

Delivering Water Efficiency in Retail Competition

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WATEF: Creating the Digital Story of Water Sector
Wholesale/Retail Separation

23 November 2017

Outline

- About Waterwise
- Water efficiency in retail competition
- Water Efficiency Strategy for the UK
- Analysis of water efficiency services on websites
- Social media analysis
- Reported experience to date
- Waterwise Retail Forum
- Waterwise Retail League Table





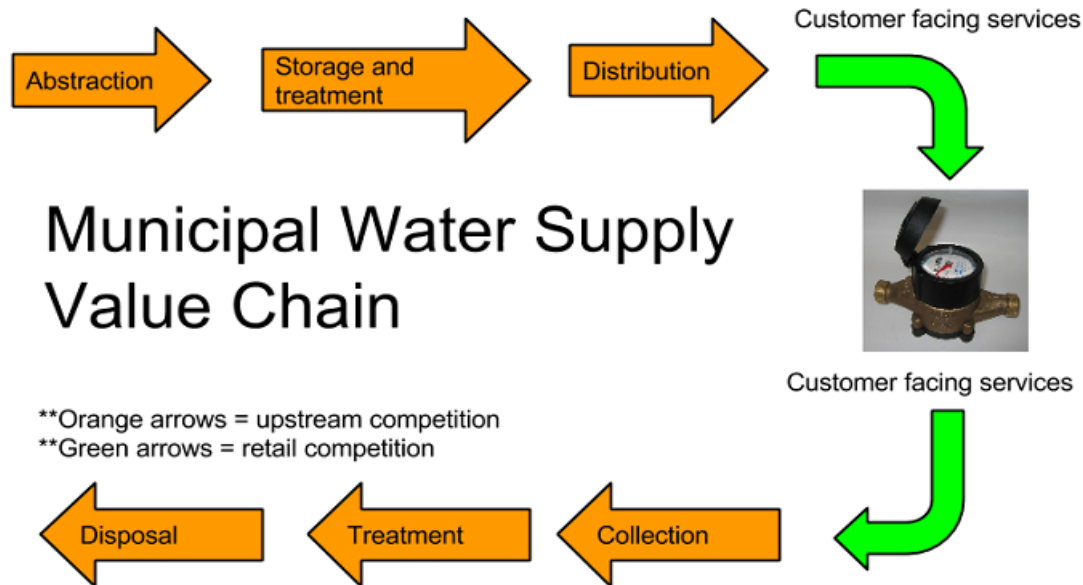
Water Efficiency Strategy for the UK

June 2017





Water efficiency in retail competition





Water Efficiency Strategy for the UK

waterwise



F. Water efficiency in retail competition

Recommendation	Action Number	Action
Work with non-hh retailers in delivering water efficiency, identify capacity gaps and provide an independent assessment against the framework to inform consumer choices	F1	Monitor water efficiency services and progress in non-household retail water companies. Develop the evidence base to support any decision on household retail water competition
	F2	Develop communications/water efficiency messages targeted at micro-businesses and SMEs



Water Efficiency Strategy for the UK

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F. Water efficiency in retail competition

Clarify market codes and operations in relation to water efficiency and water resources planning

Ensure that as the sector fragments all parties in the water sector deliver water efficiency including non-regulated elements of the sector (e.g. TPIs)

F4

Work with wholesalers, regulators and retailers to clarify positions on delivering large scale non-domestic water efficiency programmes for water resources planning

