Look to the STARs

Lessons Learned in Marketing Energy Efficiency

Wednesday, September 11

Eversource

Jennifer Gray

Eversource

Jennifer Gray

Amy Findlay, P.E.

Eversource

Eversource: An Outside-In Approach to Marketing

ENERGY STAR Partners Meeting

September 11, 2019

EVERSOURCE

Amy Findlay

Jennifer Gray

Kara Marshall

Intro to Eversource & EE marketing team

Traditional marketing

Business intelligence

Customized outreach

Weatherization initiative: tying it all together

#1 Energy Efficiency Provider in New England

EVERSOURCE

- 3 states
- 3.6m customers
- 8,000 employees
- $500m+ annual EE investment

Ceres #1 Ranking

Mobilizing Business Leadership for a Sustainable World

ACEEE

American Council for an Energy-Efficient Economy

Marketing Synergy

EVERSOURCE

Analyze and understand what offers will be relevant and resonate with our customers

Broad multi-channel strategy that grabs our customers' attention with relevant offers

Provide data-driven insights that demonstrate our understanding of the individual customer

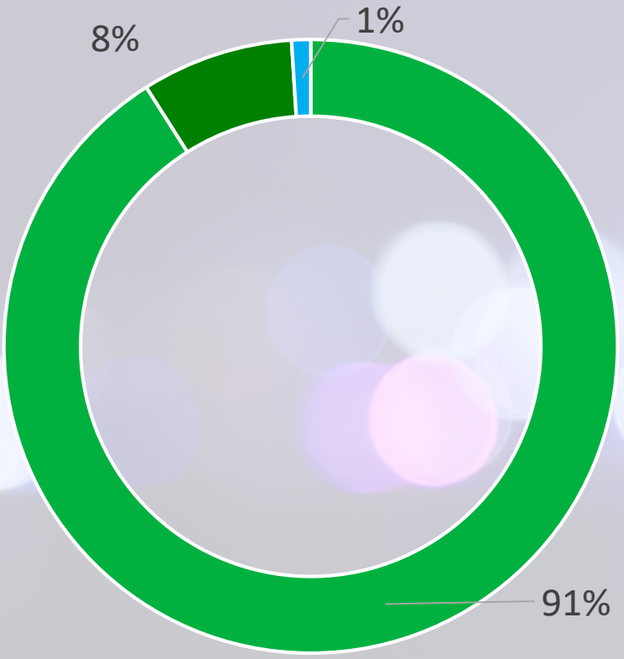
Bridging Four Brands

EVERSOURCE

ENERGY STAR Impact

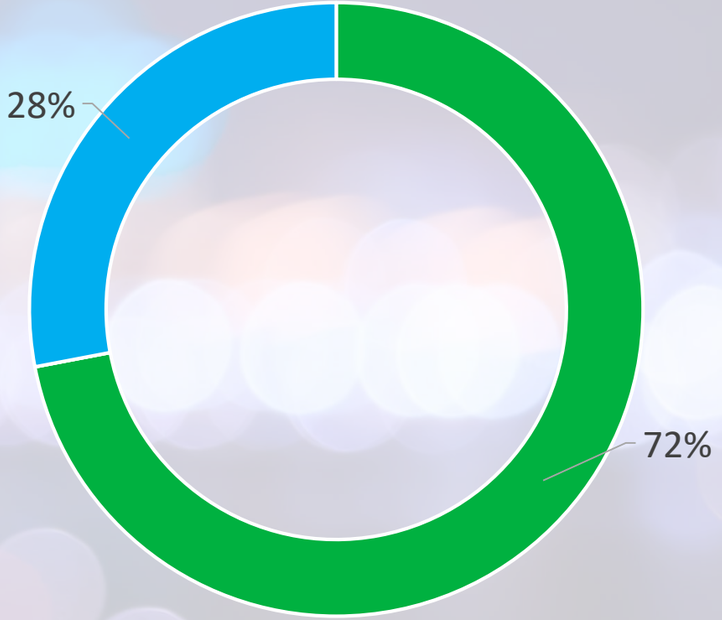
EVERSOURCE

Are you familiar with ENERGY STAR? Does the brand influence your appliance purchase decisions?



Yes. Yes. Yes. No. No. No.

Eversource is an ENERGY STAR partner award winner. How does this affect your perception of Eversource?



Positively Negatively No Change

A Different Approach to Stakeholder Engagement

EVERSOURCE

Program Manager, Energy Efficiency Consultant, Program Analyst

The common approach we had and we see from others:

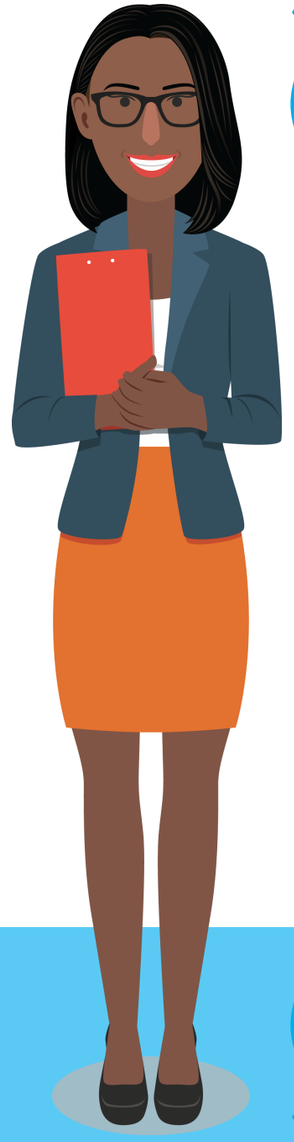
- Responsible for overall program goals
- Tracks performance to goals
- **Education/experience is usually not marketing**
- Has a marketing budget
- Provides a portion of budget to an agency of record or may have an in-house marketing team that helps with events, direct mail, media, etc.

A Different Approach to Stakeholder Engagement

EVERSOURCE

The common approach we had and we see from others:

2016 Residential Program Managers – 6 unique goals x 4 territories x electric and gas



- Total Home Energy Assessments: 11,520
- Total Special Home Visits: 3,506
- Total Renter Visits: 1,280
- Wireless Thermostats: 2,820
- Insulation: 4,205
- Total Bulbs Installed: 583,896

A Different Approach to Stakeholder Engagement

EVERSOURCE

The common approach we had and we see from others:

