
Final Report

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Conservation Marketing Plan

Prepared for

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Table of Contents

Report

Executive Summary	1
Recent Campaigns	1
Objectives for Conservation Marketing	2
Strategy	3
Concrete Target for 2008-09 Campaign	3
Marketing Tactics.....	4
Budget Recommendations.....	4
Coordination with other District Activities.....	4
Introduction	5
Background on Need for Water Conservation	6
Objectives of this Research and Marketing Plan.....	7
Project Tasks	7
Organization of Report	7
Market Assessment	8
Water Use Trends.....	8
Conservation Programs.....	9
Communication Efforts	10
Public Response	12
Attitudes and Awareness.....	13
Landscape and Agricultural Industries.....	14
Lessons From Other Cities.....	15
Implications	16

Table of Contents

Marketing Plan	17
Long-Term Objectives.....	17
Long-Term Audiences.....	18
Long-Term Desired Attitudes and Behaviors.....	20
Opportunities and Constraints.....	22
Long-Term Strategy.....	23
Long-Term Budget Implications.....	25
Measuring Long-Term Success.....	26
Short-Term Objectives and Strategy (2008-09).....	27
Possible Elements of the 2008-09 Plan.....	28
Budget Detail for the 2008-09 Plan.....	31
Possible 2008-09 Implementation Schedule.....	32
Working with Distribution Channels.....	33
 Appendices	
A. Summary Water Use Data for Santa Clara County.....	35
B. Conclusions from 2007 Residential Telephone Survey.....	39
C. Focus Groups.....	42
D. Water Conservation Marketing Case Studies.....	65
E. Demographics of Target Households.....	73
F. Customer Segment Tactics.....	79

Communities throughout the U.S. are looking to water conservation to help address long-term and short-term water supply challenges. Some regional agencies have chosen to take a prominent leadership role in local water conservation, plus invest substantial funds in community-wide conservation marketing. These new marketing campaigns direct target audiences to take specific actions. A number of regional agencies now spend several million dollars per year just on conservation marketing.

As a wholesale water provider across Santa Clara County, the Santa Clara Valley Water District (“District”) is well-positioned to achieve the same regional water conservation results as other major regional providers.

The District retained BBC Research & Consulting (BBC) in Denver, with the assistance of Milagro Marketing in San José and DZ Consulting in Gilroy, to develop a long-term (5 year) and short-term (1 year) water conservation marketing plan that supports its overall conservation goals. The BBC study team prepared the long-term and short-term marketing plan based on analysis of past marketing efforts, qualitative research with target audiences and assessment of marketing opportunities.

BBC submitted a draft report to the District as a starting point for staff discussion of the objectives, strategies, tactics, budget and schedule for both the long-term and short-term marketing plan. The BBC study team reviewed District input when preparing the final plans.

Recent Campaigns

The District operates a number of conservation programs targeting specific residential and non-residential uses. Programs often employ rebates to encourage use of highly efficient fixtures, appliances, equipment and landscaping. The District makes free visits to homes, businesses and farms to offer advice that can lower water use. Since the early 1990s, local water retailers have primarily looked to the District to lead water conservation efforts in the county. Some water retailers also independently operate limited conservation programs.

Each year for the past four years the District has invested between \$170,000 and \$450,000 in broad water conservation marketing campaigns. These campaigns typically run from May through September. However, the objectives for marketing outreach campaigns have often varied. Some recent efforts asked for a general voluntary reduction in water use. Other campaigns sought to increase the volume of District rebates or home visits, or improve water conservation awareness.

District conservation staff report that past campaigns fell short of desired results. Results of BBC’s focus groups are consistent with this finding: very few local homeowners recognized any of these campaigns, even after showing participants past ads. Few focus group participants knew much about the District or water supplies. Homeowners identified water and conservation activities as coming from their local retailer, the agency that sends them their water bill.

The District has an opportunity to redirect its general marketing efforts to achieve greater participation in District water conservation programs. Long-term, the District will also need to allocate more of its conservation program budget to water conservation marketing.

Objectives for Conservation Marketing

The District should consider the following as a starting point for the long-term objectives of the conservation marketing plan.

a. Build public awareness about the District as an agency with expertise in water resources and water conservation.

Water conservation efforts are hampered if target audiences are not aware of the agency promoting the programs. Further, success of the proposed marketing effort depends on the District being perceived as serving the community through giving expert advice. The need for the District to be perceived as an agency with expertise in water is important in order for target audiences to contact the District.

b. Promote actions that achieve long-term reductions in use.

To ensure that water will be available to meet the needs of future generations, residents and businesses in the county must become more efficient in their use of water. Many District conservation programs are designed to help achieve these long-term savings. Because conservation and participation in conservation programs is voluntary, it is a partnership between the public, the District and its water retailers. For the District to meet its long-term supply goals, it is therefore important that the community adopt water conservation as a way of life. The marketing plan should increase activity across the District's conservation efforts, including those meant to bring about hard to quantify attitudinal changes.

c. Be prepared to lower use in response to drought or other supply reductions.

A long-term objective for the District is to prepare the Valley for the next drought and ensure a rapid and effective drought response. There are non-drought factors, such as environmental and regulatory restrictions, that could trigger a need for rapid and substantial reductions in water use. The Valley must prepare for these contingencies.

Strategy

A phased strategy is recommended.

1. Achieve early success, and increase use of rebates and visits, through a 2008-09 campaign that calls on homeowners and businesses to “ask the Water District” before making plumbing, fixture, appliance, landscaping or water-intensive business equipment decisions. The reason to “ask the Water District” is that it has rebates or will make a free home or business visit to give advice. Rebate and visit programs will be marketed as a cohesive whole rather than as individual initiatives.
2. Once the District is recognized as an organization with expertise in water, the District could launch a Green Leader campaign that would guide environmentally oriented residents and businesses on how to be low water users. Partnerships with local high-tech companies would be essential in this phase (2009-10).
3. After phases 1 and 2, the District may be positioned to become more relevant at the community and neighborhood levels. Neighborhoods and communities, including ethnic communities, would conserve as a group (phase for 2010-12). Grass-roots marketing helps achieve this outcome.

These phases focus on long-term conservation, not emergency restrictions. After the District completes its drought plan, it should design an emergency conservation marketing effort to support the plan (and reserve sufficient budget for marketing).

Concrete Target for 2008-09 Campaign

The District is finalizing a strategic water conservation plan to achieve the long-term goals as outlined in the District’s Urban Water Management Plan. The strategic plan lays out both short-term and long-term goals for individual conservation programs.

The FY 2008-09 campaign would achieve other objectives as well, especially helping to establish awareness of the District as an agency with expertise in water and the ability to serve the local community. In addition, the campaign would create attitudinal and behavioral changes resulting in permanent savings.

Marketing Tactics

The 2008-09 plan includes a flexible mix of elements depending on available budget. An initial concept of short-term plan elements and budget allocation is discussed. Components such as web-based marketing, “street teams” and other new social marketing tactics are additions to traditional elements such as radio.

This marketing will drive phone and web traffic to the District. The District will need to maintain a customer service center with adequately resourced phone line and web capabilities to convert traffic into rebates and visits. Because the District will be marketed as an agency with “expertise,” it must be able to deliver advice via phone, website and email. This may require changes to the website, and the District should evaluate staff and training needs.

The District needs simple, quality creative. Specific creative is not a part of the short-term marketing plan; development of creative would be a part of later plan execution. Creative elements should be tested in focus groups before execution.

Budget Recommendations

In recent years, the District has spent between \$170,000 and \$450,000 per year for general marketing of water conservation within the county. The District’s marketing budget is lower than agencies such as Southern Nevada Water Authority and Denver Water. In response to drought, East Bay MUD recently increased its marketing budget to more than \$2,000,000. Regional conservation marketing efforts are often ineffective in markets the size of Santa Clara County without considerably greater funding.

A minimum of about \$700,000 for the FY 2008-09 marketing campaign is recommended, and the total marketing budget could exceed \$1 million in future years if additional phases are implemented.

Regional water providers that have substantially increased marketing budgets report considerable success. Metropolitan Water District, Southern Nevada Water Authority and Denver Water are examples.

One reason for the recommended increase in funding for the District’s water conservation marketing is the limited recognition and understanding of the District in general among target audiences.

Coordination with other District Activities

Because the suggested focus of the FY 2008-09 campaign is to generate more interest in rebates and home visits, the District would need to evaluate its current resources and capabilities, including staff and web, to determine if any additions are needed to accommodate the increased demand and reach the goals identified in this plan.

The recommended conservation marketing will assist in creating awareness and positive perceptions of the District. However, the District may still need to carry out additional communications efforts to raise general awareness and visibility in the community. Since those efforts are not directly related to increasing participation in water conservation programs, they are beyond the scope of this plan.

Santa Clara Valley Water District (“District”) is the regional water provider for Santa Clara County. It also responsible for local flood protection and watershed management. The District does not directly serve local customers—13 agencies directly provide water to residences and businesses in the county. These “retailers” include cities, a public water district, a university and three investor-owned utilities (See Figure 1). Each local community may be served by multiple water retailers.

The Santa Clara Valley Water District retained BBC Research & Consulting (BBC) in Denver, with the assistance of Milagro Marketing in San José and DZ Consulting in Gilroy, to develop a long-term and short-term water conservation marketing plan. BBC is a national expert in water demand and conservation, and social marketing. Milagro Marketing and DZ Consulting design innovative marketing strategies in Silicon Valley and other regions, including marketing to ethnic communities.

The District implements water conservation programs throughout the county. Some local water retailers partner with the District in their water conservation programs.

Figure 1.
Local water providers for Santa Clara County cities

City	Water Source*	Local City	Purissima Hills Water District**	Stanford University	Served by investor-owned utilities		
					San José Water Company	California Water Service Company	Great Oaks Water Company
Campbell	SCVWD and other				■		
Cupertino	SCVWD and other				■	■	
Gilroy	Other	■					
Los Altos	SCVWD and other					■	
Los Altos Hills	SCVWD and other		■			■	
Los Gatos	SCVWD and other				■		
Milpitas	SCVWD and other	■					
Monte Sereno	SCVWD and other				■		
Morgan Hill	Other	■					
Mountain View	SCVWD and other	■				■	
Palo Alto	Other	■		■			
San José	SCVWD and other	■			■		■
Santa Clara	SCVWD and other	■					
Saratoga	SCVWD and other				■		
Sunnyvale	SCVWD and other	■				■	

Note: * SCVWD refers to water provided by the District not including a city’s local wells. Other water sources include Hetch Hetchy, local wells and non-SCVWD surface water.

** County special district

Background on Need for Water Conservation

In 2007, total water usage in Santa Clara County was estimated to be 383,000 acre-feet. Without conservation, county-wide water demand in 2007 would have been 42,000 acre-feet more.

With limited water sources and a growing population, water conservation is essential to achieving the long-term reliability goal and addressing short-term shortages caused by droughts, both natural and regulatory, or a major catastrophe. As discussed below, water conservation serves many purposes in Santa Clara County.

Drought response. Drought has been a part of Santa Clara County throughout its history. Recent droughts in 1976-1977 and 1987-1992 severely affected the county. County water users responded well when asked to conserve during these droughts. In the 1987-1992 drought, the District sought a 25 percent reduction in water use through mandatory conservation measures, and achieved this reduction. The drought did result in the District developing a robust conservation program, which has resulted in permanent savings, including substantial indoor water savings. However, emergency conservation during drought is a distant memory for many local water users, and growth in the region means that a large share of current residents were not part of the past community drought response.

The District has had abundant water supplies in recent years, which creates an additional challenge in communicating why water users should conserve. Although conditions in early 2007 suggested that the region was entering another drought, reservoir levels have improved through spring 2008.

Uncertainties. The Sacramento-San Joaquin Delta supplies almost one-half of the water used in Santa Clara County. Issues regarding

management of the Delta have been developing over many years. Long-term environmental degradation of the Delta has affected critical habitat. In 2007, a regulatory drought was triggered by a court ruling that ordered that up to one-third of the water normally delivered through the Delta be curtailed to protect the endangered Delta smelt fish species. Water providers that use water from the Delta, including the District, are concerned about potential long-term cutbacks in supplies.

There are also long-term concerns about how climate change will affect Sierra snowpack, which could dramatically affect the yield of many water supply projects in the state. These uncertainties are an additional reason for local water conservation.

Water for the future. The Association of Bay Area Governments (ABAG 2005) projects that the population of the county will increase to 2,267,100 by the year 2030, almost a 30 percent increase over the year 2007 population. This increasing population and significant job growth will increase demand for water. Local water users will need to become more efficient to be able to accommodate growth. The conservation efforts planned between now and 2030 are anticipated to offset about one-half of the additional water supplies needed to meet increased demand.

Water conservation to be environmentally responsible.

Supplying and treating water is the single largest use of energy in California. Many who are concerned about reducing energy use and lowering their impact on the environment are beginning to see the link between conserving water and other environmental benefits. The energy savings resulting from the District's conservation and water recycling programs are spelled out in the District's 2007 report *From Watts to Water: Climate Change Response, through Saving Water, Saving Energy, and Reducing Air Pollution*.

Objectives of this Research and Marketing Plan

The District is seeking to expand the success of its water conservation efforts over the next five years. An effective water conservation marketing plan is necessary to achieve this goal. The District is separately developing a water use efficiency strategic plan, which was not complete at the time of BBC's analysis. The water conservation marketing plan presented here should integrate with this strategic plan for specific water conservation programs.

Objectives of BBC's assignment include:

- Research and analysis on target audiences, competitive environment and distribution channels;
- Identifying key themes for conservation marketing;
- Development of a five-year marketing plan; and
- Development of a marketing plan for 2008.

Project Tasks

BBC, Milagro Marketing and DZ Consulting initiated this assignment in late January 2008. The study team completed focus groups, in-depth interviews, case studies of other regional conservation efforts and other tasks in March. The study team then worked closely with District staff to refine a draft plan in April. Study tasks are summarized in Figure 2.

Organization of Report

The first half of this report summarizes results from BBC's market assessment. The second part of the report begins with a long-term marketing plan, followed by recommendations for the 2008 marketing plan.

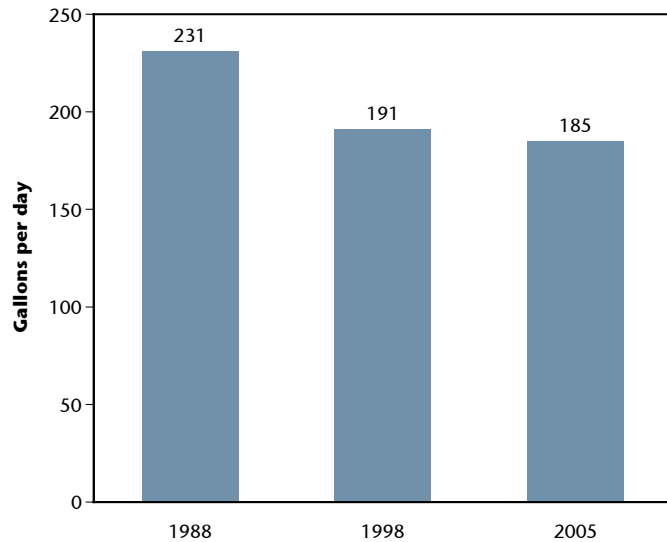
Figure 2.
Scope of services for District Water Conservation Marketing Plan

Scope of services for SCVWD Water Conservation Marketing Plan
Comprehensive Market Analysis
Review water use patterns
Identify past and current conservation programs
Conduct focus groups with residential customers
Review data from past customer telephone survey
Interview business/agricultural water users and landscape industry
Compile and assess local conservation communications
Review regional conservation efforts in other communities
Prepare comprehensive market assessment
Development of Conservation Marketing Plan
Establish marketing objectives
Develop overall philosophy of the marketing plan
Prepare long-term and short-term communications strategy and tactics
Develop program implementation schedule
Prepare budget
Develop evaluation plan
Prepare final report

Total water use in Santa Clara County has declined on a per capita basis since the beginning of the 1987-1992 drought. Figure 3 illustrates the decline in per capita use since 1988.

Per capita statistics overly simplify how water is actually used, combining residential usage with water demand from commercial, industrial and other customers. As shown in Figure 4, residential use represents about 60 percent and non-residential use 40 percent of urban water demand in the county. California Department of Water Resources reports indicate that more than one-half of residential use is for lawns and other outdoor purposes. (See Appendix A for additional information on county water use.)

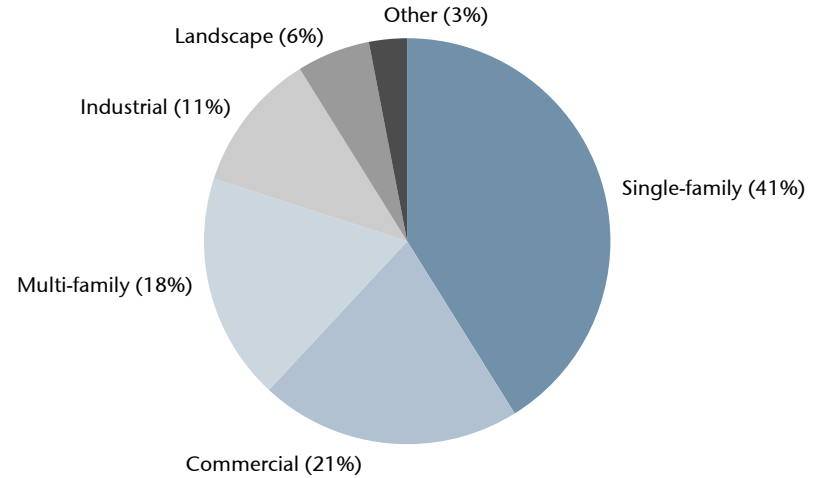
Figure 3.
Per capita water use in Santa Clara County, 1988, 1998 and 2005



Note: 1998 and 2005 figures are based on total water use reported by District and total county population reported by the State of California.

