

The logo for WaterTalk, featuring the word "Water" in a dark blue font and "Talk" in a lighter blue font, set against a white rectangular background.

WaterTalk

# Leak Repair Incentives

A WaterTalk research report prepared for United Utilities  
August 2020

# Background, approach and summary

# Research background and approach

## Background and objectives

As part of its commitment to reduce water lost through leakage, United Utilities aims to identify and repair leaks in the network as quickly as possible. However, it is customers that are responsible for fixing leaks on their property.

United Utilities wanted to explore the possibility of incentivising customers to fix identified leaks as soon as possible and thereby reduce network leakage.

Research was therefore required to:

- Understand spontaneous ideas around what would encourage customers in both measured and unmeasured properties to repair leaks quickly
- Explore what level of monetary incentive would be compelling enough to encourage customers to repair leaks
- Explore opinions from customers in unmeasured properties on shadow metering following leak identification

## What we did:



14-question online survey with 843 WaterTalk members who are all **homeowners**.



Fieldwork ran between 28<sup>th</sup> July – 4<sup>th</sup> August 2020



Data resulted from natural fall out from the WaterTalk panel

# Summary of findings

## Customer experience of leaks

Most customers have experienced some type of water leak before. However, fixing them is deemed relatively low priority compared with other household issues, e.g. gas leaks and power cuts.

Despite leakages not being the most disruptive issue, most claim they would fix them within 30 days, without an incentive and regardless of how much the escaped water was costing them. However, the higher the cost of escaped water, the more likely measured homeowners say they would be prompted into action.

**Comms reiterating the added cost to homeowners could be an initial tactic ahead of offering incentives.**

## Pricing contingency exercise

For small leaks, there is little incremental benefit in offering more than £50 for fixing small leaks within 30 days. The pattern is similar for large leaks, and there's likely to be little incremental impact of an incentive over £300 on fixing leaks quickly.

Unsurprisingly, measured homeowners are more likely than unmeasured homeowners to be prompted by the incentives into fixing leaks quickly.

**Measured homeowners will naturally be the softest targets due to the impact of leaks on their bill, so they could be targeted by comms first.**

## Potential impact of incentives

There is evidence that a monetary incentive would make homeowners place greater priority on fixing leaks, both small and large. Fixing a gas leak or power cut would still take top priority though.

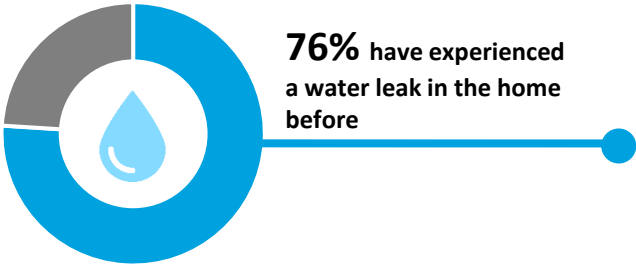
Over half of unmeasured homeowners would consider a shadow meter in order to get an incentive for fixing a leak quickly. Those open to it recognise the water saving benefits in the long run. However, many are sceptical that the meter could be used to charge them per usage in future.

**Renewed myth-busting about water meters may be required, plus firmer reassurance that they won't be charged based on their usage once the leak is fixed.**

