

A photograph of a woman and two children. The woman is in the background, looking down. In the foreground, a young girl with curly hair is holding a glass of water to her mouth, looking at it intently. To her right, a younger child is looking towards the camera with a slight smile.

# Smart Metering Research

Integrated Qualitative and Quantitative findings  
November 2022

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2. Attitudes towards water scarcity
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# Background

# Background and objectives

## Background

United Utilities are committed to water conservation and ensuring a sustainable water supply for the future, the business has an ambitious rollout of smart meters planned, with a view to bring meter penetration to 70% at the end of AMP8

In the past two years there has been an increase in the uptake of technology and the rising cost of living has resulted in greater interest in smart energy meters (according to anecdotal evidence)

Foundational qualitative research was conducted to better understand how open customers are to smart water meters, with a view to aid with proposition development and communication thereof.

**This report integrates the qualitative and quantitative phase of Smart Metering research providing a holistic view of the results.**

## Objectives

**The research covered the following broad objectives:**

- Understand levels of customer perceptions of smart meters and willingness to uptake
- Understand barriers preventing customers from installing smart meters
- Explore propositions and initiatives to encourage customers to install smart meters

# Identifying the audiences in this deck

Audiences being discussed on each slide are identified throughout the deck using the following symbols



**Household customers** who already have a water **meter installed** at their property (**'Metered'**)



**Household customers** who are currently **unmetered** at their property (**'Unmetered'**)



**Business owners** and those in the business responsible for dealing with water and United Utilities (**'Businesses'**)



**Landlords** that own multiple rented properties (3+) (**'Landlords'**)



**Future bill payers;** those still living at home or in rented accommodation and not responsible for paying water bill directly. All in the 18-29 age bracket (**'Future Bill Payers'**)

# Qualitative sample profile: 59 participants took part in the study

## Overall sample

Demographics	No.
<b>Gender</b>	
Male	29
Female	30
<b>Age</b>	
18-34	12
35-54	27
55-64	14
65+	5
Unknown	1
<b>Meter status</b>	
Unmetered households	29
Future Bill Payers	5
Metered households	10
Landlords	5
Businesses	10

## Business sample breakdown

Business type	No. employees
Packaging manufacturer	117
Transport	25
Construction delivery	20
Residential care homes	20
Content production	20
Concierge services	18
Hair and beauty salon	8
Wholesale export/import of toys	4
Van and car hire	2
Hairdresser	0

## Definition of each meter status

- **Metered (households):** Those who already have a water meter installed at their property
- **Unmetered (households):** Those who do not have a water meter installed at their property
- **Businesses:** Business owners / employees
- **Landlords:** Those who own 3+ rented domestic properties
- **Future Bill Payers:** Those still living at home or in rented accommodation who are not yet responsible for paying their own water bill. All in the 18-24 age bracket

**All participants came from a broad mix of regions across the United Utilities supply area**

# Quantitative sample (HH)



## Profile

Gender	HH	FBP
Male	48%	50%
Female	51%	50%
Unknown	1%	-

Age	HH	FBP
18 – 29	11%	100%
30 – 39	24%	-
40 – 49	16%	
50 – 59	17%	
60 – 69	17%	
70 – 79	12%	
80+	3%	

Region	HH	FBP
Greater Manchester	37%	44%
Lancashire	20%	27%
Merseyside	20%	15%
Cheshire	14%	13%
Cumbria	9%	1%

Socio-economic group	HH	FBP
AB	34%	24%
C1/C2	32%	50%
DE	35%	26%

Vulnerability	HH	FBP
Vulnerable	20%	-
Non-vulnerable	80%	100%

## Research Approach – Householders

- A 15-minute online survey with **3,135 consumers**, sourced via UU CRM data and the WaterTalk panel, and **100 Future Bill Payers** sourced via a third party sample provider
- The survey covered both Metered and Unmetered customers
- Fieldwork took place between 10<sup>th</sup> and 17<sup>th</sup> October 2022

# Quantitative sample (NHH)

## Profile

### Research Approach – Businesses

- A 15-minute online survey with a sample of **200 businesses**, sourced via a third party sample provider
- Participants had to hold **some level of responsibility on managing the supply or use of water or wastewater services at the business**
- Fieldwork took place concurrently with the household sample, between 10<sup>th</sup> and 17<sup>th</sup> October 2022
- **No hard quotas or weighting** were applied to the business sample

Sector	NHH
Retail Trade	18%
Business or Financial Services	18%
Hospitality	11%
Construction, Architecture or Engineering	10%
Healthcare, Medical or Pharmaceuticals	7%
Manufacturing	6%
Property or Real Estate Services	5%
Automotive (e.g. trade or repair of motor vehicles or similar)	5%
Public or Community Services	5%
Entertainment, Media or Sport	4%
Personal or Household Services	4%
Wholesale Trade	3%
Transportation, Distribution or Postal Services	2%
Agriculture, Forestry or Fishing	1%
Other, please specify	6%

Role	NHH
Owner / Founder / Chief Executive Officer / Managing Director	47%
Other high-ranking executive (C-Suite) / Trustee Level	7%
Senior Management	23%
Mid-level management	23%
Individual Contributor/Employee	1%

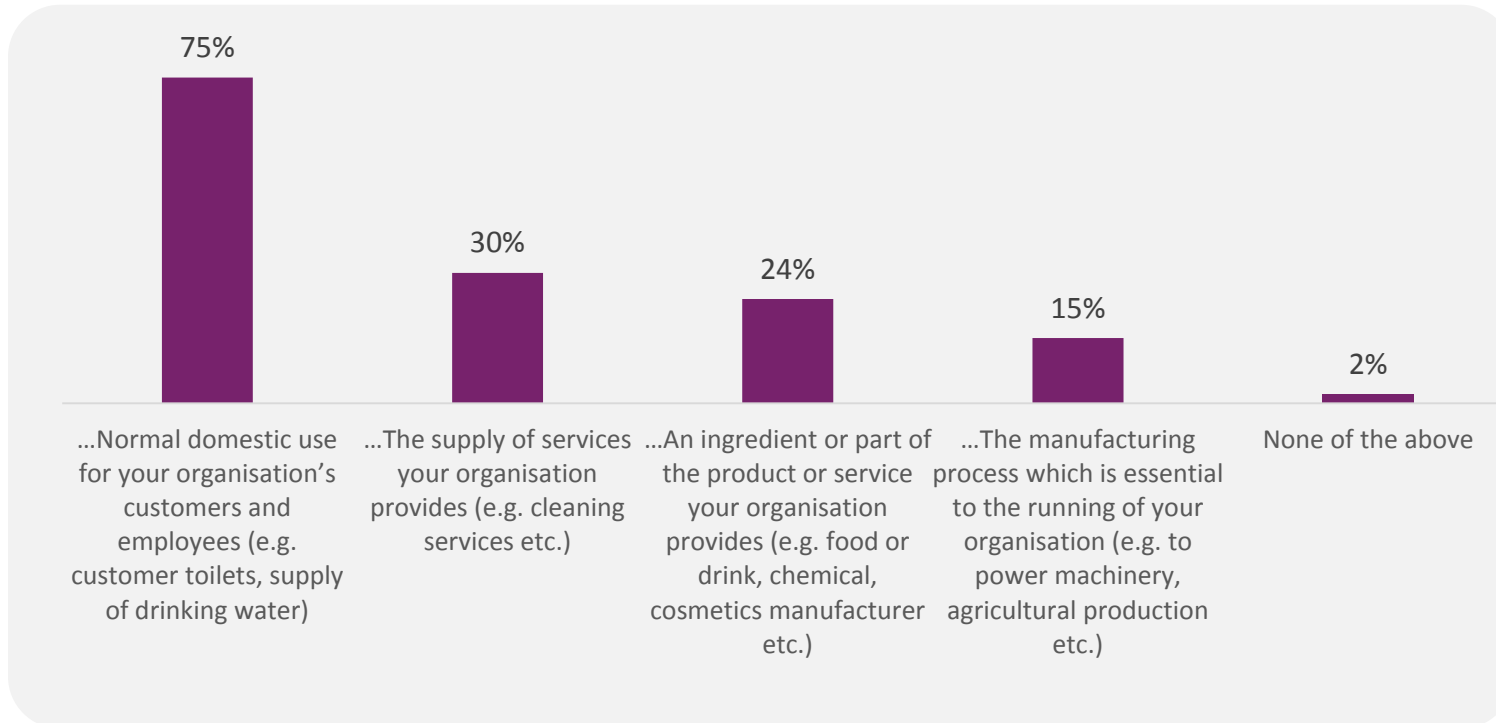
Service responsibility	NHH
Solely responsible	54%
Partially responsible	40%
Bill payer / administrator of the account	7%

Number of sites	NHH
1 - 3	87%
4 - 5	6%
More than 5 sites	7%



# Businesses tend to use water for domestic use, with meter readings taken by looking at the actual meter or sent automatically to suppliers

## Water use in business



Business size	NHH
Micro Business	36%
Small	46%
Medium	16%

Method of meter reading	NHH
Readings are taken by looking at the actual meter itself	44%
Readings are taken with a data reading device via a radio signal	11%
Readings are sent automatically to our supplier without anyone needing to visit our premises	33%
We have a data logger device that is connected to our meter	5%
Don't know	8%

S6. How many people in total (including you) work within your business? Please provide an answer thinking of the total number across sites in the North West only.

S8. Do you know how your business' water meter is read?

Q1. Which of the following options apply to you, in relation to the supply of water to your organisation? Water is vital for...

Base: NHH (n = 200)

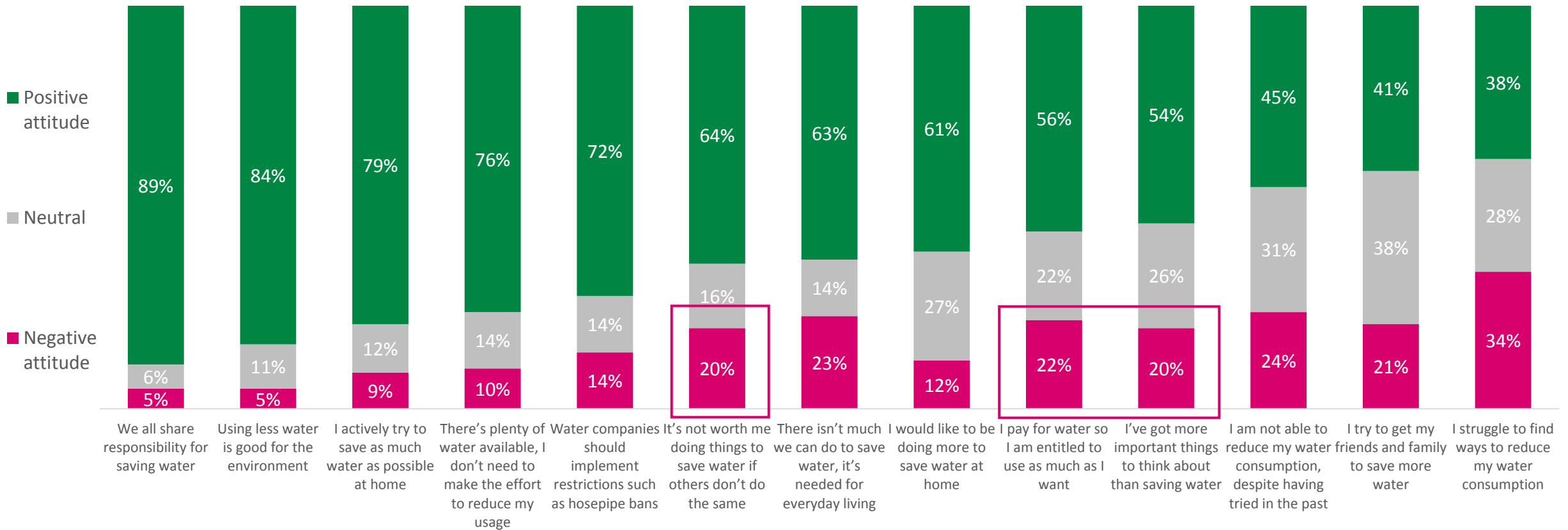
Source: Smart Metering **NHH Survey** (October 2022)

# Attitudes towards water scarcity , water meters and the challenges faced by UU



# Customers tend to be largely on board with the idea of saving water, although a minority appear opposed to it

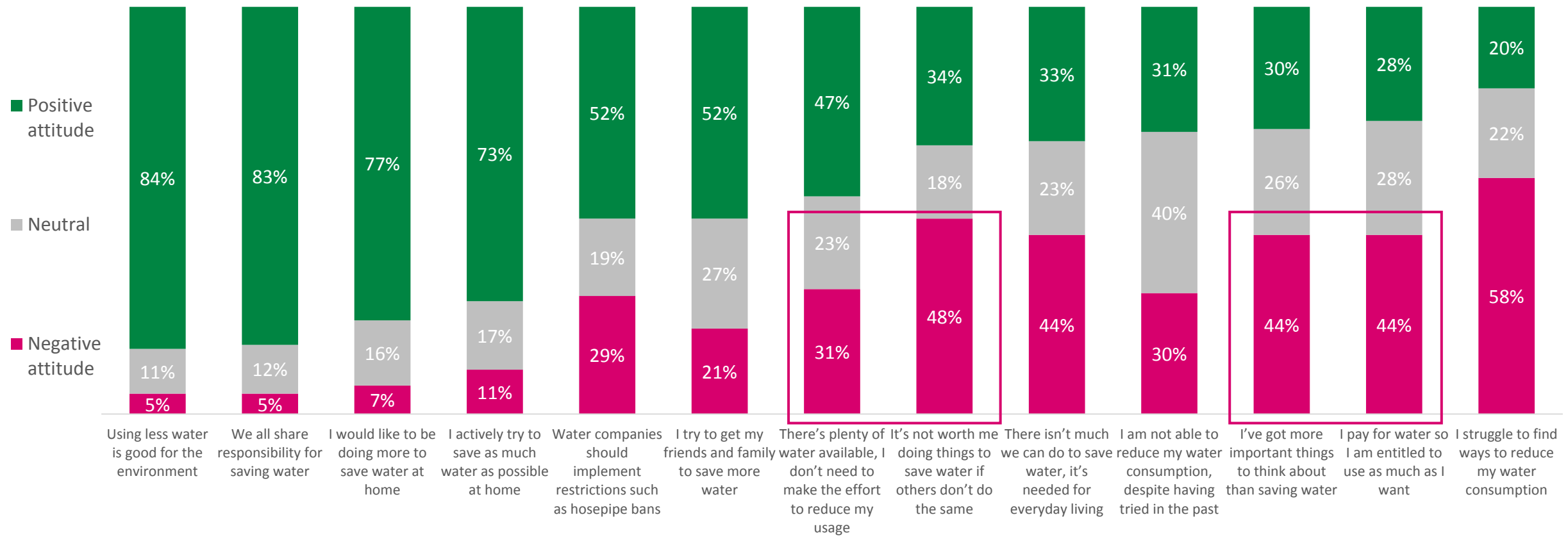
## Environmental / Water attitudes



# Future Bill Payers also hold positive views towards saving water, but a comparative lack of engagement means they may feel they don't waste water and can see few opportunities to use less


This aligns somewhat with we saw in the qual stage, with Future Bill Payers comparatively less engaged with their water usage compared to customers.

