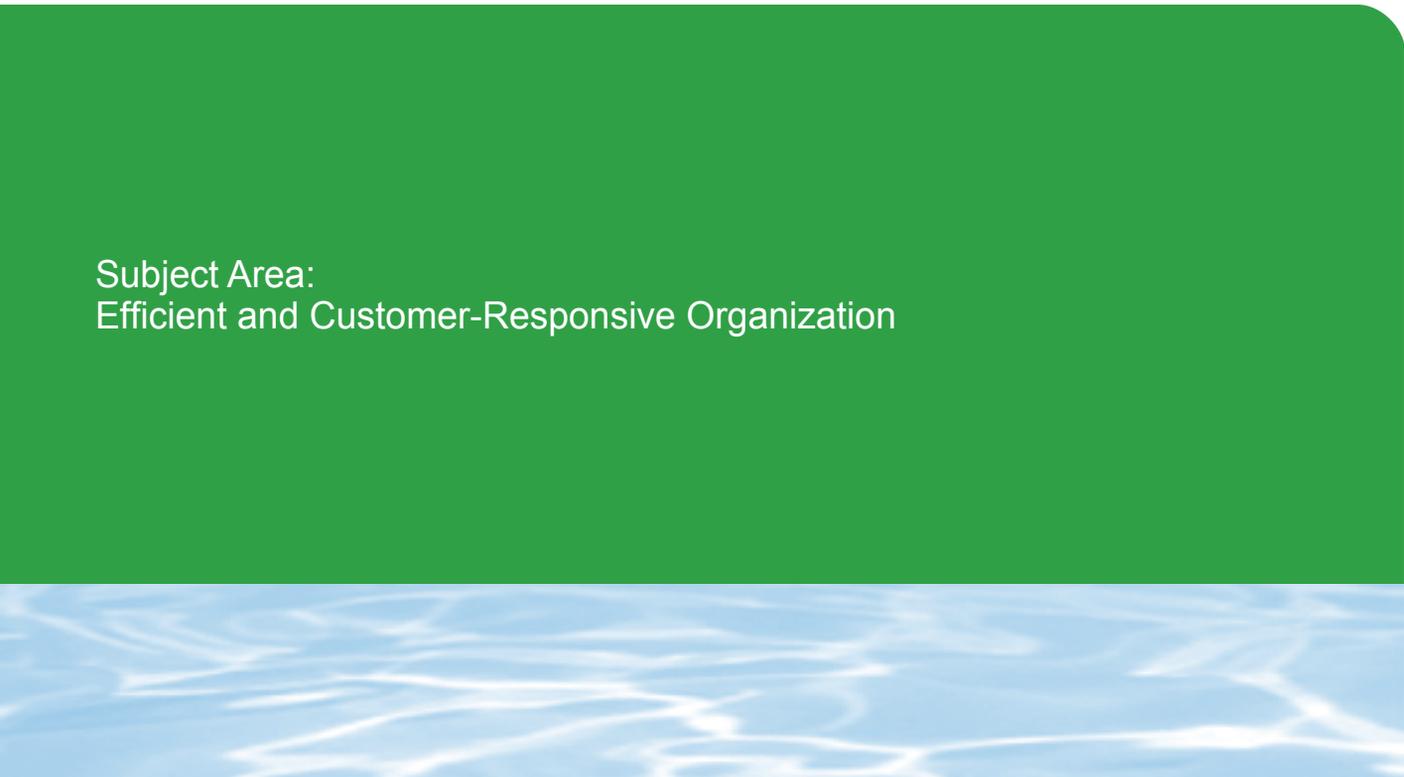




Communicating the Value of Water:

An Introductory Guide for Water Utilities

Subject Area:
Efficient and Customer-Responsive Organization



Communicating the Value of Water:

An Introductory Guide for Water Utilities



About the Awwa Research Foundation

The Awwa Research Foundation (AwwaRF) is a member-supported, international, nonprofit organization that sponsors research to enable water utilities, public health agencies, and other professionals to provide safe and affordable drinking water to consumers.

The Foundation's mission is to advance the science of water to improve the quality of life. To achieve this mission, the Foundation sponsors studies on all aspects of drinking water, including supply and resources, treatment, monitoring and analysis, distribution, management, and health effects. Funding for research is provided primarily by subscription payments from approximately 1,000 utilities, consulting firms, and manufacturers in North America and abroad. Additional funding comes from collaborative partnerships with other national and international organizations, allowing for resources to be leveraged, expertise to be shared, and broad-based knowledge to be developed and disseminated. Government funding serves as a third source of research dollars.

From its headquarters in Denver, Colorado, the Foundation's staff directs and supports the efforts of more than 800 volunteers who serve on the board of trustees and various committees. These volunteers represent many facets of the water industry, and contribute their expertise to select and monitor research studies that benefit the entire drinking water community.

The results of research are disseminated through a number of channels, including reports, the Web site, conferences, and periodicals.

For subscribers, the Foundation serves as a cooperative program in which water suppliers unite to pool their resources. By applying Foundation research findings, these water suppliers can save substantial costs and stay on the leading edge of drinking water science and technology. Since its inception, AwwaRF has supplied the water community with more than \$300 million in applied research.

More information about the Foundation and how to become a subscriber is available on the Web at www.awwarf.org.

Communicating the Value of Water:

An Introductory Guide for Water Utilities

Prepared by:

Edward Means, Zaid Chowdhury, Garret Westerhoff, and Laurel Passantino
Malcolm Pirnie, Inc.

104 Corporate Park Drive, Box 751, White Plains, NY 10602

and

John Ruetan

Resource Trends, Inc.

3652 Via Lujosa, Escondido, CA 92025

Jointly sponsored by:

Awwa Research Foundation

6666 West Quincy Avenue, Denver, CO 80235-3098

and

U.S. Environmental Protection Agency

Washington, D.C.

Published by:



Distributed by:



DISCLAIMER

This study was jointly funded by the Awwa Research Foundation (AwwaRF) and U.S. Environmental Protection Agency (USEPA) under Cooperative Agreement No. CR-83110401. AwwaRF and the USEPA assume no responsibility for the content of the research study reported in this publication or for the opinions or statements of fact expressed in the report. The mention of trade names for commercial products does not represent or imply the approval or endorsement of AwwaRF or the USEPA. This report is presented solely for informational purposes.

Copyright © 2008
by Awwa Research Foundation

ALL RIGHTS RESERVED.
No part of this publication may be copied, reproduced
or otherwise utilized without permission.

ISBN 978-1-60573-016-5

Printed in the U.S.A.



Printed on recycled paper

CONTENTS

TABLES	ix
FIGURES	xi
FOREWORD	xiii
ACKNOWLEDGMENTS	xv
EXECUTIVE SUMMARY	xvii
CHAPTER 1 INTRODUCTION	1
The Need for Communicating The Value of Water.....	1
Defining the Value of Water.....	5
Sustainable Utility Management.....	6
Existing Communications Efforts and Programs.....	7
Project Objectives	8
CHAPTER 2 METHODOLOGY	9
Project Approach	9
Special Survey of Utility Leaders and Water Professionals	11
Workshops with Utility Partners.....	12
Focus Groups with Elected and Appointed Officials	13
Interviews with Newspaper Media Personnel.....	15
Case Studies Illustrating Communication Efforts.....	17
Interviews with Industry Leaders on the Communications Model.....	17
Guidance Document Organization.....	18
CHAPTER 3 LITERATURE REVIEW	19
Trust in Government.....	19
Water Utility Communication with Customers	21
Defining the Value of Water.....	27
Marketing and Branding	29
Corporate Social Responsibility and Sustainability.....	32
The Media – Important Considerations	37
CHAPTER 4 FINDINGS.....	43
Literature Review.....	43
Special Survey of Utility Leaders and Water Professionals	44
How Well is the Value of Water Defined?	44
How Well is the Value of Water Being Communicated?	45
What are the Most Significant Reasons for Lack of Communication?	46
Is Communication Essential for Obtaining Adequate Financial Resources?	46
Who Within the Utility has the Overall Responsibility to Ensure Effective Communication?.....	47

What are the Various Ways a Water Utility Can Improve Communication of the Value of Water?	47
What is the Role of Branding in Utility Communications?	47
Utility Workshops	48
Workshop No. 1 – San Diego, California	48
Workshop No. 2 – Cincinnati, Ohio	52
Focus Groups with Elected and Appointed Officials	53
Metropolitan Council of Governments Focus Group – Washington, DC	53
ICMA Annual Conference and Webcasts – San Antonio, Texas	54
Mayors Water Council – Santa Barbara, California	55
Newspaper Media Interviews	56
How Well Do You Think Communities Understand and Appreciate the Value of Water?	56
How Do You Think the Value of Water is Currently Communicated to the Public (if at all)?.....	56
How Might Communication be Improved?	56
What Do You, as a Journalist, Need to Help Communicate These Issues to the Public?.....	57
How Important are Water Sustainability and Conservation Messages in Communicating the Value of Water to the Public?	57
How Would You Characterize the Trustworthiness of Municipal Officials as They Seek to Explain Water Rate Increases?	57
Is There a Person (by Title) who Comes to Your Mind Who Would be a Credible Spokesperson to Discuss the Value of Water?.....	58
If a Water Agency Were to Proclaim at a News Conference that It Needed to Raise Water Rates, What Arguments for Such Rate Increases Do You Believe Would Be the Most Compelling?	58
Water Organization Case Studies	59
Case Study 1: Beaufort-Jasper Water & Sewer Authority.....	59
Case Study 2: Newport News Waterworks.....	61
Case Study 3: Tucson Water.....	63
Case Study 4: Charlotte-Mecklenburg Utilities.....	65
Case Study 5: East Bay Municipal Utility District.....	66
Case Study 6: Milwaukee Water Works.....	69
Case Study 7: Lehigh County Authority.....	71
Case Study 8: Seattle Public Utilities	73
Case Study 9: El Dorado Irrigation District.....	75
Non-Water Organization Case Studies	77
The Sony Corporation.....	77
The California Avocado Commission (CAC).....	78
Case Study Lessons Learned	81
Interviews with Industry Leaders on the Communications Model	81
CHAPTER 5 DISCUSSION.....	83
Literature Review and Supplemental Work.....	83
Key Messages for Communicating with Elected and Appointed Officials	84
Key Messages for Communicating Through the Media	85

Developing a Branding Strategy.....	87
Being Branded	88
Branding.....	88
The Brand.....	89
Not Just a Slogan, Logo, or Single Idea.....	89
It's Who You Are.....	89
Negative Branding of Water Utilities	89
People's Understanding of the Value of Water	90
Defining and Building the Water Utility Brand.....	91
Treating Customers as Investors and Shareholders	91
Lessons from Branding Case Studies	91
National Branding Campaigns.....	92
Defining the Water Utility Brand	92
Special Branding Relationship with Policy Makers	93
The Process of Defining the Brand.....	94
Motivating and Empowering Employees.....	95
Strategic Planning.....	95
Customer Service.....	95
Relate Communication Activities to Policy Decisions.....	95
Utility Web site.....	96
Consumer Confidence Report.....	96
Using Press Releases to Build the Brand and Tell a Story	96
Clarifying Rates and System Expansion.....	97
Aligning All Your Communications.....	97
Benefits of Building a Utility Brand.....	97
Guidelines and Toolkit for Communications Program for Water Utilities.....	98
Framework for Communicating the Value of Water	98
Model for Communicating the Value of Water	98
Introduction of the Toolkit and Its Use.....	112
CHAPTER 6 CONCLUSIONS AND FUTURE RESEARCH NEEDS	117
Valuing Water and Building Trust.....	117
Protecting the Environment	118
The Media	120
Perspectives of Stakeholders.....	120
Brand Building.....	121
Communications Messages.....	123
Successful Case Studies on Communicating the Value of Water.....	123
Framework for Communicating the Value of Water	124
Model for Communicating the Value of Water	124
Summary	124
Recommendations.....	125
Future Research Needs	125
REFERENCES	127
ABBREVIATIONS	137

TABLES

1.1	Costs associated with communicating the value of water	4
4.1	How well is the value of water being defined?.....	45
4.2	How well is the value of water being communicated?	45
4.3	Utility Workshop No. 1 Participants Responses to “What Are the Top Communication Issues when Communicating the Value of Water?”	49
4.4	Utility Workshop No. 1 Participants Responses to “What Should Be Included in a Communications Plan?”	50
4.5	Utility Workshop No. 1 Participants Responses to “What Should be Included in the Utility Brand?”	51
4.6	Utility Workshop No. 1 Participants Responses to “What Would be Helpful to Include in the Communications Toolkit?”	52
5.1	Seven steps to effective media communications	87
5.2	Greater Cincinnati Water Works Strategic Actions.....	110

FIGURES

ES.1	Model for developing plans to communicate the value of water.....	xxiv
2.1	Groups influencing operation and performance of water and wastewater utilities	9
2.2	Geographic distribution of project participants	10
3.1	Usefulness of water utility information as gauged by customers	26
3.2	Likelihood of customers viewing information from various sources	27
3.3	Components of the full value of water (not drawn to scale).....	28
3.4	Most important thing a company can do to be seen as socially responsible.....	33
3.5	Environmental issues Americans say worry them most	34
3.6	Evaluating the need to chose between the environment and economic growth	34
3.7	Evaluating the need for stricter laws to protect the environment	35
3.8	Percentage reading daily newspapers in an average week, 1999 to 2004	37
3.9	Media outlets ranked by believability.....	38
3.10	Percentage of population ever going online 1995 to 2004	39
3.11	How much of the Internet is reliable and accurate?.....	39
3.12	Network vs. local news consumption, over time	40
3.13	Story topics on local television news.....	40
3.14	Number of licensed broadcast radio stations - 1990 to 2004.....	41
3.15	U.S. population by race and ethnicity, actual and forecasted - 2000 to 2050.....	42
4.1	Growth of the avocado market in the United States	80
5.1	Basic structure for developing a plan to communicate the value of water	99
5.2	Model for developing plans to communicate the value of water.....	100
5.3	Stylized Model for developing plans to communicate the value of water.....	101

5.4 Strategic planning process 102

FOREWORD

The Awwa Research Foundation is a nonprofit corporation that is dedicated to the implementation of a research effort to help utilities respond to regulatory requirements and traditional high-priority concerns of the industry. The research agenda is developed through a process of consultation with subscribers and drinking water professionals. Under the umbrella of a Strategic Research Plan, the Research Advisory Council prioritizes the suggested projects based upon current and future needs, applicability, and past work; the recommendations are forwarded to the Board of Trustees for final selection. The foundation also sponsors research projects through the unsolicited proposal process; the Collaborative Research, Research Applications, and Tailored Collaboration programs; and various joint research efforts with organizations such as the U.S. Environmental Protection Agency, the U.S. Bureau of Reclamation, and the Association of California Water Agencies.

This publication is a result of one of these sponsored studies, and it is hoped that its findings will be applied in communities throughout the world. The following report serves not only as a means of communicating the results of the water industry's centralized research program but also as a tool to enlist the further support of the nonmember utilities and individuals.

Projects are managed closely from their inception to the final report by the foundation's staff and large cadre of volunteers who willingly contribute their time and expertise. The foundation serves a planning and management function and awards contracts to other institutions such as water utilities, universities, and engineering firms. The funding for this research effort comes primarily from the Subscription Program, through which water utilities subscribe to the research program and make an annual payment proportionate to the volume of water they deliver and consultants and manufacturers subscribe based on their annual billings. The program offers a cost-effective and fair method for funding research in the public interest.

A broad spectrum of water supply issues is addressed by the foundation's research agenda: resources, treatment and operations, distribution and storage, water quality and analysis, toxicology, economics, and management. The ultimate purpose of the coordinated effort is to assist water suppliers to provide the highest possible quality of water economically and reliably. The true benefits are realized when the results are implemented at the utility level. The foundation's trustees are pleased to offer this publication as a contribution toward that end.

David E. Rager
Chair, Board of Trustees
Awwa Research Foundation

Robert Renner, P.E.
Executive Director
Awwa Research Foundation

ACKNOWLEDGMENTS

The authors of this report are indebted to many organizations and individuals for their cooperation and participation in this project. The following list includes those that participated in the project workshops, contributed information for the case studies, donated materials to the *Communications Toolkit*, or also provided a review of the interim and final reports:

- American Water Works Association: Mr. Alan Roberson, Mr. Greg Kail, and Mr. Jack Hoffbuhr
- Beaufort-Jasper Water and Sewer Authority (South Carolina): Ms. Jerrie Legare
- California Avocado Commission: Mr. Tom Bellamore
- Charlotte-Mecklenburg Utilities (North Carolina): Mr. Vic Simpson
- City of Folsom (California): Mr. Ken Payne
- City of Palm Bay (Florida): Mr. Jason Yarborough
- City of San Diego (California): Mr. Sam Gray and Ms. Marsi Steirer
- City of Scottsdale (Arizona): Ms. Melissa Lempke and Ms. Marina Renneke
- Coachella Valley Water District (California): Mr. Mark Buehler
- Columbus Water Works (Georgia): Mr. Billy Turner
- Contra Costa Water District (California): Ms. Karen Arntzen
- Denver Water (Colorado): Ms. Marie Bassett
- East Bay Municipal Utility District (California): Mr. Dennis Diemer
- El Dorado Irrigation District (California): Ms. Deanne Kloepfer
- El Paso Water Utilities (Texas): Mr. Hector Gonzalez
- Greater Cincinnati Water Works (Ohio): Ms. Patty Burke, Mr. Steve Hellman, and Mr. David Rager
- Janney Montgomery Scott, LLC: Ms. Debra Coy
- Katz and Associates: Ms. Patsy Tennyson
- Lehigh County Authority (Pennsylvania): Ms. Liesel Adam
- Lincoln Water System (Nebraska): Mr. David Norris
- Los Angeles Department of Water and Power (California): Mr. Pankaj Parekh
- Metropolitan Domestic Water Improvement District (Arizona): Mr. Chris Hill
- Milwaukee Water Works (Wisconsin): Ms. Rosalind Rouse
- Mobile Area Water and Sewer (Alabama): Mr. Malcolm Steeves
- Mohawk Valley Water Authority (New York): Mr. Patrick Becher
- Newport News Water Works (Virginia): Mr. Brian Ramaley
- Orange County Water District (California): Mr. Ron Wildermuth
- Park Water Company (California): Ms. Jeanne-Marie Bruno
- Saint Johns River Water Management District (Florida): Mr. Alfred Canepa
- San Diego County Water Authority (California): Mr. Bill Jacoby
- Seattle Public Utilities (Washington): Mr. J. Paul Blake
- Tampa Bay Water (Florida): Ms. Koni Cassini
- Tucson Water (Arizona): Mr. Mitch Basefsky
- United States Environmental Protection Agency: Ms. Cynthia Dougherty and Mr. Stig Regli

- University of North Carolina: Mr. Douglas Crawford-Brown
- West Basin Municipal Water District (California): Ms. Uzi Daniel

Other contributors to this project include: Mr. Jay Malinowski (Malcolm Pirnie, Inc.), who conducted the media interviews; Dr. Hy Pomerance (formerly of Malcolm Pirnie, Inc.), who provided valuable direction and technical oversight of the project as the initial Principal Investigator prior to taking a position at another company; and Ms. India Williams (formerly of AwwaRF), who was the initial AwwaRF Project Officer.

The authors would also like to thank the AwwaRF Project Officer, Ms. Linda Reekie, and members of the Project Advisory Committee: Mr. Ed Archuleta (El Paso Water Utilities), Ms. Beverley Hennessey (San Francisco Public Utilities Commission), and Dr. Naomi Roseth (Cooperative Research Centre for Water Quality and Treatment).

EXECUTIVE SUMMARY

PROJECT BACKGROUND

In today's competitive business environment serving increasingly well-informed customers, water purveyors face the unrelenting challenge of attaining recognized value for the product and service they provide—the delivery of safe, reliable, affordable, and secure supplies of potable water. The nation's aging infrastructure adds to the complexity of this challenge and requires greater levels of funding. In a poll of 71 water and wastewater utility managers and other experts, an overwhelming majority identified the need for significant additional financial resources to address infrastructure renewal as a top issue confronting water and wastewater utilities. Currently, very little government funding is available for such efforts, and most utilities must rely on financial resources from their customer base.

The premise underlying this research project is that if consumers appreciate the value of a reliable supply of high-quality water and understand what is required to deliver it, they will use this precious resource wisely and will be willing to pay rates that support the infrastructure necessary to maintain reliability and quality. Water utilities that agree with this assertion will continually seek new and effective methods of communicating the value of their product and service to stakeholders, including customers (the general public), community decision-makers (elected officials), and other significant influences on the decision-making process (the media).

The perceived value of water depends on a variety of factors, including cultural attributes, spiritual and emotional values, environmental issues, recreational concerns, economic development, institutional ownership, supply reliability, infrastructure reliability, and aesthetic issues (NWRI 1999; NWRI and AwwaRF 2003; Raucher et al. 2005). Understanding what customers want and value is critical to a utility's ability to craft and deliver successful messages regarding the value of water.

The process for communicating messages about a public sector value is called brand building, and utilities can deploy brand building to communicate the value of water. The effectiveness of utility brand building can be measured in economic, social, and environmental terms.

Because communicating the value of water to stakeholders must amplify the values that resonate with them, this project has the following objectives:

- Research the considerable number of available studies related to communicating with customers and other stakeholders in the water utility field and in other fields that require public support.
- Supplement the available studies with surveys and workshops that are directly related to communicating the value of water.
- Develop a branding strategy that builds public trust and communicates a utility's value to customers and other stakeholders.
- Develop specific guidelines, plans and processes, and communication tools that water utilities can use to devise effective communication programs.

Why Communicate the Value of Water?

Specifically defining the value of water is difficult. Its value is situational—during a drought, water has high value; during a flood, the flood water has negative value, although potable water could become more valuable in this situation compared with normal circumstances. Communicating the value of water is important for numerous reasons. The primary reasons are to:

- Enhance appreciation for the quality of life within the community
- Promote and support the wise use of water
- Build community confidence in the water utility
- Provide for and encourage prudent, long-term investment in water resources and water service to ensure sustainability
- Obtain the financial resources required to effectively and efficiently accomplish the utility's mission

The value of water can be viewed from two perspectives—the value of the product itself and the value of the services associated with uninterrupted delivery of the product. Customers often recognize the value of the product because they understand the role safe water plays in protecting their health, and they are aware of its tangible environmental benefits (e.g., landscaping, recreational opportunities, and wildlife habitat). Customers are less likely to think about the value of water utility services because they typically take for granted that safe water will be available whenever they open a tap. The value of water utility services becomes more apparent when delivery is compromised by a natural calamity (e.g., flooding of the water plant) or some other disruption in supplies.

As a prerequisite to delivering messages about the value of water, utilities need to establish credibility within the community. Community members must trust the utility and its employees in order to trust its messages. Utilities should purposefully and consistently operate in a fashion that builds a positive social image, treats the natural environment as a community asset, and manages assets and financial resources in a manner that cannot be interpreted as wasteful. These practices will allow the utility to sustain its business activities with support from the people it serves. Thus, sustainability, in the context of water utilities, is about building a “reservoir of good will” in the community (Tennyson 2006). Utilities can achieve this by:

- Maintaining open and transparent communication
- Implementing business practices that protect and maintain the utility's assets (physical, financial, and human resources)
- Treating customers as owners of the utility
- Improving the environment as a conscious goal of its business activities

Existing Communications Campaigns

Several national organizations have recognized the need to communicate the value of water. Two notable efforts are the American Water Works Association's (AWWA's) national branding campaign “Only Tap Water Delivers” and the Water Environment Federation's (WEF's) national branding campaign “Water is Life, and Infrastructure Makes it Happen.”

Water utilities can use both of these campaigns advantageously in their own communication efforts. The WEF campaign focuses on issues of sustainability and environmental stewardship. The AWWA grassroots and media campaign is designed to help utilities and public officials communicate the value of tap water service and the need to reinvest in water. Specific materials for each campaign are available on the organizations' respective Web sites. Utilities that are contemplating efforts to communicate the value of water should give careful thought to emphasizing messages that are generally consistent with these national campaigns and, at the same time, tailored to resonate with local issues.

PROJECT APPROACH

The approach used in this research includes developing guidance for water utilities to use in communicating with key stakeholders. A number of stakeholder groups directly and indirectly affect the operation and performance of water and wastewater utilities. The three groups that have the most direct influence are:

- Customers, special-interest groups, and other stakeholders
- Elected and appointed officials
- Utility leaders and employees

These three groups affect and are affected by one another, and they are all influenced by external groups such as the media and the regulators. In order for a water utility to function most effectively and efficiently, the interests of these three groups need to be understood, in so far as is practical, and aligned with a common utility vision and mission. The keys to alignment are:

- An understanding and appreciation of one another's interests and concerns
- Shared knowledge of the significant influences affecting utility operations
- Mutual trust
- Open, effective communication

This project started with an extensive literature search on the topic of communicating the value of water as it relates to these three stakeholder groups and the keys to aligning their visions. The literature search was followed by workshops, meetings, focus groups, and interviews, including:

- A telephone survey of members of an expert panel composed of utility leaders and other interested parties to help identify the essential elements of communication related to the value of water
- Focus groups with elected and appointed officials and local government managers to identify key components of communicating with these stakeholders and to pinpoint elements they consider important in communicating with utility customers; participants included members of the Metropolitan Council of Governments, the International City and County Management Association (ICMA), and the Mayors Water Council (a task force of the U.S. Council of Mayors)

- Interviews with reporters or editors at newspapers in six geographically diverse areas to gauge their interest in water-related issues and the role of newspapers in communicating these issues to the public.
- Two workshops with utility leaders (one in San Diego, California, and the other in Cincinnati, Ohio) to solicit input on communications efforts that have and have not worked for them in the past and to receive input on the draft materials created for this project (a model for communications planning and a Communications Toolkit); 15 to 20 utility leaders attended each workshop
- Case study interviews with water organizations that have effective communications programs to gather success stories to be shared
- Case study interviews with non-water organizations that effectively communicate the value of their product(s) and services to explore lessons learned as well as methods used for branding and measuring success

The information collected through these project activities was summarized and used to develop a step-by-step model for communications planning (presented in Chapter 5). The model incorporates aspects of strategic planning, communications gap analysis, behavioral gap analysis, branding, and national communications efforts. Case studies of successful utility communications programs are used to illustrate various steps in the model. In addition, a Communications Toolkit was developed to provide various tools and sample communications materials to assist utilities with their communications efforts. The toolkit is contained on the CD-ROM accompanying this report.

KEY FINDINGS AND IMPLICATIONS

Communicating with the Public

The literature provides a context for water utilities seeking to improve their stakeholders' appreciation for the value of water. The literature review indicates that

- Public trust is important to the success of social institutions.
- Public trust is a reflection of government performance.
- Trust serves as a barometer of a public agency's performance and responsiveness to public demands.
- Defying a negative stereotype is essential to improving perceptions of trustworthiness and credibility.

These findings imply that engaging citizens in a relationship with the utility and helping them become familiar with the utility's functions and leaders are important elements of building trust.

Consumers have four principal expectations in relation to their water and their water utility:

- Tap water will be safe to drink.
- Water will come out of the tap when it is turned on (water service is reliable).

- Water bills will be accurate.
- Someone will provide help when a customer has a problem.

Research has consistently shown that the key to a service firm's success is keeping customers happy. Consequently, targeting the four consumer expectations is a prudent approach to building trust and demonstrating value. A positive and consistent branding campaign can overcome negative impressions. The campaign must be targeted, focused on core consumer expectations, and delivered regularly through multiple types of media. Water utilities must consistently underscore the services and commitments they provide as well as the value of those services.

In other utility markets (e.g., gas), measuring overall customer satisfaction is based on five factors (in order of importance): company image, price and value, billing and payment, customer service, and field service.

Surveys can be crafted to identify stakeholder expectations and values. Some utilities have been very effective at using data collected from post-contact surveys and implementing appropriate corrective actions, thus improving the quality of customer service and, subsequently, client satisfaction. Customer survey data in the literature indicate:

- Consumer perceptions can be positively affected by outreach.
- Consumer satisfaction can be increased through education about the quality and cost of drinking water.
- Perceptions can shift in the absence of outreach.
- Taste and odor are key determinants of consumer perceptions of safety.
- Name recognition for wholesale agencies can be very low.

The literature contains little information regarding the link between customer awareness, satisfaction, and appreciation for the value of water and their support of rate increases.

Numerous surveys indicate the public is generally supportive of protecting the environment and concerned about the quality of life and the environment for future generations. A strong majority feel it is very important for their water utility to be an environmental leader. Given these ideals on the part of consumers, water utilities appear to have a significant opportunity to adopt and promote environmental values such as sustainable policies related to water and energy.

The utility leaders consulted during this research indicate that a successful utility exhibits the following characteristics:

- Members of the community believe the utility is efficiently managing its resources to deliver safe and aesthetically pleasing water at a reasonable cost. Bills from this type of utility will be accurate and adequately descriptive. The opposite would be a utility that members of the public deem wasteful.
- The utility is in constant touch with the community through surveys and proactive and progressive community events and is actively engaged in educating the public about water issues. Such a utility would also garner a considerable amount of respect from the media (both newspapers and television). The opposite would be a utility that seems to be out of touch with the community and makes decisions through a bureaucratic process rather than involving stakeholders.

- Customers consider the utility an organization that stands for high-quality water and reliable service. Such a reputation would also mean that the utility readily responds to and fixes customer problems. Members of the public would view this type of utility as a responsible bearer of the public trust and a good steward of water resources, money, and the environment. The opposite would be a utility that is deemed wasteful and indifferent to community needs.

Communicating with Elected and Appointed Officials

The project research showed that utility leaders believe effective communication with elected and appointed officials, especially communication about the value of water, is essential to their ability to secure adequate financial resources. Members of the focus groups composed of elected and appointed officials from various cities and counties highlighted the following items as important considerations when utility leaders communicate with them:

- There are “no surprises” when the utility requests funding for capital improvement projects. Effective and frequent communication with elected and appointed officials as well as customers prepares the officials well in advance to approve such requests. A strategic and tactical plan that adequately describes the need for a given project and identifies its benefits for the community is a precursor to obtaining strong support from elected and appointed officials. The community benefits (including improvements to water quality and the environment) can demonstrate the accomplishments of these officials and serve as platforms in future elections. Such benefits often get strong support from elected and appointed officials.
- In recommending rate increases to support water projects, utility leaders need to consider putting the requests in perspective by making comparisons with peer cities or service areas. Utility leaders should practice this type of benchmarking for improvements needed for regulatory compliance as well as for improving the aesthetic quality of delivered water.
- Utilities should conduct a thorough analysis of proposed projects and provide technical details to back up their requests. Elected and appointed officials often need such technical details to get their message across to the general public as well as to win the support of opponents. When providing technical details, the utility should avoid technical jargon and present the information in an easy-to-understand format.
- Elected and appointed officials generally prefer upbeat, positive messages about quality, reliability, price, conservation, and source water protection.
- Partnering with elected officials, healthcare providers, and environmental groups is viewed as positive.

Communicating With and Through Newspapers

Selected print media representatives were interviewed. Although the small number of interviews limits the statistical validity of the information gleaned, the following insights give some indication of newspapers' level of interest in water issues and their role in communicating the value of water to the public:

- In general, the media is after more sensational news and frequently ignores information about water unless it relates to a crisis. However, a utility that has a good relationship with local media can often get positive news articles and educational information to the public through the media.
- Newspaper personnel often rely on water agency Web sites to capture information as they rush to prepare an article. For this reason, a utility hoping to get positive coverage from the media should invest in developing high-quality Web sites with complete information, good contact lists, and easy navigation. Establishing a Web site link specifically for journalists is appropriate. Such a linked page would be available to anyone, but the contents should be of particular interest to journalists and would prevent them from having to navigate a customer-oriented site to find what they need.
- Journalists who tend to be more liberal than conservative may trust non-governmental organizations (NGOs) more than utility managers and elected officials.

Brand Building

Marketing professionals have demonstrated that the most effective and efficient way to communicate value and build trust is through the process of branding. Branding is simply a method for making sure your potential customers or target audiences know what they can count on from your organization and its products. The project research indicates that effective communication requires a minimum number of clear, easily understood, consistent messages. Typical water utility brand-building efforts focus on key issues such as water service reliability, water quality, customer service, environmental stewardship, financial performance, and communication.

In addition to branding efforts that are specific to a particular utility, national branding campaigns such as those developed by AWWA and WEF should be considered. These prototype programs provide an umbrella under which a utility can coordinate and implement its own brand-building campaign, and they can also help a utility craft consistent messages.

The Communications Model and Communications Toolkit

A model for the systematic development of a plan for communicating the value of water is presented in Chapter 5. The model contains eight basic steps, as shown in [Figure ES.1](#):

1. Evaluate the existing situation and future scenarios
2. Establish the desired utility brand and communication vision
3. Develop communication goals
4. Identify needs and gaps that must be addressed in order to achieve the communication goals
5. Establish current utility behavior
6. Identify behavioral needs and gaps that must be addressed to achieve the goals
7. Prepare a communication plan and integrate it into the utility's strategic plan
8. Implement and monitor the communication and strategic plans

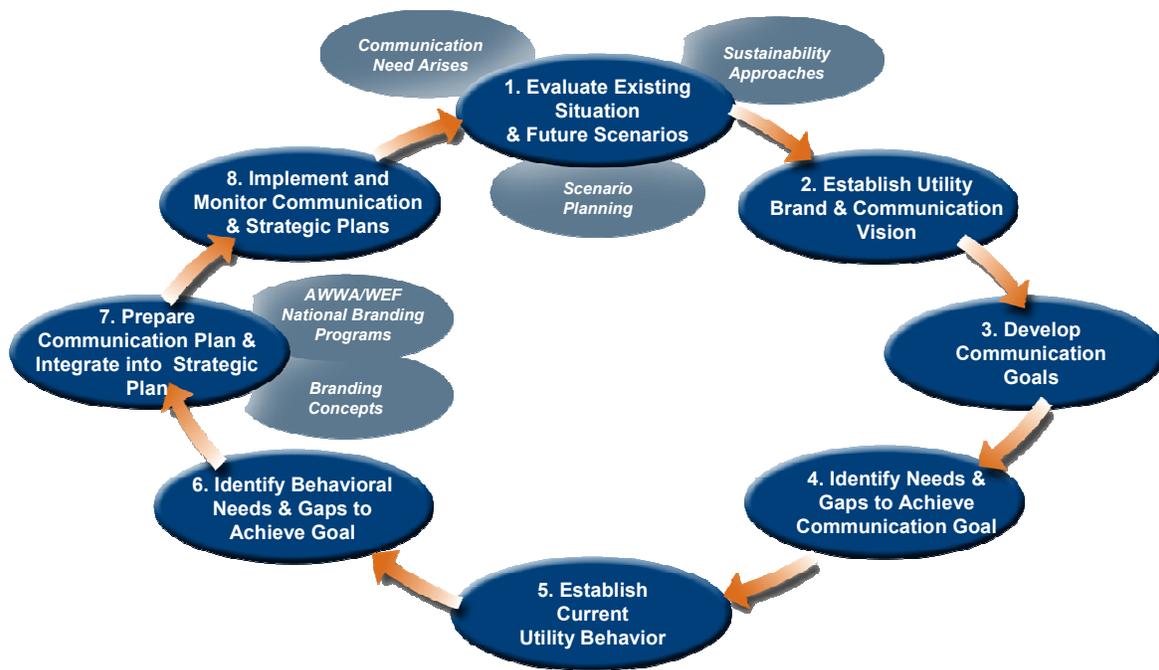


Figure ES.1 Model for developing plans to communicate the value of water

Implementing the communication and strategic plans requires a strong commitment from senior management and adequate resources to sustain the effort. A plan developed according to the suggested steps would be scalable to utilities of all sizes. In addition to the model, a Communications Toolkit is provided on a CD-ROM as a companion to this guidance document. The toolkit, which contains various tools for developing a communication plan and communicating the value of water, is designed to assist a water utility in maintaining a strong water supply and service brand in its community. In addition, the Communications Toolkit contains several examples of communications materials that were donated by the utility partners on this project.

CONCLUSIONS

This research reinforces the thesis that utilities can communicate the value of water to their stakeholders and indicates they can accomplish this goal by:

- Understanding their stakeholders' needs and perceptions,
- Thoughtfully defining the utility brand to underscore these values,
- Communicating all the utility's activities within the context of the brand,
- Relentlessly communicating the brand through targeted media

Collectively, these actions will positively influence the perceptions of utility stakeholders and enhance their experiences with utility service. This will build support for the utility and help ensure appropriate public investments in water resources and water service. Through this process, stakeholders will grow to appreciate the value of the utility's product as well as its service. The communications effort must be consistently funded.

CHAPTER 1

INTRODUCTION

THE NEED FOR COMMUNICATING THE VALUE OF WATER

In the 2001 AwwaRF project “A Strategic Assessment of the Future of Water Utilities” (Means et al. 2001), the investigators examined over 50 trends and concluded that there were nine rules for success for water utility managers:

1. Communicate, communicate, communicate! (If you can’t, get someone who can to help you.)
2. Remember your role as a guardian of public health and a steward of public resources.
3. Always know what your customers want.
4. Constantly strive to improve your product and service.
5. Run your utility like a business.
6. Use technology strategically.
7. Treat every employee as if that person might one day be your boss.
8. Maintain good relationships with your governing board or council.
9. Create alliances with other organizations.

In operation, these nine rules create an efficient, transparent, customer-oriented organization that effectively develops and leverages relationships to achieve its goals.

In an update to the first project, *A Strategic Assessment of the Future of Water Utilities* (Means et al. 2006) examined 19 broad trends and concluded the utility of the future will likely do three things really well:

1. **It will be operationally efficient.** Operational efficiency will require a motivated and engaged workforce.
2. **It will be engaged in the community.** Communications systems will be geared to creating an iterative dialogue with the community.
3. **It will increasingly engage in watershed-wide planning.** The effective utility will work with stakeholders in the watersheds to optimize water management and environmental quality.

As a result of the project effort, multiple trends were identified impacting utilities today. These trends included a) population, b) political environment, c) regulations, d) workforce issues, e) technology, f) total water management, g) customer expectations, h) utility finance constraints, i) energy, and j) increased risk profile. Trend implications and strategies to address each trend were also identified.

These themes were echoed in a 2004 Malcolm Pirnie, Inc. telephone survey to look into the future and vision what issues water utilities would be facing in the next 5 to 10 years. A panel of national experts (Expert Panel) comprised mostly (about 80%) of water and wastewater utility leaders who are recognized as having a broad perspective on the issues facing water and wastewater utilities and likely future trends and individuals from regulatory agencies, academic institutions, elected and appointed officials and other interested parties were surveyed on the

subject. The survey instrument used was a modified Delphi Technique. This technique uses carefully crafted questions, and an electronic workshop debate and consensus techniques to capture and reflect prevailing viewpoints regarding issues. The Expert Panel provided a wealth of useful information on the significant issues tomorrow's mid- and large-sized water and wastewater utilities can expect to encounter.

Interestingly, the significant issues identified were not dramatically new. However, the impacts of many of the issues were expected to intensify in magnitude and complexity and become compounded by constraints on financial resources necessary to address them.

In commenting on the issue of financial constraints, members of the Expert Panel recognized the urgent need to help their customers, the public, and elected and appointed officials understand and appreciate the value of water.

The Expert Panel identified the top 20 water issues and needs they believe water utilities will face in the next 5 to 10 years along with the priority of these issues. They are:

- | | |
|--|--|
| 1. Adequate financial resources | 11. Meeting customer expectations |
| 2. Aging/deteriorating infrastructures | 12. Utility leadership |
| 3. Adequate water resources | 13. Public/customer confidence |
| 4. Reliability of water supplies | 14. Water conservation |
| 5. Effective asset management | 15. Media confidence and support |
| 6. Adequate work force | 16. Endocrine disruptors |
| 7. Security | 17. Definition of safe water |
| 8. Effective utility management | 18. Impacts of higher rates on customers |
| 9. Water quality regulations | 19. Lack of holistic approach to regulations |
| 10. Distribution system water quality | 20. Smaller systems |

In a much longer survey of more than 1,500 water professionals, AWWA in its 2004 "State of the Industry Report" (Murphy 2004) presents a picture of the water industry, issues that the industry faces and a roadmap to the future. The report concludes that "the number and complexity of issues confronting the water profession is staggering, and the lack of financial and other resources is a mounting concern," and that the "real value and cost of water must be acknowledged and communicated." In the same article, AWWA Executive Director Jack Hoffbuhr was quoted "we've got to start saying, 'sure, here's what it's costing, but look at what value you're getting,' not just in terms of public health protection, but in terms of standard of life, standard of living, economic development, fire protection ...all those things that water provides that people don't think about."

The common theme in these studies (and others that have been pursued by the drinking water industry) is that the significant trends and issues facing drinking water utilities will require utilities to get very close to their customers. Utilities must understand what their customers' needs are as well as what they know and don't know about water. They must translate the business and capital requirements of the modern water utility directly into understandable value for these customers or risk rising resistance to rate increases. This is increasingly imperative as:

- Significant water rate increases will be required to repair and rehabilitate water infrastructure in the United States,

- Consumers (drinkers of water) have alternatives to drinking tap water (bottled water and point of use devices). Consumer concerns over safety and aesthetics of water has pushed bottled water sales to nearly \$10 billion annually in the U.S. (Patrick and Kozlosky 2006). Customers (bill payers) now pay approximately the same amount of money for bottled water and point of use devices as they do for tap water through water rates, and
- Water utilities must compete for the attention of customers, consumers, and the public. Communications must penetrate the barrage of print, television, radio, and Internet messages they receive.

Against this backdrop, water utilities are seeking to improve the customer's, consumer's, and public's appreciation for the value of water. Chief among the reasons to communicate the value of water are to:

- Maintain and/or enhance the quality of life within the community,
- Promote and support the wise use of water,
- Ensure continuing confidence or build community confidence in the water utility, its leadership, and its employees,
- Provide for and encourage prudent long-term investment in water service and water resources to ensure sustainability, and
- Obtain the financial resources to effectively and efficiently accomplish the utility's mission.

Because of the economic and non-economic costs of communicating with the public on these matters, it is important to tailor the communications efforts regarding the value of water to maximize its impact. The economic costs can range over several orders of magnitude, depending on the size of the utility and the types of communications implemented. For example, a small utility may have one person working on communications on a part-time basis and communicate exclusively using announcements or flyers with the water bill. Some larger utilities may have several people devoted to communications on a full-time basis and implement broad, far-reaching communications such as customer surveys and focus groups, television commercials, and professionally-designed mailers. The non-economic costs are more difficult to define, but can be more easily understood in terms of the potential outcomes that are associated with having a successful communications plan versus either not having a communications plan or having an unsuccessful communications plan ([Table 1.1](#)).

Table 1.1
Costs associated with communicating the value of water

Potential Outcomes with Communication	Potential Outcomes with Failure to Communicate
<ul style="list-style-type: none"> • Public support for projects • Public trust • Public involvement and incorporation of good ideas • Expedited project implementation • Reduced staff involvement • Motivated staff supported by public • Lower ultimate costs 	<ul style="list-style-type: none"> • Public opposition to projects • Public distrust and suspicion over motivations • Higher labor expense defending decisions • Otherwise unnecessary public meetings • Added public relations expenses • Operating in reactionary mode • Loss of support for water rate increases • Lower staff morale • Staff stress • Job insecurity

Tailoring communications regarding the value of water requires understanding what customers want and value. It must also reflect that the value of water is situational - during a drought water has high value, during a flood it has negative value.

