



Covid-19 Impact Wave 2

March 2021

Background, approach and summary

Research objectives and approach

United Utilities wanted to understand how water and sewer usage may have been affected by COVID-19 and understand customer concerns and expectations of United Utilities. There's also a need to more broadly understand customers household finances, expectations of brands at this time and the environment.

The research sought to answer the following questions:

1. What concerns do customers have at this time?
2. How has COVID-19 impacted customer behaviours and water and sewage usage?
3. What do customers expect from United Utilities during COVID-19?
4. Broader understanding of household finances, expectations of brands and the environment

The main body of the survey was previously ran on WaterTalk in April 2020, as such responses have been tracked where relevant.

What we did:



A 10-minute quantitative survey with 1,145 customers



Fieldwork took place between 15th – 22nd March, 2021



Data resulted from a natural fall out from the Water Talk panel

Executive summary

Executive Summary

Younger consumers are most likely to report feeling financially vulnerable

As seen in 2020, the majority of customers don't report concern in meeting household bills.

That said, younger customers (18-34) report feeling most financially vulnerable. This cohort are most likely to have been furloughed, have less discretionary income and as a result report greatest concern with meeting some household bills (e.g. electricity and council tax)

As a result, they are more interested than 55+ customers in receiving information around schemes to help customers pay their water bill and tips on how to save money.

Disposal behaviour remains largely unchanged from before the pandemic

While the majority of customers report similar disposal behaviour during and before COVID-19, over 40% report disposing of cleaning / disinfectant wipes, dental floss, and cooking fats / oils on a monthly basis.

The pandemic has meant an increase in water consumption behaviours for many, particularly those associated with hygiene.

However, compared with April 2020 increases in some water related behaviours has fallen significantly, suggesting customers may be using less water now compared to the start of the pandemic.

Two-thirds of customers feel UU's response to the outbreak has been positive

Broadly speaking, customers feel that UU's response to the pandemic has been positive (69%). The uninterrupted services offered, continuation of maintenance and repair work, and proactive comms underpin customers positivity toward UU.

That said, some called for additional action around improvements to repair work and greater information on water quality, suggesting there are areas to work on.

Close to 40% claim to be aware of UU support schemes, a significant increase from April 2020 (25%). However, a third of customers report an interest in receiving information about financial support, suggesting a number of vulnerable customers may still need to be contacted.

Executive Summary

Customers report being more environmentally conscious vs. start of pandemic

Customers report significant changes their spending habits compared to before the pandemic, particularly around online spend.

Another key trend in customer spending behaviour centres around becoming more ethically conscious.

Over a third (38%) of customers are more likely to spend with ethical companies over the next year, and approaching half (45%) feel 'protecting the environment' is more important now. A significant increase since April 2020, when 38% felt this was more important.

UU's recreation sites may continue to be key activities for customers

Once restrictions are lifted, customers will look to prioritise social or outdoor activities, such as dining out (59%), walks / exercise (48%) and visiting areas of natural beauty in the region (51%).

Supporting this, 66% of customers would be interested in receiving information about access and things to do at UU's recreation sites – which is consistent across demographic cohorts. Highlighting the importance that these sites may play for customers looking for activities as we come out of lockdown.

Similarly, customers are interested in receiving more information about their locality, water quality, the environment and tips for saving money and water.

Customers are most concerned with brands delivering 'brilliant basics'

Customers place greatest importance on brands being 'trustworthy' (71%), reliable (69%) and treating customers with empathy (56%) and care (63%) – suggesting getting the 'basics' right is most important.

As we've seen, there's been a slight trend with customers becoming more environmentally conscious, and along with that, around half feel a company should be ethical and environmental.

Brands seen to be doing a good job in the current climate include utilities and energy brands who are promoting environmental behaviours, suggesting many do resonate with these messages. Alongside 'essential' shops who have continued to operate throughout the pandemic.

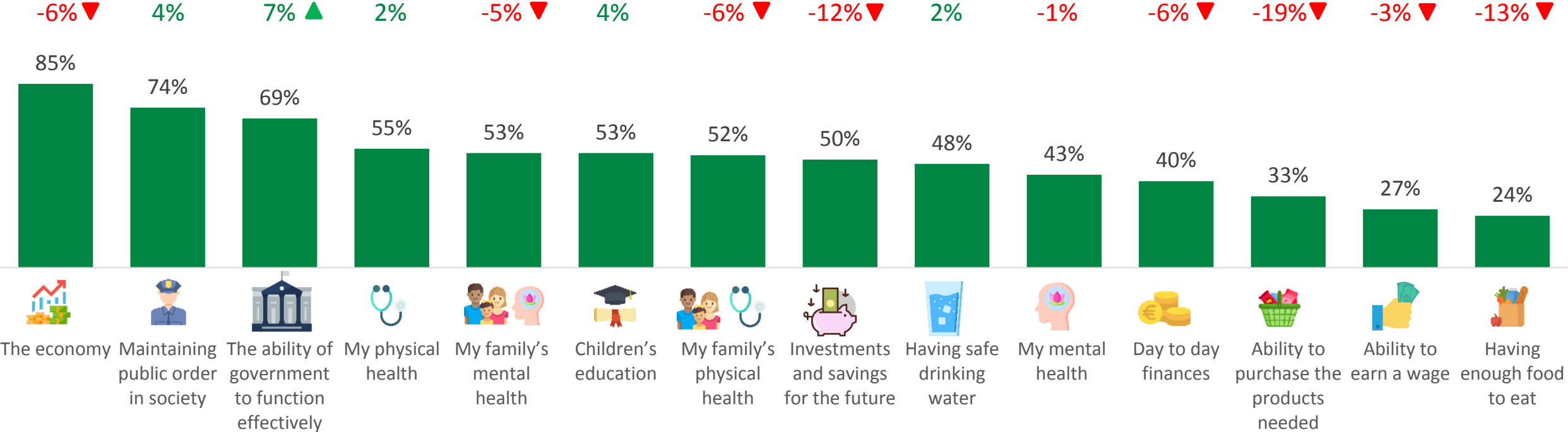
Customer concerns during Covid-19

The economy and maintaining public order remain chief concerns, however financial uncertainty from the beginning of the pandemic falls significantly

Covid-19 Concerns

Women and younger customer (18-34) are significantly more likely to report being concerned about both physical and mental health, and their finances

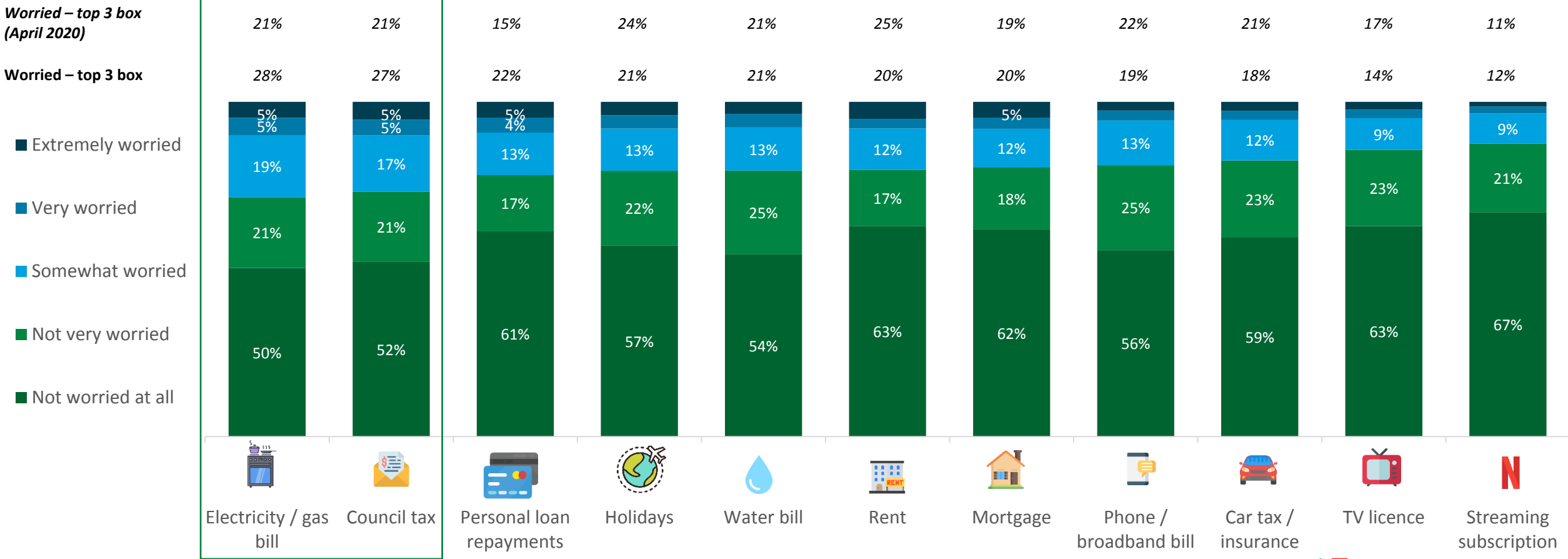
Difference vs. 2020 (March 2021 - April 2020)



The majority of customers aren't concerned about their ability to pay household bills, despite concern for electric/gas and council tax increasing since last year

