

# Collaborative customer research steering group(s) meeting

9 May 2022



# Agenda

Welcome, intros and update

Actions from last meeting

ODI rates research fieldwork pilot – review and recommendations

Peer review update and next steps

ODI rates research – methodology revisions

ODI rates research – proposal for a second pilot and next steps

Next steps



## Update

- Since the last meeting Accent has been appointed to conduct the fieldwork stage of the research. Two bids were received, both of which met the requirements receiving similar scores on the quality criteria, but Accent's bid won on price.
- The fieldwork contract was due to start this week but has been delayed for reasons that will be explained in this meeting.
- Many thanks to companies for confirming their booster sample requirements.





# **Actions from last meeting**

## Actions from 11 April 2022 and prior meetings

Action	Update
Ofwat will consider whether the approach to generating ODI rates should be i) included in the draft methodology and/or ii) developed in the context of the collaborative customer research steering group.	Ongoing consideration by Ofwat. The steering group will be kept informed as thinking develops.
Ofwat/CCW to develop a brief to enable customer service staff to i) understand that the fieldwork is underway and ii) encourage customers to participate.	Briefing will be developed/shared prior to fieldwork starting.
Ofwat/CCW to share draft fieldwork materials as soon as possible e.g., covering letter for PAF sampling approach.	Ofwat/CCW will respond to this action ahead of the main fieldwork starting.
Ofwat to consider when modelling results from the ODI rates fieldwork will be made available to companies.	Ongoing
Ofwat to continue to develop the proposal for the Mapping task and finish group and may consult with a subset of companies to explore issues raised in this discussion.	Ongoing
Acceptability and affordability testing will be on the agenda for the next steering group meeting.	Ongoing





**ODI rates research  
fieldwork pilot – review and  
recommendations**



# Peer review update and next steps

# Pilot implications – household sample and fieldwork approach

## Pilot findings

- Some problems encountered with matching postcodes within the online panel approach
- Online panel sample not large enough in some areas
- PAF response rate reasonable at approximately 10%, although not even across areas
- Patterns of responses different between PAF and online panel approaches with pros and cons to each

## Chosen approach

- Mixed method with up to half of responses for each stratum (water-wastewater combination provider areas with some additions for non-contiguous areas) obtained using online panels
- The other half of responses, plus any additional online panel shortfalls obtained using the PAF

## Advantages

- Provides consistency of approach
- Combination of methods enables more sophisticated weighting, and adjustment for any inconsistencies due to sample shortfall from the online panel component
- Different approaches results in a greater variety of respondents
- Reduces costs and timing risks (compared to all PAF)





# Non-household sample and fieldwork approach

## **Pilot findings**

- Response rates low using the commercial list approach
- Confirms the challenges of large-scale interviewing using this method and implications for cost and timings

## **MOSL-Retailer consultation**

- Positive collaboration with MOSL on drawing a sample
- Generally good news from retailers:
  - Varying proportions (and quality) of email, telephone contact details held, but reasonable coverage overall
  - Turnaround times for adding contact details to MOSL sample generally fast (including the four largest which account for more than three quarters of the market)
  - Licence conditions overcome data protection issues



# Non-household sample and fieldwork approach

## Chosen approach

- MOSL-Retailer approach for England with top up using commercial lists in Wales (in practice, this will be for most of the sample for the two Welsh companies)
- Key features:
  - Sample of supply points drawn for each stratum with probability proportional to water usage
  - Sample relevant to each retailer transmitted to them
  - Contact details added by retailers and transmitted to survey company
  - Email addresses where available used to elicit online responses in the first instance
  - Telephone used for non-responders and where email contact details are not held

## Advantages

- Wider coverage of NHH populations
- Definitive information about the relevant water and waste-water providers
- More sampling efficiency
- Quicker and more cost-effective fieldwork



## Peer review

- Ofwat has commissioned Professor Stephane Hess of Leeds University – an internationally renowned expert in choice modelling – as an independent peer reviewer for the ODI rates research
- Key points in the feedback we have received from Stephane are:
  - To avoid a design based around changes in risks of service failures
  - Endorsement of willingness to accept
  - Concerns about the valuation exercise in our proposed methodology
  - A suggestion to combine the incident impact and compensation exercise
- Various comments have been received from companies including a submission of a commissioned peer review of the ODI rates research – these are being carefully considered
- We are due to meet later today with Stephane and with the two academic peer reviewers on Accent/PJM's project panel, Professors Ken Willis and Giles Atkinson, to discuss methodology in the light of comments received.



# Extension of piloting

## Methodological issues

- Pilot resulted in two unexpected empirical problems:
  - Valuations of the two pivot service failures were not able to be calibrated as the range of values tested was too low
  - Indicative relative valuations of these service areas was out of line with estimates of relative disutility obtained from the incident choice exercise
- Independent peer review from Professor Stephane Hess, on behalf of Ofwat and CCW raised some challenges to the pivot valuation exercise (that chimed with the empirical findings from the pilot)

## Options considered

- Carry on with the proposed design
- Revise the design and attempt to incorporate it into the current timetable
- Revise the design and re-pilot, delaying the timetable by a month

The third of these has been chosen as it follows good research practice, minimises risk and is most likely to lead to robust results. Ofwat/CCW will fund the additional pilot.

We are also considering whether to repilot the original design, with revised pivots as part of the second pilot.





**ODI rates research –  
methodology revisions**



**ODI rates research –  
proposal for a second pilot  
and next steps**

# ODI rates research – proposal for a second pilot and next steps

## Fieldwork Contract

- Booster samples confirmed
- Continue to commission fieldwork and prepare sample
- Fieldwork contract to start before the end of May

## Pilot:

- Run pilot and additional round of cognitive interviews in May
- Calibrate values for main fieldwork

## Mapping:

- Write to specify in more detail mapping Task and Finish Group

Overall, the impact on the timetable is to put the research back by a month, i.e.:

- Fieldwork June – August
- Econometric modelling September – October





**Overall next steps**



## Overall next steps

- Ofwat/CCW to share pilot report and cognitive testing report – w/c 9 May
- Revised questionnaire and attributes, incorporating the re-design, to be shared with companies for comment w/c 9 May
- Ofwat to share fieldwork contractual documents for signing in w/c 16 May
- Second pilot to be conducted during May
- Sample preparation for fieldwork during May
- Ofwat/CCW will contact specific companies about their own peer review soon
- Results of second pilot to be reported to companies before the next Steering Group