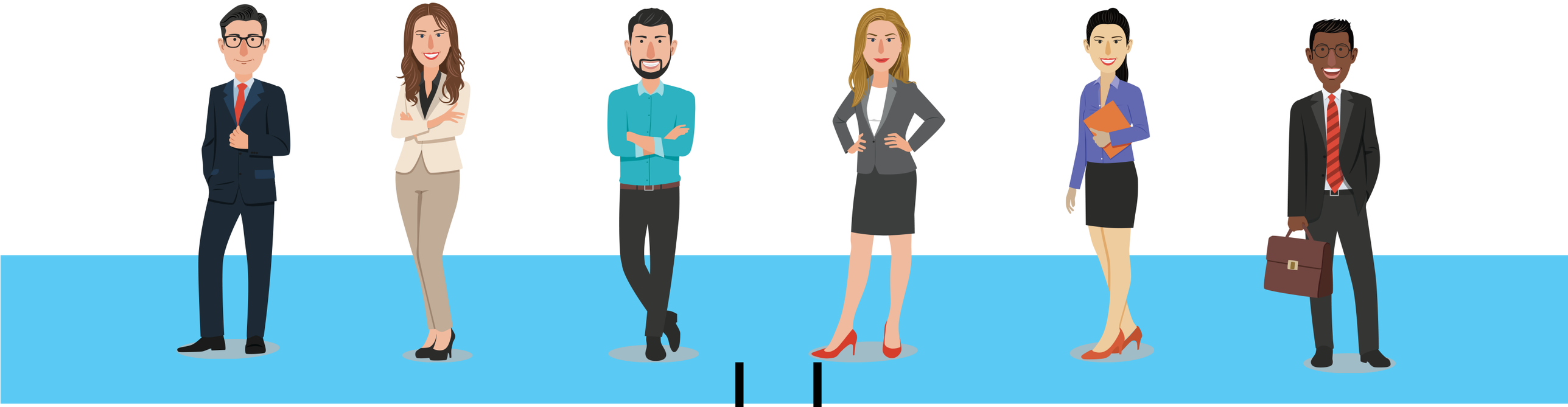
Too Many Cooks

EVERSOURCE

A Different Approach to Stakeholder Engagement

EVERSOURCE

Eversource New Approach



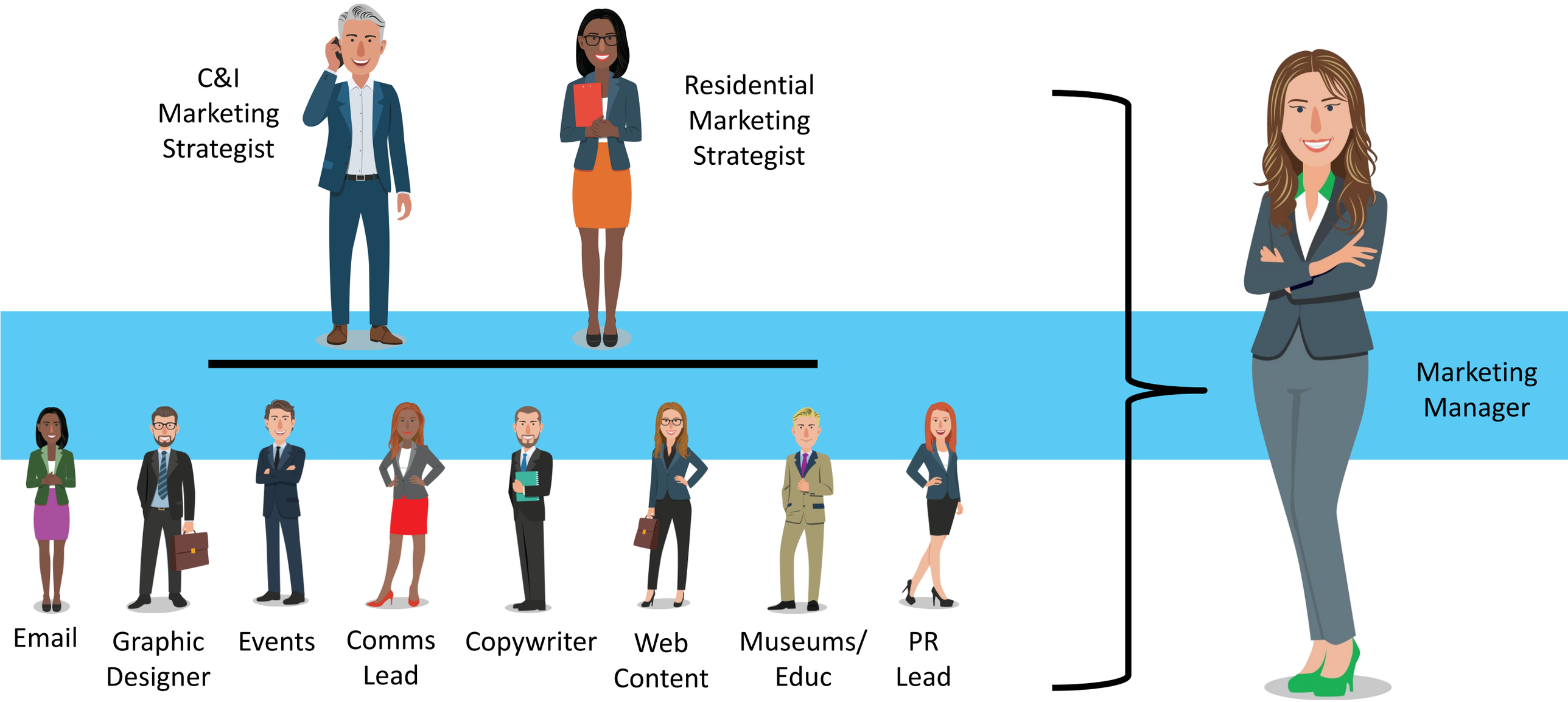
C&I Marketing Strategist

Residential Marketing Strategist

A Different Approach to Stakeholder Engagement

EVERSOURCE

Eversource New Approach



Informed Marketing

EVERSOURCE

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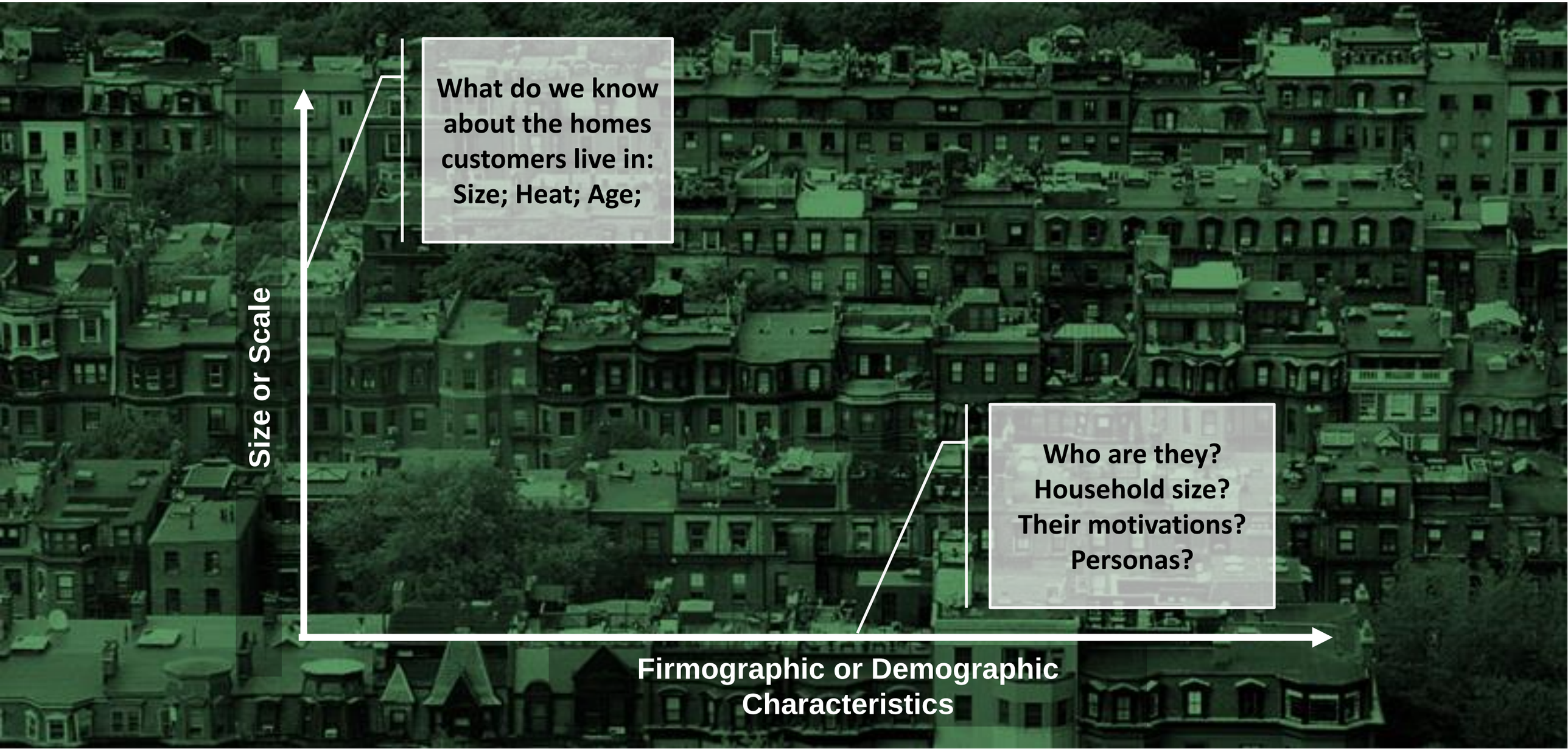
What is Business Intelligence?

