

Keeping Up With Your Audience, So They Keep Up with Your Program

**BBNP Program Implementation
Snapshot Series Webinar
May 17, 2012**

Agenda

1. Introduction
2. EMT's Market Research Needs to Spur Energy Efficiency Program Demand
3. Role of Market Research In Spurring Demand
4. How EMT Utilized the Market Information
5. Q&A, Peer Exchange Discussion

How to Participate Today

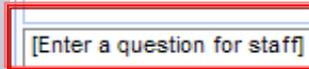
Open and close
your control
panel



Raise your
hand



Submit
text
questions



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The never ending mid-course correction

“We now hope to save at least 50%
on our energy costs.”

*Sheila & John Bacon
Homeowners – Winslow, ME*



Oil prices remain high.
Last winter was mild.
Will we be as lucky next winter?



Be more comfortable in your home and take control of rising heating costs!

LIVABLE FOR YEARS TO COME

“I used to sit on the couch in a hat and fleece pullover. Now, this is the house I want to stay in for a long time.” *Anne, Homeowner – Rockland, ME*

LANDLORD & TENANT BENEFIT

“Weatherization is helping all of us save on utilities. Our tenant likes it here, likes the savings and, best of all, he’s planning to stay.” *Tobey, Homeowner – Portland, ME*

Long term objective: Weatherize all homes in Maine

To get there – we had a lot of questions to answer, including:

- Who was most apt to participate, and who might benefit most
- What were constituents' attitudes towards energy efficiency and the State's involvement in energy usage
- Where was the most need – geographically and demographically
- What were the barriers, motivations to proceed
- How could we assist our constituents to move forward
- What would our product be

We needed to better understand our constituents to answer these questions and meet our long term objective.

HOW TO KEEP UP WITH YOUR AUDIENCE: USING CUSTOMER RESEARCH TO SPUR DEMAND



May 2012

WHY IS MARKETING RESEARCH IMPORTANT?

- A strong marketing research program allows a company to understand its *customer*, its *performance* and its *potential*.

CUSTOMER

- Who are my target customers?
- What are their expectations and needs?
- How do I reach them?
- What is most motivating to them about my product?
- What barriers exist that must be addressed?

PERFORMANCE

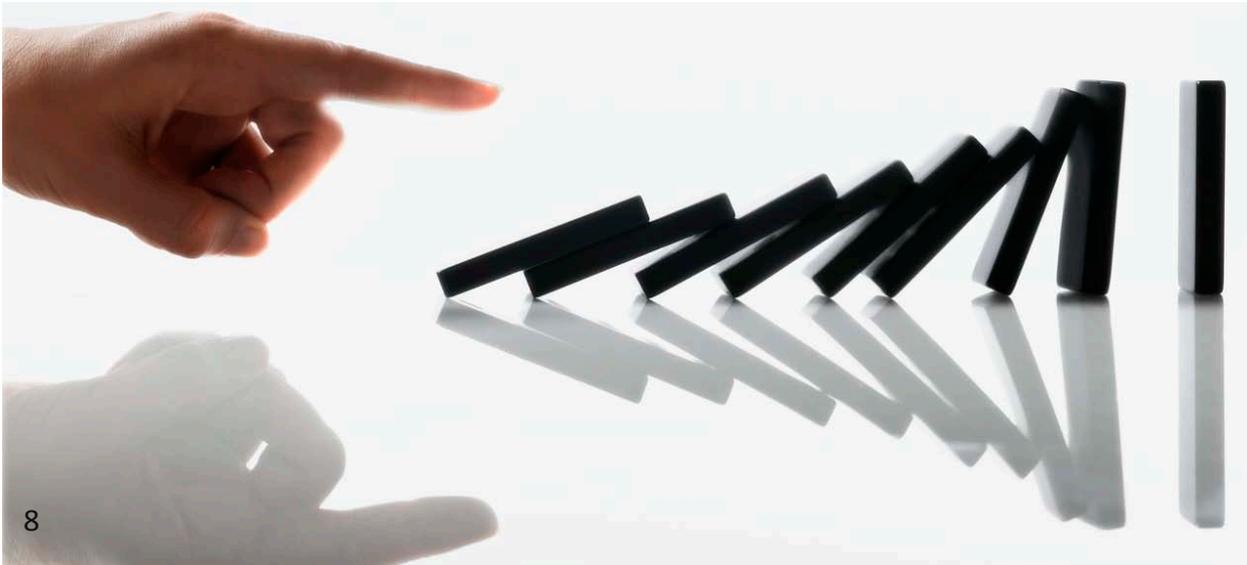
- How satisfied are my customers with my product offering?
- Am I progressing against my goals over time?
- Are my marketing messages/materials delivering against expectations?