## Environmental / Water attitudes



# Future Bill Payers and Households also have different approaches to water use, households are more conscious of their water use, while FBP tend to use what they need, which they *perceive* to be ‘too much’

## Household water use – claimed\*

	HH	FBP
Far too much	2%	8%
Too much	8%	19% ▲
About the right amount	40%	57% ▲
Less than other households	31% ▲	11%
A lot less than other households	11% ▲	2%
Don't know / Not sure	8%	2%



- **Future Bill Payers use what they need to use:** many don't feel they waste water, and can see few opportunities to use less



- **Metered HH customers generally feel they are more conscious of water consumption:** while they take steps not to waste water unnecessarily, many feel there is not much more they could be doing to reduce their consumption



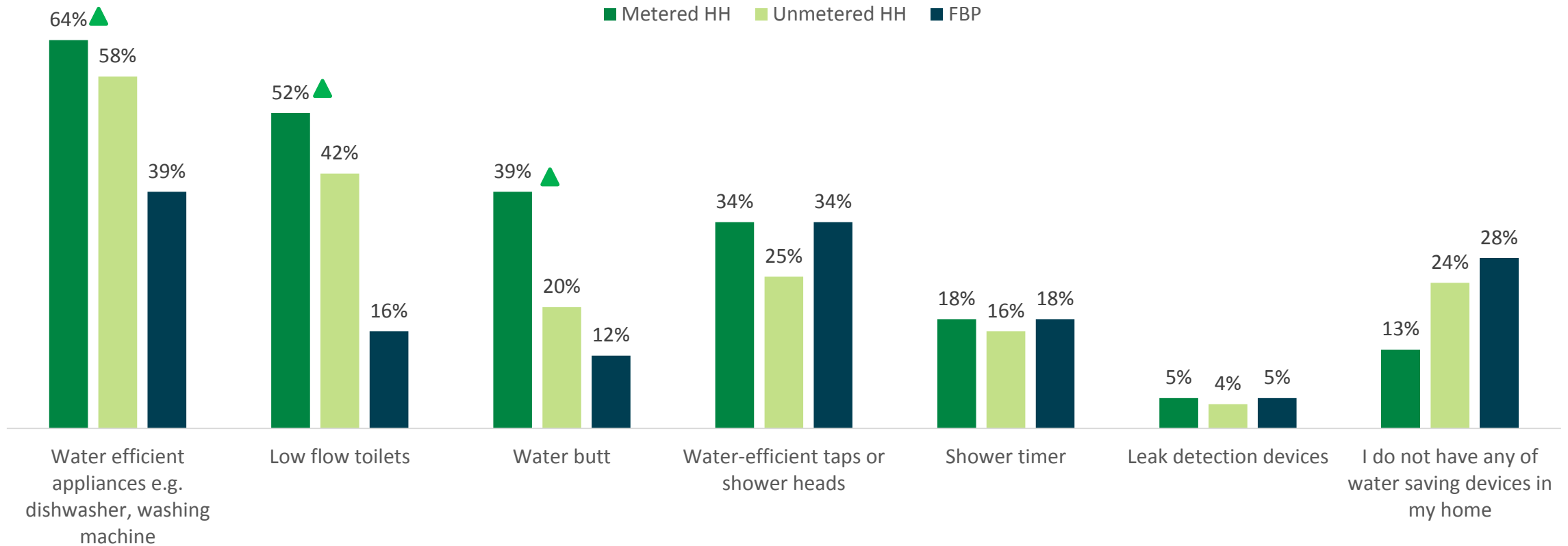
Behavioural economics tells us that people are likely to evaluate or perceive their actions to be better or above average relative to others – unsurprising then that most don't report using too much water, but rather a lot less (desirable in this case).

\*Water usage reported on this slide is claimed, therefore answered based on customer's own perception of consumption, as opposed to real volume.



# Many have adopted some form of water saving device in the home – particularly those who already have a meter

## Water saving devices



Q2. Which of these water saving devices or appliances do you have in your home, if any?  
 Base: All respondents; HH (n = 3135), FBP (n=100)  
 Source: Smart Metering HH Survey (October 2022)

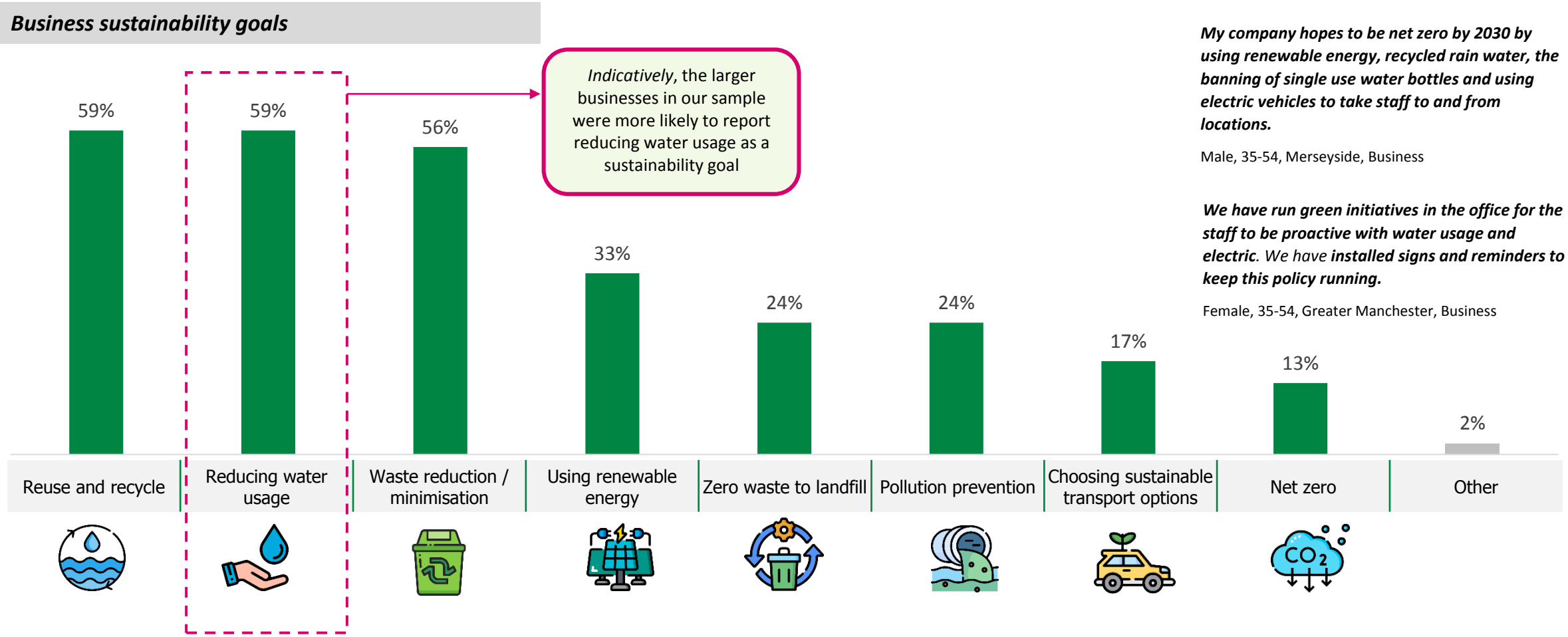
# Attitudes to water usage among businesses are similar to HH customers – a strong sense that it’s a collective effort and good for the environment, but some minority views that there’s plenty available and other things are more important

## Environmental / Water attitudes by business type

NET: AGREE	Total	Manufacturing process*	Supply of services	Ingredient or part of product	Domestic Use
All businesses share responsibility for saving water	85%	90%	83%	91%	85%
Using less water is good for the environment	82%	79%	86%	83%	84%
Our business actively tries to save as much water as possible	72%	76%	78%	87%	72%
I try to get my friends and family to save more water	69%	83%	80%	77%	69%
We struggle to find ways to reduce our water consumption	39%	31%	34%	47%	38%
We pay for water, so we are entitled to use as much as we want	33%	38%	32%	38%	27%
We’ve got more important things to think about than saving water	30%	28%	29%	26%	26%
There isn’t much we can do to save water, it’s needed for our everyday business	30%	34%	34%	32%	26%
It’s not worth our business doing things to save water if others don’t do the same	26%	38%	22%	34%	22%
There’s plenty of water available, we don’t need to make the effort to reduce our usage	25%	28%	25%	30%	19%
We are not able to reduce our water consumption, despite having tried in the past	23%	28%	24%	26%	17%

\*Manufacturing = small sample base (n=29), results should be interpreted with caution.

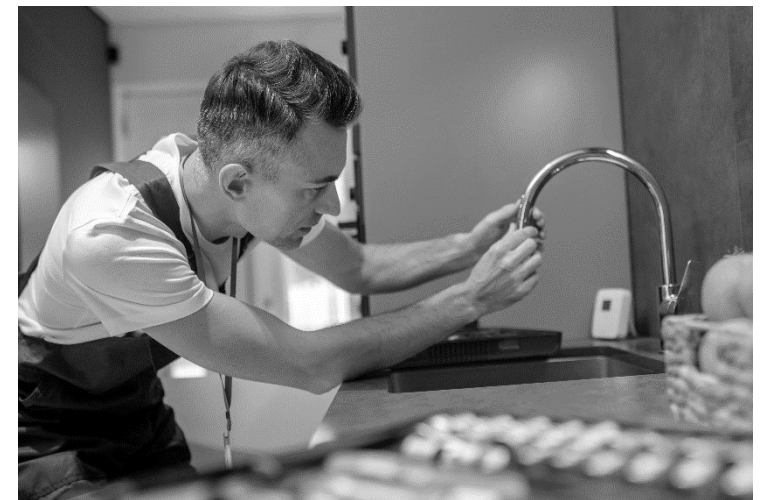
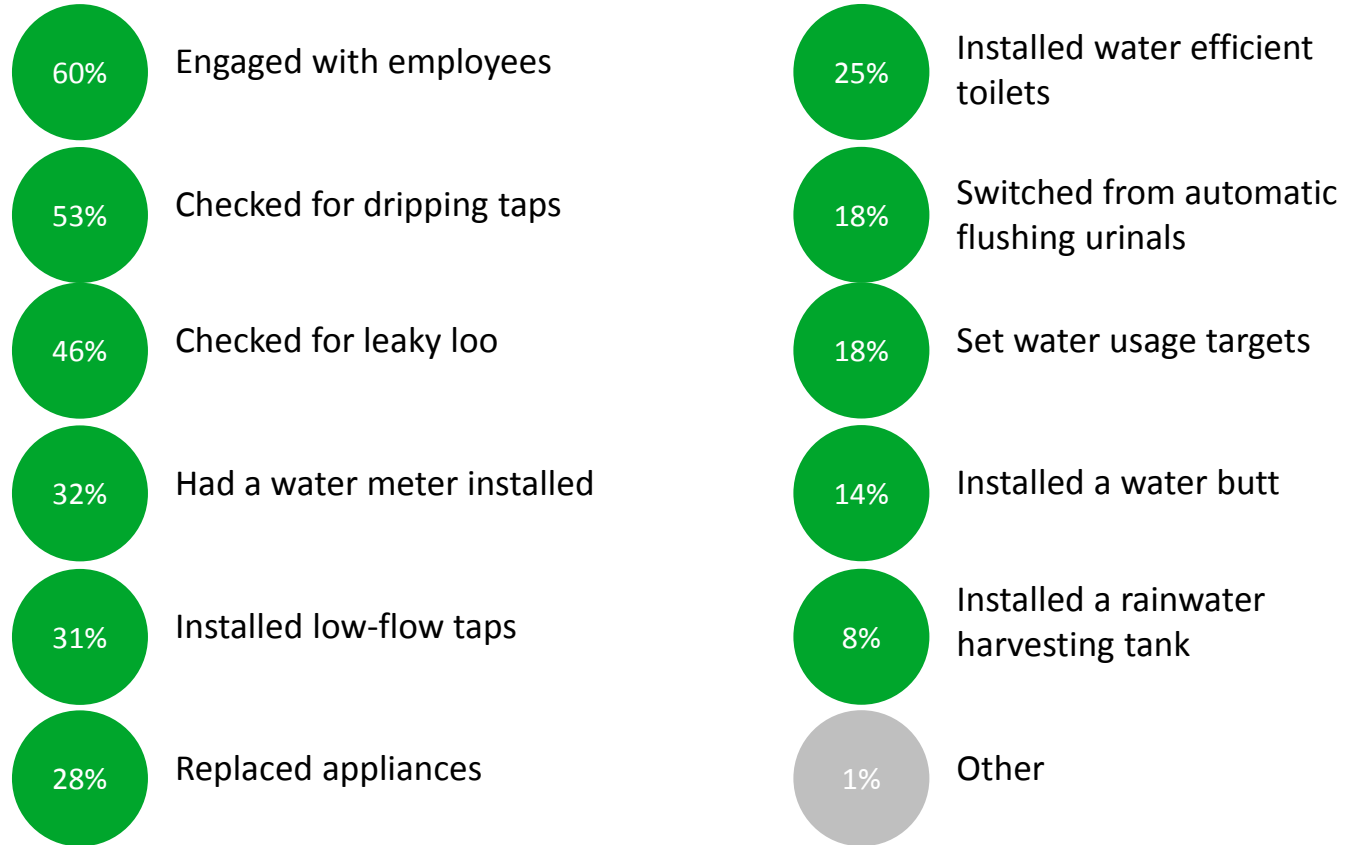
# There is scope to get even more businesses to try to reduce water usage as part of their sustainability drives, currently only 59% are actively engaged in this