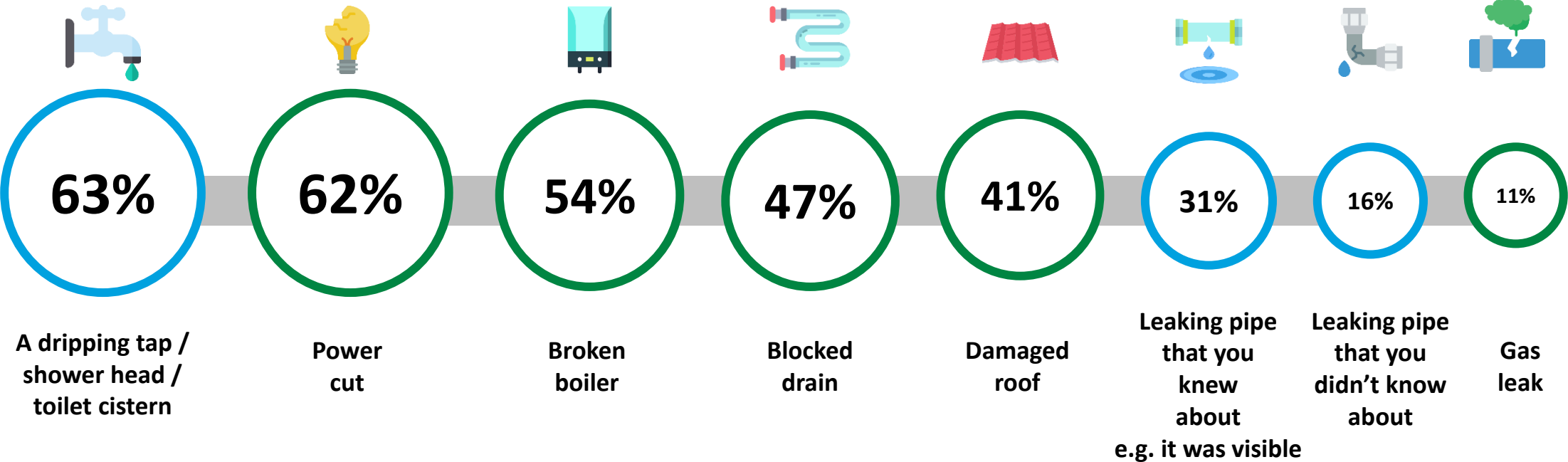
# Customer experience of leaks

# Three in four homeowners have experienced some sort of water leakage at home, most commonly smaller leaks

*Experience of household issues*



- Water leak
- Other issues



# Most water leakages are made apparent to homeowners due to their visibility

## Becoming aware of water leakages



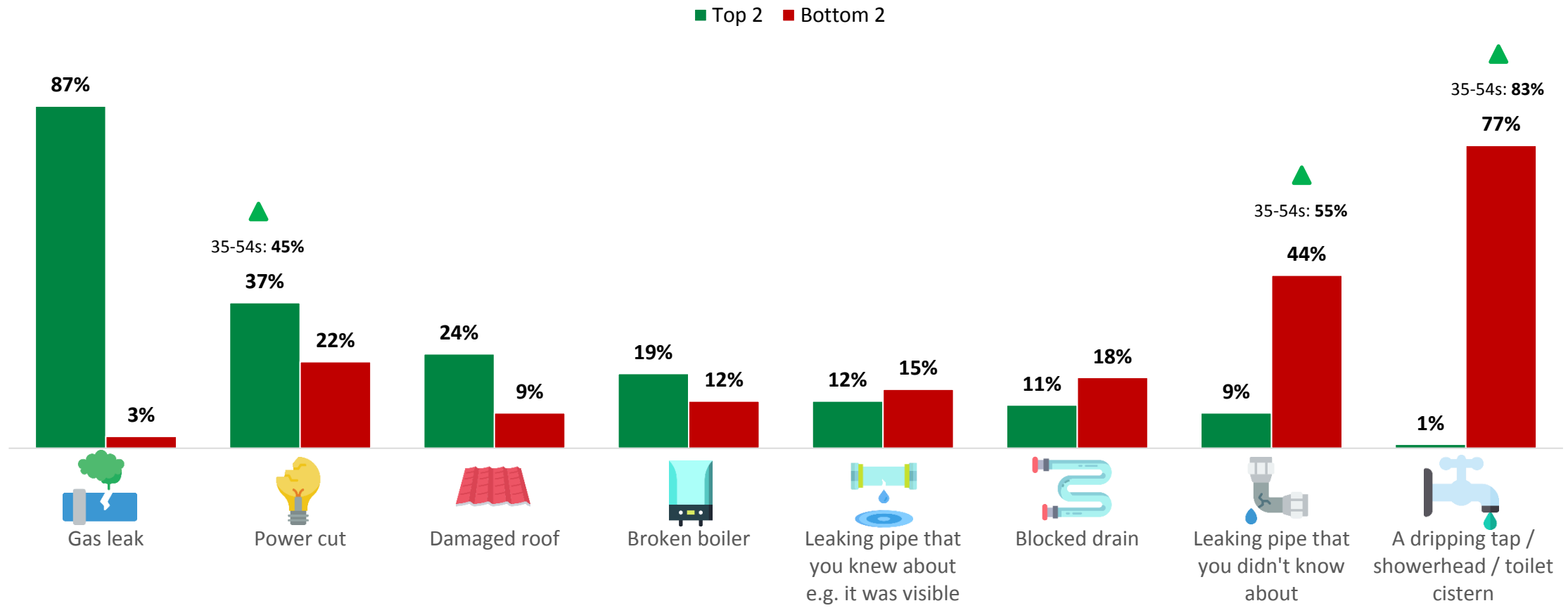
	Leaking pipe that you knew about e.g. it was visible	Leaking pipe that you didn't know about	A dripping tap / showerhead / toilet cistern
The leak was visible	83%	34%	83%
Unusually large bill	4%	10%	3%
United Utilities notified you about it	2%	10%	1%
A plumber / tradesperson notified you	2%	14%	2%
Your water pressure was lower than usual	5%	12%	4%
Other	14%	32%	12%



- Could hear a strange noise
- Water meter turning without usage
- Neighbour informed customer about the leakage

# Water wastage such as leaking pipes and dripping taps are deemed lower priority compared to other home issues

Home issues priority ranked (top 2 and bottom 2)

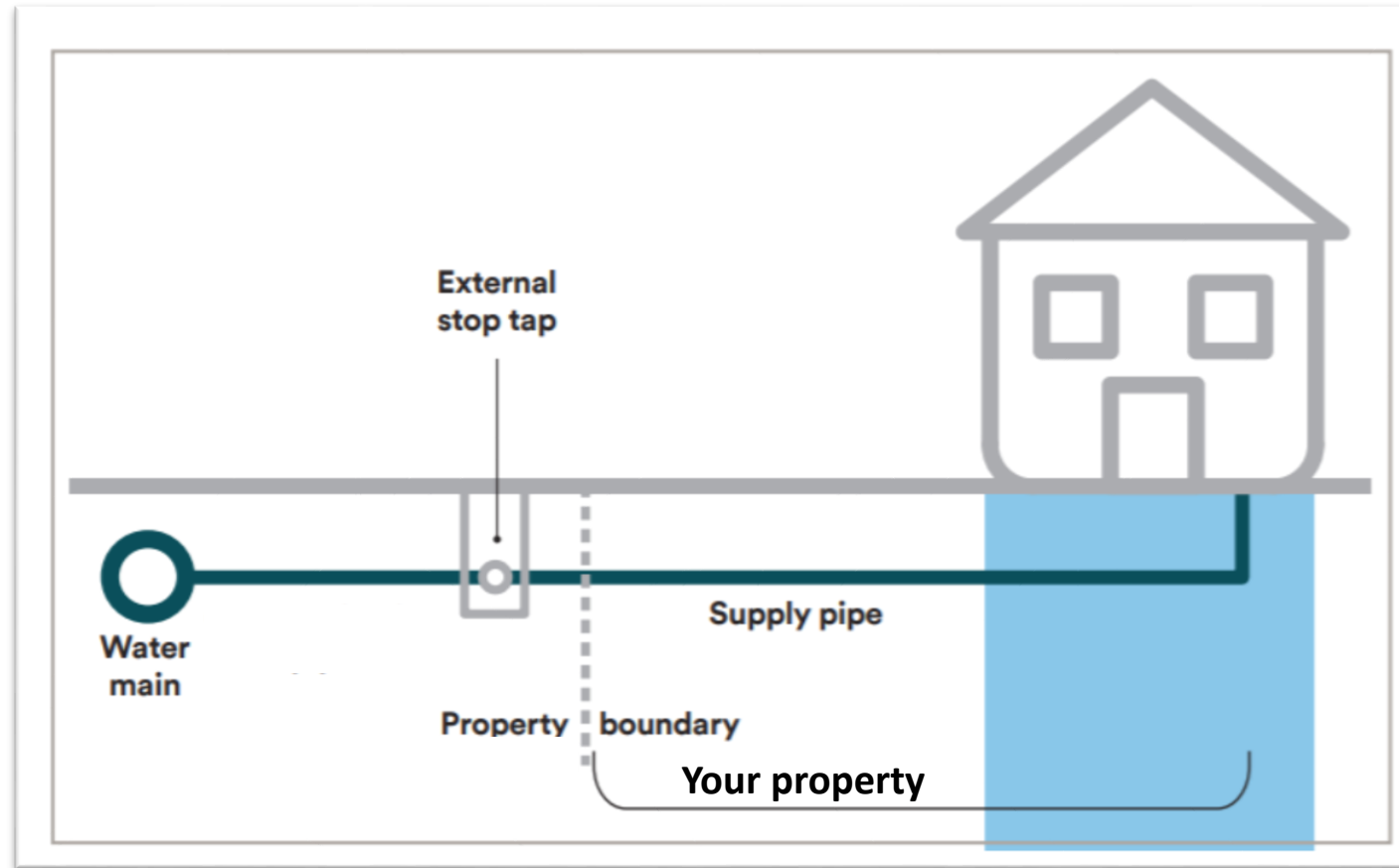


Q2. Here are some issues that can happen in the home from time to time. Please rank them in priority order?  
 Base: All respondents (843)

