



WATER SERVICES
ASSOCIATION OF AUSTRALIA

THE CUSTOMER OF THE FUTURE

Final Report

July 2018



Purpose

This document considers what the Customer of the Future will be in 5 to 10 years in metro and regional Australia. The document identifies potential social, economic, political and technological trends that may impact the individual and how water and other home services will need to adapt to support the individual.

The document is based on current state research of a range of water utilities, customer research undertaken with individuals in metro and regional areas across Australia, which included customer segments from Millennial to Baby Boomers. The customer personas developed are illustrative based on the research conducted, industry insights and current trends.

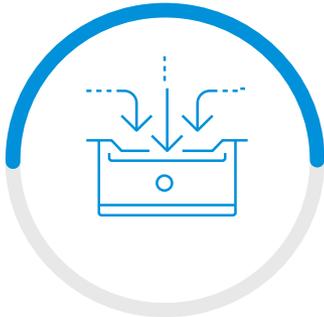
This document can be used to guide your own research and thinking when developing your future customer personas. The Personas of 2023 illustrate how the customer of the future may look like and capture their needs from service providers in their home.

The future focus areas documented highlight ways water businesses could adapt operations, services and products to support future individuals. These focus areas will have a varying impact to a Water Utility depending on their current customer-centric capability. These focus areas could be improved with collaboration between the water industry as well as with other sectors.



We took a human-centred approach to understand the Customer of the Future for the water utility industry.

01 UNDERSTAND CUSTOMERS TODAY



Reviewed over 50 customer personas and journeys from 10 water utilities to understand the motivations and behaviours of customers today, which informed the hypotheses of our research.

02 RESEARCH CUSTOMER OF TOMORROW



Conducted research with 24 individuals across metro and regional areas in WA, QLD and NSW to understand how people manage their home and what are the trends that they see impacting them individually and the wider community.

03 SYNTHESISE RESEARCH & MODEL CENSUS + WATER USAGE DATA



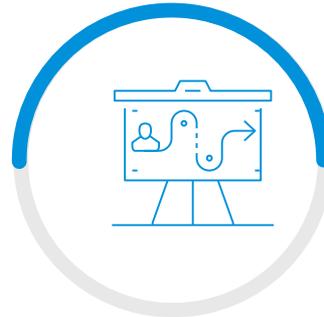
Synthesised our research findings to understand insights for future motivators and behaviours for foreseeable life stages. We modelled trends in water usage for 6 water utilities by overlaying census data and building permits in VIC.

04 WORKSHOP TO UNDERSTAND CHALLENGES



Conducted a workshop on May 31 with 25 WSAA members. The workshop focused on understanding the current state customers and operations, research insights, data modelling insights and megatrends to uncover future focus areas.

05 DEVELOP FUTURE CUSTOMER PERSONAS & FOCUS AREAS



Based on the workshop outputs and customer research, illustrative customer personas and future focus areas to be considered for the water industry were developed. These focus outputs will be useful in different ways depending on for each water members current customer capability.

Through ethnographic research we were able to uncover interesting insights to inform the personas of 2023.



Individuals who had experienced drought at a young age talked about a consciousness of water usage. Those who did not had an apathy towards playing a part.



Individuals who grew up in regional towns or those who moved to raise their family in regional areas, were more connected as a community.



Those born in developing countries appreciated clean water infrastructure in their home. These individuals look to build a community locally with those back home, and look to support family moving here.

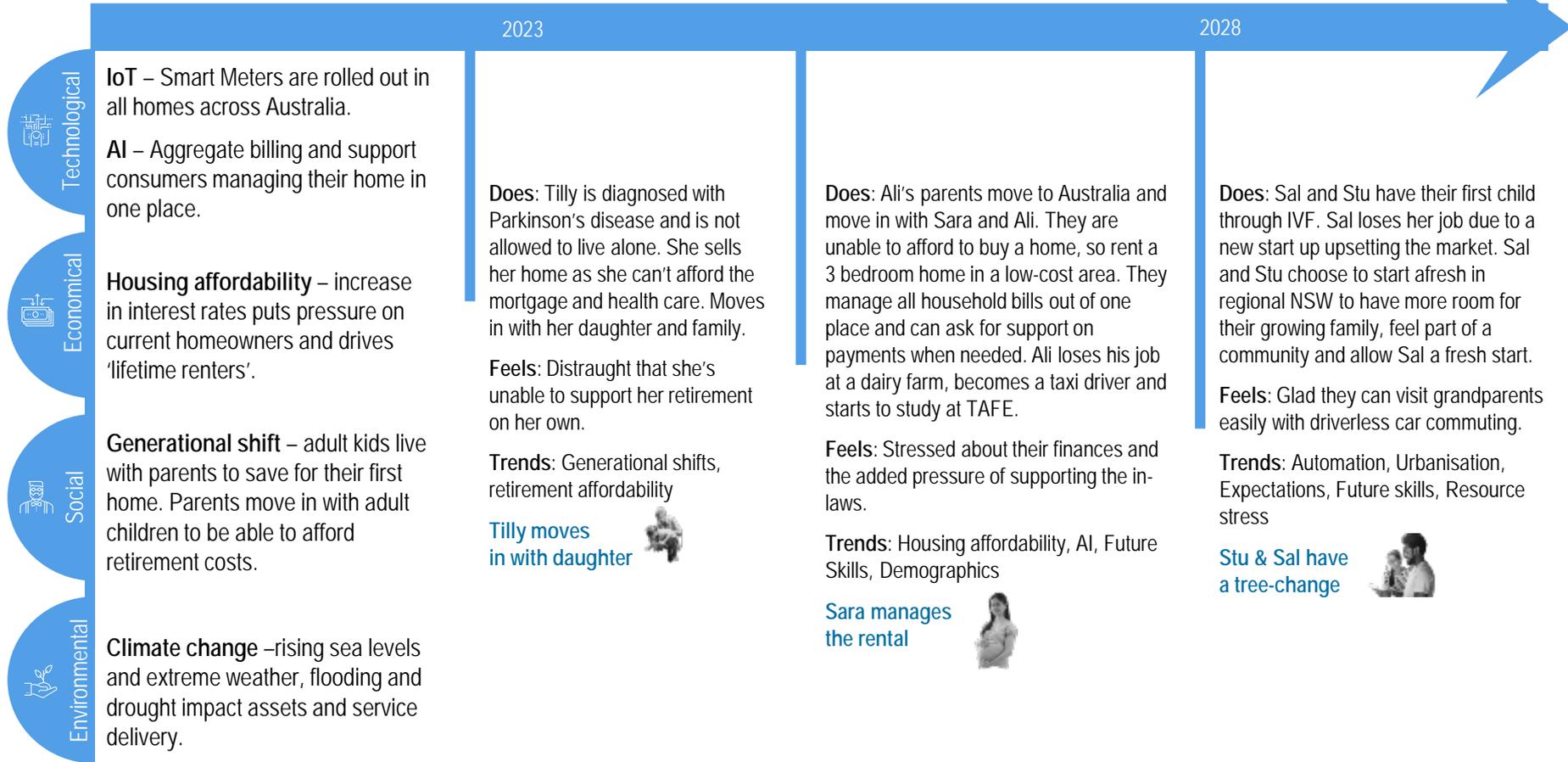
	REACTIVELY MANAGING HOME Spends money as required.	ACTIVELY MANAGING HOME Manages to a budget.	PROACTIVELY MANAGING HOME Invests to see long term return.
COMMUNITY ENGAGED Actively involved in making an impact to the wider community.	<p>Tilly, 75, 'Stable & Secure'</p>	<p>Sara, 28, "Open Opportunist"</p>	<p>Ron, 42, 'Family Matters'</p>
INWARDLY FOCUSED Focused on their family and friends, make small actions on a larger scale.	<p>Elyse, 26, 'Mindful Millennial'</p>	<p>Brian, 60, 'Lifestyle & Leisure'</p>	<p>Sally & Stuart, 30, "Success Seekers"</p>

Pay on the go - Individuals who are more reactive when managing bills, try to remember to set reminders to pay via their phone banking app.

Smooth rider - Individuals in QLD and WA were more likely to set up bill smoothing to help them manage their money to reduce bill shock.

Set and forget – younger individuals chose to invest time up front to set up automated payments for all bills

We considered how megatrends may impact the individual and shift your business focus in the future.



The future customer wants to be at the centre, meaning an industry shift from asset to people-centric mindset is needed.

EMPATHY #1
from day one

What does it all mean?

Government lifecycle = every 3-5 years

Changing priorities

Become invisible - Remove a pain point

No billing, no problems

Everyone is a customer



Infrastructure lifecycle = 50+ years

Fix the basics

WHO DO YOU TRUST?

Focus on what I care about

Build your brand - Redefine your value

Value of the network + delivery

CVP = Service + usage + ?

Where is there real value?

Educate to support their needs

UNDERSTAND ME

Adapting every 2-3 years would be success in some areas of our business

PACE OF CHANGE

Infrastructure investment vs- quick digital agility

No appetite for failure

Share and learn from each other



REAL-TIME DATA

TAILORED SERVICE

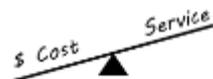
Organisational agility, bring change and innovation into the psyche

Engineering minded culture, fast-fail is a difficult concept



Our employees make local real. They need to be advocates

Reflect diversity on the inside



CX spend is hard to justify, limited tangible benefits in BizCase

Who does digital well? Where can we focus efforts? How do we keep up?

Customers demand that we treat them as an individual, we are seen no longer as a monopoly

"Why would we want to invest"



Little impact if we do fail. Why aren't we risk takers?

Water utilities don't partner, but we are in the best position to



New skills

- How do you attract and maintain
- How can we collaborate with partnerships (e.g. universities)
- Partner to retain

Price is King

4th emergency service

Support the community. Invest in partnerships that enhance CX. Partners should reflect your brand and have integrity.

What could customer mean in the future?

Customer focus areas will redefine your customer value proposition to meet your future customers' needs.

Managing my home (my wallet & time)

Water is not in the forefront of how households manage their lives. It is seen as an expense and a burden for them to act on in times of water crisis. Individuals interact with your products and services everyday, and there is an unspoken trust. Looking forward you need to leverage this trust to provide more focused experiences and options to individuals and communities.

Supporting my life (my attention & motivation)

Water is a source that is taken for granted until there is a shortage. When there is drought or water restrictions in place, individuals have a call to action and most communities rally together for the greater good. However, with customer expectations continually changing, people are less inclined with the 'stick' versus 'carrot' approach of water restrictions and want to be both educated and rewarded for sustainable water behaviours.

Connect with me (my connection) –

As technology innovation accelerates, new devices and tools are gaining more users in less time. As a result of our increased connectivity, customers have more digitally “connected” expectations. To meet these ongoing needs, you will need to achieve economies of scale by aligning with 3rd parties to enrich your data and reduce technology debt. Your focus should be using technology to best support, educate and engage now and into the future.

Focus on areas which mean something to the individual:

CVP = Reliable service + cost savings + connecting with the individual + sustainable future



Everyone is a customer. Connect with them when it matters to them.

As an industry you must lead with empathy in everything you do to support the future customer value proposition.

	1. Reliable Service	2. Cost savings	3. Connecting with the individual	4. Sustainable future
1	Make customer-centric behaviours real for everyone from group executive to back-office staff.	Aggregate service interactions with other providers related to the home to allow the individual to manage bills from one platform.	Define a standardised Customer Intelligence approach to gain insights to improve customer experience, achieving economies of scale.	Help individuals to understand how their actions make an impact through industry-wide marketing across channels: <ul style="list-style-type: none"> • Water consumption reduction; • Off-grid options; • Affordable pricing options; • Incentives and rebates; • Sustainable habits; and • Local initiatives in the area.
2	Plan to work together to harness relevant insights from data.	Provide flexible payment as well as incentives and rebates to allow individuals to manage their money easily.	Know your customers by using AI to continually improve your data and learn from your customers to deliver better service.	Partner with organisations for outreach and action in the community such as: <ul style="list-style-type: none"> • Local retail businesses (e.g. Home Improvement); • Education institutions; • Local community groups; • Local non-profit organisations; and • Local/state government agencies.
3	Prepare for ever increasing customer expectations through human-centred techniques such as design thinking.	Be transparent on water usage and costs.	Create a social connection for targeted audiences.	Give individuals a voice in planning future infrastructure initiatives.

Overview

This document has been prepared to understand the Customer of 2023 and how the behaviours and needs of the individual will impact the water industry in Australia going forward.

This document focused on four key areas:

01
INSIGHTS

02
PERSONAS

03
MEGATRENDS

04
FUTURE FOCUS



Insights

The research insights are a collective of the research done to date to understand how customers think about their water utility at a brand or transactional level.

Customer research was conducted with individuals across Australia. These insights are an interpretation of trends in individual behaviours to understand their perspectives in social, environmental and technology trends occurring today and how they choose to manage their home today.



We reviewed customer research from WSAA members to understand current customer segments and personas.

