

Market Development – Gate 3 Deliverable

General Project Information

Project Title: 2013 Corporate Communications

Docket Number: 18271 **Gate Date:** October 11, 2012

Project Summary:

The 2013 corporate communications program is designed to support propane business growth by refining and protecting the propane and PERC brands, making propane a more significant part of the national energy conversation, persuading do-it-yourselfers to have trained technicians install and service propane systems and appliances, and engaging propane industry members in PERC's research and development, safety, and training activities.

Start Date:	January 1, 2013	Total Project Cost:	\$2,384,735
End Date:	December 31, 2013	Funding Requested:	\$2,384,735
Launch Date:	January 1, 2013	Co-funding(y/n):	N

Co-funding Partner:	Contribution:
None	\$0

Team Leader: Gregg Walker

Team Members:

Stuart Flatow, Mark Leitman, Michael Taylor, Bridget Scanlon, Patrick Hyland, Ingrid Bechard, Aisha Parker, Burney Simpson, Ami Patel, Jesse Marcus, Brent Schott (Swanson Russell)

Lead Vendor: Swanson Russell **Contact:** Brent Schott

Additional Vendor(s): **Contact(s):**

Hiltzik Strategies Linda Lipman

1) Detailed Business Case

Project Description

- Provide a high-level statement of what the project will entail, and what it will not entail.
- Summarize the product/services features, attributes, performance requirements and specifications.
- List the objectives of the project (specific deliverables will be listed in Measurement & Evaluation section)
- Describe the target markets/audiences that will benefit from using the results of this project.
- Describe the problems that will be solved by the project from the perspective of the target audience. Include key benefits and value the product will offer.

The 2013 corporate communications program will include a propane branding project, a national public relations campaign, a national public safety campaign, regular communications with propane industry members, and oversight of PERC's work with its lead communications agency. It will not include market outreach and development programs, which are described in other funding requests, though the work will be coordinated across all of PERC's market outreach and communications initiatives.

The 2013 corporate communications program will have the following key objectives:

1. Analyze the propane brand, at the Council's direction, evaluating the desirability of aligning the propane brand with that of natural gas or making other changes in the way propane is positioned in the marketplace.
2. Carry out a thought leadership program that promotes the propane industry as a leader in sustainable, domestic energy and raises the fuel's visibility in the national energy conversation.
3. Create and launch a multiyear campaign aimed at persuading do-it-yourselfers to leave propane system installation and maintenance to trained professionals.
4. Engage the industry through effective two-way communications through various channels, including websites and newsletters.
5. Consolidate the Council's websites and align them with our communications and market outreach strategy.
6. Coordinate PERC's work with its lead communications agency across all activities, including market outreach programs, with the goals of cost containment, consistent branding and messaging, and project management discipline.

Target audiences will include national media representatives, leading energy thinkers, sustainability and energy management officers in organizations of all kinds, do-it-yourselfers, propane gas associations, propane producers, and propane marketers.

Our program will introduce the nation's energy editors and reporters to important sources and resources that can help them explain the national energy picture, and propane's place in it, to the audiences they reach; it will give national energy thinkers resources they can draw on as they help lead America toward energy security and greater use of sustainable energy sources

like propane; it will explain how propane can help energy managers in companies and government agencies meet their sustainability goals; and it will keep the industry informed about PERC priorities and activities, equipping and inspiring marketers to take full advantage of the Council's research and development, safety, and training resources.

This funding request also covers agency fees associated with brand management, strategic counsel, and communications coordination across all markets, three of the Council's high priorities.

Strategic Fit and Importance

- How does this initiative support PERC's strategic plan?
- How important is this initiative to the propane industry?
- What is the impact on our growth targets?
- Explain how this project fits relative to other projects in your mission area and into the strategy for the market it serves.

The 2013 corporate communications program is essential to the fulfillment of PERC's strategic plan, supporting all three strategic goals: business growth, safety and training, and industry engagement. The Council has made clear that the work included here is extremely important to the propane industry: the national PR campaign, the propane brand, the consumer safety campaign, better coordination of our branding and messaging. Advancing the Council's work in commercialization, for instance, depends on effective communications with propane industry members.