▲ ▼ Significant difference at 95% CI



## Respondents were shown the following image to see what is considered the boundary of their property



# Encouragingly, the majority are aware of their responsibility for repairing water leakages

*Responsible for repairing leaks*



*The property owner*

**81%**



*United Utilities*

**10%**



*Home insurance company*

**4%**



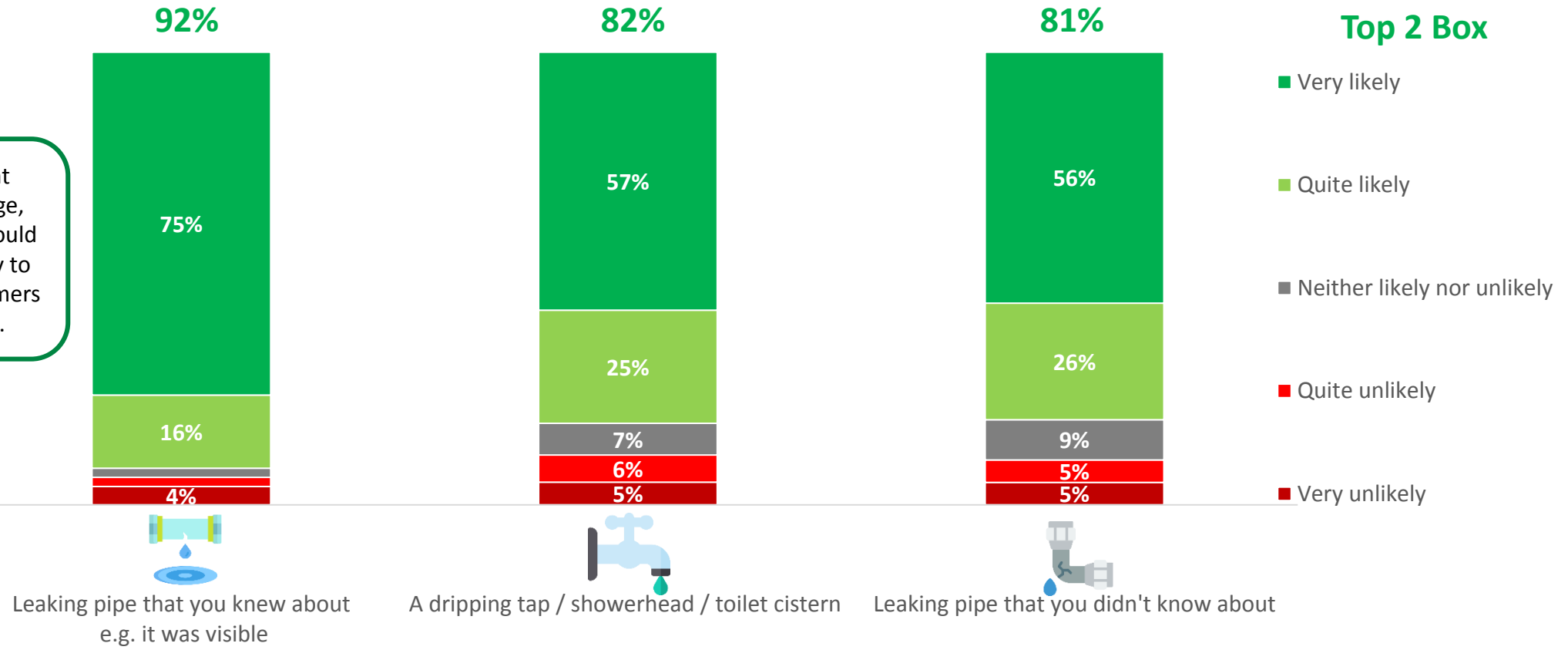
A significant minority (19%) of homeowners are unaware of their responsibility as homeowners, indicating it may be useful to remind them of this via a comms campaign.

▲ ▼ Significant difference at 95% CI

# Most say they would be likely to address each type of leak within 30 days without any incentive, particularly a visible large leak

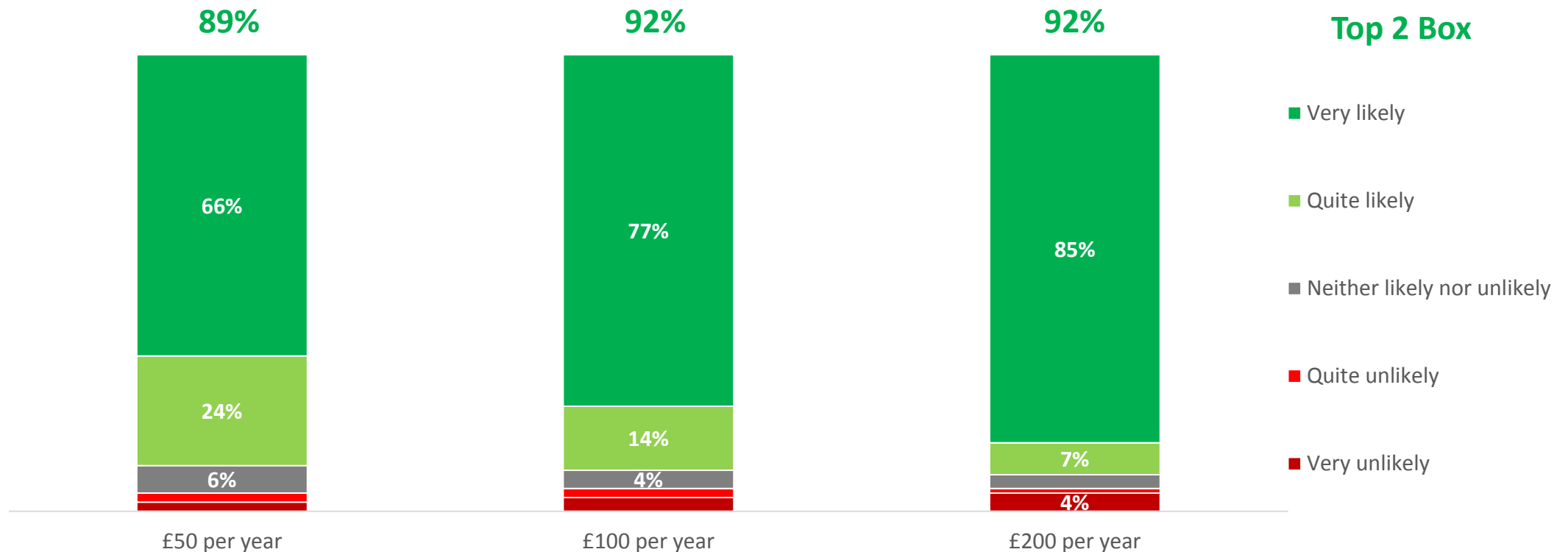
## Likelihood of getting water leakages fixed within 30 days

As we might expect, a large, visible leak would be most likely to prompt customers into action.