Concerns about paying bills/costs

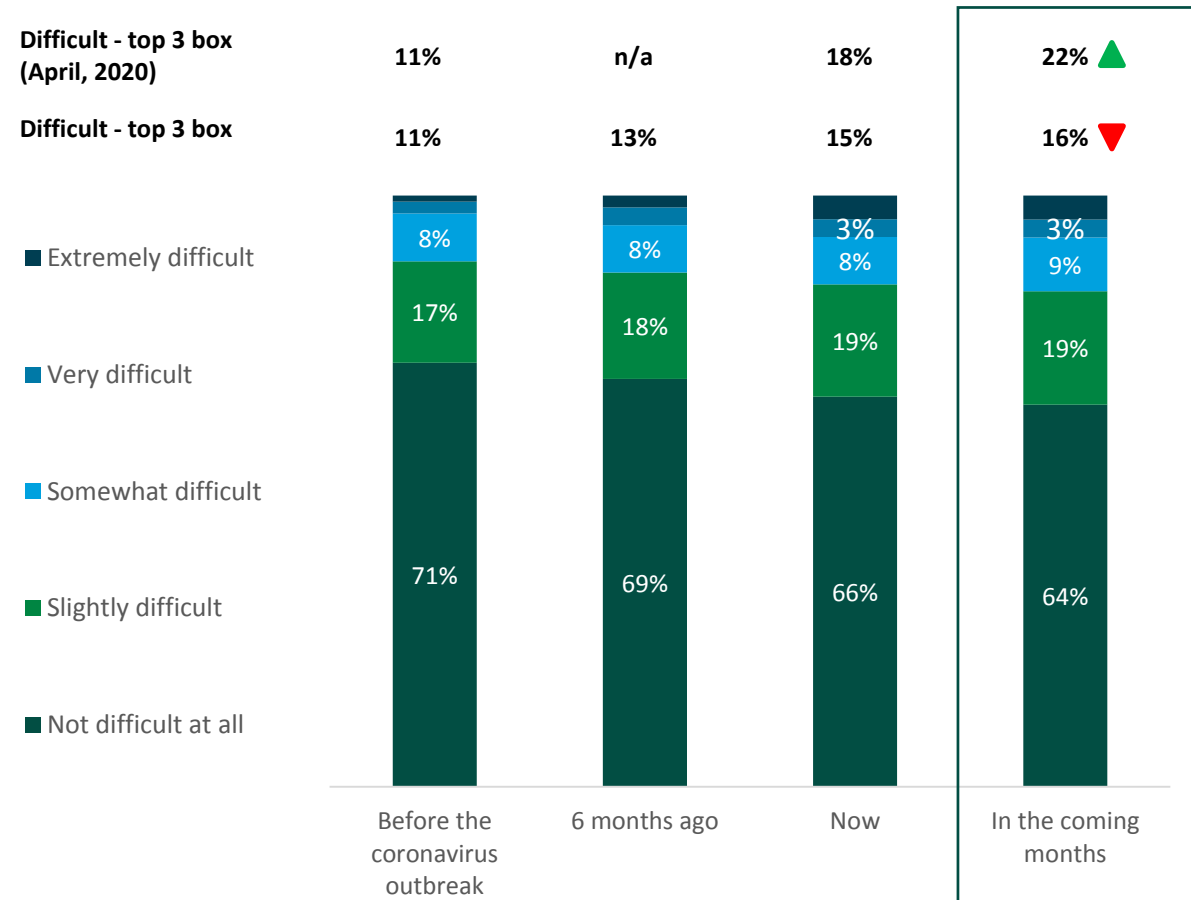
Those aged 18-34 over-index on concerns for electric/gas bills and council tax



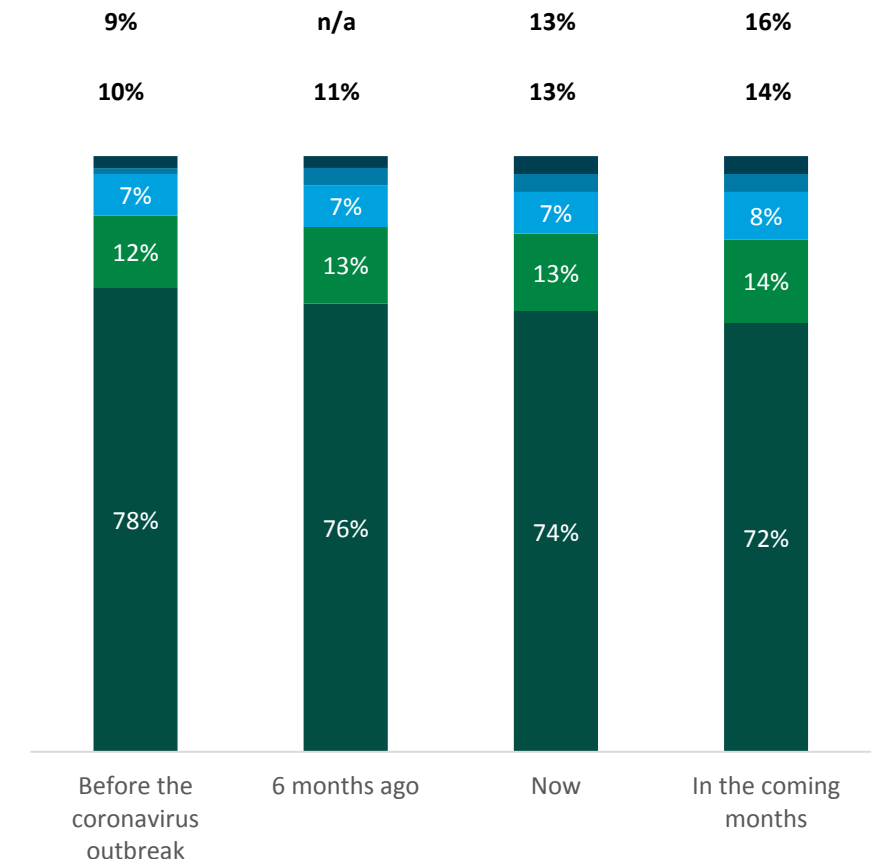
Customers are less likely to report difficulty meeting monthly bills vs. April 2020; however difficulty meeting water payments remains consistent, albeit fairly low



Difficulty with meeting monthly bill payments (general)

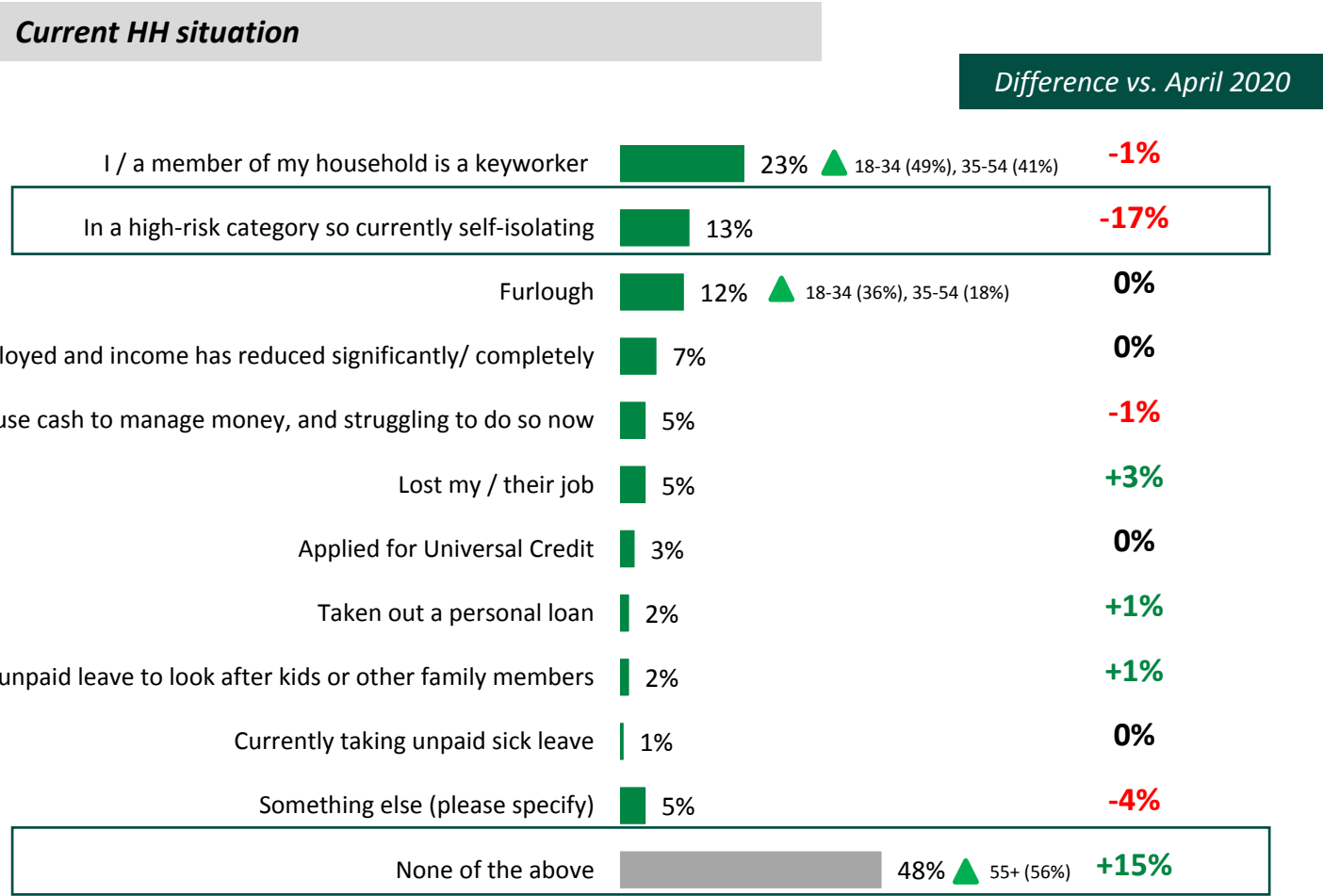


Difficulty with meeting monthly bill payments (water)



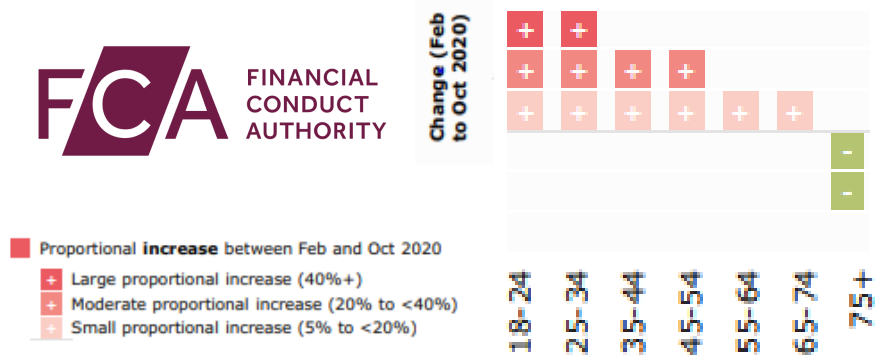
▲ ▼ Significant difference at 95% CI

Compared with 2020, fewer customers are self-isolating and customer households are less likely to be currently suffering consequences of the pandemic



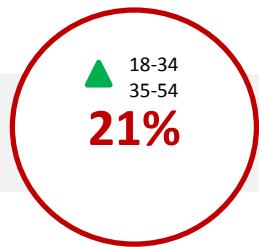
Whilst fewer customers claim to be currently suffering consequences of the pandemic, over 1 in 10 report being on furlough – which is significantly higher in younger customers. The impact is undoubtedly that these cohorts are more financially vulnerable as a result.