Market/Audience Rationale

Describe:

- Urgency of need within the market
- Significance of the intended audience within the market
- Geographical reach (national, regional)
- Participant feedback on the project concept

The propane industry, through the Council and the Advisory Committee, has made clear the urgent need for activities and resources that can drive demand for new propane gallons. Gallon growth depends on the active participation of the nation's propane marketers in PERC's commercialization and market development activities. It also depends on our overcoming obstacles to early adoption of propane-fueled equipment. One of those obstacles is the widely held belief that propane and other gaseous fuels are unsafe. Preventing accidents caused by do-it-yourselfers who attempt to install or modify propane systems could not only reduce injuries and property damage but also improve propane's image and alleviate some of the anxiety that some Americans feel about using gaseous fuels.

Ease of Execution

- How will the content be created? What is the level of difficulty to create the content (e.g. write new content for a new subject area)?
- How will the content be delivered? What is the level of difficulty to create the delivery mechanism (e.g. create new video, website, etc.)?

Content creation and delivery will form the heart of this program, and our fortunes will rise and fall on the quality of the content. PERC's years of experience creating content for market outreach and communications programs have taught us a great deal about what works and what doesn't, about where to get the best deals, and where to get the best return on the propane industry's investment. We have expanded our capacity to do this kind of work, bringing in a writer and editor and a graphic designer, and we began work in March 2012 with a new lead communications agency that will serve as a strategic and tactical partner in the creation and delivery of content. We will also work under the advice and guidance of the propane professionals who serve on the Council, the Advisory Committee, and various project teams

and task forces.
<p>Leverage</p> <ul style="list-style-type: none"> ■ Ability to leverage internal strengths (e.g. project management) ■ Ability to leverage external partnerships (e.g. suppliers, vendors, manufacturers, contractors)
<p>The program will draw on the talent and experience of PERC project managers who have been overseeing the activities for some time, and it will be carried out with the help of industry volunteers and other partners who have long been integral to our communications programs.</p>
<p>Synergies</p> <ul style="list-style-type: none"> ■ Ability to expand the use of content to other meaningful audiences beyond the target audience (state associations, propane companies, regional or state builder programs, student training programs, specialized clubs and related organizations, etc.) ■ Ability to use the program, content, or components across other PERC market areas and missions
<p>Nearly all of the content in the 2013 corporate communications program will be shared with propane industry audiences through our industry communications program. And market outreach initiatives will be able to use content developed for the national PR campaign, the branding project, the safety campaign, and other parts of the program.</p>
<p>Cost/Benefit</p> <ul style="list-style-type: none"> ■ Ability to support propane gallon growth ■ Beyond gallons, number of success criteria “units” achievable ■ Relative cost per “unit” achieved
<p>Where the market outreach programs support the launch and widespread adoption of new propane-fueled products in specific propane markets, the 2013 corporate communications program is designed to help the industry overcome some of the barriers to gallon growth:</p> <ul style="list-style-type: none"> • Possible confusion in the marketplace about the propane brand. • Propane’s low visibility in the national energy conversation. • Inaccurate and incomplete stories about propane in the media. • Perception among many prospective users of propane that the fuel is less safe than other forms of energy. • Damage to the propane brand caused by do-it-yourselfers whose attempts to install or modify propane systems lead to a high proportion of propane incidents involving personal injury or property damage. • A low level of industry engagement in the Council’s market development programs. <p>We believe that we can help drive gallon growth by correcting or mitigating these factors. Each part of the program will have specific goals. See section 5 for selected goals for the national public relations campaign and the industry engagement campaign.</p> <p>Goals and objectives for the propane brand project and the do-it-yourselfer campaign will be developed in consultation with the Market Outreach and Training Working Group and the Safety and Training Working Group of the PERC Advisory Committee.</p>

