



Let's turn the answers on.

Rocky Mountain Power ENERGY STAR®
New Homes Program

Energy-Efficient Homes in Utah

2005-2009 Marketing

Presented by:

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ecos



Introduction

- The Rocky Mountain Power ENERGY STAR[®] New Homes program launched in 2005.
 - The program began when demand for energy measures was low and home building was going through boom times.
- Even as home building struggles with the economic downturn in 2008-2009, regulatory demands for and consumer interest in energy efficiency is increasing.
- The program continues to grow even as the overall new construction market is in a downturn, because it offers consumers an assurance of quality, comfort and savings.

Program Growth

Year	No. of Participants	No. of Certified Homes	Annual kWh Savings	Annual Dollar Savings	Market Penetration
2005	23	53	95,506	\$764,048	N/A
2006	49	1,758	3,394,698	\$27,157,584	10.50%
2007	62	2,022	2,588,232	\$20,705,856	19.25%
2008	84	1,703	2,770,983	\$22,167,864	37.70%

- **Program profile as of February 2009:**

- 6,097 homes certified for 9,774,467 kWh in savings
- Significant increase in market penetration, even as home building has decreased
- \$781,957 in total program cost savings to date
- 9,774,467 kWh savings is equal to the following environmental savings*:
 - Annual greenhouse gas emissions from 1,286 passenger vehicles
 - CO2 emissions from the *electricity* use of 974 homes for one year
 - CO2 emissions from the *energy* use of 639 homes for one year
 - Carbon sequestered by 179,991 tree seedlings grown for 10 years
 - CO2 emissions from burning 36.7 railcars' worth of coal

*Source: EPA Carbon Calculator



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Early Market Research

- Since the program was entering an untapped market for ENERGY STAR, market research was conducted to learn more about our audience. The findings included:
 - There was almost no ENERGY STAR home construction occurring in the state of Utah
 - Builders cited low consumer demand as the primary reason for not building more energy-efficient housing
- Our program's challenge was to show builders the value of building ENERGY STAR and convince them there is a growing market demand for the product.

Early Challenges & Resolutions

1. **Busy Builders**

Account managers scheduled sit-down meetings for a convenient and streamlined program presentation

2. **Skeptical Builders**

We showed that the program was backed by the credibility of ENERGY STAR and Rocky Mountain Power

3. **Builders Loyal to Trade Allies**

The program also trained allies to support builder efforts

4. **Low Consumer Demand**

Separate marketing campaigns increased consumers' awareness of the benefits of ENERGY STAR

5. **Limited Marketing Resources**

The program prioritized co-operative approaches to marketing

“The Granite Countertop Problem”

- The program was up against buyers who only think about what they see, like shiny granite countertops.
- The program worked to successfully educate consumers that there are benefits that are just as important – maybe not as glamorous – that are behind the walls.

Marketing Strategy

- To meet the program goals, the marketing team developed both market “push” and “pull” strategies:
 - **Market Push:** The program is promoted to the builder and trade allies, and in turn they promote it to customers.
 - **Market Pull:** The program uses advertising and media to build consumer demand for ENERGY STAR qualified new homes.

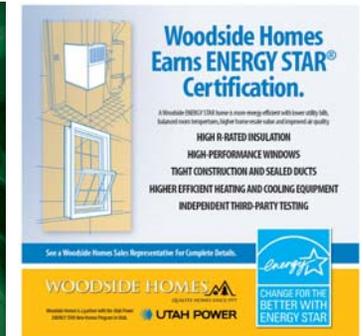
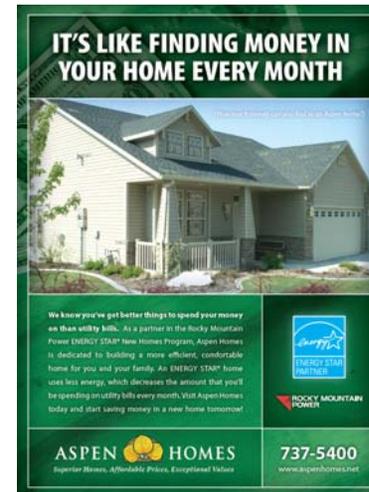
Market Push

- **Builder / Trade Ally Education**
 - Beginning in 2005, the program recruited builders and trade allies to participate in the program.
 - Teaching these valued partners how to sell ENERGY STAR qualified homes and how to integrate these building practices into their business was a primary focus of the education component of builder and trade ally relations.
 - Builders and trade allies were kept apprised of program activity through bi-monthly newsletters.