F5

Develop a scoring for water efficiency services offered by retailers



Water Efficiency Strategy for the UK

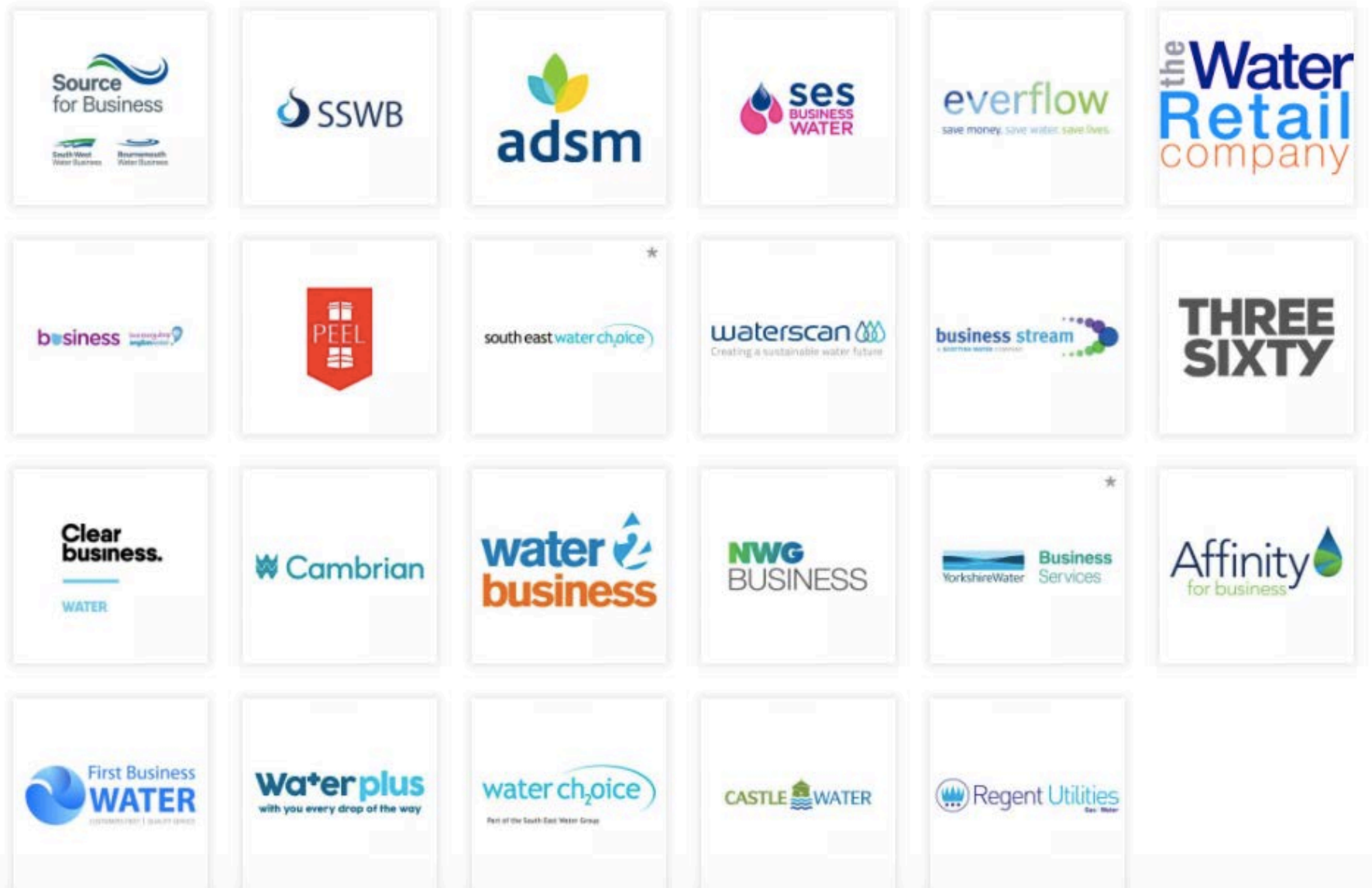
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- Capacity of new retailers to deliver water efficiency services
- Customer awareness of competition and water efficiency services
- Some water companies have outcome delivery incentives from Ofwat linked to non-domestic water efficiency that need to be delivered in this price review period (before 2020).
- Water resources planning and access to data to support forecasting (sharing with the wholesale water company)
- Bundling water as the cheapest service along with others such as telecoms and energy with higher margins





Water efficiency – who are the retailers?



