

October 21, 1998

To: Board of Directors (Engineering and Operations Committee--Information)
(Committee on Communications and Legislation--
Information)

From: General Manager _____

Submitted by: Mark D. Beuhler _____
Director of Water Quality

Subject: Findings from Regional Consumer Survey

RECOMMENDATION

For information only.

EXECUTIVE SUMMARY

A recent regionwide survey commissioned by Metropolitan found that 68 percent of consumers in Metropolitan's service area thought their utility was doing an "excellent" or "good" job. Consumers gave their utilities high ratings for providing a reliable water supply. Forty-four percent said that water quality was "excellent" or "good". Also, there were some differences in attitudes and preferences between Hispanic and non-Hispanic consumers. Understanding these differences can help improve consumer satisfaction and strategic planning. These are the goals of a recently developed pilot program between Metropolitan and its member agencies and subagencies.

DETAILED REPORT

In 1997, Metropolitan commissioned a regionwide telephone survey to help understand consumer expectations of their utility and the "drivers" which shape these expectations. Over 930 Southern California consumers were interviewed.

Overall Job Rating

The survey found that 68 percent of consumers thought their utility was doing an "excellent" or "good" job, a slight improvement from a similar regionwide survey conducted in 1993 (*see Figure 1*).

Components of Job Performance and Comparisons to the Rest of the United States

Southern California consumers gave their utilities high marks for providing a reliable water supply but relatively lower ratings for providing water that “looks and tastes good”, for providing water that is “safe and healthy to drink”, and for keeping consumers informed about drinking water health and safety issues. Moreover, Southern California consumers gave their utilities lower marks for “looks and taste” and “safety” than consumers nationwide¹ (*see Figure 2*). Forty-four percent of Southern California consumers said the quality of their water is “excellent” or “good”, compared to 67 percent of consumers nationwide (*see Figure 3*). It is not clear how much impact the active advertising by the bottled water and home treatment device industries has had on consumer perceptions.

Relationship between Aesthetic Quality, Safety Perceptions, and Consumer Rating of Utility Performance

Aesthetic quality was strongly linked to consumer perceptions of safety and overall consumer satisfaction. Generally, if the water looks and tastes good, consumers have a better opinion about its safety and also the job their utility is doing (*see Figure 4*). If the consumers do not like the taste of their water, they tend to have misperception that it may not be safe.

Increasing Use of Bottled Water and Home Filtration Devices

The percentage of Southern California consumers who exclusively drink bottled water has increased from 29 percent in 1993 to 38 percent in 1997, while the use of home filtration devices has increased from 21 percent to 34 percent (*see Figure 5*). Only 15 percent of consumers nationwide reported drinking bottled water exclusively. Southern California consumers have high expectations of the quality of their tap water. Over three-quarters said they thought their utility should provide water that looks and tastes like bottled water.

Consumer Trust

Some consumers do not fully trust their utility. Fifteen percent said they did not trust their utility “very much” or “at all” and another 30 percent said they only trusted their utility “somewhat”. Consumers trusted information about water quality more if it came from doctors and environmental groups than from their own utility (*see Figure 6*). Consumer trust in his/her utility was another factor strongly associated with overall consumer ratings of utility performance.

Importance of the Influence of Ethnicity

Ethnicity appears to influence certain attitudes and preferences related to water quality. Hispanics were much more likely than White non-Hispanics to: (1) be willing to pay for improvements in water quality safety, aesthetics, information about water quality and customer service (*see Figure 7*), (2) think their tap water was either worse than or better than drinking water standards, (3) drink only bottled water, and (4) think their tap water should look and taste like bottled water.

¹ Preliminary results from Phase I of the American Water Works Association Research Foundation’s 1997 Consumer Attitude Survey Update.

Focus groups held before and after the survey provided anecdotal support for many of the survey findings. Some of the focus groups were held within specific ethnic communities (Hispanic and African-American) to explore further possible differences in attitudes which might be related to ethnicity. Demographic projections for Metropolitan's service area show that the mix is rapidly changing. By the year 2020, approximately 50 percent of the consumers Metropolitan serves will be Hispanic and only 35 percent will be White non-Hispanic (*see Figure 8*).

Building on the Survey's Findings

Understanding consumer expectations and perceptions can be a useful tool in ensuring consumer satisfaction and in strategic planning. As a first step, Metropolitan and a group of member agencies/subagencies are developing a pilot water quality communications program targeting Hispanic consumers.