These findings also mirror wider research published by the Financial Conduct Authority that found that between February 2020 – October 2020 there were large proportional increases in younger consumers being classified as having ‘low financial resilience’.

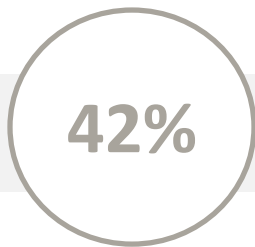


Around a fifth of customers have less discretionary income, however for a significant number the pandemic has allowed for more saving

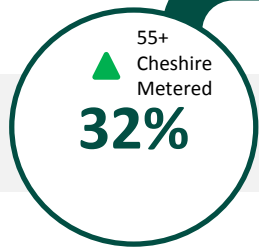
Impact of Covid on discretionary income



We have less money left

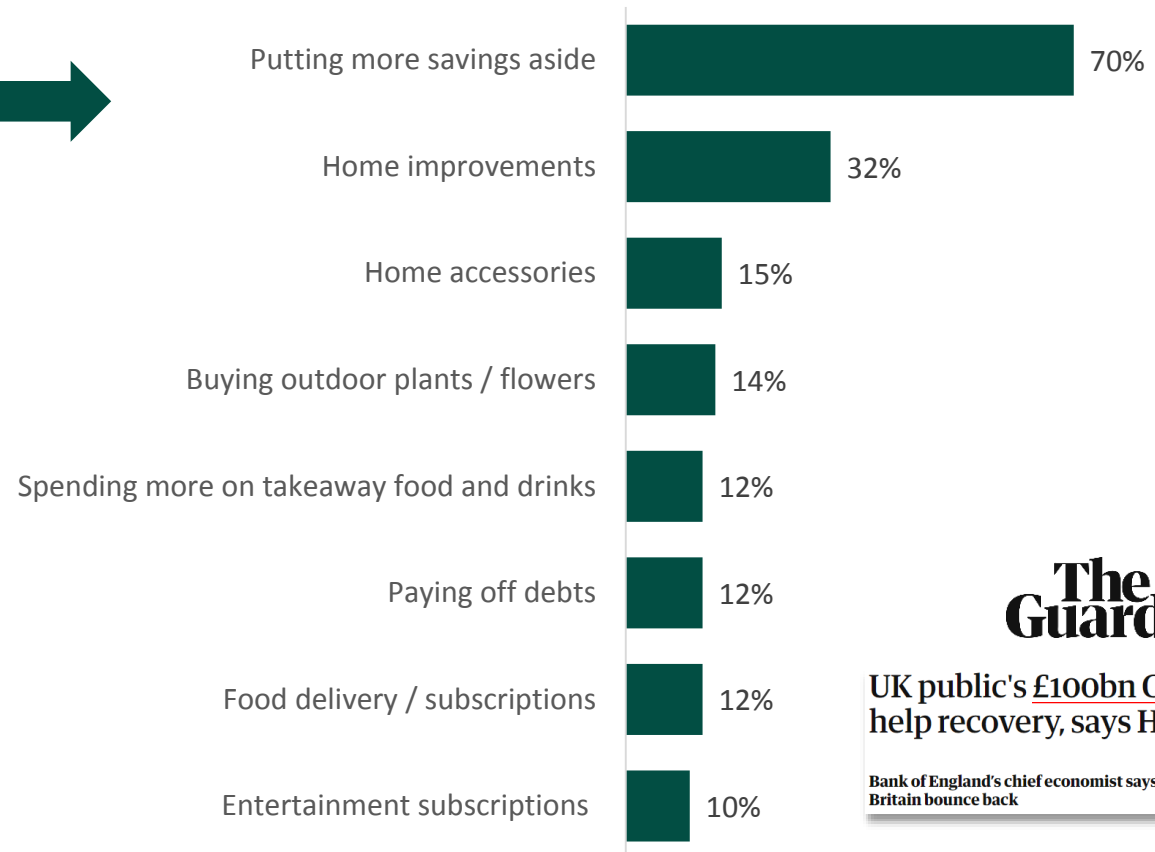


We have the same amount of money left



We have more money left

What customers have done with extra discretionary income



The Guardian

UK public's £100bn Covid savings could help recovery, says Haldane

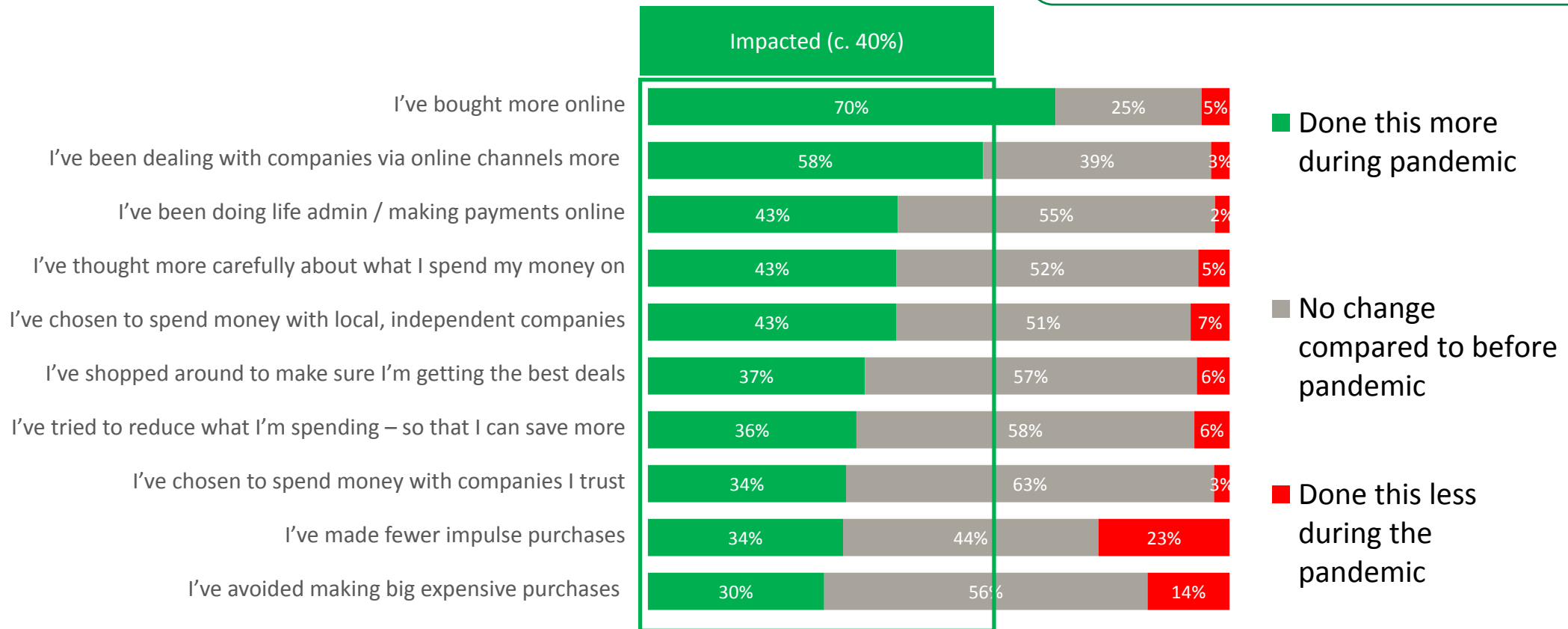
Bank of England's chief economist says spending spree could help Britain bounce back

▲ ▼ Significant difference at 95% CI

Covid has had an impact on spending habits for many, particularly around increased use of online channels

Change in spending habits during pandemic (excluding not sure)

Younger customers (18-34) are most likely to report a change in activities which involve saving / managing finances (i.e. saving more, less impulse purchases, shopping around for best deal) – suggesting this group are becoming more financially savvy than before



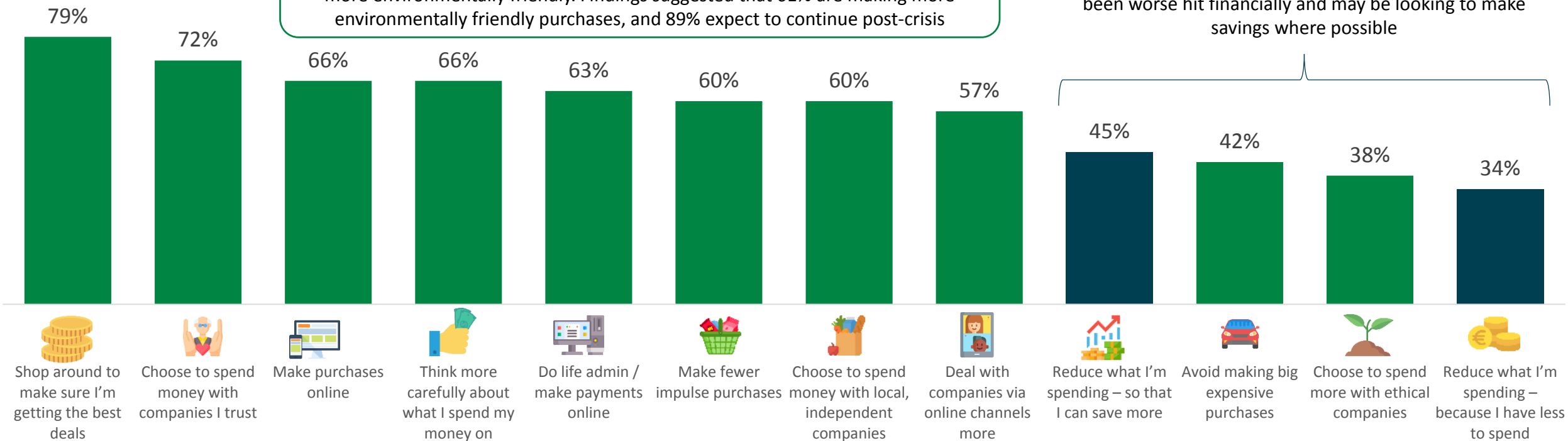
▲ ▼ Significant difference at 95% CI

Online purchasing appears to be here to stay, with customers also more likely to seek the best deals and use companies they trust in the coming year

