

Power Smart Residential Behaviour Program

January 18, 2012

Webinar Transcript





Landmark Designation

The program described in this case study was designated in 2011.

Designation as a Landmark (best practice) case study through our peer selection process recognizes programs and social marketing approaches considered to be among the most successful in the world. They are nominated both by our peer-selection panels and by Tools of Change staff, and are then scored by the selection panels based on impact, innovation, replicability and adaptability.

The panel that designated this program consisted of:

- Melissa Klein, US EPA's ENERGY STAR® Program
- Clifford Maynes, Green Communities Canada
- Doug McKenzie-Mohr, McKenzie-Mohr Associates
- Devin Causley, Federation of Canadian Municipalities
- Edward Vine of Lawrence Berkeley National Laboratories
- Dan York, ACEEE

This transcript covers a webinar held on Wednesday, January 18, 2012. Additional materials about this program can be found at: <http://www.toolsofchange.com/en/case-studies/detail/649>.

Introduction by Jay Kassirer

Welcome to today's webinar on the PowerSmart residential behaviour program. Before we start, I would like to say that we have dozens of social marketing webinars for you this year. We have case studies, not just in the home-building energy category, but also in sustainable transportation, composting and water efficiency. We have our ongoing social marketing instruction and review series of webinars. We also have a section on the Tools of Change site (www.toolsofchange.com) under Topic Resources where you can go to find resources related to home and building energy social marketing, the latest news, and the most recent case studies and other resources.

Today, we'll look at BC Hydro's Power Smart Residential Behaviour Program. It's the first of three landmark case studies that we've been looking at this year dealing with energy efficiency and, I should say, that the designation recognizes programs and social marketing approaches considered by our peer selection panel to be among the most successful worldwide based on impact, innovation, replicability, and adaptability. The peer selection panelists are listed on page 2 of this transcript. You'll see that the panel includes a range of folks from on-the-ground program presenters, to people in government and NGO organizations, and the consultants supporting them.

Panelists said that the strengths of this particular program include the use of control groups to validate results, the use of the loyalty group approach connected to direct energy and financial savings. You'll see loyalty group approaches used in other areas with other behaviours, but applying it to energy efficiency is still new. There is also a focus on long-term impacts and deepening engagement over time and as you listen to Arien Korteland, you'll see that this is a program that focuses on building engagement, deepening that over time, getting more and more results out of the audience. It's multidimensional. It focuses on multiple behaviours, tools and communication vehicles – all ways to get engaged. There are multiple touch points. And it provides effective and understandable data on individual customer use.

The panel wanted to know more about energy savings per participant, and that will be covered more today, as well their measurement approach and more details on how they did the measurement, and possible self-reporting bias, if there was any. I'd like to also point out that in terms of being an illustration for us in social marketing, it's a great example of ongoing, formative research that informs the design of the program, not just at the beginning, but over time as they refine it, year after year.

You'll hear Arien Korteland talking about the four Ps (he's still following the traditional social marketing or marketing approach, I should say, with the four Ps). There's a real emphasis on *building motivation over time*, and you'll hear Arien talk a little bit about some additional theories that most of you won't have seen before, looking at the three dimensions of engagement and what we're really building as we build motivation over time.

There is good use of *challenges*. You'll see challenges within the home – getting people to challenge themselves. There is a real focus on co-creation, which we don't see a lot of yet in social marketing; although, we see a fair amount now emerging in mainstream marketing. Good use of *feedback*, *financial rewards*, and *storytelling* because, after all, that's such a great tool for providing *vivid, personalized, credible, empowering communication*.

Arien Korteland joined BC Hydro's Residential Marketing Department in 2007 and was tasked with developing and implementing a demand-side management program to capture behavioural – as they called it – energy savings, resulting in Team Power Smart. Arien was born in the Netherlands and gained marketing experience in various industries, including broadcasting and publishing.

Arien Korteland, BC Hydro Residential Marketing Department

I'm very pleased that the Power Smart Residential Behavioural Program has reached the status of a Landmark case study. I wanted to point out that, although I was on the panel for the Landmark case studies this year, I did not vote for my own program.

There are a lot of topics to cover and I'll only be scratching the surface today. Some of the individual components of the program almost require separate presentations, so I may skip over a couple of slides here and there, but all the slides will be made available to you. If anyone wants additional information, you can reach me afterwards.

[Slide] BC Hydro is a Crown corporation and services about 1.7 million residential customers; basically, it's a new monopoly. We cover about 95% of the province. More information to be found on www.bchydro.com.

