

Wales and West Utilities: Customer Business Priorities

Primary Market Research

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December 2022 | 3564 WWU Customer Business Priorities

Accent

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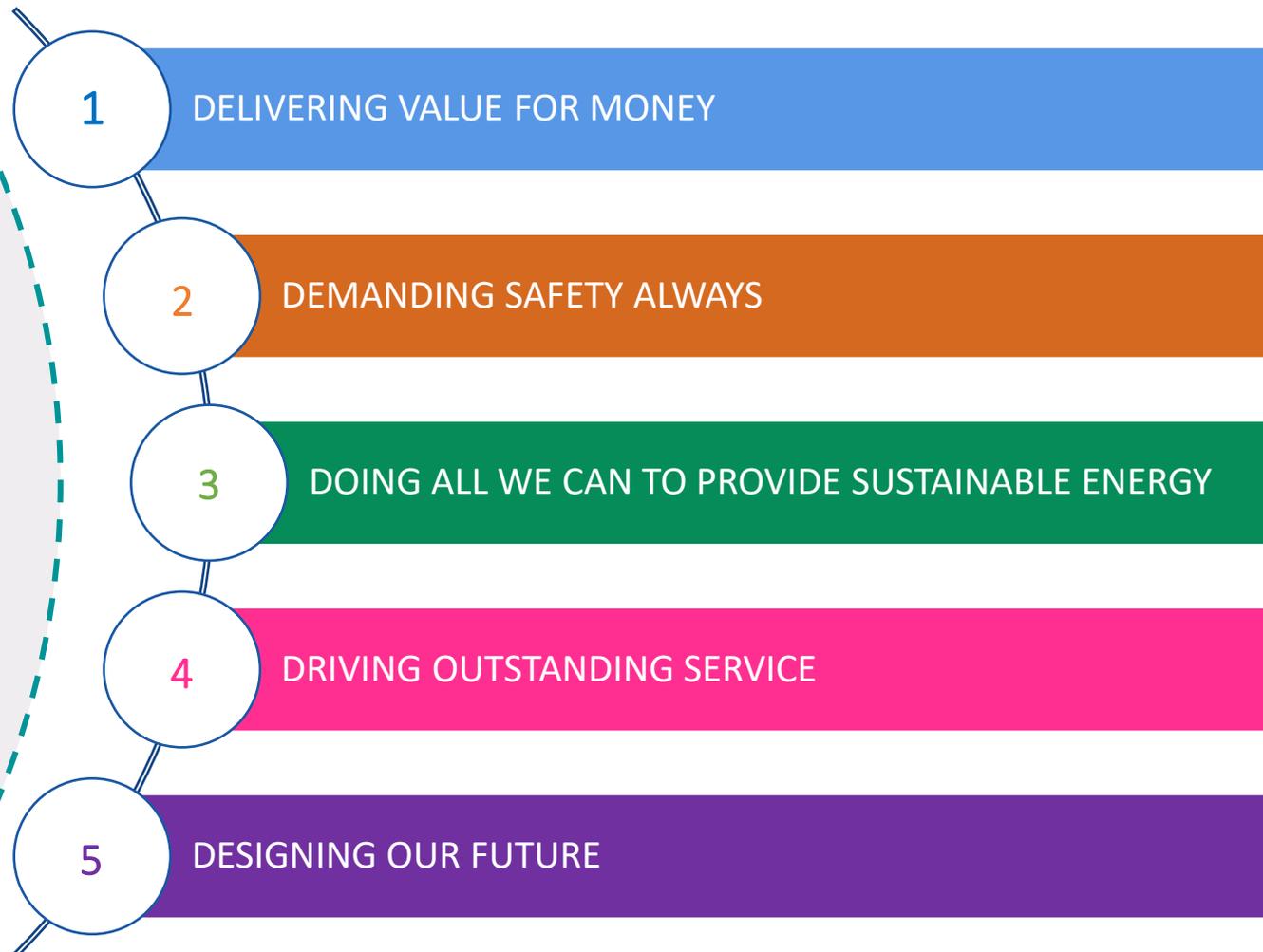
SME MaxDiff results

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Executive summary

- The current WWU business plan is still very relevant
- The order of importance at a summary group level is the same for domestic and SME customers and unchanged from 2021
- There are some changes at the commitment level, particularly with some key environmentally focused commitments becoming less important and value-for-money commitments becoming more important
- There is continued concern for the environment, however, costs and affordability in customers immediate environment has risen in the past year with the cost pressures in the economy
- There appears to be generally more importance placed across many commitments in 2022 rather than a few taking most of the weight as seen in 2021



5 most important commitments

Domestic

- 1 Keep charges down to the lowest practical level, by keeping our portion* of the household bill at an average of £133 a year, through to 2026
- 2 Attend gas emergencies in under an hour, on average, to keep our customers safe
- 3 Make sure customers get the **best value for money by becoming a more efficient business**
- 4 Connect more people to the gas network who are on a low incomes and unable to keep their homes warm at a reasonable cost
- 5 Increase safety for over half a million people living near **old metal gas pipes** by spending an additional £400m to **replace them**

SME

- 1 Keep charges down to the lowest practical level
- 2 Make sure customers get the **best value for money by becoming a more efficient business**
- 3 Reuse and recycle at least 80% of our operational and general business waste by 2026 and send zero waste to landfill by 2035
- 4 Support the **provision of financial, energy, and carbon monoxide advice and help for those who are living in vulnerable situations and/or who are on a low income and unable to keep their homes warm at a reasonable cost**
- 5 Attend gas emergencies in under an hour, on average, to keep our customers safe

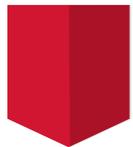


Research overview

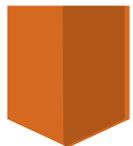
Background & business needs



Ahead of submitting their GD2 business plan for the period 2021 to 2026, Wales and West Utilities (WWU) engaged extensively with their customers to ensure their plan met customer needs. The plan documents WWU priorities underpinned by **25** business commitments. These commitments are aligned with UN Sustainable development goals



This included quantitative research to identify customer priorities using a MaxDiff exercise, last updated at the start of 2021



The social, economic and environmental macro environment continues to rapidly change, and WWU wish to understand how this has impacted customer priorities



WWU strategy & priorities



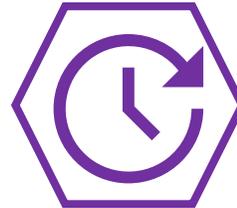
Delivering **VALUE FOR MONEY**

We always spend and invest more wisely, working smarter to offer affordable, value for money services



Designing **OUR FUTURE**

We're building a skilled, resilient, and diverse team to work in partnership with our stakeholders



Demanding **SAFETY ALWAYS**

We never compromise on the safety, wellbeing and health of our colleagues and customers, always raising the bar and improving standards



Doing all we can to provide **SUSTAINABLE ENERGY**

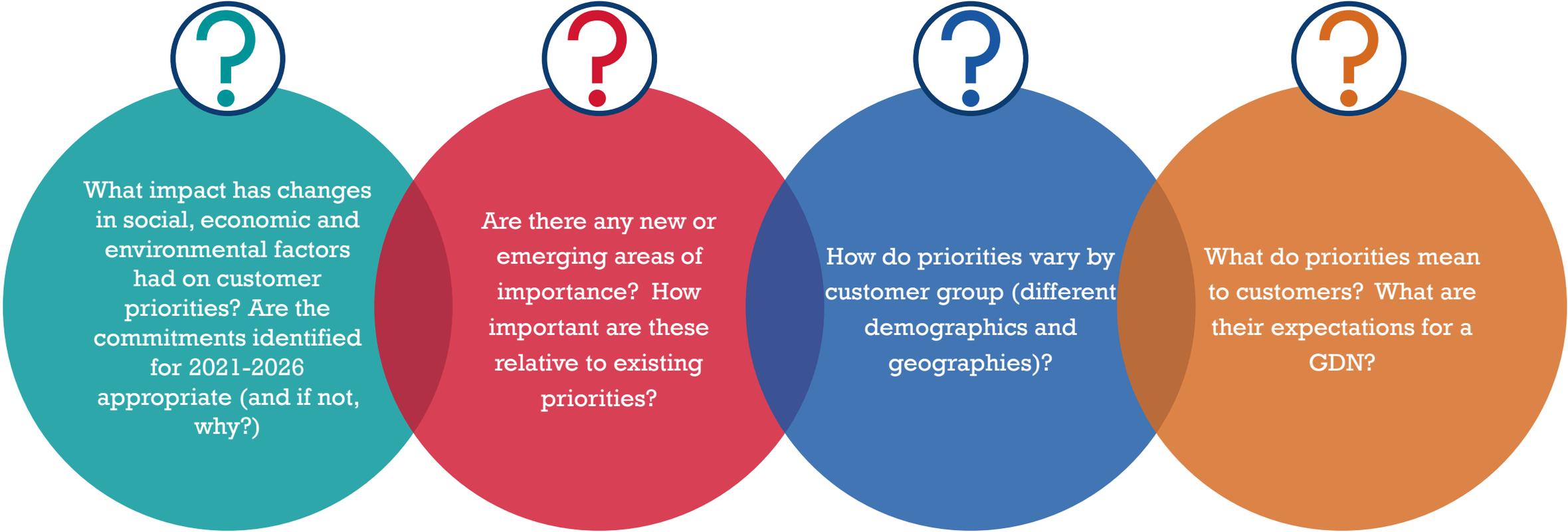
We're future proofing to deliver reliable, greener energy for heat, power and transport, and reducing our environmental impact to achieve net zero targets



Driving **OUTSTANDING SERVICE**

We strive to exceed customer expectations by offering fair, inclusive, quality services for all, whilst looking after those most in need

Research questions



Research approach

A collaborative workshop with WWU, Accent, and the qualitative agency launched the project. The meeting was used to factor the specific needs of the different parties into the project design.

The quantitative survey was designed based on insights from the qualitative phase. The wording of the commitments was condensed and simplified to be suitable for a MaxDiff exercise, and additional survey items were developed to segment the data and provide explanations for the MaxDiff results. Cognitive interviews with 5 domestic customers and one Business customer were used to test and improve the scripted survey and MaxDiff exercise.

Where quotas were relaxed to ensure an adequate sample size was achieved, the data were weighted to the precise demographic and customer characteristics data to be representative of the population in WWU's operational area.

Inception workshop

Quantitative design

Analysis



Qualitative deep dive

Fieldwork

The qualitative phase (led by Traverse) consisted of four, two-hour, focus groups with 27 domestic customers and 45-minute depth interviews with 10 business customers. Its purpose was primarily to understand if customers find the business priorities and commitments clear and easy to understand and if the commitments remain appropriate

The fieldwork was designed to be inclusive and representative of WWU customers. An online survey was used to engage with WWU domestic, business, and future customers, whilst face-to-face interviews targeted digitally excluded, vulnerable and business customers. Quotas were set based on relevant census and government datasets. This has allowed us to look at results by different customer types, including demographics (age, gender, social grade), location (South Wales, North and Mid Wales, South West England, South West England; Rural vs urban), on and off gas, vulnerable situations (including fuel poverty, BAME communities), housing tenure, and businesses size.



Method

Survey design

The survey length was approx. **20 minutes** and covered **the following topics**

1

- Covid-19 checks and digital access [face-to-face only]

2

- Demographic and business characteristics profiler

3

- Awareness of WWU and Priority Service Register (PSR) use and eligibility

4

- MaxDiff exercise

5

- Social attitudes and attitudes towards Net Zero and the economy



Sampling and weighting

Domestic



Online: 790 interviews were conducted online. Quotas were set for the following key subgroups of interest, including:

- **Demographics:** age (18-34, 35-64, 65+), gender, social grade (AB, C1, C2, DE)
- **Location:** South Wales, North and Mid Wales, South West England, South West England; Rural vs urban areas
- **On and off gas**
- **Current/future customers**

Face-to-face: 161 targeted interviews were completed to ensure the inclusion of the digitally disengaged and to boost the proportion of interviews with vulnerable customers / customers from BAME communities who are less likely to be on online panels. A £5 incentive was included as a thank you for taking part.



Business

134 interviews across both the online and face-to-face methods were conducted with businesses. This provided a robust sample to allow the data to be analysed on a stand-alone basis. Businesses with fewer than 50 employees were targeted for this research:



Online:- we interviewed **98** small and micro business decision-makers



Face-to-face: **36** supplementary face-to-face business interviews were completed, mainly targeting sole traders and micro businesses that are challenging to find online. A £10 incentive was provided as a thank you for taking part.

- The sample is sufficiently robust to draw conclusions at a total level with a margin of error of 2-4%
- The sampling approach allows for breakdown analysis of main segments i.e., Region, Demographics, Key Behavioural splits etc., where the sample size is a minimum of 50 participants
- The quotas were developed, and the data weighted, based on England and Wales Census data and ONS population estimates



Sample overview



Domestic customers: Demographics

951 interviews completed, representative of Wales and West Utilities region

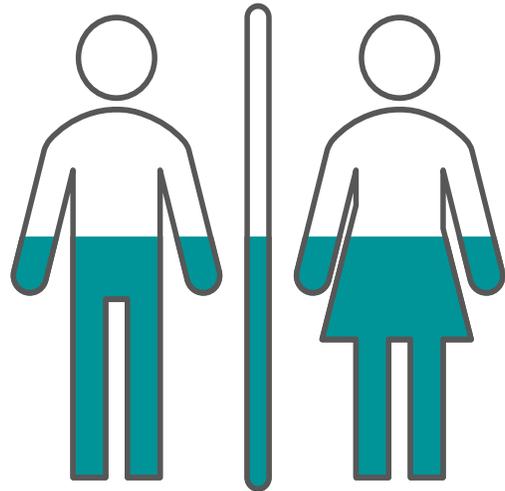


Online
83%

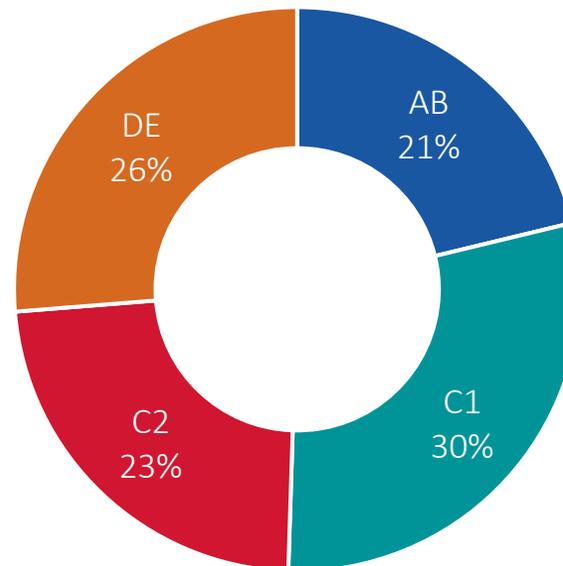


Face-to-face
18%

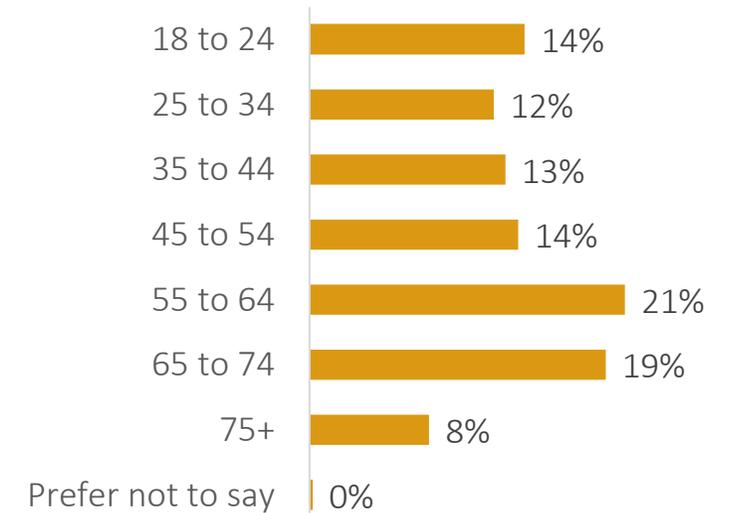
Male 50% | 50% Female



Social Economic Grade



Age group



Q29. Are you... Male/Female. Base: 949

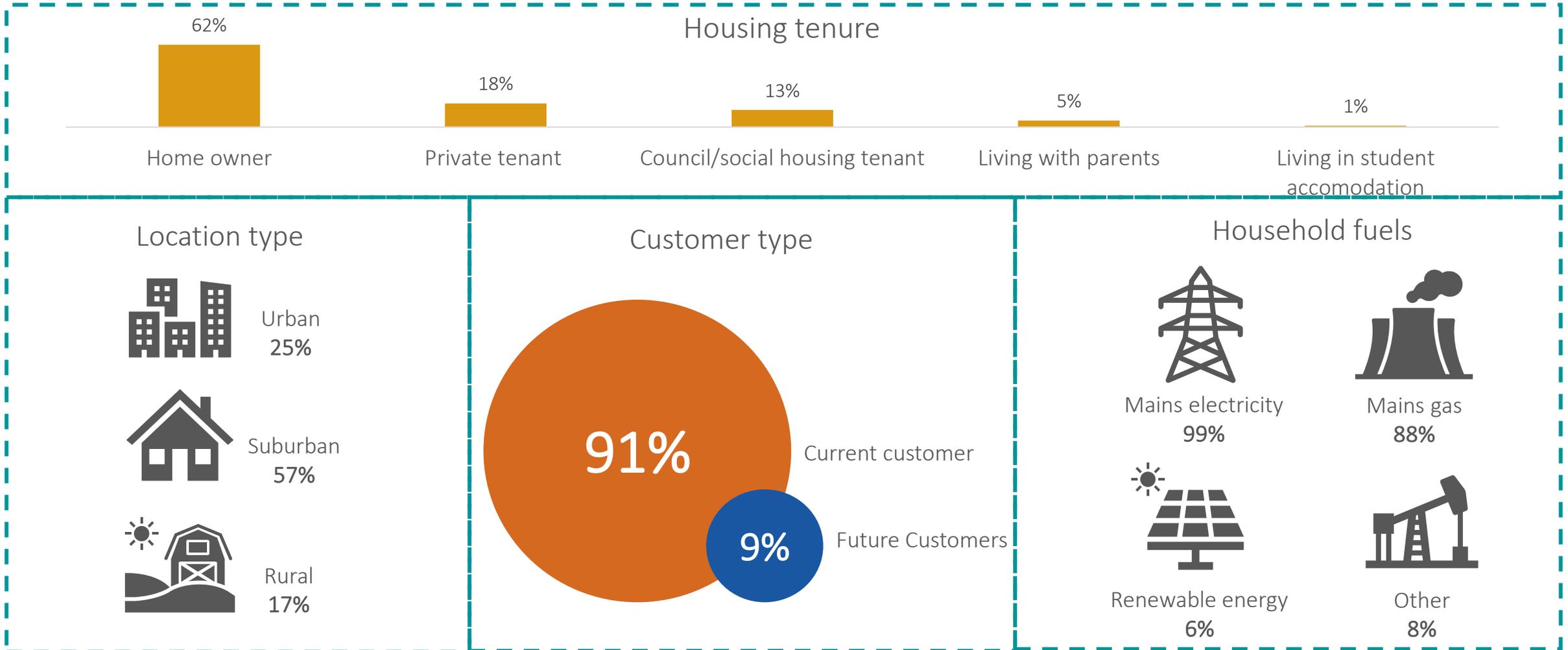
Q30. Which of the following age groups do you fall into? Base: 951

SEG - Q25. Which ONE of the following best describes the occupation of the main income earner in your household? Q26. Does the main income earner have a state pension, a private pension or both? Q27. How would you describe the main income earner's occupation before retirement? Base: 951



Domestic customers: Customer characteristics

We interviewed people with a range of key customer characteristics



Q23. Which of the following best describes the area where you live? Base: 951

Q21. Please specify which area you work/live in. Base: 951

Q24. Which of the following energy sources do you have at your home? Base: 951

Q33. Which of the following best describes your household? Base: 951

Q32. Who is responsible for paying your household's energy bills? Base: 951



Domestic customers: Vulnerable groups

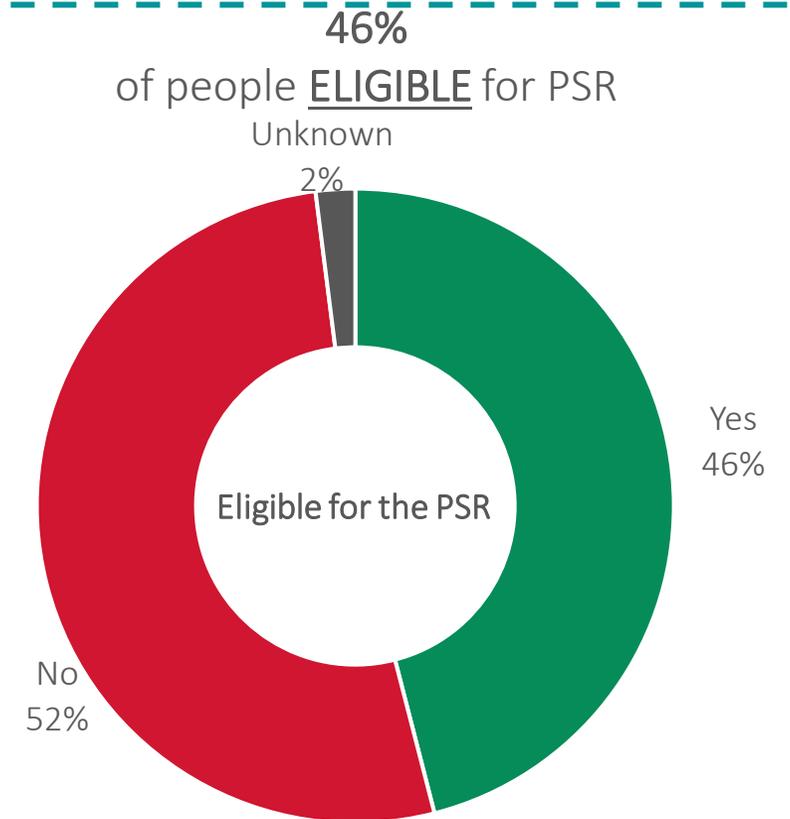
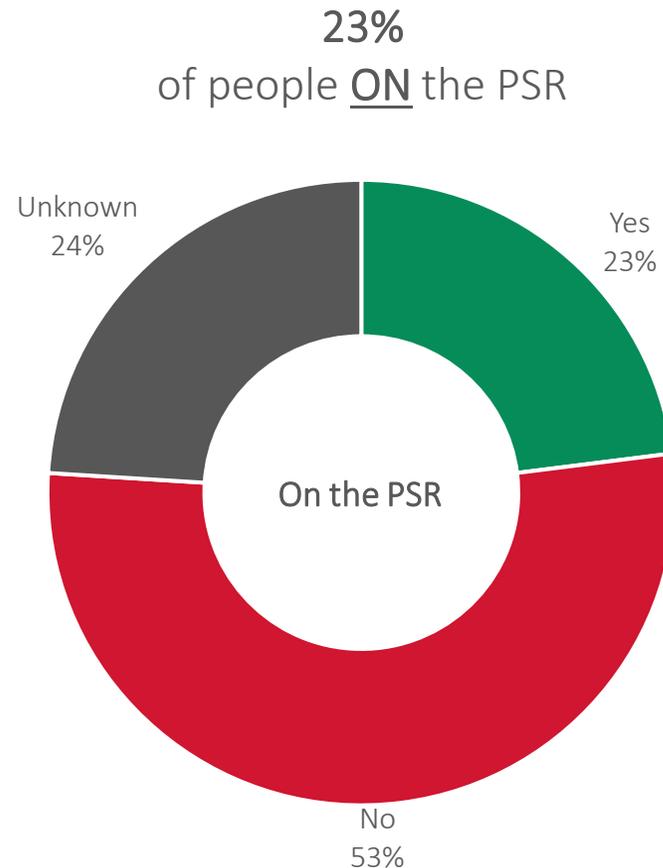
A high percentage of the same are struggling to pay their household bills. Twice as many people in the sample are eligible to be on the PSR than currently are.