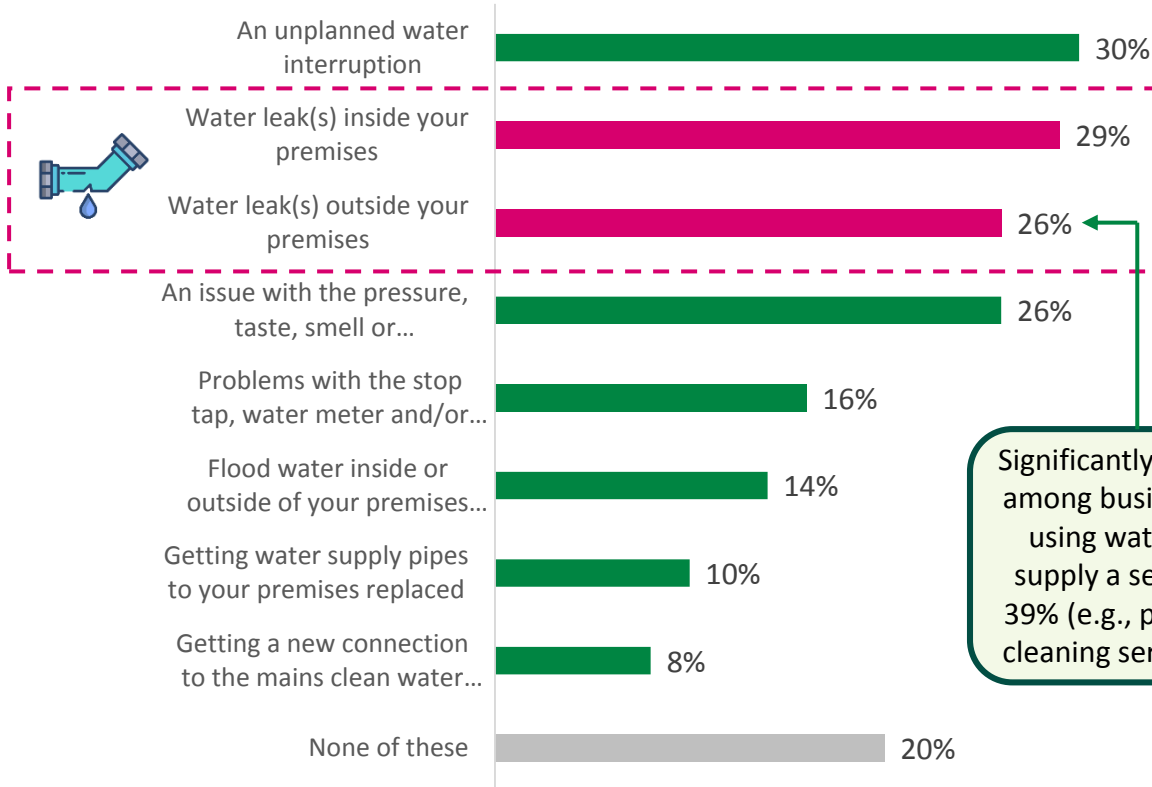
# Businesses mainly rely on employees to help save water, while a third have proactively had a water meter installed

## Actions to reduce water usage

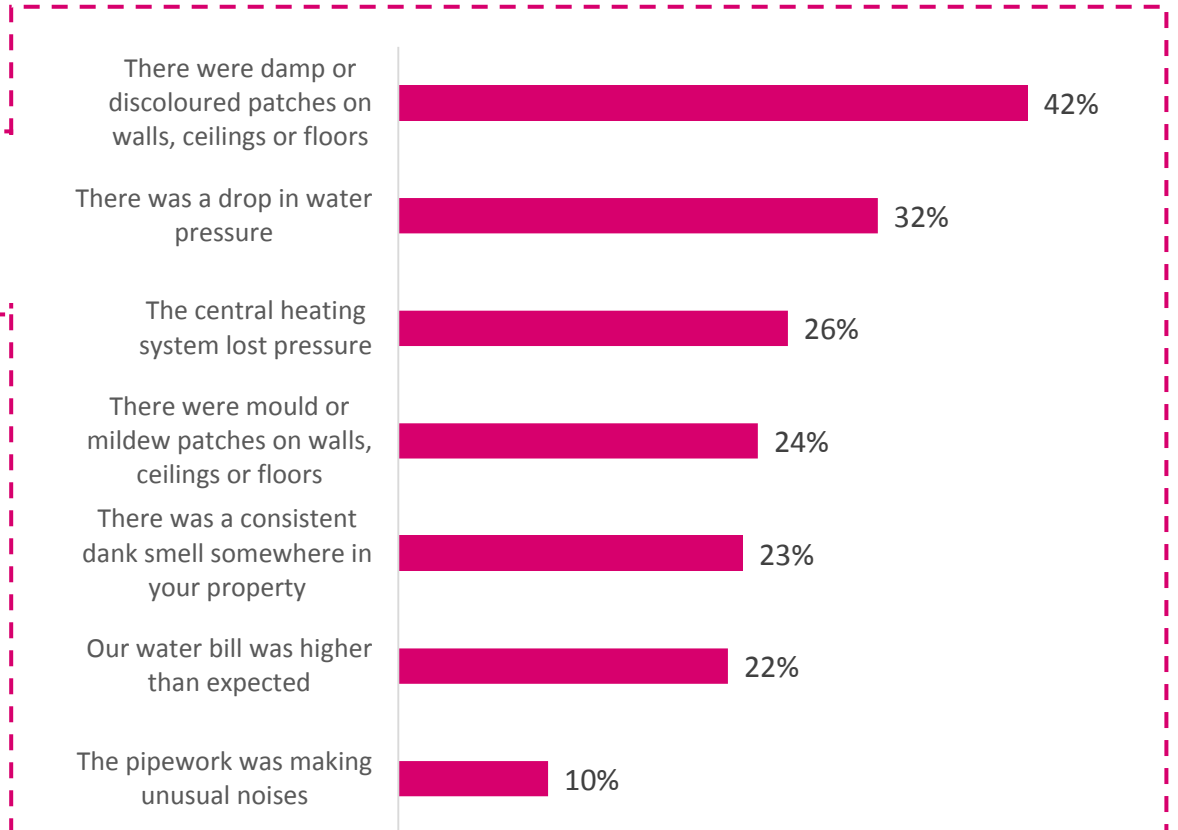


# Around half of businesses said they've experienced leakages at their premises. Damp patches are the most common way of detecting leaks rather than it being noticed via bills

## Water issues experienced



## Leak detection methods



Significantly higher among businesses using water to supply a service, 39% (e.g., provide cleaning services).

Q2. Which of these, if any, has your business had direct experience of? Base: All NHH (n = 200)  
 Q3. You said your business has experienced water leak(s) previously – how was the leak detected? All affected by leaks (n=92)  
 Source: Smart Metering NHH Survey (October 2022)

# Qualitative exploration highlighted that while unmetered customers note some upsides to getting a meter, many are resistant due to the perception of increased bills

## Perceived upsides of water meters

### Potential money saving

- Some believe there is a possibility of saving money though they cannot immediately see how they would do this (there is no clear anchor against what they are already paying)

### Better for the environment

- Some believe that a meter would encourage them to be more conscious with their water usage
- However, few make a clear connection between their water usage and its impact in addressing wider problems of climate change and water scarcity

## Perceived downsides of water meters

### Risk of having an increased water bill

- Many are concerned they may pay more with a meter
- Even after being shown the challenges facing United Utilities, many struggle to see past the potential cost barrier

### Installation is a concern

- There are issues around effort involved in installation, booking appointments and whether there is any additional admin required

### Negative aesthetic impact on home

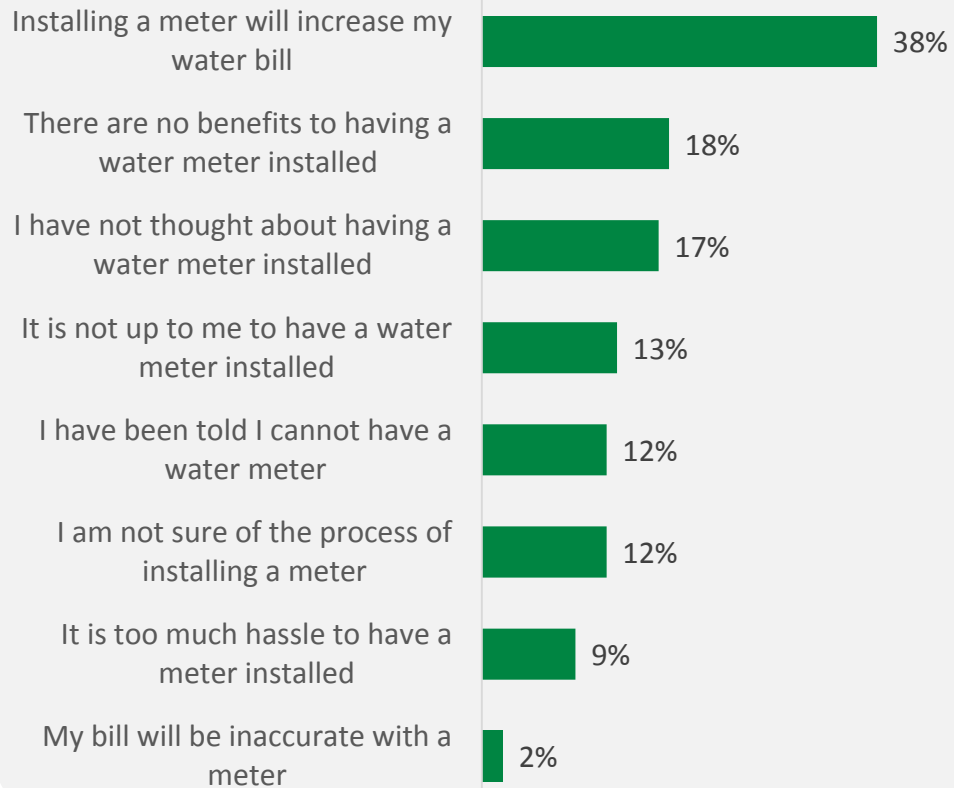
- While less of an issue compared with financial concerns, some want to know how big the meter is and whether it will have a negative impact on the home environment



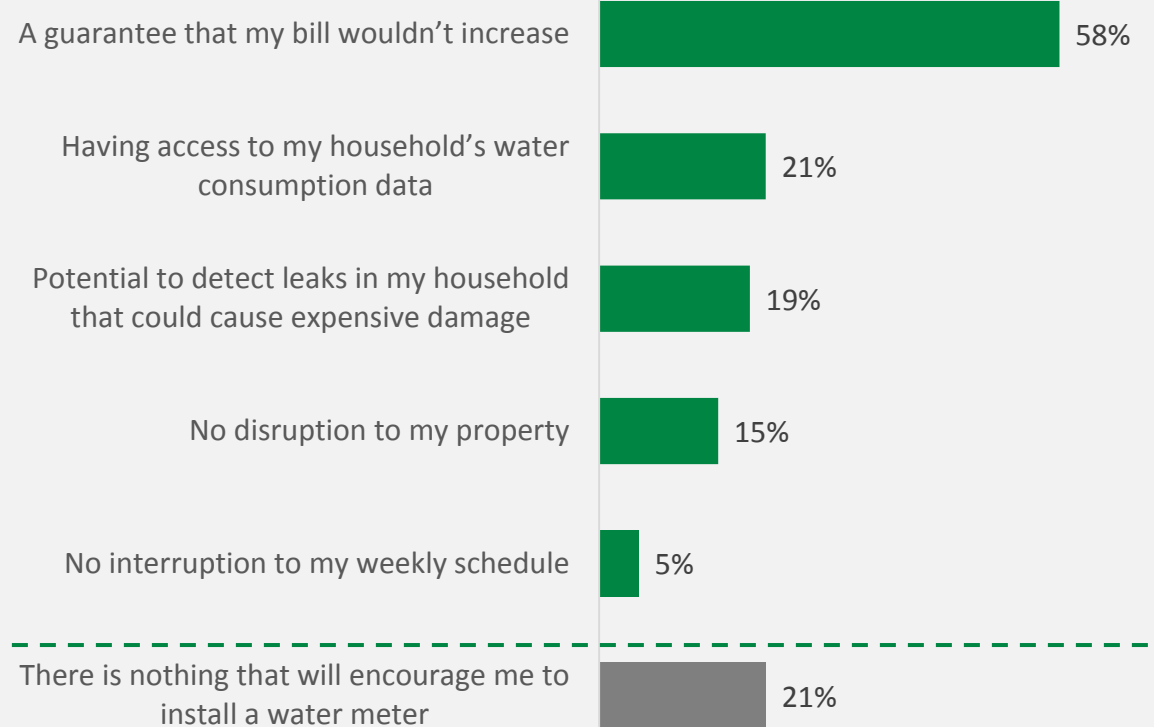
These barriers mirror the findings from the Shadow Meter research; barriers are associated with water meters themselves rather than smart technology, as we'll see

# Perceptions around increased bills also came through in the quant stage. A core minority appear very resistant to the idea of getting one

## Reasons for not having a water meter installed



## Ways to encourage meter installations



Q4. Firstly, what would you say are the main reasons for **not** having a water meter installed in your home?

Q5. Which of the following would encourage you to install a water meter in your home?

