



# Black Hills Energy

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**Colorado Utility Efficiency Exchange**

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# Customer-Focused Marketing

Getting Results From The Ground Up

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# Agenda

- Background
- Current Situation
- Comprehensive Planning & Program Design
- Marketing and Communications Plan
  - Creative & Messaging Platform
  - Marketing Planning & Approach
  - Strategies
  - Tactics
  - Results
- Lessons Learned

# Background

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# Who is Black Hills Energy?

- Strong, diverse energy company
  - Montana, Wyoming, Colorado, Kansas, Nebraska, South Dakota, and Iowa
- 553,000 natural gas customers
- 195,000 electric customers
- Focus of this presentation
  - Natural gas energy efficiency (EE) programs
    - Iowa and Colorado

# Current Situation

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# Industry Landscape

- Increased savings from and spending on EE programs
- Increased emphasis on cost-effective EE programs
- Stronger emphasis on program evaluation and consumer advocacy



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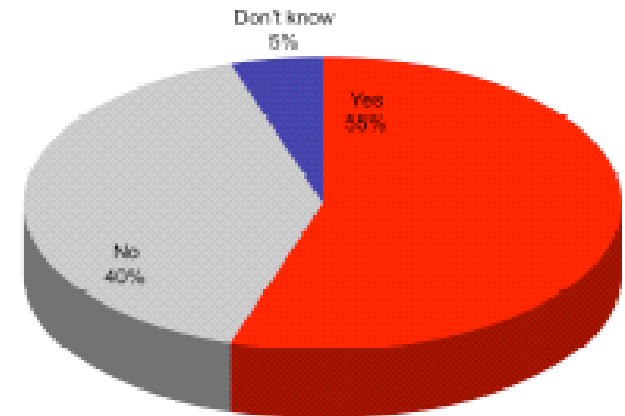


# Internal Landscape

- Budget
  - Iowa: average annual budget of \$6.3 million during program cycle (2009-2013)
  - Colorado (natural gas): average annual budget of \$1.7 million during program cycle (2009-2011)
- Goals
  - More aggressive than ever before
- Corporate
  - Merger, new internal teams

# Market Environment

- Consumer awareness and program participation
  - IA has more than 50% brand awareness
  - Launching programs in CO
- Trade ally networks
  - IA features well established and committed network
    - Somewhat resistant to change
  - CO requires building TA network from ground up
    - Offered kick-off meeting to get to know contractors
- Economy



# Comprehensive Planning & Program Design

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# Finding the Silver Lining

- A major marketing opportunity
- Budget
  - Sufficient and flexible
- Economies of scale
- Expanding Black Hills Energy's reach

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# Marketing & Communications Plan

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# Objectives

- Primary Objectives:
  - Connect customers with EE programs
  - Empower customers to take action
  - Make it simple
- Secondary Objective:
  - Complement existing utility mission statement

# Consumer Target



- Iowa:
  - Household Income \$25-\$100K
  - Age 25-64
  - College educated
  - Families w/kids at home
  - ~75% homes over 20 yrs
- Colorado:
  - Median Household Income \$69,737 (49% above \$75,000)
  - Median age 47
  - College educated +
  - Families w/kids at home
  - ~40% homes over 20 yrs