65%
Financially vulnerable



5%
Digitally excluded



Q49. Which of the following best describes how affordable you find your energy bills (or energy costs if you do not receive a bill) and other household bills? Base: 951

Q7. Have you used the Internet via a computer, tablet or smartphone in the last 3 months? Base: F2f domestic only - 161

Q8. Which of the following best describes you? [Internet use confidence level] Base: F2f domestic only - 161

Q9. Which of these items do you have in your home and that are available for you to use? [Digital technology] Base: F2f domestic only - 161

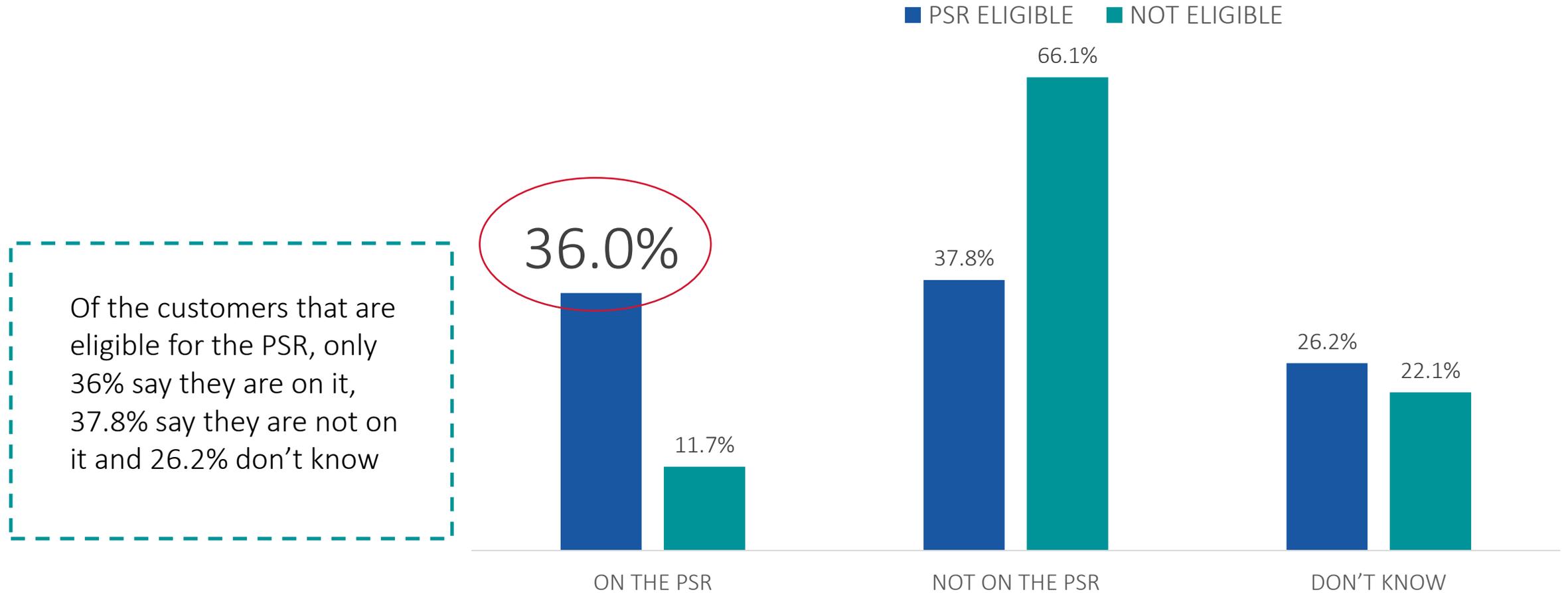
Q39. Do you know whether your household is on your gas supplier or gas distribution network's Priority Services Register? Base: 951

Q42. Do you feel that any of the following factors apply to you or anyone in your household at the moment that might mean you need extra support? Base: 951



Is the PSR message getting through?

There is room for improvement getting the message out about the PSR and ensuring those who are eligible, get on the PSR and know they are on it.

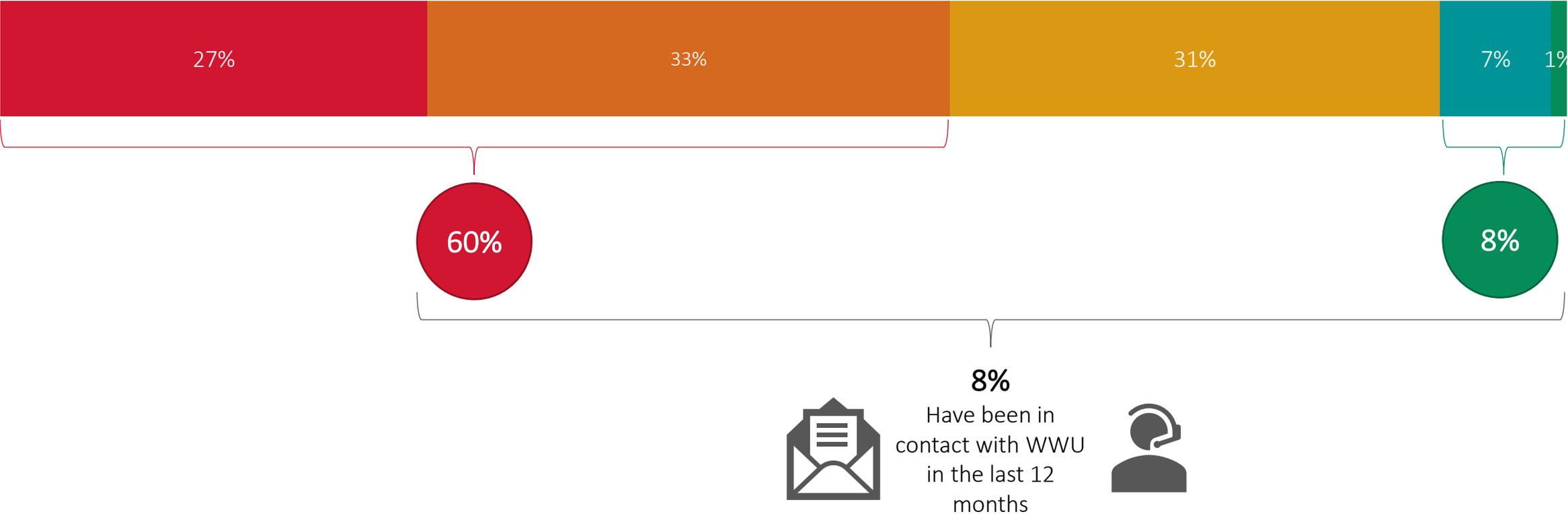




Domestic customers: WWU awareness

Domestic participants typically had a low level of knowledge about WWU, and less than 1 in 10 have been in recent contact with WWU

■ I have never heard of them ■ Have heard of them but know nothing about them ■ Know just a little about them ■ Know a fair amount about them ■ Know them very well



Q34. How well do you feel you know Wales & West Utilities and the services it is responsible for? Base: 951

Q35. Have you had any contact with Wales & West Utilities in the past 12 months? Base: 687



Business customers: Sample breakdown

134 interviews were completed across a range of locations



Online
73%



Face-to-face
27%

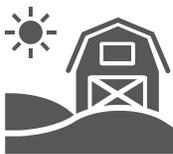
Location type



Urban
46%



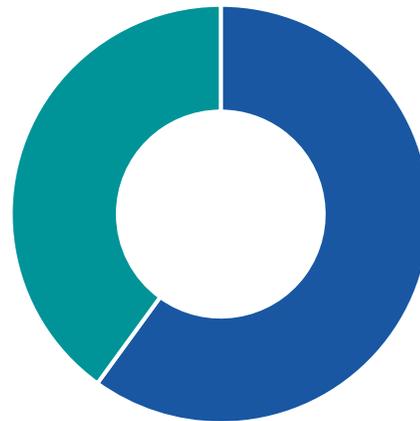
Suburban
48%



Rural
6%

Location

South West
England
40%



Wales
60%

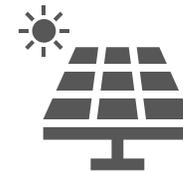
Business site fuels



Main electricity
93%



Mains gas
100%



Renewable energy
34%



Other
4%

Q23. Which of the following best describes the area where your organization is? Base: 134

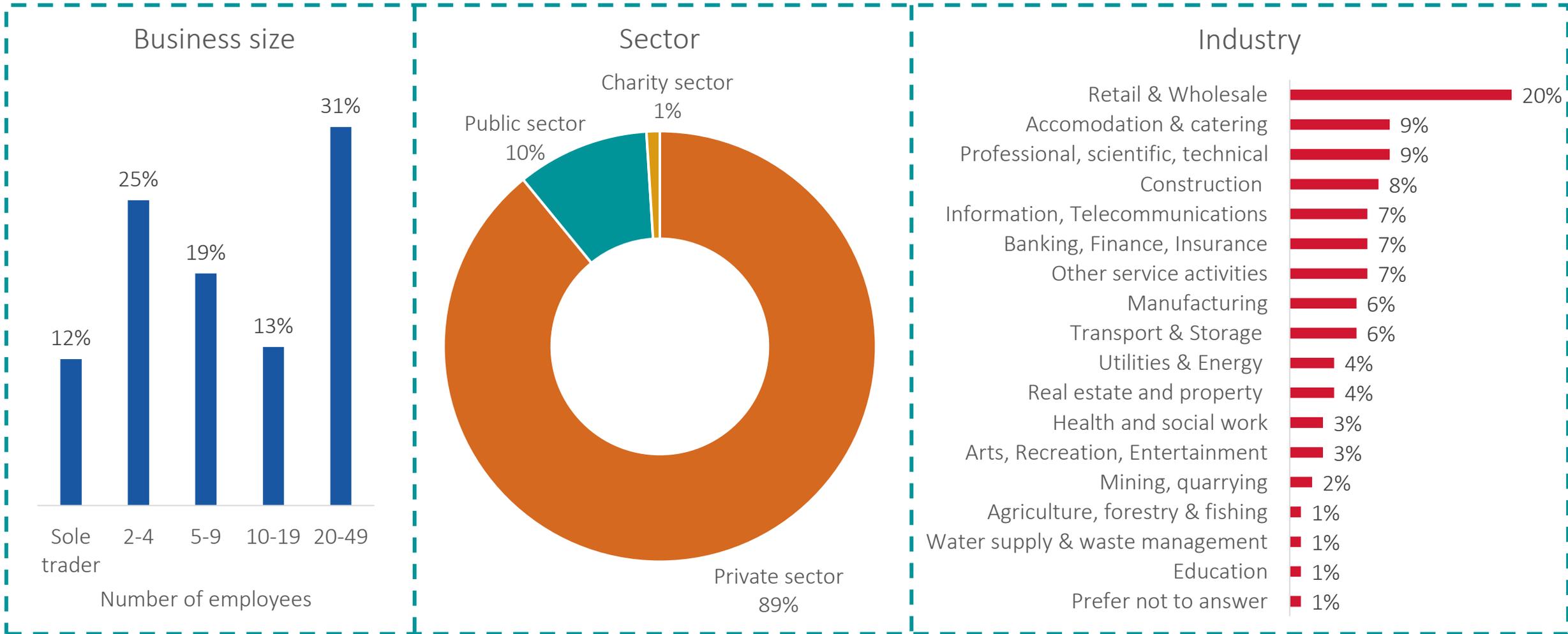
Q21. Please specify which area you work in. Base: 134

Q24. Which of the following energy sources do you have at your organisation? Base: 134



Business customers: Characteristics

We had a good spread of businesses from the public and private sectors with a mix of sizes



Q12. How many employees does the company you currently work for have? Base: 134

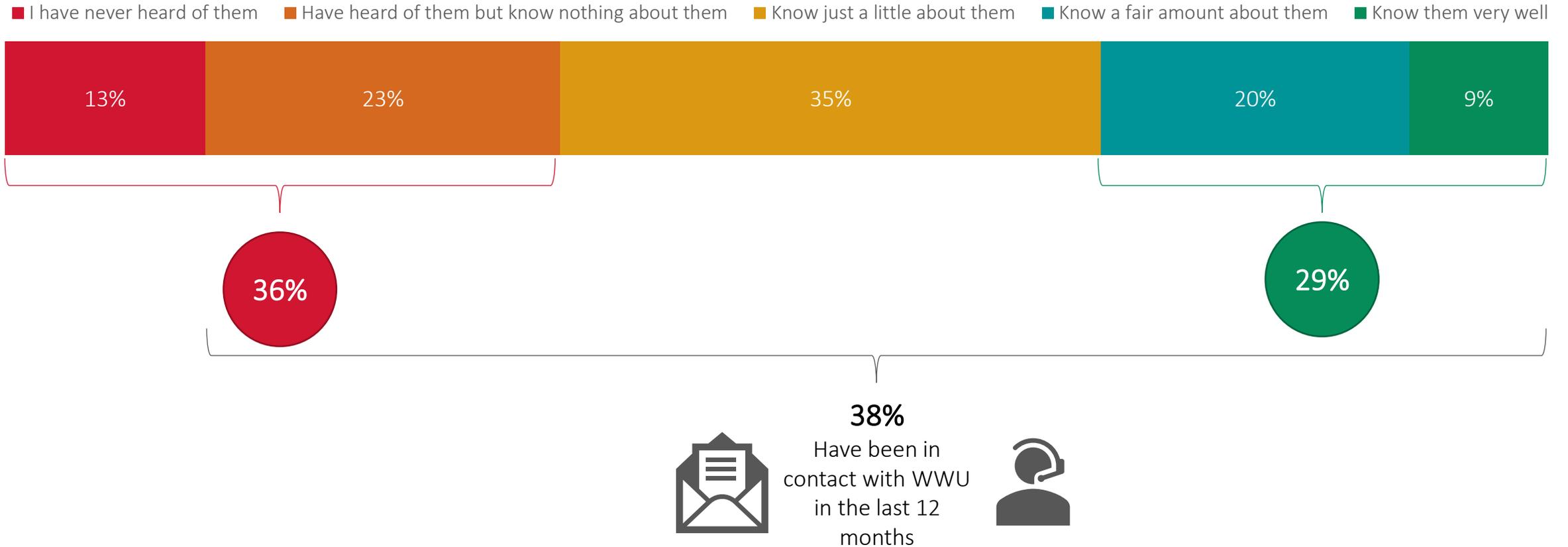
Q36. Which of the following best describes the sector your organisation works in? Base: 134

Q37. Which of the following best describes the type of organisation you work for? Base: 134



Business customers: WWU awareness

Most business participants knew at least a little about WWU (64%), and around 2 in 5 have been in recent contact with WWU



Q34. How well do you feel you know Wales & West Utilities and the services it is responsible for? Base: 134

Q35. Have you had any contact with Wales & West Utilities in the past 12 months? Base: 117



MaxDiff

Maximum Differentiation (MaxDiff)



SUMMARY

MaxDiff is an effective tool to identify **commitments that are most important to consumers**

- Presented as a set of tasks
- Offers the **benefits of both ranking and rating scales** - determines not only the rank order of items, but also the 'distance' between items
- It follows the principle that **choosing extremes is easier than rating**
- Removes any scale bias



HOW IT WORKS

Each respondent is shown a set of attributes and is asked to pick the most and least important. Then....another set is shown. Approximately 8-12 sets.

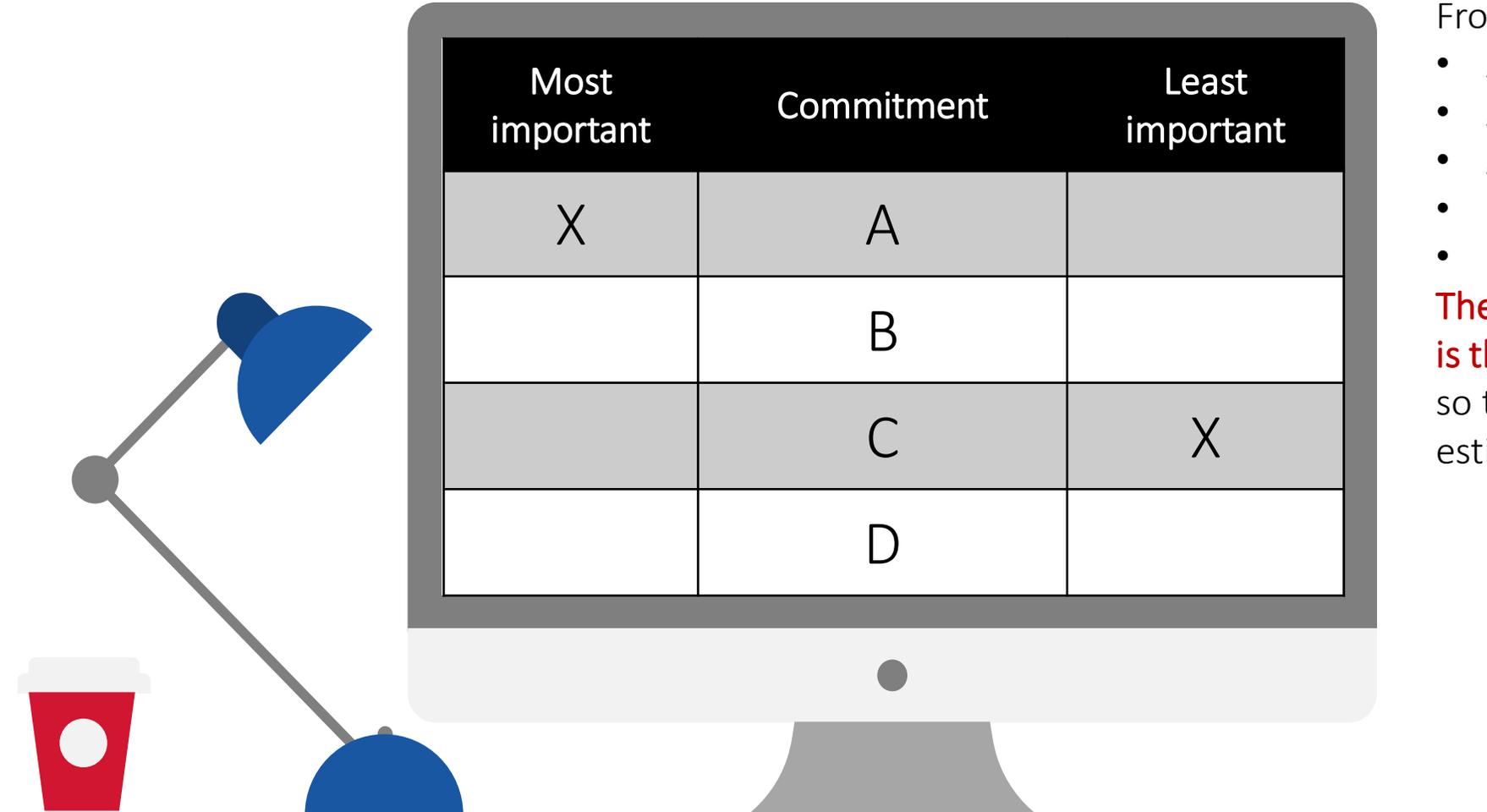
WHAT they are shown is underpinned with a design which ensures every attribute has an even chance of being seen across the entire set

Which of these attributes do you think is the most important and which is the least important?

Least Important	Features	Most Important
✓	Value for money	
	Recycling waste	
	Safety	
	Looking after vulnerable customers	✓

How does MaxDiff work?

Consider the following;



Most important	Commitment	Least important
X	A	
	B	
	C	X
	D	

From this alone, we know that:

- $A > B$
- $A > C$
- $A > D$
- $B > C$
- $D > C$

The only combination we don't know is the relationship between B and D, so this relationship needs to be estimated

How does MaxDiff work?

Knowing what a respondent picks first and last, when each commitment is seen multiple times means we can estimate a 'utility' or 'value of importance' for each commitment



This 'value of importance' tells us how much the person likes the commitment, and it also tells us how much they like it more or less than the others.