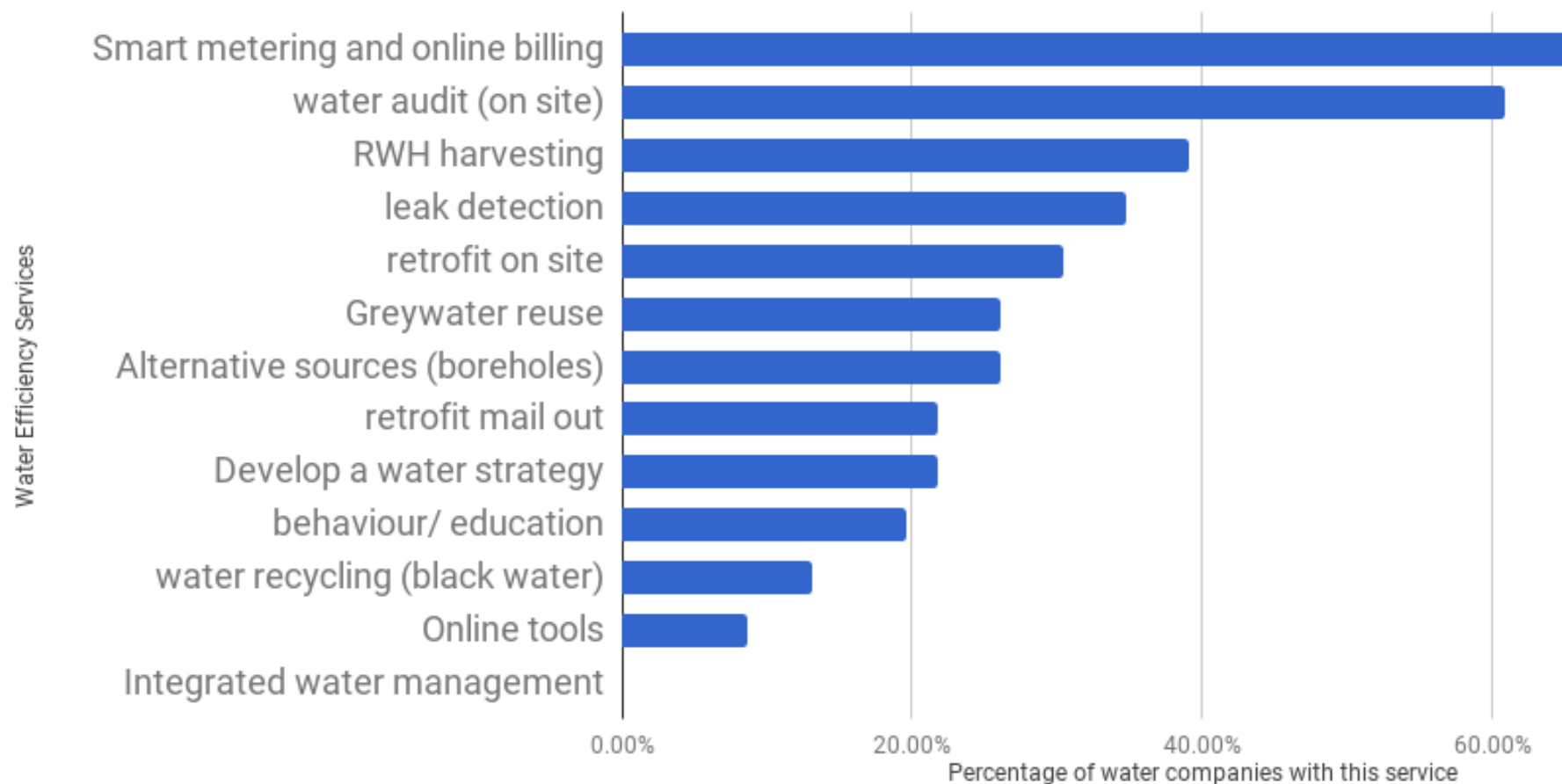


Water efficiency services word cloud – retailer websites





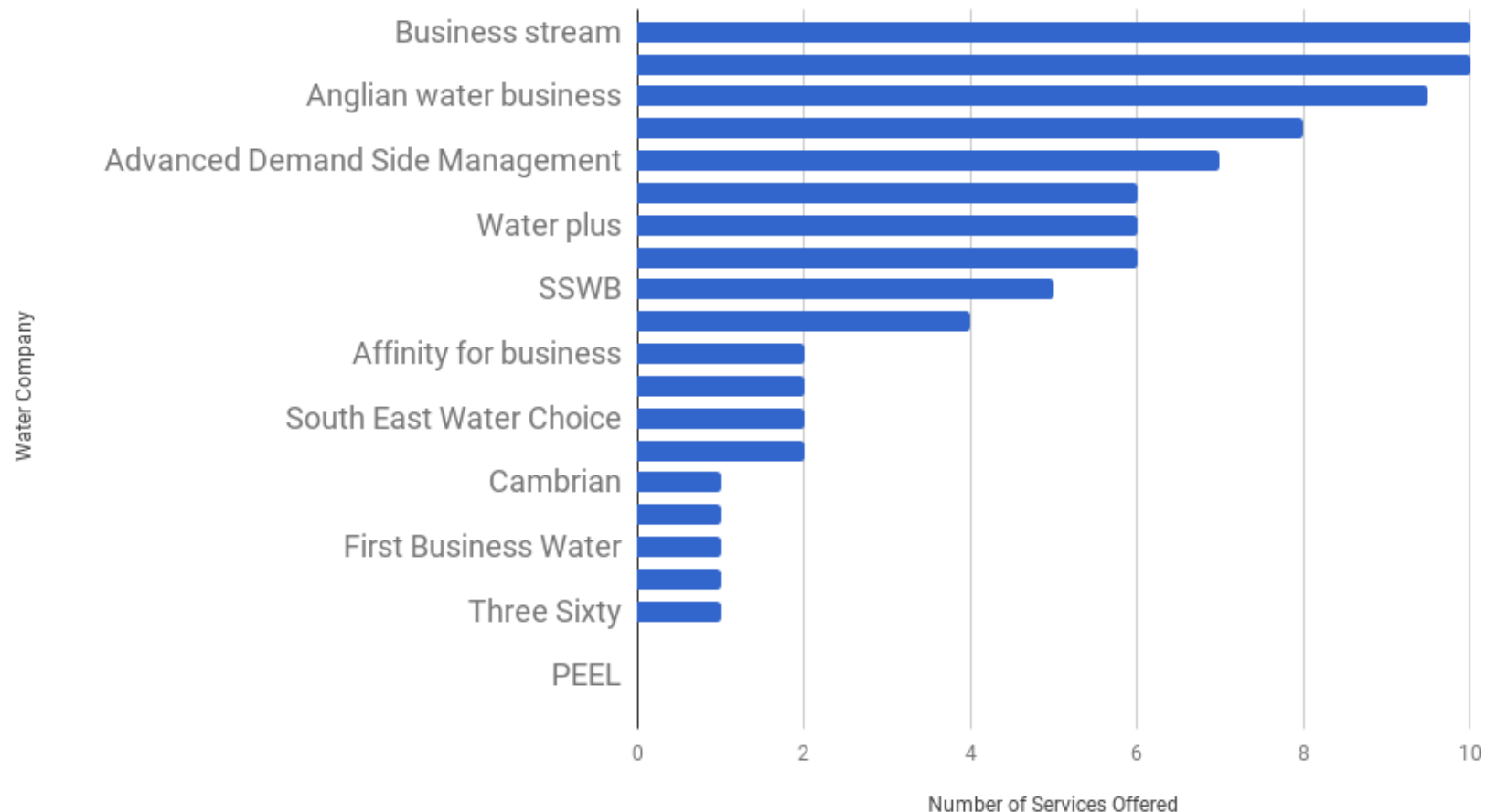
Analysis of water efficiency services – November 2017