# Most claim they would be likely to fix a leak within 30 days regardless of how much the escaped water was costing them

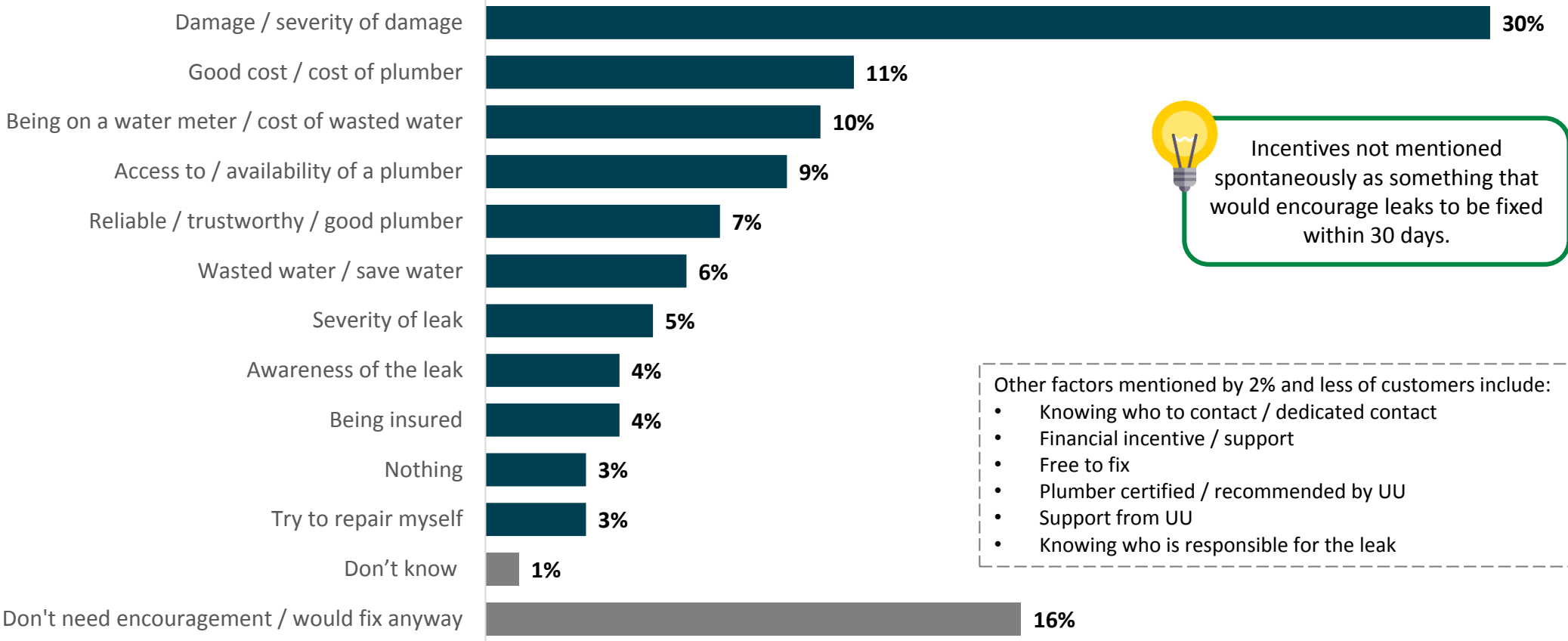
Water leakage cost to encourage fixing within 30 days



Unsurprisingly, the 'very likely' proportion reaches more than 4 in 5 for the greatest cost to the customer.

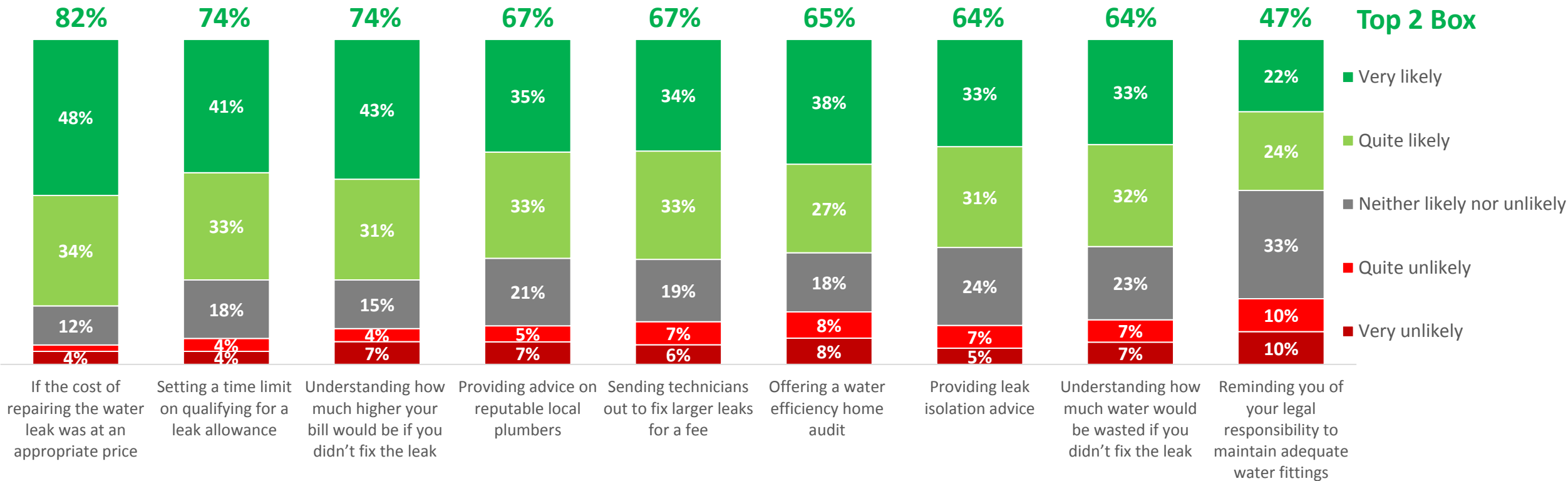
# The severity of the leak would be the driving factor to repairing it quickly, although one in six claim they would fix it regardless

## Factors that would encourage leaks to be repaired quickly



# Fair prices would be most likely to encourage homeowners to fix potential water leakages within 30 days

*Steps United Utilities could take to encourage water leakage fixing within 30 days*



# Pricing contingency exercise

# Research method approach: Gabor-Granger pricing technique

**Gabor-Granger** is a pricing contingency exercise used when you have existing price points and would like to understand what the impact on revenue would be of choosing a particular price point. Gabor-Granger helps businesses to make a judgement call on the balance between raising prices of a product / service and potential drops in uptake.

For this research, we used a 'reverse' Gabor-Granger exercise to understand what level of monetary incentive would be most likely to encourage customers to fix leaks on their property within 30 days. With a typical Gabor-Granger exercise, we would expect uptake to decrease as the price increases, whereas with this 'reverse' exercise we anticipated likelihood to fix leaks quickly to increase accordingly as the level of monetary incentive increased.



## Respondents were shown the below information so that they understood the implications of water leakage repairs in their homes

When leaks occur within the boundary of your property, it is your responsibility as the homeowner to rectify the issue. This ranges from small leaks from dripping taps to larger leaks on your underground supply pipe.

