Appendix A1

Customer engagement approach

Contents

1. A new approach to customer engagement

1.1 Overview

Engaging with our customers is really important to us. So, we have made a significant step change in our approach to customer engagement over the last two years, driven by Executive team's desire to get closer to the customer and wider stakeholders.

This has required a cultural shift within our business, focusing our attention on continually talking with and listening to our customers to really understand what they want and adapt our plans accordingly. This focus means we can treat our customers as individuals and move away from a 'one size, fits all' approach.

This ongoing dialogue is an essential component of our customer engagement. It has helped us to understand more about who our customers are and the products and services they expect us to deliver, at a price they can afford to pay, now and over the long term. To support this shift we have also:

- recruited engagement specialists from retail backgrounds to help us understand our customers and improve the experience they get from us;
- implemented a fully-rounded customer engagement strategy, developed from the bottom up;
- adopted a longer-term focus to ensure customers remain at the heart of our engagement strategy now and in the future;
- taken on board the principles of customer engagement set out in their customer engagement policy statement[1] May 2016. In particular, that companies will be responsible for carrying out direct local engagement with their customers to understand their priorities, needs and requirements, which should then feed into the development of the company's business plan; and
- worked closely with Consumer Council for Water (CCWater) to follow research best practice guidance, particularly for our important engagement around social tariffs contribution levels and their 10 principles for business plan acceptability testing.

Our Executive team and the non-executive directors on our Board have been very supportive of, and actively involved in, our customer engagement. They have attended a number of meetings and focus groups over the past 12 months, talking with and listening to a wide range of customers. This has helped to embed our commitment to customer engagement firmly within our business.

1.2 The customer journey

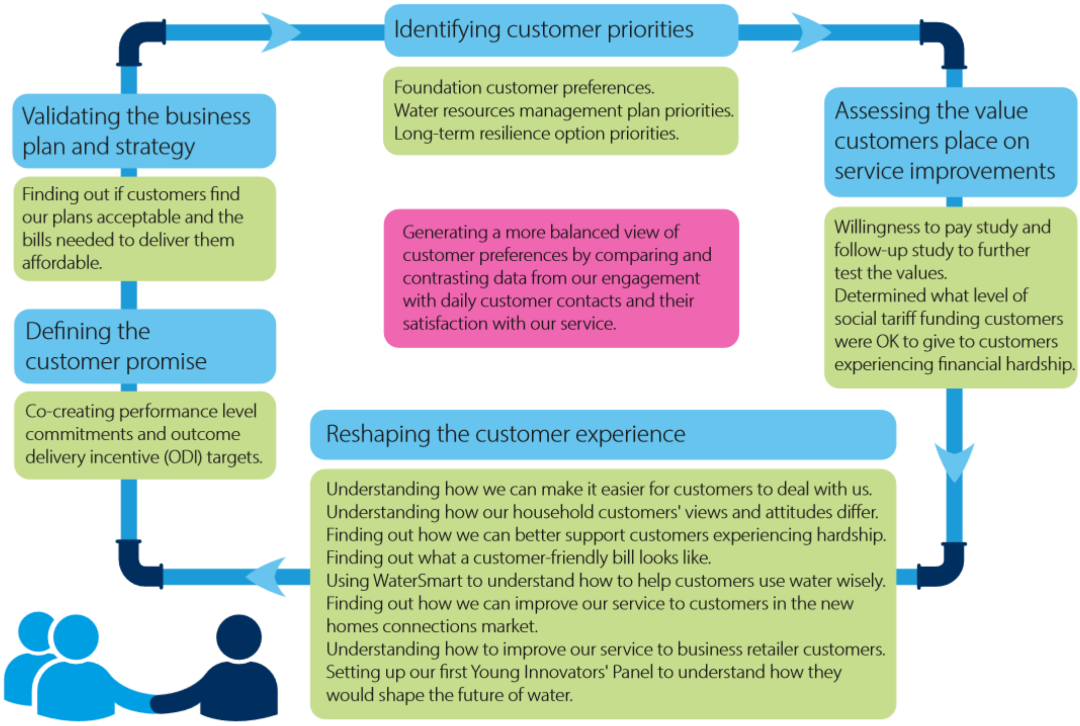
Our comprehensive customer engagement journey, built from the bottom up, that supports our business plan has five key elements. There are separate appendices (A2 to A6) that outline our approach and the key findings from our engagement for each of the steps. Our customer engagement comprises the following key elements as shown in Figure 1:

- identifying our customers' priorities now and over the long term;
- understanding the value our customers place on different service improvements;

[1] 'Ofwat's customer engagement policy statement and expectations for PR19', Ofwat, May 2016.

- reshaping the customer experience – talking with and listening to our customers and using that dialogue to understand more about the services
they want and expect from us;
- defining the customer promises, which customers and other stakeholders will hold us to account on during the period 2020-2025; and
- validating that customers find our plans both affordable and acceptable to them.

Figure 1: Our approach to customer engagement.



Due to the scale our of customer engagement journey, we have taken great care to ensure a clear thread from establishing customers' priorities through to validating our business plan. We developed a carefully planned approach to ensure this:

- during April to June 2017 the engagement team scoped and agreed with the Executive and PR19 teams the key research projects required to support the business plan. However, we have been flexible throughout the journey to adapt to customer feedback where needed;
- importantly, the focus was on the research projects 'supporting each' other to reach an end conclusion – i.e. to provide a clear thread. For example, the foundation priorities and Water Resource Management Plan (WRMP) research played a vital role in the selection of the attributes we tested in our Willingness to Pay (WTP) studies;
- we have used a wider variety of research for all projects, upfront planning sessions were held with key company stakeholders and Executive members to agree specific objectives. These were then checked against objectives of other projects to avoid any duplication;
- duplication, however, was encouraged at a 'question level' to build sample-base sizes and/or provide an alternative comparison data point to understand how exposing customers to different survey methodologies and stimulus material changes their responses. This approach has helped us gain a deeper understanding of our customers.

We have engaged with more than 23,000 customers directly during this journey, almost seven times more than for our last business plan. We have also used a wide range of stated preference research approaches and a wide range of innovative techniques to engage with customers, which has proved successful. These are detailed throughout this appendix.

In addition, over 17,000 customers have also taken part in our regular satisfaction surveys following a contact with a company representative. This means that over 40,000 customers have provided useful feedback that we have used to support our plans. Throughout all our engagement, we gave taken greater care to ensure we speak to a robust, representative sample of customers in both our supply regions and that we have reached all our hard-to-reach customer groups.

At the centre of our journey sits a very important part of our PR19 customer engagement programme. This focuses on reviewing, comparing and contrasting (or 'triangulating') customer evidence from a wide range of sources.

We have looked at triangulation in two ways and developed an approach that we believe truly puts customers at the heart of our plans. The two distinct approaches we have taken to 'triangulating' our customer engagement findings are:

1. We have reviewed all the customer insights, internal and external, relevant to specific parts of our plans to understand and interpret what customers have said using a 'common sense' judgement approach. This includes highlighting areas where customers' views differ. This process has been central to helping us ensure that customers' priorities and preferences are at the heart of our plans and will help over time to:
    - inform strategic policy decisions;
    - develop targeted, tailored propositions, which can then be communicated effectively to different customer groups; and
    - sense check our customer priority index.

2. In March 2018 we commissioned expert support from our independent partners, Accent and PJM Economics, to work on a project, which focused on using a wide range of customer evidence to:
    - develop a robust and proportionate evidence base for customers' WTP for service improvements. The scaled and unscaled triangulated figures were used within our investment optimiser tool as an input into our Cost Benefit Analysis of investment options and also as part of the process of setting ODI rates;
    - develop a robust customer priority index by region, focusing on our Water Resources Management Plan (WRMP) supply- and demand-side options. This index is used to fully reflect customers' preferences within our Multi Criteria Analysis (MCA) investment tool, which has driven our WRMP investment approach; and
    - we also subjected this triangulation work to extensive challenge by the independent customer panel and subjected to independent peer reviewed at the methodology development and final output stages by an academic expert (Giles Atkinson, Professor of Environmental Policy at London School of Economics & Political Science).