2) Budget

PROPANE BRAND: Evaluate and modify, if appropriate, the propane brand architecture; establish a program to measure propane user attitudes and preferences over time.							\$ 374,000
Tactic	Notes (12 events planned)	Q1	Q2	Q3	Q4		
Propane brand architecture project	Discovery and project definition					\$	8,000
	Development of brand components for testing					\$	20,000
	Qualitative research: fleet managers					\$	40,000
	Qualitative research: landscape contractors					\$	40,000
	Qualitative research: propane marketers (May 1-2)					\$	30,000
	Quantitative research: fleet managers					\$	28,000
	Quantitative research: landscape contractors					\$	28,000
	Final recommendations and action plan					\$	10,000
	Travel expenses					\$	7,000
Propane user attitude and preference study	Project definition					\$	8,000
	Quantitative research: residential					\$	35,000
	Quantitative research: landscape contractors					\$	35,000
	Quantitative research: fleet managers					\$	35,000
	Quantitative research: farmers					\$	35,000
	Final report					\$	15,000
SUSTAINABILITY THOUGHT LEADERSHIP: Develop a national public relations campaign to make propane part of the national energy conversation and position PERC and the propane industry as innovative.							\$ 978,215
Tactic	Notes	Q1	Q2	Q3	Q4		
Media list updates and editorial calendars						\$	2,025
Press releases						\$	3,240
Media research, pitching, and relationships						\$	129,600
Media relationship development, pitching support (Hiltzik Public Relations)						\$	216,000
Deskside interviews						\$	8,100
Case studies, bylined articles						\$	20,250
Trade Show Event or Local Event Support						\$	43,200
Speaking engagement planning and attendance						\$	18,630
Webinar support and social media						\$	40,500
Speakers bureau and pitching for local market experts						\$	94,770
Travel costs						\$	16,500
Event sponsorships, advertising						\$	365,400
External tracking						\$	20,000

MD DELIVERABLE TO GATE 3

SAFETY CAMPAIGN: Develop a safety outreach campaign to encourage DIYers to rely on professionals for propane system installations and modifications.							\$ 375,000
Tactics	Notes	Q1	Q2	Q3	Q4		
Development of campaign components							\$ 75,000
Media and PR outreach							\$ 300,000
INDUSTRY ENGAGEMENT: Inform the industry about PERC priorities and activities; equip and inspire marketers to take advantage of PERC resources.							\$ 400,000
Tactics	Notes	Q1	Q2	Q3	Q4		
Newsletters (print and digital)							\$ 200,000
Industry engagement: Database growth and refinement campaign							\$ 100,000
Collateral support							\$ 75,000
Annual report							\$ 25,000
WEBSITE CONTENT: Consolidate the Council's websites and improve their alignment with our communications goals.							\$ 90,000
Tactics	Notes	Q1	Q2	Q3	Q4		
Improve website navigation, update and streamline content, align to new brand standards	propanecouncil.org; usepropane.com						\$ 60,000
Content development, CMS support	propanecouncil.org; usepropane.com						\$ 30,000
LEAD COMMUNICATIONS AGENCY: Provide strategic counsel, communications guidance, and brand oversight across all markets.							\$ 167,520
Tactics	Notes	Q1	Q2	Q3	Q4		
2014 strategic planning, ongoing strategic counsel, and brand management							\$ 75,750
Coordination and management of all Swanson Russell work on PERC communications activities; weekly status reporting; estimating and budgeting							\$ 91,770

Tactics, Project Plan, and Budget Narrative

Propane brand evaluation project, \$374,000

The Council has expressed an interest in evaluating the potential advantages or disadvantages of aligning propane with natural gas. It will be important to approach this project methodically.

Changes to core branding elements like logo, name, and tagline must be acceptable, relevant, differentiating, and true for all audiences of that brand. In the case of propane, many audiences exist with many different relationships to the brand. In rural America and agriculture, propane is an established fuel and a familiar piece of the landscape. On the other hand, propane is relatively new to emerging markets like on-road fleets and commercial mowing where propane's environmental and business advantages appeal to the growing focus on sustainability.

It is within these emerging markets that Swanson Russell recommends focusing the first phase of this project. It will force PERC to include the propane autogas terminology and potential

branding in the project. As we engage fleet managers and commercial landscapers for this project, we will also gain insights that will inform more effective message platforms and action plans.

Sustainability thought leadership, \$978,215

Under this program, PERC would develop a national public relations campaign to make propane part of the national energy conversation and position PERC and the propane industry as innovative. It would present PERC's president and CEO as a national thought leader on energy issues, support the launch of new propane-fueled products to increase trial and purchase, and raise awareness among key targets that propane is domestic, abundant, affordable, sustainable, and convenient. Target audiences include sustainability officers and energy policy influencers. This broad PR campaign is distinct from the PR efforts aimed at specific market segments, like lawn and landscape and on-road fleets.