POTENTIAL

- Which of my service offerings holds the most potential in the marketplace?
- Aside from my core or current customers, what secondary target holds opportunity for the future?

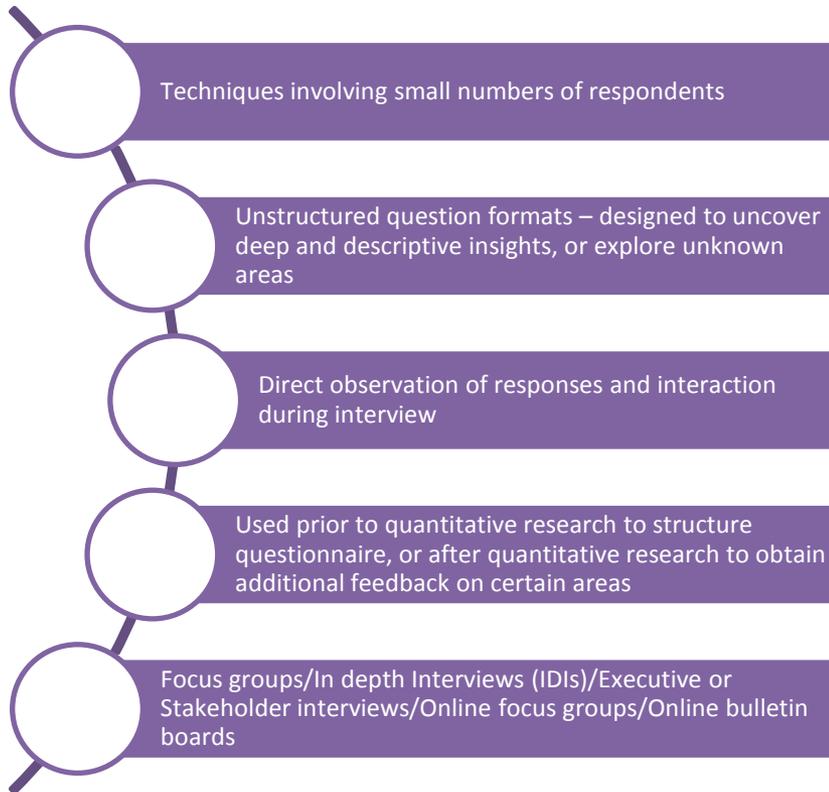
HOW IS MARKETING RESEARCH USED?

- Marketing Research insights are then used to:
 - **Help a company devise more effective strategies** - by identifying opportunities
 - **Minimize the chances of loss** - by finding solutions to address potential problems
 - **Identify loopholes in product marketing or service offerings** - to maximize success
 - **Evaluate your efforts** – to assure that in-market response is as intended