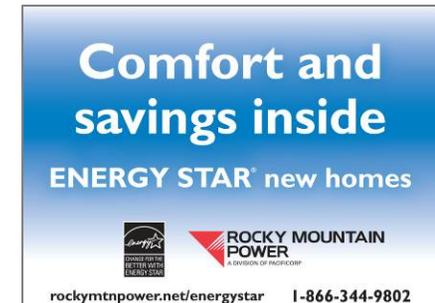
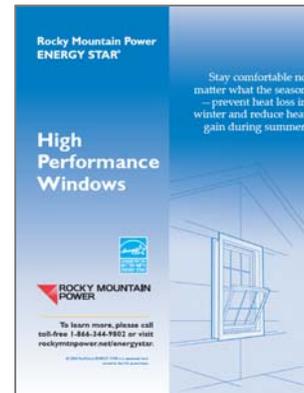
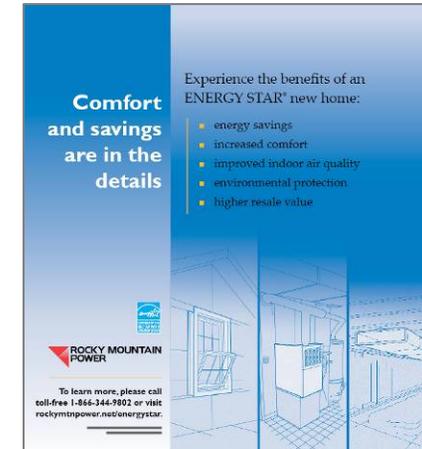
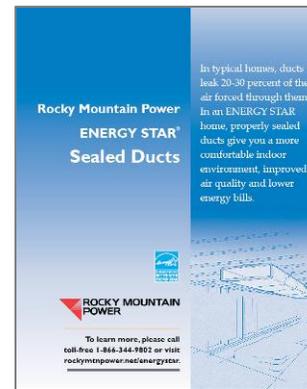
Market Push

- Cooperative Marketing
 - Since the inception of the program, cooperative marketing opportunities have been offered to builders and other program trade allies.
 - There were two funding cycles and a number of opportunities for engagement with respect to promotions and marketing efforts designed specifically for promotion of ENERGY STAR homes to the home-buying community.



Market Push

- Model Home Kit
 - Beginning in 2006, the program provided builders with a model home kit, which they could order online and customize with their logo, to promote the features of ENERGY STAR right in their model homes.
 - Kits included counter cards, ceiling hangs, window, duct and furnace stickers, and yard signs.