Source: SCVWD Water Utility Enterprise Reports, selected years.

Figure 4.
Urban water use by customer class in Santa Clara County, 2001



Source: Santa Clara Valley Water District 2005 Urban Water Management Plan.

District Programs

The District operates a number of conservation programs targeting specific residential and non-residential uses. The programs include efforts to reduce indoor and outdoor water use.

As shown in Figure 5, programs are typically rebates for use of highly efficient fixtures, appliances, equipment and landscaping, or free visits to homes, businesses and farms to offer advice on lowering water use. The District also distributes some items directly, without using rebates.

The District has small marketing budgets to directly support each of these programs. The District also has broader water conservation communications efforts, which are discussed on page 10 and page 11.

Programs of Local Retailers

Since the 1987-1992 drought, the District has taken the lead in developing and implementing water conservation programs throughout the county. Most local water retailers partner with the District in conservation programs, though in varying degrees. This partnership could be in the form of co-funding conservation programs, assisting in marketing efforts and distributing devices such as low-flow showerheads.

Some retailers operate their own programs. For example, San José Water Company operates its own home audit program. Sunnyvale promotes water conservation in hotels. Because it was agreed that the District would implement conservation on a regional basis, relatively few other programs are separately implemented by local retailers.

Figure 5. Summary of District conservation programs

SCVWD conservation programs	Program summary
Residential programs	
High-efficiency toilet rebates	\$125 for replacing with high-efficiency toilet
Clothes washer rebates	\$125-\$200 for replacing with a high-efficiency washer
Showerhead / aerator distribution	Offered free
Water softener replacement rebates	\$150 for replacing timer-based with a demand-initiated regeneration softener
Irrigation system hardware rebates	Rebates on hardware costs up to \$1,000
Water-Wise house calls	Visit home and suggest changes, free
Residential and commercial programs	
Irrigation system hardware rebates	\$1,000-\$4,000 rebate on hardware costs
Water efficient landscape rebates	Rebate for removal of high-water landscapes if replaced with low-water plantings and/or permeable hardscape
Weather-based irrigation controller installation	Up to \$1,100 for installation of controllers
Irrigation technical assistance	Free site evaluations
Commercial programs	
Clothes washer rebates	\$400 for installation of high-efficiency washing unit
Commercial and multi-family high-efficiency plumbing retrofit (HETs and urinals)	Free installation of high-efficiency toilets to qualifying businesses and schools
Water surveys	Free survey helps assess customer water conservation needs
Water efficient technologies (WET)	Up to \$50,000 for equipment or process changes that conserve water and reduce wastewater flows
Cooling tower conductivity controller rebates	Up to \$900 for the installation of a conductivity controller
Agricultural programs	
Mobile lab	Visit farm to suggest improvements and offer a \$3.75 per acre/ft discount
California irrigation management information system	Free daily ET info
On-line irrigation scheduling calculators	Information to better schedule irrigation

Each year for the past four years the District has invested between \$170,000 and \$450,000 in broad water conservation marketing campaigns in the county. These campaigns typically run from May through September. Campaign objectives have often varied, which has hampered long-term success. The campaigns have used multiple media and often included marketing in Spanish. Figure 6 below describes the campaigns in detail.

District conservation staff report that the campaigns fell short of desired results. In most cases, the campaigns were designed to drive target audiences to call the District for a particular program or go to the SCVWD website about a program. Analysis of calls and website hits suggests that the campaigns, in general, did little to drive this traffic. BBC’s focus group research found very little recall of any of these campaigns, even after showing participants past ads.

Figure 6.
District water conservation marketing campaigns

Conservation campaigns	Objective	Conservation efforts	Funding	SCVWD reported results
SCVWD 2007 Outreach Campaign: “Water Reductions Requested. Extremes Not Required.” Also: “When it rains, it doesn't always pour.”	A summer campaign with two phases called for 10% reduction in water use.	Multi-media campaign with bus and newspaper ads promoting Water-Wise house calls and conservation action. Post cards and door hangers were distributed to 15,000-30,000 residents. (Multi-lingual)	\$450,000 between two phases	Little increase in program participation.
SCVWD 2007 Regional Outreach Campaign: Water Saving Hero! Various characters were portrayed as Water Saving Heroes.	Residents were encouraged to go to watersavinghero.com.	Appeared in San José Mercury News, billboards, local community papers and major radio stations.	SCVWD contributed \$100,000 to SFPUC campaign	Campaign had great visibility but did not drive traffic to SCVWD (only 53 web hits came from Watersavinghero.com).
SCVWD 2006 Outreach Campaign: “Save it while we've got it” Also used “[Water is Life].”	To increase Water-Wise house call sign-ups to reduce water use. To promote the value of water and water saving tips.	A multi-media campaign launched through radio, print, television, billboards, transit signature, and community outreach.	\$224,000 for May-Sept campaign	Increased Water-Wise house calls by 425.
SCVWD 2005 Outreach Campaign: “We See Water.” Ads identified: (1) a fact about Santa Clara water use; (2) a tip on how to save water; and (3) water saved by that conservation effort.	To reduce water demand by encouraging the public to implement water-efficient technologies and habits.	Multi-media campaign through radio, print, television, water bill inserts, school outreach, on-hold messages, and web sites. The ads ran in multiple languages.	\$170,000 for May-Sept campaign	SCVWD believes campaign increased awareness among residents.

The District and local supplier conservation programs operate in an environment influenced by news media as well as water supply and conservation messages from other organizations. County residents may also see and hear water conservation messages from other regional, statewide and national conservation activities. Several programs are introduced here.

Water Saving Hero is marketed throughout the Bay Area. The District was a campaign partner in 2007. Some local retailers have also been partners. Campaign marketing budgets have been substantial.

The Association of California Water Agencies’ public education campaign is designed to raise awareness of the state’s water crisis. The campaign uses television, radio, print, Internet and community outreach to reach state residents (and has a substantial statewide budget). Although not directly a conservation message, ACWA activities could reinforce the need to conserve.

The California Water Awareness Campaign is an umbrella effort for local governments throughout the state to promote understanding of water supply issues and water conservation. The Nice Save! Program launched in spring 2008.

The California Urban Water Conservation Council, under a cooperative agreement with the U.S. Environmental Protection Agency, maintains the H2OUSE website as a resource for households seeking water conservation tips. This website also links to the District.

Other national efforts include the WaterSense label promoting water efficient appliances, fixtures and other materials. The U.S. Environmental Protection Agency sponsors this program.

Figure 7. Regional and national water conservation campaigns



The District has achieved success across a number of conservation programs. Figure 8 summarizes the District’s conservation program participation results to date. Activity for FY 2006-07 is also shown (note that some programs were new in 2007).

Figure 8.
District conservation programs summary

Program name	Begin date	Program participation	
		Fiscal year 2006-2007	Total through spring 2008
Residential programs			
Residential high efficiency toilet rebate	2004	402 rebates	2,025 rebates
Residential clothes washer rebate	1995	9,433 rebates	79,644 rebates
Showerhead/aerator distribution	1992	15,947 distributed	240,115 distributed
Water softener replacement rebate	2003	410 rebates	948 rebates
Residential irrigation system hardware rebate	2007	New	9 rebates
Water-wise house-call	1998	2,121 surveys	23,016 surveys
Residential and commercial programs			
Irrigation system hardware rebate	2005	2 rebates	7 rebates
Water efficient landscape rebate	2005	41 rebates	96 rebates
Weather based irrigation controller installation	2004	217 installations	497 installations
Irrigation technical assistance	1995	95 surveys	900 surveys
Commercial, industrial and institutional programs			
Commercial clothes washer rebate	2000	215 rebates	2,870 rebates
CII & multi-family high-efficiency plumbing retrofit	2004	3,137 installed	8,318 installed
Commercial water survey	2003	45 surveys	165 surveys
Water efficient technologies (WET)	1997	2 rebates	71 rebates
Cooling tower conductivity controller rebate	2007	New	New
Pre-rinse spray valve	2003	1,431 installed	4,300 installed
Agricultural programs			
California irrigation management information system	N/A	N/A	N/A
On-line irrigation scheduling calculators	N/A	N/A	N/A

As part of qualitative research, BBC conducted three focus groups with local residents at a focus group facility in Westfield Oakridge Mall in February 2008. Each focus groups had 10 participants. In the marketing world, focus groups are seen as an important tool to:

- Gain information on how groups of people think or feel about a certain topic;
- Provide greater insight into why certain opinions are held;
- Help improve the planning and design of programs;
- Provide a means of evaluating existing programs; and
- Produce insights for developing strategies for outreach.

District staff were able to view these focus groups (BBC and Milagro Marketing moderated the groups). One group was held in both English and Spanish. Figure 9 summarizes key findings. A detailed discussion of results can be found in Appendix C.

Few focus group participants knew anything about the District or the ultimate source of their water (organization or physical source). They identified water and conservation activities as coming from their local retailer, the agency that sends them their bill.

Recall of any District conservation marketing programs was very low, even when participants were shown examples of campaign materials. When shown these materials, a number of participants did not seem to understand the conservation messages or desired actions.

Some participants had lived in the area during the 1987-1992 drought. They could recall in some detail the measures they took to save water, and how this still influenced their thinking about water

use. In general, water conservation is important to local homeowners (consistent with District telephone survey findings, which are discussed in Appendix B). Participants agreed that “wasting water” was bad (which to them meant running sprinklers when it’s raining or having water run off your yard and down the street).

Focus group participants supported the idea of rebates, contests, other financial incentives and home visits, and warned against “negative” conservation messages. Some participants also mentioned that they would conserve if they were told they were high-water users.

Figure 9.
Summary of focus group responses

Focus group responses
Yard, lawn and “green” are important, associated with “family.”
Watering keeps it green.
High water use = teenagers, extra family members leading to more laundry and long showers and other indoor use.
“Wasting water” = sprinklers running when raining and water running down street.
Strong awareness and interest in energy conservation (especially PG&E programs).
Know their local water retailer.
Limited recognition of the District, minimal understanding of role.
Awareness of water conservation still linked to drought.
Strong memories of 1987-92 drought, which changed behavior.
Reservoir levels an index of drought for some.
Little recognition of recent District or others' campaigns (and little support for 10% reduction idea).
Strong support for rebates, contests, other financial incentives, home visits and other “positives.”
Some support for multilingual marketing.

Source: BBC focus groups, February 2008.

The study team completed in-depth interviews with representatives of the landscape and grower industries. Interviewees include four landscape installation and maintenance companies, two growers and a Farm Bureau representative.

Industry representatives said that landscape companies and growers will support water use efficiency as long as it supports their businesses and does not hurt their bottom line. Some had extensive knowledge of how to achieve water use efficiencies while other interviewees did not. Financial incentives, including rebates, were seen as key to getting homeowners, businesses and growers to use water-efficient practices or choose low-water landscapes. Some interviewees were already working with the District, some had interest in working with the District and a few were somewhat reluctant to partner with the District.

Two interviewees were very familiar with the District and its programs; others were not. Those who knew little about the District mentioned that the District supplied water. Two interviewees mentioned the District's "big building" and "highly-paid staff" when asked what they knew about the District.

Figure 10 summarizes interview results.

Figure 10.
Summary of landscape and grower interview responses

Landscape and grower interview responses
Customer drives choice of landscape, cost is key, may see low-water as expensive, not knowledgeable about low-water options.
Industry gets information from brochures, workshops, trade groups, other literature.
Industry has mixed levels of training on low-water.
Mixed willingness to use SCVWD brochures.
Limited recognition and understanding of SCVWD, some have negative views (big building, high salaries).
Industry won't do anything to hurt own bottom line.
Bilingual materials needed to educate staff.
Support financial incentives/rebates for conserving.
Industry recommendation: any SCVWD conservation message needs to be consistent.

Source: In-depth interviews with industry representatives, March 2008.

Regions throughout the U.S are struggling with how to foster a water conservation ethic. Most water providers select from the same set of conservation programs but choose differing methods and levels of investment when marketing and administering those programs. Regional agencies that work with local water retailers face additional complexities as they usually do not have a direct relationship with the individual water user and must coordinate disparate programs within a single market.

BBC researched approaches used by other regional water providers in California and other states (see Appendix D). Lessons learned from other cities include the following.

1. Achieving regional coordination in conservation programs is difficult. Retailers and regional wholesale providers sometimes cooperate in marketing and implementing water conservation programs, but imperfectly. More commonly, BBC found limited coordination of efforts and sometimes outright competition from local providers. Interviews with regional agencies in other communities suggest that some retailers’ conservation efforts serve PR objectives rather than achieve real water savings. Other barriers to regionalization of efforts include turf battles and fear by conservation staff in local utilities that they will lose their autonomy, or their jobs, with regional cooperation. Some local water providers have secure supplies and little pressure to reduce water use.

2. Some regional agencies have taken a leadership role in local water conservation. Coordination may be best accomplished when the regional entity takes the lead in implementing and marketing water conservation programs. Local retailers partner with the regional agency on programs that make sense for their communities. (This recommendation from other communities is consistent with the current District approach and the plan’s strategies for the future.)

3. To achieve success, several regional providers have recently increased their water conservation marketing budgets. Several case study agencies have conservation marketing budgets that are similar in size to the District. Figure 11 provides annual conservation marketing budgets for each agency. However, the case studies also provide examples of regional providers that were dissatisfied with their progress on water conservation and chose to make substantially larger investments in water conservation marketing. These agencies include Metropolitan Water District of Southern California and San Diego County Water Authority. Denver Water and Southern Nevada Water Authority, which serve similar or smaller populations as the District, have also substantially increased their conservation marketing budgets. East Bay MUD reported a \$2,000,000 increase in its conservation marketing budget in May 2008.

Phoenix area providers reduced their budget for regional marketing from \$500,000 to about \$300,000. According to the Arizona Municipal Water Users Association, this reduced budget has caused the conservation efforts to lose momentum.

Figure 11.
Annual water conservation marketing budgets

Agency name	Population served	Agency budget
Metropolitan Water District of Southern California	18 million	\$6.3 million
Southern Nevada Water Authority	2.2 million	\$3.2 million
East Bay Municipal District	1.3 million	\$2.2 million
San Diego County Water Authority	3 million	\$1.8 million
Denver Water	1.2 million	\$1.5 million
SCVWD	1.7 million	\$170,000-\$450,000
Arizona Municipal Water Users Association	3.2 million	\$200,000
Lower Colorado River Authority	250,000	Less than \$300,000

Source: BBC interviews with agencies, 2008.

The market assessment suggests a number of key findings that affect the long-term and 2008 marketing plans.

Depending on the year, the District has had differing objectives for its marketing campaigns. The District has implemented marketing campaigns that ask local water users for general cutbacks in use. Some past campaigns directed residents to call or go to the website for in-home visits. The District also markets rebates on water-saving fixtures, appliances, landscaping and business equipment. Most District programs fit into the categories of rebates or free visits. With a limited marketing budget, greater consistency or coordination in objectives may be important.

The District is currently constrained by a lack of direct relationships with target audiences for conservation programs (and little recognition and understanding among local residents). A number of cities and private water companies have direct relationships with water customers. San José Water Company, an investor-owned utility, is the largest of these retailers. Focus groups held by BBC indicated only some recognition of the District and little understanding of District responsibilities or achievements. The lack of a direct customer relationship limited customer awareness. BBC also identified some limited negative attitudes toward the District concerning management of the District.

Few retailers operate significant water conservation programs on their own. Customers may know most about their local retailer, but few operate significant water conservation programs. San José Water Company's home audit program is the largest non-District conservation program in the county. Local retailers cooperate with the District in implementing District programs (at varying levels). In general, the District is the primary operator of water conservation programs in the county.

Statewide and other broader conservation efforts will probably have little impact on the county. Water Saving Hero, operated in the Bay Area, is the most prominent of these broader programs. The District marketed Water Saving Hero across the county in 2007. The program did not achieve District objectives. BBC's focus groups with homeowners found little recall of the program, and when shown to focus group participants, did not test well. Assuming no further District financial participation, the ongoing Water Saving Hero will have little impact on county water users. As the District considers partnership opportunities for future regional campaigns, it should ensure that objectives of these campaigns are clearly identified and that means to measure success are in place. The District should evaluate whether budget and media choices support the objectives.

Recent District investments in general marketing of water conservation have had limited impact. Since 2004, annual District conservation marketing budgets have varied from \$170,000 to \$450,000. Campaigns are usually limited to May through September. The District staff assessment is general disappointment in tangible results from these campaigns (for example, driving only minimal traffic to the District website). BBC focus groups found very little recall of campaigns, and, when tested, campaign materials were often seen as confusing or otherwise missing the mark. Simplicity and consistency, more effective creative across a variety of media, and larger budgets will be important for future District campaigns.

Case studies of regional agency conservation efforts revealed some success stories. Some other regional agencies facing similar challenges have decided to implement conservation efforts with little dependence on retailer participation. Conservation marketing drives target audiences to contact the regional provider. Marketing budgets of up to \$6.3 million are devoted to these conservation efforts. The proposed plan for the District follows these strategies.

The District should establish long-term objectives for the conservation marketing plan. Based on the market assessment and other research, the following statements are suggested as a starting point.

1. Establish public awareness that the District serves as an expert and leader in water conservation.

Communicating these overarching responsibilities to target audiences (as identified in Figure 12 on page 19) helps set the stage for conservation-specific messages. Denver Water, for example, directly took on this challenge with a “We Know Water” campaign. Water conservation efforts are hampered if target audiences are not aware of the agency promoting the programs and value its expertise in the subject.

2. Promote actions that achieve long-term reductions in water use.

The District expects about 30 percent growth in county population by the year 2030. To ensure water to meet the needs of future generations, residents and businesses in the county must become more efficient in their use of water. Development of new water resources is also expensive and can have environmental impacts. Efficiently using current resources saves money and protects the environment.

Many District conservation programs are designed to help achieve these long-term savings. The marketing plan is designed to support communication and promotion of these individual conservation efforts.