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Attachment 9-9A

Figure 1

Figure 1 Consumer Ratings of Overall Utility Performance

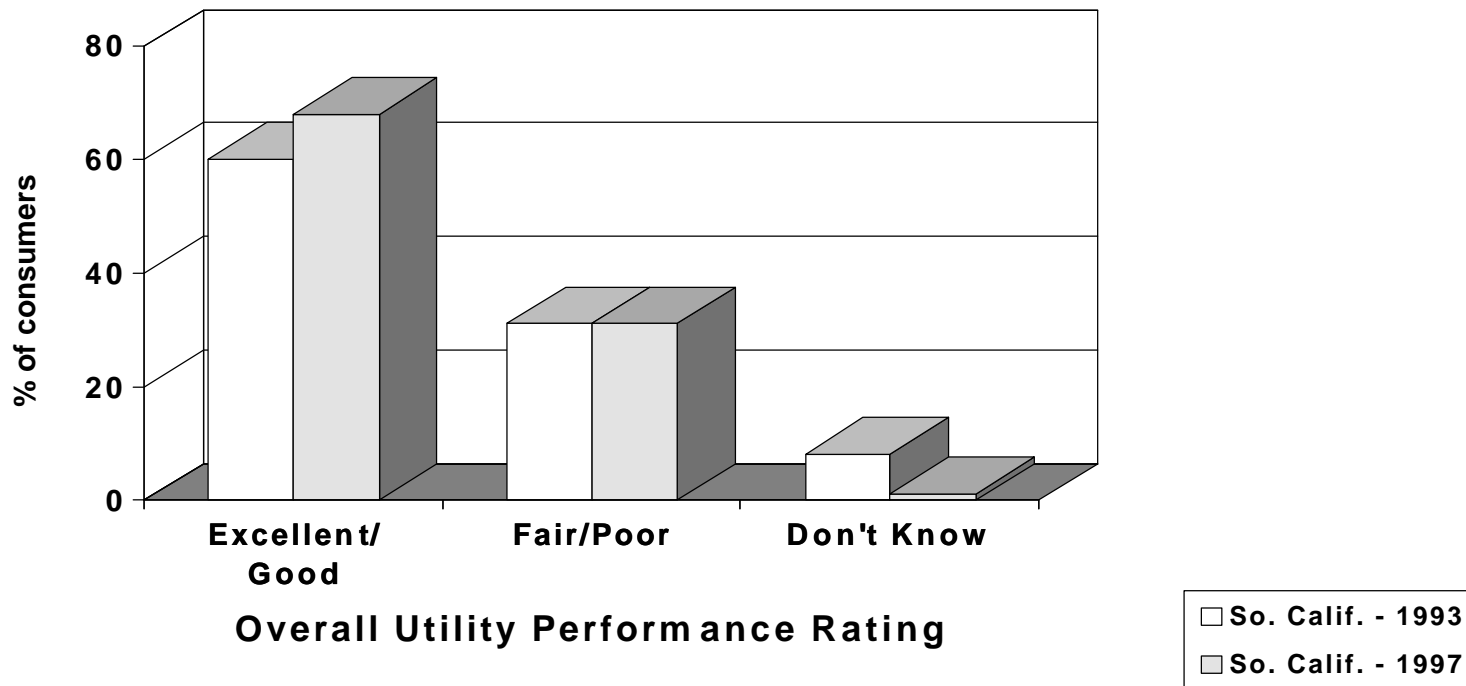


