

“Branding Moments”

From the Utility Branding Network
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Why Branding for Public Agencies?

It is not uncommon for utility managers or elected officials to ask, "Why does branding apply to our utility? We are a monopoly and do not have competitors."

The simple answer is that utilities need more investment, and money is going to be increasingly difficult to get. That puts pressure on utilities to improve their ability to communicate about the value they provide and secure investment from their communities. *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.* This competition consists of all the other ways people spend their money, including funding other government or civic needs. Specifically, utilities are facing a convergence of important issues that will require becoming better at making the case for investment. Some of these issues include:

- Increasing construction costs and increasing the need for investment in water resources, public health infrastructure, and the environment.
- Increasing competition for dollars from both the private and public sectors.
- Industry structure and utility practices that cause a communication gap between the utility and its policy makers and the public.
- The “politics” of water and how it can cause under-investment.
- The potential for negative branding of utilities.

Value, Trust, and Branding - Securing investment *after* the community experiences broken water mains, sewer overflows, or water supply shortages is clearly not desirable. 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 trials, errors, and research, marketers have concluded 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.

The Power of Branding - Branding is powerful because it understands and embraces human nature. It recognizes that simple perceptions drive people’s decisions. The truth is that 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 people's behavior. If a person wants 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 is what gets people's attention, attracts the dollars, determines price, and drives corporate success. Not accepting the reality of branding and its impacts puts an organization at greater risk for being negatively branded, which can lead to under-performance, lack of investment, or even corporate failure.

People know that an adequate water supply and public health are crucial to a community's prosperity and quality of life. But what can customers expect, or count on, from their local water or wastewater utility, and what price should they pay for water and public health in *their* region? Branding can provide the answers.

In the next installment of *Branding Moments* we will discuss in more detail the specific elements of the water and wastewater utility brands.

Questions and Comments - Feel free to ask questions or to comment on this email. Questions and comments will be compiled and responded to with a follow-up call or email. Please reply to this message or email us at news@utilitybranding.net.

About the Network

The Utility Branding Network for water and wastewater agencies is committed to helping utilities better understand branding principles and to help them build a strong brand with their communities. A strong brand increases trust, support, and investment.

If you are not yet a member of the Network, or just want more information, please contact John Ruetten at john@utilitybranding.net or Jeff Mosher at jeff@utilitybranding.net.

The Network is administered by the National Water Research Institute (NWRI).

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