3. Be prepared to lower use in response to drought or other supply reductions.

A long-term objective for the District is to prepare the Valley for the next drought, both natural or regulatory, and ensure a rapid and effective drought response. There are non-drought factors that the Valley must also prepare for that could require rapid and substantial reductions in water use. Although it is not known how Delta issues will ultimately affect Santa Clara County water users, the conservation marketing plan will need to effectively communicate these challenges to the public. The District is currently developing a water shortage contingency plan.

The long-term marketing plan should support these goals.

Identifying the right target audience is probably one of the most important aspects of marketing efforts, because it doesn't matter what the message is if it's not being communicated to the right people through the right medium. District target audiences are broad and include residents, businesses, the public sector (parks, schools, etc.) and farms.

BBC performed special tabulations of 2006 American Community Survey data for the San José Metropolitan Statistical Area to develop economic and demographic profiles of three groups of residents in Santa Clara County: recent homebuyers, all homeowners and all households. Results are presented in Appendix E. Homebuyers, for example, are often:

- College educated;
- Between the ages of 25 and 44; and
- Of diverse race/ethnic background.

About 92 percent of recent homebuyers speak English well but often speak a language other than English at home. Multi-lingual messages are usually not necessary, but are appreciated and can be effective for a target market such as homebuyers. (Overall, about one-quarter of the heads of households in the county speak English less than “very well.”)

Residents further segment into people who have lived in the county long enough to have experienced a severe drought versus newer residents and business owners. For example, among local residents counted in the 2000 Census, more than 20 percent had moved into the county since the end of the last drought. A much larger share of current county residents today did not experience the 1987-1992 drought.

Because the District will not have the resources to target all businesses, it should continue to target the highest water users. Parks and schools may be the highest public water users. The District and local retailers should continue to target the largest area farms.

Figure 12, on the following page, identifies some of these target audiences for conservation marketing efforts. Figure 12 also identifies important media and other partners and intermediaries needed to reach end-users (discussed further in the following pages).

Figure 12.
Target audiences and important partners for the District

Important intermediaries/partners	End users			
	Residents	Businesses	Public sector	Farms
Media	■	■		
Local water retailers	■	■	■	
Community/business/environmental groups and leaders	■	■	■	■
Local governments	■	■	■	
Farm Bureau/other agricultural industry				■
Property owners	■	■		
HOAs	■			
Developers and builders	■	■	■	
Landscape industry	■	■	■	
Home supply and improvement industry	■			
Schools	■			
Power companies	■	■	■	■

Note: Public sector includes parks and other recreation facilities, schools and public buildings.

The District will need long-term cooperation with partners and other intermediaries to reach target audiences in an efficient manner. For example, developers and builders can make or promote water-efficient choices for inside and outside the home that will influence the water use at that home for years to come.

Schools, HOAs, community groups and leaders, business groups and leaders, and environmental groups can aid in communicating with target audiences and creating supportive conditions for conservation messages.

Media partners, especially traditional television, radio and print media, are still key to successful implementation of conservation marketing. The District will need support from local media to be able to reach target audiences and reinforce desired messages with target audiences as part of this five-year plan.

Power companies, especially PG&E, are currently investing more resources into marketing efficient energy use. PG&E would be an important partner and the District does have some limited partnership with PG&E. Expanding this marketing partnership with PG&E may prove to be extremely beneficial for promoting water conservation.

Some local water retailers are already strong partners with the District in promoting water conservation within their service areas. Expanding these partnerships are vital to the long-term success of conservation programs.

Although residents and businesses are ultimately the end-users of water provided in the county, there are many other groups that affect water use fixtures and appliances installed in the home and business, residential and nonresidential landscaping, and water use habits. For example, some residents do not pay a water bill because it goes to their landlord or property manager. The landscaping installed when homes are built, or required by homeowners associations, affects outdoor water use.

Schools can also be an important partner—the District has utilized schools to reach children so that they educate parents about saving water. Children may remember these messages when they grow up and create their own households in the county. (In BBC’s focus groups, participants strongly urged District participation in school programs.)

The marketing plan supports regional efforts to foster water-efficient practices as well as investments in low water use fixtures, appliances, landscaping and equipment. The focus of the desired changes in awareness, attitudes and behaviors is on three main groups of target audience—residential, business and public end-users.

Different levels of desired behaviors are listed in Figure 13. The District should also outline desired attitudes and behaviors for the intermediaries that influence long-term water use.

Figure 13.
Target audiences and desired attitudes and behaviors

Target audiences/intermediaries	Desired attitudes and behaviors
Residents and owners of rental properties (indoor)	Use existing fixtures and appliances in a water-efficient way, and conserve energy as well When installing new fixtures and appliances, make water- and energy-efficient choices Think about changing fixtures and appliances to save water and energy
Businesses and property owners (indoor and process water)	Adopt water-efficient practices specific to the industry (and conserve energy) When building new facilities or renovating existing facilities, make water-efficient choices Think about changing fixtures and equipment to save water
Residents, businesses, public uses, HOAs, others (outdoor)	Use water-efficient practices When installing a landscape at a new home, make water-efficient choices When changing existing landscaping, make water-efficient choices Think about changing high-water yards to become low-water
Developers and builders (indoor and outdoor)	Use low water fixtures and appliances Install or promote water-efficient landscaping Develop model homes that are water-efficient

Target audiences/intermediaries	Desired attitudes and behaviors
Landscape industry and home supply and improvement industry (outdoor)	Promote maintenance practices that reduce water use Stock and promote water-efficient landscaping choices Install water-efficient landscaping
Home supply and improvement industry (indoor)	Stock and promote water-efficient fixtures and appliances
Schools	Install water-efficient fixtures and landscaping Educate children (and parents) about water-efficient practices Communicate District mission
Media, HOAs, community groups and leaders, business groups and leaders, environmental groups, local water retailers	Need support in communicating with target audiences
Local governments	Support for water-efficient fixtures and appliances, water-efficient landscapes and water-efficient outdoor practices Ordinances requiring water-efficient fixtures and landscaping
Power companies (especially PG&E)	Joint programs to promote water- and energy- efficient practices, fixtures and appliances
Local water retailers	Joint efforts to promote specific water conservation programs Efforts to reinforce conservation messages

The absence of direct contact with end users, competition with other conservation messages such as energy conservation, and uncertainty of future Delta supplies impact the District’s ability to promote water conservation in the county.

Relationship with End-users

Water retailers have a direct relationship with most target audiences within the county. In BBC’s focus groups, most local residents strongly identified water issues with their retailer and thought that their retailer would be the organization to communicate any need for water conservation. Most residents were not aware of the District or its mission, or had limited awareness.

Most retailers look to the District to be the leader in local water conservation activity.

The District, as a water wholesaler, faces similar issues as other regional water providers when promoting water conservation. BBC investigated how agencies such as Metropolitan Water District of Southern California and AMWUA in Phoenix have worked with local retailers to address these challenges. We also provide examples of less-effective regional agencies. Appendix D summarizes information from these regional conservation “case studies.”

Other Conservation Messages

“Conservation” has many meanings, and water conservation is not top-of-mind based on focus groups with local residents. When the word “conservation” is used, people were most likely to think about energy conservation rather than water conservation.

Many consumers are aware of PG&E conservation activities, especially rebate programs for using less electricity. Because PG&E has strong programs to promote appliances that are both energy- and water-efficient, it would benefit the District to expand its marketing partnership with the power utility. Further, the District and others have linked water use and energy use. Water conservation can be a way to lower energy use and impact on the planet.

As discussed in the Market Assessment portion of this report, other regional, statewide and national water conservation messages are also being promoted to audiences including Santa Clara County residents and businesses. However, BBC focus groups with local residents found very limited recognition of the Water Saving Hero campaign and no awareness of other programs.

Uncertainty

At the time of this report, it was not clear how the District supplies would be affected by Sacramento-San Joaquin Delta issues. When the District knows how water supplies are affected by any changes caused by Delta issues, it will be much easier to deliver strong conservation messages.

The study team recommends a long-term marketing strategy that is phased according to the following themes:

1. Achieve early success, and dramatically increase use of existing rebate and visit programs through a 2008-2009 campaign that calls on homeowners and businesses to “ask the experts” at the District before making plumbing, fixture, appliance, landscaping or business equipment decisions. The key reason to ask the experts is that the District has rebates to offer and will make a home or business visit to offer advice.

This short-term campaign will help establish the District as relevant and as “experts,” working with overall District branding efforts. The District is ready to deliver (but must ensure sufficient resources to meet increased volume). Rebate and visit programs will be marketed under this a campaign that positions the District as an agency with expertise in water.

2. Once the District has expanded the volume of its rebate and visit programs, and has some recognition as an expert, the District could launch a Green Leader campaign. This effort would give environmentally-oriented residents and businesses tips and tools to be low water users. This phase would rely on these groups’ interest in being environmentally responsible (being “green,” achieving sustainability, responding to climate change).

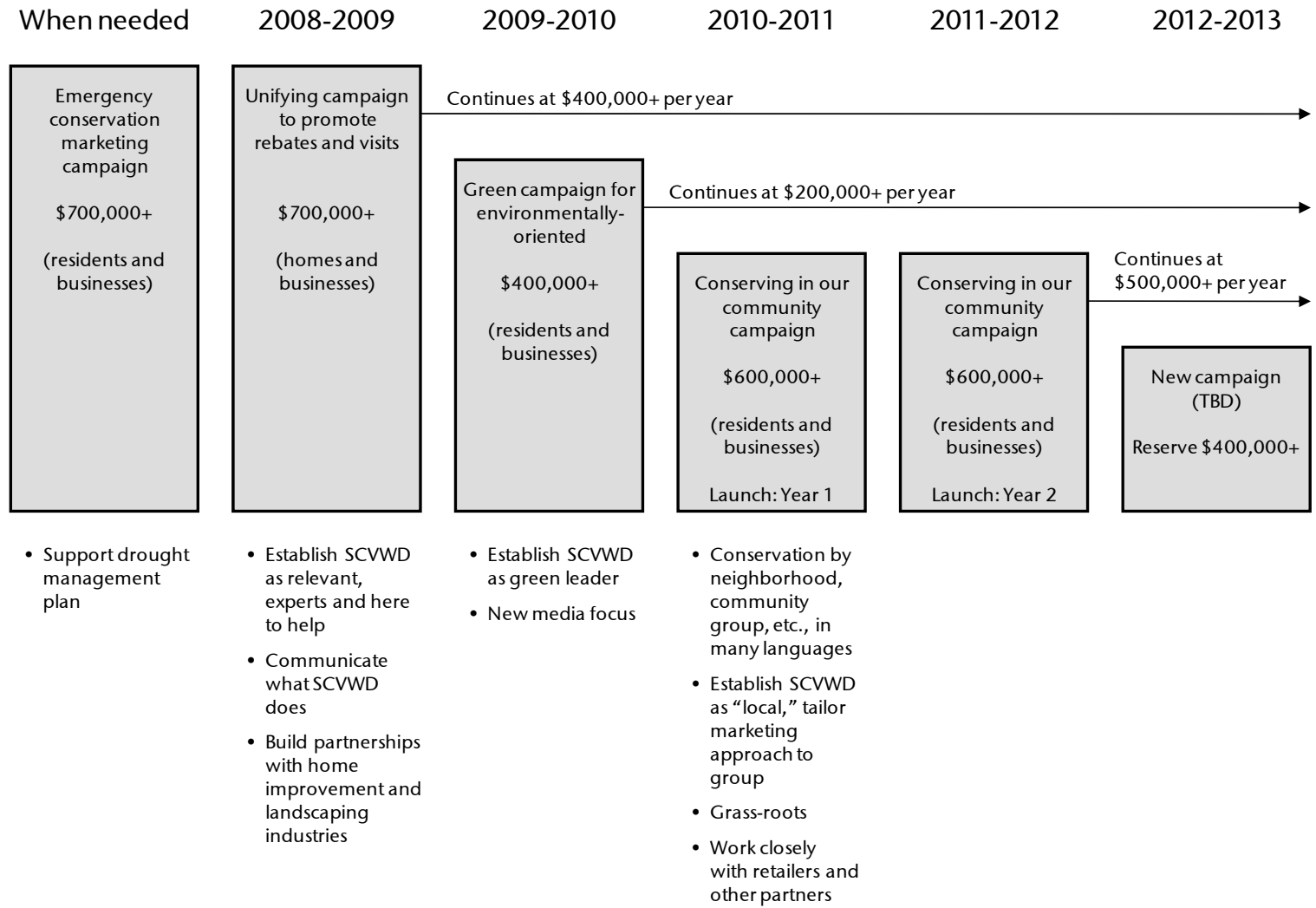
With this campaign, the District would communicate creative, cutting-edge programs. High-tech companies would be key partners in this effort (they are regional opinion-leaders, provide a channel to reach thousands of employees and their families, and through association with the District would help build the District’s reputation as a leader). Expanding partnership with PG&E may also prove fruitful.

3. After phases 1 and 2, the District may be well-positioned to become relevant at the community or neighborhood levels (i.e., the District becomes “local”). Neighborhoods and communities, including ethnic communities, would conserve as a group. Neighborhood-based marketing efforts would need to be tailored to each community. This phase is the most difficult to execute on a wide scale, and is recommended after Phases 1 and 2.

The above campaigns are designed for long-term conservation, not for emergency restrictions. The District should complete its water shortage contingency plan and then design an emergency conservation marketing effort to support the plan (focusing on behavior change during the drought). The District should also reserve a marketing budget for emergency conservation (a minimum of \$700,000 for year one and more for subsequent years, as documented in Figure 14).

Figure 14 on the following page summarizes immediate and long-term water conservation marketing strategy.

Figure 14.
Long-term strategy model

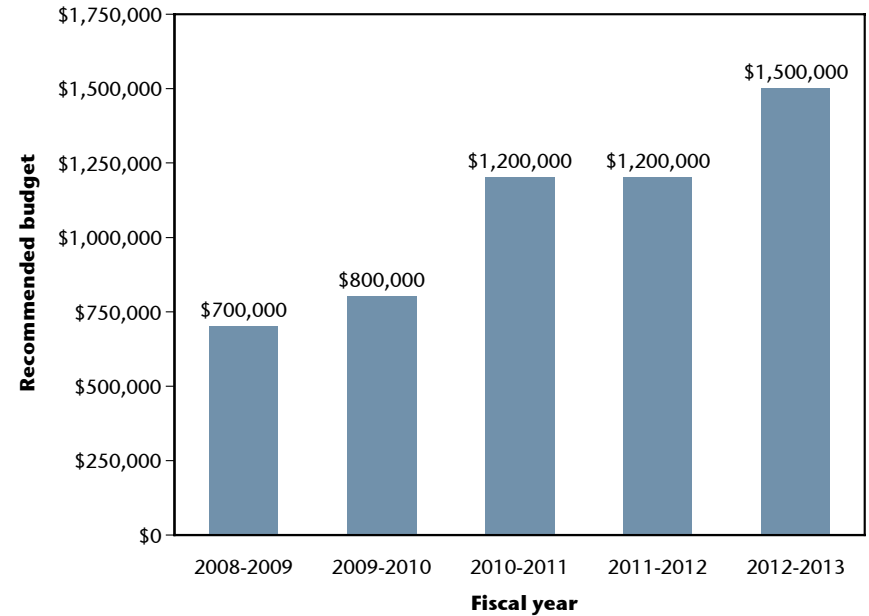


In recent years, the District has spent between \$170,000 and \$450,000 per year for general marketing of water conservation within the county. This budget is larger than the conservation marketing budgets of one case study agency: the Lower Colorado River Authority in Texas. The District’s marketing budget is lower than Metropolitan Water District of Southern California (MWD), Southern Nevada Water Authority (SNWA), Denver Water and EBMUD. The District and SNWA serve a similar number of residents and Denver Water serves a smaller population.

It is difficult to directly tie marketing budgets with water conservation achievements. Large media campaigns also need to be well-designed and executed to be effective. However, agencies such as MWD have seen tremendous gains in participation in specific water conservation programs after they allocated sufficient marketing resources. In sum, large marketing budgets for water conservation can achieve success in meeting conservation objectives (see Appendix D).

In order to achieve its long-term conservation goals, the District must substantially increase the financial and other resources it devotes to water conservation marketing. The District should increase its general water conservation marketing budget to \$700,000 in first year and then ramp it up to at least \$1 million per year by 2010-11. In addition, the District should be prepared to spend an additional \$700,000 per year for marketing of behavior change if the region enters drought or District supplies are drastically reduced because of Delta supply limitations.

Figure 15.
Recommended general water conservation marketing budgets for the District



Annually, the District should formally measure the success of its conservation communications efforts in meeting long-term objectives. Separate measures should be developed for each long-term objective, as discussed below.

Serving as an expert and a leader. The District should evaluate its performance on this measure through attitudinal surveys with county residents. The District should add a question concerning expertise, “here to help,” leadership and other factors in its next random household telephone survey and repeat the same question in similar future surveys to measure progress over time. The District should also carefully track how much “conservation” and related answers come up in the existing open-ended survey question that asked respondents to identify what the District does. (BBC has separately made these specific recommendations to the District.) The District should look for statistically significant changes in each measure (i.e., differences in responses to survey questions for which chance in sampling can be rejected as a cause of the change.)

Promote actions that achieve long-term reductions in water use. As the agency responsible for assessing regional water demand and supplies, the District should develop a long-term research program to forecast future water use within the county with and without additional conservation efforts and then measure actual annual water use against those projections. This will require an accurate model of annual water use given different weather conditions. It will also require accurate data on end use.

Until the District has these accurate data and models, its measures of observed behavior resulting from conservation campaigns must rely on program participation statistics.

The District should continue to set annual goals for participation in different programs and measure actual participation and the activity that generated that participation (e.g., when receive phone calls for visits, record how homeowner obtained information on the program).

Lower use in times of shortages. The District can only know how much it can lower water use in response to drought or other emergency cutbacks when it actually experiences one of these situations.

The District should also have a plan for responding to shortage.