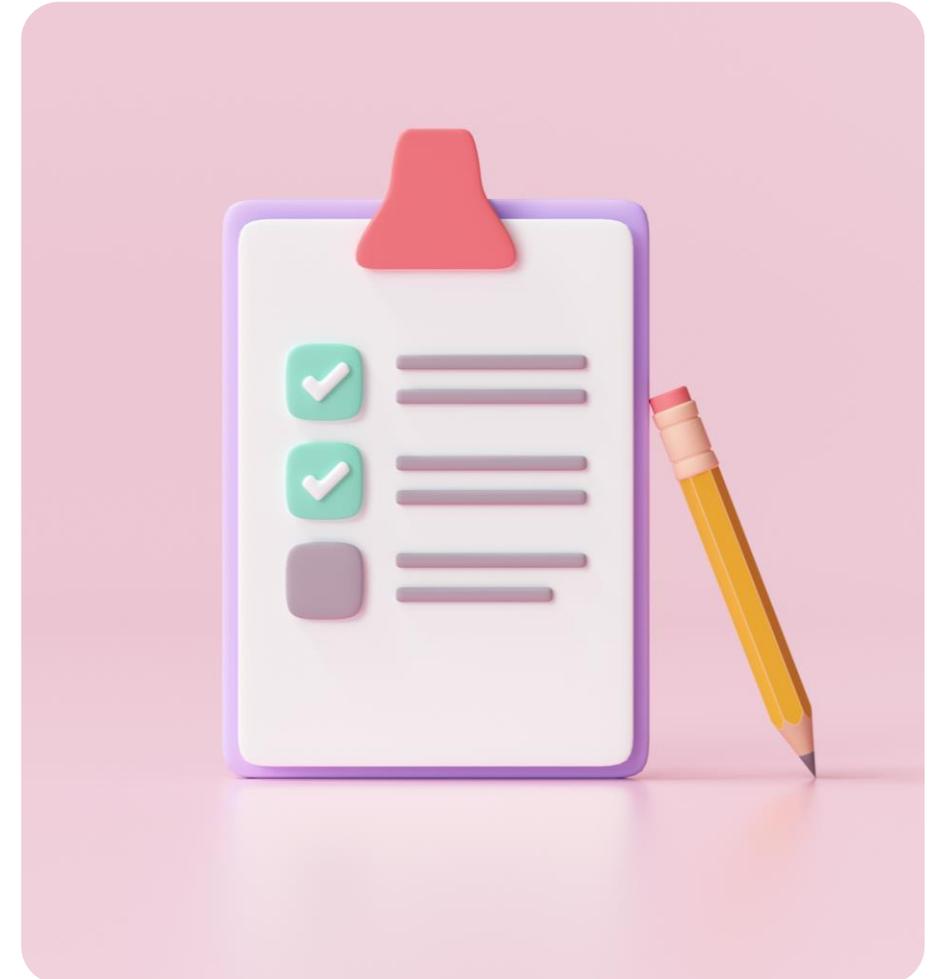
Across the whole sample, we then average all the 'value of importance' scores



Importantly – unlike driver analysis, Max Diff gives us a value of importance for each individual, therefore we can analyse the importance by profile information

How we improved on 2021 Max Diff

- All commitments were significantly shortened to ensure participants understood the task. Although comparisons can be made, it is important to act on learnings over time, and therefore the 2022 commitments are more relevant
- Participants had access to hover over descriptions which gave more detail on the commitment
- Cognitive interviews were conducted to understand and correct any nuances
- One respondent was removed due to repetitive activity on the Max Diff exercise
- Each commitment was examined for outliers, which were not included



What participants saw

Please remember to hover on the  button if you need more information to help you make your choices

Please read these five commitment areas and indicate which one is the most important to you and which one that is the least important to you.

Most
important

Least
important



Reduce the risk of cyber attacks that could disrupt our gas network system by investing in our technology platforms 



Support the provision of financial, energy, and carbon monoxide advice and help for those who are living in vulnerable situations and/or who are on a low income and unable to keep their homes warm at a reasonable cost 



Reuse and recycle at least 80% of our operational and general business waste by 2026 and send zero waste to landfill by 2025 



Work toward

The Priority Services Register is a free service offered by all utility operators to support customers in need. We support the creation of a single Register to improve customer experience. A single register for all gas, water and electricity would mean customers only need to sign up once to get support from each of their gas, water and electricity operators. At the moment, each energy supplier, electricity network operator and water company looks after its own Priority Services Register.



Increase safe metal gas pip



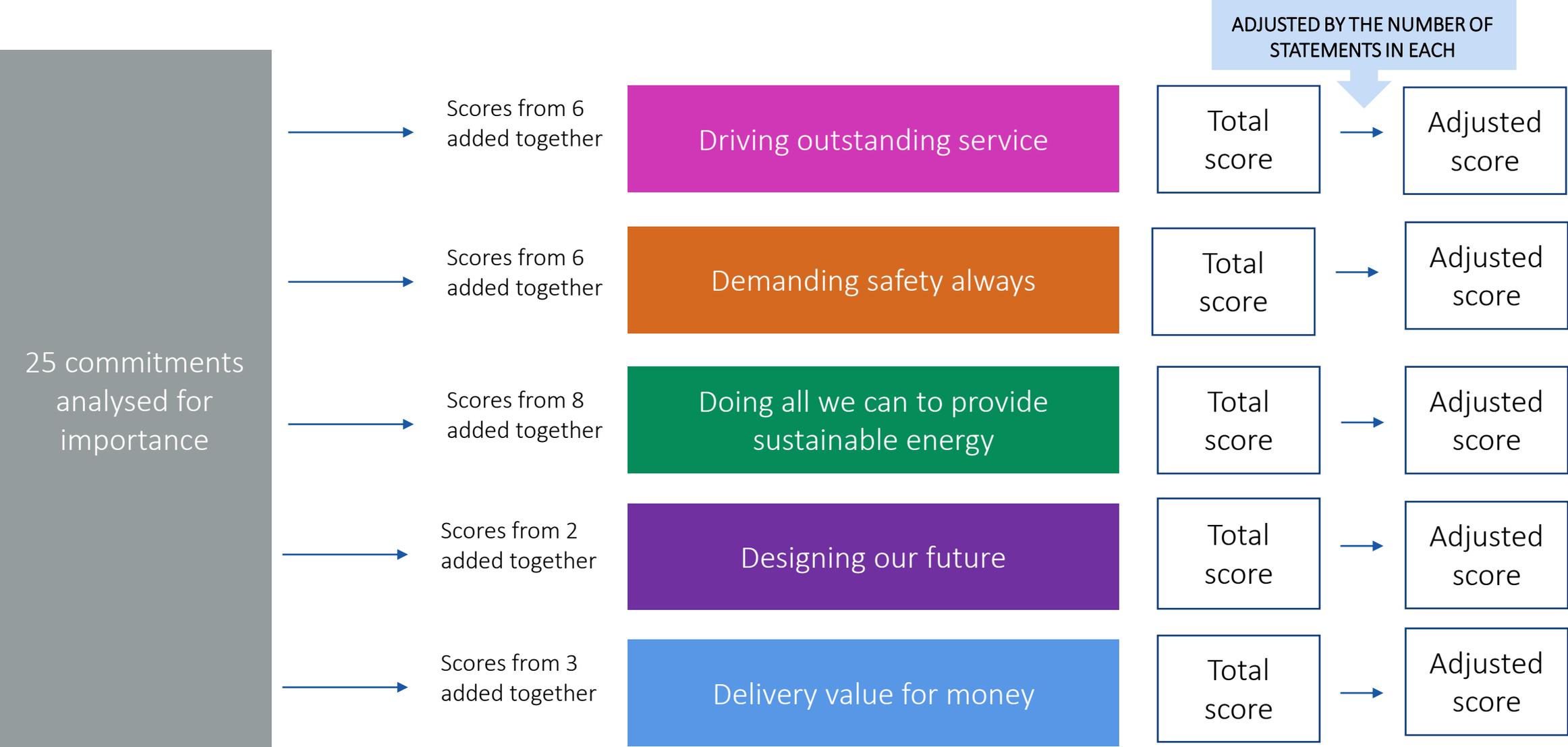
Hover over
example

Themes

The commitments are grouped under the following five priority themes:

Driving outstanding service	Demanding safety always	Doing all we can to provide sustainable energy	Designing our future	Delivery value for money
6 commitments	6 commitments	8 commitments	2 commit'ts	3 commitments
<ol style="list-style-type: none"> 1. Connect more people to the gas network who are on a low incomes and unable to keep their homes warm at a reasonable cost 2. Support the provision of financial, energy, and carbon monoxide advice and help for those who are living in vulnerable situations and/or who are on a low income and unable to keep their homes warm at a reasonable cost 3. Maintain nationally recognised high standards of customer service and vulnerability support 4. Significantly Increase the number of people signed up for priority support 5. Work towards a common Priority Services Register for gas, electricity and water 6. Engage more with our local customers through a Citizens' Panel and our group of gas network experts 	<ol style="list-style-type: none"> 1. Attend gas emergencies in under an hour, on average, to keep our customers safe 2. Increase safety for over half a million people living near old metal gas pipes by spending an additional £400m to replace them 3. Keep people safe by continuing to monitor and maintain our pipes to a standard endorsed by the Health and Safety Executive 4. Promise customers an average time without gas of less than 10 hours for any unplanned interruptions to the supply of gas 5. Proactively identify theft of gas to protect the safety of our customers and to ensure fair charging 6. Reduce the risk of cyber attacks that could disrupt our gas network system by investing in our technology platforms 	<ol style="list-style-type: none"> 1. Reduce our gas emissions by a further 10% by replacing 400km of leaky old metal pipes 2. Reuse and recycle at least 80% of our operational and general business waste by 2026 and send zero waste to landfill by 2035 3. Help solve the UK's energy challenges by working on innovative projects with the Government, energy regulator Ofgem and wider industry 4. Make sure the investments we make today will support future energy solutions 5. Setting our ambition to reduce carbon emissions through the delivery of a net zero ready network by 2035 6. Replace over 75% of our company cars with hybrid or electric cars by 2026 and replace old commercial vehicles in our fleet where green alternatives are available 7. Invest in old gas work sites to reduce the negative impacts to our communities 8. Align our priorities to the United Nations Sustainable Development Goals 	<ol style="list-style-type: none"> 1. Increase the skills of our workforce and also invest in high-quality apprenticeships 2. Continue to make our workforce inclusive, making sure it better reflects the communities we serve 	<ol style="list-style-type: none"> 1. Keep charges down to the lowest practical level 2. Make sure customers get the best value for money by becoming a more efficient business 3. Invest in innovation by working with external organisations

Summarising the themes: Rescaling to ensure equality





Domestic MaxDiff results

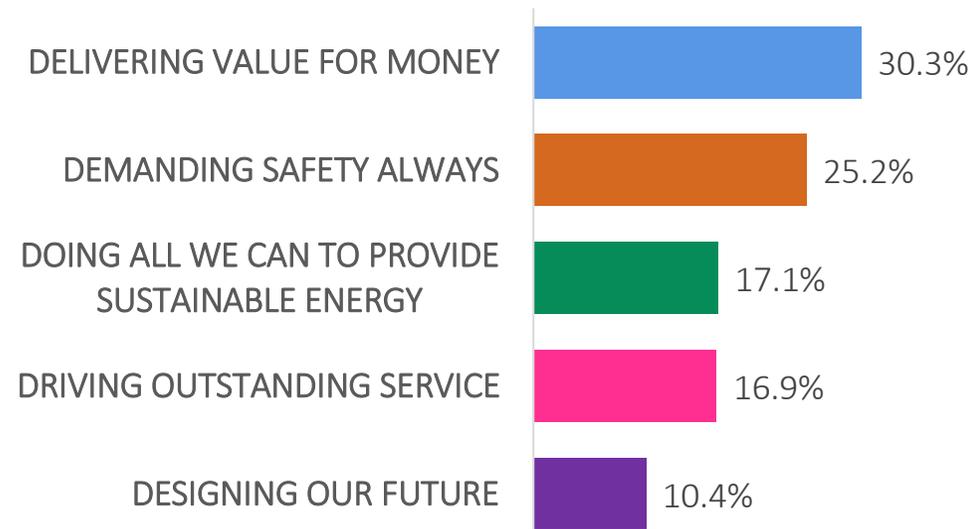
Commitment Importance: Domestic 2022



Value for money and safety continue to be at the forefront of importance



SUMMARY - RESCALED

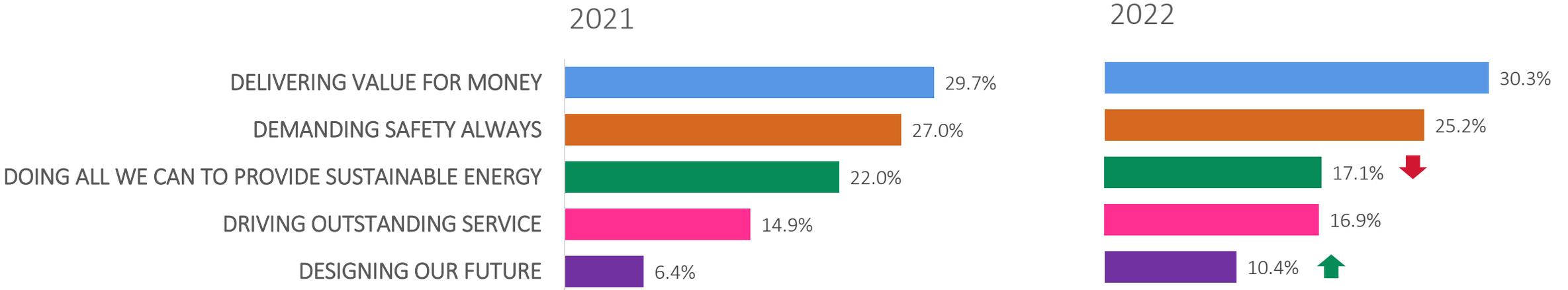


Based on 951 domestic participants weighted, adjusted for common commitments

Comparison 2021 v 2022 - SUMMARY



We found a similar priority on bills/ value over safety in another gas study conducted last year.



The results show relative consistency between 2021 and 2022. During COVID across a number of studies and sectors we saw increases in the environment, which appears to be returning to pre-COVID measures



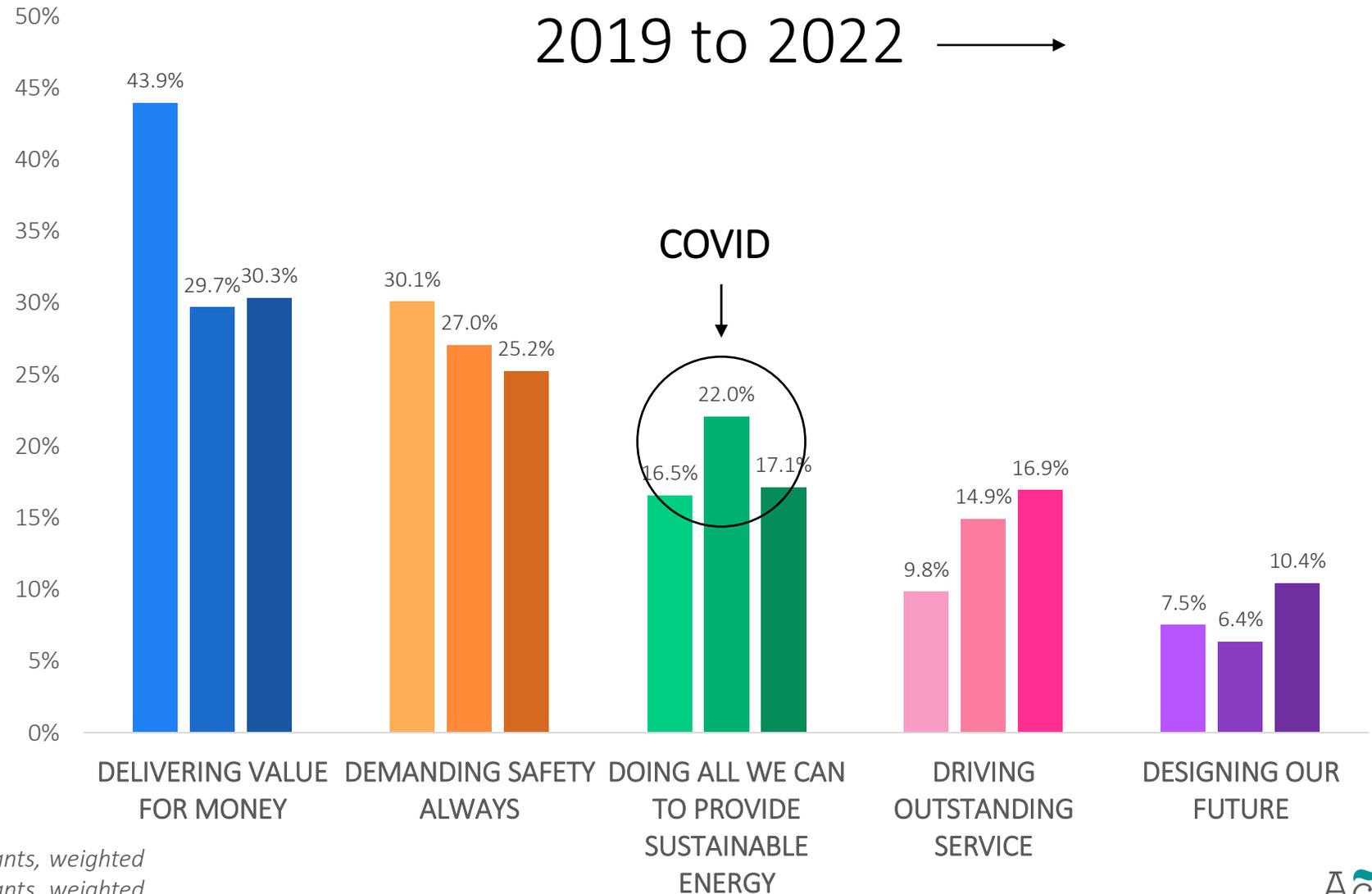
The environment is still important...

but it has dropped to pre-COVID levels where we saw a boost in importance across all utilities sectors

2019 to 2022 →

The perceived drop in importance around cost is likely 2 main aspects:

- We've seen a definite shift in importance across a wider range of aspects – increased engagement
- The survey was improved in 2021 and again in 2022 increasing participants understanding of the other commitments



2022: Based on 951 domestic participants, weighted
2021: Based on 804 domestic participants, weighted
2019: Based on 772 domestic participants, weighted

Domestic comparison 2021 v 2022 - OVERALL



Keep charges down to the lowest practical level, by keeping our portion* of the household bill at an average of £133 a year, through to 2026



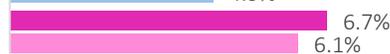
Attend gas emergencies in under an hour, on average, to keep our customers safe



Make sure customers get the **best value for money** by becoming a more efficient business



Connect more people to the gas network who are on a low incomes and unable to keep their homes warm at a reasonable cost



Increase safety for over half a million people living near **old metal gas pipes** by spending an additional £400m to replace them



Keep people safe by continuing to **monitor and maintain our pipes** to a standard endorsed by the Health and Safety Executive



Support the provision of **financial, energy, and carbon monoxide advice** and help for those who are living in vulnerable situations and/or who are on a low income and unable to keep their homes warm at a reasonable cost



Promise customers an average **time without gas of less than 10 hours** for any unplanned interruptions to the supply of gas



Reduce our gas emissions by a further 10% by replacing 400km of leaky old metal pipes



Reuse and recycle at least 80% of our operational and general business waste by 2026 and send zero waste to landfill by 2035



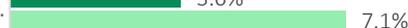
Help solve the UK's energy challenges by working on innovative projects with the Government, energy regulator Ofgem and wider industry



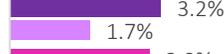
Make sure the **investments** we make today will **support future energy solutions**



Setting our ambition to reduce carbon emissions through the delivery of a **net zero ready network by 2035**



Increase the skills of our workforce and also invest in high-quality apprenticeships to meet customer needs now and into the future



Maintain nationally recognised **high standards of customer service** and vulnerability support



Proactively **identify theft of gas** to protect the safety of our customers and to ensure fair charging



Reduce the risk of cyber attacks that could disrupt our gas network system by investing in our technology platforms



Significantly **Increase the number of people signed up for priority support**



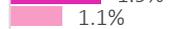
Replace over 75% of our company cars with hybrid or electric cars by 2026 and replace old commercial vehicles in our fleet where green alternatives are available



Invest in old gas work sites to reduce the negative impacts to our communities



Work towards a **common Priority Services Register** for gas, electricity and water



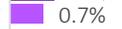
Invest in innovation by working with external organisations to source over 50% of our ideas from outside our business



Align our priorities to the **United Nations Sustainable Development Goals**



Continue to **make our workforce inclusive**, making sure it better reflects the communities we serve



Engage more with our local customers through a Citizens' Panel and our group of gas network experts



Although there are consistencies across broad categories, we see the importance of:

Attending gas emergencies in under an hour (down 10.3%);
Reuse and recycle at least 80% (down 8.2%);

And

Help solve UK's energy challenges (up 4.0%)
Investments support the future (up 2.9%)
Customer value for money (up 2.8%)

There appears to be generally more importance placed across many commitments rather than a few taking most of the weight.