Analysis of water efficiency services – November 2017

Number of Services Offered vs Water Company



Website Analysis – November 2017

What We Found

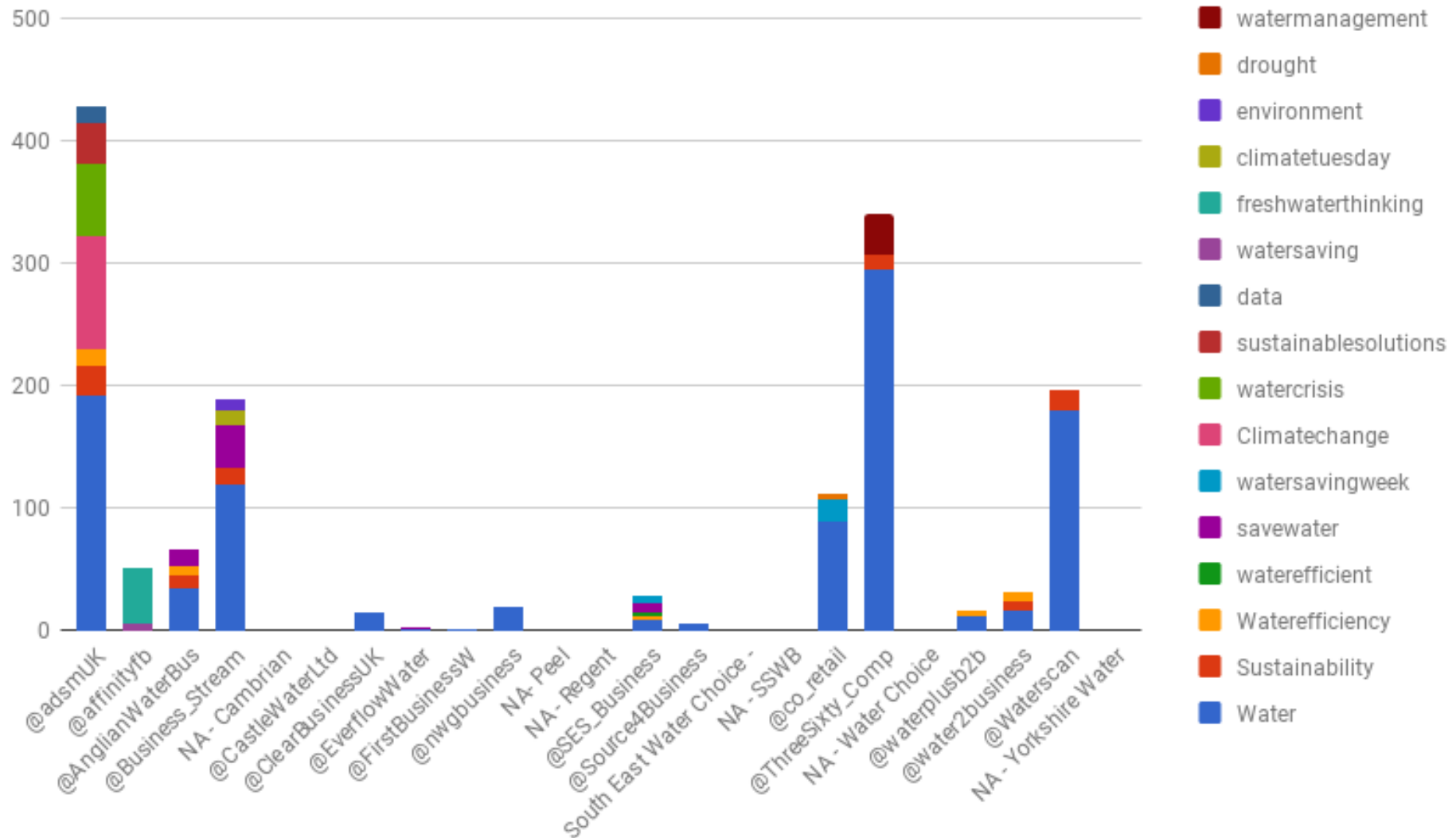
- Wide variation between information on retail company websites
- Water efficiency information can be hard to find
- Sometimes water efficiency only included in a single blog post rather than as a service
- Some of the information provide from US websites on water conservation (e.g. toilet water use reported in gallons)
- Some websites rely solely on case studies and don't publicise general services
- No standards/ accreditations for water efficiency services
- Not easy to compare water efficiency between retailers

