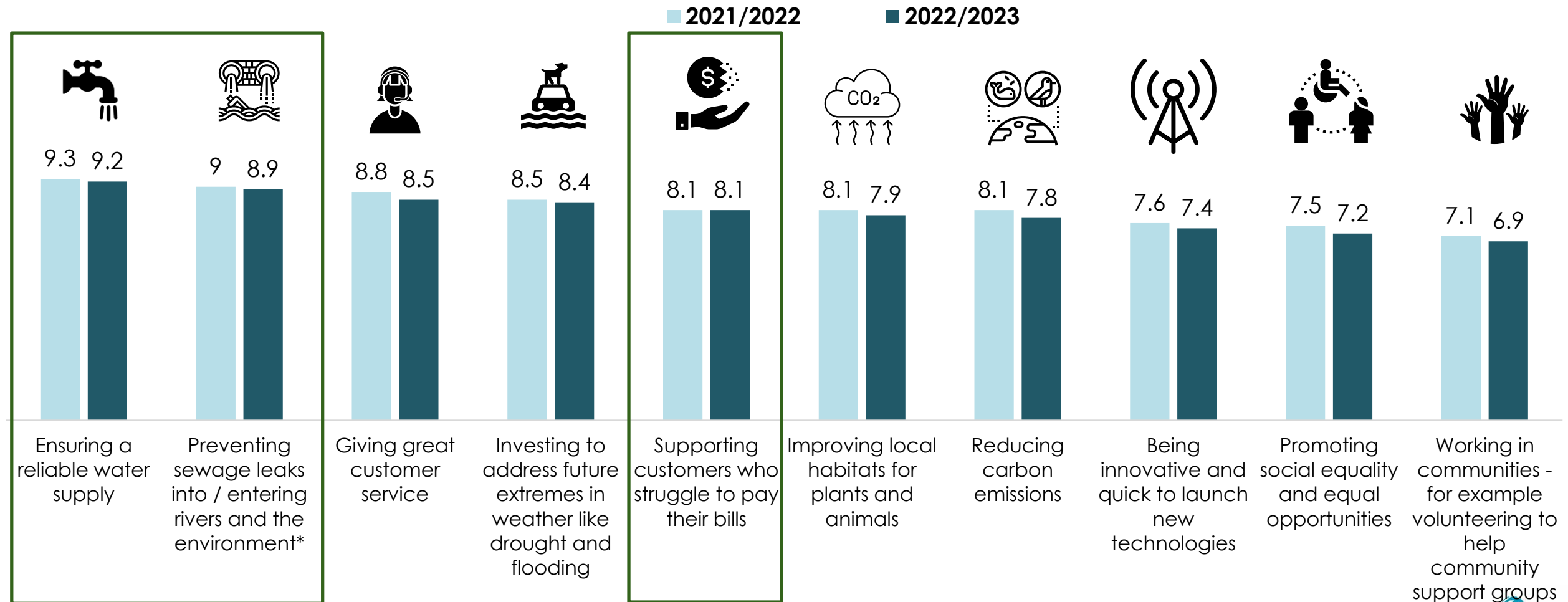
Q11/QF5 Do you expect your household to be better off, worse off or about the same in the next 12 months? Base: All



What do consumers say Wessex Water should focus on?

This year, the biggest priority has remained ensuring a reliable water supply, closely followed by preventing sewage entering the environment – appears to be a permanent fixture in consumer priorities. ‘Supporting those who struggle to pay’ is ranked slightly higher this year, as importance of reducing carbon emissions fades slightly.

Q7. How important do you think it is for Wessex Water to focus on each of the following things? Mean score (10 = ‘a top priority’ 0 = ‘not a priority’). Base: All respondents 2021/22 (1,000) and 2022/23 (1000)

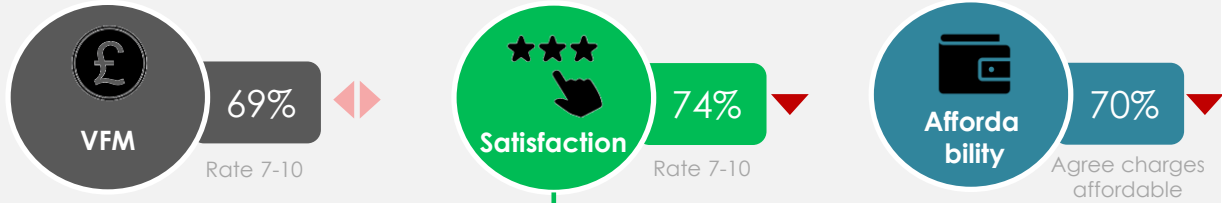




Performance

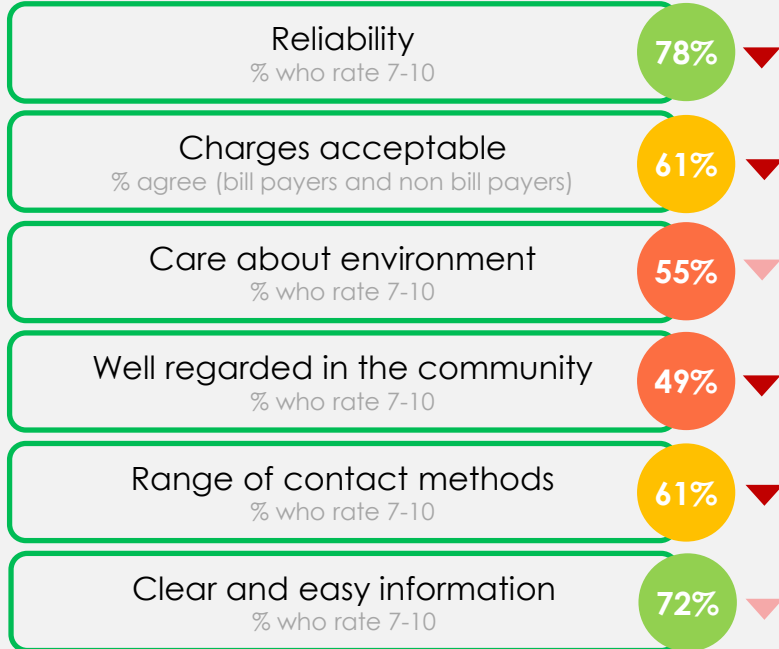
Dashboard 2022-23: Satisfaction fades slightly whilst awareness of sewer overflows increases, and financial anxiety becomes widespread

Core performance

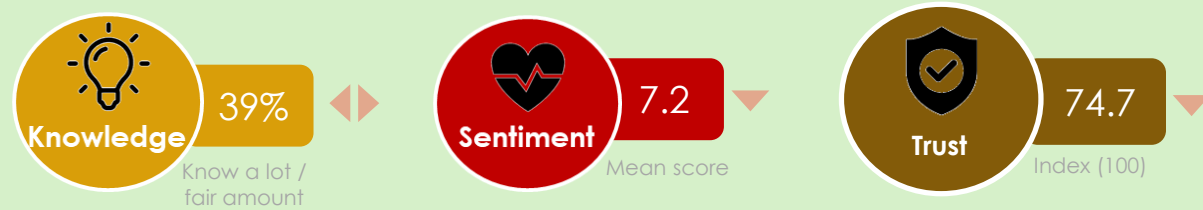


Satisfaction drivers

MOST IMPORTANT



Brand health

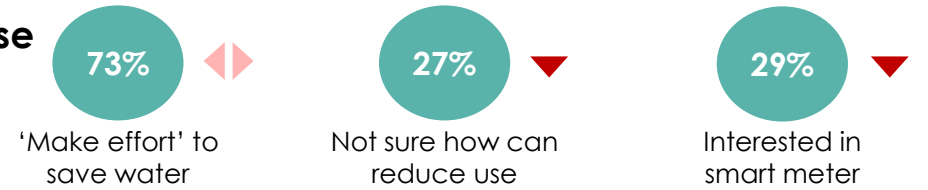


Hot topics

CSOs



Water use



Economic



Key: ▲ Significant increase ▲ Directional increase
 ▼ Significant decrease ▼ Directional decrease

Changes are 2022/2023 vs. 2021/2022

Overall satisfaction has declined slightly over the course of 2022/23. Satisfaction is higher in the Wessex supply area than in Bristol and Bournemouth areas.



Q11. Taking everything into account how satisfied are you with Wessex Water? *Base: All respondents*

Net (7-10):

■ 9 or 10 (extremely satisfied)

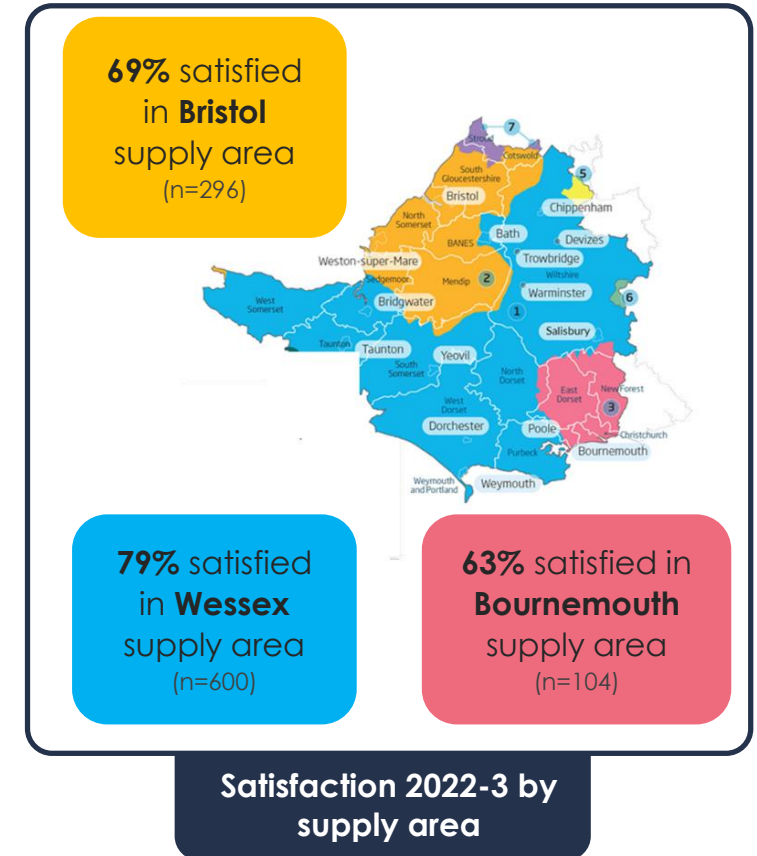
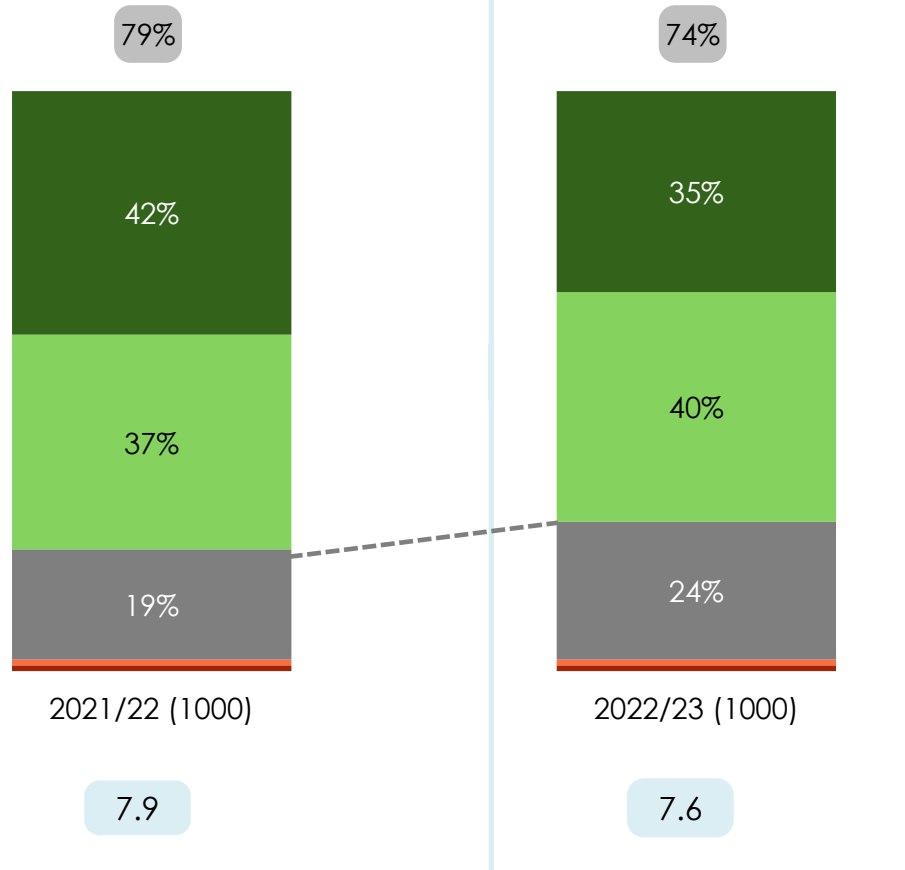
■ 7-8

■ 4-6

■ 2-3

■ 0 (extremely dissatisfied) or 1

Mean

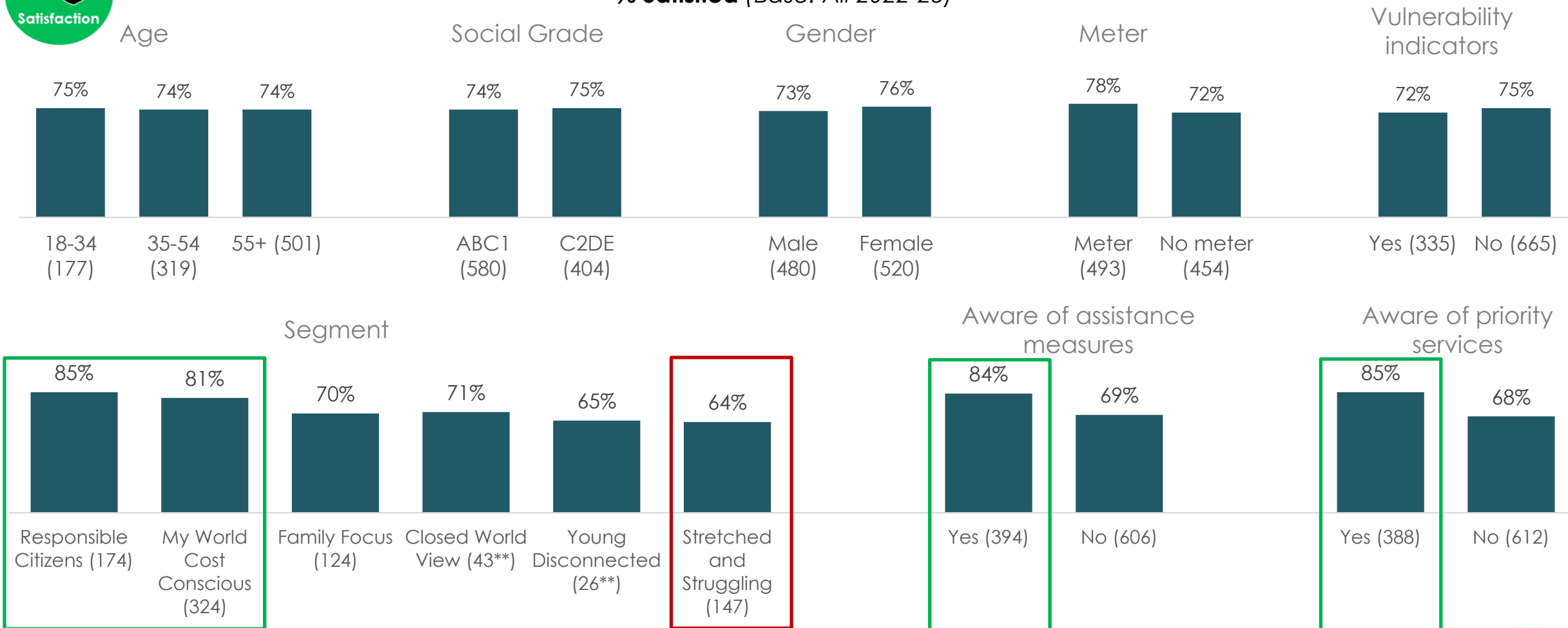


Overall satisfaction by key groups

Satisfaction remains reasonably consistent across demographic groups, those with and without a meter, and those with and without vulnerabilities. 'Responsible Citizens', and 'My World Cost Conscious' are most satisfied, while 'Stretched and Struggling' lag behind. Awareness of support correlates with higher satisfaction – a reputational benefit in promoting this.



Q15/11 Taking everything into account how satisfied are you with Wessex Water?
 % Satisfied (Base: All 2022-23)

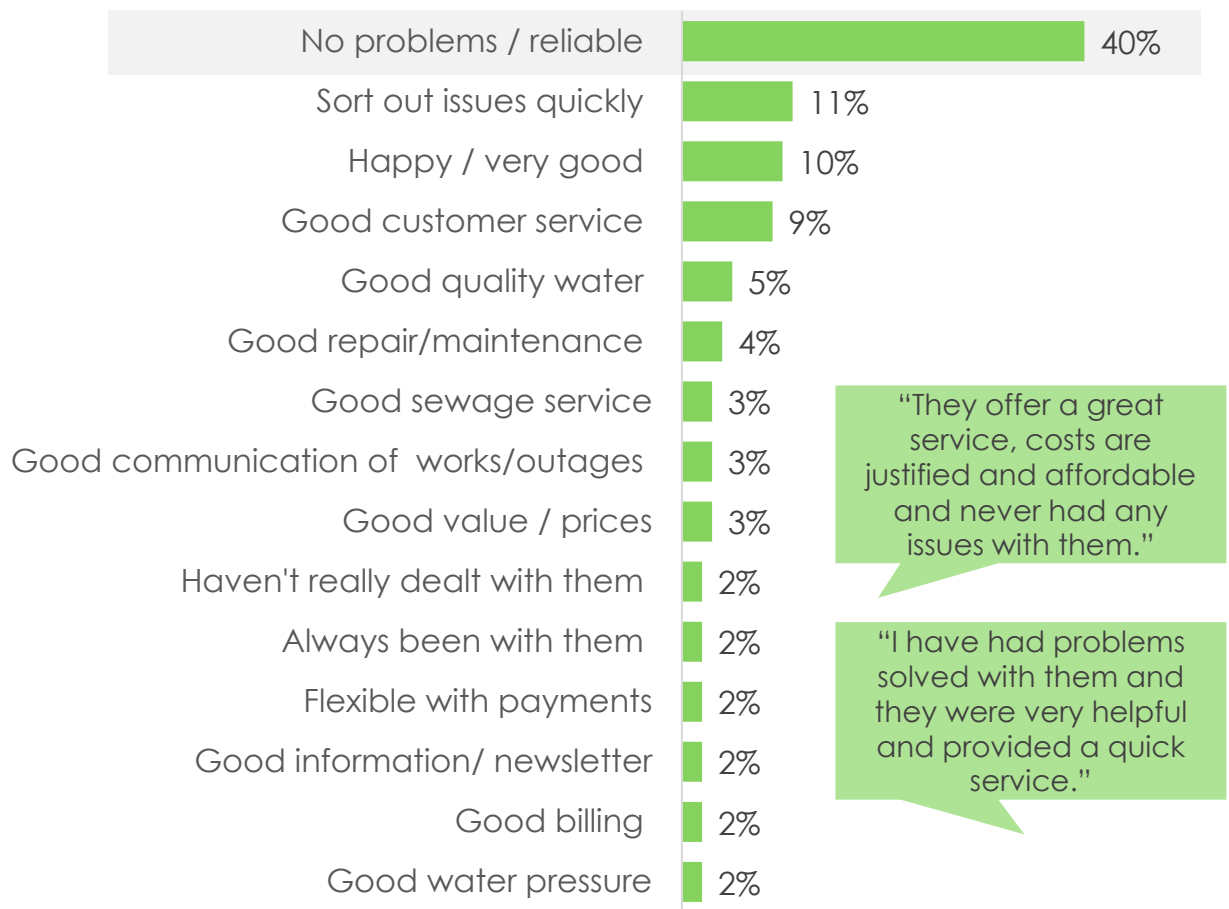


Why satisfied / not satisfied

When consumers think about satisfaction, they tend to think about their direct experience. 'Top of mind' reasons for satisfaction continue to be mostly about being reliable and problem-free. For the minority who are less satisfied there's a mix of reasons, although sewage releases are becoming more prominent. Profits / shareholders still rarely mentioned.