Base: Unmetered customers; HH (n = 886), FBP (n=31)

Source: Smart Metering **HH Survey** (October 2022)

# Awareness of the lowest bill guarantee may help alleviate concerns about financial implications of meter installation, currently only 1 out of 10 unmetered customers are aware

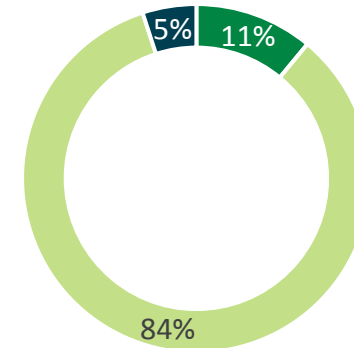
## Understanding of the Lowest Bill Guarantee



### What is the lowest bill guarantee?

Our lowest bill guarantee is our promise that you'll always pay the lowest bill when you switch to a meter. It works like this: every time we send you a bill, we'll compare your meter charges against what you would have paid on your old rateable value bill and always charge you the lower amount. Our lowest bill guarantee lasts for two years and if you've not made a saving in that time you can switch back to your old fixed bill. So you've got nothing to lose! [Visit our meter section for further details on how to apply.](#)

## Awareness of lowest bill guarantee



■ Yes ■ No ■ Don't know

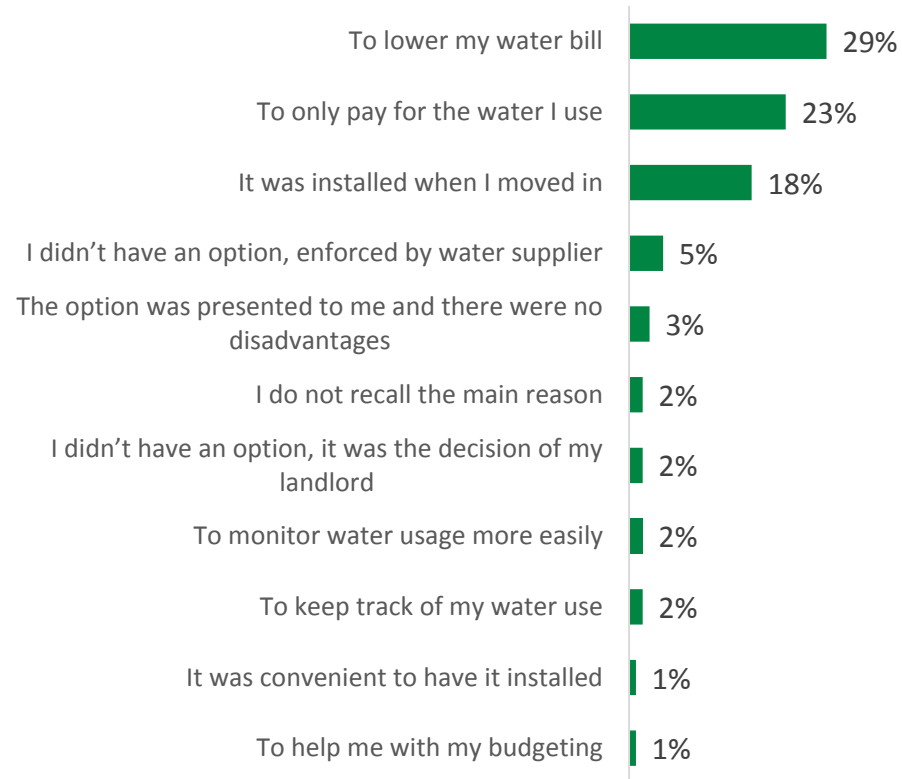


Increased education of unmetered customers on the lowest bill guarantee could help to bust myths and provide reassurance that they won't pay more if they have a water meter installed (regardless of whether it's 'smart').

Future Bill Payers data not shown due to small sample base, n=31

# Those already with meters were primarily motivated by the financial benefits and the idea of ‘fairness’

## Reason for having a meter installed




**76%**  
of metered HH customers  
report their water  
consumption either  
decreasing (30%), or staying  
the same (46%) following  
installation.

# Openness to smart technology and sharing data with United Utilities

# There is no aversion to smart tech in general, most already have some form of smart equipment or devices in the home or business

## Smart technology in the home

Smart technology	Metered HH (n=2194)	Unmetered HH (n=886)	FBP (n=100)	NHH (n=200)
Smart TV	67%	67%	68%	53%
Smart energy meter	56% ▲	47%	35%	46%
Smart speakers	34%	33%	27%	28%
Smart thermostat	25% ▲	21%	19%	31%
Smart security system (e.g. security cameras)	23% ▲	18%	26%	45%
Smart lighting	20%	19%	14%	29%
Smart fridge	3%	3%	13%	11%
Smart oven	3%	1%	9%	5%
None of the above	13%	15%	5%	12%

 HH customers who own smart energy meters are significantly more likely to be open to installing a smart water meter, and support UU’s initiative of smart water meter rollouts.

**Most customers are familiar with the use of smart technology, and appreciate its convenience & time / cost saving benefits**

- Customers use smart devices such as phones, lights, Hive, Alexa, smart energy meters – all praised for making their lives easier and more convenient as they do not need to control them manually
- For **Businesses**, smart devices such as CCTV, lights, heating systems & printers are appreciated for their efficiency, ability to track usage & minimise costs



# When it comes to general data sharing, most are happy to share their data in return for tangible benefits to the customer

- Sharing data with companies is an accepted part of modern life, and most customers across segments are happy to do so for the convenience benefits they receive
- There is an expectation that United Utilities would require customers' water usage data in order to bill accurately, provide granular data & advice
- **Businesses, Landlords & Metered households** expect United Utilities to already have their personal water usage data to hand with their current meters so this would be no different.
- **Businesses** are happy for both retailers and United Utilities to have access to their water data. However, there are some concerns about data security & selling to third parties – there is a need for reassurance that data is stored securely and not misused

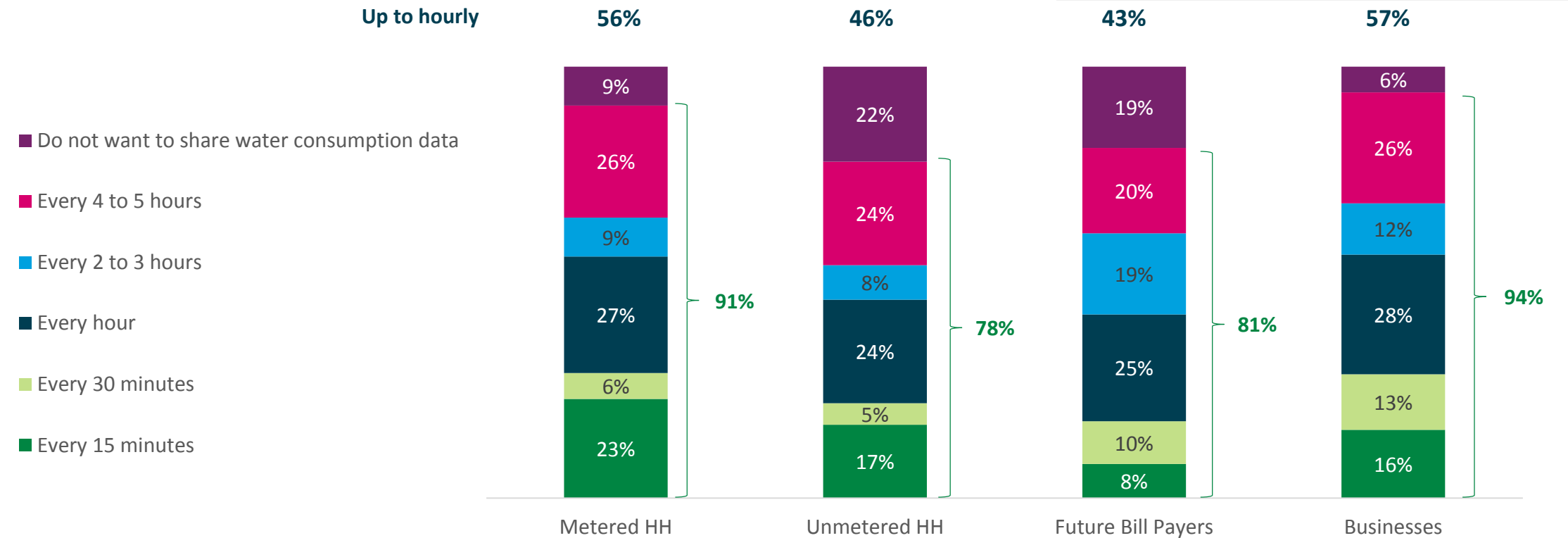


Business customers will only need to be briefly told what their water retailer does with the data in future comms to alleviate the very minor concern of data security

# Over half of metered HH and NHH customers would be willing to share consumption data up to hourly, but Future Bill Payers are less sure

## Sharing consumption data

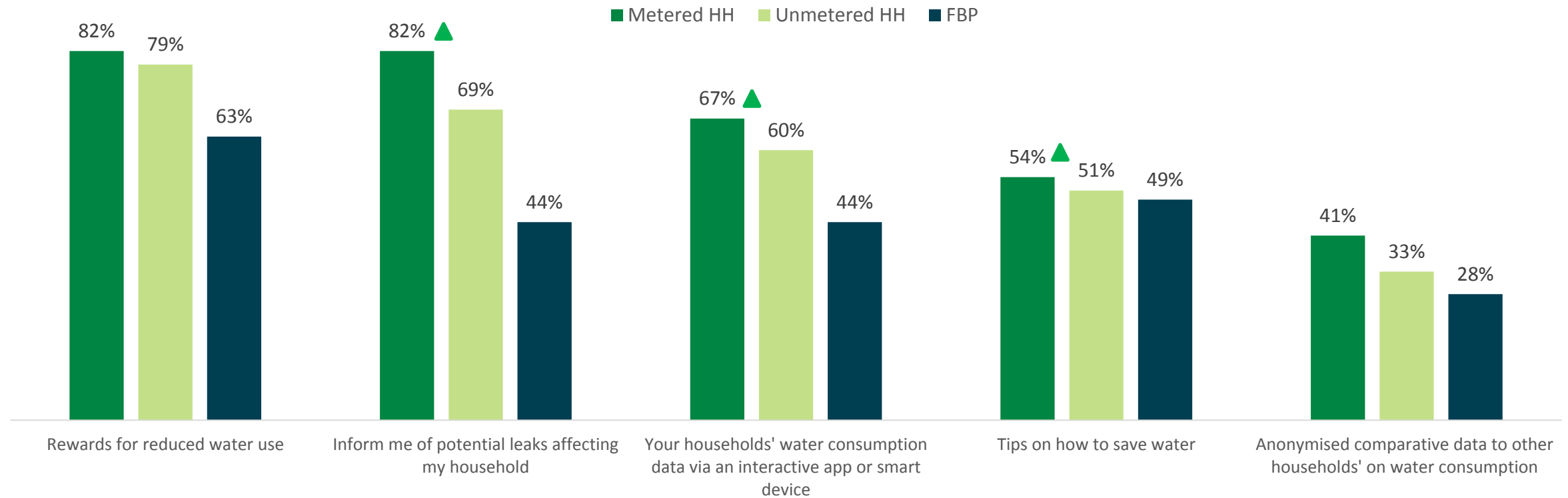
Although Future Bill Payers have been born into a digital society, [research](#) shows that their generation is more cautious about data sharing than Millennials or Baby Boomers which may be driving their uncertainty about sharing water consumption data.



Q18 – HH / Q12 - NHH. Taking this into consideration, and thinking specifically about the level of detail related to your water use, how often would you be comfortable sharing your household's water consumption data with United Utilities?  
 Base: All respondents; HH (n = 3135), FBP (n=100), NHH (n=200)  
 Source: Smart Metering HH & NHH Survey (October 2022)

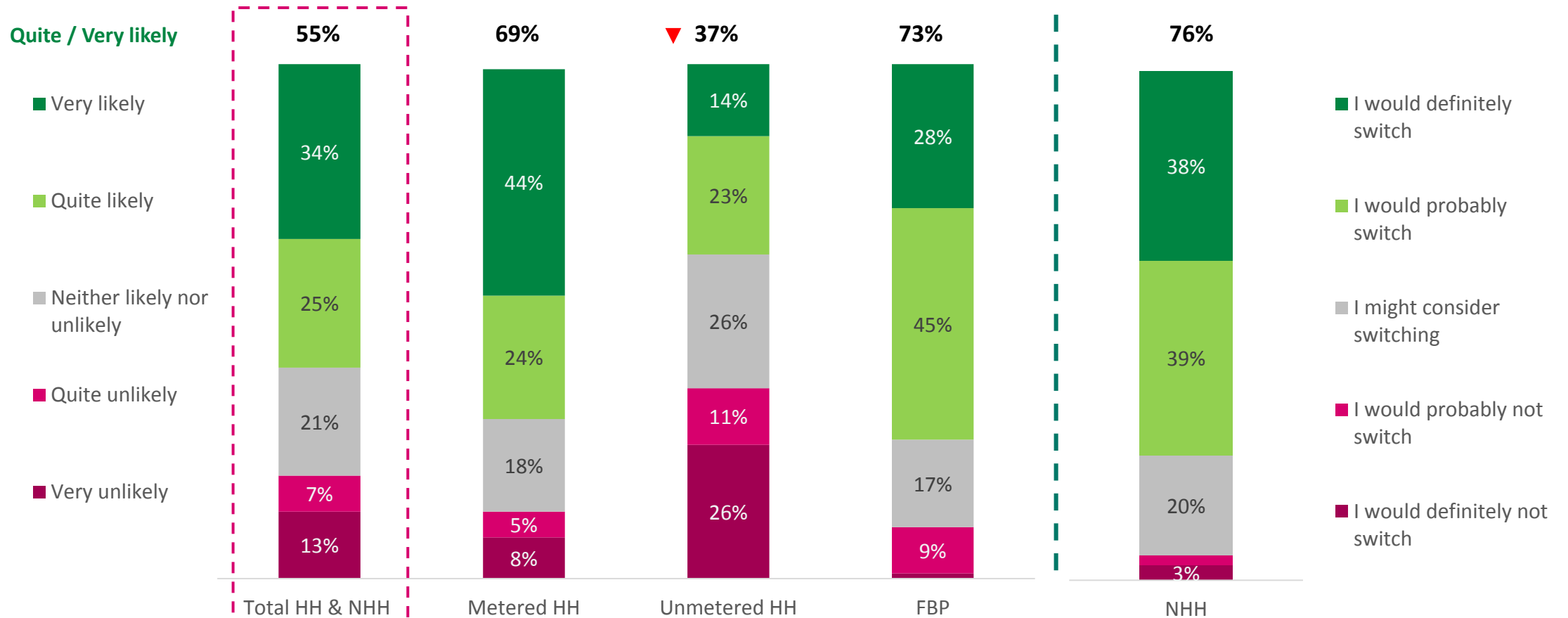
# In exchange for sharing water consumption data, customers would be most interested in receiving rewards for reduced water use and information on potential leaks in the home

