

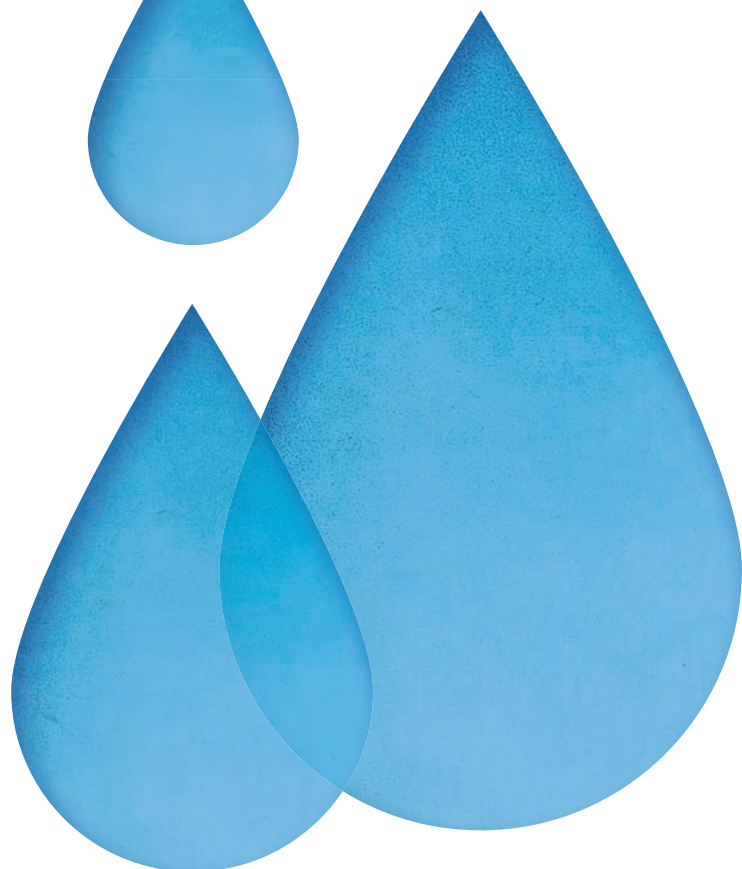


Cause for CONCERN

Water conservation has been billed as the most important environmental issue of the 21st century, yet few American consumers are altering their behaviors—and fewer companies are trying to motivate them to do so

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According to the U.S. Environmental Protection Agency, at least two-thirds of the United States is either experiencing or bracing for local, regional or statewide water shortages. Parts of the United States use up to 80% of their available freshwater resources, making future water shortages more probable, according to the United Nations Educational, Scientific and Cultural Organization. Globally, 1.2 billion people live in areas with inadequate water supplies and by 2025, two-thirds of the world will contend with water scarcity, according to the International Water Management Institute.

Did you know that the world's water shortages are that dire? You're not alone if you didn't—and you're in good company if you have yet to do anything about it. A 2011 study by the London-based Chartered Institution of Water and Environmental Management says that consumers around the world are generally unaware of their own water consumption, tend not to change their behavior and have a general lack of knowledge about water management issues.

"Water is still a really inexpensive resource across the country and until water rates go up, the vast majority of people aren't going to think twice about conserving water," says Park Howell, president of Park&Co, a Phoenix-based marketing agency that specializes in sustainability and has worked on nationwide water conservation campaigns. "It's a big environmental issue that's creeping up on consumers that they don't even realize is at their doorstep."

While consumer behaviors have yet to change, such change is inevitable, experts say, which makes water conservation a powerful and prescient cause for companies to get behind—incorporating water-saving strategies into both their day-to-day operations and their marketing plans, and taking the lead on water-based public awareness efforts. "It's going to be the No. 1 environmental issue for North America, if not the entire world, in the next few years [because] the population continues to expand and our infrastructure is not keeping up. Consumer product manufacturers are [realizing] this is going to become much more visible over the next decade and if they're there as a pioneer saying, 'Let us show you how to use our product to save water,' then [they're] the hero," Howell says.

