

# Great Customer Service

## Summary

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**We provide a service to a broad range of customers; from the 4.6 million people who live in our region and the 5.2 million people who visit our region each year to the 400,000 businesses and their employees who work here.**

Water and wastewater services are experienced daily by households, businesses, schools, hospitals and the wider community. Within these broad customer groups, different individuals have different levels of engagement with water, varying service expectations, and different support needs to enable them to fully access our services. Our goal is to deliver a service experience that is refreshingly easy for all customers, one where every interaction with us is a positive experience.

Customers and communities experience our service in three main ways:

1. **Direct contact:** with our customer-facing teams (field or contact centre) or by accessing our digital services (for example, when they move house)
2. **Observing field teams:** when they interact with or observe our field teams (or those of our supply chain partners) working on the network to maintain or enhance service delivery
3. **As members of the community or as visitors from outside our region:** where they interact with or observe the investment we make to enhance their lives.

In AMP6 we have focused on improving our service when customers make direct contact with us, fixing some of the basics on our way to becoming **brilliant at the basics** in AMP7. We have taken lessons from our historical performance, benchmarked our current performance against the water sector and looked to learn from examples of great customer experience in other sectors.

As we prepare for AMP7 we have started to shift our focus towards creating a customer-led business more broadly. One of our customer outcomes in AMP7 is to provide a refreshingly easy customer experience (one of the five outcomes we have identified to become brilliant at the basics). Customers will find us easy to deal with, they will be able to contact us through channels of their choice, and they will experience a consistent, supportive and inclusive service. We consider that the proposals set out below will improve customers' experience of our service and we will continue to create solutions jointly with them throughout the AMP, recognising that their needs and expectations may change over time.

Customers will feel they can trust us, because they are listened to and understood and we act on their input.

## Chapter headlines at a glance

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- Historically we have been among the lowest performers on customer service (as measured by the Service Incentive Mechanism (SIM) but, we have improved significantly and are now closer to the sector average
- Through listening to our customers we know they want a fast response, effective resolution of issues they face, and the flexibility to contact us through channels of their choice
- They also want greater collaboration in delivering water efficiency, to be kept well informed, and for us to invest in good causes in their communities
- We will provide an experience that is refreshingly easy, and by putting the customer experience at the heart of decision-making and culture
- We have five propositions, which have been jointly created with customers – Reach & Support, Make it Count, Solutions, Spring, and Valuing Water
- Our success will be measured through the Customer Measure of Experience (C-MeX) and Developer Measure of Experience (D-MeX). We have already substantially improved our SIM score and increased our UK Customer Satisfaction Index (UKCSI) score. Our goal is to be upper quartile in D-MeX and above average in C-MeX by the end of AMP7
- Our Board has made a commitment, underpinned by our new Customer Policy, to reinforce and create a governance framework that enables and facilitates the delivery of this goal.

### 9.1 In the past we tended to focus on service delivery rather than the customer's experience of our water and wastewater services more broadly

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We made a number of commitments to customers at PR14. We set out below an overview of our performance.

#### **Metrics used for our analysis: focus on customer experience**

We have delved deeper into the impact our service performance has had on our customers. (See Chapters 11 and 12.)

All of our performance commitments (PCs) designed at PR14 were to improve the service that we provide to our customers. In our analysis below we focus on the drivers of our SIM performance, which covers both our operations (wholesale activities) and billing (retail activities), and is therefore a good representation of customers' experience.

There are also other metrics (not included within SIM) that we track to monitor our performance for our non-household retailers and developers. These are the Market Operator Services Limited (MOSL) industry performance metrics and wholesaler scores in the WaterRetail survey (commissioned by Utility Week) and levels of service measures for developers from the Ofwat-led D-MeX pilot study.

#### **We are one of the most improved companies on SIM, driven by increased customer satisfaction and reduced complaint volumes**