Top bar: 2022
Bottom bar: 2021

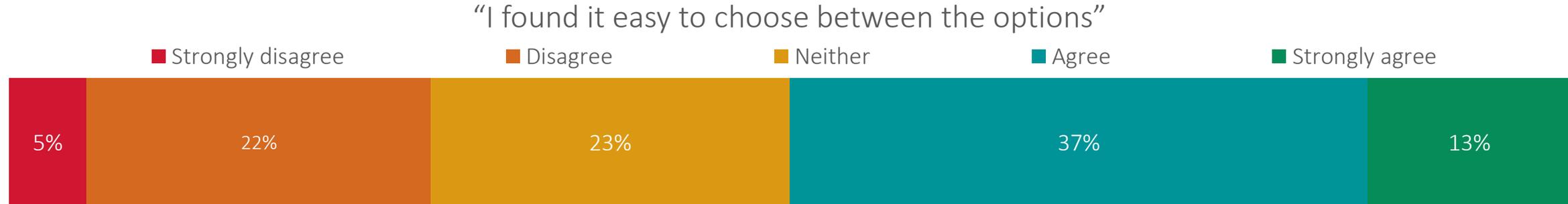
2022: Based on 951 domestic participants, weighted
2021: Based on 804 domestic participants, weighted





Domestic: MaxDiff feedback

84% of domestic participants agreed that they understood all of the choices involved in the MaxDiff exercise. However, only 50% agreed that they found it easy to choose between the options presented



Q44r1. Thank you for answering those questions. How strongly do you agree or disagree with the following statements about the choices you have just made? I was able to understand the choices. Base: 951 weighted

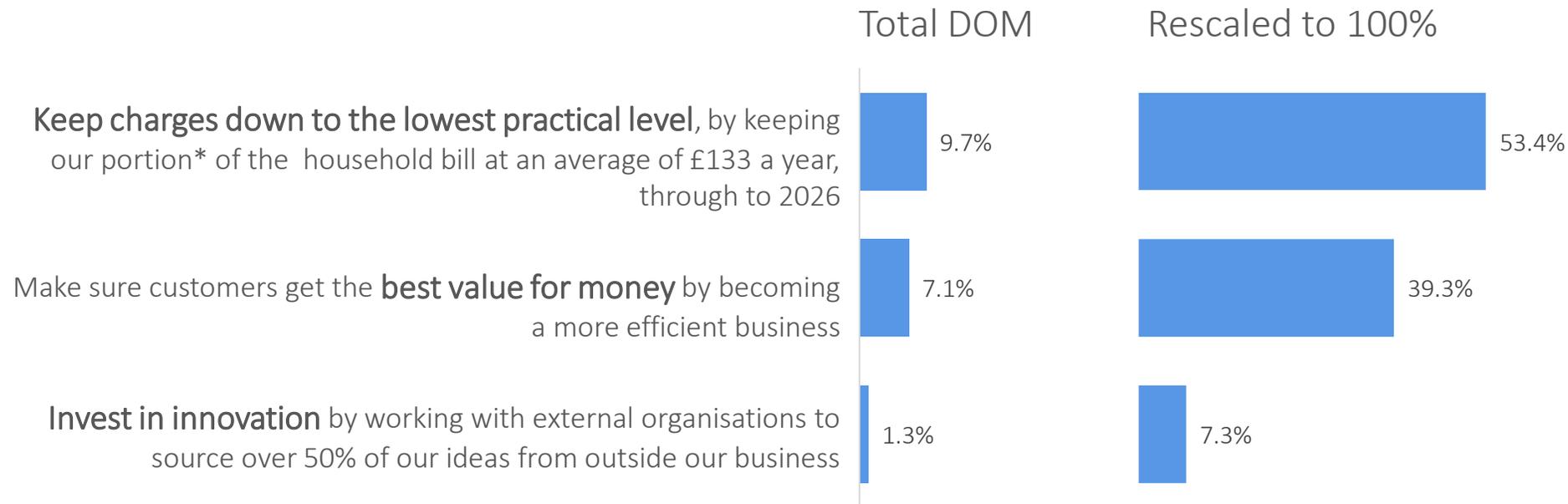
Q44r2. I found it easy to choose between the options. Base: 951 weighted



Delivering value for money

Keeping charges down to the lowest practical level was the most important commitment for domestic customers

Delivering value for money
30.3%





Delivering value for money - Comparison 2021 v 2022

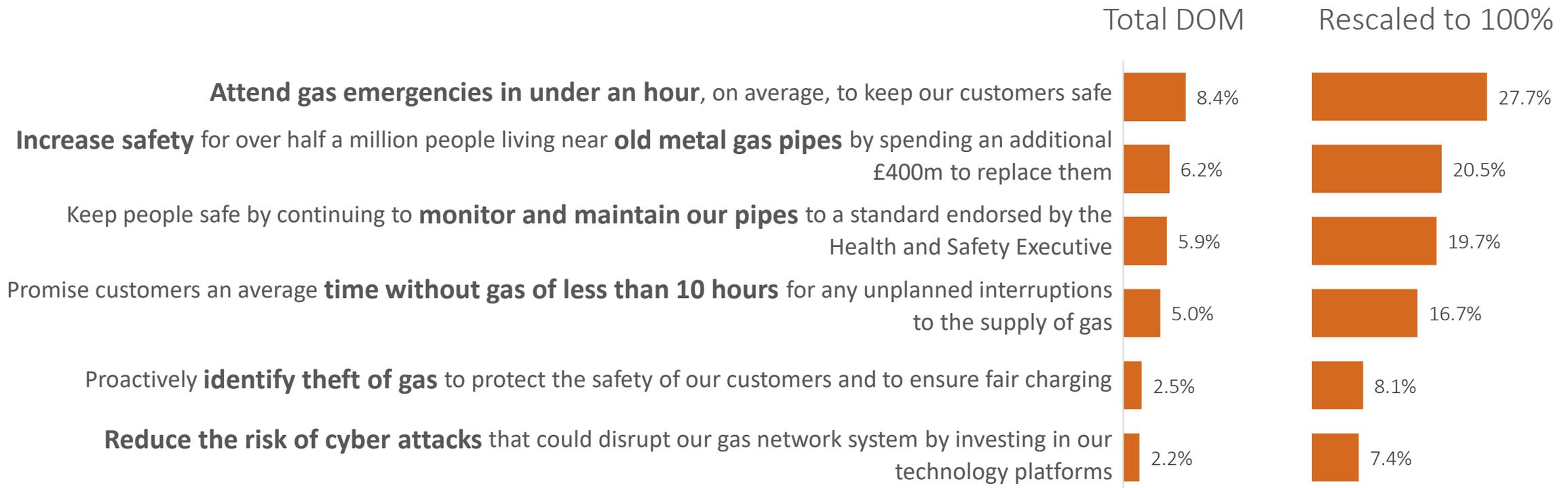




Demanding safety always

Attending gas emergencies in under an hour on average was the most important commitment for customers within this theme

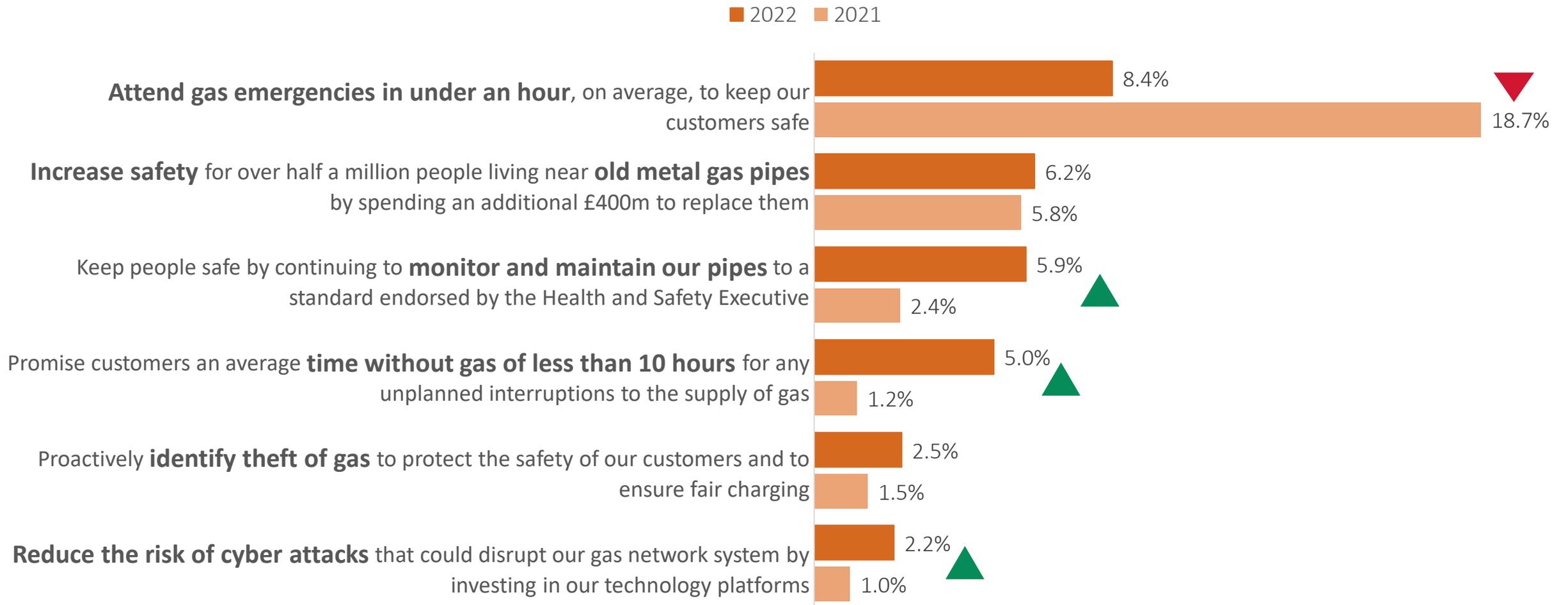
Demanding safety always
25.2%





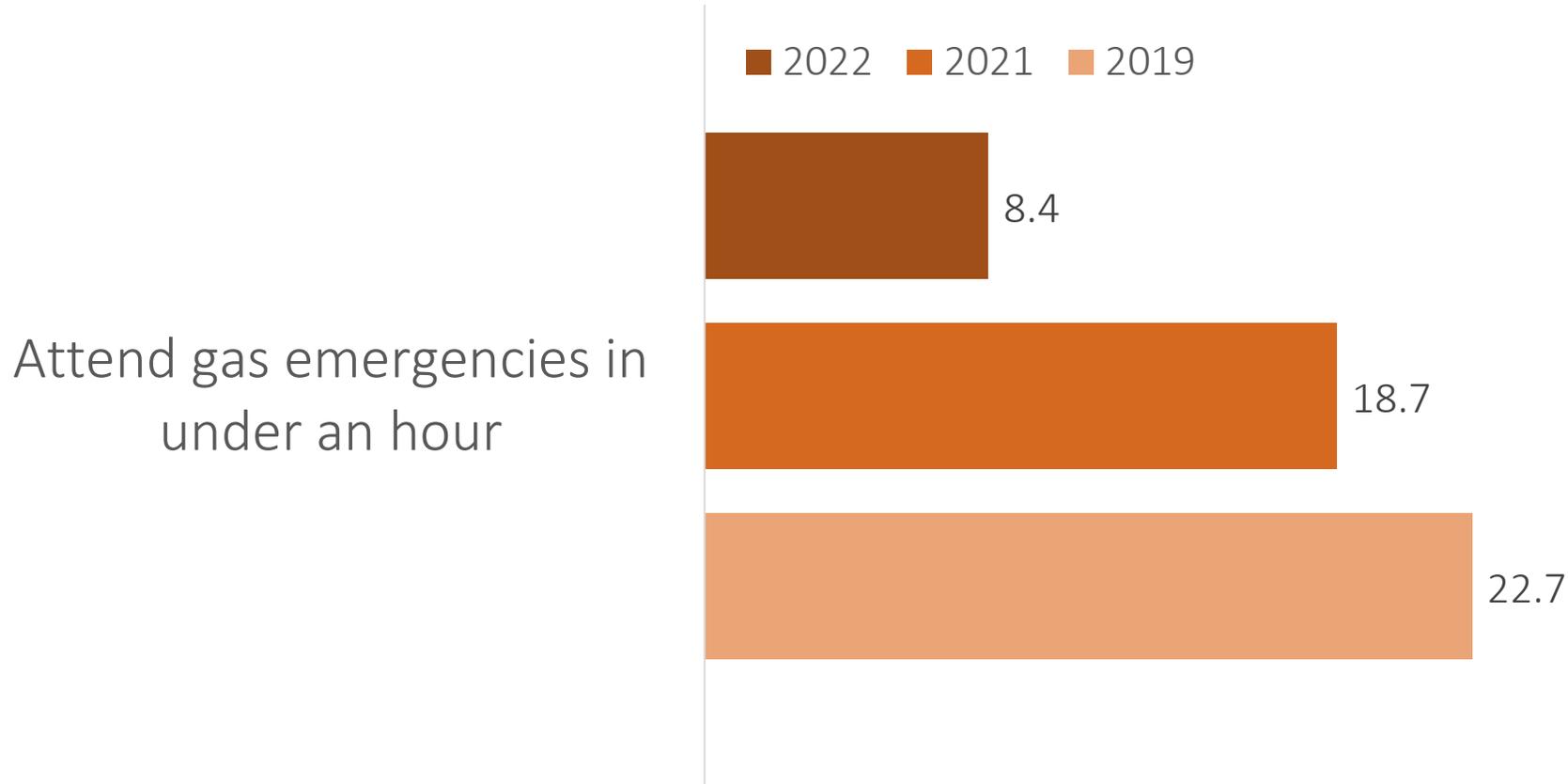
Demanding safety always - Comparison 2021 v 2022

Attending gas emergencies in under an hour went down by 10.6% and an average time without gas of fewer than 10 hours reduced by 3.9%





Notable decrease: Attend gas emergencies in <1 hour



This is still the second most important commitment overall. In 2021 this commitment dominated:

- We have improved the understandability of the tasks
- Customers are being educated on the importance of other aspects
- Other areas are becoming more important
- Hygiene factor

It is still a very important commitment.



Doing all we can to provide sustainable energy

Reducing gas emissions by a further 10% by replacing leaky pipes was the most important commitment under the sustainable energy theme for domestic customers

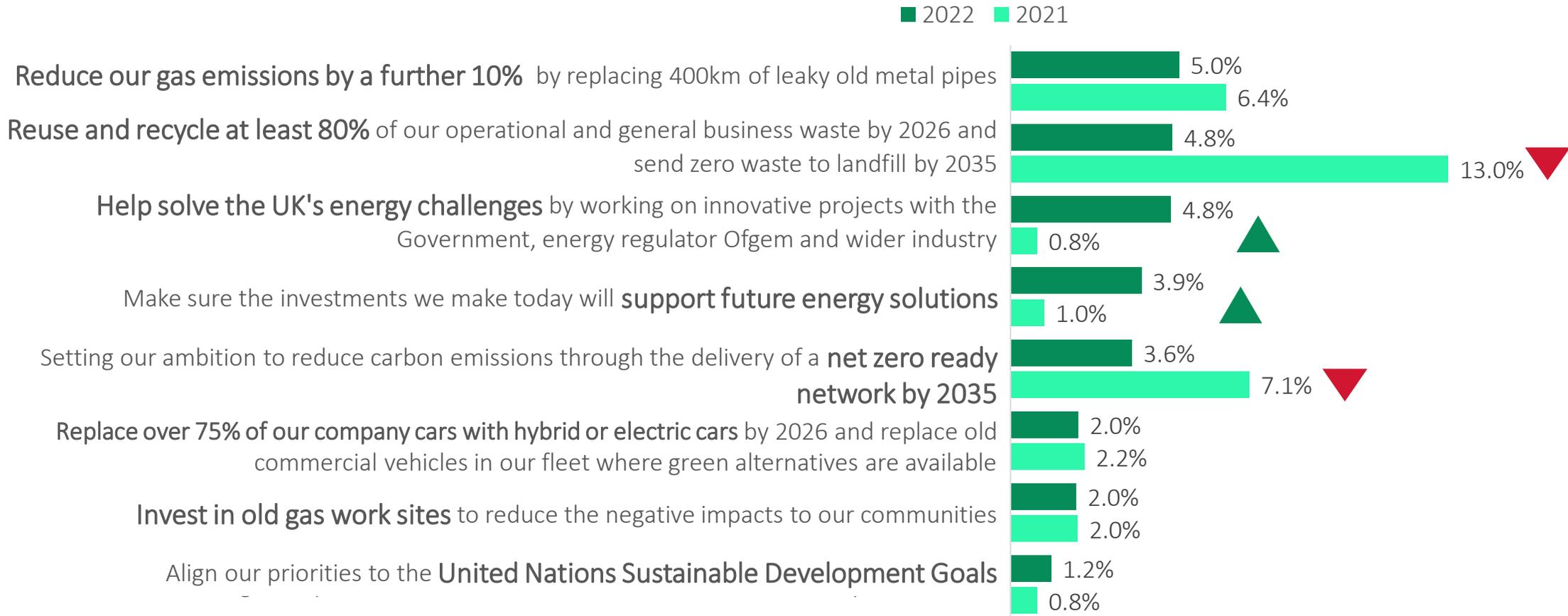
Doing all we can to provide sustainable energy
17.1%





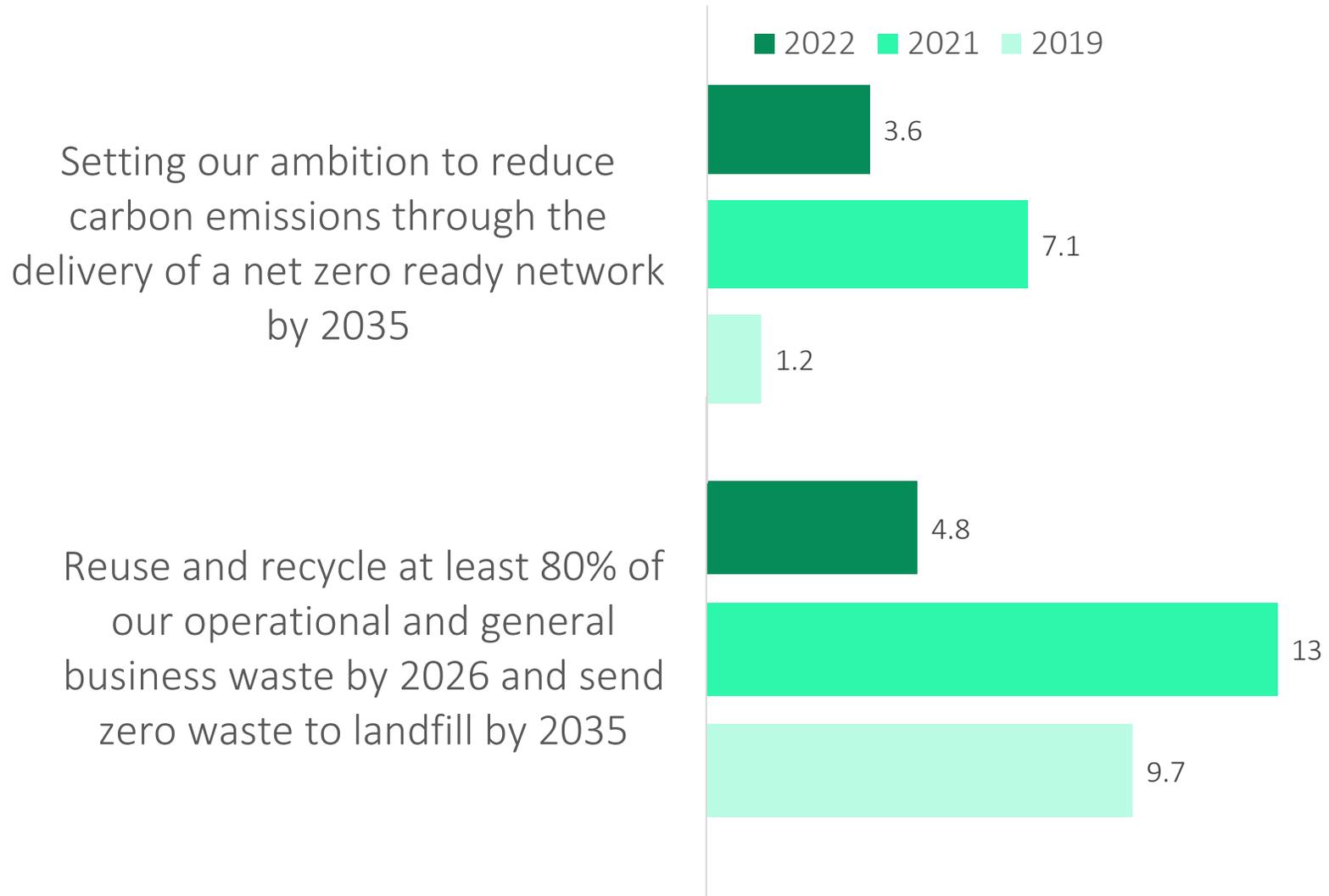
Doing all we can to provide sustainable energy - Comparison 2021 v 2022

Reduce and recycle at least 80% of operational waste reduced by 8.4%





Notable decrease: Re-use and recycle waste & Net Zero



Here we see a notable changeable pattern. The increase in 2021 is likely to follow the increase in environmental importance during COVID – and the sending of our waste plastics to other countries being in the media.

Awareness of Net Zero is still relatively low (albeit improving), but as customers understand it more it is possible its value will increase.

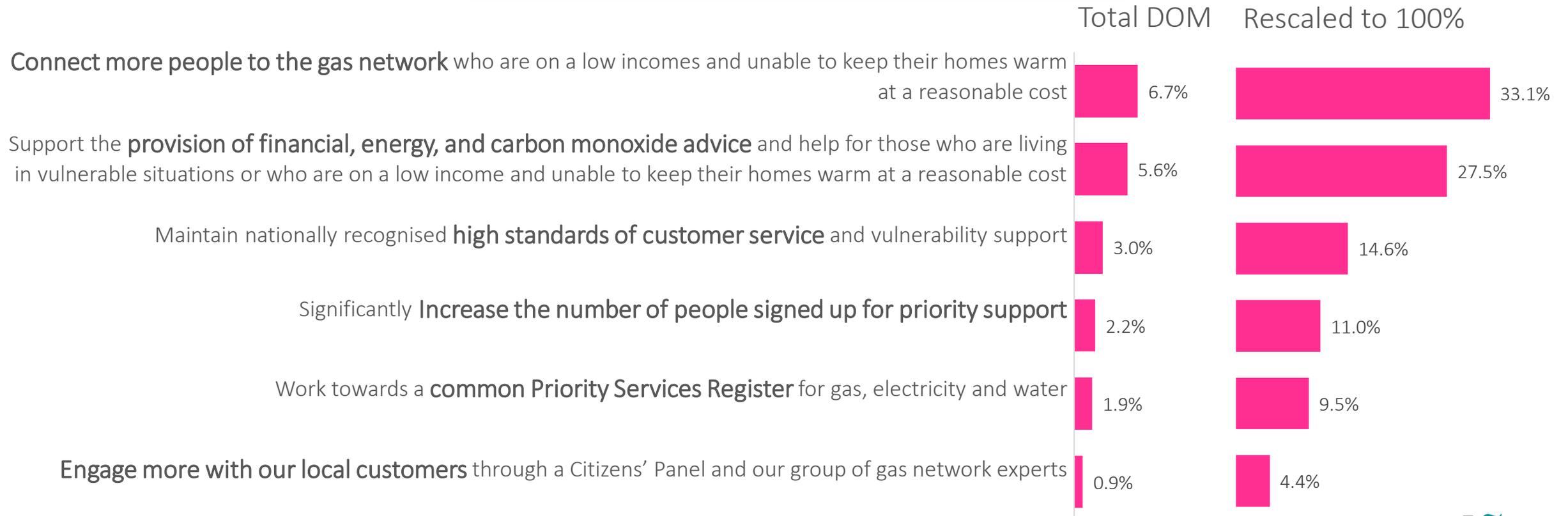
2022: Based on 951 domestic participants, weighted
2021: Based on 804 domestic participants, weighted
2019: Based on 772 domestic participants, weighted



Driving outstanding service

Connecting more people on low incomes to the gas network was the most important commitment under this themes for domestic customers