Q12 Why did you say this? Please explain as fully as you can why you gave your satisfaction score.

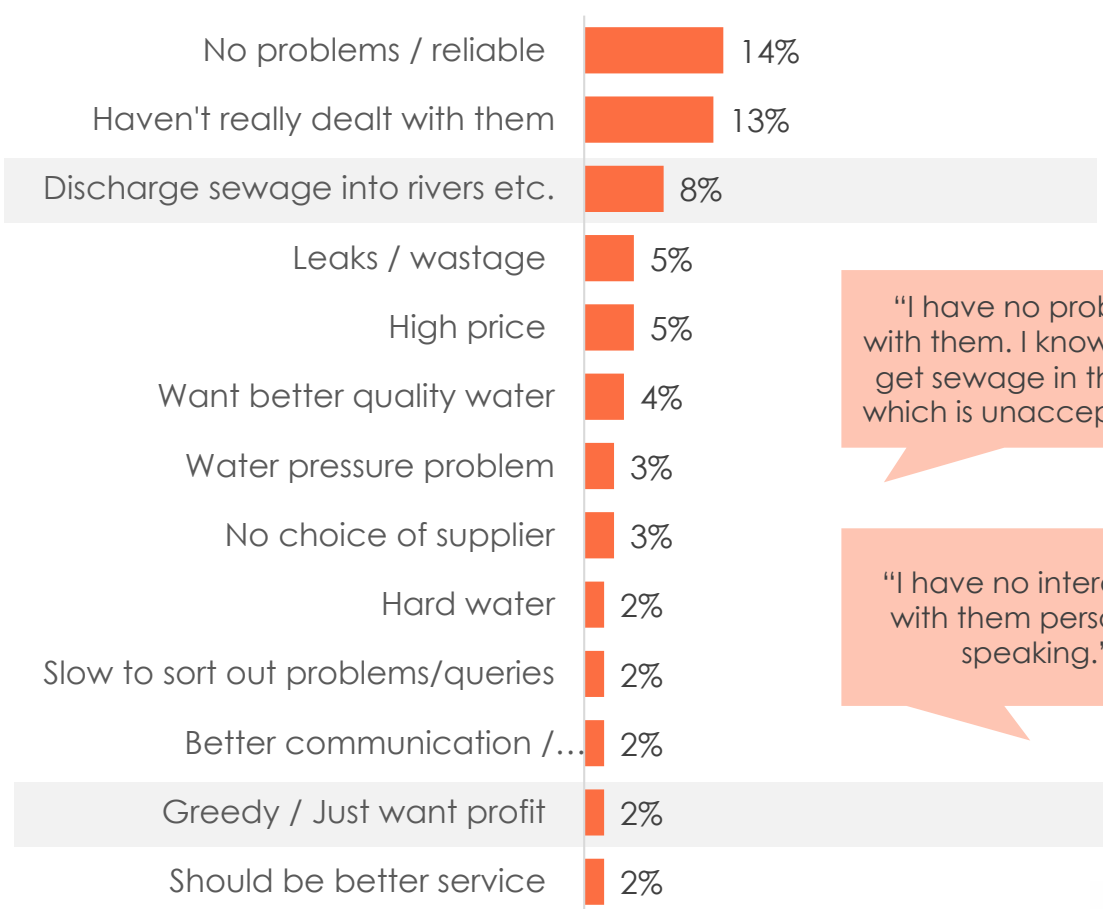
Those who are satisfied (score 7-10) Base: 751



"They offer a great service, costs are justified and affordable and never had any issues with them."

"I have had problems solved with them and they were very helpful and provided a quick service."

Those who are less than satisfied (score 0-6) Base: 249



"I have no problems with them. I know we do get sewage in the sea, which is unacceptable."

"I have no interaction with them personally speaking."

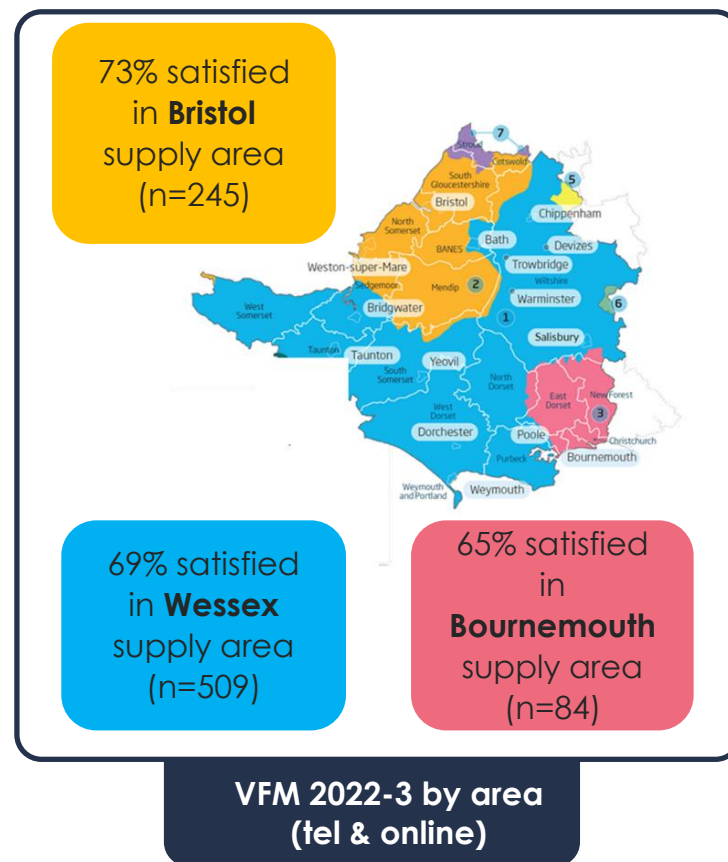
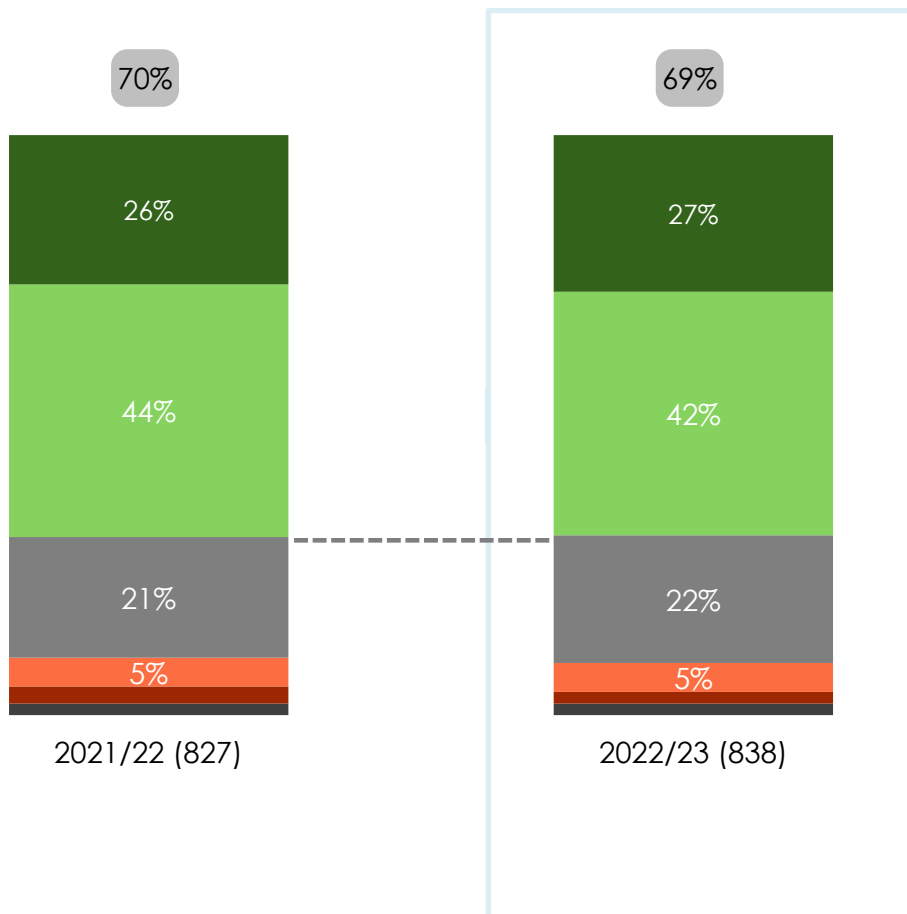
Overall value for money

Satisfaction with **value for money** this year is 69%. Despite the dramatic decline in outlook on household finances, the rating of VFM is extremely consistent with last year, and similar across all three supply areas.



Q16: Thinking now about value for money, how satisfied or dissatisfied are you with the value for money of the water and sewerage services in your area? Base: All bill payers

- Very good/very satisfied
- Good/fairly satisfied
- Neither / nor
- Poor/fairly dissatisfied
- Very poor/dissatisfied
- Don't know



Knowledge and sentiment



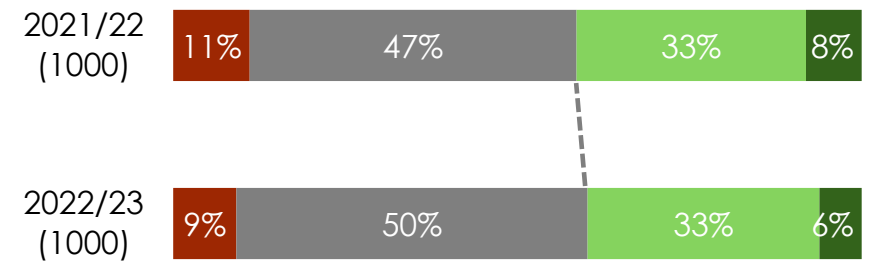
Knowledge

People in the Wessex Water region still **don't feel they know much about Wessex.**

Q6. How much do you feel you know about Wessex Water and what they do?

Base: All respondents

■ Nothing at all ■ A little ■ A fair amount ■ A lot



Direct communication to / from Wessex Water, recall of community activity, and seeing news coverage can be important factors in increasing how much people feel they know about the company.



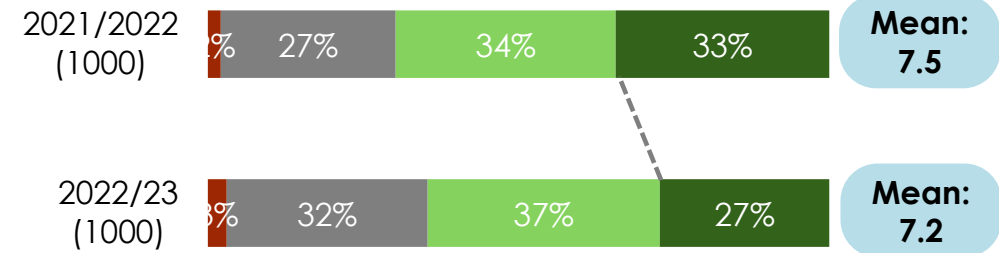
Sentiment

A slightly reduced proportion of customers feel **very** positive towards Wessex Water this year. There has been a move to greater ambivalence.

Q4. Now thinking about Wessex Water. Please tell us how do you feel about them overall?

Base: All respondents

■ Negative (0-3) ■ Neutral (4-6) ■ Fairly positive (7-8) ■ Very positive (9-10)

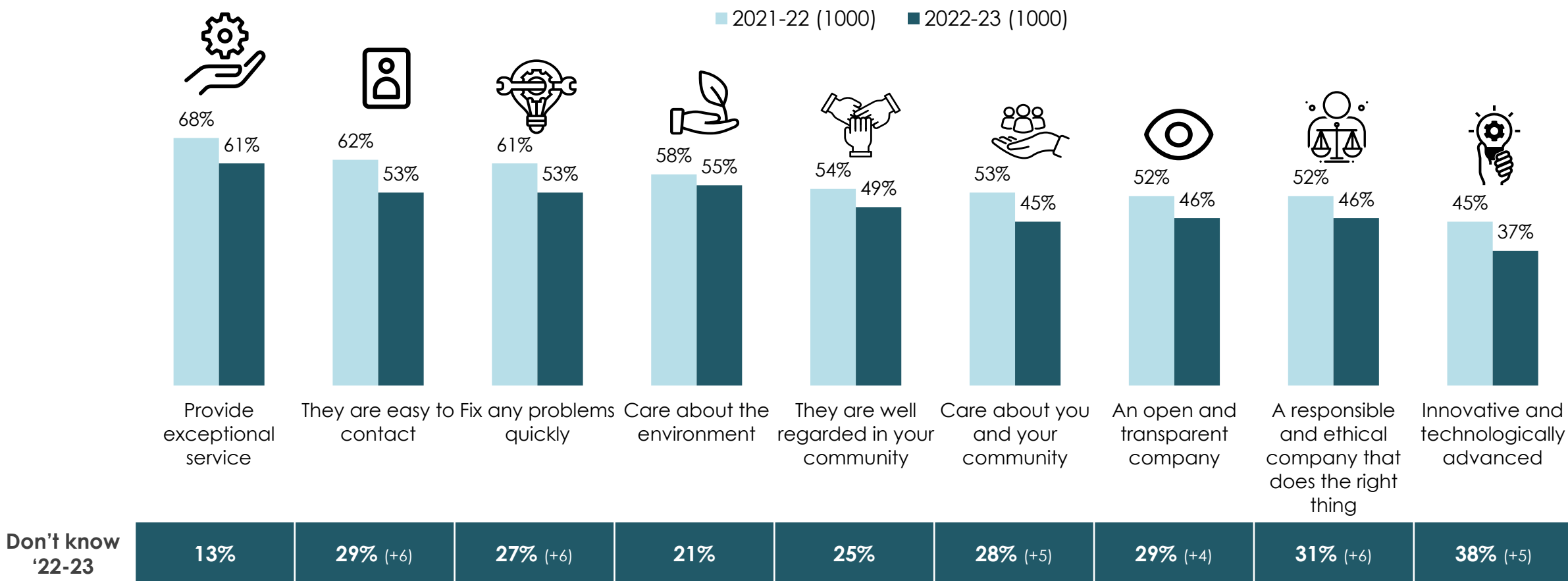


Notably the email community newsletter appears to enhance positive sentiment, but limited evidence of other touchpoints having positive impact in 2022-3.

Image of Wessex Water

Across 2022-23 over 6 in 10 consumers agree that Wessex Water provide exceptional service – a strong endorsement, but this has diminished since last year along with a number of other aspects of image. Much of the decline is due to more who 'don't know', rather than growing disagreement – suggesting less interaction and engagement with the brand.

Q8: Thinking about your impressions of Wessex Water, how much would you agree or disagree with the following statements? (% Agree 7-10) (Base: all respondents)



"If I knew more about them I'd be able to answer better."

"I've never dealt with them, don't know anything about them and I don't pay the bill."



Perceptions of Wessex Water's performance remain broadly consistent with last year.

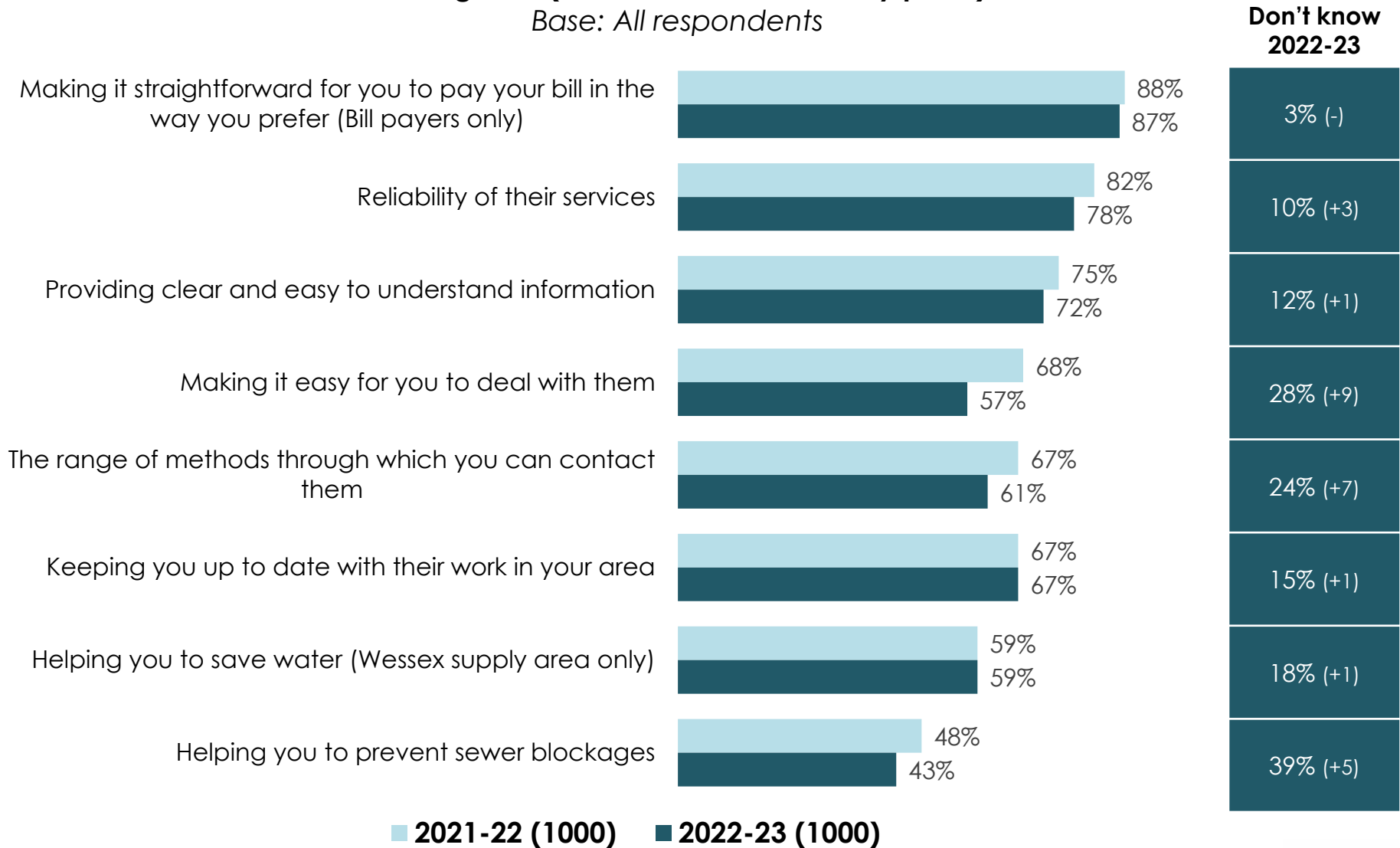
Reliability (an important driver for satisfaction) remains widely endorsed, although declines slightly.

Perceptions have faded this year for 'making it easy to deal with' and 'range of contact methods' – largely because more people simply don't know.

Q13. How would you rate Wessex Water's performance in the following areas?