WSAA

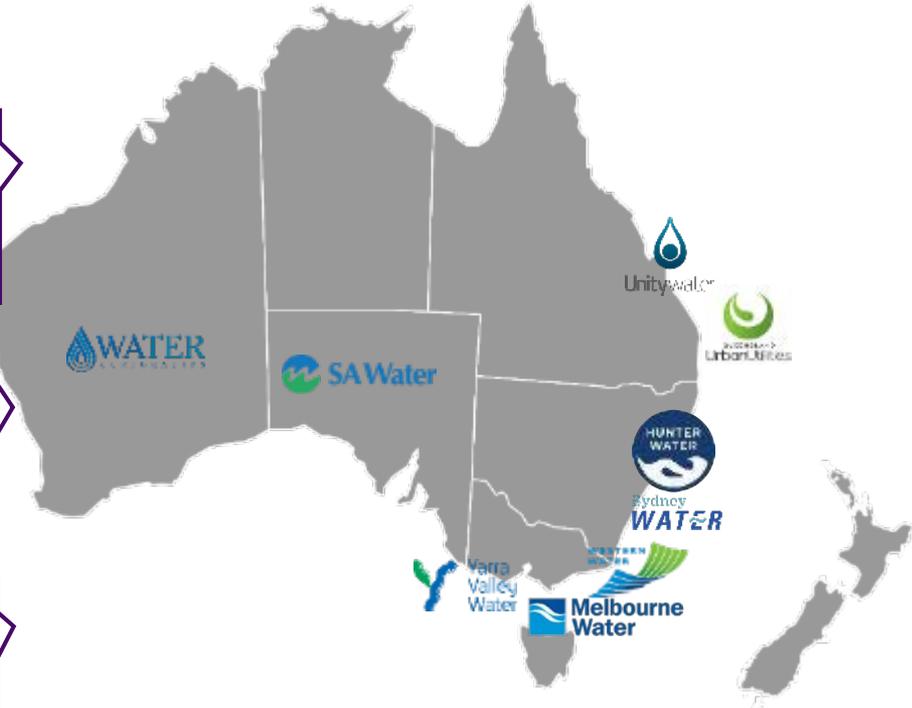
Personas provided: 5
Customer journey provided: N/A

Water Corporation

Where: Perth & Western Australia
Servicing: 2,000,000
Personas provided: 5
Customer journey provided: N/A

SA Water

Where: South Australia
Servicing: 1,600,000
Personas provided: 5
Customer journey provided: N/A



Unity Water

Where: South East Queensland
Servicing: 755,000
Personas provided: 4
Customer journey provided: N/A

Queensland Urban Utility

Where: South East Queensland
Servicing: 1,400,000
Personas provided: 5
Customer journey provided: Customer Billing Journey

Hunter Water

Where: Lower Hunter Region
Servicing: 600,000
Personas provided: 6
Customer journey provided: N/A

Sydney Water

Where: Greater metropolitan Sydney, the Illawarra, the Blue Mountains regions
Servicing: 5,000,000
Personas provided: 4 Citizen Personas
Customer journey provided: N/A

Yarra Valley Water

Where: Melbourne
Servicing: 1,800,000
Personas provided: 8
Customer journey provided: N/A

Melbourne Waters

Where: Melbourne
Servicing: 4,200,000
Personas provided: 4
Customer journey provided: N/A

Western Water

Where: Sunbury, Melton, Bacchus Marsh, the Macedon Ranges
Servicing: 153,000
Personas provided: 6
Customer journey provided: N/A



To identify key drivers of customer behaviour, we mapped parallels between 32 current customer personas.



Water Warriors

Savvy Savers

Reliable Rexes

Contrary Conrad

Unengaged Mobiles

Chen

Colleen

Donna

Graham

Jamie

Maria

Natasha

Priyash

Ann – Happy Higher Income

Joe – Mature and Mellow

Michael – Comfy but Careful

Kimberly – Struggling Singles & Couples

Chris – Overstretched Families

Louie – Forward Thinker

Doris – Little fish, big pond

Alex – Happy with status quo

Susan – Driven by efficiency

Resilient Battlers

Suburban Workers

Affluent Retirees

Brand New Lifers

Affluent Families

Future Focused



Low Involvement Savers

Calling Conservatives

Time Poor Moderates

Overdue High Consumers

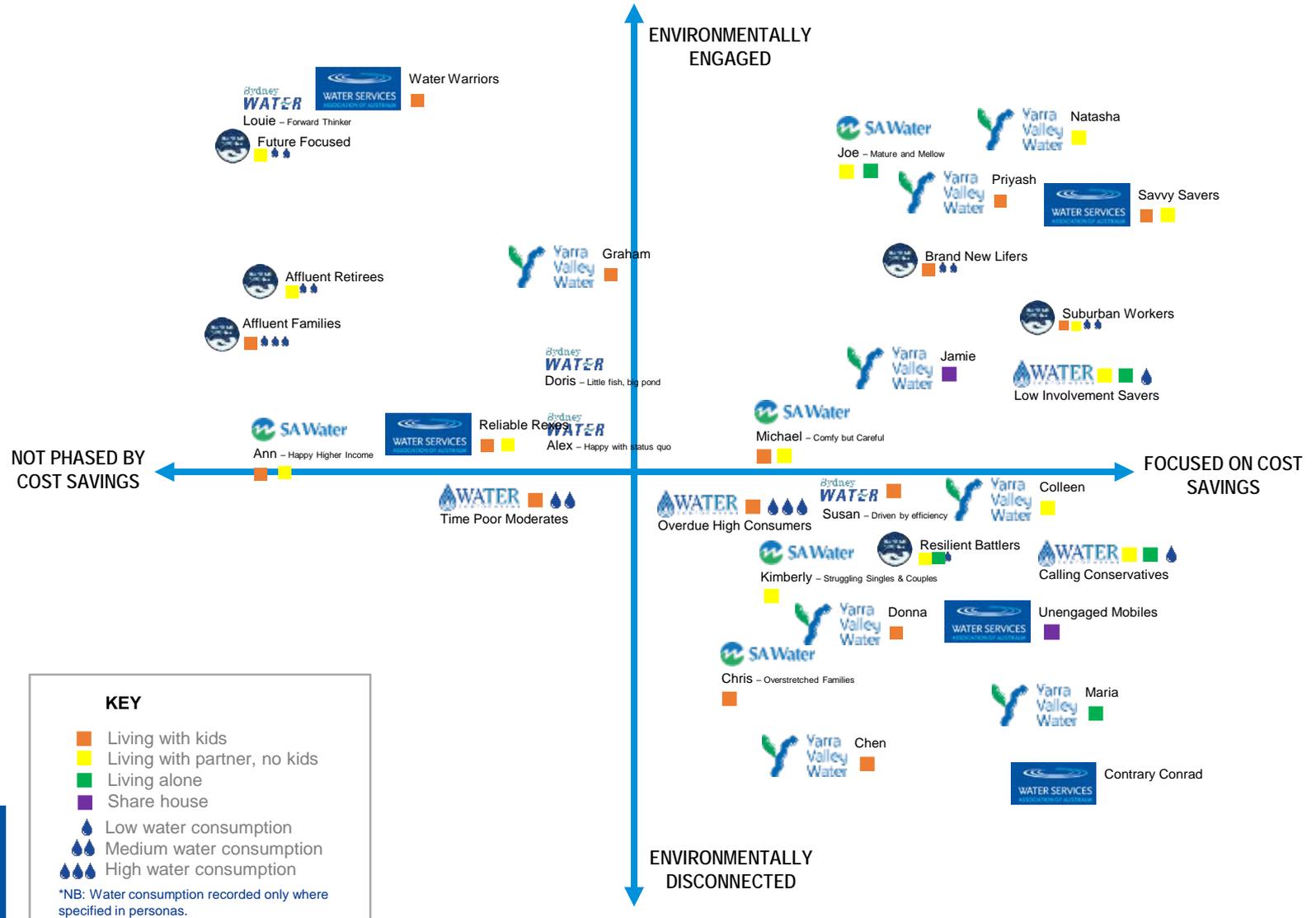
KEY

- Living with kids
- Living with partner, no kids
- Living alone
- Share house
- Low water consumption
- Medium water consumption
- High water consumption

*NB: Water consumption recorded only where specified in personas.



There were 2 common attributes across customer personas: care for cost and the environment.



We mapped customer parallels between 22 personas to uncover trends in current transactional behaviours.



Sydney WATER
Louie – Forward Thinker

Sydney WATER
Doris – Little fish, big pond

Sydney WATER
Alex – Happy with status quo

Sydney WATER
Susan – Driven by efficiency

SA Water
Ann – Happy Higher Income

SA Water
Joe – Mature and Mellow

SA Water
Michael – Comfy but Careful

SA Water
Kimberly – Struggling Singles & Couples

SA Water
Chris – Overstretched Families

WATER
Low Involvement Savers

WATER
Calling Conservatives

WATER
Time Poor Moderates

WATER
Overdue High Consumers

Melbourne Water
Emma – 1 off developer

Melbourne Water
Rick - Community

Melbourne Water
James – Local Government

Melbourne Water
Clyde – Developer Consultant

Unitywater
Ian the Investor

Unitywater
Maria the Working Mum

Unitywater
Gus the Gourmet

Unitywater
Ruby the responsible citizen

UrbanUtilities
The Good Neighbour

UrbanUtilities
The Set and Forget

UrbanUtilities
The Average Joes

UrbanUtilities
The Hand Holder

UrbanUtilities
The Never Ending Story

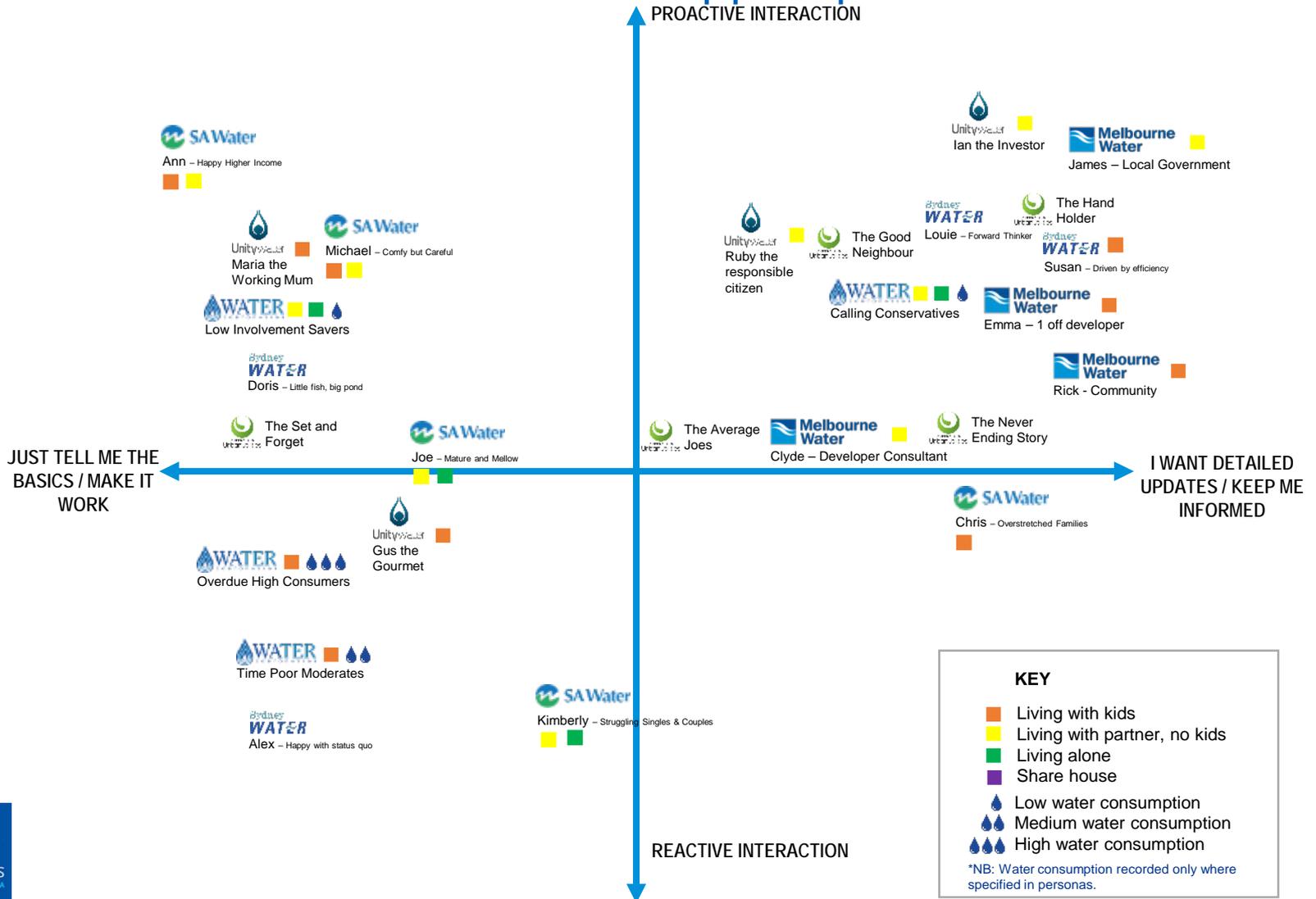
KEY

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- 💧💧 Medium water consumption
- 💧💧💧 High water consumption

