

DNV KEMA & PECO Smart Ideas® Trade Ally Focus Groups

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Agenda

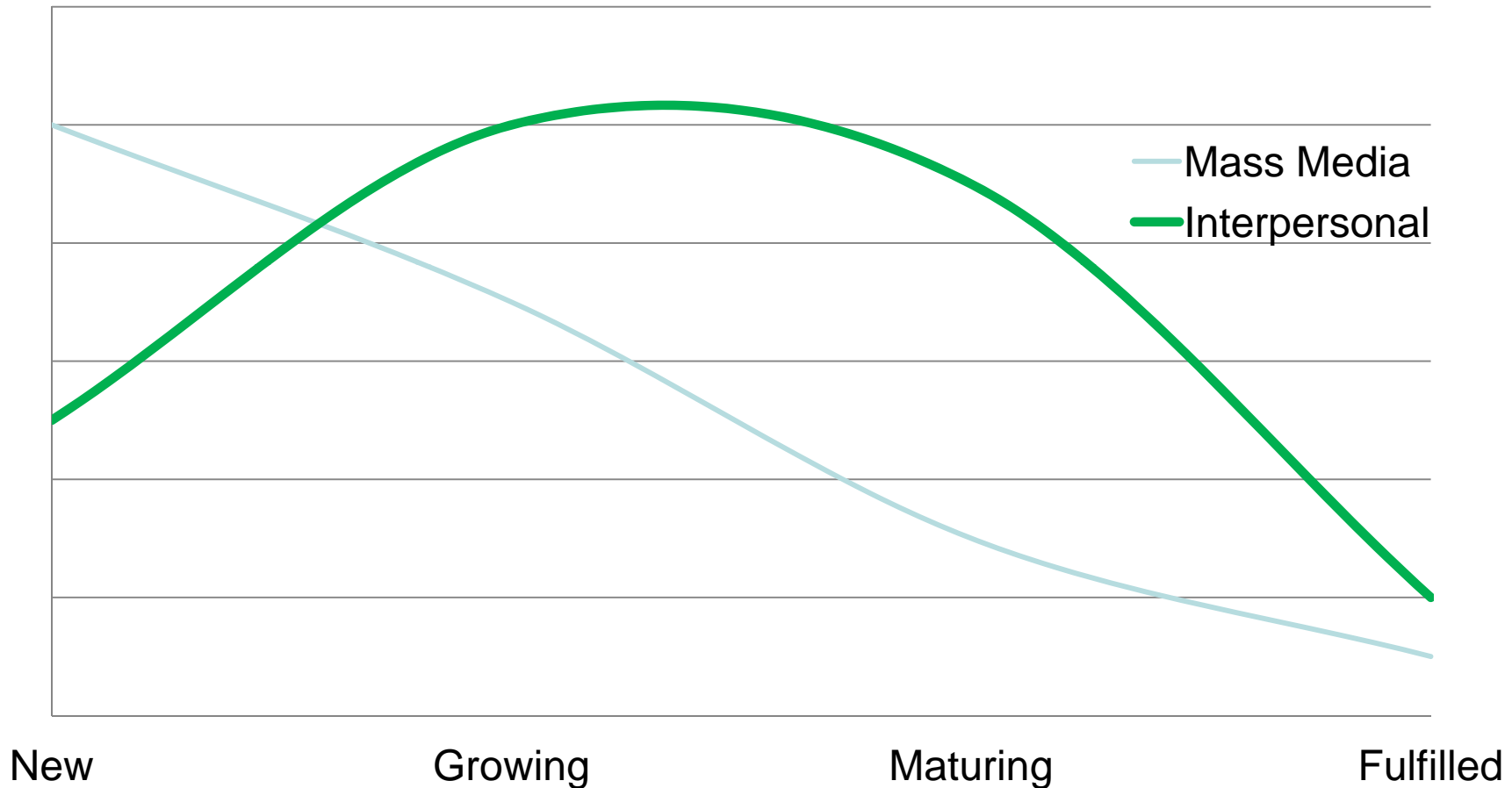
- Rationale
- Focus group FYI
- Methodology and approach
 - Structure and content
- Topics and objectives
 - Responses and comments
- Results
- Actions