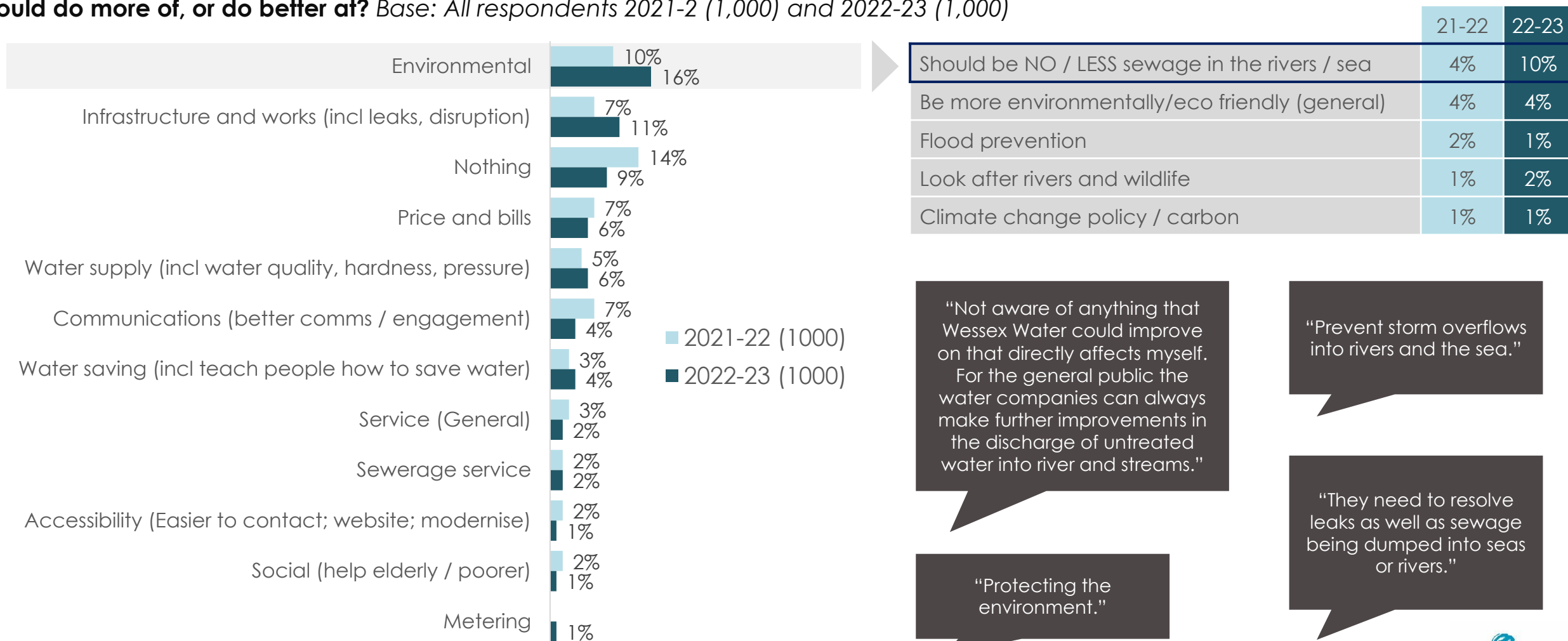
% rating 7-10 (10 = 'excellent' 0 = 'very poor').

Base: All respondents



'Environment' is the most widespread area that consumers spontaneously mention Wessex Water could improve on. This has increased significantly since last year, driven by mentions of sewage release; mentions have nearly doubled since last year and is now a top of mind concern for 1 in 10 consumers.

Q14: Thinking of all the things that Wessex Water do and could do in future, what do you think it could do more of, or do better at? Base: All respondents 2021-2 (1,000) and 2022-23 (1,000)



"Not aware of anything that Wessex Water could improve on that directly affects myself. For the general public the water companies can always make further improvements in the discharge of untreated water into river and streams."

"Prevent storm overflows into rivers and the sea."

"Protecting the environment."

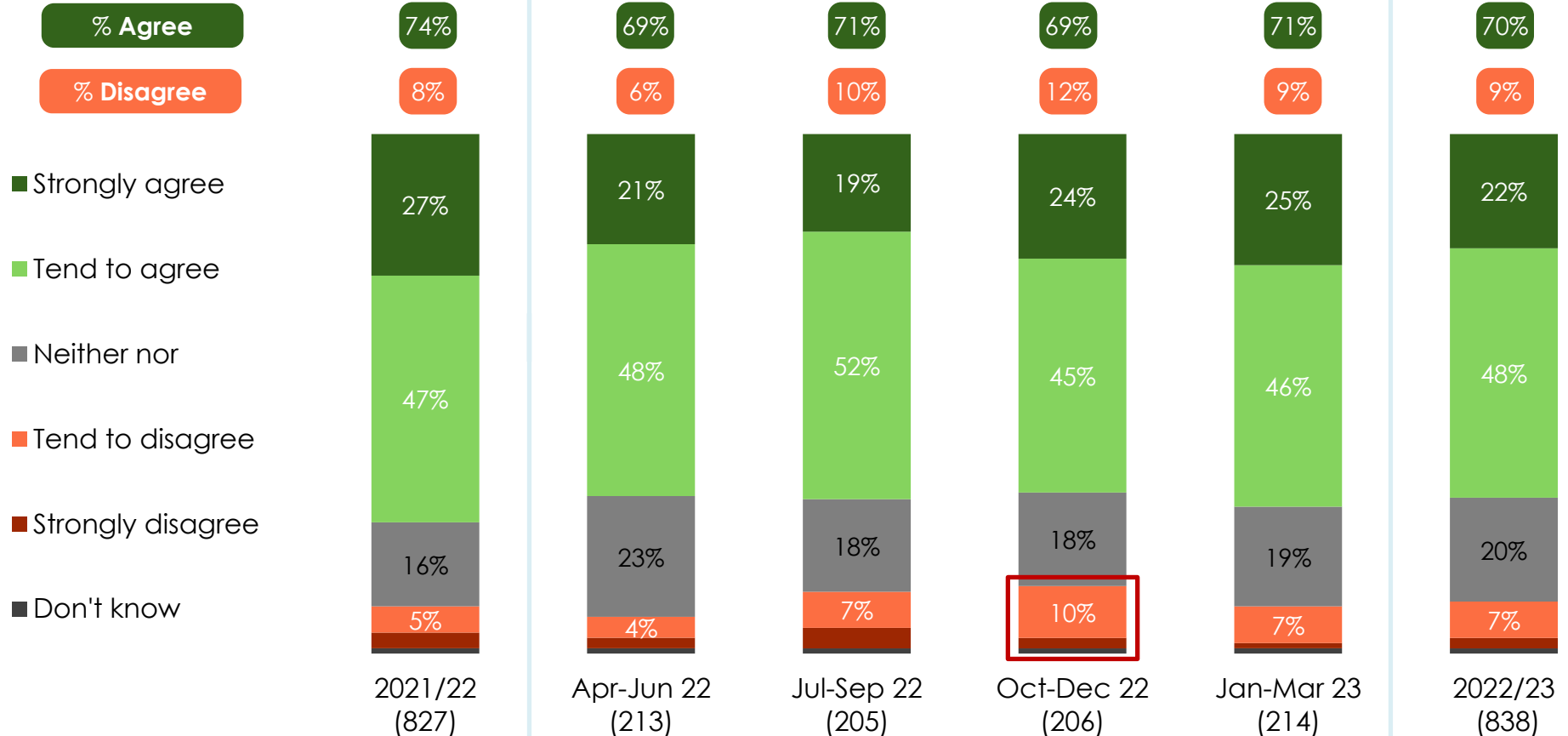
"They need to resolve leaks as well as sewage being dumped into seas or rivers."

The proportion of customers *disagreeing* their water and sewerage charges are affordable had been trending upwards approaching winter, but there is some positive news that this has not continued in the most recent period. Nevertheless, those who actively agree their bill is affordable across 2022-3 is slightly lower than 2021-2 – more are ‘on the borderline’.



Q17. How much do you agree or disagree...? Base: All bill payers

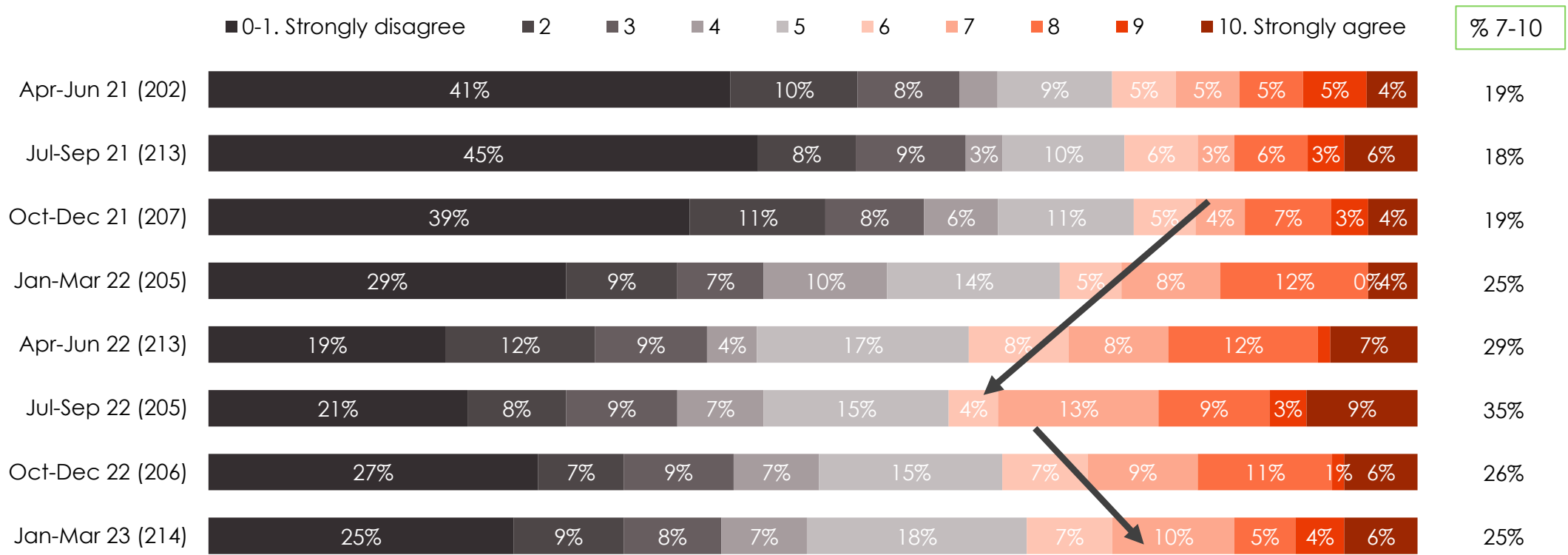
The total water and sewerage charges that you pay are affordable to you



Worry about affording the water bill became progressively more widespread through the first 3 Quarters of 2022 amidst the cost of living crisis and high inflation. Yet this anxiety is showing signs of abating through winter – some people may not be as badly affected as they were expecting in light of government support and their own coping strategies.

Q15. How strongly do you agree or disagree...? Base: All bill payers

I worry about being able to afford my water bill





Focus on Trust



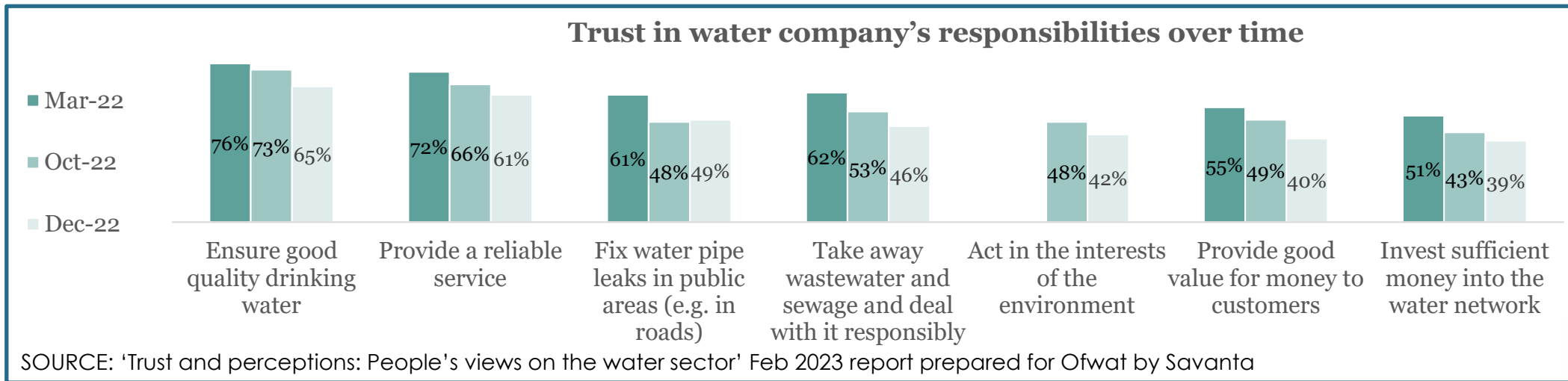
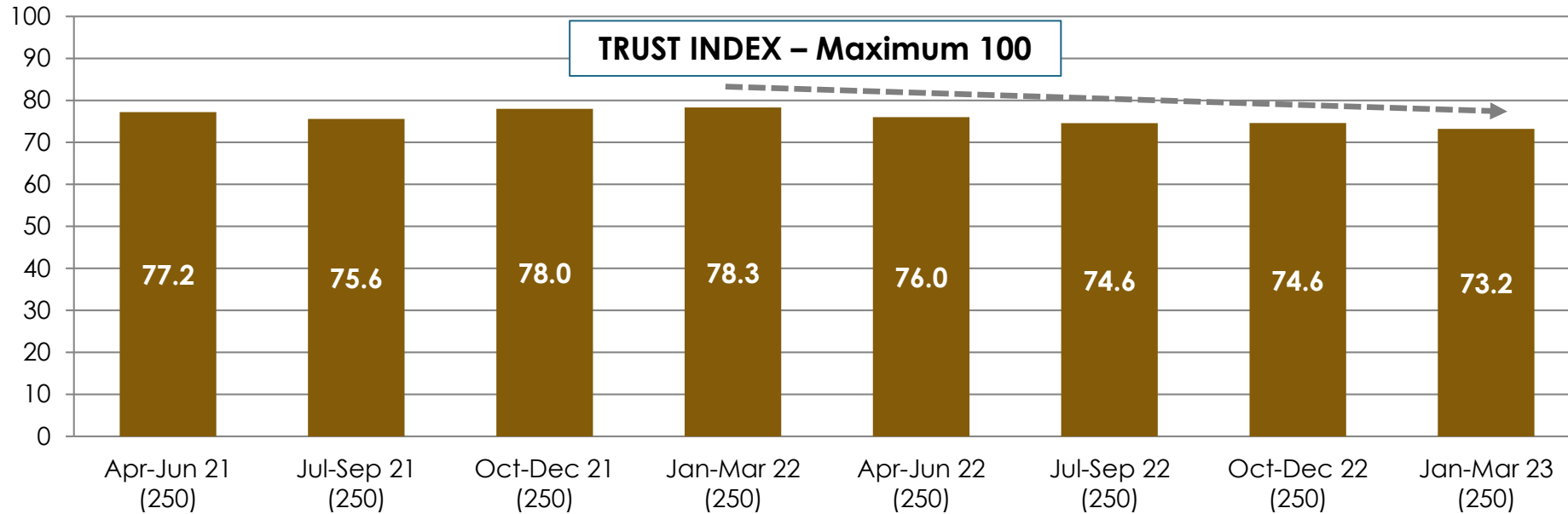
Based on frameworks for measuring trust used by ICS and Edelman, Blue Marble introduced a set of measures in the 2021-2 tracker designed to be used as components of a **Trust Index**.

Ofwat's 2022 research with Savanta focusing on trust also includes a number of similar measures.

Trust dimensions	Tracker measures included	Ofwat 'Trust and perceptions' research includes (conducted by Savanta)
Customer ethos	<ul style="list-style-type: none"> Care about you and your community Making it easy for you to deal with them 	<ul style="list-style-type: none"> They understand what customers need
Competence and capability	<ul style="list-style-type: none"> Provide exceptional service Fix any problems quickly 	<ul style="list-style-type: none"> Ensure good quality drinking water Fix water pipe leaks in public areas
Reliability and dependability	<ul style="list-style-type: none"> Reliability of their services Easy to contact 	<ul style="list-style-type: none"> Provide a reliable service
Transparency	<ul style="list-style-type: none"> Open and transparent company Providing clear and easy to understand information 	<ul style="list-style-type: none"> Keep customers informed about service choices that could help them
Ethics	<ul style="list-style-type: none"> A responsible and ethical company that does the right thing Care about the environment 	<ul style="list-style-type: none"> Act in the interests of the environment Take away sewage and wastewater and deal with it responsibly
Brand validation	<ul style="list-style-type: none"> Well regarded in your community 	<ul style="list-style-type: none"> They act in the interest of my local area/ community

The questions and way of reporting in the tracker and the Ofwat research are different and cannot be directly compared. However, we reference the Ofwat research as valuable context and to triangulate findings.

The overall trust index score (using the average scores of the 6 trust components) has gradually declined over the last four Quarters, now standing at its lowest point to date. Ofwat's Research across the sector uses a different way of measuring elements of trust, but also shows significant downward trends within 2022.



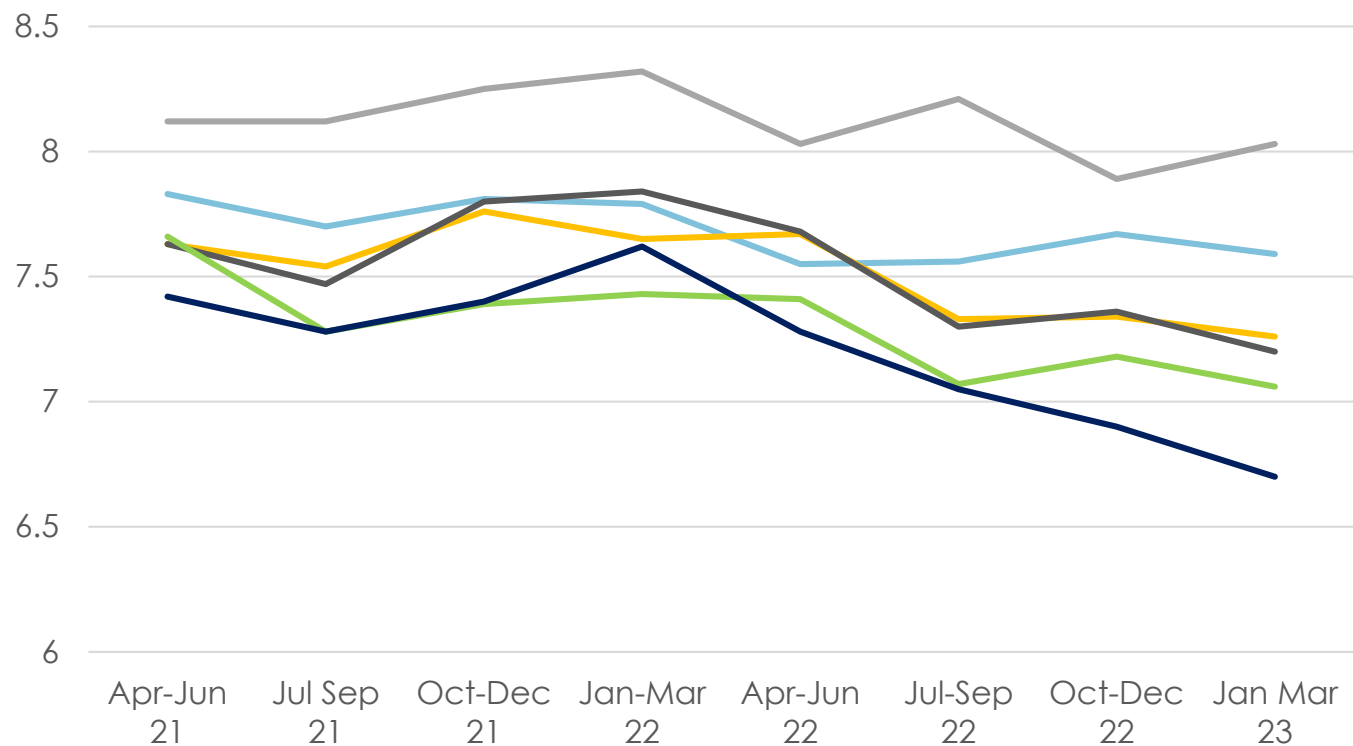
SOURCE: 'Trust and perceptions: People's views on the water sector' Feb 2023 report prepared for Ofwat by Savanta

Trust Index Components over time

'Brand validation' which is based on **reputation in the community**, is the component of the Trust Index that has fallen the most over the last two years, particularly since the beginning of 2022.