Communicating the value of water to stakeholders (customer, consumer elected and appointed officials, and general public) must amplify on the values that resonate with them including cultural attributes, spiritual and emotional values, environmental issues, recreational issues, economic development, water supply and infrastructure reliability, water quality, and aesthetic issues.

Utility communications practices vary widely. In the experience of the research team, public relations and public communications tend to be somewhat expendable when there are budget pressures. In addition, the scope of the communications effort is almost always related to the size of the agency. Small, municipal water agencies tend to assign public relations responsibilities to others within the organization and the public outreach effort tends to focus on messages involving conservation and the approval, construction and completion of new physical facilities. A governing board at a smaller water utility tends to be reluctant to approve rate hikes, especially if the board is elected rather than appointed and communications involving rates and/or water quality problems tend to be reactionary, situational, and short-lived.

Larger agencies generally have at least some staff dedicated to public outreach programs and the communications tend toward conservation and water quality messages. In some cases, larger agencies have adopted in-classroom education programs. Water rate information generally reaches a peak when new rates are on the agenda and the agency must explain to the public why the rate increase is needed. The governing board holds a meeting and votes the rate increase up or down. As a follow-up, public affairs staff will then explain the need for the approved rate hike again, while the media sometimes focus on agency inefficiencies and money wasting.

Finally, when utilities do communicate, they tend to refer to their communication efforts as public education. This context does not provide the proper focus for helping the community make good decisions about investment and the right price of water. In a public education context, any information is acceptable because we are educating. This public-education standard leads to communications that provide all sorts of facts and figures while missing the important

information necessary for people to appreciate the *value features* of the water system and the current investment needs. Less is more if the information is focused on meaningful issues. The utility's community members are not students, but their customers and shareholders (investors). They want to be informed about value issues and key investment decisions.

An agency that has been responsive, reliable, trustworthy, and forthcoming with their public (has a strong brand) will have an easier time moving rate increases through the system than will a utility that is non-responsive and unreliable. Utilities are well-advised to take all appropriate actions to build and maintain a positive reputation, or strong brand, in the community they serve.

DEFINING THE VALUE OF WATER

While it is beyond the scope of this research project to fully research and define the value of water, it is essential that the basis for a definition be understood if a value of water communication program is to be developed. Webster's Dictionary defines value as "the quality of something that makes it more or less desirable, useful, and a thing of quality having intrinsic worth."

As discussed previously, the ways in which water is valued by people reflect cultural attributes, spiritual and emotional values, environmental issues, recreational issues, economic development and sustainability issues, institutional ownership issues, water supply reliability, infrastructure reliability, water quality, aesthetic issues, and other concerns (NWRI 1999; Raucher et al 2005). The value of water has also been tied to other factors as well, such as how water is used, the time and location it is available, and its relative scarcity.

As a measure of value, many studies have been conducted to determine the willingness to pay for water and water services; however, great uncertainty typically surrounds these estimates, so it is difficult to determine the value using these methods.

Regardless, the value of water can be viewed from two general perspectives. First, there are the uses of water that communities value (if they are aware of them). These include the value of water in supporting environmental quality including habitat, recreation, and landscaping. There are the health and safety aspects of water, essential for life. There are the values associated with sufficient supplies of high quality water to meet commercial and industrial needs.

On the other hand, there is the value of the utility service to the community which includes the physical ability to deliver sufficient water to meet all the community's needs. There is the value of the utility as an employer in the community. There is the value of the utility in providing advocacy for local water needs at local, state, and federal levels. There is also the value of the water utility in repairing and maintaining existing infrastructure as well as building new infrastructure to meet growing water demands. These values are related to the service aspect of the institution.

Paying a water bill then, buys a customer two basic things: 1) a quantity of the physical commodity—safe water, and 2) the institution that is working behind the scenes to ensure that the physical commodity meets the customer's specification (i.e., has adequate quantity, meets drinking water standards, is aesthetically pleasing, is fairly priced, and is efficiently managed). Collectively, this service/product and the water uses it supports are essential to the quality of life we enjoy in the U.S. Accordingly, communicating the value of water will require articulation of both the service and the uses of water to be articulated.

There are several methods that either separately, or in combination, can be used to define the value of water. These include:

- Various forms of financial analysis
- Various forms of benefit analysis
- Comparison of water service charges among the other water service providers or a geographic average
- Comparison of water service costs to essential (and non-essential) costs such as bottled water, electric utilities, cable television, movies, etc.

Each method has been used by utilities with varying degrees of effectiveness. The difficulty is that individuals and various organizations perceive value in differing terms. The dollar comparison of water service charges among utilities is quickly recognized but not fully understood by many individuals, which makes for apparently simple media headlines and fits the agenda of elected and appointed officials. The difficulty is that most systems are unique, and a fair comparison of service costs is complex.

The comparison of the relatively low cost water service to other essential and non-essential services is interesting, but of limited practical value. Many water utility leaders recognize that there are perceptions among the public, elected and appointed officials and customers that low cost water service is a reality. It is in this area of perception that both a national program as well as a local utility program would provide the foundation for an effective plan to communicate the value of water.

According to former National Water Research Institute Director Linsky (2004) “to move away from the more traditional approach will require the acceptance of the concept of total economic valuation that relies upon a broader range of benefits, both monetized and non-monetized, than are typically captured in the traditional cost-benefit analysis. Because it is typically not possible to measure the actual economic benefits in terms of value output of goods and services, as theory dictates, several techniques are introduced to capture estimates of the value of economic outputs including: a) the willingness to pay for water produced where additional water supplies may be valued on the basis of actual simulated market prices, b) an increase in net income to an industry, and c) the costs of the most likely alternative means of obtaining the desired output are used to approximate the total value when willingness to pay or change in net income cannot be used.”

SUSTAINABLE UTILITY MANAGEMENT

“We live in a consumer world. We also live on a planet with shrinking resources and, unless we adjust our thinking and appreciate the value of our resources, future generations will not have access to the benefits or services we enjoy today.” – Ron Linsky

Successfully communicating the value of water will build community appreciation for the role and needs of the utility as well as engage them in building a sustainable future for the community.

Important precursors to communicating the value of water are the establishment of credibility and the internalization of the values of the community by the utility and its employees. Credibility is established by having policies that reflect these values and, most importantly, actions that are consistent with them. The utility should seek to be viewed as

socially responsible (a good corporate citizen), fiscally prudent, and environmentally sensitive. Utilities should consistently operate in a fashion that purposely builds the positive social image of the utility in the community, treats the natural environment as a community asset and manages the assets of the utility and deploys financial resources in a manner that cannot be interpreted as wasteful. This behavior will allow the utility to sustain its business activities with support from the people it serves. Thus, sustainability, in the context of water utilities, is about building the reservoir of good will in the community by (Tennyson 2006):

- Maintaining open and transparent communication
- Implementing business practices that protect and maintain the assets of the utility (physical, financial and human resources)
- Treating customers as owners of the utility
- Improving the environment as a conscious goal of your business activities

Put in the negative, it is neither sustainable nor politically viable to have the public you serve view the utility as detached, closed-minded, ineffective, wasteful, technically inept, rude, or destructive to the community environment. These concepts are more fully explored in the literature review in Chapter 3.

The first global framework for comprehensive sustainability reporting encompassing the triple bottom line of economic, environmental and social issues was released in 1999 by the Global Reporting Initiative (GRI) (which was established in 1997). The mission of the GRI was to develop “globally applicable guidelines for reporting on the economic, environmental, and social performance of corporations, governments and non-governmental organizations (NGOs).”

According to GRI (2007), sustainability reporting is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. Sustainability reporting is a broad term considered synonymous with others used to describe reporting on economic, environmental, and social impacts (e.g., triple bottom line, corporate responsibility reporting, etc.).

Over 600 corporations, NGO’s, etc. worldwide now do sustainability reports. AwwaRF sponsored research on *Triple Bottom Line Reporting of Sustainable Water Utility Management* (Kenway et al. 2007) that provides guidance in this respect.

Communicating the value of water to stakeholders is a key element of being sustainable as a water utility.

EXISTING COMMUNICATIONS EFFORTS AND PROGRAMS

Several national organizations have recognized the need to communicate the value of water. Two of the most current are the AWWA national branding campaign, “Only Tap Water Delivers,” and the WEF national branding campaign, “Water is Life, and Infrastructure Makes it Happen.” Both can be used advantageously by water utilities in their own communication efforts. The WEF campaign hinges around issues of sustainability and environmental stewardship. Specific materials are available on their Web site (www.waterislife.net). The AWWA grassroots and media campaign is designed to help utilities and public officials communicate the value of tap water service and the need to reinvest in water. The AWWA campaign is designed to:

- Encourage community investment in water service and resources

- Provide utilities with tools that help them communicate with consumers and decision-makers about the value of water service
- Encourage and equip public officials to speak about the importance of investing in water service and resources
- Elevate the value of water service in the minds of consumers

The campaign materials emphasize public health protection, fire protection, support for the economy, and quality of life. Specific campaign materials have been developed and are available to AWWA utility members on their Web site (www.onlytapwaterdelivers.org).

Utilities that are contemplating efforts to communicate the value of water should give careful thought to emphasizing messages that are generally consistent with the national campaigns and tailored to resonate with local issues.

PROJECT OBJECTIVES

Our research was aimed at developing practical guidance and tools that can be used by water officials to properly communicate the value of water. We built upon the existing body of work, much of which has been funded by AwwaRF, and combined it with state of the art methods of understanding feedback from stakeholder groups to identify the key features of value of water communication methods, which have been formulated into practical guidance for the utilities. We have accomplished our broader goal as described above by fulfilling the following specific objectives:

- Objective 1: Researched available studies related to communication with customers and stakeholders both in the water utility field as well as other organizations that require public support to glean “lessons learned”.
- Objective 2: Supplemented the available studies with surveys and workshops that are directly related to communication of the value of water.
- Objective 3: Developed a branding strategy that builds public trust and communicates the utility value proposition to the customer and stakeholder.
- Objective 4: Developed specific guidelines, plans, and processes, along with communication tools, that can be used by water utilities to devise a communication program for their water utility.

CHAPTER 2 METHODOLOGY

PROJECT APPROACH

There are a number of groups that, directly and indirectly, affect the operation and performance of water and wastewater utilities. The three groups that have the most direct influences are illustrated in [Figure 2.1](#).

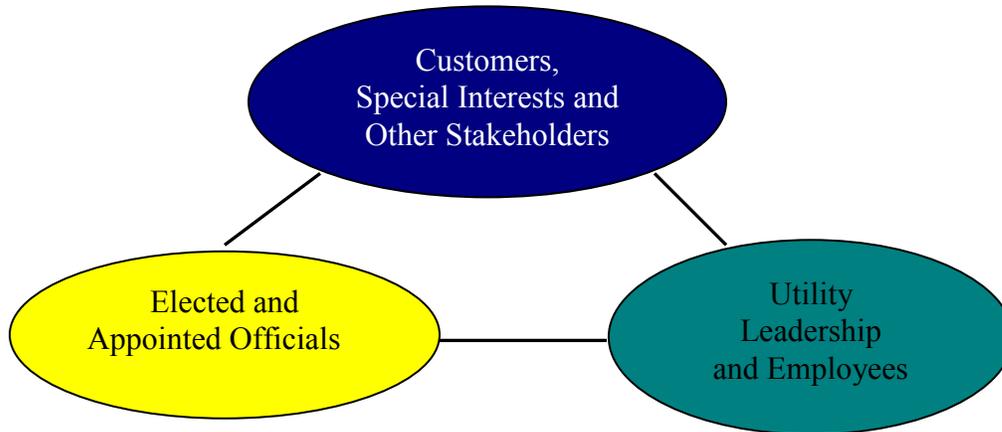


Figure 2.1 Groups influencing operation and performance of water and wastewater utilities

Each of these three groups affect and are affected in various ways by the other and externally by the media, regulators, and elected and appointed officials. In order for a water utility to function most effectively and efficiently, the interests of these three groups that have most direct influences on its operations and performance need to be understood and aligned to a common utility vision and mission. Keys to alignment are:

- Understanding and appreciation of each other's interests and issues
- Mutual knowledge of the significant influences affecting utility operations
- Building of mutual trust
- Open, effective communication

These are the building blocks upon which an effective communication program has been developed in this project. The development of an effective communication program requires an understanding of the various stakeholders, their needs, and the most effective vehicles of communication to fit their needs. To accomplish this, our research approach focused on each of the three primary stakeholder groups and circumstances that help them form opinions and perceptions. The primary project activities included conducting a detailed literature review and supplementing the literature with data collected in surveys, workshops, focus groups, interviews, and case studies.

This chapter describes the methods used to collect the supplementary data from the various groups influencing the operation and performance of water and wastewater utilities. The following specific activities are described:

- Special survey of utility leaders and water professionals
- Workshops with the utility partners on this project
- Focus groups with elected and appointed officials
- Interviews with media personnel
- Case studies illustrating communication efforts
- Interviews with industry leaders regarding the communications model developed for this project

In total, *nearly 70 organizations from across the country* contributed to this project by participating in the survey, workshops, focus groups, interviews, or case studies. The geographic distribution of the participants is shown in [Figure 2.2](#). The results and findings of the research are presented in Chapter 4. The primary outcomes of this project are the branding strategy for water utilities, the model for communicating the value of water, and the communications toolkit, which are all presented and discussed in Chapter 5. The data collected using the methods described in this section were used to determine, develop, and refine the communications process outlined in the model as well as identify materials to include in the communications toolkit.

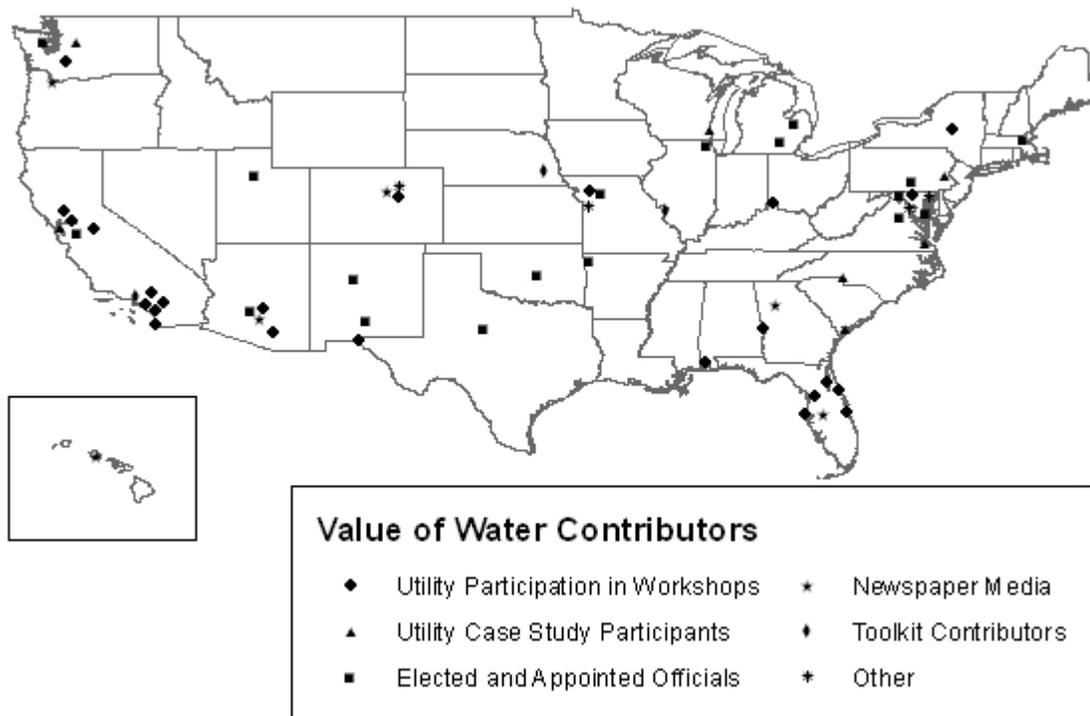


Figure 2.2 Geographic distribution of project participants
Note: Marker locations are approximate

Special Survey of Utility Leaders and Water Professionals

Prior to this project (in late 2004), Malcolm Pirnie, Inc. assembled an expert panel and surveyed them to gather their opinions on the issues that water and wastewater utilities would be facing over the next 5 to 10 years. The 71-member expert panel was composed mostly (approximately 80 percent) of water and wastewater utility leaders who are recognized as having a broad perspective on the issues facing utilities and likely future trends. The balance of the group was composed of individuals from regulatory agencies, academic institutions, and other interested parties. The survey instrument used was a modified Delphi Technique, which is a structured process for collecting and distilling knowledge from a group of experts by means of a series of questionnaires designed to take advantage of participants' individual ideas and observations. The questionnaires were distributed and collected via email. The results of the survey conducted in 2004 are published in a Malcolm Pirnie report, *The Future Water and Wastewater Utility*.

When Malcolm Pirnie began work on the *Communicating the Value of Water* project with AwwaRF, it seemed appropriate to return to this group for help identifying the necessary elements of a communications program related to the value of water. The 2004 Expert Panel was supplemented with some of the utility partners on this project and contacted to participate in the follow-up survey. The survey was distributed electronically, and 43 responses were received.

The survey consisted of eight questions:

1. There have been numerous efforts to define the value of water. From your perspective, how successful have these efforts been?
2. How well is the value of water being communicated? Please comment on your ratings.
3. What are the most significant reasons for lack of, or ineffective communication of the value of water?
4. Do you believe that effective communication of the value of water is essential to a water utility's ability to obtain adequate financial resources to meet its mission?
5. Who within a utility has the overall responsibility to ensure effective communication of the value of water?
6. What are the various ways a water utility can improve communication of the value of water?
7. It has been suggested that water utilities should develop a branding strategy that builds public trust and communicates the utility value proposition to the customer and stakeholders. What do you think about the concept of a branding strategy? What suggestions can you offer on the elements of a branding strategy?
8. What tools can we provide in the AwwaRF project that will help utility leaders in their efforts to communicate the value of water?

The purpose of this limited survey was solely to provide a basis of discussion for the workshops that were part of this research project and reflect the opinions of a selected group of individuals involved in the water utility field. Care should be exercised in drawing conclusions from the responses and in the use of the information in this report.

The complete results of the survey were presented by Malcolm Pirnie's Red Oak Consulting Division in a document "Report on Communicating the Value of Water," dated April 2006. The most important results as they pertain to this project are presented in Chapter 4.

Workshops with Utility Partners

The purpose of the utility workshops was to solicit input from the project utility partners. Two two-day utility workshops were conducted:

- Workshop No. 1 – San Diego, California on May 31 and June 1, 2006
- Workshop No. 2 – Cincinnati, Ohio on November 28 and 29, 2006

At the first workshop, the participants brainstormed and elaborated on the ideas collected from the expert panel survey. The attendees provided information on the communication challenges facing utilities, the elements that should be included in communication plans, branding thoughts, and ideas for components of the Communications Toolkit. Between the first and second workshop, the project team developed the model for Communicating the Value of Water (see Chapter 5) and collected information for the Toolkit. The model and Toolkit were presented at the second workshop so that the utility partners could test them and suggest revisions.

Workshop No. 1 – San Diego, California

The participants in the special survey were invited to attend the first utility workshop in San Diego. Approximately 30 people attended, mostly water utility leaders and also members of the project team. The primary purpose of this workshop was to facilitate discussions on four important topics: communication issues, development of a communication plan, thoughts on branding, and content for the Communications Toolkit. The workshop's first three topics were reviewed from three perspectives: utility leaders, elected and appointed officials, and other stakeholders (media, customers, and special interest groups). The final topic was primarily from the perspective of utility leaders. The workshop was structured as follows:

- Project team members delivered presentations on the project background, including the results of the special survey (discussed previously in this chapter) and the findings of the literature review.
- The participants were divided into three groups that were facilitated by members of the project team. Each group was asked to brainstorm answers to key questions from an assigned perspective (e.g., utility leaders, elected and appointed officials, or other stakeholders). The results were shared with the entire group. It is important to note that the perspectives presented represent the utility leaders' opinions on how the other groups would answer the questions.
- Workshop participants then voted to identify the highest priority issues in communicating the value of water. The priority ranking as identified by the workshop participants is presented in Chapter 4.

Answers to the following key questions were brainstormed during the workshop:

- What are the top issues to communicate when communicating the value of water?
- What are the key elements of a utility communication plan?
- What should the utility brand encompass?

- What elements should be included in the Communications Toolkit that will be developed as part of this project?

Workshop No. 2 – Cincinnati, Ohio

The participants from Workshop No. 1 and the project utility partners were invited to attend the second workshop. Approximately 16 people attended, mostly water utility leaders. The primary objectives of the second utility workshop were to review progress to date, evaluate and revise the model for Communicating the Value of Water (described in Chapter 5), and present elements of the proposed Communications Toolkit. The structure of this workshop was as follows:

- The project team presented findings of the research to-date, specifically the results of the special survey, the information gathered on the perspective of elected and appointed officials (described later), and the outcomes of the media survey (described later).
- The project team discussed the process used to develop the Model for Communicating the Value of Water.
- The workshop participants divided into groups and evaluated the model by simulating test scenarios that require communications:
 - Scenario 1: Utility foresees significant capital improvements required over the next decade. Community is currently uninformed and non-supportive.
 - Scenario 2: Water shortages have plagued the community and created a general sense of water supply unreliability.
 - Scenario 3: Taste and odor complaints are pervasive, and there is community concern that the water is not safe to drink. Bottled water use is high. Customers are reluctant to support higher water rates.
- After evaluating the model, the participants discussed suggested revisions to make the process illustrated in the model more representative of how a utility would prepare for and respond to the specific situations as well as how to adapt the model for longer-term communications needs.
- The project team presented the proposed outline for the guidance document and Toolkit and solicited feedback for revising them.

In addition, the workshop participants identified several research opportunities that should be considered by AwwaRF and other funding agencies in the future.

Focus Groups with Elected and Appointed Officials

In addition to learning the perspective of the utility leaders, an important part of this project was to capture the viewpoints of elected and appointed officials. The project team used focus groups as means of collecting information from this sector. Many of the focus groups were arranged through our project partnership with the International County/City Managers Association (ICMA), the professional and educational organization for chief appointed

managers, administrators, and assistants in cities, towns, counties, and regional utilities throughout the world. ICMA sponsored the following focus group sessions:

- The Metropolitan Council of Governments in Washington, D.C.;
- Two sessions at the ICMA Annual Conference in San Antonio, Texas;
- Two webcasts that included participants from across the country.

In addition, a focus group was conducted with the Mayors Water Council, a task force of the U.S. Council of Mayors at their conference in Santa Barbara, California.

Metropolitan Council of Governments Focus Group – Washington, DC

ICMA organized a 90-minute small focus group with six participants that were all elected or appointed officials in Maryland. ICMA's database of local government officials was accessed to identify members with specific interest in water issues, and those members were invited to the focus group. The focus group met in Washington, DC, on July 21, 2006. Prior to the meeting, the project team worked with ICMA to formulate a specific list of questions to gain insight into the key messages and benefits for communicating the value of water, the common obstacles in raising water issues to a higher priority level with the public, and to learn about communications best practices from the ICMA community and its members. The questions were designed to facilitate discussion on how the value of water can be best conveyed by utility leaders to the elected and appointed officials and also how both groups can communicate with the public. In the focus group, each question was asked, and the group entered into an open discussion. The following questions were asked, and the answers are summarized in Chapter 4.

- From your perspective, what are the three most important uses of water?
- Could water utilities do more to communicate the value of water to the public? Do you interact with utilities and when?
- What issues do you encounter or foresee with the public on the value of water? If you've ever had a rate increase what messages did you use to communicate the value of water and the need for a rate increase?
- What information could be provided to help you communicate the importance and value of water?
- Are you using any specific messages or can you point us to resources that help communicate the value of water?

ICMA Annual Conference and Webcasts – San Antonio, Texas

To increase the number of responses and opinions considered in the data collection from elected and appointed officials, ICMA sponsored two 90-minute focus group sessions at their Annual Conference in San Antonio, Texas, on September 11 and 12, 2006. As a follow up to the meetings at the annual conference, two 60-minute webcasts were conducted (November 2 and 16, 2006) to supplement and verify the information collected at the Metropolitan Association of Governments focus group and the annual conference meetings.

The sessions at the Annual Conference were advertised by word of mouth at the conference. In total, nine people attended one of the two sessions at the conference. The

majority of the attendees (seven of the nine) served as elected or appointed officials. The webcasts were advertised on the ICMA Web site for several weeks leading up to the presentations. An additional nine people participated in the webcasts. None of the attendees in the four sessions overlapped.

Each session began with a brief introduction to the project followed by a facilitated open discussion period. The following questions were used to guide the discussion:

- From your perspective, what are the most important uses of water?
- What do utility leaders need to consider when communicating with local government officials?
- In your opinion, what is the best way for utilities to communicate the value of water to customers?
- What information could the utilities or other sources provide to you to help you communicate the value of water?

In the sessions at the annual conference, the participants were asked to answer the questions in an open-ended format. During the webcasts, the same questions were used, but instead of asking for open-ended responses, the attendees were asked to verify the responses received in previous focus group meetings and rank them in order of importance. The results of the open-ended questions as well as the top responses identified by the webcast participants are presented in Chapter 4.

Mayors Water Council – Santa Barbara, California

A member of the project team attended a two-day workshop in Santa Barbara, California, on September 13 and 14, 2006, coordinated by the Mayors Water Council, a task force of the U.S. Council of Mayors. The purpose of attending this meeting was to elicit responses from the mayors and/or their representatives regarding what they viewed as the important elements to help move forward with rate increases.

The session was not well attended, likely due to its position late in the afternoon on the second day. Four mayors participated in the session. After a brief presentation introducing the project, the mayors present had a facilitated discussion on the important elements of a toolkit they felt would help them get the necessary support for rate increases needed to improve infrastructure and build for growth in the areas of potable water and wastewater disposal.

Interviews with Newspaper Media Personnel

The purpose of the interviews was to determine from a selection of news reporters how well they feel the value of water is communicated, how water agencies might better communicate with the media regarding the value of water, what tools reporters use to gather information, and whom do they trust to convey information to them.

The original concept for the media interviews was to provide written surveys via email to reporters from two television stations, two national magazines, and four newspapers with the expectation that the surveys would be returned in a timely fashion. This concept failed for several reasons as identified in follow-up telephone calls to most of the recipients:

- Media outlets generally do not allow staff to open attachments to e-mails; consequently the surveys were disregarded.
- National news magazine reporters generally do not respond to requests for surveys.
- National news magazines have little interest in water rate or water value stories; they feel such stories are always local in nature. The only exception would be a nationwide outbreak of some deadly or injurious contaminant in tap water akin to the recent *Escherichia coli* event in spinach and lettuce.
- Television reporters do not regard water rate stories or water stories in general as visual enough for television.

In addition, television generally devotes less than one minute to each story and they will not devote the time to complex stories unless there is some serious community consequence. For example, a broken water main flooding main street would generally be considered a television story; however, an interview with a water agency general manager about the value of water would not be. Accordingly, television news writers had little interest in the subject.

After not receiving responses to the initial survey request, the survey was recreated, and a geographically diverse list of major newspapers was created and reporters or editors at these newspapers were contacted directly by telephone with an appeal to provide their input to assist in the process. The following newspapers were contacted. And all of them responded to the questions that were asked:

- Arizona Republic (Phoenix)
- Atlanta Journal & Constitution
- Rocky Mountain News (Denver)
- Tampa Tribune
- Portland Oregonian
- Honolulu Star Bulletin

Eight questions were asked of each reporter:

1. How well do you think communities in the United States understand and appreciate the value of water?
2. How do you think the value of water is currently communicated to the public (if at all)?
3. How might that communication be improved?
4. What do you, as a journalist, need to help communicate these issues to the public?
5. How important are water sustainability and conservation messages in communicating the value of water to the public?
6. On a scale of 1 to 5, 5 being highly trustworthy, how would you characterize municipal officials as they seek to explain water rate increases?
7. Is there a person (by title) who comes to your mind who would be a credible spokesperson to discuss the value of water?
8. If a water agency were to proclaim at a news conference that it needed to raise water rates, what arguments for such rate increases do you believe would be the most compelling?

The answers provided by the reporters to the questions are provided in Chapter 4.

Case Studies Illustrating Communication Efforts

Several utilities and other organizations already have effective communications efforts in place. The objective of the case studies was to interview these organizations, identify effective communications elements, and incorporate the elements into the model and toolkit. In addition, to increase the knowledge and perspective on communicating the value of products and services to customers, case studies were also developed for two non-water organizations. Some of the successful elements as well as lessons learned from these organizations were incorporated into the model as described in Chapter 5. Nine water utilities were selected for communications case studies: Beaufort-Jasper Water and Sewer Authority (South Carolina), Newport News Water Works (Virginia), Tucson Water (Arizona), Charlotte-Mecklenburg Utilities (North Carolina), East Bay Municipal Utility District (California), Milwaukee Water Works (Wisconsin), Lehigh County Authority (Pennsylvania), Seattle Public Utilities (Washington), and El Dorado Irrigation District (California).

The utilities range in size from 18,000 to 1.4 million customers and are located throughout the United States. The utilities are all organizations that have implemented communications programs and were selected based on the professional judgment of the project team. The project team contacted each of the organizations for case studies and conducted interviews on the phone. The following questions were asked of the utilities that participated in the case studies:

- Does your utility have a mission, vision, or brand? If so, what are they?
- How was your utility's communications plan or strategic plan developed?
- How did your utility implement the plan? Is there a procedure for monitoring it?
- Is sustainability captured in your utility's communications? If so, how?
- Does your utility use any of the branding materials developed by national organizations such as AWWA, WEF, or AwwaRF?

For the non-water organizations (the Sony Corporation and the California Avocado Commission), the following topics were covered:

- Does your organization have a brand? If so, what is it and how was it developed?
- Has your organization's brand changed over time? If so, how?
- Are there any threats to your organization's brand?

Interviews with Industry Leaders on the Communications Model

Following the development of the communications model presented in Chapter 5, the project team conducted telephone interviews with industry leaders to get feedback on the communications model: Mr. Greg Kail (AWWA), Mr. Jack Hoffbuhr (AWWA), Mr. Douglas Crawford-Brown (University of North Carolina), Mr. Stig Regli (USEPA), Ms. Cynthia Dougherty (USEPA), and Ms. Debra Coy (Janney Montgomery Scott LLC). The following questions were asked of each of the participants:

- Do you think the communications model will serve the water utility well in effectively communicating the value of water to various stakeholders?
- The model was developed based on the practices of some of the more progressive utilities. In your experience, do you see that water utilities are generally following this model?
- Do you suggest any modifications to the model?

The feedback identified areas for more detailed descriptions of the various steps in the model. The comments have been incorporated in the model and the supporting text that is presented in Chapter 5.

GUIDANCE DOCUMENT ORGANIZATION

This report provides a dual purpose of capturing and interpreting the project methodology and results and presenting them in the form of an Introductory Guide for utilities. The guidance document has seven chapters:

- **Chapter 1** provides context, introduces the project, and states the specific project objectives.
- **Chapter 2** documents the methodology used to collect the project research.
- **Chapter 3** provides the findings of literature reviewed as part of this project.
- **Chapter 4** provides the findings of the surveys, workshops, focus groups, interviews, case studies, and other project activities.
- **Chapter 5** discusses the project findings relative to the objectives of the project that were outlined in Chapter 1.
- **Chapter 6** provides the project and identifies future research needs.

CHAPTER 3 LITERATURE REVIEW

The value of water has long been debated. The paradox of value (also known as the diamond-water paradox) is the apparent contradiction within classical economics as diamonds command a higher price in the market but water is far more useful. In the *Wealth of Nations*, Adam Smith (1776), the founder of economic theory, discussed this concept. Nicolaus Copernicus (Gordon 1991), John Law (Blaug 1962) and others had previously tried to explain the disparity in value between water and diamonds.

Smith noted that “nothing is more useful than water; but it will purchase scarce anything; scarce anything can be had in exchange for it. A diamond, on the contrary, has scarce any value in use; but a very great quantity of other goods may frequently be had in exchange for it.”

The theory of marginal utility became the accepted solution to the contradiction. The theory argues that it is the marginal utility of a good that determines its price, not the use-value of the good. The marginal utility of a good or service is its utility in its least urgent use of the most-desired available uses. The same object may have different marginal utilities for different people. This explanation certainly characterizes how many consumers value (or do not value) water.

In the following sections, some of the literature related to the link between community trust, the utility sustainability posture, perceptions of the value of water and the potential for community support for water initiatives are presented. This chapter can be considered an outline for helping to build trust in the community as a prelude to communicating the value of water.

TRUST IN GOVERNMENT

Trust in government has ebbed and flowed since measurements first began being taken. The National Opinion Research Center at the University of Chicago conducted the *General Social Survey* where people were asked whether they have a great deal of confidence in social institutions. Between the 1970s and 2004, confidence in banks and financial institutions declined from 35% to 28%, major companies declined from 26% to 17%, the press declined from 24% to 9%, organized religion declined from 35% to 24% and education declined from 36% to 27%. Data do not exist for water utilities specifically but it is reasonable to assume that there have been declines there as well.

Social scientists have offered a variety of explanations for this decline in trust ranging from authorities exhibiting untrustworthy behavior, a polarized political climate, corporate greed and excess, and a society with easy access to ever more information about scandals.

Levi and Stoker (2000) note that untrustworthy behavior (e.g., Vietnam and Watergate) is at least partly responsible for lost public confidence in authorities. Similarly, corporate scandal has fueled distrust of corporate leadership. Tyler (2006) noted declines in trust are a by-product of a highly educated society presented with ever more information about disturbing world events by an increasingly competitive media.

The actions of elected and appointed officials and perceptions of government performance are most often identified as potential precursors to trust. Economic stewardship is typically identified as a leading cause of trust (Chanley, Rudolph, and Rahn 2000; Citrin and Green 1986; Citrin and Luks 2001; Feldmen 1983; Lawrence 1997; and Miller 1991). The actions of incumbent leaders and evaluations of government institutions (Congress and the

president are also thought to be critical to levels of trust (Chanley, Rudolph, and Rahn 2000; Citrin and Green 1986; Citrin and Luks 2001; Craig 1993; Erber and Lau 1990; Feldman 1983; Miller 1991; Williams 1985). Crime has also been identified as a contributor to trust (Chanley, Rudolph, and Rahn 2000; Mansbridge 1997). And most recently, Keele (2005) demonstrated that government performance affects trust relative to evaluations of the political process. Short (1984) concluded that the acceptability of risks is also a function of the degree to which the institutions which are responsible for the assessment and management of risks are trusted. The findings of the literature indicate that trust is a reflection of government performance.

Some authors have suggested that social capital is the wider social phenomenon which affects trust. Social capital refers to the social connections, networks, and interpersonal trust that occur in communities (Brehm and Rahn 1997; Putnam 1993, 1995a, b, 2000). Citizens who participate in civic activities meet more people and learn interpersonal trust from interacting with them. Miller (1974a, b) concluded that citizens that are not engaged in civic activity are likely to feel a lack of political influence, causing feelings of powerlessness which fuel cynicism and distrust toward social leaders, the institutions of government, and the regime as a whole.

The development of active trust, enabled through educations, regulative and material support, allows individuals and social groups to be actively involved (Giddens 1994).

Sztompka (1999) and Misztal (2001) suggested both top-down and bottom-up processes are important to the development of trust, and cooperation in civil society will be influenced by the state through the role of legal and political institutions. Cullen (1996) argued that effective public consultation requires community involvement in the process. This contrasts with the alternative approach of strategic communication employed to market the public as described by Habermas (1990). Distrust can be generated by processes that hand pick consultation groups at the expense of wider public participation (Williams 2002). Sustainable outcomes occur when local communities are meaningfully engaged (Abbott 2001 and Fung and Wright 2003).

Keele (2007) concluded that trust is an evaluation of elected and appointed officials and their management of the economy and responds immediately to any changes in government performance. But trust also reflects deeper satisfactions and discontents with the political process. Trust responds to negative shocks (e.g., scandals), and Keene's analysis implies that trust should also respond to positive shocks, i.e., it can be regained. For government, trust serves as an important barometer of performance and the responsiveness to public demands.

In 1958, 73% of respondents indicated they could trust the federal government all or most of the time. By 1998 that had dropped to 40% (University of Michigan National Election Studies, <http://www.umich.edu/news/index.html?Releases/2000/Oct00/r102700b>).

Social science research has shown the importance of trust to the success of social institutions. Tyler and Blader (2000) showed that employees who trust management are more invested in their jobs, more creative, and harder working, which leads to a greater likelihood of prevailing in competitive business environments. Podsakoff et al. (1997) concluded that the degree to which firms have the trust of their employees shapes the quality of the work performed. Margolis and Walsh (2001) maintain that employee attitudes shape the profitability of organizations and, consequently, their likelihood of long-term survival. Reiter and Stam (2002) suggest such social factors account for the superiority of democracies in winning wars. Tyler (2006) links these social factors to respect for law and legal authorities. When collective resources are stressed and greater sacrifices are required (willingness to serve in the military during wartime) trust in authorities is especially key (Levi 1997).

According to Tyler (2006), “trust is an important condition of effectiveness, because trust leads to high levels of engagement and motivation. When they trust authorities and institutions, people feel connected to groups and do what is needed to help them succeed.”

This implies that engaging citizens so as to develop a relationship with the utility and familiarity with the utility’s functions and leadership is important to building trust.

Research conducted in high stress and low trust situations, while not directly applicable to water utilities, may hold some important clues to gaining trust and credibility. Peters et al. (1997) found that three determinants of trust and credibility in high stress/low trust situations (e.g., community relations after waterborne outbreaks or other disasters)—knowledge and expertise, honesty and openness, and concern and care—accounted for a significant amount of the variation in perceptions of trust and credibility. Strong relationship between perceptions of commitment and of honesty and openness; and activities that enhance perceptions of openness and honesty would increase trust and credibility. This research found that:

- For industry, an increase in public perception of concern and care results in a larger increase in perception of trust and credibility than any other variable under consideration.
- For government, an increase in public perception of commitment results in a larger increase in perception of trust and credibility than any other variable under consideration.
- For citizen groups (e.g., non-governmental organizations), an increase in public perception of knowledge and expertise results in a larger increase in perception of trust and credibility than any other variable under consideration.

Importantly, they found that defying a negative stereotype is key to improving perceptions of trust and credibility. This has implications for water utilities that have reputations or brands that are negative.

Covello and Allen (1988) suggested five rules for building trust and credibility in risk communication:

- Accept and involve the public as a partner.
- Appreciate the publics’ specific concerns.
- Be honest and open.
- Work with other credible sources.
- Meet the needs of the media.

While the above findings apply to *high stress and low trust environments*, it is reasonable to assume that these have at least some applicability for building trust and credibility in general.

WATER UTILITY COMMUNICATION WITH CUSTOMERS

Tatham et al. (2004). surveyed 5,000 residents in each of five partner water utility markets regarding:

- Perceived importance of various aspects of water utility services

- The frequency of various types of contact that residents have had with their water utility
- The types of information residents would like to receive from their water utility
- The preferred ways that residents would like to receive information from their water utility
- How willing residents would be to pay for various types of service improvements
- How well informed residents were about water related issues
- Overall satisfaction with their water utility

In order to help inform the development of questions and response choices for the survey, a series of 20 focus groups were held with residents in each of the five markets prior to the survey. The focus groups were structured to ensure representative input was obtained from a wide range of demographic groups including: seniors, parents with young children, males, females, Hispanics, African Americans, home owners, and renters.

Through the survey, the study sought to answer three key questions:

- What factors determine whether or not a customer is satisfied with their water utility?
- Does information about water quality issues really affect customer satisfaction, and if so, why?
- What types of messages should be delivered and how?

The survey analysis found that although many factors influence customer satisfaction, good service delivery is key as:

- Dissatisfied customers were 212% more likely than satisfied customers to have had concerns about the safety of their water.
- Dissatisfied customers were 177% more likely than satisfied customers to report having had errors on their water bill.
- Dissatisfied customers were 158% more likely than satisfied customers to have had problems with taste, smell, or clarity of their water.
- Dissatisfied customers were 67% more likely than satisfied customers to have had their water service interrupted.

Rambo et al. (2004) found that customers want:

- To know that their complaints/questions are heard and acknowledged
- Courtesy and respect
- Knowledgeable representatives
- Good quality water
- Complete restoration of property when any on-site work is done
- To be able to speak with a live person rather than an automated system

Residential water utility customers who participated in focus groups generally expressed four core expectations about their water utility (Tatham et al. 2004):

- Tap water will be safe to drink.
- Water will come out of the tap when it is turned on (reliability).
- Water bills will be accurate.
- Someone will provide help when a customer has a problem.

While it is unclear that satisfied customers are willing to pay more, it is almost certain that dissatisfied customers would not feel good about paying more for water service.

Importantly, customer satisfaction with water utilities appears to be a function of two major variables: 1) the synthesis of all experiences that a person has been exposed to over the course of their life that shapes the expectations a person has about water utilities, and 2) the actual service a person receives from their water utility. If the four areas previously identified by Mobley et al. (2005)—tap water will be safe to drink, water will come out of the tap when it is turned on, water bills will be accurate, and someone will provide help when a customer has a problem—are central to customer satisfaction, they may be linked to the customer's sense of value for the service and the product.

A 2001 American Customer Satisfaction Index (ACSI) report implied that water utilities' customer satisfaction can increase by emulating practices of leading private sector organizations. The same report found that the Internal Revenue Service had improved its satisfaction rating by adopting some private sector techniques such as actively listening to their customers when changing processes, reallocating resources, and focusing technology to enhance the overall tax-filing experience.

Satisfaction with public drinking water quality is not measured by either of the major customer satisfaction indices, the ACSI or JD Power and Associates, but the ACSI finding on timeliness agrees with recent AwwaRF research. Customers rated timeliness, a reasonable appointment window, and knowledgeable representatives as very important service attributes for water utilities (Rambo et al. 2004).

Consumption of bottled and filtered water varies widely by region, with 80% or more of consumers on the West Coast, the Southwest, and part of the Southeast drinking bottled or filtered water, or both (Mackey et al. 2003). In contrast, consumption of bottled water in the Midwest is limited to only 20% of the population. By 2003, 48% of the American public was using either a point-of-use (POU) or point-of-entry (POE) device or bottled water while at home (up from 41% in 2001). Safety was the primary motivator for filtered water drinkers. Bottled water drinkers were divided between taste, safety, and health as their motivation for drinking this product. Eighty-six percent of Americans are concerned about their tap water.

Means and Patrick (2004) concluded the water industry must become much more active in providing accurate water-quality related and environmental information to the public to counter inaccurate perceptions and mass media misinformation.

Studies have also shown that 61% of respondents get their information on water quality from the media while 34% receive it from their water supplier (National Environmental Education and Training Foundation [NEETF] 1999). A 2004 report by the same organization, *Understanding Environmental Literacy in America*, found that this trend had intensified; more children (83%) get environmental information from the media than from any other source, and the media is also the only source of environmental information for most adults. NEETF also found that while people in the U.S. count on safe drinking water, few know where their water comes from, what may be threatening its quality, or what actions are appropriate to protect its source. Environmental literacy in general and on water quality in particular is very poor.

