Docket 23654: 2023 Integrated Marketing & Communications Plan

Propane Education & Research Council

APPLICANT INFORMATION

Primary Contact: Erin Hatcher, Senior Vice President, Communications and Marketing

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Amount Requested: $ 12,863,000

Total Project Cost: $ 12,863,000

Other Funding Organizations/Amounts: $ 0

Start Date: 01/02/2023

End Date: 12/31/2023

PERC Team Leader: Erin Hatcher

Project Partners: Include, but are not limited to, GRP Media, Elevation, Hahn Agency, and Swanson Russell.

EXECUTIVE SUMMARY

Project Summary

- *Describe the proposed product or idea, its importance, its benefits, and the market and/or audience it serves. Briefly outline the scope of work. If applicable, describe the key messages and deliverables, including who, what, where, and how they are delivered. Please limit response to 500 words.*

The integrated communications and marketing docket encompasses 2023 programming for all markets, environmental thought leadership, corporate communications, as well as digital development and reporting.

The program in 2023 — developed with the guidance of the Market Growth and Commercialization Working Group — will build on the growing momentum our new brand identity, PROPANE Energy for Everyone™, has achieved in increasing awareness and positive perceptions of propane through our messages to consumer and business audiences. In 2023, we will use renewable propane as the hook that draws audiences in, starts a conversation about renewable as well as conventional propane, and secures propane's legitimacy as an alternative clean energy among traditional renewables like solar and wind. The key messages will still focus on conventional propane but will also introduce renewable propane and its growth as an emerging renewable energy option.

· Propane accelerates decarbonization.

· Propane ensures energy equity.

· Propane keeps families safe and comfortable all year long.

· Propane helps businesses save money, cut emissions, and achieve resiliency in an uncertain world.

We will deliver messages to each audience through paid media (advertising), earned media (public relations), and owned media (propane.com, social media platforms, and programs and projects).

New in 2023 will be a focus on an expanded audience that extends beyond propane country and market specific audiences because industry growth relies on attracting new consumers and converting key decision makers who often live outside of propane country.

In order to remain a relevant energy option with younger generations of Americans, and to secure propane's role in a wide energy path to decarbonization, we must shape the opinions of Americans migrating to propane country seeking more affordable housing and land, those impacting the housing and community development market in propane country (real estate agents, construction pros, architects, developers, short-term housing rental agents), and others who are making energy decisions that impact the future of our market sectors like transportation, material handling, agriculture, commercial construction, and power generation (school board members, Energy Services Company officials, city council members).

We're currently conducting consumer research to identify this audience of "eco-curious" consumers who are concerned about the environment and want to do their part, but are neither extreme environmentalists, nor climate deniers. Our increased funding request is intended to execute a broader awareness campaign in 2023 with targeted TV that reaches an audience of Americans who will impact the future of the propane industry.

We will still maintain our market sector programming with robust support to include paid media, earned media, and owned media. The national "air cover" of the awareness campaign will support the market specific programming.

Through these efforts, we'll convince more Americans that propane is not only environmentally friendly and ensures energy equity, but that it is also the energy for everyone.

Strategic Importance

- *Describe how this initiative supports PERC's strategic plan.*
- *Describe how this initiative is important to the propane industry.*

This docket directly supports the pillars of the strategic plan, specifically growing users and uses of propane and increasing propane's voice in the national energy conversation.

Each market and program has a strategy statement and up to three key objectives addressing the target audience.

The following is a summary of each market and program's strategy, audience, and key objectives for 2023.

<u>Homeowner</u>

Strategy: Grow users and uses in the residential consumer market by convincing homeowners and prospective homeowners in propane country who are interested in building, remodeling, or adding or replacing appliances to choose propane for its efficiency, reliability, affordability, and environmental benefits. (Propane country, as we define it, comprises the roughly 12,000 ZIP codes where propane has a home-heating market share of 10 percent or more and natural gas has a home-heating market share of 50 percent or less. It includes ZIP codes in all 50 states and millions of current propane customers and prospective propane customers, in particular those who use electricity for major indoor appliances and are targets for conversion to propane.)