TRUST INDEX – Components



Change from Q1 21-22 to Q4 22-23

Reliability and dependability	-0.09
Transparency	-0.24
Customer ethos	-0.37
Competence and capability	-0.43
Ethics	-0.6
Brand validation	-0.72

Trust Index 2022-3 by key groups



Trust

Trust is reasonably consistent amongst demographic groups, although varies by segment - greatest scope to improve for 'Stretched & Struggling'. Awareness of assistance and priority services is positively related to trust.

Overall Trust Index: 74.7

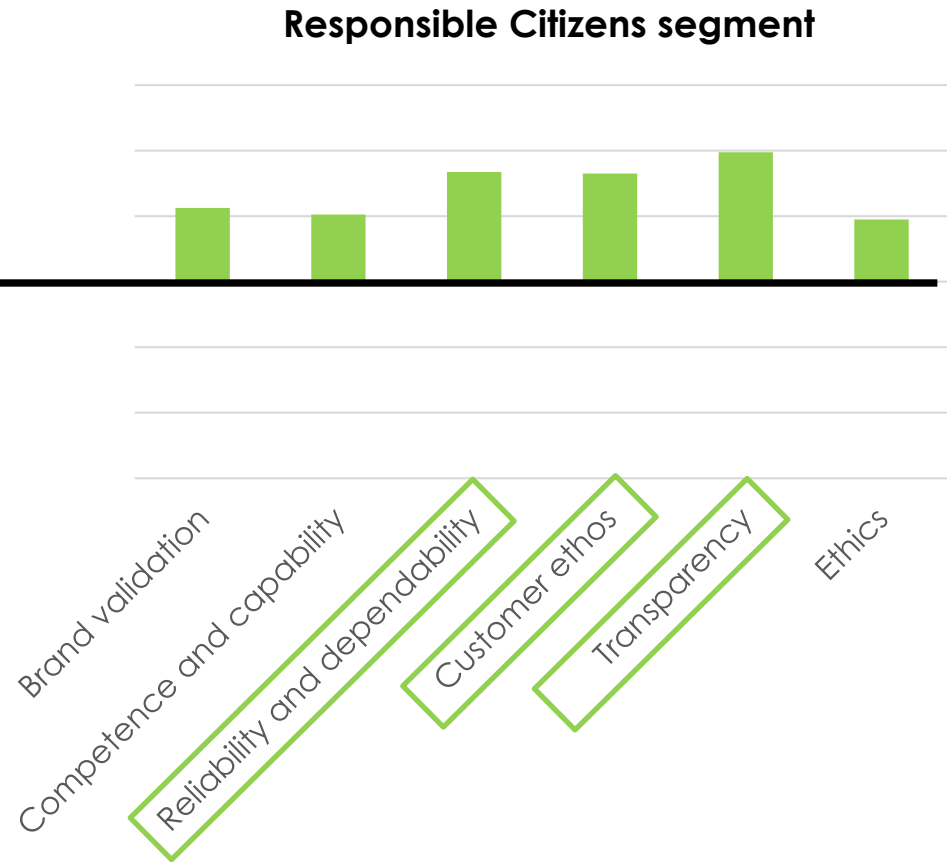
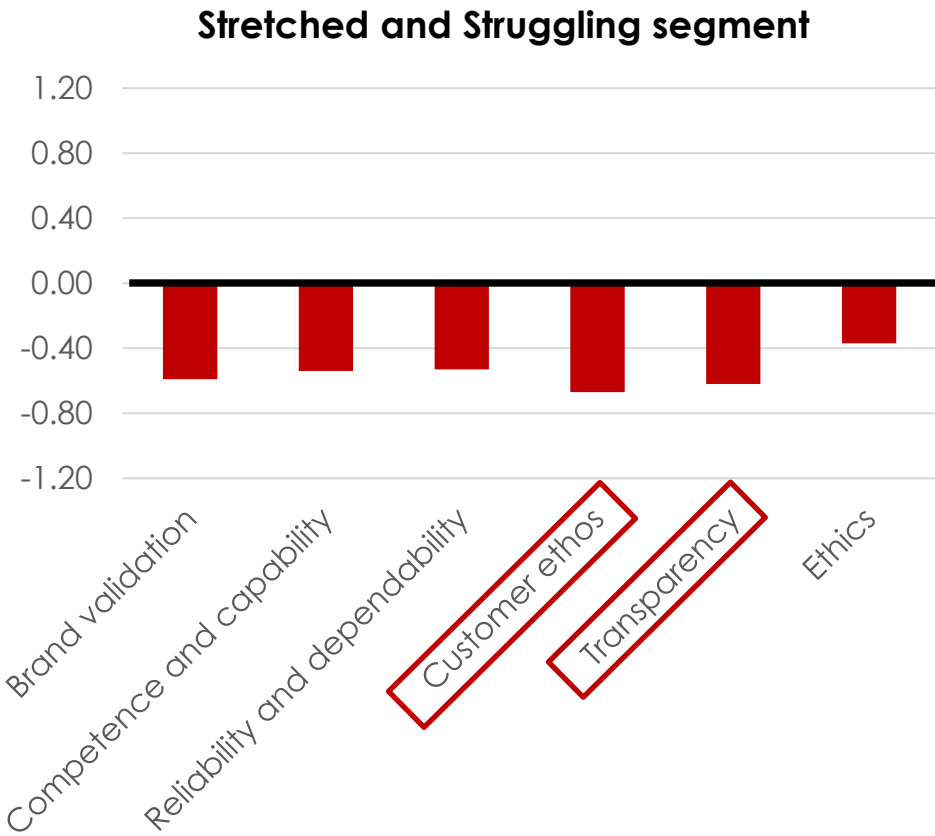
TRUST INDEX (Base: 2022-23)
Score out of 100

■ 2022/23



Trust signature by key segments

Columns indicate difference to overall average score for each trust component



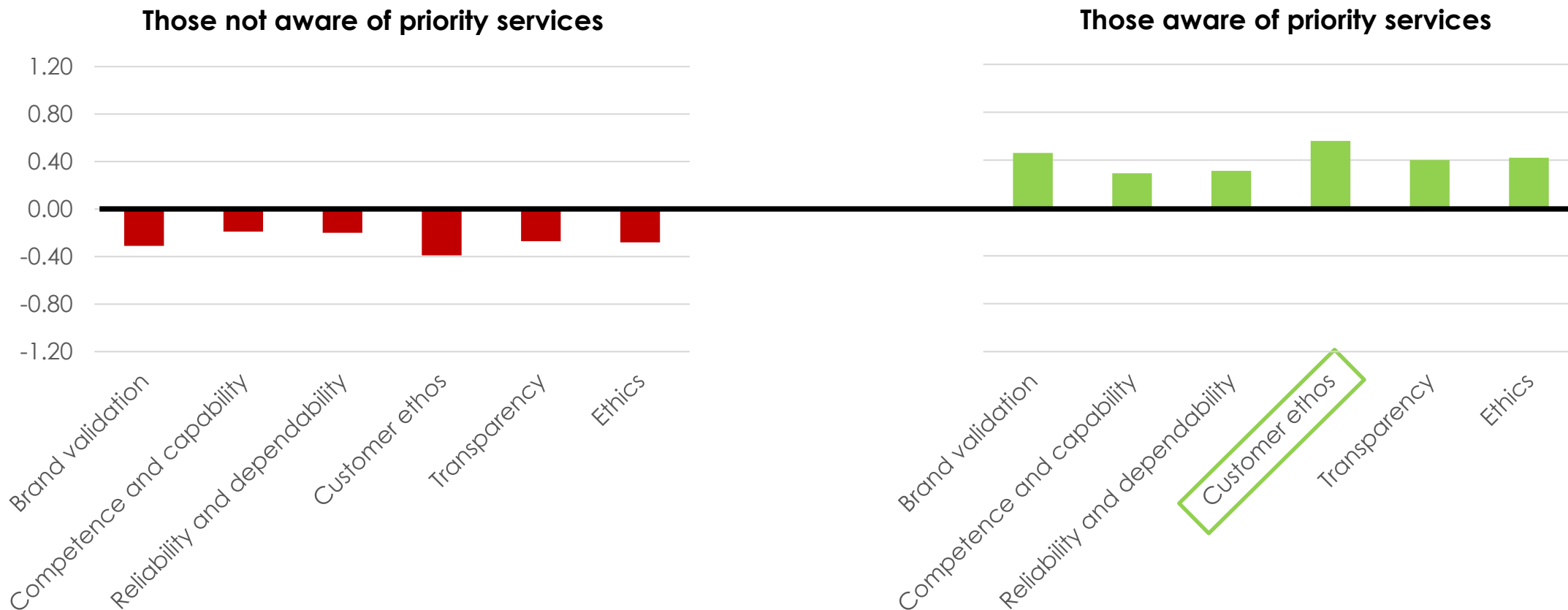
Aspects of trust to address for 'Stretched and Struggling' are particularly:

- **Customer ethos:** Care about you and your community; Making it easy for you to deal with them
- **Transparency:** Open and transparent company; Providing clear and easy to understand information

More specific engagement with this segment, in a clear and straightforward way, should help build up greater trust.

Trust signature for those unaware and aware of PSR

Columns indicate difference to overall average score for each trust component



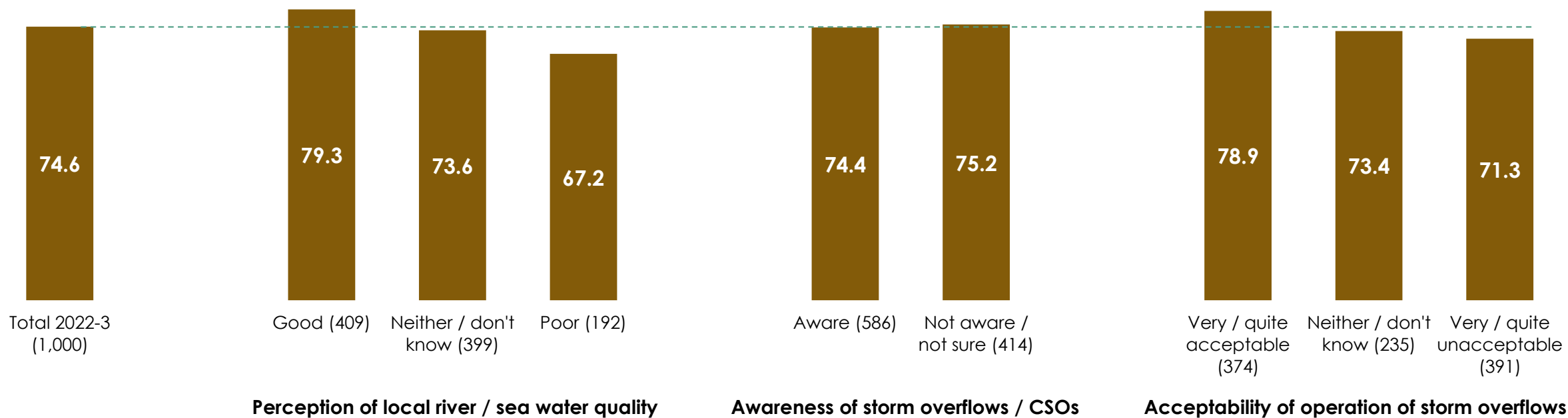
Those aware of Priority Services rate Wessex Water's **'Customer Ethos'** more highly (Care about you and your community; Making it easy for you to deal with them). This suggests wider promotion of the PSR can build trust – it is evidence that the company cares about the community.

Trust Index – 2022-3: Differences by awareness & attitudes to CSOs

The Trust Index correlates strongly with underlying perceptions of local river / sea water quality – those who think it is ‘good’ quality have a substantially higher Trust Index. Acceptability of the operation of CSOs also has some bearing on Trust, but simply being aware of sewage releases / CSOs in general is much less of a driver.

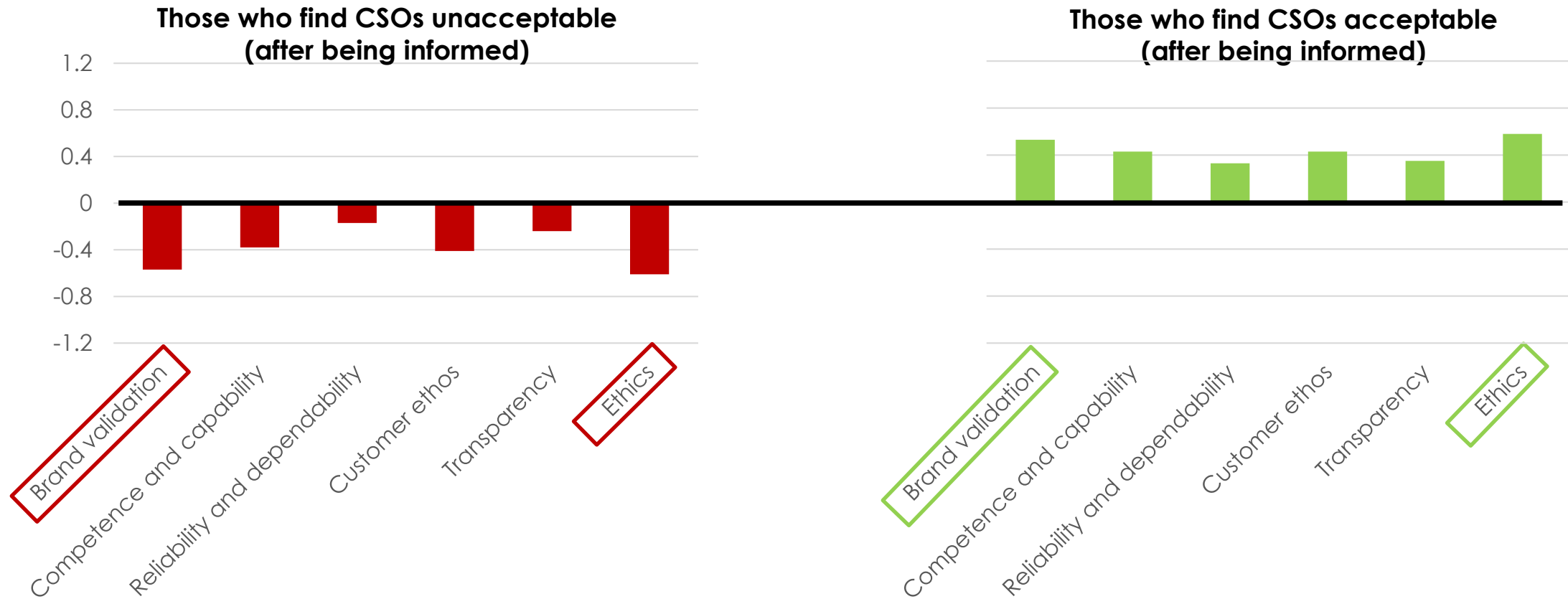


TRUST INDEX – Maximum 100



Trust signature of those who find CSO operation unacceptable and acceptable ³⁰

Columns indicate difference to overall average score for each trust component



The biggest differences in the Trust components here are **brand validation** (Well regarded in your community) and **ethics** (A responsible and ethical company that does the right thing; care about the environment). Building a strong local reputation and an underlying belief that Wessex Water 'does the right thing' for the environment can help manage and moderate opinion about the impact of CSOs in the Wessex region.

Trust needs to be **actively** earned and maintained, and this may happen in a variety of ways...



There is a broad consensus that trust is made up of **a variety of elements:**

- Aspects of **experience** of the service, both on an ongoing basis and when something needs to be fixed
- ...and also in aspects of **reputation** more broadly

Evidence from the tracking survey and wider industry-wide research from Ofwat shows that aspects of trust have **declined over the last year.**

The aspects of trust that have declined most for Wessex Water are more **reputational** than those based on direct experience.

Ethics

- A responsible and ethical company that does the right thing
- Care about the environment

Brand validation

- Well regarded in your community

These are areas where communications and engagement are key to shaping what people think.

Wessex Water's pilot initiatives to connect directly with people at a local level align very well with the need for building reputation within communities. But they need wider roll out and support across wider channels to counter growing threats to trust...

Ofwat 'Trust and Perceptions' report: "**There are signs of a route forward.** Customers who have more frequent contact and across multiple channels with their water company are more likely to be positive towards it. This is particularly the case with direct personal engagement."

A black faucet is shown in profile, with a single drop of water falling from its spout. The background is a dark, out-of-focus bokeh of light spots in shades of white, yellow, and green. A teal horizontal band is overlaid across the middle of the image, containing the text "Storm overflows" in white.

Storm overflows

Storm overflows – impact of media coverage

Water companies face intense scrutiny regarding sewage discharge as it gains prominence in the media (along with reports of profits and dividends). This media coverage demonstrably shapes attitudes: When we show Wessex Water customers a description of storm overflows, those who have previously heard of CSOs are much more likely to find them unacceptable.

Eustice defends 'utter failure' of efforts to cut raw sewage discharges in England

Environment secretary responds to criticism of plan to stop 'literal shit being pumped into rivers and seas'



Ofwat investigates South West Water over sewage discharge

© 28 June 2022

Bonuses for water bosses in England up 20% last year despite sewage failures

Water company executives received on average £100,000 in bonuses, despite most firms missing targets

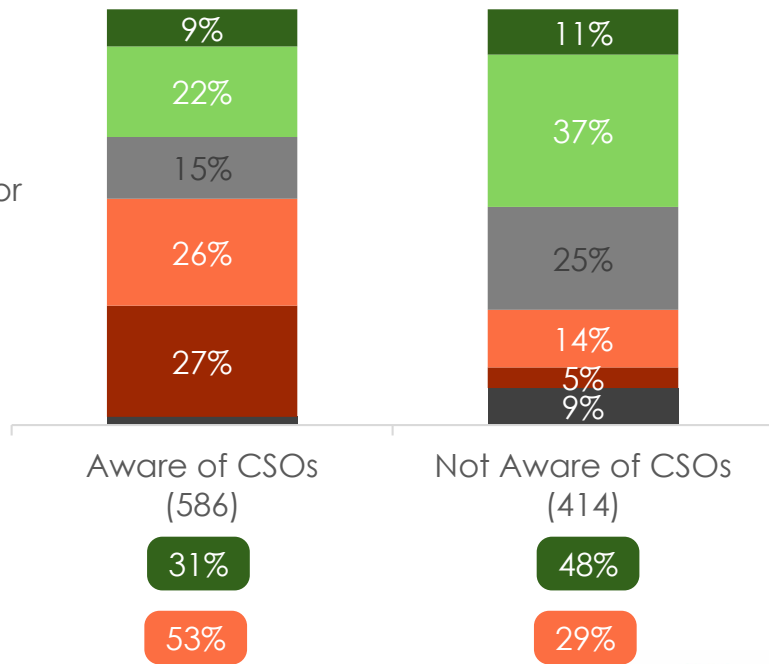


QF1d "After heavy rainfall storm overflows may operate to prevent properties from flooding. When storm overflows operate they release mostly rainwater with small amounts of heavily diluted sewage into rivers or the sea. This has no or a minimal and temporary impact on the environment."