Program Growth Trajectory



Infographic courtesy of DNV KEMA

Influence of Communication Channels



Focus Groups

- Enable group interaction
 - Individuals with common interest
 - Information on specific issue
 - How or why people hold certain beliefs
- What they can tell you
 - Insight into why certain opinions are held
 - Ideas to improve planning and design of new programs
 - Means to evaluate existing programs
 - Assistance to develop strategies for outreach
- What they cannot tell you
 - Valid information about individuals
 - How things have changed over time
 - Information that can be generally applied

Research Study Structure

- Participant list strategy
 - Active and inactive TAs, OEMs, distributors, rebate hunters
 - Expected opinions about the program to vary from group to group
- Recruiting process
 - DNV KEMA provided scrubbed candidate lists
 - Introductory email from Smart Ideas mailbox, followed by outbound calls
- 6 focus groups
 - Moderator discussion guides tailored to each group
 - 3 days, 2 groups per day, 4 and 6 pm

Program Awareness

1. Objective: construct effective campaigns to drive awareness to increase program participation and recruit additional trade partners to expand program reach
 - How did contractors become aware of the program?
 - Email broadcast (also identified as preferred communication channel)
 - PECO website
 - Smart Ideas residential ads
 - “Word-of-mouth”
 - Association contacts
 - Larger customers (managed accounts)

Program Awareness



“I think PECO reached out to us being we’re electrical, part of the Electrical Contractors Association... Got some information from them to start”

Lead Generation

2. Objective: replicate, intensify and reinforce successful business development and sales tactics
 - How does the program help contractors get more business?
 - Illustrate improved project ROI and shorter payback periods
 - Demonstrate lower initial project cost
 - Promote ongoing energy savings
 - Quantify reduced maintenance costs and lifecycle costs
 - Educate about PR value of being green
 - Benefits of improved visual/work environment, productivity and morale

Lead Generation

“I lead with the payback and new technology...improved quality of lighting and all of the benefits – reduce or eliminate maintenance costs...the rebate is bundled. it is on the spreadsheet and accelerates your ROI or payback”



Trade Ally Program Perception

3. Objective: identify program benefits and value gaps; capitalize on benefits and fill the gaps
 - Benefits of Trade Ally program?
 - “Credibility”, “legitimacy” and “exclusivity”
 - Education and training
 - Website listing
 - Access to program team support, SMEs
 - Value gaps in Trade Ally program?
 - Process and administration issues
 - Waitlist

Trade Ally Program Perception

“We became a trade ally to help lend credibility to explain to clients that we could help them through the process”



Incentive Program Participation

4. Objective: increase project application submissions from contractors
 - Why have they submitted projects?
 - Can apply incentives as credit to customer bids for a competitive edge in bid process
 - Incentives help “open the door” and “close the deal”
 - Use lighting as the gateway EE measure
 - Program incentives shorten project payback periods
 - Program brings sense of urgency to customer decision
 - Incentive application process is a value-add for customer

Incentive Program Participation (cont.)

- Why haven't they submitted projects?
 - Waitlist
 - Rebate levels too low; not worth completing paperwork
 - Application is intimidating
 - Takes too long for customer to receive payment
 - Absence of incentives for energy consultants

Incentive Program Participation

“It makes paybacks better. It makes the returns better. It makes a more saleable project”



“The paperwork, the inspection, the post-inspection.

You might have to tell somebody you might not get your check for six months...”