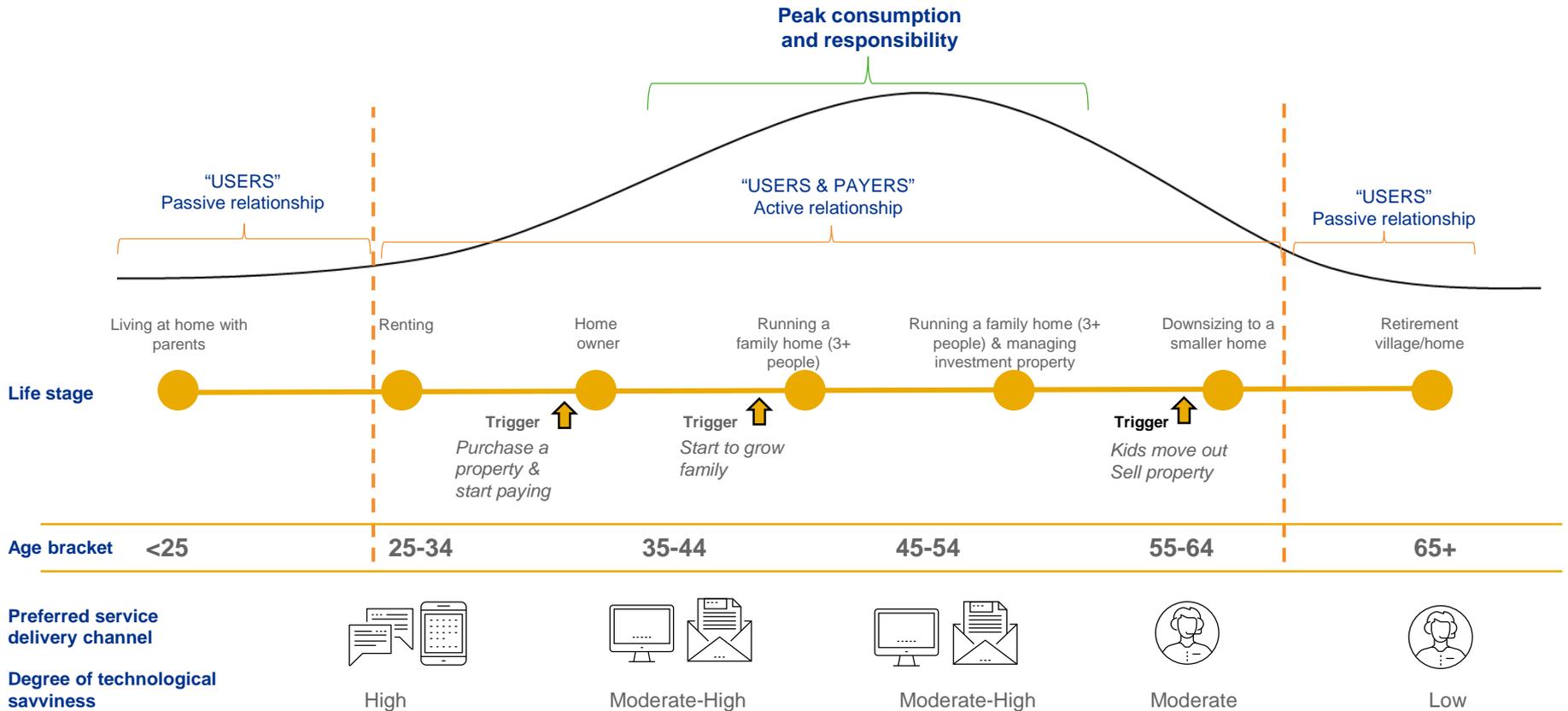
*NB: Water consumption recorded only where specified in personas.



From a service perspective, customer expectations are focused on the information and support provided.



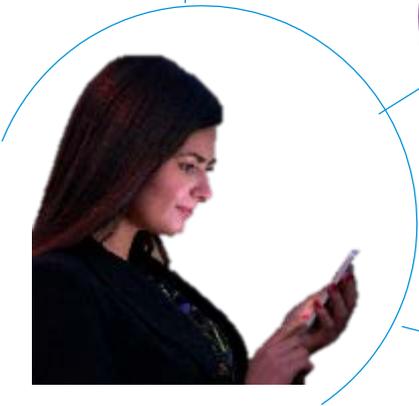
Individuals' engagement with their service providers will increase or decrease based on their life stage.



Our research focused on understanding how individuals manage their home to understand the role of water.

Traditionally when organisations have developed customer personas or journeys they focus on understanding how a customer interacts with their brand, product or service, which doesn't always give the whole picture of what is driving customers behaviours or expectations.

By understanding how a customer manages their home finances, you start to uncover the real connection a customer has across the range of products and services they interact with on a daily basis, consciously or unconsciously. For example, a shower may not be connected directly to the water utility but using their Dyson connects them that brand.



IT'S ALL ABOUT ME, MY LIFE, MY WALLET.



MY WALLET: How I adjust my share of wallet across life events.



MY WATCH: How I balance the constraints of time and how that changes across life events.



MY CONNECTION: How I connect to devices, information and with others.

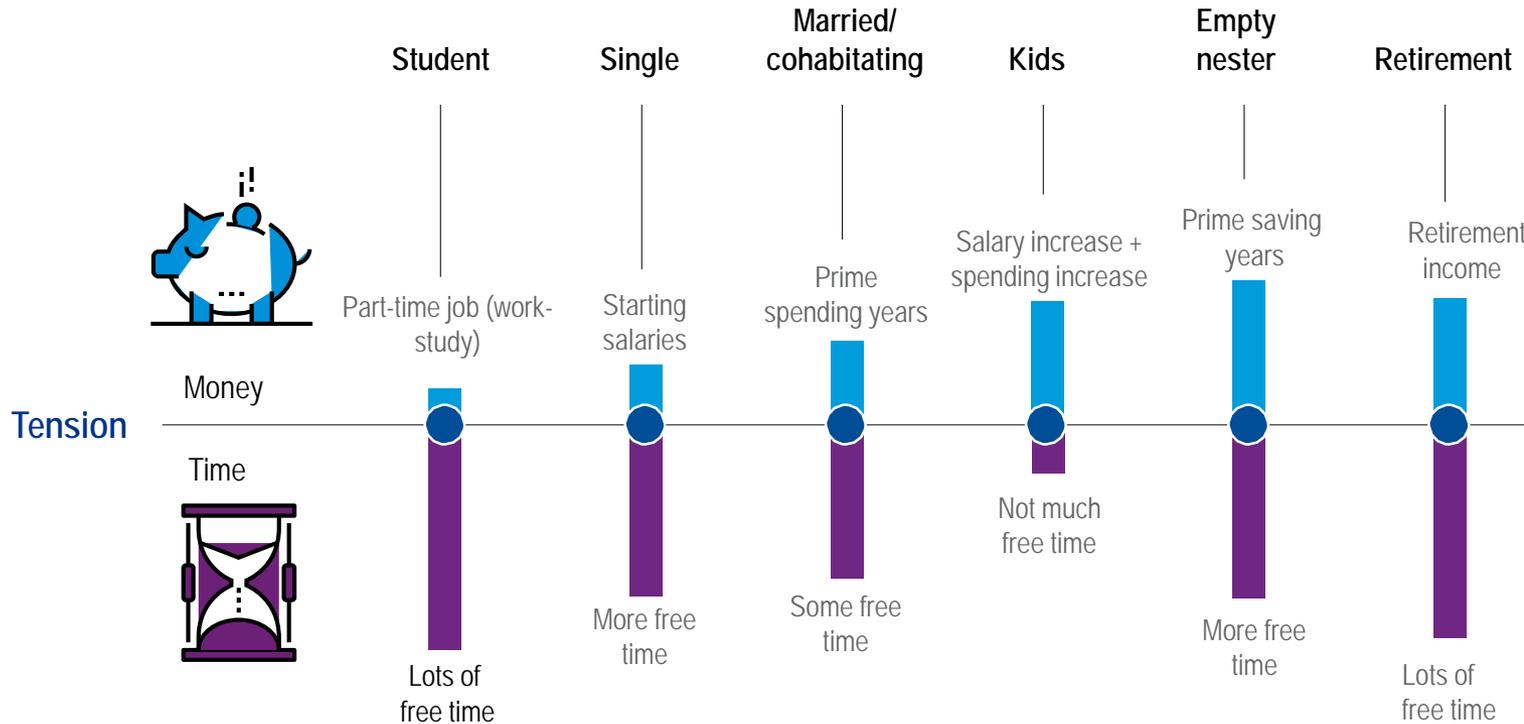


MY MOTIVATION: How my characteristics drive my behaviour and expectations.



MY ATTENTION: How I direct my attention and focus.

The research illustrated how differing life events mean individuals must make trade offs between time and money.



In general, no matter their life stage individuals grouped water with the other services in their home that they spend time paying bills for. Individuals considered water as a more manageable cost compared with other services such as electricity. Those in drought or experiencing billing affordability challenges spoke to actively trying to reduce usage.

We undertook ethnographic research of 24 individuals in metro & regional Australia to inform future customer personas.



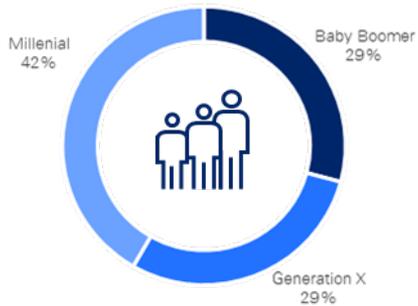
Terms explained	
Baby Boomer	A person born between 1946-1964 (i.e. currently aged 54-72)
Generation X	A person born between 1965-1980 (i.e. currently aged 38-53)
Millennial	A person born between 1981-2000 (i.e. currently aged 18-37)
SINK	A household with a single income and no children
DINK	A household with dual income and no children
ESL	English as a Second Language

- ♂ 26, Millennial, Brisbane, Young Family, Renter, <\$80K, Full time work, <10 years in Australia, ESL
- ♂ 38, Generation X, Brisbane, Young Family, Owner, >\$120K, Full time work, <10 years in Australia, ESL
- ♂ 62, Baby Boomer, Townsville, Empty Nester, Owner, <\$100K, Retired, >10 years in Australia, Native speaker
- ♂ 35, Millennial, Townsville, DINK, Owner, <\$120K, Full time work, Life in Australia, Native speaker
- ♂ 59, Baby Boomer, Orange, Older Family, Owner, >\$120K, Full time work, Life in Australia, Native speaker
- ♂ 30, Millennial, Orange, Renter, <\$80K, Full time work, Life in Australia, Native speaker
- ♂ 26, Millennial, Sydney, SINK, Owner, <\$100K, Full time work, Life in Australia, Native speaker
- ♂ 37, Millennial, Sydney, Single or partnered with children <5yo, Owner, >\$100K, Full time work, >10 years in Australia, Native speaker
- ♂ Generation X, Bunbury, Single or partnered with children 13-18, Owner, >\$120K, Full time work, Life in Australia, Native speaker
- ♂ Generation X, Margaret River, SINK, Owner, >\$100K, Full time work, Life in Australia, Native speaker
- ♂ Generation X, Perth, Married with children, Owner, >\$120K, Full time work, >10 years in Australia, ESL
- ♂ Generation X, Fremantle, SINK, Renter, <\$80K, Full time work, >10 years in Australia, ESL
- ♀ 27, Millennial, Brisbane, DINK, Renter, <\$120K, Full time work, <10 years in Australia, ESL
- ♀ 58, Baby Boomer, Brisbane, Older Family, Owner, <\$80K, Part time work, Life in Australia, Native speaker
- ♀ 44, Generation X, Townsville, Young Family, Owner, <\$120K, Full time work, Life in Australia, Native speaker
- ♀ 55, Baby Boomer, Townsville, Empty Nester, Renter, <\$50K, Part time work, Life in Australia, Native speaker
- ♀ 32, Millennial, Orange, Young Family, Owner, <\$50K, Part time work, Life in Australia, Native speaker
- ♀ 36, Millennial, Bathurst, Young Family, Owner, >\$120K, Part time work, Life in Australia, Native speaker
- ♀ 26, Millennial, Sydney, SINK, Renter, <\$50K, Part time work/Full time study, Life in Australia, Native speaker
- ♀ 55, Baby Boomer, Sydney, Single or partnered with children >18yo, Owner, >\$100K, Full time work, >30 years in Australia, ESL
- ♀ Baby Boomer, Perth, Single or partnered with children >18yo, Owner, >\$120K, Semi-retired/retired, >10 years in Australia, Native speaker
- ♀ Millennial, Perth, SINK, Owner, <\$80K, Full time work, >10 years in Australia, Native speaker
- ♀ Baby Boomer, Collie, Empty Nester, Owner, <\$50K, Semi-retired/retired, >10 years in Australia, Native speaker
- ♀ Generation X, Australind, Single with teenager, Renter, <\$50K, Part time work, >10 years in Australia, Native speaker

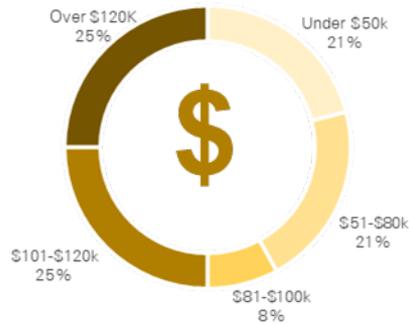


The research was with individuals at varying life stages to give broad insights on Australians today to inform tomorrow.