NEETF's 2004 research review indicated that Americans also have a fairly high but mostly inaccurate opinion about the amount of environmental knowledge they possess. Data show a steady pattern of environmental ignorance even among the most educated and influential members of society; the research showed little difference in knowledge levels between the average American and those who sit on governing bodies, town councils, and in corporate board rooms. The implication for funding requests that would cause rates to rise is obvious.

J.D. Power and Associates' 2003 Gas Utility Residential Customer Satisfaction Study measured customer satisfaction with utility performance among 55 of the largest local gas distribution companies in the country. The overall customer satisfaction measurement is based on five factors (in order of importance): company image, price and value, billing and payment, customer service, and field service.

Mackey et al (2003) found that consumers gave water utilities an overall score of 73 for service, putting water utilities roughly on a par with the average private sector organization and slightly higher than the average federal agency. However, the taste of tap water came in for criticism, which reinforces other research on why people drink bottled water and use POU/POE treatment.

Many utilities conduct consumer satisfaction surveys to track progress in customer perceptions of utility performance (e.g., Metropolitan St. Louis Sewer District 2006 Annual Report and 2005 City of Tampa Public Opinion Survey). In general, these surveys indicate:

- Consumer perception can be positively affected by outreach.
- Consumer satisfaction can be increased by education of quality and cost of drinking water.
- Perception can shift in the absence of outreach.
- Taste and odor are key determinants of perceptions of safety.
- Name recognition can be very low for wholesale agencies.

AwwaRF has examined methods for surveying customers and the reader is referred to *Tools and Methods to Effectively Measure Customer Perceptions* (Colbourne et al. 2001) which evaluates available assessment tools and methods that measure customer perceptions and changes in their opinions toward drinking water utilities and utility services. Other AwwaRF publications that may help utilities better understand the needs of stakeholders include *Customer Acceptance of Water Main Structural Reliability* (Damodaran et al. 2005) and *Developing Customer Service Targets by Assessing Customer Perspectives* (Rambo et al. 2004).

Roseth (2006) assumed that water industry managers who wish to influence their communities to save water and to support sustainable water management schemes are engaging in social reform. For successful reforms, the water utilities must understand community attitudes and concerns. In a phone survey of 3,500 residents in Adelaide, Darwin, Melbourne, Perth and Sydney (Australia), and interviews with 56 people, Roseth found:

- People accept drought and water restrictions as a way of life, but the level of concern and sense of urgency about water shortages are not particularly high.
- Almost all believe that there is a need to save water all the time.
- Women are more concerned about water shortages than men and are more likely to be willing to take action to save water than men.

- One third of respondents said that they would be really annoyed if water restrictions became tougher; many believe it is their right to maintain a green and healthy garden irrespective of the amount of water needed.
- Fear of running out of water exceeded care for the environment or financial savings as the most significant motivation for people to save water.
- Water resource managers must work to keep water issues in front of the public through a sustained national education campaign on water conservation.

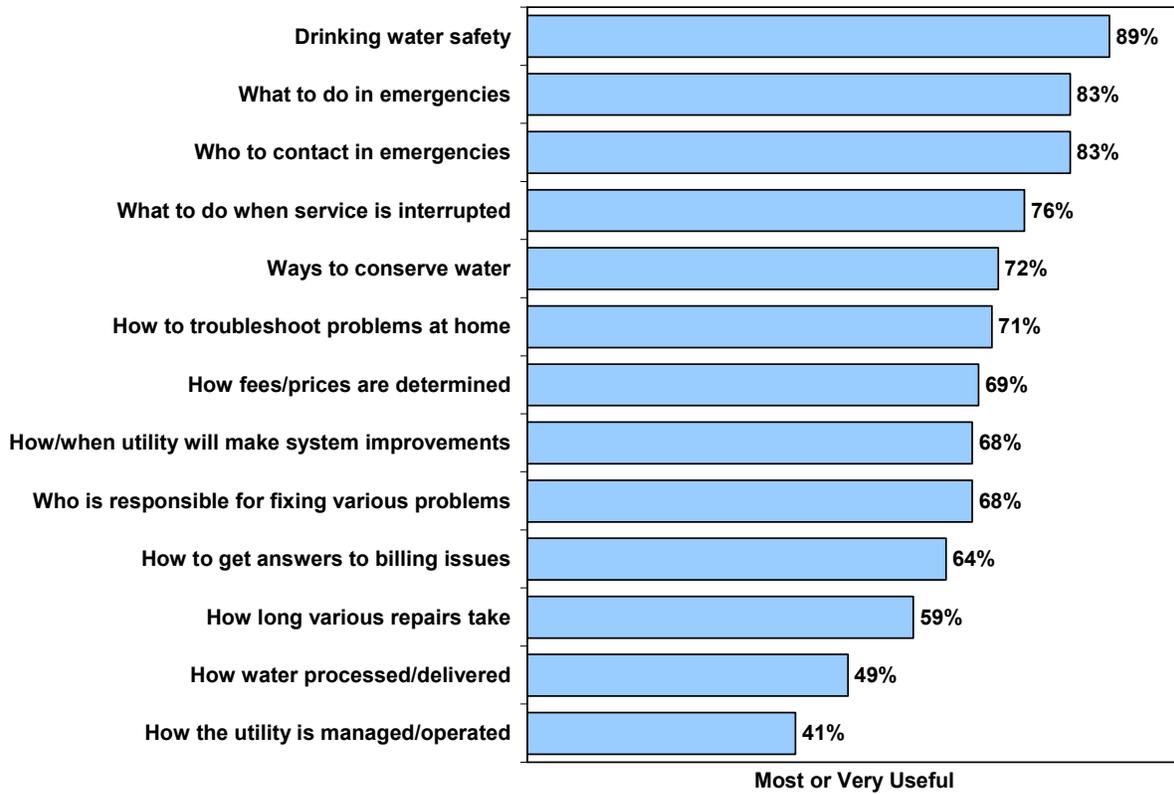
What remains to be determined is the linkage between customer awareness, satisfaction, appreciation for the value of water, and consumer support of rate increases. There appears to be little in the literature exploring this linkage. Barone et al. (2000) found that customers will express good will towards a similar service or product provided by a brand they already like.

Braun (1999) suggested that information affects how and what consumers remember. Consumers may come to believe that their past product experience had been as suggested by the advertising. Over time this post-experience advertising information can become incorporated into the brand schema and influence future product decisions. One would infer from this research that a positive branding campaign can overcome some negative impressions.

Understanding the core expectations of water utility customers (and other stakeholders) allows the development of a targeted communications program to address those expectations as well as build a greater appreciation for the value of water.

For example, research has shown that consumers generally have a negative opinion of chlorinous tastes and odors in drinking water, causing lower satisfaction with tap water flavor, healthiness, and safety. Nearly half of consumers associate those tastes and odors with a lack of safety (Mackey et al. 2004). Similarly, bottled water and filtered water drinkers are driven predominantly by safety and health concerns and to a lesser degree by taste (Mackey et al. 2003). Understanding those concerns is the first step toward alleviating them through consumer outreach and education efforts.

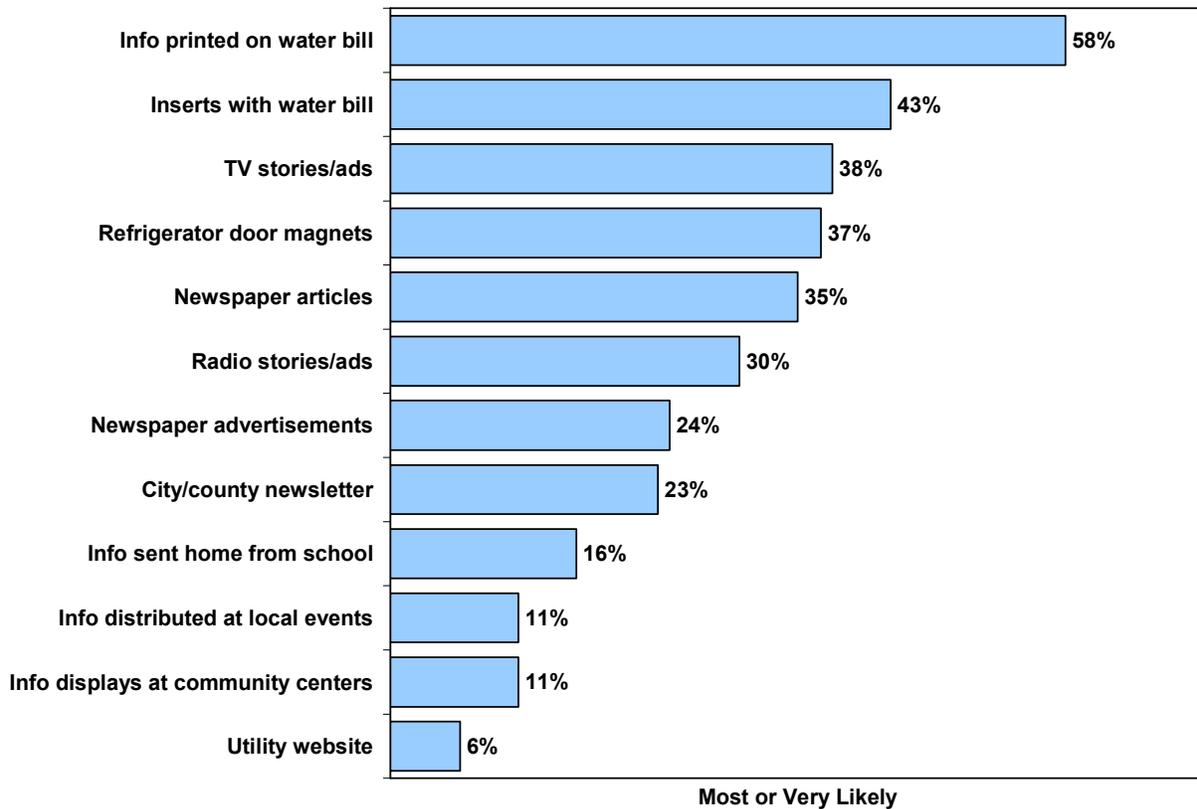
Tatham et al. (2004) asked customers about the type of information they would find useful for their water utility to provide. [Figure 3.1](#) below summarizes the compiled responses from a survey of 5,000 residents in five separate communities. A large percentage of respondents were interested in information related to water safety matters, emergency water supply issues, conservation, and system improvements.



Source: Data from Tatham et al. 2004

Figure 3.1 Usefulness of water utility information as gauged by customers

When asked how their water utility should keep them informed, customers (Figure 3.2) most frequently cited water bills (58%) and water bill inserts (43%). Television, radio and newspapers were cited by 35%, 30% and 24% of respondents. Notably, only 6% of respondents cited the water utility Web site as a source of information they would find useful. This has important implications for communicating the value of water.



Source: Data from Tatham et al. 2004

Figure 3.2 Likelihood of customers viewing information from various sources

In summary, Tatham et al. (2004) concluded that communication changes the way customers view interactions. It must be targeted, focused on core consumer expectations, and delivered regularly through multiple types of media.

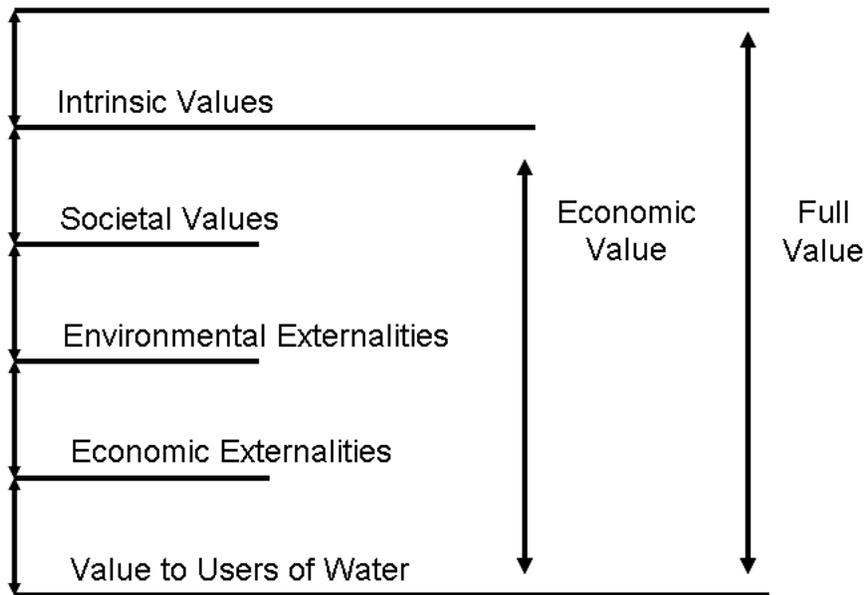
Regarding Web site usage, the picture is more complicated as Welch et al. (2004) found that government Web site use is positively associated with both e-government and Web site satisfaction, and that e-government satisfaction is positively associated with trust in government. They concluded that electronic government strategies—transaction, transparency, and interactivity—are important factors that directly affect e-government satisfaction and indirectly affect trust. Individuals who use government Web sites are not only critical consumers but also demanding citizens.

DEFINING THE VALUE OF WATER

Economists have a clear empirical definition of the value of water. However, as Raucher et al. (2005) observed, the economist view of value may be too limiting in the world of the water manager where the views of the elected officials, the public, and other stakeholders must also be considered. He goes on to indicate the potential for confusion between two other terms that are often used in discussions of value—cost and price. Economists measure value as the maximum

willingness to pay for the commodity or service (in this case water). This empirical value can be measured and will vary by circumstance and over time (e.g., during a drought, the value of water may rise as would the cost and price). Consumers, on the other hand, may relate the value of water to more emotional concepts like its importance in maintaining public health, or river flows for a healthy fish population, or for their children's amusement on a hot summer day.

The five categories of value were summarized by Roger et al. (1998) and adapted by Raucher et al. (2005), as shown in [Figure 3.3](#) below:



Source: Adapted from Roger et al. (1998) and Raucher et al. (2005)

Figure 3.3 Components of the full value of water (not drawn to scale)

These five categories of value are:

1. Value of water to users: what an end user is willing to pay.
2. Economic externalities: includes side benefits of water use (e.g., agricultural return flows might recharge an aquifer).
3. Environmental externalities: includes such benefits as ecological values of stream water releases and recreational benefits.
4. Societal objectives: includes the economic values associated with a growing community.
5. Intrinsic values: includes the values that people place on water beyond its direct use. This would include such values as accrue to maintaining historic tribal fishing activities on streams, or values people place on the simple existence of a flowing and healthy river.

The full value of water as shown in the figure includes the economic value (including qualitatively or quantitatively measurable value) as well as the intrinsic values (those values people place beyond direct use).

Raucher (2005) concluded that the public's appreciation of the priceless value of water service needs to be more broadly communicated.

The NWRI has produced a video on the value of water that provides an image rich medium to convey the quality of life issues that are implicit in adequate supplies of high quality and affordable water. They have also issued a pamphlet entitled "The Value of Water."

An important starting point for helping to convey the value of water and water services is *Avoiding Rate Shock: Making the case for water rates* (AWWA 2004). This booklet outlines several important findings that must be considered in developing a communications program:

- People undervalue water, which compounds the challenge of getting rate increases accepted.
- A consistent, structured communications outreach program builds the credibility necessary to support the customer-utility relationship and, therefore, rate increases.
- It's never too late to start doing the right thing—think long-term, and plan beyond the current crisis.
- Billing practices and rate structure options can affect customer reactions and acceptance of rate increases (with a quote from Andy Richardson, "what people don't understand, they will not value; what they don't value, they will not support").

Communicating the value of water then, must start with an understanding of which definition is being used: the economist's, the water manager's or the consumer's? When consumers are asked about the value of water, they almost always discuss concepts like protecting public health, sustaining the natural environment, fire fighting, or commercial and industrial uses. They rarely characterize it as an economic value (i.e., willingness to pay).

MARKETING AND BRANDING

Raphel and Raphel (1995) and Payne (2000) described the Loyalty Ladder in business relationships that have some application to water utilities. These include the following designations from least to most desirable:

- Suspects: not even mildly warm leads
- Prospects: warm leads
- Customers: people who buy your service
- Clients: regular customers w/ some level of trust (some may feel like hostages)
- Supporters: buy everything you produce that they can use
- Advocates: buy your products and actively recruit others to do the same
- Partners: investment partners (e.g., business-to-business)

From the water utility perspective, generally the objective would be to turn a customer into a supporter or, better yet, an advocate or a partner.

Bell (2002) maintains that "it is no longer sufficient to just have a relationship with your customer, you need to develop the love of your customer," and he details seven steps of increasing customer commitment:

1. Enlistment: interacting with the customer

2. Engagement: engaging the customer in straight talk
3. Enlightenment: educating and keeping customers up to date helps to build their loyalty and commitment
4. Entrustment: affirming the covenant (e.g., reliability is vital)
5. Empowerment: customer control through consistency – providing consistent service and responsiveness
6. Enchantment: making the process (service) magical. (Service which surprises builds devotion)
7. Endearment: giving without a toll or price (showing generosity to customers if backed by authenticity)

Travis (2000) argues that brand and image become inextricably linked and, to the customer, perception is reality. He maintains that there is a need to regularly assess the nature of brand/image and ensure that strategic actions enhance and do not undermine them.

Berthon et al. (1999) showed that, for a buyer, brands help with product identification, signal quality levels and provide social status. He maintains that it is important to understand the perceptions of the consumers relative to the variety of company brands before them.

While water utilities are natural monopolies, the need to breed customer familiarity and convey utility stewardship of the resource and build social capital to engender consumer support is important.

Aaker (1996) concluded that there are four distinct brand perspectives:

- Brand as product (think Volvo)
- Association between brand and a particular organization (e.g., innovative, young, socially responsible, perhaps water utilities?)
- Brand as a person (think Michael Jordan)
- Brand as a symbol (think Nike)

He calculated brand equity by comparing brand assets to brand liabilities. He maintained that brand equity has 5 categories of assets: 1) brand name awareness, 2) brand loyalty, 3) perceived quality, 4) brand associations, and 5) other assets (i.e., patents and trademarks). Brand awareness is the lowest level of brand equity. Brand loyalty is the strongest measure of value of a brand (this obviously does not apply to water utilities). Perceived quality is also a critical component of loyalty. Perceived quality has been shown to be the only brand association that is able to drive firm profitability - perceived quality is often the major focal point for strategic positioning and perceived quality has the ability to affect many other brand perceptions. Applied to water utilities, this has profound implications. Water systems that have reputations for either poor water quality or service (see Tatham citations above) have a major hurdle in gaining consumer support and loyalty.

Companies have found that the key to brand success is to build strong relationships with customers by enhancing customer experiences with the brand, its personality, and its heritage.

Effective brand management requires a long-term perspective with continuous reinforcement of brand meaning and, when necessary, revitalization (Keller 2000). He identified a clear need for consistent messages:

- What products are represented by the brand?

- What benefits are supplied by the brand?
- What specific needs are satisfied by the brand?
- How does the brand make those products associated with it superior?
- What distinct and favorable brand associations are made by consumers with the brand?

Keller found that the world's strongest brands have ten characteristics in common. They include:

1. The brand excels at delivering what the customer really wants.
2. The brand stays relevant.
3. The pricing strategy is based upon the consumer's perception of value.
4. The brand is properly positioned.
5. The brand is consistent.
6. The brand portfolio and hierarchy make sense.
7. The brand makes use of and coordinates a full repertoire of marketing activities to build brand value.
8. The brands' managers understand what the brand means to customers.
9. The brand is given proper support and the support is sustained over the long term.
10. The company monitors sources of brand equity.

“Ultimately the power of a brand lies in the minds of consumers or customers, in what they have experienced and learned about the brand over time” – Guam Aviation and Tourism Symposium

Roberts (2004) argued that brands are flawed and that in today's world, while a brand stands for information, a lovemark focuses on relationship. Either way, relationships, brand, or image are important to the success of water utilities.

One might argue that water is both a product and a service (notwithstanding the absence of product liability exposure afforded the drinking water industry). Services have a distinctive nature. Swank (2003) identified four aspects of services, one of which is particularly important to water utilities—intangibility. Intangibility means that competitive differentiation has to be experienced by users. While water utilities do not have competitors per se, the quality of service is comparable to service from other service providers (like gas, electric, mobile phone, etc.). Swank further warns service providers to always measure any improvement in performance and product from the customer's perspective.

Levitt (1981) noted that consumers of a service will find a way to infer some degree of tangibility by “observing the evidence of the service and thereby making assumptions about quality from the evidence at hand.” This implies that water utilities should make their service tangible and high quality. (This means consistently linking the utility to the service it provides and the value/quality of the service.) One clear difficulty for water utilities is conveying the quality of the product in the face of the relentless progression of drinking water regulations, the unavoidable trace levels of some contaminants in water (e.g., disinfection by-products) and the scientific uncertainty surrounding the health effects of trace levels of some contaminants in water.

We do know that half of the consumers have a negative opinion of chlorinous tastes and odors in drinking water, and the associated healthiness (Mackey et al. 2004). This same study concluded that consumer satisfaction can be increased by education of quality and cost of drinking water.

Research has consistently shown that the key to a service firm's success is keeping the customer happy. "Fulfillment, appears to be the key ingredient in the concept of customer satisfaction" (Oliver 1997). To this end, it is critical to understand exactly what the consumer is looking for when they experience the service in question.

Parasuraman et al. (1988) developed a multi-item scale (SERVQUAL) to assess customer perceptions of service quality in service and retail businesses. The scale separates service quality into five areas:

- Tangibles: physical facilities, equipment, staff appearance, etc.
- Reliability: ability to perform service dependably and accurately
- Responsiveness: willingness to help and respond to customer need
- Assurance: ability of staff to inspire confidence and trust
- Empathy: the extent to which caring individualized service is given

Perceptions of service quality lead to customer satisfaction, which in turn leads to positive purchase intentions, which leads to sales and profits (Heskett 1997).

Gray (2004) suggested that the company that stresses service must be able to deliver on its promise. Customer satisfaction from a fulfilling service experience will lead to loyalty and profitability, but "it is imperative for the service strategist to monitor changes in the expectations of consumers such that continuous service quality improvements can be facilitated."

Service strategy is totally dependent upon the customer receiving the service experience that he or she expects. To this end, water utilities should examine the expectations of customers—customer focus is a key strategic consideration for all service firms.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Corporate Social Responsibility means the company acts in a socially responsible manner to protect and enhance the various stakeholders that have an interest in the company, the community in which it operates, the environment which surrounds it and society.

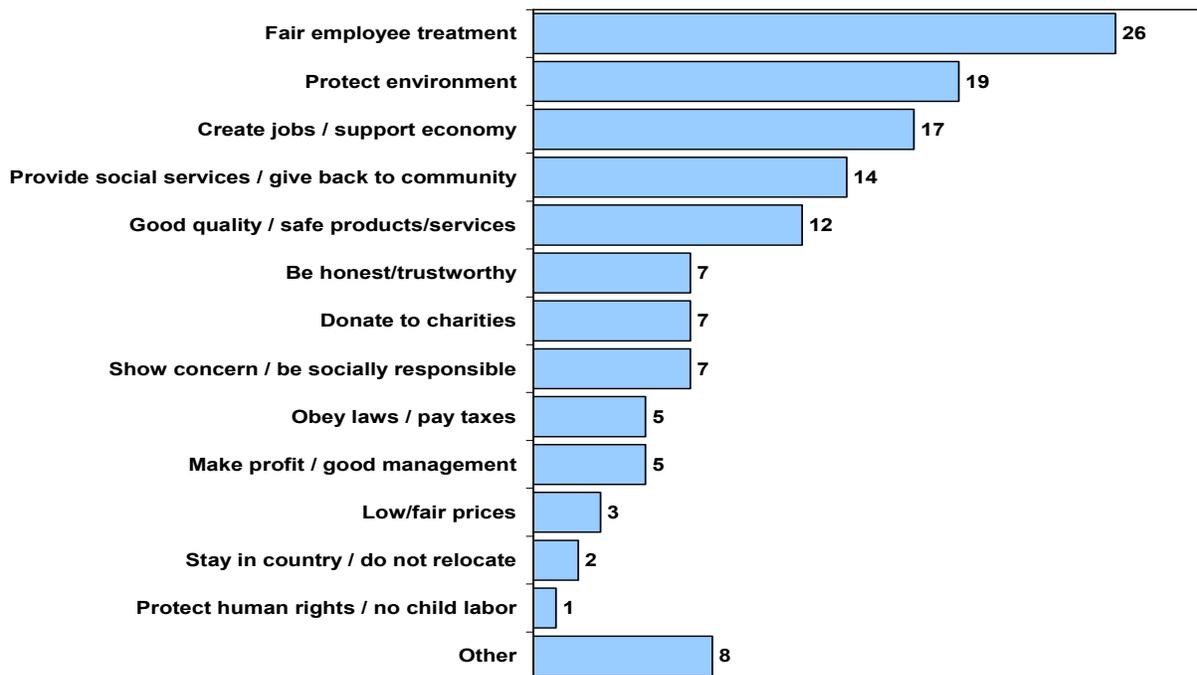
The increasing scale of global human activity has accelerated the pace of environmental change in the last half century (Turner et al. 1990). Vitousek et al. (1997) has estimated that humans have modified, managed, or appropriated up to one-half of terrestrial ecosystems and one-quarter of the freshwater supply (Postel et al. 1996). The percentage of worldwide fish stocks exploited beyond maximum sustainable yield has nearly tripled from 10% in 1970 to 28% in 1999, while 75% of all stocks are either overfished or at capacity (Food and Agriculture Organization 2000).

Leiserowitz et al. (2005) prepared an interesting global examination of public opinion regarding environmental attitudes, sustainability values, and behaviors. Research on global attitudes towards the environment found that 76% of respondents globally said that human beings should coexist with nature, while only 19% said they should master nature. Eighty-five percent of US citizens said that human beings should coexist with nature (World Values Survey 2004). GlobeScan (2005) found that 83% of the global public was concerned about

environmental problems. Seventy-two percent of respondents cited water pollution as a very serious problem. Sixty-nine percent said that their national laws and regulations do not currently go at all far enough.

Fifty-two percent of respondents worldwide agreed that protecting the environment should be given priority over economic growth and creating jobs (World Values Survey 2004), while 74% of respondents in the Group of Seven (G7; United States, Japan, Germany, France, United Kingdom, Italy, and Canada) countries prioritized environmental protection over economic growth, even if some jobs were lost (Pew Research Center 2002).

In a survey by GlobeScan (2005) where respondents in 20 developed countries were asked the most important thing a large company should do in order to be considered socially responsible, fair employee treatment was most often mentioned followed by environmental protection (Figure 3.4).



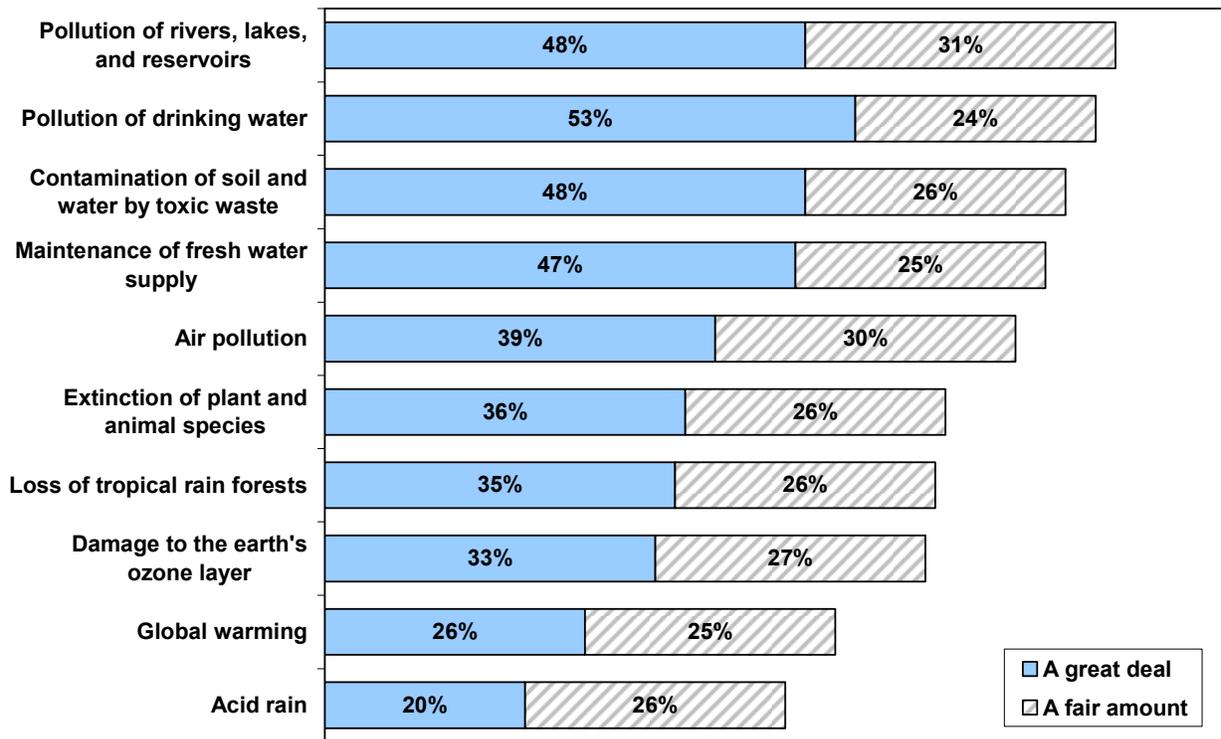
http://www.globescan.com/csr_research_findings.htm
http://www.globescan.com/csr_research_findings.htm

Source: Data from Globescan 2005

Figure 3.4 Most important thing a company can do to be seen as socially responsible

In a 2004 Gallup Poll, U.S. respondents expressed significant concern over water pollution (Figure 3.5), and a 1999 poll by Wirthlin Worldwide showed Americans believe that the environment can be protected and economic growth achieved (Figure 3.6).

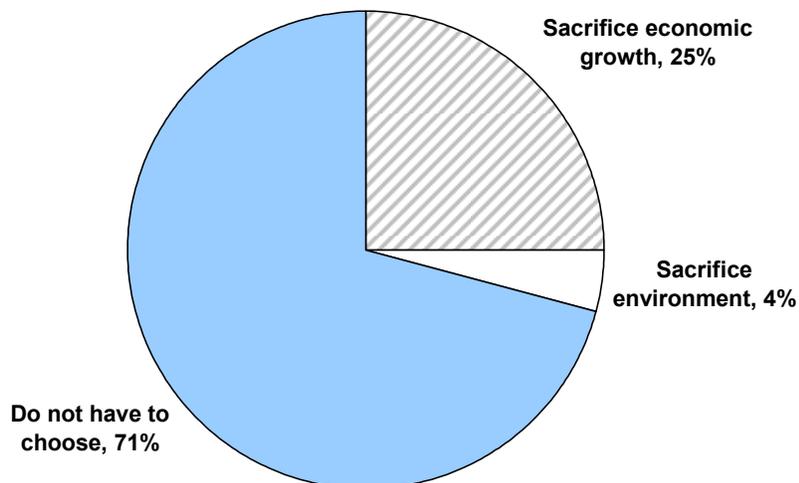
I'm going to read you a list of environmental problems. As I read each one, please tell me if you personally worry about this program a great deal, a fair amount, only a little, or not at all.



Source: Data from Gallop Poll 2004

Figure 3.5 Environmental issues Americans say worry them most

Do you believe that economic growth should be sacrificed for environmental quality, or should environmental quality be sacrificed for economic growth, or does it not necessarily have to be a choice between the two?



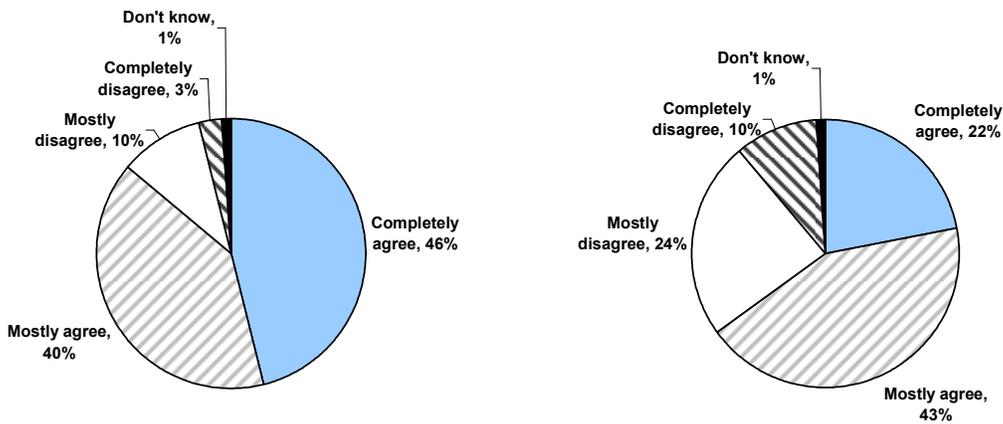
Source: Data from Worthlin Worldwide 1999

Figure 3.6 Evaluating the need to choose between the environment and economic growth

Pew Research Center (2003) showed that Americans believe there should be stricter laws to protect the environment, but only a modest majority say that people should be willing to pay higher prices (Figure 3.7).

Please tell me if you completely agree, mostly agree, mostly disagree, or completely disagree with the statement: There needs to be stricter laws and regulations to protect the environment.

Please tell me if you completely agree, mostly agree, mostly disagree, or completely disagree with the statement: People should be willing to pay higher prices in order to protect the environment.



Source: Data from Pew Research Center 2003

Figure 3.7 Evaluating the need for stricter laws to protect the environment

In a survey of 1,217 adults nationwide (Harris Poll 2005):

- Seventy-four percent agreed that protecting the environment is so important that requirements and standards cannot be too high, and continuing environmental improvements must be made regardless of cost.
- Forty-seven percent agreed that there was too little government regulation and involvement in the area of environmental protection
- Forty-six percent agreed that local government was doing less than their share to help reduce environmental problems.
- A majority of all U.S. adults (58%) describe themselves as sympathetic to environmental concerns, while 12% say they are active environmentalists, 4% are unsympathetic, and 24% consider themselves neutral.

Surveys are always limited by the nature and phrasing of the questions posed to the respondents. Nonetheless, numerous surveys indicate the public is generally supportive of

protecting the environment and is concerned about the quality of life and the environment for future generations. It is no coincidence that numerous major corporations are adopting green postures to resonate with consumers. The pejorative term greenwashing was coined to describe a deceptive marketing practice whereby corporations may claim that they are increasingly environmentally aware while critics claim that there is little evidence of substantial behavioral change.

Such tactics prompted The Green Life to publish *America's Ten Worst Greenwashers* in 2005, concluding that the rapid expansion of corporate environmental image advertisements in opinion-leading magazines was expanding into newspaper and television markets nationwide and that “they should in most cases be revoked, for rarely do they convey a company’s true identity.”

Nonetheless, the U.S. public appears to be receptive to sustainability initiatives and may appreciate authentic utility leadership in this arena. Water and energy conservation, green building design, education programs, etc. will be generally be positively perceived and, ultimately, can benefit the water utility by reducing water and energy costs and gaining public support for environmental initiatives (and many water supply projects like recycling, conservation, and conjunctive use can offer environmental benefits).

In the AwwaRF study *Stakeholder Perceptions of Utility Role in Environmental Leadership* (Tatham et al. 2006), the researchers conducted (among other activities) a survey to more than 2,400 residential water utility customers and concluded, “to be perceived as an environmental leader, water utilities must do more than just take care of the environment. . . . water utilities must be willing to take the initiative to work with other organizations in a visible way that allows their customers, community leaders, and special interest groups to see that the utility is truly committed to the protection and preservation of environmental resources. The research identified four fundamental characteristics of environmental leadership: 1) collaboration, 2) environmental stewardship, 3) visibility, and 4) a willingness to be first” .

In addition, residents, nationally, were 21 times more likely to think it was very important for their water utility to be an environmental leader than they were to think it was not important. However, the researchers observed a major gap in the perceived effort being undertaken by water utilities compared to the expectations that stakeholder groups have of the industry.

Importantly, residents who thought their water utility was an environmental leader were significantly more willing to pay for investments to protect the environment than those who thought their utility did not exert enough effort in protecting the environment.

In a 2003 survey (Globescan 2003) of over 1,000 university students worldwide, a strong majority believe that corporate social responsibility (CSR) should be taught more at universities regardless of the students' area of study. CSR is an important factor when students form their impression of companies as is respect and trust of a company's CEO, its management, and employees. One-half of students surveyed, and slightly more females than males, indicate that they would likely not apply for a job at a company if they learned it was operating in a socially irresponsible manner. A near majority of students expect CSR to influence their decision-making when they reach a management position. This was particularly true for North American students. And finally, students have high expectations of companies to operate in a socially responsible manner and are likely to punish those that they believe are irresponsible. North American students are among the most likely to say that they have punished a company for being socially irresponsible in the past year.

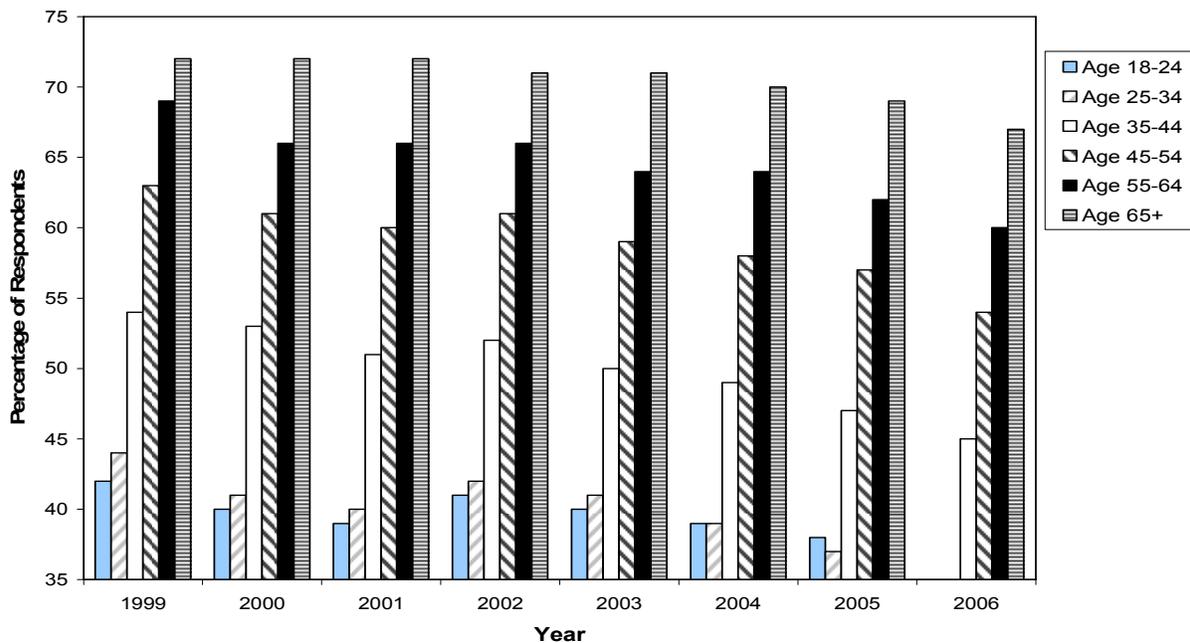
The AwwaRF study, *Triple Bottom Line Reporting of Sustainable Water Utility Performance* (Kenway et. al., 2007) explores systems for tracking management decisions,

operational practices, business plans, and other utility actions in the context of economic, environmental, and social impacts to produce sustainable practices.

There appears to be a significant opportunity for water utilities to adopt and promote environmental values (e.g., sustainable policies for water and energy).

THE MEDIA – IMPORTANT CONSIDERATIONS

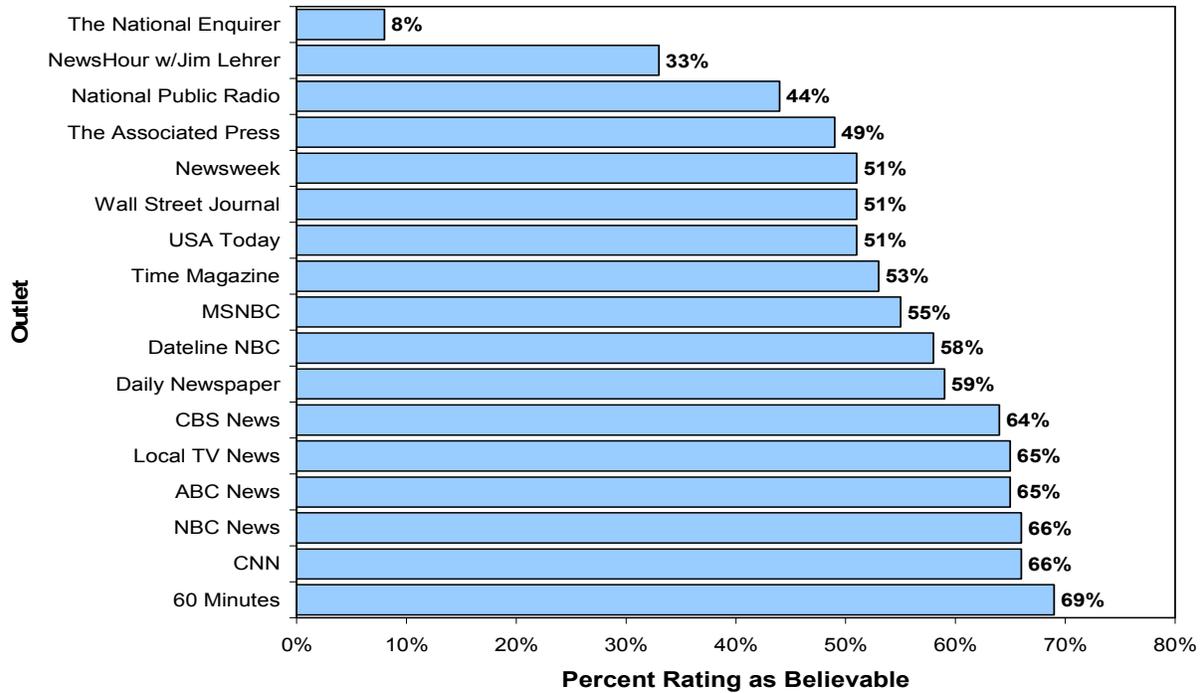
Consider the changes in the U.S. media and market in recent years. Figures 3.8 through 3.15 below highlight some of these shifts. For example, studies have shown that newspaper readership is declining and a function of age (Figure 3.8).