Predicted spending habits over next year

Around a third of customers expect to spend more with ethical companies over the next year, which mirrors other research supporting a shift of consumers becoming more environmentally friendly. Findings suggested that 61% are making more environmentally friendly purchases, and 89% expect to continue post-crisis

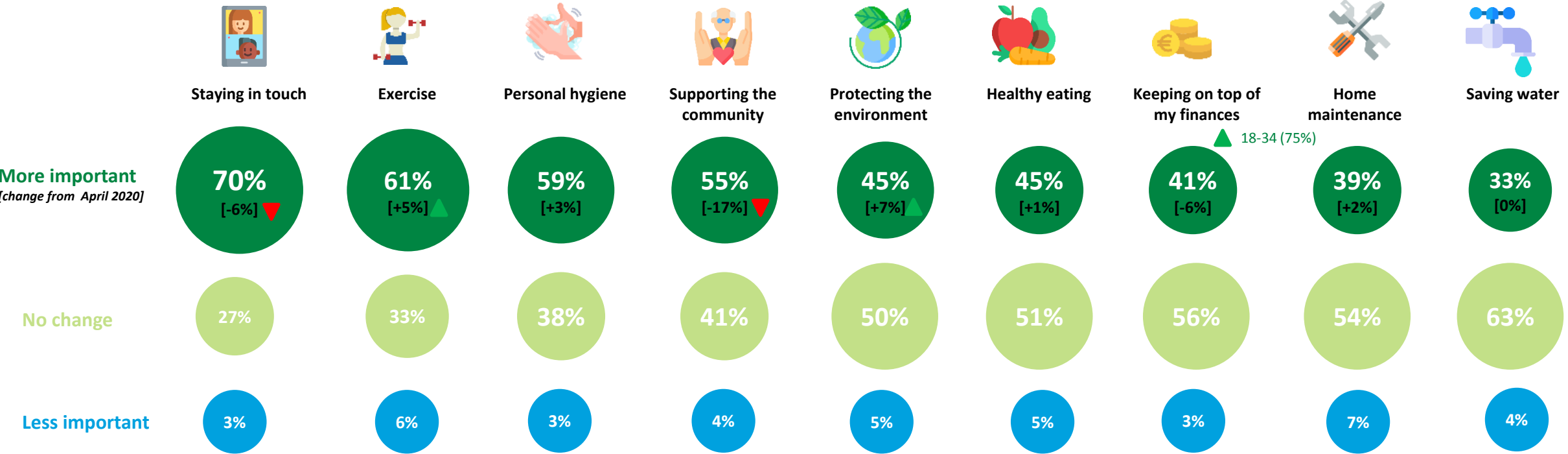
Around a third of customers will be looking to reduce their spend, driven by the younger cohorts who have been worse hit financially and may be looking to make savings where possible



  Significant difference at 95% CI

Social interactions, exercise and personal hygiene are currently key; customers are now more likely to feel protecting the environment is important

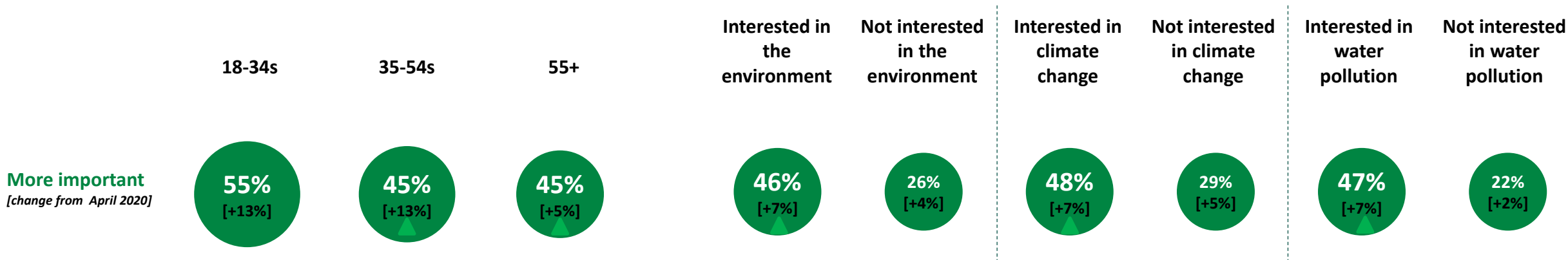
Importance of aspects during outbreak



▲ ▼ Significant difference at 95% CI

Protecting the environment has become more important for all customers, but increases are most pronounced among younger customers and those with existing interest in 'green' matters

Importance of protecting the environment during outbreak



Differences observed by age chime with those at a national level as reported by YouGov* – all ages are more likely now to rank the environment in the top 3 important issues facing the country, but increases are most pronounced among younger adults.

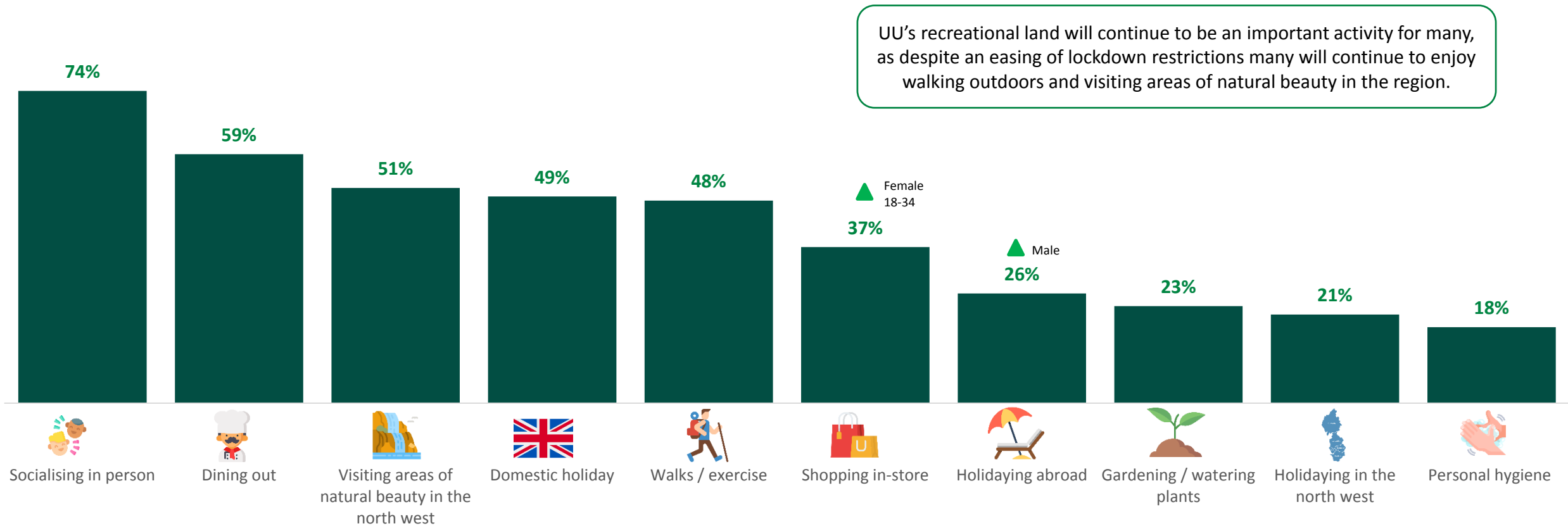


Age	30 th March 2020	21 st April 2021	Difference
18-24	27%	46%	+19%
25-49	21%	31%	+10%
50-64	18%	27%	+9%
65+	21%	25%	+4%

Significant difference at 95% CI

Once restrictions are lifted customers will prioritise social or outdoor activities

Increased activities once social contact restrictions are lifted (top 10 activities)



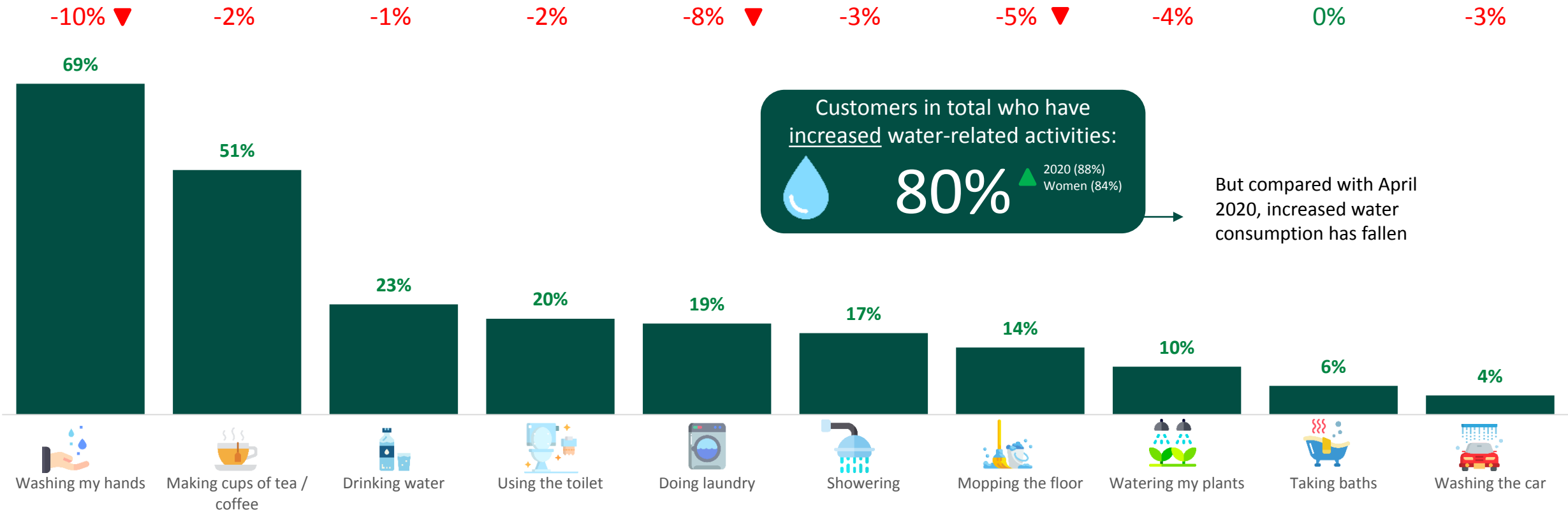
▲ ▼ Significant difference at 95% CI

Impact on water use and flushing behaviour

Compared to pre-pandemic, most have increased the amount of time doing water-related activities; mainly around personal hygiene and making drinks