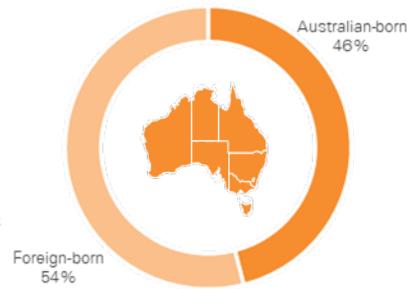
Age



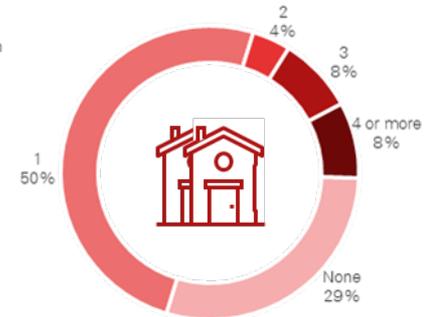
Income



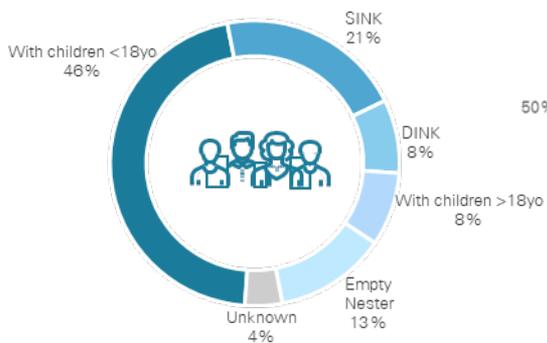
Birthplace



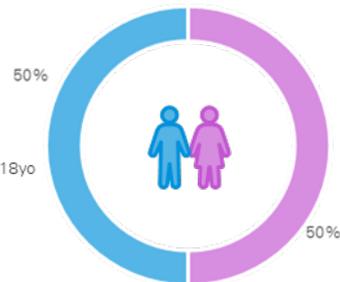
Number of Properties Owned



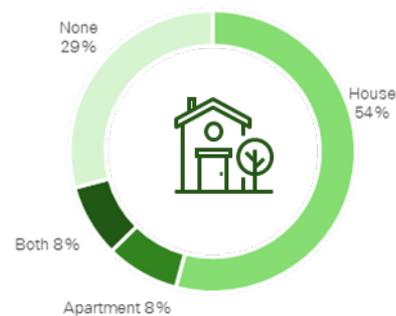
Household Model



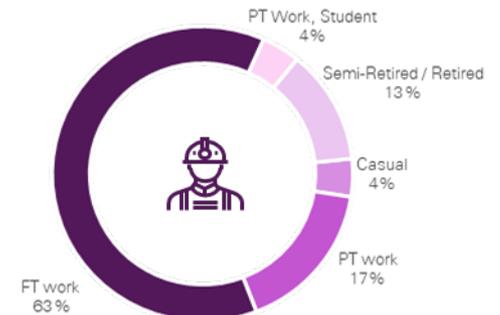
Gender



Type of Property



Employment



Influencing events in formative years impacted peoples' appreciation of economic, political and environmental factors.



Teach them young

Individuals who experienced drought at a young age talked about a consciousness of water usage. Those who did not had apathy towards playing a part.

Today, parents spoke to how their kids learn a lot about recycling and composting, and have taken classroom lessons into real action in the home. They spoke of an opportunity to understand how water works and how they can preserve it.



Just Google it

Those bought up with the internet prefer to start online when seeking information or support from service providers. They see the internet as part of their everyday from connecting with friends to reading the news.

These individuals look for ways to connect and often go online to learn about different matters, either through their feed, articles, video or audio content. Individuals commonly use their commute for this.



Little + Big things count

Individuals who grew up in regional towns or those who moved to raise their family there, spoke of a connection to their regional community. If a large business or industry closes down there are economic and social impacts felt across everyone.

Those in Townsville spoke of how Adani has impacted mining jobs and saw trickle down impacts to the local businesses closing down.



Connected community

Those born in developing countries appreciated clean water infrastructure in their home. They were more conscious of their consumption to afford the bills. These individuals look to build a community locally with those back home and look to support family moving here.

Some individuals support overseas family who have moved to Australia, stretching their wallet. They want to do this to give everyone a chance.

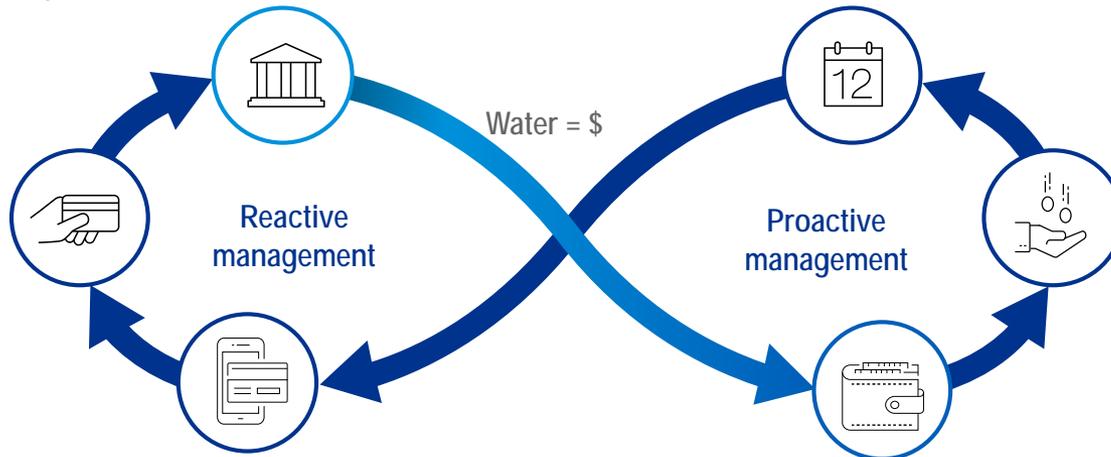
Individuals connected water with managing their bills; different life stages altered their approach due to time & money.

Compare the market – lead indicators such as poor customer experience, high bills or a contract finishing would have certain individuals comparing the market through tools or their own research. These individuals would switch or move if they found a better deal.

Set and forget – younger individuals chose to set up automated payments for all bills to proactively pay. They chose to spend the time upfront so they only need to ‘top up’ or are in credit when the bills arrives.

Pay on the go – individuals who are more reactive when managing bills try to remember to set reminders to pay and pay via their phone banking app.

An individual trying to reduce their outgoings would go to a nearby Laundromat for washing and drying to avoid paying for the electricity.



Smooth rider - Individuals in QLD and WA were more likely to set up bill smoothing to help them manage their money to reduce bill shock. Those in NSW were less likely to do this or even indicate awareness of these options.

“I set up BPAY on my phone once and then every 3 months pay quickly via the app.” – Female, Boomer, Juggling responsibility across family and 2+ Job

“I know how much money should be going in and out per month and plan accordingly. I pay from my mobile for different bills, as I like to be in control of my cash.” - Millennial, QLD, Renter

Customers' attention to their home changes based on their homeownership and their plans to make home improvements.

Help me make my home more affordable

Many wanted more information and guidance in supporting Home Improvement options from partnerships with specific businesses they'd be interacting with regularly (e.g. Home Improvement Stores). Individuals felt that a partnership would help them make the right investments in new appliances, fixtures or water-friendly plants.

Sustainability cost benefits – home owners have more options in purchasing and installing large scale sustainable investments for their property, (e.g. solar panels or grey water). Cost and return on their investment plays a big factor into making such an investment. Proactive individuals would do cost/benefit analysis to understand the long term return of their immediate investment. Customers said incentives or rewards would make these options more of a reality, as they get an immediate gain.

Individuals in QLD and WA were more likely to invest in solar than those in NSW. Those who live in heritage homes are less likely to have considered solar due to aesthetic impact or to avoid dealing with Council for approval.



Too many politics – apartment owners felt they had little control in sustainable additions to their home, (e.g. grey water, solar panels, etc.). Strata and body corporates do not make approval an easy task.

Invisible usage – individuals living in apartments where billing is split across owner were less conscious about their usage as they saw no accountability or consequence.

“I own my home with the bank” – recent first home buyers didn't see their home as their own, due to the stress and little movement on repaying their mortgages. *Money conscious, Millennial and Boomers*

I think I'm seeing (Energy) Stars – customers with upgraded appliances saw a reduction in their electricity bill and took water usage reduction at face value, as this a less costly expense. The majority invested in new appliances based on a life stage, (e.g. new home purchase, renovating, planning kids), to reduce long term usage costs.

Customers' motivation and attention of their lifestyle changes based on their life stage and relationships.



26 year old Sydney sider

He loves to buy top quality sound and technology products and is someone who chooses function and aesthetic over cost and consumption.



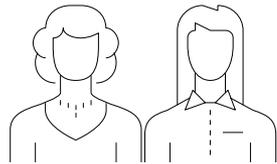
36 year old Sydney sider

He used to be the first person at the Apple store, but now he has a 2 year old and a 4 month old, his priorities have changed. He is more focused on investments for his family.



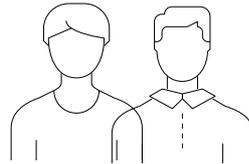
Kids do the darndest things

Sees energy usage spike across the board when kids come to stay.
- Divorcee, Shared Custody



I nag because I care

Individuals in relationships saw themselves adapting. If one is very green, good habits rub off.



Chasing housemates

Individuals renting with others spent a lot of time chasing big bills. They also had less to manage so weren't phased about it. Water usage is only charged in some places.



Network of knowledge

Individuals gets a lot of information from their colleague when it comes to services provides.

One tradie spoke about connecting with other tradie mates for tips when looking to renovate or make home improvements. He spoke to wanting to invest in solar panels after paying for his wedding. He recently made a small investment in a water tank as he sees the use of groundwater as a band aid solution to a long term problem.
- Gen Y – Home Owner – Tradie - WA

Customers in regional areas are more community minded in their motivation and attention.

Those in regional areas are more connected to their local community.

Individuals who grew up in regional towns or those who moved to raise their family there, spoke to their **connection to their regional community**. If a large business or industry closes down there are economic and social impacts felt across everyone.

Those in regional areas have a local connection with the lines between work, home and leisure blurred. Everyone knows their neighbour's business. Everyone has a **sense of a identity** linked to their role in the wider community.



Regional areas have resilience. Everyone is ready to roll up their sleeves in times of crisis.



Consider partnerships that are representative of the community, as it will help you gain traction and support from the individuals in the area.

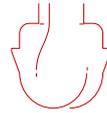


Everyone is impacted. If a large business closes down in a regional area this impacts the whole community ecosystem. Everyone is interested in the long term stability of their area.

Individuals care about the connection to their community and how technology keeps them connected.



Know your neighbour – in regional areas people felt more connected to local businesses, community groups and generally knew their neighbours. Everyone knows everyone's business.



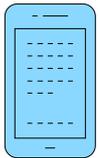
No your neighbour – in metro areas we observed a lot more anonymity with individuals and their neighbours or community, especially those who rent, live in apartments or are new to an area. People felt less connected.



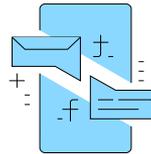
“I just want to talk to a person”

Human element – People seek a “human touch”.

After researching online, the majority would choose to call if they didn't find what they needed, to get better support or to try to get a better deal.

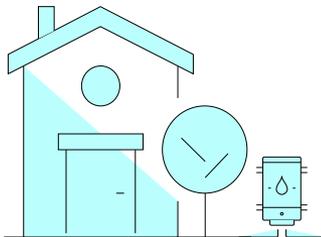


Information at my fingertips – when it comes to researching information and paying bills, the majority of people preferred to do research online via their phone or tablet. Millennials or older customers who saw themselves as more ‘tech savvy’ would use social media for research or information from their trusted network.



Social Education – individuals use social networks and online research to find out information and get input on products and services.

“I saw a Facebook ad, promoting turning the taps off and it let me set a reminder on my calendar.”
Millennial – Home Owner, Perth



Welcome to my smart home “... would be cool to be able to go to one place, and have everything in there (bills, usage).” *Gen X, Perth*. Customers welcomed the concept of a smart home. Those managing their bills proactively liked the ability to have real-time data to help them understand how their usage and where they could reduce costs. Some individuals highlighted that they'd want to understand how their data would be managed and used going forward.