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# Values & Barriers

## Values

- Saving money
- Controlling costs
- Convenience
- Environment

## Barriers

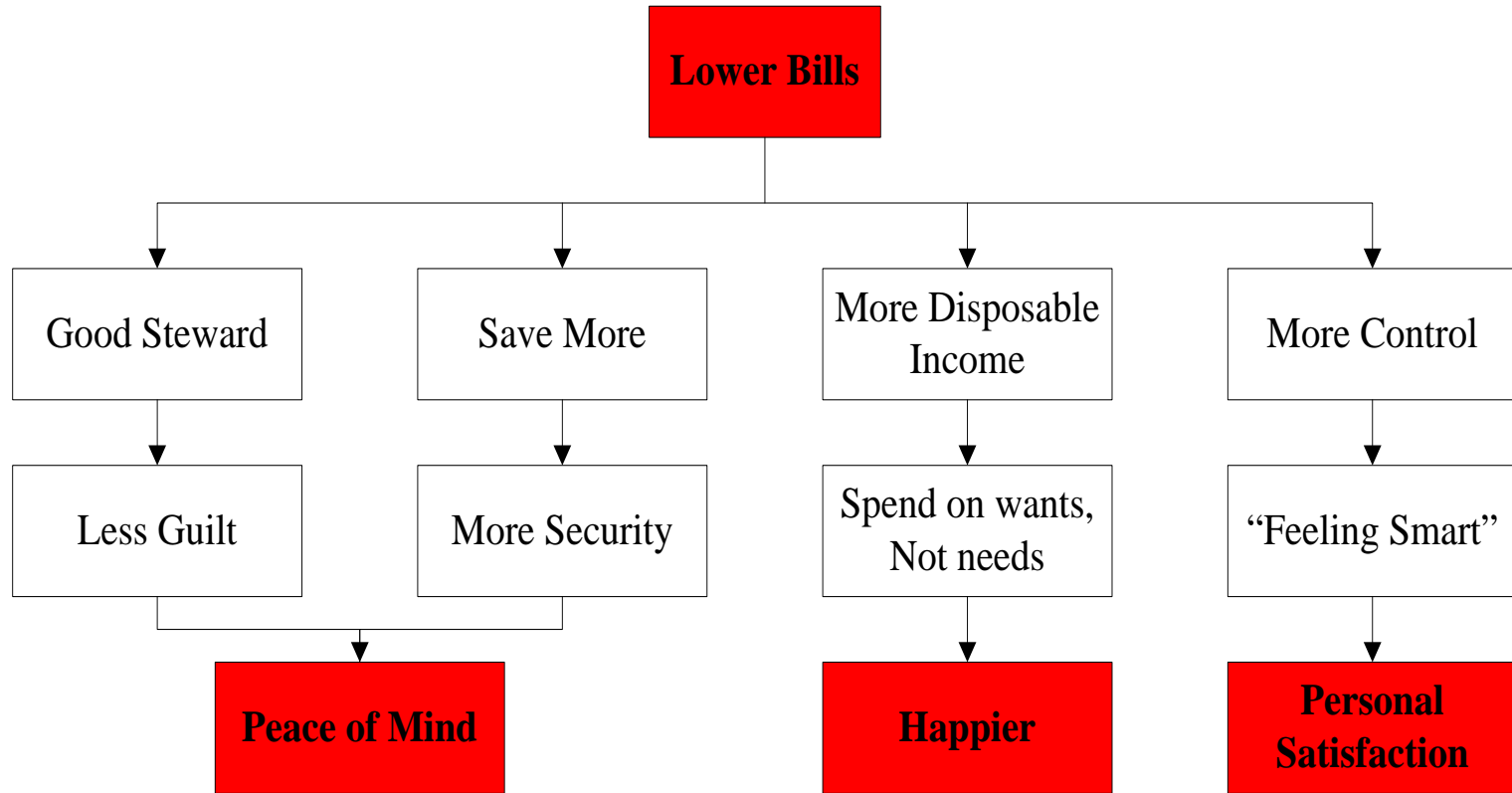
- Cost
- Inconvenience



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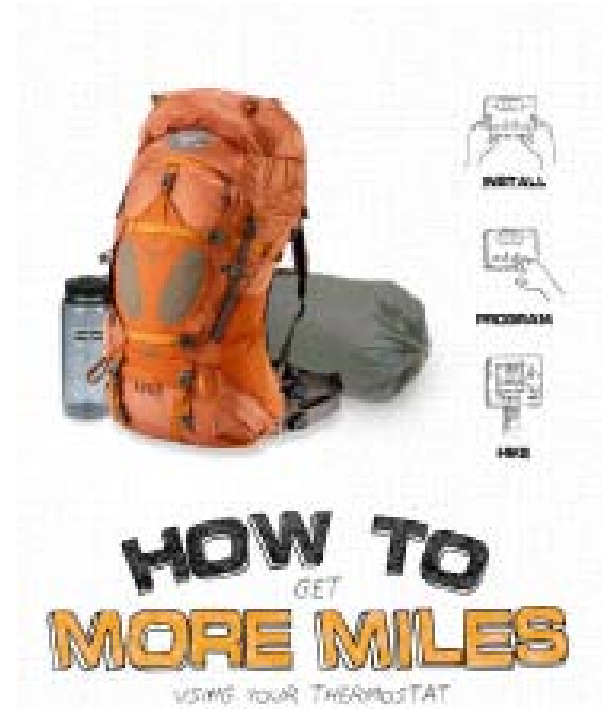


