



Customer Engagement for Water Utilities

Breakthrough Technologies that Improve the Customer Experience



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Customer Engagement for Water Utilities

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There is nothing more powerful than an idea whose time has come. This couldn't be truer for water utilities and the idea of customer engagement. Water providers have an exciting opportunity to use new technologies, data, analytics, and the science of persuasion, to create a higher quality experience for customers. Utilities can meet their customers' demands for more choice, greater flexibility, and actionable advice. And they can even provide the motivation clients need to participate in worthwhile activities like conservation.

Financial Pressures Abound

The ability to connect with customers in new and efficient ways couldn't come too soon for all of us. Many customers are under substantial financial pressure and are demanding greater access to their water usage and billing information. At the same time, water utilities are also suffering from bleak economic conditions and constrained resources that range from depleting water supplies or expected shortfalls to falling revenues.

Costs related to employee salaries, healthcare, and benefits continue to go up, as does the basic price of water. Add in an aging infrastructure in need of repairs, and you have a not-so-perfect economic storm.

Water utilities are being asked to do more with less but luckily, that's a challenge that the customer engagement model can address. Customer engagement involves broadening the existing communication channels your organization uses to connect with clients and it entails offering more self-service options. By using technology to deliver personalized information to each of their accounts, providers can increase customer satisfaction while strengthening client relationships.



In the area of water conservation, if utilities are going to create lasting results, customer engagement is a necessity. When it's really working and clients are truly engaged, they become active collaborators in the process to drive water efficiency.

E-banking Provides a Sound Model for Water Utilities

Electronic banking offers a model for water providers. Banks have really pushed the envelope on customer engagement over the last couple years, and that can be seen in the breadth of services and interaction channels available to banking clients.

For example, bank customers can login to a secure website and check their bank balances anytime during the day. They can see which checks/ deposits have cleared and make online payments. They can automate monthly tasks, receive bills electronically, and be notified via e-mail if they fall below a certain balance. They can even scan checks they've received and deposit them remotely, using a smartphone or mobile device.

These are all processes that five years ago, could only be performed at a bank's physical location. What banks discovered, however, is that by offering more self-service options, in a variety of "channels," and incorporating modern communications technologies, they have increased customer satisfaction, expanded their services, and cut their costs. These are certainly goals shared by municipal water providers.



Your Customers Expect More

Most water utilities are already hearing the message from their customers: "Give me access to my consumption whenever I want, help me manage my costs, and show me places where I can use less water." Luckily, advances in meter reading, Internet technologies, and analytics are making it possible to satisfy these requests.

For those utilities that have invested in fixed base Advanced Metering Infrastructure (AMI) reading systems, the foundation is in place. With AMI, utilities can read water meters on a daily basis and if necessary, more frequently. They offer a host of features but more importantly, they provide the usage data needed to answer questions that customers are beginning to ask about such as:

- What's my current bill?
- How are my rates changing?
- How does my usage compare with previous time periods and my neighbors?
- Do I have a leak?
- Am I irrigating properly?

Crossing the "Last Mile"

The "last mile" in the telecommunications and cable TV industries refers to the final distance a provider must cover to actually bring telephone, TV, or Internet service to a customer. Many companies spent a lot of money laying miles and miles of wire and cable that would bring Internet service, for example, right to the end of a customer's driveway or block. The last leg--into the client's home--although shorter, often proved too costly and challenging to cover.

The equivalent of the last mile for water utilities is accessibility to information. Even though providers invest in automatic meter reading systems, giant databases, and trained staff members, if the information contained in those resources is not usable by clients, its value is limited.

It Starts with the Web

The greatest communication channel ever created is the World Wide Web. The first step a water utility can take to build customer engagement is to provide a Web portal where customers can:

- See how much water they're using
- View an estimate of their bill during the billing cycle
- See how their usage compares to previous time periods.

Supporting the Mobile Channel

The next step is to support the communications channel used by millions and millions of people--cell phones and mobile devices. This involves making information that is delivered via the Web portal, accessible in a mobile Web browser or smartphone software application format--e.g. Android or Apple "app." It also means offering e-mail and text (SMS) notification capabilities.



“ The next step is to support the communications channel used by millions and millions of people--cell phones and mobile devices ”

Getting Customers Engaged in Water Conservation

Water Conservation is definitely an area where utilities could use more consumer engagement. Studies show that most people want to save water--whether for economic, environmental, or ethical reasons. The reality is that many simply don't. Organizations promoting energy efficiency suffer from the same paradox.

What often goes unstated but everyone knows is that water utilities have a natural conflict of interest when it comes to conservation. Providers' revenues are directly tied to water sales. At the same time, water resources are limited and it's important for utilities to be good stewards. If there are water shortages, and utilities encourage consumers to conserve, it's not unusual for rates to increase. This leads to strong customer dissatisfaction and even resentment.

Customer engagement creates balancing pressures by enabling utilities to hear feedback directly from customers and to incorporate that into their policy decision making processes.

If People Want to Save, Why Don't They?

A nationwide "Energy Efficiency and Attitudes Survey" conducted by Opower in 2010 related to electricity usage found that "87% of households want to save more energy at home." Despite this fact, "utility efficiency programs typically have less than 1% participation." The million dollar or million megawatt question is "why?"

If consumers aren't participating in water conservation, the likely causes are that they don't have the tools necessary to do so, or they lack necessary motivation. If water utilities can address these hurdles, they can dramatically improve consumer participation and their conservation results.