In drought individuals play their part in reducing water usage, but are less motivated to be sustainable in non-drought.

Conscious sustainability

Individuals who were concerned with climate change actively made actions to reduce their impact.



Baby boomers felt less in control making an impact in their life time, although did actively try to learn the facts at public talks. They would try to have more water friendly gardens in areas that were experiencing drought.



Millennials seek knowledge and connection through community common spaces in their local areas, (e.g. cafes, non-profits, co-share spaces). They were often provided 'life lessons', shared food experiences or talks on important topics.



At an individual level, a lot of people saw waste management and campaigns such as 'ban the bag' as a way they could make a quick impact in their everyday.



The majority spoke to small steps they did in reducing water consumption in the home, (e.g. shower length, taps off). Those who hadn't experienced drought ever, (or recently), were more likely to enjoy creature comforts, (e.g. long hot showers).

Stick vs. carrot

In drought affected areas customers are more conscious of their consumption. Drought awareness and water restriction action plans (e.g. alternative watering days, hand watering) were seen as reactive and short-term solution. Individuals want to understand what are the longer term plans in place.

Fines during drought were seen as effective but put Local Council in a negative light.

Personas

Personas have been developed to frame the Customer of the Future, with a primary focus on understanding the behaviours and needs of key customer segments today, (e.g. millennials, Gen Y and Baby Boomers).

The personas have been based on the initial customer research developed to date, workshop outputs and customer insights uncovered in 24 interviews conducted across three states in metro and regional areas.

Insights saw similarities in how individuals approach managing their home, money and how the role they felt they played in the community.



The personas of 2023 consider the individuals' relationship with their community and how they manage their lives.

Community Engaged – individuals who are actively engaging with the community they live in through environmental, social or political measures. They care about local, state and national issues.

Inwardly Focused – individuals who are interested in things that directly impact themselves and/or their social network, (family and friends).

Proactively managing home – individuals who proactively manage their household bills through automated payment options and invest in services or products to reduce consumption, driven by cost or sustainability.

Actively managing home – individuals who manage their bills to ensure they are paid on time and choose to pay once the bill has arrived themselves.

Reactively managing home – individuals who manage their bills and other household purchases/services as needed. These individuals may be likely to fall behind.

Personas were developed based on understanding an individuals current circumstances and outlook for the next 5 years. This provided an understanding of the role water and other service providers will have in relation to managing their money and time in the future.

INFLUENCING EVENTS: Events of formative years that shape values and influence behaviours:



Born in Australia



Born Overseas



Experienced limited infrastructure, drought or heavy water restrictions in early years

LIFE STAGE: Life stage of an individual:



Job/ Income



Relationship status



Kids



Homeownership status
Metro vs. regional location
Type of home



MY MOTIVATION: How characteristics drive behaviour and expectations



MY ATTENTION: How and where attention and focus is directed



MY WALLET: How share of wallet adjusts across key life events



MY WATCH: How we balance the constraints of time and how that changes across life events



MY CONNECTION: How we connect to devices, information and each other



As we look to the future, what customers focus on and how they manage their home are indicators of future behaviours.

	REACTIVELY MANAGING HOME Spends money as required.	ACTIVELY MANAGING HOME Manages to a budget.	PROACTIVELY MANAGING HOME Invests to see long term return.
COMMUNITY ENGAGED Actively involved in making an impact to the wider community.	Tilly, 75, 'Stable & Secure' 	Sara, 28, "Open Opportunist" 	Ron, 42, 'Family Matters' 
INWARDLY FOCUSED Focused on their family and friends, make small actions on a larger scale.	Elyse, 26, 'Mindful Millennial' 	Brian, 60, 'Lifestyle & Leisure' 	Sally & Stuart, 30, "Success Seekers" 

Elyse, 26, 'Mindful Millennial'



First time
renter

"I'm trying my best to be an adult, but Mum and Dad are always there to help..."



Elyse, 26, 'Mindful Millennial'



Elyse has recently got her first graduate placement for a Physio practice in Melbourne CBD. She has recently moved from Adelaide to Melbourne, VIC. She is out in the 'real world' for the first time and is very excited about the studio apartment she has rented in East Melbourne. She is keen to travel and make friends locally. For the first time, she is managing her own finances but always has a backup in Mum and Dad.



Born in Australia, lived in Adelaide, Brisbane and Sydney when growing up.



Never experienced water restrictions

Attention

- Think** Wants to keep up with community matters, keeping fit and being green in her own actions.
- Feel** Excited about living in a new city and wants to make an impact.
- Say** "I want to keep up my fitness and social life with my new job."
- Do** Joined a community creative space to gain more 'life skills' and meet people in her area.

Connection



- Think** Misses her family and friends, but keeps up with them via snapchats and Instagram.
- Feel** Having previously felt anxious when not connected, she has taken on mindfulness and meditation to support her being disconnected.
- Say** "I'm going to snapchat my new keep cup that transforms into a coffee cup or a water bottle."
- Do** Always online. Uses social media for what is trending in news, current events and self-improvement.

Motivation

- Think** First salary job, so wants to do well and keep up a balanced lifestyle.
- Feel** Excited to make new friends and try out the local area. She wants to get into some creative pastimes.
- Say** "I want to try and do everything... I can afford!"
- Do** When she moved in she joined the local boutique gym and recently signed up for a 10 week pottery class.

Wallet + Time

- Think** Starting to understand how to manage her \$ but still learning about additional costs to her everyday, (e.g. healthcare, water usage).
- Feel** Feels nervous when dealing with finances and she is still trying to work out how to make an impact on her savings.
- Say** "Mum are you able to send me some money?"
- Do** Tracks her money going in and out from her bank account and makes sure she pays all bills on time, knowing when to ask her parents for help. She listens to friends and social media for recommendations.



Ways to satisfy



Updates via social media and options to chat if she needs to.



Easy ways to pay bills with her pay as she wants to be a good tenant.



Education on tenant rights in fixing leaking taps and ways to save in usage.



Sally & Stu, 30, "Success Seekers"



Homeowners

"Let's get this credit card so we get Qantas points."



"Success Seekers', Sally & Stuart, 30, Engaged, Double Income



Sally and Stuart are recently engaged and have just bought their first apartment in Dulwich Hill, NSW. They both have very busy jobs as an Electrician and an Events Consultant. They are both on good salaries, work long hours, (including weekends), and for a long time have had a work hard, play hard attitude. Now they are in their 30s, they are looking to settle down and have just rescued 2 dogs. They are talking about having kids in the next 2 years.



Born in Australia, grew up west Sydney CBD



Experienced drought in 2000s, and remember shorter showers and watering restrictions

Attention

- Think** Managing money better to keep up with mortgage payments, to ensure they can keep up their lifestyle.
- Feel** Happy with their new community, which is close to friends and a lot of great cafes and local facilities, (parks, gyms, etc.).
- Say** "We need to get a pool membership."
- Do** Spend weekends trying out local services; recreational, restaurants and community events.

Connection



- Think** They need to check their work and personal emails and social media feeds to keep up with what is happening. They always look to online for ideas and information on latest trends across media, social, politics and technology.
- Feel** Reassurance that information and access is at their fingertips. They feel anxious and bored without internet.
- Say** "No screen time in bed."
- Do** Buy latest technology to support their lifestyle, (e.g. wireless speakers). They share photos of envious dog walks, foodie posts and workout photos. They follow the council and businesses.

Motivation

- Think** Need to focus on career and get promoted so they are able to support a family in next 2 years. They want to get involved in the local community to build their social circle.
- Feel** Stressed to always be working. Their phone in hand means work is at their fingertips.
- Say** "I need to work late, can you go home to walk the dogs?"
- Do** Put work in front of social events when needed. They take lots of time off to take 'insta-worthy' holidays.

Wallet + Time

- Think** Managing money better to keep up with household expenses as they still want enough money for their lifestyle.
- Feel** Don't have a lot of time to deal with bills with work and social priorities. They auto-pay most and spend time during commuting to make updates via their devices.
- Say** "Let's get this credit card so we get Qantas points."
- Do** Create a monthly budget. They pay for most services/products through their credit card for frequent flyer points, only setting up direct debit if there is a fee. They rely on their network for service recommendations and are happy to DIY where they can save money.



Ways to satisfy



Seamless digital experience to help them manage their home easier.



Education on ways to reduce costs as they move through life stages, (e.g. kids, etc.).



Give them a voice in planning and big projects in their new community.

Sara, 28, "Open Opportunist"



Renter

"I take on a lot as long as it is in the best interest of my family."

'Open Opportunist', Sara, 28, Part-time income, Married



Sara came to Australia as a refugee when she was 16 years old with her little brother to live with their Aunty. In her first two years in Australia, Sara learnt to speak English, completed year 12, had two jobs and studied at TAFE. Sara volunteers to support new refugees and works in catering jobs part-time. Sara wants bring her culture to Victoria and hopes to open a restaurant one day. Sara is married to Ali and they are expecting their first child in October. They rent a 2 bedroom in Shepparton, VIC.



Originally born in Iraq, came to Melbourne with her little brother.



Grew up with community water pump

Attention

- Think** She cherishes her freedom and the opportunity in Australia. She looks forward to pursuing her goals in a country where her faith or gender will present no barrier to her success.
- Feel** Excited for the baby on the way as they have had difficulty bringing a baby to term.
- Say** "I want to do everything for a healthy delivery."
- Do** She is preparing their home for a baby, building connections locally to support her future goals and Ali's career.

Motivation

- Think** Tolerance around the world is at an all time low.
- Feel** Australian culture is different from home but she feels welcome and settled. She wants others to feel the same.
- Say** "Since moving to Shepparton, I decided to help my new community... I wanted to help people from my country that had moved to Australia, to teach them how to live here."
- Do** Volunteers at local women's shelter and refugee centre to support others feeling supported and safe.

Connection



- Think** Technology is good support for her when she is trying to learn new things.
- Feel** She likes to keep in contact with friends and family. She makes posts about her life to a limited social media network.
- Say** "I like to look up things online as I can translate information if I need to."
- Do** Posts her cooking creations on social media to help build a portfolio of her work. Spends a lot of time online looking up what to expect for their newborn and planning what they need to do.

Wallet + Time

- Think** Proud of Ali as he works hard for their growing family at a local dairy producer and studies English in his spare time.
- Feel** Stressed about their current financial situation and hopes to afford their own home one day.
- Say** "We try to be in control of our money. We have a little bit set aside for the baby but are mostly living day to day."
- Do** She reaches out to different service providers to see what options they can get to support them in paying their bills. She manages their household bills online and does jobs online via AirTasker to save for their baby.



Ways to satisfy



Help us understand our rights as renters and concessions available to low-income families.



Give us help around our payments and provide us support in Arabic.



Make decisions that have a positive impact on my community.



Ron, 40 – 'Family Matters'



Homeowner

"I am willing to pay in the short term for long term savings..."



'Family Matters', Ron, 40, Single Income, Married



Ron has lived in Australia for 13 years, with his wife joining him 8 years ago. They have just moved into a new development in Hamilton Hill from East Perth. Ron and his wife have 2 kids. His daughter has just started high school and his son is in year 4. Ron's in-laws moved over from India and live with them as the new place has a separate granny flat. Ron is an IT Manager for a large mining technology company, where he has worked for 9 years. His wife gets work through airtasker to support the family.



Originally born in India, moved to Perth for study then work



Grew up with no house water, community water pump

Attention

- Think** Focus is on the kids' school life and extra curricular activities.
- Feel** Appreciates the little things in Australia, which he never had growing up. He supports his wife's family who live with them.
- Say** "I get a lot of recommendations from friends and colleagues."
- Do** Enjoys having family and friends over for meals and celebrations.

Motivation

- Think** He needs to do everything he can for his kids happiness and success.
- Feel** Glad that family is in Australia with them and appreciates the support and quality time.
- Say** "I want my kids to do well and have a great life."
- Do** Gets involved in school events and volunteers at sports and creative events for kids.

Connection



- Think** Concerned about privacy when signing up with service providers so he has a sign up email separate from his personal account.
- Feel** Prefers to have everything on his phone.
- Say** "Use my phone everyday to talk to family back home and check my emails."
- Do** Uses his phone to monitor home from work or when away travelling overseas to see family. He uses social media for customer service as it's easier to communicate.

Wallet + Time

- Think** Needs to make sure he can support kids interests and keep the home safe and secure.
- Feel** Spent a lot of time initially making sure bills get paid automatically, aligning with his pay. He does own research as he feels 'compare market' tools are biased.
- Say** "I am willing to pay in the short term for long term savings if you give me the data I need."
- Do** Does cost/benefit analysis when considering big investments for home, (e.g. solar panels). He sets up bill smoothing to better manage money after a recommendation from a colleague.



Ways to satisfy



Provide me ways to reduce my ongoing home costs through rebates and incentives.



Impactful messaging, visuals and education on ways to reduce costs for households.



Help teach kids good habits around water usage and safety.



Brian, 60, 'Lifestyle & Leisure'



Homeowner/
Landlord

"We have just downsized and moved closer to town so we can walk to most places."