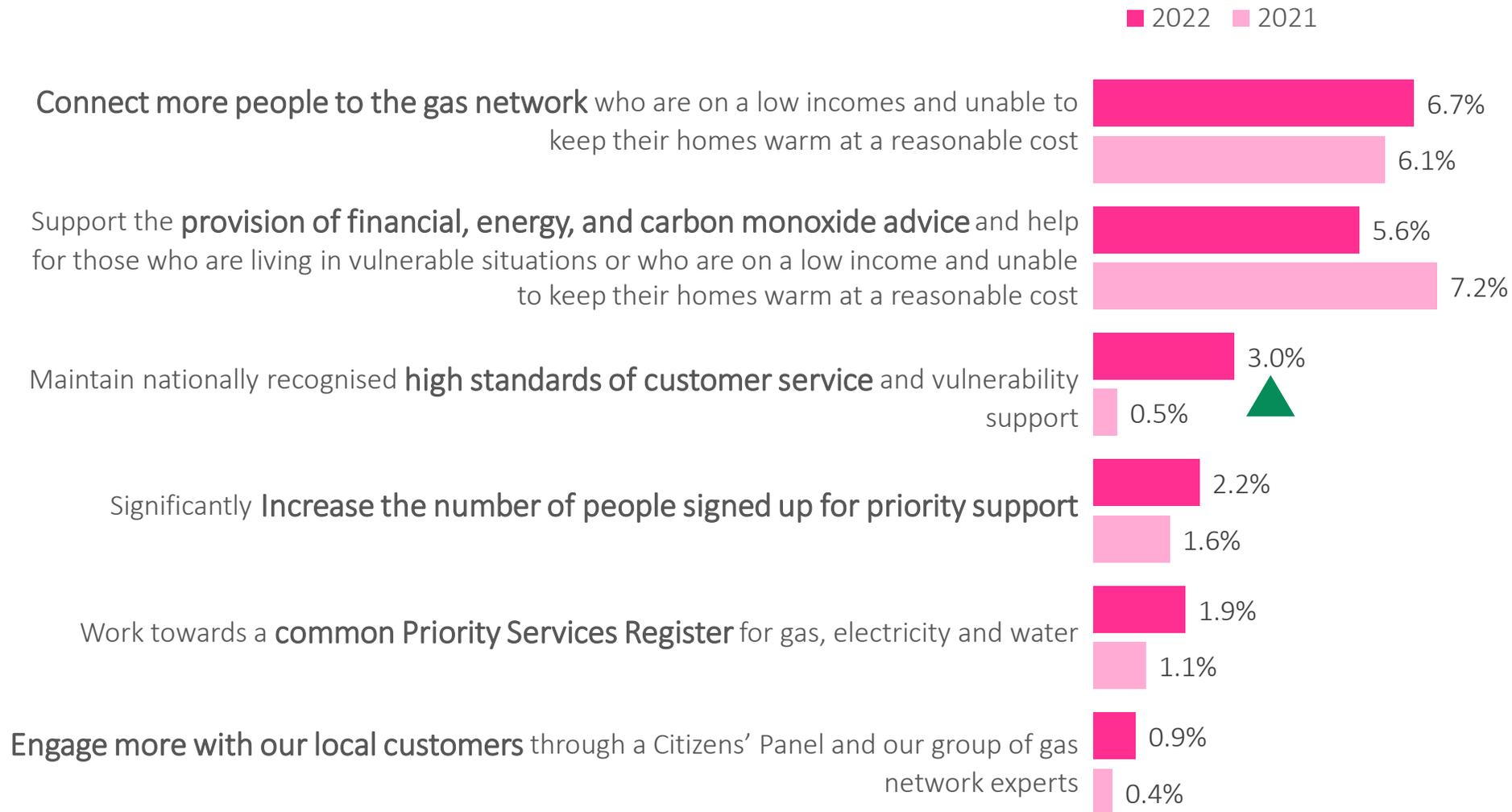
Driving outstanding service
16.9%





Driving outstanding service - Comparison 2021 v 2022

The scores are relatively consistent between 2021 and 2022

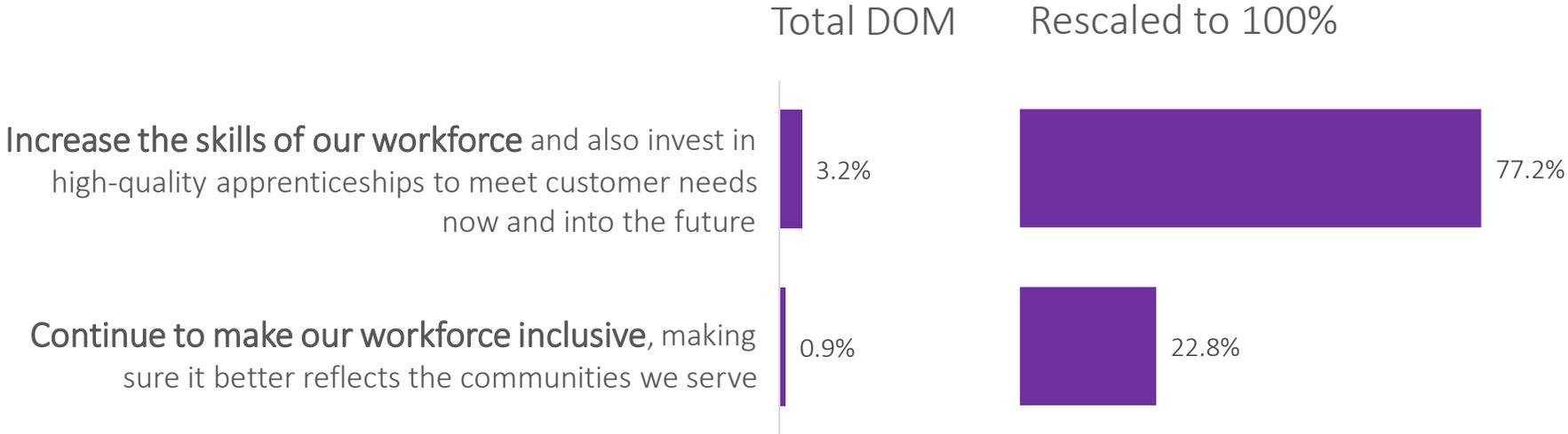




Designing our future

Overall, both of the commitments under this theme were in the bottom 50%, with increasing the skills of the workforce coming out as more important than continuing to make the workforce inclusive

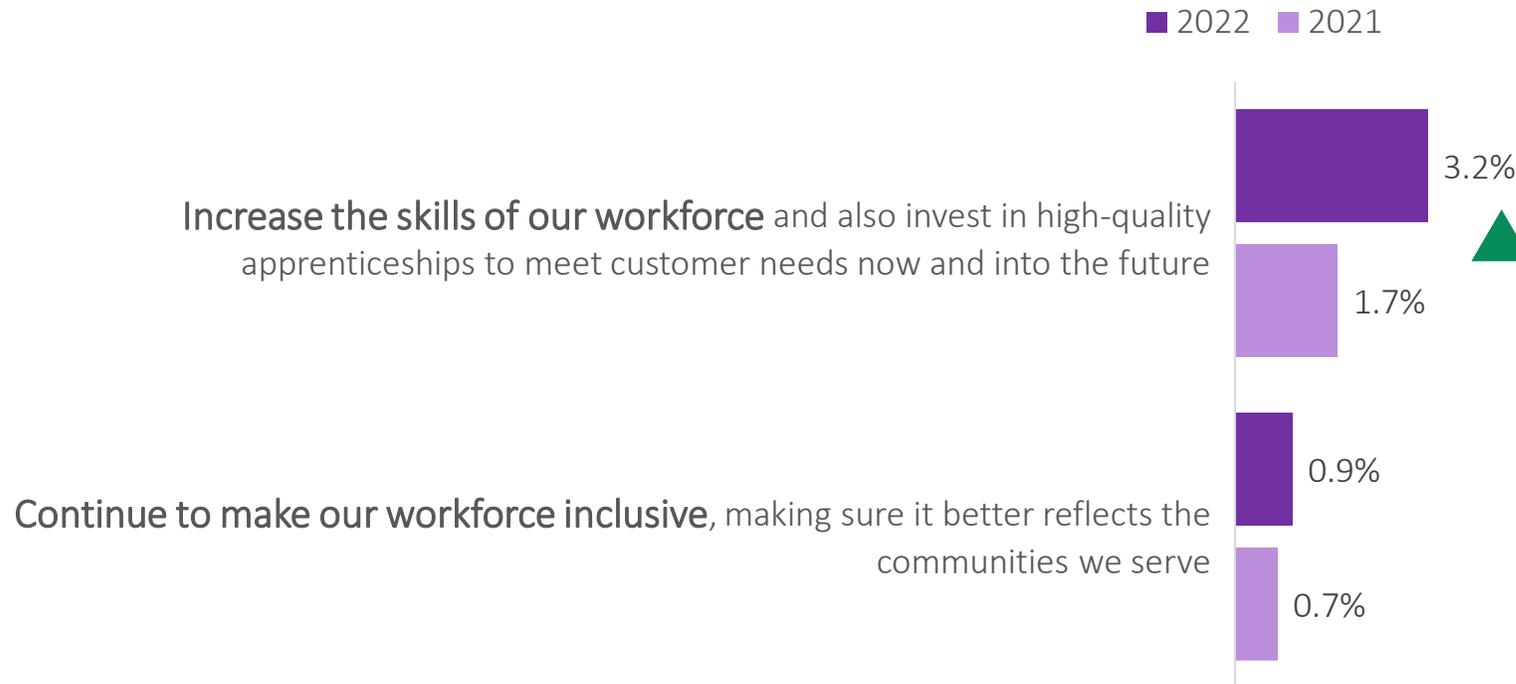
Designing our future
10.4%





Designing our future - Comparison 2021 v 2022

The scores are relatively consistent between 2021 and 2022



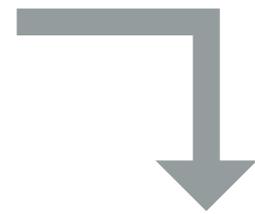
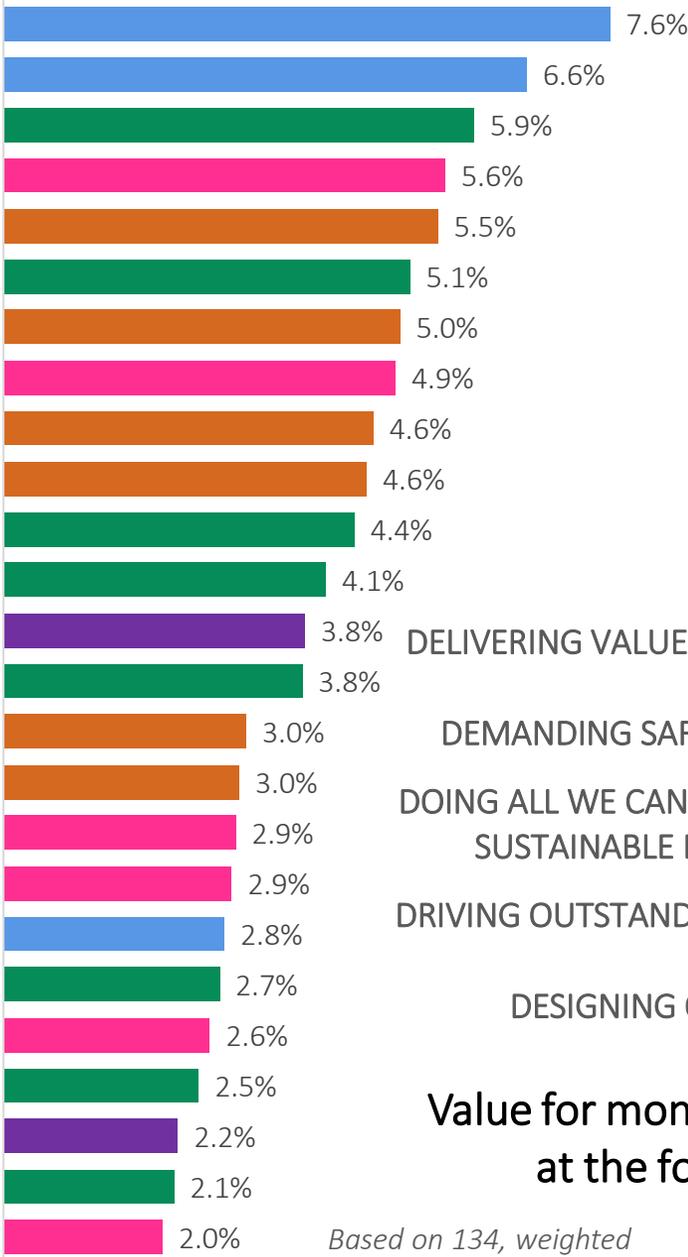


SME MaxDiff results

Commitment Importance: SME 2022



- Keep charges down to the lowest practical level
- Make sure customers get the best **value for money** by becoming a more efficient business
- Reuse and recycle** at least 80% of our operational and general business waste by 2026 and send zero waste to landfill by 2035
- Support the provision of financial, energy, and **carbon monoxide advice** and help for those who are living in vulnerable situations and/or who are on a low income and unable to keep their homes warm at a reasonable cost
- Attend gas emergencies** in under an hour, on average, to keep our customers safe
- Reduce our gas emissions** by a further 10% by replacing 400km of leaky old metal pipes
- Keep people safe by continuing to **monitor and maintain our pipes** to a standard endorsed by the Health and Safety Executive
- Connect more people to the gas network** who are on a low incomes and unable to keep their homes warm at a reasonable cost
- Promise customers an **average time without gas of less than 10 hours** for any unplanned interruptions to the supply of gas
- Increase safety for over half a million people living near **old metal gas pipes** by spending an additional £400m to **replace** them
- Help solve the UK's energy challenges by working on **innovative projects** with the Government, energy regulator Ofgem and wider industry
- Make sure the investments we make today will **support future energy solutions**
- Increase the skills of our workforce** and also invest in high-quality apprenticeships to meet customer needs now and into the future
- Setting our ambition to **reduce carbon emissions** through the delivery of a net zero ready network by 2035
- Reduce the risk of cyber attacks** that could disrupt our gas network system by investing in our technology platforms
- Proactively identify **theft of gas** to protect the safety of our customers and to ensure fair charging
- Maintain **nationally recognised high standards** of customer service and vulnerability support
- Work towards a **common Priority Services Register** for gas, electricity and water
- Invest in innovation** by working with external organisations to source over 50% of our ideas from outside our business
- Replace over 75% of our company cars with **hybrid or electric cars** by 2026 and replace old commercial vehicles in our fleet where green alternatives are available
- Significantly **Increase the number of people signed up** for priority support
- Invest in old gas work sites** to reduce the negative impacts to our communities
- Continue to make our **workforce inclusive**, making sure it better reflects the communities we serve
- Align our priorities to the **United Nations Sustainable Development Goals**
- Engage more with our local customers through a **Citizens' Panel** and our group of gas network experts



SUMMARY - RESCALED



Value for money and safety continue to be at the forefront of importance.

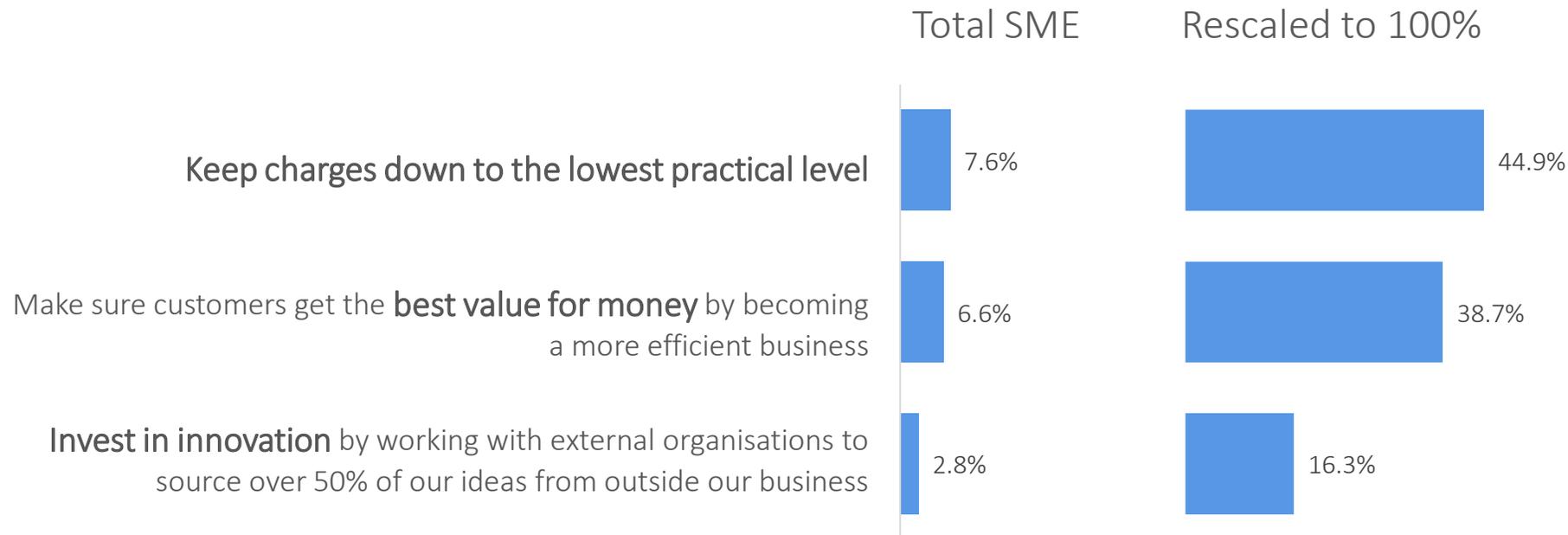
Based on 134, weighted



Delivering value for money

Like domestic customers, keeping charges down to the lowest practical level was also the most important commitment for SME customers. Unlike domestic customers, SME customers rated making sure customers get the best value for money through efficiency as more important than any safety related commitments

Delivering value for money
28%

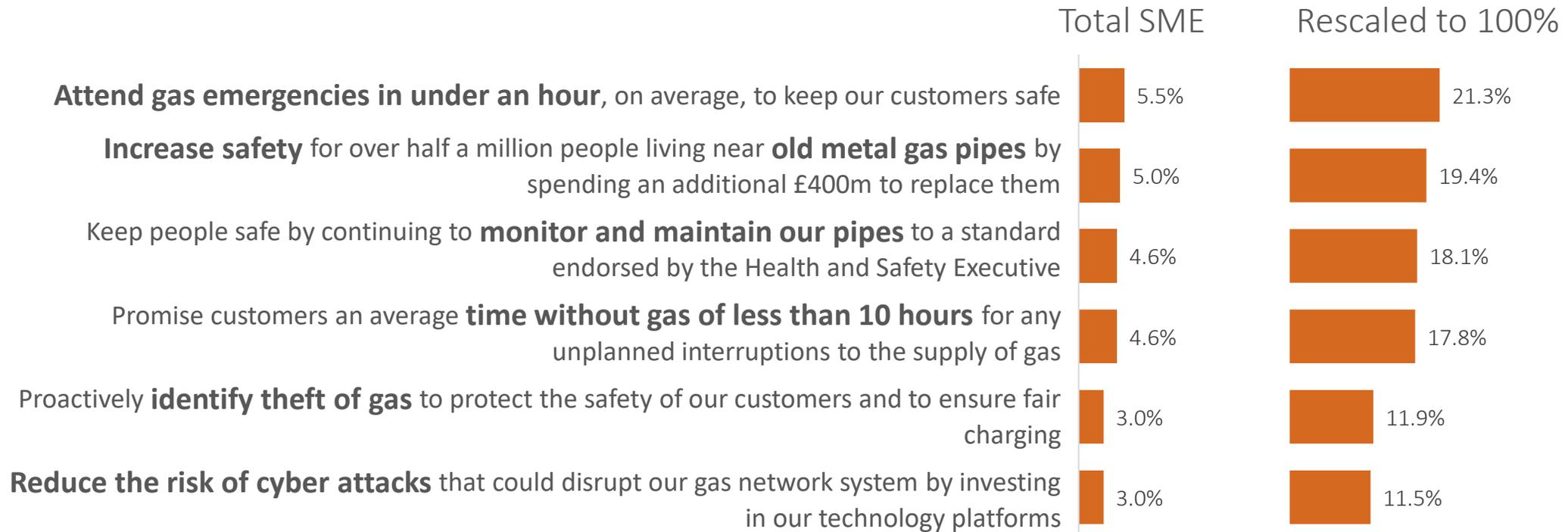




Demanding safety always

Attending gas emergencies in under an hour on average was the most important commitment for SME customers within this theme, closely followed by monitoring and maintaining pipes to a standard endorsed by the HSE

Demanding safety always
21.2%





Doing all we can to provide sustainable energy

Recycling operational waste was the most important commitment under the sustainable energy theme for SME customers

Doing all we can to provide sustainable energy
18.9%

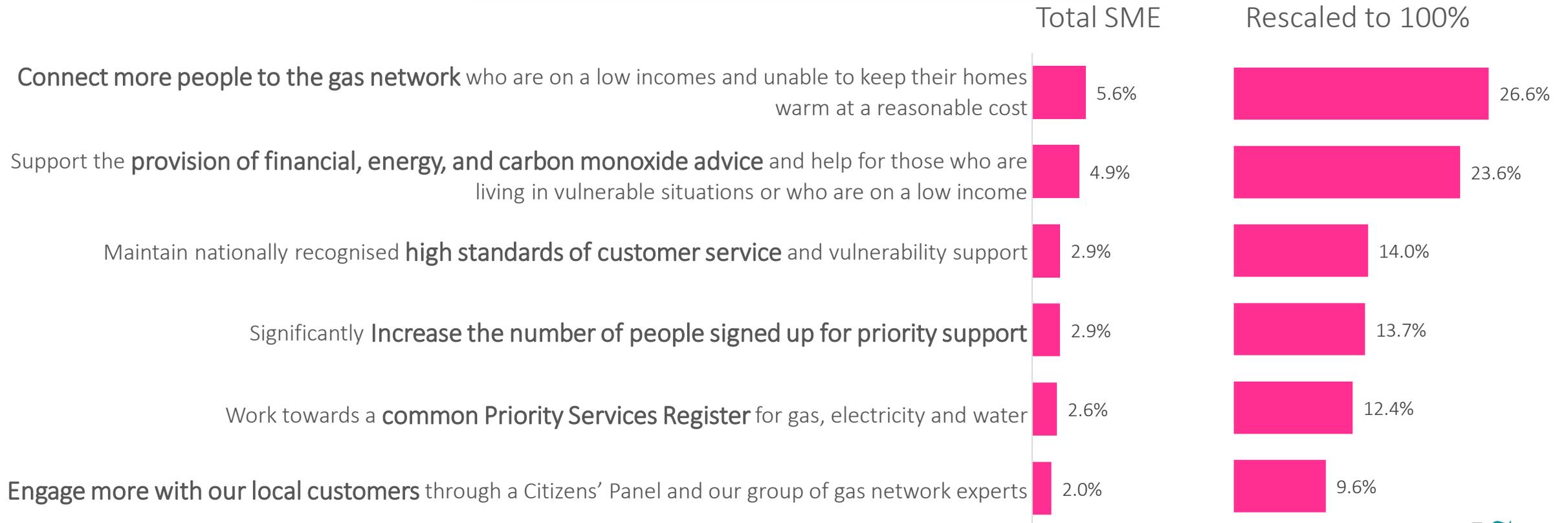




Driving outstanding service

Providing advice for those living in vulnerable or low-income situations was the most important commitment for SME customers within this theme