Customers Are Multi-Dimensional

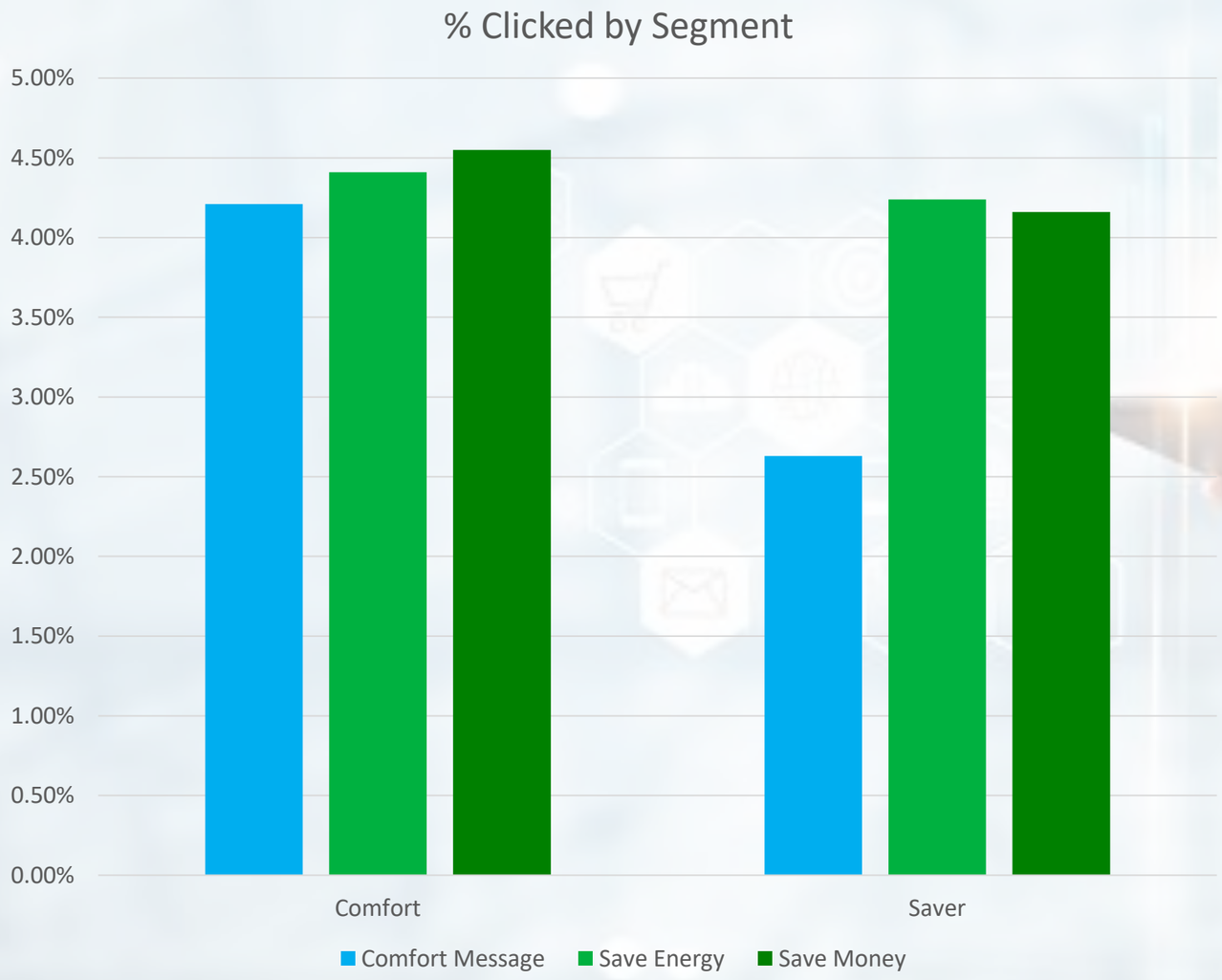
EVERSOURCE

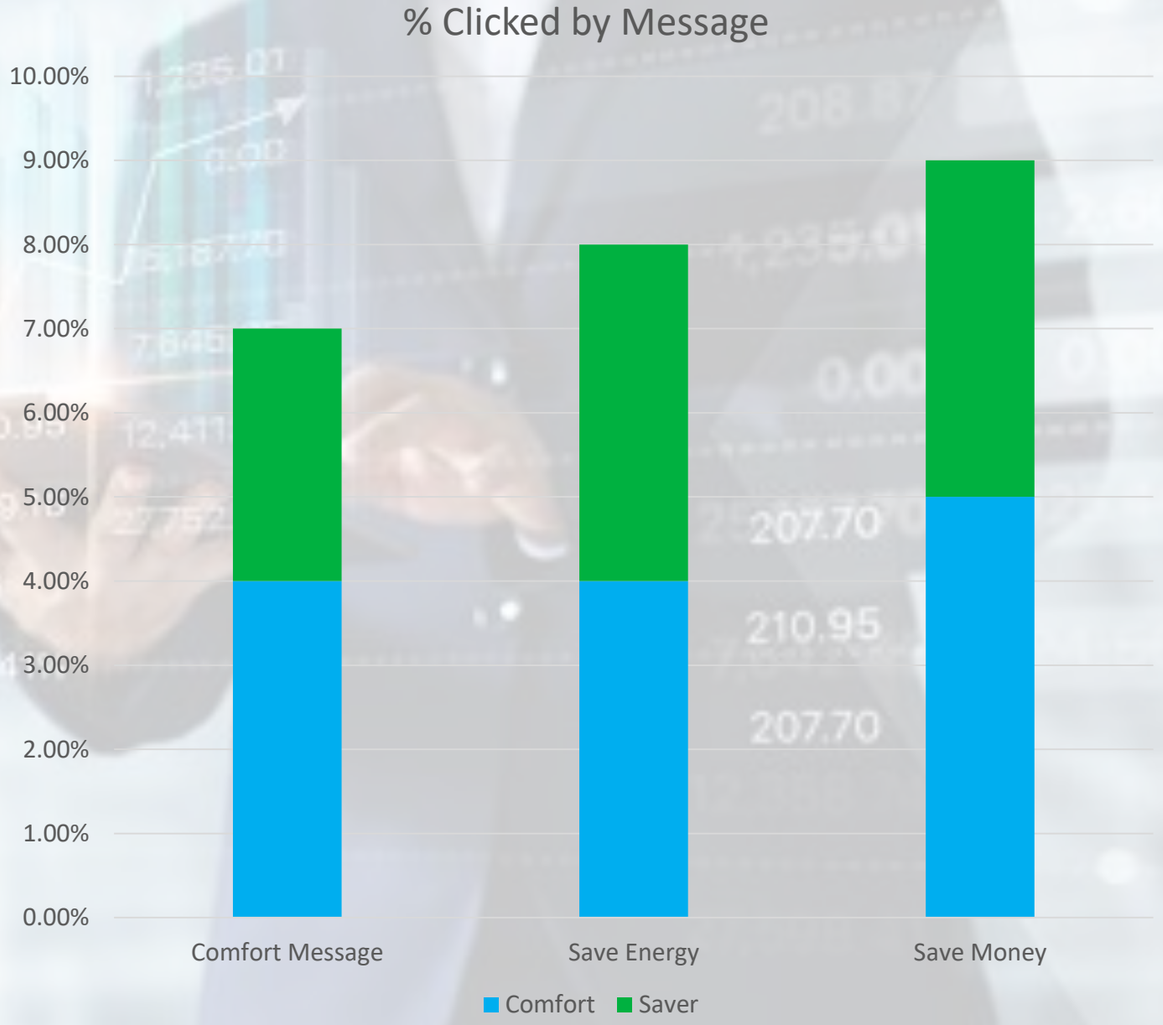


What Motivates Customers to Participate in EE?

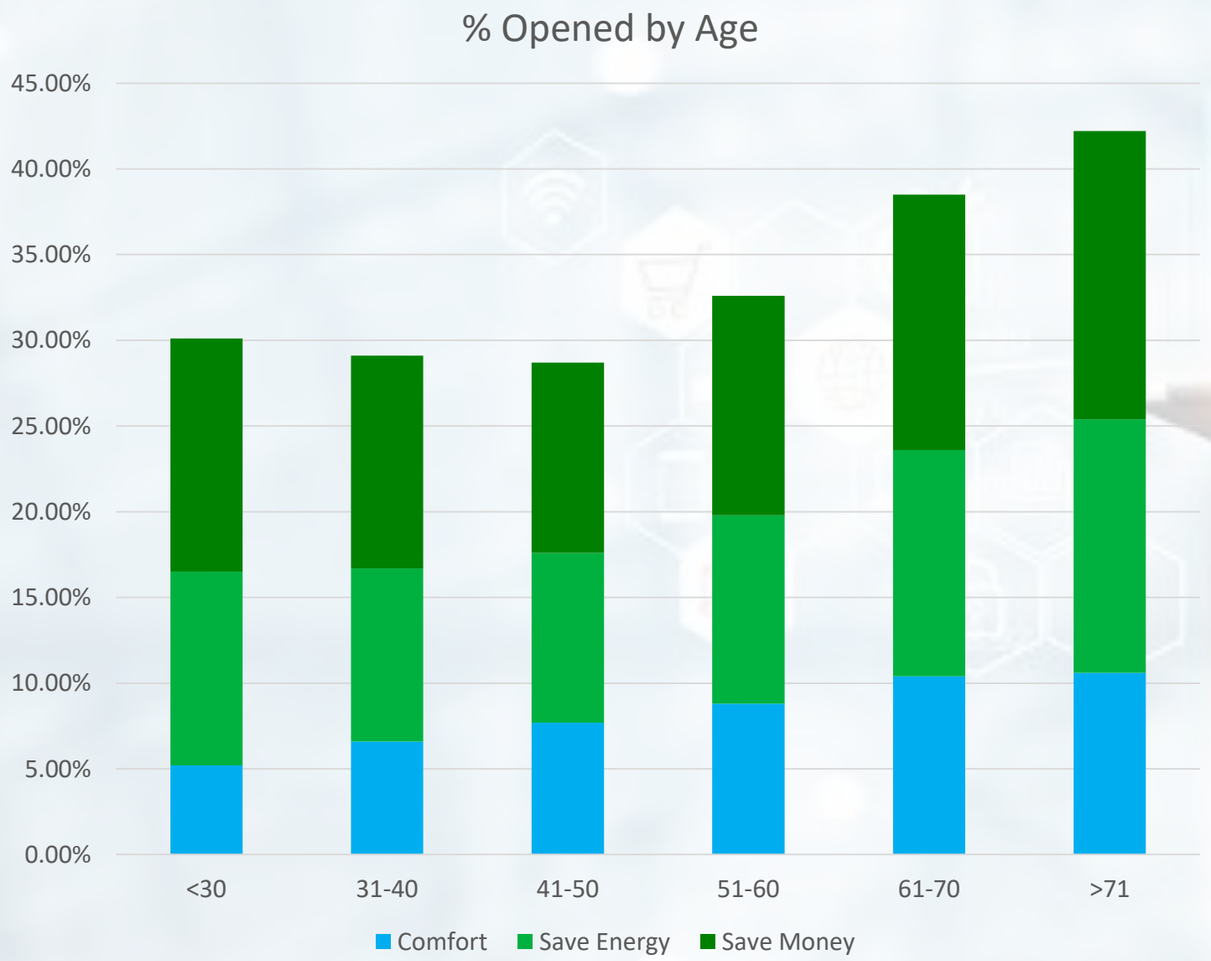
- Recent email campaign to promote online portal with A/B/C message testing
- Integrated tools enabled sophisticated analysis
- **“Save Money”** message outperformed other messages promoting “Saving Energy” or “Comfort in Your Home.