The short-term 2008 marketing plan should be very simple, with only two prongs:

1. We give rebates to homeowners and businesses when they make water-saving investments (“call or go to website for details”); and
2. We have experts who will offer advice and even come to your home or business to identify how you can save water (and perhaps energy and money). “Call or go to website for details.”

In implementing this plan, the District should also strive to meet the objective of establishing awareness of the District as a leader in water conservation for the county. A clear identification of the District, with a tag line, should come with the rebate of home/business visit message. Retailers should be encouraged to post links on websites and train staff handling incoming calls to refer people to the District. In addition, some water retailers may wish to include the rebate and home visit information in a bill stuffer. All traffic should be driven to a District phone number or website.

All rebate and home/business visit programs should be marketed together through this campaign. The campaign can give examples of the types of investments receiving rebates and the dollar amounts of these rebates, but the objective is to drive calls or web visits for more details.

Although this campaign combines all rebates and visits, different messages and marketing vehicles may be needed to reach specific market segments.

The District website and call center will be key components of campaign success. “Rebates” and “home/business visits” should be clearly identified and accessible on the Districts home page, which will require some redesign on the home page. However, the District may wish to establish a new water conservation website that supports rebates and home visits.

None of the statewide or other broader programs, including Water Saving Hero, appear to be a more effective use of limited District marketing dollars to merit substantial financial partnering by SCVWD. The District tried this with Water Saving Hero, with limited success.

A District campaign promoting long-term water conservation necessarily differs from a short-term campaign responding to shortages. The District should develop a shortage contingency plan, including an associated marketing plan. (The District is preparing a current water shortage contingency plan now.)

The measurable objectives for 2008-09 marketing plan would be goals outlined in the water conservation strategic plan.

In addition to the marketing described here, conservation staff will need to continue direct selling (direct calls, visits, etc.) to the larger commercial and industrial water users, as well as large multifamily customers.

The proposed 2008-09 plan includes a flexible mix of elements depending on available budget. An initial concept of short-term plan elements, and budget allocation, is illustrated in Figure 16 on the following page.

The proposed plan elements include modern media choices. Marketing will drive phone and web traffic to SCVWD. The District will need phone center and web capabilities to turn traffic into rebates and visits, perhaps utilizing a direct line for water conservation and enhancements to the website. Because the District will be marketed as the “expert,” it will need to be able to deliver expert advice via phone, website and email. Water conservation staff will also need continued training to be able to cross-sell programs (e.g., encourage a home visit to a caller inquiring about rebates).

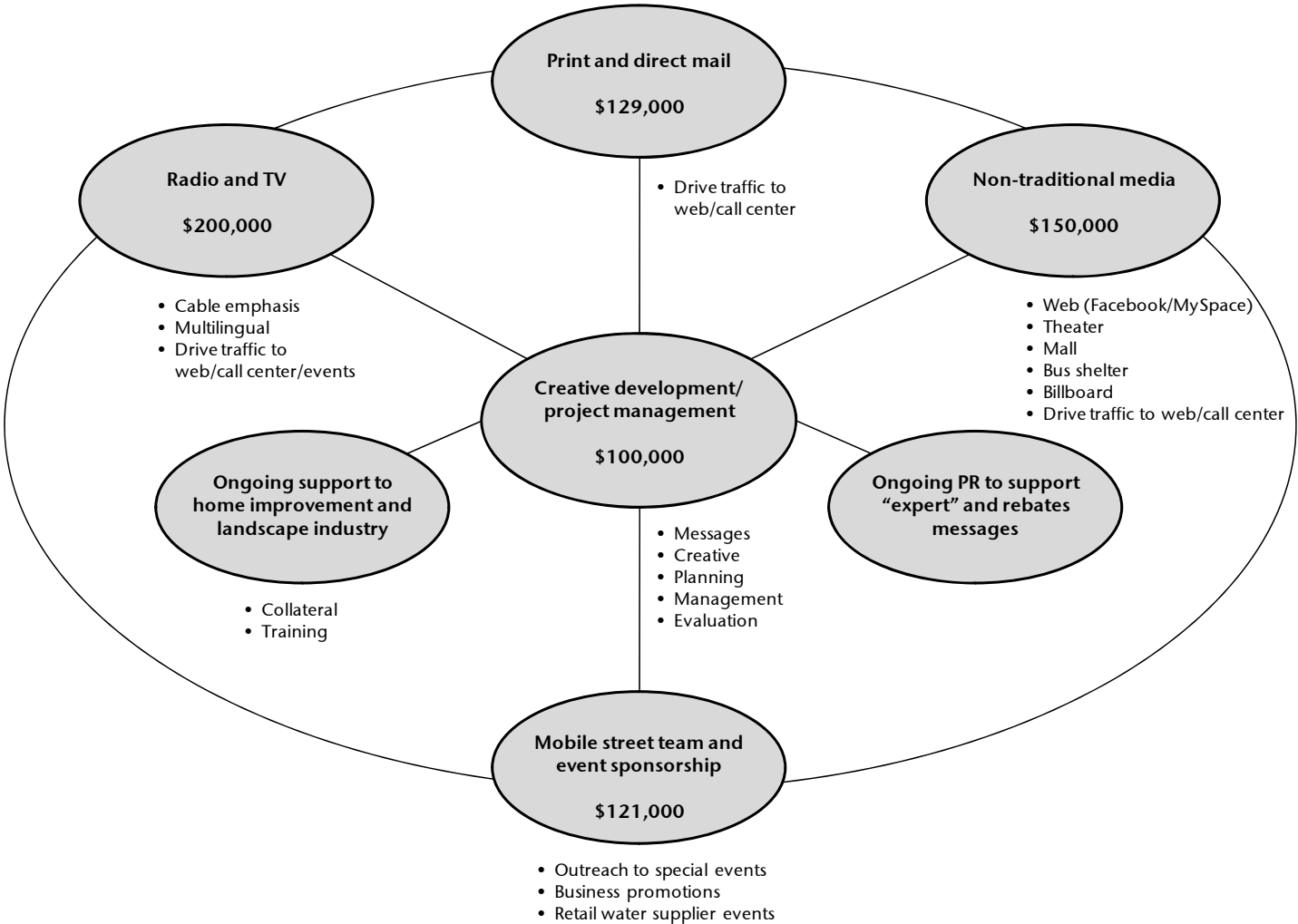
There will be no “season” for this marketing—it will be implemented in waves but have no start or end. Water conservation should not be perceived as something that just happens in the summer. Decisions on landscaping, for example, are often made earlier in the year.

Campaign creative should be tested in focus groups with target audiences before being finalized. There is a need for quality creative that is simple and effectively designed.

Volume of customer response for rebates and visits should be evaluated by source (campaign component) before proceeding with the subsequent wave of media. For example, District phone center staff should ask “how did you hear about this?” and attempt to obtain specific responses when residents or businesses call for rebates or visits. A similar question can be asked in e-surveys for customers hitting the conservation website. The District can also monitor call and website volume before and after implementation of specific campaign elements (e.g., before and after introduction of new television ads).

The recommended short-term plan elements are meant to provide a starting point for further refinement once a marketing firm is selected to execute the plan. As mentioned above, the plan should also evolve after the first wave of media after gauging relative success of different components.

Figure 16.
Possible elements of short-term marketing plan



Components of the 2008-09 marketing plan include the following complementary elements. Figure 17 provides budget detail and Figure 18 illustrates a 2008-09 implementation schedule.

Creative development/project management. This campaign component encompasses refined messages for the 2008-09 campaign, creative for all media, detailed media planning and ongoing project management including development of an evaluation plan.

Radio/television. Television is recommended to create awareness in the general market and the Hispanic market. Radio can be very useful in driving traffic to events as well as the phone center and website. Beyond the general market, radio can be targeted to Asian and Hispanic markets.

Media purchases should be based on spot purchase, not run-of-show. To efficiently use limited marketing dollars, spot purchases should be made to reflect the demographics of local homebuyers and homeowners. Effective strategies could include sponsorship of the weather report on TV and radio, ads on home improvement and gardening shows, and socially-conscious advertising such as PBS and public radio sponsorship. Use of cable television can increase frequency and better target upscale audiences.

Spanish language television and radio can be very effective in reaching Hispanic homebuyers and homeowners. Hispanics spend an average of 17 hours per week watching Spanish language TV versus 12 hours watching English language TV. Hispanics also spend more hours per week listening to Spanish language radio than English language radio (12 hours versus 7 hours). Ads in Spanish language media also have more impact—Nielsen Media Research demonstrates that Spanish language TV viewers are much more likely to respond to commercials than viewers of English language TV.

Non-traditional media. Recommended media includes theater, mall and bus shelter ads. Web advertising can reach homebuyers through ad purchases targeting their demographics and language preferences (including social media such as Facebook). Billboards provide reach at the neighborhood level and allow the campaign to speak to ethnic communities through language and culturally-relevant messages.

Print and direct mail. The print portion of the campaign includes ads in Vietnamese Nha Magazine (100,000+ readership), San José Magazine (300,000+) and community papers. Direct mail targets recent homebuyers (a purchased list) and other homeowners likely to participate in programs. Several options are available to target homeowner mailings. The District can simply mail to zip codes that have heavily participated in past programs or identify zip codes that match the demographics of past participants. Alternatively, The District can purchase lists of individual homeowners who fit the characteristics of likely program participants.

Mobile street team. The 2008-09 marketing plan includes mobile street teams. Mobile street teams supporting partners and going to community events are often a successful complement to other media in marketing campaigns. The street team will distribute collateral material and educational resources, and introduce District programs. The team will operate out of two fully wrapped vehicles that promote the water conservation message. The street team budget includes a water expert to act as a liaison between the street team and customers.

Redirecting the spring 2009 wave based on 2008 results. The spring 2009 campaign should be refined based on relative success of summer/fall 2008 components. Metrics can include visit and rebate volume, data collected from the phone center (e.g., from asking “how did you hear about this?”), website analytics and data on street team contacts.

MARKETING PLAN – BUDGET DETAIL FOR THE 2008-09 PLAN

Figure 17.
Budget detail for short-term marketing plan

Marketing plan for 2008-2009	Budget
Creative Development/Project Management	\$100,000
Radio and Television	
Summer/Fall 2008 campaign	
Television and radio production	
(30-second spot including language preference spots)	\$25,000
Television - general market (network)	45,000
Television - general market (85 spots cable)	12,500
Television - ethnic media	15,000
Radio - general market	10,000
Radio - ethnic market	10,000
Winter/Spring 2009 campaign	<u>82,500</u>
Subtotal	\$200,000
Non Traditional Media	
Summer/Fall 2008 campaign	
Google pay per click campaign	\$25,000
Theater advertising (5 theaters, 8 week run)	12,000
Bus shelter advertising (36 locations three month run)	19,800
(Production costs for 36 locations three times)	8,640
Mall and food court advertising (22x28 posters, 5 malls, 6 weeks each)	10,500
Printing for ads and food court table tents (7,500 printed)	2,500
Web page landing page for campaign	1,600
Winter/Spring 2009 campaign	<u>69,960</u>
Subtotal	\$150,000

Marketing plan for 2008-2009	Budget
Print and Direct Mail	
Summer/Fall 2008 campaign	
Nha Magazine (4 month run)	\$6,000
San José Magazine	9,000
Community papers (20 week run)	8,060
Direct mail (20 most relevant zip codes - nonprofit rate)	26,000
200,000 direct mail pieces printing	9,000
Purchase of mail list for 200,000 households	2,000
Mail house fees	900
Winter/Spring 2009 campaign	<u>68,040</u>
Subtotal	\$129,000
Mobile Street Team	
2008-2009 campaign	
Training experts	\$58,000
Vehicle wrap (2)	8,000
Street team - based on two street team water experts with	
11 billable hours per promotion (based on 100 events)	<u>55,000</u>
Subtotal	\$121,000
Total Budget	\$700,000

In addition to the marketing plan elements discussed in the previous pages, the District will need to continue to work to create and maintain relationships with distribution channel partners, including home improvement stores and nurseries, to promote low water use fixtures, appliances and landscapes. Recommendations include the following.

Hold events in stores and nurseries. If the District uses a street team to hold events at stores and nurseries, it reminds store management and staff of the partnership and allows refresher training of store staff while holding the event. The District can also work with retailers and nurseries to schedule promotions and events around the best sales periods for plants, appliances and fixtures.

Offer free advertising or promotion of District partners.

The most effective way to encourage partnerships with home improvement stores, nurseries and landscapers is to mention them in District ads. The District and other regional water agencies have used this tactic with success.

Promotion of partners is especially effective when used in conjunction with the proposed street team. The call to action in District ads promoting a street team event would urge audiences to go to a particular retailer at a specific time. The customer activity generated around a street team visit tangibly demonstrates value of the partnership to the retailer.

Start with local and regional businesses rather than national businesses. Local and regional organizations can more easily make decisions to partner with the District than national chains. It is also easier to maintain relationships with local and regional businesses over the long term. Even so, some water providers in other communities have had some success working with national companies such as Home Depot.

Plan for continuous selling and training to maintain relationships with business partners. Once a distribution partner is on board, the selling is not over. Managers involved in making the partnership decision depart, and store managers who initially implemented the partnerships also change. Conservation staff need to renew relationships with retailer management to keep partnerships in place. (This is often most successful when responsibility for success centers on just one or two conservation staff.)

Turnover is extremely high among retail salespeople, especially among larger chains in Silicon Valley (past BBC research for work2future in San José demonstrates this). Water providers in other regions have found that retail staff are often untrained in how to promote low water use washers, fixtures or landscaping. Therefore, the District will need to regularly provide training for store staff. An example of retail turnover killing a program comes from Phoenix. Local water providers invested substantial time and resources to develop a partnership with Home Depot to promote low water use plants. Training of sales staff in these departments in each store was a necessary first step. This program was initially successful, but there was no long-term effort to keep training new staff. Turnover in these departments quickly eroded program effectiveness.

One way of promoting District programs among nursery and landscape staff is to give promotional items to staff (hats and tee shirts work well). Also, the District should ask if retail staff can wear buttons that have “ask me about rebates for saving water” and similar messages.

Plan for regular monitoring of point of purchase (POP)

displays. Retailers may agree to allow the District to put point of purchase displays in their stores. Denver Water, for example, has POP displays for rebates in large home improvement stores. The District has also employed this method. The success of this effort to a great extent depends on developing procedures to regularly restock any materials in the displays. Relying on the store to restock coupons or brochures is often unsuccessful. Retailers will typically fail to notify the conservation staff that more materials are needed.

Positioning of any POP display is also very important. In BBC's experience, water providers may initially negotiate favorable placement of a display and then see it moved to the back of the store or nursery. Phoenix area water providers had POP displays at entrances to nurseries that slowly disappeared from view because water conservation staff did not regularly check on the displays.

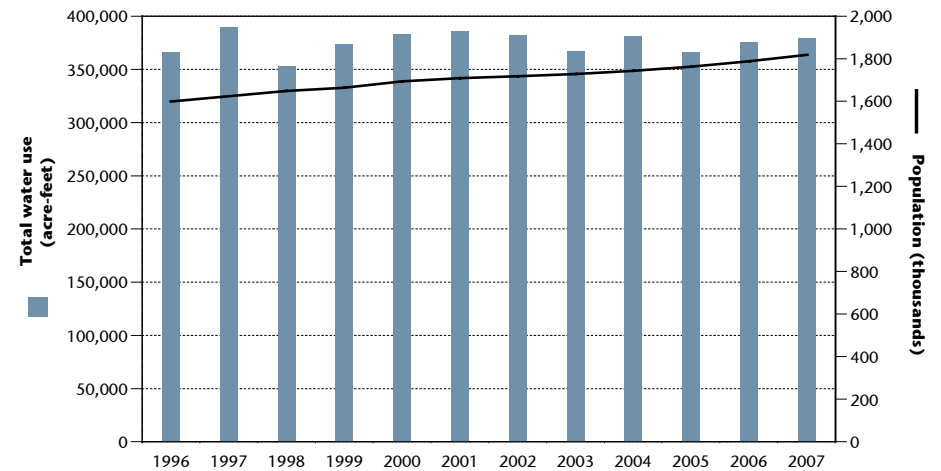
Appendix A provides summary information on water use in Santa Clara County. BBC was able to obtain information on water use in documents provided by the District and in data from the California Department of Water Resources (DWR). BBC also used population data from the California Department of Finance (DOF) to calculate per capita water use figures.

Historical Use

Each year, the District publishes a Water Utility Enterprise Report that includes summary data on water use in the county. Reports are available on the District website for the period 2004-2007, giving information on water use for the years 2002-2006 and a projection for 2007. BBC also obtained hard copies of the reports for 1997 through 2003. The reports present total water use data in tabular form, but do not discuss the methodology used in collecting the data.

Total use. Figure A-1 shows total annual water use in the county and the estimated county population from 1996 to 2007. Total water use includes all municipal and industrial use as well as agricultural use. The water use figures are from tables in the District’s Water Utility Enterprise Reports for the period 1997-2007. The population estimates are from DOF. Total water use has remained relatively constant and below the level of 390,000 acre-feet recorded in 1997, despite an increase in population of approximately 14 percent in the period 1996-2007.

Figure A-1.
Total annual water use and population in Santa Clara County, 1996-2007



Note: The water use figure for 2006 is an estimate; the figure for 2007 is a projection.
 Source: Water use data are from Santa Clara Valley Water District Water Utility Enterprise Reports for 1997-2007. Population data are from the California Department of Finance.

Per capita use. Figure A-1 shows total water use and total population in Santa Clara County. One way to examine trends in use controlling for population growth is to express demand in gallons per capita per day. Although this overly simplifies how water is used—regional use can differ due to demographic, climate and other factors—gpcd helps to reveal long-term trends. BBC used data from the District and from DOF to examine per capita water use. Both total and per capita use declined in the late 1980s. (Note that 1987-1992 was a drought.) Per capita use has since increased from the levels of the early 1990s but remains below the levels of the late 1990s.