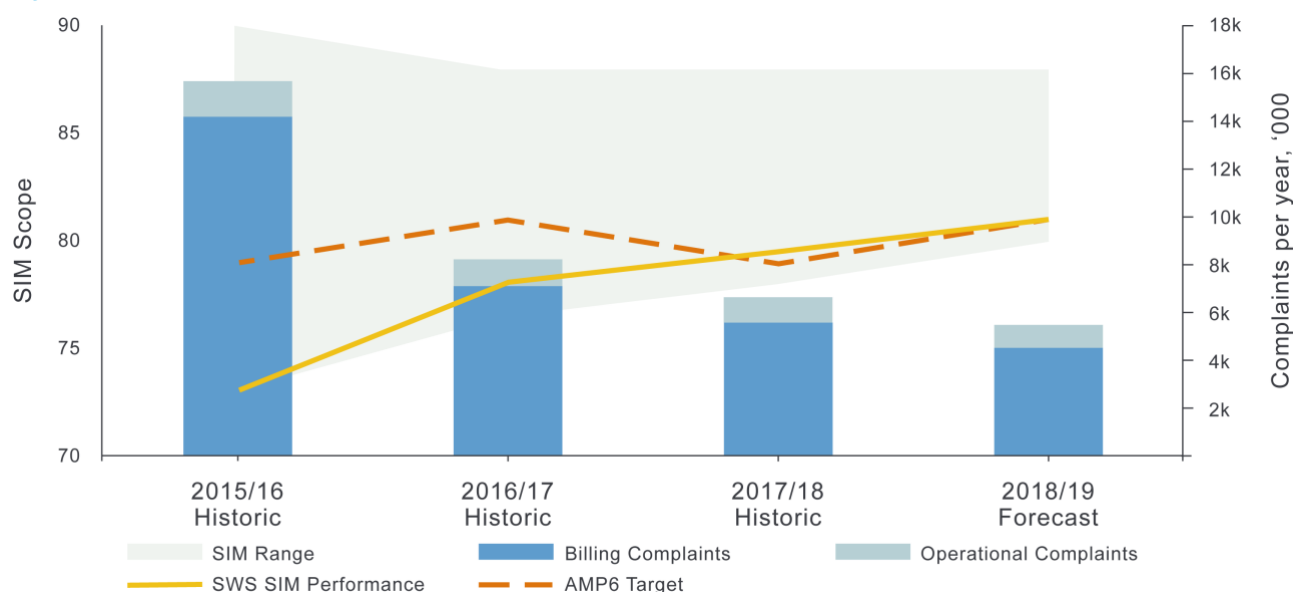
Historically we had been among the lowest performers in the industry on SIM. This performance has not been acceptable to our customers, to our regulators, or to ourselves. We have worked hard to understand the causes behind our performance, and in AMP6 we have improved our SIM score each year and are now closer to the water sector average. Nonetheless, we expect to receive the maximum SIM penalty.

Complaints have also reduced by more than half (68%) since 2015/16 as we have implemented new processes and customer journeys in response to customers telling us that we:

- were not quick enough to respond or to resolve their issue
- did not communicate with clarity or sufficient regularity about the issue or its resolution
- had not delivered on promises we had made, such as the time it would take to fix the issue, or delivering the resolution that we had committed to.

The reduction in complaints and our SIM performance is illustrated in Figure 1 below:

Figure 1: Southern Water expected SIM and complaint performance



### Since market opening, we have shown mixed performance in our interactions with non-household retailers

We achieved the second highest retailer satisfaction score in the industry compared to other WASCs providing services to non-household (NHH) retailers<sup>1</sup>. Our strong performance was driven by effective communication across multiple channels and an easy-to-use portal, which was introduced in 2017/18. The most-cited service issues requiring attention were our speed of response and our credit arrangements.

In the most recent MOSL Market Performance Indicator report<sup>2</sup>, for April – June 2018, we completed 39% of tasks on time. This performance puts us at 14th position out of 17 reported companies. We need to improve our performance on notifications to the market operator for new connections and late meter-read submissions.

### We have reached upper quartile performance in services to developers, from the lowest industry scores in 2015/16, but there is more we can do

Historically, efficient service provision for developers has not been a priority. However, through our increasing focus on the needs of all customers, we are starting to see improvements in developer satisfaction. Overall, 65%<sup>3</sup> of surveyed developers were satisfied with their overall experience and we have now reached upper quartile in the Water UK Developer Services quarterly report<sup>4</sup>. However, our experience scores are still lower than we want to achieve. The D-MeX pilot survey shows that the factors most cited for improvement are speed of response (27%) and better communication (21%). Developers also told us that our end-to-end service provision can be disjointed, and there was a lack of focus on account management.

## Learning from operational incidents

A number of customers were affected by the impact of the freeze and subsequent rapid thaw in February-March 2018 (known as the "Beast from the East"). Although we tripled frontline employees during the event, there are lessons to be learned which will allow us to meet the highest standards our customers expect and deserve in such circumstances in the future.

Specifically, these include the need:

- for new measures to assess when severe weather is likely to have significant impact on water networks
- for proactive communication with customers through multiple channels and earlier identification of customers in vulnerable situation
- to increase call centre capacity and bottled water availability
- to strengthen our relationships with Local Resilience Forums to provide more effective support to customers and communities.

We were able to incorporate these learnings into how we managed the hot weather incident during the Summer of 2018 ensuring we proactively contacted and delivered bottle water to vulnerable customers and our improved engagement with non-household retailers and the local community.

## 9.2 We have benchmarked ourselves against both customer expectations and leading customer service organisations

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In addition to the analysis of the customer experience metrics set out above, we have undertaken detailed research, as outlined in Chapter 4: Customer and Stakeholder Engagement and Participation, to develop a deeper understanding of how our customers want and expect us to engage with them when they use our services. To do this, we have grouped customers into five segments – Environmentally Engaged, Happily Disengaged, Actively Engaged, Service Seekers, and Reassurance Seekers<sup>5</sup> – based on their level of engagement with us and their motivations, such as financial or environmental.

Our customers have made it clear to us that service delivery and resolving their queries efficiently should be one of our highest priorities, and we agree with them.