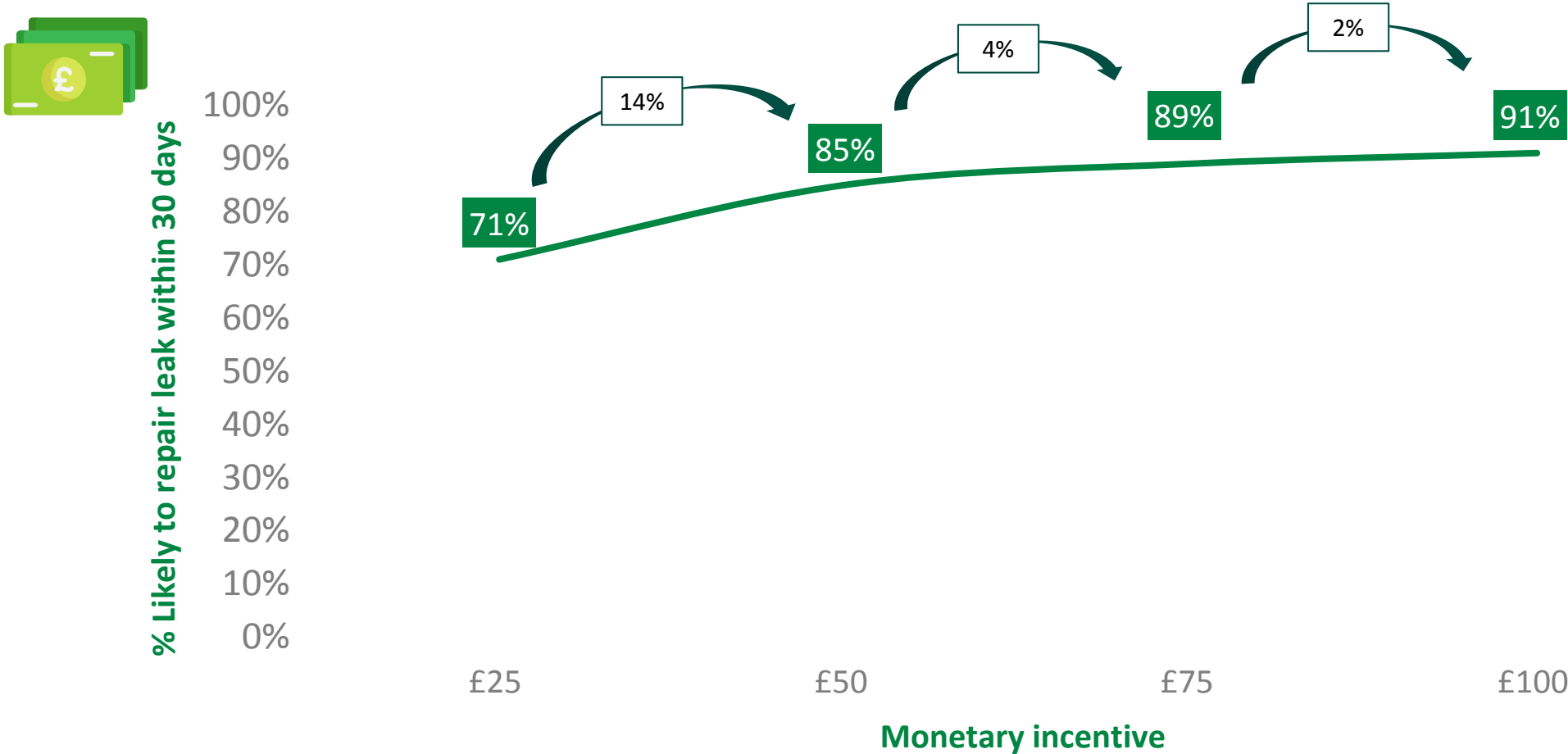
Water lost via leaks on all United Utilities customers' properties from supply pipes and from water using appliances located within customer properties (leaking toilets, dripping taps etc.) amounts to the equivalent of 56 Olympic size swimming pools of water being lost every day. There are several ways you could look to get a leak repaired, such as speaking to your insurer to check if you're covered for leaks or by contacting a local plumber.

The cost to repair leaks can vary depending on the size and type of leak:

- Small leak (e.g. a dripping tap / showerhead / toilet cistern) – between £50-£150
- Leaking pipe that you didn't know about (e.g. it wasn't causing visible damage to your property, someone else told you about it) – between £400-700

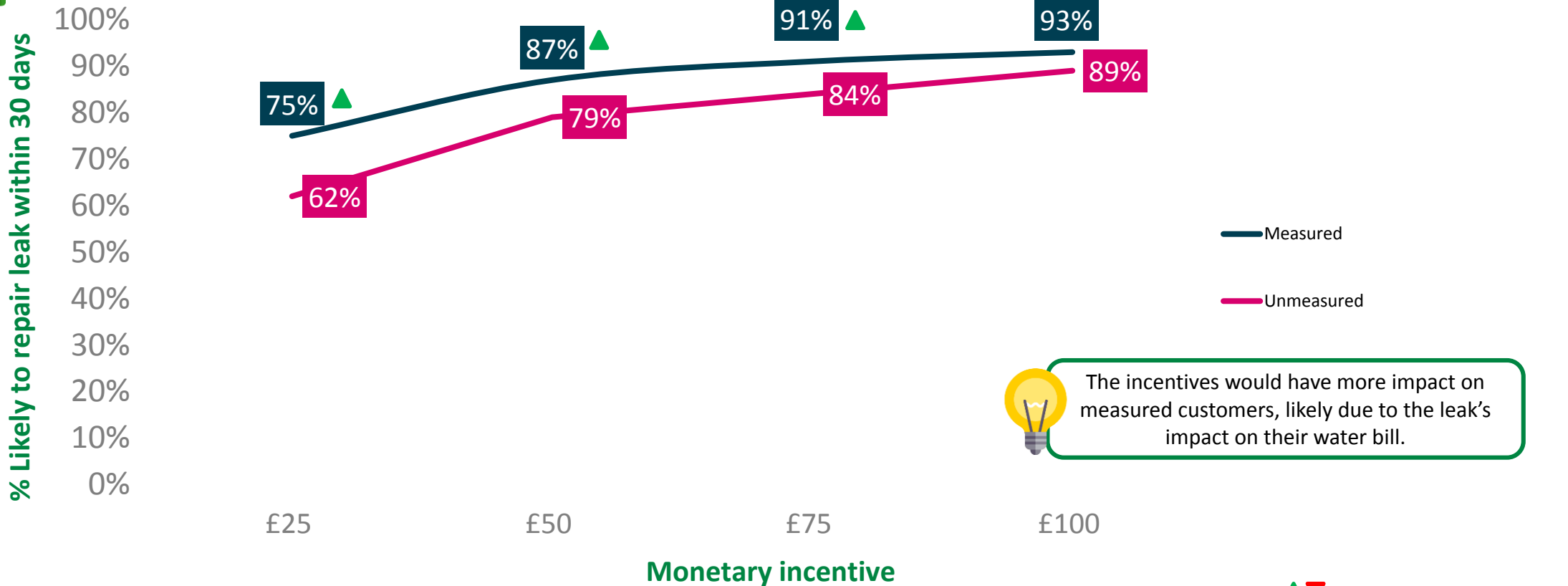
# There appears to be little incremental benefit in offering more than £50 for fixing small leaks within 30 days