Per capita use reported by the District. Figure A-2 shows the per capita water use for selected years in Santa Clara County as recorded in the Water Utility Enterprise Report for 2005.

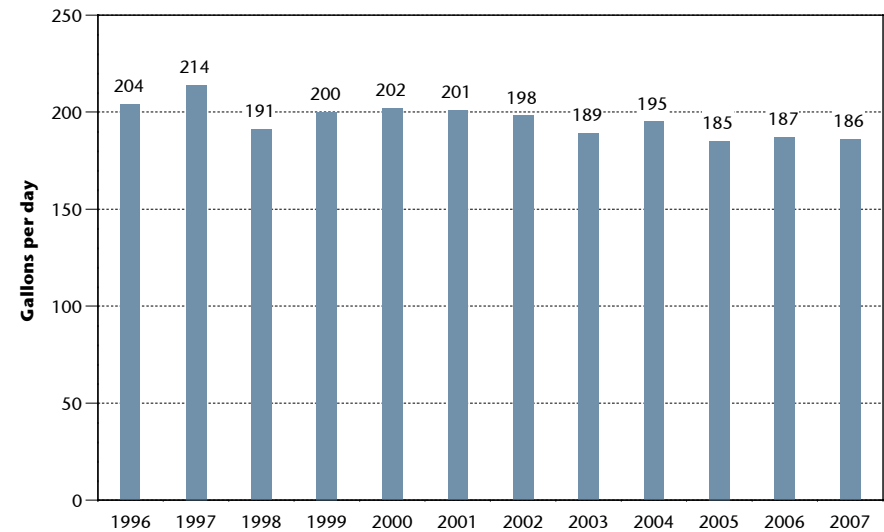
Figure A-2.
Per capita water use in Santa Clara County for selected years since 1988

Year	Gallons per day
1988	231
1991	171
1992	182
1997	210
1998	185
2001	198
2002	199
2003	190
2004	195

Source: Santa Clara Valley Water District Water Utility Enterprise Report, September 2005.

Data based on DOF population estimates. Since per capita use data from District reports are incomplete, BBC used population data from DOF and total water use data from the Water Utility Enterprise reports to estimate per capita water use for the period 1996-2007, as shown in Figure A-3. Due to differences in the way populations are estimated, per capita use using DOF estimates is not identical to that provided by the District, although the two sets of estimates differ by at most 3 percent for any year.

Figure A-3
Per capita water use in Santa Clara County, 1996-2007



Note: The total water use figure used in the calculation for 2006 is an estimate. The total water use figure used in the 2007 calculation is a projection.

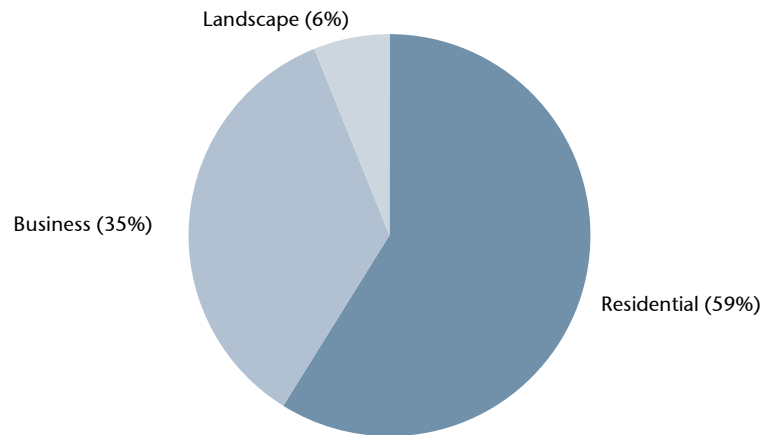
Source: BBC Research and Consulting from Santa Clara Valley Water District Water Utility Enterprise Reports for 1997-2007 and the California Department of Finance.

Use by Type of Customer

In order to examine water use by type of customer, BBC used data from DWR and from the District’s 2005 Urban Water Management Plan (UWMP).

Urban use by customer class. Approximately 91 percent of total water use in Santa Clara County is municipal or industrial, with the remaining 9 percent of use for agriculture. Figure A-4 shows municipal and industrial water use by customer class, according to the District’s 2005 UWMP. Residential use currently represents approximately 59 percent of all urban water use, a decrease from the 2001 figure of 64 percent, provided by DWR.

Figure A-4.
Urban water use by customer class in Santa Clara County

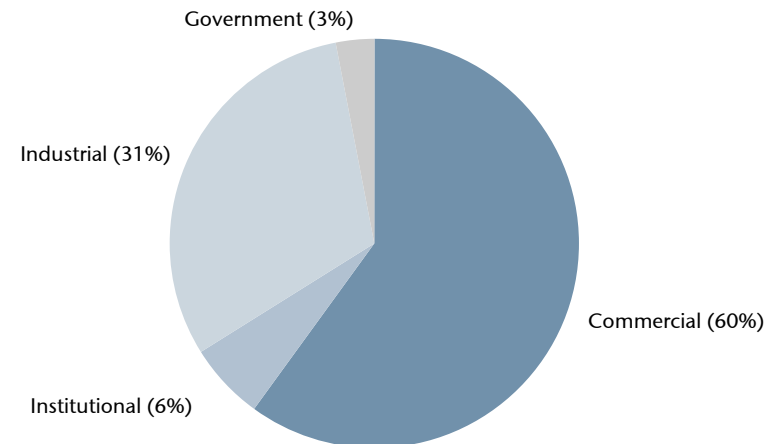


Note: Landscape use only represents metered use. Unmetered landscape irrigation is larger. Business use includes commercial, industrial, government and institutional use.

Source: 2005 Urban Water Management Plan, Santa Clara Valley Water District.

Business Use. Figure A-5 shows water use for business and institutional customers according to the District’s 2005 UWMP. Commercial use alone represents roughly 21 percent of all municipal and industrial use.

Figure A-5.
Business and institutional use in Santa Clara County

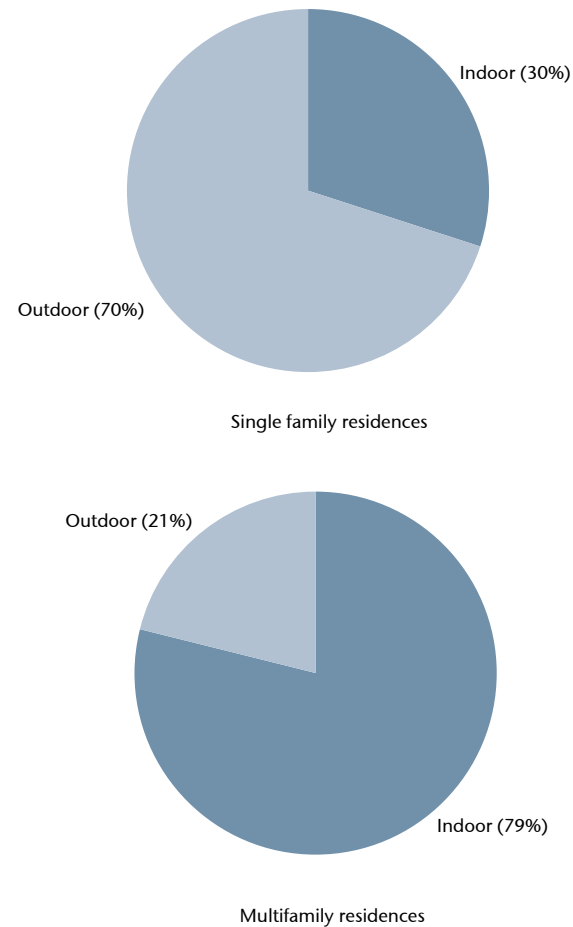


Source: 2005 Urban Water Management Plan, Santa Clara Valley Water District.

Residential Use. According to the District’s 2005 UWMP, 70 percent of residential use is for single family homes and 30 percent is for multifamily homes. Single family home use represents approximately 41 percent of all municipal and industrial use.

Data from DWR further split use for single family and multifamily residences into indoor and outdoor use. Figure A-6 shows the percentage indoor and outdoor use for residences in Santa Clara County for 2001.

Figure A-6.
Percent indoor and outdoor use by residence type in Santa Clara County, 2001



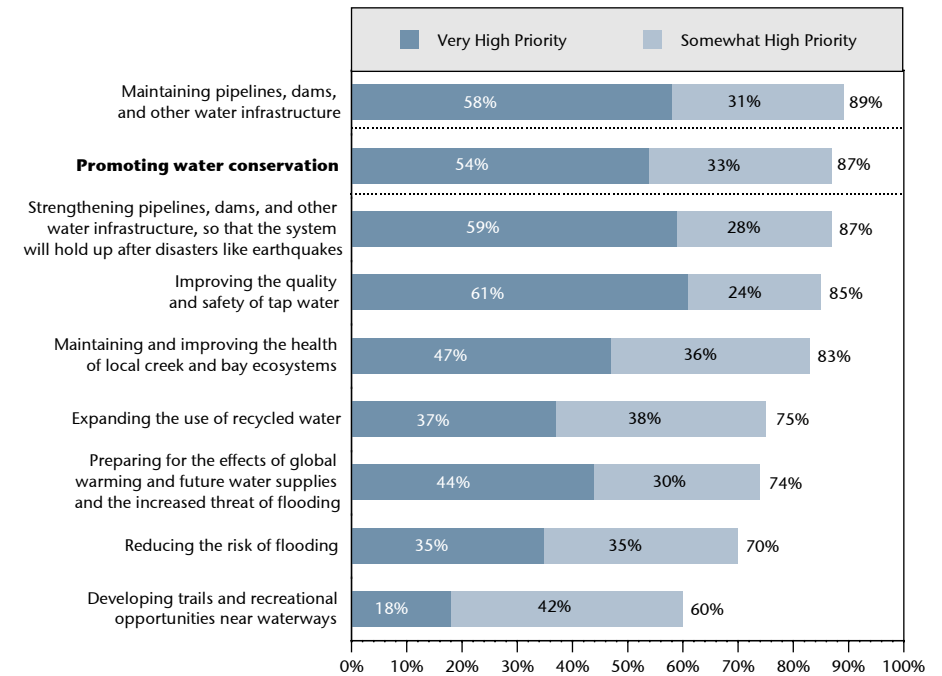
Source: California Department of Water Resources Land & Water Use Database.

In July 2007, Santa Clara Valley Water District and EMC Research published the results of a customer opinion survey based on the results of about 800 telephone interviews with residents of Santa Clara County. Survey results from 2007 were presented alongside results of similar surveys conducted in 2004 and 2002 showing change in customer satisfaction and perception of District performance over a 5-year period.¹

District Priorities

Nearly nine out of ten respondents feel that promoting water conservation should be a high priority for the District. Conservation ranked high relative to other “service improvements,” as shown in Figure B-1.

Figure B-1.
Percent of survey respondents who categorized each service improvement as a high priority



Source: Santa Clara Valley Water District Water Issues: Customer Opinion Survey, 2007.

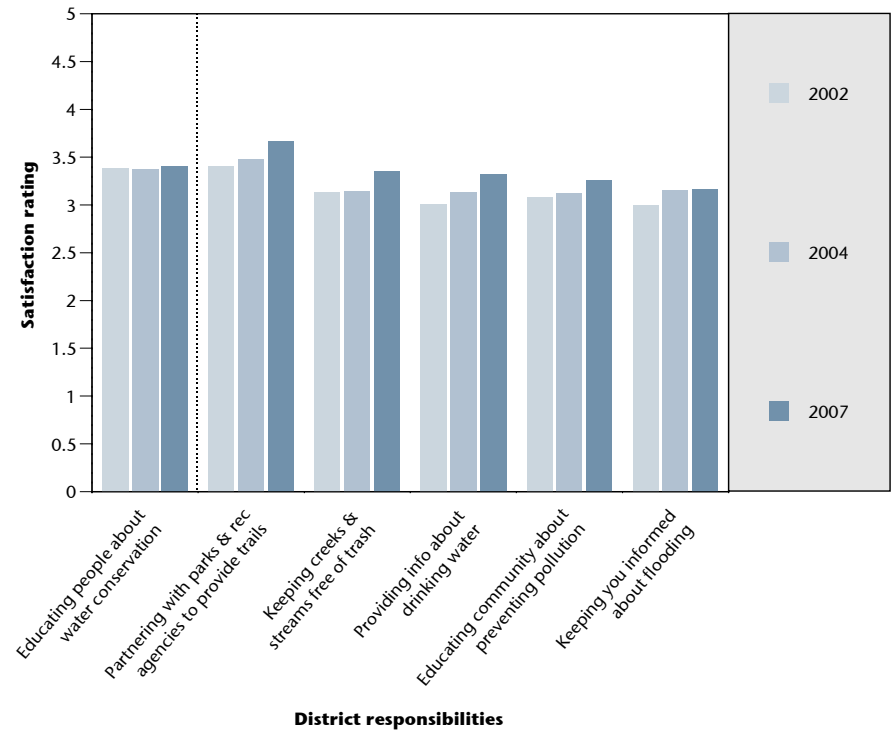
¹ Survey methods varied between the 2004 and 2007 telephone surveys. Comparisons are made between English-language respondents to the 2004 survey and all respondents to the 2007 survey.

Customer Satisfaction

In all areas surveyed, residential water customers are relatively satisfied with District performance. Satisfaction ratings concerning “Educating people about water conservation” have remained steady (around 3.5 out of 5) between 2002 and 2007, whereas satisfaction with other district responsibilities has improved slightly. Figure B-2 shows mean satisfaction ratings for conservation for 2002, 2004 and 2007 compared with other District activities.

Survey respondents who gave the District poorer-than-average satisfaction ratings were more often unaware of water conservation efforts and the use of recycled water. They were more likely to give the District poorer ratings in other areas as well, including tap water safety, creek and stream pollution, and overall job ratings.

Figure B-2.
Customer satisfaction ratings



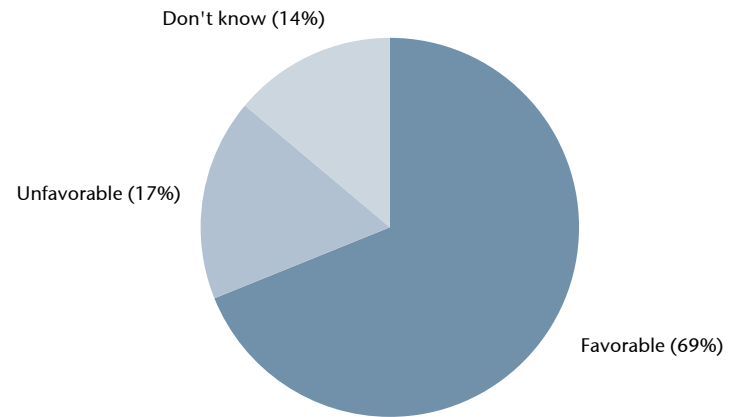
Source: Santa Clara Valley Water District Water Issues: Customer Opinion Survey, 2007.

Water, Energy and the Environment

District water customers see a strong correlation between water use, energy consumption and global warming. Roughly two-thirds of respondents agreed that “using less water results in the use of less energy.” Responses to several other survey questions revealed environmental concerns.

A high proportion of survey respondents reported a favorable opinion of recycled water. This is consistent with customers’ reported environmental sensitivity and suggests willingness to use water resources efficiently.

Figure B-3.
Opinions of recycled water



Source: Santa Clara Valley Water District Water Issues: Customer Opinion Survey, 2007.

As part of qualitative research, BBC conducted three focus groups with local residents at a focus group facility in Westfield Oakridge Mall in February 2008. Each focus group had 10 participants. District staff was able to view these focus groups. Video recordings of each group are also available to the District.

BBC moderated the two groups held in English. Milagro Marketing moderated one group in a mixture of English and Spanish. DZ Consulting observed the groups. The average length of a group was about one hour and 40 minutes.

Focus group participants were recruited by the focus group facility. Each participant was paid a fee to attend and was provided with food.

A mix of men and women of different ages came to the groups (all 25 or older). One group was held with single family homeowners living in Santa Clara County who had relatively high household income (above \$200,000).

Another group consisted of area single family homeowners with household income between \$60,000 and \$200,000.

Spanish-speaking single family homeowners with incomes of at least \$60,000 were the third focus group. This group included participants from San José and Gilroy.

BBC prepared the analysis presented here based on live observation, further analysis of video and comments from Milagro Marketing and DZ Consulting.

Importance

After focus group participants introduced themselves, BBC asked people to talk about their yards. For most, yards were very important.

- “So the kids can use the yard.”
- “I like to be outside, to barbecue and to use the spa.”
- “A lot of outside activities.”
- “Families get together to have barbecues.”
- “Peaceful.”
- “I like outdoor work. Shows neighbors who you are.”
(from the Latino focus group)

Many participants used their yard as living space, especially during the summer. When asked to describe their yards, participants often focused on patios and barbecues used for entertaining. In the focus group with Latinos, use of yards for family entertaining was particularly important.

Focus group participants agreed that the yard was important to them when they bought their homes. “Especially with the kids.”

“Green”

Focus group participants, especially in the Latino focus group, talked about how “green” is important to them. “In the old days, the Valley was green. Now it’s stores and packed houses.”

Size of Yard

Participants also noted that yards in San José were often much smaller than other communities. Some said they missed larger yards.

- “It’s not what I’m used to, being from Wisconsin. There you have an acre and here you have a little pocket.”
- “10 to 15 years old or newer a yard is about half the size of this room.”
- “It depends. Originally, I lived in a gated community and the houses are so close together that our yards are so small.”

Some homeowners liked having older homes with large lots:

- “I live in an older home so we have a nice big backyard on a corner lot.”
- “When I looked at houses with very small yards I felt that the other houses and the neighbors were very close ... so I don’t know if it’s privacy or claustrophobia ... [my big yard] puts some distance between you and [the neighbors].”

Lawns were also important to many focus group participants.

