



## **The role of communication in the successful implementation of an Market Based Instrument**

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### **Abstract**

In 2005, North East Catchment Management Authority trialled a tender style market-based instrument to encourage landholders to commit to improved management of their existing riparian vegetation called 'River Tender'. While most previous research on the use of auctions to achieve conservation outcomes has focused on economics, we evaluated the communication component of River Tender. Communication is a critical part of these programs because an auction needs to create a 'perfect' market and persuade landholders to participate.

Interpreting the results using a framework developed from persuasion theory, we found a number of factors influenced whether landholder became involved in River Tender including the type of media and the language used. The framework was useful in highlighting the strengths and weaknesses of the communication strategy used by NE CMA. We conclude by giving a number of recommendations about communicating with landholders during tender processes that have widespread application.

### **Introduction**

Policy makers are increasingly interested in applying market-based instruments to achieve conservation outcomes (Grafton 2005). Part of this interest stems from the fear that traditional policy approaches such as devolved grants have reached the limit of their applicability (Hailu and Schilizzi 2004). Another source of interest arises from the potential of market-based instruments to achieve environmental goals in a more cost effective way.

Research shows that market-based instruments, such as auctions, can deliver relatively large cost savings relative to traditional natural resource management incentives (Grafton 2005). However, there is a need for research to look beyond economic analyses to assess other aspects of market-based instruments. Of particular importance

is the assumption that an agency can create sufficient awareness in the community to create a market for these instruments to work. That is, how can agencies create a well-developed communication strategy, and persuade landholders to be willing and able participants (Grafton 2005). This study seeks to fill the gap in our understanding of the role that effective communication and extension plays in the success of a market-based instrument.

## Context

The North East Catchment Management Authority (NE CMA) is responsible for managing catchment resources and river health in North East Victoria and began trialling a market-based approach to buying management agreements for high priority riparian areas through a program called 'River Tender' in 2005. The approach being used in River Tender is a price-based auction system that aims to encourage landholder adoption of more sustainable management practices through the auctioning of land management contracts (NE CMA 2005).

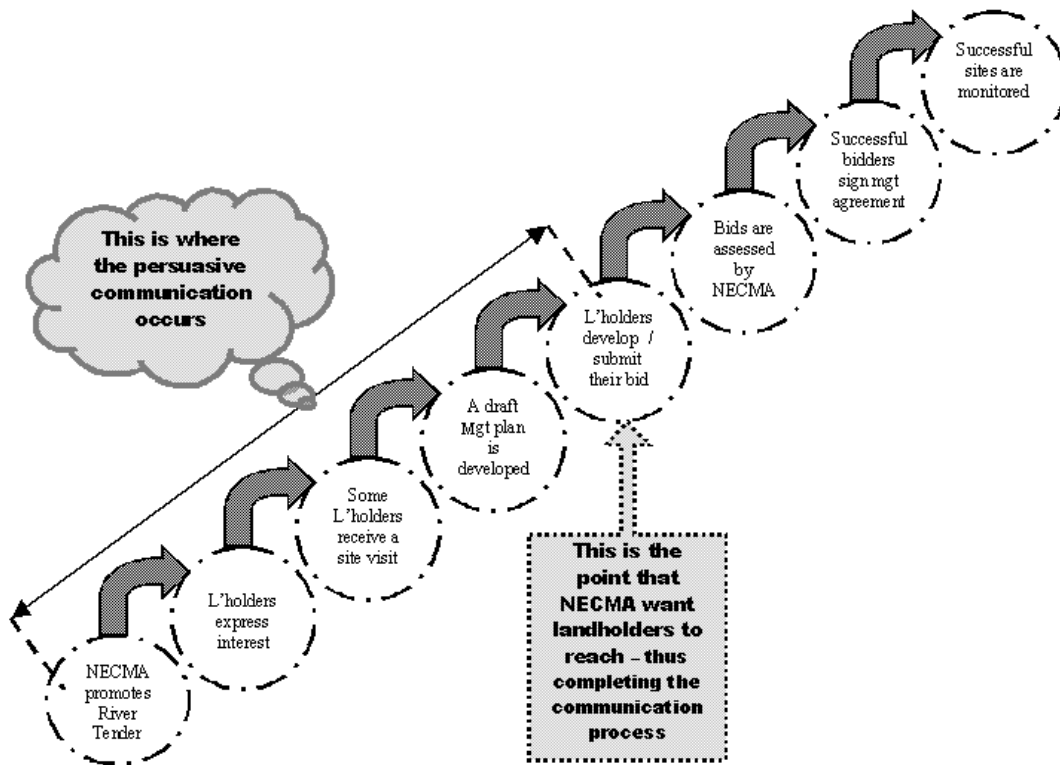
In 2005, the first year of River Tender, a variety of media were used to persuade landholders to participate including newspaper advertisements, radio broadcasts, brochures, and presentations (Box 1). Persuasion in this context is considered as a subset of communication and is defined as a process to influence behaviour (Jowett and O'Donnell 1986). In case, the goal is to persuade landholders to submit a bid.