This dual approach to triangulation has been central in us responding to the challenge levelled against water companies, following the 2014 price review (PR14), that they were too reliant on stated preference surveys, mainly willingness to pay (WTP) when setting their outcome delivery incentive (ODI) rates.

Ofwat's Price review 2019 (PR19) customer engagement policy statement[2] consequently included the guideline that companies should draw evidence from a wider range of customer data sources

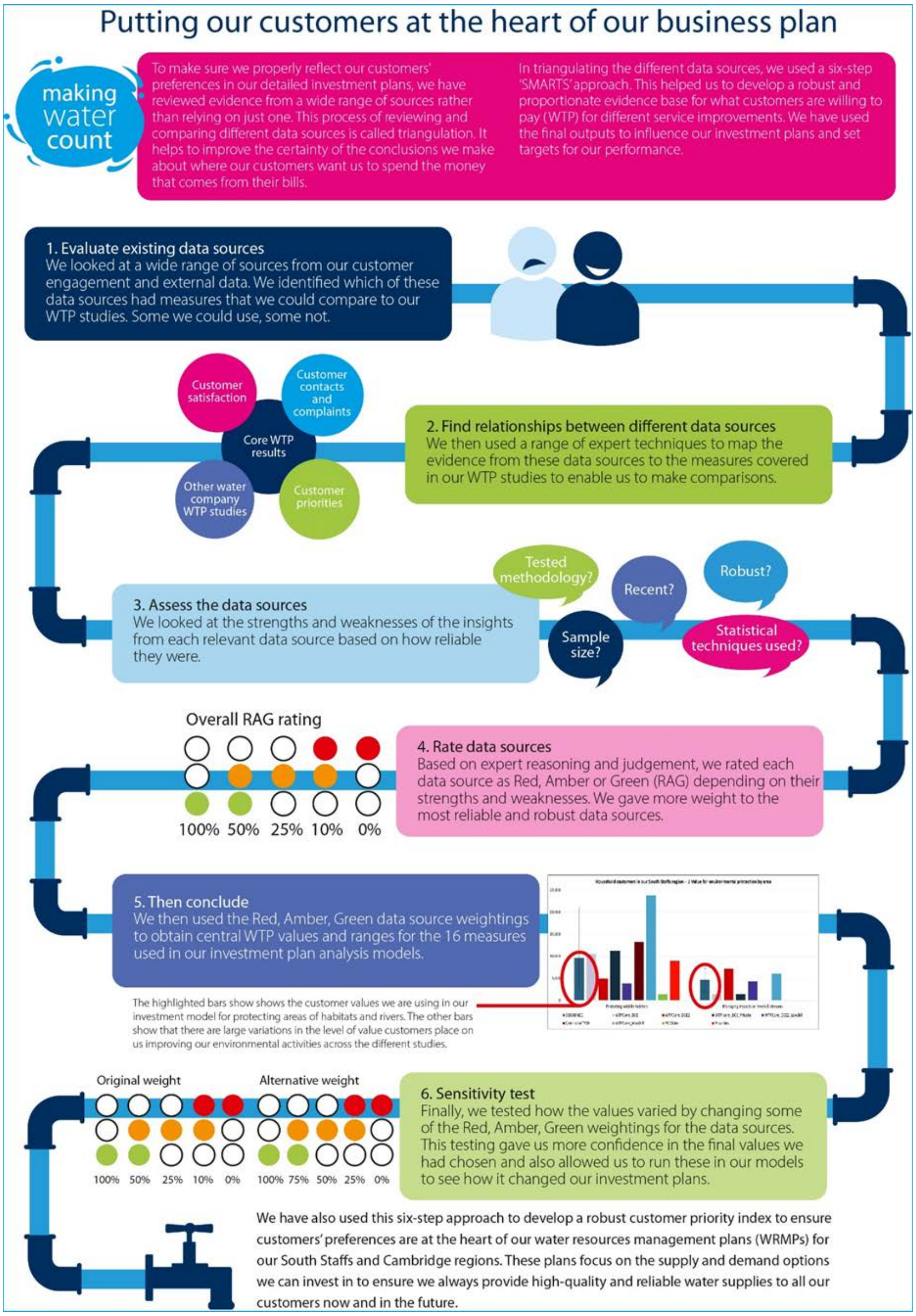
[2] 'Ofwat's customer engagement policy statement and expectations for PR19', Ofwat, May 2016.

(internal and external) to supplement their stated preference WTP survey results. As Ofwat has not yet released any formal guidance around how to approach triangulation, a key report used to help develop our approach was CCWater's and ICF's framework for triangulation[3] report. This sets out a suggested triangulation framework for PR19.

Further expanding on point 2 above, we worked with our partners to build upon this approach to develop a triangulation methodology to support our investment plans that involves an innovative six-step "SMARTS" approach. This approach is summarised below in Figure 2.

[3] 'Defining and applying "triangulation" in the water sector', ICF for the Consumer Council for Water, 2017.

Figure 2: Our approach to triangulation to support our MCA and CBA investment modelling.



1.3 The role of our independent customer Panel

Importantly, we have looked again at the role of the independent customer Panel – or what Ofwat calls the 'Customer Challenge Group' (CCG). This Panel is an important part of the regulatory framework.

It provides independent challenge to us and independent assurance to Ofwat on the strength and quality of our customer engagement, and the degree to which that engagement is driving decision making in our business planning.

We have been fully transparent with the independent customer Panel to allow effective challenge, and have taken a joined-up approach to ensure full accountability. So, as well as helping to select partners for our customer research, members of the independent customer Panel have:

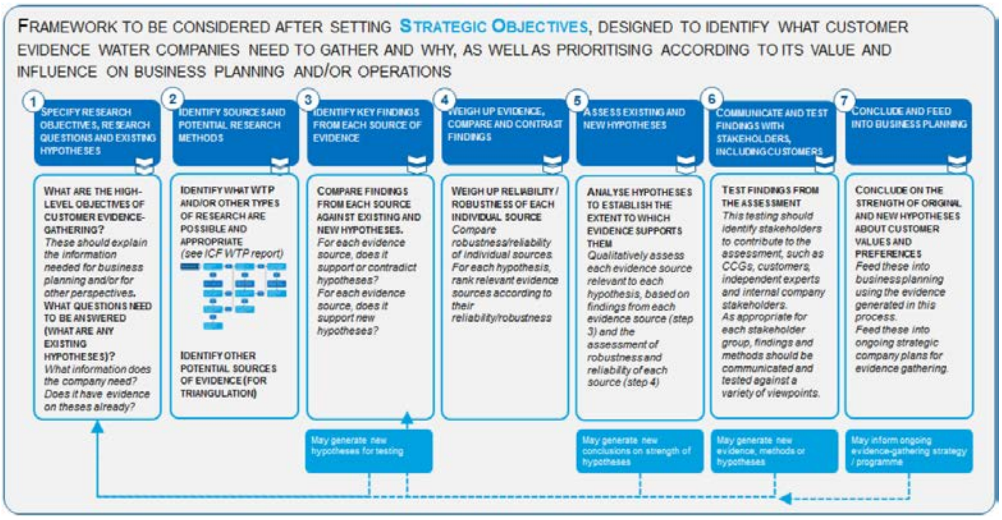
- reviewed our customer engagement materials and communications;
- attended various engagement events and meetings;
- challenged the action log we set up to ensure accountability and visibility of our decision making; and
- followed closely the progress of our customer insight work as a key part of the business planning process.

This time, we have made more effective use of sub-groups of the Panel – for example, on vulnerability, customers' willingness to pay and outcome delivery incentives. This has enabled the Panel to channel its resources more efficiently and consider our plan in more detail. It has also enabled us to call on the expertise of its members to challenge our approach and test our thinking in a number of key areas.

