



TRINITY  
MCQUEEN

# Scottish Water

SR21 Customer Engagement Programme  
Research Stage One – Qualitative

# Contents:

- 1 Background**  
*Aims and objectives and research approach*
- 2 Setting the scene**  
*Business aspects that affect outlook*
- 3 Utilities**  
*Perceptions of utilities and Scottish Water*
- 4 Internal aspirations**  
*An overview of Scottish Water's internal aspirations*
- 5 Priorities**  
*Priorities and customer coping scenarios*
- 6 The future and Scottish Government objectives**  
*Scottish Water's role*



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# Background



# Aims and objectives

To update customer views to feed into the strategic review of charges for 2021-27



## Future gazing

To gain an understanding of what business customers think about when they think of the future in terms of their business and the business landscape in Scotland as a whole. Furthermore, to understand Scottish Water's perceived role within that



## Scottish Water's 20 year plan

To understand from business customers where Scottish Water should be focussing their efforts and how this fits with the Scottish Government's objectives for the next 20 years



## Internal aspirations and priorities

To explore perceptions of Scottish Water's Internal aspirations and priorities

To understand how they can be improved to better meet business customer needs in the future

# Tele-depth interviews were conducted with a broad range of Scottish businesses split by business sector and size

Interview	Sector	Business size (no. employees)	Age of business	Position
1	IT	51+	5+ years	Finance Director
2	Food Manufacturing	51+	0-4 years	Business Owner
3	Retail	0-4	0-4 years	Business Owner
4	Confectionery	0-4	5+ years	Business Owner
5	Manufacturing	5-25	5+ years	Business Owner
6	Hairdressing	5-25	5+ years	Business Owner
7	Construction	5-25	5+ years	Business Owner
8	Retail	0-4	5+ years	Business Owner
9	Property	51+	5+ years	Business Owner
10	IT	26-50	5+ years	Business Owner
11	Engineering	51+	5+ years	Finance Director
12	Healthcare	5-25	5+ years	Business Owner
13	IT	0-4	5+ years	Business Owner
14	Electrical	51+	5+ years	Finance Director

## Setting the Scene

Scottish Water are seen as an arms-length organisation, resulting in disengagement for many businesses

# Business characteristics impact on perceptions and attitudes towards Scottish Water, their Internal aspirations and priorities

## USE OF WATER (SECTOR)

Businesses that use water to make a product/deliver a service have a naturally heightened awareness of Scottish Water and their activities

## RELEVANT OR RECENT CONTACT WITH SW

Embedding positive and negative experiences in the overall attitude towards Scottish Water as an organisation

## BUSINESS SIZE

Medium / large businesses are likely to have multiple sites and a greater investment in the local business infrastructure

## ABILITY TO ADAPT AND FLEX

Consideration of water and waste services decrease as and when a business is able to easily cope without dedicated business premises

## THE WATER SUPPLIER

Experience differs depending on the water supplier the business uses. Those who have sought a 'good deal' generally feel more positive

## URBAN / RURAL STATUS

Businesses outside of the city centres are more likely to see themselves as part of the wider community along with domestic customers

# Business characteristics impact on perceptions and attitudes towards Scottish Water, their Internal aspirations and priorities

## USE OF WATER (SECTOR)

*“ Taste and odour would impact on the quality of our product*

## RELEVANT OR RECENT CONTACT WITH SW

*“ They’re not interested in helping businesses because we don’t pay them direct*

## BUSINESS SIZE

*“ It’s a worry that businesses will decide to move to Europe*

## ABILITY TO ADAPT AND FLEX

*“ Most of our staff are office based so they could work from home*

## THE WATER SUPPLIER

*“ I pay more than other businesses but I’ve stayed with business stream in the hope they’ll help me if I need it*

## URBAN / RURAL STATUS

*“ It’s a small village so all businesses help each other out*



# Utilities

Consistency is key for businesses to help  
in the smooth running of day to day  
activity



# Utilities and essential services: A reliable and consistent service

- ✓ **Reliable and trustworthy**  
Consistency is key – product, service and clear, consistent billing that can be trusted to stay the same
- ✓ **Top class customer service**  
Quick and effective resolution when things go wrong. Speed is important, especially if the issue impacts the business
- ✓ **Value for money**  
Service and consistency – businesses are unlikely to choose the cheapest providers

## Spontaneous mentions of utilities and services:

- Gas
- Electricity
- Water
- Phone & Broadband

# How dependent the business is on utilities drives value for money perceptions



## Water & Waste

Businesses reliant upon water consider good value for money – **essential** to function of the business