Water activities increased during outbreak

Difference vs. 2020 (2021-2020)



Customers in total who have increased water-related activities: **80%** ▲ 2020 (88%)
Women (84%)

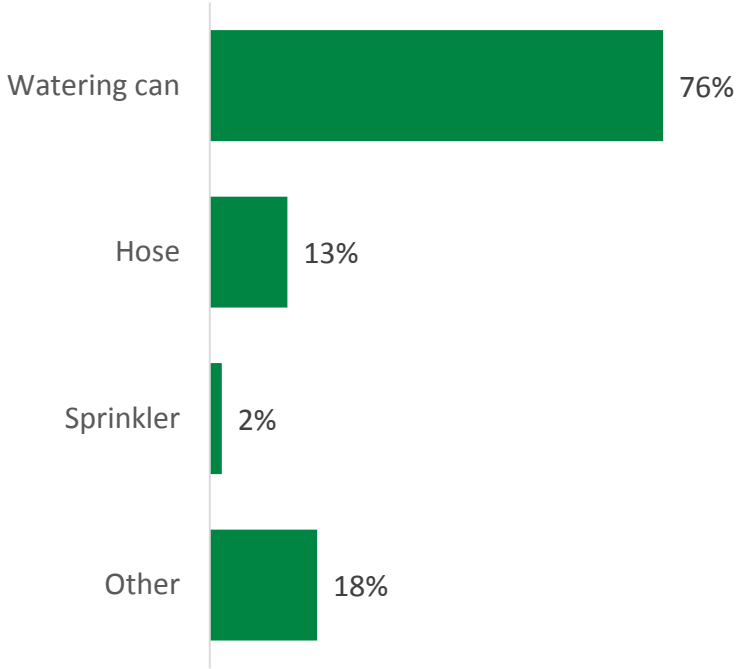
But compared with April 2020, increased water consumption has fallen

▲ ▼ Significant difference at 95% CI

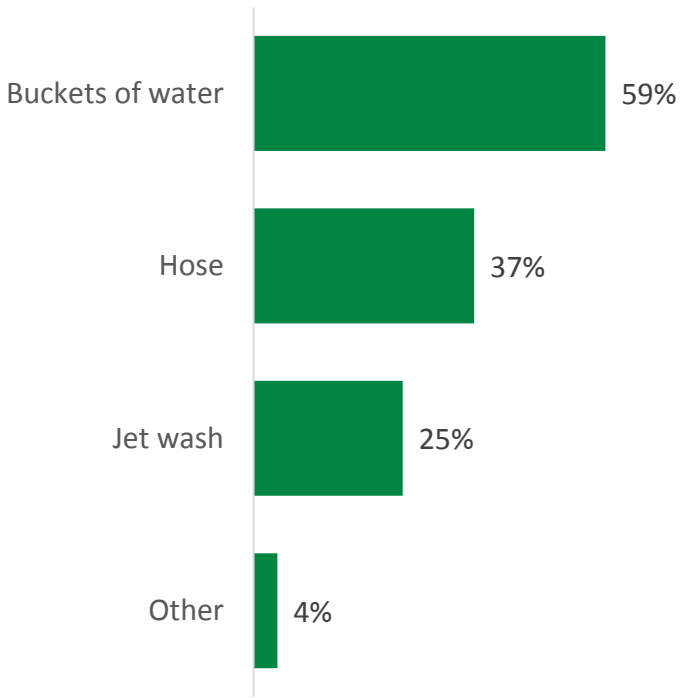
Those watering plants more often tend to do so with a watering can; buckets of water and hose are top picks for those washing cars more



Water activities increased during outbreak



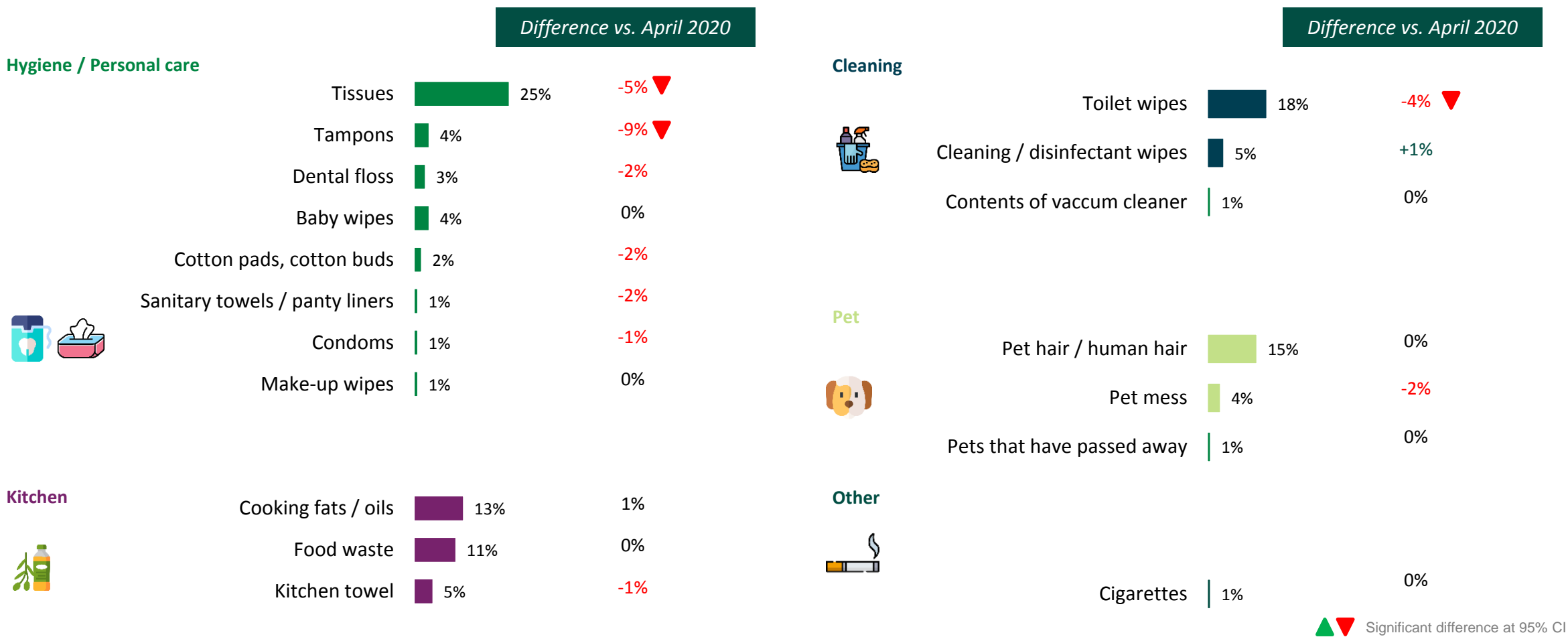
Water activities increased during outbreak



▲ ▼ Significant difference at 95% CI

Sanitation products are most commonly disposed of down the toilet, however customers claim to be less likely to have ever done this vs. April 2020

Items ever disposed of in toilet/sink (claimed behaviour)

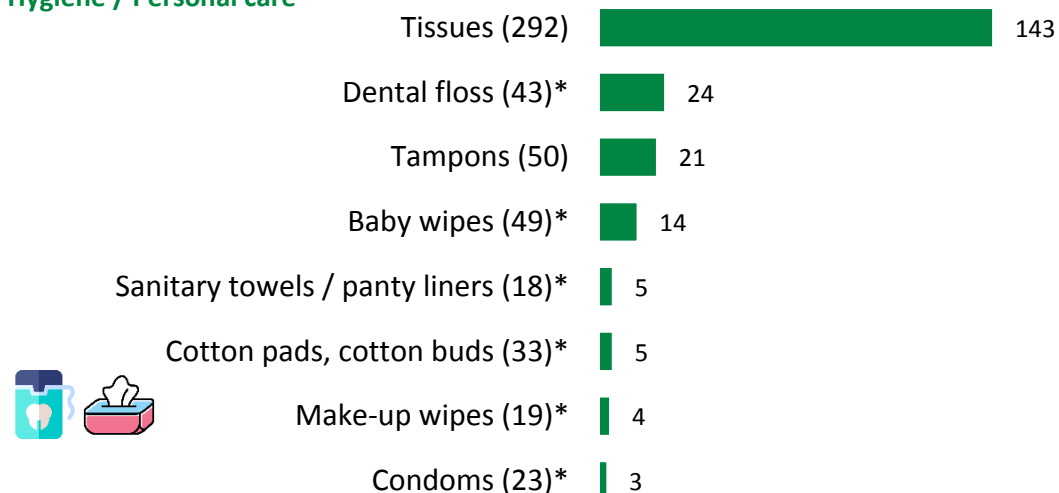


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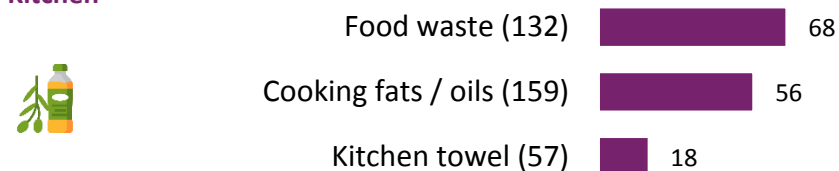
At least a quarter of those who have disposed of each item do so on a monthly basis

Items disposed of in toilet / sink at least once a month (claimed behaviour, N.B counts shown rather than %)