On issues with their water or wastewater services, they want us to:

- **proactively identify issues before they arise and provide a quick response and an efficient solution:** 75% of customers felt that dealing with problems quickly and efficiently was essential for delivering great customer service
- **design interactions that are easy:** 79% and 86% of customers respectively found it easy to resolve their water and wastewater issues
- **provide a single point of contact:** who has good knowledge of their issue and is able to solve it. Customers highlighted this as a priority, as they had found it difficult getting answers from the call centre in the past
- **communicate clearly and proactively about their service:** only 53% of non-contact customers were satisfied with general local service updates. For more serious issues customers expect us to provide more frequent and detailed updates and for minor issues, customers do not want to be bombarded with updates.

Also, when interacting with us for other purposes, customers want:

- **simple-to-understand bills:** 52% believe this is essential for great customer service
- **help to use water wisely to keep costs low and ensure bills are affordable:** only 53% of surveyed customers felt we met their metering expectations. This is important for our Environmentally Engaged customers, who wish to protect the environment
- **tailored/personalised information and service through a channel of their choice:** customers in vulnerable situations would like us to be empathetic about their situation, while eco-passionate customers are keen to receive information on our environmental initiatives
- **speedy resolutions to their queries:** we have failed to meet 25% of our customers' expectations, mainly around the speed with which we resolve queries
- **keeping our promises:** 18% of customers say we haven't kept promises or done what we said we would.

### Customer priorities show some subtle variation across our customer groups

In assessing the key priorities of our customers, we analysed four key customer groups. While overall findings were consistent (as set out below), different customer groups placed varying levels of priority on a number of key components of service.

Table 1: Key priorities of our customer groups

	Customer group	Key findings
1	<b>Households (HH)</b>	In general, HH customers agree with the narrative above. <ul style="list-style-type: none"> <li>■ Customer service was highlighted as a key priority for those in vulnerable situations who were generally more satisfied with our service</li> <li>■ Customers of the future did not discuss customer service in great detail, as they typically see it as a hygiene factor and had limited experience with it.</li> </ul>
2	<b>Non-households (NHH)</b>	In general, NHH customers agree with the narrative above. These customers highlighted the following as important: <ul style="list-style-type: none"> <li>■ clear and proactive communication – only 57% of NHH customers are satisfied with the way that their water and sewerage company has kept them informed</li> <li>■ help to reduce bills and use water wisely – 35% of NHH customers would like more help to reduce their bill.</li> </ul>
3	<b>Developers</b>	Developers' needs are consistent with the above, with the addition of: <ul style="list-style-type: none"> <li>■ improved account management with a designated point of contact who understands their needs and is accountable for the progress of their application.</li> </ul>
4	<b>Retailers</b>	Retailers' requirements are aligned to the above, with the addition of: <ul style="list-style-type: none"> <li>■ flexible credit arrangements</li> <li>■ industry-standard operational bi-lateral communications</li> <li>■ consistent approach to tariff structures</li> <li>■ accuracy of data, including service component information and meter details</li> <li>■ additional services such as accreditation schemes and meter reading.</li> </ul>

### Many sectors are ahead of the water industry in customer experience and there is a lot we can learn from them to improve our service offering

We have looked across sectors to learn lessons in planning for AMP7, as we recognise that our customers' views of service are shaped by the service they receive from other retailers, as well as the service they receive from us.

Key learnings from good practice customer service from other sectors:

- Customer service, and meeting customers' specific requirements is an increasing priority across sectors. Other sectors are working hard to enhance the experience of customers by

offering information and channel choice, enabling customers to take more control about how and when they interact

- Innovative businesses are offering products to customers to enable them to easily interact with their service during their daily lives, for example Monzo Bank's "new kind of bank"  
(See TA 9.1 for cross sector research and analysis.)
- We are seeing signs of convergence of industries to further improve the customer experience, for example multi-utility billing.

### **We are using insights from the opening of the non-household (NHH) market**

With the NHH market opening in April 2017, there are emerging insights and learnings that we can take and apply to how we build a resilient retail business for household (HH) customers, one that is fit for the future. Key learnings from developments in the NHH water market were:

- Business customers' priorities and drivers of switching rates include price, an easy, transparent service and water-efficiency support. These can be applied to HH customers, by keeping bills affordable and providing a simple customer experience with minimal touchpoints
- Although the low variation in performance scores across water companies, coupled with few regulatory incentives in the NHH retail market, could result in companies de-prioritising innovation and retailer service improvement, this remains an important focus for us delivering on our stated goal
- Emerging technologies are continuing to transform the expectations of our customers and their interactions with us – new business models are emerging in the NHH market that may enable us to improve the customer experience – we will watch these closely ahead of AMP7.