Source: Data from Scarborough Research 2006

Figure 3.8 Percentage reading daily newspapers in an average week, 1999 to 2004

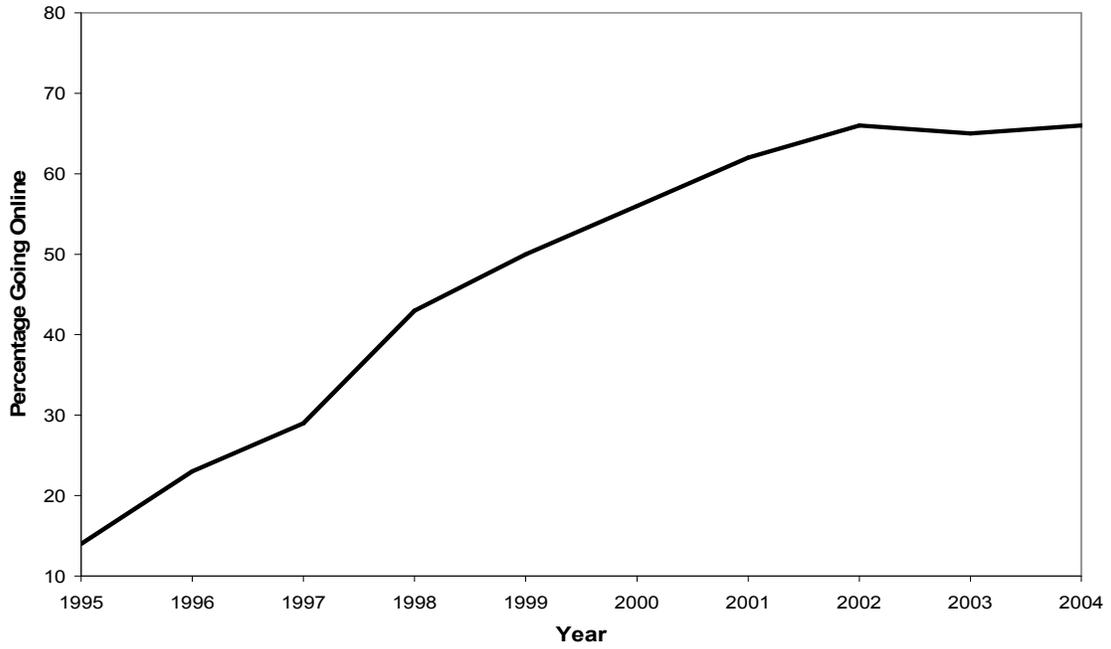
The relative believability of the media outlets varies widely (Figure 3.9).



Source: Data from Pew Research Center 2004

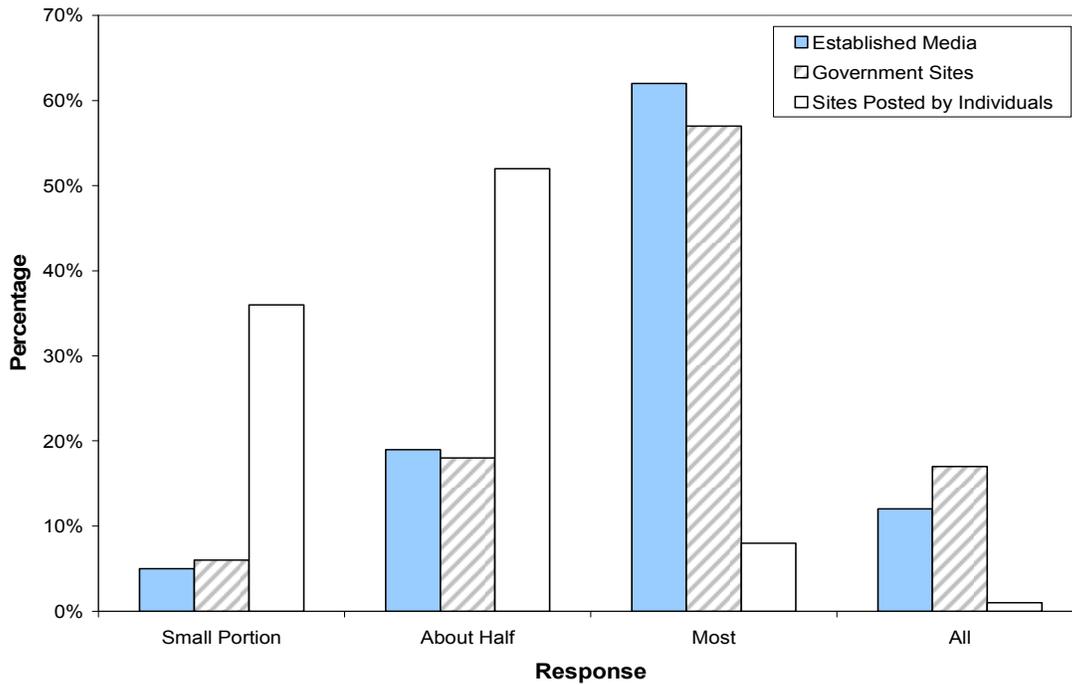
Figure 3.9 Media outlets ranked by believability

The internet is increasingly used as a source of information but not always a believable source. (Figures 3.10 and 3.11).



Source: Data from Pew Research Center 2004

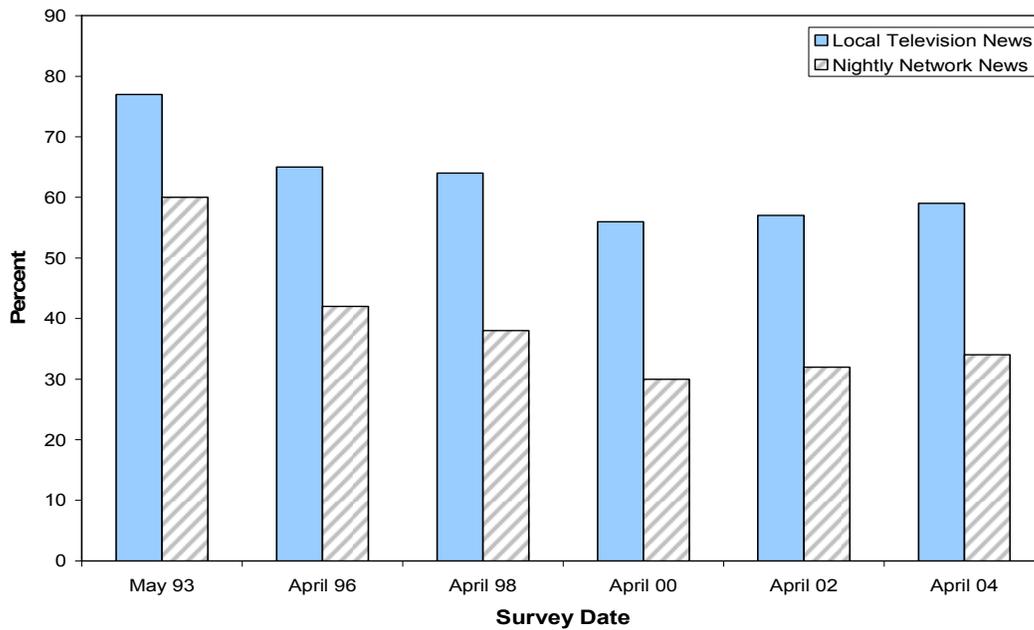
Figure 3.10 Percentage of population ever going online 1995 to 2004



Source: Data from USC Annenberg 2004

Figure 3.11 How much of the Internet is reliable and accurate?

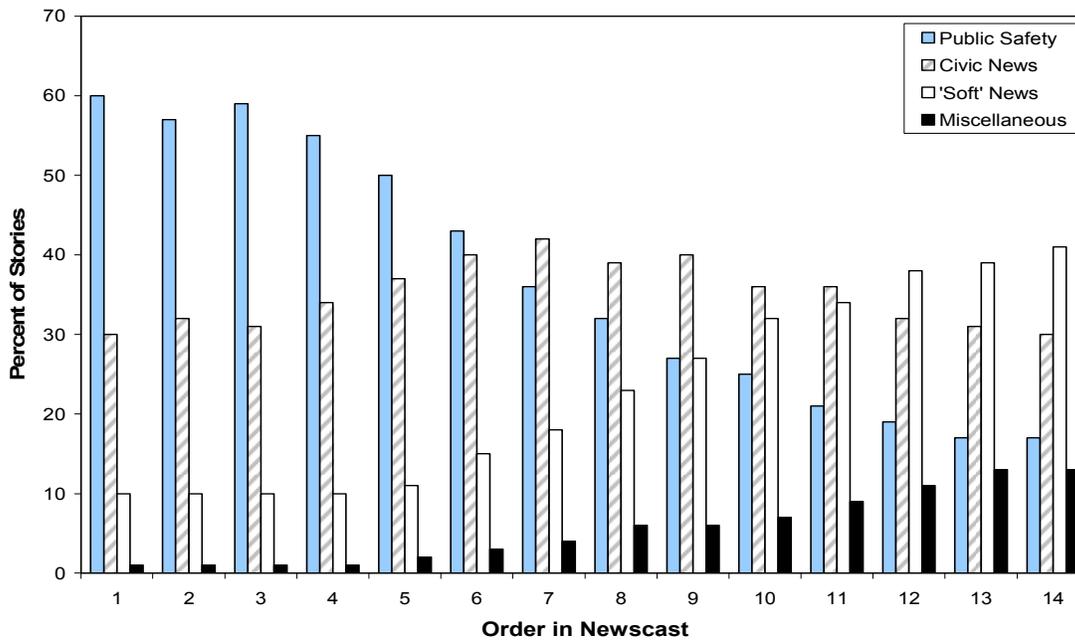
General viewership for news programs on television has declined over the last 10 years (Figure 3.12).



Source: Data from Pew Research Center 2004

Figure 3.12 Network vs. local news consumption, over time

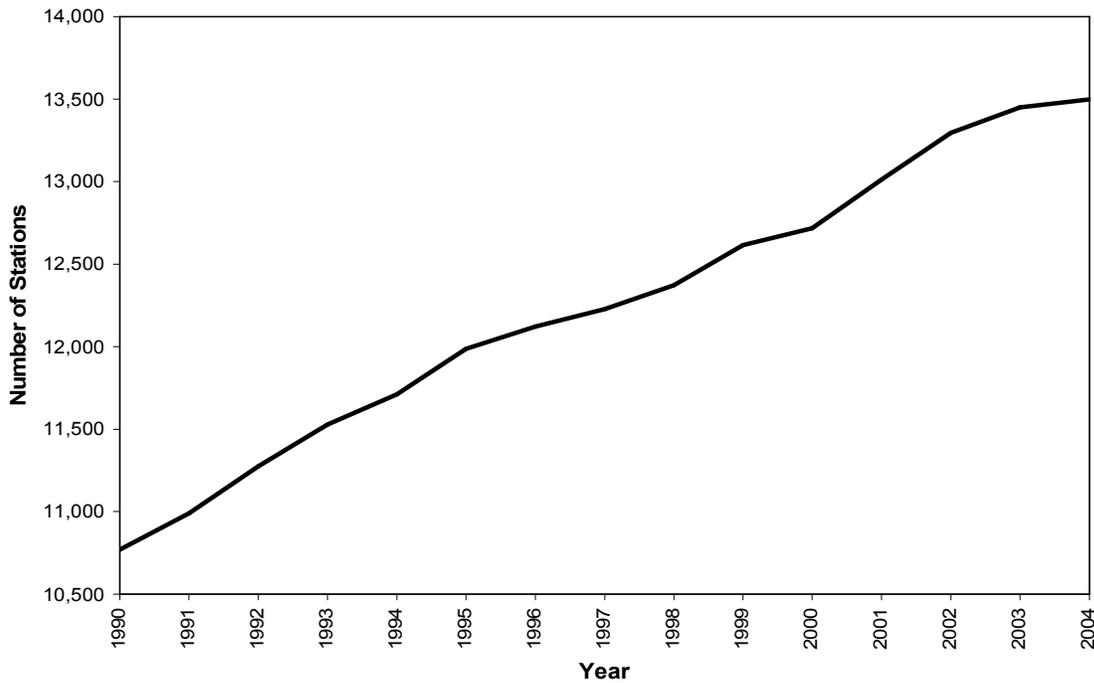
There has also been a shift in the type of news featured on local television stations (Figure 3.13).



Source: Data from Project for Excellence in Journalism 2002

Figure 3.13 Story topics on local television news

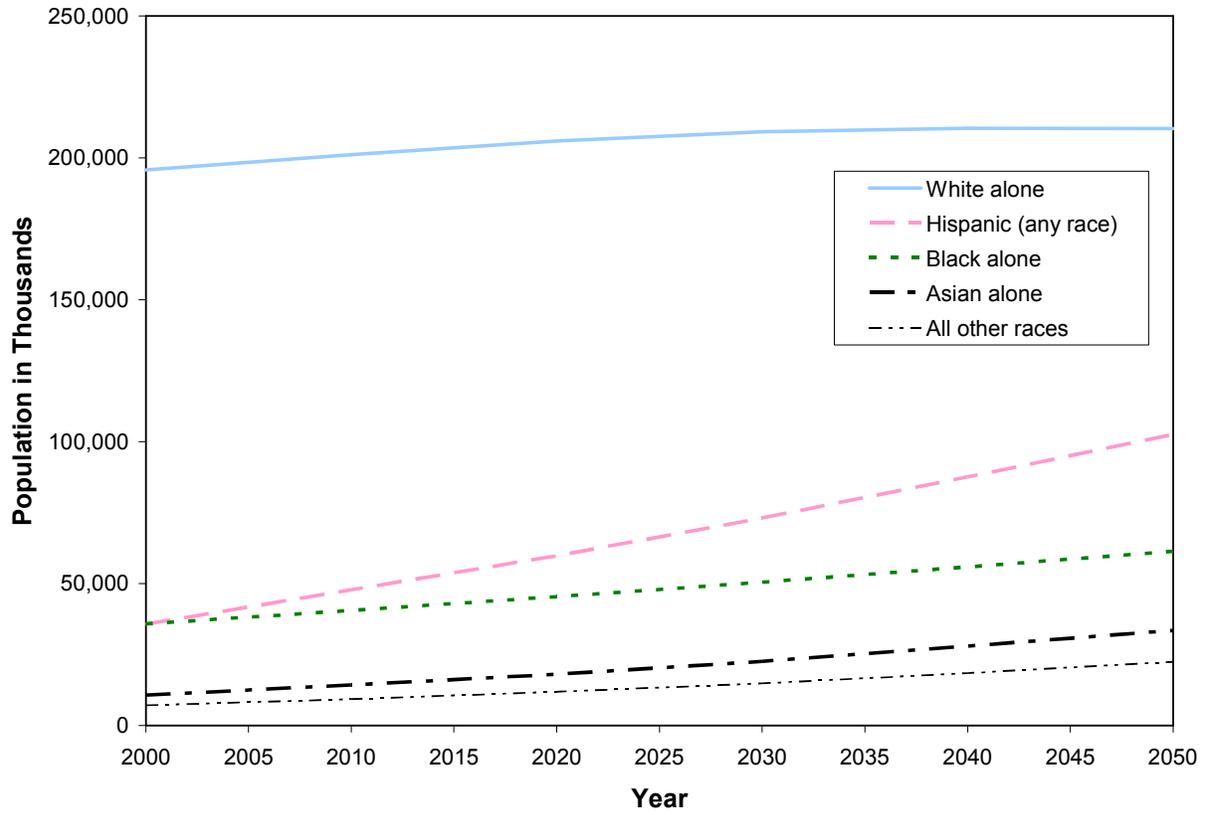
Radio stations have expanded and this is particularly true in Spanish language radio market (Figure 3.14).



Source: Data from Federal Communications Commission 2004

Figure 3.14 Number of licensed broadcast radio stations - 1990 to 2004

Changing demographic patterns (Figure 3.15) will continue to influence media outlets and require strategic communications to ensure the messages reach the intended audiences in an efficient and effective manner.



Source: Data from U.S. Bureau of Census

Figure 3.15 U.S. population by race and ethnicity, actual and forecasted - 2000 to 2050

CHAPTER 4 FINDINGS

This chapter presents research information gathered during the course of this project to provide a basis for development of the Introductory Guide. It includes a synopsis of a special survey of utility leaders and water professionals with regard to communicating the value of water, workshop reports from the meetings with utility partners, the findings from the focus groups with elected and appointed officials, the outcomes of interviews with media personnel, a perspective on branding developed by the project team, and case studies illustrating utility communication efforts.

LITERATURE REVIEW

The literature provides great context for water utilities seeking to improve their stakeholders appreciation for the value of water. From the literature review we find:

- Trust is a reflection of government performance.
- Trust serves as an important barometer of performance and the responsiveness to public demands.
- Trust is important to the success of social institutions.
- Defying a negative stereotype is key to improving perceptions of trust and credibility.

This implies that engaging citizens so as to develop a relationship with the utility and familiarity with the utility's functions and leadership is important to building trust.

Consumers have four primary expectations for water and their utility:

- Tap water will be safe to drink.
- Water will come out of the tap when it is turned on (reliability).
- Water bills will be accurate.
- Someone will provide help when a customer has a problem.

Fear of running out of water can exceed care for the environment or financial savings as the most significant motivation for people to save water. Reliability messages may resonate well.

Research in the literature has consistently shown that the key to a service firm's success is keeping the customer happy. Targeting these four consumer expectations to build water utility trust and demonstrate value is prudent. One would infer from this research that a positive and consistent branding campaign can overcome some negative impressions. It must be targeted, focused on core consumer expectations, and delivered regularly through multiple types of media. Water utilities must consistently underscore what service and commitments they provide and what the value of that service is.

In other utility markets (e.g. gas), the overall customer satisfaction measurement is based on five factors (in order of importance): company image, price and value, billing and payment, customer service, and field service.

Surveys can be crafted to identify the stakeholder expectations and values. Some utilities have been very effective utilizing data collected from the post-contact surveys and implementing the appropriate corrective actions, thus improving the quality of customer service, and subsequently, client satisfaction. However, there is little information in the literature regarding the linkage between customer awareness, satisfaction, appreciation for the value of water, and consumer support of rate increases.

Numerous surveys indicate the public is generally supportive of the environment and is concerned about the quality of life and the environment for future generations. A strong majority feel it is very important for their water utility to be an environmental leader. As such, there appears to be a significant opportunity for water utilities to adopt and promote environmental values (e.g., sustainable policies for water and energy).

SPECIAL SURVEY OF UTILITY LEADERS AND WATER PROFESSIONALS

An electronic survey was conducted of an Expert Panel to begin to identify the necessary elements of a communication program related to the value of water. An analysis of the 43 respondents answers provided a basis for the two utility workshops that were part of this project. The survey questions are listed below and a summary of the analyses described in this section:

- How well is the value of water defined?
- How well is the value of water being communicated?
- What are the most significant reasons for lack of communication?
- Is communication essential for obtaining adequate financial resources?
- Who within the utility has the overall responsibility to ensure effective communication?
- What are the various ways a water utility can improve communication of the value of water?
- What is the role of branding in utility communications?

How Well is the Value of Water Defined?

Respondents were asked to rate how well the value of water is being defined for different audience groups. Respondents gave ratings from 0 to 10, with zero indicating the value of water was not well defined and 10 indicating the value being clearly defined. [Table 4.1](#) presents the responses. The following thoughts can be drawn from the ratings:

- Utility employees and utility management appear to be the only groups with whom the value of water is well defined; however, even within these two groups, there is considerable room for improved understanding of the value of water.
- The value of water is least well defined for the public and customers, and also for the national and local media.
- There is a need to improve the definition of the value of water for elected officials.

Table 4.1
How well is the value of water being defined?

Audience Considered	Rating Category Grouping		
	0-3*	4-7*	8-10*
The public	53.5%	44.2%	2.3%
Public utility employees	4.7%	72.1%	23.2%
Utility management	2.4%	48.8%	48.8%
Customers	53.5%	46.5%	0
Elected officials	25.6%	67.4%	7.0%
National media	32.6%	67.4%	0
Local media	32.6%	62.7%	4.7%

*For discussion purposes, the ratings in Table 4.1 have been grouped into three categories: 0 to 3 = not well defined; 4 to 7 = definition needs work; and 8 to 10 = generally well defined.

How Well is the Value of Water Being Communicated?

Respondents were asked to rate how well the value of water is being communicated to various audiences. Responses were graded from 0 to 10, with 0 being not well at all, and 10 being very well communicated. [Table 4.2](#) reflects the responses.

Table 4.2
How well is the value of water being communicated?

Audience Considered	Rating Category Grouping		
	0-3*	4-7*	8-10*
The public	51.2%	48.8%	0
Public utility employees	15.0%	67.5%	17.5%
Utility management	5.0%	52.5%	42.5%
Customers	38.5%	59.0%	2.5%
Elected officials	25.0%	70.0%	5.0%
National media	42.5%	57.5%	0
Local media	37.5%	57.5%	5.0%

*For discussion purposes, the ratings in Table 4.2 have been grouped into three categories: 0 to 3 = not well communicated; 4 to 7 = communication needs work; and 8 to 10 = generally well communicated

The following thoughts can be drawn from the individual responses:

- The only group to whom the value of water is being communicated well is utility management; this group received a reasonably high score. However, even in this area, less than 50% of the respondents rated in this category. This suggests that utility management is doing a fair job communicating the value of water among themselves.

- Communication with public employees ranked next highest, but less than 20% scored in the 8 to 10 range.
- Poorest ranking was communication with the public, with more than half in the lowest category.
- Communication with national media, customers, local media, and elected officials clearly needs work.

The following thoughts can also be extracted:

- Not much proactive communication is being done beyond talking among utilities and to those involved with utilities.
- Utilities need help in communication efforts – strategies and tools.
- There is a lack of interest among many parties except in times of crisis, rate increases or drought emergencies.
- Communicating the value of water is a low priority among utility leaders and utility officials.

What are the Most Significant Reasons for Lack of Communication?

Respondents were asked to identify the most significant reasons for lack of, or ineffective communication of the value of water. The responses indicated the following:

- Lack of audience attention to the value of water is an issues. That is, high-quality, low-cost water is perceived as a given or right that is taken for granted, instead of as a privilege. In an effective communication program this will need to be changed.
- There is no coherent definition of the value of water that resonates with multiple audiences.
- Communication typically begins when there is a crisis or rate increase, when it is too late.
- Utility leaders and managers need help in defining what and how to communicate. Some may be afraid to convey bad news of higher prices and true costs.
- Water is not an exciting topic or hot button issue when there is no crisis. Communication today seems to require sensational news to get attention.
- There is a lack of resources in time and money for an ongoing, effective communication program.
- It is difficult for utilities to get together and mount a uniform campaign that gets attention.

Is Communication Essential for Obtaining Adequate Financial Resources?

Respondents were asked whether they believe that effective communication of the value of water is essential to a water utility's ability to obtain adequate financial resources to meet its mission. Results were strongly positive: 72.1% of respondents answered YES while 11.6% answered NO; 16.3 gave other various responses.

Who Within the Utility has the Overall Responsibility to Ensure Effective Communication?

Respondents were asked who, within a utility, has the overall responsibility to ensure effective communication of the value of water. The responses reflect the following:

- All levels of the organization, from top down, can and should play a role in the communication process.
- The individual with overall responsibility to see that the value of water is communicated is the senior executive (director, CEO, GM) working with the leadership team.
- Several respondents indicated that the governing board or council of the organization should be responsible for communicating the value of water.
- In organizations where there is marketing or public relations or information individual(s) or staff, they would be an important part of the communication effort.

What are the Various Ways a Water Utility Can Improve Communication of the Value of Water?

Respondents were asked to identify the various ways a water utility could improve the communication of the value of water. The many responses to this included numerous suggestions and ideas that formed the basis for further discussion at the utility workshops and are included in this guidance document and the accompanying Toolkit.

The responses indicated that there are many facets to a communication program and that each utility's unique circumstances need to be included in its own communication plan and program. The responses fall into the following categories:

- **Foundation:** The foundation of the utility is to provide excellent and responsive service
- **Commitment:** There needs to be commitment from the top of organization down
- **Resources:** There must be adequate resources to facilitate meeting the audience's needs
- **Plan:** The communication plan must include defined goals, measurable actions, individual responsibilities, staff and financial resources, and measurement of results
- **Research:** Research is needed to understand needs of audiences and best methods of communication
- **Execution:** The utility must execute what is committed in the plan

What is the Role of Branding in Utility Communications?

Respondents were asked to offer their opinions on the concept of a branding strategy that builds public trust and communicates the utility's value proposition to the customer and stakeholders. The responses varied between:

- Those that consider it a good idea
- Those that are hesitant and have various concerns
- Those that question what a branding strategy is

Based on the comments, it was determined to be worthwhile to further explore the concept of branding at the utility workshop to better define a potential strategy and consider the implications; pros and cons; and methods, means, and costs of implementation.

The survey provided many suggestions for tools to help utility leaders communicate the value of water. These suggestions formed the basis for discussion at the utility workshops and the development of the Toolkit.

UTILITY WORKSHOPS

As described previously, the purpose of the utility workshops was for the utility partners to brainstorm answers to specific questions and to solicit input on the direction and outcomes of the project. The findings from the workshops are presented in this section.

Workshop No. 1 – San Diego, California

The primary purpose of this workshop was to facilitate discussions on four important topics: communication issues, development of a communication plan, thoughts on branding, and content for the Communications Toolkit. The workshop's first three topics were reviewed from three perspectives: utility leaders, elected and appointed officials, and other stakeholders (media, customers, and special interest groups). The final topic was primarily from the perspective of utility leaders. After brainstorming on each of the topics, the workshop participants voted to illustrate the highest priorities in communicating the value of water.

As shown in [Table 4.3](#), the utility leaders felt that the most important communication issue was to clearly convey the benefits and costs of water system improvements and how those costs are allocated. They also felt it was important to communicate the true costs and rationale for capital improvements projects, be they regulatory driven, growth driven, or conservation driven. The utility leaders at the workshop felt that elected and appointed officials were most concerned about how to communicate the need for completing expensive infrastructure projects to their constituents while demonstrating fiscal responsibility. The workshop participants felt that other stakeholders, mostly media personnel, were most interested in determining how water issues were important to their audience (viewers, listeners, and readers). Although the viewpoints were different in some instances, a common theme between all perspectives was how to effectively communicate the value of both the water product and the water service so that rate increases would be supported.

Table 4.3
Utility Workshop No. 1 Participants Responses to “What Are the Top Communication Issues when Communicating the Value of Water?”

From utility leaders’ perspectives:

1. Who pays for what?
2. Communicating CIP cost needs and rationale
3. Communicating water quality regulations and costs substantiate
4. Is this rate increase going to subsidize growth?
5. Equity and fairness of conservation role structures
6. How to raise utility environmental profile
7. Consensus on source of new water
8. Merits of utility vs. regional approach to new water supply

From elected/appointed officials’ perspectives:

1. Explanation of expensive infrastructure improvements
2. Justification of value for various constituents
3. Demonstration of fiscal responsibility
4. Method of effective utility communication with the customer
5. Prevention of surprises.

From other stakeholders’ perspectives:

1. Why is the communication is interesting to my audience?
 2. Why does the utility need a rate increase?
 3. If customers conserve water, why should they pay more?
 4. Is the utility competent and efficient?
 5. How is the utility protecting the environment?
 6. What improvements will occur if rates increase?
 7. Is this a page one story?
-

When asked “What are the key elements of the utility’s communication plan?”, substantiating water rates was a common theme among the three perspectives (Table 4.4). Utility leaders felt that identifying all the components of rates (true cost of water source, treatment, utility reserve, security, reliability, etc.) was most important, but that any explanation of rates needed to be done in a simplified manner tailored to the needs of the audience. Workshop participants felt that elected and appointed officials would be most concerned about demonstrating how rates are fair and equitable and that other stakeholders were particularly interested in how rates were established. In addition, utility leaders also felt it was important to communicate reliability of service, environmental sensitivity in future planning, and the relationship of water quality and regulations. Workshop participants felt that elected and appointed officials were most interested in learning their roles in the utility planning, being sure that communications were well-articulated, and demonstrating that the utility had developed a well-thought-out plan for the necessary improvements. From the perspective of other stakeholders, the workshop participants felt that having clear messages that are tailored to specific audiences was the most important element.

Table 4.4
Utility Workshop No. 1 Participants Responses to “What Should Be Included in a Communications Plan?”

From utility leaders’ perspectives:

1. Identify components of rate (true cost, equity, reserve, service charge, security, reliability, community priorities)
2. Messages need to include reliability of 24/7 and planning for the future
3. Simplified explanation of rate structure
4. Environmental sensitivity and planning for the future
5. Relationships of water quality improvements to regulations

From elected/appointed officials’ perspectives:

1. Explain how rates are fair and equitable
2. Explain what’s in it for elected and appointed officials
3. Well articulated communication
4. Who supports what? Who are the winners and losers?
5. Demonstrate a thoughtful plan

From other stakeholders’ perspectives

1. Clear audience specific messages
 2. Explain how rates are established and how money is being spent
 3. Reliability of supply
 4. Conservation and environmental ethics and stewardship
 5. Explain who we are and what we do
-

Workshop participants were given an introduction to branding concepts and then asked to identify what each group felt that the utility brand should encompass. Responsiveness and customer service were at the top of the list from all perspectives (Table 4.5). System reliability, water quality, and sustainable supply were also popular responses.

Table 4.5

Utility Workshop No. 1 Participants Responses to “What Should be Included in the Utility Brand?”

From utility leaders’ perspectives:

1. High quality customer service
2. High quality water
3. Sustainable supply
4. Fiduciary responsibility
5. Well-maintained infrastructure
6. Public outreach

From elected/appointed officials’ perspectives:

1. Utility will be very responsive with service and problem resolution
2. Utility will provide officials with good clear information for making decisions
3. Keep bad news from happening
4. Sensitivity to officials’ needs
5. An efficient utility
6. Help officials look good and help with their agenda

From stakeholders’ perspectives:

1. Responsiveness—completeness, clear communication and sound bites
 2. System reliability
 3. Accessibility and transparency
 4. Pride and stability
 5. Sound long-range planning
-

The last major area of input at the first workshop was to generate a wish list on what utility leaders felt would be useful elements of the Communications Toolkit ([Table 4.6](#)). The project team incorporated several ideas into the Toolkit (comparable value calculations, evergreen stories, quotable quotes, collection of existing resources, and links to information on national campaigns). Other items were designated as outside the scope of this project; however, including them in this list helps identify future research projects or future initiatives by the national organizations (AWWA and WEF).

Table 4.6
Utility Workshop No. 1 Participants Responses to “What Would be Helpful to Include in the Communications Toolkit?”

1. Generate comparable value calculations (cost per month to shower, number of glasses of tap water for a 99-cent bottled water)
 2. Tangible item (ads from AWWA, evergreen stories, etc.)
 3. Quotable statistics from AWWA and other sources (compendium of quotes)
 4. National database of existing resources (plans, projects, and programs)
 5. Value components (weights) driven communication plan items
 6. Reminder questionnaire or checklist (have you thought about this?)
 7. Help for getting the message across from the top down
 8. Methods to identify and resolve conflicts
 9. National spokesperson
 10. Membership dues driven national campaign
 11. Methods to get the message out to public if media cannot be used
 12. Toolkit should be tailored to regional needs
-

Workshop No. 2 – Cincinnati, Ohio

The primary objectives of the second utility workshop were to review progress to date, evaluate and revise the model for Communicating the Value of Water (described in Chapter 5), and present elements of the proposed Communications Toolkit.

Several comments and suggestions of the workshop participants were incorporated in the model. There were considerable revisions to the early draft model resulting in a more easily understood tool for use by all sizes of water utilities; however, because the draft model is not essential to the final product, those comments are not included here.

Although not resulting in specific changes to the guidance document outline, several key issues were identified during the discussion periods at the workshop that were subsequently incorporated into the Introductory Guide. Ideas for additions and enhancements to the Communications Toolkit were also identified. A sample of these comments follows:

- A sample framework for utility Web sites that includes elements of branding and value messages would be helpful.
- It is important for this project to both embrace and differentiate itself from the national efforts of AWWA and WEF. This can be accomplished by recognizing the value of the materials already produced by AWWA and WEF and encouraging utilities to use them in the overall communications planning.
- Be sure to include information to help small- and mid-size utilities apply the concepts into their communications efforts.
- Having guidance on what all of the Toolkit elements are and suggestions for how to employ them will significantly increase their usefulness.

In addition, the workshop participants identified several research opportunities that should be considered by AwwaRF and other funding agencies in the future:

- Collecting case studies for severe drought restrictions
- Providing guidance for dealing with media
- Defining customer service goals
- Developing and training utility personnel for communications opportunities
- Developing a Communications Institute, similar to the 1-week Management Institute at AWWA, to help teach communications concepts to smaller utilities that may not be able to afford consultants
- Developing recruiting tips for the entire water industry (chemists, mechanics, accountants, operators, field crews, etc), not just engineers
- Developing and maintaining a national database for communications materials
- Completing a national survey of consumers to evaluate relationship between satisfaction with utility (trust) and willingness to pay

FOCUS GROUPS WITH ELECTED AND APPOINTED OFFICIALS

The purpose of the focus groups was to capture the viewpoints of elected and appointed officials with respect to communicating the value of water. Questions were geared toward learning how utility leaders can best communicate with the elected and appointed officials as well as learning how both groups can effectively communicate with the public.

Metropolitan Council of Governments Focus Group – Washington, DC

This 90-minute focus group was conducted on July 21, 2006 in Washington, D.C. under the auspices of ICMA. Because of the nature of the facilitated discussion and the liveliness and enthusiasm of the participants while discussing the topics, not all questions were specifically discussed. The following is a summary of thoughts of the participants organized in relation to the questions that were planned:

- From your perspective, what are the most important uses of water:
 - Substance of life
 - Healthy drinking water – public health protection and disease prevention
 - Public safety
 - Economy benefits
 - Recreational benefits
- What issues do you encounter or foresee with the public on the value of water?
 - Quality
 - Bottled water
 - Public education
- What information could be provided to help communicate the importance and value of water?
 - Quality, reliability, and price
 - Easily understood equivalents
 - A water utility is in the public health business
 - Need for a national message
 - Upbeat and positive messages

- Education on using water wisely
- Generate support for source water protection
- Partner with elected officials, health care providers and environmental groups.

ICMA Annual Conference and Webcasts – San Antonio, Texas

The results of the focus groups conducted at the ICMA Annual Conference and the follow-up webcasts are summarized in this section. The focus group format in these sessions allowed for distinct answers to each of the questions. During the sessions at the Annual Conference, responses were open-ended. On the webcasts, the participants were presented with the answers provided in previous sessions and asked to rank them. The top four responses to each question as ranked by the webcast participants are designated with stars.

- From your perspective, what are the most important uses of water?
 - Drinking *
 - Firefighting *
 - Preserving public health *
 - Sustaining life *
 - Irrigation
 - Industrial uses
- What do utility leaders need to consider when communicating with local government officials?
 - Effective communications with customers, city and county managers, and councils/boards that approve rates *
 - Building utility credibility *
 - Following through on delivering infrastructure *
 - Providing a multi-year plan *
 - Providing information that allows local government officials to be responsive to the public and the media
 - Not viewing water rates as an alternative tax
 - Creating coalitions/allies
 - Establishing opportunities for lots of public input
- In your opinion, what is the best way for utilities to communicate the value of water to customers?
 - Water bill inserts *
 - Radio/TV campaign *
 - Magazine/newspaper campaign *
 - One-on-one conversations *
 - Surveys
 - Web site
 - E-mail
 - Video presentations
 - Public meetings
 - Op-ed pieces in the newspaper
 - Plays and skits for children

- What information could the utilities or other sources provide to you to help you communicate the value of water?
 - Information to underscore the utility role in providing water for community quality of life *
 - Implementing short-term and long-term plans *
 - Showing that infrastructure needs are not necessarily about growth *
 - Having technical information available but presenting it in a simple fashion *
 - Helping to quantify the impacts of growth
 - Comparing rates to those in surrounding communities
 - Relating the need for infrastructure improvements to specific needs of the customers, not the general good of the community
 - Providing more information on the environmental benefits that the utility provides

Participants were also asked if they were using any specific messages or resources to communicate the value of water to customers. All information gathered in relation to this question has been incorporated in the Communications Toolkit as example materials.

Mayors Water Council – Santa Barbara, California

The discussion between the project team member and the four mayors attending the session at the Mayors Water Council meeting is summarized below. The purpose of the discussion was for the project team to gather information on what the mayors viewed as important elements that would help them pass rate increases needed to support water treatment and wastewater disposal needs in their respective communities.

- Rate increases are always viewed as politically negative, but if the customers are given the right information, they can become somewhat supportive.
- Explaining how the money is used and what the specific improvements will mean to individual residents is important.
- Keeping the message consistent throughout all media is important.
- Very few mayors leave office because of rate increases, but failures of water and wastewater systems may be cause for dismissal.
- Having rates similar to those in surrounding communities is helpful.
- Cities must get better at quantifying the costs and benefits of growth on the economy, infrastructure, and community.
- School programs help to teach children about water-related issues when they can absorb it more easily and grow up with a conservation ethic and better understanding of how civic services such as water, wastewater, power, and other services operate.
- The Toolkit contents must be compatible with existing tool boxes (e.g., AWWA) to avoid duplication of effort. In additions, some specific ideas for Toolkit elements were provided:
 - Information on why water rates don't go down when people conserve water
 - Information pieces that are produced electronically and can be used on cable television stations and traditional channels

- Current surveys or survey instruments
- Model op-ed piece for newspapers

NEWSPAPER MEDIA INTERVIEWS

Eight questions were asked of the six newspaper reporters that participated in the interviews. Their answers are summarized below each question.

How Well Do You Think Communities Understand and Appreciate the Value of Water?

Most respondents to the media survey reported that people in general do not understand the value of water and that water is taken for granted. One indicated that people do not understand water as well as they should given that some of them live in a desert. A second reinforced the theme that people thinking about water at all is situational—during droughts and floods, water and the value of water is high on the minds of consumers, otherwise, it isn't much of an issue. Another reporter thought the people on the northwest coast do understand the value of water. While they do not like high water bills, he has never seen communities outraged by high bills; however, water bills are often combined with other charges, complicating the issue. In this case they are combined with sewer service, which apparently is high. The essence of his comment was that people do not really know how much they are paying for water. The belief that water is taken for granted was repeated by most respondents.

How Do You Think the Value of Water is Currently Communicated to the Public (if at all)?

Communicating the value of water to consumers is a mixed bag. Most felt that such communication rarely occurs, that water agencies communicate only in times of dire need such as drought or infrastructure breakdowns. No model stood out as having done an exceptional job communicating to the public through the media how valuable water is. At the same time, most reporters indicated that they and their newspapers have little interest in a continuing stream of information about recent water conditions or events. One of the reporters indicated that his experience receiving information from water agencies has been good. He indicated that in a previous position when working at another newspaper, he had a particularly good relationship with a water manager in Ohio. Otherwise, the comments ranged from “communication has been situational and reactive,” “hardly any communication occurs at all except when there is a problem,” “not at all,” and “the Salt River Project (Arizona) has done a good job communicating water issues, but public interest is situational and rain tends to wash away any concerns about water.”

How Might Communication be Improved?

Improving communications about water, with respect to this survey, will be a difficult task because of a lack of interest among journalists. In discussing with each a list of issues in any community (education, crime, local politics, etc.), water consistently ranked near the bottom of interests, if it ranked at all. All journalists responded that, again, interest is based on current water conditions. There is high interest during periods of shortages and journalists will take all the information they can get. During normal periods, however, water is pretty much a non-issue:

“Water stories don’t resonate (with readers),” “They are neither sexy nor interesting.” Residents bear a lot of responsibility in terms of becoming educated about water, he said, but the media may not be the best way to do that.

What Do You, as a Journalist, Need to Help Communicate These Issues to the Public?

A common theme among respondents was the need for comprehensive and easily navigable Web sites. These journalists reported that most writers today have become heavily dependent on Web sites, especially those of government agencies, to gather information. They specifically requested that Web sites contain contact telephone numbers where spokespeople can be reached, data about water consumption, how-to lists where conservation is an issue, clear information on regulations regarding water-use restrictions as appropriate. A reporter felt that a good schematic of the water system on the Web site so journalists who are not distribution engineers can understand how the system works would be valuable. (While this might be a security issue for some managers, it would be possible to post a general graphic display of a distribution with an invitation to journalists to contact the agency for more detailed information.) Some of the respondents urged caution in over-communicating, which could set the agency up to be avoided by journalists. Clearly, there is a delicate balance between providing useful information on a continuing basis and being a pest. One reporter noted that it makes her job easier when technical issues can be recast in an anecdotal way to display how such issues impact individuals in a way she and her readers can understand. Two of the respondents had attended tours sponsored by local agencies. Both reported that these were valuable and would help them in reporting water stories.

How Important are Water Sustainability and Conservation Messages in Communicating the Value of Water to the Public?

In discussing the value of water, water sustainability and conservation messages may not be significant in making the point that water is of high value. One reporter said conservation messages are situational, a theme repeated by others, and that offering generalities about the value of water are of no particular interest. Supply constraints and severe flooding are the examples given for being interested in water at all. Most found the general topic to be uninteresting and that it was up to the water agency to make it, or keep it, interesting. The Rocky Mountain News indicated that a focus on outdoor water use is important because that is where important savings can be made. A focus on indoor water conservation is generally a waste of time. The Atlanta Journal-Constitution said such measures are very important, a 7 on a 1-to-10 scale, but that the onus was on the water agencies to make the stories interesting.

How Would You Characterize the Trustworthiness of Municipal Officials as They Seek to Explain Water Rate Increases?

The characterization of the trustworthiness of municipal officials as they seek to explain water rate increases was positive across the board for water agency officials, but significantly less positive when asked about elected officials. One reporter indicated that he found agency officials to be generally up-front, not sinister, especially the smarter ones, he said. Another reporter gave water officials a four (with five being the highest score), but felt elected officials were all over the map. It depended, she said, on their individual expertise. Two other reporters

had similar responses; one said it depends on the individual, but that generally she did not trust elected officials. Another said overall, he would give them a 2.5 on a 1-to-5 scale but that it was situational; he had run across some very credible water agency managers. Only one reporter found trustworthiness to be “poor” across the board.

Is There a Person (by Title) who Comes to Your Mind Who Would be a Credible Spokesperson to Discuss the Value of Water?

In thinking about who would make the best spokesperson to discuss the value of water, all agreed that water agency professionals, preferably the general manager or someone in an analogous position, would be the most credible. One journalist indicated that she would rely to a high degree on the opinion of NGOs, primarily environmental organizations—the Nature Conservancy was mentioned—in assessing what the water agency had to say. One reporter said he would rely to some degree on others outside the water agency and mentioned those working as instructors at Arizona State University in the agricultural extension program. Interestingly, one reporter thought the best spokesperson he had run across was a member of the Sierra Club who became general manager of the water utility in Dayton, Ohio. The journalist with the Atlanta Journal-Constitution mentioned the mayor, but also said the opinion of an elected official is directly related to his or her reputation. Hawaii is a unique case; the general culture there results in agency managers and others avoiding becoming spokespersons. Additionally, Hawaii does not have a public records law, which makes securing information from public agencies more difficult. The extent to which journalists are unable to secure public records information may decrease their willingness to trust any officials.

If a Water Agency Were to Proclaim at a News Conference that It Needed to Raise Water Rates, What Arguments for Such Rate Increases Do You Believe Would Be the Most Compelling?

