



Why Branding Should Be a Priority

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The last few editions of "Branding Moments" focused on specific elements of the utility brand, such as sound financial management and a commitment to environmental stewardship.

However, because it is all too easy to keep branding on the back burner or think it is just a communications tool, it is important to periodically revisit the reasons why branding should be a priority for utilities. These reasons stem from the fundamental value of a branding strategy. For businesses, good branding maximizes market share and price. For utilities, branding is important because: (1) utilities are competing for community dollars; and (2) reliable high-quality service requires adequate investment in water resources and infrastructure.

The Right Price for Water and Wastewater Services - People already understand that a reliable water supply and public health protection are important to the success of their community. However, utility staff members face the difficult task of working with policymakers and the community to set a price for water and wastewater services that ensures future water reliability and high-quality service. Creating a climate of public trust, support, and political cover to secure necessary rate increases is the path to proper pricing and adequate investment, which is the ultimate objective of utility branding.

Policy Decisions and Policymakers - Rate setting (and, therefore, the level of investment) is typically determined by elected or appointed officials, whether members of a city council or a utility board of directors. As a result, utility branding efforts must focus on helping policymakers feel safe to vote for rate increases that fully fund operations and needed capital investments. The alternative is rate setting that is driven by policymakers' beliefs about what is politically palatable, or an ideological bias about the efficiency of utilities. Strong branding includes: (1) planning and communications that clarify the benefits of investing; and (2) an ongoing process for building relationships with community leaders. The clarity and relationships built using the branding process provide the foundation for a productive dialogue with policymakers about needed rate increases.

The "Cost" of Not Having a Branding Strategy - Products that lack a branding strategy either sell for the lowest price or simply fail. The conditions that arise

when utilities do not have a branding strategy include fear-based rate setting, difficult policymakers, under-informed community leaders, and systematic underinvestment. Unfortunately, many utility staff members have accepted some or all of these conditions as normal, having resigned themselves to the "politics" of water investment.

The Power of Branding - With a branding strategy in hand, utility staff members are empowered. They have the tools to resolve the issues noted above because branding provides a systematic approach to clarifying the utility's value and helping policymakers make good decisions. The prize is a rate structure that funds adequate investments in water resources, public health, and infrastructure – which is what the community ultimately wants and deserves.

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).

Utility Branding Network

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