'Lifestyle & Leisure', Brian, 60, Part-time + Super, Married



Brian and his wife live in Townsville. Brian is semi-retired, but still contracts for weeks or months at a time and looks to officially retire in the next year. He works in airport fire safety, so may need to travel locally or globally. His wife will come with him and they will turn work trips into leisure travel. They have recently moved out of their house and bought an apartment in centre of town. They now manage 3 rentals. They have 2 adult children in their 30s, one daughter with a son and pregnant with their 2nd grandkid. They are currently working out their retirement plan.



Born in Australia.



Living in water restrictions Level 2 and 3

Attention

- Think** It is time to enjoy life and only work when I need too. He likes the community they live in with lots of familiar faces.
- Feel** We are able to create a home that is perfect for the two of us with room for family to visit. He doesn't like asking for Strata approval.
- Say** "We have just downsized and moved closer to town so we can walk to most places."
- Do** Recently downsized their home after their 31 year old son moved out. They are planning to travel for a 3-6 months at a time and will AirBnB their apartment.

Connection



- Think** Like to keep up to date with technology and will purchase new apple and lifestyle products within first 3 months.
- Feel** Likes to have technology on him at all time, but likes to have larger screens to get work/research done.
- Say** "Ok Google, where should we go on our next trip?"
- Do** Have a GoogleHome as it was a Christmas gift, using it for weather and listening to the radio. He sees it as a fun gimmick.

Motivation

- Think** Excited for their second grandkid and to take time to travel around Australia and overseas.
- Feel** Glad they will be able to FaceTime from their trip so they don't miss important moments.
- Say** "We want no surprises! We should make sure everything is paid off or set up to pay before we leave."
- Do** Assess what they need to organise in relation to home, family and work to keep everything running on their trips.

Wallet + Time

- Think** Knows what to expect with bills, having everything set up to pay through direct debit or credit card. Monthly or quarterly he will review bills to make sure cost is as expected.
- Feel** We've got time to enjoy our lives and the money to do it.
- Say** "If I can get a discount by paying a certain way, we will do it."
- Do** Uses an app to track finances for his contract work, savings and Super. He will sign up for direct debit if he gets a discount but likes to pay on credit card so he only has to manage most bills by paying that off.



Ways to satisfy



Easy digital options to review account and bill information from the road.



Education on water challenges locally and nationally.



Information on ways to be more water efficient in the home.



Tilly, 75, 'Stable & Secure'



Homeowner

"I take the time to call or go into the shop, I like to talk to someone."



Stable & Secure', Tilly, 75, Pensioner, Widowed



Tilly is originally from the UK and moved to WA when she met her husband, settling in Bunbury, WA. Her husband has recently passed away. She is on a pension having retired 15 years ago, but has recently started volunteering at the local hospital kiosk. She has 3 grandchildren, some living close by and others in Perth. She lives in the family home her children grew up in and may look to downsize soon to keep costs down. She enjoys having her big garden and room for visitors.



Originally from UK, moved to Australia when she met her husband.



Grew up with no water issues, since moving to Australia experienced drought.

Attention

- Think** She trusts that the Government and authorities are making investments to support the future, especially challenges with climate and infrastructure.
- Feel** Feel less control over her actions, her focus is on her family and friends.
- Say** "I'm not sure what impact I can make."
- Do** Spends a lot of time in her garden, recently planting less water hungry plants.

Connection



- Think** Phone is nice for getting information quickly but she prefers a larger screen on her desktop at home.
- Feel** Technology is taking over and she likes to interact with people.
- Say** "Use my phone for google, texts, photos and phone calls, I still use my house phone."
- Do** Uses her phone to keep up with family overseas over Facebook, email, banking and google. She keeps up with the news via BBC on her TV, watching global news rather than Australian.

Motivation

- Think** She has a lot more time and spends time catching up with friends and family.
- Feel** Sometimes feels lonely with the loss of her husband and is spending more time in the garden.
- Say** "I want to spend time with my grandkids when I can."
- Do** Spends a lot of time with her grandkids to help her daughter when she is at work.

Wallet + Time

- Think** Has difficulty keeping up with expenses, so has set up a separate account to set aside money for bills, so that she can pay them as they come and feels she has control of her money.
- Feel** Glad she gets a pension rate on most of her bills, but is concerned that the cost always go up. She feels nervous about affording her home in the long term.
- Say** "I call or go into the shop as I like to talk to someone."
- Do** Started a 1 day job a week at the local hospital to support her pension and to keep busy. Her children tried to set up BPAY, but she likes to go to the post office to pay.



Ways to satisfy



Support easy interactions where she interacts with a real person.



Create a physical presence of education and calls to action in her local community.



Support me in managing my bills and supporting me on my pension.



Individuals can feel vulnerable or have difficulty affording to live in their home at anytime for some this is everyday.

Vulnerability is real for nearly three million Australians who live below the poverty line, including almost 750,000 children.

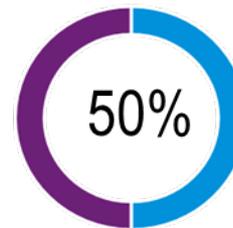
Vulnerability can affect anyone through a sudden change of situation, such as a death in the family, injury at work or job loss. There are individuals who are more at risk and experiencing vulnerability:

- Aboriginal and Torres Strait Islander people;
- Culturally and linguistically diverse (CALD) communities;
- Disability and mental illness;
- Family violence; and
- Hardship.

In the water sector, customers who are struggling to pay the water costs for the home will need access to payment assistance which can be adapted to their own circumstances empowering them and supporting them with tailored solutions and empathetic services.



Of people live in poverty in Australia (just under 3 million).



Of people have struggled to pay a utility bill in the last 12 months.



Everyone could be vulnerable, what if it happened to the individuals of 2023.

Tilly, 75,
'Stable & Secure'

What if Tilly becomes disabled and suffers from hearing loss?



Sara, 28,
"Open Opportunist"

What if Sara struggles with post-partum depression?



Ron, 42,
'Family Matters'

What if Ron's parents get sick in India and they need to work out the way to get them the best medical treatment?



Elyse, 26,
'Mindful Millennial'

What if Elyse was diagnosed with anxiety after leaving an unsafe relationship?



Brian, 60,
'Lifestyle & Leisure'

What if Brian's wife was diagnosed with cancer that required expensive treatments?



Sally & Stuart, 30,
"Success Seekers"

What if Stu was injured at work and wasn't able to work?



Megatrends

Factors ranging from digital infrastructure to availability of human capital can affect which businesses are positioned to enter and successfully capture consumers in the modern digital landscape. For the water industry shifts in social, economical, political and environmental factors are having impacts to how individuals manage their home and even when they choose to lay their roots. These factors are important to consider when thinking about the customer of the future.



Social, economic, environmental & technological changes are increasingly impacting the individual.



Technology

Internet of Things (IoT) – we are growing ever more connected with the internet in everything that impacts our lives, from engineering to health, infrastructure, agriculture and more. In seeking to drive efficiencies, utilities are now fully investigating smart networks.

Artificial Intelligence – the availability of powerful and inexpensive processing power coupled with advances in artificial intelligence (AI), natural language processing and the exponential growth of data, have also created an opportunity for water businesses to build two way communication with customers.

Smart Infrastructure – current and emerging technologies are changing the treatment of water, the ways in which water providers operate and compete and the services that customers expect.



Economy

Economic interconnectedness – the interconnected global economy will see a continued increase in the levels of international trade and capital flows, (approx. 5% annually). Export of water-intensive commodities raises national water demand and is particularly relevant for Australia's future vision of becoming a premium food bowl for Asia.

Public debt – global public debt has increased from \$70tn to \$100tn in past six years and is expected to operate as a significant constraint on fiscal and policy options through to 2030 and beyond. Some state economies are performing strongly while others lag. This has implications for the affordability of service models, pricing models and ownership structures.

Economic power shift – developing economies are predicted to contribute to about 57% of the global GDP by 2030. Despite strong growth these countries are likely to face serious water shortage and contamination challenges and may need to resort to water-rich countries to meet water requirements.



Society

Evolving demographics – Australia is about to see the wholesale retirement of a generation of baby boomers, an influx of permanent and temporary immigrants in some regions and the growing influence of millennials. Very different services and infrastructure will be required to accommodate retirees, immigrants and millennials. Water utilities will also need to inspire a new generation of talent.

Rise of the individual – consumers are increasingly demanding higher levels of service quality than ever before. From a workforce perspective, employees are also increasing their expectations, creating pressures for utilities. However, the growth of the global middle class, (1.8bn in 2009 to 3.2bn in 2020), will also provide higher expectations and the opportunity for non-regulated value add products and services.

Generational shift in life events – for a long time life stages for people were easier to related to age, such as first job, car, home, marriage, child, or retirement. However, if you look at millennials a lot of them are yet to purchase a first home due to the market or a view to live with their parents longer. Financial uncertainty in old age as we are living longer impacts individuals in their ability to retire.



Environment

Climate change – rapid climate change and extreme weather events are being driven by rising greenhouse gas emissions disrupting the natural environment. Advanced utilities are moving from reactive to proactive business models to anticipate customer enquiries and resolve them quickly without the need to call.

Resource stress – the combined pressures of population growth, economic growth and climate change will place increased stress on essential natural resources, (including water, food, arable land and energy). These issues will impact future needs and expectations for customers.

Urbanisation – urbanisation is creating significant opportunities for social and economic development and more sustainable living, but is also exerting pressure on infrastructure and resources, particularly energy.

We considered how megatrends may impact the individual and shift your business focus in the future.

Technology



IoT – Smart Meters are rolled out in all homes across Australia.

Smart Water Infrastructure – Smart Monitoring is part of future planning.

AI – chatbots take over simple customer support tasks online and over the phone.

AI – Aggregate billing and support consumers managing their home in one place.

Automation – field jobs are able to be managed from a central point or via deployed drones.

Automation – driverless cars redefine individuals commute and transport infrastructure.

Economy



Globalisation – individuals move overseas for a point in time for career and travel purposes.

Public debt – government are less able to fund improvements to ageing infrastructure.

Housing affordability – increase in interest rates put press on current homeowners, and drive 'lifetime renters'.

Retirement affordability – Baby Boomers retiring puts pressure Superannuation industry and government ability to support pensions.

Future skills – automation sees changes job market in key sectors (e.g. manufacturing, agriculture) and front-line staff.

Society



Evolving demographics – continued immigration puts pressure to support linguistic and cultural needs.

Expectations – individuals expect the same experience no matter the product or service.

Expectations – individuals move from metro areas to outer metro or regional to get more value for money in their home and lifestyle.

Generational shift – adult kids live with parents to save for their first home.

Generational shift – parents move in with Adult children to be able to afford retirement costs.

Environment



Resource stress – population growth puts pressure on infrastructure to deliver services.

Resource stress – market becomes deregulated with foreign investment. Innovation moves water off-grid.

Urbanisation – major cities evolve into two or three cities. Regional areas get more infrastructure to support population growth.

Climate change – extreme weather in rising sea levels, flooding and drought impacts asset and service delivery.

Climate change – government regulation drives organisations to be carbon neutral when delivering services and products.

The social, political, environmental and technological changes will have varying impacts to the individual.

Possible scenarios

Elyse moves overseas



Does: Quits job to travel, uses her savings to book 3 month trip with goal to live and work in UK for 2 years.

Feels: Excited and nervous

Trends: Globalisation

Brian's nest is no longer empty



Does: Allows adult children (and partner) to move back in to their home to support them in saving money to purchase a home. Continues to work to support household. Dips into retirement savings to support children purchase first home.

Feels: Grateful that he can afford to support children.

Trends: Generational shift, housing affordability

Sara manages the rental



Does: Ali's parents move to Australia and move in with Sara and Ali. Unable to afford to buy a home, so rent a 3 bedroom in a low-cost area. Manages all household bills out of ones place and can ask for support on payments when needed. Ali loses his job at the dairy farm, becomes a taxi driver and starts to study at TAFE.

Feels: Stressed about their finances and added pressure to support in-laws.

Trends: Housing affordability, AI, Future Skills, Demographics

Tilly reports a leak



Does: Tries to report a leak in the street over phone, gives up and gets daughter to do it. Receive updates on "water drones" progress.

Feels: Overwhelmed by the technology and misses a human connection when dealing with services.

Trends: Resource stress Automation, AI, Smart Infrastructure, Expectations

2023

Does: Tilly is diagnosed with Parkinson's disease and is not allowed to live alone. Sells home can't afford mortgage and health care. Moves in with daughter and family supports home.

Feels: Distraught that she's unable to support her retirement on her own.

Trends: Generational shifts, retirement affordability

Tilly moves in with daughter



2025

Does: Sal and Stu have their first child through IVF. Sal loses job due to new start up. Sal and Stu choose to start fresh in regional NSW to have more room for their growing family, feel part of a community and allow Sal a fresh start.

Feels: Glad they can visit grandparents easily with driverless car commuting.