Recommendations and further actions

- Review TPI websites
- Gap on comparison of water efficiency services for customers
- Further discussion needed on standards and accreditation for water efficiency services – promote water efficiency but not stifling innovation



Social media hashtag analysis – sustainability themes in last 600 tweets (21/11/17)





Reported Experience to Date - SMEs

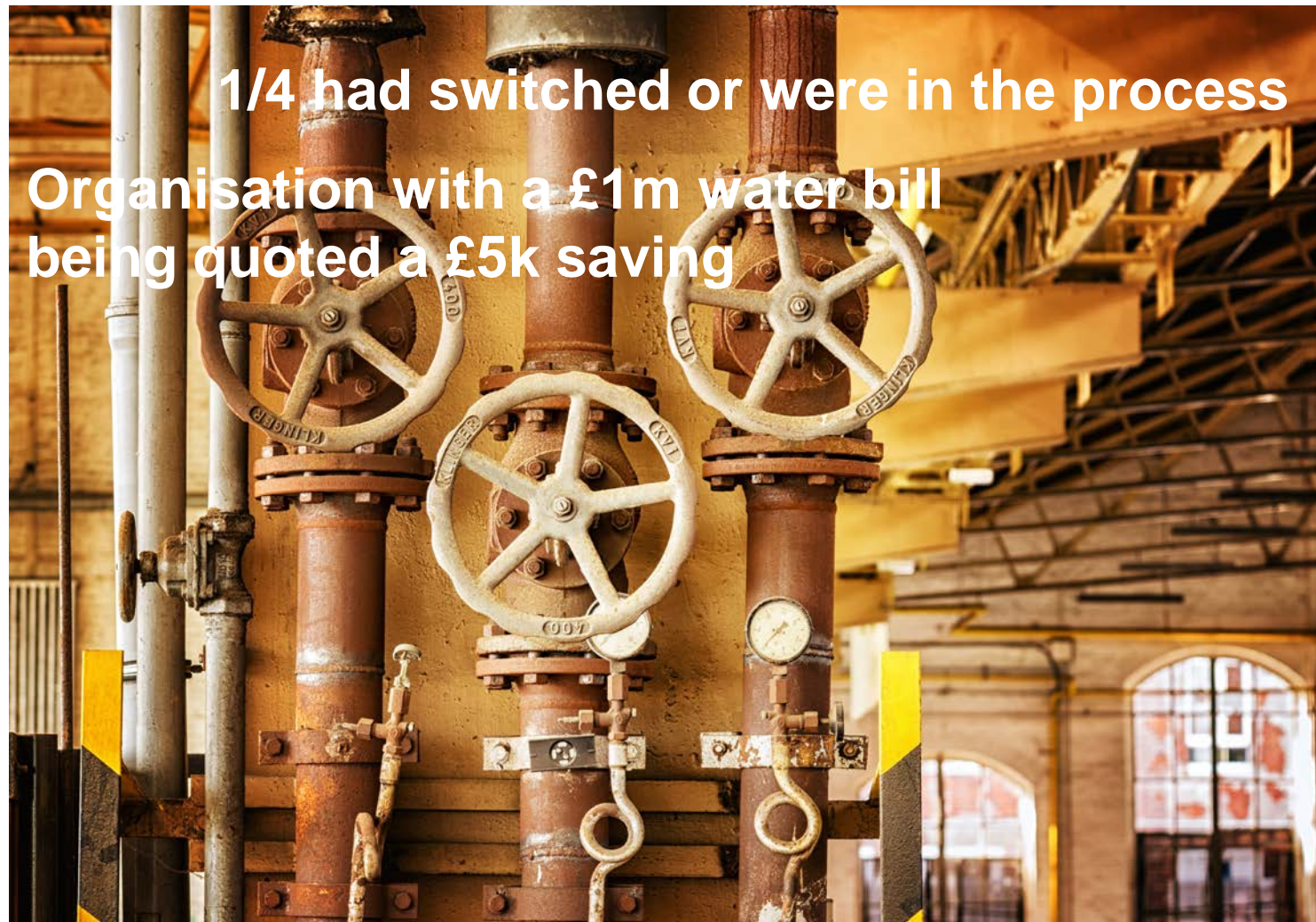
43% of businesses are now aware that they can change retailer