Hygiene / Personal care



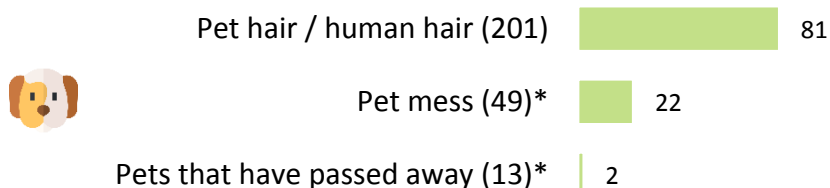
Kitchen



Cleaning




Pet



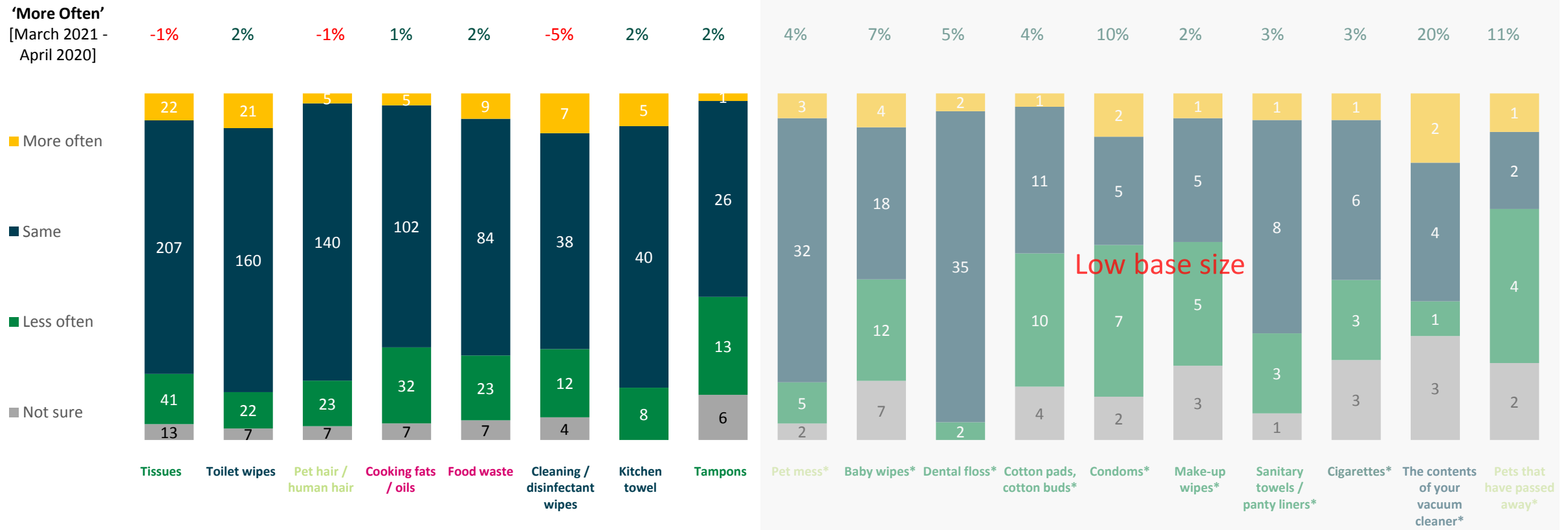
Other



  Significant difference at 95% CI

Disposal of items is largely unchanged during lockdown, mirroring results from the 2020 wave

Change in frequency of disposing of items during outbreak (claimed behaviour)

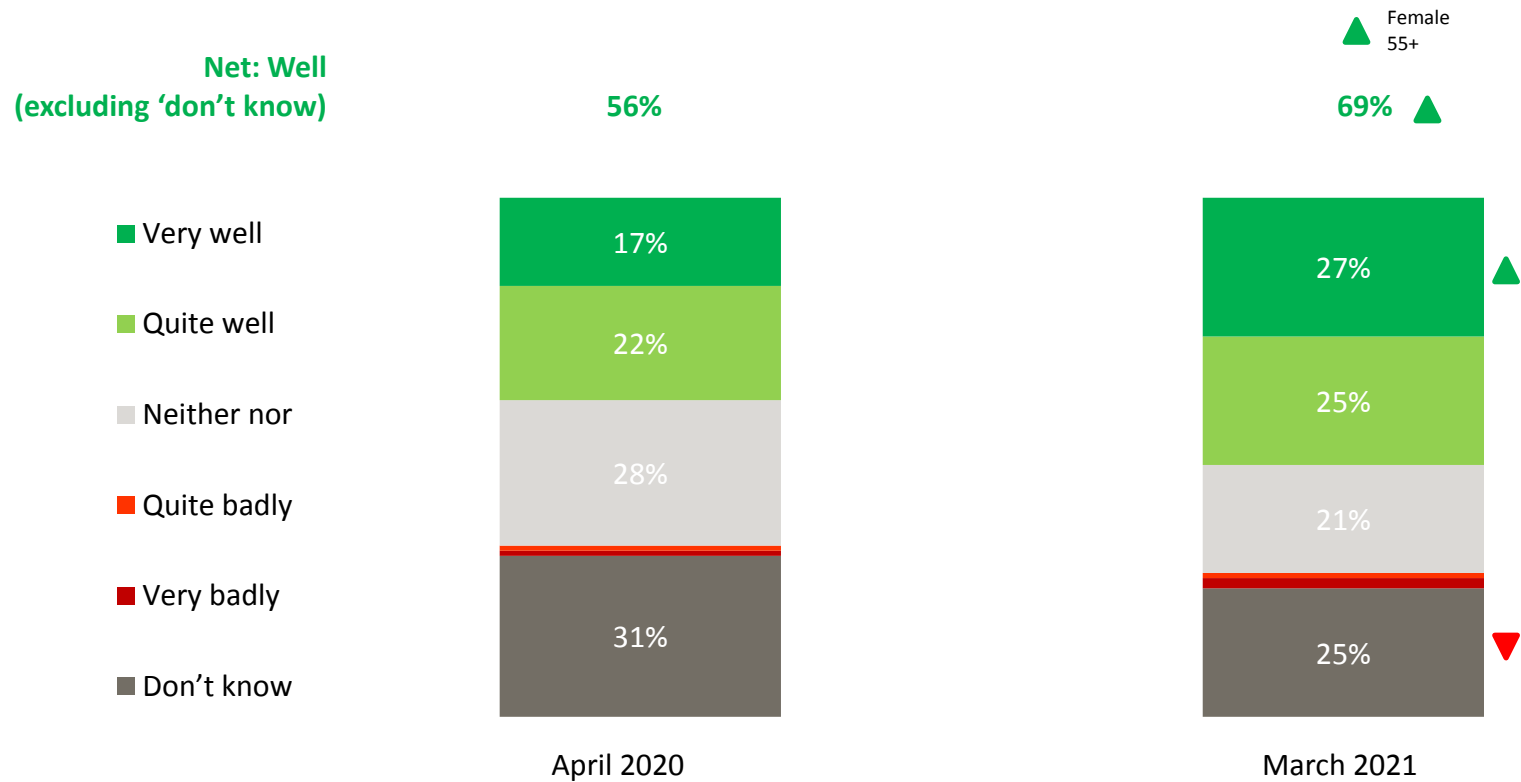


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Perception of UUU's response to Covid-19

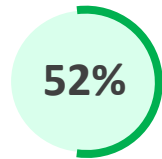
One in four indicate they're unsure how UU have responded to Covid; for those expressing an opinion, perceptions are significantly more positive vs. 2020

Perceptions of UU's response to the outbreak



Customers appreciate the uninterrupted service and continued maintenance throughout the pandemic; comms and availability for contact has also been positive

NET: Well



Customers are positive about the uninterrupted service, continuation of maintenance/work and proactive comms keeping them in the loop

Uninterrupted service offered despite staffing challenges



No loss of service in the local area when more folk were asked to work from home

Male, 55+

Maintenance / repair work has continued to be completed



Have maintained water supplies throughout, and dealt with a leak/mains burst locally, despite what must be challenging to staff & rotas etc.

Female, Unknown

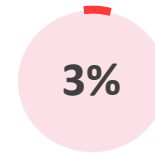
Communication and availability for customer calls has been positive



They have kept in touch with customers and were available to speak to about increased water use.

Female, 55+

Net: Badly



Whilst only a very small proportion of customers disapproved of UU's response; raising prices and uncompleted work is an issue

Rise in prices has been a cause for concern for some customers



The cost of water is still going up, and waste management issues aren't improving, water conservation isn't improving. There needs to be massive investment and improvements altogether to save the environment and to provide a economic service to customers.


Male, 35-54

Vital repair work is yet to be made



There have been water leaks all around my area. Roads have been dug up, filled in and dug up again, time and time again. Yet there are still leaks, one leak has even been in place for over 12 months and not dealt with, not exactly a company focused on the environment and water waste !!

Male, 55+

  Significant difference at 95% CI

The majority are happy with UU's current activities, however some would like improvements to repair work, more information and a greater UU presence in their community

Additional action requested of UU

The majority say there's nothing United Utilities should be doing more of (c.75%)

Fix water outages / fixing blockages / leaks
(c.10%)

Improve rivers and recreational land managed by UU
(c.2.5%)

Provide general information about water quality and environmental challenges
(c.10%)

Improve relationship with local communities
(c.2.5%)

“ Fixing old sewage and water mains in my area Halebank, currently you are very very poor with maintaining
Male, 55+

“ Work together with the environment and local councils to keep drains clear, ditches clear, rivers dredged regularly
Female, 55+

“ Some information about how UU supports communities in areas subject to flooding or potential drought
Male, Unknown


“ Most people see you as an organisation that makes you pay for their water especially when they don't have much money. You need to change this image through local ambassadors and work with bame and other communities through local groups. Work with local schools and colleges to educate them.
Female, 55+

“ Preventing and responding quickly to leaks, and ensuring contractors look after the environments they work in.
Male, 35-54

“ More info on recreational opportunities at UU sites, I.e. lakes etc.?
Male, 18-34

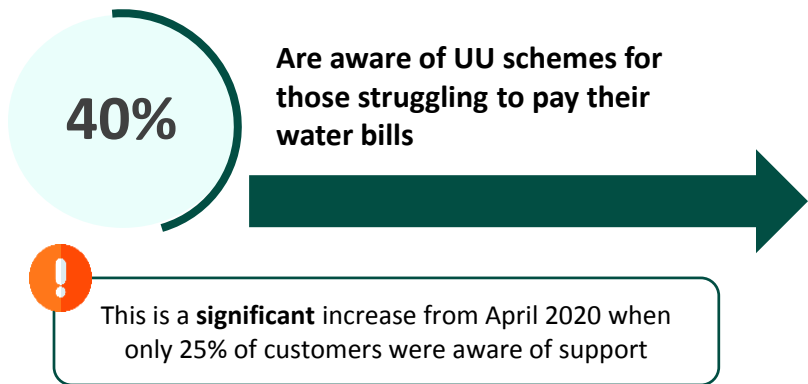
“ General information about what you are doing in respect of your primary duties of providing clean water and treating the dirty effluent
Female, 55+

“ Get the community involved in keeping our rivers and canals clean
Female, 35-54

  Significant difference at 95% CI

Awareness of schemes to support customers struggling to pay their bill has increased considerably since 2020, but most aren't clear on exact details

Awareness of UU schemes



Customers aware of UU schemes broadly reference payment holidays, deferred payment or support for those struggling financially

“ Help to lower bills and payments over longer time and a payment to help cover some of the bill
Unknown, 35-54

“ Am aware that UU has schemes for deferring payments etc. but cant name specific schemes / payment plans
Male, 55+

Whilst some remember receiving comms explaining support available, most aren't able to recall the exact details as it wasn't relevant to them.

