

## Docket 24186: 2024 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

**Other Funding Organizations/Amounts:**

**Start Date:** 01/01/2024

**Organization:** Propane Education & Research Council

**Phone:** 202-452-8975

**Total Project Cost:** \$ 12,863,000

**End Date:** 12/31/2024

**Additional Vendors:** Our major project partners include GRP Media, Elevation Advertising, Swanson Russell for P.R., and Hahn Public for environmental thought leadership.

### EXECUTIVE SUMMARY

#### Funding Request Priority Area

- Consumer Education– 75%
- Communications– 25%

#### Project Summary

- *Briefly describe the proposed product or idea, its importance, its benefits, and the market and/or audience it serves. Briefly outline the scope of work.*

The integrated communications and marketing docket encompasses 2024 programming for all markets, including the addition of a dedicated power generation budget with a communication strategy, messaging objectives, and unique webpage. The docket also includes programming for environmental thought leadership, corporate communications, as well as digital development, strategy, and reporting.

#### Strategic Importance

- *Describe how this initiative supports PERC's strategic plan including the strategic pillars.*
- *Describe how this initiative is important to the propane industry.*
- *Describe how this initiative helps achieve PERC's aspiration to increase uses and users.*

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 2024.

## **Homeowner**

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 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.
- Educate eco-earnest and eco-inclined consumers about the environmental benefits of propane and renewable propane.

## **Residential Construction**

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

### Objective:

- Make residential construction professionals more aware of propane's benefits, advantages, and applications so that they have a positive opinion of propane, and are ultimately more likely to recommend and specify propane.

## **Commercial Construction**

Strategy: Grow users and uses in the commercial market by convincing commercial building owners, operators, and specifiers to specify 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 so that they have a positive opinion of propane and are ultimately more likely to recommend and specify propane.

## **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 searches for propane-powered construction equipment by targeting key segments with provocative, data-driven messaging and comparisons vs. electricity and other energy sources.
- Drive propane demand in the off-road markets by facilitating relationships between marketers and equipment dealers.

## **Power Generation**

Strategy: Grow propane users and uses in power generation markets by convincing energy specifiers that propane is the cleanest energy source and has the lowest total cost of ownership for prime, back-up, remote, CHP/CCHP, mobile power, and microgrid power applications in residential, commercial, industrial, and agricultural markets.

Objectives:

- Educate energy service companies and decision makers from the markets above about the resilience and reliability of propane power generation.
- Drive rental market professionals' search for propane power generation equipment with provocative, data-driven messaging and comparisons vs. electricity and other energy sources.
- Educate emergency preparedness professionals about the benefits of affordable and portable propane as a reliable energy source for regions affected by natural disasters and those particularly vulnerable to grid failures.

## **Digital Strategy & Development**

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 industry, and B2B and B2C audiences (homeowners) through improved site mapping and navigation.
- Facilitate full engagement with our market specific as well as environmental content through content strategy refinement.

## **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 and renewable 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 with environment content on propane.com.
- Increase propane's share of voice in the national energy conversation.

**Success Measures**

Success measures vary by market, activity, and tactic. Some key measures include increasing engagement with targeted, high-quality content on propane.com; increasing engaged followers on all social channels; increasing propane's share of voice and positive sentiment within the markets' trade publications as well as the regional and national publications.

We've also developed a composite metric which we're using to track the three-year strategic plan that includes the following measures:

1. Move propane into the group of acceptable energy types for home use.
2. Perception of propane as a clean energy.
3. Understanding/agreement with the messaging pillars:
  - Access to clean, affordable, and renewable energy like propane ensures equity on the path to zero emissions.
  - Clean and renewable energy like propane accelerates decarbonization.
  - Propane's efficiency and propane-powered equipment's low cost of ownership provides affordability.
  - Propane's environmentally friendly properties help businesses achieve emissions requirements.
  - Propane's availability provides grid independence making it our most reliable energy.
4. Perception of propane as renewable.
5. Move propane up the ranking of environmentally friendly energy types.
6. Increase likelihood to specify propane for home use.

Sum of individual weighted components are rescaled to provide an easy to interpret score with a maximum value of 100.