### **Box 1. Components of NE CMA's communication strategy for River Tender**

NE CMA used a range of methods and media to persuade landholders to participate in River Tender. The main methods used were:

- Mail out of brochure and letter to all landholders
- Regional media (radio and newspaper) for initial program awareness.
- River Tender web site
- Initial phone/email contact from interested landholders
- Personal contact through site visits and additional telephone contacts
- NE CMA presence (presentations) at Landcare meetings
- Landcare newsletter
- River Tender brochure
- Information pack for landholders prior to site visit
- Bid development pack, mailed to landholders with draft MA
- Personal letter to successful and unsuccessful landholders after bid submission

message (Ajzen 1992; Baron and Byrne 2003). Thus a communication strategy designed to encourage landholders to participate in River Tender must address each stage including: landholders must first receive the message; the message must gain their attention; the message must promote sufficient understanding; landholders should believe the message; and it must provide the required information to persuade landholders to take the next step (Figure 1).



*Figure 1: Persuading landholders to participate in River Tender*

## Methods

This research was focused on NE CMA's efforts to promote the first round of their River Tender program. Qualitative methodology was chosen for this research because it permits the researcher to study selected cases or events in great depth and detail (Neuman 2000). In this case, we want to provide program managers with an improved understanding of what program participants experienced during the delivery of River Tender

A common characteristic of qualitative research is the use of multiple methods of data collection (Creswell 1998; Rossman & Rallis 2003). To determine why some of the landholders were persuaded to take up the offer and submit a bid for River Tender, and why other landholders that were aware of the program did not enter a bid, the following methods were implemented:

- A document analysis of the relevant River Tender documents and NE CMA communications with landholders;
- Observation of the extension efforts of NE CMA field staff with landholders involved in the program during the site visit process;
- Informal interviews with the NE CMA extension staff involved with the River Tender process during fortnightly meetings; and
- Semi-structured interviews conducted with landholders. The sample included landholders who completed the communication process by submitting a bid in the River Tender, and also with landholders who did not complete the program and chose not to submit a bid in the tender.

Thematic content analysis was used to analyse the data with the assistance of NVivo. This process involved coding the data relative to its unique or important features, interpreting what had been highlighted, and searching for alternative understandings of the interpretations if possible.

## Results

### Awareness

Landholders became aware about River Tender from a variety of sources, not just the direct mail: *My son went to one of these talks (Landcare meeting) and they were enthusiastic about fencing off the river, so we can keep the cattle out* -landholder. However the personalised letter and the brochure was effective at triggering the curiosity of some landholders: *Well yeah, it certainly triggered my curiosity enough to make the phone call and take the next step* -landholder. One landholder mentioned that he was still unsure about certain aspects of the program after reading it.

The River Tender program appeared successful in reaching some people who were not involved with Landcare groups. Many of the landholders who expressed an interest were new property owners simply contacting NE CMA to seek information about their property. The majority of landholders involved were, according to NE CMA staff, lifestyle property owners: *There seems to be a trend emerging in the people who go for it. Lots of new landholders, often with small acreages* - NE CMA Staff.

### Communication Weaknesses

It was apparent that some landholders that initially expressed interest in River Tender were not fully aware of what it involved: *We saw the ad for the River Tender, we just wanted to know what it offered* -landholder. This was repeated by others when they were asked how to improve the program: *[they should] possibly explain the process a bit more in layman terms you know, just at the very beginning, and I guess that might be a bit unfair on them, you know they spoke of project funding and all that sort of stuff and, and for people that aren't in the departments or aren't you know, especially for myself cause I had been up here 18 months and sort of didn't know the jargon of what it all meant, I kind of had to piece it all together over a period of time, and work out that I was actually entering a tender* -landholder.

Another source of confusion was a lack of understanding about what River Tender was trying to achieve. One landholder thought River Tender was a weed control program: *I was wanting help with getting rid of the blackberries because the blackberries are really scary* -landholder. Another explained that they want River Tender to ensure the neighbour's place were tidy (remove organic litter, bushes, acacias, etc.) and wanted to create access for people to walk along the river.

Conflicting messages from other agencies were responsible for putting off landholders: *Meanwhile we went to the Victorian Farmers Federation, and they put us in touch with the facts of life. They said we would have to be stupid and would have rocks in our head* -landholder.

## Communication Strengths

Site visits were conducted by the staff involved in River Tender after landholders expressed an interest in the program and this proved to be a good relationship building exercise for NE CMA, particularly to sections of the community (non-landcare members) that the organisation does not traditionally deal with. Landholders indicated their satisfaction with the attitudes and positive approaches taken by the field staff: *So the girls were quite good, I went in to it realistically because of the meeting with the girls and they sort of explained the fact that there was a lot of money involved you know for a small area and a lot of work had to be done.* NE CMA staff stated they were making a concerted effort to be positive in their communication style when interacting with landholders: *I couldn't care if we only got ten River Tender people involved, as long as I have the opportunity to give a positive experience to the people, help them out, and perhaps pass them on to other departments or avenues of information to help them get things done* -NE CMA Staff.