- “I need lawn.”
- “Mine is lawn. I have to have lawn. Lawn, plants, orange tree, brick patio with plants around it everywhere.”
- “Everyone has lawn.”

Things that frustrated homeowners about their lawns included:

- “The lawn just doesn’t look perfect ... weeds growing despite all the fertilizing.”
- “Things dying.”
- “Weeds.”
- “Crittters.”

One participant had so much trouble with his lawn that he considered replacing it with artificial turf.

- “I’ve looked into artificial turf ... It looks real good. I didn’t know it was fake ... but it’s very expensive.”

However, few focus group participants were so frustrated with their lawns that they were looking to give up having any grass in their yards.

The study team discussed outdoor watering with homeowners. Some did not like to water:

- “Watering is annoying.”

Focus group participants were asked what prompts them to water. Keeping everything “green” was again a common theme. Specific cues for watering, or watering more, included:

- “Brown.”
- “A lack of green.”
- “Stress. I can see it before it even goes brown. I can see a slight off-color because I’m so used to looking at it.”
- “Off-color means not brown yet but not bright, brilliant green. It’s starting to go.”
- “I want my grass green.”
- “We have a maintenance person that does the trimming, so if they notice that things are a little dry they’ll suggest that we turn [the sprinklers] on more frequently.”

One participant liked to sit outside on a warm day with the sprinklers going:

- “If it’s really warm, it keeps your backyard cool. When you sit out there and you have a nice watered lawn, it seems cooler, you’ve got the sprinklers going and maybe a little breeze.”

Many homeowners maintained their yards themselves. When asked where they go for advice on keeping up their yard and how to water, answers varied.

- “Trusted nurseries.”
- “A nursery that has been there a while.”
- “The Internet.”

Most focus group participants had in-ground sprinkler systems and many maintained the systems themselves. About one-half of the systems combined pop-up heads with drip systems.

Some had no trouble operating their systems:

- “My sprinklers are automatic and I have a drip system; also I program my sprinkler for every other day in the morning and it runs for 15 minutes.”
- “My system is older. It works fine. We turn it off in the winter and reset it in the summer to go off every other day for half an hour ... every day on our drip. It has a water sensor so if its raining it doesn't come on.”
- “Ours is manual, so we don't have a timer on ours. You literally just turn it on or off.”

Some had trouble with their sprinkler systems:

- “Mine [automatic sprinkler] resets itself from 15 minutes to three all the time”
- “I have automatics [sprinklers] but I have not been very successful in the last two years in trying to figure out how to get them to work. After a while you've lost the manual.”
- “I had a new sprinkler put in last year and they did a really crummy job but maybe I didn't do enough homework. They installed it really poorly. They didn't take the old pipe out before they put a new pipe in. They were supposed to put sand down in the bed and they didn't.”

Only a few homeowners had maintenance people who helped them with their watering or sprinkler systems.

During focus group discussions, BBC moved from talking about yards, lawns and watering to “water” as a general topic. When first asked about their water, many people talked about taste. A few San José Water Company customers complained about the taste of their water but other SJWC customers liked the taste:

- “The chlorine count is too high. That’s an opinion. When you pour it you can smell the chlorine. I think its too high. Just by tasting it I don’t like it anymore just because of that one issue.”
- “I think that’s in different areas ... I think the last year and a half it has been the best tasting water without any filtration system.”

Others complained about the hardness of their water:

- “The water’s too hard. I don’t know if that’s the pipes or the provider but I can’t put my car in the driveway when the sprinklers are on because the water spots are so bad I can’t see out of them. I had to drive with my windows down because it was unsafe ... and you can’t get them off”

Not having enough water was not a focus point for participants in responses about “water.”

When asked where they get their water, the first response of participants was to name their local water company. (Focus group participants came from various parts of the county.) The moderator followed up with questions about physical sources of supply. The most common answer was, “The Bay.” A few participants knew that groundwater or surface water supplies were important, and some knew that they had a mix of supplies.

- “The Bay.”
- “A few sources, ground reservoirs, the bay.”
- “It depends where you are. We get water from the bay.”
- “I think that San Luis reservoir goes into Polero reservoir. There’s a pipeline that brings it in.”
- “I think we get ours from Paloveras ... the back of the hills.”
- “The reservoir that is up in the mountains ... Hetchy-hetchy.”
- “Aquifers.”

Most focus group participants knew of their local water provider but only some said that they knew of Santa Clara Valley Water District.

Most did not know what the District did. A few had negative perceptions.

- “The reputation of the water company. The Mercury News did a big thing on the deep pockets on it ... how many thousands of dollars for all these head honchos ... I mean when you’re driving the highway you can clearly see the big building of Santa Clara but nobody really knows what that is.”
- “I’m not sure I’d trust the County.”

A few focus group participants spoke about the District’s current work on local reservoirs. One knew of the District because he has a well that is registered with SCVWD.

Focus group moderators asked participants, “How do you consider your water use when you compare it to other people?” Responses split fairly equally into people who thought their water use was higher, about the same, or lower than other residents.

Some participants thought they had high water use because of their children:

- “I have three kids so I do a lot of laundry. Every month is different. Sometimes in the summer kids like to play, water fights, jumping through the sprinklers”
- “Teenagers in the shower.”
- “My 14-year-old takes an hour [in the shower].”
- “I know we pay a premium. It says right on our bill that you’ve gone over your water usage every single month because we’ve got four kids with laundry going 24/7”

One person thought their use was high because of their pool:

- “I think our use is high. Just generally speaking, if you don’t have a swimming pool you’re going to use what I see as probably normal for my neighborhood. As soon as you have a pool you have to account for evaporation, to keep it full you’re always dumping hundreds of gallons a week in to it.”

Other reasons for high water use were varied:

- “I have roommates from Washington State; water is more available there. They are significantly higher water users.”
- “I live with my wife and my daughter, but then I have by brother there and he contributes to a lot of the extra ... the extra I have to spend on water and electricity is normally because of him.”
- “I wash my dog in the tub”

It is notable that having a big yard was not the first reason high water users offered. Most of these participants focused on indoor uses.

Some focus group participants said that they would conserve if their water provider told them that they were a high water user. They were also interested in programs that advised them on how to reduce their water use.

Some participants thought they used less water than other households and a few were proud of their low use or disdainful of their neighbors' high use:

- “Mine’s pretty low. Knowing with the water rations, my partner and I designed our patio with all potted fruit trees and more hearty and environmental, and we make sure that when we do the basic watering its after 7 pm. So I’ve been really conscious of that. When you get in the shower you rinse off and turn it off ... then you shave and turn back on the water.”
- “I don’t have the big yard and the big front lawn like I used to. I have a small patio and a tiny patch that I haven’t even planted anything in yet, but I have just a couple of bushes that I put a quart of water in every couple of days and that’s about it. I make a pot of coffee in the morning”
- “A little bit lower. We were raised not to waste water. We were always watching the water bill. We were on a tight budget, my dad died thirty or forty years ago ... so we were on a fixed income ... we were always watching our pennies.”
- “We got a new washer and dryer which is super efficient.”

Some self-reported low water users were annoyed that neighbors “wasted” water. Examples of “waste” were watering the lawn when it’s raining and water running down the street. Specific comments include:

- “I manually take care of my yard, and I know some of my neighbors have their watering systems come on in the middle of the night every night and I try and monitor what the yard looks like before I do any watering.”
- “One of my neighbors had the sprinklers going when it was raining.”
- “You’ll see some will have them [the sprinklers] on and water will be running down into the gutters.”
- “We are in a planned community and the water bill goes to the home owners association ... there’s only one meter. We don’t get a water bill and it really bothers me because I make a really great effort and I see the neighborhood kids who will leave ... the carport just dripping.”

Before discussing water conservation, BBC asked participants about energy conservation programs. Discussion was lively—most participants had quite a bit to say about energy conservation.

Many immediately mentioned PG&E:

- “They [PG&E] have a lot of commercials on the radio. They are always talking about that they’ll come in and do a free assessment for you.”
- “PG&E gives rebate incentives, discount incentives ... for usage.”

Many talked about lighting, and the fact that they did not like energy-efficient light bulbs in spite of saving energy and money.

- “I used to use them [energy efficient light bulbs] but they’re not as bright and they don’t work on dimmers.”
- “They [energy efficient light bulbs] got so cheap here. They couldn’t even give them away. They were 99 cents for three packs and people still weren’t buying them.”
- “Most of our lighting is in the ceiling fans and I wouldn’t put them [energy efficient light bulbs] in ... I don’t even know if you can.”
- “I put them in my fan ... they are too sharp ... it’s just too much.”

The ENERGY STAR rating on appliances was also mentioned. Some participants discussed low flow showerheads as an energy conservation tool.

A few participants also connected saving water with saving energy. One focus group member knew that supplying water requires a large amount of energy.

After discussing energy conservation, focus groups turned to water conservation. A wide-ranging discussion ensued, ranging from lamenting the fact that reservoirs are drying up, to who was the cause of the problem to remembering the 1987-1992 drought. The common theme was that “water conservation” as a topic quickly became a discussion of water shortages and drought.

Reservoir Levels as a Drought Indicator

Some people talked about lake or reservoir levels when discussing water shortages.

- “We’ve almost lost Mono Lake, on the east side of the Sierras. There’s another lake, I don’t recall the name of it, that’s just a little south of Mono Lake that is just a dry lake now, you can see where it was. The Salton Sea is practically a salt flat now, and if that goes completely dry they figure that the winds coming through there will blow all the sands into Palm Springs and make that nothing but a desert.”
- “Have you seen Shasta Lake? That’s down like 30 feet. When I was 16 we went there and that thing was full to the brim and its never filled back up ... it’s been down for the last 20 years and its not coming back. You can see where it’s dropped, it’s dropped like 30 or 40 feet and that’s billions of gallons of water.”

- “The thing is, when I drive to Santa Cruz and I see the lakes that I used to see full all the time and if I still see those almost empty I say, I don’t care what anyone says, there is a problem with water.”

Cause of the Problem

There was some discussion in the focus groups about who has caused the water shortages. Some people blamed Southern California:

- “A few years ago we did have a drought situation and we were all trying to conserve our water ... one of the things that was happening was, they were using excess amounts of water down in Southern California and they didn’t care because they were getting all their water from us in Northern California, that’s where the supply comes from, and they weren’t conserving down there because I talked to a number of people down there and I saw what was happening.”
- “I think that’s a problem that is probably going to affect up here at some point, with all the water that is diverted to Southern California and the way they use it down there.”

Remembering the Drought in San José

Many focus group participants had strong memories of the 1987-1992 drought in San José and what they had to do to cut back on water use. These experiences still influence how they use water. “Some part of that sticks with you” was a common theme. Stories often involved family members in addition to the participant.

- “I lived with my grandparents and they had a fixed income ... so they were really on me about making sure we did things. I do teach my kids the same things. My daughter can’t take longer than a 15 minute shower. We have a pool and we really have to watch ... we spend a lot of money on water ... but a lot of those things are things I learned living with my grandparents during that period. If you go to my grandmother’s house and try to wash the dishes without turning it [the water] off in between plates, she will smack you.”
- “San José worked with the water company and they did this essay contest and they really targeted different age groups and I think that’s where I learned a lot of it, from my junior high, high school experience.”
- “This isn’t me; this is my uncle, in San Francisco, during the drought. One thing that I hear a lot about was that he went out of his way, before the mandates to save water, to save water, and then the mandate came by ... well he has already gone out of his way for conservation ... what really annoyed him was that he was all of a sudden being forced to save another 20 percent which was really too tight for him, while everyone else was wasting water.”
- “It’s my responsibility to teach my children not to leave the sink running. If you don’t say anything and that’s how you do things around your house then they grow up ... and they don’t know any different. We used to always be like that. Then we’ve gone through water shortages. I was probably a teenager the first time ... and you couldn’t flush and you had to take those short showers and some part of that sticks with you.”
- “It’s not like when I used to wash the car ... now I don’t just let the water run.”

Toilets and Showerheads

Discussion of drought often turned to low-flow showerheads and putting bricks in toilets (sometimes not fond memories). Most people who were in the Bay Area during the last drought remembered taking measures such as installing low-flow showerheads.

- “The city would give you these showerheads and they were horrible ... they were terrible.”
- “It [showerhead] really didn’t work ... it was to the point that you wanted to take the showerhead off and just use the hose.” (This participant acknowledged that today’s showerheads are much better.)
- “I think people cheat once they get to that point because it’s convenience versus something that is usable ... while it’s important, say a shower or a toilet, something you use often or regularly, it does wear on you over time.”
- “You know, in the restrooms ... I’m used to having the toilet water all the way to the top, but now they have it so you have to unscrew the valve and still the water doesn’t come to the top, the water is still all the way at the bottom ... I’m just not used to that.”

- “Back when there was the drought ... it was more the punishment if you over-used and all I heard was people complaining.”

Some complained about water prices.

- “So, if it rains, okay, the reservoirs are full so our prices should go down, right? Wrong, they went up. So next year it’s a drought and of course the prices are going to go up, it’s a drought. Next year its not a drought anymore, the reservoirs are full, prices are going to go down right? No, they went up again. So every year they go up, it’s a negative spiral.”

Perceived unfairness of saving water and then having prices go up has been a frequent theme in similar BBC focus groups with homeowners in other parts of the western U.S. Compared with BBC’s experience in other communities, relatively few Santa Clara County focus group participants offered this complaint.

Some of the attitudes toward water among focus group participants were formed in part by where they grew up or from experiences of parents or grandparents.

Some of the focus group participants said they had to think differently about water after moving to the San José area:

- “I lived in Indiana and it was almost the same thing, you don’t have to worry about conserving water or anything.”

Other focus group participants grew up outside the country. Compared to where they were raised, they found an abundance of water in Silicon Valley.

- “I grew up in the Philippines where water is very important and we took cold showers ... we don’t have a heater or anything like that like we have here. We go every morning and there is a long line and you have a bucket and you just have the pump, you know? And here it is so different. Here there is water flowing from the tub and the sink and its like ... you know ... ‘wow.’”
- “In Columbia, they now ration water by time of day.”

In the Latino focus group, many participants had heard stories from parents or grandparents or had their own experiences with water in short supply.

- “There was one faucet for every ten houses.”
- “My mom would wash clothes by hand.”
- “We used an outhouse.”

There was limited awareness in the focus groups about the District efforts in 2007 to ask for voluntary reductions in water use. The discussion that ensued in one group suggested little impact of this voluntary request for reductions:

- “Water company was asking for a 10 percent reduction last year, because we had lower than average rainfall last year.”
- “At the beginning of the rainy season they were predicting that there would be a lower rainfall than normal, which we have not, but they were suggesting at that time, and heard it both on radio and, I think, it was also in the local newspaper, that we should start thinking about conserving.”
- “It’s not very strong wording. They suggest that you cut back 10 percent, so it’s all voluntary. There’s no incentive to do it.”
- “I don’t think it matters. People are going to do what they want to do anyway.”

Focus group participants were asked to break up into teams and design their own water conservation campaign (before being shown any existing campaigns in San José).

School Programs

Many of the focus group participants created campaigns that targeted kids in school.

- “We were doing a sponsorship program with corporations and schools to educate the kids. You know how kids always learn quicker and then they’re able to tell their parents what they need to do. So that was the program.”
- “Children grab onto these things and they see the benefit.”
- “They bring it home and tell their moms.”
- “First, we were going to create an icon called ‘Squirt’ because people like icons ... and to get the kids attention ... start from the early elementary.”
- “We heard a lot of people saying junior high, high school, it has to start from elementary ... get the kids started young.”
- “It’s early enough and they’re getting the incentive from state incentives for teaching the programs.”
- “You get money for the school if you teach it.”
- “Then also when you start teaching the kids, elementary school programs, the kids are going to come home and they sort of retrained their parents because they’re hearing it as kids.”
- “Programs in school level, science or water programs or whatever so the kids do bring it back home and are maybe encouraged to come up with tips or look around the house.”
- “For our delivery of the system, we exclusively figured that the biggest bang for the buck was the young children. It’s easier to have children teach adults than trying to teach adults yourselves. Arkansas is a great example with the overweight issue.”

Programs for Businesses

Some participants developed program elements to involve local businesses.

- “It’d be kind of like the ‘adopt a beach’ program where they could adopt a region of a water system, or a lake or something and naturally the corporations would get their logo out and everything, you know like the sports teams do. You always see the corporation’s logo, so they would get free advertising and educate the young students.”
- “We also want the water management company to be involved with the corporations and the schools.”
- “And then somehow to get the word out to businesses, to get them to buy into conserving in their business, I don’t know if that’s through a chamber of commerce or something that would get business owners to want to conserve.”

Media

Focus group participants thought of traditional media or hands-on materials as a way to get their messages out. (Only one person brought up email.)

- “TV and radio.”
- “Commercials between the breaks in news.”
- “Put watering schedule on a magnet.” [The group liked the local garbage company schedules on a magnet.]
- “Door hangers.”
- “I’d like to tape this in my garage.”
- “Advertise [water conservation] through a direct mail program using what I call ‘lumpy mail.’ I think that’s how I found out about mine last time. Instead, you send a little pouch, a bubble pouch, and it’s lumpy and heavy and you’re going ‘are you going to open that? Oh yeah, I’m going to open that’ and then you’ve got an incentive. Maybe a different type or piece of equipment than you’ve got in there. They did the low-flow showerheads, but you could do something similar, but the whole idea is to get them to open it and look at it and see that there is a way to save on their bill. It’ll get their attention to look at a rebate program to save on your actual bill and to make this a win-win ... build a campaign around that using direct mail, to get the attention of the public.”

Some participants said that they just throw away mailers and bill stuffers without looking at them.

Credibility

There was some discussion of what sources of information were more credible.

- “I think [news] media is almost stronger and more of an impartial suggestion to conserve. Something coming from a company that’s providing a service sometimes has ulterior motives.”
- “The news, specifically when they talk about conservation needs but if they can specifically give people ideas on how they can conserve during the news. Most people think of the news as a valid source of unbiased information, but when I watch the news at night and I hear the news talking about there’s a real shortage then I believe them on issues like that.”
- “Public service announcements.”