Pricing analysis of the small water leakage incentive



# Unsurprisingly, measured homeowners would be more likely to be prompted into action by the offer of monetary incentives

Pricing analysis of the small water leakage incentive

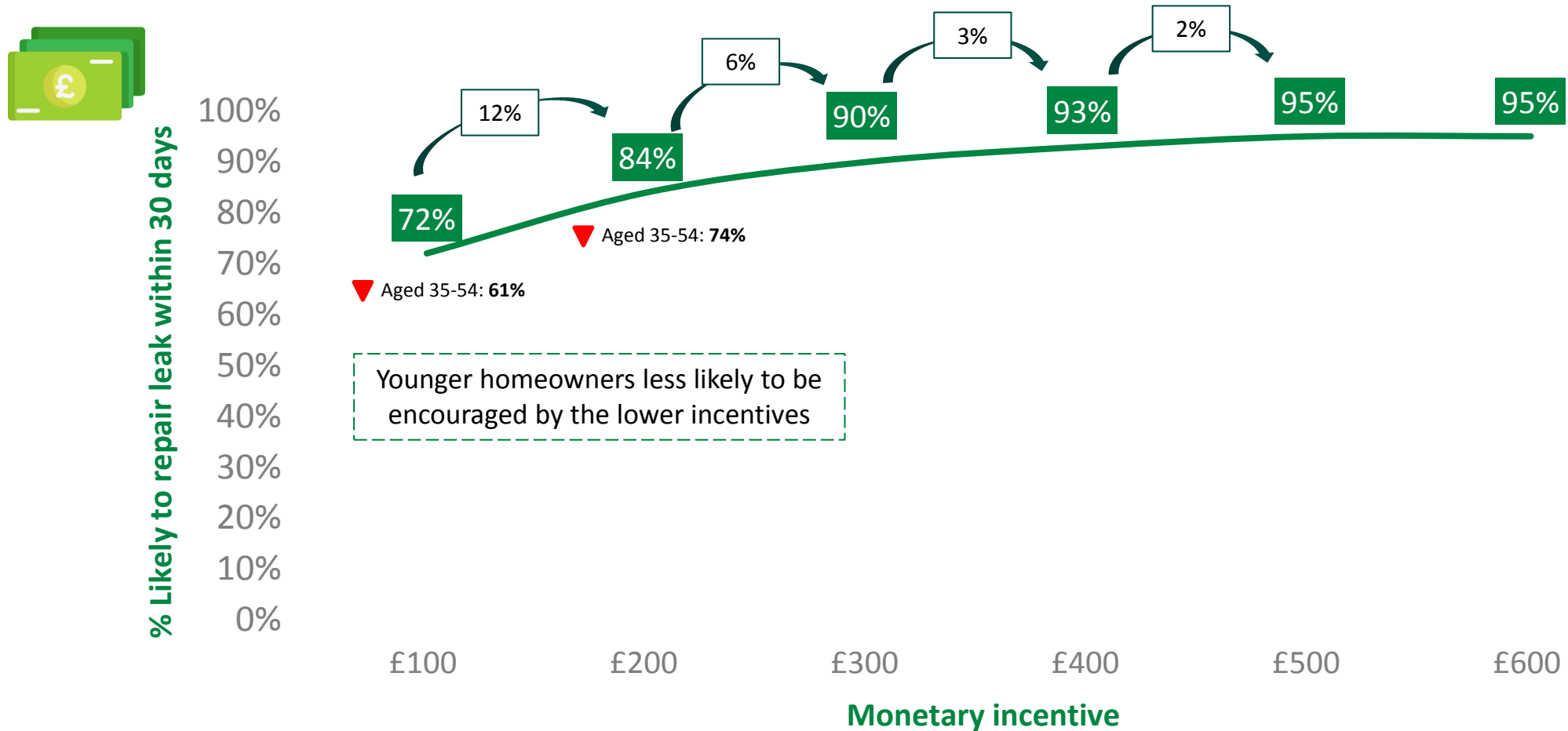


The incentives would have more impact on measured customers, likely due to the leak's impact on their water bill.

▲ ▼ Significant difference at 95% CI

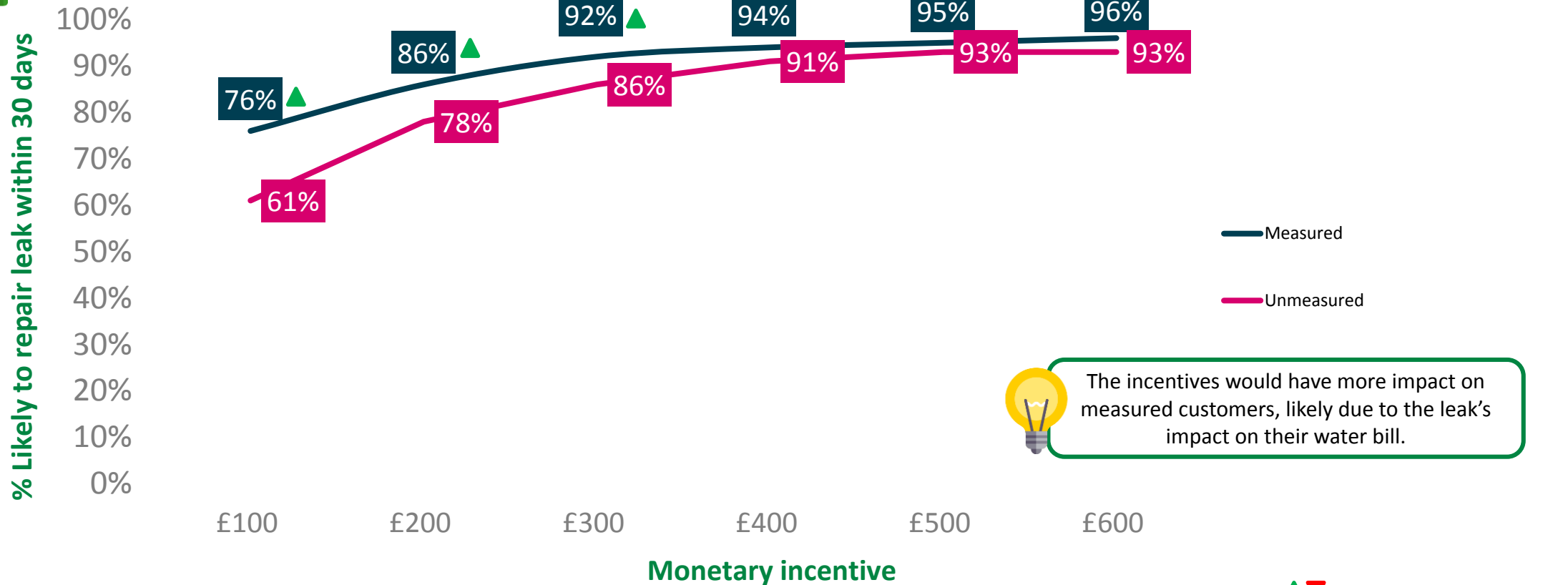
# Above £300 there is little incremental impact on homeowners' propensity to fix a large leak within 30 days

