

Is There Too Much of a Good Thing?

Bob Collins, Ontario Power Authority, Toronto, Ontario, Canada

ABSTRACT

The Ontario Power Authority is an independent corporation reporting to the Ontario Minister of Energy. Its mandate is to ensure an adequate, long-term supply of electricity for Ontario. Its objectives include engaging in activities in support of the goal of ensuring adequate, reliable and secure electricity supply and resources in Ontario and that promote electricity conservation and the efficient use of electricity and also to collect and provide information relating to medium and long term electricity needs of Ontario.

In support of those objectives the OPA in 2007 had five residential electricity efficiency and demand response programs in market with overlapping program dates. As part of process evaluation, quantitative market research was conducted with the Ontario public to identify awareness of, attitudes towards and participation in each of the five programs.

Analysis of those research results was undertaken to examine the effects at the portfolio level and specifically to answer the question: did having multiple programs in market at the same time generate synergy, with the mix of programs adding to the public priority of electricity reliability and each program preconditioning the public to be aware of and positively disposed towards following programs; or did it cause confusion, resulting in awareness, priorities, participation and attitudes which are “less than the sum of the parts”.

This paper reviews the target groups and communications strategies for each of the programs, the process used to determine the cross-effects of having multiple programs in market at the same time and the results of the analysis.

Introduction

The Ontario Power Authority was created in 2004. It is an independent corporation without share capital and reports to the Minister of Energy. The OPA mandate is to ensure an adequate, long-term supply of electricity for Ontario. Its objectives include engaging in activities in support of the goal of ensuring adequate, reliable and secure electricity supply and resources in Ontario and that promote electricity conservation and the efficient use of electricity and also to collect and provide information relating to medium and long term electricity needs of Ontario, a province of roughly 12.5 million people.

The OPA, in partnership with local utilities, designs and delivers electricity conservation programs across the province of Ontario for the public and for commercial and industrial organizations.

As part of its business plan the OPA is committed to conducting research and analysis to determine the impact of its program activities. EM&V is done on a formal level and is supplemented with polling and other market research done before, during and after the program period.

Program Details

Five residential resource acquisition programs were in market with concurrent or overlapping dates. They are:

1. Every Kilowatt Counts – encourages Ontarians to conserve electricity by providing coupons, available by direct mail, online and at participating retailers, for instant rebates on electricity-efficient products at point-of-purchase. The products covered by the program include ENERGY STAR® -qualified compact fluorescent floodlights, T8 fluorescent light fixtures, ENERGY STAR® -qualified light fixtures, heavy-duty timers for pools, hot tubs, and furnace filters. Participating retailers include major hardware, home & auto and discount department chains.

Program promotion dates: April 19 – June 17; September 17 – November 30

Media: Direct mail (unaddressed), radio, newspaper (daily & community), news stories, in-store signage, LDC customer communications (such as statement inserts and others), OPA website

Full details of the 2008 version are available at:

<http://www.everykilowattcounts.com/residential/powersavings/>

2. The Great Refrigerator Roundup - encourages people to retire their working, energy-inefficient refrigerators ten years old or more. People can make an appointment by calling a 1-800 number or online to have old refrigerators that are still working picked up and recycled. There is no cost for this and the mover picks up the fridge from inside the home so the homeowner does not have to go to the trouble of moving it. The program was phased in across the province during Q3, 2007.

Program promotion dates: July 9-November 30

Media: Radio, newspaper (daily & community), news stories, events, LDC customer communications (such as statement inserts and others), OPA website

Full details of the 2008 version are available at:

<http://www.everykilowattcounts.com/residential/roundup/>

3. Cool Savings – encourages people replacing forced-air furnaces or central air conditioning systems to choose electricity-efficient equipment by offering rebates on qualified products installed by qualified contractors.

Incentives include: \$25 rebate when a program registered contractor installs a programmable thermostat; \$125 rebate when you have an existing furnace replaced with the purchase and installation of a mid or high-efficiency furnace with an Electronically Commutated Motor (ECM); \$250 rebate when you have an existing central air conditioner (CAC) replaced with the purchase and installation of an ENERGY STAR qualified CAC system, heat pump or ductless split system (NOTE: ENERGY STAR qualified criteria = minimum 14 SEER and 11.5 EER); \$400 rebate when you have an existing CAC replaced with the purchase and installation of a stand-alone CEE "Tier 2" level central air conditioning system or heat pump.

The contractor completes a post-installation audit form which the homeowners submits by mail, receiving the rebate roughly 4 weeks later.