### **Emerging technologies are driving improved customer experiences with retail organisations**

Customer expectations are evolving alongside technological advances. Customers expect more from their retailer, easy access to new services and innovative products, and a variety of communication methods. Key learnings from the impacts of these technologies:

- Technology already underpins our basic retail service and the way services are delivered in wholesale. Integrating systems (such as billing and operations) to enable a single view of the customer to improve their experience is something that customers are starting to expect and is being delivered by other retailers, particularly in the NHH market
- The use of technology will be critical to underpin our vision of a seamless customer experience, while enabling significant efficiencies to be made. Through working with third-party service providers, we are increasingly able to unlock access to some of these more innovative solutions at a competitive and efficient level of cost.

## **9.3 Our improvements are already underway and delivering results**

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Building on what we have learned during AMP6, we have implemented a range of improvements, across wholesale and retail, driving improved performance. These include:

### **Customer service transformation programme**

Our AMP6 (and ongoing) retail transformation programme aims to improve our customer service and reduce our cost.

**It has achieved:**

- 68% fewer written complaints since 2015/16, with a further 21% reduction by 2018/19
- the most-improved SIM performance since 2015 across the sector

- 42% reduction in bad debt in 2017/18
- the creation of a dedicated home move team – as a result, repeat home move contacts have reduced by over 50%.

## Community projects

We have delivered three community projects where we have set up grant schemes allowing citizens in the community to come forward with ideas and seek funding to promote healthy lifestyle, environment, education, and opportunities. Community projects we are supporting include the YMCA Fairthorne Group, Empty Place Café, Men in Sheds and Yellow Door Solent.

## Pioneering learning to swim at scale

Our Learn to Swim programme – which has taught 750,000 children over the last 25 years to be safe around water – was shortlisted for two awards (Utility Week and the Better Society Awards). We were also pleased to be invited to meet the Department for Digital, Culture, Media and Sport to discuss how we could share our model with other water companies. With 700 miles of coastline and so many rivers in our region, it is important to us to teach children to enjoy these natural resources while staying safe. As a result, we currently have 83 pools/clubs enrolled in the Learn to Swim scheme and, in 2016–17 alone, 14,000 graduating from the programme.

## Developer portal

This is one of the first tools of its kind in the water industry. An online portal enables developers to submit applications more quickly using simple online forms, and then to easily track the progress of those applications. It also enables account managers to process their developers' applications more quickly and easily, so they have more time to spend creating mutually-supportive relationships with developers.

## One bill initiative with South East Water

In areas where more than one water company is operating, customers tell us that they would prefer to receive one bill. So we worked collaboratively with South East Water to develop a single bill for our wastewater customers in South East Water's supply area. Nearly 500,000 accounts have been migrated so far and this programme reached the finals of the Water Industry Awards 2018 in the Customer Service Initiative of the Year category.

## Creation of online portal

In November 2016 we launched our My Account service, an online digital experience for customers who wish to interact with us in a different way. More than 30% of all customer contacts now take place through our digital channels.

## Non-household retailer portal

Retailers told us that our portal was one of the easiest to use in the industry – and gave us feedback about how we could make it even better. As a result we have commenced a programme of enhancements, including increased levels of automation and integration with retailer systems to provide a quicker and more accurate response to their non-household customer service requests.

We have listened to our customers, and built on the learnings and improvements made in AMP6 to develop our AMP7 plan, set out below.

## 9.4 Our AMP7 strategy is to provide a refreshingly easy customer experience

Our goal is for our customers to enjoy a refreshingly easy experience, they will find us easy to deal with and will be able to contact us through channels of their choice and receive a consistently supportive, fair and inclusive service across both our wholesale and retail activities. Our customers will feel they can trust us, because they are listened to and we act in a way that minimises our impact on them. They will experience us being responsive, proactive and going the extra mile to enhance their service.

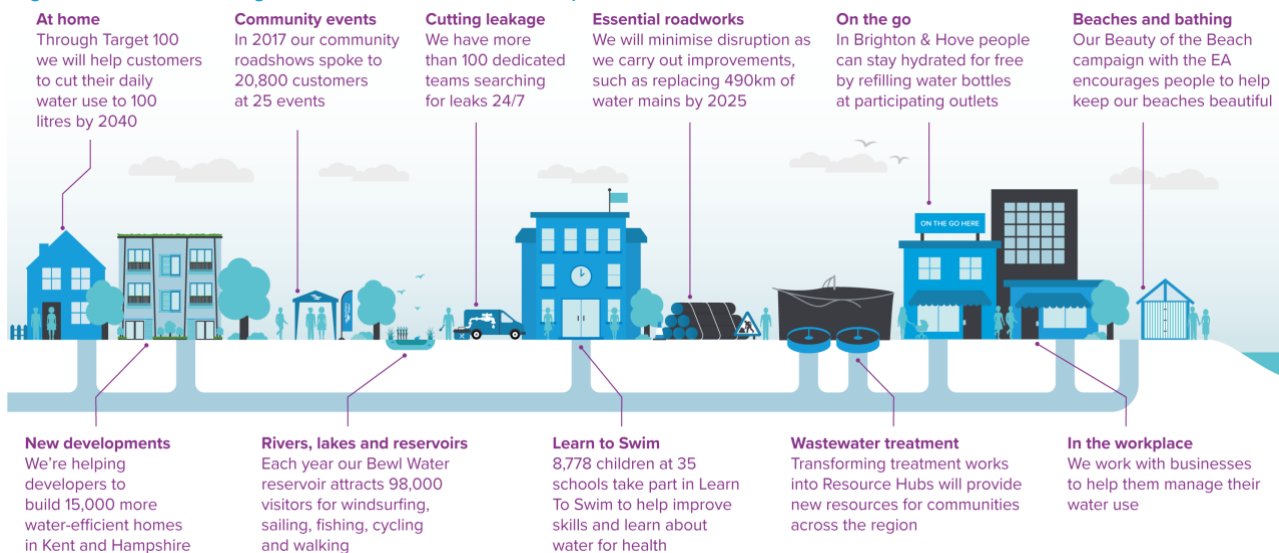
Our customers experience our service across multiple touchpoints (see figure 2 below), and not just when they have a query about their bill or a leak. So we have started a journey towards the creation of a customer-centric culture where all our teams consider the individual customer, embedding the customer experience right across the business, moving from an operational focus towards delivering a positive and consistent experience for our customers and the communities we serve.