1.4 Customer engagement beyond 2019

As part of our step change, we are also fully committed to engaging with customers and wider stakeholders throughout 2020 to 2025 and beyond. To help us ensure a robust approach we have drawn on the CCWater's and ICF's[4] recommended framework for triangulation to ensure our customers' views are continually at the heart of our plans and we keep going back to revaluate our engagement approach based on our findings. See Figure 3.

Figure 3: ICF (2017) Recommended Framework for Triangulation, p.24.



We have and will continue to draw on the themes of Ofwat's 'Tapped In'[5] report (March 2017) to ensure that our engagement approach takes us further towards meeting the six key ambitions set out in the report.

Our customer and wider stakeholder engagement from 2019 onwards will focus on a number of key areas, many of this focus on 'customer participation', the central theme of 'Tapped In':

[4] Defining and applying 'triangulation' in the water sector, July 2017.
[5] Tapped In - From passive customer to active participant report, March 2017.

- continuing to put customers at the heart of what we do by encouraging two-way participative feedback, such as:
    - launching our first online community Panel to give customers the opportunity to be involved with shaping the solution to the range of challenges we face as a water company;
    - assessing the impact of our WaterSmart trial in Cambridge to guide how we can best give customers more control over their water usage;
    - further improving our co-creation forums and initiatives with harder-to-reach audiences to work with them to shape the service experience that best meets their needs. This includes vulnerable and future customers, business retailers and customers in the new connections market;
- tracking if we are delivering on our customer promises outlined in our plan – delivered through regular surveys and engagement using a wide range of channels;
- monitoring and improving the experience at all important touch points customers have with us – delivered through regular surveys and engagement, using a wide range of channels. This will involve an ongoing process of learning, adapting our plans, testing the result and then monitoring to continually improve the experience for customers. We will also continue with the shift in our approach to enabling customers to give feedback, using the channel of their choice;
- monitoring our position in the market to look for opportunities to improve – through CMEX/DMEX and other industry benchmarks such as UKCSI benchmark and CCWater reports. We have committed to using CCWater's 'Water Matters'[6] annual tracker survey data as an input to provide the customer ratings for our performance commitments for trust and value for money;
- continuing to undertake targeted, in-depth research in areas that require further engagement with customers to support the development of our plans. Examples we have identified during our PR19 engagement include:
    - co-creating new service channels (like our recently launched Community Hub in Wednesbury) with customers;
    - understanding customers' views around supply pipe ownership;
    - investigating the best ways to support financially vulnerable customers;
    - understanding in greater depth the environmental impact of our activities should influence our long-term plans and;
    - understanding in greater depth how customers can best influence our long-term resilience plans and their views of our resilience lens.
- continuing to share insights with our neighbouring water companies (Severn Trent and Anglian) and also with other water companies and wider sectors to look for new opportunities;
- continually triangulating all our customer insights (internal and external) to tell a clear story to drive service improvements. We will also ensure we make good use of new data sources as they become available to use. An example of this is data from our new debt management system, which we can combine with behavioural research tests to tailor our communications to increase the level of engagement customers have with them;
- continuing to measure the success of our engagement approach. This will involve assessing the following:
    - the level of satisfaction that customers have when taking part in our engagement, which we will continue to collect during our surveys;

[6] Water Matters: Household customers' views of their water and sewerage services, July 2017.

    - the take-up and opt of rates among customers when taking part in our engagement activities, such as our WaterSmart trial, or when we set up our online community Panel; and
    - to continually grow the number of customers who engage with us through our engagement activities.
- improving how we share insight across the business to ensure all our colleagues understand and can use them to improve the service they offer to customers on a day-to-day basis. For example, the use of user-friendly infographics, video content and portals to disseminate knowledge;
- continuing to look for new and innovative engagement approaches and supply chain partners to deliver them. This includes building an even more collaborative agency supplier framework to share best practice and insights to the ultimate benefit of our customers; and
- looking at how we can share best practice with other water companies.

Above all, we are open to changing our approach to ensure that our engagement delivers a positive experience to customers and to allow them to shape the services we offer them.

We view the key measures of success of our engagement from 2019 onwards to be:

- a steady increase in the scores received by customers for our performance commitments for 2020 – 2025. For example, that our trust and value for money scores improve and that more customers are aware of the financial support available;
- a reduction in the number of complaints and unwanted contacts received at the key interaction points we have with customers, where we have undertaken specific engagement at PR19. For example, that we have fewer customers saying it takes too long to fit a meter or respond to their e-mail. This is vital evidence to demonstrate that we are improving the customer experience based on their feedback; and
- the number of new services that we launch that have been developed based on customer feedback or co-created with customers.

The remainder of this appendix report sets out our overall approach to customer engagement in the lead up to our PR19 plan submission and the key lessons we have learnt around engagement best practice to take forward into 2019 and beyond.

2. Customer engagement insights supporting our plans

Our customers' views are collated from the wide range of engagement activities we have carried out in preparation to support our PR19 business plan submission and beyond. It is important to note the following:

- unless otherwise stated, all our customer engagement covers both our supply regions (South Staffs and Cambridge) to allow a robust analysis of the insights;
- the vast majority of our engagement activity was independently carried out by our preferred agency partners and robustly challenged by our independent customer Panel (CCG);
- both waves of our WTP research and our triangulation approach and PR19 data triangulation study have been independently peer reviewed at the start and end of the projects; and
- studies marked with an asterisk (*) in the first column contain robust samples of hard-to-reach customers. This covers both customers who are experiencing financial and/or other hardships (i.e. vulnerable customers) and future customers, who are not bill payers (the majority of them are aged between 18 and 25).

Please refer to the customer engagement journey appendices and the detailed reports provided by our preferred suppliers for full findings and details of the methodologies used. These are detailed in Table 1.

Table 1: overview of customer engagement workstreams.

Engagement work stream	Headline methodology used to engage with customers	Insights collected	Supporting appendix reference
Foundation research to establish customers' priorities*	Qualitative study of 10 facilitated focus groups covering 91 customers (covering household recruited by life stage and key demographic splits and small and medium-size business customers). Supported with 15 in-home depth interviews with hard-to-reach customers and 4 in-depth phone interviews with large business customers.	May – June 2017	A9
	Quantitative survey of 457 household customers from an online survey run from our website (random, non-representative sample, analysis weighted to regional demographics).	Dec 2018 – Jan 2018	A10
WRMP and long-term plan customer engagement to gain customer views on service levels and where we should invest to meet demand for water*	Stage 1: Qualitative study over two facilitated reconvened workshop events with 62 customers – one workshop per region (covering household and non-household by key demographic splits). 22 large corporate customers and key industry stakeholders attending roundtable discussion events. Stage 2: 512 domestic customers reached through an online survey to quantify Stage 1 findings (covering all key demographic splits and weighted to regional demographics).	July – Aug 2017	A11 (and supporting documents)

