The Evolution of Water Utility Communications

November 9, 2020 at 12:24 PM

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Water utilities have moved beyond being the silent service by putting more effort into outreach. This is arguably in response to the rising cost of developing new water resources, maintaining aging infrastructure, and advancing more provocative solutions like potable reuse. And it seems clear that there is more competition for people’s dollars from companies offering an array of enticing consumer products supported with more sophisticated branding strategies. Utilities are communicating more information and more often, but have current practices been highly effective in ensuring that key stakeholders are well informed or that decisions are less political? And what should utilities be thinking about the efficacy of these practices given what seems certain to be a more difficult and contentious future?

The Challenges Ahead - It might seem insensitive to discuss communication issues or strategic changes during a pandemic. But the pandemic is just an example of several resiliency issues, including a growing wealth gap made worse by the pandemic, social unrest, a polarized political system that seems incapable of solving problems using substantive information, and the disruption from wildfires, hurricanes, and flooding caused by climate change. This leads to several questions. When will things calm down, if ever? How can the sector ensure appropriate investment in water systems, and how hard will it be to get the attention of needed investors? And are utility general managers and public affairs staff willing to cast a critical eye on their current communications and take significant steps forward?

Considering Branding Principles – In order to evaluate current practices, we need a basis for comparison. Branding practices are a good candidate, because they have a proven track record of building trust and securing support, whether this support is moral, emotional, political, or financial. For a consumer brand, the objective is people buying the brand’s products, ideally for the retail price. For other organizations, the support is different, for example non-profits receiving donations or utilities securing a rate increase. If the sector accepts that branding principles might provide insights into formulating better utility communications, then it must address how and why branding applies. This begins with understanding three fundamental concepts: the brand’s value category, its standards, and the desired relationship with consumers or constituents.

Being Categorized (Branded) - People are constantly categorizing things, including other people, places, products, and organizations. One might categorize an acquaintance as
loyal, funny, constantly late, or dishonest. One thing is certain. These categorizations will determine whether the acquaintance becomes a close friend, remains just an acquaintance, or is someone to be avoided. Being categorized is often referred to as being branded, especially when the judgement is severe - for example being branded as a traitor or criminal. If these brands stick, they factor heavily in the success of the person or endeavor.

**The Brand’s Value Category** – Highlighting people’s propensity for categorizing things helps us understand that the foundation for a brand is its category of value. Volvo isn’t just selling cars, its strategy was to be number one in the *safe-car* category. Rolex knows, and so do consumers, that it is not competing with Timex. Rolex is the *leading luxury watch* and Timex is the *affordable yet reliable watch*. Category clarity is critical. It provides the highest-level context for recognizing and appreciating the value of a brand. Without this clarity, consumers are confused or indifferent. Fledgling brands have failed because of category ambiguity.

**The Utility’s Reliability Category** - Volvo and BMW certainly wouldn’t be satisfied with being known as car makers and nothing more. And if a water utility is reduced to being a public agency, then negative feelings about the effectiveness and efficiency of government bureaucracies can factor heavily in decisions. In fact, a water utility’s category is reliable water supplies and service. Similarly, Verizon sells cellular connection, but the brand is reliability. Although utilities have a good track record on reliability, this brand category is still relevant, because the lion’s share of the dialogue with policy makers and the engaged public is about investing in future reliability. Without this clarity and emphasis, the reliability imperative can get muffled by voices that focus on efficiency and lowest possible rates. It doesn’t help that low rates can be a popular political position. Whereas this “efficiency” mindset might yield at best single digit budget savings, the cost of low reliability to the community dwarfs the entire utility budget. Understanding the importance of reliability and the leverage of reliability investments has another benefit. It reminds the water sector to set clear reliability standards.

**The Brand’s Standards** – A brand is operationalized with standards. When customers go to Starbucks, they experience hundreds of standards that address customer service, including the look and cleanliness of the store, the consistency of the drinks, and the behavior of baristas. Patrons expect Starbucks to reliably meet these standards. It turns out consistently meeting standards is the foundation for a strong brand. Rolex’s category is luxury watch, but what are the standards that make the watch look, feel, and perform like a luxury watch? Water utilities must comply with regulations, but are internally generated standards like supply and service reliability, unregulated water quality parameters, and financial management clear? It turns out that clarifying standards is a powerful tool for improving planning, empowering employees, increasing transparency, and leading a more meaningful dialogue about needed investments. In a political decision-making environment, everyone has a point of view or opinion. But what’s the utility’s point of view? Should it be lowest possible rates, or *appropriate investment as defined by clear standards*?

**Relationships** – For consumer brands, the relationship objective is simple: many loyal
customers willing to pay the retail price, thus propelling the brand to market (category) leadership. It follows that strong brands must have successfully communicated the value of the brand to consumers. This communication happens in a variety of ways. The most effective communications occur when customers experience the brand (use the product) and then tell others. This experience creates a relationship that leads to many other relationships. The question for water utilities is whether they have defined the relationships that make sense given the need to serve customers and secure appropriate investment in the water system.

