



## Consumer Response Within Targeted Campaigns

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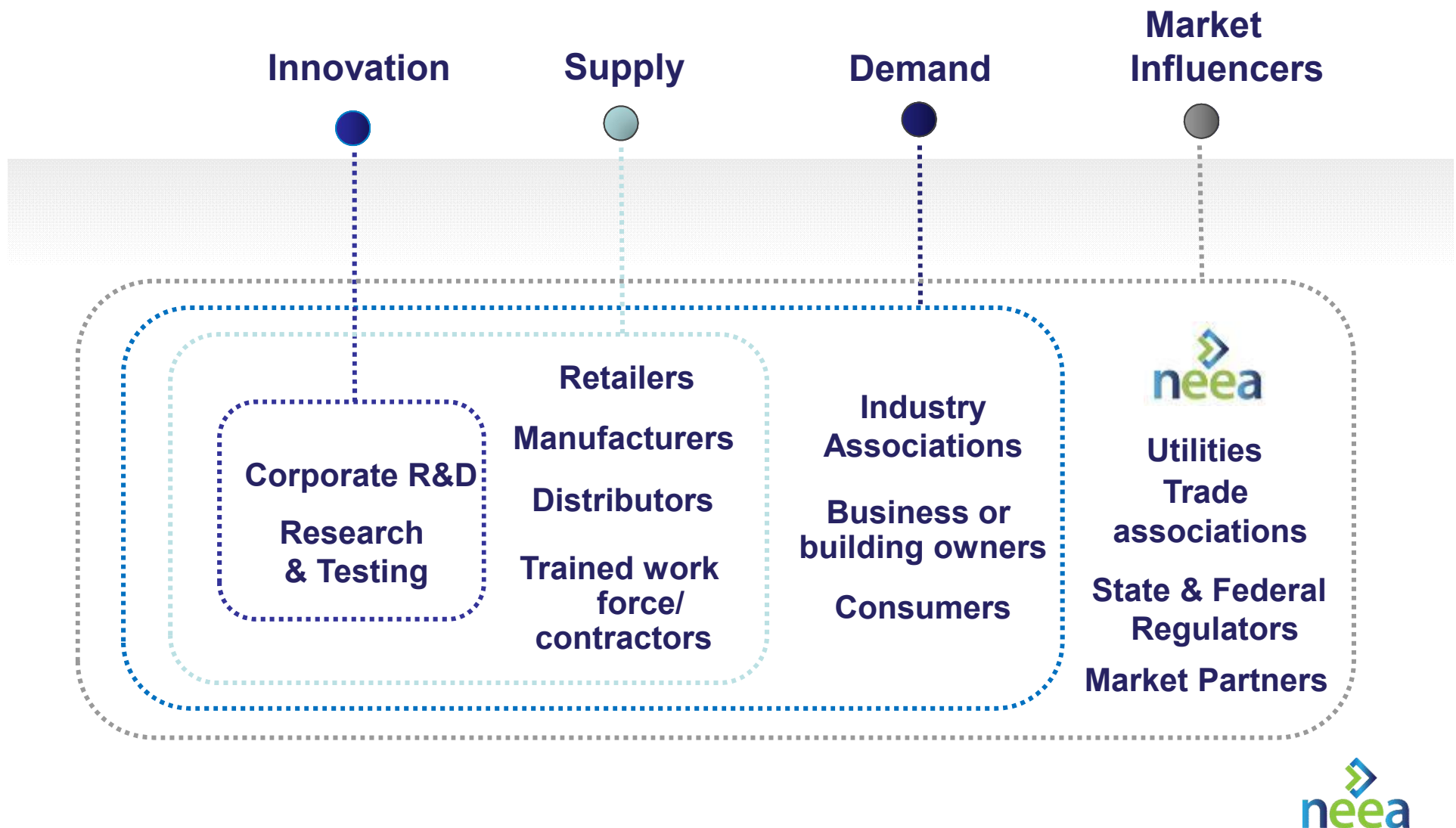
# Our Strategic Partners and Funders



Accelerating energy efficiency in partnership with Northwest utilities



# Influencing Markets



# Tracking program/consumer response

Annual evaluation reports

Purchase funnel research

Market research

Measurement strategies for campaigns,  
isolating marketing tactic impact

Key performance indicators

**= Insights**

# Northern Climate Heat Pump Water Heaters (HPWHs)

- High societal benefit (energy savings)
- Perform more efficiently in colder climates
- Been in the market since 2009
  - 2009-2013 market test
  - 2014 full market deployment





# The perfect storm of marketing barriers



# The perfect storm of marketing barriers

- Wide potential audience
- Low consumer awareness and demand
- High upfront cost
- Limited non-energy savings benefits
- Few market partners promoting the product
- Limited product investment for mass marketing
- Installation of product varies across product and housing type





Casting too wide a net is not a new problem for marketers.



# Let's drill down then shall we...

## Consumer profile:

- Follows traditional product innovation curve profile
- Is motivated by financial and energy savings, but is willing to pay a little more for a quality product
- Is turned off by connotation that product is cutting edge, smart or new
- Wants reliable, proven and high-quality products when it comes to water heaters



# NEEA 2014 marketing strategies

- Influence and facilitate development of promotions with limited time offerings with the supply chain
- Amplify promotions via paid advertising & in-store merchandizing
- Coordinate & align supply chain promotions with utility partners promotions
- Build contractor awareness, demand and alignment with national promotions
- **Target likely to purchase consumers**

# Segmentation – Propensity Models

Created segments based on

- % electric heating fuel
- % owner occupied
- % 1 unit structures
- Median house value
- Mean income

# GE Promotions

- Spring and Fall promotions
- Each had 2 flight of every door direct mail (EDDM)
- Each ran online ads
  - AdWords
  - Behavioral
  - Retargeting—Just for Fall



# Spring EDDM

May 5 EDDM

Cut Your Water Heating Expenses in Half



GE  
imagination at work

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May 19 EDDM

HURRY - Offer ends soon!