Trends: Automation, Urbanisation, Expectations, Future skills, Resource stress

Stu & Sal have a tree-change

2027

Does: Moves home after losing job in UK. Moves in with friend for cheap rent. Actively looking for a job. Realises she has an unpaid credit card statement and is in arrears.

Feels: stressed with financial struggles.

Trends: Future skills, housing affordability

Elyse moves home



2028

Does: Invests in smart home tech and energy efficiency products to reduce reliance on the grid, and reduce long term spend when it comes to energy.

Feels: Appreciates how the data allows him to understand usage and how this changes seasonally.

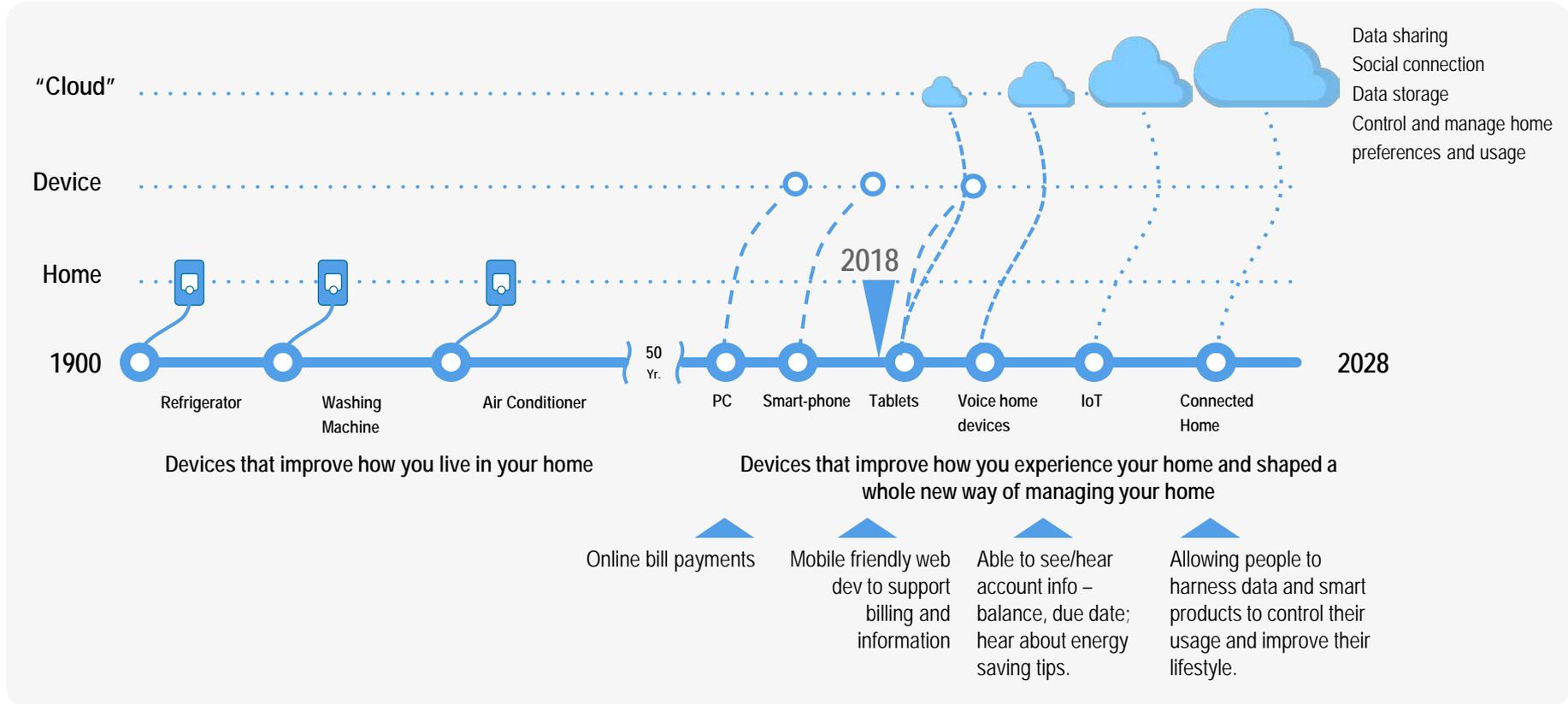
Trends: IoT, Smart Infrastructure, Expectations, Resource Stress.

Ron invests in a smart home



Increasingly our devices are shifting from supporting us in our homes to becoming central in how we manage our lives.

Gartner is predicting a typical family home could contain more than 500 connected devices by 2022, but right now most consumers see connected home as a nebulous term without a clear value proposition.



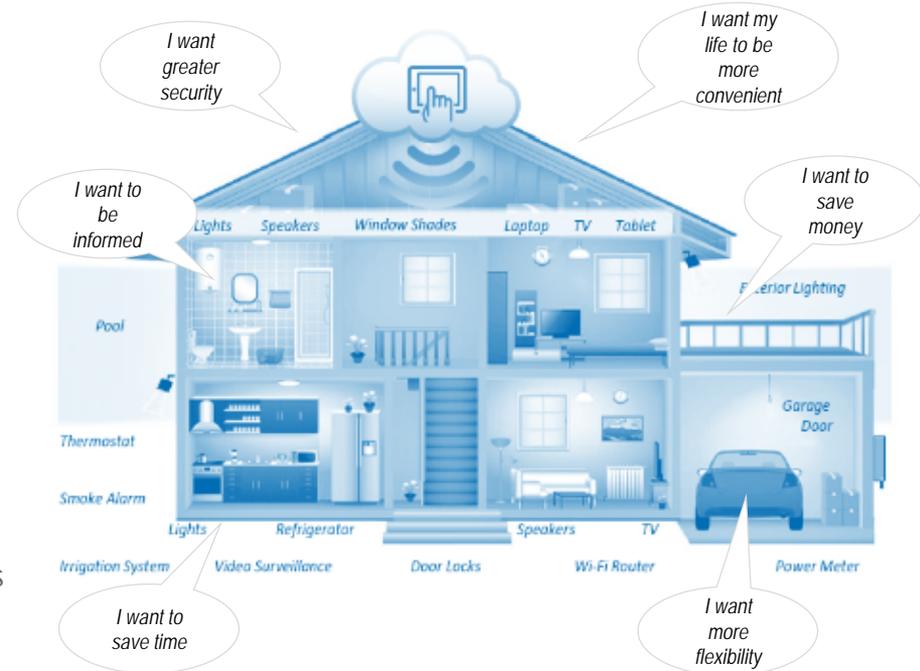
The home is getting increasingly connected which will change how we experience our home in the future.

Water in the home today

- Homes in metro areas have potable water supply and in some locations an additional recycled water supply.
- Gravity sewer systems are in place in city urban areas in addition to pumped sewerage in other locations.
- The majority of freestanding homes in metro areas have some form of irrigation, whether it be manual hoses or semi-automated systems utilising some type of controller. Increasing uptake of rainwater tanks in homes.
- Digital meters today can monitor water and electricity usage from a device, these are not common and up to the individual investing.

Water in the home tomorrow

- As we become more and more connected with smart phones, smart meters or even Smart Fridges, there is the ability to collect data and for the individual to monitor and control their home remotely.
- Services to the home will become highly integrated and centrally managed through a home controller (such as Alexa, HomePod, Nest). This home controller will manage the home's operation and predict future usage through a personalised user experience. Individuals can track their costs, receive alerts and monitor their usage.
- Many homeowners will have smart meters in their homes that can provide information to third-parties, for example back to Smart City systems.
- Billing for all services will be frequent and most often via the provider of the home controller ("the aggregator").
- Homes will have local water quality sensing capability and be able to access water quality information from the supplier of their water.
- Lab-on-chip biosensors will be deployed in toilet and home sewer systems for health diagnostics of the people living in the home.
- Intelligent rainwater harvesting will be an integral part of all dwellings.



Customer focus areas

The focus areas are based upon understanding the future, outputs from a workshop of WSAA members in May 2018 and considering current megatrends and future disruptors. The focus areas focus on customer needs:

1. Reliable service
2. Cost savings
3. Connecting to the individual
4. Sustainable future

These focus areas will have a varying impact to a Water Utility depending on their current customer-centric capability.



Today, customer expectations are evolving & as the pace of change continues the water industry will struggle to keep up.

Water is being compared to other markets, but regulators are behind the times. We are falling short. However we have inside and outside challenges that are impacting our ability to keep up with customer needs.



With a traditionally engineer minded culture, the water utility industry has little appetite for failure investments on outcomes that may only last for a, (maximum), 3 year lifecycle. In addition, to your day to day priorities of infrastructure, you are being pushed and pulled by changing government priorities and direction.

How do we think today?



Engineering minded culture, fast-fail is a difficult concept.

Asset focused

Risk adverse

Monopoly minded

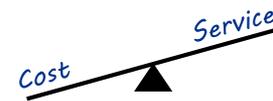
When your focus is reducing price to customers, additional CapEx or OpEx spend to support digital customer needs are difficult to create business cases that show how you will deliver tangible results.



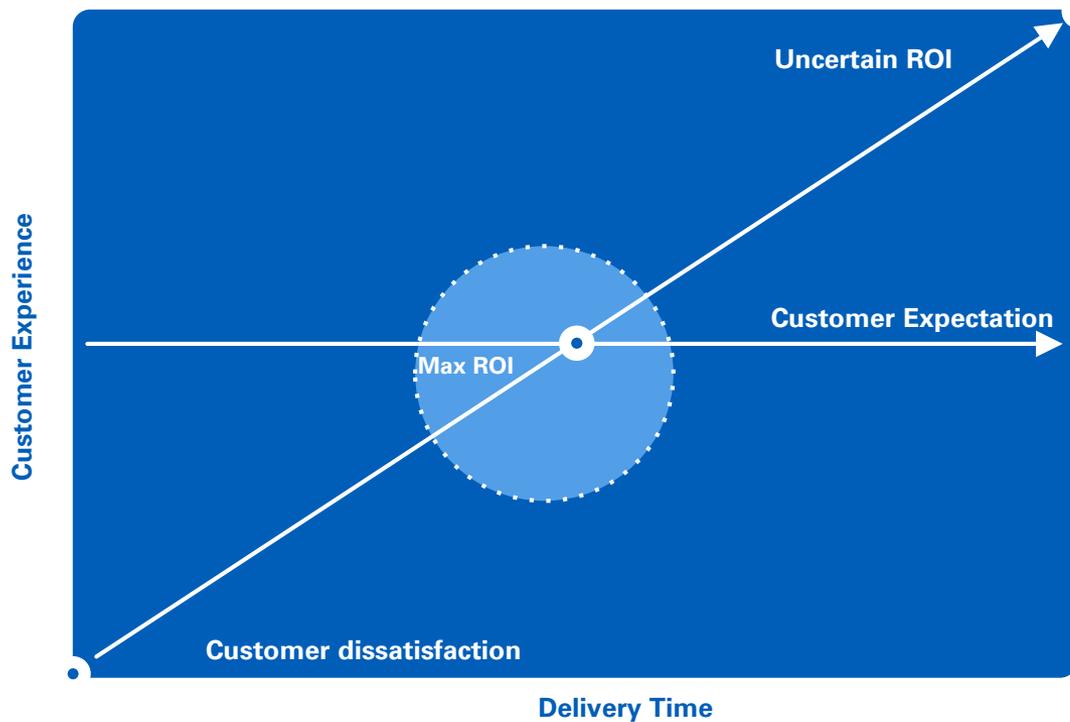
Price is King

“Why would we want to invest”

CX spend is hard to justify, limited tangible benefits to define in a business case.



Understanding the Economics of CX will help you focus on what will get maximum return for your customers.



1. Maximising customer experience is a costly proposition with uncertain 'return on investment' (ROI)
2. Not spending enough on customer experience can result in customer dissatisfaction. In a competitive environment, this could drive them towards competition or alternative options. That is why it is important to understand what your value proposition is today and tomorrow.
3. Hitting the 'Goldilocks Zone' by focusing on the top four friction points that matter most to customers will result in the maximum ROI. Examples may include billing, education support, leak and home renovation/development.

Customers are expecting more from you, it is time to create the value proposition for the future.

'The individual' Customer-centricity

Everyone is a customer



Segmentation is so 2017; 2018 is about the individual.

It is time to understand the customer and be empathetic by default across the organisation, not just in the front-line. We need to understand what is real value for customers and how do we become 'more visible' in the right ways.



"Thanks for my water today"

Considering each customer as an individual puts a difference lens on your services. Is it for life or lifestyle? This allows us to see the different needs and wants of the individual. Customer ease, not effort.



Focus on what I care about?

CVP = Service + usage + ?

Where is there real value?

Brand Promise today for tomorrow



Become invisible.
Remove a pain point.



No billing, no problems.



Build your brand.
Redefine your value.

Ethnographic research indicated that customers group you into the activities around 'managing their home' specifically billing. In the future, what if the water industry were to forget the bill as the main interaction and focused on providing supportive interactions. What could be the future interactions and what tools and knowledge are needed.



Support me.
Connect with me.
Educate me!