## DETAILED BUSINESS CASE

### Project Description

- *Describe the proposed product or project and the need for this project.*
- *Include product development and demonstration plans*
- *Explain the new knowledge and/or capability that the project will develop. Describe data to be collected.*

The 2024 plan developed with the guidance of the Market Growth and Commercialization Working Group, will continue to increase awareness and positive perception of propane among consumer and business audiences through PROPANE Energy for Everyone™ branded messaging. However, building on the achievement of our 3-year strategic goal of increasing the perception of propane as clean by 15%, we are also developing programs intent on increasing the likelihood to specify propane.

Our campaign will drive audiences to our website to engage with educational content that will help increase the likelihood to specify propane. To support that goal, we will complete a thorough reorganization of our website content to fully align with our objectives, and to ensure an exceptional navigation and user experience for our visitors.

We will continue to address the new persona that we identified in 2023 because this cohort will have increasingly more influence on energy decisions that impact the future of our market sectors like transportation, material handling, agriculture, commercial construction and power generation.

After introducing renewable propane in our 2023 messaging, we found that it is an effective hook that draws audiences to our website to learn more and it has led to more opportunities to educate a wider audience about the benefits of conventional propane as well as renewable propane. We plan to expand our messaging about renewable propane in 2024, not to replace conventional propane, but to complement it and secure propane's place as a clean alternative energy on the path to zero emissions.

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.

### Scope–

- *Outline project scope and describe what is not covered by this scope of work. Highlight areas of Propane Council involvement.*

The marketing and communications program includes the follow elements in each market segment:

- Paid media placements - digital, print, TV, radio, social.
- Earned media - national and trade media outreach, placements, and special events.
- Production - content and ad production to support market objectives.
- Social influencers.

Working closely with the business development team, this program will also target prime, back-up, remote, CHP/CCHP, mobile power, and microgrid power applications in residential, commercial, industrial, and agricultural markets. Considering industry gallon potential, current and future engine and product availability, regulatory and other environmental pressures, the program will focus on the reliability, resiliency, efficiency, cost, and emissions reduction using propane in these applications. See attached for example of mobile power generation with towable. We will replicate for each application and market segment.

## Vendor Capabilities

- *Describe why applicant is suited to complete this work including technical capabilities. Describe ability to commercialize the product (production, distribution, warranty). Discuss similar work completed. Identify personnel expected to work on this project.*

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

## Industry Engagement –

- *How will you engage industry stakeholders? Which stakeholders need to be engaged for this project to be successful and what sort of engagement is required?.*

Working in close collaboration with the industry relations team, this program will engage industry members at events, through print ads in industry publications, through newsletters and email marketing, and through unique educational workshops and webinars, such as the recent workshop on how to write an effective letter to editor.

## Cost/Benefit Analysis –

- *What is the potential impact? (i.e., NPV, new gallons, units sold, persons trained, propane industry resource savings, safety, consumer education, etc.)*
- *What are the potential risks to achieving the impact? (i.e. fuel price; regulatory, environmental, or legislative considerations; propane marketer support)*
- *Are other parties or organizations involved?*
- *For products:*
  - *Provide five-year estimated sales projections for the product (if applicable) and a list of factors that may influence the estimates.*
  - *How many gallons of propane does the product use per unit per year?*
  - *Provide best, worst, and intermediate projection scenarios and describe what variables contribute to each scenario*

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 and we will do the same among audiences beyond propane country to secure propane's role as an alternative energy into the future.

## 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."*

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Resolution and/or Contingency Plan</b>
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 journalists, energy competitors, law makers, and regulators.	High	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*

Budget document attached.

**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. Detailed activities and milestones will be presented at the February Council meeting.

**Market**

**Market – Geographical Reach**

- *What is the geographical reach (national/regional?)*

National

## Market – Target Audience

- *Who is the target audience?*
- *Why is the target audience important?*

All of our audiences need to be aware and understand our key messaging pillars. Audiences include:

Homeowners and prospective homeowners in propane country who are interested in building, remodeling, or adding or replacing appliances.

Construction professionals.

Commercial building owners, operators, and specifiers.

Agricultural producers and future farmers.

Material handling professionals and terminal operators.

Fleet managers and school transportation directors.

Rental and construction equipment business owners.

Energy and environmental thought leaders, influencers, and academics; environmental and specifying engineers; ESCOs, infrastructure architects, bankers, developers, and land use attorneys.

## Market – Market Research

- *Have you conducted market research in support of this project?*

Yes

**Describe** – Annual omnibus / awareness tracker  
Market-based intent to specify study  
Segmentation study

## Market – Urgency

- *What is the urgency of this project?*

On-going urgency to share key messages with core audience groups, especially considering the fast pace of the energy transformation.