39% were unlikely to switch or negotiate a better water deal felt their organisation did not use enough water to save any money

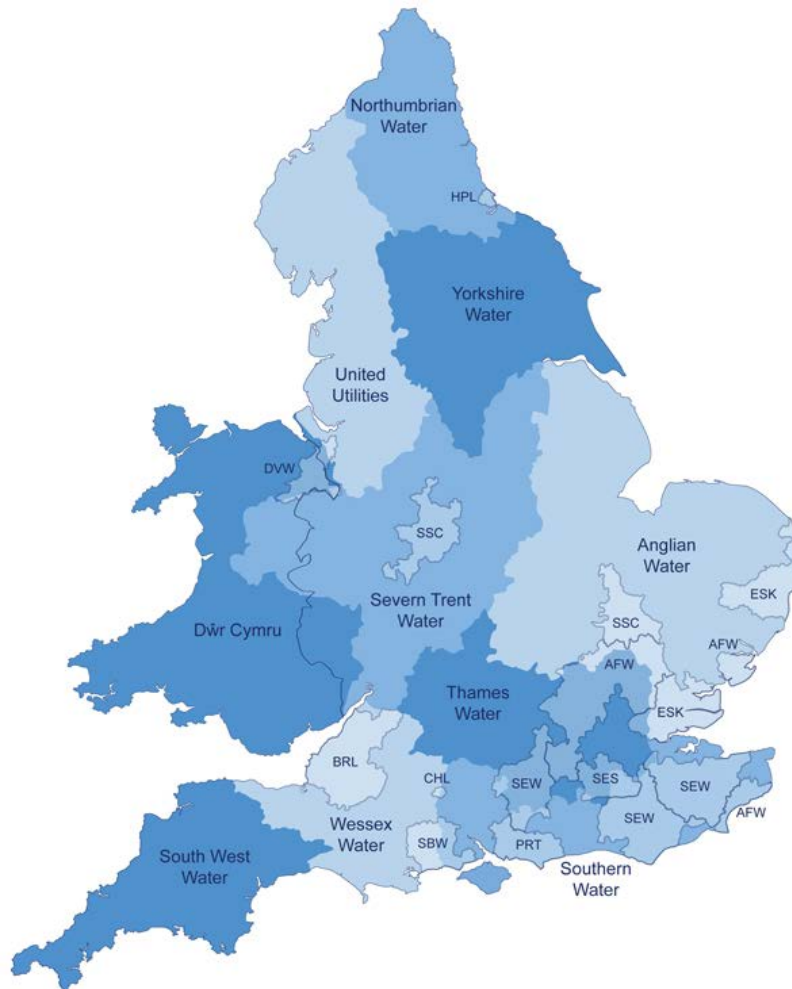


Reported Experience to Date – large customers





Reported Experience to Date – Wholesalers-Retail Interaction





Reported Experience to Date – Regulators



TPIs???