DISTILLING THE MESSAGE

Howell is no stranger to effective water-based marketing strategies. In 1999, his firm developed a campaign for the city of Mesa, Ariz., aimed at encouraging residents to conserve water. The campaign, called "Water: Use it Wisely," offers simple water conservation tips on a website and in TV, print and radio ads. Initially used by local utilities, the "Water: Use It Wisely" messaging later was adopted by more than 400 public and private entities across the United States, with corporate sponsors including Lowe's and Home Depot, and is still active nationwide. The campaign model is important, Howell says, because it allows utilities that have limited financial and personnel resources to co-brand a national campaign and benefit from its universal theme: "There are a number of ways to save water, and they all start with you."

"We learned early that people across the country said, 'Don't tell me to save water; show me how,'" Howell says. "The campaign demonstrated to corporations that environmental engagement can be fun, thought-provoking and easy for an individual to do."

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CORPORATE CONSERVATION

Many municipalities have no choice but to promote more positive consumer behaviors regarding water usage and on the corporate side, many companies know that it makes good business sense to change their organizational behaviors when it comes to water usage—whether or not they decide to promote it.

"[Water conservation] is a rapidly growing area in the corporate world," says Brian Richter, director of global freshwater strategies at the Nature Conservancy, an Arlington, Va.-based global conservation organization that works with government agencies at local, state and federal levels around the world to evaluate water efficiency. "More and more companies are seeing the need to get involved in looking at their water use: how much they use, where they use it and the certainty or risk associated with that use." Northfield, Ill.-based Kraft Foods Inc., which has worked with the Nature Conservancy in the past, reduced water consumption at its manufacturing plants by 21% from 2005 to 2010 and plans to further reduce water consumption by an additional 15% by 2015, according to a company spokesman.

In 2010, Chicago-based MillerCoors initiated a study of water-related supply risks in its supply chain and worked with the Beverage Industry Environmental Roundtable, a partnership of global beverage companies devoted to environmental issues, to create an industry approach to "water footprinting." "Sustainability benefits the business and benefits the environment, and for us, we really want to be a recognized leader in the space," says Kim Marotta, vice president of corporate social responsibility at MillerCoors. "We need to understand the watersheds of where our breweries are located so we protect the quality and quantity of water long term." MillerCoors also sponsors the beverage page on the Mother Nature Network website, which includes news, educational videos and tips on sustainability issues such as water conservation best practices for businesses.

Other than industry-focused initiatives and some brand sponsorships of clean water efforts, MillerCoors doesn't engage in much water-related cause marketing yet because other environmental issues, such as recycling, attract more consumer attention, Marotta says.

That organizational rather than cause-marketing-related approach to water conservation isn't atypical among American businesses. At Atlanta-based Coca-Cola Co., most water conservation efforts are conducted behind the scenes as well, at least in the United States. As part of its partnership with the Nature Conservancy, Coca-Cola worked with academics at the Global Environment & Technology Foundation on a report detailing methods by which companies can measure and account for the



benefits of water conservation work in communities and watersheds. Coca-Cola and the Nature Conservancy also worked with private land owners and cooperatives in north Texas to expand grasslands and reintroduce native species to restore prairies, which helps with water quality.

"We have evolved in our understanding and response to water issues over the last decade," says Greg Koch, Coca-Cola's managing director of global water stewardship. "We've recognized the stresses water is under, from quality, to quantity, to droughts and scarcity. Plant performance is important and we've maintained that, but ... it's not enough for us to take care of the water we need for our business because water is so fundamental to life. It's in our vested business interest to play a role in watersheds and communities, and in awareness and education."

Richter says that companies must first get a handle on their own water usage before they can engage in any meaningful water-related cause marketing initiatives. "It's difficult for a company to take a position of encouraging its consumers to be responsible for their water use until the company assumes the responsibility for its own water."