Objectives:

- Educate and engage consumers looking to build, remodel, add or replace appliances in propane country on the attributes, availability, and amenities of propane.
- Educate and engage potential transplants to propane country about the benefits of a propane-powered home whether they are building or buying.

Residential Construction

Strategy: Grow users and uses in the residential market by driving construction professionals to choose propane for home heating, water heating, and power generation in new home construction and renovation projects.

Objective: Make residential construction professionals more aware of propane's benefits, advantages, and applications; make them like propane more; make them likelier to choose and recommend propane.

Commercial Construction

Strategy: Grow users and uses in the commercial market by driving commercial building owners, operators, and specifiers to choose propane for water heating, and combined heat and power in more buildings.

Objective: Make commercial construction professionals more aware of propane's availability, advantages, and applications; make them like propane more; make them likelier to choose and recommend propane for their projects.

Agriculture

Strategy: Grow propane users and uses in the agriculture marketplace by convincing producers and future farmers that propane will power their entire farm and reduce the cost of operation because of its affordability and efficiency.

Objectives:

- Educate producers and growers about the operational and environmental benefits of propane on the farm.
- Engage the new generation of ag producers with audience-specific propane content.

Material Handling

Strategy: Grow propane users and uses in the material handling market by convincing material handling professionals that propane-powered forklifts and port/terminal applications will drive their profitability and ensure they meet environmental standards.

Objectives:

- Educate material handling professionals about the benefits and advantages of propane vs. competing energy sources.
- Expand adoption of propane-powered port/terminal equipment with user testimonials from port success stories.

Autogas

Strategy: Grow users and uses in the on-road market by convincing medium duty fleet directors and school transportation directors of propane autogas fleets' affordability and low emissions as a transportation solution.

Objectives:

- Educate directors of paratransit, package delivery, and food/beverage fleets about the advantages of propane autogas.
- Expand propane autogas adoption in school transportation by sharing health and cost savings success stories.
- Educate the propane industry about the financial advantages of propane autogas adoption in their fleets.

Off-Road

Strategy: Grow propane users and uses in the off-road markets by convincing rental and construction equipment business owners that propane powered equipment has the lowest total cost of ownership and is the least expensive to maintain, therefore most profitable for their business.

Objectives:

- Educate the off-road market professionals (contractors, dealers/distributors) about the financial benefits of propane-powered mobile generation.
- Drive dealer search for propane-powered construction equipment by targeting key segments with provocative, data-driven messaging and comparisons vs. electric and other competitor energy sources.
- Drive propane demand in the off-road markets by facilitating relationships between marketers and equipment dealers.

Dev/Ops

Strategy: Increase users and new engaged users of propane.com through intelligent design and the creation of relevant and compelling content.

Objectives:

- Create a best-in-class user experience for our B2B audience (industry) and our B2C audience (homeowners)
- Facilitate full engagement with our market specific as well as environmental content.

Environmental Thought Leadership

Strategic Pillar: Increase propane's voice in the national energy conversation through provocative, data-driven content.

Strategy: Educate and build a community of allies consisting of energy and environmental thought leaders, influencers, and academics; environmental and specifying engineers; ESCOs, infrastructure architects, bankers, developers, and land use attorneys by leveraging PERC data in content that affirms propane's critical role in a low carbon future and as a reliable energy source that is affordable and accessible to everyone; and challenge misinformation when necessary.

Objectives:

- Gain earned media placements of PERC's environmental message and content in tier one publications, and earned appearances for Tucker on national TV and radio as an energy thought leader.
- Increase propane's ambassadors through Path To Zero guests, Tucker's social channels, and earned speaking engagements for Tucker at conferences and on podcasts.
- Increase new engaged users on propane.com's environmental newsroom.
- Increase propane's share of voice in the national energy conversation.