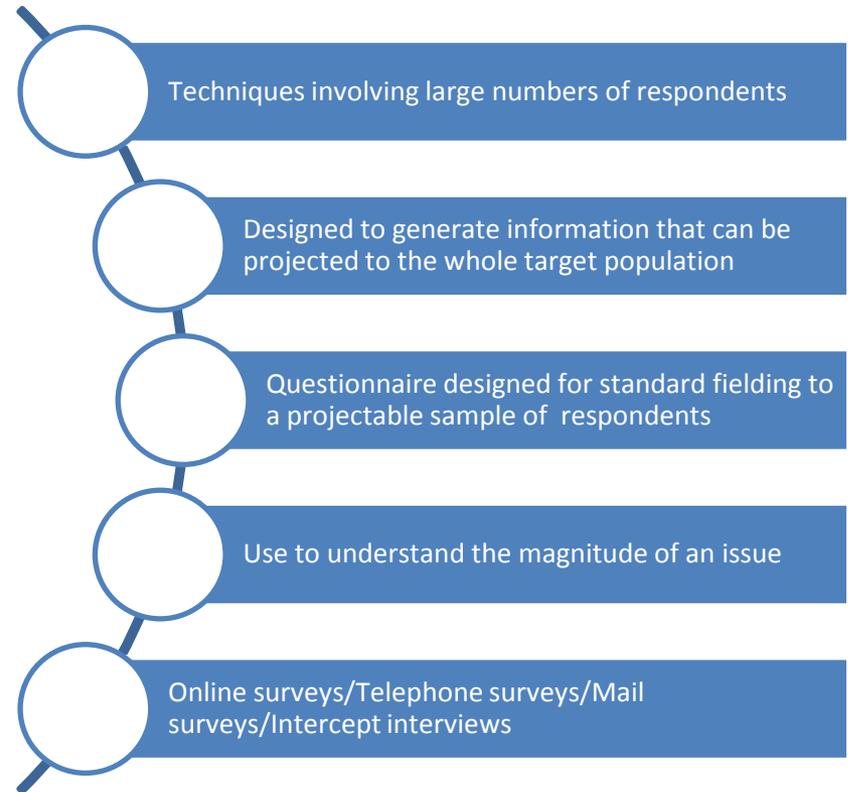


TYPES OF RESEARCH METHODS

Qualitative



QUANTITATIVE



DETERMINE THE OPTIMAL RESEARCH METHOD

QUALITATIVE RESEARCH

PROS:

Can provide a first-hand, close up picture of the target market – language, expression

Can provide more complex answers/deeper insights than a structured questionnaire

Flexibility with locations and timing

CONS:

Doesn't provide hard and fast conclusions – not a substitute for quantitative research

Can't answer the question "How many..."

Is often a stepping stone to other research



DETERMINE THE OPTIMAL RESEARCH METHOD

QUANTITATIVE RESEARCH

PROS:

Using statistically valid random samples, data can be projectable to a population – giving you confidence when making plans, or measuring change over time

Data can be collected and analyzed rather quickly (telephone or mail a bit longer)

Respondents are anonymous

CONS:

Can't probe more deeply on responses

Large or complicated studies can be expensive



SETTING UP A RESEARCH PROGRAM



...From the answers to these questions, your research partner can determine the optimal research plan to meet your information needs and your budget.

EFFICIENCY MAINE EXAMPLE: CREATING A MARKETING PROGRAM

Initial Research Program: Insights were needed initially to...

- Guide the development of a marketing campaign
- Aid the strategic direction of Efficiency Maine with respect to identity, programs and future initiatives
- Measure the level of awareness of Efficiency Maine among both residents and businesses
- Measure the current energy conservation behavior and intentions of residents and businesses in Maine
- Understand the barriers to making energy efficient changes in Maine by both residents and businesses
- Evaluate potential marketing messages for Maine

Both Qualitative and Quantitative Research was needed to answer these questions.

EFFICIENCY MAINE EXAMPLE

Round One: Qualitative Research (September 2008)

- Six focus groups -- geographic disbursement, facilitator moderated, incentives provided
- Three groups of residential decision-makers -- mix of ages, genders and incomes
- Three groups of business decision-makers (capital investments or purchases related to energy usage) -- mix of company size and industry represented
- Discussion included:
 - Motivations and barriers for saving energy
 - Understanding of what they are currently using in homes/businesses and impressions of their energy costs
 - Information sources for energy use
 - Interest in a program such as Efficiency Maine
 - Impressions of these government programs
 - Expected ROI of such programs
 - Responsiveness to potential marketing messages

Focus group findings helped us to: Get quick turn-around feedback, to craft the quantitative survey(s), and to give direction to ad agency for marketing program development