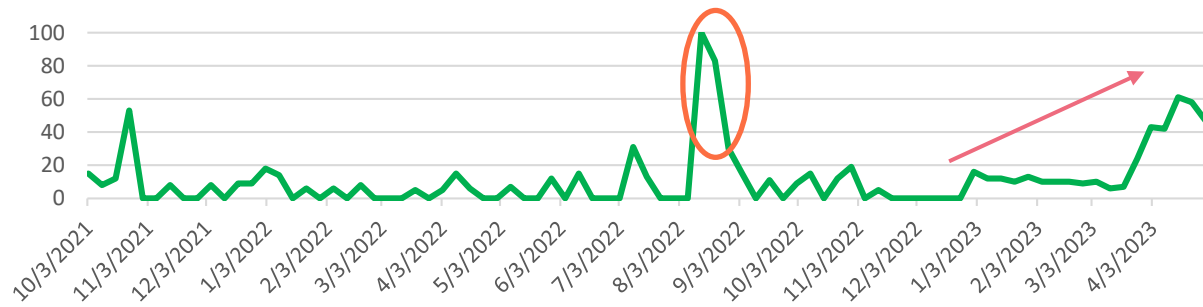
Based on this information, how acceptable do you think storm overflows are?

Base: All Respondents

- Very acceptable
- Quite acceptable
- Neither acceptable nor unacceptable
- Quite unacceptable
- Very unacceptable
- Don't know



Google Trends UK – "Sewage discharge"

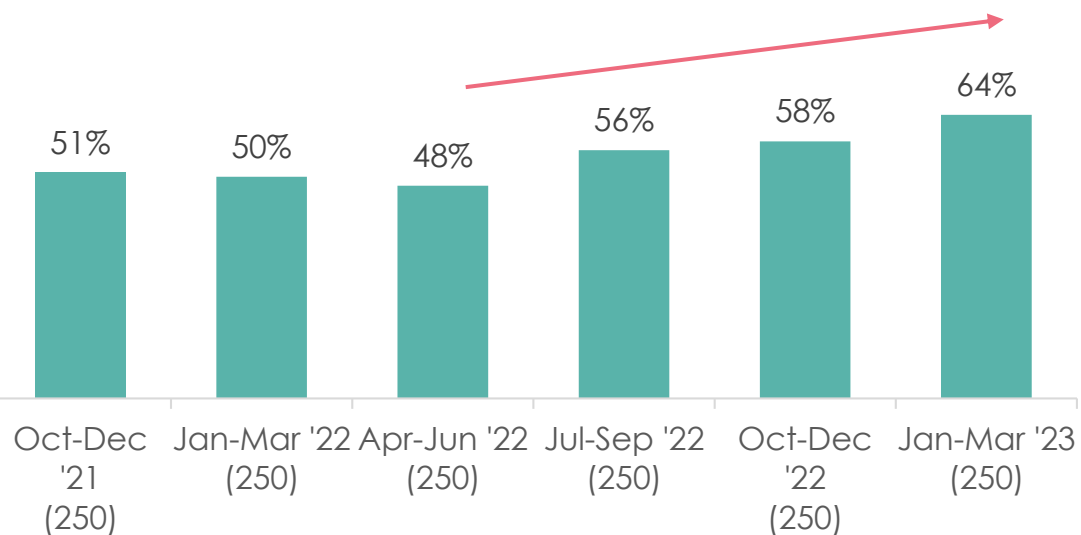


Source: Google Trends: "Sewage discharge" Mar 2021-Mar 2023

Awareness of storm overflows has risen over time, particularly since heightened media coverage in summer 2022. This coverage also looks to have been pivotal for tolerance of storm overflows: There was a shift in Oct-Dec '22 to more customers finding them unacceptable than acceptable (after seeing a description).

QF1c Have you heard anything about releases from storm overflows or CSOs into rivers or the sea before?

Base: All Respondents



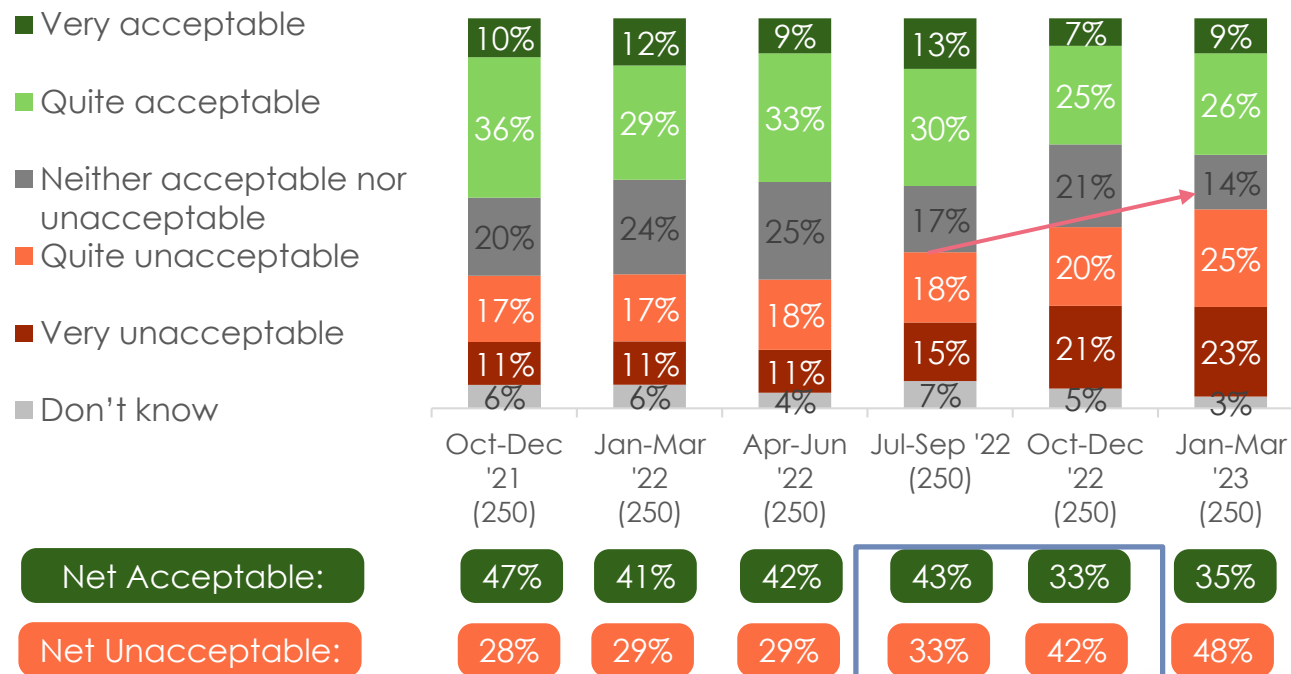
Higher awareness of CSOs amongst:

- Those who have seen Wessex Water in the news
- Older (55+); ABC1; 'Responsible Citizens' segment

QF1d "After heavy rainfall storm overflows may operate to prevent properties from flooding. When storm overflows operate they release mostly rainwater with small amounts of heavily diluted sewage into rivers or the sea. This has no or a minimal and temporary impact on the environment."

Based on this information, how acceptable do you think storm overflows are?

Base: All Respondents



Impact of awareness of CSOs on satisfaction and sentiment

While awareness of CSOs in general does not have an underlying impact on key Wessex Water performance indicators, it appears to have a detrimental impact on Wessex Water's brand imagery: fewer endorsements of being customer/community centric; ethical; and of being able to resolve problems quickly.

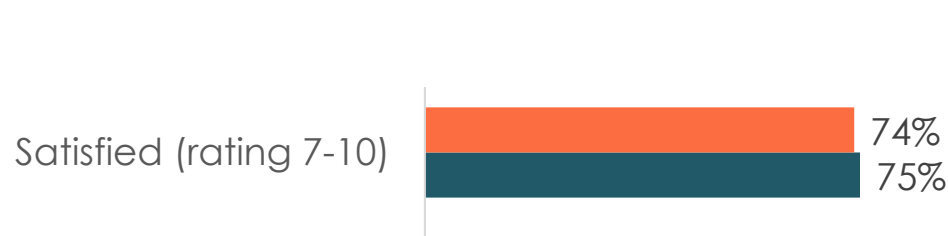
Q4: Now thinking about Wessex Water. Please tell how do you feel about them overall?

Base: All Respondents



Q11: Taking everything into account how satisfied are you with Wessex Water?

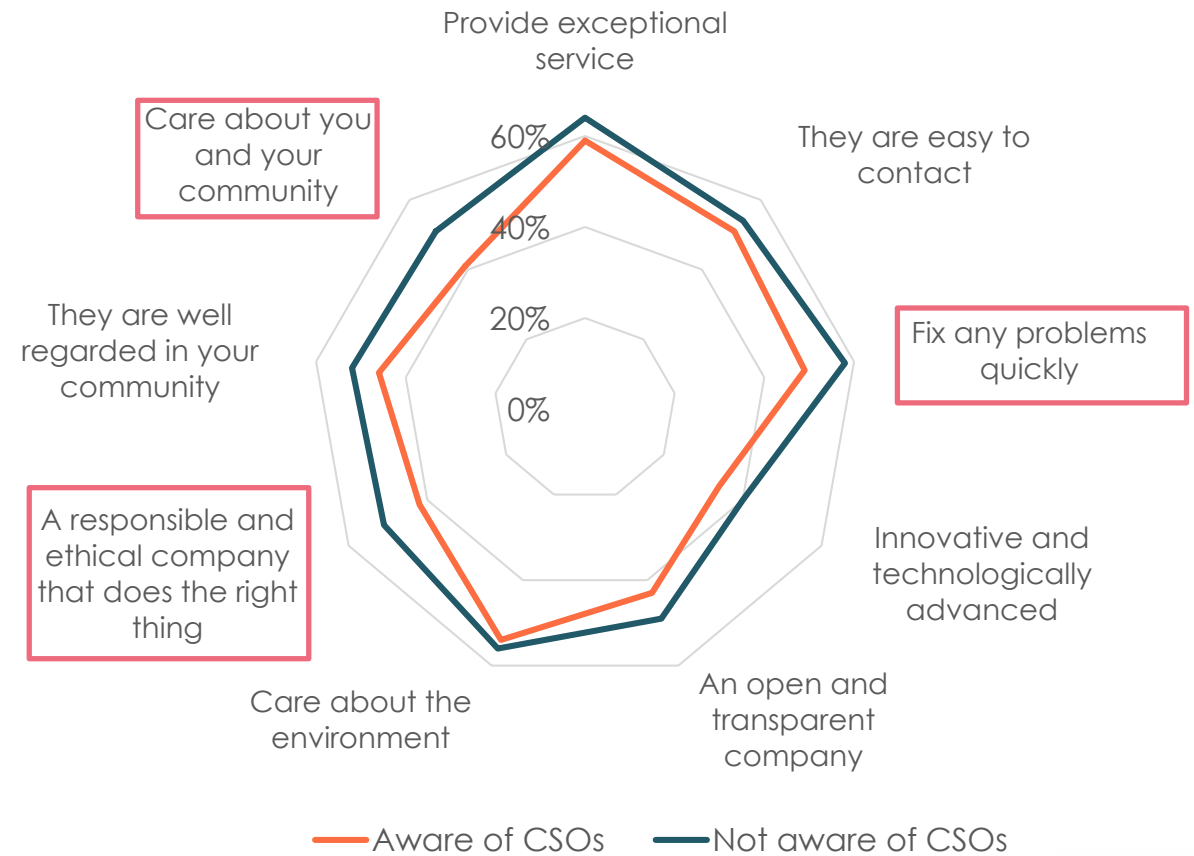
Base: Total Respondents



■ Aware of CSOs (586)
 ■ Not aware of CSOs (414)

Q8: Thinking about your impressions of Wessex Water, how much would you agree or disagree with the following statements?

Base: All Respondents aware of CSOs (586) / not aware (414)



— Aware of CSOs
 — Not aware of CSOs

 Sig different

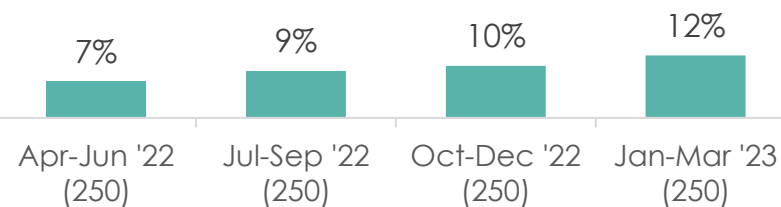
Sewage in the environment – spontaneous mentions

Sewage in rivers and the sea has become increasingly top of mind in customers' agenda for what Wessex Water should improve on – mentions nearly doubling over the course of the last year. There is a range of tone in the comments we see, and the issue is compounded for some because of reports of water company profits and shareholder dividends.

Q14: Thinking of all the things that Wessex Water do and could do in future, what do you think it could do more of, or do better at? Coded mentions

% No/less sewage in seas/ivers

Base: All respondents



With heightened awareness of this topic, there is an opportunity for Wessex Water to further communicate its stance on CSOs and how it is investing in this area.

"I have read a lot about sewage entering rivers, beaches and the sea."

"So, no problems with the water supply, no problems with sewage, concerns about regular discharges into the sea as a regular swimmer."

"Stop paying shareholders so much because they need to prioritize on preventing sewage entering rivers."

"Never had any issues with company, just don't agree with pumping sewage into rivers/sea."

"I think [customer satisfaction] is swayed by the publicity of water companies dumping sewage into rivers."

"Reduce leakages and stop sewage release by investing in the infrastructure instead of paying mega dividends to foreign owners"

"I'm happy with the sewage & water supply from this company, but I don't know [...] how much sewage is dumped in waterways & the sea."

"Well I've not had problems but then again, I'm not sure about sewage into rivers so I'll make it a 7 instead of a 10."

Service is ok, but don't invest properly to prevent sewage discharge."

Sewer overflows are not a new issue but 2022 saw a **step-change** in prominence

Eustice defends 'utter failure' of efforts to cut raw sewage discharges in England

Environment secretary responds to criticism of plan to stop 'literal shit being pumped into rivers and seas'



Bonuses for water bosses in England up 20% last year despite sewage failures

Water company executives received on average £100,000 in bonuses, despite most firms missing targets



Along with a dramatic shift towards greater pessimism about household finances, the other really significant changes in the tracker data in 2022-3 were related to sewer overflows:

- Spontaneous mentions that Wessex Water need to reduce or stop sewage getting into the environment more than doubled
- Awareness of 'CSOs' increased significantly (from one half of consumers to nearly two-thirds)
- The balance of opinion, after being informed about how sewer overflows operate, shifted strongly to a more negative standpoint

While growing awareness of CSOs has not (yet) had a notably negative impact on overall satisfaction with Wessex Water, there are signs that knowing about them is beginning to damage some reputational aspects of the company's image.

...and evidence from the Ofwat report shows that by December 2022, looking forward, only a third of consumers trust their water company to prevent sewage from entering rivers or seas (the lowest of all the areas tested).

Sewer overflows has become both a pressing public concern, and looks set to continue to be a key consumer priority for Wessex Water, and the industry, to demonstrate they are addressing.



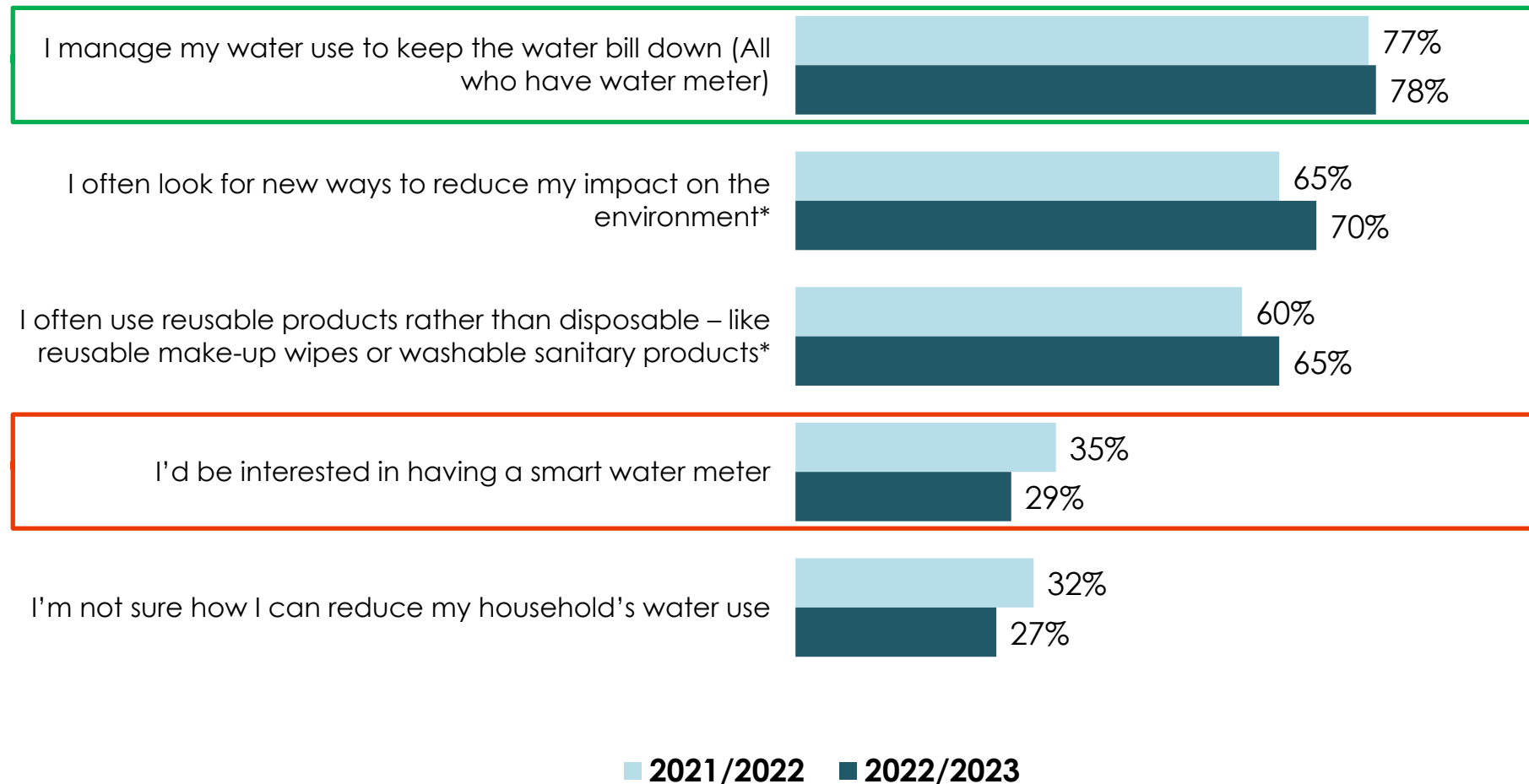
Water saving behaviours and attitudes

Managing water use for the sake of keeping the water bill low can be a strong motivator (as emphasised by recent Wessex Water radio advertising)

However, **uninformed** interest in smart water meters remains at a low level. A need for communication of the benefits, and to consider if associations with 'smart' displays (energy meters) may now have negative connotations.

QF1. And how much would you agree or disagree with ...? % rating 7-10 (10 = 'strongly agree').

