

Branding Moments E-Message

December 4, 2008 - The Utility Brand as a Fundamental Element of Strategy

Branding Is Communications? - Often when discussing a brand development program, utility managers initially want to delegate the program to the Communications Department. It is immediately assumed that brand building is a communications problem and task. In fact, defining and building a brand must be a fundamental part of the organization's strategy. Although communications is a part of the brand-building process, Volvo did not go to their Communications Department to decide that their brand should be "safe cars." The brand is not just what you say – it is who you are.

Definition of Strategy - In general, developing a strategy means creating a position of advantage. This definition certainly applies to military strategy and to companies that wish to differentiate themselves and move ahead of their business rivals. It also applies to utilities because utilities increasingly need an advantage when soliciting support and investment from their communities. From an operational standpoint, the strategy encompasses the brand of the organization or its products, as well as the decisions and activities that ensure the value in the brand is delivered. For example, if Southwest wants to be the "low cost, on-time airline," then the company must adhere to a set of tactics that ensure it provides this value. For Southwest, these tactics include implementing the "no seat assignment" policy (which speeds boarding), using the same type of airplane to reduce costs, and developing relationships with second-tier airports to remain on time and reduce gate costs. The brand does not just drive the advertising; it drives all the decisions and activities of the organization.

The Utility Brand - The utility brand is defined by a series of commitments that articulate what the utility promises to deliver to its community. For water and wastewater utilities, this typically includes commitments to water reliability, water quality, public health, finances and efficiency, customer service, and environmental stewardship. These commitments are important because regulations alone do not come close to defining the value the utility provides. There are significant differences in water reliability, efficiency, and financial decision making from utility to utility, as well as differences in staff character traits. These differences are a part of each utility's brand, and they impact the level of investment and support the utility receives from its community. To deliver on the brand, the utility must use the brand as the framework for its planning, decision making, and communications. Similar to specific regulations, the standards in the brand ultimately drive the amount of investment (fees or rates) the

utility requests from its community. A good example of using the brand as the framework for planning and activities was included in the July 2008 Utility Branding Network case study on Tucson Water, which used the elements of its brand as the framework for its 2007 business plan.

Let's Be Clear About Branding - Competent branding is not spin, public relations, public education, or advertising. A brand is enhanced, but not defined, by a logo or slogan. It is the foundation for a good strategy because it clearly articulates the value promised by the product or organization. Compelling value is what the public expects in return for their water and wastewater fees. People will pay for value that they understand. A strong brand delivers compelling value and leads to strong support and appropriate investment.