Able to shop around to seek best deal, so seen as **good value for money**



## Gas & Electricity

The ability to **compare and swap**, puts the customer in control

**Good value for money**, ability to check and swap providers if unhappy and seek better deals



## Phone & Broadband

Considered most crucial utility for many businesses

Perceived as **poor value for money** due to low levels of fibre-optic broadband and unstable phone networks across Scotland

# Scottish Water and their Internal aspirations

The sentiment feels right but businesses demand evidence and clarity

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# Scottish Water

Trusted to Serve Scotland

Engagement with Scottish Water is low but expectations are high in terms of them providing a consistent and transparent service

Arms length



**FACELESS**

Perception that Scottish Water 'used to be' part of the local authority but unsure of their current position



**NOT MY PROVIDER**

Expectation for Scottish Water to work for the good of Scottish residents both in terms of product and service



**DOMESTIC FOCUSED**

Many have positive perceptions of Scottish Water as a domestic provider, but for some this doesn't apply to business



**NOT RESPONSIBLE**

Scottish Water would rarely be the first port of call for businesses were there to be a problem with water or waste



**//** *Ticks all right boxes but comes across as jargon a little bit*

**//** *Sounds wonderful. I'd be delighted that someone showed care and kept prices low. Don't know who it would be*

## Internal aspirations that suggest Scottish Water supports growth appeal



Vague and generic

Businesses expect a good level of transparency from other businesses



Easy to understand amongst fellow businesses



“Serving” “Strong” and “Growing” are most important

Suggest Scottish Water is seeking to make strong decisions and grow over the coming years - encouraging



Lack of specificity

Detail is appreciated by businesses to help them understand the Internal aspirations



Important position in Scotland



Businesses need tangible evidence

‘How’ the Internal aspirations are delivered is of optimum importance

The aspirations work to reduce the perception of Scottish Water as a ‘faceless’ organisation and heighten awareness of their position on the local economy

# Priorities

Fundamentally linked to consistency of pricing, product and service



# Water and waste problems vary in impact: larger businesses have contingency but smaller businesses would suffer

## HIGH DEPENDENCE ON WATER

## MEDIUM DEPENDENCE ON WATER

## LOW DEPENDENCE ON WATER

WHO?



Food manufacturer



Hairdresser



Property developers



Confectionary Shop/manufacturer



IT consultants



Retail

CONCERNS

- / Production
- / Reliant on water to operate
- / Employees – washing, drinking water and toilets

- / Low level production
- / Small amount of water used for production
- / Employees – washing, drinking water and toilets

- / Clients/customers on the premises
- / Employees – washing, drinking water and toilets

IMPACT & DURATION OF RESILIENCE



"I would immediately call the water board. We couldn't open without water"

Financial loss, stress & worry



"We make macarons in the shop but we could get water for this from somewhere else"