Program Design

5. Objective: identify areas to add or reinforce education and training offerings
 - Level of understanding of the program and incentives?
 - Most are generally familiar with SEI and particularly familiar with program details in their technical area
 - Differ to well-versed staff in other areas as needed
 - Compared to other programs, SEI is “better”, “well run” and “easy to use”
 - Most familiar with program website, application, incentive reference sheet and case studies
 - Website sited as most comprehensive source for program information; also program team (“KEMA”)

Program Design

“...develop a theme to specifically go after design teams; engineers, architects, owners...those are the people making the decisions before the job event gets off the ground”



Application Design and Process

6. Objective: streamline application process to make it as fast and easy as possible
 - Understanding and perception of application process?
 - Most are familiar with the program application and find it easy to complete
 - Offer enhanced application training sessions
 - Provide additional application support
 - Simplify PA Technical Reference Manual (TRM) forms
 - Create shorter applications for smaller (or partial) projects
 - Create electronic application or fillable PDF with e-signature

Application Design and Process

“I spend a lot of time calling my various engineers saying what is the latest on this job...”



Generating More Projects

7. Objective: identify areas of opportunity to increase project submissions from contractors
 - How can we motivate contractors to submit more projects?
 - Make incentives kWh savings-based vs. measure-based
 - Reward energy consultants
 - Shorten approval times and pay incentives faster
 - Provide status updates on projects in process
 - Single program team point of contact for each project
 - Create networking opportunities
 - Recognize and reward contractors
 - Offer performance-based contractor incentives

Generating More Projects

“...the advisory group could bring...information to the table and maybe make PECO aware of the benefits...they’re in the field...in the trenches everyday”



Key Discoveries

- Word-of-mouth (WOM) works
- More than just money
 - pitches and proposals are increasingly sophisticated
- Importance of “credibility, legitimacy and exclusivity”
- Rebates bring sense of urgency to decision process
- Project application is intimidating and inefficient
- Program understanding is not comprehensive
- Seeking recognition and rewards
- Want quick, easy access to project info and assistance

Communication Initiatives

- Enhance WOM with networking events, TA referral incentives
- Leverage PECO credibility with possible co-branding opportunities for TAs
- Enhance TA program exclusivity with Advisory Council, public recognition and awards
- Foster deeper program understanding by communicating specific program insights
 - Regular email broadcasts: detailed program feature/benefits and highlights in short, “did you know” format

Training and Education Initiatives

- New sales training series
 - Advanced sales techniques
 - Selling green – auxiliary benefits of EE
 - Capitalizing on “gateway measures”
- New individual technology track training series
 - Deeper dive into measures with examples
- Comprehensive application training
 - New curriculum on simplified application

Incentive and Reward Initiatives

- Enhanced TA program
 - Assigned program team contacts
 - Bonuses and incentives
 - Use limited time offers to drive program participation
 - Rewards and recognition
- Advisory council
 - Harness feedback
 - Provide peer networking opportunities

Process Improvement Initiatives

- TA website – quick, easy access to program info
 - News and program updates; promotions
 - Training and events; webinars and videos
 - Special marketing and sales tools
 - TA status, savings goals and YTD performance
- Online application portal
 - Enter, edit and track project applications in real time
 - Save and copy your profile and specs for quick entry
 - View project pipeline and status of each application
 - Receive status alerts and missing information messages
 - Learn tips and guidelines for a faster, more accurate process

Key Reflections

- Trade partners are evolving with their market
 - Homogenized specialties
 - Enhanced business practices and sales skills
 - Sophisticated, strategic proposals
- Our Trade Ally strategies need to evolve with our programs
 - Program stage dictates segmentation approach
 - TA segmentation strategy should shift with program requirements, like customer segmentation strategy

Focus Group Tips

- Allow ample time for list prep and recruiting
- Provide adequate compensation
- Choose the right moderator
- Focus on dialogue and interaction within group
- Use quantitative survey to further define and prove focus group findings
- Allow ample time on the back end to implement feedback and learnings
 - Course correct based on quantitative results



Save the Dates

Sept. 30-Oct. 2, 2013

AESP's Fall Conference
Seattle, WA

Jan. 27-30, 2014

AESP's National Conference
San Diego, CA

May 12-14, 2014

AESP's Spring Conference
Baltimore, MD

For more information - www.aesp.org