Program promotion dates: Jan 1 – Dec 31

Media: LDC and HVAC contractor customer communications (such as statement inserts and others), OPA website

Full details of the 2008 version are available at

<http://www.everykilowattcounts.com/residential/coolingsavings/index.php>

4. Summer Savings – encourages people to reduce electricity consumption during the summer peak season by offering a 10% rebate on electricity usage cost for those who reduce their consumption during July and August by at least 10% (weather-adjusted). No registration is necessary.

Program promotion dates: June 11 – August 5

Media: Radio, newspaper (daily & community), news stories, LDC customer communications (such as statement inserts and others), OPA website

Full details of the 2008 version are available at:

<http://www.everykilowattcounts.com/residential/summersweepstakes/>

5. *peaksaver*[®] - is a residential load-control program in which homeowners give their local electricity distribution company permission to “cycle down” homeowners’ central air conditioning when the electricity system is stretched to its limits.

Once permission is given a device is installed (thermostat or switch) to allow a wireless signal to cycle down the air conditioning. Just for signing up and having the thermostat or switch installed, the homeowner receives \$25.

Program promotion dates: June 11 – July 22

Media: Radio, newspaper (daily & community), news stories, LDC customer communications (such as statement inserts and others), OPA website

Full details of the 2008 version are available at:

<http://www.everykilowattcounts.com/residential/peaksaver/index.php>

Market Research Objectives

Market research was done with Ontarians eligible for each program to monitor awareness levels and other metrics as a means of (a) ensuring ratepayer funding was being effectively allocated; (b) provide interim feedback to program and marketing managers and stakeholders inside and outside the OPA on program performance, (c) profile participants of each program for purposes of targeting future programs and communications, (d) learn whether having multiple programs in market with overlapping program and promotion dates and target audiences had cannibalistic effects from causing confusion in the market or created synergies from multiplicity of messages and (e) learn the impact of having programs in market on awareness and image of the Ontario Power Authority as an organization.

Market Research Process

Throughout 2007 polling was done with a representative sample of 200 Ontarians every week beginning with benchmark research prior to the first of five residential programs being launched and continuing for eight months, past the end date of the final program in market, a total of over 4,000 completed interviews. Reporting was done weekly at a macro level and at scheduled points throughout the program periods.

Data collection was done by an independent market research company with their proprietary in-house online panel. The survey instrument asked about awareness of each program (by name and description) and recognition of its advertising, current and intended participation as well as, where appropriate, barriers to participation. It also collected a net promoter score (a measure of satisfaction and loyalty) for each program. Finally, the questionnaire asked awareness of and attitudes towards the Ontario Power Authority as an organizations which designs and delivers electricity conservation programs.

A representative sample of the population was used because it ensured coverage across the target groups for the five different programs, some broad, some highly targeted. At the same time, because much of the program promotion used mass media (such as radio and newspaper) it means that one of the objectives (affect of program marketing on the awareness and image of the OPA) relies on feedback from the general public rather than only program target audiences.

Online data collection was used for two reasons. First, it facilitated the presentation of the program name and description, featured product images and coupon images to participants to optimize the recall accuracy. Second, it enabled exposing the communications to participants: print communications were displayed as images; radio ads were presented as scripts.

Weekly data collection was done to allow measurement before, during and after each program's promotion period to map program and advertising awareness to media plans and to measure the retention in awareness once program promotion ended, as input to future communications and media planning.

Results

Having multiple programs in market was seen to have some synergistic effects, helping achieve a culture of conservation in Ontario. Programs with broad-based qualification criteria, in which most or all ratepayers are able to participate, seem to act as "anchor" programs. Participants in these are more likely to be aware of and participate in other, more targeted programs. The reverse is not true: those aware of or participating in highly-targeted programs do not necessarily participate in other programs at a higher-than-average rate.

Dealing with the question whether programs supported or interfered with each other, there is no evidence that any program negatively affected others. In some cases there were positive effects and in others there were no effects.

Perhaps because of the way they were promoted, with the emphasis on building each program brand rather than emphasizing that they shared a common funding agency, awareness and image of the Ontario Power Authority as an organization was not dependent on program awareness or participation.

Full results are available at:

http://www.powerauthority.on.ca/Page.asp?PageID=122&ContentID=6270&SiteNodeID=316&BL_ExpandID=

Implications

The results of this research suggest a portfolio approach to planning and implementing electricity conservation programs should be used, recognizing that in-market programs do influence the awareness of and participation in other concurrent and subsequent ones. Programs with broad eligibility can sometimes, but not always, sensitize prospects to other programs with similar goals.