Base: All respondents



*Base: Total (1000) * statements only asked in Q1, Q2, Q3 of 2022/2023 (750) All who have a water meter 2022/2023 (493) 2021/2022 (531)

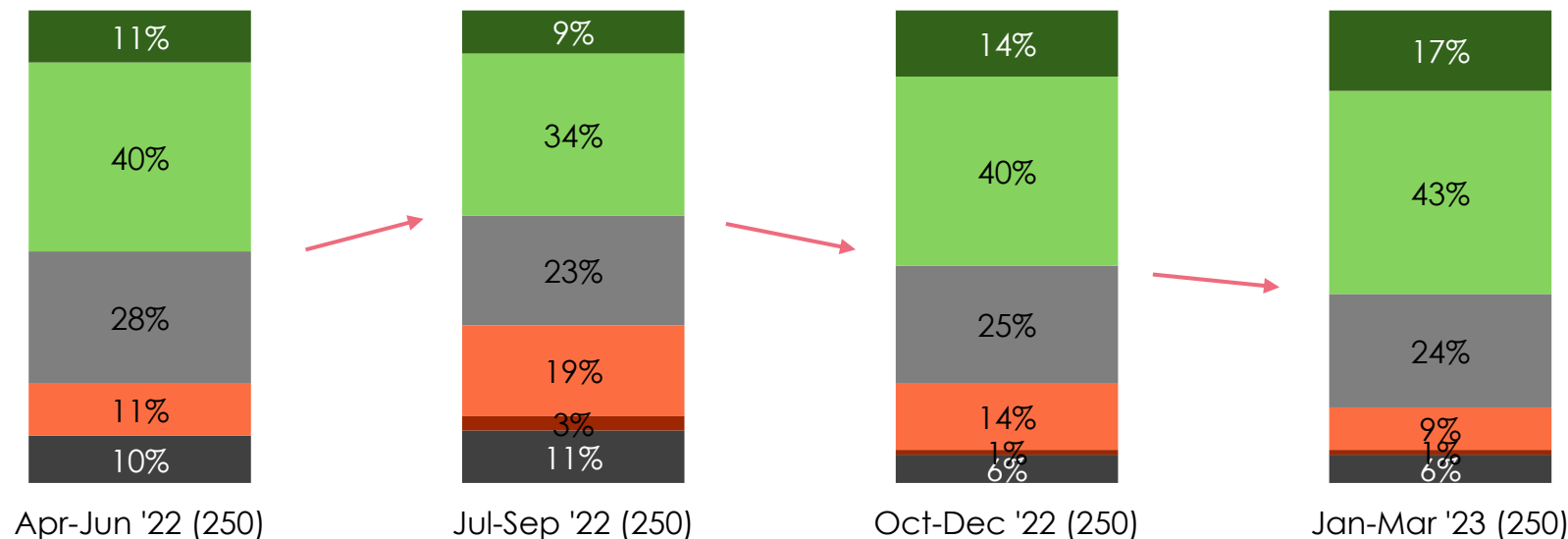
Impressions of water resources in region

Impressions of water resources available appear to be influenced by season. With wetter and colder conditions over the last two Quarters, following on from a record-breaking heatwave over the summer, more customers believe water supplies are plentiful in the region again. This may have implications for sustaining water saving behaviour.

QF2b. The water supplied to homes and businesses comes from rainwater that ends up in rivers, reservoirs and natural underground stores. How plentiful or limited do you think these sources of water are in your region?

Base: All respondents

- Very plentiful
- Quite plentiful
- Neither nor
- Quite limited
- Very limited
- Don't know



Record breaking temperatures with heat health alerts issued in July

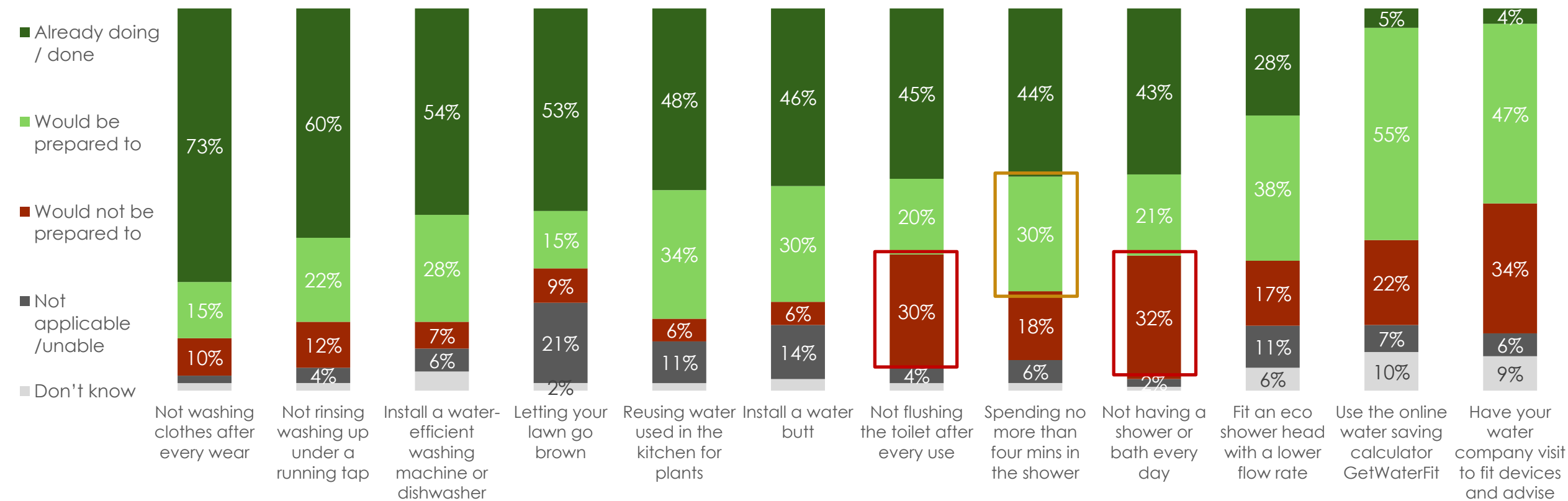


March rainfall was classed exceptionally high – wettest March since 1981

Water use behaviours

Over 2022-3 many claim to be practising water saving behaviours - most widely not washing clothes after every use, and not rinsing washing up; letting lawn go brown may be more seasonal. 4 minute showers show potential but there will be more resistance to promotion of not having daily showers / baths, and not flushing. Family Focus segment are more likely than others to be 'prepared to do more' – a key audience to target?

QF2c/d. Please tell us which of these you are already doing / you have already done, and which others, if any, you would be prepared to do, to reduce your use of water? Base: All respondents 2022-3 (1000)



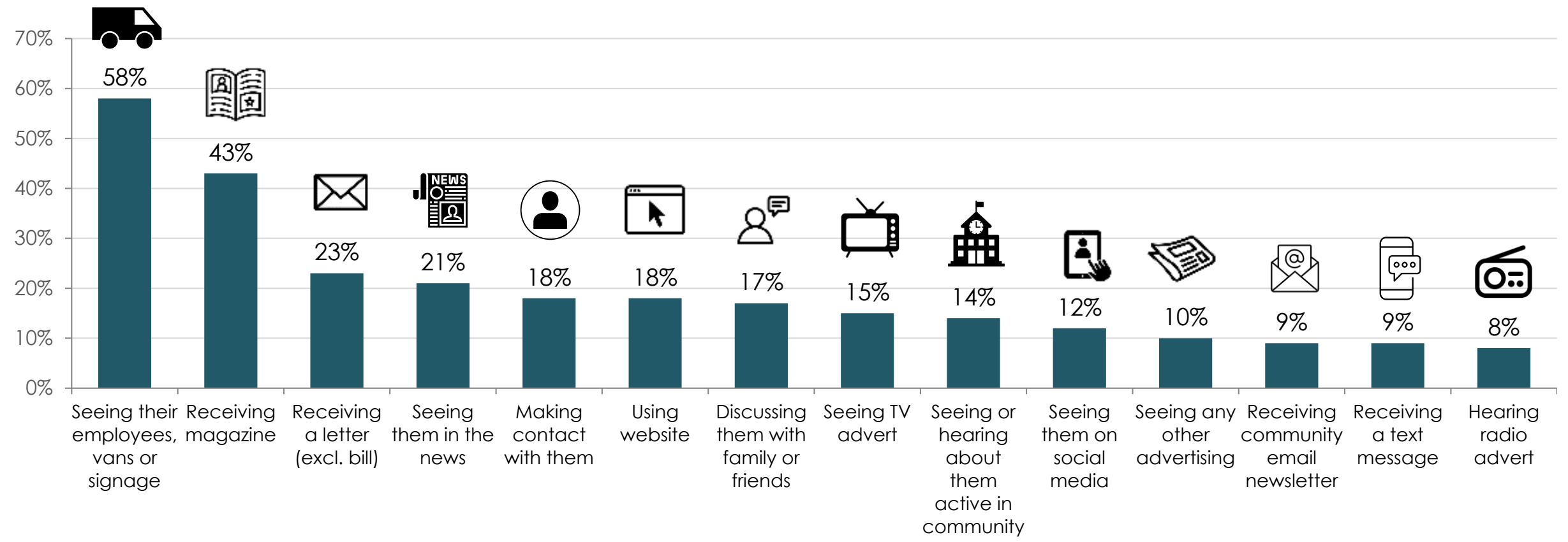


Communication

Prompted recall of touchpoints (2022-23)

Wessex Water's brand is still primarily expressed through seeing the company 'out and about' – through employees, vans or signage - followed by receiving the magazine. All of these remain tangible (non-digital) activity. A slight increase this year in recall of seeing the company in the news, while recall of the recent Wessex Water TV and radio advertising is relatively low.

Q.23 Thinking about Wessex Water, in the last six months do you recall...?
 Base: All respondents 2022-23 (1,000)



2021-2	52%	40%	na	17%	19%	18%	15%	na	na	11%	na	na	9%	na
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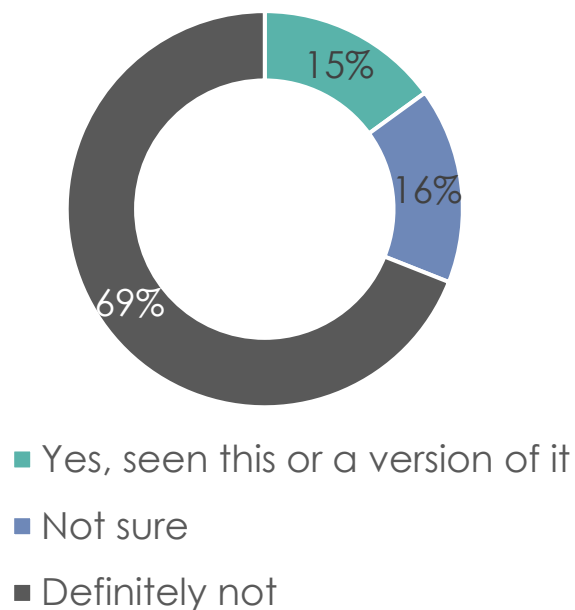
The TV advertisement has not widely cut through to consumers in the Wessex Water region, although the creative execution shows good potential for conveying 'new news' about the company, with nearly 2 in 3 feeling better informed about Wessex Water after viewing it within the research.



The 'Wessex Water commercial' TV advertisement was played in the survey to online respondents

QX1 Have you seen this advertisement before today?

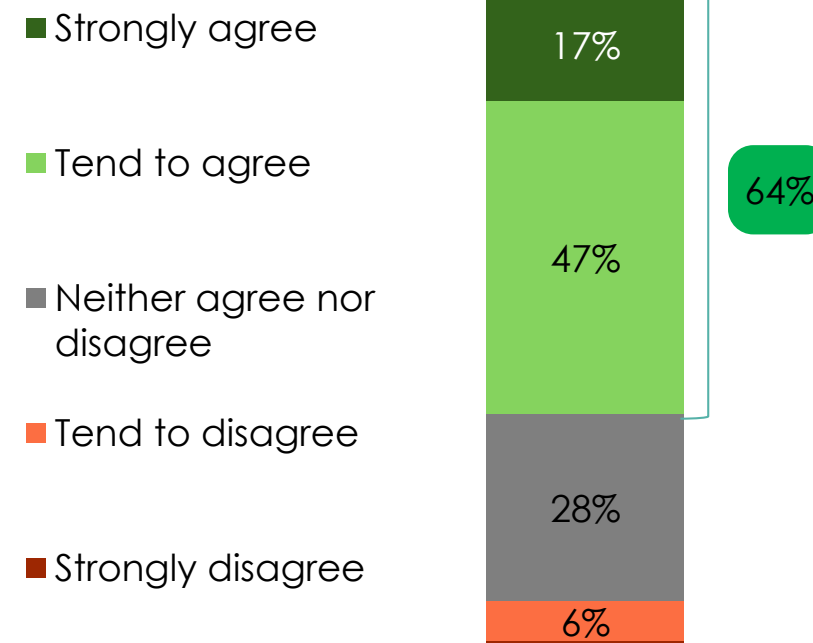
Base: All online respondents (125)



Of those who watch All4 or ITV Hub **16%** recognised the advertisement
(Base = 65. Low base size)

QX2 To what extent do you agree or disagree "Having seen this advert, I feel more informed about Wessex Water"?

Base: All online respondents (125)



Radio advertisement recognition and impact on feeling informed

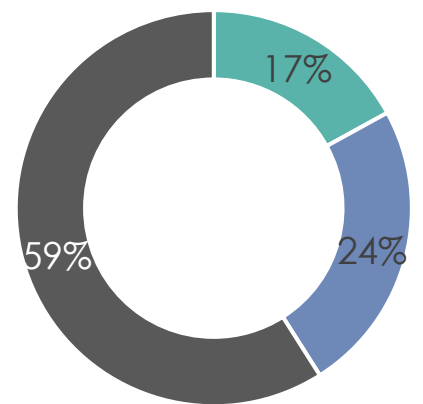
While caution is needed because of very small base sizes, there are encouraging signs for recognition of the radio advertisement amongst Heart FM listeners, 1 in 4 of whom recall it after hearing. It also shows potential for effective rational communication, with 6 in 10 agreeing they felt more informed after being played the ad in the research.



The 'Saving Energy' radio advertisement was played in the survey to online respondents

QX3 Have you heard this advertisement before today?

Base: All online respondents (125)

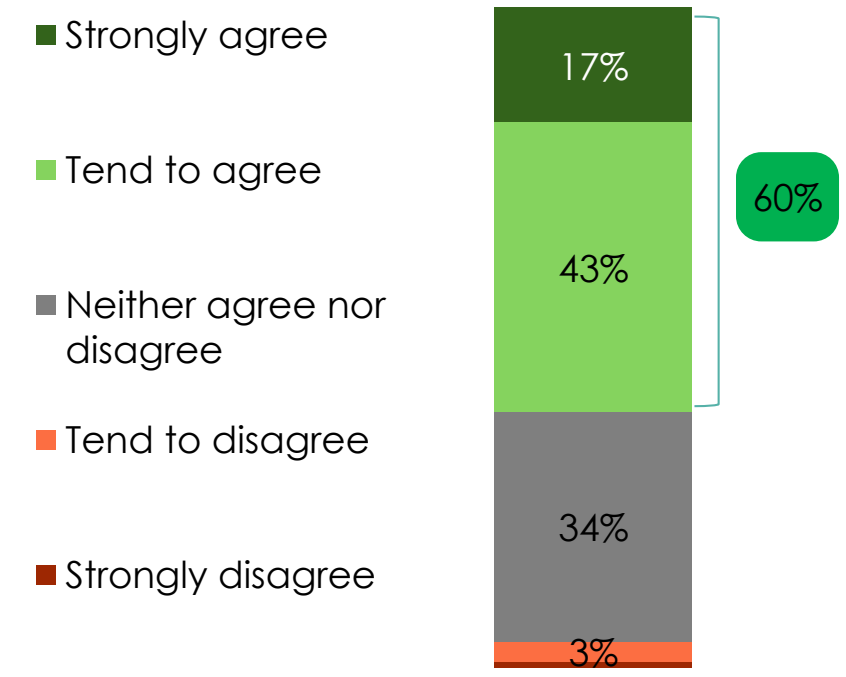


- Yes, heard this or a version of it
- Not sure
- Definitely not

Of those who listen to Heart FM **25%** recognised the advertisement
(Base = 40. Very low base size)

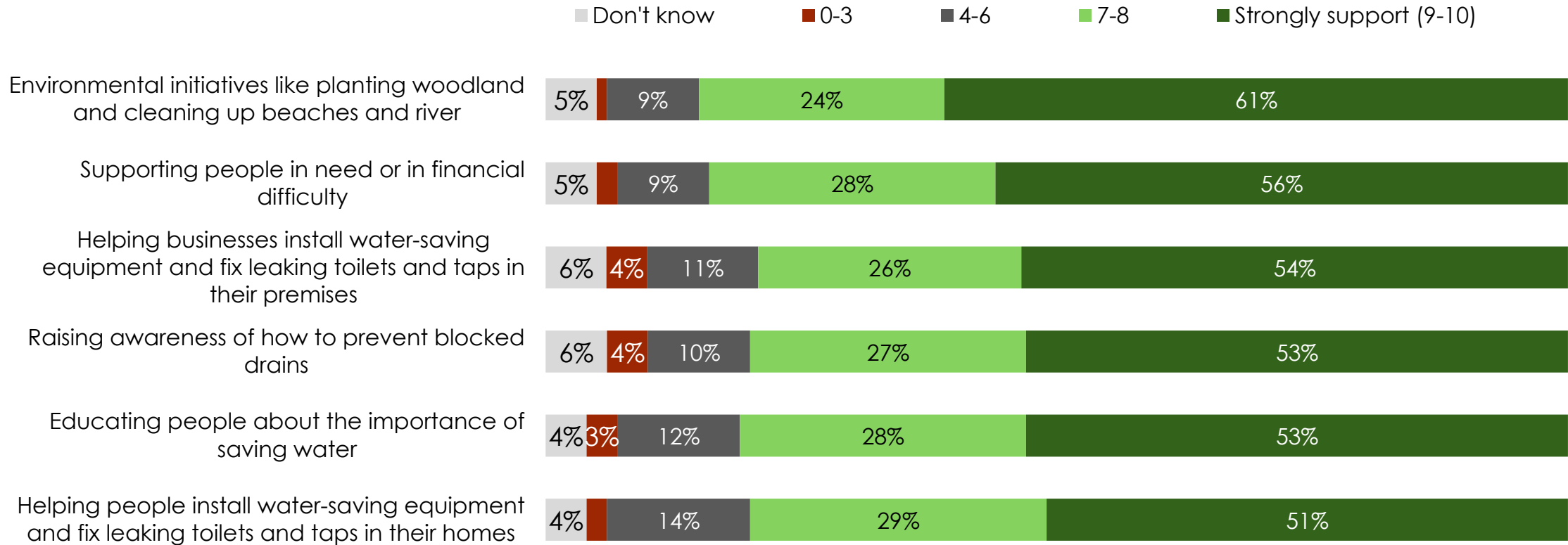
QX4 To what extent do you agree or disagree "Having heard this advert, I feel more informed about Wessex Water"?

Base: All online respondents (125)



Based on one Quarter of fieldwork, the sense is that consumers of Wessex Water are broadly supportive of the company partnering more closely with community organisations, particularly on **environmental initiatives**.

Q17. How supportive are you of Wessex Water working more closely with local community organisations on each of the following initiatives...? Base: All respondents Jan-Mar '23 (250)





Summary and moving forward

1

This year has seen three unusually large shifts in attitudes:

- A move to unprecedented pessimism about household finances
- More widespread anxiety about affording water bills (although this may have peaked)
- A step-change in awareness of, and negativity towards, sewage releases and storm overflows

2

In light of this, core KPIs for Wessex Water have stayed reasonably resilient

- Value for money ratings remain steady – although too early to know the impact of the 2023-4 price rise
- Satisfaction has faded slightly but no dramatic change to date – emphasising how quality and reliability of the service that customers directly experience remain key

3

However, as **a brand** Wessex Water is beginning to face greater challenges. Signs that customers are becoming less engaged with Wessex Water, with fewer feeling they know enough to comment on the brand's values, and more ambivalence about it (rather than active negativity...so far)

4

Through a year of repeated negative media coverage of the industry, there are clear signs that the sector and Wessex Water are facing new challenges In terms of **trust**, especially reputational aspects

5

There is a need for Wessex Water to focus on (re)connecting with its customers and communities, particularly in light of even more recent developments in the media...(discussed on the next page)

Industry reputation and the court of public opinion

The industry is in the media spotlight right now (all images from 19th May 2023)

This year's data follows a vocal minority campaign about river and coastal quality becoming mainstream – with celebrities and influencers amplifying the issue.

Since Q4 fieldwork, a media storm has been triggered by Water UK's apology (18th May). Is this a 'change moment' for the sector?

While the central issue relates specifically to sewer outflows, the media narrative (for now) is about poor practices and corporate greed.