Metering uptake study to understand customer reasons for not switching to a water meter	Quantitative telephone study with 101 household customers in the Sutton Coldfield area of our South Staffs region and 101 from across the Cambridge region. Customers carefully screened to have an unmeasured water supply and a rateable value (RV) of more than £250.	July 2017	A12
Willingness to Pay Studies to understand customer priorities and preferences for service charges and investments across a range of 17 attributes*	Wave 1: six facilitated, reconvened focus groups with 53 customers to co-create a quantitative survey completed by 1,656 household customers and 343 business customers (covering all key demographic splits and weighted to regional demographics). Study included a MaxDiff choice exercise to establish customer preferences for service improvements (without bill impact shown) followed by a Discrete Choice Exercise (DCE).	Aug - Nov 2017	A13 (and supporting documents)
	Wave 2: two facilitated focus groups to help further refine a quantitative survey completed by 719 household customers and 263 business customers (covering all key demographic splits and weighted to regional demographics). Study included two Discrete Choice Exercises (DCE) and a package effect exercise to allow scaling factors to be determined.	Feb – May 2018	A14 (and supporting documents)
Deep dive study with hard to reach customers to understand their priorities and service expectations	Stage 1: Qualitative study involving 20 in-depth home interviews (covering people facing one or more of the following vulnerabilities: limited access; physical disability; mental impairment, financial hardship; and transient vulnerability). Supplemented with in-depth telephone interviews with 5 support organisations. Stage 2: Follow-up qualitative element of 2hr co-creation workshops with a total of 16 customers from the initial phase of depth interviews – one workshop held per region.	Nov 2017 – Feb 2018	A15
Engagement to understand how different groups of customers respond to propositions around water efficiency and other retail services*	Stage 1: online and telephone interviews with 805 household customers to understand the different views of customers based on their views and attitudes to water and the wider world (covering all key demographic splits and weighted to regional demographics). Stage 2: six facilitated focus groups attended by 50 customers to explore in depth the differing views of the 5 segments identified in Stage 1. Stage 3: online and telephone interviews with 420 household customers to understand responses to	Nov 2017 to Mar 2018	A16 (and supporting documents)

	selected propositions, including social tariff contribution levels (covering all key demographic splits and weighted to regional demographics). Additional follow-up quantitative survey of 1,079 household customers from an online survey run from our website to test reaction to service propositions (random, non-representative sample).	Jan – Apr 2018	Insights provided where relevant
Customer journey engagement to understand the ideal experience for customers, including reporting a leak, having a meter installed, complaints, supply issues and moving home*	Stage 1: Qualitative study with two facilitated 4hr workshop events with 62 customers (covering household and non-household by key demographic splits). Stage 2: Quantitative phone survey with 704 household customers to validate Stage 1 findings around response times, communication preferences at each step of the journeys covered (covering all key demographic splits and weighted to regional demographics).	Feb – Mar 2018	A17
Customer forums to understand views of our service and discussions around how to build more water efficient homes	Two, half-day forums (one per region) with 22 customers in the new connections market covering developers, self-lay providers, NAV and other key stakeholders. Discussions focused on the new charging mechanism. Full-day forum with 14 customers in the new connections market covering developers, self-lay providers, NAV, business retailers and other key industry stakeholders. Discussions focused on the customers service and water efficient homes.	Nov 2017 Jul 2018	Insights provided where relevant A18
Non-household retailer engagement to improve service delivery and define performance commitment	Stage 1: Qualitative study involving 13 in-depth telephone interviews with operational and senior contacts (covering current customers and one non-customer). Stage 2: Follow-up consultation directly with customers on a performance commitment (RMEX), based on the feedback from the in-depth interviews.	Feb – Apr 2018 Jun – Aug 2018	A19 Insights provided where relevant
WaterSmart platform used to understand how customer engagement, customer satisfaction, and water efficiency can be influenced by providing	Participant group of 15,500 of metered household customers in the Cambridge region randomly selected to use the WaterSmart platform: • 2,500 customers with 6x meter reads per year; • 13,000 customers with 2x meter reads per year; • welcome letter sent at the start of the trial; • followed by 5 cycles of a water report sent	Dec 2017 – Nov 2018	Insights provided where relevant

customers with access to more detailed information about their water usage and advice on how to use water more wisely	by **email only;** • access to Customer Portal to view water consumption history and comparisons and access to water saving messages / advice; and • leak and threshold use alerts. 3,500 metered household customers in the Cambridge region not using the WaterSmart platform randomly selected to act as a control group. Satisfaction feedback survey among 3,072 WaterSmart users and 306 customers in the control group.	May 2018	
Engagement to develop a more customer-friendly bill in terms of content and design*	Stage 1: eight facilitated focus groups attended by 59 customers to explore views on bills (covering household key demographic splits and metered/unmetered customers). Stage 2: Quantitative phone survey with 865 household customers to validate stage 1 findings and test alternative bill designs (covering all key demographic splits and weighted to regional demographics. Quotas set for metered/unmetered and payment types based on current customer profiles by region).	Apr – Aug 2018	A20
Young Innovators' Panel to engage direct with non-bill payers	Full-day workshop sessions and preparing ideas in response to a real business challenge: "changing the way their generations thinks about water". 19 sixth form students drawn from 13 schools across the region taking part.	Jul – Oct 2018	A21
Engagement to understand if customers support our proposed customer promises and outcome delivery incentives plans for 2020-2025* - including our cost adjustment claim for our Water Treatment works in the South Staffs region	Stage 1: Qualitative study with two facilitated all-day workshop event with 54 customers (covering household and non-household by key demographic splits). Stage 2: Quantitative survey with 783 household customers and 36 business customers (covering all key demographic splits and weighted to regional demographics). The quantitative study included customers being exposed to an 'in the moment' bill impact when improving or decreasing level of service for 11 of our performance commitments. Online sliders activity sensitivity tested with 44 household customers (random, non-weighted sample). Attended South Staffs County Show (May 2018) and Cambridge Live (July 2018) events, so	Feb – Apr 2018 June 2018	A22 (and supporting documents)

	Executive team members and PR19 team could talk to customers (293 in total) about our 5 proposed outcome measures. Tokens used, so customers could vote on their preferences (random, non-weighted sample).		
Testing customer acceptability of our business plan and affordability of associated bills for 2020-2025 and AMP8*	Stage 1: Qualitative study of ten facilitated focus groups with 78 customers (covering household and non-household by key demographic split). Stage 2: Quantitative survey with 1,000 household customers and 200 business customers (covering all key demographic splits and weighted to regional demographics).	May – Aug 2018	A23 (and supporting documents)
Customer service tracker to establish customer perceptions of our service performance	Quantitative telephone study, covering 300 household and 100 business customers per year(household quotas based on age and SEG, in line with demographics data for regions. Non-household quotas based on business size and industry sector, in line with market profile).	Apr 2017 – Mar 2018	A24
	Quantitative survey of 4,658 household customers, completing a short online satisfaction survey run from our website (random, non-weighted sample).	Apr – Aug 2017	Insights provided where relevant
	Over 18,000 customers have given feedback through a short telephone satisfaction survey following contact with our customer service centre colleagues or field/engineer teams (random, non-weighted sample). Surveys administered by our supplier Bright.	Apr 2017 - Aug 2018	Insights provided where relevant
	Quarterly Service Incentive Mechanism (SIM) satisfaction insights.	Apr 2017 - Aug 2018	Insights provided where relevant
Daily customer contact data	Analysis of relevant customer contact data collected via customer call centre, engineer/field teams and other contact points such as Community Hub and social media. Analysis of written customer complaints data collected through various channels.	2017/18 going back 3 years	Insights provided where relevant
Consumer Council for Water (CCWater) reports	'Water Restrictions' report. 'Water Matters' annual survey report. 'Water Saving' report. 'Water, water everywhere? Delivering a resilient water system' report.	2012 2017 2017 2017	Insights provided where relevant

PR19 data triangulation study	Developing a robust customer priority index with respect to water resources management plan (WRMP) supply and demand supply options. Developing a robust and proportionate evidence base for customers' WTP for service improvements. Report draws on: • CCWater and ICF - Defining and applying 'triangulation' in the water sector; and • a range of external WTP studies from PR14 and PR19 complied by Accent/PJM - Comparative Review of PR19 WTP Results.	Apr – Jun 2018 Jul 2017 June 2018	A7 and A8 A25 (and supporting documents)
PR19 data sharing with Severn Trent and Anglian Water	Sharing of PR19 WTP and WRMP study insights.	2017 – 2018	Insights provided where relevant

Table 1 shows the wide variety of methods, quantitative and qualitative we have used to engage with over 40,000 customers in the lead up to our price review (PR19) business plan submission. The following points are important to note:

- we used a relatively even balance of telephone (57%) and online (43%) survey approaches to ensure a non-biased approach for the quantitative parts of our engagement studies. On some projects we used a mix of both online and telephone surveys to enable us to compare the responses and also allowed us to reach a more diverse range of customers. We recognise that not all our customers want to complete telephone or online surveys and some don't have access to the internet; and
- we have spoken to over 700 customers by spending between one to two hours in focus groups, or a day or more in deliberative discussion groups, forums and roundtable events. The use of a range of qualitative research approaches has provided us with very rich insights. This has supported and informed the insights gained from our quantitative engagement to help fully shape our plans.