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Market Pull

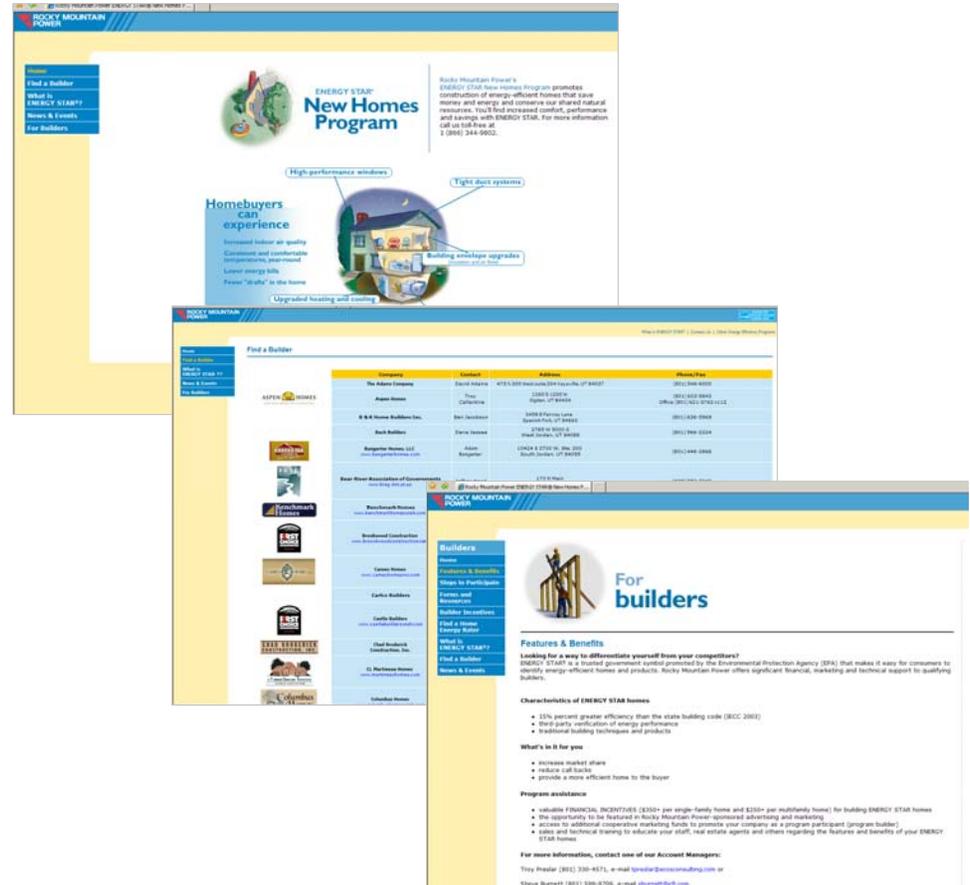
- To reach consumers, the program developed a comprehensive media campaign that launched in the spring of 2006 to coincide with the peak real estate activity in Utah, utilizing the following outlets:
 - Internet
 - Television
 - Radio
 - Theater advertising
 - Outdoor
 - Popular real estate magazines in the region

First Year Successes

- In 2005, the program focused on recruiting builder and trade ally participation.
- Original program materials were created, focusing on the features and benefits of ENERGY STAR.
- Based on focus group feedback, the program was prepared to revise materials for 2006 and create a model home package, with pieces that builders would display in their ENERGY STAR model homes.
- The program presented a second year marketing strategy that included a media campaign, a strong cooperative marketing offer, and a large media event.

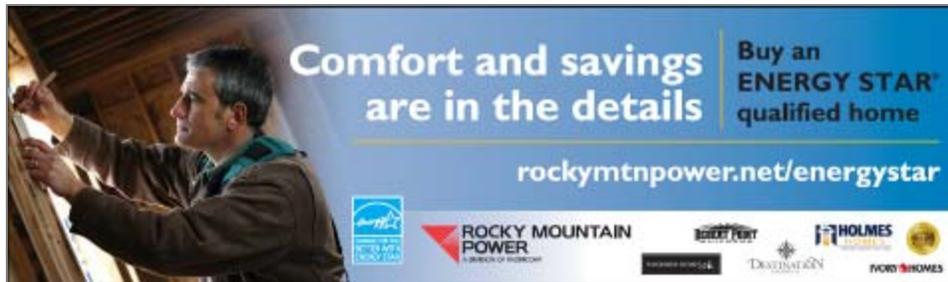
On the Web

- Program Web site:
rockymountainpower.net/energystar
- Consumer-facing educational resource & a way to find participating builders
- “For Builders” section – access to forms, marketing materials



Media Campaign: Outdoor & Transit

- The program targeted the I-15 corridor, where there was an abundance of new construction taking place, for outdoor billboards.
- Transit ads were a cost-effective way to reach consumers within the neighborhoods of the greater metro area.