Safety campaign, \$375,000

Under this program, PERC would develop a safety outreach campaign to encourage do-it-yourselfers to rely on professionals for propane system installations and modifications. Preventing accidents caused by do-it-yourselfers who attempt to install or modify propane systems could not only reduce injuries and property damage but also improve propane's image and alleviate some of the anxiety that some Americans feel about using gaseous fuels. Mitigating those fears is crucial to improving the fuel's brand and to fostering widespread adoption of new propane-fueled equipment.

Industry engagement, \$400,000

Every project manager at PERC seeks industry engagement in PERC initiatives. This program is designed to help foster that engagement by improving our industry contacts database, maintaining a high level of two-way communication with propane companies of all types and sizes, informing industry members of PERC priorities and activities, and meeting the Council's statutory obligations by publishing significant activity plans for public review and comment, publishing a record of Council actions, and publishing an annual report of Council activities and plans.

Website content, \$90,000

One priority of the PERC communications team in 2013 will be to consolidate PERC websites to better reflect new strategic objectives and to deliver digital resources that better serve the audiences that use the sites, including propane marketers and users and prospective users of propane-fueled products.

Lead communications agency, \$167,250

The Council's objectives when it hired a lead communications agency were to contain costs, improve coordination of communications activities across markets, and achieve greater consistency in branding and messaging. The team leader of the 2013 corporate communications program is responsible for monitoring and directing the work of the lead agency, and the agency's charges for strategic counsel, brand discipline, and account services for work in all market outreach areas will be paid out of the present docket.

3) Stage 3-5 Project Plan including timeframe and cost

	Most Responsible Person	Effort Required (person days or \$)	Targeted End Date	Dependency on other tasks
• Propane brand project	Gregg Walker	\$374,000	December 31, 2012	None
• Sustainability thought leadership PR campaign	Roy Willis, Gregg Walker	\$978,215	December 31, 2012	None
• Safety campaign	Gregg Walker, Stuart Flatow	\$375,000	December 31, 2012	None
• Industry engagement	Gregg Walker, Pat Hyland, Burney Simpson	\$400,000	December 31, 2012	None
• Website content	Gregg Walker, Burney Simpson	\$90,000	December 31, 2012	None
• Lead communications agency	Gregg Walker	\$167,250	December 31, 2012	None

4) Preliminary Market Launch Plan

Positioning strategy

- What is the key message of this program/service?
- How does it fit into the key messages for the market?
- How does it complement or detract from other PERC messages?

Our key messages to general audiences include the following:

- Propane is domestic, abundant, affordable, sustainable, and convenient.
- Propane and propane autogas are proven fuels with a growing number of products available now.
- PERC efforts help to advance the propane industry; boost the economy; and move the nation toward a more domestic, abundant, and sustainable energy source.
- Propane users can have confidence in the fuel, the people who deliver it, the equipment in which it is stored and delivered, and the products that run on it.
- Users should never attempt to install or modify propane systems themselves but should instead have a professional do it.

Our key messages to propane industry audiences include the following:

- Supporting the development of new markets for propane can help you make more money, help consumers save money and reduce their carbon emissions, help keep Americans working, and help America come closer to its goal of energy security.
- PERC offers resources that you can use in your pursuit of greater propane demand, a safer, better-trained workforce, and more satisfied customers.

These messages address important concerns in the marketplace and are consistent with the messages PERC shares with specific end-use markets.