Inconvenience - unprofessional but can put contingency plan in place

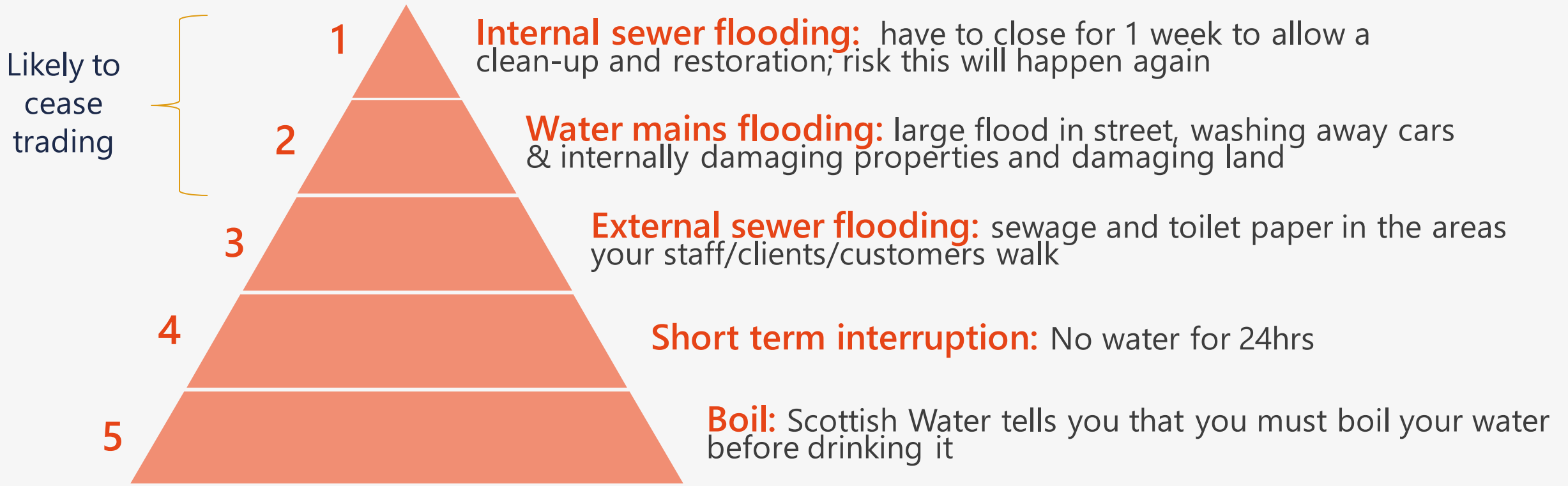


"It would damage my reputation and customers would go elsewhere"

Client facing – embarrassing, reluctant to rely on e.g. neighbours' toilets



# Scenarios least able to cope with: **If you have to cease trading it is a serious event – by nature it is difficult to cope with**



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Scenario	Number of businesses who agreed they could easily cope
You have a sewer flooding incident inside your business premises and have to close for 1 week to allow a cleanup and restoration of your property. You know there is a risk that this will happen again.	No businesses could easily cope
You have a single sewer flooding with sewage and toilet paper in the areas your staff/clients/customers walk	No businesses could easily cope
You and the properties around you experience a water mains bursting. This causes a large flood in street, washing away cars & internally damaging properties and damaging land.	1 business could easily cope
You and the businesses/properties around you have no available water for 24hrs	1 business could easily cope
Scottish Water tells you that you must boil your water before drinking it	3 businesses could easily cope

# Those relying on water for production are quality and interruption focussed – otherwise priorities are subjective

## Reliant on water for production



Taste & odour (M→H)

“Water quality is fundamental to our product”



Interruptions (H-H)  
/ low pressure (M→H)

Any interruption stops production – even low pressure could be serious

## Other candidates for promotion



Sewer Maintenance (M→H)

Maintaining the infrastructure helps the cycle



Pollution incidents (M→H)

These were perceived as serious sounding – both for the environment and the businesses affected

# Government objectives

Emphasis remains on growing and strengthening Scottish businesses



# Businesses hope for positive outcomes from Brexit and a strong Scottish economy



## My business

- // Sustainable growth through new clients and innovation
- // Cut down waste to become more economically viable

## Local businesses

- // Have the infrastructure in place they need to sustain and grow – utilities, fibre-optic broadband, phone networks and transport links

## Scottish businesses

- // Political stability to increase confidence amongst new businesses
- // Opportunities to continue and grow trade with Europe and globally

## What is Scottish Water's role?

- // Maintain and extend the infrastructure of water and waste services to open up even the most rural parts of Scotland as potential business locations
- // Look to ways to work with other agencies to make Scotland an attractive place to locate a business and subsequently lower risk of businesses relocating to Europe
- // Consistent and transparent billing so that businesses can effectively plan
- // Continue to work internationally to develop and promote Scotland as a key player in innovation

# Greener and Smarter are key opportunities to improve Scotland for the benefit of local business



## Greener



Feel like a natural fit for businesses. Keen to see the local environment protected and carbon footprint minimised

## Smarter



Education and innovation is high up on the agenda for local businesses. This objective supports growth and sustainability



Heightens Scotland's reputation in international business, increases status within the global green agenda and in turn makes Scottish business attractive to trade with

## Wealthier & Fairer

As a business, Scottish Water have a responsibility to create jobs and pay fairly

## Healthier

Relevance comes into play when thinking about high quality water and it's importance in production – gin and whisky exports

## Safer & Stronger

Least relevant for businesses. Local authorities, police and fire service are front of mind when considering this objective



Every industry should have ethical responsibility. How much they pay their staff for example



# Key insights

## Businesses

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# Key insights



- Businesses give little consideration to Scottish Water due to the arms-length relationship they have. Consideration is higher amongst larger businesses with a greater investment in the Scottish economy, and those most reliant on water
- The ability to swap and choose providers heightens water and waste services' position as a value for money utility
- Internal aspirations that strengthen Scottish Water's position as a key business resonate the most with businesses, especially in supporting business growth
- Internal flooding would have the highest impact on a broad range of industries due to the potential damage of equipment and materials
- Future hopes are for political stability and sustainability of the economic landscape for Scottish businesses. Many are focussed on opening up opportunities to trade globally
- Working with the Scottish Government to push forward on 'Greener' and 'Smarter' objectives speaks to businesses as shared concerns in education, training, employment and environmental issues