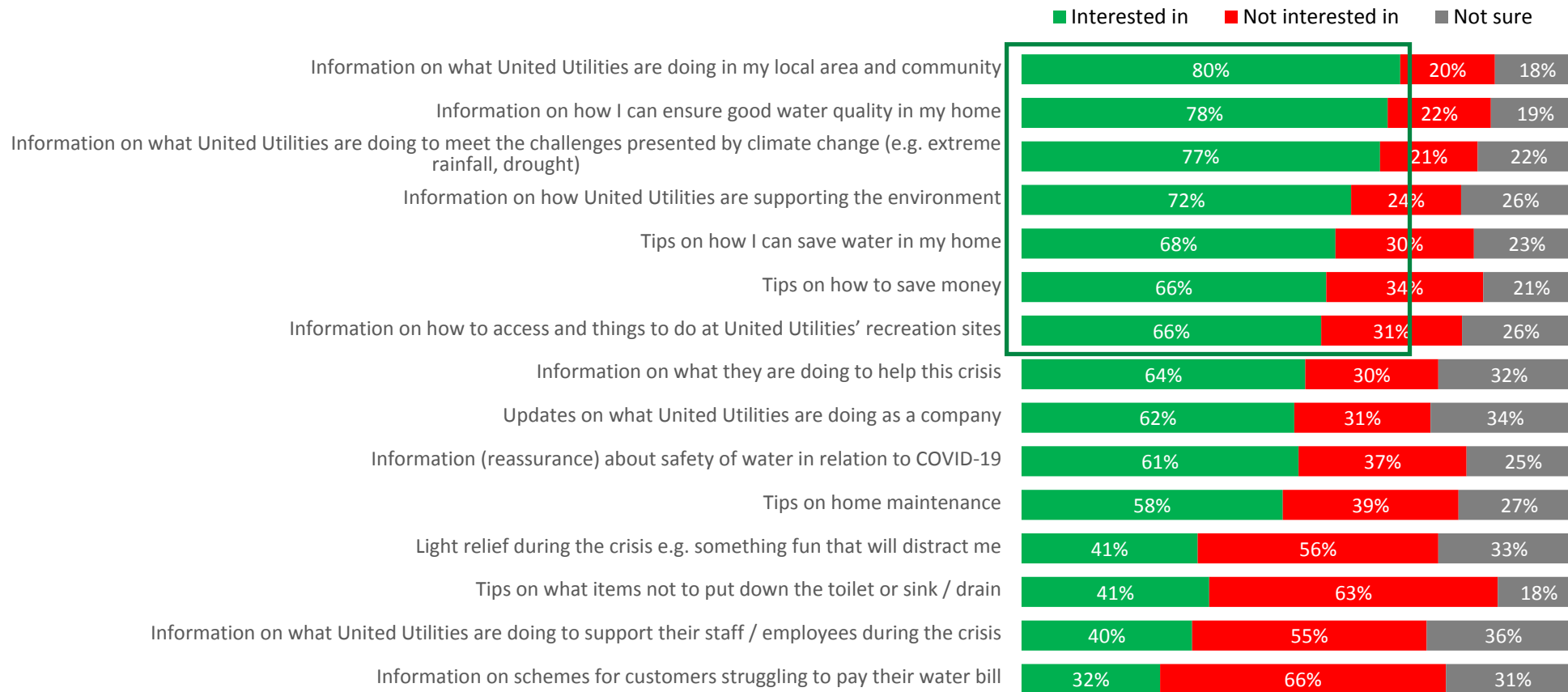
“ I remember reading information but I can not remember names off hand
Male, 35-54

“ I know schemes are there; I don't know what the schemes are called as they are not relevant to me.
Male, 55+

▲ ▼ Significant difference at 95% CI

Customers are most interested in information about their locality, water quality, the environment and tips on saving water and money

Interest in receiving comms from UU



Younger customers (18-54) are significantly more interested in 'information on schemes for customers struggling to pay their water bill', 'tip on saving water in the home' and 'tips on how to save money'.

Indicating comms focused on financial and water support may land best with this cohort

▲ ▼ Significant difference at 95% CI

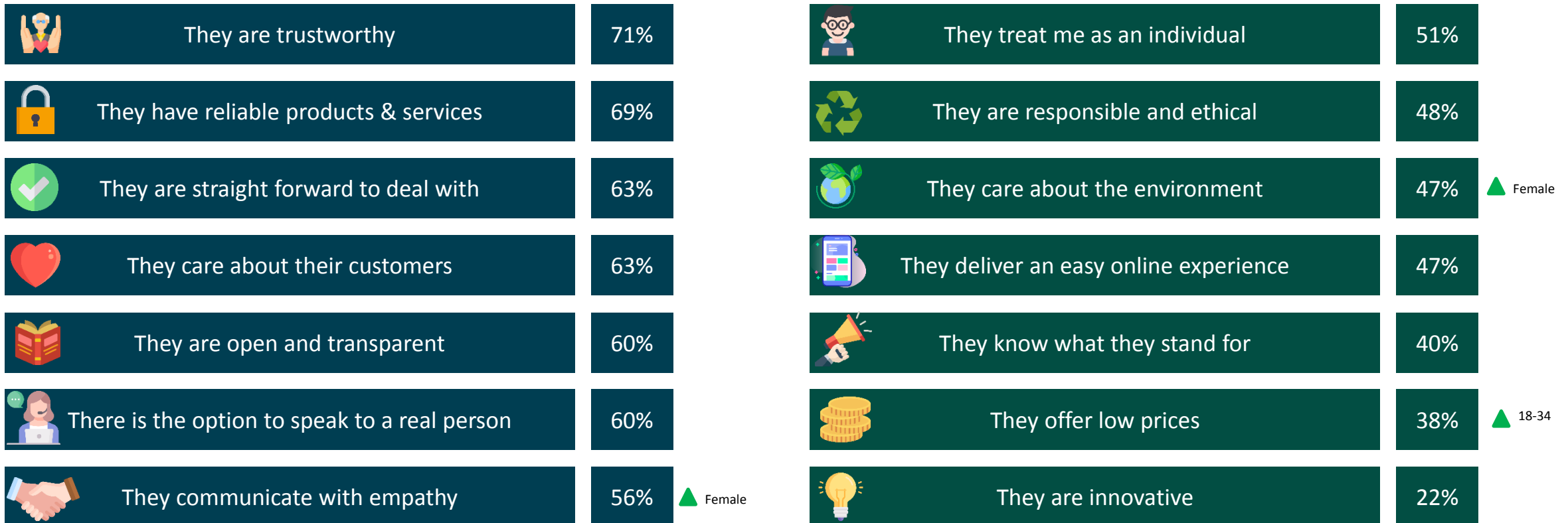
Perception of brands and their response to Covid-19

Customers are most concerned with brands delivering ‘brilliant basics’, such as trustworthiness and reliability. ‘Ethical’ and ‘environmental’ is very important to half

Important factors for brands (‘very important’)

Results are in line with wider external consumer research, where insights highlighted that:

- 71% said if a brand is putting profit above the customer they will lose trust
- 72% want brands to convey their products in a way which show they are aware of the crisis / impact on peoples lives



Essential grocery stores and services supporting changing customer needs during the pandemic have been seen to be doing a good job

Brands doing a good job in current climate



All supermarkets (inc. local/independent stores) who are adapting operations to keep up with the demand for essentials and providing safe home delivery



Utilities / energy brands promoting environmental behaviours as well as delivery services which have been invaluable during this time

“

Tesco, Morrisons, Sainsburys, Waitrose and other supermarkets who have risen to the challenge of providing a service safely and well. Also most have been aiding people who are struggling to feed their families.

Female, 55+

“

Supermarkets in general have been forced to become the primary source of most household items during lockdown, and by and large, they and their staff have managed the challenge quite well.

Male, 55+

“

Online grocery delivery varies amongst supermarkets. I've found Asda the best in obtaining slots and being able to contact them if necessary. Some online retailers seem to do well with delivery e.g. Boots

Female, 55+

“

in fact all delivery services from the likes of DPD to Royal Mail have all stepped up to the new challenges. From personal experience I was impressed with yourselves in dealing with a leak in the water main outside my house....which I had no idea was there..