3. How our engagement approach has changed since PR14

There are a number of areas where we have delivered a step change in our approach to customer engagement since PR14 and these are detailed below to evidence this change.

3.1 Reach and scope of the engagement

Section 2 outlines the wide range of engagement activities we have undertaken. Across this wide ranging engagement activity over 40,000 customers have provided valuable feedback that we have used to shape our business plans. This equates to 0.5% of our customer property base:

- on a like-for-like comparison, excluding our Bright customer satisfaction surveys, at PR14 pre-business plan submission we had engaged with almost 3,500 customers. The figure is over 23,000 at PR19, almost seven times more; and
- in monetary terms we invested around £300k at PR14 on supplier fees to help deliver the engagement programme. The figure is around £800k at PR19.

There are also a number of other areas, where we have made a significant step change in our engagement approach:

- our new approach to customer engagement puts a major emphasis on using two-way dialogue to give us a fully rounded view of the needs and opinions of all our key customers and stakeholders. At PR19 we have taken great efforts to reach:
    - current household customers (such as different socio-economic groups and life stages, with a particular focus on our all-important engagement work with vulnerable and hard-to-reach customers);
    - our future household customers (including our brand-new Young Innovators' Panel);
    - non-household customers (such as small businesses, large corporations and organisations that rely on water to enable them to carry out their day-to-day operations);
    - non-household retailers or business market suppliers (which buy water from us on behalf of their end business customers and provide a range of retail services such as billing, meter reading and handling customer service queries);
    - developers, self-lay providers – or SLPs[7], and new appointments and variations – or NAVs[8];
    - community and customer organisations and advocates (such as the Consumer Council for Water – or CCWater, Citizens Advice, local Chambers of Commerce, environmental organisations, charities and support groups, local government and housing associations);
    - regulatory organisations (Ofwat, the Environment Agency and the Drinking Water Inspectorate); and
    - it has encouraged us to link up with our neighbouring water companies, Severn Trent Water and Anglian Water, and work collaboratively with them. Specifically, for PR19 we have shared WTP and WRMP insights and have discussed opportunities in

[7] If a building development needs a new water main or sewer pipe laying, the developer can contract someone other than the local water company to do the work. This is known as 'self-lay' and the businesses that carry out this work are known as 'self-lay providers' or SLPs.
[8] A 'new appointment or variation' or NAV involves one water company replacing another as the supplier of water only or water and sewerage services for a specific geographic area.

the future to share insights around areas like billing and other household retail services.

- ensured that our qualitative and quantitative engagement contains robust, representative samples of customers from both our regions;
- importantly, we have invested a significant amount of effort to include robust samples of customers from our Cambridge supply region in all our core PR19 projects. This, for the first time, has allowed us to truly understand how our Cambridge region customers' priorities, preferences and expectations vary compared to those who live in our South Staffs region;
- our approach to customer engagement this time has been characterised by the wider range of techniques (stated and revealed preference, behavioural) we have used to understand our customers' views more fully. These include:
    - short and in-depth phone interviews and surveys;
    - short and in-depth online surveys, including the use of interactive tools and voiceover videos to enable customers to understand complex topics and provide a well-considered response;
    - pre-tasked facilitated focus groups ranging from 1 to 2hrs in length;
    - facilitated all-day and half-day workshops and deliberative events;
    - one-to-one in-depth interviews with hard to reach customer groups;
    - roundtable meetings and stakeholder forums;
    - business as usual and community events; and
    - behavioural change tools – in our WaterSmart trial in the Cambridge region we are using Water reports and a customer Portal to give customers more control over their water usage.

3.2 Re-writing our rules of engagement

At PR19 we have developed a set of 'rules of engagement', which we believe have helped us ensure a robust approach that has given us a better understanding of our customers' needs:

- we have used a multi-stage approach for many of our projects to allow time to reflect and adapt as the project progresses. Early learnings from our engagement journey has meant for the majority of projects that we have undertaken up-front qualitative research with customers to help us shape the quantitative stage. For example, this has allowed us to:
    - understand customers' views in depth on complex topic areas to help provide the colour behind the numbers in the quantitative stage;
    - flush out insights that we may not have thought to cover in the original project objectives so that they can subsequently be covered off in the quantitative stage; and
    - work collaboratively with customers to remove any jargon from questions and supporting stimulus materials, so that the following quantitative stage is user friendly and customers can provide a considered response to the questions asked of them. In our WTP project we went as far as asking customers to co-create the questions, the supporting stimulus material (text and images) along with the survey design and format to ensure the online quantitative survey was as customer friendly as possible;
    - we have ensured that we have used comparative industry data throughout the engagement where relevant, presented in a customer-friendly way that they can understand. This approach was particularly important in our WTP and Performance Commitment engagement to provide customers with sufficient context to comment on our plans; and
    - capture learnings as we went to continually build our knowledge and then ensure that the insights were taken forward and used in subsequent projects. An early example of this was that we learnt in our WRMP workshops that customers had a different view

of what a 'smart meter' was to us. So we adapted the context of the question in subsequent studies to avoid any confusion over what we were asking them about.

- we have built in the flexibility to adapt our approach throughout the engagement journey to respond to customer feedback and test new questions and hypotheses that emerged from the insights. Examples of this include:
    - customers told us that water recycling was important in our foundations priorities and WRMP research, so we tested reactions to this in our WTP and proposition testing studies and in our developer forums to explore this area further;
    - the need for proactive customer communication appeared as a theme across our early engagement projects. We reacted to this by putting additional focus on this area in our proposition testing and customer journey mapping workshops. This also led to the launch of our Alexa Voice Activated Assistant skills channel and the decision to start app development to provide additional communications channels for customers;
    - customers found it hard to comment on environmental matters in our WRMP research, so we have engaged with them in more depth through our engagement programme to better understand their views and how they varied depending on what stimulus material we gave them. This has enabled us to pick up that our future customers place a higher level of emphasis on this area and also that there has been a noticeable uplift in overall customer preference towards doing more to protect the environment since the start of 2018. This resulted in us looking for better ways to improve our environmental performance commitments for PR19;
    - given its importance to our plan and challenge from CCWater, we undertook additional engagement around our cost adjustment claim for the planned investments for our Water Treatment Works in the South Staffs area to gain customer support in both supply regions; and
    - we listened to our business retailers and developed a RMEX performance commitment measure based on the feedback. We then went back to them to test their response through a consultation process to further refine our commitment. This flexible approach to engaging with customers allows us to better understand their needs.
- we responded throughout the programme, where we found unexpected results from our engagement to make sure we sensitivity tested our findings to better understand customers' responses. Examples of this approach include:
    - undertaking a Wave 2 WTP study in 2018 to explore how different service levels, attribute wordings and different bills starting points impacted on customers' valuations for service improvements. This proved an important decision to providing more robust outputs in our WTP triangulation work;
    - conducting a sensitivity check on our online sliders interactive task as part of our performance commitment engagement. This tool allowed us to assess the how far customers wanted us to go to deliver service improvements (whilst seeing a dynamic bill impact) between starting at current and higher levels of service;
- customers were kept engaged and informed throughout projects to maximise their input and enhance their experience of taking part. We did this by:
    - regularly pre-tasking customers with engaging activities in the lead up to qualitative groups (such as keeping a water diary in the lead up to our Foundation research groups) without over informing them;
    - using reconvened events (such as our WRMP and WTP studies) to keep customers engaged. This enabled them to provide considered responses to more complex questions around our longer-term plans by using the initial session to inform them of our remit and challenges;

    - bringing the qualitative sessions and online surveys to life through gamification and interactive techniques (discussed further in section 3.3); and
    - offering customers the chance to receive updates on the outputs of projects and to user test the quantitative on-line surveys they have helped to shape in the qualitative phase.
- we have also picked up through our engagement topic areas that require further research post PR19, such as supply pipe ownership. These require stand-alone and in-depth engagement and we will assess options to exploring them with customers. We have already committed to further research on social tariffs in 2019/2020 with CCWater and will continue to undertake targeted, in-depth research in areas that require further engagement with customers to support the development of our plans.