Pricing analysis of the large water leakage incentive



# As with small leaks, it is measured homeowners who would be more likely prompted into action by the incentives

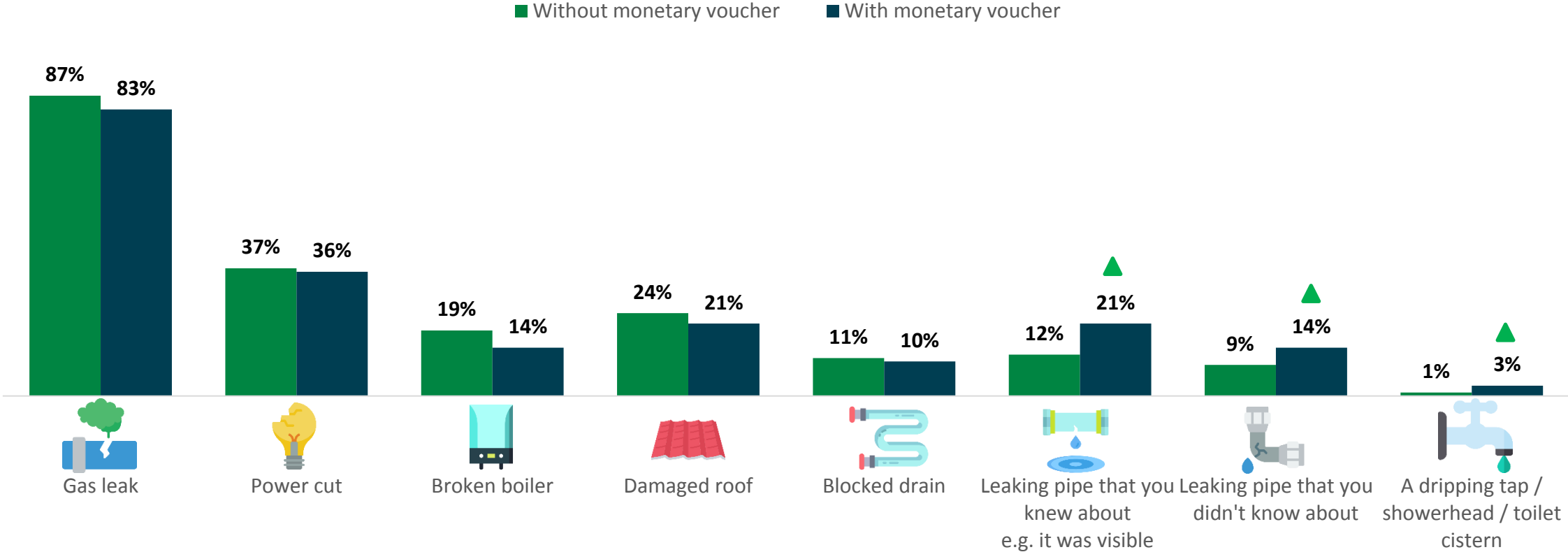
Pricing analysis of the large water leakage incentive



# Potential impact of incentives

# A monetary voucher would make fixing leaks higher priority, but still lower priority than sorting a gas leak or power cut

Home issues priority without / with monetary voucher for fixing leaks quickly (ranked 1<sup>st</sup> or 2<sup>nd</sup>)



▲ ▼ Significant difference at 95% CI

# The incentive, knowing how much water is lost via leaks, and concerns about damage to the home make large leaks higher priority

Fixing large leak more of a priority with monetary voucher

47%

Assistance with the cost works well as an encouragement for customers to fix a leaking pipe

The amount of water lost and potential costs of a leaking pipe was brought to customers' attention through the survey

There are concerns about the damage a hidden water leak could do to customers' homes

“

**Because if United Utilities were offering to help with the cost, I would be able to have the repair done sooner**  
Male, 55+, Budget conscious elderly

“

**I feel that you have explained how much it could cost to remain leaking and that you often don't realise the ongoing cost of leaks which seem inconsequential**  
Male, 55+, Tech dependent families

“

**Thinking about it a leak I did not know about could cause damage to the foundations of the house making it more serious**  
Male, 55+, Tech. dependent families

“

**Financial incentive will help me prioritise getting the leak repaired.**  
Female, 35-54, Budget conscious elderly

“

**Because you offered advice on knowing about how you have one. And voucher towards cost would always help.**  
Female, 55+, Budget conscious elderly

“

**I was thinking of leaks that caused damage to my property, and whilst the large leak is not damaging my property, it would have a financial impact on me.**  
Male, 35-54, Comfy mid-life est. families



# Conversely, unseen water leakages are seen as less damaging than other household issues, even with the offer of an incentive

Fixing large leak less of a priority with monetary voucher

21%

There are customers who approach leaks they are unaware of with the mantra 'out of sight, out of mind'

Some customers feel that all household issues are of relative importance

Other household issues including gas leaks and power cuts are described as more disruptive and possibly dangerous

“

*A leaking pipe that I wouldn't know about would be fixed at the same urgency as a pipe I did know about.*

*Female, 35-54, Tech. dependent young families*

“

*To be fair it was more a case of it all being fairly similar as to what I consider the ranking... It would all be dependent on the extent of the damage*

*Male, 35-54, Comfy mid life est. families*

“

*It really depends on the damage caused. Gas leaks are a danger to life and a broken roof could cause more damage quickly in heavy rain.*

*Male, 18-34, Struggling singles*

“

*I would get a leaking pipe fixed as soon as I could because it would be costing me money but I would have to know about it*

*Female, 55+, Budget conscious elderly*

“

*They are all pretty much the same. I am lucky as my husband would fix them before they become a large issue*

*Male, 35-54, Fin. Secure empty nesters*

“

*Because gas leaks and power cuts are potentially more dangerous and inconvenient*

*Female, 55+, Indebted singles*

# A financial incentive is the key aspect that would encourage homeowners to give higher priority minor leakages

Fixing small leak more of a priority with monetary voucher

41%

The financial incentive is a key driver for customers when thinking of addressing a minor leakage

Many customers are conscious of the environmental and economic impact of water loss

Customers feel a dripping tap / showerhead / toilet cistern would be simple enough to repair

“

***Dripping taps are annoying and again a voucher of some sort towards the cost of repair would make a repair much more of a priority***  
Male, 55+, Fin. Secure empty nesters

“

***Dripping taps are waste of water and should be fixed as soon as possible***  
Female, 55+, Fin. Secure empty nesters

“

***Dripping taps or showerheads are visible and can be fixed by some householders themselves, if they know how to do it***  
Male, 55+, Comfy mid-life est. families

“

***I could live with it but as you now offer to help with costs then I would consider getting it done quicker if I have no other priorities in the list.***  
Male, 55+, Comfy mid-life est. families

“

***Importance of saving water. Did not realise that 56 Olympic size swimming pools worth of water is wasted everyday***  
Male, 35-54, Comfy mid-life est. families