REPORT EXAMPLE: *BARRIERS TO SAVING ENERGY*

- A number of issues prevent more changes from being made, with **cost being the greatest dissuader**. Initial cost outlays are prohibitive for many to make more changes in their energy consumption.
 - *“I’m not going to replace all of my appliances because I could save energy. For starters I can’t afford to do it. I just hope none of them break down soon.”*
 - *“It is money. The upfront cost of any improvements. My plan is to wait for something to fail and then as failure you have to do something about it. So I will but in the interim I’ll save my coin.”*
- Also, there is always the challenge for businesses of not being able to **pass increased costs onto clients**.
 - *“A challenge for us is to try not to turn that over to our clients, that cost...”*
- It was discussed in the groups that a program to **help pay** for the more expensive appliances and energy systems would be very helpful.
 - *“I’ve heard in Germany they have a low cost financing system. The government provides low interest loans for people to put solar panels on their roof and then they pay them over a period of like 12 years or something like that. It’s a fairly long payback period. At the end of the payback period they own them.”*
- **Employees and tenants are not always in alignment** with trying to save energy – which can derail even the best conservation plans.
 - *“My employees are the biggest challenge because even when I’m working I’ll turn the AC off and leave windows open but then, and I have a little sign up, do not turn AC below 72 degrees and we’ve walked in it’s been down to 68. You can’t monitor what they’re doing when you’re not there.”*
- Plus, businessmen and residents are **so very busy** today – they don’t always have time to make changes.
 - *“I would say in all honesty the one thing holding us back from being more efficient is just the amount of time that I have in a day.”*

EFFICIENCY MAINE EXAMPLE

Round Two: Quantitative Research (October-November 2008)

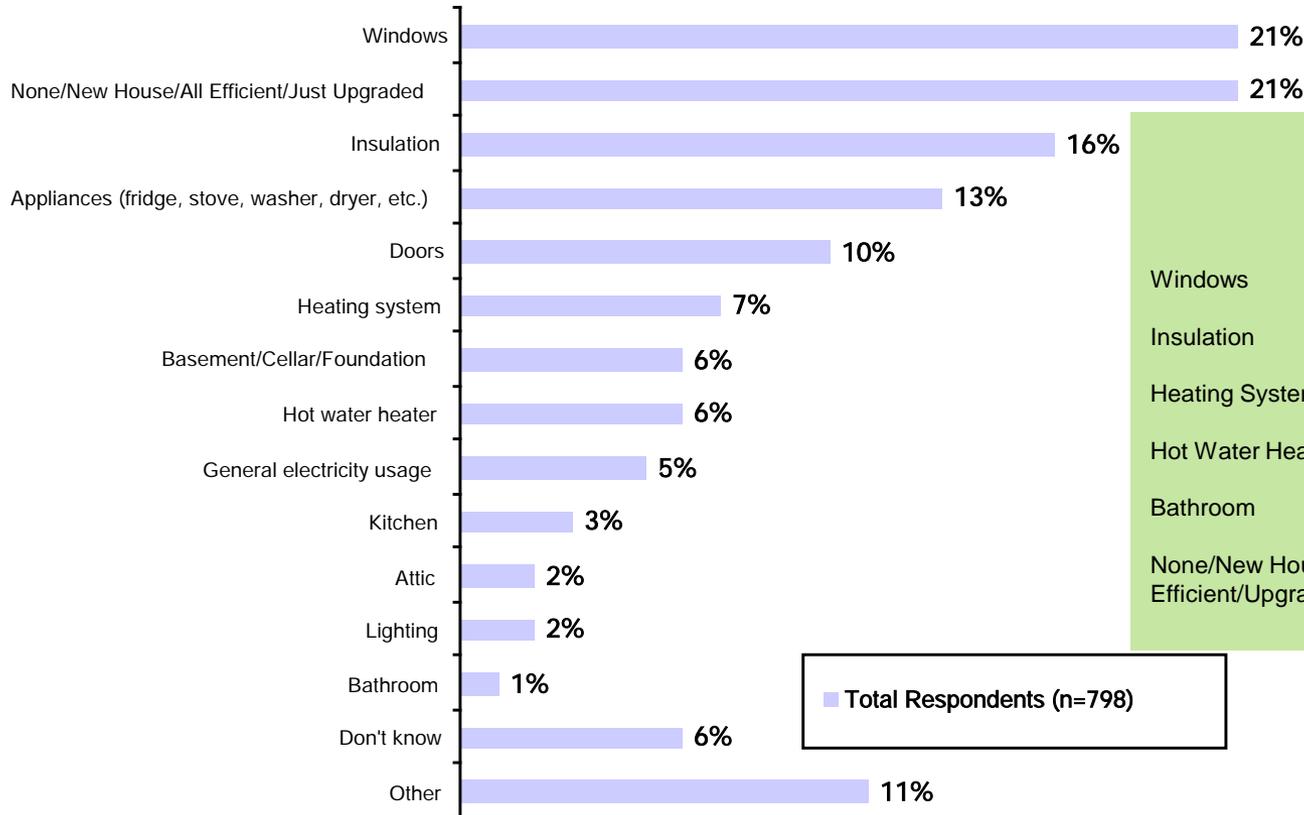
- Two telephone surveys were conducted – (800 Maine homes; 200 businesses) Research company developed questionnaire, call list, and data analysis.
- Residential decision-makers – All homeowners or renters who are joint or sole decision-maker for energy decisions for their household
- Business energy decision-makers – Representatives interviewed at least share in the energy or lighting choices for their company. Quota groups were established to insure adequate representation of larger companies.
- Questionnaire measured:
 - Involvement in energy conservation
 - Profile of current household or business with regard to energy footprint
 - Measurement of motivations to save energy
 - Measurement of barriers to saving energy
 - Awareness of energy savings programs
 - Opinions of/Satisfaction with these programs
 - Level of interest in Efficiency Maine programs and willingness to pay for such programs
 - Expected savings/ROI of such programs
 - Awareness and usage of Efficiency Maine CFL program