## Desired information from United Utilities



# Unsurprisingly, unmetered HH customers are the most resistant to the idea of smart water meters

## Likelihood to adopt smart water meter



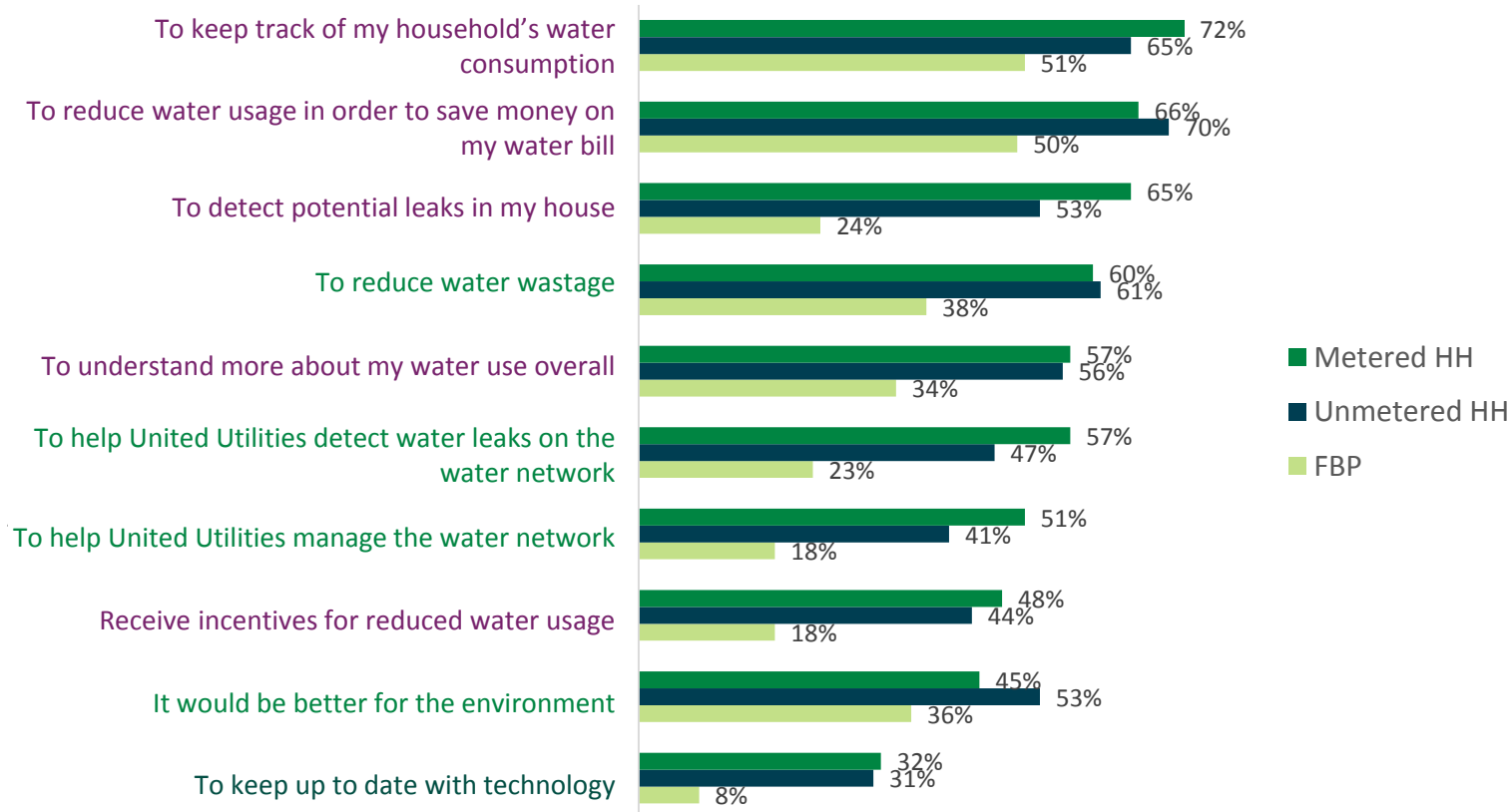
Q14 - HH. How likely are you to install a smart water meter in the future for your home? This meter would be free to install. Q7 - NHH. How likely are you to switch to a smart water meter in the future for your business? This meter would be free to install.  
 Base: All respondents; Total (n = 3435), HH (n = 3135), FBH (n=100), NHH (n = 200)  
 Source: Smart Metering HH & NHH Survey (October 2022)



# Access to household consumption data, the prospect of saving money and leak detection are key drivers for consideration of smart water meters



## Perceived benefits of digital meters



Assurance of a lower bill and no installation costs will be key to dial up in comms for the rollout plans to help boost adoption of smart water meters.

*Lower water usage and lower bills for the tenants, this I see as an advantage for the tenants.*  
Female, 55+, Greater Manchester, Landlord

*It does allow people to be more careful and cut back on the water they are using.*  
Female, 18-34, Merseyside, Metered

*Understanding what usage should look like, sharing best practices with similar businesses in the area will help implement best practices and save water and money.*  
Male, 35-54, Greater Manchester, Business

### Attribute key:

Money saving

Environmental benefit / greater good

Innovation

# Among businesses, a key attraction is the meter’s functionality; the ability to monitor water use, easy to manage and easy billing

## Reasons for being likely / unlikely to switch to a smart water meter

### 74% likely to switch

Those who are likely to switch are driven by these features

- Save / reduce water use
- Easier to access or manage
- Monitor water use
- Save money / costs
- Easier billing

(n=152)

### 20% might consider switching

Those who might consider switching are driven by smart meters being easier to monitor or manage, saving money or costs and introducing efficiencies overall .

(n=39)

### 5% unlikely to switch

Businesses not wanting to switch are opposed to smart technology, have heard that a meter will increase bills or are worried about the implications when changing suppliers

(n=9)

From the qualitative research, leak identification / offering plumbing support was also identified as a key benefit of smart meters among business



- Saves times i.e. don’t have to look for plumbers
- Reduces delays and costs associated with leakage
- Business may want to get comparative quotes



Overall, Businesses and Landlords are open to the added features of digitally enabled meters, however possible cost implications, as well as disruptions to the business, will need to be mitigated as they act as potential barriers

# Unmetered customers raise the greatest barrier to digital meters, but this is about meters in general, especially perceptions of increased bills

## Perceived barriers of digital meters



### Digital meters may result in greater costs

- For Unmetered customers, most of their financial concerns are directed against meters in general. They believe that it will work out cheaper to pay a fixed amount than be charged based on consumption
- Digital meters are also perceived as expensive due to their advanced features (especially compared to traditional meters) – there is therefore some concern that this cost will be passed on to the customer in some way (e.g. installation costs, higher water bills)

### Digital meters may be an unnecessary upgrade

- For some Businesses, while they can appreciate the granularity of data for companies that use high volumes of water, digital meters seem excessive to their needs as their water consumption is low & there is less need for tracking

### Digital meters may break down

- Since digital meters rely on electricity, some have worries about losing functionality of the digital meter, if the electricity / internet goes down

### Digital meters may not be secure

- Some believe they may find it intrusive if the data is used externally, or accessed, without the customers permission (N.B this is likely a kneejerk reaction & a research effect in looking for the downsides)

*As the mother of 3 young children I use a significant quantity of water. I could potentially end up paying more than what I do now*

Female, 18-34, Cheshire, Unmetered

*I did the checks and found it would cost me more to be on a meter and once on one you can't change back to a flat rate*

Male, 55+, Cheshire, Unmetered

*I have concerns about data security and privacy. It needs to be incredibly robust.*

Male, 35-54, Cumbria, Unmetered

*No great advantage to my business, I can only see a larger cost*

Male, 35-54, Greater Manchester, Business



Future comms needs to address these concerns, the bulk of which are monetary

# Concerns around costs are linked to volume of use, with perceptions that costs would be higher for larger households. Unmetered customers also prefer the certainty of flat rates as opposed to variable monthly costs.

*I do not have a water meter because I was advised I would probably be paying more than I am on a set yearly bill if I was to have a water meter due to the household size.* Female, 18 – 34 Lancashire, Unmetered.

*We don't have one because we are unsure of whether we would save much. We also prefer knowing what a bill will be, rather than finding it might be more than anticipated.* Male, 55+, Greater Manchester, Unmetered.

*Also fluctuating bills would cause problems for me as I have to budget strictly .* Female, 35 -54, Merseyside, Unmetered.

*The drawback, as I've mentioned in a previous question, is the stress I would be put under thinking about how much my water bill would be each month if I paid per litre used. I imagine there would be standing charge for the sewerage service as the water meter would only monitor water coming into my property.* Male, 55, Greater Manchester, Unmetered.

*The reason why I don't have a water meter in my house because kids wouldn't be careful enough about the amount of water used.* Female, 35 -54, Greater Manchester, Unmetered.

*The main reason I don't have a meter is that were I to sell my property to a family, NOT having a water meter would be seen as advantageous.* Male, 55, Greater Manchester, Unmetered.

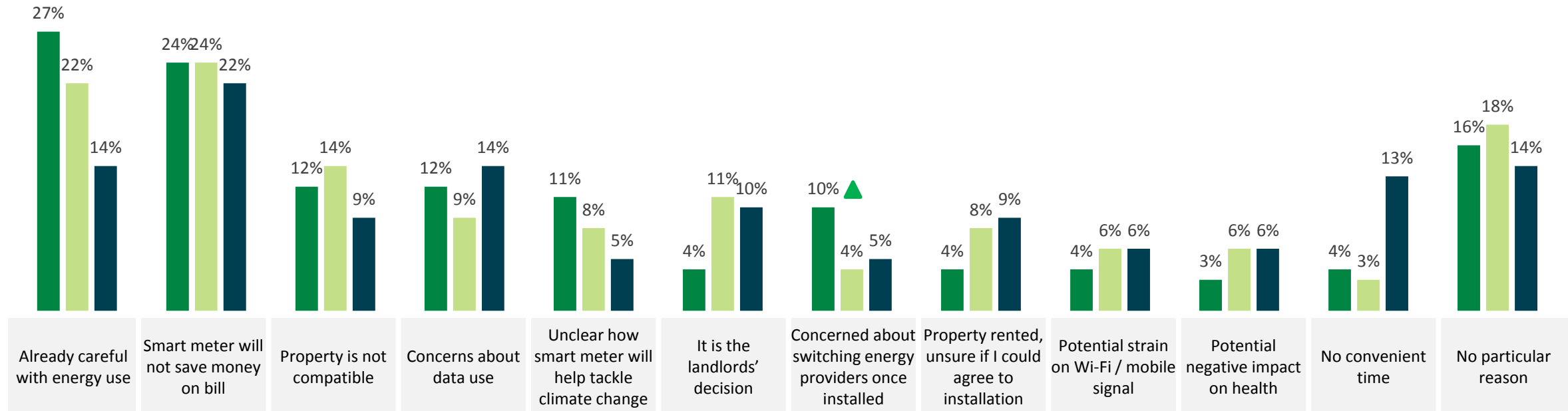
*Disadvantages include large families paying a higher premium. Having a meter removed further along the line isn't always possible so if children leave home resulting in lower occupancy this could mean paying more in a metered property. We are a family of four and having spoken to friends and family those who have had a water meter installed have seen a rise in their water bills.* Female, 55+, Greater Manchester, Unmetered.



# Reasons for rejecting smart *energy* meters are similar to those for smart *water* meters, with customers not seeing the benefit and doubts about financial savings

Reasons for not having a smart energy meter

■ Metered HH   ■ Unmetered HH   ■ FBP



# The most appealing feature of smart water meters for HH customers would be the potential reduce water usage and energy bills



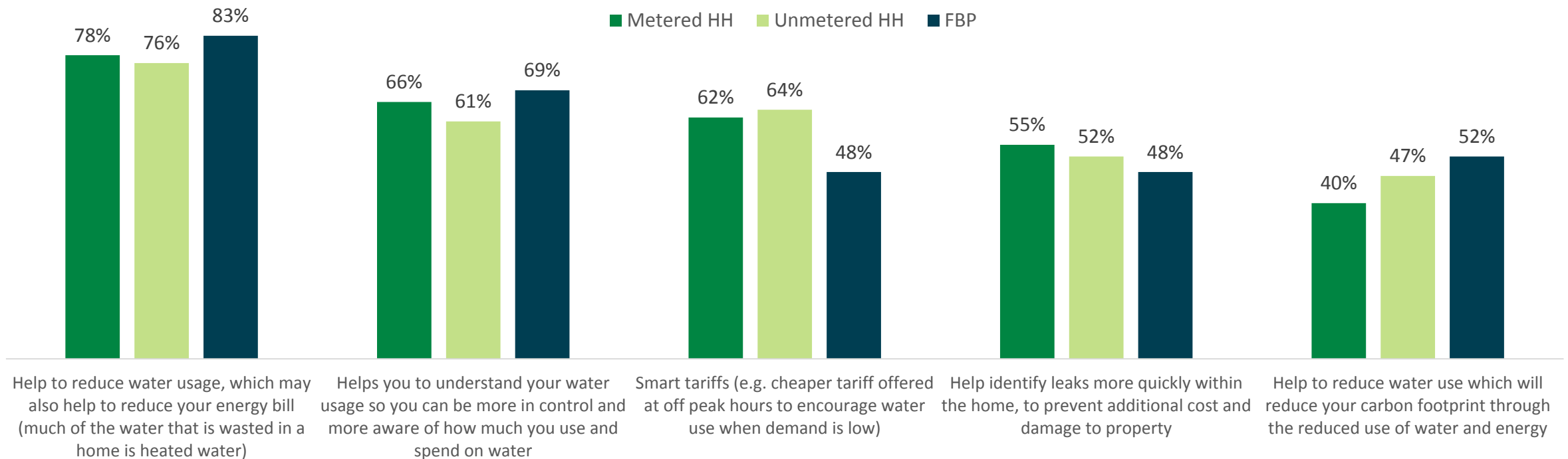
## Most appealing smart water meter features – (% ranked top 3)

For all household customer groups, cost of living remains top-of mind: these groups are more concerned with how to reduce their water usage and subsequently, their energy bill.