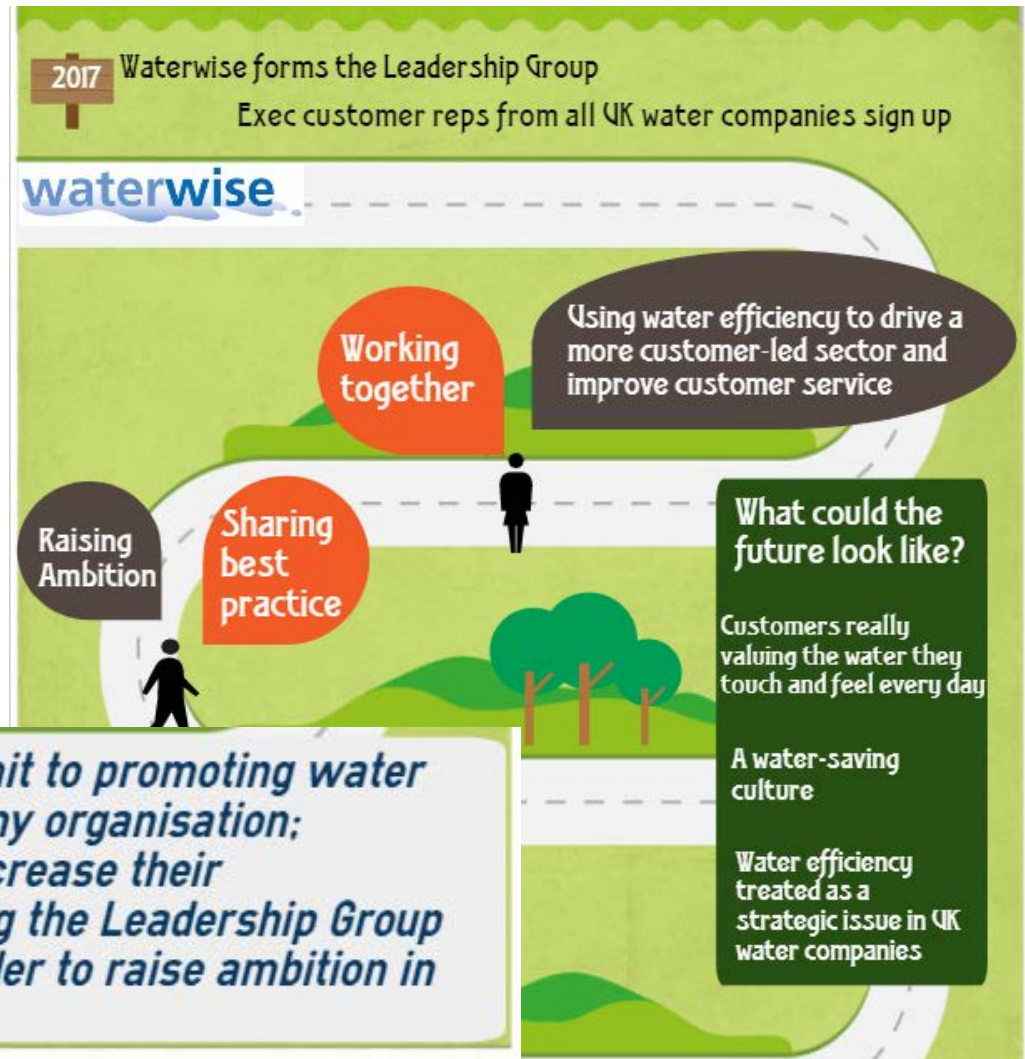


Customer switching to October 2017

Consumption Profile	Threshold - Water Consumption Per Supply Point, Litres Per Day (l/d)		Trade Effluent	Customer Example	% of Total Switching Activity
M1	less than 100 l/d		No	Church, local shop	19%
M2	100 l/d to 1,000 l/d		No	Pub, hairdresser	43%
M3	100 l/d to 1,000 l/d		Yes	Residential building site, local garage	0.5%
M4	1,000 l/d to 3,500 l/d		No	Hotel, warehouse	18%
M5	1,000 l/d to 3,500 l/d		Yes	Farm, mine	1%
M6	3,500 l/d to 13,700 l/d		No	Supermarket, university	14%
M7	3,500 l/d to 13,700 l/d		Yes	Chemical factory, brewery	1%
M8	greater than 13,700 l/d		No	Airport, power plant	3.5%
M9	greater than 13,700 l/d		Yes	Oil refinery, port	1%

Waterwise Leadership Group

For household water efficiency –
gaining top-down buy-in from
water companies for PR19



As a Leadership Group member I commit to promoting water efficiency as a strategic issue within my organisation; utilising it to engage customers and increase their participation. Further, I commit to using the Leadership Group to learn and share best practice, in order to raise ambition in the UK water industry.

Waterwise Retail Forum

A Waterwise Retail Water Efficiency Forum would have four aims:

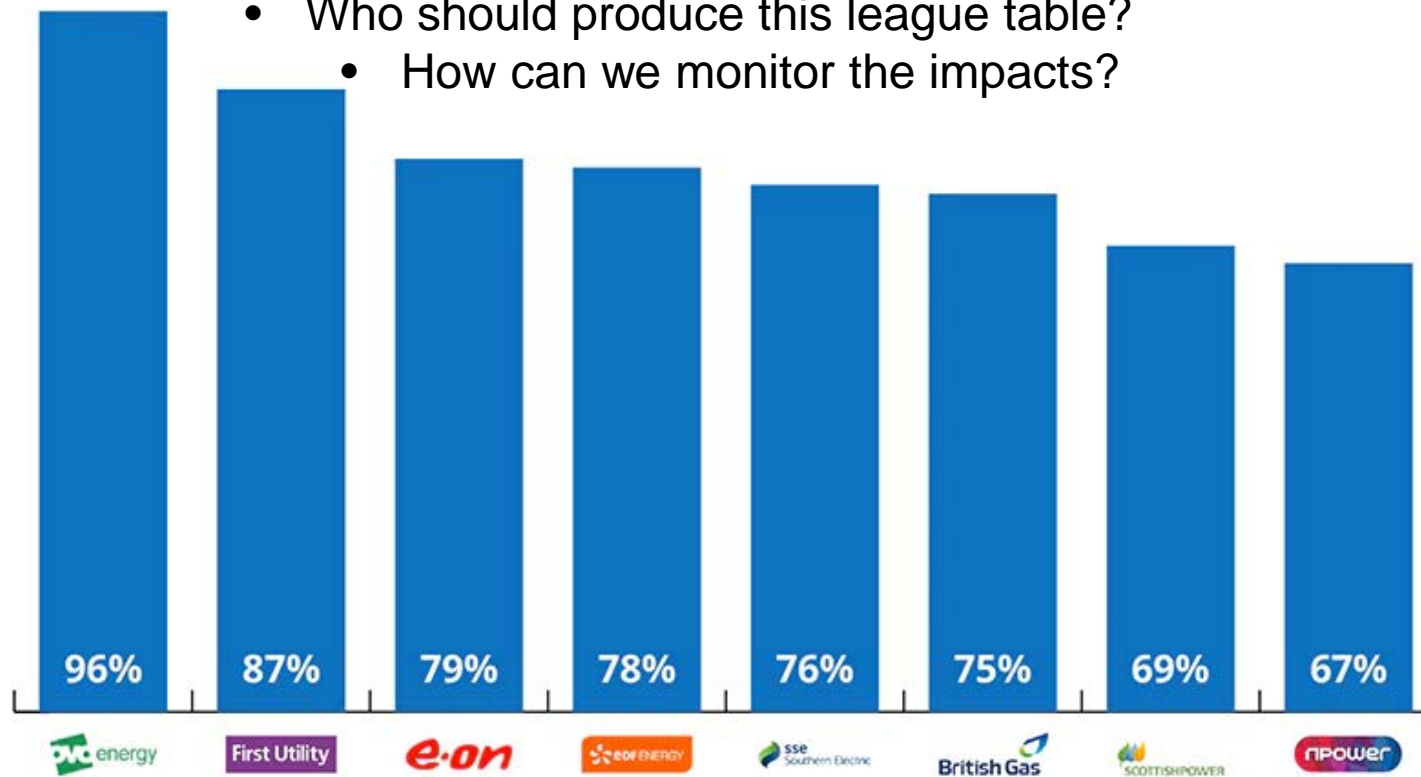
- Supporting and encouraging water retailers to aim higher on water efficiency, building on practice to date
- Sharing of good and best practice, within the constraints of competition
- Brokering discussions with other key players on barriers and opportunities through invited slots - for example wholesalers, regulators, government and manufacturers
- Improving retailers' service offer to customers through the above