The industry and companies will need to step into 'rebuilding mode': building trust through programmes that:

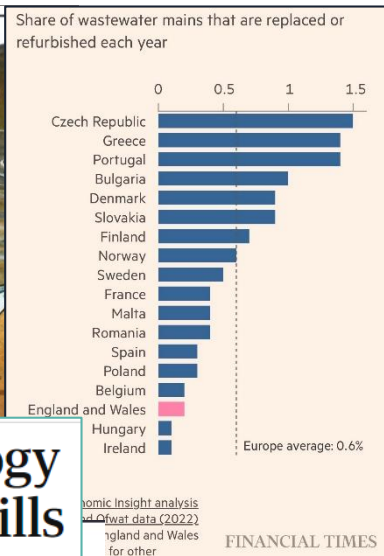
- Make a positive difference to the environment and society (actions)
- Tell a positive story through trusted messengers (comms)
- Develop staff as ambassadors (culture)

Richard Coles @RevRichardColes · 1d
 £50bn required to update water infrastructure. That's roughly the same sum the water companies raised through debt since privatisation - which we're paying for - not to invest in infrastructure but to pay dividends to shareholders. Now they want us to pay again. What a load of...



443 5,082 14.3K 675K

English water companies offer apology and £10bn investment for sewage spills



What does this mean for the tracker and measuring trust?

The industry is in the media spotlight right now (all images from 19th May 2023)



¹ In Ofwat's survey, 42% are confident their water company is taking actions to improve river quality. This rises to 73% among those who think the company acts in the interests of customers and falls to 13% among those who do not, showing that emphasising these plans can build trust.

We already have a diagnostic model for monitoring trust but is it sensitive enough?

- Reputational dimensions - ethics and brand validation – are already under pressure. The recent media storm will test the sensitivity of the measure (in the coming quarters).
- Understanding trust in industry vs. 'my company' is important: Wessex could shadow some key questions in Ofwat's Trust & Perceptions survey
 - 'acting in the interests of customers' rather than shareholders appears to be a key driver¹
- The 'What can we do better' spontaneous question reflects unprompted CSOs mentions (now 10%, having doubled this year) – another to watch closely to see how this is shaping perceptions of Wessex
- Potential to understand how relationship with local water environments impacts perceptions (as this currently correlates more closely with trust than having heard about CSOs)

There are also specific wording considerations following the industry's apology

- e.g. current language describing CSOs needs rephrasing to avoid criticism



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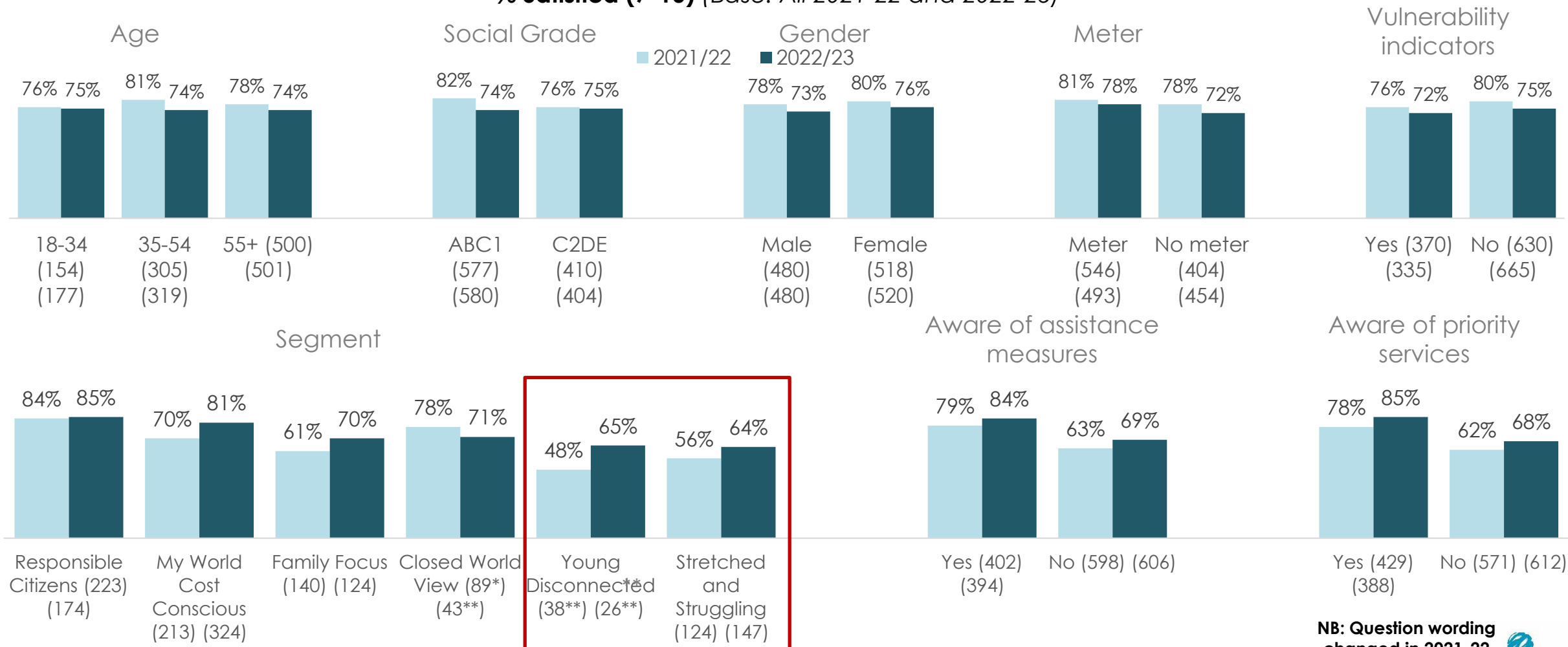


Appendix 1 – subgroup analysis

Overall satisfaction by key groups 21/22; 22/23

Levels of satisfaction are broadly consistent across subgroups and over time. Signs that the segments more concerned about affording the bill are feeling more satisfied this year than last.

Q15/11 Taking everything into account how satisfied are you with Wessex Water?
% Satisfied (7-10) (Base: All 2021-22 and 2022-23)



KEY: * Caution low base size ** Caution very low base size.

NB: Question wording changed in 2021-22

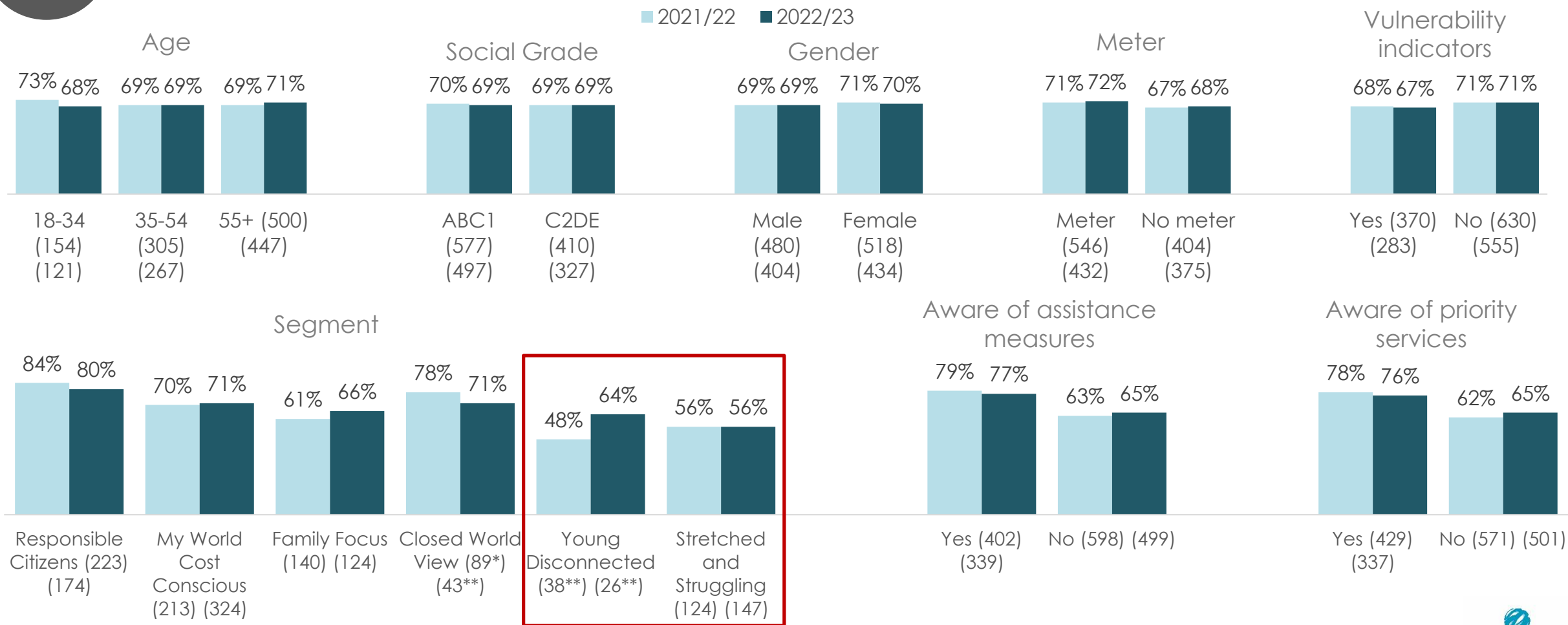


Value for money by key groups 21/22; 22/23

VFM ratings remain similar to last year, with strong consistency across demographic groups.



Q16. Thinking now about value for money, how satisfied or dissatisfied are you with the value for money of the water and sewerage services in your area? Base: All 2021-22 (1000), Those who pay bills 2022-23 (838)
% Very or fairly satisfied



KEY: * Caution low base size ** Caution very low base size.

Wessex Water priorities by segment 2022-23

	TOTAL (1,000)	Responsible Citizens (174)	My World and Cost Conscious (324)	Family Focus (124)	Closed World View (43**)	Young Disconnected (26**)	Stretched & Struggling (147)
Ensuring a reliable water supply	9.2	9.6	9.1	9.1	9.3	8.6	8.8
Preventing sewage leaks into / entering rivers and the environment ⁽¹⁾	8.9	9.4	8.9	8.4	8.5	8.1	8.4
Giving great customer service	8.5	9.1	8.6	7.9	8.8	7.7	8.0
Investing to address future extremes in weather like drought and flooding	8.4	8.8	8.3	8.0	8.5	7.5	7.9
Supporting customers who struggle to pay their bills	8.1	8.4	8.2	7.7	8.4	7.1	7.6
Improving local habitats for plants and animals	7.9	8.5	8.1	7.4	7.6	7.1	7.3
Reducing their own carbon emissions	7.8	8.3	8.1	7.1	7.6	6.7	7.2
Being innovative and quick to launch new technologies	7.4	7.7	7.6	6.8	7.2	6.9	7.0
Promoting social equality and equal opportunities	7.2	7.6	7.5	6.5	7.4	6.3	6.5
Working in communities - for example volunteering	6.9	7.1	7.2	6.3	6.4	5.5	6.4

(1) New wording introduced part way through Quarter 3 2021-2 fieldwork.

0.5+ ABOVE TOTAL

0.4 ABOVE TOTAL

WITHIN +/-0.3 OF
TOTAL

0.4 BELOW TOTAL

0.5+ BELOW TOTAL

Q7. How important do you think it is for Wessex Water to focus on each of the following things?
Mean score (10 = 'a top priority' 0 = 'not a priority'). Base: All respondents 2022/23

KEY: * Caution low base size ** Caution very low base size

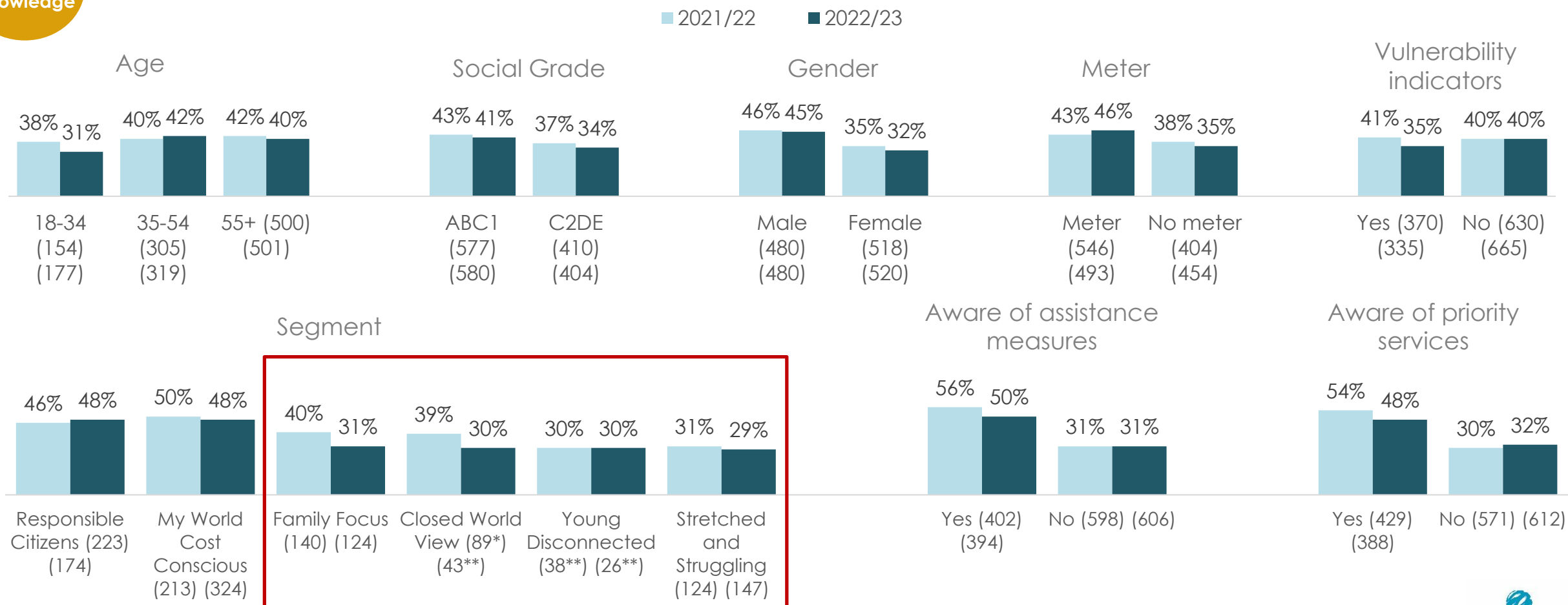


Knowledge by key groups 21/22; 22/23

There is still a large opportunity to grow knowledge about Wessex Water and what they do. Signs that the drop in familiarity is partly driven by the Family Focus segment.

Q6 How much do you feel you know about Wessex Water and what they do? (Base: All 2021-22 and 2023-23)

% Know a lot or a fair amount



KEY: * Caution low base size ** Caution very low base size.

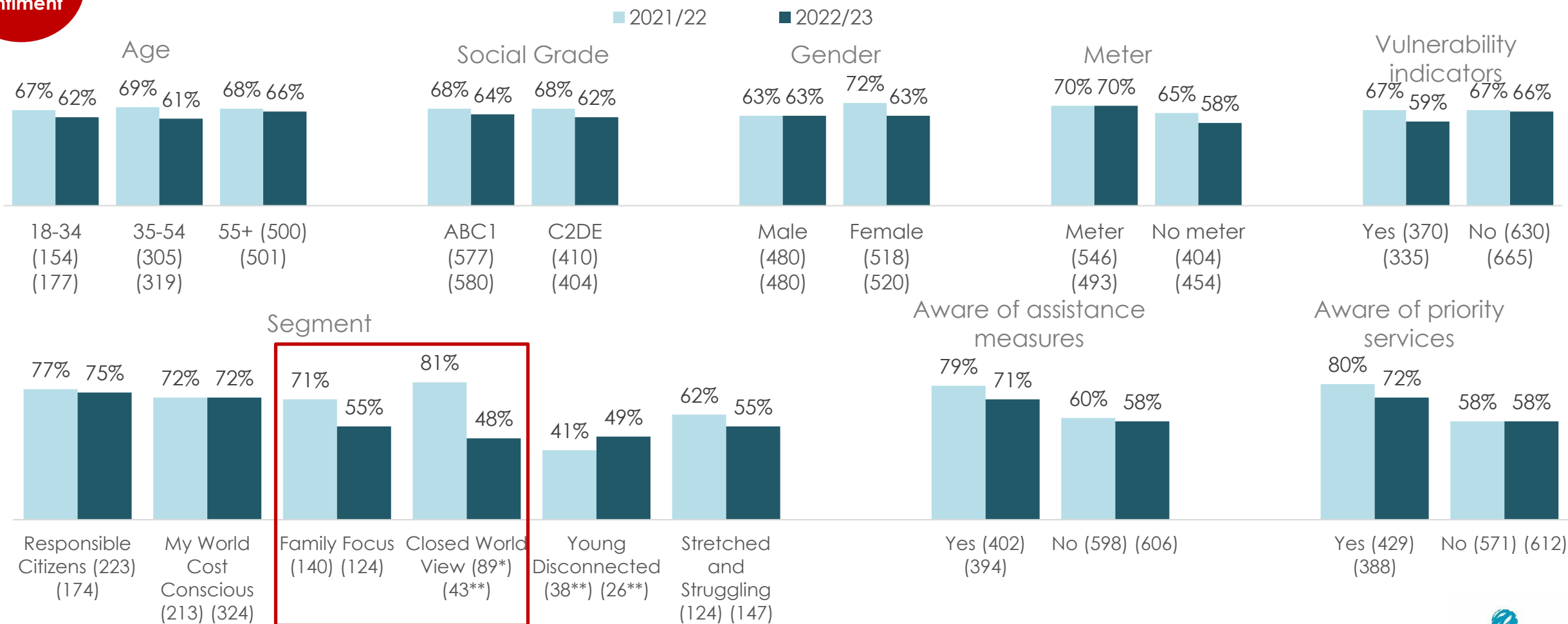
Sentiment by key groups

Fewer customers are feeling positive about Wessex Water across the board vs. last year. While base sizes are small for some segments, there are signs that Family Focus and Closed World View segments have dropped back for positive sentiment towards the company.



Sentiment

Q4. Now thinking about Wessex Water. Please tell us how do you feel about them overall? (Base: All 2021-2 and 2022-23) % Fairly/Very positive



KEY: * Caution low base size ** Caution very low base size.

Wessex Water imagery by segment 2022-23

'Responsible Citizens' more likely than the average to endorse Wessex Water for its 'exceptional service' and as a responsible and ethical company. 'My World Conscious' are more likely to endorse Wessex Water as a community-focused company. Other segments are generally less likely to endorse Wessex Water in terms of imagery – correlating with lower general knowledge / familiarity.

	TOTAL (1000)	Responsible Citizens (174)	My World and Cost Conscious (324)	Family Focus (124)	Closed World View (43**)	Young Disconnected (26**)	Stretched & Struggling (147)
Provide exceptional service	61%	73%	68%	51%	54%	46%	48%
Care about the environment	55%	63%	59%	46%	58%	48%	47%
They are easy to contact	53%	58%	61%	47%	60%	45%	44%
Fix any problems (quickly)	53%	54%	57%	41%	55%	50%	50%
They are well regarded in your community	49%	54%	60%	43%	43%	28%	37%
An open and transparent company	46%	52%	52%	42%	55%	45%	43%
A responsible and ethical company that does the right thing	46%	53%	51%	39%	51%	35%	45%
Care about you and your community	45%	50%	55%	35%	52%	31%	36%
Innovative and technologically advanced	37%	38%	43%	33%	48%	14%	34%

9% + ABOVE TOTAL

6-8% ABOVE TOTAL

WITHIN +/-5% OF
TOTAL

6-8% BELOW TOTAL

9% + BELOW TOTAL

Q8: Thinking about your impressions of Wessex Water, how much would you agree or disagree with the following statements? (% Agree 7-10) (Base: all respondents 2022-23)

KEY: * Caution low base size ** Caution very low base size.

