

## Perception is all there is

***"Uncovering the unknown: Four insights gained through stakeholder engagement"***

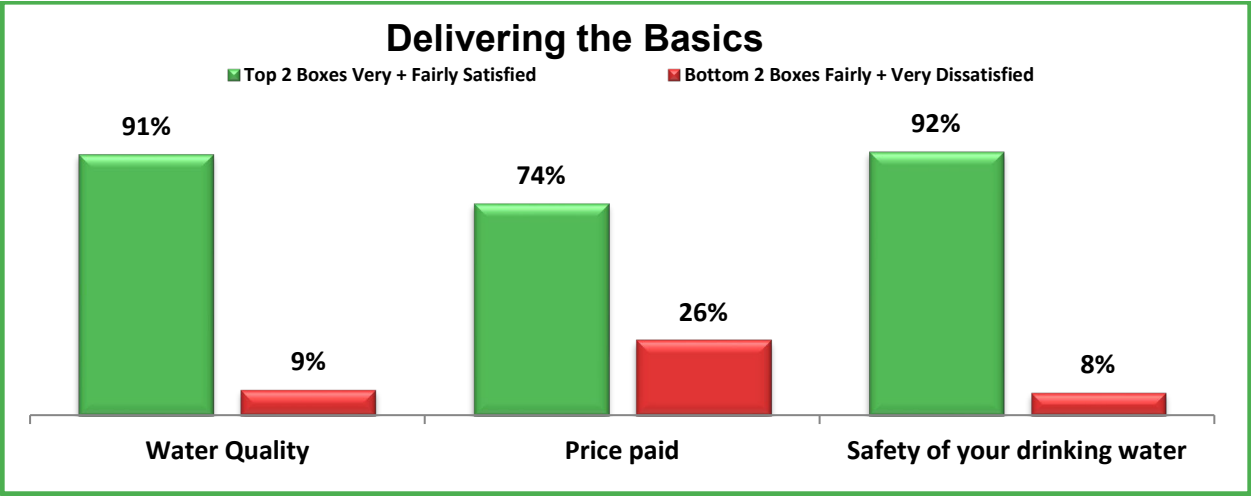
Perception drives reality. In today’s complex water and wastewater landscape, your stakeholders' beliefs—whether accurate or not—directly impact trust, satisfaction, and support. Without actively seeking to understand these perceptions, organizations risk navigating blind spots that could result in costly missteps. Recognizing these blind spots is the first step to addressing them and building a stronger future.

UtilityPULSE’s recent nationwide survey\* of 1,200 residential customers sheds light on how Canadians feel about their water and wastewater services, providing actionable insights that can help organizations build a more resilient future. The question is no longer whether stakeholder engagement is necessary, but how it can be used as a strategic advantage to foster stronger relationships and ensure long-term success.

### How are we doing on the basics?

Essential service organizations such as Water & Wastewater Organizations (W&WWO), Electric Utilities, and Gas Utilities must meet their first obligation, that is, the safe, reliable, efficient and cost-conscious delivery of their product/service. Getting the basics/foundational responsibilities right is the first priority.

Of the 28 questions asked in the online survey, 7 questions were dedicated to water quality, i.e., taste, colour, smell, clarity, etc.



These numbers represent a national benchmark average of respondents with an opinion and not individual W&WWO. To make these insights more actionable at a local level, organizations should consider comparing their internal metrics against these benchmarks to identify gaps and opportunities for improvement. Questions we would recommend discussing include:

- How many residential stakeholders does the B2B number represent in your organization?
- What would it take to increase the satisfaction numbers of the T2B number in “Price paid?”
- Are residential perception numbers on “Water Safety” something that should be monitored? Why or why not?

We believe that everyone in an essential service organization contributes to delivering the basics. We also believe that people can’t care about the things they don’t know about, which is why we recommend having discussions.

### **Stakeholders can help the operation with priority planning**

Stakeholders want their voices to be heard, and they want to know that the organization is listening and understands their viewpoints. The reality is that stakeholders do have wisdom and ideas and will willingly contribute them to you if you ask.