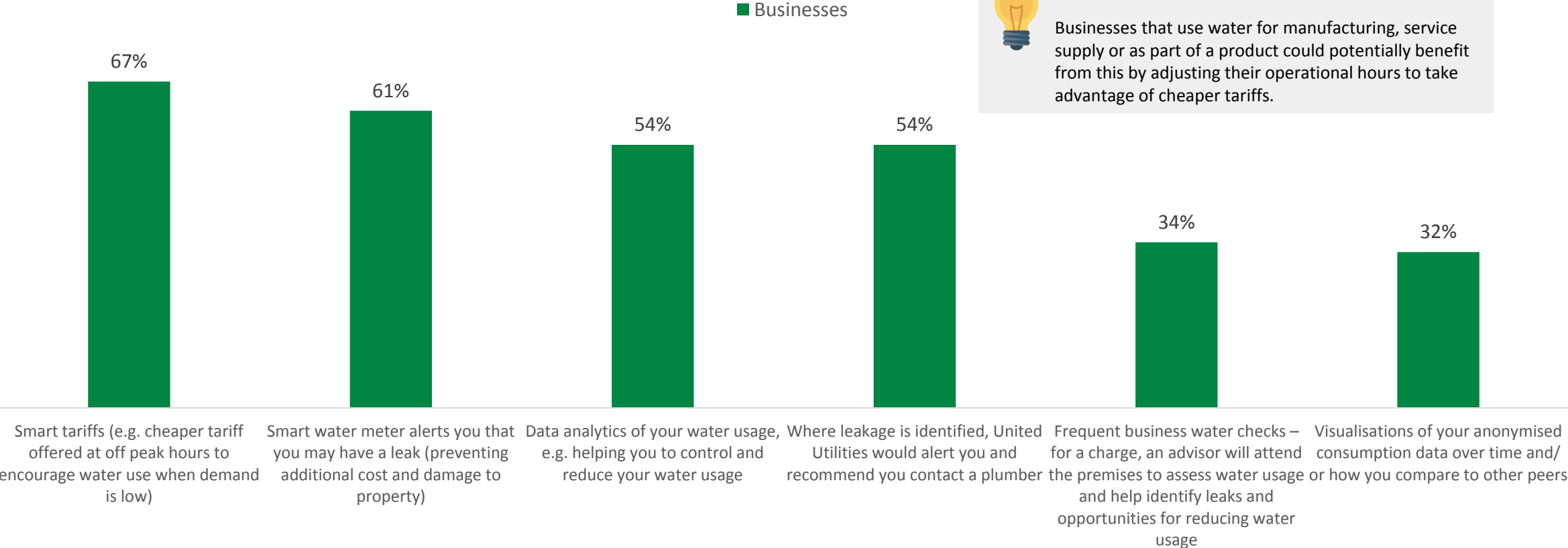
In April 2021 the proposition of tariffs was tested in the *DWMP/WRMP immersive testing research*, just 31% found the proposition 'very acceptable', this has increased to 58% (average across all 3 groups) within this smart meter research.

In the energy sector the idea of 'tariffs' is a proposition that is growing in popularity, Octopus Energy have recently trialed smart tariffs and found it had meaningful impact on demand with significant reductions in usage, view full report [here](#).



# Among businesses, cheaper tariffs at off-peak hours would be the most appealing feature of smart water meters

**Most appealing smart water meter features – (% ranked top 3)**

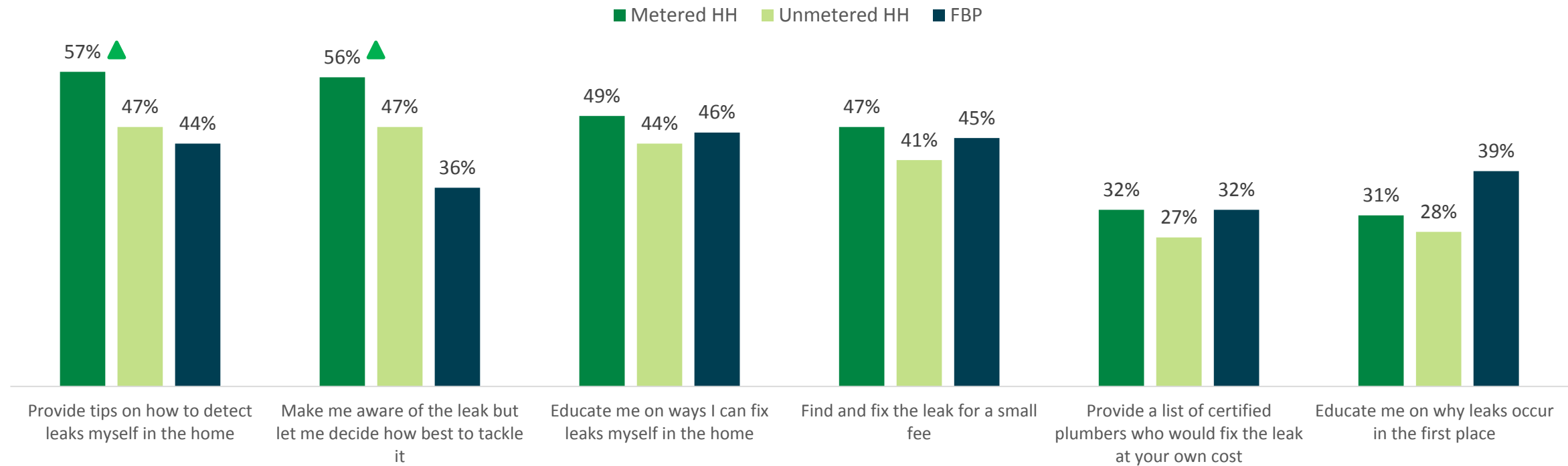


Smart tariffs offer a direct cost benefit to businesses, as opposed to other features which are educational or offer convenience without direct financial impact.

Businesses that use water for manufacturing, service supply or as part of a product could potentially benefit from this by adjusting their operational hours to take advantage of cheaper tariffs.

# HH customers would most appreciate support on how to detect and fix leaks inside the home

## Support on leaks in home



# What this means: in general, there are minimal objections to digital, but concerns about the cost implications of meter installation remain

## Data sharing is not a top of mind concern

- Customers appreciate the convenience benefits of smart tech and are happy to share their data with United Utilities, as they do with other smart tech providers – there's a sense that this is the future
- As with smart technology in general, there is a need for reassurance that this data is kept secure & will guarantee customer benefits

## Pushback comes primarily from the Unmetered, who are opposed to meters in general

- Fears of increased bills are a key barrier amongst a core group of water meter opponents
- But some Businesses who use less water also believe that digital meters are potentially too sophisticated for their needs (don't require granular data – satisfied with their current meter), and are concerned that this will raise costs

## Across all groups, accurate billing and identifying leaks are the more promising benefits to play on

- For Businesses, Landlords & Households, the idea of fair billing & potential cost saving benefits of identifying leaks can be compelling
- For FBPs, the environmental benefits of smart meters (reducing carbon footprint) are also convincing

# Preference for meter placement

# Participants were informed about the pros and cons of different meter locations to understand their placement preference

**Inside a property**  
(a cupboard in this case)



- Pros
  - It's cheaper for us to install meters internally, so we can keep bills lower for customers
  - Above ground, we get a better signal strength to communicate and read your meter
  - It will be possible to detect a leak in your property
- Cons
  - The meter will require some space in your home and probably needs to be hidden in some way (see image)
  - An appointment will be required to have the meter fitted or for any maintenance or replacements
  - We may require some minimal pipework to be reconfigured to accommodate the meter
  - Won't detect leaks on your supply pipe (the pipe that goes from the street to your home)

Copyright © United Utilities Water Limited 2019

**Outside a property**  
(under the pavement in this case)



- Pros
  - We can get easy access to install the meter and to check it when ever we need to, without disturbing you
  - As well as being able to detect any leaks in your property, we can also detect leaks on your supply pipe (the pipe that goes from the street to your home)
- Cons
  - It costs us more to install meters like this meaning the number of meters we can install for a given investment is less
  - We will need to dig multiple holes in your street which could require street works and potential inconvenience
  - In some cases this option is not possible – for example you have a shared supply pipe or live in a flat
  - Some meter pits can be very deep, leading to communication issues meaning we can't always read the meter

N.B Businesses were not asked this question because they are already metered and the location of their meter is unlikely to change.

# Qualitatively, there was a preference to have a meter fitted internally rather than externally\*

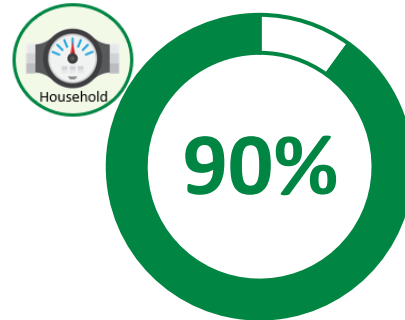
All Future Bill Payers had a preference for internal meters



## Rationale:

- Cheaper to have them installed inside the home
- It would also be easier to read and easier to access (as long as it was installed out of sight)

9/10 Metered customers also preferred internal meters



## Rationale:

- Cheaper installation than external meters
- Provides United Utilities with a better signal strength which ensures more accurate billing
- Some customers feel internal meters are tamper-proof

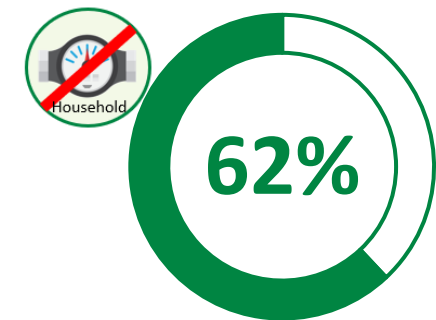
4 of 5 Landlords would have a meter fitted internally



## Rationale:

- Ease of being able to identify which property the meter belongs to (as this is more difficult with external meters)
- Internal meters will be easier for tenants to access

However, only 18/29 Unmetered customers prefer internal meters



## Rationale:

- Lesser costs for both the customer and United Utilities compared to external meters
- Safe from vandalism and the elements
- Less disruption
- However, the space a meter will take up internally is an issue for some

\* Results are indicative, interpret cautiously, low bases. Business customers are not included in this sample

(The potential inconvenience of United Utilities coming into the property to subsequently maintain the meter did not feature in their thinking.)

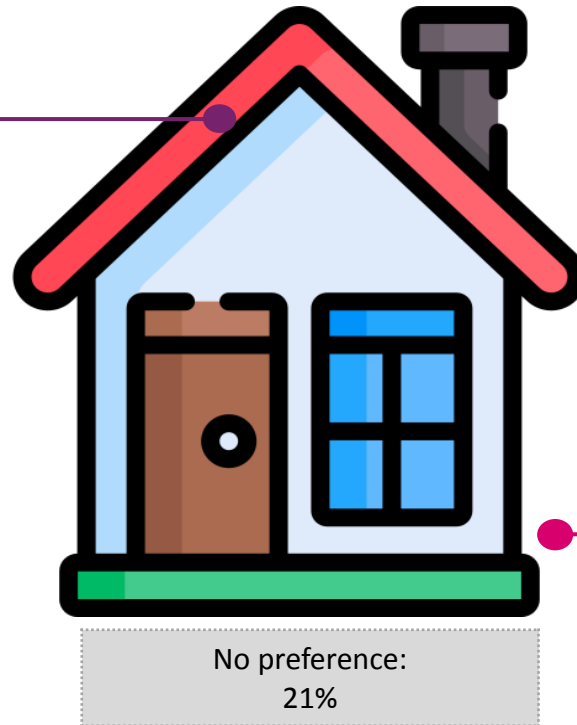


# However, from the quant there was no clear consensus on where meters should be placed, but inside would be *marginally* preferred

## Smart water meter placement preference

Inside the home:  
43%

- Easier access / to check / convenience
- Already have a meter installed inside
- Due to bad weather / less risk of damage
- Live in a flat
- Cheaper
- Less disruption to get it installed
- More secure / its safer
- Privacy



- Already have a meter outside
- Easier access for UU / when not available
- No space or room indoors
- Do not want another meter indoors
- Less disruptions
- Less intrusive / invasive
- Can detect leaks more

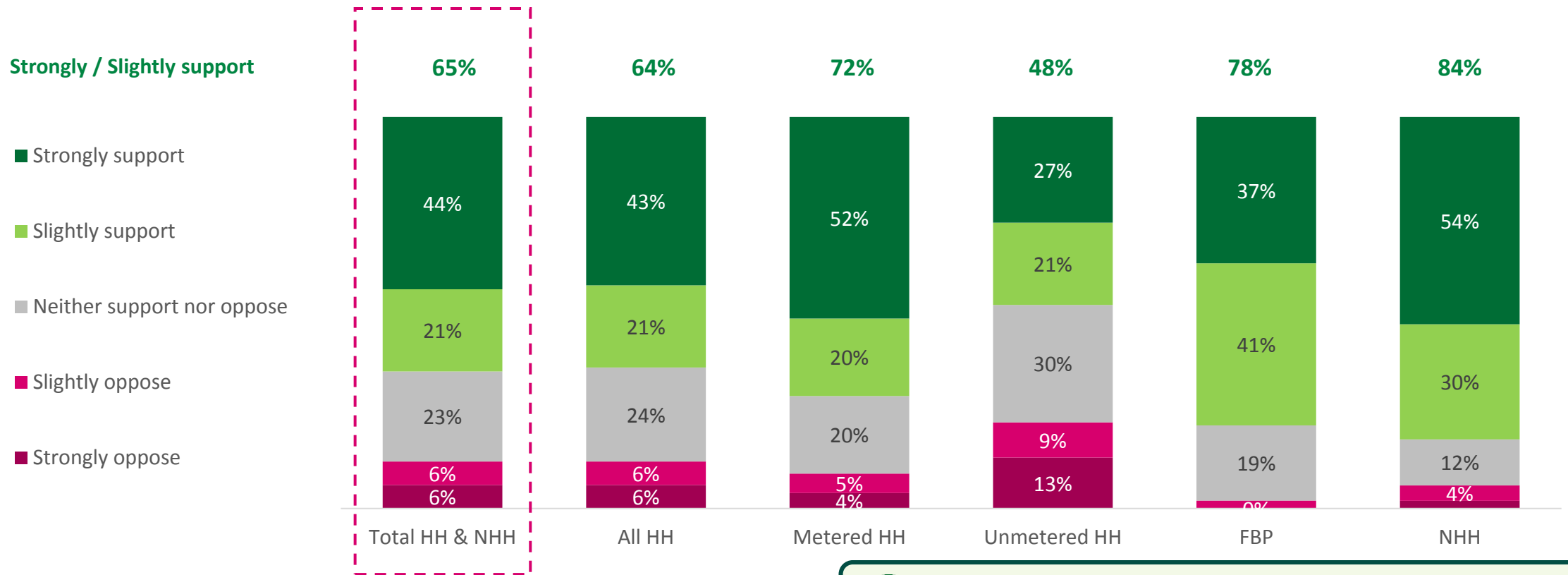
Outside the home:  
35%


No preference:  
21%

# Reaction to smart meter rollout plans

# There is generally a good level of support for the rollout plan, but unmetered customers are more sceptical

## Support for smart water meter rollout plans



 Vulnerable customers are significantly more likely to support the initiative compared to non-vulnerable customers, at a total household level.