Driving outstanding service
17.2%

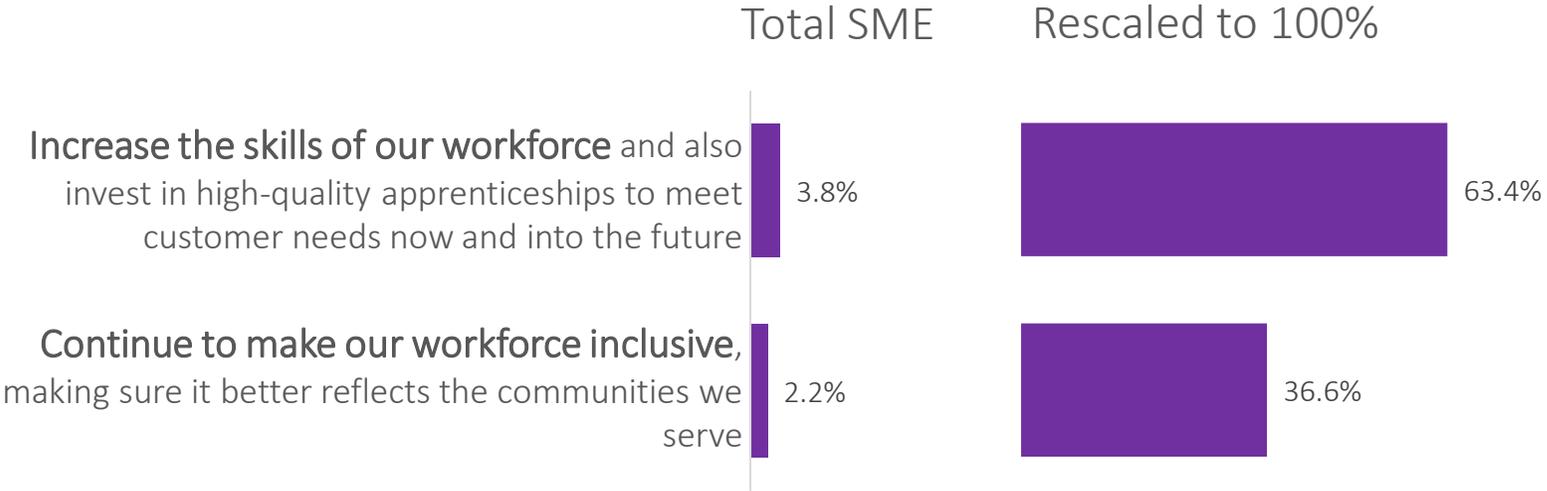




Designing our future

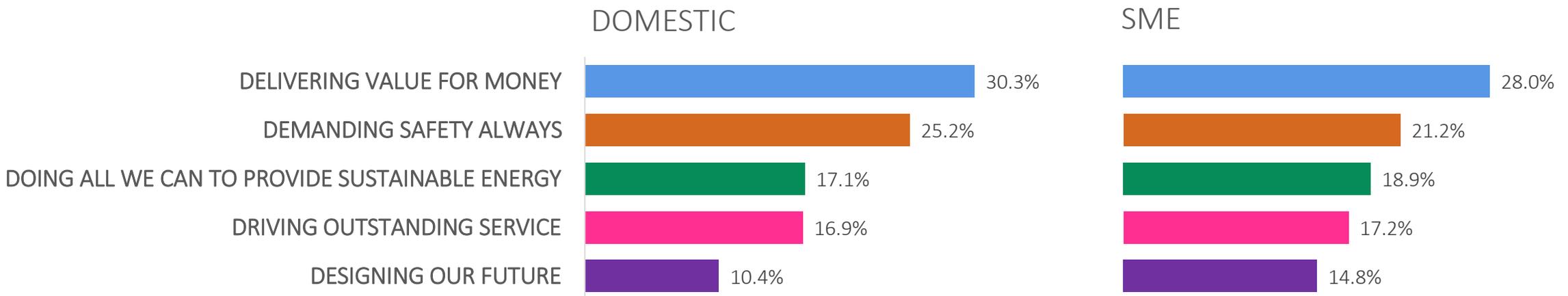
The results for the commitments in this theme were very similar for SME customers and domestic customers

Designing our future 14.8%

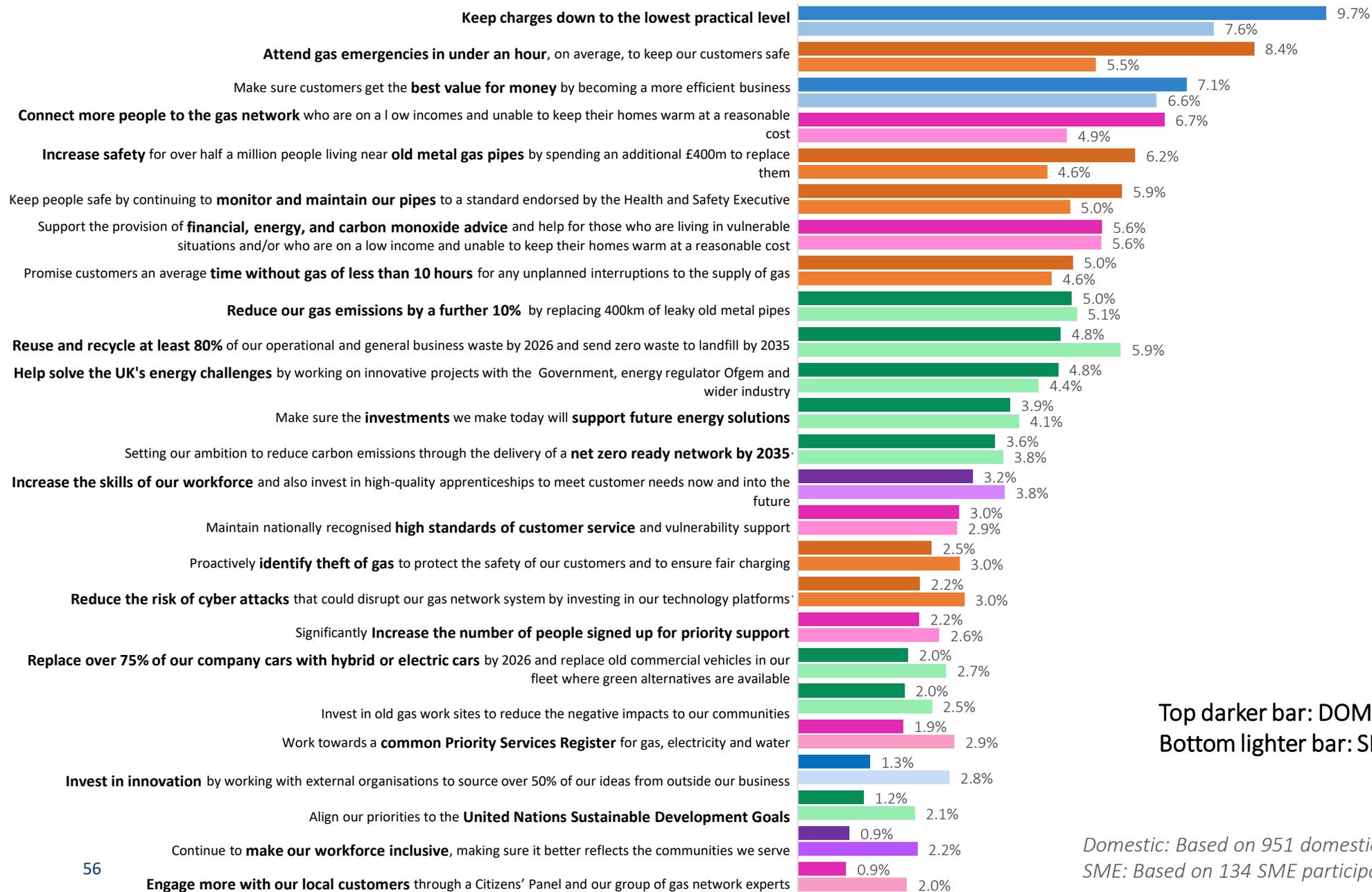


SUMMARY: Domestic V SME Comparison 2022

Providing advice for those living in vulnerable or low-income situations was the most important commitment for SME customers within this theme



Domestic V SME Comparison 2022



Top darker bar: DOMESTIC 2022
Bottom lighter bar: SME 2022

Domestic: Based on 951 domestic participants, weighted
SME: Based on 134 SME participants, non weighted

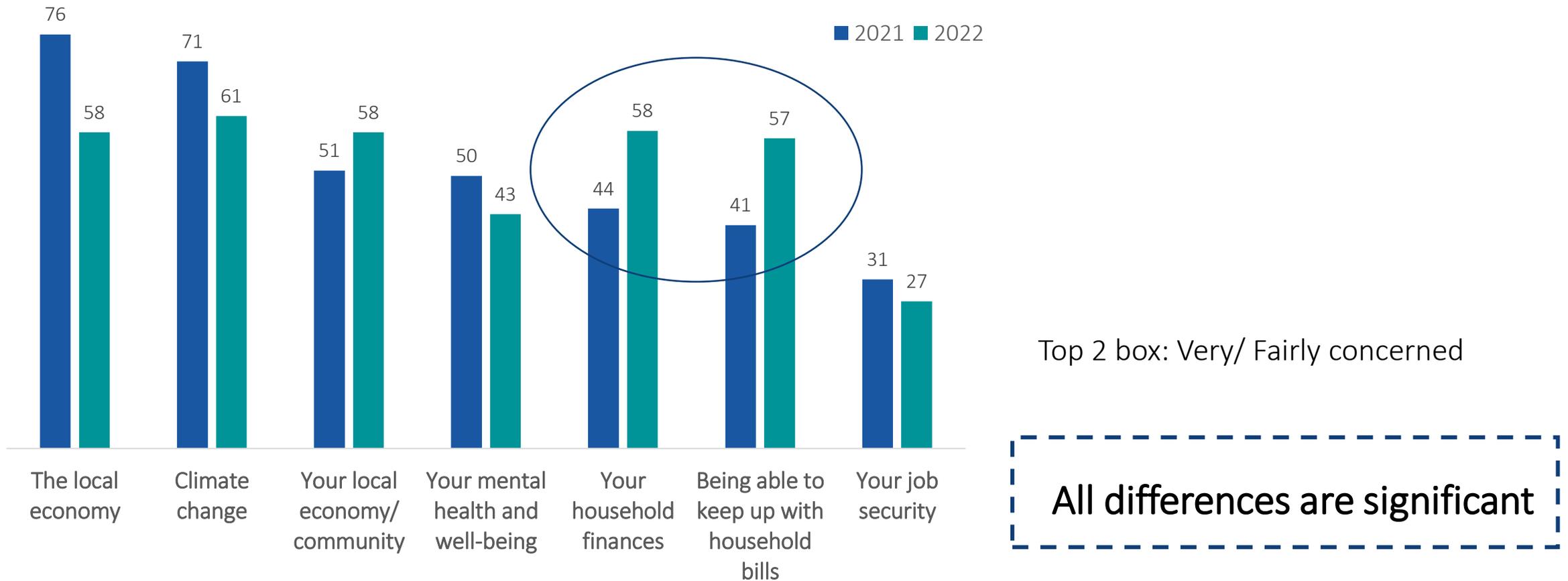


Attitudinal results

Combined domestic and SME sample

There is considerable financial concern which has worsened over time

More than half of customers are more concerned financially now than last year. At the back end of COVID we saw the economy and the environment as a greater concern.

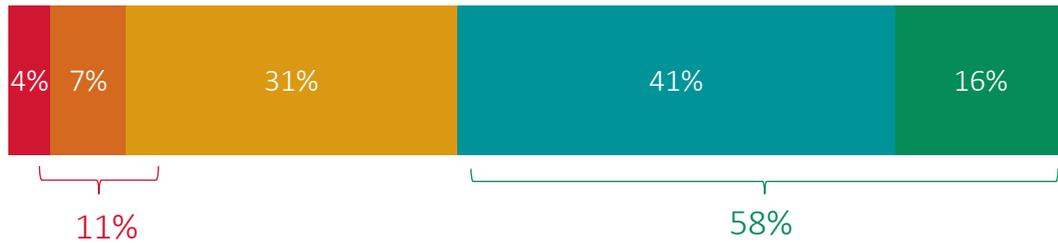


Social attitudes

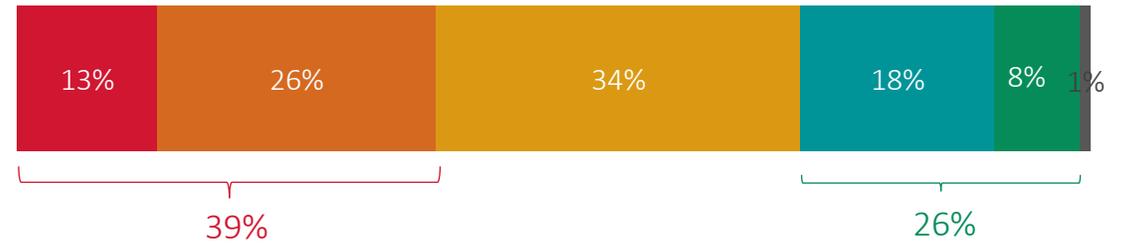
Although participants value community and helping others, their behaviour suggests the beliefs are not transferring into action at this point.

■ Definitely disagree
 ■ Disagree
 ■ Neither agree nor disagree
 ■ Agree
 ■ Definitely agree
 ■ Don't know

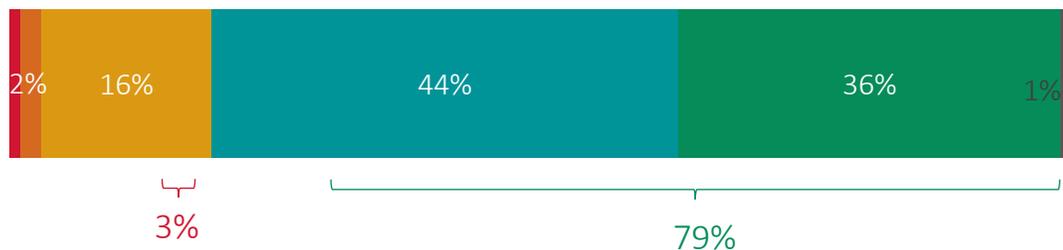
A sense of community is important to me



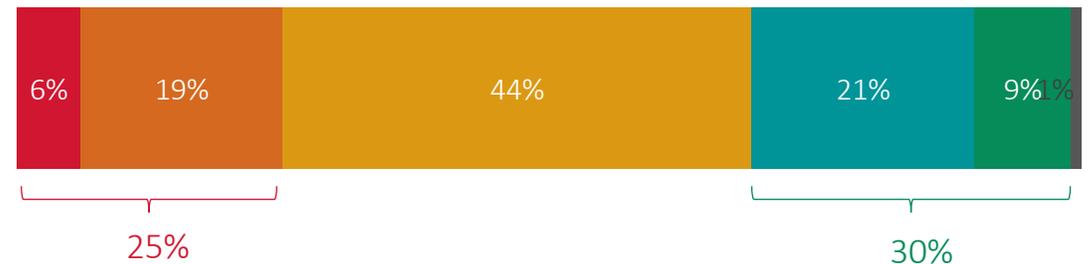
I actively look to take part in community events and projects



Helping others is very rewarding



I need to put my problems above those of other people

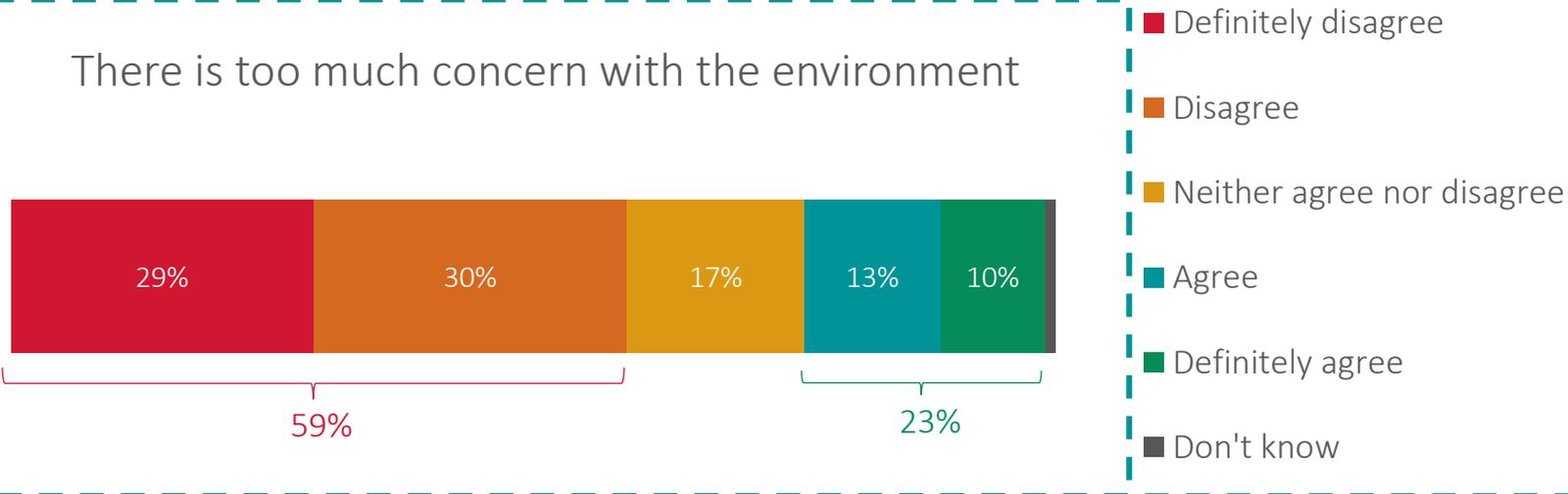


Environmental attitudes

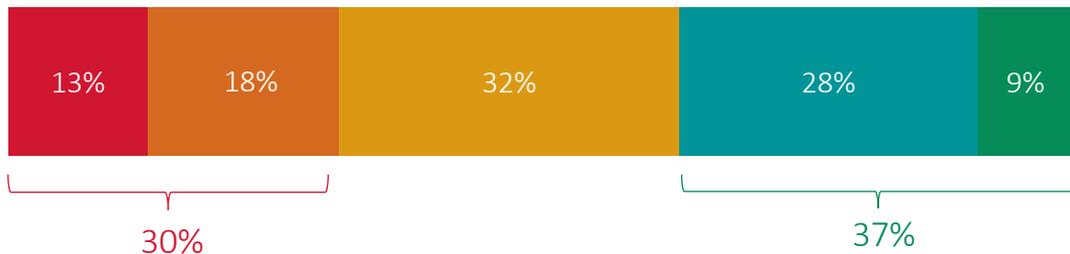
Although there is definite concern for the environment and pollution, concern around the cost of living and financial struggles is likely to have impacted on people's willingness to pay for environmental products.



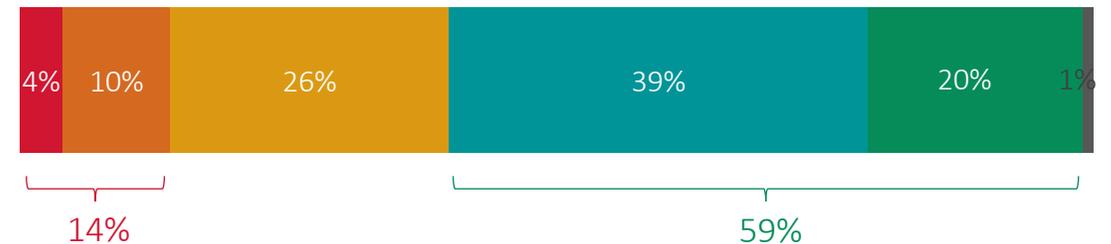
There is too much concern with the environment



I am prepared to pay more for environmentally friendly products



I am worried about pollution and congestion caused by cars



Recent study suggests the same

Consumers think the environment is very important but cannot or are not ready to pay for it. A business plan which values sustainability whilst keeping the costs down is key.

A recent study conducted by Savanta and published in Research Live on environmental attitudes and purchase behaviour cited the following:

Almost a third of consumers cannot afford to buy more sustainable products and services

Almost a quarter felt that they needed more evidence that sustainable purchases were worth any additional investment

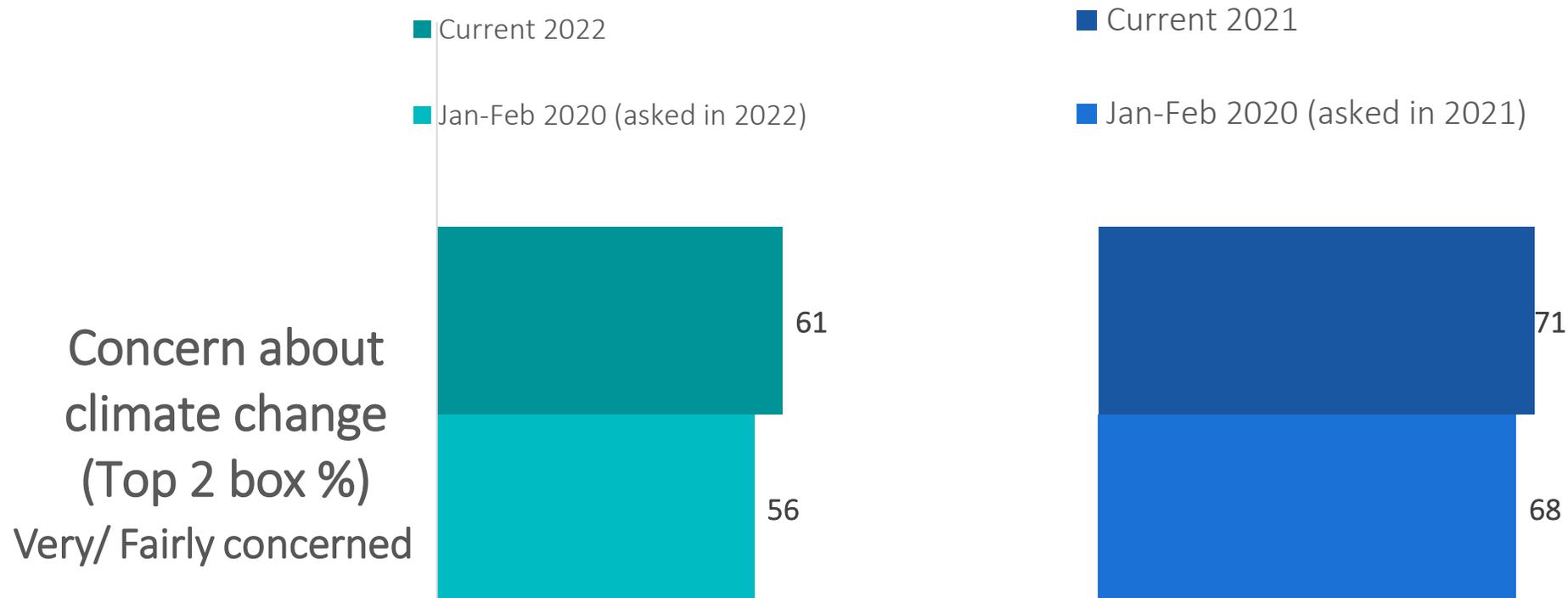
Almost two thirds of consumers see the cost-of-living crisis as one of the three biggest issues facing the UK

Sustainability was cited by one fifth of consumers as one of the biggest issues.