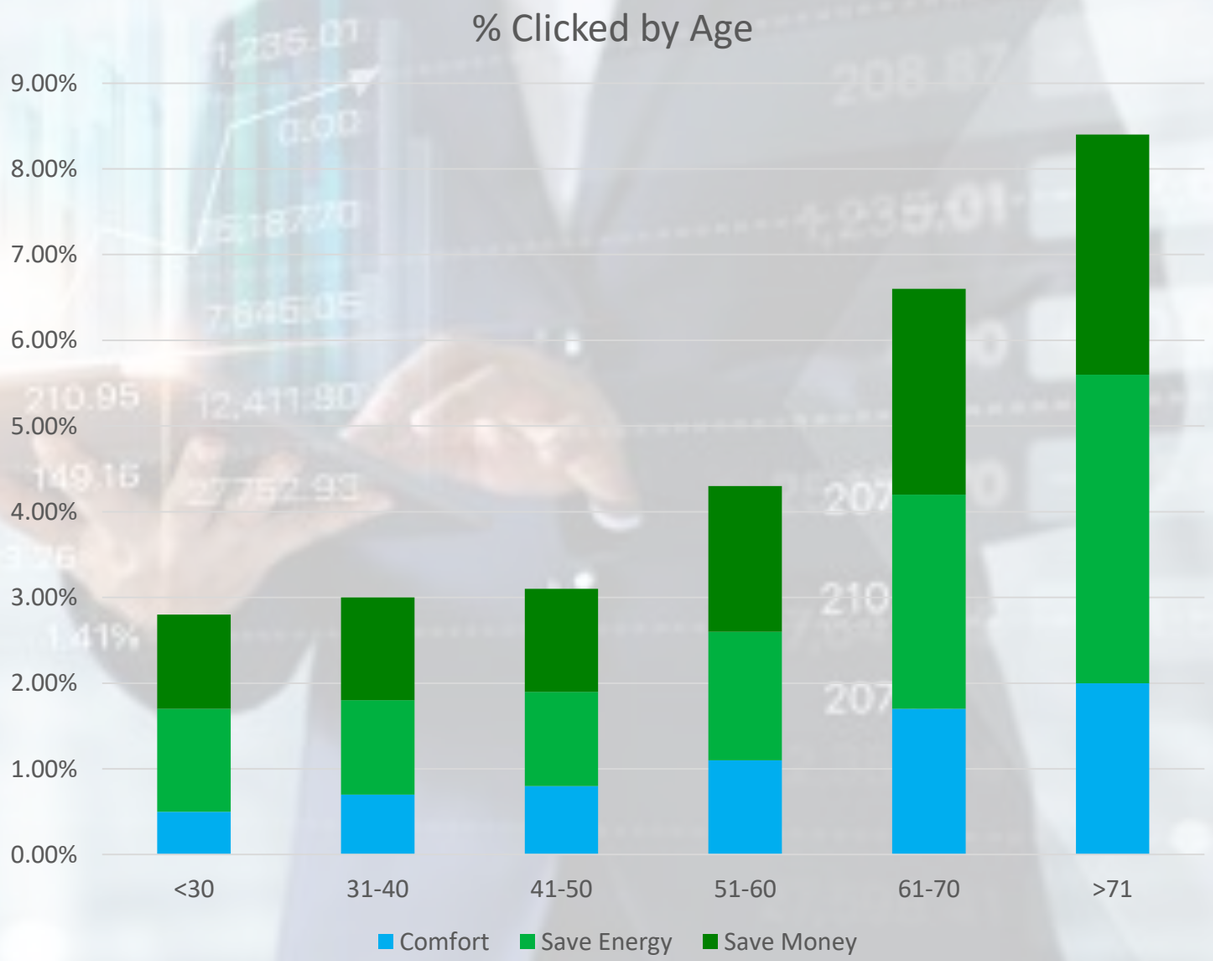
Measure Response to Understand What Resonates





Demographic Differences





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What is Customer Engagement?

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We are competing for our customers' attention.

Benefits of Customized Communications

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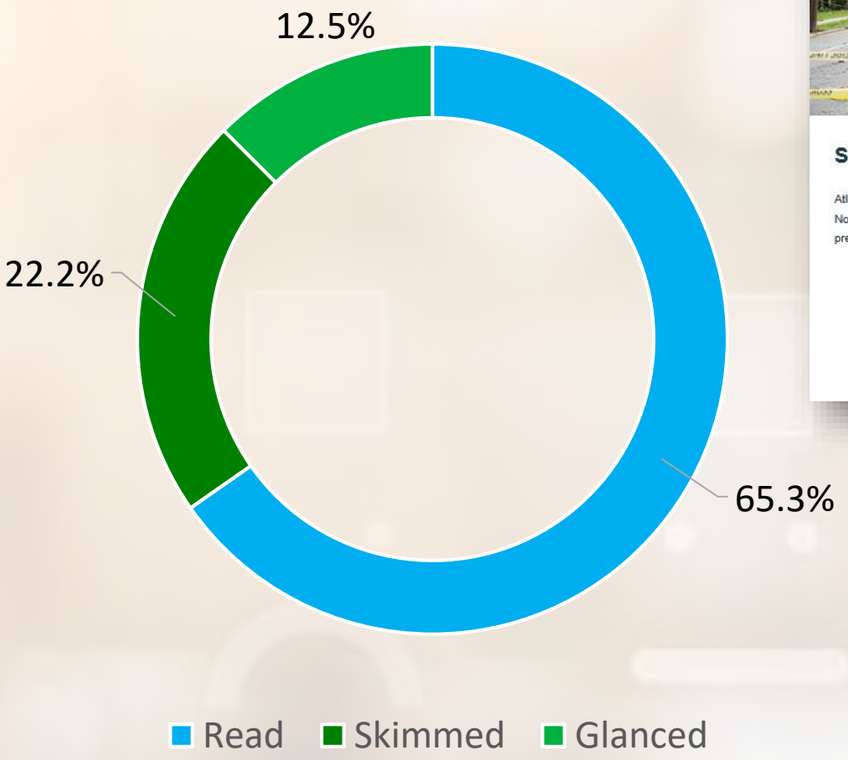
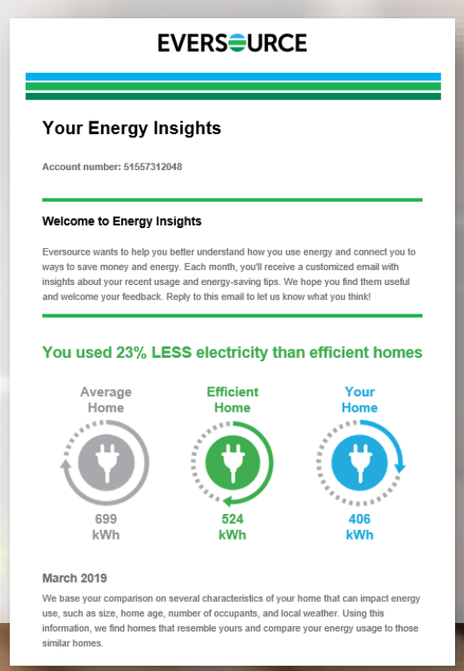
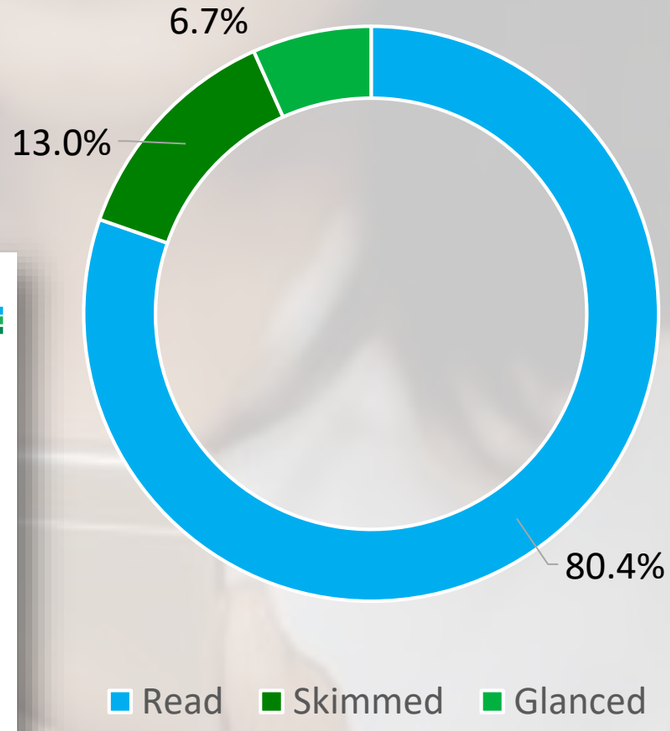
Generic
Open rate = 28%





Customized
Open rate = 36%



Future Enhancements

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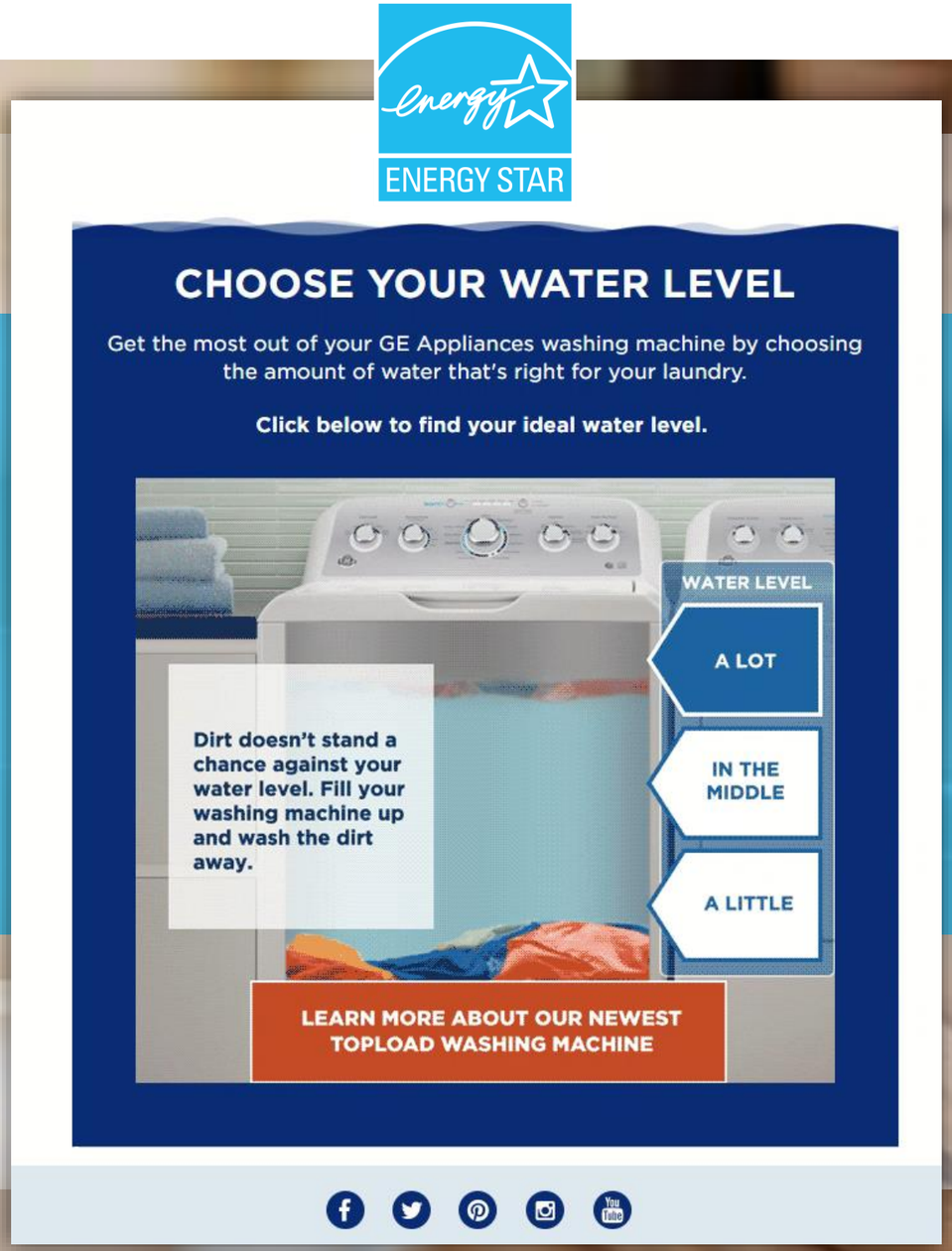
Interactive components to increase engagement