Power Smart is BC Hydro's conservation brand. It's a business unit under which all our behavioural activities been brought. In terms of conservation, we make a distinction between residential, commercial and industrial customers, and I'll only be talking about the residential side today.

BC Hydro has been in market with Power Smart, and a whole range of DSM programs for residential customers, for many years. One of our oldest programs is the fridge buy-back program where people can call in to hand in their secondary, inefficient fridge. If people were to replace that inefficient fridge, even if it were replaced with an ENERGY STAR®-labeled fridge, it would still consume fewer kilowatt hours, and hence, basically, deduct kilowatt hours out of the market. It works a little bit different with behavioural energy savings as we will see.

In 2007, quite an extensive research project was published, *The Conservation Potential Review* (CPR), which identified opportunities for behavioural energy savings. In the residential sector, 25 behaviours were identified and they were categorized in eight categories. They were the usual subjects, such as hanging out laundry to dry, switching off lights when no one is the room, switching of television sets when no one is the room,

etc. Based on that *Conservation Potential Review*, BC Hydro crafted a behavioural approach.

We started working on three separate measures. One that we introduced was conservation rates – the residential inclining block, as it's called – on October 1, 2008. BC Hydro had a flat rate for many years prior to that and starting in October 2008, people paid a certain amount of the first 675 kilowatt hours at a higher rate over the rest on a monthly basis. Rates have changed a little bit over time. The most recent one is that people pay 6.67 cents/kWh over the first step as it's called, and 9.62 cents/kWh over the next. Average rates are pretty low in British Columbia and that is a challenge as we will see later.

Second was smart meters and in-home feedback. BC Hydro is currently in the process of rolling out smart meters across the province. On the heels of the smart meters, in-home feedback will be available for residential customers; that starts in April of this year with an in-home feedback Web portal, which will provide consumption feedback up to the previous day, which is a substantial improvement to what we can offer today, based on a two-month billing cycle.

The third measure was the behavioural program, which is designed as a loyalty program and marketed under the Team Power Smart banner.

Jay asked me to pay a little bit of attention on the homework that we did before we started working on the program. When I was first hired at BC Hydro, we looked at a couple of things. We looked at the theory, "What is behaviour change and how does it work? What is habit formation and how does that work?"

Social marketing, a refresher on the theory there. We looked at best practices, and to be completely honest, within the utility industry, there were not a lot of examples. We looked at California 2020, which is a well-known case study. We looked at a whole bunch of short-term pilot projects. The disadvantage of these pilot projects is that they were almost, by definition, very small-scale and very short-term, and what we wanted to tap into was work on behaviour change, but strive to for habit formation, which is basically a long-term strategy.

We looked beyond the utility industry. We looked at Weight Watchers, Alcoholic Anonymous, and a whole bunch of loyalty programs. The main difference is that both Weight Watchers and Alcoholic Anonymous, from a marketing perspective, deal with a single topic. They deal with weight or they deal with alcohol intake. With energy conservation, we deal with a whole range of different behaviours that are not always connected. It ranges from switching off computers over night, to switching off the lights, reducing thermostats, or installing programmable thermostats. Each specific behavioural action comes with a specific set of barriers and I'll talk a little bit about that later as well.

To get some real practice we established a year-long market test in 2007, called the Catalyst Market Test internally, with about 500 participants that we monitored on a very

close basis. We did billing analysis. We spoke with people on a regular basis and we offered them, a premature Team Power Smart membership program that they participated in for a year.

The other homework we did was to look at segmentation. Segmentation is, as you know, one of the cornerstones of the whole marketing profession. One of the most important components is the STP component: segmenting, targeting, and positioning. We looked at geo-demographic segmentation as well as psychographic segmentation. Psychographic segmentation has really opened our eyes in terms of people's motivation and attitudes towards energy conservation, specifically.

We also did some barriers research. The 25 behaviours in eight categories that were identified in the CPR were very generic and very high-level. Cullbridge Marketing (Jay Kassirer) helped us out there. We broke down the behaviours into specific behavioural actions and for each behavioural action, we listed the specific barriers based on surveys and other additional research that was available to us at the time. We just recently updated that research and that will be an important component of this presentation today. We need to keep monitoring what we're doing so we can start to trend out things because this is a long-term program. I can't say that enough. It is a long-term strategy, which requires constant monitoring on how we're doing.

[Slide] Overall, we identified three levels of barriers and they're listed here. The first one is the need for energy conservation. I sometimes – and I hope that people don't take offense as it's not intended as such – compare the first level to religion – like buying into the belief that there is something out there. The next step would be the barrier to actually joining the congregation or joining the church, i.e., show that you believe in that particular religion. The third level would be to actually practice specific behaviours at home.