The ability of the River Tender to cover the economic costs involved with changed land management practices and the flexible, easy to follow nature of the bidding process was considered to be another key factor in landholders continuing through the program in an attempt to secure funding for works: *you know they had an opportunity to offset the economical costs of it, cause the way I see it, the work you do to restore the health of the river will benefit everyone* -landholder. And: *all the stuff that was sort of sent to us was easy to follow and, if I had a query I would simply ring NE CMA and if she wasn't there she would just get back to me pretty quickly and she would answer my questions straight away, but there was nothing too involved, and what has to be done out there is quite simple, so yeah.* -landholder.

## Discussion and Conclusion

Recognising that devolved grants have limits, Victorian agencies have pioneered the use of market-based instruments such as River Tender, where landholders submit a bid for the funding required to undertake a specific level of work over a fixed timeframe (Stoneham *et al.* 2002). The tender approach to land management offers landholders greater flexibility in terms of funding arrangements for implementing environmental restoration projects.

The first step in persuading people to participate in River Tender is ensuring that they receive some form of the persuasive communication (Leeuwis 2004). Landholders recalled receiving the NE CMA's message through a variety of media sources. This indicates that it is critical to utilise a range of media to engage landholders, not simply just direct mail. The research also shows that the program was particularly effective at engaging with lifestyle property owners, new owners, landholders with a non-rural background, and those landholders lacking the time, skills or knowledge regarding improved land management.

The second step to persuasion is gaining people attention, once they receive the message (Ajzen 1992). These findings indicate there may have been problems with the attention and interest levels that some of the NE CMA communications generated among landholders. Indeed poor attention levels may explain the large number of landholders expressing interest in the program without having an adequate

understanding of what the program involved. However having large numbers of landholders who express interest and then go on to realise they are ineligible may not be entirely a negative thing. This provides the opportunity for an agency to promote other programs and engage landholders.

The third, and probably the most important step of the persuasive communication process, is the understanding stage. This proved to be the most problematic in terms of the River Tender program delivery. Out of the 120 expressions of interest registered with NE CMA, only 49 landholders were deemed as being eligible for River Tender. This indicated that landholders who received the message and were attentive to it still often lacked the understanding that was required for them to determine if they were suited to the program. Landholders who dropped out of the program often did so as a result of either having an inadequate understanding of River Tender objectives, or a limited understanding of what was required of landholders.

The production of clear and simple initial communications should ensure that less confusion occurs and better understanding about the program and its objectives among landholders is achieved. The main causes of poor understanding of a message are often a result of the audience not understanding the terminology used in a message, they may not have the pre-existing knowledge that was assumed by the communicator, and they may receive conflicting messages from other sources in their network that lead them to perceive the message in an unintended way (Baron & Byrne 2003; Leeuwis 2004). It seems evident from the research that overly technical terminology was an issue with some landholders, particularly during the initial written communications.

The findings also highlighted the role of conflicting messages in influencing some landholder perceptions of the NE CMA's message. Some landholders received conflicting messages from sources they felt would be reliable, including the Victorian Farmers Federation and the Department of Sustainability and Environment. People generally want to seek advice from other parties when they are unsure about what has been communicated to them (Leeuwis 2004). For this reason it is important that for future rounds of River Tender, the NE CMA should engage with other NRM agencies and related organisations to ensure the conflicting messages are reduced and the delivery of the River Tender message is a more coordinated effort.

The final stage in the persuasive process is encouraging landholders to submit a bid. Landholders mentioned that more guidelines to aid in the bid development stage would have been helpful. The lack of assistance after the site visits with bid development is likely to have posed some problems for landholders. During some of the observations, it was often noted that landholders seemed concerned with the lack of advice offered about bid development. However there is a fine balance between ensuring a fair and transparent process and giving assistance to any potential bid. Agencies undertaking conservation auctions may need to consider developing more supporting information for landholders regarding bid development to help remove some of the uncertainty landholders' experience when developing their bids.

Conservation auctions are still in their infancy and data from the field is scarce. Programs like River Tender are a new policy tool capable of attracting a different sector of the community, and may be more cost effective than a devolved grant scheme, however, there are interesting issues related to their support and implementation that need close scrutiny. Out of 120 expressions of interest in River Tender, 49 landholders

were deemed eligible, and 22 of these ended up submitting a bid. Important results of our research which has direct practical implications to increasing the number of landholders who might submit a bid are: (1) ensuring consistent messages by other agencies prior to implementation; (2) providing clear and concise information about what the program is trying to achieve in terms that landholders can understand; and (3) supporting the development of tender bids with guidelines whilst balancing the need to minimise paperwork and ensure fair and transparent processes.

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