Quantitative findings helped us to: Measure the strides made to date by Efficiency Maine and measure the opportunity moving forward

REPORT EXAMPLE: *LEAST EFFICIENT AREAS OF THE HOME*

- The most common response when asked what area of the home is most in need of efficiency improvements is windows, with one in five citing that their windows are in need of an upgrade.
- Insulation, appliances, and doors are also cited by a minority as needing upgrades
- Older houses tend to need efficiency improvements in their insulation and heating system, while newer houses tend to need efficiency improvements with their hot water heater.

Areas of the Home in Need of Efficiency Improvements



	Age of Home in Years			
	<21 n=254 %(a)	21-40 n=212 %(b)	41-80 n=151 %(c)	80+ n=181 %(d)
Windows	16	24a	25a	21
Insulation	9	14	19a	24ab
Heating System	6	4	5	12abc
Hot Water Heater	10bcd	4	3	3
Bathroom	--	<1	4b	1
None/New House Efficient/Upgraded	28bcd	20	15	16

Q29. What areas of your home are the least efficient or in greatest need of efficiency improvements? Unaided

EFFICIENCY MAINE EXAMPLE: FOLLOW-UP RESEARCH

Follow-Up Research Program: Insights were next needed to...

- Following a successful marketplace adoption of Efficiency Maine programs, understand what further opportunities exist in the state with regard to CFL usage
- Determine what advertising messages and techniques would most motivate this second-tier engager in Efficiency Maine's programs
- Measure how successful this marketing outreach has been

Qualitative and quantitative research was used to answer these questions.

EFFICIENCY MAINE EXAMPLE: FOLLOW-UP RESEARCH

Round Three: Qualitative Research (September 2009)

- Four focus groups were conducted in Southern and Central Maine among residents who are energy-decision makers for their households. None were heavy users of CFLs

- Discussion included:
 - Adoption and acceptance of CFLs
 - Trial of CFLs/Barriers to use
 - Impressions of CFLs – impressions of their benefits, cost, performance and appearance
 - Disposal and safety concerns
 - Evaluation of potential promotions and marketing messages
 - Evaluation of potential marketing techniques
 - Current ad evaluation – did it meet the motivational needs of this harder to reach target?

Focus group findings helped us to: Design the next wave of advertising for Efficiency Maine

EFFICIENCY MAINE EXAMPLE: FOLLOW-UP RESEARCH

Round Four: Quantitative Research (April – May 2010)

- Two telephone surveys were conducted – (300 Maine homes; 200 businesses) Research company developed questionnaire, call list, and data analysis.
- Residential decision-makers – All homeowners or renters who are joint or sole decision-maker for energy decisions for their household
- Business energy decision-makers – Representatives interviewed at least share in the energy or lighting choices for their company.
- Questionnaire measured:
 - Involvement in energy conservation
 - Awareness of Efficiency Maine
 - Past usage and future intent to use Efficiency Maine
 - Opinions of/Satisfaction with these programs
 - Barriers to using Efficiency Maine
 - Level of interest in Efficiency Maine programs and willingness to pay for such programs

Findings helped us to: Understand our level of success with the program, and evaluate future potential.