Figure 2

Figure 2 Consumer Ratings of Job Components

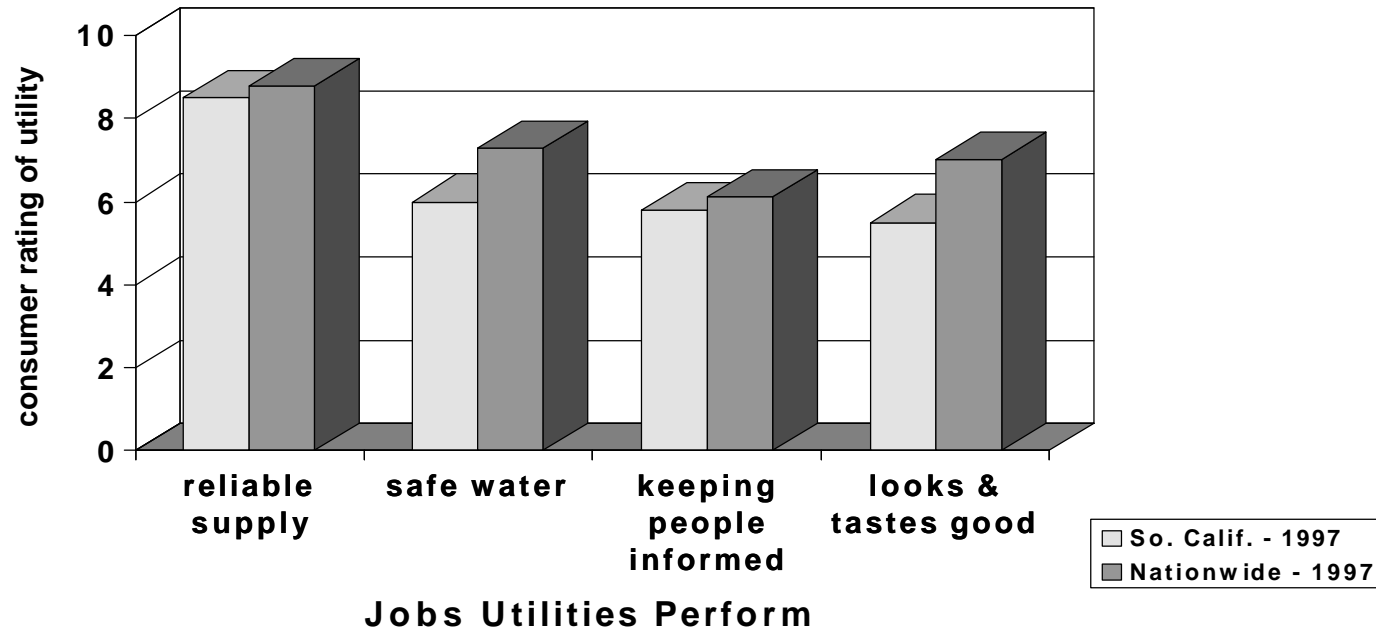


Figure 3

Figure 3 Water Quality Ratings

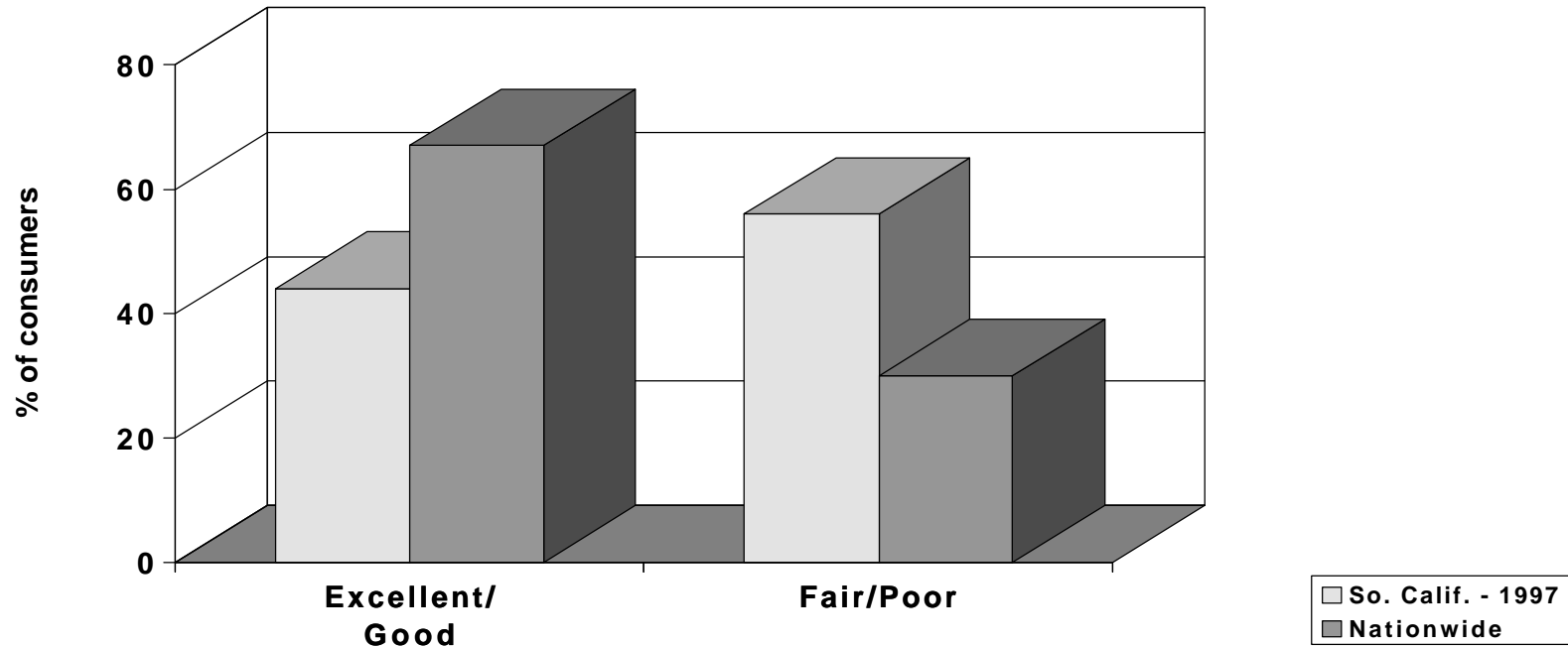