The “improving the infrastructure” argument did not resonate well with this group. Some felt the agency should have been taking care of the infrastructure on an on-going basis and should not need to raise rates to make emergency repairs or accomplish routine maintenance and replacement. Others were concerned that this phrase was code for building new infrastructure for growth, and that also played poorly. Some felt agencies and municipalities should consider alternatives (such as slow-growth policies) before building infrastructure that would encourage growth. The Atlanta Journal-Constitution’s reporter said the appeal for higher rates must explain some direct benefit or impact on her; otherwise, she would oppose increases. “If I have nothing to lose by saying no,” she said, “then I’ll say ‘no’.” The journalist from the Rocky Mountain News said the infrastructure was a good reason, including new storage capacity, but that water quality alone was not a good enough reason unless the agency could document the need as a result of new regulations. “We take water quality for granted,” she said. “If it’s good now, why (spend money to) make it better?” Similarly, a reporter at the Honolulu Star Bulletin indicated that with the cost of housing at 65% of income in addition to the cost of private schools, any increase in any commodity is a serious matter. People will want to know, she said, “what’s in it for me?”

WATER ORGANIZATION CASE STUDIES

This section summarizes the case study interviews conducted with the water utilities: Beaufort-Jasper Water and Sewer Authority (South Carolina), Newport News Water Works (Virginia), Tucson Water (Arizona), Charlotte-Mecklenburg Utilities (North Carolina), East Bay Municipal Utility District (California), Milwaukee Water Works (Wisconsin), Lehigh County Authority (Pennsylvania), Seattle Public Utilities (Washington), and El Dorado Irrigation District (California). All of the organizations included in this section are publicly owned and operated.

Case Study 1: Beaufort-Jasper Water & Sewer Authority

Utility Background

The Beaufort-Jasper Water & Sewer Authority (BJWSA) provides drinking water treatment and distribution, and wastewater collection, treatment, and disposal services to a large area of Beaufort County, South Carolina, including the City of Beaufort. The utility provides water services to over 40,500 retail and 8 wholesale customers and wastewater services to over 24,600 wastewater customers in Beaufort and Jasper Counties.

Utility Mission, Vision, and Brand

The utility's mission is to protect the public health by providing a safe and abundant supply of high quality drinking water. Its goal is to provide this service at the lowest possible cost and at the highest level of quality in the industry.

The BJWSA management team meets monthly to discuss the company's goals and vision. Based on these discussions, the utility wants to be seen as the "water and wastewater experts" who produce "high quality water and wastewater services while consciously dedicating themselves to the environment, the upkeep of infrastructure, and two-way communications with their customers." In addition, the utility wants to be known as a company that plans responsibly for present needs as well as future. These key messages are repeated to customers through newsletters, advertisements, and community outreach programs.

The Public Affairs Manager's communication vision is that communications between BJWSA and other entities, including the community, are clear, accurate, and timely. Although not developed collaboratively with the management, this vision goes hand in hand with the utility's mission.

Plan Development

As part of BJWSA's Strategic Plan, a Communication Plan was developed in 2000 with an internal push from the Public Affairs Manager for BJWSA. The Communication Plan was originally developed to supplement information in the Strategic Plan and include the utility's vision, target audiences, goals and objectives, and activities they hope to perform. The use of Scenario Planning was not used during the development of the Plan to anticipate future goals and/or issues in the Communication Plan; however, this approach is used to develop the company's Strategic Plan and Emergency Response Plan. BJWSA believes this approach could be of value to the Communication Plan and has plans to use it in the future.

Plan Implementation and Monitoring

BJWSA feels it has an excellent reputation within the community. Because the service area includes international visitor and tourist destinations, BJWSA continually re-educates groups about the utility's mission, goals, and past and present issues. On a monthly basis, elected officials receive a one-paragraph summary of what's happening in the utility. BJWSA feels that this open dialogue with the community and elected officials has continually earned the utility a good reputation.

Rate increases and water quality issues are of big concern with the community. BJWSA communicates with the public in advance via newsletters and newspaper articles to sensitize the community to issues at hand. By taking a proactive approach, the utility appears transparent and is able to achieve the desired response from the community. BJWSA's relationships with community reporters are also strong. Reporters view the utility personnel as the water and wastewater experts and submit articles to them first for review. Articles published in the newspapers bring a positive light to the utility.

Every two years, BJWSA performs a gap analysis through focus groups. BJWSA randomly solicits people from its service area to participate in four regional focus groups: Islands, North of the Broad, South of the Broad, and Jasper County. Each focus group is composed of 25 people from the particular region and is moderated by a consultant contracted by BJWSA. The consultant follows a script in which questions are posed to the groups about the utility's branding. The entire session is video-taped, and the Public Affairs Manager attends but remains silent throughout the progression of the workshop. In return for their services, participants receive food and a discount on their water bill.

In the years without focus group sessions, BJWSA also sends surveys to its customers. Approximately 4,000 surveys are sent out, and BJWSA gets a 20% response from its customers. Those who return surveys to BJWSA are entered into a drawing for a free water bill.

Based on the gap analysis, the Public Affairs Manager and her assistant revise the Communication Plan on an annual basis. The ideas and approach of the document represent a cumulative effort from directors and managers, the engineering group, community focus groups, and other utility departments. The Strategic Plan is outdated and is currently undergoing necessary revisions.

Sustainability

Along with defining the utility's brand and communication vision, the Plan addresses environmental sustainability. BJWSA wants to be seen as a utility devoted to the environment. It continually works with environmental organizations in the area, soliciting their ideas and opinions about various projects. The environmental organizations recognize the fact that water and wastewater services are vital to the community's environmental sustainability and have come to appreciate BJWSA's openness to answer questions and willingness to provide information pertaining to future plans.

National Organization Utilization

In addition to its own promotional materials used to communicate its mission, the importance of conservation, and the value of water to the public, the utility also uses promotional

materials (primarily videos) from AWWA, WEF, and NWRI when talking at schools about the importance of water conservation.

Contact Information

Ms. Jerrie Legare, Communications Manager
Beaufort-Jasper Water and Sewer Authority
6 Snake Road Okatie, SC 29909
843-987-9213 jerriel@bjwsa.org

Case Study 2: Newport News Waterworks

Utility Background

Newport News Waterworks provides drinking water treatment and distribution for the Lower Peninsula. The service area includes the cities of Newport News, Hampton, Poquoson, and portions of the counties of York and James City. Newport News provides water services to over 400,000 people in its service area.

Utility Mission, Vision, and Brand

The mission of Newport News Waterworks is “to contribute to the well-being of [their] community through the provision of an adequate supply of high-quality drinking water.” This culture is embodied in all services from how water resources are managed to how water is delivered.

The Utility’s branding model is “quality, reliability, and community,” which the utility tries to communicate similarly to all stakeholders. The utility’s mission and vision were developed in approximately 1997 through a series of interactive team meetings, including representation from all divisions and management levels, and was first drafted by a meter reader. The utility reviews the brand and vision every few years, but they remain the same today. The brand is being established within the community, and many citizens in the service area already view the utility in this light. The utility feels that its brand, mission, and culture make it an attractive place to work.

Plan Development

Newport News Waterworks feels it has an outstanding relationship with the community and City Council. The utility conducts focus groups, phone surveys, and push and pull input surveys to determine current utility behavior. Since 1993, the utility has gained approval for annual rate increases and won approval for several bond referenda. It attributes this success to a long-term track record of creditability and reliability. The utility pays attention to any Council requests for information and attempts to clearly and concisely communicate its needs and intentions.

The utility’s model is an iterative continuous planning tool that consists of five main components. During the environmental scan, the utility’s position is assessed internally, externally, politically, from a variety of perspectives. Following an environmental scan, the leadership and culture are defined or reassessed and translated into updated visions, values, and

objectives. Systems, strategies, and structures within the utility are then reexamined and adjusted to fit agreed upon objectives. Finally, performance measurement is used to evaluate the progress of the organization toward the agreed upon objectives. This iterative process involves quarterly large group sessions, parallel work teams, employee and customer surveys, and focus groups.

Plan Implementation and Monitoring

Newport News Waterworks feels it has an outstanding relationship with the community and City Council. The utility conducts focus groups, phone surveys, and push and pull input surveys to determine current utility behavior. For the past 14 years, the utility has gained approval for annual rate increases and won approval for several bond referenda. It attributes this success to a long-term track record of creditability and reliability. The utility pays attention to any Council requests for information and attempts to clearly and concisely communicate its needs and intentions.

The utility is currently in the process of upgrading its customer information system and has an extensive communication plan in place to facilitate the changeover. Newspaper articles, newsletters, and advertisements are designed to inform the community of the changes so that, when implemented, there are no surprises. All employees receive training led by the project managers to keep up to date on the progress of the project.

When evaluating their system, the utility defines performance measures from the model system, strategies, and structure that relate to the utility's mission and goals. The utility then performs a directional analysis to determine if it is improving itself or not. All supervisors meet at least quarterly to discuss performance and current areas of emphasis and to identify upcoming issues and how they pertain to the business model. Organizational changes are keyed to improving performance.

Sustainability

Newport News Waterworks has a very active conservation plan in which communication plays a vital role. Water recycling is practiced at both treatment complexes, and dewatered residuals are applied to utility-owned loblolly pine plantations. The utility's proactive approach towards environmental sustainability is demonstrated in the services and products it offers. Newsletters are regularly mailed to customers, a focused project newsletter devoted to water supply development is sent to interested parties, environmental management systems are used at facilities, and employees are urged to consider the impacts their operations may have on the environment.

National Organization Utilization

In addition to its own promotional materials used to communicate its mission, the importance of conservation, and the value of water to the public, the utility also uses AWWA's QualServe, various water conservation materials, the Association of Metropolitan Water Agencies' (AMWA) handbooks, and university publications. The utility stays abreast of developments through all applicable state and national professional organizations.

Contact Information

Mr. Brian Ramaley
Newport News Waterworks
700 Town Center Drive, Suite 500 Newport News, VA 23606
757-926-1146 bramaley@nngov.com

Case Study 3: Tucson Water

Utility Background

Tucson Water (Arizona) provides drinking water treatment and distribution for approximately 720,000 people in the 350-mi² metropolitan area of the City of Tucson. In the 1990s, due to extenuating circumstances, Tucson Water lost the ability to directly deliver treated Central Arizona Project surface water and the sense of trust from the community.

Utility Mission, Vision, and Brand

Tucson Water underwent a vision development process where management looked at the mission and vision, and what Tucson Water wanted to be in the future. This process, facilitated by an outside consultant, laid the foundation for its current organization and approach. The mission of Tucson Water is “to ensure that [its] customers receive high quality water and excellent service in a cost-efficient, safe, and environmentally responsible manner.”

With the help of outside consultants, the utility has just recently started a branding program. When establishing its brand, the utility did not change its core goals and values but rather made a public statement that Tucson Water was committed to “sustainability, reliability, long-term planning, appropriate investments, sound financial management, and quality” to name a few. These brands are based on the utility’s activities and abilities as well as its goals.

The utility believes that a majority of branding must include living the brand (behavior). If the staff does not buy in to the brand, the community will lose trust in the utility. Since the late 1990s Tucson Water feels that living the brand has allowed them to regain the trust of the community. It strives to stay away from glib statements and instead demonstrates through actions its commitment to the community and the future. Tucson Water makes a point to ensure that all related materials carry the same commitments to the community and uses the media to bolster its branding efforts.

Plan Development

While Tucson Water does not have an over-arching Strategic Plan, it has identified strategic goals and core functions that the Utility is undertaking to ensure that the commitments to the Tucson community listed above are met. Core functions are those directly and indirectly related to providing high-quality service, accountability to customers, the community and its governing board, and meeting regulatory mandates. Non-core functions would include participating in AwwaRF projects and other discretionary programs. The product of this effort is the Tucson Water Business Plan. The projects detailed within the business plan represent how the Utility will live up to its Mission Statement and its branding commitments to the Tucson

community. Fulfilling these obligations requires far-sighted planning, prudent financial management, proactive system maintenance, and excellent customer service.

In addition, Tucson Water has a well-developed Water Resources Strategic Plan that looks at the challenges ahead and plots the course for a successful future. The Water Resources Strategic Plan includes goals, timelines, and financial targets, as well as a communication plan. In addition to water resources, the plan includes sections dealing with water infrastructure needs and water quality issues. An integral part of this process has been scenario planning.

Tucson Water's Long Range Plan was developed using scenario planning. This process is currently being used in other areas as well. The goal of scenario planning is to leave as many doors open for the future as possible while still making appropriate investments. The process is very involved and requires a commitment from stakeholders, program and project managers, engineers, the mayor and council, specialists, and even customers when appropriate. For this process to be successful, a commitment is required from senior management, not only to sticking with the process, but also to taking a risk and leaving options open. Scenario planning also requires a strong commitment from staff members who are needed to collect data and generate ideas. For Tucson Water, the path has been difficult at times. The utility feels that having a vision has enabled it to stay committed to the process, and without it, change would not have been possible.

In defining its communication plan, Tucson Water has set up some parameters that should be incorporated into any project specific plan. Utilizing a public involvement handbook published by AwwaRF, Tucson Water determined that the utility should always be transparent, educate but not talk down to others, allow opportunities for feedback and public involvement, be proactive, and involve the public at the earliest possible phase to accommodate public preference. Using these general parameters, Tucson Water began looking at specific project communication plans. The first step in the process is to define the goals and establish the core functions needed to achieve the goals. Once the goals have been established, the key messages that need to be communicated are identified. Stakeholders and the target audience are then chosen and strategies are developed for each target audience. The strategies will vary to some degree; however, they will all feed into the bigger picture. The last part of the process involves getting feedback from the audience and changing the messages as needed.

Plan Implementation and Monitoring

Tucson Water is currently implementing a communication plan for total dissolved solid levels in treated water. With the assistance of outside contractors, the utility has launched a campaign into the Tucson community via newspapers, expert testimonies, public forums, taste tests, and other means, to not only seek the public's preferences but also to further spread Tucson Water's branding. A lot of initial research has been performed prior to community outreach to ensure that the utility personnel are consistently perceived as water experts.

Sustainability

Tucson Water is planning for and committed to sustainability. The utility is currently looking into the sustainable use of resources, sustaining the system through operations and maintenance, and evaluating its carbon footprint. As with the strategic and communication plans, scenario planning is a key tool it uses when addressing environmental issues.

National Organization Utilization

In addition to using its own promotional materials, Tucson Water uses AwwaRF publications on public sector management, risk communication, and customer attitudes. It also uses AWWA's "Plain Talk About Drinking Water" and feels these materials provide valuable education and ideas that the utility can use to develop sound communication plans. Tucson Water feels that these tools will provide the basics, but in order to fully use the materials, the utility must cater to each specific community.

Contact Information

Mr. Mitch Basefsky, Public Information Officer
Tucson Water
P.O. Box 27210 Tucson, AZ 85726
520-791-5080 ext. 1468 mitch.basefsky@tucsonaz.gov

Case Study 4: Charlotte-Mecklenburg Utilities

Utility Background

Charlotte-Mecklenburg Utilities (North Carolina) provides quality water and sewer services to more than 750,000 customers in the City of Charlotte and greater Mecklenburg County, including the towns of Matthews, Mint Hill, Pineville, Huntersville, Davidson, and Cornelius. The utility employs over 800 people and consists of three water treatment plants, five wastewater treatment plants, and approximately 7,000 miles of water and wastewater pipeline.

Utility Mission, Vision, and Brand

The utility's mission is to treat and deliver top quality drinking water to the customer's home or business and to collect the community's wastewater for high-level treatment before releasing the cleaned water back into local creeks. This will be carried out while providing outstanding customer service from well-trained employees.

Charlotte-Mecklenburg is currently undergoing the process of branding. It tends to stay away from the word branding because the utility feels it is a buzz word that implies a public relations marketing campaign rather than walking the walk through words and deeds. The utility has recently recognized that its challenges are fundamental and is responding by going back to the basics. Charlotte-Mecklenburg wants to be seen as a utility committed to customer service, the future, and environmental stewardship. Although a slogan has not been developed to date, the utility is using the AMWA handbook on branding (*Building the Water Utility Brand — Practical Advice for Increasing Trust, Support, and Investment* by J. Ruetten) for assistance.

Plan Development

The Charlotte City Council sets its community priorities and focus area in a balanced scorecard. The business plan, which includes targets and goals set by utility management, reflects City priorities as well as the needs of the department and its customers. This business plan is primarily intended for internal use and is updated annually. The utility also has a

strategic communications plan that was developed in the 1990s that is updated every two years. The document reflects City and utility goals and objectives and identifies target audiences, goals, and tactics that the utility intends to use to carry out its mission. The strategic communication plan is a good basic document that serves as a guideline for individual plans that are created for vital community issues such as rate increases or drought.

Plan Implementation and Monitoring

Revisions to the business plan and strategic communications plan are largely anecdotal. The utility conducts employee surveys on a routine basis and informally meets with news media personnel to evaluate the current state of the utility. In general, the media (newspaper and television) trust the actions of Charlotte-Mecklenburg Utilities and fairly cover both the positive and negative issues. The utility is viewed by customers as a positive presence in the community. The utility recognizes its challenge with the future (growing population and aging infrastructure) and is working to improve it. In 2004, the utility also created its own customer service division to give it more control over its current state. In addition, the City of Charlotte started a 311 program where community members can dial three numbers to get answers to any of the City's questions. Information obtained from this call center is routed to the utility for action.

Sustainability

Charlotte-Mecklenburg Utilities generally defines sustainability as being prepared for the future while protecting the environment. Currently, the utility is working on reducing the number of yearly sewer spills and has committed itself to maintaining 100% compliance for USEPA standards. Charlotte-Mecklenburg Utilities also believes in developing their employees for the future and ensuring that knowledge is passed through the generations of operators. The community and newspapers are supportive of the utility's commitment to protecting the environment and see rate increases as necessary to do so.

National Organization Utilization

Charlotte-Mecklenburg Utilities primarily uses local promotional materials to meet specific needs; however, they are exploring the incorporation of other national campaigns such as the "Only Tap Water Delivers" material published by AWWA.

Contact Information

Mr. Vic Simpson, Communications Manager
Charlotte-Mecklenburg Utilities
704-391-5065 vsimpson@ci.charlotte.nc.us

Case Study 5: East Bay Municipal Utility District

Utility Background

East Bay Municipal Utility District (EBMUD) supplies water and provides wastewater treatment for parts of Alameda and Contra Costa counties on the eastern side of San Francisco

Bay (the Bay) in northern California. EBMUD's water system serves approximately 1.3 million people in a 325-mi² area extending from Crockett on the north, southward to San Lorenzo (encompassing the major cities of Oakland and Berkeley), eastward from San Francisco Bay to Walnut Creek, and south through the San Ramon Valley. EBMUD's wastewater system serves approximately 640,000 people in an 83-mi² area of Alameda and Contra Costa counties along the Bay's east shore, extending from Richmond on the north, southward to San Leandro.

Utility Mission, Vision, and Brand

The mission of EBMUD is to manage the natural resources with which it is entrusted; to provide reliable, high quality water and wastewater services at fair and reasonable rates for the people of the East Bay; and to preserve and protect the environment for future generations. In carrying out this mission, EBMUD will exercise responsible financial management, ensure fair rates and charges, provide responsive customer service, promote ethical behavior in the conduct of its business, ensure fair and open processes involving the public, provide a healthy work environment, promote diversity and equality in personnel matters and contracting, and promote environmental responsibility.

The utility's customer research shows that EBMUD's water quality and reliability garner customers' highest rankings in terms of work accomplished. EBMUD also wants its customers to be aware of its green utility work and commitment to the environment. The utility owns and maintains recreation areas and trails near its reservoirs and works with non-profit organizations to improve local creeks draining to its reservoirs and the water quality of the Bay. Most customers view the Bay as polluted and see EBMUD as having a role in Bay protection because of its role as a water provider. EBMUD wastewater facilities discharge into the Bay, and while EBMUD's management of those facilities has received multiple national awards, customer research shows that promoting the utility's efforts to protect the Bay through wastewater management are not widely recognized or easily understood. By emphasizing its work with non-profit environmental groups on Bay education programs and on pollution prevention efforts, the utility creates a better understanding by its customers. Whether at the parks, in the customer newsletter, or among the conservation groups, the utility tries to get consistent messages and themes out to the public.

Plan Development

EBMUD adopted a Strategic Plan in May 2004. The plan is a "blueprint for how EBMUD will respond to future challenges and changing priorities. It also outlines the specific goals, strategies, and objectives [EBMUD] will pursue to move [it] from where [it is] to where [it wants] to be and establishes a set of criteria to measure [its] progress." This plan, guided by the Board-adopted mission statement, developed by senior management, and updated every two years, provides EBMUD with guidance on how to achieve its future goals while providing superior service to its customers. Specific actions that the utility must take in order to achieve this success are contained in business plans that outline the tasks, milestones, and responsible parties needed to achieve the various strategic plan objectives.

For large infrastructure projects, the utility will create a specialized communication plan that provides the community with accurate and timely information. The utility has had recent success when bringing future issues up with the community prior to mandatory meetings required under the state's environmental planning laws. When seeking rate increases for a recent

water supply project, the utility explained to the customers that if EBMUD were to continue with the status quo, customers would have to cut back their water usage by 65% in times of drought. With the additional water supply, they would have to cutback no more than 25%. Timely release of these benefits in their publications, along with information about how EBMUD uses existing funds to improve service, resulted in customer support for the rate increase.

Plan Implementation and Monitoring

The strategic plan contains key performance indicators that the utility uses to measure its success. The key performance indicators are “appropriate, measurable, comprehensive, and reflect the various strategies contained within the six Strategic Plan goals.” Information on the key performance indicators comes from internal utility operations, human resources data, customer opinion surveys, and surveys of other utilities.

Every February, EBMUD conducts a phone survey of 1,200 to 1,500 people. The survey consists of from 70 to 80% standard questions that are used for trending. The remaining 20 to 30% of the questions are project specific and deal with issues in the past year or anticipated issues in the coming year. Some of the questions deal specifically with the value of water and whether customers are willing to pay more for water in times of drought or are willing to cut back their consumption. The survey also identifies areas where the community needs more information on a particular subject. Findings from the survey are included in a published report that is also available on the utility’s Web site.

When necessary, EBMUD also conducts 2-3 focus groups per year to help understand any conflicting data it may see in the customer surveys and to investigate how customers perceive utility actions, plans, and communications. EBMUD also holds press conferences, workshops and briefings when needing to provide the media with accurate information about a particular issue. The utility believes that sharing information with the media builds trust and enhances the utility’s reputation.

Sustainability

EBMUD is currently in the process of updating its sustainability goals and guidelines. Included in the utility’s policies are commitments to investments in renewable energy, the reduction of purchased energy, an inventory of greenhouse gases, and no unfunded liabilities for future customers. The utility also measures progress against a target for water conservation and water recycling, as outlined in its integrated water resource plan.

National Organization Utilization

In addition to using its own promotional materials, EBMUD relies on publications such as the AWWA handbooks on rates (e.g., *Avoiding Rate Shock: Making the Case for Water Rates*) and the AMWA branding handbook (*Building The Water Utility Brand — Practical Advice for Increasing Trust, Support, and Investment* by Ruetten) as sources of information and insight into water and wastewater industry trends.

Contact Information

Mr. Dennis Diemer, General Manager

East Bay Municipal Utility District
P.O. Box 24055 Oakland, CA 94623
510-287-0101 dennisd@ebmud.com

Case Study 6: Milwaukee Water Works

Utility Background

Milwaukee Water Works (MWW) provides water service to the City of Milwaukee and 15 neighboring communities (10 as wholesale customers), with a service population of 862,000. MWW's water is obtained from Lake Michigan and treated at one of two water treatment plants utilizing multiple barriers, including ozone disinfection, to protect against illness-causing microorganisms from entering the drinking water. MWW treats on average 115 mgd of drinking quality water.

Utility Mission, Vision, and Brand

The mission of MWW is to provide safe, abundant drinking water to residents and businesses in Milwaukee and neighboring communities. The utility strives to use best practices and deliver exceptional quality water and service to all its customers while being fiscally prudent. As part of the marketing communications plan, the utility created a consistent and uniform look for all their communications materials, including utility vehicle decals and employee logo apparel. The tagline, "Safe, Abundant Drinking Water," reinforces the reliability and quality of Milwaukee's water. In 2006, MWW also started using the "Only Tap Water Delivers" messages as well.

After the *Cryptosporidium* outbreak in 1993, the utility found that publicizing MWW's water quality did not pay off. Activists would attack the campaign and remind others of the outbreak. Instead of launching a larger campaign to promote the water, the utility focused on excellence in delivery of service and invested millions of dollars in improvements to its treatment and distribution systems. This included the addition of ozone disinfection. Going forward, public statements and communications materials that address MWW high quality water include the benefits of ozone disinfection (destroys illness-causing microorganisms, controls taste and odor, and reduces chlorinated disinfection byproducts). While historic references and research inquiries about *Cryptosporidium* continue to refer to Milwaukee, local news of MWW is generally limited to the debate over bottled water versus tap water, Great Lakes resource issues, and a regional campaign to market Milwaukee as the "freshwater capital of the world."

Plan Development

In 2003, in light of decreasing volumes of water sold due to the loss of large manufacturing companies in the area (including heavy equipment and brewing) and conservation, MWW created a marketing specialist position to boost public awareness and attract water-intensive businesses to the area. The Marketing Specialist works with the Public Works Communications Manager, Department of City Development, and Wisconsin Department of Commerce on promotional activities. While the Communications Manager handles all department communications and media inquiries, the Marketing Specialist and MWW

Superintendent work together to produce flyers, announcements, news releases, and memos sent to City Council pertaining to water issues.

Although the utility does not have general strategic or communication plans, plans are created when needed for issues that may bring debate among water consumers.

Plan Implementation and Monitoring

MWW has a very strong marketing and monitoring program. MWW makes every attempt to proactively address any future issues that may be a concern with their customers. Employees of the utility distribute customer survey cards to any customer they have had contact with, personally or over the phone. This practice started in 2006 and has brought about a positive response. Information obtained from the cards is tracked along with Web site usage and customer service call response times. Each year, the utility brings large users together to talk about their concerns and suggestions for improving the utility's customer service. Periodic informational inserts are incorporated into customer bills to raise awareness of any system improvements, rate increases, or issues the public should be aware of.

For large projects or rate increases, the utility creates a specific plan to deal with the issue at hand. For example, despite efforts to control costs and conserve resources, a decline in water sales, expenditures related to security, and escalating costs of electrical energy, natural gas, and water treatment chemicals forced a need for additional revenue. In July 2006, MWW began a two-step rate increase process that included a public education plan. Tasks included briefing elected officials and preparation of bill inserts, news releases, letters to largest customers, and required print advertisements. The Public Service Commission of Wisconsin authorized a 3.4% increase effective September 2006. The second step resulted in a 5.6% rate effective in June 2007. The public education plan successfully informed and found support for the rate increase. News coverage focused on the financial impact and reasons for the increase. The mayor and common council officially endorsed it with a resolution, and there was no opposition to the increase at a public hearing on the request.

National Organization Utilization

The utility uses EPA Web site activity pages and is devising customize outreach materials for children. The utility has also found the "Only Tap Water Delivers" campaign to be extremely helpful and is appreciative of the consistent branding across the United States.

Contact Information

Ms. Rosalind Rouse, Water Marketing Specialist
Milwaukee Water Works
841 N. Broadway Milwaukee, WI 53202
414-286-2803 rosalind.rouse@milwaukee.gov

Case Study 7: Lehigh County Authority

Utility Background

Lehigh County (Pennsylvania) Authority (LCA), a nonprofit, public agency, was founded in 1966 and is governed by a seven-member Board of Directors appointed by the County. LCA provides water services to about 18,000 residential and commercial properties throughout Lehigh County and wastewater services to 10 municipalities and 1,200 individual customers. LCA's water supply is primarily groundwater arising from 30 wells. The two primary complaints with the water are associated with hardness and taste and odor.

Utility Mission, Vision, and Brand

The mission of LCA is "to provide continually improved, affordable and reliable water and wastewater service in Lehigh County which meets the expectations of existing and future customers." In carrying out this mission, LCA will provide high quality service, plan and develop system facilities consistent with municipal planning that anticipate future water/wastewater service needs, preserve and protect water supplies, provide sound financial management as evidenced by user rates, and encourage cooperation and mutual assistance among regional water/wastewater systems.

LCA has tried branding; however, it does not have a strong branding campaign. LCA has standardized its logo on trucks and employee uniforms and has made its Web site consistent with its welcoming packet. The utility's tagline is "every drop matters, every customer counts." According to LCA, there is no question that every customer counts. With over 95% customer satisfaction, customers view the utility as professional and dedicated to providing the best service possible. Still, LCA feels that customers are not completely convinced that every drop matters to the utility. Due to a clean, abundant water source, bottling companies have expressed an interest in locating to the area and distributing bottled water. This has caused some community members to question whether or not the utility is truly committed to sustainability.

Plan Development

LCA adopted a strategic plan in 1988. The plan was revised in 1995 and recently underwent a major overhaul in February 2007. The strategic plan has primarily been changed to reflect customer growth and changing goals, but the mission has stayed inherently the same. The plan outlines LCA's mission, water and wastewater objectives, and common philosophies and principles by which the utility is governed. The last major revision started in July 2006 and was spearheaded by the general manager, who also participated in the original plan's formation. The utility gathered input from various sources, including employees (operation perspective); management (business perspective); and stakeholders, consisting of residential and commercial customers, developers, and municipal and county officials. Employees participated in a SWOT (strengths, weaknesses, opportunities, and threats) analysis. The stakeholders attended three meetings in which they 1) discussed the previous plan and its shortcomings, 2) discussed the structure of the new plan and ranked the objectives by importance, and 3) reviewed the final plan to ensure it reflected the best interest of the community and customers.

The utility also has a strategic communication plan, which has not been revised since 2000 but is still relevant. The plan is meant to be a general guideline that the utility can tailor to

a specific project. Based on the plan, the utility has developed a welcome packet for new customers, developed a Web site with the customer in mind, created a customer advisory panel that meets as needed, and has become more proactive in dealing with community issues. In addition, the utility has a program in place whereby news reporters may call the communication manager directly with questions or concerns. The communications manager will route the call to the appropriate personnel to answer the question. LCA also submits semi-annual editorials, which are published by newspapers.

Plan Implementation and Monitoring

The utility has a continuous benchmarking program where quantifiable measurements are taken on a monthly basis. Some of the key areas measured include wastewater charges, service reliability, customer satisfaction, water quality monitoring, employee safety, water safe yield, and service line breaks. The results of the benchmarking are viewed and discussed by management at least every six months.

From 2003 through 2005, LCA ran a quarterly broad-based random selection survey program to track customer satisfaction in key areas. At the end of 2005, the utility felt the continuous surveying program had reached a saturation point with its customers and changed the program to be more focused on customer service satisfaction. Currently, postcard surveys are sent to customers who had contact with LCA personnel. While the utility cannot compare this survey to prior data due to a change in format, it is still an important indicator of the performance of the front-end staff.

Results from the customer satisfaction surveys and other benchmarking programs are compiled yearly in the annual report, which is available to the public. When the strategic or communication plans come up for review, the annual reports are used to modify any objectives or measurements to improve customer satisfaction.

In the past nine years (since 1998), the utility has only sought one rate increase of 6.2%. LCA feels that the general acceptance of the rate increase was due to proactive planning, continually conveying the value of water to the general public, alerting the customers well in advance about the increase, and providing the customers a forum to express their views.

Sustainability

Sustainability is incorporated into LCA's mission and core objectives. Providing an abundant supply of water to the customers while pumping a safe yield from the ground has never been a problem for the utility. If the bottling companies move into the service area, the utility still feels it can maintain a safe yield; however, it senses the community may not view the actions as sustainable. With the growing population, LCA is finding it more difficult to locate good wells while still maintaining proper wellhead protection. They have considered a partnership with neighboring cities to alleviate this concern.

National Organization Utilization

LCA primarily uses local material when reaching out to the public. It has, however, also used AWWA's youth outreach program material, AwwaRF studies, and AWWA QualServe materials.

Contact Information

Ms. Liesel Adam, Customer Care and Communications Manager
Lehigh County Authority
P.O. Box 3348 Allentown, PA 18106
610-398-2503 lieseladam@lehighcountyauthority.org

Case Study 8: Seattle Public Utilities

Utility Background

Seattle Public Utilities (SPU) provides more than 1.4 million customers in King County (Washington) with a reliable water supply as well as essential sewer, drainage, and solid waste services for the City of Seattle. In addition to providing water, sewer, and solid waste services to the City of Seattle, SPU also houses the city's engineering department and staffs the customer response call center that serves as the customer contact point for all of the City's utilities.

Utility Mission, Vision, and Brand

The mission of SPU is to provide customers with reliable water, sewer, drainage and solid waste services, to protect public health, and to balance social and environmental responsibilities to the citizens and community while providing cost effective services to ratepayers. In carrying out this mission, SPU will 1) provide reliable infrastructure and high quality, cost effective utility services for drinking water treatment and distribution, solid waste collection and disposal, and storm water and wastewater removal; 2) provide exceptional customer service; 3) create a high-performance workplace with a diverse and inspired workforce; 4) protect and enhance the environment; promote environmental justice through prioritized capital investments, utility operations, and programs; 5) conduct utility operations and programs to maximize social benefits; 6) improve the quality of life for all Seattle citizens; 7) build confidence in local government; and 8) continuously improve organizational performance for public benefit.

SPU tried to establish a brand for the public and employees when the water, sewer, solid waste, and engineering departments combined nine years ago in 1998. Although some resistance among employees still exists today, the number decreases with each passing year. SPU launched a campaign to the public complete with a new logo and tagline, "Serving the Nature of Puget Sound," which was very successful. It incorporates SPU's logo and tagline into every news release and pamphlet originating from the utility.

The utility is investigating bottling City of Seattle water, which it hopes to make available for major City events and other promotional opportunities. This effort would continue to bolster the utility's branding efforts. SPU is recognized nationally and internationally among industry experts and organizations for its asset management program. SPU has increased its efforts to share the knowledge and benefits gained from its asset management program with the business community including key utility customers.

Plan Development

The department's 11-member Executive Team created a Strategic Plan in 1998. Since then, the strategic plan has undergone three revisions—one major and two minor. The objective of the most recent revision was to perform a reality check of the main goals, and shape the plan accordingly. SPU is in the process of revising its general communication plan, which includes communication and outreach plans for specific projects and issues.

In 2005, the utility created a Community Relations Development (CRD) Office position. The CRD director's role is to serve as a link between the community, professional and industry organizations, and the utility. In addition, a speakers' bureau, managed by CRD, makes presentations to local groups and organizations about the department's services and programs. At a customer's request, the bureau will attend community, industry, or organization meetings and discuss any topic of concern. For two years, a focus on a new recycling initiative aided customer understanding of new measures which led to a decrease of recyclable materials in the solid waste.

Plan Implementation and Monitoring

Two years ago in 2005, the CRD director, along with customer service staff, conducted one-on-one interviews with key customers. The key customers expressed their opinions about information received from SPU. They stated their overall impressions of the utility and discussed what information or services are helpful for their particular industry. The biggest concern of the customers was business continuity in times of disaster, and they expressed a desire for an annual opportunity to hear directly from the department's director. In response, the utility held a Key Customer Forum where the director discussed major utility events and the department's emergency preparedness plan. The event was very successful, and a second event, focusing on cost-efficient conservation initiatives, was conducted in June 2007.

The utility also held an Emergency Preparedness Forum for key customers. Personnel from critical city departments each laid out what their specific department was doing to prepare and respond to emergency events, including natural disasters. Aside from the customers, the utility also learned from the forum because it found that the actions of some departments conflicted with the action of others. Although developed in the director's office, future forums may become the responsibility of the Office of Emergency Management.

Residential customers view the utility as an organization that produces high quality, abundant water, while looking after the health of the community. The customer service branch is currently in the process of creating a report card that will be sent out with customer bills allowing customers to rate the utility based on benchmark criteria. Results from the survey will be used to improve the utility's strategic plan and overall customer service.

Rate increases have not been an issue for the utility. SPU has had several increases in the recent past, and it received a few complaints from high water users when an additional fee was assessed during times of drought. When the utility incorporated ultraviolet technology into its water treatment practice there was little resistance. The utility attributes this success to proactive planning and an active branding campaign.

Sustainability

In January 2007, SPU formed a new branch of the utility called, “Science, Sustainability, and Watershed.” The branch ensures that SPU assets, operations, services, and programs are scientifically sound, promote environmental sustainability, and provide stewardship of watersheds and aquatic resources.

National Organization Utilization

SPU primarily uses local material when reaching out to the public. It also uses literature produced by AWWA, AwwaRF, and AMWA.

Contact Information

Mr. J. Paul Blake, Director of Community Relations Development
Seattle Public Utilities
PO Box 34018 Seattle, WA 98124
206-684-8180 jpaul.blake@seattle.gov

Case Study 9: El Dorado Irrigation District

Utility Background

The El Dorado Irrigation District (EID) provides water and wastewater services to approximately 100,000 customers in northern California’s El Dorado County. The water treatment infrastructure includes 1,288 miles of pipeline, 40 miles of ditches, 6 water treatment plants, and 33 storage reservoirs. The wastewater treatment plants (El Dorado Hills and Deer Creek) produce recycled water for landscape irrigation at more than 3,500 residences, businesses, and public spaces. In addition to water and wastewater services, EID also operates a hydroelectric power generation system and owns and operates several outdoor recreation sites in the Sierra foothills and at higher elevations.

Utility Mission, Vision, and Brand

The mission of EID, a public agency, is to provide high-quality water, wastewater treatment, recycled water, hydroelectric power, and recreation services in an environmentally and fiscally responsible manner. EID’s brand, “EID Works,” is incorporated into a majority of the utility’s publications and other informational and educational materials.

Plan Development

The renewed communications and strategic plans currently being developed by EID resemble an adaptive management model that is quite useful because it is cyclical in nature and promotes constant recalibration to address changing realities. EID started the strategic planning process by examining existing realities, both internal and external, and future realities as best it could predict them. In the communications arena, EID looked at everything from known capital projects that will have an impact on the customers’ pocketbooks, environment, level of service, and others to informational and educational materials and messages that incorporate important

themes such as the value of water. Based on the data collected, EID is establishing a communications vision for the utility.

EID is also examining the relevance of its communications goals and any gaps that may exist between its previous goals and current customer attitudes. For any existing gaps, the utility will make the necessary changes to accommodate its growing customer base and changes in customer attitudes.

One objective is to cater elements of the plan to a variety of audiences. The utility would like to focus on different concepts for different audiences and programs without confusing the underlying messages. For example, May is Water Awareness Month for the utility, and various departments at EID work collaboratively to promote conservation and water-efficiency programs throughout the month. However, water efficiency is also a theme that EID promotes year round through various media and public outreach programs. EID is now experimenting with incorporating the value of water theme into its conservation and water efficiency communication venues, and the utility will determine whether incorporation or separate focus works best.

Plan Implementation and Monitoring

EID is bringing all the hard work to fruition by implementing the plan throughout the utility and service area. All of the projects, programs, and materials are brought into play, and after the plan implementation, the utility will begin monitoring the plan to evaluate whether it is achieving its desired outcome. One method EID uses to get feedback from outside the organization is through annual public strategic planning workshops, in which leaders from communities participate in all-day sessions aimed at sharing their ideas and suggestions on a number of topics, including EID's communications program. The workshop itself is a priority in the utility's communication plan. After the data have been collected and analyzed, the cycle starts over again and is recalibrated as needed, keeping the plan alive, helpful, and productive.

Sustainability

Among its many conservation programs, EID offers complimentary irrigation management services to its commercial agriculture customers. The program monitors soil conditions and provides irrigation recommendations to commercial growers, already increasing irrigation efficiencies from 50 percent to more than 80 percent on many participating farms. The utility supplies some residential subdivisions with a dual water supply that allows customers to use recycled water for irrigation purposes while saving drinking water for the county's growing population. EID offers residential and commercial customers a complimentary water-use survey conducted both inside and outside of the home or business structure. The customized report produced comes with water-saving recommendations and a site-specific irrigation schedule.

EID also provides water conservation, landscape irrigation, and educational materials to local schools and through public outreach activities such as booths at fairs, home and garden shows, and other community-wide venues. In 2005, EID partnered with 10 other water agencies to develop an educational CD called *Water-Wise Gardening in the Gold Country Region, El Dorado, Placer, and Sacramento Counties*. The CD illustrates both the beauty and sensibility of native and drought-tolerant plants using current landscape trends and designs.

National Organization Utilization

In addition to its own specialized collateral, EID uses state materials in combination with national materials obtained from AWWA, WEF, and AwwaRF. As appropriate, the utility is incorporating ideas presented at national workshops such as those conducted for this project into its informational and educational materials.

Contact Information

Ms. Deanne Kloepfer, Department Head, Strategic Management and Communications
El Dorado Irrigation District
2890 Mosquito Road Placerville, CA 95667
dkloepfer@eid.org

NON-WATER ORGANIZATION CASE STUDIES

Organizations outside of water and wastewater utilities were also interviewed to increase knowledge and perspective on communicating the value of products and services to customers. Two organizations were interviewed: The Sony Corporation and the California Avocado Commission. The branding elements and lessons learned by these organizations are summarized and incorporated into the guidance for water and wastewater utilities in Chapter 5.

The Sony Corporation

The purpose of sharing insights about the Sony brand is to illustrate the power of simple branding ideas, the influence that brands have on price or willingness to pay, and the connection that brands have with corporate, product, and organizational success.

Genesis of the Sony Brand

The major elements of today's Sony brand were born out of the fundamental values of the company, the situation that Japanese companies found themselves in the 1950's, and a corporate vision that focused on the success of the brand. One of the fundamental values of the company was for customers to experience joy through the application of innovative electronics and technology. Sony's vision was to become one of the most successful brands in the world, which included being the first Japanese company to distribute products directly in the United States.

However, Sony faced a major obstacle. In the 1950's, Japanese products were viewed as cheap and low quality. In order to meet its aggressive goals, Sony knew that its products (and other Japanese products) would have to be perceived as high quality. In fact, Sony's number one goal was to "become the company most known for changing the poor quality image of Japanese products." It is very important to note that when Sony crafted its vision, it was articulated in terms of the success of the brand. For example this vision included the statement, "Fifty years from now, our brand name will be as well known as any in the world....and will signify *innovation and quality* that rival the most innovative companies anywhere." Sony executives understood that the success of the brand would determine the success of the company.

The Evolving Brand

What came out of this need to address the quality of Japanese products were products like the Sony Trinitron television in the 1970's. The Trinitron became known as a high quality television that was worth a higher price. This reputation for quality extended beyond televisions and included radios, compact disc players, and stereo amplifiers. Sony may have also set the stage for Japanese auto makers like Toyota and Honda to build their reputations for quality. Sony's brand continued to evolve and stood for quality, entertainment, and innovation. Sony has leveraged this brand in multiple ways, and much of its brand success today relates to the company's sheer size, familiarity, and market penetration. However, the principles that built this mega-brand were simple.

Changes and Threats to the Brand

In the mid 1990's, Sony entered into the personal computing market with its VAIO computers. On the surface, this looked like a risky move. Sony was certainly not known as a personal computing company. Its customers were consumers of entertainment products. However, Sony recognized that entertainment and computing were converging. This coincided with the rise of the Internet, which was growing rapidly as an entertainment medium. So the result was not that Sony wanted to get into computers, but that computers were moving into the entertainment area. This was Sony's turf, and company executives understood they needed to be a player in personal computing in order to maintain and increase their presence in entertainment. The increasing use of the Internet became a horse to ride and helped Sony make this strategy a success.