Incorporating the Psychology of Persuasion

"Social proof, also known as informational social influence, is a psychological phenomenon where people assume the actions of others reflect correct behavior for a given situation. Social proof...maintains that people are especially likely to perform certain actions if they can relate to the people who performed the same actions before them."¹



“People were most likely to conserve when presented with information about their peers exhibiting the desired behavior.”

One way to leverage the dynamic of social proof in the context of water conservation is to bring positive peer pressure by showing customers how they're water consumption compares to neighbors in similar sized homes with equal numbers of occupants. And even stronger motivator would be to show customers how they compare to their most water efficient neighbors.

The Opower study showed that "...people were most likely to conserve when presented with information about their peers exhibiting the desired behavior." These comparisons can strongly influence consumers to be more water-wise and encourage them to seek out the assistance necessary to do so.

The Ideal Customer Engagement Solution

What does the ideal customer engagement solution look like? It should incorporate several of the following characteristics:

Intuitive Web Portal and Mobile Support

The system should incorporate technologies so that customers can access information anytime, anywhere they want. The system should be intuitive, easy-to-use, and support smartphone and mobile device access.

Water Usage Tracking

The system should allow customers to see how much water they're using and how much they're spending, during the billing cycle. Another useful capability would be to support customers in establishing a monthly water budget. Sometimes referred to as "threshold billing," clients can specify an amount of money/water they want to spend/use each month and be alerted if

they're consumption is trending to exceed that value. The system could provide positive pressure and value to the customer by entering a default amount that is the average consumption for similar users.

Leak Detection & Notification

The EPA estimates that "the amount of water leaked from U.S. homes could exceed more than 1 trillion gallons per year. That's equivalent to the annual water use of Los Angeles, Chicago, and Miami combined."²



The system should be able to detect a variety of leaks--e.g., continuous and intermittent--and facilitate proactively notifying customers so that problems can be fixed quickly. The system should also support alerting the provider when meters have been tampered with, or are not operating properly.

Irrigation Efficiency

Irrigation efficiency is a key area where water utilities can share their expertise to help customers maintain healthy, vibrant landscapes while using the least amount of water. Most consumers don't know the basics of landscape area, evapotranspiration (ET) and irrigation requirements (IR). And they certainly don't know how these factors can be used to avoid over-irrigation.

If the provider can combine these elements, calculate an accurate IR for each account, and then present the information in a way that consumers can easily understand and use it, they can substantially reduce the amount of wasted water that is unnecessarily poured on residential and commercial landscapes each year.

Cloud-based Hosting

A solution that is Web-based and hosted in the "cloud" offers a cost-effective option for most water utilities. Given that utility budgets are tight, the Software-as-a-Service (SaaS) model is ideal because it requires no hardware or software to purchase or install, and no onsite IT resources for support. Cloud-based systems can be configured for security, data is continually backed up, and they can scale easily to support large numbers of users.

Versatile Data Analysis

The system should manage large data sets seamlessly and incorporate statistical analysis in order to extract usable information from the data. It should support viewing data in varied ways by different staff members performing different roles. It should accommodate adding other measurements in the future.

Configurability

Each utility will have different requirements so the customer engagement system needs to be configurable. It should support different stakeholders--customers, utility personnel, and management--by giving them access to the tools and data they need to perform various tasks.



“ It's easy to get started with customer engagement solutions, and you'll see results quickly. ”



Integrated Task Management

As utilities engage with customers across multiple communications channels, they'll want to record these interactions and manage follow-up tasks. For example, your customer service team may try to contact an account but not get through and need to schedule a follow-up. The water operations team may need to visit the customer site to make meter repairs. The conservation team may need to provide individualized assistance to help an account solve an irrigation problem.

Whatever the tasks, utilities will want to assign, classify, and track them. The solution should support this process, provide visibility to management, and offer supportive workflow and notification to ensure things get done efficiently.

Management Reporting

In addition to delivering useful information to customers, the solution should enable "big picture" or macro-views that management is interested in seeing. If management can see trends and summary information, forecasting and planning is easier, and they can make more informed decisions.

Customer Engagement is Here and Now

Customer engagement solutions offer powerful leverage for water utilities. Your organization already has useful data and lots of know-how. If you synthesize these elements and proactively deliver them to the customer in a variety of channels, you can measurably improve the customer experience. Not only will you establish greater trust and build stronger client relationships, you'll change from "the utility that just sends customers bills" to "the utility that cares and is helping clients save water and money."

It's easy to get started with customer engagement solutions, and you'll see results quickly. Customers want your help, and many will actively collaborate with you. They just need a little motivation and the right tools. The solutions are affordable, they can be implemented easily, and they have the power to transform your organization.

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About AmCoBi

AmCoBi develops Web portal solutions that help water utilities improve customer engagement, customer communications, and water conservation results. These solutions enable water providers to deliver actionable information to their customers so they can save water, save money, and be more efficient. Designed for utilities that use fixed base, Advanced Metering Infrastructure (AMI) and mobile Automatic Meter Reading (AMR) systems, AmCoBi solutions increase customer satisfaction, encourage client self-service, and deliver unmatched value.

Endnotes

1. Wikipedia: http://en.wikipedia.org/wiki/Social_proof
2. <http://www.epa.gov/WaterSense/pubs/fixleak.html>

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