Figure 4

Figure 4 Problems with Taste vs Consumer Ratings of Utility Performance

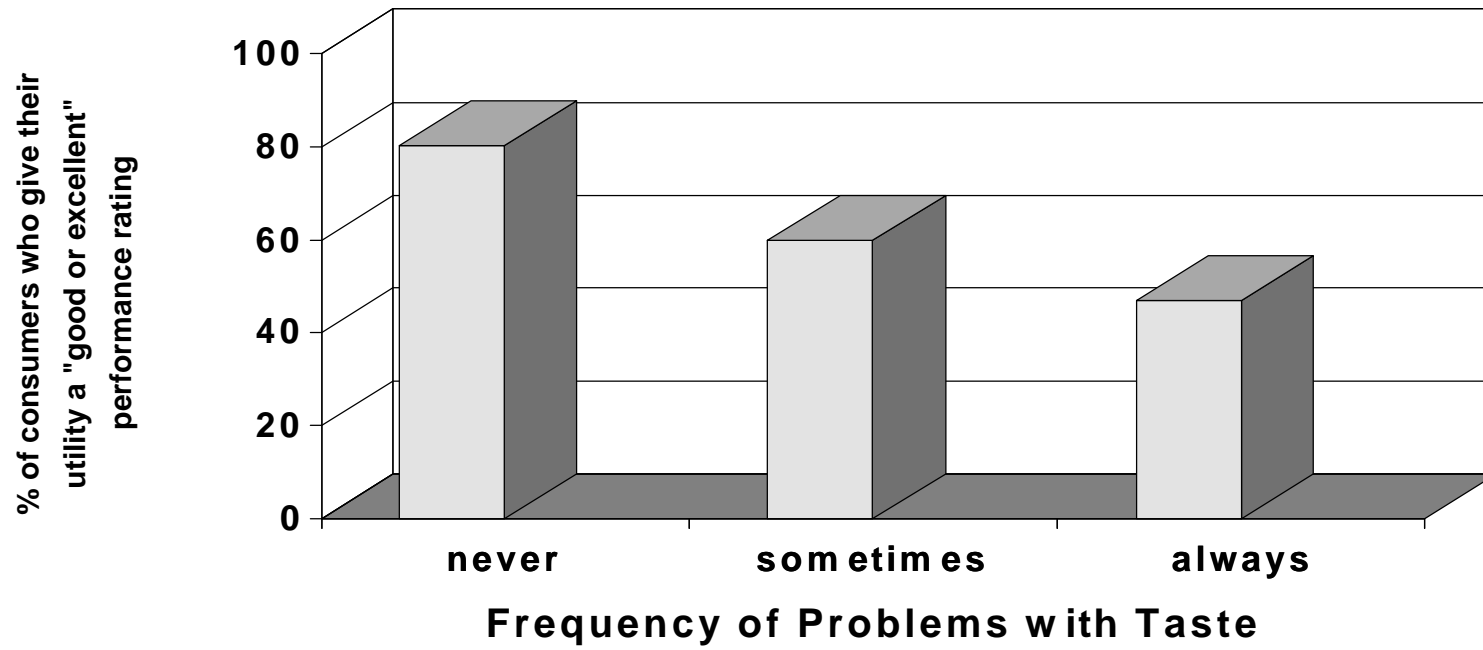


Figure 5

Figure 5 Bottled Water and Home Filter Usage