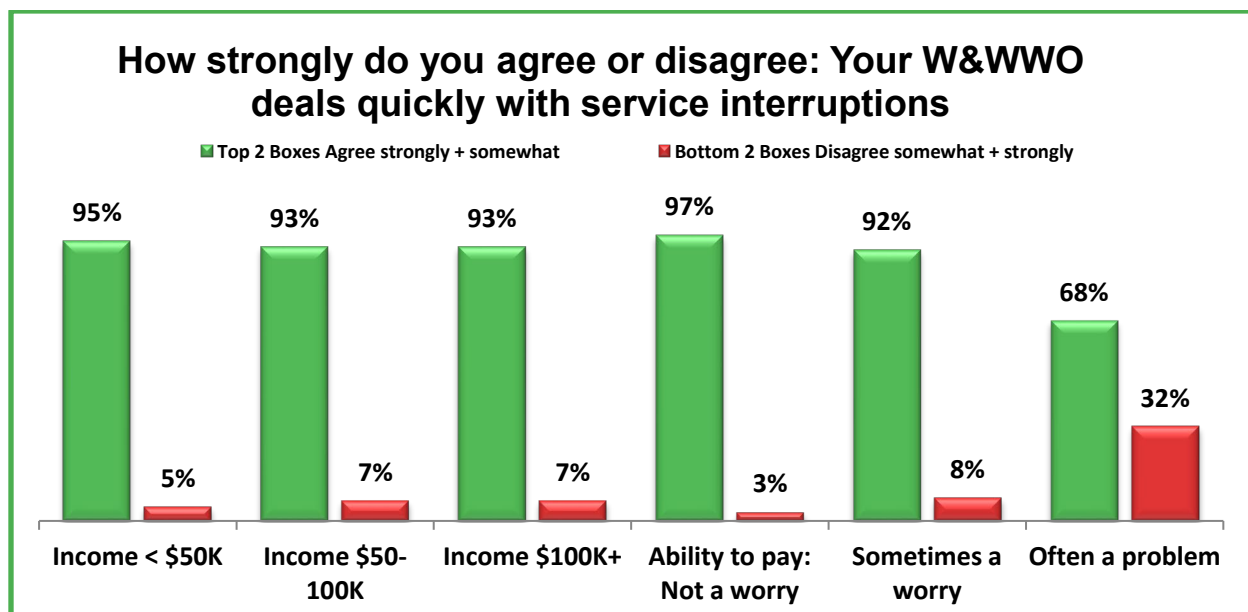
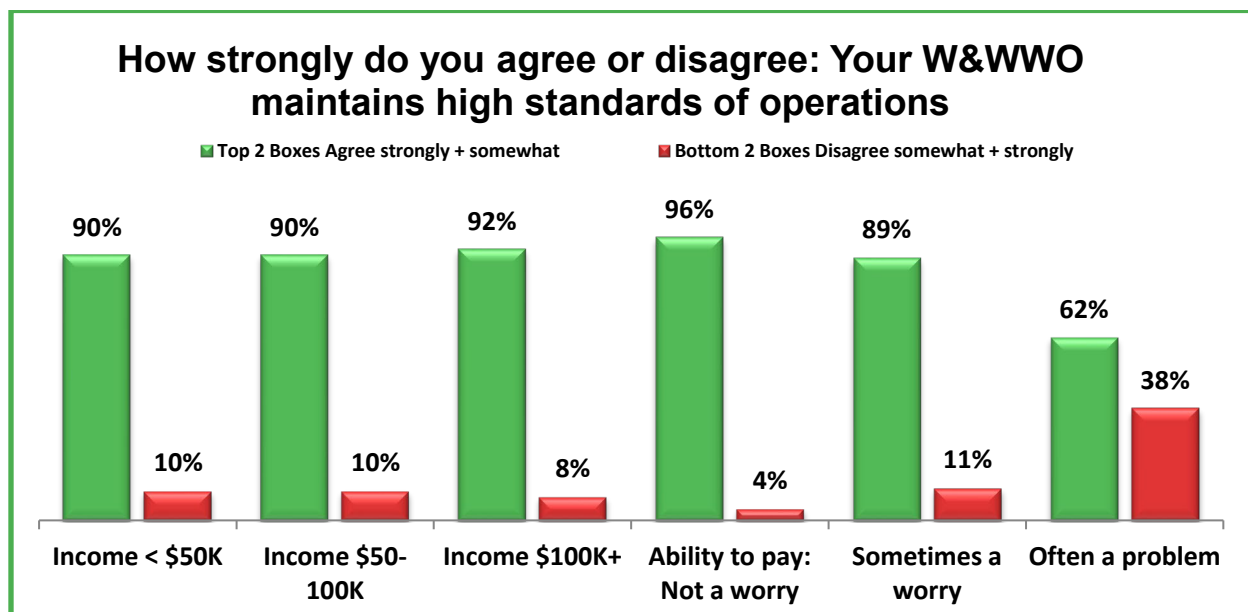
Engaging stakeholders is a mutually beneficial process that fosters an open exchange of information and perspectives, helping both the organization and its stakeholders gain valuable insights and align on key priorities. For example, few residential stakeholders know much about water quality, but by answering questions on water quality, they learn what measures are used to assess it.