Build your brand, with **more** than service. Provide education to influence future customer behaviour, letting them know where their money is used. Target offerings based on needs, (e.g. special support for hardship, new billing options to support pay cycles).

Your staff and partners must lead with empathy in everything they do to support the future customer value proposition.

Future workforce

From the top down, how do we offer an attractive career to the employee of the future? We want to attract, retain, train and maintain jobs and skills for the next generation. How do we use our strengths and make them stronger if we had competition?



Our people: Get employees to dial it up. Think about the person. Be local. Build trust. Reflect outside values inside .

How can we learn from each other, gain from our differing maturity around customer across Australia? What lessons are there from ourselves and other lessons that we can harness, and reduce risk and try to build innovation?



Utilities are in the best position to Share and learn from each other. Partner wisely to collaborate, innovate & educate

Who can be our partners? How can you best leverage private and public partners to get the best experience for customers, and make a meaningful impact to community issues, (e.g. sustainability, health, etc.).

Employee experience



Empathy: #1 pillar

Empathy is part of what we do in serving customers today, but it is not always exemplified in other areas of the business. We need to build strong customer-centric cultures, where empathy, trust and collaboration are part of everything we do everyday for everyone.

What can we do to make sure our values are resonated by the actions of our employees. How do make sure that our employees become ambassadors for everything we do?

$$\text{Employee experience (Brand ambassador)} + \text{Customer experience} = \text{Customer Satisfaction}$$

Traditionally, you come from risk adverse cultures with an asset-centric mindset. Engage all levels to be the change, enabling a culture of change and innovation through human-centred techniques such as design thinking.



Organisational agility, bring change and innovation into the psyche. Desirability, feasibility, viability.

A culture shift needs to occur across the industry to support a fail-fast innovation and change mindset.

Adapting to change

Fix the basics. When it comes to supporting your customers and staff today, it is time to listen, learn, act to drive real change. You want to be able to act fast, introducing new ways of working when to respond to customer needs and reduce friction points in the experience of today.

Transparency = trustworthy + fair



We need to stop looking at yesterday to predict tomorrow. Use our data better... our data and external sources.

- Tech to drive quality + continuity
- Leverage platforms and partners to reduce tech debt.
- More data, what will data do to us and for us?
- How do we ensure privacy and trust is achieved?
- Smart usage data, gamify behaviour through data.

Continuous Improvement + *Digital Program* = *Delivery Model*

Disrupt everyday

We need to prepare to be disrupted, whether is through competition, technology or environmental factors. Prepare for disruption.

Today, customer is the disruptor. We need to focus on the thing they care about and support them. We need to be able to provide them the right channel for every customer every time. What is most important to them?



You are a monopoly, but what if you weren't? What do you do or could do to make sure customers choose you.

Choice = price + value + ?

How do we drive our investments and business cases towards the future? We need to define different ways of thinking; with a social licence to operate.

Customer of today vs. Customer of tomorrow

Customer focus areas will redefine your customer value proposition to meet your future customers' needs.

Managing my home (my wallet & time)

Water is not in the forefront of how households manage their lives. It is seen as an expense and in time of water crisis a burden for customers to act on. Individuals interact with your products and services everyday and there is an unspoken trust. Looking forward you need to leverage this trust to provide more focused experiences and options to individuals and communities.

Supporting my life (my attention & motivation)

Water is a source that is taken for granted until there is a shortage. When there is drought or water restrictions, individuals have a call to action and most communities rally together for the greater good. However, with customer expectations continually changing people are less inclined with the 'stick' versus 'carrot' approach of water restrictions and want to be both educated and rewarded for making sustainable water behaviours.

Connect with me (my connection)

As technology innovation accelerates, new devices and tools are gaining more users in less time. As a result of our increased connectivity, we are having more digitally 'connected' expectations. To meet these ongoing needs, you will need to achieve economies of scale by aligning with 3rd parties to enrich your data and reduce technology debt. Your focus should be using technology to best support, educate and engage now and into the future.

Focus on areas which mean something to the individual:

CVP = Reliable service + cost savings + connecting with the individual + sustainable future



Everyone is a customer. Connect with them when it matters to them.



1. Reliable service

	Focus areas	Ways to get started	Business Benefits	Customer Benefits
1	<p>Make customer-centric behaviours real for everyone from group executive to back-office staff.</p>	<ul style="list-style-type: none"> • Embed a customer-driven purpose and vision across the industry, define the future together. • Identify areas that can be improved within 90 days and will have incremental uplift in experience for either customers or staff. • Realign standards for service delivery of your staff and partners to industry-wide commitment to customer service. • Define supporting behaviours (softer skills) for consistent service delivery in line with the brand promise. The focus will be on staff and partner interactions with customers. 	<ul style="list-style-type: none"> • Shared purpose across the industry • Strong culture 	<ul style="list-style-type: none"> • Brand trust
2	<p>Plan to work together to harness relevant insights from data.</p>	<ul style="list-style-type: none"> • Identify skills required to support data analysis and modelling, recruit individuals with skills sets; or run targeted training to up-skill individuals. • Define data standards across the industry to support customer privacy and ensures integrity of your services. • Create 3rd party data sources that should be considered to enrich current data sets, (e.g. census, building permits, real estate data, retail trends related to water efficient products, etc.). • Pilot data propensity modelling with similar sized water utilities to understand trends. • Pilot products and services to offer to individuals (e.g. targeted offerings such as bore water for off-grid individuals). 	<ul style="list-style-type: none"> • Reduce tech debt • Economies of scale • Data insights drive business decisions • Efficient service delivery 	<ul style="list-style-type: none"> • Targeted offerings • Enhanced privacy and safety of data
3	<p>Prepare for ever increasing customer expectations through human-centred techniques such as design thinking.</p>	<ul style="list-style-type: none"> • Develop a combined brand strategy that unites water across Australia, and focuses messages on the value of your network and delivery. • Plan to work together to learn, test, iterate from each other, and gain economics of scale through joint pilots and execution. • Engage in a fail-fast, fail-cheaply approach to short-term projects act on insights to target the right areas to improve. 	<ul style="list-style-type: none"> • Improved trust • Innovation and agile mindset • Save money 	<ul style="list-style-type: none"> • Empathetic services in line with expectations



2. Cost Savings

Focus areas

Ways to get started

Business Benefits

Customer Benefits

<p>1 Aggregate service interactions with other energy providers related to the home to allow the individual to manage bills from one platform.</p>	<ul style="list-style-type: none"> • Define requirements, operating rhythm, performance and service indicators and APIs to determine the future service framework. • Identify partners, (e.g. financial services, Apple, Google, etc.), to support customers in easily managing their bills related to managing their home. • Identify with other service providers, (e.g. electricity, gas, insurance, council rates, Telco, etc.), the core information individuals require in reducing their bills and understanding their consumption related to the home. • Determine more flexible payment options that could be offered in bundle services with other home services, (e.g. monthly billing). • Ensure that water service on boarding mechanics for new customers are efficient to deliver great service from the front-end. • Identify new incentives or rebates that could be offered to individuals making Energy Efficient home investments, (e.g. bundled incentives for households that invest in solar, grey water and/or water tanks). 	<ul style="list-style-type: none"> • Economies of scale • Lower cost to serve • Reduced risk related to billing and support operations 	<ul style="list-style-type: none"> • Ease of service • Ease of managing bills • Enhanced support channels • Transparency
<p>2 Provide flexible payment as well as incentives and rebates to allow individuals to manage their money easily.</p>	<ul style="list-style-type: none"> • Understand flexible payments offers across Water utilities. • Use 3rd party data sources to help understand customers who may experience hardship and define flexible payment options and discounts. • Determine right-fit flexible options to support individuals across all economic situations. • Determine best flexible options available to support individuals across all economic situations. • Pilot flexible payments for a cohort of customers to see what options support the individual's financial situation. • Target options around incentives and rebates based on the individuals life stage, (e.g. home owner applying for a DA to renovate). 	<ul style="list-style-type: none"> • Less delinquent payments 	<ul style="list-style-type: none"> • Flexibility in payment • Use less, pay less • Invest more, pay less
<p>3 Be transparent on water usage and costs.</p>	<ul style="list-style-type: none"> • Determine ways to provide individuals more data to understand their usage and identify ways to reduce costs. • Expose the data for digital consumption. • Identify areas to improve communication across channels to help individuals understand their usage. 	<ul style="list-style-type: none"> • Build trust • Reduce human-assisted costs 	<ul style="list-style-type: none"> • Self-service • Tailored information



3. Connecting with the individual

	Focus areas	Ways to get started	Business Benefits	Customer Benefits
1	Define a standardised Customer Intelligence approach to gain insights to improve customer experience and achieve economies of scale.	<ul style="list-style-type: none"> Review current VOC programs across the industry and determine leading practice for water. Identify a standard measurement approach across brand, journey, channels and interactions. Determine business approach and data modeling requirements to support root-cause analysis. Define continuous improvement approach to ensure feedback inform business and operational improvements. 	<ul style="list-style-type: none"> Customer voice informs decisions 	<ul style="list-style-type: none"> Expectations are met
2	Know your customers by using AI to continually improve your data and learn from your customers.	<ul style="list-style-type: none"> Understand the individuals motivators (e.g. cost consciousness, affordability, green conscious or in-control) and how their life stage may impact their motivations through social sentiment or census data. Overlay water usage data to identify targeted improvements: <ul style="list-style-type: none"> Payment options and support; Information around usage reduction; Community awareness on local issues; Community awareness on planned infrastructure investments; Training improvements where there is gaps in staff knowledge; and Digital improvements. Support individuals so they are able to be support experience with empathy and integrity. Ensure digital experiences tone reflect customer needs empathetically. Determine individuals who will gain value from smart meters. Identify opportunities for automation across the industry. 	<ul style="list-style-type: none"> Less complaints Reduce tech debt Real-time customer insights to inform improve operations 	<ul style="list-style-type: none"> Tailored support Reduced time and effort
3	Create a social connection for targeted audiences.	<ul style="list-style-type: none"> Run a social media diagnostic to understand customer sentiment related to water services and general water issues across Australia. Develop social media campaigns targeting individuals Identify social media channels and partnerships to target specific information for maximum impact and audience reach. 	<ul style="list-style-type: none"> Low cost channel 	<ul style="list-style-type: none"> Targeted information in social channels



4. Sustainable future

	Focus areas	Ways to get started	Business Benefits	Customer Benefits
1	<p>Help individuals to understand how their actions make an impact through industry-wide marketing across channels:</p> <ul style="list-style-type: none"> • Water consumption reduction; • Off-grid options; • Affordable pricing options; • Incentives and rebates; • Sustainable habits; and • Local initiatives in the area. 	<ul style="list-style-type: none"> • Review current programs across the industry and identify what programs are gaining traction for metro and regional customers. • Design education and communications materials and test, iterate based on feedback from customers, (looking to get a cross-section of demographics). • Understand what education can be rolled out nationally, state-wide and locally. • Determine ways to gamify sustainable behaviour through fast-fail pilots, so you can test, learn and iterate in real-time, (e.g. re-fill water bottle options at universities O-week). 	<ul style="list-style-type: none"> • Shared purpose across the industry • Increased brand reputation • Safe to fail pilots 	<ul style="list-style-type: none"> • Transparency in usage • Improved access to relevant information and channels
2	<p>Partner with organisations for outreach and action in the community such as:</p> <ul style="list-style-type: none"> • Local retail businesses (e.g. Home Improvement); • Education institutions; • Local community groups; • Local non-profit organisations; and • Local/state government agencies. 	<ul style="list-style-type: none"> • Identify roles and responsibilities required to support partnerships across the industry. • Identify potential partners that will align to the needs of the individuals in the community, (e.g. Regional communities partnering with the local supermarket or home improvement store, etc.) • Determine partnerships that will be required to support different aspects for an individual, (e.g. Home Improvement, support for Vulnerable customers, billing affordability, sustainability). 	<ul style="list-style-type: none"> • Economies of scale through partnerships • Lower cost to educate 	<ul style="list-style-type: none"> • More options for information from wide variety of sources
3	<p>Give individuals a voice in planning future infrastructure initiatives.</p>	<ul style="list-style-type: none"> • Identify community programs within water and adjacent industries you could partner with to give individuals a voice. • Determine ways to engage through low-cost channels. 	<ul style="list-style-type: none"> • Reduction in burden on infrastructure • Innovation 	<ul style="list-style-type: none"> • Active voice in areas that matter to the individual

About WSAA

The Water Services Association of Australia (WSAA) is the peak body that supports the Australian urban water industry. Our members provide water and sewerage services to over 20 million customers in Australia and New Zealand and many of Australia's largest industrial and commercial enterprises. WSAA facilitates collaboration, knowledge sharing, networking and cooperation within the urban water industry. The collegiate approach of its members has led to industry-wide advances to national water issues. WSAA can demonstrate success in standardising industry performance monitoring and benchmarking, as well as many research outcomes of national significance. The Executive of the Association retains strong links with policy makers and legislative bodies and their influencers, to monitor emerging issues of importance. WSAA is regularly consulted and its advice sought by decision makers when developing strategic directions for the water industry.

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