Male, 55+

“

United Utilities, more discussion regarding how to take care of the environment Co operative they look at how to reduce waste and how to support local communities

Male, 35-54

“

Amazon; when Sainsbury's Tesco and the others dried up their online delivery slots Amazon Prime introduced same day delivery slots! Uber Eats; grocery delivery is excellent within the hour! Netflix; even though they've increased prices there's always something new to watch

Male, Unknown

Significant difference at 95% CI

Hospitality and airline companies have been seen to deal with the pandemic worst, and fashion retailers are criticised for not promoting sustainable practises

Brands not doing a good job in current climate



Hospitality brands which seem more interested in profits and **high street / online fashion retailers** not promoting sustainable practices is frowned upon

“

Wetherspoons - the frequent whining of the CEO is selfish and completely counter productive in the current climate
Female, 55+

“

Primark, boohoo, disappointed to see Dr Martens don't trade ethically either, don't pay living wage in the supply chain, no water reduction in the production line
Female, 18-34

“

Primark, Boohoo, Asos, Pretty little thing and all fast fashion outlets
Female, 35-54

lastminute.com



Airline and travel companies who are promoting travel whilst it's not safe and in some instances not refusing customers

“

TUI - who delayed so many refunds for holidays (including ours) - our opinion of them has really changed and we wouldn't book with them again now
Female, 35-54

“

Holiday companies selling holidays to countries, where we don't yet know if they will be safe (at this time this is all countries except maybe Israel).
Male, Unknown

“

Lastminute.com - complete bandits. Took over 12 months to be refunded Atom bank - cannot deviate from the script
Female, 55+

Significant difference at 95% CI

Recap

Recap

Younger consumers are most likely to report feeling financially vulnerable

Disposal behaviour remains largely unchanged from before the pandemic

Two-thirds of customers feel UU's response to the outbreak has been positive

Customers report being more environmentally conscious vs. start of pandemic



UU's recreation sites may continue to be key activities for customers

Customers are most concerned with brands delivering 'brilliant basics'

Appendix

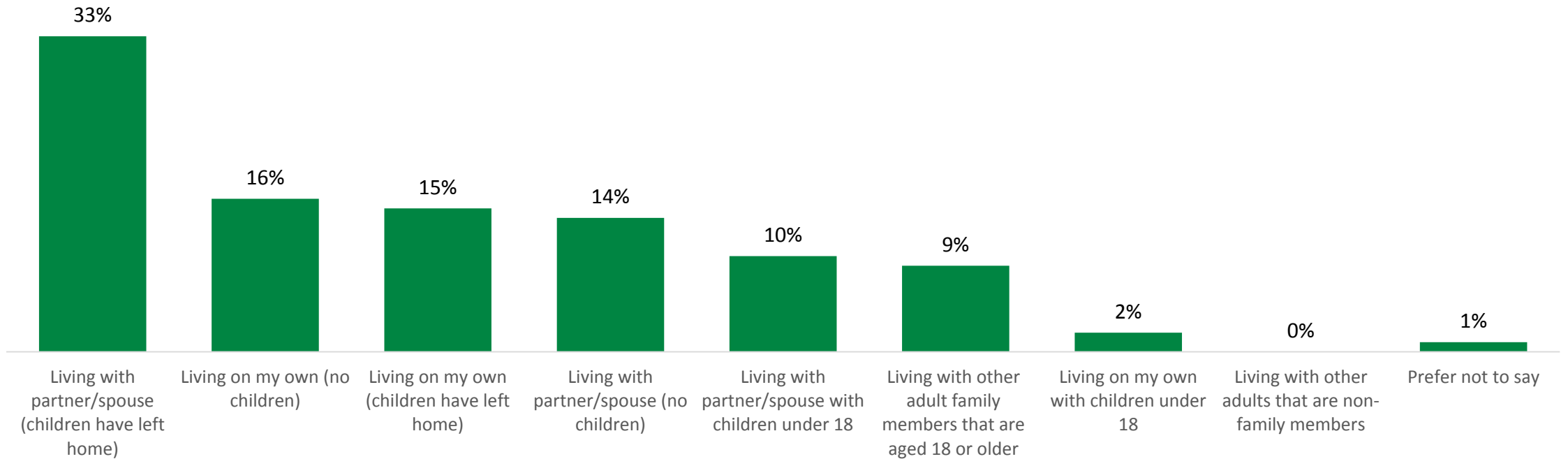
Sample profile

Total	Unweighted	
	Count	%
Gender		
Male	684	60%
Female	456	40%
Unknown	2	0%
Age		
18-34	55	5%
35-54	251	22%
55+	779	68%
Unknown	60	5%
Region		
Cheshire	169	15%
Cumbria	93	8%
Greater Manchester	440	38%
Lancashire	241	21%
Merseyside	195	17%
Unknown	7	1%

  Significant difference at 95% CI

Household situation

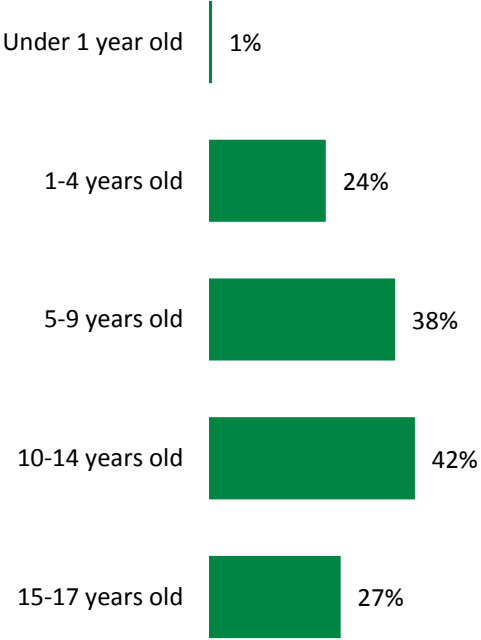
HH situation



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Age of children under 18 living in house

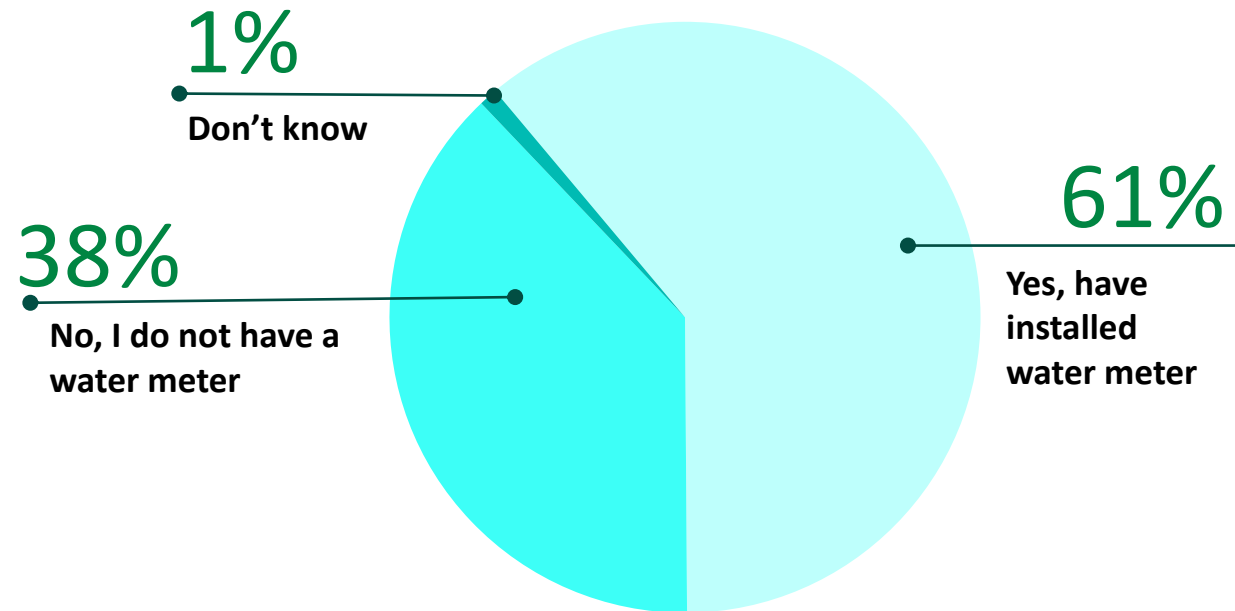
Age of children under 18 living in house



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Measured vs. unmeasured

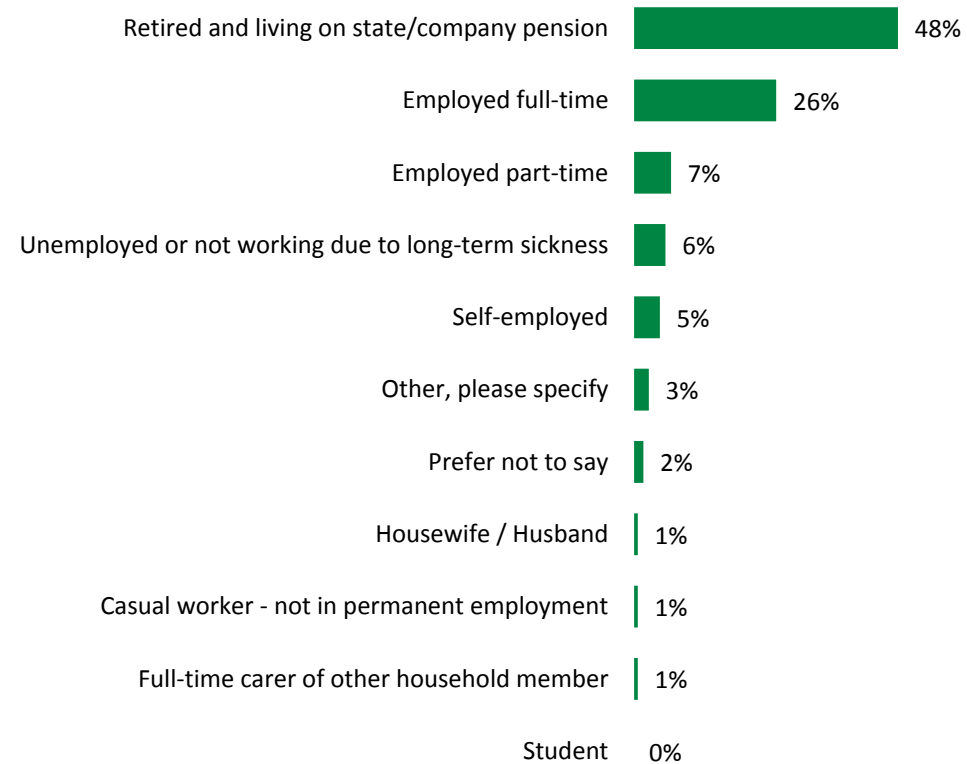
Measured vs. unmeasured




▲ ▼ Significant difference at 95% CI

Employment status

Employment status



  Significant difference at 95% CI

The WaterTalk panel

- Water Talk is an online community designed to reflect the views of those in the North West who have access to the internet (circa 90% of the population)
- Customer panels typically provide a deeper level of engagement with customers than ad-hoc pieces of research
- It provides rapid research access to UU customers
 - This can provide fast and cost effective feedback on a wide range of issues
- Where appropriate, work is supported with other methodologies and samples to represent those not present on WaterTalk
- Nearly 8,000 UU customers are on the panel:
 - 3,600 have taken part in a research activity in the last 6 months

To find out more about using the WaterTalk panel to meet your business needs, please contact **Shy Sharma**:



Shy Sharma

Customer Insight and Exploration Manager

Shy.Sharma@uuplc.co.uk