Our move to a refreshingly easy customer experience is based on the following principles:

1. Our company strategy is customer-led and focused on delivering outcomes for all. This will be delivered through our customer experience propositions set out below which have been developed to deliver a refreshingly easy experience for all our customers
2. Customer benefits will be embedded into our decision making across the business. We have developed a Customer Policy, endorsed by the Board, to drive this from the top and a process for project evaluation which considers the customer outcomes
3. Our processes will be customer insight-led. Our policies, decision making and evaluation processes require customer insight and support for programmes of work.

(See Chapter 5.)

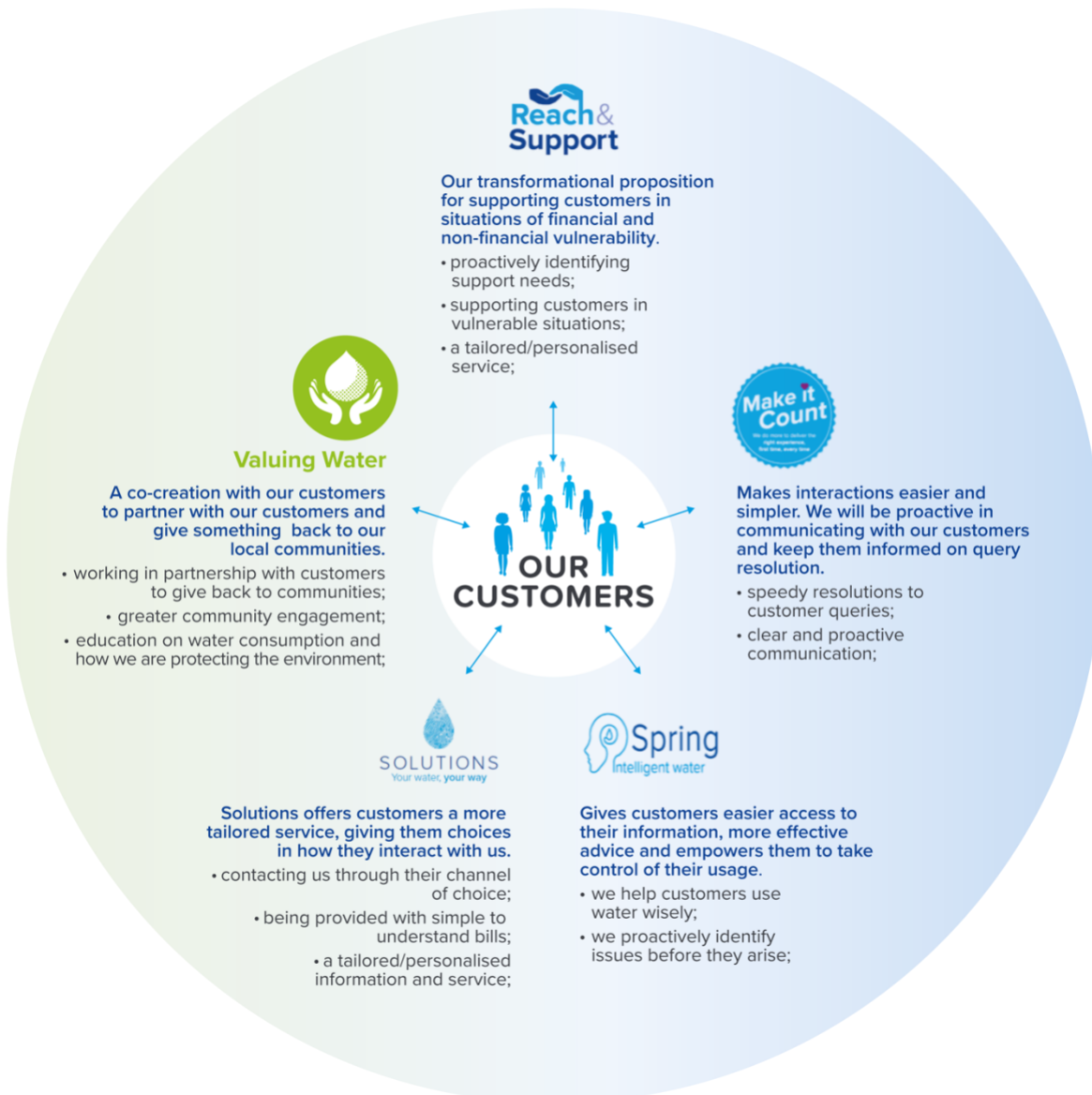
Figure 2: Understanding our different customer touchpoints