## Leverage and Synergies

### Internal Strengths

- *What are the internal strengths leveraged to develop and deliver this program?*



This program will leverage communications team and vendor strengths and capabilities as well as collaboration across internal teams and with project teams and the advisory committee for additional expertise.

### **Other audiences—**

- *How could the content be used by other markets or industry organizations?*
- *How could the contents be used with other audiences beyond the target audience?*

Through collaboration and coordination with the industry relations team, this program will make available to the propane industry assets created as part of campaigns - collateral materials, social media content, video, photography - through the resource catalog and other outreach efforts.

Working closely with the business development team, the program will support efforts of research partners, OEMs, and other supporting and ancillary organizations with messaging, assets, and other support.

### **Previous results—**

- *What results have been achieved with previous, similar projects?*

This program will build on success and learnings from previous campaigns, including leveraging influencer relationships and developing new relationships, executing special media events, and focusing paid media efforts with those partners who have delivered best results.

## **Development**

### **Development – Deliverables —**

- *Who is responsible for creating deliverables? What's the review process who is involved? List any external agencies or outside organizations that will be utilized and identify the purpose for which they will be needed.*

PERC staff and agency partners will be responsible for creating the deliverables needed for this program.

### **Development – Content—**

- *Who will create the content? What existing content will be leveraged?*

PERC staff and agency partners will be responsible for creating the content needed for this program. Our existing video content will be leveraged in 2024.

### **Development - Challenges—**

- *What are the possible challenges in creating the content?*

Possible challenges include scheduling issues and seasonality.

## **Delivery**

### **Delivery – Delivery Channels –**

- *Describe the distribution channels*
- *What existing delivery channels will be used?*
- *Who is responsible for deploying/delivering product?*

The program will deliver content through paid, earned, and owned channels.

**Are service and support developed through this project? – No**

**Is there a PERC website/learning center component that will need to be updated/created? – Yes**

Describe:

*This program facilitates full engagement with our market specific as well as environmental content through content strategy refinement on propane.com.*

**Intellectual Property**

*Who owns the data and or intellectual property generated from this project? Describe:*

N/A

**Budget Impact**

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

<b>Market &amp; Activity</b>	<b>Year Total</b>	<b>YTD Remaining</b>	<b>Remaining if Funded</b>
2024 > Agriculture > Marketing & Communications	\$700,000.00	\$700,000.00	\$0.00
2024 > Autogas (On-Road) > Marketing & Communications	\$985,000.00	\$985,000.00	\$0.00
2024 > Cross Market > Thought Leadership	\$1,325,000.00	\$1,325,000.00	\$0.00
2024 > Commercial > Marketing & Communications	\$760,000.00	\$760,000.00	\$0.00
2024 > Cross Market > Marketing & Communications	\$1,025,000.00	\$1,025,000.00	\$0.00
2024 > Material Handling/Industrial > Marketing & Communications	\$508,000.00	\$508,000.00	\$0.00
2024 > Off Road / Power Generation > Marketing & Communications	\$700,000.00	\$700,000.00	\$0.00
2024 > Residential > Marketing & Communications	\$6,180,000.00	\$6,180,000.00	\$0.00

2024 > Cross Market > Digital Strategy & Analytics	\$680,000.00	\$680,000.00	\$0.00
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**Does this project have a past funding history? Yes**

**Five Year History for Similar Dockets**

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

Year	Docket #	Project Budget	Project Spend
2023	23654	\$12,863,000.00	\$5,523,021.00
Results: The Agriculture and Autogas planned budgets impact the PERA statute spending requirements for agriculture and over-the-road spending.			

Year	Docket #	Project Budget	Project Spend
2022	23255	\$9,363,000.00	\$9,363,000.00
Results: The Agriculture and Autogas planned budgets impact the PERA statute spending requirements for agriculture and over-the-road spending.			

Year	Docket #	Project Budget	Project Spend
2021	22786	\$9,863,000.00	\$9,863,000.00
Results:			

# Towable Generator - 25-100kWe

## Propane Opportunity Statement

- Cost and complexity of diesel Tier IV/V solutions
  - Drives increasing purchase cost
  - Favors vertically integrated OEMs
  - Non verticals must purchase engines from V.I. competitors – Margin issue.
- Complex service and operator maintenance
  - Non-VI OEMs must rely on competitor service network
- Operator intervention required for EAT regen and second fluid administration
  - Significant issue for rental markets.