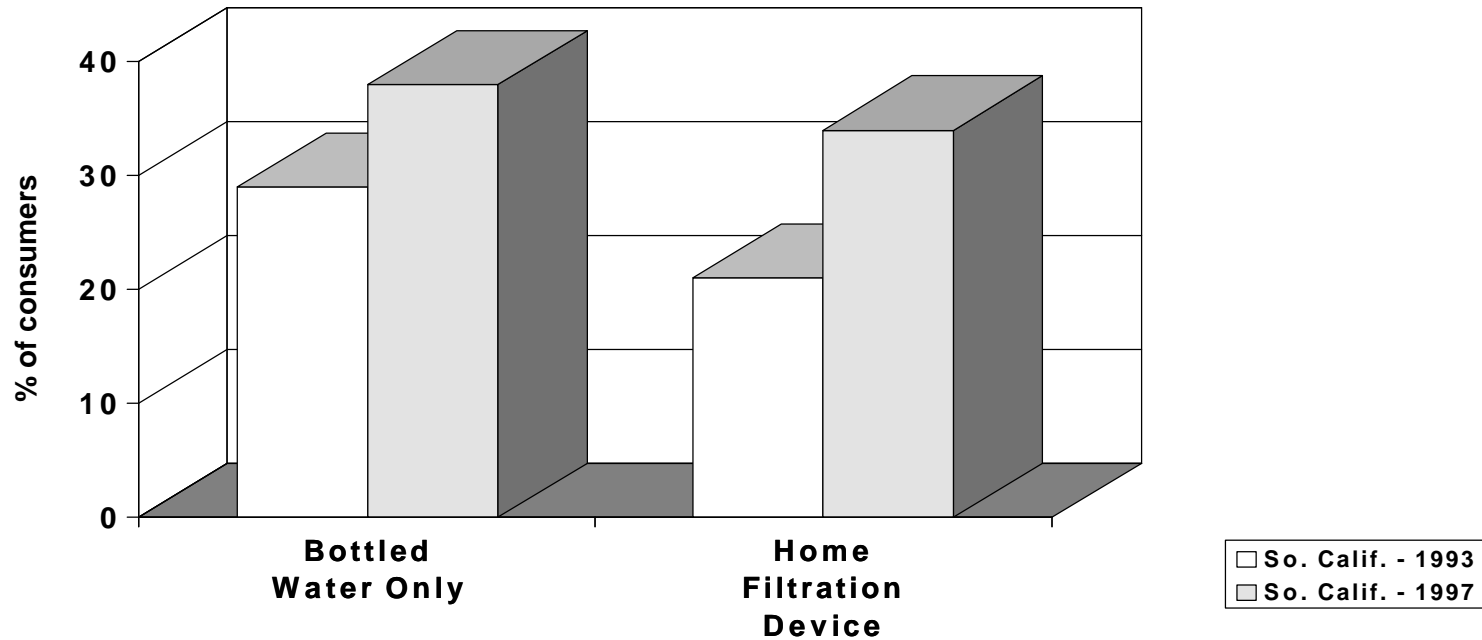


Figure 6

Figure 6 Degree of Trust in Information Sources

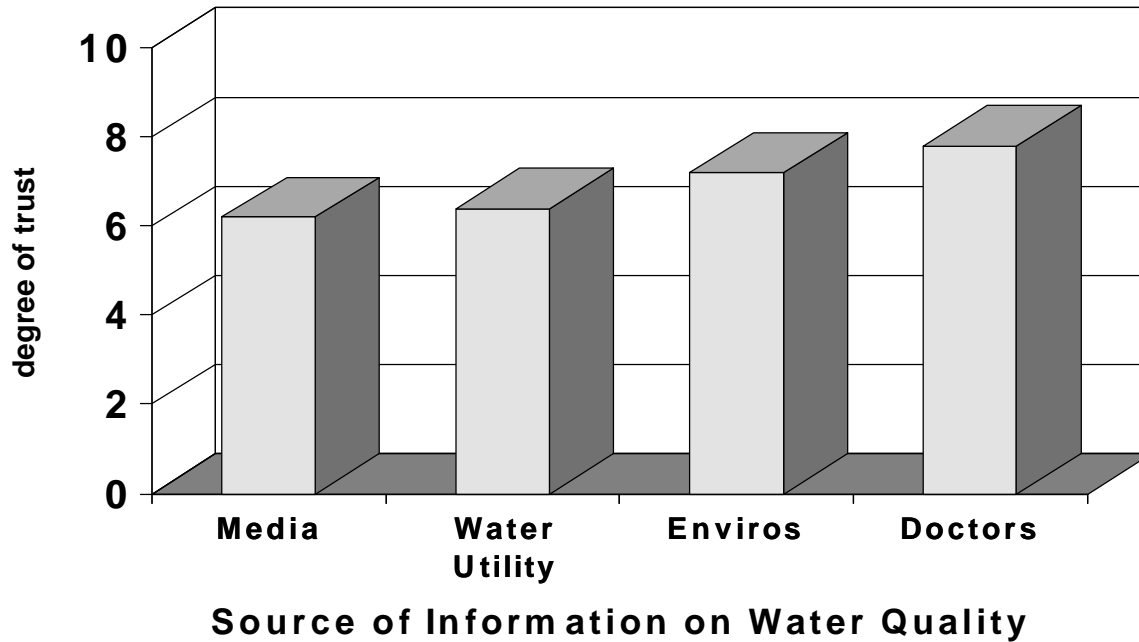


Figure 7