To deliver a refreshingly easy customer experience, we have developed five customer experience propositions (see figure 3) that encompass the range of interactions that we have with our customers and communities, both directly and indirectly. These propositions will be used internally and across our supply chain partners to refresh our culture to be more customer-led.



Figure 3: Our five customer experience propositions



Through our engagement programme, we jointly imagined and created initiatives with customers, and received their feedback on how we propose to act on their priorities. In addition, we have taken on board our key learnings from the past and from our cross-sector review.

Our five customer experience propositions in detail



**Reach & Support** is our transformational strategy for supporting customers in financial and non-financial situations of vulnerability.

Our customers told us they want us to:

- proactively identify their support needs
- support customers in vulnerable situations
- provide a tailored/personalised service.

Through Reach & Support, customers will receive targeted support, tailored to their requirements. (Our Reach & Support strategy is fully articulated in Chapter 8.)



**Make it Count** makes interactions easier, with proactive communications keeping customers informed and up-to-date.

Our customers told us they want:

- speedy resolutions to their queries
- clear and proactive communication.

Through Make it Count, customers will receive the right experience, first time, every time.

Customers will enjoy a more responsive experience by us:

- reacting to issues quickly – and resolving complaints within 24 hours where possible
- training our staff to be multi-skilled, so customers don't have to be passed from team to team to get a query resolved
- sending regular updates on enquiries that we can't resolve on the first call or contact
- providing easy access to the right people and information for developers, through dedicated account managers
- embedding customer focus accountabilities in role profiles of all customer-facing staff, which is reflected in our Great Customer Service Policy, endorsed by the Board.

Customers will experience us being more proactive and collaborative, by:

- contacting them before they receive their bill, if it is higher than normal
- letting them know if there is going to be a disruption to their water supply by using information from extra sensors in our pipe networks
- informing them of new ways to save money and reduce consumption
- working more closely with developers to understand their future building plans
- sharing information with water retailers on emergency planning.

Customers will have choices about how they interact with us and how we keep them informed, by:

- using email, SMS, advertising and road signage to let them know when work is being carried out in their area
- providing email updates to retailers about work in their area, both planned and unplanned.

#### Case study



### Customer Case Management Team

We introduced a dedicated team to proactively identify and engage with customers experiencing recurring wastewater issues, such as external foul water flooding during rainfall. This team has been vital to a reduction in the number of complaints we receive from customers.

Our customer case leads are ambassadors for the customer within the business and work with colleagues to find a solution and increase resilience. They build strong relationships with customers and other stakeholders by regularly visiting them, attending community meetings, and liaising with them during wet weather periods. Where a long-term solution is not straightforward, the team provides an enhanced level of service by being a single point of contact, delivering a personalised service and continuity.

**Ryan Lownds**, Customer Case Manager

Our customer research and testing shows that they support our Make it Count proposition, and believe it demonstrates how Southern Water plans to go the extra mile to deliver, providing tangible guarantees and benefits. Our customers requested that we not only provide proactive contact in times where there is a problem, but also use a broader range of alerts and provision of information.

This programme is of particular importance for our disengaged customers, who tell us that as long as we respond to their requests speedily and at their convenience, they are satisfied.

**“In order to provide the help that customers need, Southern Water will need to provide a range of services. The Reach & Support proposition does just this by providing a structured approach to identifying those who need help, developing targeted support and services, and, importantly, acknowledging the important role that expert partners such as ourselves can play.”**

**David Inman**, Director, Rural England CIC



**Spring** gives customers easier access to information, more effective advice and empowers them to take control of their usage.

**Our customers told us they want us to:**

- help them use water wisely
- proactively identify issues before they arise.

By giving all our customers easier access to their data, Spring will help them to use water more wisely. We will analyse and share the contacts we have with each of our customers, to enable us to more effectively provide the information they seek, in the right way for them.

**Customers will find it easier to access information, by:**

- having online access to account information, such as bill history, payments, contact preferences and more
- using an online developer portal that tracks the progress of an application with a unique reference number
- the full integration of our portal for water retailers, with fewer forms to fill in manually.

**Customers will find it easier to monitor water consumption, by:**

- accessing up-to-date, real-time, daily consumption data
- comparing consumption against other similar households or averages
- setting consumption goals with alerts if they go over their target
- trialling different ways to view consumption data, such as an in-home display, or an app or dashboard on their online account.