They also acknowledge that it is critical the 'great leaps' in sustainability in recent years isn't lost. They believe that the 'sweet-spot' is where sustainability and low prices meet.

Concern about climate change

Concern about climate change has reduced from 71% (asked in 2021) to 60% (asked in 2022), as has their perception of it in 2020. However, overall the concern about climate change is high.



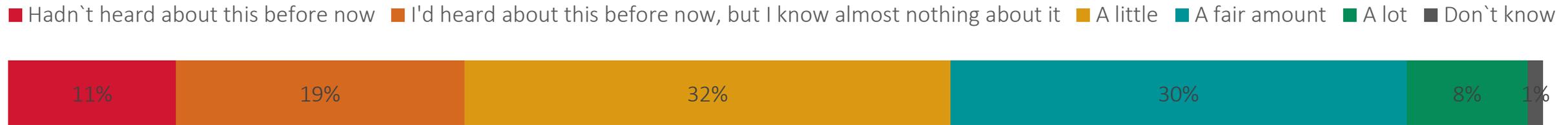
Q47r2. We'd now like you to think back to January and February 2020. Back then, how concerned were you, if at all, about each of the following? Climate change. Base: Domestic 2022 – 951;

Q48r2. And now thinking about the situation today, how concerned are you, if at all, about each of the following? Climate change. Base: Domestic 2022 – 951; Domestic 2021 – 804

Attitudes to Net Zero

The level of awareness was typically high within our sample, with 70% saying they know at least a little about it, however only 38% have a 'good knowledge'

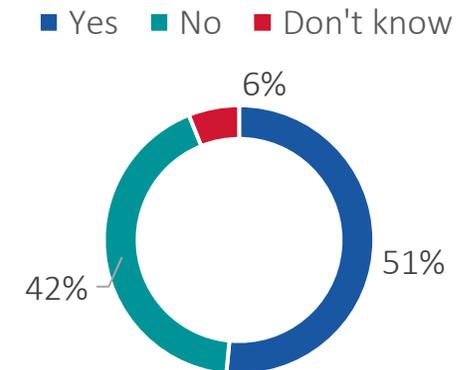
Awareness of UK Net Zero target



Agreement with UK Net Zero target



Awareness of the term Net Zero in 2021



Thank you

Accent conforms to the requirements of ISO20252:2012

Accent



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Accent Marketing & Research Limited
Registered Address: 30 City Road, London, EC1Y 2AB



Appendix A: Defining Vulnerable Customers



Vulnerability definitions

The classification of vulnerability is normally a combination of:

- PSR membership
- Pensionable age
- Presence of children under 5 years
- Medical condition
- Non- native English speaker
- Low income
- Difficulty paying bills
- PSR eligibility (medical condition, low income, non-native speaker, temporary life change, unemployment)

This classification across the utilities sector is not consistent and thus can vary from 20% of the population to 90% of the population.

More recently, across different studies and sectors we have seen a gradual increase in membership, irrespective of how it is calculated.

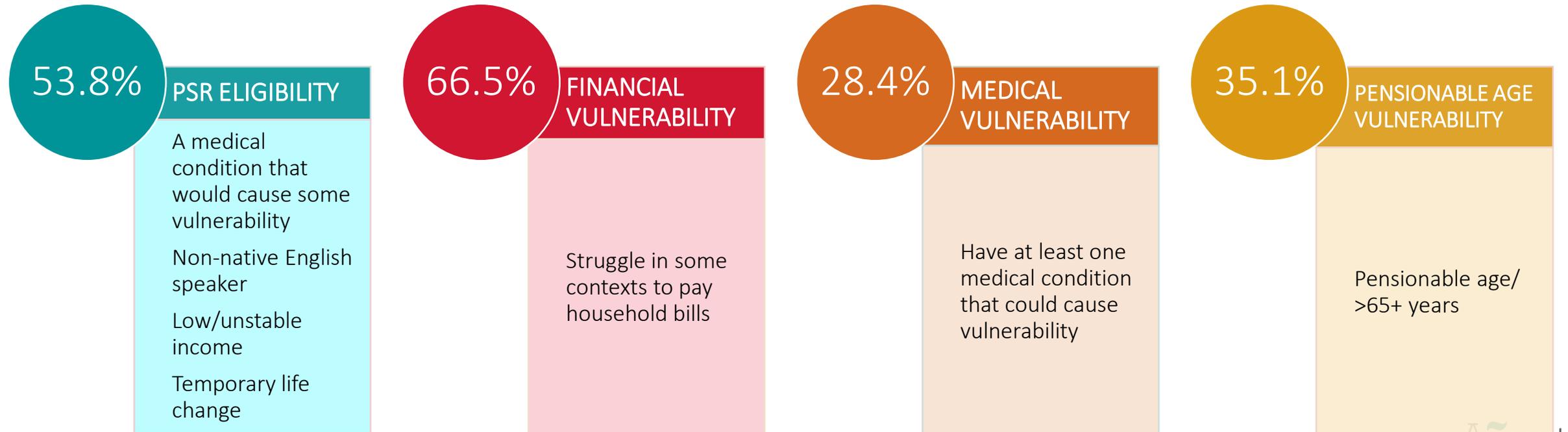
Investigation of the definitions



Using all vulnerability classifications, and this project's data, we found the following:

90.5% of participants have at least one of the following:

- PSR membership
- Pensionable age
- Presence of children under 5 years
- Medical condition
- Non-native English speaker
- Low income
- Difficulty paying bills
- PSR eligibility (medical condition, low income, non-native speaker, temporary life change, unemployment)



How we have defined vulnerability



- The definition of vulnerability is vast and not clearly established. We have looked at combinations of financial, medical and life-stage vulnerability, but did not find any combinations that were superior to the current definition of PSR eligibility (with respect to significant differences).
- This is because the actual definition is subjective and does not define their actual needs i.e.. A participant over 70 years has a different vulnerability to someone medically dependent, under different circumstances.
- The MaxDiff results have been split into 4 separate groups:
 - **PSR ELIGIBILITY**
 - **FINANCIAL VULNERABILITY**
 - **MEDICAL VULNERABILITY**
 - **PENSIONABLE AGE VULNERABILITY**



**Appendix B: Domestic subgroup
MaxDiff results**

Summary groupings by segment: Demographics

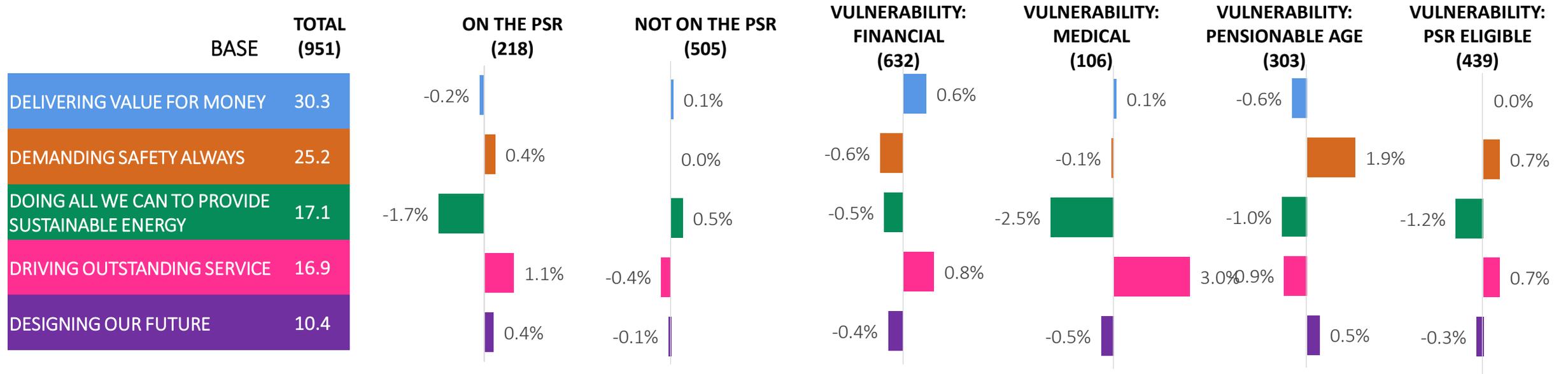


Qualitative insight: No significant differences found



Summary groupings by segment: Demographics

‘Doing all we can to provide sustainable energy’ was notably less important for people on the PSR than customers who are not, and lower than the overall rating for all vulnerability groups. The opposite was found for ‘driving outstanding service’



Qualitative insight: No significant differences found

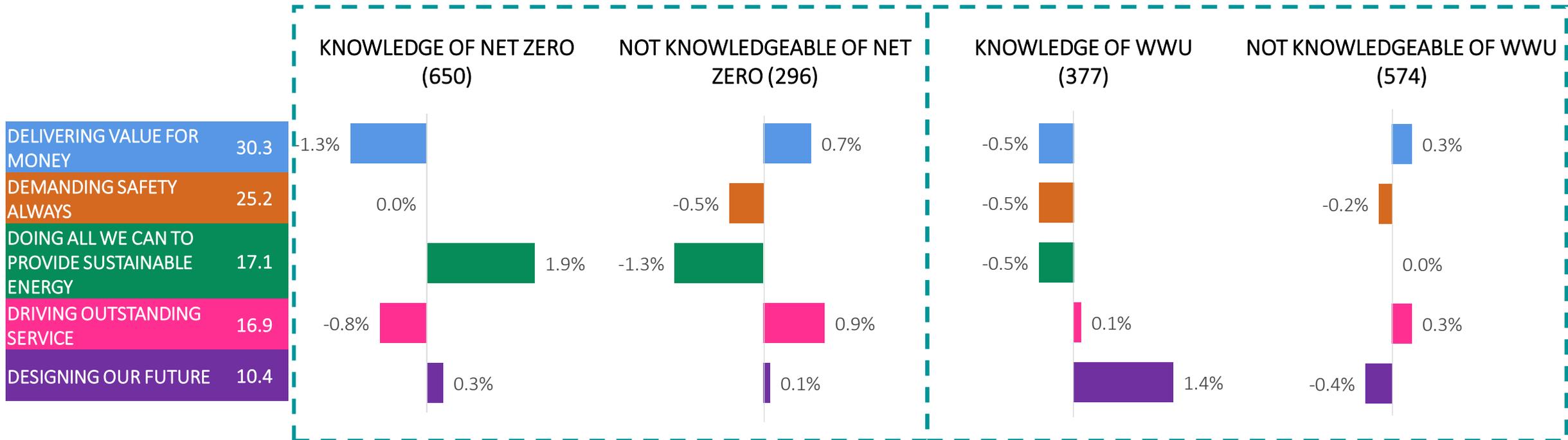
2022: Based on 951 domestic participants, weighted. Summary groupings are adjusted by number of statements, therefore no estimation of variance exists. An approximate significance has been used. If each group was assumed to have equal variance a guideline difference that would be needed for significance is 4-6% with a subgroup size of 200.



Summary Groupings by segment: Knowledge

Doing all we can to provide sustainable energy had the biggest disparity between customers who were knowledgeable about Net Zero and those who weren't

Designing for the future had the biggest level of disparity between customer knowledge of WWU and those who weren't



Qualitative insight: No significant differences found

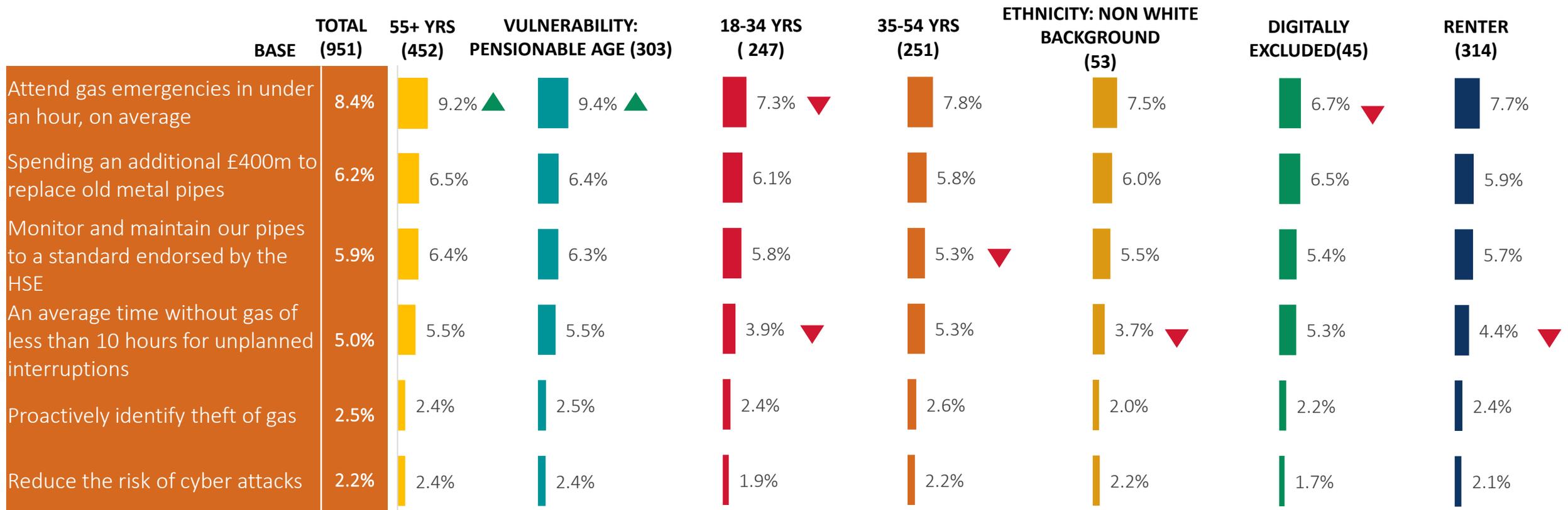
2022: Based on 951 domestic participants, weighted. Summary groupings are adjusted by number of statements, therefore no estimation of variance exists. No significance testing has been conducted. If each group was assumed to have equal variance a guideline difference that would be needed for significance is 4-6% with a subgroup size of 200.



Demanding safety always – subgroup analysis

Attending gas emergencies in under an hour on average is more important for older people, and interruptions in gas supply over 10 hours are less important for younger people, renters, and people of a non white ethnicity

Demanding safety always - 25.2%



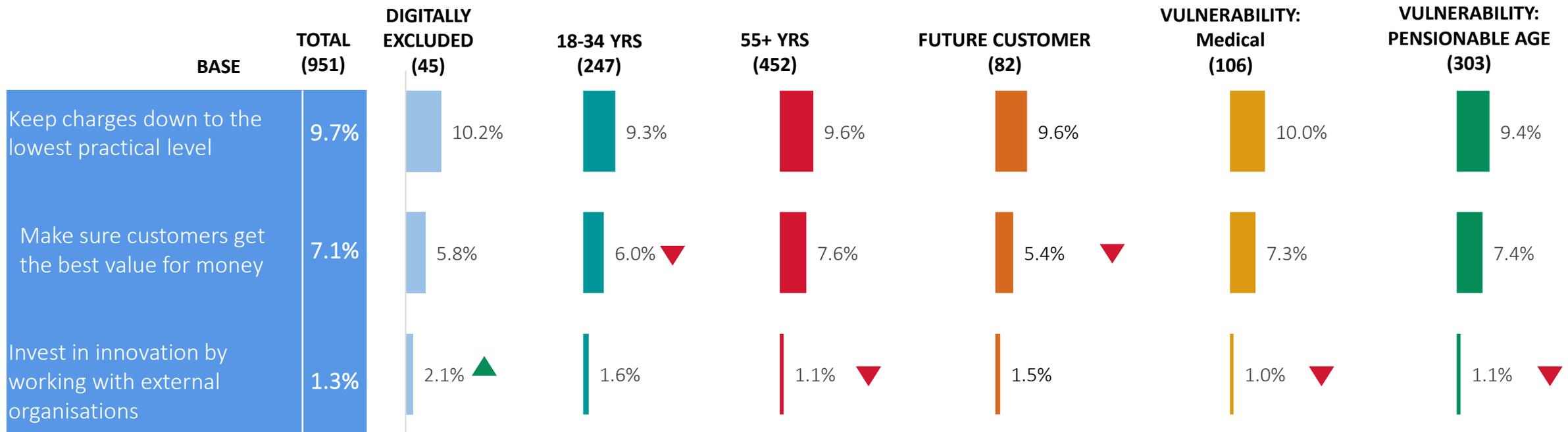
73 2022: Based on 951 domestic participants, weighted. Only subgroups with at least one significant commitment have been included.



Delivering value for money- subgroup analysis

Delivering the best value through efficiency was significantly less important for young and future customers whereas innovating with external organisations was significantly less important for older and more vulnerable customers

Delivering value for money
30.3%





Doing all we can to provide sustainable energy

The commitments relating to recycling and Net Zero were more important to younger and future customers than other demographic groups

Doing all we can to provide sustainable energy - 17.1%

BASE	TOTAL (951)	FUTURE CUSTOMER (82)				PSR (218)	NOT KNOWLEDGEABLE VULNERABILITY: (248)				VULNERABILITY: PENSIONABLE AGE (303)
		18-34 YRS (247)	35-54 YRS (251)	55+YRS (452)	SEG: DE (248)		OF NET ZERO (296)	MEDICAL (106)			
Reduce our gas emissions by a further 10% by replacing leaky old pipes	5.0%	5.4%	5.1%	4.7%	5.2%	4.6%	4.7%	4.5%	4.6%	5.2%	
Reuse and recycle at least 80% of our operational and general business waste by 2026	4.8%	5.6%	5.7% ▲	4.7%	4.4%	4.0% ▼	4.5%	4.5%	4.2%	4.3%	
Help solve the UK's energy challenges by working on innovative projects	4.8%	4.6%	5.0%	4.8%	4.6%	4.4%	4.2%	4.4%	4.2%	4.6%	
Make sure the investments we make today will support future energy solutions	3.9%	3.9%	3.8%	3.3% ▼	4.2%	3.7%	3.3% ▼	3.2% ▼	3.7%	4.1%	
Delivery of a net zero ready network by 2035	3.6%	5.4% ▲	4.8% ▲	3.2%	3.2%	3.0%	3.2%	3.3%	2.7% ▼	3.3%	
Replace over 75% of our company cars with hybrid or electric cars by 2026	2.0%	2.3%	2.5%	2.0%	1.8%	1.8%	2.0%	2.2%	1.5%	1.7%	
Invest in old gas work sites	2.0%	2.5%	2.3%	2.1%	1.7%	1.9%	1.7%	2.0%	1.7%	1.7%	
Align our priorities to the UN Sustainable Development Goals	1.2%	2.0%	1.8%	1.2%	0.9% ▼	1.2%	1.2%	1.3%	0.9%	0.9% ▼	

▲ ▼ Sig higher/lower

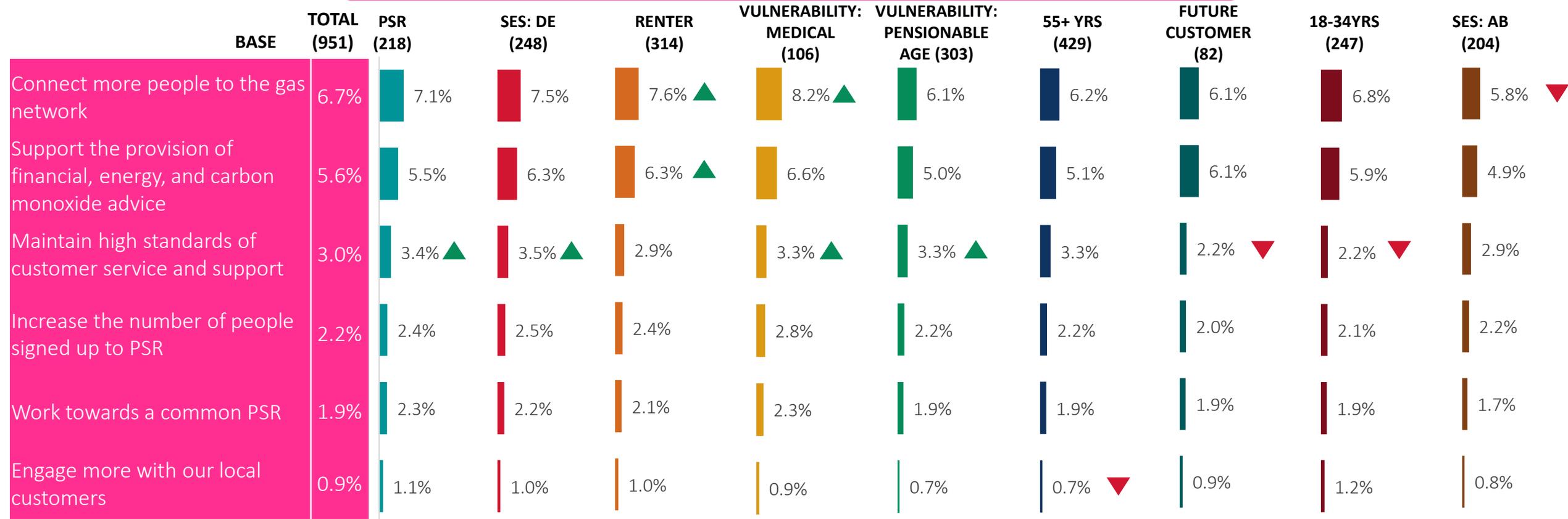


2022: Based on 951 domestic participants, weighted. Only subgroups with at least one significant commitment have been included.