FROM A DRIP TO A DELUGE

Coca-Cola therefore is navigating the "water as a corporate cause" strategy carefully, introducing only a few water conservation programs domestically until consumers are more receptive to water-related messaging. Instead, Coke's environmental messaging in the United States focuses on recycling and species conservation efforts, such as the company's recent holiday campaign in which Coke cans and bottles were white rather than red to support the World Wildlife Fund's polar bear conservation programs. These efforts more closely match the American consumer's mindset, says Lisa Manley, Coca-Cola's director of sustainability communications. "Consumer interests vary country by country. We need to understand areas of interest within our sustainability area that are most relevant to a particular community and work to tailor our communications against those. Here in the U.S., we've seen a lot more interest around packaging and recycling. In [global] markets, we see more of a defined interest around water," Manley says.

Overseas, Coca-Cola is doing more overt water conservation initiatives, including running ads such as the one in its Latin American marketing campaign, "Every Bottle Tells a Story," that features a man doing water stewardship work in communities in Mexico. And during the FIFA World

Cup in South Africa in 2010, Coca-Cola ran ads promoting the Replenish Africa Initiative, which helps bring water to drought-ridden communities throughout the continent.

Coca-Cola's site-specific and consumer-sensitive strategy is wise, experts say. "[Water conservation] is certainly not on the forefront of American consumers' minds, but it is on the forefront of global consumers' minds," says Karen Barnes, vice president of insight at Shelton Group Inc., a Knoxville, Tenn.-based advertising agency focused on bringing sustainability to the mass market.

When corporations are ready to engage American consumers on water conservation awareness, though, they could take a page from the play-book of Piscataway, N.J.-based faucet and toilet maker American Standard Brands. American Standard's water conservation efforts are organic in that the company's products handle consumers' water use, so water conservation as a corporate cause is an obvious fit. Jeannette Long, vice president of digital marketing, doesn't deny that fact but says that by promoting water efficiency, both the company and the environment can benefit.

Water conservation is part of American Standard's DNA, she says. "Every product that we make is a water receptacle or has water that passes through it, so we feel like it's our responsibility to design products that will function exceptionally well and use as little water as possible. The bathroom accounts for 75% of water used in the home, so if we're designing the products, it's our responsibility to create the best product and still protect our natural resources."

American Standard recently teamed up with the Environmental Protection Agency on a water conservation program called WaterSense and developed water-efficient faucets, showerheads and toilets. As part of that program, American Standard worked to change consumer perception that water-efficient appliances don't perform as well as regular appliances, Long says. "Our biggest goal is to convince consumers that more water does not equal better performance. We've reduced water in the faucet category by 20% and in the showerhead category by 40%, and we do testing to ensure that the performance the customer's going to experience is exactly the same as when they used more water."

To tout its products' water- and money-saving capabilities, American Standard conducted the Responsible Bathroom campaign from late 2009 to early 2011. The campaign included print, TV and mobile marketing, with trailers featuring American Standard product exhibits stopping at home shows around the country. "It was critical for us to demonstrate that you don't need as much water. [We] came up with demonstrations that showed, 'This toilet flushes 24 golf balls with 20% less water,'" Long says. "Everybody walked away saying, 'Wow, that's impressive.'"

Responsible Bathroom ads promoted water-saving behaviors, emphasizing that a family of four, for instance, can save 16,000 gallons of water a year by using water-saving appliances and water-efficient practices. The campaign included a Responsible Bathroom Sweepstakes, which gave away vacations to families who submitted creative ways to save water. A water calculator on the Responsible Bathroom section of American Standard's website also estimated the cost savings of using water-efficient appliances.

Getting consumers to adopt water-saving habits is a challenge, Long admits. "Some of them won't be interested in water conservation, but there is this message that says: 'You're going to use less water; your performance is going to be just as good, actually better than when you were using more water, and you're going to save money on your water bill. You're going to save energy because you're not heating as much water for your shower and your faucets.' We talk to them on that side, for people who aren't environmentally conscious."