We have also invested a significant effort to be transparent with our independent customer Panel throughout the engagement journey to allow them to effectively challenge every aspect of the programme. They have been involved in:

- helping with the selection of some of the research agencies in terms of evaluating the methodology used;
- attending project kick-off meetings to challenge the methodology and sample sizes;
- critiquing consultation materials and questionnaires to ensure they are clear, fair and not leading in any way;
- user testing online surveys for ease of completion and functionality;
- observing customer co-creation workshops, focus groups and deliberative events; and
- challenging our suppliers at project de-briefs on key findings and conclusions.

We have also invested a significant amount of effort in responding to the challenges relating to our engagement programme raised by our Panel. These are diverse in nature, from the 11 strategic challenges they raised about the engagement journey and overall approach to the 300-plus project-specific challenges raised from being closely involved in the areas above (details can be reviewed in the independent Report our Panel are submitting to Ofwat alongside our Business Plan). We have made many changes as a result of the Panel's suggestions or criticisms and when deciding not to act on a suggestion, we have provided a rationale.

When we did make changes we also frequently offered a further opportunity for the Panel to influence the outcome at a later stage. We believe our approach to working with the Panel and the independent input it has given has helped to provide a better outcome for our customers and we are fully committed to maintaining and further improving this open, transparent relationship.

3.3 Innovation

At PR14 we used a range of trusted engagement techniques (focus groups, workshops and online and telephone surveys) which were well executed, but with limited innovation built in to them.

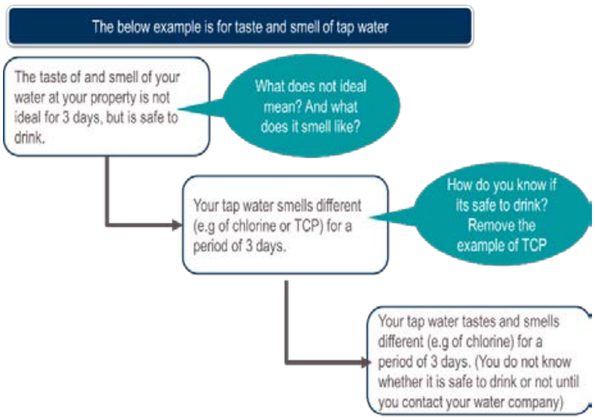
At PR19 we have challenged ourselves and our suppliers to ensure our PR19 engagement programme is as innovative as possible at every step. We have taken great lengths to look for new ways to engage with customers to encourage a more effective two-way dialogue and improve the experience of taking part.

We want the experience to be both informative and fun for customers. Examples of the step change we have made include the following:

- in our reconvened WRMP half-day workshops we put household and business customers and wider stakeholders into our shoes for the session by asking them to imagine that they were an independent Panel advising the company's board on their long-term plans. This involved an immersive, role-playing exercise, like a 'Top Trumps'-style game[9] in a workshop where customers were given information about a range of supply-side and demand management options, along with volume and cost targets, and asked to co-develop a plan. They did this by assessing the different options to develop their preferred solution based on their priorities and views. In the online survey that followed this workshop, customers compared the different options to allow them to express whether they supported their use in our plans. This enabled us to put customers' priorities at the heart of our plans. See appendix A11 for more details of our WRMP engagement approach;

One of the cards we used with customers as part of our 'Top Trumps'-style game.

- in our WTP survey we took the additional and important step of using reconvened groups to give the opportunity for 53 household and business customers across both our supply regions to co-create the survey. A further 10 in-depth interviews were conducted with hard-to-reach customer groups. This step was specifically added to help overcome the challenges raised at PR14 that stated preference surveys were unengaging and customers struggled to understand what they were being asked to comment on. CCWater has noted this qualitative step we built in as best practice. We outline our approach to WTP in greater detail in appendices A13 and A14. Specifically, we asked customers if:
    - they understood the wording of the 17 attributes we elected to test. All attributes were altered before the pilot and main surveys;
    - the stimulus materials, such as images and comparative industry data helped them to provide a considered responses. Again, many changes were made to refine the materials; and
    - they found the layout and format of the questionnaire easy to navigate. This led to a range of changes, such as placement of 'help' pop-up boxes, through to the use of colours and text sizes.



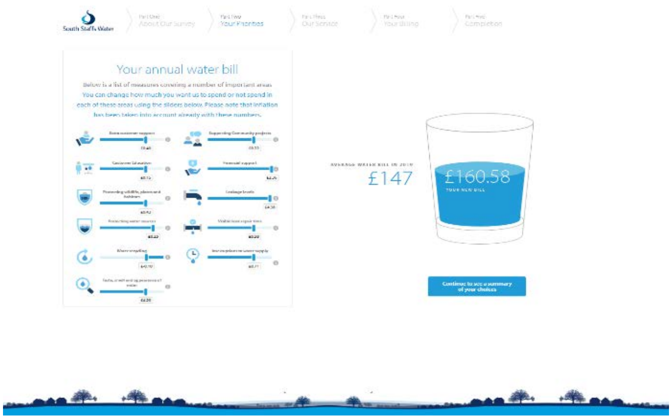
Examples of how a question in our WTP survey was shaped by customers at reconvened focus group

- we are one of the first water companies in Great Britain to adopt the use of the WaterSmart software platform. This has given us the opportunity to interact with customers in our Cambridge region in a new way, give them more control over their water usage and better

[9] 'Top Trumps' is a game played with a series of cards, each of which contains numerical data. The aim of the game is to compare these values to try to win an opponent's card (that is, to 'trump' the opponent by having better numerical data.

understand how we can influence customers' behaviour to help meet some of our long-term challenges;

- we have run a number of co-creation half-day and full-day events to develop ideas and services directly with customers. A good example of this is from our hard-to-reach engagement. We took the learnings from the in-depth interviews to help develop an 'extra care' services package, which we then tested with the same customers in groups to let them prioritise which elements of the package were most important and suggest changes and additions based on their and others' needs. See appendix A15 for more details of our hard-to-reach engagement;
- we also used this type of approach with customers to help shape our customer promises for our business plan by asking for their opinion on the following areas through interactive voting:
  - which promises were most important to them and why;
  - which promises they wanted us to be the best or top 5 in the industry for and how far they wanted us to stretch our current performance;
  - which promises should fit under each outcome measure; and
  - what type of performance commitment we should use for our major investment plans at our South Staffordshire water treatment works.
- we have invested a great amount of effort in developing interactive online surveys, which enable customers to give considered responses to complex topics. A good example of this was the development of our quantitative online sliders tool in our performance commitment engagement and the use of voiceover videos to explain the principles and choices for customers around Outcome Delivery Incentives and our major investment plans at our South Staffordshire water treatment works. See appendix A22 for more details of our engagement approach;
- we have looked at new ways to engage with hard-to-reach groups. Examples include the launch of our new Young Innovators' Panel and our Community Hub in Wednesbury.



Example of our sliders tool showing customers service levels and the dynamic bill impact of altering service levels up and down.

We believe that the major efforts put into making our engagement programme innovative and enjoyable is one of the main reasons behind the consistently high satisfaction scores we have received from customers taking part in our qualitative and quantitative engagement activities.

In the vast majority of our engagement activity we asked our customers for their feedback on the quality of the experience alongside a number of other areas. Table 2 details some of the scores and comments we have received from customers from our engagement around complex topics.