## Key OEMs

### Top 5 Vert OEMs

Caterpillar  
Kohler  
Generac  
Doosan  
Cummins

### Top 5 Non-Vert OEMs

Doosan  
Kohler  
Generac  
Wacker Neuson  
Tradewinds

## Available Propane Engines\*

25–30kWe – DEUTZ G2.2 – CRL7  
30–35kWe – DEUTZ G2.9 – CRL7  
35–40kWe – PSI4.3 – CRL9  
45–60kWe – PSI5.7 – CRL9  
60–100kWe – PSI5.7 – CRL9  
Origin 6.2 – CRL8  
Ford 6.7 – CRL9



## Attainable Market

Segment near 100% New to Propane – Focus on Non-Vertically Integrated OEMs – Easiest Path – Engine Brand Agnostic.

Circa 25K units via 38 OEMs in total

Circa 17K units non vertically integrated

- Three-year goal = 5% market share – 850 units

Channels – Directs our growth action

- Key OEM + dealer network- PERC
- Rental companies - PERC
- Individual packager - Marketers



## Key Marketing / Promotion / Engagement

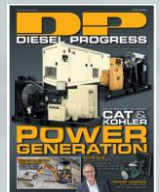
Rental companies are a key “pull” channel

- Participate at/sponsor at ARA show
- Amplify rental engagement at PowerGen
- Specific rental company focused material



Increase propane exposure in trade media/associations

- Diesel progress – Editorial – Advertising
- EGSA – Join and participate



\* Potential best fit. Other Options available

2024 Budget PROPOSED			
Market	Tactic	Budget	Total
<b>Homeowner</b>			
	Paid	\$4,300,000.00	
	Production	\$550,000.00	
	Influencers	\$350,000.00	
			<b>\$5,200,000.00</b>
<b>Residential Pro</b>			
	Paid	\$230,000.00	
	Production	\$50,000.00	
	Earned	\$100,000.00	
	Program	\$350,000.00	
	Influencers	\$250,000.00	
			<b>\$980,000.00</b>
<b>Commercial</b>			
	Paid	\$300,000.00	
	Production	\$60,000.00	
	Earned	\$100,000.00	
	Program	\$300,000.00	
			<b>\$760,000.00</b>
<b>Agriculture</b>			
	Paid	\$250,000.00	
	Production	\$100,000.00	
	Earned	\$200,000.00	
	Program	\$150,000.00	
			<b>\$700,000.00</b>
<b>Autogas</b>			
	Paid	\$460,000.00	
	Production	\$72,000.00	
	Earned	\$385,000.00	
	Program	\$68,000.00	
			<b>\$985,000.00</b>
<b>Material Handling</b>			
	Paid	\$250,000.00	
	Production	\$63,000.00	
	Earned	\$150,000.00	
	Program	\$45,000.00	
	Product Launch Support	\$ -	
			<b>\$508,000.00</b>
<b>Off Road and Power Gen</b>			
	Paid	\$250,000.00	
	Production	\$125,000.00	
	Earned	\$200,000.00	
	Program	\$125,000.00	
			<b>\$700,000.00</b>

<b>Environmental Thought Leadership</b>			
	Paid	\$500,000.00	
	Earned	\$550,000.00	
	Production	\$100,000.00	
	Program	\$175,000.00	
			<b>\$1,325,000.00</b>
<b>Digital Strategy &amp; Development</b>			
	User Experience, Insights, Engagement	\$110,000.00	
	Content Strategy + Updates	\$250,000.00	
	Maintenance	\$150,000.00	
	Development of Content/Features/Tools	\$170,000.00	
			<b>\$680,000.00</b>
<b>Corporate Communications / Cross Market</b>			
	LP Gas & BPN ads	\$90,000.00	
	Annual Report	\$6,500.00	
	Organic Social Boosting	\$15,000.00	
	Media Training / Crisis Communications	\$5,000.00	
	Consumer Research	\$300,000.00	
	Agency Fees & Retainer	\$560,000.00	
	Cross-Market Tradeshow / Event Creative	\$10,000.00	
	National Propane Day	38,500	
			<b>\$1,025,000.00</b>
		<b>Docket Total:</b>	<b>\$12,863,000.00</b>