Real-time components to add relevance

Weatherization Initiative

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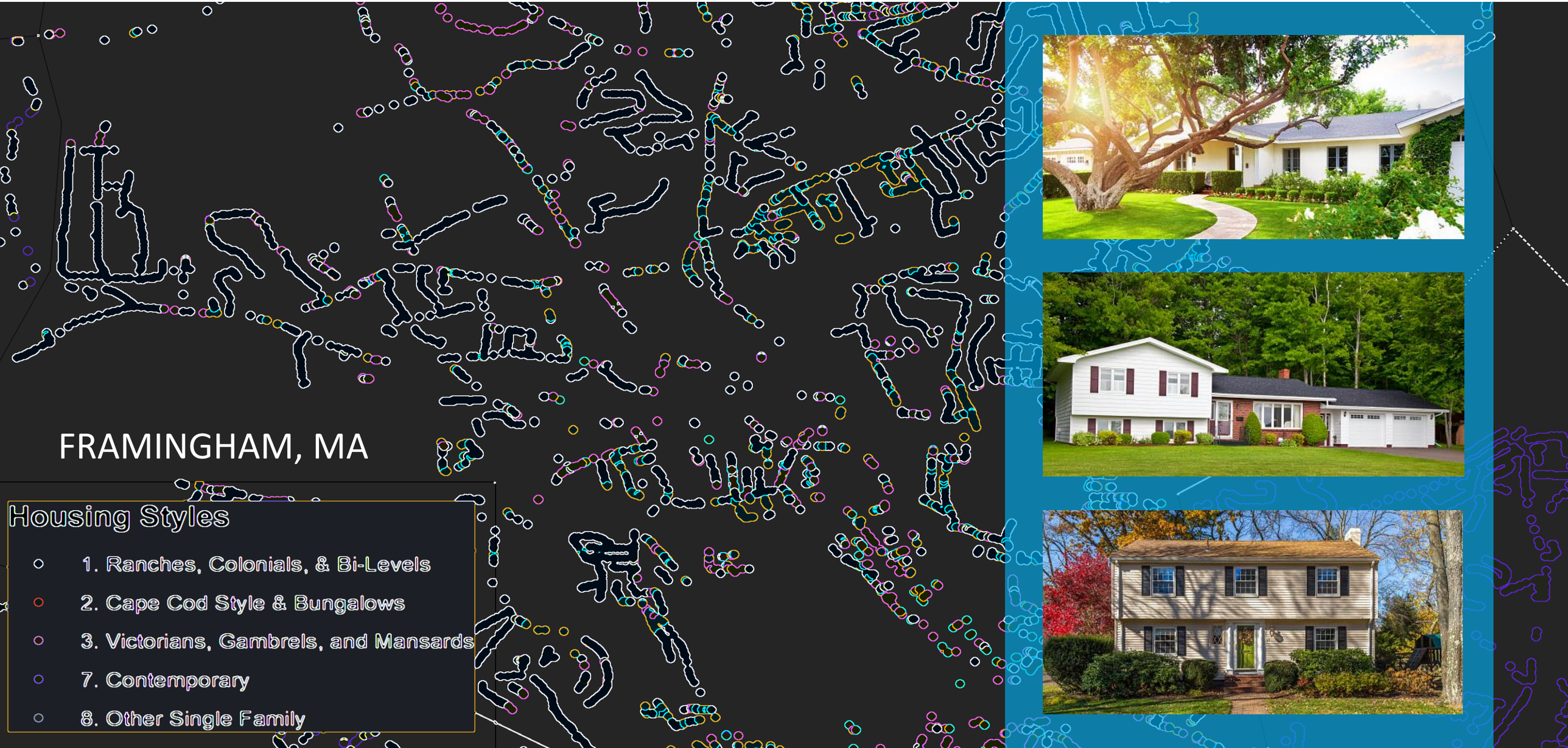
Identify customers who are good candidates for insulation

Deploy multi-channel message specific strategy to target customers living within a certain geographic area

Utilize compelling data presented in ways that resonate to entice customers to set an appointment

Identifying Areas of Greatest Opportunity

EVERSOURCE



Degrees of Personalization

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ONE-TO-ONE

Direct Mail

Email

HOME TYPE

Facebook

Gmail

COMMUNITY

Paid Search

Geo-Fencing

Spell Out Costs Rather than Advertise Savings

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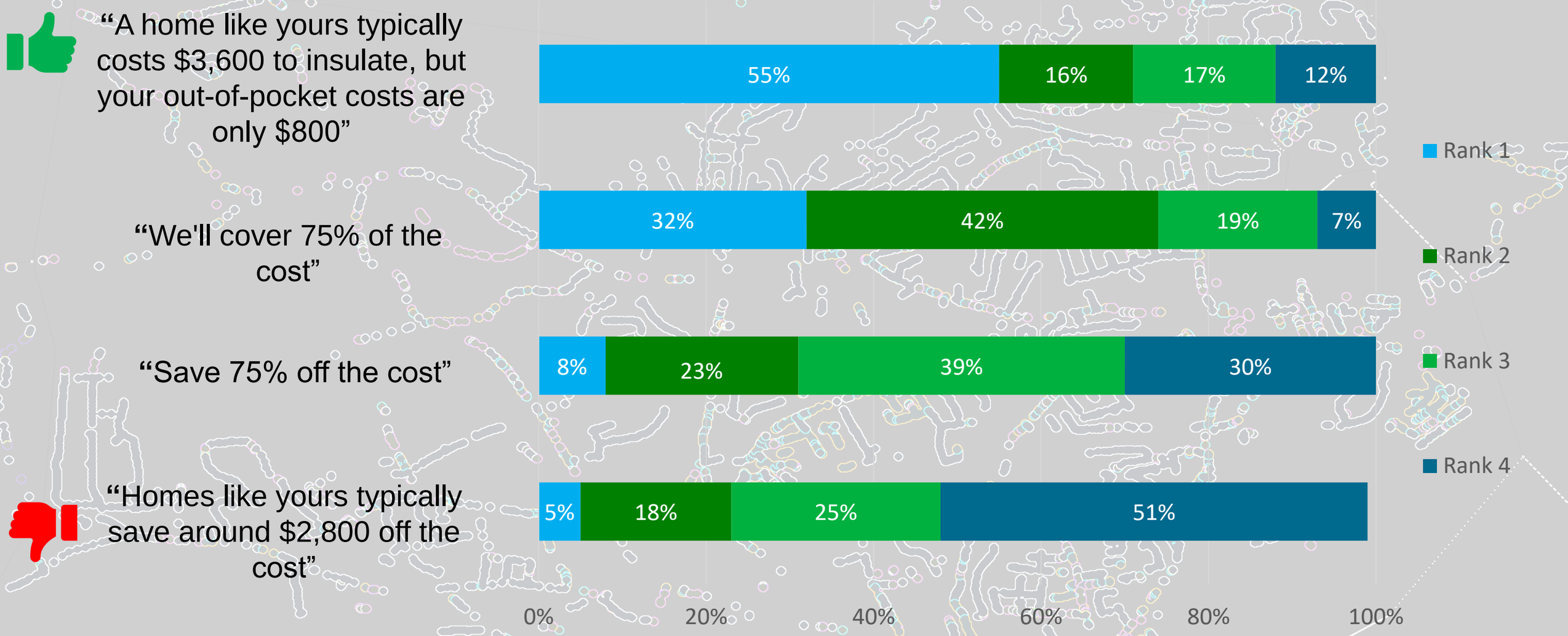


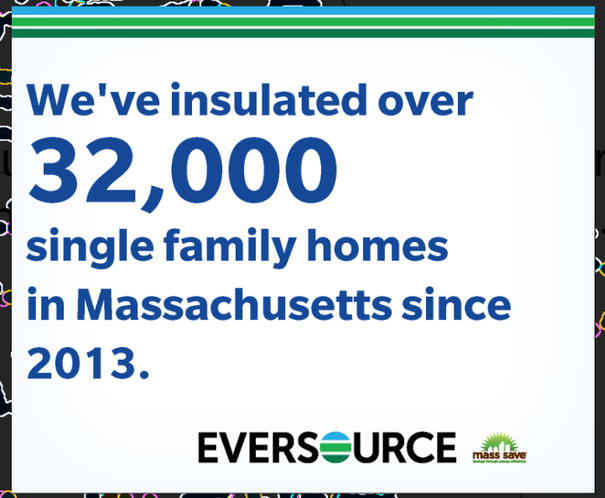
Emphasize Benefits for Customer, Not Just the Offer

EVERSOURCE

Constantly **innovating** and incorporating feedback so that messaging **resonates** with our customers.