Budget Impact

- *Provide the budget market & activity this project will be impacting.*

Market & Activity	Year Total	YTD Remaining	Remaining if funded
2023 > Agriculture > Marketing & Communications	$1,000,000.00	$1,000,000.00	$0.00
2023 > Cross Market > Thought Leadership	$1,200,000.00	$1,200,000.00	$0.00
2023 > Commercial > Marketing & Communications	$938,000.00	$938,000.00	$0.00
2023 > Cross Market > Marketing & Communications	$1,125,000.00	$1,125,000.00	$0.00
2023 > Material Handling/Industrial > Marketing & Communications	$675,000.00	$675,000.00	$0.00
2023 > Autogas (On-Road) > Marketing & Communications	$985,000.00	$985,000.00	$0.00
2023 > Off Road / Power Generation > Marketing & Communications	$550,000.00	$550,000.00	$0.00
2023 > Residential > Marketing & Communications	$5,710,000.00	$5,710,000.00	$0.00
2023 > Cross Market > Digital Strategy & Analytics	$680,000.00	$680,000.00	$0.00

Three Year History for Similar Dockets

- *Provide a three-year history for similar projects, including the project budget, final or current spend, and project results.*

Year	Docket #	Project Budget	Project Spend
2022	23255	$9,363,000.00	$5,489,035.00

Results: Actual Spending as of 10/05/22. Project began Feb 3, 2022 and is scheduled to close Dec 31, 2022.

Year	Docket #	Project Budget	Project Spend
2021	22786	$9,863,000.00	$7,908,107.00

Results: Actual Spending as of 8/15/22 in Intacct. Project timeline was February 2021 through April 2022. $6,028,066 was spent in 2021. $1,880,043 was spent in 2022.

Year	Docket #	Project Budget	Project Spend
2020	Various	$12,290,000.00	

Results: Multiple dockets were used to support this work prior to 2021. This project budget is the sum of consumer outreach, influencer outreach, program support and market research as it relates to PERC's integrated marketing and communications.

Success Measures

- *Describe the desired outcome of the project / measurement of success.*

Success measures vary by market, activity, and tactic. Some key measures include expanding the propane customer base; increasing engagement with better targeted, high quality content on propane.com; increasing engaged followers on all social channels; increasing positive attention paid to the propane industry by thought leaders in the form of articles, mentions, and podcast participation; better targeting of our messaging, collection of data through our platforms and interpretation of data for increased programming efficiency; successful commercialization plans to support innovation; closer relationships with our OEM marketing counterparts; a high performing rapid communications response team; and increased perception of propane as a clean fuel.

Metrics for 2023 programming will be as follows:

1. Increasing awareness and positive perceptions of propane and the perception of propane as “clean” in propane country by 3% vs. December 2022 results.

2. Increasing propane’s share of voice in the national energy conversation and within the market sectors over 2022 benchmarks.

3. Increasing consumer engagement with our environmental content on propane.com.

Details regarding consumer engagement and market programming metrics will be presented at the February Council Meeting as well as a detailed media plan once audience segmentation results are available.

DETAILED BUSINESS CASE

Market / Audience Rationale

- *Who is the target audience?*
- *Why is the target audience important?*
- *What is the geographical reach (national, regional)?*
- *What input have you received on the project concept from the market/audience?*
- *What market research has been done in support of this project?*
- *What is the urgency of the project?*

Target audiences vary by market and program, but they consist of key decision makers who will either drive propane usage/adoption or improve opinion/increase favorability toward propane as a clean fuel. Geography is national but messaging is tailored by region.

Expanded national audience targets will be determined once consumer segmentation results are available and programming ideas will have been vetted by Advisory Committee members just prior to the November Council Meeting.

(See Strategic Importance section for further detail.)

Development

- *What content will be created?*
- *Who will create the content?*
- *How will the content be created?*
- *What existing content will be leveraged?*
- *What is the level of difficulty to create the content?*
- *What are the possible challenges in creating the content?*

Creative content will be developed by PERC staff, Elevation, Swanson Russell, Zonda, Hahn Public, and others to support market growth messaging and more assertive and provocative anti-electrification messaging; existing video, still imagery and other assets will be leveraged whenever possible. The level of difficulty to create needed content is low and no challenges are anticipated.

