Designing for Success

How integrating proven consumer science and behavior change best practices can stack the odds for a successful program design.
IN HOME ENERGY EVALUATION PILOT

- **85,000** IN-HOME AUDITS 2009-2014
- **71%** CONVERSION RATE
- **$0.032** kWh
- **#2** IN CUSTOMER SATISFACTION TVA Customer Survey
- **100%** INSPECTION RATE
- EXCEEDED ENERGY SAVING GOALS
Designing for Success | Key Drivers for Successful Program Design

- Market Research
- Concept Design
- Strategic Communications
- Brand Development
Designing for Success | Engage Experts to Help You Realize Your Vision

- History of efficiency
- Innovative leadership
- 7 state region

- Expert product development
- Fool proof process
- Consumer based marketing

- Utility expertise
- Communications strategy
- Stakeholder engagement
- Project management

KEY PARTNERS:

- Energy Datametrics
- MLGW
Designing for Success | Our Approach

**TRADEWIND**

**LANDSCAPE ASSESSMENT**
Determine which targets & options will meet our objectives

**CONCEPT DEVELOPMENT**
Develop a concept that is pre-accepted by the market

**PROGRAM DEVELOPMENT**
Develop a design that delivers on the concept

**MILEPOST**

**LAUNCH SUPPORT**
Support the launch through stakeholder engagement & communications
OUR EXPERTISE

- Market Research
- Concept Development
- Product Development
- Shopper Solutions

WHO WE WORK WITH

- ALCOA
- Kraft
- Disney
- Mars
- Campbells
- TVA
- Barnes & Noble Booksellers
- Nestle
- Heinz
- Kimberly-Clark
- Tyson
- GP
- Kellogg's
- P&G
- PepsiCo
POSITIONING STATEMENT FORMAT
To [Target Audience], [Company], is the [Frame of Reference] that gives them [Benefit]. That’s because [Reason-Why].

EXAMPLE STATEMENT
To people who sometimes get hungry in between meals, Snicker’s is the snack that not only tastes good, but really fills them up so they can concentrate. Snicker’s satisfies them because it has lots of peanuts.
LANDSCAPE ASSESSMENT

1. FOUR C’S ANALYSIS
   - Customer(s)
   - Competition
   - Channels
   - Capabilities

2. SWOT ANALYSIS
   - Strengths
   - Weaknesses
   - Opportunities
   - Threats

3. BUSINESS DEFINITION
   - Market Segments
   - Customer Groups
   - Financial Targets

PURPOSE
Identifies the best possible market for your offer.

KEY FINDINGS
A “Turnkey” program run by TVA “certified” contractors would provide the greatest confidence thru quality assurance.

1. Local Power Companies believe they do not have the capacity to absorb new programs
2. Contractors need branding support
3. Contractors want to stand above competition
4. Homeowners trust TVA more than contractors
Designing for Success | Our Process: Concept Development

CONCEPT DEVELOPMENT

1. UNCOVER CUSTOMER NEEDS
   - Insights
   - Benefits
   - Barriers

2. DEVELOP VALUE PROPOSITION
   - Concept Ideation
   - Determine Cost & Savings Opportunities
   - Iterative Concept Lab

3. TEST VALUE PROPOSITION
   - Concept Planning & Testing
   - Test Multiple Concepts
   - Concept Selection

PURPOSE
Reduce risk by developing a concept that is pre-accepted by the market

KEY FINDINGS
Lower incentives were equally effective at driving participation.

1. **$500 incentive** just as effective at the $1000 incentive
2. **Inspection** after installation seen as an added value
3. **Personal benefits** were more motivating than helping the planet.
IHEE WAS SO SUCCESSFUL

- Customer demand exceeded budget
- One and done
- Administrative costs were high
- Not sustainable long term

A REDESIGN WAS NEEDED

- Serve more for same budget
- Add a Scorecard component
- Increase measure uptake
- Streamline processes
- Develop a single offer
- Expand the customer relationship
OUR EXPERTISE

○ Customer Engagement
○ Program Design
○ Communications Support
○ Strategic Planning
○ Inter-organizational Management
○ Better Energy Management

WHO WE WORK WITH
**Designing for Success | Our Process: Program Development**

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**PROGRAM DEVELOPMENT**

1. **MAP THE CUSTOMER EXPERIENCE**
   - Data review
   - Process maps
   - Customer touch-point assessment

2. **DRAFT DESIGN**
   - Compare existing offer to concept
   - Identify leverage points
   - Draft design, messaging and collateral for testing

3. **TEST & FINALIZE**
   - Focus groups
   - Internal & external customers
   - Implement changes

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**PURPOSE**
Design and test an offer that leverages what is currently working to meet the objectives of the new concept

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**KEY FINDINGS**
Energy and dollar savings were not as motivating as wanting to be a 10.

1. The eScore scorecard provided a simple, **visual** answer to “how to make my home more energy efficient”
2. **Removing a cap** on incentives encouraged more measures
3. A continual **feedback loop** on progress supported continued engagement with customers
4. **Contractors were empowered** to “sell” the program
Designing for Success | Our Process: Support Launch

1. TRAIN PARTICIPANTS
   - How it works
   - What to say
   - Alignment around answers

2. SUPPORT COMMUNICATIONS
   - Talking points
   - Stakeholder updates
   - Brand guidelines

3. EXTRA ARMS & LEGS
   - Project management
   - Content development
   - Team development

PURPOSE
Provide neutral 3rd party support during launch and expansion of offer

KEY FINDINGS
Launch is stressful and providing additional support to staff and the implementation team allowed for smoother transition

1. Support allowed staff to effectively support LPC training
2. Implementation team was allowed to focus on launch logistics, internal and contractor training
3. TVA leadership was continually updated on progress and messaging
FIRST YEAR

1501 EVALUATIONS & INSPECTIONS
Completed and in process

1229 UPGRADES COMPLETED
By the Quality Contractor Network

$246,650 REBATES PAID
To homeowners

$5,400,000 CUSTOMER SPENDING
On upgrades

CUSTOMER SURVEYS

4.68 Advisor average
4.16 Contractor average
Designing for Success | Metrics & Outcomes

WEEK ONE

266 EVALUATIONS & INSPECTIONS
Completed and in process

105 JOBS SUBMITTED
By the Quality Contractor Network

IN THE PIPELINE

263 REQUESTS

118 SCHEDULED

CUSTOMER SURVEYS

111 IN PROCESS

4.7 Advisor average
4.3 Contractor average
KEY TAKEAWAYS

- Employ the *consumer product development* process
- **Behavior** change best practices, *customer driven design* and **consistent communications** support can take a solid concept and turn it into a solid program that has been pre-accepted by the market
- Having a *visionary* champion is best case scenario – Frank!
- You can’t do it all – Include *partners* who are the best at what they do
- **Follow the vision** – the path to get there may change but make the course correction and keep going