Maine PACE loan Program



- Long term objective: Weatherize all homes in Maine
- 3,500 completed projects in past 24 months
- 40% average whole home energy savings
- \$8,800 average project cost
- \$12,900 average loan size to date

- Top demographic: Couples approaching retirement age with emphasis on women-centric images as they often prove to be the decision makers on larger projects.

Maine PACE Program



- BPI Certified Energy Audit and Building Model
- Air sealing
- Insulation
 - Attic
 - Walls
 - Basement Walls
- Heating system upgrades
- Supplemental heating (i.e.- pellet stoves, gas monitors)
- Domestic Water Heating Upgrades
- Solar Electric and Thermal
- Moisture mitigation/Health and Safety

Maine PACE loan Program



- 125 Towns participating (and growing)
- 63% of the state population (Total Population of Maine: 1.3M)
- Roughly 500,000 homes

As of:

PACE Municipalities

Cumulative Applications

Cumulative Declined Loans

Inactive Applications

Applications In Process

In Process Application \$\$\$

Cumulative # Closed Loans

Cumulative \$\$\$ Closed Loans

Average PACE Loan Amount

Applications received 4 weeks

Applications declined last 4 weeks

Loans Closed last 4 weeks

	4/29/2012
	124
	1001
	459
	226
	127
\$	1,847,756
	189
\$	2,438,879
\$	12,904
	99
	32
	19

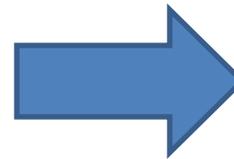


Marketing Channels and Outcomes



Marketing efforts in the past year:

- Website and Web Ads
- Tax Bill Inserts (202,000)
- Direct Mail Postcards (108,000)
- Radio Campaign (7 months w/ top stn)
- TV blast (4 months (256) 30 sec spots)
- Press Events for launches
- Print ads in papers and magazines
- Local Gov TV shows
- More than 50 local meeting events
- Brochures at Town Halls
- Community organizing groups
- Sales materials for contractors