Cut Your Water Heating Expenses in Half

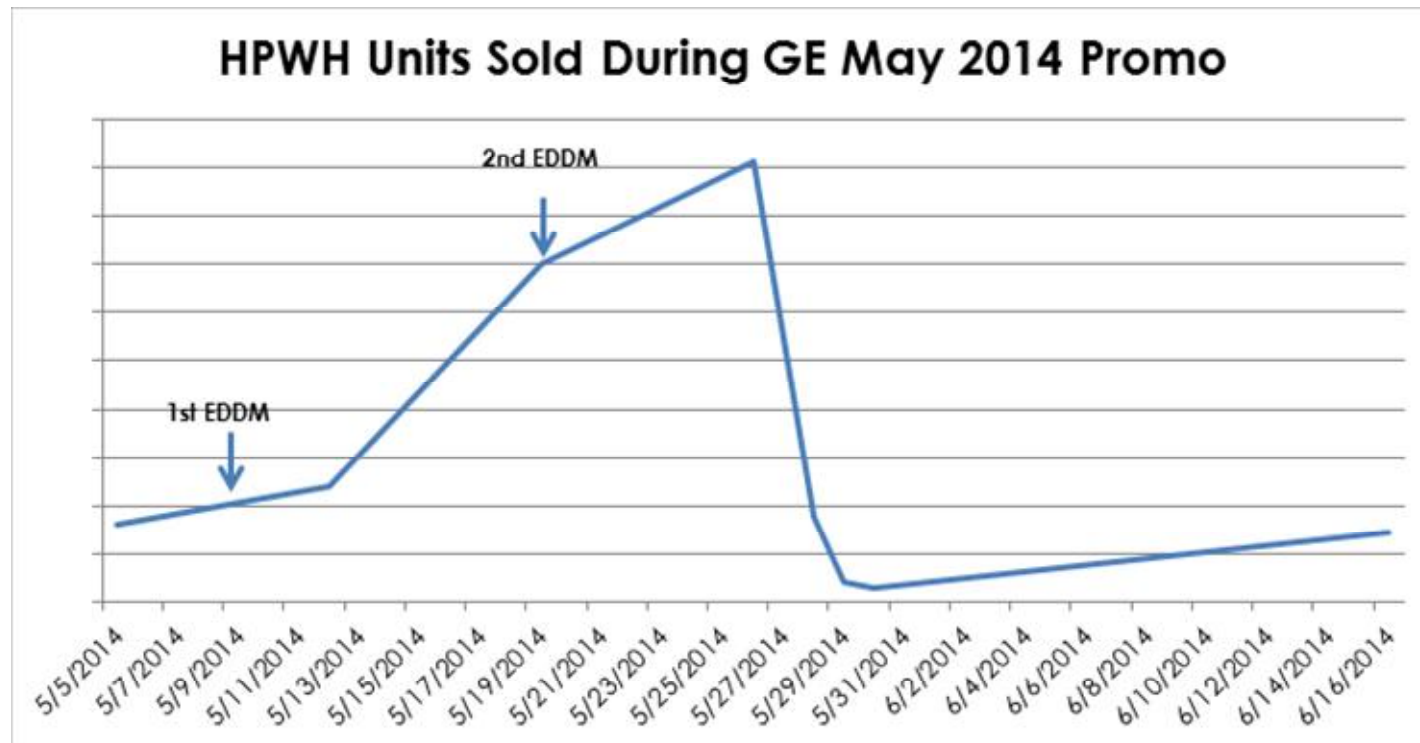


GE  
imagination at work

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# EDDM Results

- ~25 percent increase in sales within targeted zip codes compared to control group
- Higher increase in sales after 2<sup>nd</sup> EDDM drop



# Online advertising

Ads ran for  
1 month

## SAVE \$300 INSTANTLY

Slash water heating costs by up to 50% with a GE GeoSpring water heater.

Act now for \$300 instant savings ▶  
Limited time offer: 5/1-5/28



imagination at work



## SAVE UP TO \$400 INSTANTLY

Slash water heating costs by up to 50% with a GE GeoSpring water heater.

Act now for instant savings ▶  
Offer ends: 12/3



imagination at work



Ads ran for  
4 months

# Online advertising

- Spring promotion **did not** use propensity models
- Fall promotion **did** use models
- Both promotions used same demo criteria and core messaging with focus on financial benefits

	Spring Promotion CTR*	Spring Promotion Impressions	Fall Promotion CTR*	Fall Promotion Impressions
Behavioral Ads	.021%	1,199,963	.06%	1,191 090
AdWords	.95%	56,826	2.0%	NA
Retargeting	NA	NA	.96%	19,944

\* CTR = Click Through Rates



# Key Take-Aways

- Initial results showed segmentation increased sales and consumer response to advertising
- Segmentation with online advertising proved good for driving qualified consumers to act but not in generating campaign awareness
- Segmentation can be helpful in driving action when there isn't a strong sense of urgency
- Retargeting CTRs during Fall campaign were higher than NEEA's seen on other campaigns