Wessex Water performance by segment 2022-23

Similarly to last year, 'Responsible Citizens' are likely to have a more positive view of Wessex Water's performance in nearly all areas. Little has changed for 'Stretched and Struggling' who tend to give lower ratings across the various performance measures.

	TOTAL (1000)	Responsible Citizens (174)	My World and Cost Conscious (324)	Family Focus (124)	Closed World View (43**)	Young Disconnected (26**)	Stretched & Struggling (147)
Making it straightforward for you to pay your bill in the way you prefer (bill payers only)	87%	96%	89%	84%	89%	74%	77%
Reliability of their services	78%	87%	81%	79%	91%	71%	67%
Providing clear and easy to understand information	72%	88%	79%	71%	79%	70%	59%
Keeping you up to date with their work in your area	67%	78%	72%	69%	74%	52%	56%
The range of methods through which you can contact them	61%	74%	66%	58%	61%	46%	54%
Helping you to save water (Wessex supply area only)	59%	68%	62%	54%	55%	62%	52%
Making it easy for you to deal with them	57%	65%	64%	60%	61%	53%	48%
Helping you to prevent sewer blockages	43%	43%	47%	41%	51%	29%	43%

9% + ABOVE TOTAL

6-8% ABOVE TOTAL

WITHIN +/-5% OF
TOTAL

6-8% BELOW TOTAL

9% + BELOW TOTAL

Q13. How would you rate Wessex Water's performance in the following areas?
% rating 7-10 (10 = 'excellent' 0 = 'very poor'). Base: All respondents 2022-3

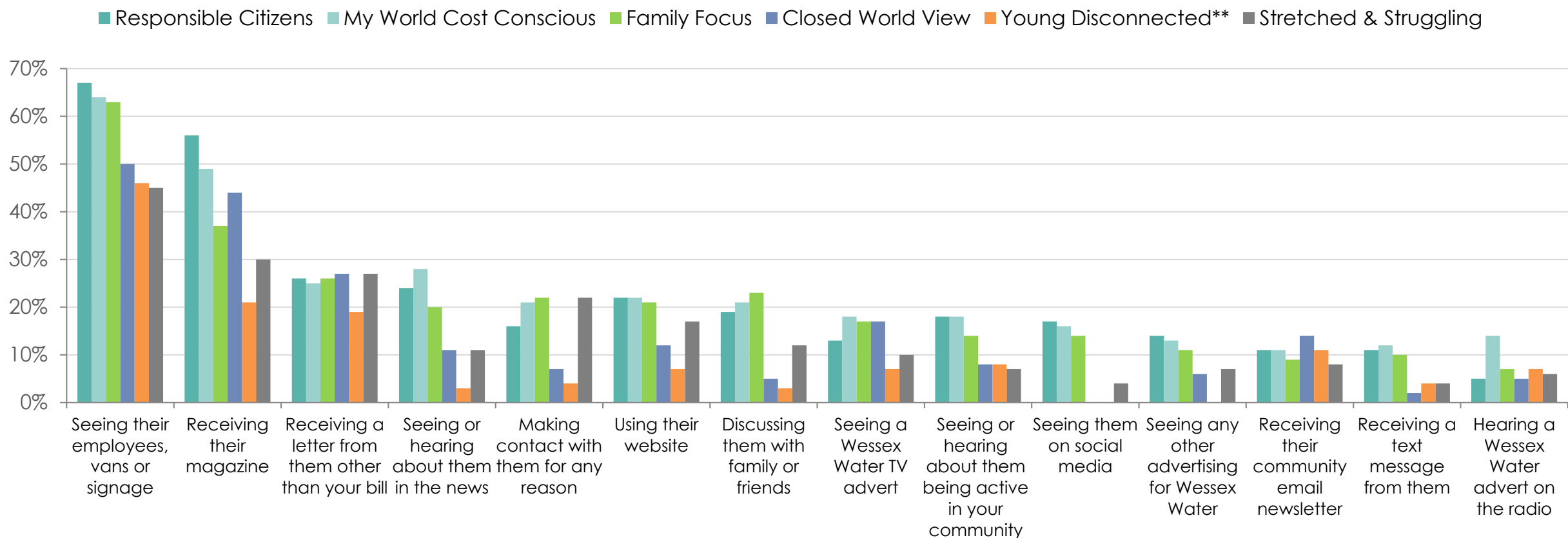
KEY: * Caution low base size ** Caution very low base size.

Prompted recall of Wessex touchpoints by segment (2022-23)

'Responsible Citizens' and 'My World Cost Conscious' are more likely to recall more touchpoints in general.

Q23: Thinking about Wessex Water, in the last six months do you recall...?

Base: All respondents 2022-23 in each segment

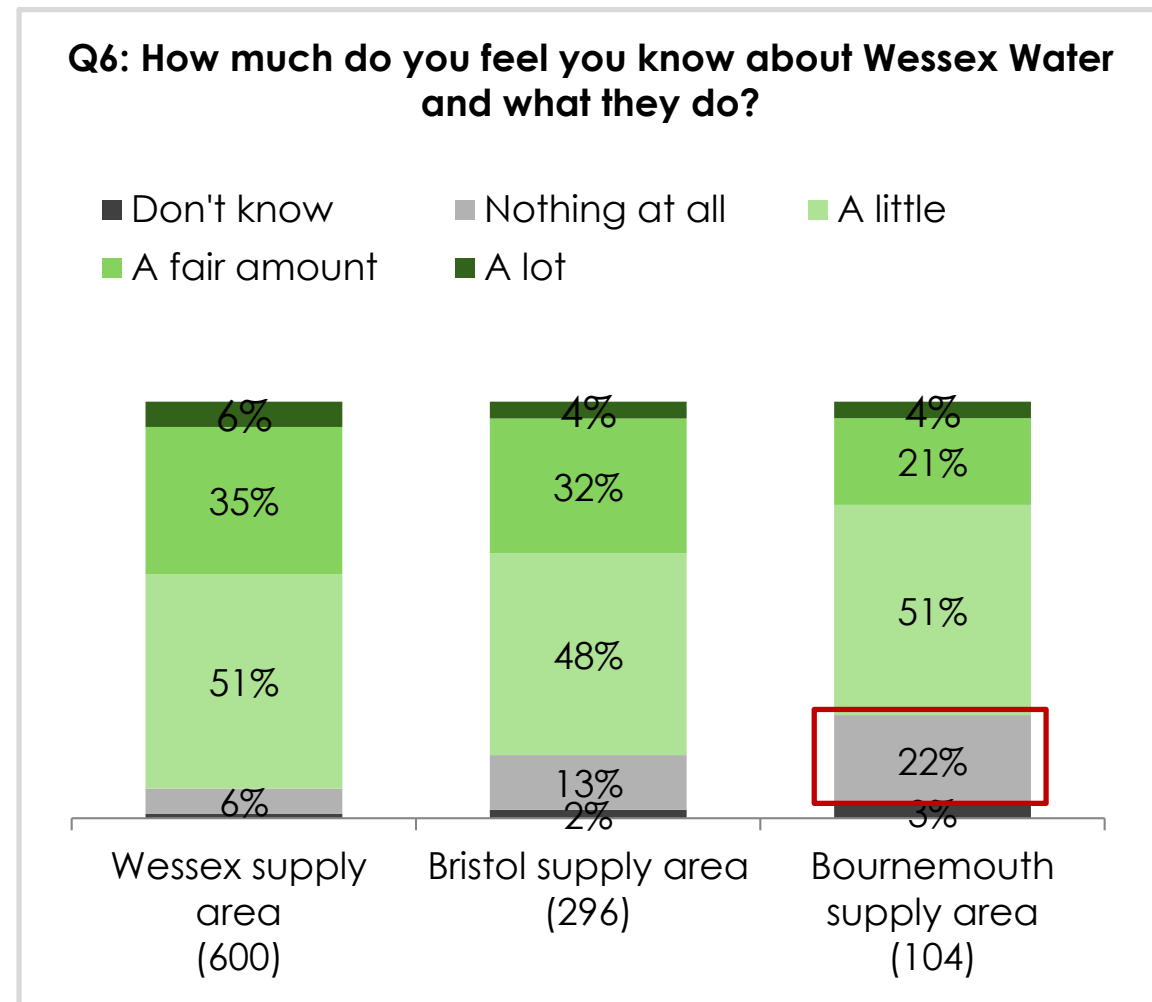
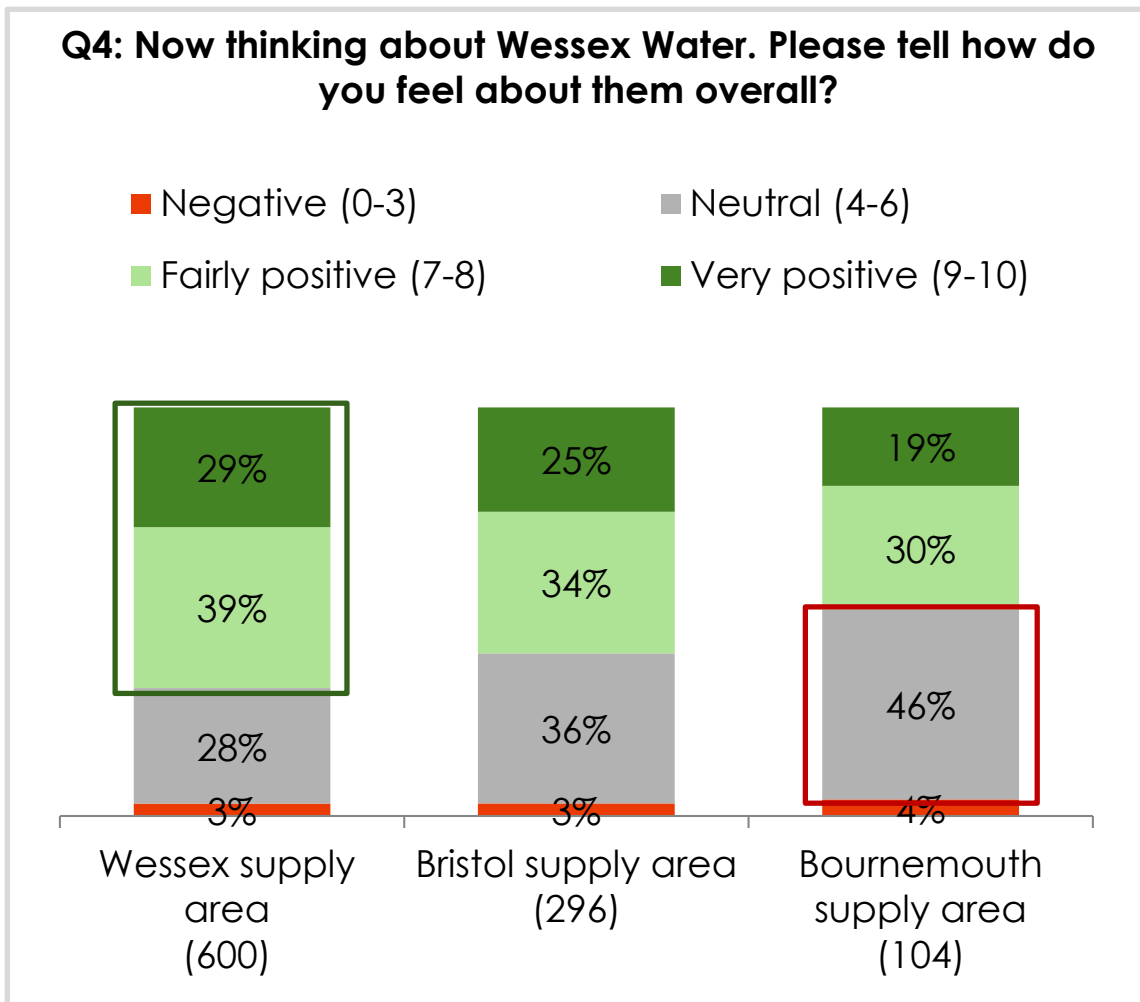




Appendix 2 – supply area analysis

Sentiment and Knowledge by supply area (2022-3)

Customers in the Wessex Water supply region have a stronger relationship with Wessex Water, scoring higher in both sentiment and knowledge. Those in the Bournemouth Water supply area are more ambivalent to Wessex Water, with a fifth saying they know nothing about the company and almost a half feeling 'neutral' toward the brand.



Wessex Water key measures by supply area summary 2022-23

Customers in the Bournemouth Water supply area are less likely to feel positive, knowledgeable and satisfied with Wessex Water than in the other two areas. They are also less likely to recall Wessex Water touchpoints in general. A priority for greater future engagement?

	TOTAL (1,000)	Wessex Water supply area (600)	Bristol Water supply area (296)	Bournemouth Water supply area (104)
 Sentiment (% very or fairly positive)	63%	68%	58%	49%
 Knowledge (% know a lot / fair amount)	39%	41%	37%	25%
 Satisfaction (% rate 7-10)	74%	79%	69%	63%
 Value For Money (% rate 7-10)*	69%	69%	73%	65%
 Trust Index	74.7	75.8	73.2	72.2
Mean number of Wessex Water touchpoints recall in the last 6 months	2.8	2.9	2.9	1.9



Appendix 3 – Bill payers and non-bill payers 2022-3

Bill payers versus non-bill payers: Awareness and attitudes 2022-23

	Total (1,000)	Bill payers (838)	Non bill payers (162)
DON'T KNOW who provides water (Q10)	12%	8%	28%
Awareness that Wessex provides sewerage service (Q9)	60%	64%	47%
Satisfied (7-10) (Q11)	74%	76%	67%
Positive sentiment to Wessex (7-10, fairly/very positive) (Q4)	63%	65%	56%
Know a lot / a fair amount about Wessex (Q6)	38%	41%	29%
<p>Priorities (Q7) – no significant differences but non bill payers higher ratings for: preventing sewerage entering rivers and the environment (2% higher for non bill payers); investing to address future weather extremes (1%); reducing their own carbon emissions (1%); being innovative (3%); promoting social equality (2%); working in communities (6%)</p>			
<p>Image statements (agreement) (Q8) Non bill payers significantly lower for 'They are easy to contact', 'a responsible and ethical company', 'an open and transparent company'</p>			
<p>Performance statements (Q13) Non-bill payers lower rating for all statements</p>			
Agree charges acceptable (Q18)	61%	64%	48%
Aware of bill assistance (Q20r1)	39%	40%	34%
Aware of PSR (Q20r2)	38%	39%	32%

SIGNIFICANTLY HIGHER THAN BILL PAYERS

SIGNIFICANTLY LOWER THAN BILL PAYERS

Bill payers versus non-bill payers: Touchpoints and demographics 2022-23

	Total (1,000)	Bill payers (838)	Non bill payers (162)
Made contact with Wessex for any reason in last 6 months? (Q23)	18%	19%	14%
Used Wessex website in last 6 months?	18%	20%	12%
Recall receiving magazine in last 6 months?	43%	44%	36%
Recall seeing or hearing about Wessex in the news	21%	21%	21%
Agree 'I'd be interested in having a smart water meter' (QF1)	29%	31%	23%
Agree 'I often look for new ways to reduce my impact on the environment'	52%	53%	48%
Social Grade: ABC1	58%	59%	53%
Social Grade: C2DE	41%	40%	46%
18-34 years old	26%	21%	44%
35-54	31%	31%	29%
55+	43%	47%	27%

SIGNIFICANTLY HIGHER THAN BILL PAYERS

SIGNIFICANTLY LOWER THAN BILL PAYERS



Technical Appendix

Statistical Confidence: with a sample size of 1,000 interviews where 30% give a particular answer we can be confident that the 'true' value (which would have been obtained if the whole population had been interviewed) will fall within the range of ± 2.8 percentage points from the sample results.

Sub-group comparisons/comparisons over time: we could conclude that the survey results of say 75% in 2013 and 80% in 2014 would almost certainly be statistically significantly different when based on the full sample of 1,000 customers, but would almost certainly not be significant based on sample sizes of 250 each (e.g. Bristol area).

	<i>Confidence Intervals at or near these percentage levels (at 95% level)</i>		
<i>Total sample size</i>	10% or 90%	30% or 70%	50%
1,000 interviews	$\pm 1.9\%$	$\pm 2.8\%$	$\pm 3.1\%$
500 interviews	$\pm 2.6\%$	$\pm 4.0\%$	$\pm 4.4\%$
250 interviews	$\pm 3.7\%$	$\pm 5.7\%$	$\pm 6.1\%$
100 interviews	$\pm 5.9\%$	$\pm 9.0\%$	$\pm 9.8\%$

	<i>Differences required for significant at or near these percentage levels (95% confidence limits)</i>		
<i>Size of samples compared</i>	10% or 90%	30% or 70%	50%
1,000 and 1,000	$\pm 2.6\%$	$\pm 4.0\%$	$\pm 4.4\%$
500 and 500	$\pm 3.7\%$	$\pm 5.7\%$	$\pm 6.2\%$
250 and 250	$\pm 5.4\%$	$\pm 8.2\%$	$\pm 9.0\%$
100 interviews	$\pm 8.3\%$	$\pm 12.7\%$	$\pm 13.9\%$

- Note that we highlight very small sample sizes (under 50) using '***'. These percentages are indicative only, with caution needed for interpretation
- In some cases actual counts rather than %s are quoted, where sample sizes are too small to be viable to be expressed as %s
- Note that 'net' is used to reference the sum of the %s of the 'top 2' answers on an answer scale (e.g. 'excellent' plus 'good')

Appendix: addressing Ofwat's research principles

Standards for high-quality research:	How addressed in this project:
Useful and contextualised	This research is an ongoing study reflecting the views of a representative group of Wessex Water consumers – both bill payers and non bill payers. It continuously tracks how consumer priorities change over time, how their views of Wessex Water's services and communication evolves and also gives an opportunity for consumers to express in their own words where there is scope for improvement. Further, it is employed to gather views on important hot topics at appropriate moments in time, for example river water pollution, CSOs and domestic water use and views of water saving. The study provides quarterly updates and more detailed annual reviews which include analysis of specific Wessex Water customer segments, enabling targeted initiatives and communications strategies to be developed.
Fit for purpose	The research is administered and managed by independent fieldwork suppliers Perspective and Alligator Research. Individual responses are confidential and not identifiable to Wessex. Participants are recruited from two sources, to maximise representation: third-party online panels and telephone interviewing (random digit dial plus numbers from targeted lifestyle databases). The number of interviews (1,000 per year) is comfortably robust enough for quantitative analysis (i.e. using percentages and comparing sub-groups). Respondents are recruited randomly to a prescribed set of quotas on age, gender and supply area to ensure a representative profile. Identical quotas are applied both to the online and telephone interviews, and the ratio of interview method is controlled at 50:50 to control for 'method effect'. Data weighting based on known ONS demographics is conducted each Quarter to ensure comparability of data wave-on-wave.
Neutrally designed	Blue Marble's extensive experience in designing questionnaires ensures questions are not leading and answer options are balanced and unbiased. There is opportunity for spontaneous free text 'other' answers along with pre-coded options to capture a full range of answers. The survey uses randomised answer lists to avoid order bias.
Inclusive	Using both online surveying and telephone interviewing ensures we speak to a wide range of consumers, including those who may be digitally excluded or less confident with online forms, and those who default to online interaction. It includes both bill-payers (customers) and non-bill payers (consumers). Information about different forms of economic and other vulnerabilities are collected, and analysis of 'vulnerable' customers is conducted to understand where any differences lie.
Continual	The tracking involves continual research, reported every Quarter.
Shared in full	Wessex Water to advise
Ethical	Blue Marble is a company partner of the MRS. All of its employees abide by the MRS code of conduct and as such all of our research is in line with their ethical standards.
Independently assured	Wessex Water to advise

<https://www.ofwat.gov.uk/wp-content/uploads/2022/02/PR24-customer-engagement-policy.pdf>