The new millennium has brought new challenges. In the area of audio and video technologies, there are more and more companies that are perceived as producing reliable products. The perception that Sony products are no longer worth the price premium because other manufacturers are building high quality products is a significant branding threat. It remains to be seen how this will play out, and the story of the Sony brand will certainly continue. What we know for sure is that the outcomes will be determined by putting simple ideas in the minds of consumers and the power of branding. Water utility executives can learn from this 50 year branding journey by appreciating the power of being focused on simple and meaningful branding ideas.

The California Avocado Commission (CAC)

The purpose of sharing insights about the California Avocado Commission (CAC) brand is to again illustrate the power of simple branding ideas, the influence that brands have on price or willingness to pay, and the connection that brands have with corporate, product, and organizational success.

Background – The California Avocado Commission

The CAC was established by an act of the California Legislature in 1978. However, coordinated marketing and branding occurred decades earlier. The first association of California avocado growers began in 1915 with the formation of a California Ahuacate Association for the purpose of "...the improvement of the culture, production and marketing of the Ahuacate." The

word "ahuacate" was used because it was the word in common use in Mexico for this fruit. By the summer of 1923, it was felt that the pending crop of avocados made it urgent to form an organization solely devoted to the marketing of avocados. The California Avocado Exchange was formally established in 1924 to handle cooperative marketing.

Almost all market development during the first forty years of the industry was done by the growers. The industry leaders petitioned the State Legislature to establish the CAC in 1978. The CAC Board of Directors is composed of ten growers of commercial avocados from five districts (2 per district), four handler representatives, and a public member. Through innovative promotion programs, the CAC has largely been successful in the introduction and establishment of the avocado to the American diet. Strong demand has been built for the California avocado both in the domestic market and some foreign markets. In recent years, the CAC has been faced with many difficult issues.

Major Challenges for the Avocado Commission

The avocado industry has long been concerned with the importation of avocados from foreign countries for two reasons:

- introduction of a new pest or disease that would damage local production
- fruit produced in countries with low labor costs and low water costs (in many cases there are no costs for water) would have a competitive advantage against California fruit.

California avocado growers had long complained that foreign producers of avocados were getting a free ride on the millions of dollars they spent each year to promote avocados in the United States produce market. In 1999, the CAC caused federal legislation to be enacted establishing the Hass Avocado Board, which was granted authority to assess imported avocados for the purpose of market development. The resulting marketing and branding campaigns are jointly funded by foreign and domestic avocado producers and have dramatically expanded avocado consumption in the United States while maintaining stabilized prices in the face of significant increases in total United States supply.

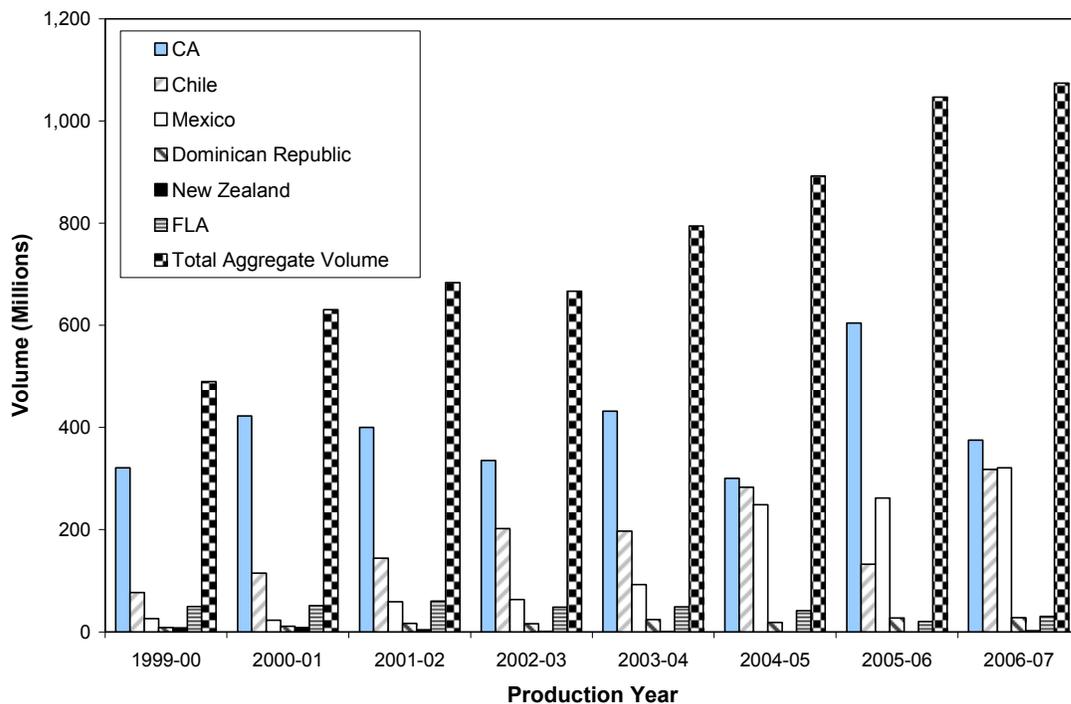
Water supply and costs are ongoing concerns of growers. Water costs account for about 60% of the cost of growing avocados. Many growers use so-called interruptible water supplies that, in exchange for an agreement to cut deliveries, receive a 20% or so discount from full priced water. Groves thrive on the dry inland hillsides of San Diego and Ventura Counties. The crop requires approximately 4 acre-feet (1.3 million gallons) of water per acre per year (an average household might require about 1/3 of an acre-foot; higher density development of avocado acreage would use approximately the same amount of water as groves).

The Evolving Brand

The avocado industry has moved from a product that self-sells to a formal marketing effort consisting of state of the art communications techniques. The focus of the marketing effort has been quality, health, and taste. The effort is routinely funded and applied consistently. Targeted messaging related to quality, health, and taste is relentlessly distributed using the following methods:

- Radio advertisements
- Billboards
- In-store advertisements
- Television
- Magazine advertisements
- Articles in culinary magazines,

Several years ago, some in the CAC believed it was ok to stop advertising or communicating when there was either an oversupply or a short crop. The results were disastrous, and millions of dollars were spent trying to reestablish the CAC position with retailers and consumers. Currently, the CAC uses state of the art tools to gauge and address consumer preferences in the target markets and the effectiveness of the advertising campaigns and refines the tactics based on the information learned. Advertising professionals are heavily used. The CAC Web site (<http://www.avocado.org/>) is professionally designed and maintained to further the brand, underscoring messages of freshness, the California lifestyle, nutrition, and health. The marketing effort has successfully expanded United States avocado sales from less than 400 million pounds in 1999-2000 to over a billion pounds in 2006-2007 (Figure 4.1) while maintaining prices and incorporating significant new foreign imports into the market.



NOTE: Production from other countries was less than a million pounds per year.

Source: CAC 2006

Figure 4.1 Growth of the avocado market in the United States

CASE STUDY LESSONS LEARNED

The communications and branding efforts in the case studies for both the water organizations and the non-water organizations are similar. Key lessons learned from their efforts in communications and branding include:

- Branding programs must be strategically designed and implemented, with a focus on creating value for the consumer and the producer
- Understanding the importance of message consistency and steady spending over time is essential. Communications is a process, not an event.
- Know everything possible about your target audience, and use that information to develop relevant brand messaging upon which a lasting relationship can be built.

Several common themes in the other case studies also support these key lessons:

- The brand is thoughtfully crafted.
- The brand is woven into all communications.
- The brand is linked to investments the firm/utility makes and programs pursued.
- The brand does not change, but the communications program adapts to the company/utility's priorities and projects.
- The communications program is targeted to the stakeholders identified needs.
- The communications program operates relentlessly and is given high priority (i.e. resources) by management.

INTERVIEWS WITH INDUSTRY LEADERS ON THE COMMUNICATIONS MODEL

After the communications model (presented and described in Chapter 5) was developed, several industry leaders in utility communications were asked to review the model and make suggestions for improvements to it. The reviewers were asked three questions:

- Do you think the communications model will serve the water utility well in effectively communicating the value of water to various stakeholders?
- The model was put together based on the practices of some of the more progressive utilities. In your experience, do you see that water utilities are generally following this model?
- Do you suggest any modifications to the model?

In general, the reviewers' comments indicated that the model was a good representation of the process utilities should be following to effectively communicate the value of water to stakeholders. A similar approach is also used by AWWA in their strategic planning. The systematic approach presented should help utilities without strong communications programs to develop them and should remind utilities with strong communications programs of all the necessary steps.

The reviewers noted the importance of having specific messages to communicate, not just a method of communicating them. The messages must resonate with customers, so it is important that the utility stays in touch with the customers throughout the entire process.

All of the reviewers felt that the steps in the model were generally being followed by larger, more progressive utilities for their communications and strategic planning. However, it was noted that some of the steps may be omitted in the process. It was also noted that smaller utilities may not have the resources to do the rigorous planning needed. Having reference materials and training on the model and aspects of good communications programs will help the smaller utilities implement these programs.

One reviewer felt the model did not need any revisions; however, the other reviewers indicated that some wording changes or additional explanation of the text in the steps in the model was needed. The result of these discussions is that a second figure was created to further explain the steps by giving specific examples of the activities in the model. To retain flexibility in applying the steps of the model, the original figure was maintained.

CHAPTER 5 DISCUSSION

The objectives of this research included:

1. Research available studies related to communication with customers and stakeholders both in the water utility field as well as other organizations that require public support to glean “lessons learned”.
2. Supplement the available studies with surveys and workshops that are directly related to communication of the value of water.
3. Develop a branding strategy that builds public trust and communicates the utility value proposition to the customer and stakeholder.
4. Develop specific guidelines, plans, and processes, along with communication tools, that can be used by water utilities to devise a communication program for their water utility.

LITERATURE REVIEW AND SUPPLEMENTAL WORK

Several key communications components and messages can be synthesized from the literature review, surveys and workshops conducted as part of this study. It is recognized that many features and audiences of a specific utility are unique, and each water utility will need to extract the conclusions from the research presented that best fits their situations.

- Valuing Water and Building Trust - Successfully communicating the value of water and building community support for the water utility and its programs (including water rate increases) requires that the community 1) understands the water utility’s basic activities (i.e., what it does and where the money goes), 2) believes the utility is doing a good job managing its responsibilities (it provides good water quality, reliable water supply and is responsive to their needs), and 3) understands the role of water in the environment. By crafting key messages that resonate these themes, trust in the utility will increase, resulting in more public support and appreciation for the value of water.
- Protecting the Environment - A literature-cited customer survey sent to more than 2,400 residential water utility customers concluded “that to be perceived as an environmental leader, ...water utilities must be willing to take the initiative to work with other organizations in a visible way that allows their customers, community leaders, and special interest groups to see that the utility is truly committed to the protection and preservation of environmental resources.” The research identified four fundamental characteristics of environmental leadership: 1) collaboration, 2) environmental stewardship, 3) visibility, and 4) a willingness to be first.
- Sustainability - Sustainability means different things to different people. Throughout this project, two primary categories of sustainability efforts emerged: 1) sustainability of water utility operations (e.g., maintaining adequate and reliable water supply needed to protect human health and the quality of life in the community) and 2) sustainability of the environment (e.g., promoting stewardship and protection of

- natural resources). Sustainability efforts by the utility in either category will likely increase public support for the utility.
- **Media Influences** - Changing demographics continue to influence how utilities should use media outlets to communicate with their customers. The utility should strategically plan how to most effectively use the various media outlets (e.g., newspaper, radio, television, Internet, or other media).
 - **Stakeholders' Perspectives** - With respect to water and based upon the literature, customers are generally concerned about four things: (1) tap water will be safe to drink, 2) water will come out of the tap when it is turned on, 3) water bills will be accurate, and 4) someone will provide help when a customer has a problem. Utility representatives believe that one of the top priorities of communications is to gather community support to justify rate increases. However, although elected and appointed officials have a broad appreciation for water, they struggle to balance the financial needs for water services with other municipal needs. Water-related stories are a low priority for media outlets unless there is a drought or flood situation. Having stakeholders with potentially-conflicting perspectives make communications essential for helping everyone understand differing viewpoints.
 - **Branding** - Although branding is poorly understood by most water utilities, it is necessary for building strong relationships with the customers. A good brand image will help the utility gain trust within the community, which in turn leads to public support for utility programs. A good brand will focus on water service reliability, water quality, customer service, environmental stewardship, financial performance, and communications.
 - **Communications Messages** - Defining and articulating the precise communications messages that will be used by a utility as it communicates with the public is challenging. The most important message to convey is that customers get a value for the investment they make when paying a utility bill. The best messages are simple, consistent, and frequent.
 - **Organizational structure** affects the ability to develop and convey consistent messages. Having a communications plan and implementing it by the director at an organization reporting to a board is much different than one that reports to either a city manager or strong mayor form of government. Managing public messages can be easier in the former. Nonetheless, consistent and relentless communication is important in both structures.

Key Messages for Communicating with Elected and Appointed Officials

The research also underscored that utility leaders believe that effective communication, especially the communication of the value of water, with elected and appointed officials is essential to its ability to secure adequate financial resources. Ideally, elected and appointed officials should be involved in the development of a utility's Communication Plan. Particular care needs to be taken by utility leaders to understand the needs of the officials so the Plan can be responsive to officials and their needs.

Excellent feedback was obtained during the project research in this respect. The feedback indicated that elected and appointed officials want the following from water utilities to facilitate communications about the value of water:

1. Effective and frequent communications with customers, city and county managers, and councils or boards that approve rates
2. Utility credibility supported with a multi-year plan and follow through on delivering infrastructure
3. Information that relates infrastructure improvements to specific customer needs
4. Information on rates in surrounding communities
5. Information that quantifies the impacts of growth
6. Technical information that is readily available and presented simply
7. Information that illustrates the environmental benefits provided by water utilities
8. Upbeat and positive messages about quality, reliability, price, conservation and source water protection
9. Messages emphasizing that the water utility is in the public health business
10. Information that places water in the context of easily understood equivalents (e.g., 100 cubic feet of water is equivalent to X number of showers, car washes, lawn waterings)
11. National messages
12. Partnering with elected officials, health care providers and environmental groups. This, in effect, provides cover from the public and the media

Suggestions and examples that will assist utility leaders in this important area are included in the Toolkit.

Key Messages for Communicating Through the Media

There are several things to keep in mind during interactions with the media. These include:

- As a matter of ethics, journalists will not allow news to be defined for them.
- The facts of a story can become somewhat relative when, in upholding the principle of fairness, journalists balance one set of facts with other facts or opinions, e.g., water utility X believes these infrastructure improvements are necessary and community group Y believes they are unaffordable for retirees.
- The news business requires enough news to fill a certain number of pages or minutes every day, and that demand is always met no matter the relative importance of the news to be covered on a slow news day. The more you can provide the media with substantive information that allows for substantive reporting, the greater the message penetration you can achieve (inexpensively). Suggestions for evergreen articles you can consider are included in the Toolkit.

Know your value of water communications goals and supporting messages. Work them out in advance and train all staff on them. Arrange them in a hierarchy of importance and develop brief (20 to 30 second) statements that explain each one.

Another point to consider in communicating the value of water is that people have a relatively short attention span. Professional communicators keep it short, focused and repetitive. In presentations (Morrisey et al. 1997) curiosity will probably produce a reasonably high level of both attention and retention during your opening statement. Following your opening, you can

expect a reasonably sharp drop in retention, and, if you use an appropriate summary statement, retention will take an upward swing. Keep this retention curve in generating a strong opening, rich body and powerful closing.

In terms of choice of media for dissemination of information, there are a variety of choices that must be tailored to the individual utility's budget and the characteristics of the community. Target the message and the recipient with precision by understanding what the consumer knows, how they know it, and how they would like to receive the information.

The following the key messages were obtained from media interviews:

1. Water is taken for granted, and that can be a good thing. Perhaps that attitude among the public and journalists can be built upon, along the lines of the utility is good enough that you can take it for granted.
2. In the greater scheme of things, journalists rarely give water issues a thought unless there is a problem.
3. Water agencies need quality Web sites with complete information, good contact lists and easy navigation. It might be appropriate to establish a link to an agency Web site for journalists only. Such a linked page would be available to anyone, but the contents should be of particular interest to journalists who would not have to navigate around an otherwise customer-oriented site to find what they need. An agency could seek the assistance of local journalists to set up the page to meet their needs. An example framework for a utility Web site is included in the Toolkit.
4. Journalists tend to be more liberal than conservative, and more trusting of NGOs than of conservatives.
5. The best spokesperson available is a highly placed, well-informed, and easily accessible member of the water agency.
6. Elected officials are generally not the best spokesperson available for an agency. Journalists tend to be more interested in expertise and less interested in acquired votes or political spam.
7. Reporters would be agreeable to attending facility tours if they are informative and value-added. Invitations for such tours can go directly to a reporter known to cover water and/or municipal issues or to the city editor who would select an appropriate reporter to attend.

A broad approach to effective media communication is summarized in [Table 5.1](#) While these steps were established by Hyer and Covello (2005) for the World Health Organization to help define a process for communication during a public health emergency, they provide useful thoughts for a media communication effort.

Table 5.1
Seven steps to effective media communications

STEP 1: <u>Assess media needs, media constraints, and internal media-relations capabilities</u>
1.1: Assess the needs of the media.
1.2: Assess the constraints of the media.
1.3: Assess internal media-relations capabilities.
STEP 2: <u>Develop goals, plans and strategies</u>
2.1: Develop media communication goals and objectives.
2.2: Develop a written media communication plan.
2.3: Develop a partner and stakeholder strategy.
STEP 3: <u>Train communicators</u>
3.1: Train the media communication team.
3.2: Train a public information officer.
3.3: Train a designated lead spokesman.
STEP 4: <u>Prepare messages</u>
4.1: Prepare lists of stakeholders and their concerns.
4.2: Prepare clear and concise messages.
4.3: Prepare targeted messages.
STEP 5: <u>Identify media outlets and media activities</u>
5.1: Identify available media outlets.
5.2: Identify the most effective media outlets.
5.3: Identify media activities for the short term, mid-term and long term.
STEP 6: <u>Deliver messages</u>
6.1: Deliver clear and timely messages.
6.2: Deliver messages to maintain visibility.
6.3: Deliver targeted messages.
STEP 7: <u>Evaluate messages and performance</u>
7.1: Evaluate message delivery and media coverage.
7.2: Evaluate and improve performance based on feedback.
7.3: Evaluate public responses to messages.

Adapted from Hyer and Covello 2005.

DEVELOPING A BRANDING STRATEGY

Utilities communicate to inform their customers and to develop the trust necessary to build support to secure appropriate investment from their communities. Building the support after the community is experiencing broken water mains or water supply shortages is clearly not desirable. In order to build support to secure investment even when things are going well, utilities need to be clear about the value they provide and they must show they can be trusted. Through many years of trial and error, marketers have discovered that the most effective and efficient way to communicate value and build trust is through the process of branding. Branding is simply making sure that your potential customers or your important audiences know what they can count on from your products or organization.

Branding is powerful because it understands and embraces human nature. It recognizes that simple perceptions drive people's decisions. People, products, and organizations are

constantly being branded whether they realize it or not, and whether they have a branding strategy or not. These brands or judgments have profound impacts on the behavior of customers. If people want to drive the safest car on the planet, they typically put Volvo high on their list of prospects. If they want reliability and economy, they may pick Toyota over Volvo. When a loyal customer of Starbucks walks into a store, they know what to expect, including a variety of premium coffee drinks, coffee paraphernalia, and a pleasing atmosphere. That's branding. It's what gets people's attention, attracts the dollars, determines price, and what drives corporate success.

People know that an adequate water supply is crucial to a community's prosperity and quality of life. They know water is valuable, but what can customers expect (or count on) from their local water utility, and what price should they pay for water in their region? Water-utility branding helps provide the answers. Branding applies to water utilities because they exist to provide a vital service and they are competing for investment dollars in the form of rates or other fees. A water utility's product and service are competing with all the other ways people spend their money, including funding other government or civic needs. This is important because this competition for investment will only increase in the future, fostering a pattern of under-investment if water utilities can't compete. Under-investing does not serve and can hurt the community.

Given that water utilities serve the public interest and are expected to be competent and frugal, they should be interested in branding because branding increases efficiency. However, utility executives often conjure up very different ideas when they hear the word brand, or when they hear they need to consider a branding program. Some of these ideas are inaccurate, and some are strongly negative. For example, branding is often described as a logo, slogan, or a method of spinning ideas or conveying half truths. Given these misconceptions about what good branding is, we need to be very clear about branding principles in order to successfully apply them to water utilities.

Being Branded

When you are branded, it means that someone has formulated perceptions, made judgments, or developed expectations of you. Labeled is another word often used to describe these judgments. Being negatively branded can be devastating, often leading to damaged reputations, management shake-ups, and business failures. Ignoring this branding fact of life can be dangerous for both individuals and organizations. A water utility that has a negative brand won't be trusted and won't secure the investment necessary to ensure future quality of life for its community.

Branding

Branding programs employ activities and investments designed to communicate value and encourage people to accept or adopt specific perceptions about companies or products. For example, if Volvo wants to be known for building safe cars, they implement a branding program designed to promote this perception. Brands are built when people interact directly with a product or an organization, and through publicity and advertising. Advertising is not always the most effective way to build a brand. Publicity, or buzz, and direct experience are often more effective. Starbucks does not produce television commercials, yet Starbucks has a very strong brand.

The Brand

The term brand is the name we give to these labels or perceptions, and also refers to the asset that is created when a large number of people have positive feelings about a product or organization. A widely recognized brand is an extremely valuable asset, arguably the most important asset a business has. In Interbrand's ranking of the best global brands of 2006, the Coca-Cola brand is estimated to be worth \$67 billion. A good brand attracts and retains customers and is the basis for trust. Negative brands are obviously a liability and result from negative events and/or poor brand management.

Not Just a Slogan, Logo, or Single Idea

Developing a slogan or designing a logo does not mean you have created a brand. Even though Volvo's "safe cars" brand is a single and powerful idea, most brands, including Volvo's, involve multiple ideas. This is especially true for service-oriented brands. Loyal Starbucks' customers have a list of things they expect when they enter a Starbucks store. Starbucks does not have a slogan, but it does have a very strong brand. Although the Avis slogan is, "We Try Harder," the Avis brand must address many expectations that people have about renting a car, including price, the rental process, bus service, the cleanliness and reliability of the car, and the process of returning it. One negative experience can cause a customer to change companies, but a strong brand will cause them to think twice before they change.

It's Who You Are

Managing the brand is not just about advertising and communications. Branding starts with an internal agreement about the value you intend to deliver. The brand is who you are. Fulfilling the promises embodied in the brand requires focus and diligence. For Starbucks, delivering all the features of their brand requires organizational commitment, management of resources, and employee training. Without the internal alignment and commitment that come with a well-managed brand, it is very difficult to deliver compelling value, or keep your promises to customers or constituents. These same principles apply to water utilities.

Negative Branding of Water Utilities

A key aspect of branding is that people, products, and organizations are being branded whether they like it or not. Negative branding is when people form negative perceptions of a person, product, or organization. Water utilities are particularly susceptible to being negatively branded because of behaviors that stem from being a monopoly, regulatory driven or focused, and being married to a political decision-making process. These conditions and the resulting behaviors apply whether the utility is a public agency or an investor-owned utility. One critical behavior that stems from these conditions is that water utilities have not generally grasped the importance of building a strong brand, which is a valuable tool for reducing the likelihood of negative branding. Also, when regulations drive utility decisions it leaves people wondering what the managers and employees of their utility are committed to, or care about. This makes it more difficult for people to decide whether or not they trust the utility.

The following are a few examples of the negative branding that utilities are susceptible to and have experienced.

- **Utilities Are Not Our Protectors.** This brand can come up when it appears that utilities are lobbying for less stringent regulations or lower standards.
- **No Communication Ethics.** Utilities don't really have to reach specific customers with important information, just meet communication regulations. This impression helps fuel the idea that journalists or other watchdogs are the ones who are protecting the public.
- **Money and Politics Are More Important than Health.** This comes from elected and appointed officials being hesitant to increase rates.
- **Utilities Practice Reckless Management of Water Quality.** This brand arises from the idea that water treatment is not water purification. Treatment involves band-aid fixes for addressing difficult problems, including adding one chemical to fix a problem created by another chemical.
- **Us Versus Them.** Sometimes people feel that utility personnel have different values than they have, or they see utility staff as the opposition. Not having a clearly defined brand and being regulatory-focused make this perception more likely.
- **Water Systems Are Outdated.** This comes into play because many water facilities are old, and sometimes utilities talk about tried and true processes that date to biblical times.
- **Regulations Are Not Enough.** Only treating to minimum regulatory standards is not adequate for building trust. The utility must produce the water quality and service people want. Also, regulations are perceived as influenced by politics.
- **People Should Be Drinking Bottled Water.** This is a very interesting negative brand because municipal water is a completely different product than bottled water. The water industry can fuel this negativity by trying to compete with bottled water or point-of-use treatment systems. It may be better to promote the uniqueness and value of municipal water.

Water utilities around the country face different issues and have different experiences with respect to public perceptions, politics, and investment needs. In Chapter 4 of this report, more guidance is given on how utilities can work to define their brand. It also encourages utilities to seriously consider how efficiently they have been communicating about value and investment and how well they have been building trust with their customers.

People's Understanding of the Value of Water

Arguably, people do understand that water is critical for a community's and their own quality of life and economy. They may not have it on their minds every day, but it's not difficult to see the value. "When the power goes out you light the candles, and when the water goes out, you move out," is a pretty accurate statement. Utilities need to pay attention to what is relevant to the people in a specific community, which can be boiled down to answering a few simple questions:

- What level of service am I receiving related to water reliability and quality?
- What are the investments necessary to ensure that I can continue to receive this service?

- What is the impact of these investments on my water rates and monthly bill?
- Do I trust the utility to wisely manage these investments and the risks?

These simple questions relate to establishing clarity about the standards of value that the utility is striving to deliver to the community, needed investments, the meaningful price of these investments, and the level of trust in the utility. The utility can effectively and efficiently address these issues by defining and building its brand, and by treating its audiences and community members as customers and shareholders (investors).

Defining and Building the Water Utility Brand

The principles of branding recognize that simple perceptions drive people’s decisions. People, products, and organizations are constantly being branded whether they realize it or not, and whether they have a branding strategy or not. These brands or judgments have profound impacts on the behavior of customers. Without a brand, the product or service is a commodity and competes solely on price. An efficient way for a water utility to communicate with the community is by using branding principles. The water utility brand *defines what you can count on* from the utility related to appropriate investment, water reliability, water quality, environmental stewardship, customer service, finances, and communication ethics. Using the brand as a framework for driving decisions, proposing investments, and making communications more meaningful will increase trust, support, and investment. The brand also clarifies the motivations of the utility which is important because confusion about what the utility cares about is a common source of conflict.

Treating Customers as Investors and Shareholders

The brand not only addresses ideas like “Volvo = Safe Cars” but also includes the entire experience of dealing with a company or using a product. A good example is the rental car experience. This experience includes the wait time at the rental counter, shuttle service, rental price, cleanliness and performance of the car, and how easy it is to return the car. Likewise, the water utility needs to define its service experience in as much detail as possible. The more detailed you can be with respect to what the customer will experience, the better the impression will be and the more the utility will be trusted.

The utility’s customers are also shareholders and investors because the water utility is typically a monopoly. Adopting this point of view related to their customers has a significant impact on how the utility behaves. It helps the utility see that the primary reason for communicating with the community is to build trust and secure appropriate investment. Because of this shareholder relationship, the water utility brand includes things like finances and communication ethics. The shareholder or owner context also forces the utility to think more clearly about what information needs to be included in communications and to ask the question, “What would an owner or investor need to know?” This is very different than “educating the public.”

Lessons from Branding Case Studies

Several branding cases studies of water and non-water organizations were conducted. These cases studies provide instructive lessons for the water utility industry and underscore the

principles described above. While the industries examined vary, the principles apply universally. These lessons include:

- The brand needs to be simple and memorable.
- The brand needs to be consistently communicated.
- The product must live up to the brand.
- The messages must be targeted (to the intended audience through appropriate media).
- The process is dynamic with market research defining and refining the campaigns.

National Branding Campaigns

The AWWA national branding campaign, “Only Tap Water Delivers,” provides an umbrella under which a specific utility program can be coordinated and implemented. For utilities that provide both water and wastewater services, the WEF national branding campaign, “Water is Life, and Infrastructure Makes it Happen,” also provides an umbrella and makes messages consistent.

Our research indicates that effective communication requires a minimum number of clear, easily understood, consistent messages. Thus, the individual utility messages for communicating the value of water should reinforce the national messages, adopting them to local conditions and situations.

Defining the Water Utility Brand

The water-utility brand is a statement of meaningful commitments that address important water issues that relate to the roles of a specific water agency or utility. They are, in practice, statements of value. Because many utilities are public agencies, the brand must address the value provided to customers and the issues that are important to the community as shareholders and investors in the water system. The final form and emphasis of the brand will depend on the utility’s regional roles, industry leadership, and cultural strengths. People know what they can expect when they enter a Burger King or their favorite hotel chain. What can they expect from the water utility?

The typical water utility brand will focus on the following key issues:

- Water Service Reliability
 - Water supply reliability in the form of drought resiliency, emergency supply provisions, and security
- Water Quality
 - Constantly enhancing water quality, increasing knowledge, and diligence
 - Utilities becoming the source of water quality, not where the water came from
- Customer Service
 - Billing and responsiveness to customer issues and problems
 - Going beyond the meter to help customers with in-home water issues
- Environmental Stewardship
 - Impact of operations and possibly allocating water for environmental needs
- Financial Performance
 - Efficiency, asset management, and sound financial decision making

- Communications
 - Efficiently reaching people with meaningful and relevant information

None of these issues will look new to the average water utility professional. However, many utilities are not clearly relating to what people can count on in these key areas and are not proactively building a brand using these issues as the framework. Often utilities share detailed information without the value context or framework of the brand. Here are some samples of utility branding or commitment statements:

Metro Water** is committed to...

- **Long-term planning and appropriately investing in water reliability, water quality, and the environment.** This means that Metro Water will perform long-range water supply planning and be an advocate for appropriate investment in time to meet future needs.
- **Highly reliable water supplies and water service.** This means that the Metro water supply is drought resistant and that Metro Water will be proactive in investing in and maintaining water delivery infrastructure.
- **Providing safe, high-quality water.** This means that Metro Water will:
 - Enhance water quality through increasing knowledge and continuous improvement
 - Be diligent in testing and be very responsive to water-quality issues or problems
 - Provide the right quality for the intended use, which includes both potable and non-potable uses
 - Meet or exceed water quality regulations

** Substitute Utility Name for “Metro Water”

Similar statements can be created to address environmental stewardship and finances etc. It is important to note that the first statement above addresses a commitment to long-term sustainability planning and appropriate investment which are important over-arching branding ideas. Long-term planning is a key role of water utilities. Without appropriate planning for investment, the community will suffer lower water quality, reliability and service which the literature review has shown is not what they want.

Special Branding Relationship with Policy Makers

In general, utilities need to manage three important relationships:

- Customers and rate-payers through the customer-service department and other interfaces
- Community members (or customers) as shareholders and investors in the water system
- Elected officials, governing boards, or policy makers

It is important to understand these fundamental relationships when defining what a utility brand should be. These relationships highlight the fact that utilities have a responsibility to provide good customer service, that our customers and communities are also shareholders and investors, and that most water investment decisions are made by some form of representative government. Arguably, all other relationships that the utility pursues, including the media and other influential groups, should be managed within the context of helping the utility ensure that good policy decisions are made. It is important that the utility understands the specific needs of policy makers and how this relates to branding. This research has reinforced that policy makers and elected officials want the utility to:

- Be aware of their constituents' needs, or be aligned with their stakeholders
- Give them meaningful information to make decisions and communicate with their stakeholders
- Be able to manage and diffuse conflict (keep them out of trouble)
- Be financially competent and deliver good return on investment to the community
- Be an efficient utility and allow them to have some of the credit for this (help them look good)
- Make sure that they are not blind-sided or surprised by an issue or problem

Policy makers will judge the utility staff based on whether or not these needs are being met. Policy makers often focus heavily on the financial performance of the utility, so building a strong financial brand is extremely important. The relationship with policy makers effectively adds another layer of branding that can have a major impact on policy decisions. Consequently, policy-maker branding must be integrated into the utility's strategy for securing appropriate investment.

The Process of Defining the Brand

Brand building is not highly technical or complicated but it does require clarity and a commitment to use the brand as the foundation for decision making and communications. For most utilities deciding to build a brand will be a significant change. This means that the utility senior staff members (those who lead in the organization) must appreciate the power and efficiency of building a brand, come to a consensus on what the brand should be, and be committed to the brand-building process. These objectives can be accomplished by engaging senior management in:

- Reviewing branding principles and familiar brands,
- Sharing personal experiences of senior managers with brands and branding,
- Defining the brand (what you can count on from their utility), and
- Reviewing the process of building the brand (short-term wins)

This process will allow utility managers to become more familiar with branding principles and demonstrate through personal experience the power of brands and branding. It provides the collaborative environment necessary to define a clear and meaningful brand and give them a roadmap for building the brand. The outcome of the process is a clearly stated brand and a commitment from senior managers to build the brand.

Motivating and Empowering Employees

The brand helps employees clearly understand the reasons for their work, which increases morale and motivation. It also allows them to be brand builders because they can convey the values of the organization in their interactions with friends, the community, and customers. Effective ways for relating with employees in a way that communicates and reinforces the brand are:

- When communicating important decisions, always connect the decision to the appropriate elements of the brand. This demonstrates management's understanding and commitment, which is a great tool for encouraging employees to believe and engage.
- Make sure that the planning process and basic communications like the Web site, press releases, and brochures noticeably reflect the brand.

Strategic Planning

The framework for the strategic plan, or any planning, should be the commitment statements that define the brand. This is because the brand defines what you can count on from the utility. The brand statements can generally serve as the overarching goals of the utility (in a traditional strategic plan).

Customer Service

Since one of the major objectives of branding is to build trust, the customer service experience is extremely important. Every interaction with the utility is a branding moment. A customer may formulate perceptions of the utility that last for ten years based on a single customer service interaction. Research has shown that for services, customers will infer quality from the interaction. Utilities are beginning to focus more on customer service, but this often involves improving customer service technology. Utilities should define in as much detail as possible the customer service experience that they wish to create. It is especially important to manage changes to billing processes or metering systems extremely well. Similarly, water quality is a core expectation of customers that is often unmet due to high chlorine levels or other taste, color, or odor problems in water distribution systems. Mismanagement of these issues can create long-lasting negative perceptions with a large number of customers.

Relate Communication Activities to Policy Decisions

The utility will typically be reaching out to a wide variety of audiences in the community. Make sure that all communication activities are understood and related to meeting the needs of policy makers (water boards, city council members, etc.). Policy makers need to feel confident that the community trusts the utility and supports appropriate investment before they can vote for it. Utilities should constantly ask, "How does this communication or decision affect our policy makers' confidence in us or the proposal at hand?"

Utility Web site

Make sure that the front page of the Web site reflects the brand in an uncluttered way. This means that people should have clear and easy access to customer service information and help, and get a good sense of the utility's water reliability, water quality, financial, and environmental commitments. Whatever the brand, the front page of the Web site should not share too much information. Less can be more. Simply communicate the brand and allow users to do their business.

Consumer Confidence Report

Utilities are required to produce a yearly water quality report. This report is a branding opportunity. Often, utilities jump right into sharing detailed information or activities without providing adequate context. All information and activities should be shared within the utility's water quality brand. This brand should convey the common-sense ideas of increasing knowledge and improvement, diligence, carefulness, and responsiveness. After reading the consumer confidence report, consumers should come away thinking that the utility is the source of water quality, not where the water came from. This will happen because all of the information will be put in the context of the utility's water quality commitments and ethics (its brand) and a comprehensive plan for delivering safe, high quality water. Source water quality and management should be discussed in the context of the utility's water quality plan.

Using Press Releases to Build the Brand and Tell a Story

Although press releases may not be the most effective way to reach audiences, they can be used to communicate in a meaningful way and build the brand. A press release is usually produced to highlight an important milestone, decision, or activity. It usually tells all sorts of details without connecting it to the meaningful value. The following examples express typical press release topics in meaningful terms.

“The Tiger Reservoir project plan has been approved by the city council, which is a critical milestone in enhancing water reliability and drought resiliency in the region. This project will allow our community to weather multi-year droughts with little or no cutback in service.”

“Completion of the water quality laboratory will allow Metropolis Water to meet its commitment to continue to improve water quality and increase its knowledge related to water quality issues.”

These examples illustrate value and make clear the motivations of the utility. Being able to “weather a multi-year drought with little or no cutback in service” is a clear value statement. You might be surprised at how much utility communications emphasize facts and figures and not value. It is important to note that conflict often occurs because there is a misinterpretation about the motivations behind an activity or decision. The brand makes motivations explicit, reducing the likelihood of unnecessary conflict.

Press releases tend to be written without a strategy for telling a bigger story. The bigger story is the utility's brand and the investment decisions facing the community. Utilities should identify and define the big story and then use timed and related press releases to tell it. The media wants to cover interesting and ongoing stories, not fragmented facts and milestones.

Clarifying Rates and System Expansion

There are a host of policies and decisions that a utility makes that can be misinterpreted by the public. Tiered rate structures can be seen as forced conservation while they may just reflect the higher costs of peak loading. This again is where the brand can be useful. The utility should be able to relate all decisions and policies to the elements of the brand. A tiered rate structure could reflect a utility commitment that customers will pay for the true costs of their usage. System expansion is a good investment if it is consistent with one of the elements of the brand, which might be efficiency or optimum utilization of assets. In this way, the brand clarifies issues for the public and is a good measure for evaluating the integrity of the utility's decisions.

Aligning All Your Communications

The overall communication advice in this section is simple. Whether it is the Web site, presentations for classes, or public meetings, the context and framework of the content should be the brand and, accordingly, consistent. Presentation topics should follow the elements of the brand, even to the point of having one slide for each branding element. The structure for Web sites and newsletters should mirror the brand. Don't let the clarity and power of the brand get buried in the details.

Benefits of Building a Utility Brand

Refining and building a strong brand does the following:

- **Increases Trust, Support, and Investment** because the value is meaningful and the community knows what it can count on from the utility
- **Clarifies the Scope of Important Value Issues** by defining the roles of the utility related to providing value and capturing the issues that should frame the community dialogue
- **Provides Clarity** by removing ambiguity about value and return on investment (the brand defines what you can expect from the utility with respect to the important issues)
- **Improves Utility Performance and Efficiency** by providing clear standards on which to make investment decisions and set organizational priorities
- **Improves Communications** by defining the key messages of the utility and clarifying what should be communicated and what should be left out (this greatly increases the effectiveness and efficiency of communication programs)
- **Increases Credibility** by helping the utility get credit for activities and investments (It's hard for people to give you credit if you are not known for making it happen)
- **Reduces Politics** through increased clarity and focus on value (building a strong brand encourages alignment between management, staff, and policy makers)

- **Reduces Negative Branding** in the wake of negative events (the event is viewed as out of character instead of defining the character of the utility; minimizing the impact of negative events helps to protect bond ratings)
- **Fosters an Appreciation for the Value of Water** as stakeholders increase their understanding of why water management and investment is important.

Utilities with strong brands are focused, efficient, get credit for their actions, are trusted, and are able to secure the appropriate investments. Effectively communicating the value of water, then, requires establishing and consistently delivering on the promises of your brand. It also must be relentless.

GUIDELINES AND TOOLKIT FOR COMMUNICATIONS PROGRAM FOR WATER UTILITIES

Framework for Communicating the Value of Water

It is clear from the research that the foundation of an effective communication program begins with the quality of service and experiences a stakeholder witnesses along with credibility and trust of those responsible for utility operations. Each time a leader or employee of the utility has contact with a stakeholder an impression and perception is created. Once formed, a perception is usually long lasting and difficult to change. Thus a communication and branding effort begins with the behavioral conduct of all those associated with the utility.

Inferring from the national and international survey work that has been conducted in the literature, the utility's approach to sustainability can affect public perception. By sustainability we mean the way the utility positions itself as a steward of water resources (including water quality), how it manages the money it receives from its customers (including how efficient it is), and the role and perception it occupies as a meaningful contributor to the quality of life in the community. People want to know that their utility is a good steward of the water resources and money it currently receives. They also believe there is a role for environmental leadership in utilities. Corporate social responsibility expectations apply to water utilities.

Model for Communicating the Value of Water

An effective program to enhance the communication of the value of water within a community necessitates that a specific Communication Plan be developed. It can be an integral component of the utility's Strategic Plan or a stand alone plan. While the extent and details of the Communication Plan will vary by the size and complexity of a utility and its unique influences and circumstances, the thought process embedded in this model is applicable to most utilities.

One of the benefits of developing a Communication Plan is that its development provides a forum for discussion and input by utility leaders, elected and appointed officials, and other stakeholders groups. The Communication Plan would suffer without involvement of individuals external to the utility leadership and its operation.

It is important that the Communication Plan integrate the branding efforts and programs of national water and wastewater organizations that are designed to help communicate the value of water. The AWWA and WEF national value of water communication branding campaigns were described earlier in this chapter.

The basic structure of a planning framework for a Communication Plan is similar to that used in most strategic planning efforts (Figure 5.1). This structure is expanded upon in Figure 5.2 to comprise a model for Communicating the Value of Water that reflects the findings of this study. Figure 5.3 describes a stylized version of the Model with greater emphasis on the outcomes. The specific steps are described in more detail below.