There was some discussion of who should be delivering the water conservation message (SCVWD or the local water district). Participants gave mixed advice.

- “Whoever has the direct relationship with the consumer.”
- “I would say the wholesalers, they are the supplier of water.”

Specific Tips and Benefits

Some focus group participants emphasized communicating specific tips on saving water and giving feedback on the bill.

- “Giving people specific ideas on how to conserve. So it’s not enough just to say ‘conserve,’ I don’t know what that means, or how I could do it, or how I could make little changes and make a big impact. You’re seeing them do a lot of that with light bulbs now. If you just change one light bulb, that’s like taking 50,000 cars off the road, and I now have four of those stupid fluorescent light bulbs in my house because I think it makes a difference. So I know exactly what to do and its not going to cause me pain to adjust because I look at that and they say that it’ll save me \$5 a year and the bulb only costs \$2, and it’ll last 10 years and its going to conserve electricity.”
- “Encourage wise water usage, no waste ... encouraging people to landscape that would reduce water usage ... water friendly landscaping ... encourage people to use a broom instead of a hose to clean off their driveway and their sidewalk.”

Avoiding Negatives

Some focus group participants emphasized that a conservation campaign should be positive.

- We talked about trying to establish a win-win, because right now when somebody, the government, or everybody says there’s a shortage, what do we hear? We hear a lot of negatives. You know, ‘the prices are going to go up, you’d better do this or we’re going to exercise controls on you.’”
- [When discussing giving feedback on household use] “It depends on how it’s delivered. If it’s delivered as ‘hey, I recommend’ ... versus ‘tsk, tsk’ or ‘you have to do something about it.’”
- [Talking about conservation] “As information, I think it’s an incentive. As a requirement, I think it becomes a negative.”
- [When discussing examples of water conservation materials] “I was gravitating towards any incentives, anything that I felt was positive and not negative, and basically any kind of help that was willing to offer me for free. I thought ‘that’s cool, I can do that and we can save some water and it’d be any easy thing to do.’ I gravitated towards that. It wasn’t something that was saying ‘if you don’t do this you’re in trouble.’”

Financial Incentives

Many focus group participants emphasized saving money as the key conservation message. Rebates were frequently mentioned. Most knew about and referred to PG&E financial incentive programs.

- “The people who aren’t as socially responsible, then our other recommendation was some kind of financial motivation because I know that I get hit with that, it costs me a lot money and it causes me pain ... ‘Want Free Money? Conserve Today. Saves You Money and Saves California.’”
- “Our program would be more like, if you overuse you’re going to get hit with a penalty and if you’re able to conserve in an above average manner, we’ll give you a coupon for something. If they’re saying ‘conserve,’ well okay, I’m going to change the station, but if ‘conserve and you’ll get’” [that would keep your attention.]
- “I thought that instead of what the water district did during the drought ... if you used under a certain amount, you were less than your quota, they gave you a percentage off of your bill. Now for most people, it was only a couple of bucks and I thought if they gave an incentive, instead of 10 percent off your bill they gave you a \$5 gift card to use at Safeway, or something tangible.”
- “Then you have your incentive for your reduction, if you have a reduction ... you get ‘20 percent less on your bill.’”
- “Rebates on products or services that reduce water, whether it’s new timers, if you buy a water efficient timer for your sprinklers ... PG&E has done it forever.”
- “You hear a lot more from PG&E now, if you buy certain things they rebate you ... that I heard on talk radio.”
- “Look at PG&E as a good model. You could build that up.”
- “Rebates on water efficient appliances ... we could only really think of dishwashers and washing machines. I like the rebates on my PG&E bill.”
- “If there is a carrot or incentive, it actually has to be real.”
- “A rebate for buying a water efficient thing ... anybody that wants to do that can have it.”
- “PG&E has put those incentives out there and made it positive. So, strive for a win-win. So we talked about a slogan, calling it ‘save more and save.’”

Feedback on Water Savings

Participants wanted to be able to easily see how much water they were saving by looking at their water bill.

- “Our bill comes every two months instead of every one month so I forget what was it last month and I have to go dig for it. So what would be helpful is something more historical. PG&E will say how much I used last year at this time. I have no history so I don’t know what I’m doing.”

Contests

Some teams came up with the idea of contests or prizes for conserving water.

- “[After you conserve] your name goes in this great lottery ... because people love lotteries ... they’re attracted. So, out of the blue, you get Ed McMahon knocking on your door ‘you’ve won an energy efficient washer/dryer’ ... because if you’re out there watering your lawn and the big truck comes and knocks on someone’s door for conserving you’re like ‘I’m going to do that too.’ People want to buy into that.”
- “We can also have Mrs. Jones with her new washer/dryer on the side of the bus with a big smile, look at what I won. Let everybody see what’s happening.”

In-Home Visits

Participants generally would like to have someone come to their house and help them save water.

- “As long as it didn’t feel like they were monitoring me.”
- “I would feel better having the water company come out than a for-profit company that was trying to sell me something.”

Some had taken advantage of in-home visit programs.

- “I called them to see why [my bill was so high]. They went to my home and told me my toilet leaked.”

Grass-Roots Programs

Participants in the Latino focus group identified a need for grassroots educational programming that would provide conservation information neighborhood by neighborhood. Neighborhood block parties were a popular idea.

One team of participants from the Latino focus group combined the idea of neighborhood-based programs with contests. They suggested having neighborhoods compete to see who could save the most water. The winner would get a block party.

Another grass-roots marketing idea was “training the trainer” to provide water conservation messages within their community.

Moderators tested a number of recent conservation print ads, brochures, bill stuffers and other print materials. Recall was minimal. We also asked people to make a pile of materials that they would like to keep if they saw them. Tips on landscaping were popular.

Complexity

When asked to react to the materials, many gave negative responses or were confused by the materials. For example, in response to the “man on the lawn,” focus group participants found the message hard to get:

- “It’s kind of goofy. I think it didn’t quite make it.”
- “I didn’t know what it was.”
- “If you read it, you understand that its extreme because he’s taking a shower in the sprinklers. He’s not using as much water as he would if he took a bath or a shower, but you’re not going to get that just glancing at it.”
- “It’s funny but it’s not coherent.”

There were similar comments about the Water Saving Heroes piece, although some liked the cartoons.

Desire for Simple Visuals

Some people pointed out simple graphics that they found informative and easy to digest.

- “The pictures and the graphs were really informative. Seeing how this is dried up, which was a river at one point I assume ... photographs always work with me.”

Lists of Tips versus “Manuals”

Some participants gravitated to the quick, easy to digest information. Others liked the more developed manuals.

- “[I liked] two items because they’re quick and short, and this one I thought was cute because its a cartoon and I love cartoons.
- “I’m into gardening so I picked the gardening ones. This one I like because it is simple and educational ... I’m not going to read a manual.
- “I don’t like manuals and this reminds me of a manual ... I like something simple that I can page through.”
- “I’m more into trying to fix it myself before I pay somebody to do it and this has the picture, shows how to do it and I don’t have to flip the pages ... same thing with the plumbing one. I’m going to try to do it myself before I ask someone else.”
- “They’ve got a lot of technical information about toilets and how they work and potentially how to fix them ... I like the gadget aspect and it had good illustrations.”

Languages

Some people, including participants in the Latino focus group, liked the idea of conservation materials in multiple languages. Others found it distracting and one woman was offended by the use of languages other than English.

Some of the participants in the Latino focus groups commented that they would not need Spanish language materials themselves but would find it useful to educate older family members.

BBC interviewed seven water agencies as case studies for this assignment. The interviews focused on developing an understanding of how marketing of water conservation is conducted by other water entities. To provide relevant case studies, BBC selected water agencies from the western United States that act as wholesalers, wholesaler/retailers or regional water agencies. These case studies demonstrate responses to challenges similar to those faced by the District.

Figure D-1.
Metropolitan Water District of Southern California

Agency Name	Agency Role & Overview	Relationship between Wholesaler & Retailer	Agency Marketing Efforts & Results	Agency Budget
<p>Metropolitan Water District of Southern California (Metropolitan)</p>	<p>Metropolitan is a water wholesaler to Southern California. It is a cooperative of 26 cities and water agencies serving 18 million people in six counties.</p>	<p>Metropolitan leads and funds the water conservation programming for its retail agencies. Centralized programming provided by Metropolitan offers its retailers the ability to opt in and out of programs.</p>	<p>The current media campaign is the District's largest and most successful effort to date. Radio, television, print, online and outdoor media promote general conservation messages and enhance community relations. The campaign calls for voluntary water conservation, promotes water saving rebates and incentives, and educates the public about Delta supplies.</p> <p>Individual retailers are responsible to tailor the campaign for local communities.</p> <p>(Metropolitan rebates total approximately \$200,000 every two weeks, a substantial increase over pre-campaign levels.)</p>	<p>Metropolitan's board authorized up to \$6.3 million dollars in fiscal year 2007-08 for a sustained, multi-pronged media campaign.</p>

Figure D-2.
East Bay Municipal Utilities District

Agency Name	Agency Role & Overview	Relationship between Wholesaler & Retailer	Agency Marketing Efforts & Results	Agency Budget
East Bay Municipal Utilities District (EBMUD)	<p>EBMUD supplies water for the East Bay region. It is a publicly-owned utility.</p> <p>EBMUD serves as the retail water provider for 29 member cities.</p>	<p>EBMUD facilitates primary water conservation efforts. Individual cities can supplement EBMUD's efforts through local education programs, print materials or events.</p> <p>Customers go directly to EBMUD for conservation information, rebates and other conservation opportunities.</p>	<p>EBMUD has a twofold marketing strategy: Broad-based marketing to raise awareness of EBMUD services and communicate the value of water and wise use; and targeted marketing of specific EBMUD programs and incentives.</p> <p>Campaign tools include: print, cable television, theater and outdoor advertising, promotional items, bill inserts, and "water smart" business registrations.</p>	<p>For 2007, \$400,000 - \$600,000 was spent on conservation campaigning. Marketing efforts focused on extensive distribution of postcards, and billboard and theater advertising.</p> <p>An increase reported in May 2008 brings the budget to \$2.2 million.</p>

Figure D-3.
San Diego County Water Authority

Agency Name	Agency Role & Overview	Relationship between Wholesaler & Retailer	Agency Marketing Efforts & Results	Agency Budget
San Diego County Water Authority	<p>The Authority is a public agency serving as the wholesale provider for 24 member agencies in the San Diego region.</p> <p>The Authority serves more than 3 million residents.</p>	<p>The San Diego County Water Authority together with the Metropolitan Water District of Southern California facilitates 95% of the region's water conservation programs.</p> <p>Member agencies and San Diego County Water meet monthly to discuss programming and conservation. Despite these forums, collaborations between its 24 member agencies is still somewhat limited.</p> <p>The foundation of the Authority's and its member agencies' conservation efforts is the "20-Gallon Challenge." The challenge is a call to action asking customers for an online pledge to save 20 gallons, per person, per day.</p>	<p>Marketing efforts are addressed by both the Metropolitan Water Authority and San Diego County Water Authority. The Authority has directly engaged a marketing consultant to reach out to its 24 member agencies.</p> <p>TV, radio, morning news appearances, staff networking and bill inserts are used to market the Authority's primary message, the "20-Gallon Challenge."</p> <p>In 2006, through two commercial and residential initiatives, conservation totaled about 17,000 AF of water.</p>	<p>The total budget for San Diego County Water Authority's conservation programming is \$16 million for 2007-2008. The marketing budget is \$1.8 million.</p> <p>This budget includes the administration, implementation and marketing of its water conservation programs. There is also an additional marketing budget through Public Affairs for the "20-Gallon Challenge." To encourage success, the Authority takes measures to increase conservation budgets as programs expand.</p>

**Figure D-4.
Denver Water**

Agency Name	Agency Role & Overview	Relationship between Wholesaler & Retailer	Agency Marketing Efforts & Results	Agency Budget
Denver Water	Denver Water is both a retailer and wholesaler providing water to Denver and some of the surrounding suburbs. In addition to its wholesale clients, Denver Water serves 1.2 million consumers in the Denver Metro area.	Denver Water provides and administers conservation programming for the Denver Metro area. Messaging has established Denver Water as the regional leader in water conservation.	Denver Water has implemented a campaign that sends the message of "Use only what you need" in multiple capacities. The water conservation slogan is strong and identifiable by many Denver residents. In addition, Denver Water is currently piloting new HOA, cooling tower and residential in-home water conservation initiatives to test long-term strategies.	Denver Water has a budget of \$1.5 million for water conservation advertising and communications. The conservation program budget has recently increased from \$8 million to \$12 million to meet long-term conservation goals.

Figure D-5.
Southern Nevada Water Authority

Agency Name	Agency Role & Overview	Relationship between Wholesaler & Retailer	Agency Marketing Efforts & Results	Agency Budget
Southern Nevada Water Authority (SNWA)	SNWA is a water wholesaler to the Las Vegas area. It is governed by seven member agencies.	<p>SNWA conservation programs are metro-wide and are funded through connection charges, fees, and surcharges.</p> <p>SNWA administers the conservation programming and rebates but works with member agencies to market programs, facilitate bill inserts, enforce rules, and speak to their customers. Some member agencies are more proactive than others.</p> <p>SNWA has partnered with the Water Conservation Coalition (WCC). They work with SNWA to increase water efficient business and to promote community wide water conservation. SNWA also partners with EPA.</p>	<p>SNWA has a multimedia marketing campaign that includes television, radio and print advertising. Ads emphasize smart landscaping, rebates and simple water conservation strategies. Direct mailing efforts are zip code-based. Aerial surveys are used to identify high water users for some target marketing.</p> <p>SNWA has had the greatest success using a simple, direct approach to water conservation. For example, SNWA messaging calls for measures such as "refrain from watering one day per week." SNWA has also implemented a campaign focusing on the Hispanic community through bicultural/bilingual ads.</p> <p>Even with 400,000 new residents, Southern Nevadans consumed 15 billion gallons less water in 2007 than in 2002.</p>	SNWA had a 2007-2008 budget of \$3.2 million for advertising. Staffing and program development are funded under a separate budget.

Figure D-6.
Arizona Municipal Water Users Association

Agency Name	Agency Role & Overview	Relationship between Wholesaler & Retailer	Agency Marketing Efforts & Results	Agency Budget
<p>Arizona Municipal Water Users Association (AMWUA)</p>	<p>AMWUA is an umbrella agency facilitating the awareness of water conservation across ten member cities including the City of Phoenix. The primary water conservation campaign, "Water – Use it Wisely" is owned and administered by an outside advertising firm. Dollars from the largest of the nine cities subsidizes smaller cities' campaign participation.</p>	<p>AMWUA is not a water provider but rather a non-profit corporation developing water resources policy for ten member cities. AMWUA facilitates collaborative water conservation efforts including the "Water – Use it Wisely" media campaign for its member agencies as a third party.</p> <p>AMWUA and each member city contributes to and shares an annual budget to locally partner with the "Water – Use it Wisely" regional campaign. Member cities are also encouraged to have independent budgets to develop city-specific conservation initiatives and educational programs.</p>	<p>AMWUA's present efforts are focused on advocacy, water conservation, regional water management and water-related education.</p> <p>AMWUA member cities individually tailor marketing campaigns to local demographics.</p>	<p>AMWUA has an annual in-house water conservation marketing budget of \$115,000. This budget covers \$80,000 for print advertising and a \$5,000 contribution to "Water – Use it Wisely" marketing. With AMWUA and the ten cities' contributions, the "Water – Use it Wisely" campaign began as a \$400,000 to \$500,000 regional effort. Currently, this budget is about \$200,000.</p>

Figure D-7.
Lower Colorado River Authority

Agency Name	Agency Role & Overview	Relationship between Wholesaler & Retailer	Agency Marketing Efforts & Results	Agency Budget
Lower Colorado River Authority (LCRA)	LCRA manages water supplies for cities, farmers, and industries along a 600 mile stretch of the Colorado River in Texas. The agency has no taxing authority and operates solely on utility revenues and fees generated from supplying energy, water and community services.	LCRA has recently united with its retailers to implement a stakeholder process designed to update and improve water conservation programming.	LCRA facilitates a water conservation awareness campaign including radio spots and print media. LCRA's primary program, "Water IQ: Know Your Water," is designed to connect water customers with their providers and facilitate education in water conservation.	LCRA spends approximately \$900,000 annually on its water conservation program. Annual resources cover staff, program development and marketing of the "Water IQ" program. The marketing portion of this budget is estimated to be well under \$300,000.

BBC analyzed U.S. Census data from the most recent American Community Survey for the San José Metropolitan Statistical Area (MSA) to identify characteristics of people who recently purchased and moved into their homes and all homeowners in the area. Economic and demographic information for these households is compared with similar data for all households living in the San José MSA. Data are for 2006, the most recent year available. BBC performed special data analyses based on Public User Microdata Sample (PUMS) from the U.S. Bureau of the Census.

The San José MSA includes Santa Clara and San Benito counties; detailed data for just Santa Clara County were not available from the American Community Survey. Because San Benito County has relatively few residents, results for just Santa Clara County would not substantially differ from the information presented here.

BBC examined:

- Age of head of household;
- Education of head of households;
- Income of the household;
- Marital status and whether children are present in the household;
- Language spoken in the household, and whether the household head speaks English “well”; and
- Other demographic information.

Homebuyers refer to households who own their homes and moved within the 12 months prior to the survey, which was conducted in 2006. Homeowners are all households who own their homes. The study team identified these two groups as the key target market segments among households for the short-term marketing plan. The short-term plan will address businesses as well.