# As in the qual stage, the environmental benefits of saving water is the primary reason for supporting the initiative – a point for UU to highlight in comms when rolling out

## *Reasons for supporting / opposing smart water meter rollout*

### Reasons for supporting:

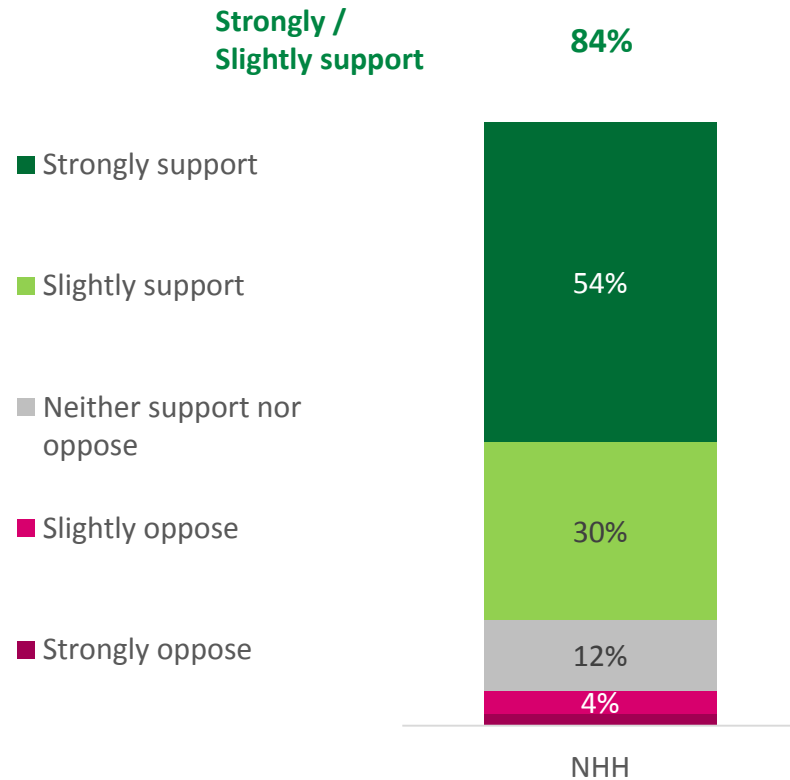
- Better for the environment
- Reduce water wastage / save water
- Helps with leak prevention
- Greater sense of control for customers
- Save money / lower bills

### Reasons for opposing:

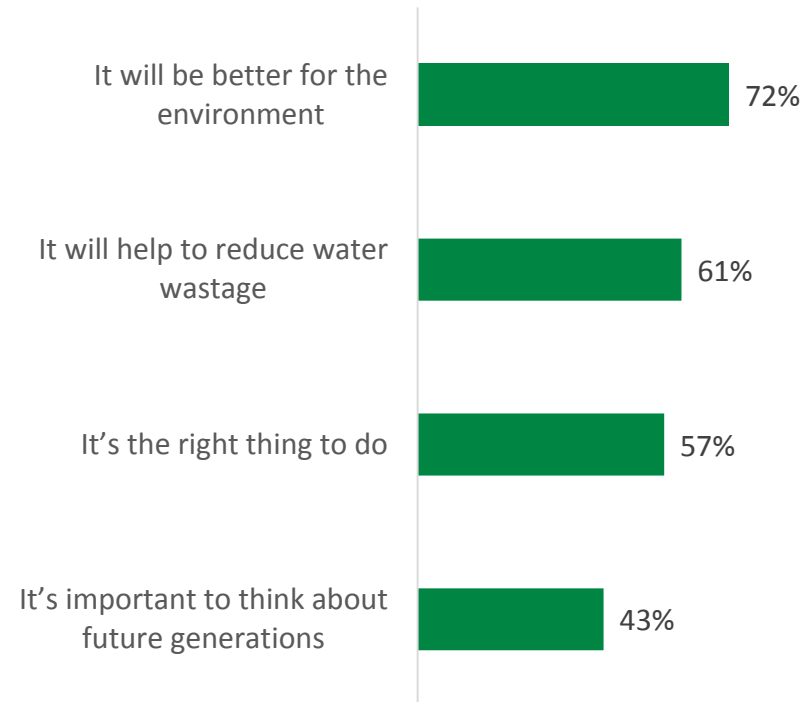
- Added cost without benefit / add cost to my bill
- Already have a meter, not interested in a smart meter
- Don't want bill to increase to cover this
- Way to control lifestyle / monitor peoples use
- Don't want one / don't think its necessary
- Don't trust the accuracy

# Businesses also like that the initiative will be to the benefit of the environment and will help to reduce water wastage

## Support for smart meter rollout



## Reasons for supporting smart water meter rollout



Q15. Why do you oppose this initiative?  
 Q16. Why do you support this initiative?  
 Base: NHH (n=200), Strongly oppose (n=11), Strongly support (n = 166)  
 Source: Smart Metering NHH Survey (October 2022)

# To ensure the rollout is not dismissed as ‘a nice idea’ we recommend future comms have a dedicated Q&A section to alleviate concerns

## Message priority



### Financial

**Concerns that having a water meter will increase bills**

- Are there any costs to getting one?
- Will it make a difference to their bill, if so, by how much?
- What are the benefits of finding water faults/ what will happen is a leak is left unresolved?
- Highlight the lowest bill guarantee to reassure on tariffs

### Knowledge

**Lack of understanding of how they work**

- How data is kept secure
- How data is used/ not sold
- What does the smart meter look like?
- Highlight the environmental benefits of quickly identifying leaks – and how digital meters achieve this

### Logistical

**Issue with convenient installation process**

- Installation process, step by step i.e. what kind of disruption can be expected

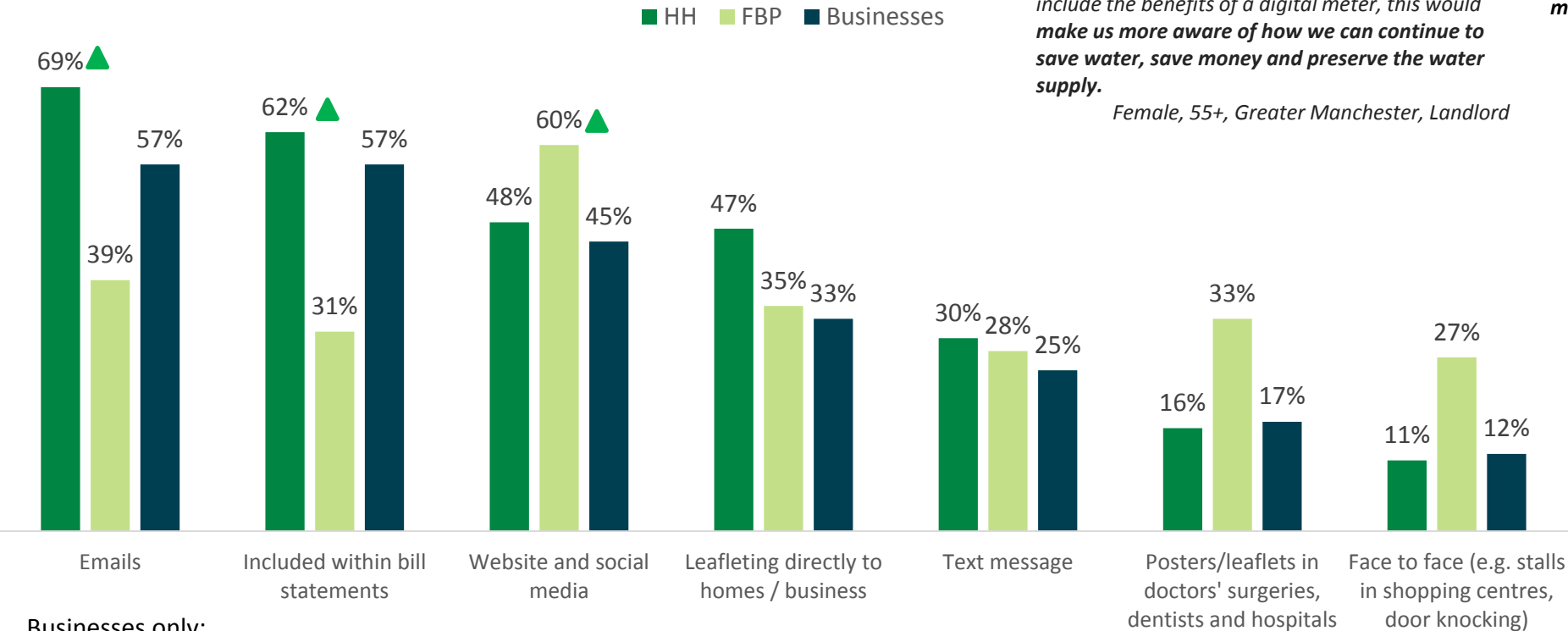
### Ideological

**Strongly believe it is their choice; unfair on larger households and benefits United Utilities financially**

- Why personal responsibility is important/ the impact one house can have
- How United Utilities’ profits will be impacted by the rollout and how customers will benefit i.e. who will the rollout be funded?

# A multi-channel approach is felt to be optimal for communicating the rollout plans

## How should UU communicate the rollout plans?



*I think that presently **United Utilities have a good ad campaign** to educate us on saving water, maybe include the benefits of a digital meter, this would **make us more aware of how we can continue to save water, save money and preserve the water supply.***

*Female, 55+, Greater Manchester, Landlord*

*United Utilities should communicate the rollout **with customer bills to reduce unnecessary mail/marketing as well as digitally.***

*Male, 18-34, Greater Manchester, Metered*

**18%** of household customers recall being contacted by UU in the past regarding installing a water meter.

\*Includes HH and FBP

**Businesses only:**

- Interactive app: 29%
- \*Via the retailer: 11%

For businesses, communicating roll out plans with bill statements would also encompass retailer involvement.

Q25 – HH / Q17 – NHH. Which of the following do you think are the most effective ways for United Utilities to communicate this initiative to customers?  
 Q26. Has United Utilities contacted you in the past regarding installing a water meter?  
 Base: All respondents; HH (n = 3135), FBP (n=100), NHH (n=200)  
 Source: Smart Metering HH & NHH Survey (October 2022)

# Executive summary



# What do customers think of the benefits of smart meters and are they willing to have one installed?



The planned rollout of digital water meters receives strong levels of support

## Why

- Support is driven by a sense that it will be better for the environment by reducing water wastage
- The potential for lower bills and greater sense of control for customers are also noted as key benefits



However, unmetered customers are the most sceptical and will need to be clearly convinced of the benefits

## Why

- The perception that a water meter will result in increased bills persists among unmetered customers
- A core minority of unmetered customers appear very resistant to the idea of getting one (21% saying nothing would encourage them to get a water meter)
- A small cohort also fundamentally distrust water companies and think the only real rationale for meters (including digital) is profit at the expense of the customer and greater control over customers' lives



- Objections tend to be focused on cost concerns, mixed with some uncertainty as to how much time this will take to set up
- United Utilities can focus messaging to mitigate concerns of cost and convenience with the knowledge that concerns around the technology itself are minimal
- As support for this is widespread, it suggests that further communication of the importance of personal responsibility may help to convert some of the currently Unmetered customers

# What are the barriers stopping customers from installing smart meters?



**Key barriers to smart water meters are a perceived lack of need and concern that bills will increase**



**There are also questions about how accurately consumption will be measured, and a need for assurance their data will be kept secure**

## Why

- There is no aversion to smart tech in general – most are already familiar with the use of smart technology, and appreciate its convenience & time / cost saving benefits
- There is a sense among unmetered customers that they are already careful with their water use and therefore don't see the need for a meter, and some cannot visualise the benefits of getting one
- They are also concerned they will be financially impacted, directly or indirectly, through their bill. They believe that it will work out cheaper (or at least more predictable) to pay a fixed amount than be charged based on consumption (especially true of those with families)

## Why

- Some customers queried whether their water usage will be accurately reflected in their bills if they were to get a smart water meter
- Concerns were also raised about data security and not wanting anyone having access to their consumption data who shouldn't



- Awareness of the lowest bill guarantee is low, so increased education around this with added assurance of a relatively effortless installation process would be beneficial
- Future comms should also acknowledge concerns about data security and how data will be kept safe and secure

# What is customers' overall assessment of the smart meter proposition? They like it!



**The potential to lower water and energy bills is the most appealing feature of digital meters for household customers**



**Smart features (tariffs and meter alerts for potential leaks) are the preferred benefit for Businesses of the propositions tested**

## Why

For households, cost of living is their immediate and by far, biggest motivator: these groups are drawn to the potential to save money

- The idea of smart tariffs and a greater sense of control via better understanding of one's water usage were also felt to be appealing
- Identifying leaks and reduced carbon footprint are less top of mind. This audience were provided details about how the need to prevent leaks is paramount

## Why

- These audiences are enthusiastic about this idea; it taps into what they care about most: *'how will this save me money and time?'*
- Frequent water checks and visualisation of consumption data resonated the least well with businesses
  - They are not dismissed per se but again raise the question *'how will this work and how does this save me money and time?'*



- Customers demonstrate increased appreciation of the personal & broader benefits of identifying leaks, and the role digital meters can play in fixing these sooner – a potential comms hook
- Additional features need to clearly demonstrate how they will deliver on reduced cost and saved time

# Freedom to choose meter placement will be important, but most are happy to share their data in return for tangible benefits



Overall, views on meter placement are somewhat polarised, but internal would be marginally preferred

## Why

- This is due to perceptions that it would be more convenient, the comparatively lower cost involved for UU, less disruption
- If placed internally, they are felt to be safer from vandalism and the elements, as well as being easier for customers to access themselves if needed
- No apparent concerns about United Utilities access to the property for maintenance purposes



There is receptiveness for data to be shared up to hourly, and getting something in return would be welcomed by HH customers

## Why

- There is an expectation that United Utilities would require customers' water usage data in order to bill accurately, provide granular data & advice
- HH customers would be most interested in receiving rewards for reduced water use and information on potential leaks in the home in return for sharing water consumption data



- The ability to get a tangible benefit in return for sharing water consumption data is something that resonates with customers, so could be emphasised in rollout comms

# Recommendations for rolling out

## Households

- For households, great reassurance is needed to address concerns around increasing bills; 58% of unmetered customers will consider installing a meter if there is some guarantee in place that bills will not increase
- Improving awareness of the lowest bill guarantee is essential for this group, better awareness could have a positive effect on meter trial
- For those who are metered, it is important to highlight the benefits of a smart water meter, customers may perceive it as a 'nice to have' and as such not fully get behind the rollout