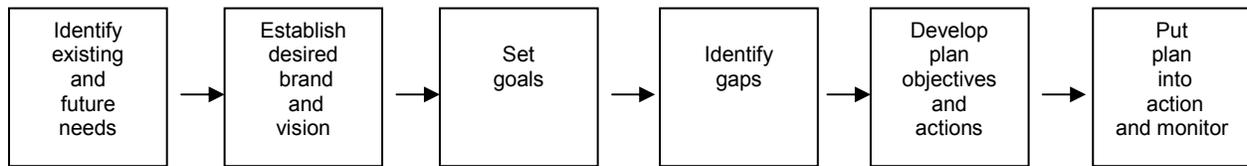


Figure 5.1 Basic structure for developing a plan to communicate the value of water

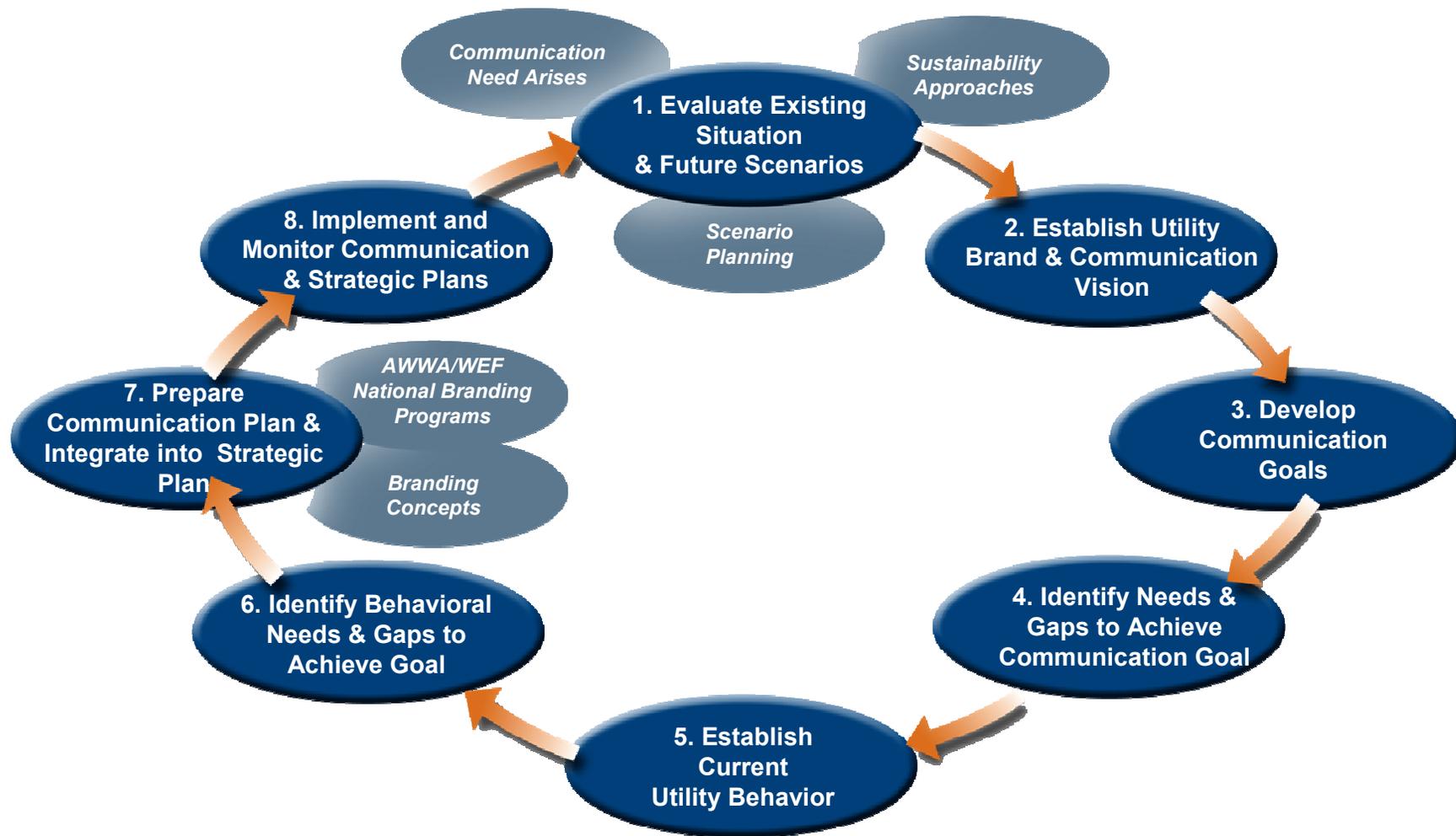


Figure 5.2 Model for developing plans to communicate the value of water

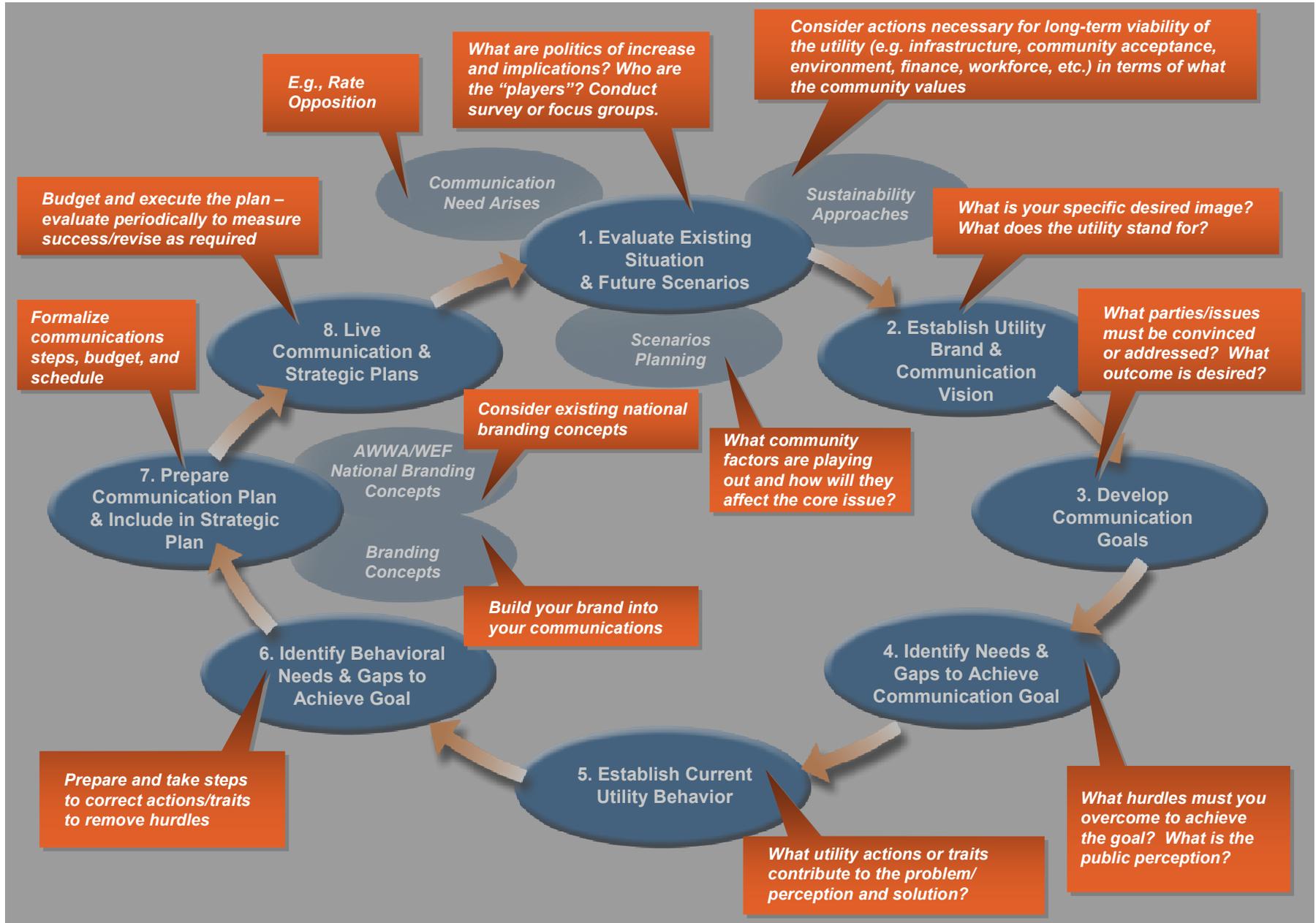


Figure 5.3 Stylized Model for developing plans to communicate the value of water

Step 1 – Evaluate Existing Situation and Future Scenarios

This initial step ideally should be integrated within a utility’s strategic planning and would be an important element of the development of a new Strategic Plan. However, if a current Strategic Plan exists, development of the Communication Plan could occur during an annual review of the Strategic Plan and then become an element of the plan itself. A good reference on strategic thinking and planning is included in Chapter 11 of the AWWA book, *The Changing Water Utility* (Westerhoff et al. 1998). This text describes strategic planning as a process in which a number of strategic actions are tied together in a systematic way. Although plans can certainly differ, Figure 5.4 diagrams steps to a plan that goes from establishing a vision to identifying performance measures. A final step would be to reassess performance periodically to determine whether goals should be changed.

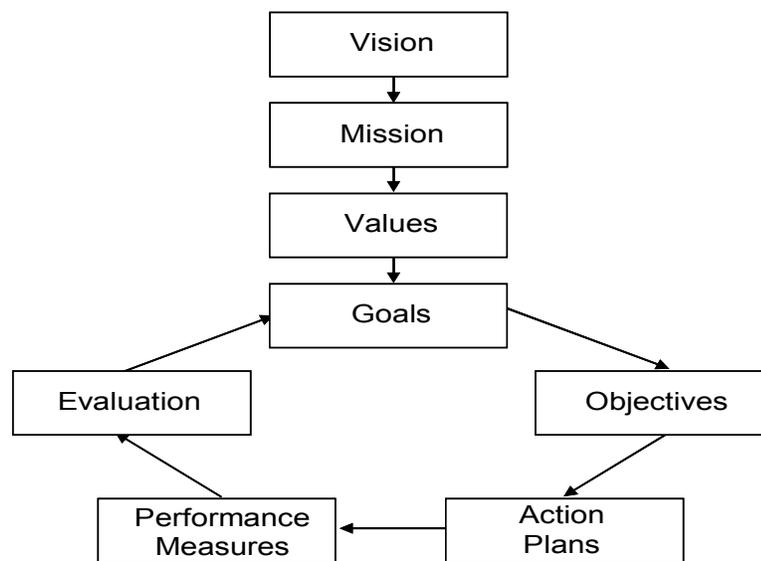


Figure 5.4 Strategic planning process

Another reference using a slightly different approach is the July 2006 Strategic Plan of the East Bay Municipal Utility District. A copy of this plan is included in the Toolkit.

Preparation for Step 1 of this model begins with addressing the following issues relative to communicating the value of water:

- What are the overall components of how we want to be perceived by various stakeholders? (Customers, elected and appointed officials, public, media and other stakeholders)
- What do we desire to achieve by the various stakeholder perceptions?
- What kinds of objectives do we need to achieve our desired perceptions?
- Who will be the leader (passionate advocate) for the Communication Plan?
- Who will be responsible for the execution of the objectives of the Communication Plan in accordance with an established time frame?

An effective process to set the stage for communication planning is the use of a Scenario Analysis. A description of the Scenario Analysis process is included in the Toolkit. The objectives of the analysis are to:

- Get utility leaders, elected and appointed officials and representatives of other key stakeholders involved in the planning process.
- Identify where the utility wants to go and how to get there.
- Prepare a utility by developing planning approaches for alternative future scenarios.

With or without the use of a formal Scenario Analysis, the planning process begins with the development of utility specific long-term communication vision, goals and objectives that are aligned with the utility's mission. To complete Step 1, a utility could assemble a number of key senior staff members and other stakeholders including interest groups of the utility customers in a series of workshops and systematically analyze important features of the existing situations and identify utility visions. In working on this step, the utility leaders could consider case studies of other utilities which are considered best in class in the area of value of strategic planning and communication.

The utility will need to consider approaches it will take to ensure its sustainability. In most cases a strong, positive approach toward sustainability enhances the image of the utility and can have a significant positive influence on its communication and branding efforts. In the concept of sustainability, a utility follows pathways that both protect and preserve the utility and the environment for future generations.

Sustainability can be a significant guiding principle for utilities both internally and externally. Internal sustainability involves designing systems, processes, and programs to be in place for the long term and to support the goal of maintaining a safe, reliable supply of water and quality of life in a community as well as a motivated and dedicated workforce. External sustainability generally refers to designing systems and processes that minimize or eliminate effects on the environment and support the continued availability of resources. In addition, community engagement can be a significant sustainability initiative to align the values of the community with the activities of the utility.

Approaches toward sustainability should be embedded in the utility's Strategic Plan and then can be used in an effective manner when integrated into the Communication Plan. For example, the Newport News Waterworks (Case Study 2) takes a proactive approach towards environmental sustainability, demonstrated in every service and product offered. These efforts are an integral part of its communication. The Beaufort-Jasper Water and Sewer Authority (Case Study 1) integrates environmental sustainability in its brand and communication vision. BJWSA desires to be seen as a utility devoted to the environment. It continually works with environmental organizations in the area, soliciting their ideas and opinions about various projects. The environmental organizations within the service area recognize the fact that water and wastewater services are vital to the communities and environmental sustainability, and have come to appreciate BJWSA's openness to answering questions and willingness to provide information pertaining to future plans. The Charlotte-Mecklenburg Utilities (Case Study 4) define sustainability as being prepared for the future while protecting the environment. This includes developing the employees for the future and ensuring that knowledge is passed through generations of operators. The East Bay Municipal Utilities District (Case Study 5) is currently in

the process of updating its sustainability goals and guidelines. Included in the utility's policies are commitments to investments in renewable energy, the reduction of purchased energy, an inventory of greenhouse gases, and no unfunded liabilities for future customers. In January 2007, Seattle Public Utilities (Case Study 8) formed a new branch of the utility, "Science, Sustainability, and Watershed." The branch ensures that the utility assets, operations, services, and programs are scientifically sound, promote environmental sustainability, and provide stewardship of watersheds and aquatic resources.

Step 2 – Establish Desired Utility Brand and Communication Vision

In Step 1, the utility develops a framework for where it wants to go and how to get there in regards to communicating the value of water. Step 2 goes further, if it was not included as part of Step 1, and this step consists of defining an ideal image, or brand, and communication vision for the utility. This brand represents the utility's commitments to the community it serves and establishes the core messages that all utility communications should try to connect to and emphasize. It could be helpful at this step to review the AWWA national branding campaign, "Only Tap Water Delivers." This is a national grassroots and media campaign to communicate the value of tap water (www.onlytapwaterdelivers.org). It can serve as a useful umbrella to any utility specific communication program. It also contains many tools a utility can use. The program focuses primarily on infrastructure investment; however, other utility-specific brand elements should also be included.

The brand and communication vision or mission needs to reflect the overall utility vision. For example, Tucson Water (Case Study 3) has defined its mission "to ensure that [its] customers receive high quality water and excellent service in a cost-efficient, safe, and environmentally responsible manner." With the help of outside consultants, the utility has recently started branding itself as committed to "sustainability, reliability, long-term planning, appropriate investments, sound financial management, and quality." These brands are based on the utility's activities and abilities as well as goals. When establishing its brand, the utility did not change its core goals and values but rather made a public statement about its commitments (above). Milwaukee Water Works (Case Study 6) uses a tagline, "Safe, abundant, drinking water," to reinforce the reliability and equality of Milwaukee's Water. In 2006, it also started using the AWWA "Only Tap Water Delivers" campaign to deliver a branding message.

The final outcome of Step 2 is a definition of the brand the utility desires to establish. As indicated earlier in this chapter, the water utility brand defines what one can count on from the utility related to appropriate commitment, water reliability, water quality, environmental stewardship, customer service, finances, and communication ethics. The brand also clarifies the motivations of the utility which is important because confusion about what the utility cares about is a common source of conflict.

Step 3 – Develop Communication Goals

This step sets the direction of the Communication Plan by establishing specific long-term goals (5 to 10 years) that are designed with achieving the desired branding and communication vision. The goals need to consider the various audiences for communication.

Two different approaches can be used for setting goals. A utility might start with candidate goals, recognizing that these might be modified in Step 7. A second approach would

be to let goals bubble up in steps 4 through 6, and then finalized in Step 7. Either approach can be effective, but the first would help in thinking out subsequent steps.

Present perceptions of various stakeholders and stakeholder groups need to be identified and taken into consideration. These can be identified through the use of focus groups and/or surveys. The aim here is to obtain unbiased information from as broad a sample as practical, remembering that each identified perception is reality to that individual.

It is important that a utility specifically:

- Defines its goals
- Connects the communication vision to its overall vision
- Describes its values and beliefs

Typical communication goals could include:

- Generating public support for programs or rates
- Creating a positive image of the utility in the community
- Enhancing visibility of the utility
- Planning for crisis management
- Generating positive media coverage to provide a forum for elected leaders
- Changing attitudes or teaching new skills
- Generating public support

The communication vision:

- Is the cornerstone of the communication plan
- Provides overall direction for channels of communication
- Advances the utility's agenda

The organizational values as they relate to communication might include:

- Dedication to high quality service, sustainability, protection of public health, and quality of life
- Earning trust and respect
- Recognizing customers as stakeholders in the utility and its operation.

As an example, the first goal in the 2004-2009 Business Plan of the Greater Cincinnati (Ohio) Water Works (GCWW 2004) is an example of a clear and concise statement of goal:

“Provide outstanding customer service and build positive relationships between the public and GCWW.”

A copy of the GCWW Strategic Business Plan is included in the Toolkit.

Seattle Public Utilities expresses its vision in a clear statement, “we bring world class utility service to our community.” A vision that can be expressed in a few words, say seven or less, can be very powerful and easily remembered by utility staff and the stakeholders.

Step 4 – Identify Needs and Gaps to Achieve Communication Goal

The difference between the desired brand and communication vision that was established in Step 2 and the goals developed in Step 3 and the existing situation identified in Step 1 represents the gaps that need to be addressed. These should be considered with an appreciation and understanding of the various audiences that will be targeted for communication such as elected and appointed officials, customers, consumers, public, other stakeholders and the media.

There are a number of techniques and methods used in performing a gap analysis or self assessment. Utilities can use interviews, surveys, focus groups, study teams, workshops, or other means to create a discussion forum to identify actions that exist between existing communication efforts and messages and those required to achieve for the communication goals. The AWWA undertook a large assessment of the kinds of communication gaps that typically exist. This information formed the basis for its national campaign to communicate the value of tap water service. A review of the “Only Tap Water Delivers” campaign material provides a good background of the types of information a utility might consider in a gap analysis.

It might also be helpful to consider the approach used by The Santa Clara Valley Water District in California in undertaking a gap analysis. It considered four terms in undertaking a gap analysis:

- **Criteria:** the required or desired state that is expected from a program or operation.
- **Condition:** the actual state that is discovered in a program or operation.
- **Cause:** the factor(s) responsible for the difference between conditions and criteria, backed by persuasive evidence
- **Effect:** the impact of the difference between conditions and criteria

Every two years the Beaufort-Jasper Water and Sewer Authority (BJWSA, Case Study 1) performs a gap analysis through focus groups. The BJWSA randomly solicits customers from their service area to participate in four regional focus groups. Each focus group is composed of 25 customers and is moderated by a consultant. The consultant follows a script in which questions are posed to the groups about the utility’s branding. The entire vision is video-taped, and in return for their services, participants receive food and a discount on their water bill.

In addition to focus groups, the BJWSA sends approximately 4,000 surveys to their customers every two years opposite the focus group sessions. It receives a 20% response in this survey. Those who return surveys to the BJWSA are entered into a drawing for a free water bill.

Based on the gap analysis, the BJWSA revises its Communication Plan on an annual basis. The ideas and approach of the Plan represent a cumulative effort from directors/managers, engineering group, community focus groups, and other utility departments.

Another example is the comprehensive “East Bay Municipal Utility District (EBMUD) Residential Customer Opinion Survey 2006” (EBMUD 2006). A copy of this survey is included in the Toolkit. The report of the results of the survey presents current information on customer opinions, compared to the previous research when applicable, on the following topics:

- Levels of concern regarding water issues in the Bay Area
- Job ratings for Bay Area utilities
- Ratings of how well EBMUD carries out its job responsibilities
- Thoughts on whether EBMUD's water rates are too low, too high, or about right
- Ratings of the quality of tap water
- Agreement with various messages regarding the quality of tap water, and sources to trust regarding water issues
- Confidence in EBMUD to have adequate water supplies during a drought
- Perceived levels of participation in water conservation
- Perception of the average amount of water used daily by the household
- Agreement with water conservation messages
- Willingness to reduce water usage during a drought and methods of do so
- Perceived emergency preparedness of EBMUD and of the household
- Favorable/unfavorable opinions of alternative water supplies
- Preferred water supply policy
- Potential EBMUD service contract for customer plumbing repairs

In conducting the gap analysis, it is important to identify stakeholders' preferred methods of communication. Different demographic groups will be reached using different communications media. Some are best reached by radio (e.g., Spanish language radio). Others may read newspapers or respond to bill inserts. Other methods used by utilities to keep aware of customer perceptions are briefly described in the various case studies.

Step 5 – Establish Current Utility Behavior

Based on the research and literature reviews conducted as part of this study, it is clear that the foundation of any effort to communicate the value of water is the trust and respect the recipient of the communication has in the utility and its leaders. Much of the trust and respect is earned over a period of time and, in many instances, is based on perceptions. These perceptions are influenced by any exposure an individual has, direct or indirect, with utility leaders, managers, any utility employee as well as information reported by the media. Recognizing this, an essential part of an effective communication and branding program will be dependent on the behavior of utility staff. Behaviors that do not support the brand statements need to be corrected.

This step is an assessment of current utility and its staff behaviors. It is a reference point for any change that may be necessary to establish an effective communication and branding effort. Such changes will need to be integrated into the utility's strategic plan and its operation.

For example, branding has been very important to Tucson Water (Case Study 3) since the late 1990s. Tucson Water strives to stay away from glib statements and instead demonstrates through actions its commitment to the community and the future. The utility believes that a majority of branding must include living the brand (behavior). If the staff does not buy in to the brand, the community will lose trust in the utility. Tucson Water feels that living the brand has allowed it to gain the trust of the community. Tucson Water makes a point to ensure that all related materials carry the same commitments to the community and works with the media to bolster their branding efforts.

Step 6 – Establish Behavioral Needs and Gaps to Achieve Goals

This step is similar to Step 4, with a particular emphasis on behavioral needs. It may also be combined with the information gathering effort of Step 4. The difference is that it accumulates stakeholder perceptions having to do with items such as trust, confidence, and leadership and is introspective. For example, if the perception is that the utility wastes money, the utility needs to examine the reality of that assertion so it can be addressed in the Communication Plan. It also defines perceptions of how the utility and its staff behave and provide service.

Based upon the assessment of current utility behavior/issues and the reality of taking feasible steps to correct or modify behaviors, it may be necessary to revisit Step 4 and iteratively re-define the needs. In short, Step 4 might conclude that the utility isn't trusted, Step 5 would define why that is the case and Step 6 would define what actions could be taken to regain that trust.

Step 7 – Prepare Communication Plan and Integrate into Strategic Plan

This step combines the information from all previous steps. The final Communication Plan should contain a limited number of well-defined communication strategies. The Communication Plan might have three time frames:

- Long Term (5 to 10 years) – those items that require time to become well established, such as building trust and confidence with customers, elected and appointed officials, media, special interest groups and other stakeholders. Annual actions would be established that build toward the long-term objective.
- Mid Term (1 to 5 years) – those items that are associated with identified multi-year activities that might be part of a capital improvement program or responding to regulatory action.
- Short or Near Term (0 to 12 months) – those items that require an immediacy of communication such as an impending rate increase or a near term event.

Clearly, the preferred state is to be ahead of the near- and mid-term communication needs. However, unexpected circumstances such as a system or facility failure, water quality event, employee-customer event, etc. may require rapid communication response. The Communication Plan should include consideration of these situations and foresight into the probable communication needs. The Toolkit contains examples of communication vehicles that can be adapted to utility-specific situations.

Once the Short-, Mid- and Long-Term objectives have been articulated, annual actions need to be established. Each of the objectives needs to be measurable and have a single individual with overall responsibility for its execution and annual actions need to be developed to support the objectives. Here too, each action must be well defined, measurable, have an assigned individual responsible, and adequate financial resources allocated.

The Communication Plan should recognize the AWWA and WEF national branding campaigns as discussed previously. A decision needs to be made whether or not to have the local utility branding messages structured around the framework of the national messages. The Milwaukee Water Works (Case Study 6) uses much of the material from AWWA and has found

the “Only Tap Water Delivers” campaign to be extremely helpful and is appreciative of the consistent branding across the United States.

The aforementioned communication goal in the GCWW Strategic Business Plan to “provide outstanding customer service and build positive relationships between the public and GCWW,” sets three objectives:

- Objective A: Ensure that a strong customer satisfaction focus is present in all that we do by compiling and evaluating customer feedback and employee input.
- Objective B: Develop, implement, and update annually customer-focused strategies based on identified customer needs.
- Objective C: Develop, implement, and maintain highly visible and well used education and awareness programs that communicate the accomplishments, direction, and spirit of GCWW.

GCWW established actions for each of these objectives. These are included in [Table 5.2](#).

Table 5.2
Greater Cincinnati Water Works Strategic Actions

Objective A: Ensure that a strong customer satisfaction focus is present in all that we do by compiling and evaluating customer feedback and employee input.	<ol style="list-style-type: none"> 1. Continue to participate in the biannual Greater Cincinnati Survey to evaluate customer satisfaction. 2. Develop and implement an annual employee survey to measure achievements and identify improvements pertaining to internal and external customer service. 3. Develop and maintain a continuous tracking mechanism to log unsolicited customer comments for evaluation. 4. Continue to hold customer focus group feedback sessions semiannually. 5. Establish an internal standing task group to define a standard for outstanding customer service, manage the customer feedback strategies, and report out to those responsible for acting on results.
Objective B – Develop, implement and annually update customer-focused strategies based on identified customer needs.	<ol style="list-style-type: none"> 1. Develop a work culture through specific training that emphasizes that customer service and satisfaction are everyone’s responsibility. 2. Develop a how-to reference guide for all divisions that sets a standard for better and more accurate customer and employee interaction. 3. Develop and define performance standards (i.e., customer service and interpersonal skills) pertaining to annual staff performance evaluations to monitor customer service results. 4. Define and identify how one job affects another (chain of events between work groups) in order to communicate work processes to improve internal customer service. 5. Develop, prioritize and implement responsive time standards for all customer service activities. 6. Annually review the work processes that correspond to approximately 80% of the feedback from customers, and develop, evaluate and modify those processes as necessary to improve customer satisfaction.
Objective C – Develop, implement and maintain highly visible and well used education and awareness programs that communicate the accomplishments, direction, and spirit of GCWW.	<ol style="list-style-type: none"> 1. Create and staff a full time public information officer position to lead efforts to accomplish this objective. 2. Define the various relationships between the public and GCWW, determine the public’s needs in order to implement related education and communication programs, and update annually. 3. Develop highly visible communication programs that use multiple media and diverse groups in order to address important issues. 4. Develop education programs that include, but are not limited to, an interactive Web site for kids, teacher’s curricula for all grades, a speakers’ bureau, door-to-door educational material, etc. 5. Encourage volunteerism/participation in public events to involve more employees each year.

Source: Adapted from Greater Cincinnati Water Works (2004)

The details of a Communication Plan should address six critical elements:

- Understand your target audience and how to reach it.
- Research past media coverage and public opinion about your issue.

- Determine key messages.
- Determine key materials to be produced.
- Obtain resources for staff and equipment.
- Develop written work plan.

It is important to have consistent key messages that are framed around:

- A strong visual identity
- A phrase of 4 to 10 words that are included in every story
- Three or four key talking points
- A picture of the headline that would appear in the media

The Communication Plan should also include actions to increase positive media coverage.

A good example of a complete communication plan is that of the Beaufort-Jasper Water and Sewer Authority. A copy of this plan is included in the Toolkit. The BJWSA communication goal is to “be the source of clear, accurate and timely information for our various publics that will promote a broad community understanding and support of BJWSA. It is broader than a program or project communication plan in that it identifies and ensures communication activities that support Authority-wide communication goals.

The primary purpose of the BJWSA plan is to establish and support BJWSA communication practices:

- Consistent use of key messages, brand identity and graphic standards
- Appropriate resource allocation for projects and personnel
- Role clarification
- Strategic-based communication project identification and prioritization
- Economic efficiencies
- A well-informed workforce
- Well-informed customers

The major components of the BJWSA plan include five goals. For each goal, a communication strategy includes:

- Target audiences
- Objectives for each audience
- Key messages for each audience
- Media/materials for each audience

Step 8 – Implement and Monitor Communication and Strategic Plans

The plan is of little value if it is not executed. A plan for execution should be part of the Communication Plan with specific timelines and responsibilities. It will need to establish time frames for periodic review. Budget resources must also be provided to sustain the communications effort.

Annually the entire Communication Plan should be monitored and evaluated and, if conditions change significantly, the plan itself will need to be updated. The sustained implementation and monitoring of the plan is a significant effort. It may prove difficult to obtain organizational and individual traction to the plan's implementation. Persistent leadership and adequate personnel and financial resources will need to be committed on a long-term basis. needed to assess the effectiveness of the communications plan and to revise.

Use of Model Concept by Mid- and Smaller-Size Utilities

While this model consists of desirable steps for developing a Communication Plan, it is recognized that mid- and smaller-size utilities might desire to extract the thoughts from each step into a more simplified version. This makes good sense and can result in an effective plan. The most important element is taking the time and making the effort to think out a logical plan, engage representatives of stakeholders, especially elected and appointed officials in the planning process and develop a thoughtful set of actions that can be periodically reviewed and measured.

Introduction of the Toolkit and Its Use

A *Communications Toolkit* is provided as a companion CD-ROM to the Introductory Guide. The Toolkit contains various tools for developing a Communication Plan and communicating the value of water to assist a water utility in maintaining a strong water supply and service brand in the community. In addition, the Toolkit contains several examples of communications materials currently in use that were donated by the utility partners on this project.

PowerPoint Slide Template on the Value of Water

A PowerPoint slide template is included to assist utilities in their internal and external communications. The template may be used to develop a presentation for customers, council members, or even internal employees. The slide template is highly customizable and can be tailored to meet the specific needs of the presenter and the audience. The presentation provides placeholders for the following types of information:

- **Background Information on the Utility:** vital statistics (e.g., length of service to the community, number of employees, number of facilities, amount of water produced, miles of pipeline maintained) and value statements (e.g., providing a reliable supply of water, providing high water quality, protecting or enhancing the natural environment, operating efficiently, being financially responsible)
- **Water Sources and Quantity:** a description of where the water comes from (e.g., surface water, ground water, and recycled water), the reliability of the supply, and the relationship between supply and demand
- **Uses of Water:** a list of all the ways water is used within the community (e.g., drinking, firefighting, recreational uses)
- **Water Quality and Safety:** a description of the treatment process and how it works to remove contaminants from the water
- **Water Cost:** information on how much customers pay for water and how that rate compares to surrounding utilities and other products (e.g., milk, gasoline)

- **Water Conservation:** information on why conservation is needed and methods of reducing commercial, indoor, and outdoor water use.

It is intended that the information on the slides will be replaced or updated with utility-specific information. The notes section on each slide provides additional information to assist the utility in customizing the slide show. The template and accompanying notes were developed specifically for this project.

Example Strategic Plans and Communication Plans

In the utility partner workshops and during the case study interviews with utilities, several organizations indicated having strategic plans and communication plans that incorporate the communications concepts discussed in this guidance document. The strategic plans give insight into how to incorporate communications in the long-term vision for the utilities. The communication plans are divided into two categories. The first group contains general information used by the utility in routine external communications (with customers, elected and appointed officials, and media personnel) and internal communications. The second group is targeted to specific projects or communications events.

Example Utility Web site

In the age of the Internet, an important part of utility communications is to have a Web site that provides clear and easy navigation paths to the information most consumers and stakeholders are seeking. The Web site should also support the values, core beliefs, and brand of the utility. An example utility Web site was developed specifically for this project. The example is intended to be a guideline for the site content, but it is not intended to reflect the state-of-the-art in Web site development. The *City Water* Web site template shows a framework for providing information to customers regarding their bills and other customer service inquiries while also reinforcing the value statements of the utility (e.g., providing reliable service and high quality water). In addition, recent news and information for the media should be easily accessible. The template provides a solid structure and framework for a utility Web site, but it does not provide specific information on each of the topics on the sub-pages.

Branding Strategy Sheets

The principles of branding and branding programs were discussed previously in this chapter. Establishing a utility brand and incorporating the brand into the strategic plan for the utility are included as steps in the Model for Communicating the Value of Water (Figure 5.2). As a part of the Toolkit, three strategy sheets have been developed to help utilities develop and communicate their brand in the near-term (6 to 12 months), mid-term (1 to 5 years), and long-term (beyond 5 years) horizons. The strategy sheets remind utilities that every interaction with a customer is an opportunity to showcase the utility brand and that building a brand takes time. The strategy sheets were developed specifically for this project.

Scenario Analysis Description

As described in Step 1 of the Model for Communicating the Value of Water, the Scenario Analysis is a good tool to assist utilities in developing a communication plan. The Scenario Analysis process is a step-by-step method used to evaluate possible future events by considering alternative possible outcomes. The analysis allows improved decision-making through more complete consideration of outcomes and their implications. The document provided in the toolbox includes guidance for how to incorporate potential future scenarios into the overall communication plan for the utility. The description was adapted from scenario planning efforts for prior projects.

Evergreen Stories

Evergreen stories are articles that can be used by journalists to fill unused newspaper space on slow news days. Evergreen stories differ from news stories in that evergreen stories are timeless and do not need to run immediately. Providing evergreen stories to newspaper journalists will help utilities develop a positive relationship with the newspaper, and those relationships may be beneficial when the utility wants to engage the media for immediate news releases in the future. The material in the Toolkit provides a description of what evergreen stories are, how they can be used by a utility in its communications efforts with media outlets, and example topics. This document was developed specifically for this project.

Op-Ed Pieces

Submitting an op-ed piece to the local newspaper is another method that may be used by utilities to disseminate information to the community. Op-ed pieces are typically 800 to 1,200 words long and are published in the newspaper on the page facing the editorial page. The purpose of op-ed pieces is to state a position, usually on a controversial issue, and try to encourage others to support the position in the piece. For example, a utility director may write an op-ed piece to increase customer support for a rate increase that is needed to fund upgrades to a water treatment plant. The material in the Toolkit provides information on what op-ed pieces are, characteristics that will help get op-ed pieces published, and an example op-ed piece developed by the project team specifically for this project.

Customer Surveys - Example Questions and Survey Results

Customer surveys can be used for a variety of reasons from determining general thoughts and impressions about the utility and utility service to determining answers to specific questions such as how well did a utility respond to the maintenance needs of their customers. Customer surveys can be conducted over the phone, via the mail, or using the Internet, depending on the type of survey and desired outcome of the results. The sample questions shown were compiled from prior customer surveys conducted by utilities of all sizes in all areas of the country. Some example reports showing the results of customer surveys conducted by utilities are also included.

Unit Conversions

The units most commonly used on water bills, 100 cubic feet or 1,000 gallons, are not well understood by many customers. The purpose of the unit conversions is to translate these units into concepts that are more easily understood. For example, conversions are provided that relate 100 cubic feet to an approximate number of toilet flushes, loads of laundry, or cups of coffee. By presenting alternate units, it is hoped that customers will gain more perspective on the value of water and the amount they pay for various service levels. An excel spreadsheet is provided so that a utility may enter a specific water rate to show their customers exactly how much they pay for each unit of water (e.g., how much a 10-minute shower costs). This spreadsheet was developed specifically for this project using data and assumptions collected from standard water use references.

Quotable Quotes

A list of quotations related to water, water resources, and water conservation is provided. Some quotations are humorous and some are more serious, but all provide some historical perspective on the value of water. The quotations can be used by utilities to spice up their communications with customers. The collection of quotations was compiled specifically for this project.

Sustainability Reporting Templates

The Sustainability Reporting Templates are a series of three documents developed by *The Sustainability Report*, an independent Canadian organization dedicated to disseminating information on critical sustainability issues and trends, with the intent of standardizing how companies distribute information on their sustainability practices to their customers and stakeholders. Sustainability reports differ from environmental reports by presenting a more complete summary of company activities in an effort to balance the costs and benefits of social, economic, and environmental principles.

The templates were designed for use by corporations but can be modified for use by utilities as they report to their customers on their efforts to promote sustainability. The objectives and main components of the templates are described below:

- **Template A** focuses on creating a positive impression with customers and stakeholders. The template for this type of report suggests a primarily graphical presentation of concepts and general policies of the organization. The suggested elements include a description of the company, how the company values link to sustainability, a summary of the activities completed that relate to sustainability, and a feedback form.
- **Template B** focuses on making the business case for sustainability when communicating with shareholders, employees, and potential investors. The template for this report includes more text than the report outlined in Template A but still has many graphics. Many of the suggested elements overlap with the items reported in Template A, however some additional elements are included, for example: information on how sustainability activities are tracked within the company on a

- financial basis and how environmental improvements link with economic performance.
- **Template C** provides information on standardizing the available information on company sustainability activities to be shared with customers as well as shareholders. The suggested report format is web-based document to allow frequent updates and to minimize the use of paper. The elements in this template include a statement from the company's chief executive officer, a profile of the company, environmental performance indicators (e.g., energy use), economic performance indicators, and the company vision and strategy for sustainability initiatives.

More information on *The Sustainability Report* and corporate sustainability reporting can be found at <http://www.sustreport.org/business/report/intro.html>.

Example Communications Materials from Utility Partners

Several utility partners have graciously donated examples of the materials they use when communicating with their customers. These materials were developed independently by the utilities, uploaded to an ftp site created specifically for this project, and reviewed and categorized for inclusion in the *Toolkit*. The following materials were provided:

- Over 30 customer mailers and bill stuffers from six utilities: topics include water quality reports and information, utility history, incorporating the national branding campaigns, updates on specific projects, conservation, aging infrastructure, activities for kids and teachers, and water rates.
- Television/radio spots from 3 utilities: topics include water quality, recharge, conservation, and infrastructure replacement. Several video clips are provided as well as some storyboard ideas for television announcements. An example of a Spanish language advertisement is also provided.
- Three news releases used to provide information to the public from the utility
- A branding/marketing plan and a training sheets for utility image planning

The examples are intended to provide an overview of the types of communications materials currently being used. It is not intended that these materials will be taken and used directly by other utilities; however, the items can be used to provide ideas to utilities wishing to produce similar materials.

CHAPTER 6

CONCLUSIONS AND FUTURE RESEARCH NEEDS

These findings are presented by sub-area.

VALUING WATER AND BUILDING TRUST

The key conclusions from the literature and this research that water utility managers must consider regarding valuing water and building trust follow:

- According to economic theory, users will assign a value to water that is consistent with the lowest use of water (e.g., hosing off the driveway) and assign water that value (i.e., not much). Stakeholders need reminding of the critical higher values of water.
- The actions of elected and appointed officials and perceptions of government performance are most often identified as potential precursors to trust. Social science research has shown the importance of trust to the success of social institutions. Stakeholders will not trust messages from the utility if it has a negative image in the community. The utility's reputation in the community is the most important factor in successfully delivering messages the public does not want to hear (e.g., rate increases).
- Employee attitudes shape the profitability of organizations and, consequently, their likelihood of long-term survival. Aligning employees with the objectives of the utility is critical to long term success.
- Engaging citizens so as to develop a relationship with the utility and familiarity with the utility's functions and leadership is important to building trust. This means appreciating the public's specific concerns, being honest and open, building partnerships with other credible sources, and working with the media.
- Successfully communicating the value of water and building community support for the water utility and its programs (including water rate increases) requires that the community 1) understands the water utilities basic activities (i.e., what it does and where the money goes), 2) believes the utility is doing a good job managing its responsibilities (it provides good water quality, reliable water supply and is responsive to their needs), and 3) understands the role of water in the environment.
- Customers have core expectations about their water utility:
 - The tap water will be safe to drink.
 - Water will come out of the tap when it is turned on (reliability).
 - Water bills will be accurate.
 - Someone will provide help when a customer has a problem.

These themes are echoed in gas industry surveys where overall customer satisfaction was based on five factors (in order of importance): company image, price and value, billing and payment, customer service, and field service.

- A large majority of Americans are concerned about their tap water. Many consumers have a negative opinion of chlorinous tastes and odors in drinking water and the associated healthiness. In 2003, 48% of Americans used either a POU device, POE device, or bottled water while at home.

- Research has consistently shown that the key to a service firm's success is keeping the customer happy. There appears to be a disconnect between what is necessary to keep customers satisfied and what many utilities are delivering.
- The views of consumers are shaped by the media. More children (83%) get environmental information from the media than from any other source, and for most adults, the media is the only source of environmental information.
- Data show a steady pattern of environmental ignorance, even among the most educated and influential members of society. There appears to be little difference in knowledge levels between the average American and those who sit on governing bodies, on town councils, and in corporate board rooms.
- Water managers, who wish to influence their communities to save water and to support sustainable water management schemes, are engaging in social reform. For successful reforms, the water utilities must understand community attitudes.
- Fear of running out of water can exceed care for the environment or financial savings as the most significant motivation for people to save water. Reliability messages may resonate well.
- Customer service surveys are very important sources of information. Many utilities conduct them regularly. While specific results vary from community to community, survey responses generally indicate the following:
 - Consumer perception can be positively affected by outreach.
 - Consumer satisfaction can be increased by education of quality and cost of drinking water.
 - Perception can shift in the absence of outreach.
 - Taste and odor are key determinants of perceptions of safety.
 - Name recognition can be very low for wholesale agencies.
- Water resource managers must work to keep water issues in front of the public through a sustained national education campaign on water conservation.
- Communication changes the way customers view interactions. It must be targeted, focused on core consumer expectations, and delivered regularly through multiple types of media. Web sites do not appear to be a good means of reaching many consumers. By contrast, most reporters surveyed mentioned the importance of having a content rich Web site to ease their information collecting.
- Understanding the core expectations of water utility customers (and other stakeholders) allows the development of a targeted communications program to address those expectations and to build a greater appreciation for the value of water. Many consumers and customers are interested in information related to drinking water safety, emergency water supply issues, conservation, and system improvements.

PROTECTING THE ENVIRONMENT

The American public is not well informed on environmental matters but is, nonetheless, concerned about the environment and expects the water utility to be environmentally sensitive:

- Water pollution is cited by a large majority of world citizens as a very serious problem. Americans believe the environment can be protected while still achieving economic growth. There is a significant opportunity for water utilities to adopt and promote environmental values.
- Americans believe there should be stricter laws to protect the environment, but only a modest majority say people should be willing to pay higher prices. Nearly three-quarters agree that protecting the environment is so important that requirements and standards cannot be too high, and continuing environmental improvements must be made regardless of cost.
- In surveys, water utility customers believe that “to be perceived as environmental leaders water utilities must be willing to take the initiative to work with other organizations in a visible way that allows their customers, community leaders, and special interest groups to see that the utility is truly committed to the protection and preservation of environmental resources.” The research identified four fundamental characteristics of environmental leadership: 1) collaboration, 2) environmental stewardship, 3) visibility, and 4) a willingness to be first. There is a major gap in the perceived environmental effort being undertaken by water utilities compared to the expectations that stakeholder groups have of the industry.
- Residents who thought their water utility was an environmental leader were significantly more willing to pay for investments to protect the environment than those who thought their utility did not exert enough effort in protecting the environment.
- Corporate Social Responsibility is an important factor when students are forming impressions of companies, as are respect and trust of a company's CEO, its management, and employees. Students have high expectations of companies to operate in a socially responsible manner and are likely to punish those that they believe are irresponsible.

Research for this project indicates that there are varying viewpoints within the water utility community and literature regarding the area of sustainability. These viewpoints can be grouped into two categories:

1. Sustainability of the water utility operations, which includes maintaining adequate and reliable water supply and operations thus ensuring protection of human health and the quality of life of the community in both near- and long-term perspectives.
2. Sustainability of the environment within the community and stewardship of our natural resources.

Sustainability can best be addressed in a water utility’s Strategic Plan and then integrated into the utility’s Communication Plan. Sustainability is fundamental to the key challenges facing water utilities including, workforce, environment, infrastructure, finance and community support. We believe the public will appreciate this when framed and communicated in this fashion. This can be a platform for communicating the value of water.