Use humor

Sell expertise



Increase comfort

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Corinne McCarthy

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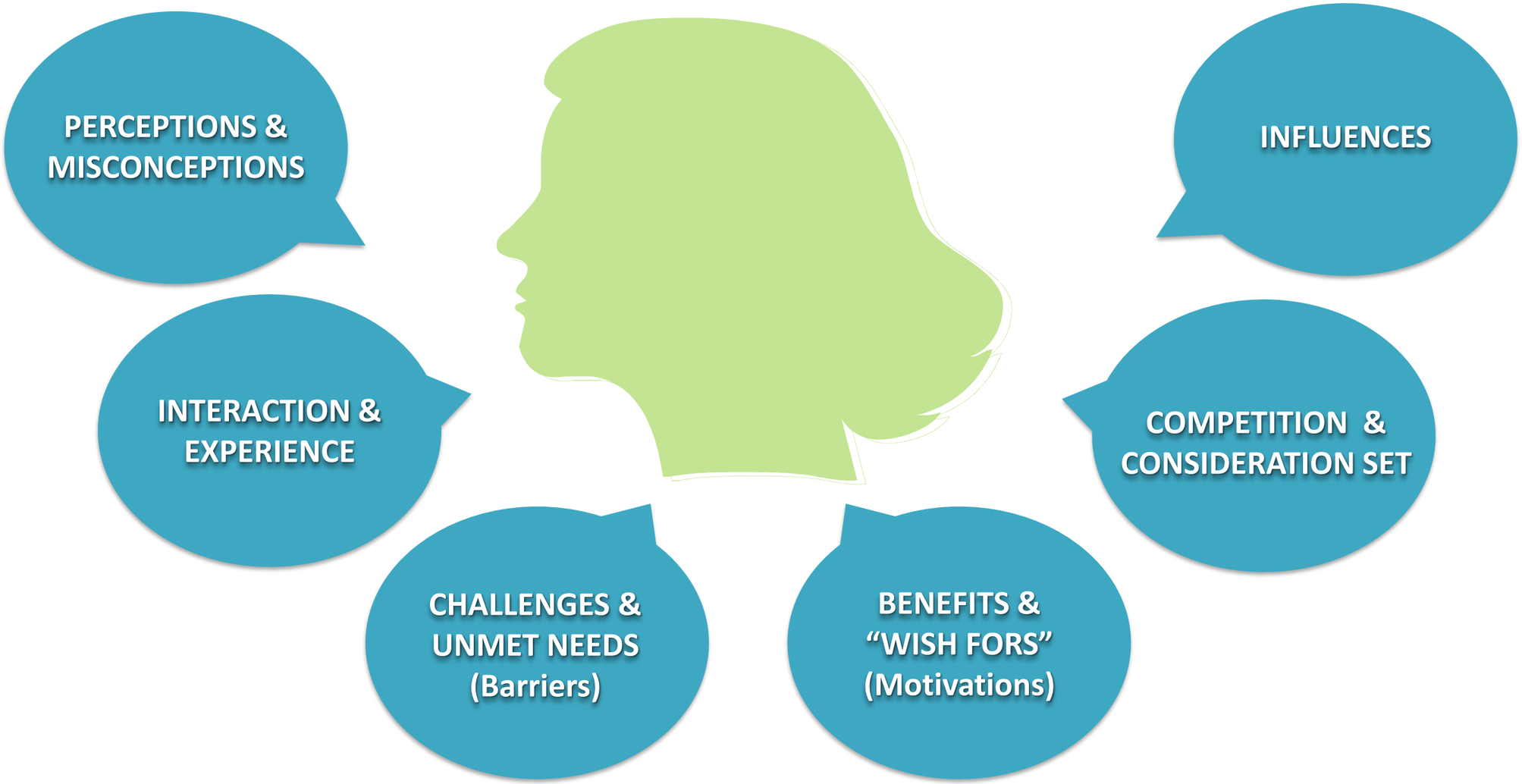
QUALITATIVE METHODS FOR UNDERSTANDING YOUR TARGET AUDIENCE

UNDERSTAND YOUR TARGET AUDIENCE

(YOU AREN'T YOUR TARGET AUDIENCE)



QUALITATIVE RESEARCH METHODS — BEYOND FOCUS GROUPS

- Online Qualitative Market Research (QualBoard™)
- Quali -Quant (Concept Studio™)
- Research Communities (MROC)
- In-Context (Observational) Interviews
- Real-Time Assignments (Surveys On-The-Go®; Watch Me Think™)
- Gamification
- *Friendship Pairs*
- *Homework*

QUALBOARD™ CASE STUDY

NEEA Heat Pump Dryers *Value Proposition* Study

Challenge: NEEA needed to address the barrier of low awareness surrounding Super Efficient Dryers (SED)

Objective: Develop a consumer-centric value proposition that could be used by retailers, manufacturers and utility partners.

Deliverable: Value Proposition Concepts

- Accepted Consumer Belief
- Single-Minded Benefit
- Reason-To-Believe

QualBoard™ Methodology

- Participants interact with the moderator & other participants via an online platform
- Similar to social media platforms (i.e., Facebook or Instagram) – lots of sharing
- Asynchronous – participation is comfortable & convenient
- Robust suite of tools such as: polls, group or individual discussions, journaling exercises, pop-up video chats
- Analyze results by consumer sub-segments
- Enables wide geographic reach and access to niche audiences
- Team members can “observe” using a backroom feature without having to travel

CASE STUDY PART 1 -- NEEA Heat Pump Dryers: *Value Proposition*

PHASE 1

5-Day QualBoard™ with people who purchased a dryer within the past 18 months, and people who intended to purchase dryers within the next 6 months

- Laundry Habits (including video of stages of laundry)
- Perceptions about Dryers
- Path-to-Purchase
- Shopping Exercise

C+C and the NEEA team used the results to generate five distinct message concept statements that were optimized in Phase 2

PHASE 2

3-Day QualBoard™ sessions with the same target audience definition

- Iterative approach to build out full communication concepts
- Round 1: Benefit Statements
- Round 2: Benefit Statement & Reason To Believe
- Round 3: Accepted Consumer Belief (Context), Benefit Statement & Reason To Believe

KEY FINDINGS RELATED TO ENERGY EFFICIENCY & ENERGY STAR®

1. When considering the purchase of a dryer, energy efficiency is one of five key factors people consider: size/capacity, recognizable brand, energy efficiency and setting options.

2. When consumers buy energy efficient products, they identify three key benefits:
   - Saving money due to lower energy bills
   - Helping the environment, thereby helping future generations
   - Feeling a sense of pride because they are doing something good for the earth

3. Consumers aren't aligned on the concept of energy efficiency as it relates to dryers. The two most common comments about energy efficiency in dryers are:
   - When clothing dries faster, the dryer is more efficient because it isn't operating as long
   - The feature that they associate with energy efficiency is the moisture sensor because it means the dry cycle ends as soon as the clothing is dry

MORE

KEY FINDINGS RELATED TO ENERGY EFFICIENCY & ENERGY STAR®

4 Consumers believe that ENERGY STAR® is synonymous with energy efficiency, and they want to purchase ENERGY STAR® appliances. However:

- Salespeople don't talk to them about energy efficiency
- They think virtually all dryers (and all appliances, for that matter) are ENERGY STAR®
- They think that when an appliance has an Energy Guide, it is an ENERGY STAR® designated product – and they look for the "ENERGY STAR® Sticker" when they shop

5 They assume that as technology evolves, so does the potential for energy efficiency. However, they do not know if/how that is reflected in the ENERGY STAR® designation.

CASE STUDY PART 2 — NEEA Heat Pump Dryers *"AdCept" Testing*

Challenge: Identify which of the 5 "AdCepts" should be used as the value proposition for SEDs

Objective: Get feedback from target audience regarding the 6 key success factors:

- Understanding – Does the target understand the message?
- Engagement – Will it break through the clutter?
- Differentiation – Does it offer something new/different?
- Relevance – Does it relate to "real life" needs?
- Category Legitimacy – Does it fit within the parameters of the category?
- Strategic Fit – Does it fit with the brand equity?

Deliverable: Optimized Value Proposition

Concept Studio™ Methodology

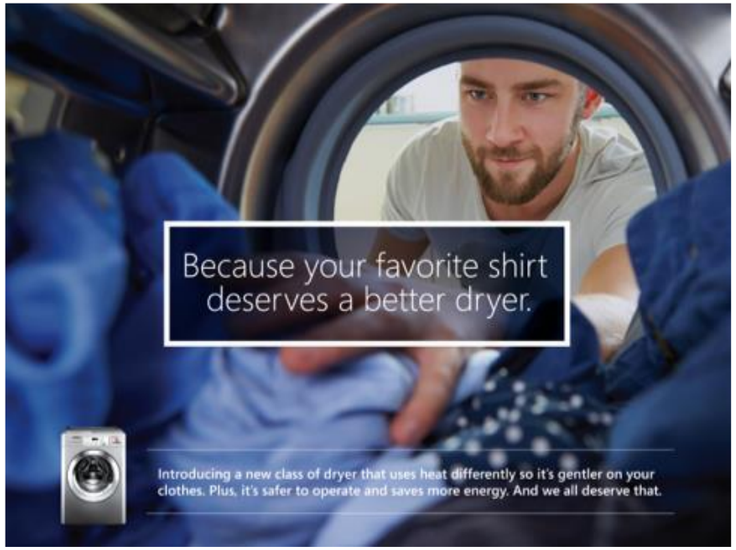
ACTIVITY 1: QUANTITATIVE SURVEY

- 50 respondents answer questions using a keypad
- Respondents' demographics and any segmentation information is "tagged"
- Results are seen in real time, in the back room

ACTIVITY 2: FOCUS GROUP

- Select 8 of the 50 respondents to participate in the focus group
- Can select based on any criteria: demographics and/or how certain questions were answered
- Discussion guide is an outline, with key objectives defined by results of the first activity

The Contenders



And the winner is…

IT'S SUPER.
IT'S EFFICIENT.
IT'S SUPER-EFFICIENT.