Driving outstanding service



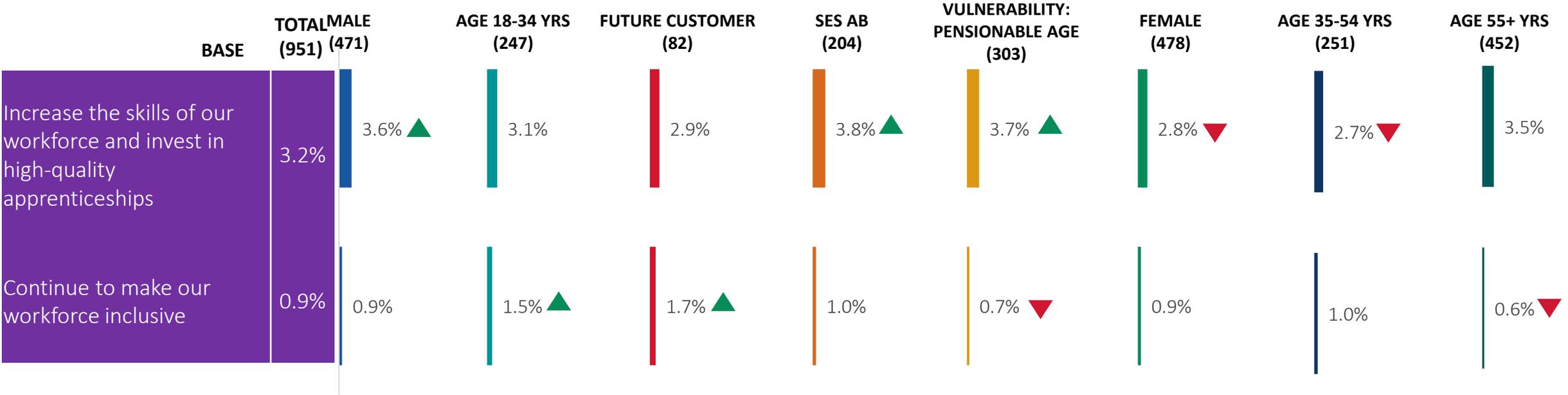
Driving outstanding service - 16.9%



Designing our future



Designing our future 10.4%





Key subgroup differences

VULNERABLE CUSTOMERS – Those on PSR, Medical and Pensionable Age Vulnerabilities

Vulnerable customers are more likely to value commitments that directly or indirectly affect them, rather than future big picture commitments.

Less likely:

Medical and pensionable age vulnerability less likely to value investment in innovation with external organisations (1% (106) & 1.1% (324) respectively v 1.3% (951))

Medically vulnerable less likely to value setting ambition to reduce carbon emissions 2.7% (106) v 3.6% (951)

Pensionable age vulnerability less likely to value align priorities to the UN, 0.9% (324) v 1.2% (951)

PSR participants less likely to value the reuse and recycling of waste 4.0% (214) v 4.8% (951)

More likely:

Pensionable age vulnerability more likely to value attend gas emergencies in under an hour, 9.4% (324) v 8.4% (951)

Pensionable age vulnerability more likely to value increase the skills of the workforce, 3.7% (324) v 3.2% (951)

Medical vulnerability more likely to value connect more people to the network who are on low incomes, 8.2% (106) v 6.7% (951)

Medical vulnerability, those on PSR and pensionable age vulnerability more likely to value maintain nationally recognised high standards, 3.3% (106) & 3.4% (214) & 3.3% (324) respectively v 3.0% (951)



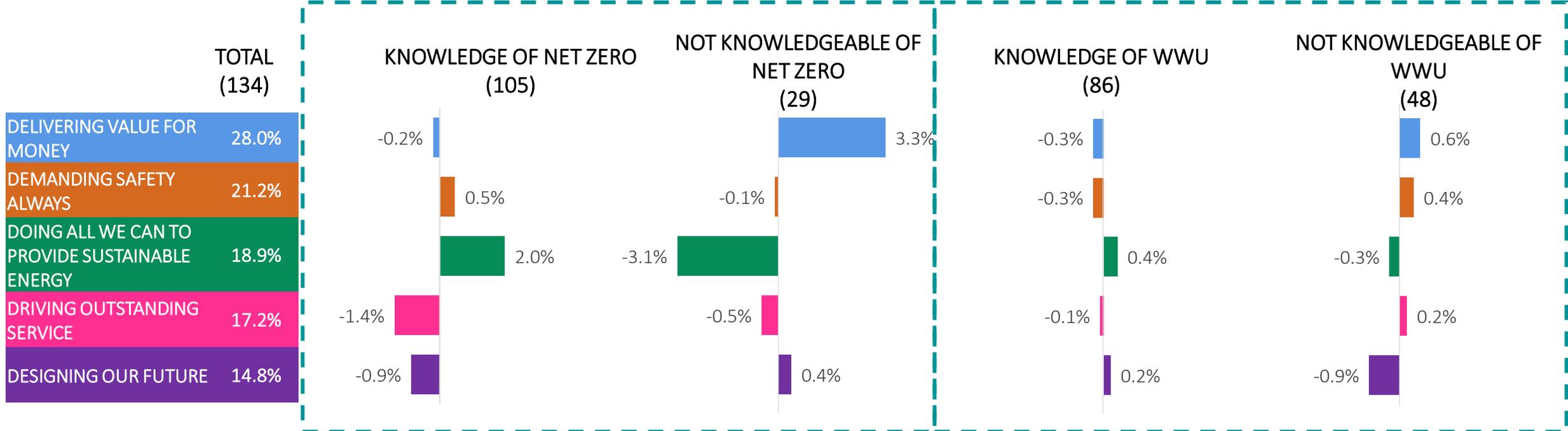
Appendix C: SME subgroup MaxDiff results



Summary groupings by segment: Knowledge

Doing all we can to provide sustainable energy had the biggest disparity between customers who were knowledgeable about Net Zero and those who weren't

Designing for the future had the biggest level of disparity between customer knowledge of WWU and those who weren't



Qualitative insight: No significant differences found



Summary groupings by segment: Knowledge

Businesses with 10-49 employees companies were more future-orientated and less concerned about WWU delivering value for money than companies with 2-9 employees

TOTAL
(134)

2-9 EMPLOYEES
(58)

10-49 EMPLOYEES
(60)

DELIVERING VALUE FOR MONEY	28.0%
DEMANDING SAFETY ALWAYS	21.2%
DOING ALL WE CAN TO PROVIDE SUSTAINABLE ENERGY	18.9%
DRIVING OUTSTANDING SERVICE	17.2%
DESIGNING OUR FUTURE	14.8%



Qualitative insight: No significant differences found

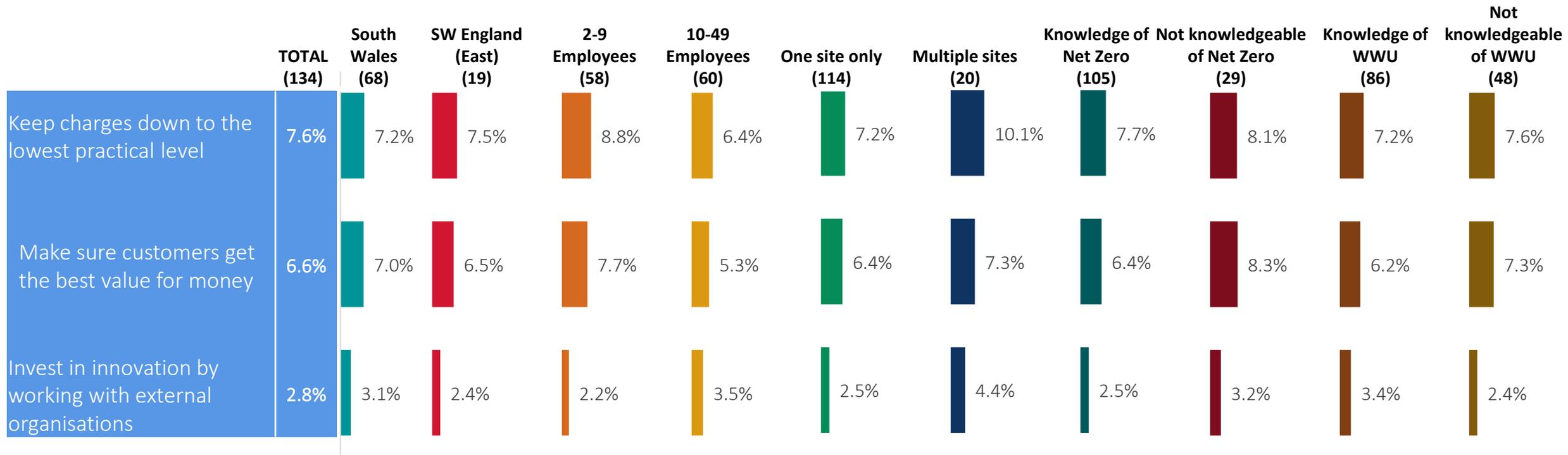
2022: Based on 134 SME participants. Summary groupings are adjusted by number of statements, therefore no estimation of variance exists. No significance testing has been conducted. If each group was assumed to have equal variance a guideline difference that would be needed for significance is 6-8%, with a subgroup size of 50.



Delivering value for money: subgroup analysis

There were no significant differences when looking at the results across key SME characteristics

Delivering value for money
28%



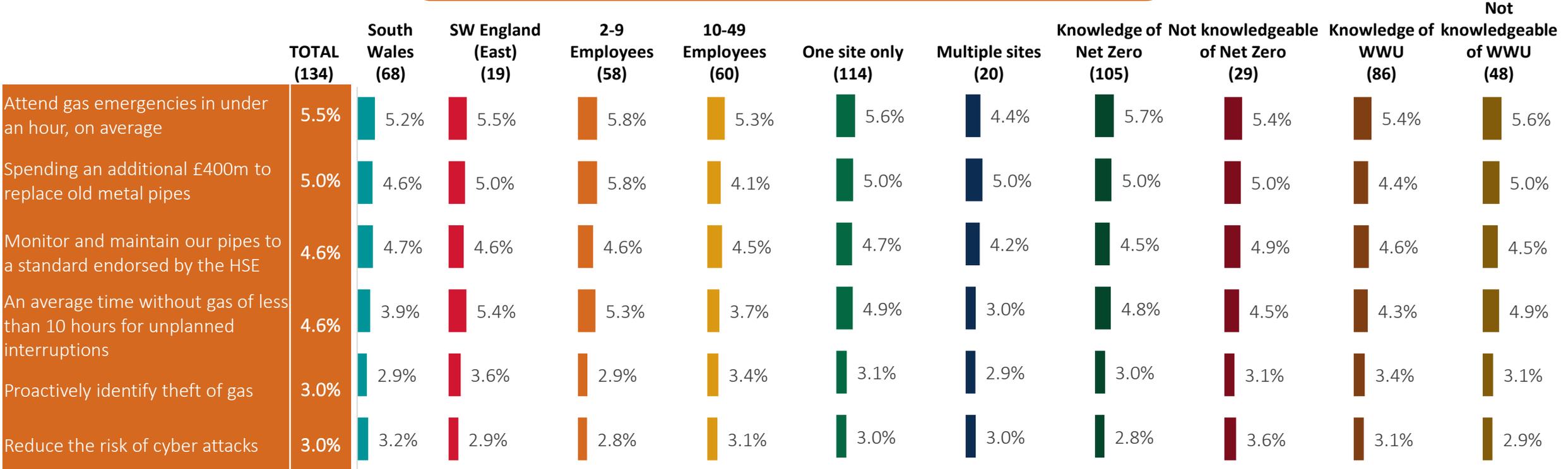
Qualitative insight: No significant differences found



Demanding safety always: subgroup analysis

There were no significant differences when looking at the results across key SME characteristics

Demanding safety always
21.2%

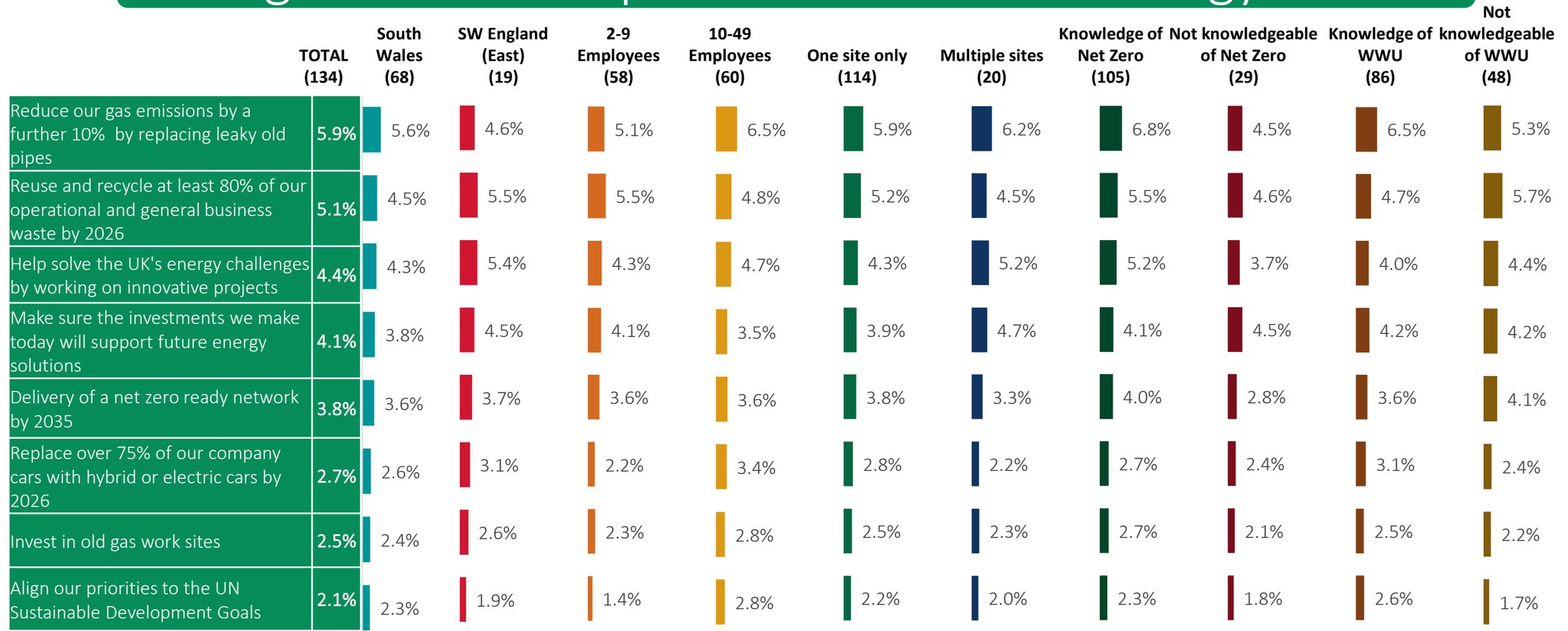


Qualitative insight: No significant differences found

Doing all we can to provide sustainable energy: subgroup analysis

There were no significant differences when looking at the results across key SME characteristics

Doing all we can to provide sustainable energy- 18.9%



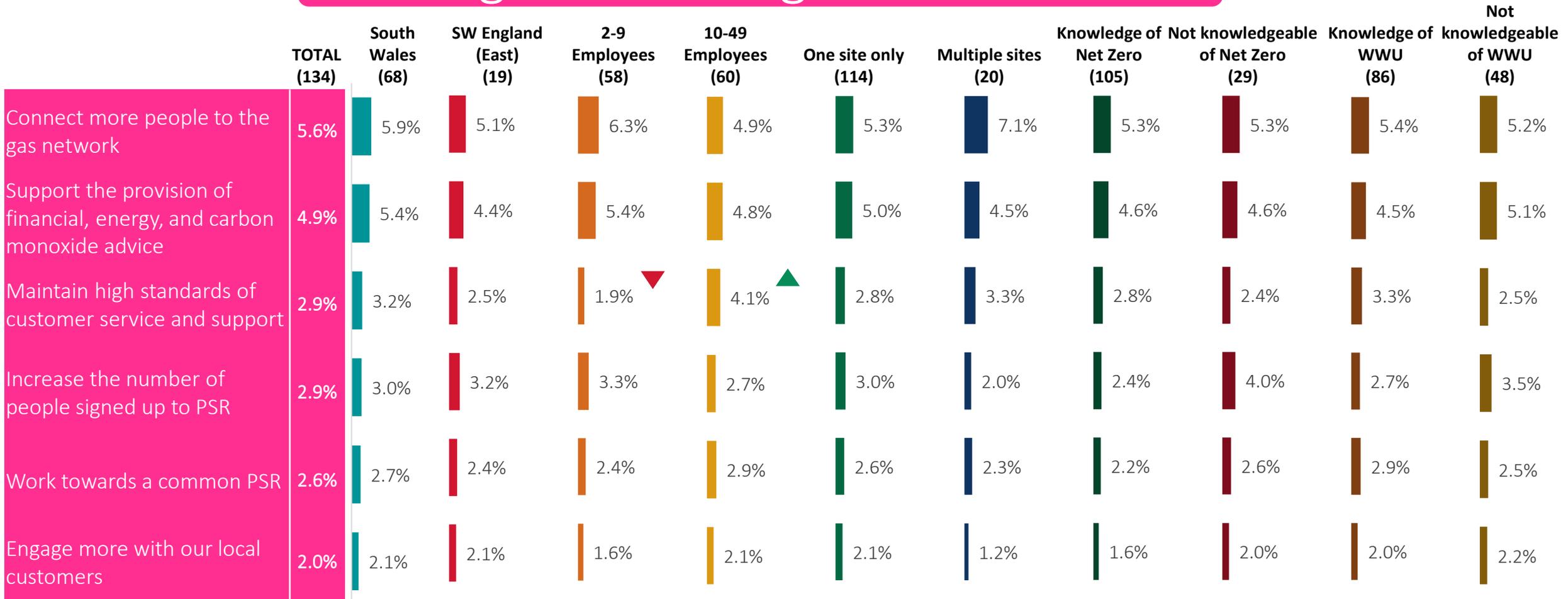
Qualitative insight: No significant differences found

Driving outstanding service:- subgroup analysis



Micro businesses rated maintaining nationally high standards of customer service as significantly less important than businesses of 10-49 employees

Driving outstanding service - 17.2%



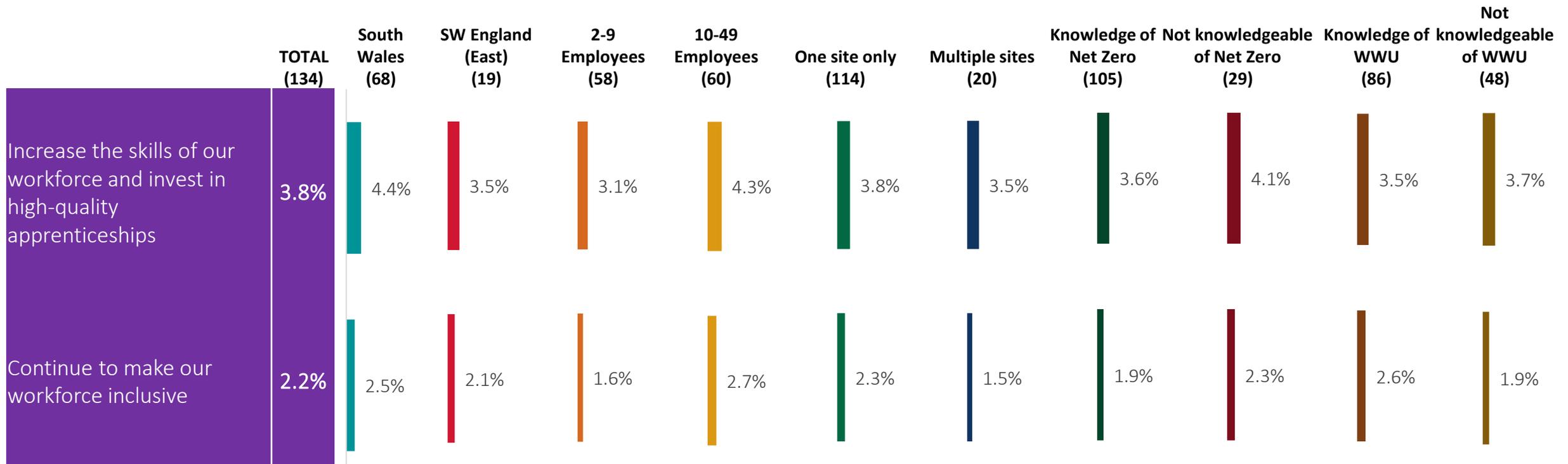
Qualitative insight: No significant differences found



Driving outstanding service - subgroup analysis

There were no significant differences when looking at the results across key SME characteristics

Designing our future
14.8%



Qualitative insight: No significant differences found

▲ ▼ Sig higher/lower





Appendix D: MaxDiff participant feedback



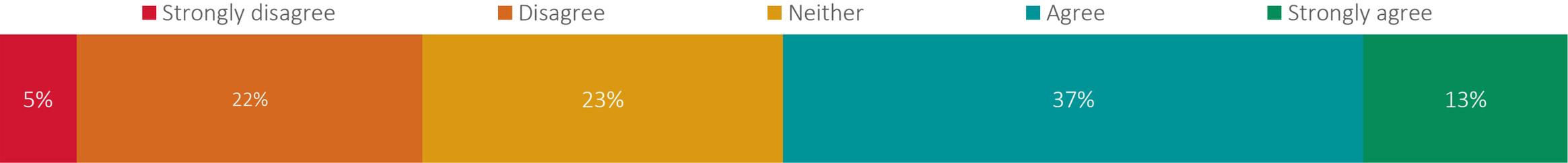
Domestic: MaxDiff feedback

84% of domestic participants agreed that they understood all of the choices involved in the MaxDiff exercise. However, only 50% agreed that they found it easy to choose between the options presented

“I was able to understand the choices”



“I found it easy to choose between the options”



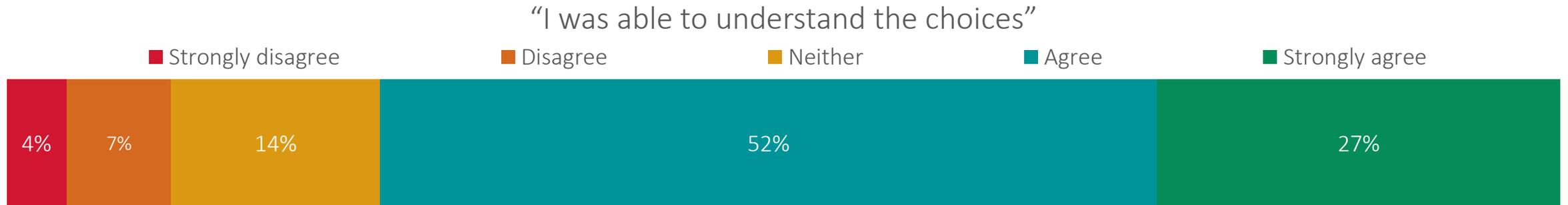
Q44r1. Thank you for answering those questions. How strongly do you agree or disagree with the following statements about the choices you have just made? I was able to understand the choices. Base: 951

Q44r2. I found it easy to choose between the options. Base: 951



SME: MaxDiff feedback

79% of business participants agreed that they understood all of the choices involved in the MaxDiff exercise and 61% agreed that they found it easy to choose between the options presented



Q44r1. Thank you for answering those questions. How strongly do you agree or disagree with the following statements about the choices you have just made? I was able to understand the choices. Base: 134

Q44r2. I found it easy to choose between the options. Base: 134