# Consumer Drivers



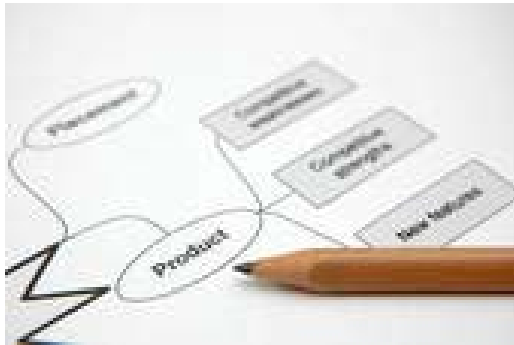
# Creative & Messaging Platform

- “How To” Campaign
  - *Putting money back in your pocket-spend it on what you want*
  - Strongly connects with existing BHE brand identity
  - Speaks to consumer target
  - Adaptable to multiple executions



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# Key Strategies

1. Educate stakeholders
2. Promote risk-free access to programs
3. Create top-of-mind awareness

# Key Tactics

1. Engage Stakeholders
2. Offer Risk-Free Entry Point
3. Surround Consumer

# Engage Stakeholders

- Ambassador cards
  - Distributed to Black Hills Energy employees, call center, retail outlets, and trade allies



**Residential Rebates Available:**

High-efficiency Natural Gas Furnace or Boiler Replacement*	\$150 to \$400
High-efficiency Natural Gas Water Heater Replacement*	\$75 to \$300
ENERGY STAR® Qualified Washer & Dishwasher	\$20 to \$100
Insulation*	70% of cost up to \$750
Infiltration Control (Weather-stripping, Caulking, etc.)*	70% of cost up to \$200
Doors*	\$25 to \$50
Drain Water Heat Recovery	Up to \$300
Multi-zone Thermostats	Up to \$300
Integrated Space & Water Heater	Up to \$500
ENERGY STAR® Qualified Programmable/Setback Thermostats*	\$25 to \$50
Furnace/Boiler Maintenance	Up to \$100
Home Energy Audit	FREE

Let our experts show you how to maximize your home's efficiency.  
 \*Businesses can save on these items, too! Go to [BHEhowto.com](http://BHEhowto.com) to learn more.

- Trade Ally Training
- Employee education presentation, which will be rolled out at some point in the future



# Offer Risk-Free Entry Point

- Use free home energy audit as gateway
  - Required for many measures
- Promote \$150 value through various program communications
- Encourage participation in recommended measures after initial audit participation



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# Surround Consumer

- Paid advertising
  - Door hanger
  - Radio 📢
  - Newspaper
  - Mobile billboards
- Direct mail
  - Statement stuffer
  - Commercial postcard
- Earned media
  - Press release schedule
- Online
  - Website [www.BHEHOWTO.com](http://www.BHEHOWTO.com)
  - E-newsletter



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# HOW TO INCREASE EFFICIENCY AND CONTROL YOUR BILL

WITH BLACK HILLS ENERGY REBATES

**SPEND LESS**  
ON ENERGY  
**SPEND MORE**  
ON THE FAIRWAY

An ENERGY STAR® qualified washer can save almost \$145 a year in energy costs on top of a \$100 rebate\* — enough to buy plenty of time on the greens.

\*Must be a current Iowa Black Hills Energy residential customer and heat your home with natural gas.

Visit [BHEHowTo.com](http://BHEHowTo.com) to learn more or to download a rebate form. Contact us at 888-567-0799.



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# Marketing Collateral

A GREAT START TO YOUR WORKDAY DOESN'T PERK UP FROM A COFFEE CUP. IT BEGINS WITH ENERGY EFFICIENCY!

A commercial energy audit from Black Hills Energy increases your energy efficiency to help manage your energy bill. Our energy expert will recommend energy-efficient measures that will help your business manage your energy usage, like adding insulation and upgrading to high efficiency natural gas equipment. Small commercial audits are available for \$50 to facilities under 25,000 square feet. Install a comprehensive package of recommended measures and you may earn an extra 20% bonus rebate! By controlling your energy usage, you can make room in your budget for the things you want—like a better coffee machine!

By using energy efficiently, you can manage your overhead with Black Hills Energy!

Visit [www.BHEHowTo.com](http://www.BHEHowTo.com) or call 888-567-0799 to schedule your commercial energy audit today!



## COMMERCIAL & INDUSTRIAL REBATES AVAILABLE

**Prescriptive Rebates** – From \$25 to \$1,500 for energy efficiency upgrades, from furnaces and insulation to cooking equipment.

**New Construction** – Get rebates for implementing energy-efficient measures from the ground up and for major renovations.

**Industrial Sector Outreach** – Receive training, education and design assistance.

**Energy Audits** – For a \$50 fee, an efficiency expert will evaluate your business, make recommendations for updates and may install low-cost measures.