Delivery

- *How will the content be delivered to the market?*
- *What existing delivery channels will be used?*
- *What training is necessary, and who needs training to deliver this program?*
- *What are the possible challenges in delivering the program?*
- *What is needed to generate enthusiasm for the program within the propane industry and with partners?*

Content delivery will consist of connected TV, digital, print, direct mail, social media, webinars, podcasts, and PR. PERC will also develop materials for marketers to customize and use themselves. 2023 will be the third consecutive year that we have selected Connected TV as a key tactic to communicate propane's story. The

purpose of the increased funding request for 2023 is to fund a broader awareness campaign using TV as our primary communication vehicle in the homeowner market.

Customer Service and Support Needs

- *What are the customer service and support requirements?*
- *What service and support resources are required?*
- *Are service and support developed through this project?*

Our digital plan provides us with rich data that allows for optimization of campaigns and enhanced user experience that will drive consumers down the adoption funnel. Included in the docket is funding for digital development and reporting to support our programming. We will focus our efforts on improving user experience on propane.com through reducing and reorganizing content, restructuring of access to certain industry facing content, and improved navigation and search functions.

Leverage and Synergies

- *What are the internal strengths leveraged to develop and deliver this program?*
- *How much dependence is on partners to develop and/or deliver the content?*
- *How could the content be used by other markets or industry organizations?*
- *How could the content be used with other audiences beyond the target audience?*
- *What results have been achieved with previous, similar projects?*

Skills of internal PERC team members will be leveraged whenever possible to deliver programming (for example, environmental thought leadership content generation, social media posting and driving social media followers); partners will provide creative assets and content to be used by marketers, national, regional, and state propane associations, and foundations where appropriate. This integrated marketing and communications plan will provide a comprehensive body of content that will be shared with our industry partners.

Cost/Benefit Analysis

- *What is the expected impact on market?*
- *What are measurable success targets, e.g., units sold?*
- *What is the estimated quantifiable impact on gallons sold, if applicable?*
- *What is the relative cost per gallon and other measurable targets?*

Among the key messages that we will employ to drive adoption of propane across our markets are propane's ability to increase businesses' efficiency and bottom line, to achieve environmental requirements, and to satisfy their customers' needs. We will increase the perception of propane as a clean energy among existing and prospective customers in propane country which will help propane retailers gain more customers and sell more gallons.

Risk Assessment

- *Identify 3-5 potential risks to the successful completion of the project or inability to meet outcome targets, how likely those are to happen, impact on the project, and how to resolve those risks.*
- *Indicate low, medium, or high for "Likelihood" and "Impact."*

Risk	Likelihood	Impact	Risk Resolution and/or Contingency Plan
Fossil fuel ban	Medium	High	Supply content to support associations' advocacy for clean energy choice.
Increased focus on electrification	High	High	Continue to educate audiences about the environmental benefits of propane and the importance of energy mix and choice.
Innovation from competitor energies (less expensive, lighter batteries, less expensive EVs, and faster charging stations)	High	Low	Continue to support innovation with OEM partners through collaboration on commercialization plans.
High profile propane accidents	Medium	Medium	Identify and correct misperceptions regarding cause if warranted, reiterate safe use and handling of propane.
Negative press coverage about propane associated with problems with wintertime deliveries.	Medium	Medium	Engage Rapid Response Team to assist in crisis communications when appropriate.

Aggressive responses to our messaging from energy competitors, law makers, and regulators.	Low	High	Engage influencers to act as propane ambassadors by asserting the need for energy choice from a mix of clean options; engage Rapid Response Team to prepare a response to competitors; prepare myth busting content preemptively to be tailored for intended audiences.

Budget

- *Outline cost per task, including estimated cost share (cash and in-kind).*
- *If applicable, indicate hourly rates, including overhead*
- *Highlight contractor vs. pass-through costs.*

See attached for budget detail.