“

***I would try repair it myself usually but if there is a money off voucher from United Utilities I would probably repair it quicker***  
Female, 35-54, Tech dependent young families

# Minor leakages are seen as less disruptive and therefore not as urgent as other household issues

Fixing small leak less of a priority with monetary voucher

17%

It is seen as less of a priority in terms of the amount of water loss and disruption compared to other household issues

“

*I do not underestimate the seriousness of this problem but in terms of whether it is likely to result in danger or damage I have regarded it as having lower priority.  
Female, 55+, Budget conscious elderly*

Customers feel they could repair the issue themselves or get someone to do it for them free of charge

“

*My thinking in this case was I could probably fix it myself without recourse to a plumber  
Male, 35-54, Comfy mid life est. families*

There are some who believe that all household issues are of equal importance

“

*It isn't less of a priority. All things on the list would be a priority to me and I wouldn't prioritize one over another.  
Female, 55+, Budget conscious elderly*

“

*The other conditions would lose more water or be more inconvenient or dangerous.  
Female, 55+, Fin. secure empty nesters*

“

*I might be able to fix it myself or contain the water leak.  
Male, 55+, Budget conscious elderly*

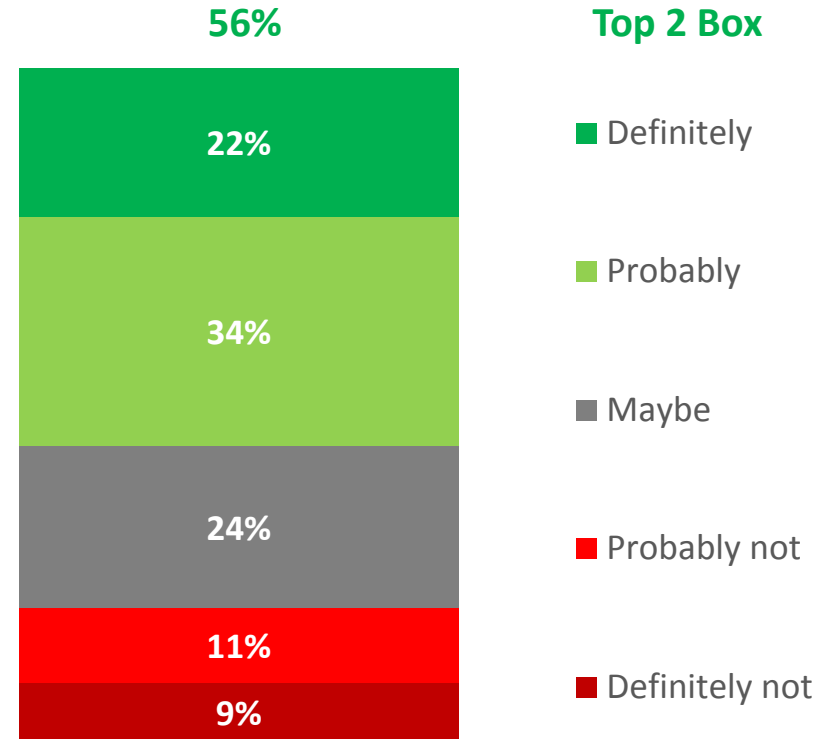
“

*All those listed are priorities I doubt if they all happen together I would treat them all as urgent repair  
Male, 55+, Fin. secure empty nesters*

# Over half of unmeasured homeowners would be open to having a shadow meter installed in order to qualify for an incentive



Likelihood of getting a shadow water meter installed



Q1. Do you currently have a water meter installed at your home? Base: All respondents (843)

Q14. If a leak had been identified at your property, would you be prepared to have a water consumption meter installed in order to receive a monetary voucher towards the cost of fixing the leak? Base: All respondents without a water meter (170)

▲ ▼ Significant difference at 95% CI

# Homeowners recognise the water meter's effectiveness for saving water and identifying leaks within their homes

## Reasons for getting a shadow water meter installed

Customers feel reassured that it does not affect their water bill

“

*The meter it only being installed to check the water leak has been fixed and won't affect my bill so it doesn't cost me anything just saves me money.*  
Female, 35-54, Budget conscious elderly

“

*It has no affect on my bill and it ensures that I'm doing what is expected of me.*  
Male, Families getting by

The environmental benefits are a key reason why customers would consider getting a shadow water meter

“

*It would aid United Utilities to ensure that the repair had been carried out and to save water. Would benefit everyone who cares about environment..*  
Male, 55+, Budget conscious elderly

“

*It's up to us all to save this most precious commodity so a meter would be a good idea.*  
Male, 55+, Struggling single pensioners

It's a useful tool to identify potentially damaging water leakages

“

*It is a sensible option that will help identify future leaks that I may not immediately be aware of and can be rectified earlier rather than later.*  
Male, 55+, Budget conscious elderly

“

*Water leaking from the property is both a waste and a potential danger. I would be keen to fix any such leak.*  
Male, 55+, Fin. secure empty nesters

# The lack of trust over what the shadow water meter will be used could be a potential barrier to uptake

## Reasons against getting a shadow water meter installed

There is a lack of trust and customers are suspicious of what the meter would be used for

“

**Very wary of big companies putting any monitoring device on or in my house. I don't trust your intentions.**  
Female, 35-54, Comfy mid-life est. families

“

**Because UU cannot be trusted and despite assurances at some point this fitted meter would be used to move me off rates and onto metered.**  
Male, 35-54, Families getting by

Customers are cautious that the meter would affect their bills in the future

“

**A matter of trust, Whilst I believe you would not use it at present, once the meter is installed, it is only a policy change that prevents a change of use.**  
Male, Fin. secure empty nesters

“

**Because payment may not be metered straight away, but no-one could guarantee what would happen in the future.**  
Male, 55+, Comfy mid-life est. families

The idea of the disruption caused by the installation is off-putting for some customers

“

**I do not like the idea of having my drive or garden dug up just so United Utilities can install a water meter.**  
Male, 55+, Tech. dependent young families

“

**We spent a lot of money on our path and driveway and don't want it defaced by this**  
Male, 55+, Comfy mid-life est. families

# Appendix

# Sample profile

Total	Unweighted	
	Count	%
<b>Gender</b>		
Male	559	66%
Female	281	33%
Unknown	3	0%
<b>Age</b>		
18-34	28	3%
35-54	163	19%
55+	652	77%
<b>Region</b>		
Cheshire	138	16%
Cumbria	64	8%
Greater Manchester	290	34%
Lancashire	199	24%
Merseyside	145	17%

Total	Unweighted	
	Count	%
<b>Water meter</b>		
Measured	589	70%
Unmeasured	349	30%
<b>Segment</b>		
Budget conscious elderly	190	23%
Comfy mid-life est. families	198	23%
Families getting by	63	7%
Fin. Secure empty nesters	164	19%
Hard pressed families	20	2%
Indebted singles	17	2%
Struggling single pensioners	17	2%
Tech. dependent young families	91	11%
Unknown	83	10%



# 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
- Over 7,000 UU customers are on the panel:
  - 2,600 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

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