THE MEDIA

The media are not focused on water but want access to utility experts/management when a problem develops and advance information, where possible.

- Media want facts and brevity from top management, easy access to web information, and scoops.
- Media consumption has changed in recent years:
 - Newspaper readership is down.
 - CNN, 60 Minutes and local news are rated by approximately 60% of respondents as believable.
 - The Internet is increasingly used as a source of information but is not necessarily believable, according to surveys.
 - General viewership for news programs on television has declined over the last 10 years.
 - There has been a shift in the type of news featured on local television stations from public safety and civic news to soft news.
 - The number of broadcast radio stations continues to climb, especially non-English language radio stations.
- Changing demographic patterns will continue to influence media outlets and require strategic communications to ensure the messages reach the intended audiences in an efficient and effective manner.
- State-of-the-art communications imply a two-way flow of information tailored to the end user. The end user might be a consumer, customer, business, government regulator, or an elected official. Each of these users may have different information needs and preferences with regard to how they want to receive information. There is no coherent definition of the value of water that resonates with multiple audiences. Each utility's unique circumstances will need to be included in its own communication plan and program.

PERSPECTIVES OF STAKEHOLDERS

The researchers interviewed stakeholders and reviewed literature surveys to mine information related to communicating the value of water. The key findings follow:

- Utility employees and utility management appear to be the only groups with whom the value of water is well defined. Even within these two groups, however, there is considerable room for improved understanding of the value of water. The value of water is least well defined for the public, customers, and the national and local media.
- Utility representatives believe one of the top priorities of a communication plan is to justify water rates. They felt that elected and appointed officials are most concerned about demonstrating how rates are fair and equitable and that other stakeholders are particularly interested in how rates are established. In addition, utility leaders also felt it was important to communicate reliability of service, environmental sensitivity in future planning, and the relationship of water quality and regulations. Many believe that elected and appointed officials want communications that are well-

- articulated, demonstrating that the utility has developed a well-thought-out plan for the necessary improvements. These are generally consistent with the viewpoints of elected and appointed officials.
- Elected and appointed officials have a broad appreciation for water but must balance the financial needs for water infrastructure with other municipal needs. In general, they want clear, simple, and relentless communication with the community's stakeholders as well as basic rate parity with surrounding communities. Elected officials want to be perceived as leaders in the community, and rate increases are politically problematic for them. Properly communicated needs are viewed as critical to building elected official's support.
 - The media generally only focus on water during droughts or floods. They want to access the senior management of the utility and would prefer not to get information from elected officials. They are deadline driven and appreciate prompt and concise information. Establish a media area on your Web site that houses background utility information and images that can facilitate the reporters work, keeping in mind that most media representatives are from non-technical backgrounds.
 - There is significant room to improve communication of the value of water, even among management at utilities. Not much proactive communication is being done beyond talking among utilities and those involved with utilities. Communicating the value of water is a low priority among utility leaders and utility officials. There is a lack of interest among many parties except in times of crisis, rate increases, or drought emergencies. There is often a lack of time and money for an ongoing, effective communications program.
 - In terms of choice of media for dissemination of information, there are a variety of choices that must be tailored to the individual utility's budget and the characteristics of the community. Target the message and the recipient with precision by understanding what the consumer knows, how they know it, and how they would like to receive the information.
 - The state of the art in communicating with the public in the United States is the proper utilization of all available media. It seeks to create a two-way flow of information tailored to the end user.

BRAND BUILDING

Utilities communicate to serve their customers and to develop the trust necessary to secure appropriate investment from their communities. In order to secure investment even when things are going well, utilities need to be clear about the value they provide and they must show they can be trusted. Marketers have discovered that the most effective and efficient way to communicate value and build trust is through the process of branding. Branding is simply making sure that your potential customers or your important audiences know what they can count on from your products or organization. Branding starts with an internal agreement about the value you intend to deliver. The brand is who you are.

The following key messages related to branding were uncovered from the literature and our research:

- Brand and image become inextricably linked, and to the customer, perception is reality.
- Branding is important but poorly understood among water utilities.
- A water utility that has a negative brand won't be trusted and won't secure the investment necessary to ensure future quality of life for its community.
- Branding programs employ activities and investments designed to communicate value and encourage people to accept or adopt specific perceptions about companies or products. A good brand attracts and retains customers, is the basis for trust, and starts with an internal agreement about the value the utility intends to deliver.
- Companies have found that the key to brand success is to build strong relationships with customers by enhancing customer experiences with the brand, its personality, and its heritage.
- The single most important factor is consistency of the support by the company to the brand. As such, water utilities must consistently underscore what service and commitments they provide, and the value of that service.
- While water utilities are natural monopolies, the need to breed customer familiarity and convey utility stewardship of the resource and build social capital to engender consumer support is important.
- There is a need to regularly assess the nature of brand/image, and ensure that strategic actions enhance rather than undermine them.
- Consumers of a service will find a way to infer some degree of tangibility by observing the evidence of the service and thereby making assumptions about quality from the evidence at hand. Walk the talk. Field personnel should recognize that every customer interaction is a teachable moment. All levels of the organization, from top down, can and should play a role in the communication process.

The typical water utility brand will focus on the following key issues:

- Water Service Reliability
 - Water supply reliability in the form of drought resiliency, emergency supply provisions, and security
- Water Quality
 - Constantly enhancing water quality, increasing knowledge, and diligence
 - Utilities becoming the source of water quality, not where the water came from
- Customer Service
 - Billing and responsiveness to customer issues and problems
 - Going beyond the meter to help customers with in-home water issues
- Environmental Stewardship
 - Impact of operations and possibly allocating water for environmental needs
- Financial Performance
 - Efficiency, asset management, and sound financial decision making
- Communications
 - Efficiently reaching people with meaningful and relevant information

There is no place where using the brand as a context is inappropriate. The brand is powerful not just because it creates clarity, but because it is partnered with the discipline of using it as a tool in all decision making and communications. The brand helps employees clearly understand the reasons for their work, which increases morale and motivation. It also allows them to be brand builders because they can convey the values of the organization in their interactions with friends, the community, and customers.

The AWWA national branding campaign, “Only Tap Water Delivers,” provides an umbrella under which a specific utility program can be coordinated and implemented. For utilities that provide water and wastewater services, the WEF national branding campaign, “Water is Life, and Infrastructure Makes it Happen,” also provides an umbrella and makes messages consistent.

The project research indicates that effective communication requires a minimum number of clear, easily understood, consistent messages. Thus, the individual utility messages for communicating the value of water should reinforce the national messages by adapting them to local conditions and situations.

COMMUNICATIONS MESSAGES

Defining and articulating communications messages is fundamental to communicating the value of water:

- Know your value of water communications goals and supporting messages. Work them out in advance and train all staff on them. Arrange them in a hierarchy of importance and develop brief (20 to 30 second) statements that explain each one.
- Communications should consistently underscore that when customers pay a utility bill they are getting value for that investment. Customers expect 1) high quality water, 2) reliability, 3) accurate bills and 4) responsive service. Delivering on these value propositions and framing your expenditures in the context of one of these four areas underscores the value of the service/product utilities provide. Communications should tie investments and capital expenses to the utility’s commitment to the community. Emphasize quality, reliability, and stewardship of the environment. A utility may have other brand elements that are important to the community, and those should also be incorporated in communications.
- Take credit for the accomplishments of the utility.
- Encourage the utility and its employees to be active in the community.
- Keep messages simple, consistent, and frequent.

SUCCESSFUL CASE STUDIES ON COMMUNICATING THE VALUE OF WATER

Some utilities have already developed successful communications programs. The project team interviewed several of these utilities to gain insight into what comprises a successful program. These case studies are useful examples of how to approach branding and the power of the brand. Several conclusions can be drawn from these:

- The brand is thoughtfully crafted.
- The brand is woven into all communications.

- The brand is linked to investments the utility makes and programs the utility pursues.
- The brand does not change, but the communications program adapts to the utility's priorities and projects.
- The communications program is targeted to the stakeholders identified needs.
- The communications program operates relentlessly and is given high priority (i.e. resources) by the utility management.

FRAMEWORK FOR COMMUNICATING THE VALUE OF WATER

It is clear from the research that the foundation of an effective communication program begins with the quality of service and experiences a stakeholder witnesses along with credibility and trust of those responsible for utility operations. Each time a leader or employee of the utility has contact with a stakeholder an impression and perception is created. Once formed, a perception is usually long lasting and difficult to change. Thus a communication and branding effort begins with the behavioral conduct of all those associated with the utility.

The utility's approach for sustainability is also a fundamental element that affects public perception. People want to know that their utility is a good steward of the money it currently receives. They also believe there is a role for environmental leadership in utilities. Corporate social responsibility expectations apply to water utilities.

MODEL FOR COMMUNICATING THE VALUE OF WATER

A model for the systematic development of a plan for communicating the value of water is presented. The model contains 8 basic steps:

1. Evaluate the existing situation and future scenarios
2. Establish the desired utility brand and communication vision
3. Develop communication goals
4. Identify needs and gaps to achieve the communication goal
5. Establish the current utility behavior
6. Establish behavioral needs and gaps to achieve goals
7. Prepare communication plan and integrate into strategic plan
8. Implement and monitor communication and strategic plans

Implementing the plan requires a strong commitment of senior management and adequate resources to sustain the effort. The plan is scalable to utilities of all sizes

In addition to the model, a Communications Toolkit is provided as a companion to this Introductory Guide. The Toolkit contains various tools for developing a Communication Plan and communicating the value of water to assist a water utility in maintaining a strong water supply and service brand in the community. In addition, the Communications Toolkit contains several examples of communications materials that were donated by the utility partners on this project.

SUMMARY

This research has reinforced that utilities can communicate the value of water by:

- Understanding their stakeholders' needs and values,

- Thoughtfully defining the utility brand,
- Communicating the brand, and
- Relentlessly communicating that brand through targeted media

Collectively, this will positively influence the perceptions of their stakeholders and enhance their service experience. This will build support for the utility and help ensure that appropriate public investments are made. Through this process, stakeholders will grow to appreciate the value of the product (water) as well as the service. The communications effort must be consistently funded.

RECOMMENDATIONS

The project team has developed several recommendations through this research. These include:

1. Utilities should use the model as a starting point for developing their plans for communicating the value of water. The toolkit can provide additional examples of effective communication strategies to expand the public's appreciation of the value of water.
2. It is critical to understand the stakeholders' perceptions of the utility and actively manage those perceptions to improve the receptivity of the stakeholders to the branding messages.
3. Utilities should leverage the national branding campaigns.
4. AWWA should be asked to clarify plans for implementation of the national branding campaign including the long term funding strategies so utilities can factor that into their own branding plans.
5. The industry should consider additional programs (e.g. AwwaRF Technology Transfer workshops) to disseminate the branding/communications messages and techniques.
6. The industry should develop and publicize additional branding case studies (utility focused) to instruct other utilities on the merits/issues associated with branding.
7. Utilities should actively recruit communications professionals into the communications functions in the utility.
8. Utilities should redesign their web sites to incorporate branding concepts and to better meet the needs of the media.

FUTURE RESEARCH NEEDS

A number of ideas were developed during the course of the project, representing opportunities to further the knowledge base of utilities. Most relate to communicating the value of water. These ideas are listed below:

1. The relationship between willingness to pay and consumer trust for a utility has not been well defined. While one can infer a link from the literature, a national survey exploring this relationship would be informative.
2. Case studies of how communities handled severe drought restrictions were mentioned in one of the workshops as a useful research activity.

3. There is a need to generate a broader range of example brand statements for utilities to consider. These should be captured in a national database for communications materials.
4. Guidance for dealing with media is not generally available. Such training tools would help water utilities execute their communications plans.
5. Guidelines for Web site development to best communicate the value of water are needed. We have included an example Web site format to articulate branding messages (it is simplistic graphically, focusing more on the messages) in the Communications Toolkit.
6. A project that would shed light on appropriate customer service goals and methods to develop those goals would be helpful.
7. Conduct a Communications Institute that is similar to the 1-week Management Institute at AWWA. This would provide a way to assist smaller utilities that may not be able to afford consultants.
8. The industry should consider commissioning a recurring national public attitudes survey that gauges the perspectives of consumers related to water issues (e.g. sustainability of water, value of water, rates).
9. A research project should be done to determine what kinds of policies and positions are necessary at the national level in order to ensure sustainability of drinking water systems.
10. Recruiting strategies for the entire industry (chemists, mechanics, accountants, operators, field crews, and engineers) should be developed for use by consultants, utilities, and other industry entities.

REFERENCES

- Aaker, D.A. 1996. Measuring Brand Equity Across Products and Markets. *California Management Review*, 38(3):102-120.
- Abbott, M.B. 2001. The Democratization of Decision-Making Processes in the Water Sector. *J. Hydroinformatics*, 3(1):23-34.
- American Water Works Association. 2004. *Avoiding Rate Shock: Making the Case for Water Rates*. Denver, Colo.: AWWA.
- Barone, M.J., P.W. Miniard, and J.B. Romeo. 2000. The Influence of Positive Mood on Brand Extension Evaluations. *Journal of Consumer Research*, 26(4).
- Braun, K.A. 1999. Postexperience Advertising Effects on Consumer Memory. *Journal of Consumer Research*, 25(4):319-334.
- Bell, C.R. 2002. In Pursuit of Obnoxiously Devoted Customers. *Business Horizon*, 45(2):13-16.
- Berthon, P., J.M. Hulbert, and L. Pitt. 1999. Brand Management Prognostications. *Sloan Management Review*, 40(2):53-65.
- Blaug, M. 1962. *Adam Smith. In Economic Theory in Retrospect*. Cambridge University Press.
- Brehm, J. and W. Rahn. 1997. Individual-Level Evidence for the Causes and Consequences of Social Capital. *American Journal of Political Science*, 41(3):999-1023.
- California Avocado Commission. 2006. *2005-2006 Annual Report: California Avocado Commission*. Irvine, Calif.: California Avocado Commission.
- Chanley, V.A., T. Rudolph, and W.M. Rahn. 2000. The Origin and Consequences of Public Trust in Government: A Time Series Analysis. *Public Opinion Quarterly*, 64(3):239-257.
- Citrin, J. and D.P. Green. 1986. Presidential Leadership and the Resurgence of Trust in Government. *British Journal of Political Science*, 16(4):431-453.
- Citrin, J. and S. Luks. 2001. Political Trust Revisited: Deja Vu All Over Again? In *What Is It About Government that Americans Dislike?* Edited by J.R. Hibbing, E. Theiss-Morse, J.H. Kuklinski, and D. Chong. New York, N.Y.: Cambridge University Press.
- City of Tampa. 2005. *Tampa Bay Water Public Opinion Survey*.
- Colbourne, J., A. Owen, L. Godfrey, J. Brisco, and D. Holt. 2001. *Tools and Methods to Effectively Measure Customer Perceptions*. Denver, Colo.: AwwaRF and AWWA.
- Covello, V. and F. Allen. 1988. *Seven Cardinal Rules of Risk Communication*. U.S. Washington, D.C.: Environmental Protection Agency Office of Policy Analysis.
- Craig, S. 1993. *The Malevolent Leaders: Popular Discontent in America*. Boulder, Colo.: Westview.
- Cullen, P. 1996. Empowering Communities – Challenges for Technical Communicators, Conference Paper, In *Stockholm Water Symposium*. Stockholm, Sweden: 1-8.
- Damodaran, N., J. Pratt, J. Cromwell, J. Lazo, E. David, R. Raucher, C. Herrick, E. Rambo, A. Deb, and J. Snyder. 2005. *Customer Acceptance of Water Main Structural Reliability*. Denver, Colo.: AwwaRF.
- East Bay Municipal Utility District (EBMUD). 2006. *Residential Customer Opinion Survey*. Oakland, CA: EBMUD.
- Erber, R. and R. Lau. 1990. Political Cynicism Revisited: An Information Processing Reconciliation of Policy-Based and Incumbency Based Interpretations of Changes in Trust in Government. *American Journal of Political Science*, 34(1):236-253.

- Federal Communications Commission. 2004. Availability of Advanced Telecommunications Capability in the United States [Online], September 9, 2004, Washington, DC. Available: < <http://www.stateofthedia.com/2005/chartland.asp?id=304>>. [cited January 8, 2008]
- Feldman, S. 1983. The Measure and Meaning of Trust in Government. *Political Methodology*, 9:341-354.
- Food and Agriculture Organization. 2000. The State of World Fisheries and Aquaculture [Online]. Available: <<ftp://ftp.fao.org/docrep/fao/003/x8002e/x8002e00.pdf>>. [cited November 2004]
- Fung, A, and E.O. Wright. 2003. *Deepening Democracy: Institutional Innovations in Empowered Participatory Governance, The Real Utopias Project IV*. London: Verso.
- Gallup. 2004. Water Pollution Tops Americans' Environmental Concerns [Online]. Available: <<http://www.galluppoll.com/content/?ci=22492>>. [cited March 2007]
- Giddens, A. 1994. *Beyond Left and Right: The Future of Radical Politics*. Stanford, Calif.: Stanford University Press.
- Global Reporting Initiative. 2007. The Reporting Framework Sustainability Reporting Guidelines [Online]. Available: <<http://www.globalreporting.org/Services/ResearchLibrary/GRIPublications/>>. [cited February 2007]
- GlobeScan. 2003. Students Think That There Should Be More CSR Taught At Universities [Online]. Available: <http://www.globescan.com/news_archives/gcm03_press_release.html>. [cited October 2004]
- GlobeScan. 2005. Trust in Governments, Corporations and Global Institutions Continues to Decline [Online]. Available: <http://www.globescan.com/news_archives/WEF_trust2005.html>. [cited March 2007]
- Gordon, S. 1991. Chapter 7: The Scottish Enlightenment of the Eighteenth Century. In *History and Philosophy of Social Science: An Introduction*. London: Routledge.
- Gray, R. 2004. Customer Service is not a Strategy. *Marketing*, July 21,2004:32-4.
- Greater Cincinnati Water Works (GCWW). 2004. *Greater Cincinnati Water Works Strategic Business Plan, 2004-2009*. Cincinnati, Ohio: GCWW.
- The Green Life*. 2005. Don't Be Fooled: America's Ten Worst Greenwashers [Online]. Available: <http://www.sustainablemarketing.com/index2.php?option=com_content&do_pdf=1&id=121>. [cited February 2007]
- Habermas, J. 1990. *Moral Consciousness and Communicative Action*, translated by C. Lenhardt and S. Weber Nicolsen. Cambridge, Mass.: MIT Press.
- Harris Poll. 2005. Three-Quarters of U.S. Adults Agree Environmental Standards Cannot Be Too High and Continuing Improvements Must Be Made Regardless of Cost [Online]. Available: <http://www.harrisinteractive.com/harris_poll/index.asp?PID=607>. [cited March 2007]
- Heskett, J.L. 1997. Beyond Customer Loyalty. *Managing Service Quality*, 12(6):355-357.
- Hyer R.N. and V.T. Covello. 2005. *Effective Media Communication during Public Health Emergencies: A WHO Handbook (WHO/CDS/2005.31)*. Geneva, Switzerland: World Health Organization.
- J. D. Power and Associates. 2003. Gas Utility Residential Customer Satisfaction Study [Online]. Available: <<http://www.jdpower.com/corporate/news/releases/pressrelease.asp?ID=200312>>. [cited February 2007]

- Keele, L.J. 2005. The Authorities Really Do Matter: Party Control and Trust in Government. *Journal of Politics*, 67(3):873-886.
- Keele, L.J. 2007. Social Capital and the Dynamics of Trust in Government. *American Journal of Political Science*. Forthcoming.
- Keller, K.L. 2000. The Brand Report Card. *Harvard Business Review*, 78(1):3-10.
- Kenway, S., C. Howe, and S. Maheepala. 2007. *Triple Bottom Line Reporting of Sustainable Water Utility Performance*. Denver, Colo.: AwwaRF.
- Lawrence, R.Z. 1997. Is It Really the Economy, Stupid? In *Why People Don't Trust Government*. Edited by P. Zelikow, J. Nye Jr., and D.C. King. Cambridge, Mass.: Harvard University Press.
- Levitt, T. 1981. Marketing Intangible Products and Product Intangibles. *Harvard Business Review*, 59:94-102.
- Leiserowitz, A.A., R.W. Kates, and T.M. Parris. 2005. Do Global Attitudes and Behaviors Support Sustainable Development? *J. Environment*, 47(9):22-38.
- Levi, M. 1997. *Consent, Dissent and Patriotism*. New York, N.Y.: Cambridge University Press.
- Levi, M. and L. Stoker. 2000. Political Trust and Trustworthiness. *Annual Review of Political Science*. 3:475-507.
- Linsky, R. 2004. What is the Real Value of Water - Reaching Beyond the Dilemma of Cost and Price. Presented at the International Seminar on Nuclear War and Planetary Emergencies - 32nd Session, Erice, Italy.
- Mackey, E.D., H. Baribeau, A.C. Fonseca, J. Davis, J. Brown, L. Boulos, G.F. Crozes, P. Piriou, J.M. Rodrigues, M. Fouret, A. Bruchet, and D.J. Hildebrand. 2004. *Public Perception of Tap Water Chlorinous Flavor*. Denver, Colo.: AwwaRF.
- Mackey, E.D., J. Davis, L. Boulos, J. Brown, and G. Crozes. 2003. *Consumer Perceptions of Tap Water, Bottled Water, and Filtration Devices*. Denver, Colo.: AwwaRF.
- Malinowski, J. Communicating the Value of Water. Presented at *United States Conference of Mayors*, Albuquerque, N.M.
- Mansbridge, J.M. 1997. Social and Cultural Causes of Dissatisfaction with the U.S. Government. In *Why People Don't Trust Government*. Edited by P. Zelikow, J. Nye Jr., and D.C. King. Cambridge, Mass.: Harvard University Press.
- Margolis, J.D. and J.P. Walsh. 2001. *People and Profits?: The Search for a Link between a Company's Social and Financial Performance*. Mahwah, N.J.: Lawrence Erlbaum Associates.
- Means, E.. 2001. *Watercourse Navigating your Utility's Future*. Denver, Colo.: AwwaRF.
- Means, E., L. Ospina, N. West, and R. Patrick. 2001. *A Strategic Assessment of the Future of Water Utilities*. Denver, Colo.: AwwaRF.
- Means, E., L. Ospina, N. West, and R. Patrick. 2006. *A Strategic Assessment of the Future of Water Utilities: An AwwaRF Update*. Denver, Colo.: AwwaRF.
- Means, E. and R. Patrick, editors. 2004. *The Strategic Assessment of the Future of Water Utilities White Paper*. Denver, Colo.: AwwaRF.
- Metropolitan St. Louis Sewer District. 2006 *Annual Report*.
<http://mkasmtpl.stlmsd.com/portal/page/portal/MSD/About/2006AnnRpt.pdf>
- Miller, A.H. 1974a. Political Issues and Trust in Government: 1964-1970. *American Political Science Review*, 68:951-972.

- Miller, A.H. 1974b. Rejoinder to 'Comment' by Jack Citrin: Political Discontent or Ritualism?. *American Political Science Review*, 68:989-1001.
- Miller, W.E. 1991. Party Identification, Realignment, and Party Voting: Back to the Basics. *American Political Science Review*, 85(2):557-568.
- Misztal, B.A. 2001. Trust and Cooperation: The Democratic Public Sphere. *J. Sociology*, 37(4):371-386.
- Mobley, J., E. Tatham, K. Reinhardt, and C. Tatham. 2005. *Message Management: Effective Communications*. Denver, Colo.: AwwaRF.
- Morrisey, G.L., T.L. Sechrest, W.B. Warman. 1997. 4th ed. *Loud and Clear: How to Prepare and Deliver Effective Business and Technical Presentations*. Cambridge, Massachusetts: Perseus Publishing.
- Murphy, M. 2004. State of the Industry Report: 2004. *Journal of the American Water Works Association*, 96(12):60-72.
- National Environmental Education and Training Foundation. 1999. NEETF Reports [Online]. Available: <<http://www.NEETF.org>>. [cited February 2007]
- National Environmental Education and Training Foundation. 2004. NEETF Reports [Online]. Available: <<http://www.NEETF.org>>. [cited February 2007]
- National Water Research Institute. 1999. *The Value of Water: Recognizing and Using the Full Potential of Your Water Supply*. Burlington, Ontario (Canada): NWRI.
- National Water Research Institute and the Awwa Research Foundation. 2003. *Value of Water Roundtable Report*. Pomona, California: NWRI and AwwaRF.
- Oliver, R.L. 1997. *Satisfaction: A Behavioural Perspective on the Consumer*. New York, NY: McGraw-Hill.
- Parasuraman, A., V.A. Zeithami, and L.L. Berry. 1988. SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality. *Journal of Retailing*, 64(1):12-40.
- Patrick, R. and C. Kozlosky. 2006. *Benchmarking Water Utility Customer Relations Best Practices*. Denver, Colo.: AwwaRF.
- Payne, A. 2000. Relationship Marketing: The UK Perspective. In *Handbook of Relationship Marketing*. Edited by J. Sheth and A Pravatiyar. Thousand Oaks, Calif.: Sage Publications.
- Peters, R.G., V.T. Covello, and D.B. McCallum. 1997. The Determinants of Trust and Credibility in Environmental Risk Communication: An Empirical Study. *Risk Analysis*, 17(1):43-54.
- Pew Research Center for the People & the Press. 2002. *What the world thinks in 2002: How Global Publics View Their Lives, Their Countries, The World, and America*. Washington, D.C.: Pew Research Center.
- Pew Research Center for the People & the Press. 2003. *The 2004 Political Landscape: Evenly Divided and Increasingly Polarized*. Washington, D.C.: Pew Research Center.
- Pew Research Center for the People & the Press. 2004. Pew Research Biennial News Consumption Survey [Online], June 8, 2004. Available: The State of the News Media. <http://www.stateofthemedias.org/2005/chartland.asp?id=452&ct=line&dir=&sort=&col1_box=1>. [cited January 8, 2008]
- Podsakoff, P.M., M. Ahearne, and S.B. MacKenzie. 1997. Organizational Citizenship Behavior and the Quantity and Quality of Work Group Performance. *Journal of Applied Psychology*, 82(2):262-270.

- Postel, S.L., G.C. Daily, and P.R. Ehrlich. 1996. Human Appropriation of Renewable Fresh Water. *Science*, 271(5250):785-788.
- Project for Excellence in Journalism. 2002. Local TV News Project [Online], 1998-2002. Available: The State of the News Media. <<http://www.stateofthemediacom-2005/chartland.asp?id=430>>. [cited January 8, 2008]
- Putnam, R.P. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton, N.J.: Princeton University Press.
- Putnam, R.P. 1995a. Bowling Alone: America's Declining Social Capital. *Journal of Democracy*, 6(1):65-78.
- Putnam, R.P. 1995b. Tuning in, Tuning Out: The Strange Disappearance of Social Capital in America. *PS: Political Science and Politics*, 28(3):664-683.
- Putnam, R.P. 2000. *Bowling Alone: The Collapse and Revival of American Community*. New York, N.Y.: Simon & Schuster.
- Rambo, E., R. Baumgartner, and C. Koenig. 2004. *Developing Customer Service Targets Through Assessing Customer Perspectives*. Denver, Colo.: AwwaRF.
- Raphel, M., and N. Raphel. 1995. *Up the Loyalty Ladder*. New York, N.Y.: Harper Collins.
- Raucher, R. S, D. Chapman, J. Henderson, M. Hagenstad, J. Rice, J. Goldstein, A. Huber-Lee, W. DeOreo, P. Mayer, B. Hurd, R. Linsky, E. Means, and M. Renwick. 2005. *The Value of Water: Concepts, Estimates, and Applications for Water Managers*. Denver, Colo.: AwwaRF.
- Raucher, R.S. 2005. Communicating Value: How the Public Can be Informed Effectively About the True Value of Water Service Relative to the Costs Involved to Treat and Distribute the Water. Presented at the Third National Drinking Water Symposium in Denver, Colo., October 2005.
- Reiter, D. and A.C. Stam. 2002. *Democracies at War*. Princeton, N.J.: Princeton University Press.
- Roberts, K. 2004. *Lovemarks: The Future Beyond Brands*. New York, N.Y.: Powerhouse Books.
- Roger, P., R. Bhatia, and A. Huber. 1998. *Water as a Social and Economic Good: How to Put the Principle into Practice*. Stockholm, Sweden: Global Water Partnership/Swedish International.
- Roseth, N. 2006. Survey of Community Views on Water Shortages and Conservation, Australian Cooperative Research Centre for Water Quality and Treatment, Research Report 28.
- Scarborough Research. 2006. A New Story Lead for the Newspaper Industry: Newspapers Are Successfully Extending Their Audience Online [Online]. Available: The State of the News Media. <http://stateofthemediacom.org/2007/chartland.asp?id=177&ct=line&dir=&sort=&col1_box=1&col2_box=1&col3_box=1&col4_box=1&col5_box=1&col6_box=1>. [cited January 8, 2008]
- Short, J.F. Jr. 1984. The Social Fabric at Risk: Toward the Social Transformation of Risk Analysis, *American Sociological Review*, 49:711-725.
- Smith, A. 1776. *Of the Origin and Use of Money*. In An Inquiry into the Nature and Causes of the Wealth of Nations. London: Methuen and Co.
- Sztompka, P. 1999. *Trust, A Sociological Theory*. Cambridge: Cambridge University Press.
- Swank, C.K. 2003. The Lean Service Machine. *Harvard Business Review*, 81(10):123-129.

- Tatham, E., C. Tatham, J. Mobley, 2004, *Customer Attitudes, Behavior, and the Impact of Communications Efforts*, AwwaRF. Denver CO.
- Tatham, C., E. Tatham, and R. Cicerone. 2006. *Stakeholder Perceptions of Utility Role in Environmental Leadership*. Denver, Colo.: AwwaRF.
- Tennyson, P. 2006. Communicating the Value of Water Utility Workshop No. 1, San Diego, Calif.
- Travis, D. 2000. *Emotional Branding*. Roseville, Calif.: Prima Venture Publishing.
- Turner, B.L. II, W.C. Clark, R.W. Kates, J.F. Richards, J.T. Mathews, and W.B. Meyer. 1990. *The Earth as Transformed by Human Action*. Cambridge: Cambridge University Press.
- Tyler, T. 2006. The State Of Trust Today [Online]. Available: <www.forbes.com/2006/09/25/trust-government-institutions-tech_cx_tt_06trust_0925state.html> [cited February 2007]
- Tyler, T.R. and S. Blader. 2000. *Cooperation in Groups: Procedural Justice, Social Identity, and Behavioral Engagement*. Philadelphia, Penn.: Psychology Press.
- Tyler, T.R. 2006. *Why People Obey the Law*. Princeton, N.J.: Princeton University Press.
- United States Bureau of Census. U.S. Population Projections by Race and Hispanic Origin: 2000-2050 [Online]. Available: <http://www.stateofthedia.com/2005/chartland.asp?id=401&ct=line&dir=&sort=&col1_box=1&col2_box=1&col3_box=1&col4_box=1&col5_box=1>. [cited January 8, 2008]
- University of Michigan National Election Studies. 1998. Last Minute, Undecided Voters are Not Uncommon [Online]. Available: <<http://www.umich.edu/news/index.html?Releases/2000/Oct00/r102700b>>. [cited March 2007]
- USC Annenberg School Center for the Digital Future. 2004. Digital Future Report [Online], September 2004. Available: The State of the News Media. <http://www.stateofthedia.org/2005/chartland.asp?id=119&ct=col&dir=&sort=&col1_box=1&col2_box=1&col3_box=1>. [cited January 8, 2008]
- Vitousek, P.M., H.A. Mooney, J. Lubchenco, and J.M. Melillo. 1997. Human Domination of Earth's Ecosystems. *Science*, 277(5325):494-499.
- Welch, E.W., C.C. Hinnant, and M.J. Moon. 2004. Linking Citizen Satisfaction with E-Government and Trust in Government. *Journal of Public Administration Research and Theory*, 15(3):371-391.
- Westerhoff, G.P., D. Gale, P.D. Reiter, S.A. Haskins, J.B. Gilbert, and J.B. Mannion. 1998. *The Changing Water Utility: Creative Approaches to Effectiveness and Efficiency*. Denver, Colo.: AWWA.
- Williams, J.T. 1985. Systematic Influences of Political Trust: The Importance of Institutional Performance. *Political Methodology*, 11:125-142.
- Williams, R. 2002. Frustration with community consultation. *Australian Environ.*, 17(3):8-9.
- Wirthlin Worldwide Survey. 1999. Readiness to Accept Increases in Energy Costs [Online]. Available: <http://www.americans-world.org/digest/global_issues/global_warming/questionnaire5_new.cfm>. [cited March 2007]
- World Values Survey. 2004. *European and World Values Surveys Four-Wave Integrated Data File*. The European Values Study Foundation and World Values Survey Association. Aggregate File Producers: ASEP/JDS, Madrid, Spain/Tilburg University, Tilburg, the Netherlands. Aggregate File Distributors: ASEP/JDS and ZA, Cologne, Germany.

SUGGESTED READING

- Ansoff, I. 1965. *Corporate Strategy*. New York: McGraw-Hill, Inc.
- Armstrong, S.J. 1991. Strategic Planning Improves Manufacturing Performance. *Long Range Planning*, 24(4):127-9.
- Bannerjee, A., J. Dolado, J.W. Galbraith, and D.F. Hendry. 1993. *Integration, Error Correction, and the Econometric Analysis of Non-Stationary Data*. Oxford: Oxford University Press.
- Bean, M.C. 1988. Speaking of Risk. *Civil Engineering*, 58(2):59-61.
- Bennett, P. and K. Calman. 1999. *Risk Communication and Public Health*. Edited by P. Bennett and K. Calman. New York: Oxford Press.
- Chess, C. 1989. *Encouraging Effective Risk Communication in Government: Suggestions for Agency Management*. New Brunswick, N.J.: Environmental Communication Research Program, New Jersey Agricultural Experiment Station, Cook College, Rutgers University.
- Chess, C., B.J. Hance, and P.M. Sandman. 1988. *Improving Dialogue with Communities: A Short Guide to Government Risk Communication*. New Jersey: Department of Environmental Protection.
- Covello, V. 1992. Risk Communication, Trust, and Credibility. *Health and Environmental Digest*, 6(1):1-4.
- Covello, V. 1993. Risk Communication, Trust, and Credibility. *Journal of Occupational Medicine*, 35:18-19.
- Covello, V. and F. Allen. 1988. *Seven Cardinal Rules of Risk Communication*. Washington D.C.: U.S. Environmental Protection Agency, Office of Policy Analysis.
- Covello, V, D. McCallum, and M. Pavlova. 1989. *Effective Risk Communication: The Role and Responsibility of Government and Nongovernment Organizations*. New York: Plenum Press.
- Cutlip, S.M., A.H. Center, and G.M. Broom. 2000. *Effective Public Relations*, New Jersey: Prentice Hall.
- DeBoef, S. and J. Granato. 1999. Testing for Cointegrating Relationships with Near-integrated Data. *Political Analysis*, 8:99-117.
- DeFleur, M.L. and E.E. Dennis. 1991. 4th ed. *Understanding Mass Communication*. Boston: Houghton Mifflin Co.
- Dunlap, R.E. and K.D. Van Liere. 1978. The "New Environmental Paradigm". *Journal of Environmental Education*, 9(4):10-19.
- Durr, R.H., A.D. Martin, and C. Wolbrecht. 1993. Ideological Divergence and Public Support for the Supreme Court. *American Journal of Political Science*, 44:768-776.
- Durr, R.H., J.B. Gilmour, and C. Wolbrecht. 1997. Explaining Congressional Approval. *American Journal of Political Science*, 41:175-207.
- Easton, D. 1965. *A Systems Analysis of Political Life*. New York: Wiley.
- Erikson, R.S. 2004. Macro vs. Micro Perspectives on Economic Voting: Is The Micro-Level Evidence Endogenously Induced? Presented at the Annual Meeting of the Political Methodology, Palo Alto, Calif.
- Fisher A. and Y.C. Chen. 1996. Customer Perceptions of Agency Risk Communication. *Risk Analysis*, 16(2):177-84.
- Food and Agriculture Organization. 2001. State of the World's Forests 2001. *Agroforestry Systems*, 54(3):253.

- Freeman, J., D. Houser, P.M. Kellstedt, and J.T. Williams. 1998. Long Memored Processes, Unit Roots, and Causal Inference in Political Science. *American Journal of Political Science*, 42:1289-1327.
- Freeman, J.R. 1983. Granger Causality and the Time Series Analysis of Political Relationships. *American Journal of Political Science*, 27:327-358.
- Freeman, J.R., J.T. Williams, and T. Lin. 1989. VectorAutoregression and the Study of Politics. *American Journal of Political Science*, 33:842-877.
- Hetherington, M.J. 1998. The Political Relevance of Trust. *American Political Science Review*, 92:791-808.
- Hance, B. 1988. *Improving Dialogue with Communities: A Risk Communication Manual for Government*. Trenton, N.J.: New Jersey Department of Environmental Protection.
- Hendricks Symposium on Public Dissatisfaction with Government, University of Nebraska, Lincoln . 1998.*
- Hopkins, W.E. and S.A. Hopkins. 1997. Strategic Planning-Financial Performance Relationships in Banks: A Causal Examination. *Strategic Management Journal*, 18(8):635-52.
- Keele, L. 2001. The Dimensionality of Social Capital. Presented at the Annual Meeting of the Political Methodology Section, Atlanta, Georgia.
- Keele, L. and S. De Boef. 2004. Not Just For Cointegration: Error Correction Models With Stationary Data. [Online]. Available: <<http://www.nuffield.ox.ac.uk/politics/papers/2005/Keele%20DeBoef%20ECM%20041213.pdf>>. [cited June 2007]
- Kellstedt, P.M. 2000. Media Framing and the Dynamics of Racial Policy Preferences. *American Journal of Political Science*, 44:245-260.
- Kramer, G.H. 1983. The Ecological Fallacy Revisited: Aggregate versus Individual Level Findings on Economics and Elections and Sociotropic Voting. *American Political Science Review*, 77:92-111.
- Lane, R.E. 1959. *Political Life: Why and How People Get Involved in Politics*. New York: Free Press.
- Littlejohn, S.W. 1992. 4th ed. *Theories of Human Communication*, Belmont, Calif.: Wadsworth Publishing Company.
- MacKuen, M.B., R.S. Erikson and J.A. Stimson. 1989. Macropartisanship. *American Political Science Review*, 83:1125-1142.
- McLoughlin, B. 1998. *Encountering the Media: Media Strategies & Techniques (Communicate with Power 2000 Series)*. Washington, D.C.: MultiMedia Publishing.
- Moore, S.W., J. Lare, and K.A. Wagner. 1985. *The Child's Political World*. New York: Praeger.
- Morrisey, G.L., T.L. Sechrest, and W.B. Warman. 1997. *Loud and Clear: How to Prepare and Deliver Effective Business and Technical Presentations*. Reading, Mass.: Addison Wesley Longman, Inc.
- Newsom, D., T.J. VanSlyke, and D. Kruckeberg. 2000. *This is PR*. Belmont, Calif.: Wadsworth/Thomson Learning.
- ODNR (Ohio Department of Natural Resources). 2003. Soil and Water Conservation District Outreach: A Handbook for Program Development, Implementation and Evaluation. ODNR, Division of Soil and Water Conservation.
- Orren, G. 1997. Fall From Grace: The Public's Loss of Faith in Government. In *Why People Don't Trust Government*, Edited by P. Zelikow, J. Nye Jr., and D.C. King. Cambridge, Mass.: Harvard University Press.

- Orth, U.R., M. McDaniel, T. Shellhammer, and K. Lopetcharat. 2004. Promoting Brand Benefits: The Role of Consumer Psychographics and Lifestyle. *Journal of Consumer Marketing*, 21(2/3):97-108.
- Pew Research Center. 1998. *Deconstructing Trust: How Americans View Government*. Washington D.C.: Pew Research Center for the People and the Press.
- Sly, T. 2000. The Perception and Communication of Risk: A Guide for the Local Health Agency. *Can J Public Health*, 91(2):153-6.
- Wallewijn, P. and P. Segaar. 1993. Strategic Management: The Key to Profitability in Small Companies. *Long Range Planning*, 26(2):24-30.
- Whetmore, E.J. 1991. 4th ed. *Mediamerica*. Belmont, Calif.: Wadsworth Publishing Company.

Organization/comment	Internet address
<i>Triple bottom line and sustainability theory, practice, and tools</i>	
SustainAbility	www.sustainability.com
Sustainable Investment Research Institute	www.siris.com.au
The Natural Step	www.naturalstep.org
The Sustainability Report. Canadian site affiliated with the Institute for Research and Innovation in Sustainability	www.sustreport.org
United Nations Environment Program	www.unep.org
Environment Australia	www.ea.gov.au
Water U.K.	www.water.org.uk
U.K. Environment Agency	www.environment-agency.gov.uk
Forum for the Future	www.forumforthefuture.org.uk
Sustainable Asset Management – Dow Jones Sustainability Index	www.sam-group.com
Sustainability covenants	www.epa.vic.gov.au/sustainability_covenants
<i>TBL reporting and report registers</i>	
Global Reporting Initiative	www.globalreporting.org
CorporateRegister.com	www.corporateregister.com
The International Corporate Environmental Reporting site	www.enviroreporting.com
The Global Reporters	www.sustainability.com
A guide to economic, social, and sustainability reporting through the internet	www.accaglobal.com/publications/environment
ICLEI triple bottom line decision-making and reporting toolkit for local councils	www.iclei.org/anz/tbl/tbl.html
Published survey on environmental reporting undertaken by companies in the FTSE All Share Index	www.pirc.co.uk
TBL reporting in Australia – a guide to environmental indicators	www.deh.gov.au/settlements/industry/finance/publications/indicators/pubs/indicators.pdf
An international survey of the	www.kpmg.com

environmental, social, and sustainability
reporting of almost 2000 companies
Canadian sustainability reporting toolkit www.sustainabilityreporting.ca

Source: Draft Triple Bottom Line Reporting of Sustainable Water Utility Performance.
AwwaRF. September 2006.

ABBREVIATIONS

AMWA	Association of Metropolitan Water Agencies
ACSI	American Customer Satisfaction Index
BJWSA	Beaufort-Jasper Water & Sewer Authority
CAC	California Avocado Commission
CSR	Corporate social responsibility
EBMUD	East Bay Municipal Utilities District
GCWW	Greater Cincinnati Water Works
GRI	Global Reporting Initiative
ICMA	International County/City Managers Association
IOU	Investor owned utility
LCA	Lehigh County Authority
MSD	Metropolitan St. Louis Sewer District
NEETF	National Environmental Education and Training Foundation
NGO	Non-governmental organization
NWRI	National Water Research Institute
POE	Point-of-Entry
POU	Point-of-Use
SPU	Seattle Public Utilities
USEPA	US Environmental Protection Agency
WEF	Water Environment Federation



6666 West Quincy Avenue
Denver, CO 80235-3098 USA
P 303.347.6100
www.awwarf.org
email: info@awwarf.org

Sponsors Research
Develops Knowledge
Promotes Collaboration

1P-3C-91222-07/08-NH

ISBN 978-1-60573-016-5



9 781605 730165