Customer Communications – Water utilities engage in two basic types of communications. The first is customer communications, which provide information that helps customers pay a bill, solve a problem, increase their water-use efficiency, or act accordingly during emergencies or outages. Customer service interactions are extremely effective “branding moments” because the customer is paying attention and the impression from the experience can last a long time. So, it makes sense to ensure that these experiences are governed by standards that make it easy for customers to conduct their business. Communicating with customers outside of service-related interactions is a little more challenging. The good news is that because customer communications have a specific objective, each information piece has stand-alone value. The challenges are twofold: getting people’s attention, for example stimulating interest in water conservation, and reach, increasing the number of people receiving notifications about emergencies or outages.

Strategic Communications – Strategic communications are categorically different than customer communications. Arguably, content should be designed to inform those who are making or influencing policy decisions, including policy makers, utility employees, the engaged public, and high-level community leaders. However, strategic communications are much more challenging than customer communications. This is because a single information piece has little or no value by itself. Even a single investment proposal is evaluated in the context of biases, ideologies, or opinions about the utility’s performance and efficiency. The value of any strategic information piece depends on it being integrated into a program with clear objectives, i.e. ensuring that certain people are substantively informed and building well-defined relationships. And you still have the challenge of getting people’s attention. Sending individual information pieces out into the ether, thinking that you can reach the “general public,” or anyone, makes little sense and wastes rate-payer dollars. Two important questions remain. What is the desired relationship and why is the substantively informed standard not only relevant, but critical?

The Decision-Making Environment – Utilities are public monopolies, so their customers are not making a buying decision and not directly influencing the price of the product. Decisions about capital investments and rates are made by policy makers (city council or water board members) in what most of us would consider a political environment. This makes the utility’s strategic communications even more important than the advertising or promotional communications of consumer brands. And utility communications are more challenging to produce because they must be devised and nurtured in organizations that
have an engineering or technical culture. Often, communications are not even viewed as a strategic issue. In this challenging cultural and political environment, the fundamental question is this: on what basis are issues being decided? Are deciders and influencers informed or misinformed, representing a special interest, or simply being driven by opinions or ideologies? Uninformed or biased decisions are often referred to as “politics,” sometimes without knowing much about the individuals involved and their true motivations. So, what should be the standard for decision making and who should set the standard? It turns out that there is no one else but utility managers to set the standard, which is this: *those making or influencing policy decisions should be substantively informed* about standards, risks, proposed investments, and the utility’s record of accomplishments. Arguably, this standard is credible solely based on its logic, or because there’s no reasonable alternative. Should policy makers and influencers be sort of, or almost, informed?

**Defining the Strategic Relationships** – Returning to the third major factor in branding, we can define the desired relationship in strategic communications as *building a substantively informed group of influential water advocates*. The idea of being substantively informed establishes a standard for what deciders and influencers should know and therefore defines the information they need to receive. It also enhances the credibility of the group. These are not just people who happen to agree with the utility. They are people who want to base their decisions on information and are willing to spend a little time becoming informed. The time issue is critical. Our group of advocates should not be limited to those who have time on their hands. They should be leaders who have significant influence, in other words, people who are busy. So, unless it’s easy to be substantively informed, they will not engage.

**Casting a Critical Eye on Utility Communications** – So, where does this all lead in terms of assessing communications? The problem for many utilities is that there are no standards for strategic communications, no standard for deciders and influencers being substantively informed, no definition for what it means to be substantively informed, and no strategy for building relationships with the most influential people. These foundational issues lead us to a series of questions.

- Is there meaningful transparency?
- Has the utility developed standards on unregulated issues, for example supply and service reliability, affordability, unregulated water quality parameters, finances, and customer service?
- Are these standards used in planning and communications? Is outreach content focused on standards, risks, urgency, and proposed investments, or is it predominantly technical or logistical?
- Is it easy to get up-to-speed on key decisions by the water board or city council, or does it take hours of wading through numerous board packets or meeting minutes?
- Are investment proposals easy to read and compelling, or do they lack the structure to provide clarity on the key issues, namely the relevant standards, the complete nature of the problem or risks, financial considerations, and the ramifications of failing to act?
- Is current information targeted to the relevant audiences, and are publications routinely...
mingle customer communications with strategic communications even though the audiences and objectives are completely different?

- Is strategic information being used proactively to build relationships with specific influencers, or is it simply made available in the hope that someone will read?
- And if someone does read, what outcome or standard does this fulfill in terms of improving policy making and securing appropriate investment in resources and infrastructure?