Save three times more energy than your standard electric dryer. An ENERGY STAR Certified Most Efficient® dryer reuses hot air to reduce energy use, dries with less heat to be gentler on clothes and ventless technology means safer operations. Look for the Energy Star Most Efficient name when shopping.

Most Efficient 2017
ENERGY STAR
www.energystar.gov

KEY FINDINGS RELATED TO ENERGY STAR®

1. Consumers view ENERGY STAR® as a highly reputable designation. In fact, the ENERGY STAR® logo provides consumers with confidence that claims about efficiency are true.

2. The ENERGY STAR® designation not only stands for energy efficiency, but also provides evidence of overall quality.

3. The ENERGY STAR® Most Efficient designation created a renewed interest in ENERGY STAR®. In fact:
   - A number of people claimed they would “google it” to better understand this new “Most Efficient” designation
   - It reinforces the belief that ENERGY STAR® designation is linked with improving technology
   - It provides confidence that energy efficiency benefits claimed are reliable
   - Even though consumers recognize the “Most Efficient” designation as new, it is completely credible because it comes from ENERGY STAR®

QUESTIONS?

Ingredient Brands:
The Importance of “What’s Inside.”

What is an ingredient brand?

- A brand within a brand
  - Complements “main” brand/product
  - Gives component of the brand its own identity to make overall product more appealing/valuable to consumer
  - Especially relevant to technical products, but also other categories like food, apparel and retail
- Intel was the pioneer ingredient brand, and others followed

A Symbiotic Relationship

> By branding an ingredient, you are drawing attention to it… You are telling consumers that this particular thing is particularly important.
>
> – Martin Bishop

- Role of Ingredient Brand:
  - Entice users, independent of host
  - Position as an essential component that makes Partner brand worth purchasing
- Role of Host or Partner Brand:
  - Effectively merchandise the ingredient brand to consumers

The Quintessential Ingredient Brand

America's Trusted Resource for Energy Efficiency

5.8 BILLION
products

35,000
buildings

190
industrial plants

1.9 MILLION
homes

Ingredient Brand "Must Haves"

- Strong brand identity
- High brand awareness
- Clear, functional benefit
- Significant enhancement to brand/ product in which embedded
- Visible feature on product and packaging
- Compelling and profitable business strategy
- Mutually beneficial relationship
  - Enhances both brands' desirability and awareness

> "Ingredient brands are less susceptible to changing tastes, and therefore less likely to lose value."
>
> **– Richard Kestenbaum**

Strong Brand Identity & Awareness

In American Households:

MORE THAN
90%
RECOGNIZE THE ENERGY STAR® LABEL

NEARLY
85%
UNDERSTAND WHAT IT MEANS

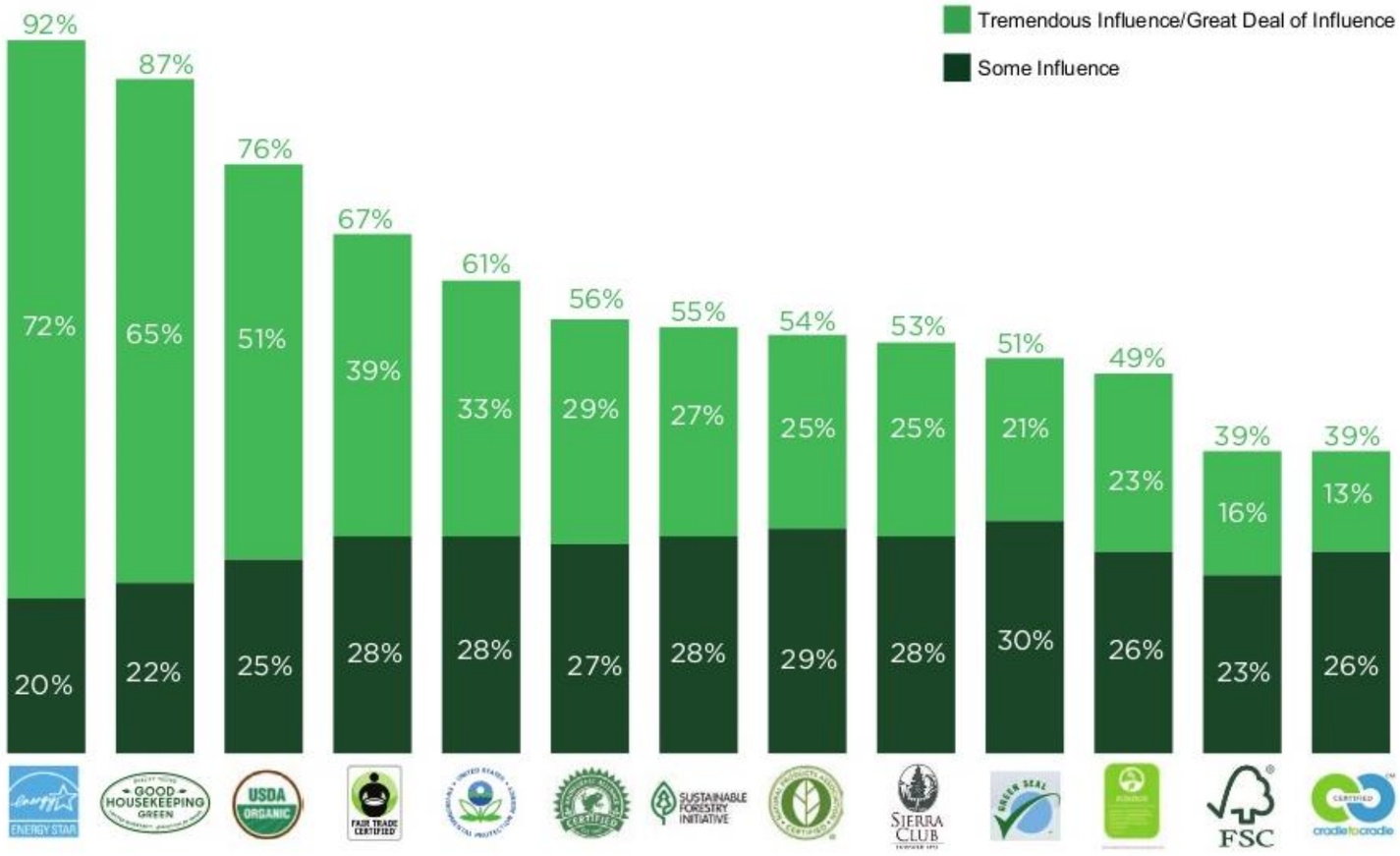
IN THE PAST YEAR
45%
PURCHASED ENERGY STAR-LABELED PRODUCTS

OF THESE PURCHASERS

74% were influenced by the label in their decision

80% are likely to recommend ENERGY STAR to a friend

Clear, Functional Benefit



Significant Enhancement to Partner Brand

- A 2017 study found partners' **JD Power** Customer Satisfaction indexes for ENERGY STAR partners increased significantly over time compared to non-partners, particularly in the areas of **Corporate Citizenship, Communications, and Customer Service.**

Visible Feature on Product & Packaging

Mutually Beneficial Relationship

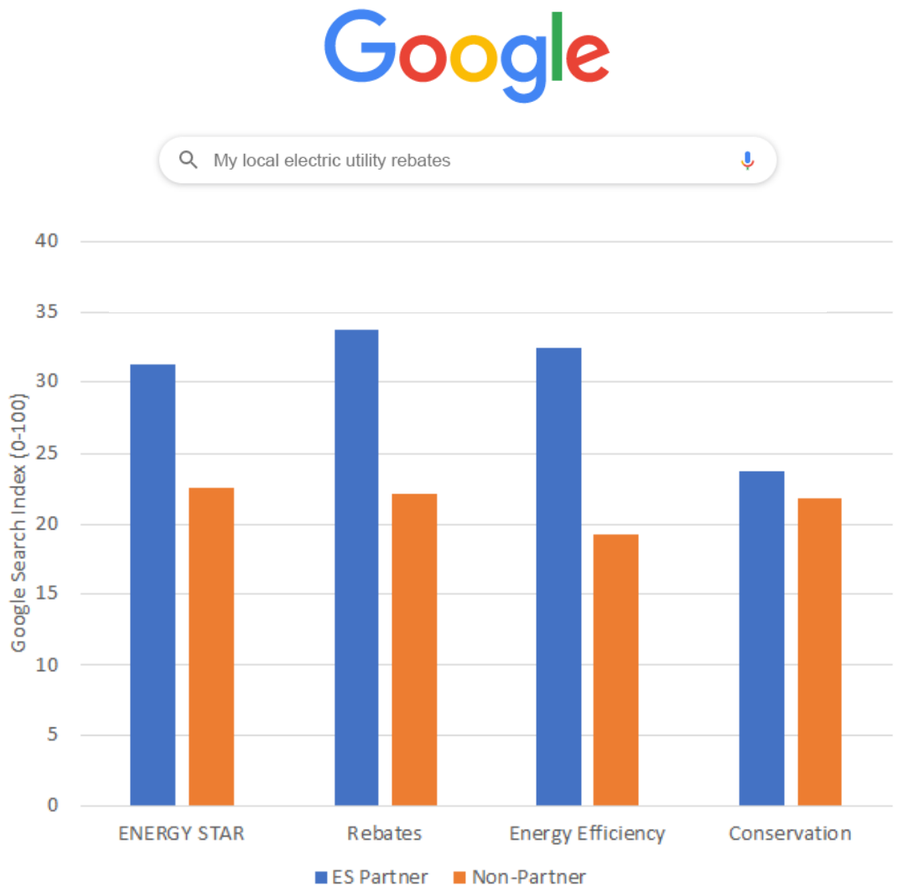
- Recent A/B testing conducted by Focus on Energy shows that using **ENERGY STAR logo** on ads drove a **60% increase in click-through-rate**.