We are proud of the responses we have achieved and the many positive comments left from customers following participation in our engagement activities. We have outlined the areas that can be improved further moving forward in Section 4.

Table 2: Customer feedback from our engagement activities.

Engagement workstream	Area of satisfaction	% agreement	Typical comments
Customer promises and outcome delivery incentives plans for 2020-2025 – co-creation workshops	I understood all the materials presented and the activities asked of me	96% South Staffs 88% Cambridge	*"There were buzzers on the table if you didn't understand, which was very good."*
Customer promises and outcome delivery incentives plans for 2020-2025 – on-line tool with slider activity and video voiceover	How easy did you find this survey to complete	83% South Staffs 86% Cambridge	"Love the interaction and also the opportunity to tell you as a company what is important to me as a consumer."
WRMP and long-term plan customer engagement	Overall, how easy or difficult was it to understand the questions in this survey	99% South Staffs 98% Cambridge	"It was a good use of my time and encouraged me more to save water after doing this survey."

Our WTP survey was one of our longest and more complex surveys for customers to complete, which is not surprising given the nature of this methodology. However, the significant effort we put in up-front to co-create the survey with customers proved vital in delivering a survey that the majority of customers agreed was a good overall experience, allowed them to provide considered responses and express their preferences for paying for service investments.

We asked customers at the end of the on-line survey in both Waves of the study about their experiences and Table 3 show the number of people who agreed with the statements provided. It is important to note that between 15% - 30% of people gave a neutral rating in Wave 1 and Wave 2. The survey length attracted the most negative scores, but this was only from 13% of people in Wave 1. The scores for the Wave 2 noticeably improved when we removed the MaxDiff exercise and other questions to reduce the survey length. In all areas the agreement scores improved in Wave 2 compared to the original Wave 1 pilot as we built in improvements based on customers' feedback.

Table 3: Willingness to pay survey feedback - % agreement with statement

Engagement workstream	Wave 1 pilot	Wave 1	Wave 2	Typical comments
Overall experience was good	65%	74%	75%	"It was interesting to me. I found out information that I didn't know about."
Ability to express my true opinion	65%	70%	71%	"Easy to give my opinion and allowed me to say what I wanted."
Ease of survey completion	63%	73%	78%	"Easy to complete and help was available when needed."
Length of survey	50%	57%	64%	"Very long and complex." "Too long, too boring."

3.4 Developing a high-quality engagement approach

At PR14 there was good co-ordination of the engagement programme, but limited transparency of the findings to customers and wider stakeholders. At PR19 we have made a step-change in a number of areas, such as:

- on every project we have carefully considered the needs of the people we are speaking to in order to ensure, where possible, that we engage with them in a way that suits them. For example, some customer experiencing hardship are unable to attend focus groups so we have visited them in their homes, sometimes with their carer present, to gain their feedback through assisted interviews. This provided an environment they felt comfortable with. We have also now started using our Community Hub in Wednesbury to carry our interviews with hard to reach customers. Larger business users have also required a face-to-face or telephone approach due to suit their busy diaries;
- gaining us much feedback as possible from customers and other stakeholders on how we can improve the engagement approach. For example, some customers told us that they would prefer to have the option to donate to charity instead of the chance to win prizes for taking part in surveys so we have built this opportunity in to our approach where we feel it is appropriate;
- due to the wide ranging scale of our engagement programme since April 2017 we have developed a quality control screening process to ensure that individual customers are not over-contacted and if they choose to opt-out of future research, then they are not contacted again. We have also now adopted a fully GDPR complaint approach since April 2017 to our engagement activities and all our suppliers work to MRS Code of Conduct and other quality standards. Of the thousands of customers we have approached to take part in our engagement only 130 have asked to be removed from our records;
- in order to reach our business customers to gain their views on wholesale matters during our engagement programme we had open dialogue with our business retail customers who own the direct relationship. This involved seeking their buy-in to the programme and asking for permission to approach them direct. Our open approach has proved successful and we have had no negative feedback from our retailers about contacting their customers as part of our engagement activities; and
- since September 2017 we have set-up and been updating a customer feedback area on our websites to share the key findings of our PR19 journey in a customer friendly way (eg through the use of infographics and videos). We have also provided the opportunity for customers who did not take part in the actual research to learn about the outcomes, what we are planning to do with the feedback and further interact with us through surveys to have their say. Over 1,500 have taken part in various surveys since the content started to go live. We are committed to continually updating and improving this service over time to allow full transparency of our engagement activity.

3.5 Partnership working with suppliers

At PR14, four suppliers were employed to carry out the engagement programme. With a more robust and wider engagement approach at PR19 we have used ten specialist agencies, with the right level of credentials and experience to help us deliver the programme. Many have delivering more than one project. Our expert suppliers have performed to a high standard and supported each other throughout our engagement journey by:

- sharing insights to help inform the next stage of the PR19 customer engagement programme; and

- working together when needed to manage fieldwork programmes which overlapped so that customers were not over-contacted, or those who had opted-out of taking part were not called again.

In the autumn of 2017 we also set-up our first customer research 'strategic supplier framework' focused specifically on delivering our engagement projects related to driving customer service improvements for our household customers for 2018 and beyond. This approach will enable us over time to:

- form stronger, longer lasting relationships with our suppliers to improve project outcomes and maximise cost savings;
- foster a culture of collaboration between suppliers to share insights and best practice approaches to the ultimate benefit of the customer; and
- improve the opportunities of bringing in fresh innovations and approaches to enhance our engagement approach.

Our preferred specialist partners and the engagement activities they helped us carry out are detailed in Table 4.

Table 4: Our preferred suppliers used for customer engagement.

Supplier	Engagement projects delivered	Part of strategic framework
Accent	Customer service tracker to establish customer perceptions of our service performance. Foundation research to establish customers' priorities. Understanding how different groups of customers respond to propositions and other retail services. Testing customer acceptability of our business plan and affordability.	Yes
PJM Economics (with support from Accent)	PR19 data triangulation study. Independently peer reviewed at the methodology development and final output stages by an academic expert (Giles Atkinson, Professor of Environmental Policy at London School of Economics & Political Science).	
Blue Marble	Young Innovators Panel.	Yes
QA Research	Metering uptake study. Non-Household Retailer engagement. Developing a more customer friendly water bill.	Yes
DJS Research	Hard to reach customer engagement. Customer forums for new connections market.	Yes
Explain Research	Customer journey engagement to understand the ideal experience at key touch points. Engagement to understand if customers support our proposed customer promises and outcome delivery	Yes

	incentives – including our cost adjustment claim for our South Staffs water treatment works investment.	
Community Research	WRMP and long-term plan customer engagement study.	
Impact Utilities	Willingness to Pay Studies – Waves 1 and Waves 2. Wave 1 approach independently peer reviewed by Dr Ariel Bergmann, Economist, University of Dundee. Wave 1 and Wave 2 outputs independently peer reviewed by Dr Paul Metcalfe of PJM Economics.	
WaterSmart	WaterSmart platform behavioural trial.	
Bright Navigator	Point of contact customer service satisfaction surveys.	
One-MS	Yet to be awarded a contract, but retained as a non-water specialist with a track record in innovative qualitative research.	Yes

In addition to the suppliers we have worked with, our customer engagement team has also formed links with another 10 specialist agencies who have submitted proposals or worked with us before, which we can call upon should an engagement opportunity suiting their skills set and expertise arise. We recognise that the more diverse our supplier roster the more chance we have of continually improving and bringing in innovations to our engagement approach.

We will be looking at ways of how we can work more effectively with our supply partners and further strengthen our 'strategic supplier framework'.