The Ramifications – Ultimately, having no standards for strategic communications leads to content and activities that have marginal value and inconsistent support for investments and rates. To improve, we must first accept that perceptions and policy decisions are affected by the quality of the utility’s communications. Ineffective communications leave the door open for many of the common political and perception problems facing utility managers, including misinformed beliefs, biases, and undue influence by a few known or unknown people. To ignore this connection, or claim it’s just politics, implies that utility managers believe that current communication are already highly effective. There is little evidence to support this belief and thinking that nothing more can be done is not an empowered point of view. Utility managers might also claim that they are getting the investment they need, so why bother changing. But there are significant differences between utilities with respect to level of investment. It’s difficult to even define appropriate investment if standards on unregulated issues have not been developed. Furthermore, it’s not unheard of for utility managers to withhold proposing an investment because they’ve already decided they can’t get the support. And these are just the familiar challenges. Should we be asking whether utilities are prepared to address the political, public health, social, and economic challenges that lie ahead? It’s hard to predict what the future holds, but shouldn’t public affairs staff have confidence in the transparency and effectiveness of their communications, have a suite of content that helps build strong relationships, be less reactive to public perception fire drills, and have communication standards that help them avoid outreach activities that have marginal value? These benefits are not only possible, but well within reach for utilities willing to change.

A New Foundation – There is no silver bullet for guaranteeing outcomes for decisions that occur in a political environment. Unfortunately, assessing and improving communications is not like solving an engineering problem where it’s possible to find the exact cause of a failure. But if utilities are willing, they can make straightforward changes that produce compelling benefits. Setting standards for strategic communications, when almost none exist today, means creating a new foundation for content and outreach activities. Although this foundation includes a set of common best practices, this does not imply that differences between communities don’t exist. Some are more liberal, others more conservative, and local politics depends to some degree on who decides to engage. But like a runner who must put in the miles before developing a specific race strategy, utilities must have a strong foundation for their strategic communications to tackle local idiosyncrasies. Without this foundation, it’s difficult to understand what can rightfully be attributed to local politics or bias and what is simply lack of clarity. So, what is this new foundation? It’s to develop a suite of
content that treats audiences like shareholders and investors in the water system, makes it easy to be substantively informed, and uses this content to build strong relationships.

**Treating Audiences Like Shareholders/Investors** - People want to be informed, not educated. Students have time to go to class, but influential people are busy. The suite of content below dramatically reduces the time to become substantively informed. It also provides a basis for strategic relationships by focusing on standards, risks, decisions, investments, and ROI.

- **Influential Outreach Programs (iPOP)** employ brief information pieces that address a single decision, activity, or accomplishment (each piece a 30-second read).
- **An iPOP Archive** gives readers the opportunity to get up-to-speed quickly (read 20 pieces in less than 15 minutes).
- **Policy Tickers** make available a list of tweet-length descriptions of recent policy decisions by the board or city council (read 10 decisions in less than two minutes)
- **Business Values and Standards Brochures** provide a narrative that highlights key standards for the utility’s business values, for example supply and service reliability, water quality, customer service, and financial management (a three-minute read).
- **Investment Briefs** use an explicit structure to ensure proposals are brief, easy to read, and compelling (a one or two-minute read).
- **Budget in Brief** summarizes what’s being spent and how the money is used (a two-minute read).
- **Key Messages on Critical Issues** address climate change and reliability, unregulated contaminants, rates affordability, and the link between conservation and supply reliability.
- **The Utility’s Reliability Story** outlines supply and service reliability standards, risks, urgency, and critical investments.
- **Substantive and Easy to Read Strategic Plans** provide an overview of the challenges and investments that lie ahead in terms of reliability, service, workforce, and communications.

The benefits are increased transparency, a definitive content solution for making it easy to be substantively informed, and a foundation for building relationships with influential people.

**Relationships, Who and How Many** – Building a group of substantively informed and influential advocates should not be construed as forming a commission that has regular meetings. It’s more about nurturing relationships with individuals by making it easy for them to be informed. This means getting them signed up to receive iPOP emails and connecting with them individually to make sure they are aware of and receiving other elements of the utility’s marquee content. This can take as little as one hour of their attention spaced out over a year. Building these relationships is obviously not general-public outreach, which is a waste of effort. Reaching a broader audience should be restricted to customer interactions and communications. This is about evolving, significantly changing communication content, and realizing that building more substantive relationships with even 10 or 15 influential people can have a tremendous impact. After all, changing one vote can be the difference
between investing appropriately, or under-investing. Future reliability, and the considerable costs of being unreliable, hang in the balance.

**Change and Leadership** – Although the practices above are straightforward, barriers to change always loom large. People become attached to the current way of doing things. Change is typically viewed as risky or costly, often without with fully considering the risks of maintaining the status quo. Utility managers and staff may also be hesitant to pursue relationships over simply providing information. Information sharing is a one-way street while building relationships requires that we interact, listen, and improve. To make changes, public affairs staff must be willing to let go of current content and practices, and they will need encouragement and new accountability metrics from senior management. The good news is that change doesn’t need to happen over-night and specific changes can be tailored to the needs of individual utilities. Costs are minimal if new practices simply replace current ones. And given how difficult it is to get people’s attention in today’s dizzying media landscape, the risk that someone will complain about the utility changing practices is low. And if someone does complain, embrace them, and build a relationship!

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