72% of Metered HH support the plans  
48% of Unmetered HH support the plans

## Future Bill Payers

- Tailored messaging is required to encourage uptake. For Future Bill Payers there should be less emphasis on environmental benefits of smart meters and potential contribution to the greater good, and more emphasis placed on how smart meters can help reduce bills and save money.
- Future Bill Payers are more likely to feel entitled to use water because they pay for it – immediate motivating benefit will serve well instead of focusing on future environmental implications
- The process for meter installation should be flexible; most do not have a smart *energy* meter because of time limitations

79% of support the plans

## Businesses

- Align meter rollout to business environmental goals with emphasis on how smart meters are essential to achieving business goals
- The efficiencies of smart water meters and their benefit to the bottom line could be key to encourage take-up among businesses
- While a relatively small concern, it's also important to communicate the implications (if any) of smart water meters when changing retailers, and implementing processes to make this as seamless as possible

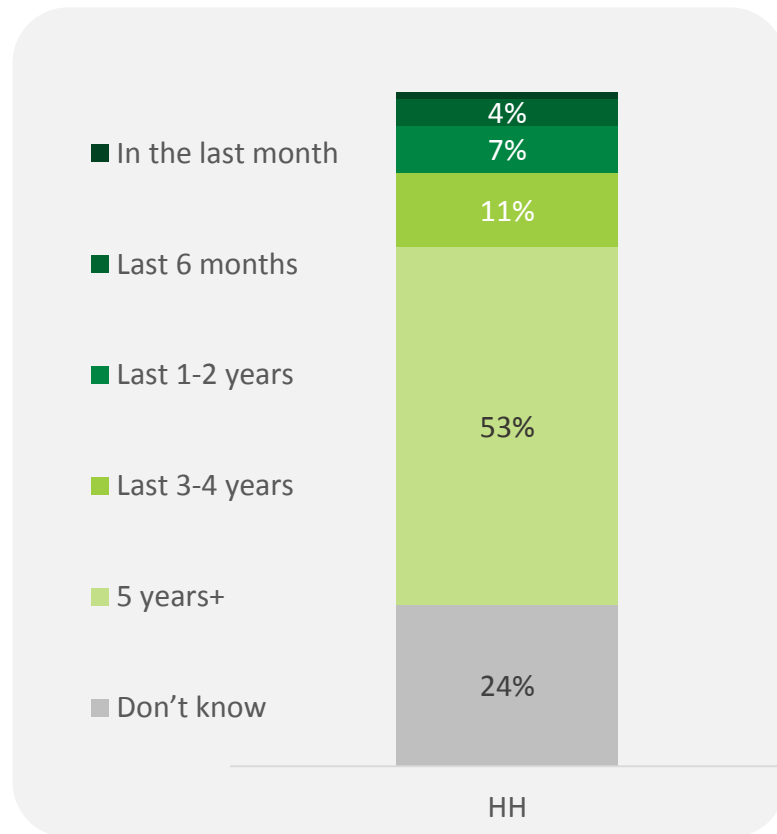
84% of support the plans

# Appendix

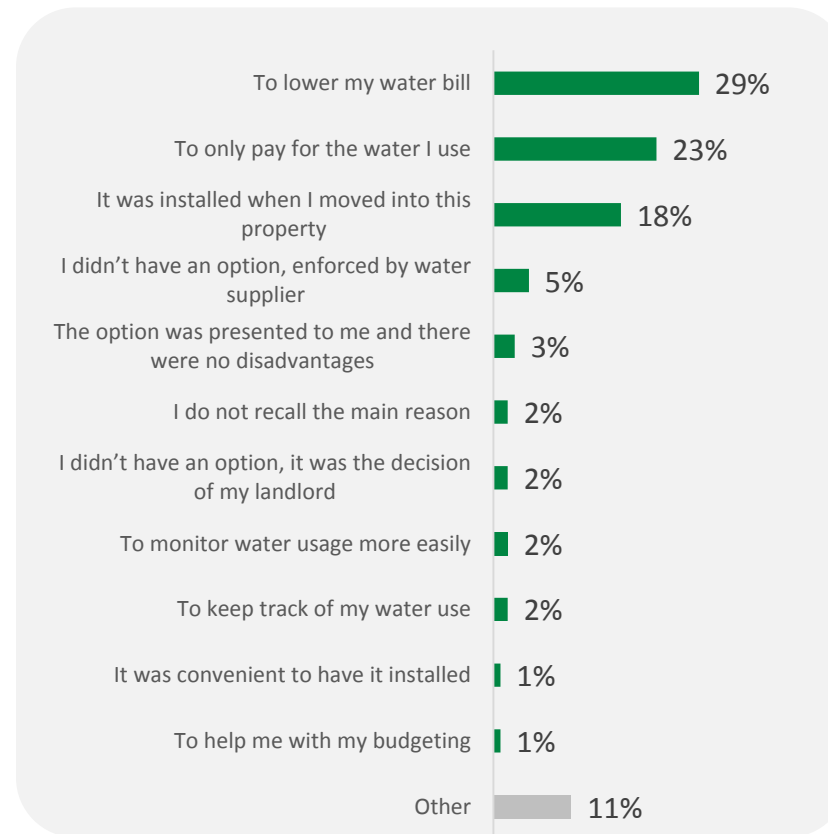


# The potential for lower and more accurate bills were the main attractions HH customers to get a water meter

**Meter installation period**



**Reason for having a meter installed**



Future Bill Payers data not shown due to small sample base, n=40

S7. When did you have your water meter installed? All Metered HH (n = 2194)

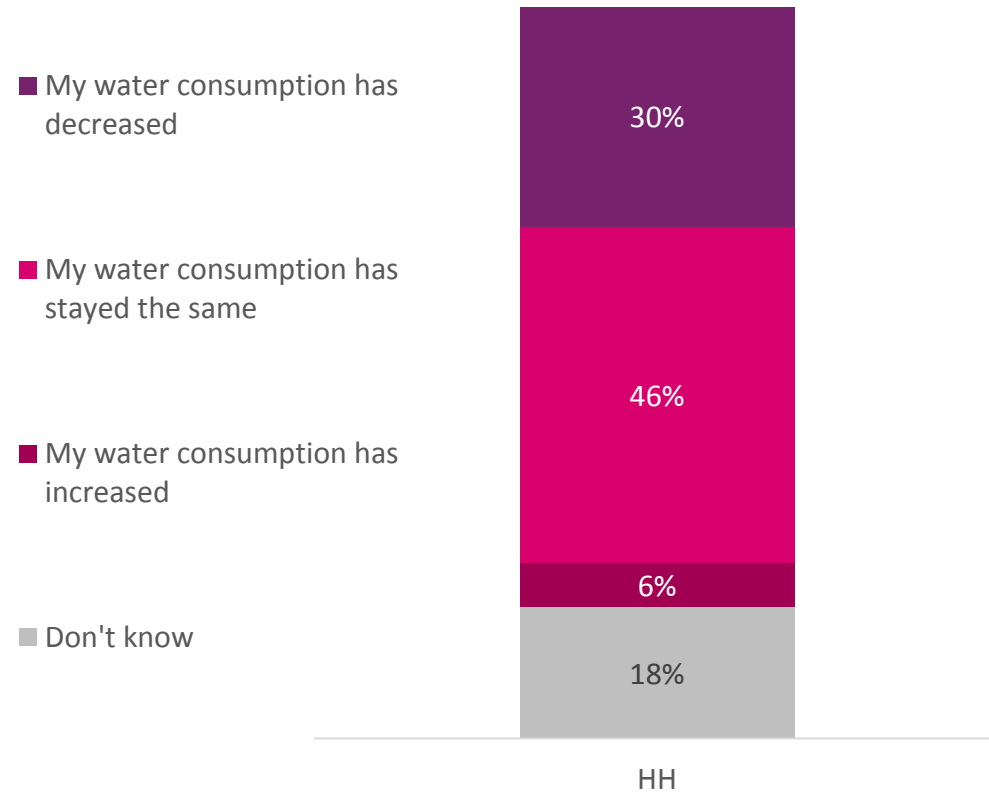
S8. And what was the main reason for having a water meter installed? Base: All Metered who can remember when meter was installed; HH (n=1798), FBP (n=40)

Source: Smart Metering HH Survey (October 2022)

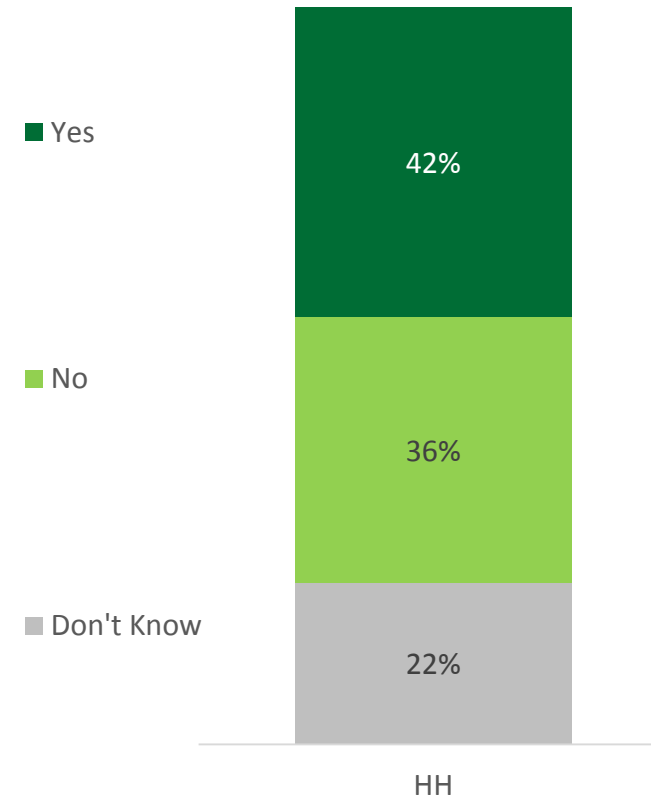


# Metered customers feel their water consumption has generally remained consistent or decreased after having a meter installed

## Water consumption after meter installation



## Paying water bill through meter



Future Bill Payers data not shown due to small sample base, n=40

S9 - Do you pay your water bill through your meter? S10. And which of the following apply since installing your meter? Base: Metered HH (n = 2194), Metered FBP (n=40)  
Source: Smart Metering HH Survey (October 2022)



# Verve's declaration that this observes the standards for high quality research #1

Ofwat's minimum standards for high quality research	How we met these standards
Useful and contextualised	<p>This research was conducted to inform the development of United Utilities' plans for rolling out smart water meters for both domestic and non-domestic properties, to ensure the plan aligns with customer needs and expectations.</p> <p>Prior to the research, United Utilities' desk research reviewed learnings on customer perceptions of smart meters in the energy sector, which helped to inform the design of the research materials.</p> <p>To help contextualise the research, all customers in the qualitative online community were initially shown the challenges facing United Utilities, specifically increasing demand on water, the unpredictability of climate change and extreme weather events, and that there are predictions of a potential water shortfall by 2045 in the North West.</p> <p>In the research we explained to the customers upfront, the purpose of the research, and reminded them during the research too.</p>
Neutrally designed	<p>In this research we spoke to customers with varying levels of knowledge of United Utilities, as some had been involved in previous research via the WaterTalk community panel. This was to understand if pre-existing positive or negative bias towards United Utilities impacted views for the topics explored in this study.</p> <p>They were provided with details on the types of water meter available, how they can be read, the frequency with which readings can be taken, and how the data can be used by United Utilities. Billing impact was not discussed, but we did remind unmetered household customers in the quantitative survey of the lowest bill guarantee that ensures customers who switch to a meter will always pay the lowest bill.</p> <p>Customers in the quantitative survey were presented with a more condensed set of questions and stimulus than in the qualitative survey.</p> <p>We ensured that questions and stimulus in both surveys used Plain English for maximum comprehension.</p>
Fit for purpose	<p>We used a qualitative and quantitative methodology to fully meet the objectives of this research. Statistically robust data from the quantitative research was used to sense check the interpretation of the qualitative insights, including differences by key subgroups.</p> <p>The online community approach (used for the qualitative stage) enabled individuals to take part that may not have normally had the time to attend focus groups or workshops. The online community method also allowed customers to express themselves individually and more freely without the social pressure of a focus group/workshop scenario. Comprehension of what is a complex topic was also helped because participants could view and review stimulus material at their own pace, allowing them time to digest and reflect on information, without the pressure to answer immediately.</p> <p>We ensured that questions and stimulus in both the qualitative and quantitative surveys used Plain English for maximum comprehension, and in the quantitative survey we included some open-ended questions to give further depth to the closed questions.</p>

# Verve's declaration that this observes the standards for high quality research #2

Ofwat's minimum standards for high quality research	How we met these standards
<b>Inclusive</b>	<p>We spoke to a broadly representative group of customers, including household, non household (including landlords), vulnerable and future customers. We used qualitative and quantitative methodologies (online community and online survey) to simulate different levels of being pre-informed about the topics covered. We included some customers who'd been involved in previous United Utilities studies via the WaterTalk panel, as well as 'fresh' respondents sourced via United Utilities' CRM database and access panel sample. See the introduction section to the report for a full breakdown of the sample.</p> <p>The online methodologies used allowed individuals to have a voice where other methods may have restricted this. For instance, those that work full time, have family commitments, certain disabilities, financial issues or language barriers might find it difficult to participate in other research methodologies. Apart from not being able to reach people with limited or no access to the internet, online methodologies work well to attract involvement from a good cross section of United Utilities' customer base.</p> <p>Our research findings identify where there are any differences between customer segments.</p>
<b>Continual</b>	<p>United Utilities' research and engagement programme is continuous. The findings from this research will be used in conjunction with previous and future insights to inform United Utilities' day-to-day service delivery (e.g. to improve customer satisfaction), business plan and long-term delivery strategies.</p>
<b>Independently assured</b>	<p>United Utilities' research and engagement programme and line of sight process will be reviewed by an independent expert assurance partner as part of PR24 assurance.</p>
<b>Shared in full with others</b>	<p>United Utilities are planning to share research reports, including this one, with other water companies and with the general public.</p>
<b>Ethical</b>	<p>Verve is a member of and abides by the code of conduct of the Market Research Society.</p>

# 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 United Utilities 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 United Utilities 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** or another member of the Insight Team:



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