When answering questions about investing in priority areas, e.g., replacing aging infrastructure, upgrading technology to improve service, maintaining quick response to service interruptions and more, respondents learn about the priority areas while providing you with their view on priority. Our electric utility clients ask these types of questions to help prioritize capital investments and timing of projects, including changes in customer support processes.

### **Essential service operations are not immune from societal trends**

Your W&WWO may be an excellent operation, but that doesn’t mean stakeholders recognize its effectiveness. Stakeholder perceptions are often shaped by their personal financial situations, which can influence how they evaluate the value and reliability of services provided. Essential service organizations are particularly vulnerable to these financial concerns, which can, in turn, impact satisfaction and trust levels.

For example, this recent survey showed that perceptions on many attributes were statistically the same based on income. However, based on the respondent's ability to pay, a different story emerges.



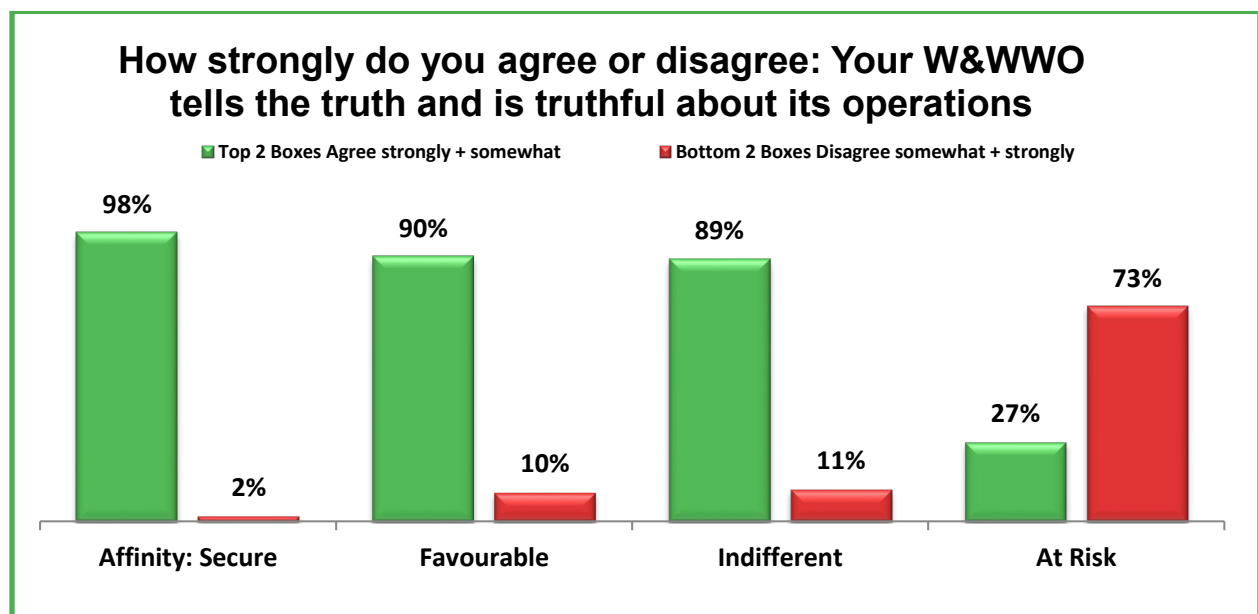
While it is true that your organization may not be able to do very much to help a respondent's ability to pay, a question worthy of discussion is:

