

Customers in focus: Strengthening social and financial sustainability of small town water supply in Northern Vietnam

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Small Towns in Vietnam (WSPST)



1. Introduction

- WSPST in Vietnam includes 25 small towns in Northern Vietnam and comprises 22 water supply projects.
- The total number of customers benefiting from the services is over 150,000 people.
- The program towns are small towns of 4,000-16,000 inhabitants
- Most of the utilities are managed by state-owned provincial water supply companies



2. Objectives

- Social marketing to advertise tap water as a safe, reliable and attractive source of water to residents
- Challenges the social marketing approach addressed:
 - customer bases in many towns remained insufficient to ensure coverage of investment and operation and maintenance costs through revenues.
 - There was a fear that tap water would not be socially accepted, as in many areas stream water and other (increasingly polluted) natural water sources were still widely used, mainly because they are free

3. Context

- Semi-urban setting, emerging consumer culture
- Weakness of traditional information, education, communication (IEC) campaigns

Challenges:

- Especially Northern provinces rely heavily on subsidies/aid programmes
- Ethnic diversity; language, customs, values



4. Methods

- Working with both supply and demand side - training courses
- Marketing campaigns carried out by service providers
 - loudspeaker broadcasts
 - attending residential group meetings
 - sharing marketing materials and customer gifts like calendars with water bills.
- Regular customer consultation via surveys, interviews, meetings

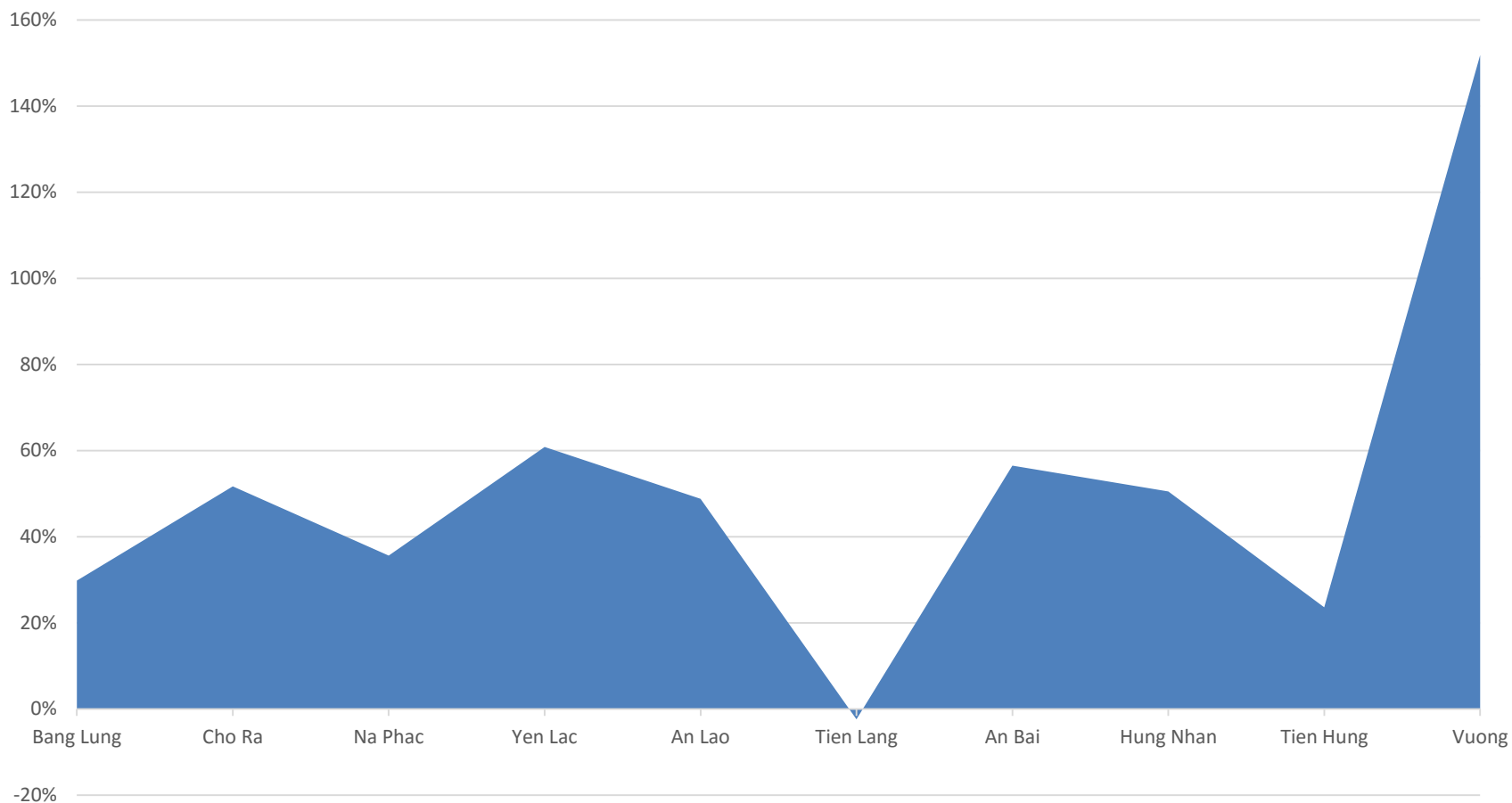
5. Results

- Over 150,000 customers are served by improved water supply.
- 95% of programme water supply schemes have effective mechanisms for customer services in place
- Between 2013 and 2016 connection rates have increased from 43% to 102% of the detailed design
- 90% of water supply customers satisfied with the service



6. Results: water sales

Increase/decrease in water sales between Q1/2014 and Q2/2016



7. Discussion

- Finding the right staff within service providers, who have both power and interest to try a new approach is challenging
- A clear idea of what each staff member is responsible for in the beginning of implementation is necessary.
- Customer consultation has increased interest and connection rates to the services.

9. Lessons Learned

- Recruiting skilled individuals to key positions - good professional motivation
- Enhancing operator awareness on importance of providing 24/7 supply
 - still rarely considered a valuable target by scheme managers/operators; they claim it increases power consumption and non-revenue water rate.
- Proper plans and annual budgets for marketing essential for growth

9. Conclusion

- Social marketing brought water supply companies and customers closer and improved both social and financial sustainability in WSPST program in Vietnam.
- Customer consultation has proved not only to be a good motivator for staff, but has also given water supply companies insight into the expectations of their customers.
- Approach is easy to replicate in other geographical and cultural contexts
 - local partners involved in the planning early on





With thanks to

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