MACKAY REGIONAL COUNCIL – TIME FOR CHANGE – DEMAND MANAGEMENT PROGRAM

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KEYWORDS
Social Marketing, Direct Marketing, Demand Management, Customer Engagement

EXECUTIVE SUMMARY (100 words maximum)
The Social Marketing Strategy was introduced to enable a Demand Management Program to be implemented, which engaged and educated customers to minimise water consumption. This was primarily focused on outdoor use, peak water demand to achieve the objective of deferring capital investment for the Mackay Regional Council.

The strategy has provided higher levels of customer satisfaction, more proactive communication from Council and has opened two-way conversations with the customer. As a result, customer leaks are being fixed quickly, saving both Council and the customer money. There is also less “bill shock” within the community as customers can track their consumption and hence expenditure.

INTRODUCTION
Due to the booming economy and rapid population growth in the Mackay region in the mid 2000’s, the costs of delivering water and sewerage services were escalating. A change was required, as doing business the way it had always been done was not sustainable as consumption was rising and a requirement for capital investment for a new Water Treatment Plant was rapidly approaching. A strategy that concentrated on non-capital solutions was developed and focused on two areas of change – data collection and customer engagement.

To implement the strategy, a two-pronged approach was developed. The first was to develop an intelligent water network, to obtain improved outcomes in operational and capital decisions and a demand management program to minimise water consumption, primarily targeted outdoor water use.

The Intelligent Water Network, has Automatic Meter Readers (AMR) devices installed on Water Meters and the rollout of the program has been completed. This allows Council to see how much water is being used in real time.

The Demand Management Program is a comprehensive social marketing strategy that consisted of:

- Customer Engagement
- Customer Education
- Consumption monitoring software including a free customer portal, myh2o, that provides customers with information about their water use

A community survey was undertaken in 2011, to understand who Mackay Regional Council was talking to and results of the survey showed:

- 57% of the people living in our region, considered Mackay their home, the other 43% were here for work and had no real affinity to Mackay or plans to stay here long term
- 54% of residents stated that they were not aware of any problem with Mackay’s water situation
- When questioned on the issues facing our region, water was at the bottom of the list and
- Even when prompted on water related issues 46% still believed that no problem existed
- They are unaware of the cost implications for the region and when water bills went up, many residents didn’t know why
More than half of those surveyed said that they would be prepared to bear the costs rather than change their behaviour.

On a positive note, some things that worked in Mackay Regional Council’s favour:

- 98% accepted that they had a responsibility to save water
- Two thirds believed that they could be doing more
- They were largely unaware of the impact of outdoor watering – identifying an opportunity for education
- 90% believed that council had a role to play – meaning Council could act as influencers and provide customers with the tools for change

**HIGHLIGHTS**

The Social Marketing Strategy that was implemented has changed the relationship between Mackay Regional Council and its customers:

- All Customers have smart metering and can manage near real time water use, through myh2o
- There has been a 10-fold increase in proactive engagement with customers
- A significant decrease in concessions for Concealed Leaks
- Higher levels of customer satisfaction

**RESULTS/ OUTCOMES**

Based on the survey results, Mackay Regional Council (MRC) needed to take the region’s residents on a journey of change. The key message that was developed for the campaign was “Wasting water waste a whole lot of opportunities”. This lead to the development of the “Watch your flow of your h2o” social marketing campaign.

The first started as a massed marketing strategy, consisting of; TV, Print, Mail Outs, Restriction Magnets, Outdoor advertising, Online and an Education program. The focus was to create awareness of the issue; to put water on people’s “radar”. The second year focused on outdoor watering. Year three included radio advertisements and a local plant guide website; completely focusing around outdoor watering. Years four and five requested action from our customers, taking them to a stage of behaviour maintenance - permanent behaviour change.

Residents were introduced to the customer portal, myh2o, which was launched in the fourth year of the campaign. Myh2o empowers customers to take responsibility for their own water consumption, as they can view their daily water consumption and costs and be alerted to leaks and high consumption. These notifications can occur within days of the consumption happening, rather than waiting for the bill to arrive. The myh2o website was launched via a mass marketing campaign with a competition to encourage registrations. The campaign continued in the fifth year with testimonials from real customers.

As our customers all use water differently, so a direct marketing strategy was also developed in parallel to the social marketing strategy. The data captured from AMR devices was analysed via MiWater, to create customer profiles using the demographics collected through the registration process. Properties with pools and automatic sprinkler systems could be identified through usage patterns. This information enables MRC to directly target different groups with relevant and useful information, rather than mass marketing the one message which may only be relevant to a few of the recipients.

Since the launch of the strategy, MRC has seen and continues to see a number of positive outcomes, including:

- Changed customer water use behaviour
- Improved two-way communications with customers
- Deferral of $100 million in capital expenditure for greater than 10 years
- Residential Customer leaks are now fixed within approximately eight days, compared with approx. 20 days in 2016

**CONCLUSION**

The result of not only the implementation of smart metering but also the marketing and engagement strategy for MRC has resulted in a significant deferral of capital on a new water treatment plant. The approach has
raised awareness, reduced consumption and lead to a two-way interaction between our customers and Council. This interaction can only be beneficial and the region continues to remain focussed and committed to water conservation.