Figure 7 Willingness to Pay for Improvements

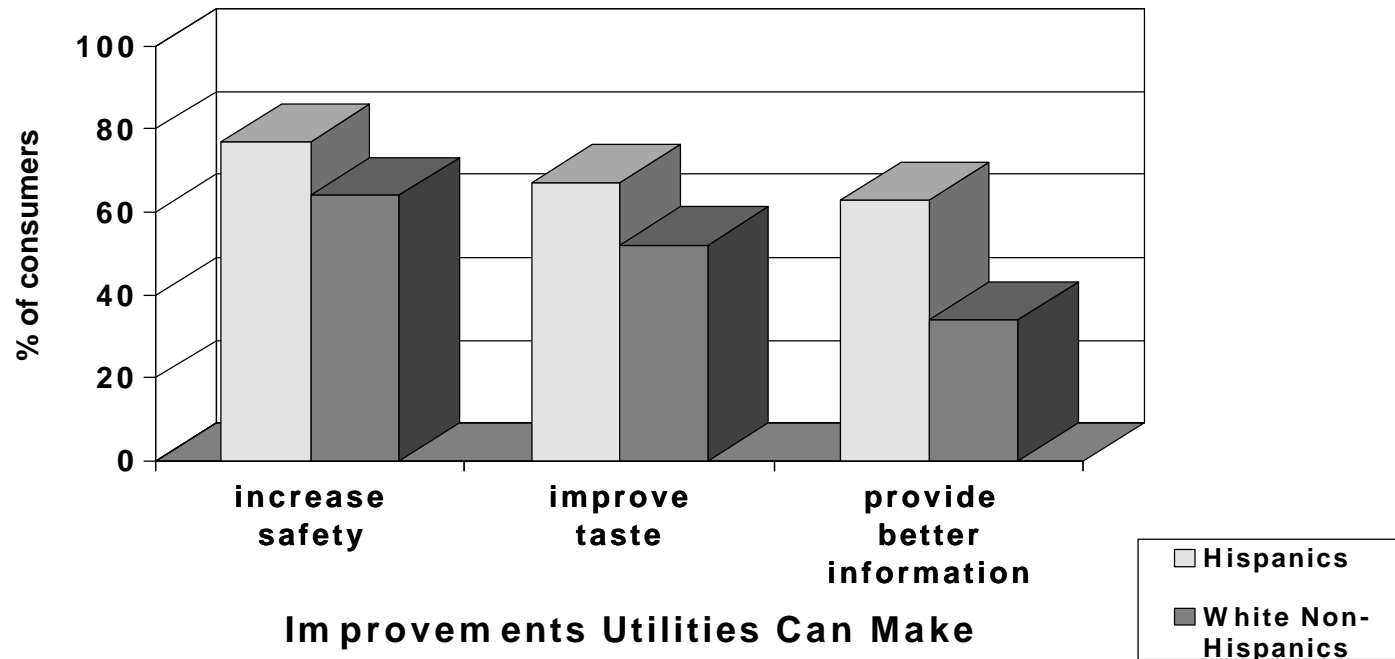


Figure 8

Figure 8 Changes in Population Demographics - Metropolitan's Service Area