- How important is it to be seen as an organization that is mindful of the impact of costs on stakeholders?
- In what ways could we demonstrate that we do pay attention to costs?

In years gone by, we've seen a reduction in ratings, especially in overall satisfaction, during tough economies.

### **Building trust, credibility and confidence with stakeholders is a very high priority**

In a world where residential stakeholders are being challenged on many fronts, trust levels with companies, government, and individuals are low. Stakeholders have difficulty determining who they can trust. However, 26+ years of research with utilities tell us that stakeholders with a high-affinity level (we call these people "Secure") provide many different ratings than those with a very low level of affinity (we call these people "At Risk." Here is an example:



When asked about overall satisfaction with their W&WWO, "Secure" customers rated their organization at 96%, while "At Risk" customers provided a 42% rating. A significant difference.

The above findings for W&WWO are very similar to our findings from the 26<sup>th</sup> Annual Customer Satisfaction Survey for electric utilities.

Questions we would recommend discussing are:

- How do we demonstrate to stakeholders that we can be trusted?
- How would a stakeholder know that we are a credible organization?
- Why is it important to be seen as a truthful organization? Should we care even though stakeholders such as residential customers can't go anywhere else?

## **The Future of Stakeholder Communications**

Based on our experience, our sense is that many W&WWOs are struggling with strategic and operational decisions around how they should be structured in order to be successful in the future. Whether the W&WWO remains a department or not, should it embrace more of the attributes of being a utility?

There are three things that we know, and you do too:

- 1- The type of organization you have today will not be the same in the near future. There are many operational, technical, people and societal shifts underway.
- 2- The intensity of polarized views and high levels of distrust make it very difficult to make strategic, operational and policy decisions.
- 3- Getting stakeholders to support the strategic and operational direction you want to take the organization is not a “nice to have” but a necessity. (Truth is, high affinity “secure” stakeholders view the organization and its performance much differently than those that are “At Risk”.)

Stakeholder engagement and communication is your friend – with all stakeholders. The purpose of engagement is to bring stakeholders together, not push them apart. And, if that isn’t possible, then at least acknowledge the different points of view.

## **Closing**

Water & Wastewater Organizations are built by dedicated professionals—people who are committed to delivering on their promises and ensuring the organization thrives into the future. However, future success requires more than hard work; it demands strategic stakeholder engagement, the right systems, and a forward-thinking approach.

To remain resilient and trusted, organizations must proactively address trends, anticipate challenges, and strengthen stakeholder relationships.

Questions for discussion:

- What emerging trends could support or challenge our organization's future success?
- What actions can we take to strengthen stakeholder support and confidence?

Effective stakeholder engagement leads to deeper insights, increased trust, and stronger alignment between stakeholder expectations and organizational goals. It also fosters innovation by leveraging diverse perspectives, ensuring your organization remains agile and responsive in an evolving environment.

Are you ready to uncover the unknown and turn insights into action? As a strategic research partner with the Canadian Water and Wastewater Association, UtilityPULSE is here to help.

David Malesich

President – UtilityPULSE

Telephone: 647-274-9420

Email: [david@utilitypulse.com](mailto:david@utilitypulse.com)

Website: [www.utilitypulse.com](http://www.utilitypulse.com)

Note: The UtilityPULSE online survey of 1,200 residential stakeholders who pay household bills across Canada contained 28 questions (excluding demographics). Data has been balanced based on population. The data shown in this article represents a national benchmark.