+

=

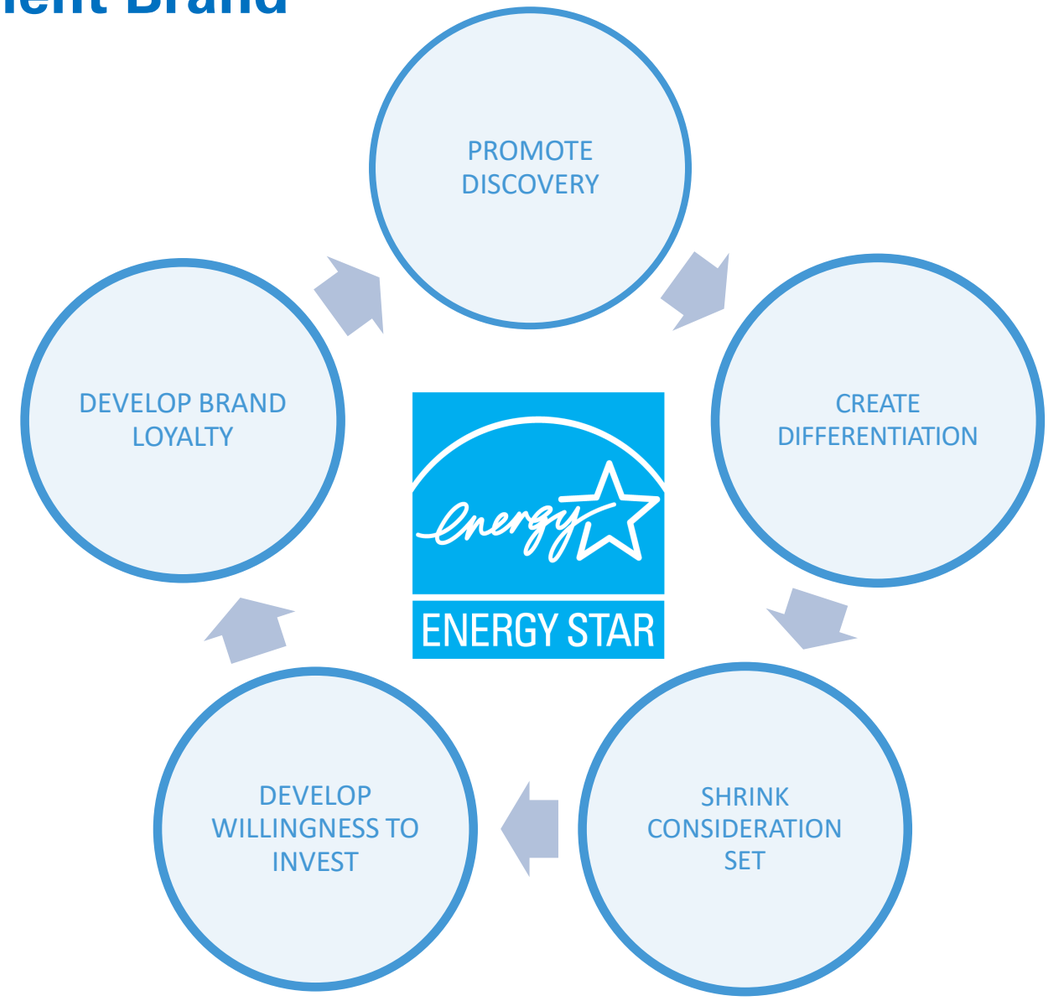
Mutually Beneficial Relationship

- 2017 study demonstrates that when a utility partners with **ENERGY STAR**, it results in **increases in Google searches** for related items



ENERGY STAR: The Quintessential Ingredient Brand

- Serves as implicit seal of approval
  - Enhances Partner brand though association
- Provides short cut to understanding your brand's full value proposition
  - Differentiates product
  - Builds consumer willingness to invest in premium product
- Forges deeper connection with customers
  - Functional : quality, performance
  - Emotional : confidence, trust, loyalty



Adding Value: Building Trust in a Post-Trust World

In a post-truth world, consumers are putting their dollars where their trust remains intact.

Trust has become one of the strongest drivers in how consumers choose products, services and which organizations and politicians to support.

Product innovation that meets the changing needs of apprehensive consumers can build trust, including adding more information to packaging.

Consumers expect brands to take a stand, speak out and prove that they're trustworthy.

Adding Value: Building Trust in a Post-Trust World

Ingredient Brand

Create ingredient brand awareness, interest and desirability

- Surface early in the customer purchase journey
- Be fluent in all channels across customer purchase journey
- Promote discovery of Partner brands

Partner Brand

Leverage ingredient brand to build trust, credibility and business results

- Feature prominently in sales/marketing materials
- Rely on ingredient brand to simplify the purchase process
- Reinforce ingredient brands on their websites and other communications

ENERGY STAR Ingredient Brand Strategies

- Empower Partner Marketing Efforts
  - Consumer Segmentation Research
    - Marketing Resources & Content

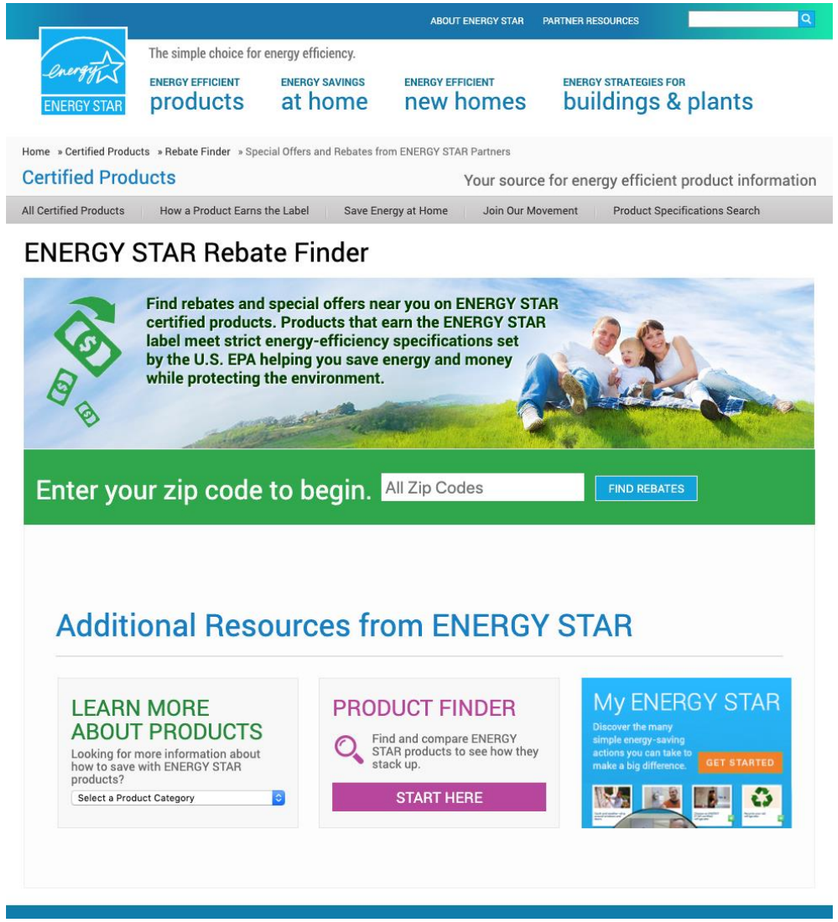
- Recognize and celebrate Partner successes
  - Partner of the Year Awards & Recognition
  - Best Practice/Success Sharing
    - Calls, webinars and meetings

ENERGY STAR AWARD 2019
PARTNER OF THE YEAR

ENERGY STAR Ingredient Brand Strategies

> "Today, ingredient brands need to sell their smarts… create a content strategy that demonstrates their value as a visionary partner."
>
> – **Kathy Baughman**

- Promote discovery of Partner products
  - Product Promotions
  - Special Celebrations
    - ENERGY STAR Day
    - Earth Day
  - Website Feature
    - Store Finder
    - Rebate Finder



ENERGY STAR Partnership: A Symbiotic Relationship

CUSTOMER TOUCHPOINTS	PROMOTIONAL PHASE	VALUE PROVIDED	HOW WE ENGAGE	WHAT WE DELIVER
	Engage	Make customers want to save	Umbrella Campaigns & Promotions	Compelling CTA & Content Strategic digital engagement
	Educate	Teach customers about products and benefits	Website, Digital, (online, social) & CRM	Educational content & resources
	Facilitate	Provide resources to help customers find and select products	Tools & Resources	Web-based tools
	Fulfill	Reinforce ENERGY STAR messages at point of sale	Partner Tools	Logo, assets, toolkits

Look to the STARs

Lessons Learned in Marketing Energy Efficiency

Q&A