**Customers will receive more help to save water, including:**

- using free water-saving devices
- receiving home visits providing bespoke advice on how to reduce consumption
- incentives, such as shopping vouchers
- encouraging developers to fit water efficiency devices and appliances in new homes.

**Customers will receive more advice on issues that are important to them, through:**

- projects with restaurant chains and food outlets to reduce the level of fats and oils that can lead to blocked sewers and flooding
- contacts with care homes about non-flushables
- programmes with housing associations and landlords to prevent sewer misuse

- information about the things we are doing to protect our environment. For example, how our plastics policy is reducing the amount of plastic we use in our operations. We are also promoting behaviours that reduce reliance on plastics, such as encouraging the use of tap water rather than bottled water and the reduction of plastic packaging waste.

(More detail on reducing water usage can be found in Chapter 11.)

#### Case study



### Providing customers with daily consumption information

Customers have told us that they want more information to help manage their consumption. We were the first water company to implement universal metering and we have now installed meters for approximately 90% of customers. To help them to take advantage of the benefits, we are piloting a scheme to provide in-home devices that allow customers to see their consumption each day. Devices are available to all who receive a meter upgrade, customers will be able to set targets for their own usage and, with our advice and incentives, reduce the amount of water they use and the size of their bills.

**Ben Earl**, Water Efficiency Manager

Some customers, such as our Environmentally Engaged, Service Seekers and Reassurance Seekers, want to know how much water they are using and to reduce their consumption.

Customers supported the personalised nature of Spring, where customers can engage through their channel of choice, as they believe it demonstrates our dedication to understanding them as individuals.



**Solutions** offers customers a more tailored service, giving them choices about how they interact with us.

#### Our customers told us they want:

- to contact us through a channel of their choice
- simple-to-understand bills
- tailored, personalised information and service.

Customers will receive a personalised service, tailored to individual requirements. We have developed a range of initiatives to provide personalisation throughout the whole customer journey in AMP7, from bill payment to bespoke, proactive care to customers with water quality issues.

#### Customers will find it easier to interact with us, by:

- using more services on our improved website, such as digital payment methods and an online support agent to resolve issues or answer questions without the need to speak to us
- choosing from a range of communication channels, including email, phone, mail, live chat, Your Account, social media and special services, such as Minicom and large print bills, through our Reach & Support proposition
- extending the use of our social media channels into the evening and weekends.

Our aim is to have 70% of our household customer interactions through digital channels by the end of AMP7, up from 30% today.

We'll make customers' bills more simple and easy to understand, by:

- redesigning bills to make them more user friendly
- personalising them, such as comparing consumption to similar households and introducing more flexible billing options to cater for customers' differing circumstances.

Customers will find paying bills more convenient, through:

- options such as weekly Direct Debits, PayPal, and more
- pre-payment options to pay in advance for services to prevent unexpected bills.

We'll make bills more affordable, by:

- offering new tariffs and/or discounts to all customers, based on their circumstances
- introducing an innovative Customer Discount Scheme for customers that interact through digital channels and use our online services – see case study below
- offering payment holidays, such as payments across 11 months so there is no bill in January.  
(More detail on our approach to affordability can be found in Chapter 8.)

Extra, value-adding services, to meet the needs of specific customers, include:

- offering meter installation, exchange and reading services for water retailers to make it easier for them to win new customers in our region
- working with water retailers to improve data quality to enable them to accurately bill their business customers
- extending our customer case team to support customers with ongoing water quality issues, as well as re-occurring flooding incidents.

Case study



### Innovative Customer Discounts

We know that many of our customers like the convenience of being able to manage their bill online. That's also great for us too as we can reduce our back-office costs and then pass savings on to customers – it's a win-win. We are developing a new discount model through which customers can save money by using our online portal. Some customers may feel comfortable carrying out certain activities online but may prefer some additional support from us with other things. With our discount framework they can choose whatever works for them and can easily understand what level of discount they will receive as a result. Customers can receive discounts for online sign-up, paperless billing, submitting meter readings, direct debit, and clearing their balance in full and on time.

**Mark Field**, Head of Billing and Collections

Our different customer groups have outlined their preferred channel of choice, which reflects their circumstances. When an issue is urgent, phone calls are acceptable to our Environmentally Engaged and Service Seekers. When not urgent, emails are acceptable to our Environmentally Engaged and Happily Disengaged customer segments. Our Actively Engaged customers prefer to use email and phone, including apps which allow them to track their water consumption. However, they are currently not inclined to use the website as they see it as not very user friendly.

Customers see value in enhancing their bill through transparent usage data and alerts about any increases. And they wanted more information on how much water they were using and suggested using more tangible measures such as the number of flushes. The concepts of discounts and rewards were received positively, with discounts generally more favoured than rewards.



**Valuing Water** creates a partnership with our customers and gives something back to our local communities.

**Our customers told us they want:**

- to work in partnership with us to give back to communities
- greater community engagement
- education on water consumption and how we are protecting the environment.