Numbers on how borrowers heard about our program

400 responses

93 From a Friend

91 TV

83 Contractor

55 Other

51 PACE Mailing

46 Web Search

37 Newspaper Article

27 Tax Bill or Utility Insert

25 Print Advertising

25 Radio

21 Town Office Brochure

18 Meeting or Event

16 Online Ad

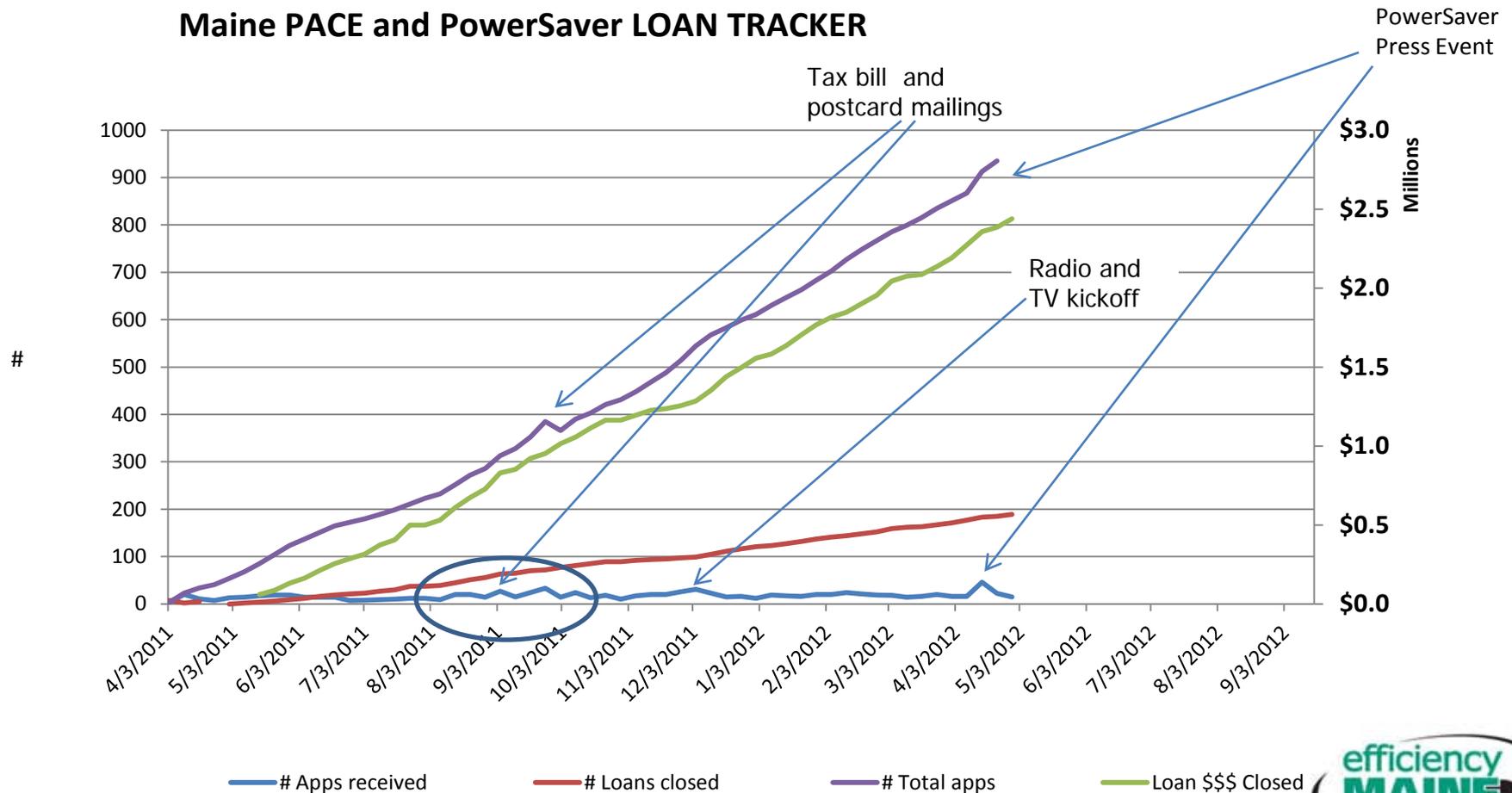
Roughly \$350K spent so far with 2/3 spent on Radio, TV and print ads.

Maine PACE and PowerSaver loan Program



Steady as she goes.....

Maine PACE and PowerSaver LOAN TRACKER



PowerSaver Launched - April 11th.



- Single Family Detached Dwelling ONLY
- Loan values \$7,500 to \$25,000 Secured
- Secured to property value with minimum 2nd position mortgage.
- Maximum Loan to Value of 100% (exterior assessment req.)
- Maximum Debt to Income Ratio of 45%
- 15 year term (20 if project includes Renewable Energy)
- 4.99% fixed interest rate with fixed monthly payment.
- No pre-payment penalty
- No application, closing or origination fees.
- Mortgage is NOT assumable.
- Loan values up to \$7,500 Unsecured (no LTV calc.)
- Will be available to all Mainers in all towns and territories.
- Can combine with PACE for up to \$40,000 total project.
- Working with HUD on Pellet Equipment addition.

Residential Direct Install



Non-Low Income (qty 5000+) **Launched 4-27-12**

- Blower Door Driven Air Sealing (BDDAS) + other minors
- Conducted by BPI auditor with program training
- Provide 40 points of site info data from Test-In
- Contractor firm paid \$300 toward audit (w/ work and reporting.)
- Test-out report – 20 data points, \$100 pmt.

Low Income (qty 200) **In the works**

- Program will be through CAP agencies.
- Blower Door Driven Air Sealing (BDDAS) + Supplemental Heating
- Ductless Heat pumps, Pellet Stoves, Natural Gas Direct Vent Heaters

Keep your rudder in the water



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Give the people what they
want. -The Kinks



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