Timeline

- *Provide a detailed timeline of all activities, tasks, and milestones.*
- *Include commencement and completion dates.*
- *List most responsible person for each task.*

This is an annual plan spanning January - December with programming dates that vary based on market and application. Communications directors are responsible for executing their individual market and project plans.

MEASUREMENT & EVALUATION

Project Deliverables and Market Outcomes

- *Detail how success will be measured for this project overall and by tactic, what the metric is, and when it will be achieved.*

Project Deliverable/Market Outcome
Increase perception of propane as a "clean energy".

Metric(s)
Increase perception by 3% vs. December 2022.

Due At
December 31, 2023

Project Deliverable/Market Outcome
Increase propane's share of voice in the national energy conversation and within the market sectors.

Metric(s)
Metric determined once benchmark is established, prior to November Council Meeting.

Due At
December 31, 2023

Project Deliverable/Market Outcome
Increase awareness of propane's attributes and positive perceptions

Metric(s)	Due At
Metric determined in December 2022 at conclusion of consumer survey.	December 31, 2023

Project Deliverable/Market Outcome
Increase engagement with environmental content on propane.com

Metric(s)	Due At
Increase number of new, engaged users; increased time on site/page, increased time on article, increased actions to learn more.	December 31, 2023

Partner Selection

- *What was the basis for selecting the recommended contractor?*
- *If the basis for selection is not via a competition, describe the unique qualifications this vendor possesses.*
- *For time and material work arrangements, list or attach the Principal Hourly Rates and the basis used to determine that the rates are competitive.*
- *How will matching funds be verified?*

Our major partners in creative, media buying, and PR were selected after a competition. Nearly all new and legacy partners have experience in our industry, proven results across multiple programming tactics in support of our markets and demonstrated success in driving traffic to propane.com.

Market	Tactic	2023 Proposed Budget
Homeowner		
	Paid	$3,750,000.00
	Production	$600,000.00
	Influencers	$350,000.00
Total		$4,700,000.00
Residential Pro		
	Paid	$225,000.00
	Earned	$100,000.00
	Production	$50,000.00
	Program	$385,000.00
	Influencers	$250,000.00
Total		$1,010,000.00
Commercial		
	Paid	$300,000.00
	Earned	$100,000.00
	Production	$60,000.00
	Program	$353,000.00
	Product Launch Support	$125,000.00
Total		$938,000.00
Agriculture		
	Paid	$350,000.00
	Earned	$200,000.00
	Production	$200,000.00
	Program	$250,000.00
Total		$1,000,000.00
Autogas		
	Paid	$360,000.00
	Earned	$385,000.00
	Production	$72,000.00
	Program	$168,000.00
Total		$985,000.00
Material Handling		
	Paid	$250,000.00
	Earned	$150,000.00
	Production	$55,000.00
	Program	$95,000.00
	Product Launch Support	$125,000.00
Total		$675,000.00
Off-Road		
	Paid	$250,000.00
	Earned	$150,000.00
	Production	$50,000.00
	Program	$100,000.00
Total		$550,000.00
Environmental Thought Leadership		
	Paid	$500,000.00
	Earned	$450,000.00
	Production	$100,000.00
	Program	$150,000.00
Total		$1,200,000.00
Digital Strategy & Development		
	User Experience, Insights, Engagement	$210,000.00
SEO	Content Strategy + Updates	$150,000.00
	Documentation	$25,000.00
	Digital Security & Privacy	$65,000.00
	Tech Performance	$80,000.00
	New Feature / Maintenance	$150,000.00

Market	Tactic	2023 Proposed Budget
Total		$680,000.00
Corporate Communications / Cross Market		
	LP Gas & BPN ads	$90,000.00
	Annual Report	$10,000.00
	Organic Social Boosting	$15,000.00
	Media Training / Crisis Communications	$25,000.00
	Technical Communications	$25,000.00
	Consumer Research	$150,000.00
	Agency Fees & Retainer	$560,000.00
	Cross-Market Tradeshow / Event Creative	$250,000.00
Total		$1,125,000.00
GRAND TOTAL		**$12,863,000.00**