Potential marketing, communications and promotional requirements

- Describe how the message(s) should be conveyed to the market.
- State the internal and external communications that will be needed to generate enthusiasm

<p>and buy-in for the project/service, within both the propane industry and partner company(s).</p> <ul style="list-style-type: none"> ■ State the timing for each of the above items and resources required (both human and financial resources).
<p>We will deliver messages year-round to a variety of audiences through a coordinated array of in-person media meetings and appearances, telephone interviews, matte release placements, feature stories and op-eds, proactive pitches, reactive pitches, speaking engagements, industry publications, and many more channels.</p> <p>We will coordinate our activity with our industry volunteers and our manufacturer and dealer partners.</p> <p>This program has many moving parts and numerous deliverables. Please refer to the budget and project plan for specifics. We will meet daily with our communications partners to assess progress and revise our plans accordingly.</p>
<p>Preliminary training needs (both internal and external)</p> <ul style="list-style-type: none"> ■ Identify which groups will require training in order to launch this project (for example, PERC staff, state associations, propane marketers, customer service staff, maintenance, and channel and distribution partners). ■ What type of training is required? (i.e. marketer, safety, user training) ■ Describe the plan to address these needs. ■ State the timing for each of the above items and resources required (both human and financial resources).
<p>We have already begun media training for the CEO and the CBDO and will deliver similar training to other key staff members and industry volunteers in the coming months. The training involves extensive prepping on media tactics and key messages. The first round of training will be complete by November 30, 2012. Other internal training will be scheduled as necessary.</p> <p>In our outreach to user audiences, we will develop safety messages designed to discourage user attempts to install or modify propane systems (in a home, in a vehicle, in the workplace, on the farm) and instead encourage them to have a professional do it. There may be a need to train PERC staff, state association personnel, propane marketers, and others on the components of the safety program to make sure we're giving would-be do-it-yourselfers the resources they need to find qualified technicians.</p>
<p>Potential distribution and channel approach(es)</p> <ul style="list-style-type: none"> ■ State the possible challenges in reaching the market. ■ Identify opportunities to leverage existing channel(s). ■ Describe the distribution channels of partners/manufacturers. ■ Describe any channel control issues. ■ State the timing for each of the above items and resources required (both human and financial resources).
<p>Our strategic partners, Swanson Russell and Hiltzik Strategies, among others, have access to communications channels in major media markets that we will exploit to advance the thought leadership program. That public relations campaign has already begun in 2012 under Docket 18173.</p>
<p>Packaging (where appropriate)</p> <ul style="list-style-type: none"> ■ Identify the packaging needs of the customers. ■ Describe in what ways the message(s) might be conveyed to the market through packaging.
<p>Products will be developed in a variety of formats, such as web-based, electronic, or in brochure or print format. All creative will be developed by Swanson Russell to ensure consistent branding and messaging across markets.</p>

Electronic delivery allows us to share interactive tools such as video, PowerPoint presentations, and other assets to the propane industry, for their use in various meetings.

Customer service and support needs

- Identify the potential customer service and support requirements.
- List the resource that will likely be required.
- State the timing for each of the above items and resources required (both human and financial resources).

No customer service and support needs have been identified.

5) Measurement & Evaluation Plan

Business Performance Metrics	Gate 3 Target
Propane will be mentioned more frequently in mainstream print and broadcast stories about sustainable, domestic energy	Total impressions in top media: 50 million.
Propane will be mentioned more frequently in sustainability media	Total impressions in sustainability media: 500,000.
The president and CEO will be positioned as an energy thought leader	--Touch points with influencers at events (networking at event followed by LinkedIn or other post-event connection): 30. --Journalist connections: 20. --Increase in Twitter followers: 1,000 percent (1,640 followers), but keep within a range of 1/5 to 1/1 (following/followers). --Increase in Twitter interactions: 1,000 percent (averaged 9.5 from May-September; goal is average of 100/month).
Increase propane's favorability scores among key end-use audiences.	Goal TBD.
Frequency and quality of propane marketer interaction with PERC will rise.	--Increase in PERC SmartBrief circulation: 10 percent. --Increase in weekly page views of the Propane News Service: 20 percent.
Project Specific Metrics	Gate 3 Target
Secure media opportunities for the president and CEO of PERC.	--In-person media meetings/appearances: 8. --Phone interviews: 20. --Satellite media tours or radio media tours: 2. --Speaking engagements secured: 3.
Secure coverage of propane, the propane industry, and PERC in print media.	--Matte release placements: 100. --Feature stories/op-eds placed: 12. --Proactive pitches: 24. --Reactive pitches: 24.
Consolidate websites and improve their alignment with strategic objectives.	--Reduce 6 microsites to 3. --Reduce current page count 50 percent through condensing information and logical linking of related topics.