Specific outcomes could include

- A standard methodology for measuring and monitoring water efficiency
- Dialogue with wholesalers on common approaches to data logging, meters, demand forecasting, water resources planning, and drought communications

League Table

- Common approach applied in other sectors (energy, car insurance, universities, finance)
- Water efficiency should be a key service but the market doesn't have the information to make a comparison
 - What would the criteria be for a water efficiency league table?
 - Who should produce this league table?
 - How can we monitor the impacts?



Mystery Shopper for water efficiency

- Small, medium and large customer
- Website and web based quotes (including live chat services)
- Customer service call and quote
- Can we learn from approaches in other sectors? e.g. MEUC benchmarking?





Other monitoring – response to Ofwat consultation



- Recording tariff levels and how customers react to this
- Understanding consumption segmented by business types, number of sites etc. would also provide a valuable resource for assessing benchmarking of consumption and impacts of new services.
- Monitoring the range of services – water-only or multi-utility would help identify benefits of joint water and energy efficiency but also perverse incentives as outlined in the first point on tariffs.
- The range of services offered would be of interest (i.e. types of water efficiency, rainwater harvesting, water re-use, smart metering, leak detection, storm water management etc.).



Other initiatives

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Waterwise
Water Efficiency
Qualifications



Waterwise
**UK Water Efficiency
Awards 2016**

WINNER
BUSINESS & INDUSTRY

**Bourne Leisure Holiday Home Retrofits: Northumbrian
Water Group and Bourne Leisure**



Best outcome: "Taking a 'whole-site' approach, resulted in an annual measured saving of 5.6Ml."

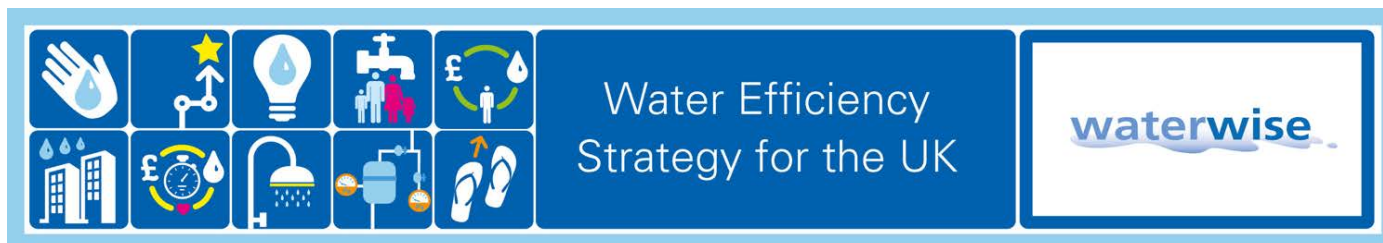
Summary – what next for water efficiency?



- Need to improve water efficiency on websites
 - More social media and awareness
 - Standards and accreditation
 - Retail forum
 - League table and mystery shopper
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- Aim: monitor and improve delivery of water efficiency in retail competition

Thanks

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<http://www.waterwise.org.uk/resources.php/67/water-efficiency-strategy-for-the-uk>