Customers led the development of Valuing Water through a collaborative process as we tested other propositions with them – and they will have a greater say on what projects we support, such as those that protect the natural environment and those that educate young people on the value of water. By investing in young people and our environment, we are taking steps now to provide resilient water resources for our customers of the future.

**Customers will be eligible to be part of a membership organisation, which offers:**

- incentives to local communities to reduce their water usage and to learn about and contribute towards water efficiency
- investment in local community projects, voted for by the community itself. For example, our “Beauty of the Beach” campaign involves Southern Water and the EA joining forces to celebrate our coastline – and help people play their part in keeping beaches beautiful.

**Communities will feel the benefits of our outreach programmes, through:**

- apprenticeships and a new Skills Academy, developing new capabilities and jobs in the community
- linking sport and hydration through our Sporting Chance programme where we offer children the opportunity to work with professional sports coaches to improve their skills, while also finding out about the importance of water for health
- Learn to Swim – with 700 miles of coastline and so many rivers in our region, it is important to us that we continue to teach our children to be enjoy these natural resources whilst staying safe around water. We will be continuing to provide support for pools and swimming instructors to help children in our region “Learn to Swim”
- engaging schools in local projects – such as open days at water treatment works and school visits
- working with councils, sponsors and third parties such as Natural England and Wildlife Trusts
- supporting farmers and land users to prevent pollution of waterways.

Case study



**River Itchen Challenge**

Customers have told us that they want help to save water and protect their local environment through incentive schemes. The River Itchen Challenge was a community incentive scheme through which we worked with 757 homes and businesses in the Cheriton area in Hampshire in 2017. The aim was to help reduce water consumption, by offering free water-saving home visits, providing behaviour change advice and practical water-saving devices.

Most of the water for these communities comes from the River Itchen, so reducing their usage is helping to protect the river and its wildlife too. After achieving an 8% water saving, we worked with the council to decide how to return this to the community – and offered the local primary school free swimming lessons for a year to reflect the benefit to Southern Water of cutting consumption. After positive feedback we are planning more projects, and extending a reward scheme to 1.6 million customers in AMP7, including a partnership with Eastleigh Borough Council to benefit all of its 52,000 residents.

**Ben Earl**, Water Efficiency Manager

Customers are supportive of us investing and engaging with the community. For example our Family-first group are very keen on us working with and educating customers of the future about how to use water wisely.

Customers found the concept of community outreach to be very motivating and deemed it to be beyond their expectation of a water company. The local nature of Valuing Water is highly appealing to customers, who felt it personalises the activity and increases the relevance of Southern Water in their community. Our eco-passionate customers are supportive of our efforts to introduce environmental programmes within their communities, while our local apprenticeships were seen as important and necessary in enhancing our position as a responsible employer.

## 9.5 We have set our ambition to achieve upper quartile on D-MeX and above average performance on C-MeX

The key measures of our performance on experience are the measures defined by Ofwat in its final methodology. These are Developer Measure of Experience (D-MeX) and Customer Measure of Experience (C-MeX). Our performance will be measured on a relative basis. Nonetheless, we have set a stretching ambition across both measures.

Table 2: AMP7 Customer service PCs

Performance Commitment	Target/Ambition
<b>C-MeX</b> <b>Ofwat defined</b>	We are targeting above-average performance, by the end of the AMP, relative to the industry. In the Ofwat-commissioned C-MeX pilot in July 2018, we ranked between 14th and 17th (out of 17) in the industry when combining Customer Service and Customer Experience with equal weighting. Therefore, this represents the scale of the challenge and level of stretch that we have set ourselves to reach above-average performance.
<b>D-MeX</b> <b>Ofwat defined</b>	We are targeting upper-quartile performance. Given the progress we have already made in AMP6, and our performance compared to the industry, we are confident that this is achievable.

In addition to C-MeX and D-MeX all of our PCs in both retail and wholesale controls are aligned to the priorities of our customers and, as a package, provide a strong basis for improving customer service. (For more information, see Chapter 6.)

Our goal is to deliver a service experience that is refreshingly easy, one where every interaction with us is a positive experience. As we prepare for AMP7 and look beyond that to the long term and recognise the changing needs and expectations of our varied customers, we have started to shift our focus towards creating a customer-led business, placing customer experience at the heart of decision making and service delivery.

In AMP7, our customers will find us easy to deal with, they will be able to contact us through channels of their choice and they will experience a consistent, supportive and inclusive service.

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Technical Annexes:

TA.9.1	Delivering Great Customer Service.ppt	Our customers and cross sector view of best practice customer service
TA 9.2	Customer Policy	

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References:

- <sup>1</sup> Research from Water.Retail: Wholesalers' service to retailers: Water and sewerage companies
- <sup>2</sup> <https://www.mosl.co.uk/market-performance/details/41/market-performance-by-wholesaler-201819>
- <sup>3</sup> Developer Services – Customer satisfaction survey (D-Mex pilot) June 2018.
- <sup>4</sup> <https://developerservices.water.org.uk/previous-reports>
- <sup>5</sup> See Delivering Great Customer Service Technical Annex 9.1 for further detail on our customer segmentation