To introduce future generations to the issue of water conservation, American Standard partners with the Green Education Foundation on a curriculum for New Jersey schools that shows children how much water is being used in the bathroom. Students conduct audits of plumbing products, figuring out how much water they could save if they replaced fixtures in their school. "We were effective [in] bringing younger generations into it because they are more socially minded as they start to hear about natural resources being used up," Long says.

The company also donated \$1 million to the Nature Conservancy's water conservation awareness programs in 2010, and works with



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organizations such as the International Association of Plumbing and Mechanical Officials and the EPA on plumbing infrastructure testing. American Standard also meets with congressmen about issues that relate to the plumbing industry and water conservation, all of which are important to the end consumer.

Howell applauds American Standard’s conservation efforts. “They’ve got products that use water and facilitate the flow of water, so they’re a good corporate citizen, going out of their way to build water savings into the product and teach the behavior change. Technology alone is not going to save this planet, no matter how energy-efficient the showerhead,” he says.

For Cleveland-based Great Lakes Brewing Co., which sells a water-based product with a water-related brand name, water conservation also is a natural fit. “Our product is made of 95% water, so it’s the main ingredient of our product,” says Saul Kliorys, environmental programs manager at Great Lakes. “We’ve called our company Great Lakes Brewing Co., Lake Erie is one mile away: Those are the reasons we’re interested in [water conservation]. It’s a resource that’s getting scarcer and scarcer.”

The brewer’s cause marketing efforts include a music festival in Cleveland called Burning River Fest that’s dedicated to promoting water conservation. Money raised at the festival goes to water conservation organizations such as the Doan Brook Watershed Partnership in Northeast Ohio, Lake Erie Waterkeeper and a rain harvesting program for urban gardens at Baldwin Wallace College in Berea, Ohio. Great Lakes also works with organizations that conduct educational projects at local schools, including Drink Local, Drink Tap in Cleveland and Tinkers Creek Watershed Partners in Twinsburg, Ohio.

The brewer’s water conservation efforts are an obvious tie-in, Kliorys says, and they help to boost the company’s brand image. “In Cleveland, folks like our brand a lot, so we asked them why they do, and the primary reason is for the quality of the beer ... but most people are also supportive of the sustainability initiatives. It’s definitely an added benefit.”

BE CONSERVATIVE

As with any cause marketing initiative, authenticity is key to companies’ water conservation messages, whether consumer-driven or covert. Water has always been a top priority for MillerCoors as a business, which helps in its bid for authenticity, Marotta says. “Any time you’re connecting with a consumer and talking about the importance of any aspect of sustainability, it absolutely needs to be authentic. If you’re not walking the walk,

then don’t talk the talk. If it’s about water, you better be operating from the most water-efficient breweries, understanding your footprint and making water conservation efforts in your supply chain. Otherwise, it’s going to be noticeable that it’s greenwashing and not part of the DNA of the brand,” she says. “It’s not as though we woke up in 2008 and said: ‘Boy, there’s some successful sustainability campaigns out there. We should really look at this.’ It’s [been] a decades-long commitment.”

Echoes Coca-Cola’s Manley: “Today’s consumer is incredibly savvy and incredibly aware of a company matching their behaviors with their messaging, so it would be folly for us to communicate with something that we didn’t feel we were engaging in a responsible way around. We’ve got all of the proof points that one might need to feel comfortable beginning to think about how do you convey the message to consumers—and not just convey it in terms of how do you educate them, but ... how do you invite them along in the journey? I see it as an area where we’ll have increasing engagement with consumers in the future.”

Water will never be just the cause du jour. Rather, it’s a matter of survival, the Nature Conservancy’s Richter says, so it’s a worthwhile investment to get behind water conservation now. “Water is going to be the most important natural resource and environmental issue of the 21st century. Population growth is going to put more and more pressure on limited water supplies, so it’s going to be critically important for everyone, especially corporations, to be actively involved in promoting activities that will protect those water supplies and use them more efficiently,” he says. “Unlike many other natural resources, water has no substitute.” **m**

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