



Demand Management: The Next Generation
Kirk Stinchcombe, Director, Econnics

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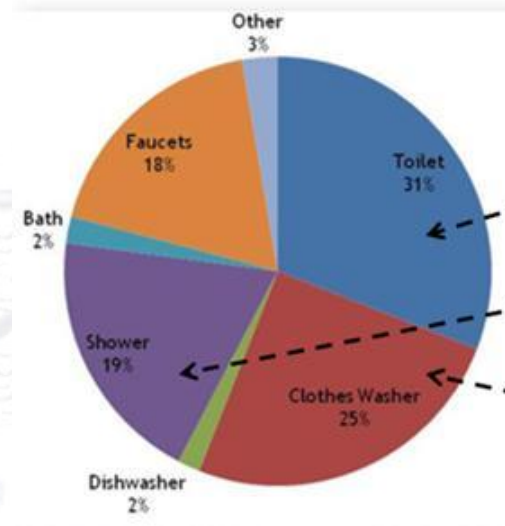
The Water Conservation Era (1970 →)

- ◆ Education! (Especially School Kids)
- ◆ Very limited budgets



The Demand Management Era (1990s →)

- ◆ Increasing Sophistication & Budgets
- ◆ Technology and Data Driven
- ◆ Anchored by Rebate Schemes



Note: excludes external water use.
Source: based on Mayer et al (1999).



Why We Need a New Generation

- ◆ Indoor technology approaching “efficiency horizon”
- ◆ Market penetration continues apace
- ◆ Purchase decisions increasingly driven by building codes and consumer preference (not rebates or brochures)
- ◆ Rebate programs nearing the end of their useful life
- ◆ Decreasing per capita consumption (at least in “Second Generation” jurisdictions).
 - But when will this diminish?
- ◆ Water use consumer market becoming more and more segmented, especially around outdoor use

Third Generation Tools

- Pressure and Leakage Management
- Community Based Social Marketing
- Narrowcasting
- Mass Customization
- Source Substitution
- Conservation-Oriented Pricing



Implications for WSPs



Harder to Implement



Less Amenable to Standardization



Require More Thinking

Riskier



The Third Generation

- ◆ Niche markets and boutique programs
- ◆ Highly sophisticated program design
- ◆ Driven by the market's needs and wants; informed by market research
- ◆ But... also greater emphasis on engineering solutions and advanced tech
- ◆ Greater risk for the WSP

econnics

eco-efficiency specialists

Econnics

w: www.econnics.com

e: kirk@econnics.com

t: +1250 588 6851

facebook: search “econnics”