**Custom Rebates** – Black Hills Energy offers custom rebates for extensive natural gas upgrades to your business.



# HOW TO JUMPSTART YOUR WORKDAY BY INSULATING YOUR OFFICE

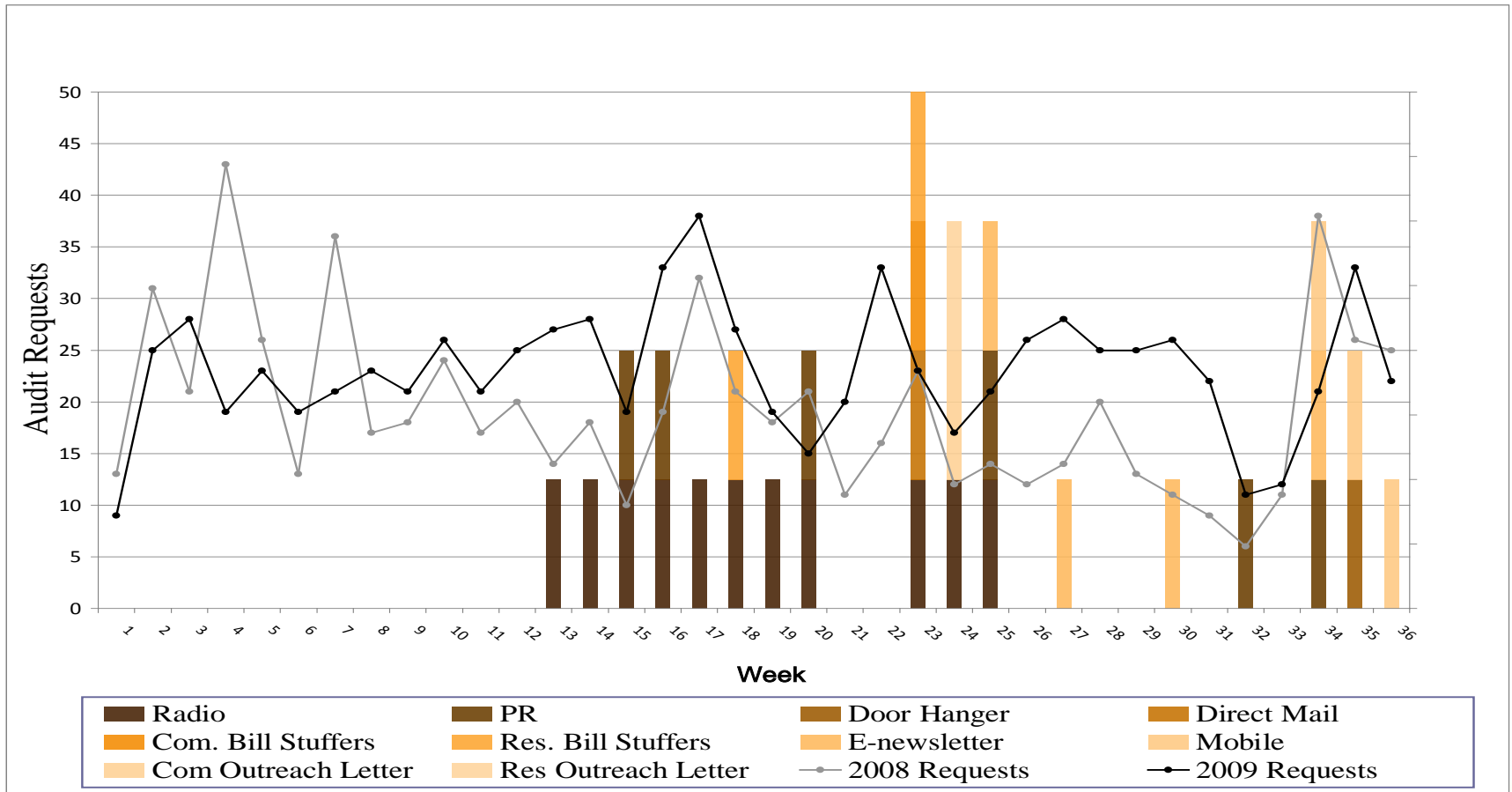


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# Results

## Residential Energy Audit: A gate way to EE programs



# Lessons Learned



# What we've learned so far...

- Address consumer barriers; speak to consumer values and drivers
- Direct budget to where the customers are
- Make it personal
- Don't bite off more than you can chew