For each engagement project we have commissioned, we have carefully selected our preferred supplier following an extensive tendering process to ensure they would deliver a high-quality, value for money outcome. In general, we have used the evaluation criteria below to score each proposal we receive. Our independent customer Panel have for key projects (Willingess to Pay and our household retail framework contract) been involved in scoring the methodology approach of the agencies with their scores included alongside those of internal colleagues:

- non-cost elements: weighted 60%:
  - experience – whether they have demonstrated that they have completed similar projects and understand the market we serve, relevant case studies and references are required;
  - people – that they have the right team to undertake the research, including experience of recruiting hard-to-reach audiences;
  - methodology - that they have put forward a robust research approach;
  - ability to deliver the project in line with the project timetable; and
  - any added value / innovation offered, including triangulation internal and wider industry sources, co-creation and gamification.
- cost of the service (including expenses): weighted 40%.

Given the positive feedback we have had from customers, company colleagues and the independent customer Panel we believe that our rigorous approach to selecting high-quality suppliers to work with has played a major role in ensuring the overall success of the engagement programme.

3.6 Embedding customer insights within our business

At PR14 there was some engagement outside of the core team to ensure the insights were effectively disseminated across the business. These included project de-briefs, executive and board presentations, follow up meetings to agree key actions and circulation of reports to key colleagues. At PR19 we have continued with this approach and also introduced the initiatives below to help deliver a step change:

- sharing of key insights at Executive roadshow days and at other senior manager / PR19 meetings. This includes regular working sessions to share key insights and ensure actions are kept alive;
- development of Infographic/pen portraits and videos to keep insights top of mind in a visually engaging way for all company colleagues;
- use of interactive internal ‘customer experience’ workshop days to share and make use of insights among wider teams – for example, used to help re-shape our metering customer journey;
- setting up a customer feedback page on our websites for company colleagues to review;
- insights fed into our contact centre training day sessions to support ‘soft’ skills development; and
- tracker documents are being developed to ensure Executive board members and key stakeholders have visibility of key insights and action plans.

We will continue to build on these initiatives over time to help drive a truly ‘customer-centric’ culture.

4. Capturing the key learnings from our engagement journey

An important part of our extensive engagement journey is learning as we go to continuously make improvements, both at strategic level (e.g. trialling new approaches) and at a more tactical level (e.g. determining which industry terminology customers find confusing, so that it can be removed).

We have found that certain approaches have worked well, whilst others are less effective and need a different or new approach. Table 5 summarises some of the more important findings from our engagement programme.

Table 5: Learnings to take forward to help shape our engagement approach.

Engagement approach review	**Our commitments for future engagement**
Pre-tasking customers before qualitative groups in fun and engaging ways and then ensuring a feedback loop of the results of the research creates a positive experience for customers.	The use of innovative pre-task approaches to engage customers in advance of qualitative groups to ensure a good experience and maximise the insights we gain. Continuing to strengthen the way we approach our engagement to ensure we deliver a positive engagement experience for our customers. This includes the launch of an online customer community in 2019, so that customers can provide their views on a range of topics and we can feedback on how we are using their feedback to improve the services we offer them.
Co-creating quantitative surveys though the use of qualitative groups with representative groups of customers helps to provide more user-friendly, engaging surveys. Importantly, it helps: o increase the confidence in the outputs as surveys have been developed with customer feedback and any issues with the way questions are worded can be picked up and improved; o remove any industry jargon that might confuse customers, which means survey questions and stimulus materials that are written in plain, clear English; o the development of relevant images, comparative information and other stimulus material that help customers give a well-considered response; and o deliver a better overall survey experience for customers.	Continuing with a multi-stage approach to complex engagement projects, where we work with customers in an up-front qualitative setting to shape the following quantitative surveys. We are sharing the success we have had through these appendices with the industry, as we feel they should be adopted for complex research methodologies like WTP.

The use of sensitivity analysis when asking customers to comment on complex topics (such as paying for investments to improve service and helping to shape performance commitment targets) has proved very valuable to our PR19 approach.	Continually sensitivity testing the results of our engagement, where needed, to provide a high level of confidence in the outputs. This focus on triangulating a wide range of evidence will ensure our plans truly reflect our customers' needs.
Our WaterSmart behavioural trial in the Cambridge region to give customers more control of their water usage and provide them with recommendations on how to save water has shown a marked difference in the level of engagement. For example, 37% of customers responded to an online survey we ran at the mid-point of the trail asking for feedback compared to response rates of less than 5% when we have run online surveys by approaching customers on our database with an e-mailed link and context.	Given the successes seen in the WaterSmart trial in terms of increased engagement, we are fully committed to developing an online customer community to allow more ongoing customer engagement covering a wide range of topics. We intend to invite customers to take part in a trial community during 2019 with a full launch in 2020. This will form a key platform to embed a customer-centric approach to the company and provide a further communications channel to update customers on the improvements we are making as a result of their feedback. In terms of the effectiveness of WaterSmart itself, 75% of customers want the trial to continue with the main improvements being requested focusing on having more frequent meter reads and data as well as understanding how this service related to their water bills. We are committed to finding an improved solution for customers moving forward, using the results of the WaterSmart trial.
Despite investing a significant amount of time and cost (including extensive sensitivity testing and analysis) to ensure a robust and innovative WTP and triangulation approach to our PR19 customer engagement, their remains challenges. The extensive sensitivity testing we have carried out highlights that WTP stated preference outputs are particularly sensitive to a range of factors, such as the timings of surveys, the impact of scaling effects, the question and service level wordings (i.e. context and framing) and the way in which the figures are subsequently scaled to reflect the number of properties in each region. It would require a huge investment to undertake a project that offered robust enough samples across a range of sensitivity tests and we believe this is simply not practical for a water company of our size.	To overcome these challenges and those associated with comparing WTP values across water companies, we would be supportive of a national WTP study. This would also provide a more cost-effective approach, with companies also free to conduct their own studies, using methods they feel are appropriate to best suit their plans. There is also evidence that more guidance is needed at an industry-wide level to build on the CCWater/ICF (July 2017) triangulation approach to provide guidelines to water companies around a consistent best practice approach to allow comparisons to be made. We would support an independent review of the all triangulation studies carried out at PR19 to help provide a clearer, more consistent set of guidelines for water companies to take forward.

We have found that business customers are becoming increasingly difficult to engage with at a quantitative level in large numbers. We can see that for surveys that are longer than 10 minutes we are unable to use online panel providers to reach customers. We have found that the most effective way to reach them for online surveys is for or suppliers' fieldwork teams to make an initial telephone call and then send the link through an e-mail.	Maintaining an engagement link through to our business customers and to reviewing with our agency suppliers how best to approach them for feedback on complex topics. We will also continue to work with our business retail customers to gain their support to continue contacting their end customers for feedback and to sharing the insights gained with them to help drive ongoing service improvements.
We have found the use of engaged forums and ongoing consultations with our hard–to-reach customers (such as business retailers and customers in the new connections market) to be an effective way of discussing 'big picture' challenges and service improvements with them.	Continuing an open, collaborative approach and looking for new ways to make our forums more engaging and useful for all our different customer groups. For example, after our last developer forum event the business retailers who attended commented that the event was useful, but that we should offer a break-out session particularly for them to discuss their issues in greater depth. We are looking at options as to how to improve out events in the future.
When we have asked them about the best way to feedback to them about the changes we are making as a results of our engagement, our customers have told us that we need to take in to account their different needs. Some customers just want to know what improvements we are making in an engaging Infographic, signposting how they can access the improved service and others want more detail to understand the insights and how they have shaped our plans.	Reviewing our engagement feedback approach after our draft business plan has been submitted in September 2018 to assess how we can further improve on the mechanisms we already have in place, such as our customer feedback areas on our website and through social media.
We have found that triangulating our formal customer engagement insights with those from business as usual channels (like our customer contact centre) is the most effective way to drive service improvements. A good example of this is the combination of heat maps showing where our hard-to-reach customers live with the insight learnings from our in-depth engagement with these groups of customers that they would like a face-to-face channel to contact us. This led to opening our Community hub in 2018 in Wednesbury.	Further improving the ways in which we bring together all our insight to understand our customers' rapidly changing needs. An important part of this will involve looking at how we can better share best practice ideas with other water companies and other sectors.