Media Campaign: Radio & Television

- From 2006 – 2008 the program produced several spots for ABC Channel 4's *Hot Homes of Utah*, a destination TV show for prospective homebuyers, builders and other industry participants.
- In 2008 and 2009 the program produced spots for the *Homes Today: Utah Edition* TV show and to increase television presence further.
- The program also partnered with KSL 1160AM/102.7FM News/Talk Radio, a station that is heavily involved with the Parade of Homes each year.

Media Campaign: Theater



- The program leveraged the popularity of going to see movies as a family activity in the Utah market to effectively reach consumers with theater ads that play before the previews start.



- The holiday season was also a great time of year to reach out to consumers in theaters, where the program had a captive, family audience to market the features and benefits of ENERGY STAR.

Media Campaign: Print Ads

- The program used targeted marketing and placed print ads in *Homes Illustrated* and *Real Estate Book*, two of the most popular real estate publications in the market.
- Ads were co-opted with area builders to gain them additional exposure as trusted ENERGY STAR builders.

Ence Homes Comfort and savings are in the details

Ence Homes is enjoying a powerful partnership with ENERGY STAR® and Rocky Mountain Power in building quality, energy-efficient new homes. As the popularity of energy-efficient building practices has grown, so has our business. Ence Homes builds over 400 homes each year, all of them ENERGY STAR qualified.

- energy savings
- increased comfort
- environmental protection
- increased buying power with Energy Efficient Mortgages
- higher resale value

Find out how you can become a partner of the Rocky Mountain Power ENERGY STAR New Homes program, and watch your business grow.

1-866-344-9802

ROCKY MOUNTAIN POWER

ENERGY STAR

ROCKY MOUNTAIN POWER

ENERGY STAR

To learn more, please call toll-free 1-866-344-9802 or visit rockymountainpower.net/energystar.

These homes are trusted partners of Rocky Mountain Power and ENERGY STAR in building quality, energy-efficient new homes.

HERITAGE CHALLENGER ALLIANCE ENERGY STAR HOMES IVORY HOMES

Media Event: Harvest Park

- Harvest Park Homes was one of the first developments in Utah to be built entirely to Rocky Mountain Power ENERGY STAR specifications.
- The program team worked with Harvest Park Homes to produce a highly-publicized Grand Opening event that included an open invitation to members of the media.
- Rocky Mountain Power also succeeded in gaining participation from Governor Jon Huntsman, Jr. via a signed proclamation declaring May 19 as "ENERGY STAR Day" for the State of Utah



HBA Partnership

- The program has developed a long-standing relationship with the Home Builders Association of Utah on a variety of activities, including:
 - Recognizing early builder participants in the first year at the Utah Builders Conference
 - Gold sponsor of Annual Parade of Homes with booth presence



National Award Recognition

- 2007 ENERGY STAR Award for Excellence in Promotion
- 2007 ACEEE Award for “Exemplary Program”
- 2008 & 2009 ENERGY STAR Partner of the Year for Excellence in Program Delivery in the ENERGY STAR Residential New Construction category



Market Transformation

- *“As a builder, we’ve been looking at different ways to add value to our homes. One of the ways was to do ENERGY STAR... I think within 3 or 4 years from now, a builder that isn’t doing ENERGY STAR basically will be kind of ‘old school’ and buyers will look to them as maybe not as efficient, maybe not as quality conscious as those that are doing it.”*
- - Mark Woolley, Operations Manager, Liberty Homes

Conclusion

- Successes from 2005-2008
 - Increased market share – from 10% at program inception to 38% at the end of 2008
 - 84 participating builders
 - 6 participating HERS raters
 - 8.5 million media impressions
 - In 2008 alone, 14 builders participating in cooperative marketing, receiving more than \$67,000 toward marketing projects
- Looking forward
 - Even as a sour economy affects new home construction across Utah, the program gives the utility an opportunity to reinforce the message of energy efficiency in a market that demands a cost-effective home