APPENDIX E. Age of Target Households

Two-thirds of homebuyers are ages 25 through 44, a much younger demographic than all homeowners and all San José MSA households. Figure E-1 compares the age distribution of these groups

Figure E-1.
Age distribution of heads of households in the San José MSA, 2006

Age	Recently Moved Homeowners	All Homeowners	All Heads of Households
18-24	2.1 %	0.4 %	3.2 %
25-34	31.8	9.4	16.8
35-44	35.3	26.6	25.7
45-54	15.9	26.2	22.9
55-64	7.9	18.6	15.3
65+	7.1	19.8	16.1
Total	100.0 %	100.0 %	100.0 %

Note: Totals may not add to 100 percent due to rounding.

Source: BBC Research & Consulting from 2006 American Community Survey IPUMS data (<http://usa.ipums.org/usa/>).

The target market segments for household water conservation programs are highly educated. Nearly six in ten homebuyers in the San José MSA have at least a college education. About 80 percent have at least some college. Few homebuyers, or any San José MSA household heads, have less than a high school education. Figure E-2 examines educational attainment for heads of households in the San José MSA in 2006.

Figure E-2.
Educational attainment of household heads in San José MSA, 2006

Education	Recently Moved Homeowners	All Homeowners	All Heads of Households
Less than high school	10.6 %	7.9 %	10.6 %
High school graduate	9.7	12.9	15.2
Some college	21.9	25.1	24.8
Four year degree or above	57.9	54.2	49.4
Total	100.0 %	100.0 %	100.0 %

Note: Totals may not add to 100 percent due to rounding.

Source: BBC Research & Consulting from 2006 American Community Survey IPUMS data (<http://usa.ipums.org/usa/>).

About 60 percent of homebuyer households in 2006 had incomes greater than \$100,000. Income levels of homebuyers are higher than all homeowners or San José MSA households in general.

Figure E-3.
Household income in the San José MSA, 2006

Income	Recently Moved Homeowners	All Homeowners	All Heads of Households
Under \$50K	17.1 %	21.2 %	31.9 %
\$50-\$100K	23.4	27.4	28.3
\$100-150K	26.9	22.4	19.3
\$150-200K	14.4	13.1	9.8
\$200K+	18.2	15.8	10.6
Total	100.0 %	100.0 %	100.0 %

Note: Totals may not add to 100 percent due to rounding.

Source: BBC Research & Consulting from 2006 American Community Survey IPUMS data (<http://usa.ipums.org/usa/>).

Marital Status

Two-thirds of homebuyers in the San José MSA are married, higher than found for all households in the metro area. Figure E-4 describes marital status of target market segments.

Figure E-4.
Marital Status in the San José MSA, 2006

Marital Status	Recently Moved Homeowners	All Homeowners	All Heads of Households
Married	65.6 %	66.9 %	56.5 %
Separated	2.0	1.4	2.9
Divorced	7.9	11.8	13.5
Widowed	4.5	8.5	7.3
Never married	20.0	11.4	19.7
Total	100.0 %	100.0 %	100.0 %

Note: Totals may not add to 100 percent due to rounding.

Source: BBC Research & Consulting from 2006 American Community Survey IPUMS data (<http://usa.ipums.org/usa/>).

Presence of Children in the Household

About 46 percent of homebuyer households have children in the household. This representation of children is greater than homeowner households (41%) and all households (37%).

Race/ethnicity

Race and ethnicity of homebuyers, homeowners and all households in the San José MSA are shown in Figure E-5. More than one-quarter of homebuyers are Asian-Pacific Americans and 9 percent of homebuyers are Subcontinent Asian Americans. About 14 percent of homebuyers are Hispanic Americans.

Non-Hispanic whites comprise fewer than one-half of all San José MSA homebuyers.

**Figure E-5.
Race/ethnicity in the San José MSA, 2006**

Race/ethnicity	Recently Moved Homeowners	All Homeowners	All Heads of Households
African American	1.8 %	1.6 %	2.8 %
Asian-Pacific American	28.4	22.6	22.8
Subcontinent Asian American	8.8	4.8	6.3
Hispanic American	14.3	14.3	18.5
Native American	0.3	0.6	0.6
Other minority group	0.0	0.1	0.3
Non-Hispanic white	46.4	56.0	48.8
Total	100.0 %	100.0 %	100.0 %

Note: Totals may not add to 100 percent due to rounding.
 Source: BBC Research & Consulting from 2006 American Community Survey IPUMS data (<http://usa.ipums.org/usa/>).

Language

Homebuyers in the San José MSA are more likely to speak a non-English language than English in the home. About 14 percent of homebuyers speak Spanish at home, 8 percent speak Chinese and 8 percent speak Hindi or related languages. About 5 percent of homebuyers speak Vietnamese at home. Figure E-6 shows these results.

About 8 percent of homebuyers speak English “less than well.”

**Figure E-6.
Language in the San José MSA, 2006**

Language	Recently Moved Homeowners	All Homeowners	All Heads of Households
English	42.2 %	60.5 %	54.7 %
Spanish	14.0	11.0	14.5
Chinese	11.5	7.8	7.3
Vietnamese	5.2	4.7	5.0
Hindi and related languages	7.7	3.1	4.0
Filipino, Tagalog	6.5	3.1	2.9
Korean	3.3	1.1	1.5
Other	9.6	8.7	10.1
Total	100.0 %	100.0 %	100.0 %

Note: Totals may not add to 100 percent due to rounding.
 Source: BBC Research & Consulting from 2006 American Community Survey IPUMS data (<http://usa.ipums.org/usa/>).

BBC collaborated with District staff to research ideas for potential water conservation messaging and tactics for a number of customer segments. This appendix examines the following segments:

- Residential;
- Landscape and nurseries;
- Public sector and public institutions (water-using entities dedicated to public service including schools, courts, churches, hospitals and governments);
- Farms and other agriculture;
- Industrial and manufacturing (primarily manufacturers or producers of materials as defined by the Standard Industrial Classifications Code numbers 2000 through 3999); and
- Commercial and other business (providers or distributors of products or services including hospitality, office, commercial business or other places of commerce).

Figure F-1 on the following pages includes a matrix of ideas from BBC, District staff and other water suppliers.

APPENDIX F. Customer Segment Tactics

**Figure F-1.
Customer Segment Tactics**

Customer segment	Messages and motivations	Tactics	Tactical distribution channels
Residential	<p>Strong awareness and interest in energy conservation.</p> <p>Strong support for rebates, contests, other financial incentives and home visits.</p> <p>Positive messaging; warn against “negative” conservation message.</p> <p>Some support for multilingual marketing.</p>	<p>Establish public awareness that the District is an agency with “expertise” and is a leader in water conservation.</p> <p>Year-long marketing campaign instead of the traditional seasonal campaign.</p> <p>Increase conservation campaign budget to at least \$700,000 in 2008 and ramp it up to at least \$1 million by 2010.</p> <p>Market rebate and home/business visit programs together.</p> <p>Direct traffic to District phone number or website.</p> <p>Strengthen customer service capabilities.</p> <p>Develop simple, quality campaign creative.</p> <p>Step up marketing partnerships and cooperation with partners and other intermediaries.</p> <p>Carry out neighborhood-based marketing efforts.</p> <p>Strengthen messaging to non-English speakers.</p>	<p>A clear identification of the District, with a tagline, should come with the rebate or home/business visit message.</p> <p>Conduct a year-long media campaign instead of the current seasonal campaign.</p> <p>Utilize traditional media (radio, TV, newspapers and outdoor media) and new social marketing.</p> <p>Rebates and home/business visits should be clearly identified and accessible on the District home page.</p> <p>District may wish to establish a new water conservation website that supports rebates and home visits.</p> <p>Maintain a customer service center with adequately resourced phone line and web capabilities to convert traffic into rebates and visits.</p> <p>Test campaign creative elements in focus groups before execution.</p> <p>Strengthen marketing channels and/or long-term cooperation with:</p> <ul style="list-style-type: none"> • Retailers • PG&E • Home improvement stores • Developers and builders • Landscaping industries • Schools • HOAs • Community groups and leaders • Business group and leaders • Environmental groups

APPENDIX F. Customer Segment Tactics

Customer segment	Messages and motivations	Tactics	Tactical distribution channels
			<p>Seek support of local media to reinforce desired message to target audiences and reinforce desired messages.</p> <p>Encourage retailers to post links on websites and train staff handling incoming calls to refer people to the District.</p> <p>Provide tools for water retailers to include rebate and home-visit information in bill stuffers.</p> <p>Create mobile street team to generate “buzz” and hold events at stores, nurseries and community events.</p> <p>Increase visibility of street team; operate out of two fully-wrapped energy-efficient vehicles that promote water conservation message.</p> <p>Strengthen point-of-purchase (POP) displays in large home improvement stores.</p> <p>Strengthen dissemination of multilingual collateral through neighborhood-targeted markets and social marketing.</p>

APPENDIX F. Customer Segment Tactics

Customer segment	Messages and motivations	Tactics	Tactical distribution channels
<p>Landscape and nurseries</p>	<p>Customer drives choice of landscape (low-water landscapes not attractive to some). Inconsistent industry/customer messaging. Cost is key; low-water may be perceived as expensive. Mixed level of industry training on low-water choices. Industry won't want to hurt own bottom line. Financial incentives as key to getting homeowners, businesses and growers to use water-efficient practices or choose low-water landscaping.</p>	<p>Direct marketing. Consistent messaging for consumers and industry professionals. Strengthen partnerships with nurseries and the landscape industry. Offer advertising or promotion of District partners. Increase visibility and accessibility of low-water plants and new irrigation technologies. Establish industry-specific water conservation standards and compliance measures, and regularly update building and landscaping ordinances. Support for outreach to non-English speakers through enhanced communications and new employer/employee tools.</p>	<p>Direct calls, visits, follow-up (potential to combine with other measures). Develop and distribute collateral material and education resources for management, staff and customers (consistent with residential and other messaging). Hold workshops and use trade groups/industry associations to distribute information to this market segment. Utilize street teams to hold events at nurseries or garden centers. Provide training to retail management/staff. Give promotional items to staff (e.g., hats, T-shirts, car magnets). Develop standards, training and certification programs for landscape contractors. Work with nurseries to schedule promotions and events around the best sales periods for plants. Partner with nurseries to provide and manage point-of-purchase water conservation displays, and encourage "up front and visible" low-water-using plant stock and new water-saving technologies. Package and distribute low-water plant tags for a District-approved plant list. Identify partnering nurseries and landscapers in District media and ads. Keep building and landscape ordinances current (e.g., maintain standards for soil preparation, landscaping, irrigation and water harvesting on new construction or renovations). Develop and distribute multilingual tools targeting labor and staff (e.g., field pocket guides, "how-to" labels or tags on water-using technologies).</p>

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<p>Public sector and public institutions</p>	<p>Increase public awareness of District’s and others’ accomplishments through positive messaging.</p> <p>Associate water conservation with desire to get on board with growing green movement.</p> <p>Establish maintenance guidelines.</p> <p>Support in-school programs and teacher training.</p>	<p>Direct marketing.</p> <p>Strengthen public awareness of District water conservation efforts, engage local media.</p> <p>Increase public awareness of indoor/outdoor water conserving measures and strategies.</p> <p>Public recognition of institutions that demonstrate significant water conservation (complements growing desire to get on board with green movement).</p> <p>Outreach to large-turf institutions and other high users of water through incentives and rebates and water user guidelines.</p> <p>Partnerships with educational institutions, school boards, principals and teachers (to cultivate student and parent participation in water conservation).</p>	<p>Direct calls, visits, demonstrations and follow-up (potential to combine with other measures).</p> <p>Public recognition of District water conservation measures (e.g., onsite signage, meet the District events).</p> <p>Grade-specific dissemination of information through curricula, identify the District as taking the lead in water conservation (e.g., signage identifying use of reclaimed water, low-water landscapes, efficient irrigation, indoor conservation measures).</p> <p>Outreach to water-savers (e.g., awards, “thank you” phone calls).</p> <p>Incentives for institutions and government entities to install demonstration landscapes, and water-saving indoor fixtures and technologies.</p> <p>Water-stewardship program providing institutions with tools (e.g., District-sponsored labels, signage) to publically identify water-saving fixtures and technologies in use in their institution.</p> <p>Water audits combined with incentives, diagnostics, customized water-saving strategies and demonstration of potential for return on investment.</p> <p>Training of K-12 teachers through “pre-packaged” educational programs that encourage assemblies and special events for students and families (e.g., Project WET).</p> <p>Offer rebates or loans for high-cost water-saving technologies (e.g., cooling towers, pumps).</p>

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Customer segment	Messages and motivations	Tactics	Tactical distribution channels
<p>Farms and other agriculture</p>	<p>Message that water conservation is a money and time saver.</p> <p>Reach multilingual audience with call-to-action messaging (e.g., support for water conservation high among Spanish-speakers – just need to be “asked” and given the right tools).</p>	<p>Direct marketing (emphasizing return on investment for management).</p> <p>Continued partnerships with industry groups.</p> <p>Secure commitment from farm management.</p> <p>Support for outreach to non-English speakers through enhanced communications and new employer/employee tools.</p>	<p>Direct calls, site visits, dissemination of information and follow-up including demonstration of water-saving potential and return on investment (potential to combine with other measures).</p> <p>Identify potential water stewards for internal dissemination of information.</p> <p>Offer incentives for use and installation of water-saving technologies.</p> <p>Develop and distribute multilingual water conservation guide(s) targeting management and decision-makers.</p> <p>Develop and distribute multilingual tools targeting labor and staff (e.g., field pocket guides, “how-to” labels or tags on water-using technologies).</p> <p>Provide staff incentives for positive behavior change (e.g., hats, T-shirts, water bottles, coolers).</p>

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Customer segment	Messages and motivations	Tactics	Tactical distribution channels
<p>Industrial and manufacturing</p>	<p>Message that water conservation is a money and time saver.</p> <p>PR message - get on board with interest in growing green movement.</p> <p>Look for opportunities to promote new water-saving technologies.</p>	<p>Direct marketing.</p> <p>Establish relationship and gain commitment of senior management for water conservation.</p> <p>Promote water conservation as a business issue rather than a technical issue (e.g., return on investment, increase productivity, good PR).</p> <p>Provide easy access to information on industry-specific water-saving technologies.</p> <p>Support for outreach to non-English speakers through enhanced communications and employer/employee tools.</p> <p>Establish industry-specific water conservation standards and compliance measures, and regularly update building and landscaping ordinances.</p> <p>Opportunity to reach employees to encourage water savings at home.</p>	<p>Direct calls, site visits, dissemination of information and follow-up including demonstration of water-saving potential and return on investment (potential to combine with other measures).</p> <p>Gain the commitment of senior management early on in the process and implement a process for ongoing diagnostics and improvements with the identification of specific opportunities for water conservation (e.g., customized water audits combined with incentives realized through demonstrated water savings).</p> <p>Develop, distribute and provide easy access to commercial/business conservation guide, fact sheets, case studies, best practices and benchmarking data (e.g., disseminate to businesses applying or renewing business licenses, provide download capabilities on District water conservation website, site visits).</p> <p>Hold onsite workshops and forums.</p> <p>Utilize local and ethnic chambers to disseminate brochures and multilingual collateral, and strengthen communication channels.</p> <p>Utilize business/industry publications.</p> <p>Keep building and landscape ordinances current (e.g., maintain standards for soil preparation, landscaping, irrigation and water harvesting on new construction or renovations).</p> <p>Offer rebates or loans for high-cost water-saving technologies (e.g., cooling towers, pumps).</p>

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<p>Commercial and other business</p>	<p>Message that water conservation is a money and time saver.</p> <p>PR message - get on board with interest in growing green movement.</p> <p>Look for opportunities to promote new water-saving technologies.</p> <p>Set standards and ask for compliance.</p>	<p>Direct marketing.</p> <p>Develop and renew relationships with commercial/business management and gain commitment for water conservation.</p> <p>Promote water conservation as a business issue rather than a technical issue.</p> <p>Plan for continuous training to maintain relationship with this sector.</p> <p>Establish industry-specific water conservation standards and compliance measures, and regularly update building and landscape ordinances.</p> <p>Establish relationships with local restaurant owners, hotels, recreation facilities and others in hospitality.</p> <p>Partner with home improvement establishments and other retailers.</p> <p>Financial incentives for water-saving technologies and retrofits.</p> <p>Opportunity to reach employees to encourage water savings at home.</p>	<p>Direct calls, site visits, dissemination of information and follow-up including demonstration of water-saving potential and return on investment (potential to combine with other measures).</p> <p>Gain the commitment of senior management early on and implement a process for ongoing diagnostics and improvements with the identification of specific opportunities for water conservation (ask for business to assign an in-house water conservation steward to channel communications).</p> <p>Develop, distribute and provide easy access to commercial/business conservation guide, fact sheets, case studies, best practices and benchmarking data at start up or other key times (e.g., disseminate information to businesses applying or renewing business licenses, provide download capabilities on District water conservation website, develop a hotline for questions).</p> <p>Create mobile street-teams to hold events at home improvement stores and other venues (opportunity to disseminate information about new technologies and applications for rebates at time of purchase).</p> <p>Provide regular training for participating retailers' management/staff.</p> <p>Hold onsite workshops and forums for business customers around events and promotions.</p> <p>Develop procedures to regularly restock any POP materials in displays.</p> <p>Utilize local and ethnic chambers to disseminate brochures, rebates and multilingual collateral, and strengthen communication channels around events.</p> <p>Develop standards, training and certification programs for water-intensive businesses (e.g., restaurants, laundries, car washes).</p>

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Customer segment	Messages and motivations	Tactics	Tactical distribution channels
			<p>Keep building and landscape ordinances current (e.g., maintain standards for soil preparation, landscaping and water harvesting on new construction or renovations).</p> <p>Offer restaurants free or low-cost auto-shutoff rinse nozzles and rebates on new technologies (e.g., waterless woks).</p> <p>Offer hospitality businesses and others rebates for retrofitting or replacing old toilets, shower heads, faucets and water-using appliances.</p> <p>Offer rebates or loans for high-cost water-saving technologies (e.g., cooling towers, pumps).</p>