If we translate this to energy conservation, the very first level – the need for energy conservation – is challenging in itself, especially in British Columbia with rates that are incredibly low. I understand that the electricity rates in B.C. are, I believe, the third lowest in North America. In my opinion, and just to trigger it a little bit, people do not consume electricity. They expect it to be there. They consume entertainment when they're watching television. They consume comfort when they're heating their home. They consume convenience when they use their clothes dryer. In fact, electricity can be compared to toilet paper. It's one of these low-interest products. In fact, electricity is a dissatisfier. You miss it when it's not there. With the low rates in British Columbia, there's a high level of consumer indifference as we look at it and that's one of the specific barriers that we need to overcome.

At the second level, once people are convinced that, "Yes, it's good for us to adopt more energy-conscious behaviours and a more energy-conscious lifestyle," then the next step is for BC Hydro, in order to make that valid, is to acquire participants to showcase their belief.

The third level, the specific barriers, is to follow through and actually execute or perform these specific behaviours. Again, that's a whole range.

Just to go back to the 25 behaviours in those eight categories, together with Jay Kassirer, behavioural actions resulted in a list of close to 100 specific behavioural actions that we're trying to address. The reason we're taking a more holistic approach to these behaviours is, based on our research, is that a lot of people are actually quite well-educated as to the things that they can or need to do. They know they need to switch off the lights. They know they need to switch off their computers over night. They know they need to lower their thermostat. We've found that once people are convinced to buy into that green lifestyle or buy into that energy-conscious lifestyle – in other words, they stop procrastinating – they start doing a whole bunch of stuff. One of the traditional curves that we see in terms of consumption, because our program is connected to actual billing analysis, is that people dive off a cliff. They start doing so much that their consumption really dips deep; in the short-term, that's fine. In the longer-term, that's not maintainable.

It's a comparable to one of a television show that I sometimes watch called *'Til Debt Do Us Part*. People get into financial troubles and they start to reduce their spending amounts. Recently, I saw a couple that cut back on their grocery shopping. The first week they chopped down their grocery to \$50/week; their average grocery amount had been \$300/week. The interesting thing that the presenter said was, "That's great, but is it maintainable?" because people ultimately dipped into the supply they already had on hand.

Moving on, we did our homework. We looked at the barriers. Back to our behavioural program development – our basic understanding, which fed into the strategy that we developed – is we need to acknowledge that behaviour change is long-term and is an ongoing process. For our strategy, we adopted the Transtheoretical Model – also called the Stages of Change Model – where people go through predictable stages. It's a well-known theory that is applied across social marketing. If you're interested, I would suggest you Google "Stages of Change Model" to get familiar with that particular model. It's an interesting theory.

We also acknowledged that behaviour change evolves around learning new behaviours, or learning how to do it, and that, adjusts the behaviour. If we look at the learning process itself – and, again, I'm just scratching the surface here – there's a few key elements, including instructions, feedback, motivation and repetition. What we've found is that a lot of people don't know what a kilowatt hour is, let alone what their annual consumption is. If they do know their annual consumption, a lot of people have no idea how to relate to that. 11,000 kilowatt hours – what does that mean? Or reducing that amount of kilowatt hours – what does that mean to my everyday life? However, we do need to help people lower their consumption. We do need to provide them feedback on their consumption patterns, but we also need to motivate them and we need to repeat the message over and over again.

In order to prevent the message from becoming stale, we need to refresh that message on a constant basis, and storytelling, as you will see, is one of those tools to accomplish that. What I want to stress is that any behavioural program is relational in nature; it's not transactional. I explained to you the fridge buy-back program in brief, which is a really transactional program. Once the secondary, inefficient fridge has been picked up from a certain premise, the program moves on to the next customer, or I should say, to the next fridge. With behaviour change and habit formation, we need to build a relationship with our participants in order to move them in a certain direction.

One of the other things is – and that's basically to beat that consumer indifference – we need to connect a topic of low-interest like energy conservation, electricity conservation to the things that people really care about, and that touches on lifestyle. I'll show you a few examples of how we attempted to do that with our program.

The result is a program concept that was designed as a loyalty program and that allows us to adopt a long-term view on the topic. It also allows us permissive marketing opportunities. British Columbia has very strict privacy rules and regulations, and permissive marketing allows us to communicate with our program participants on a regular basis through a variety of different channels. We use electronic communications, as well as tangible, snail-mail communications.

The loyalty program also allows us to work on participant engagement levels. What we've found in our market test that we did as part of our homework, and before we launched our program, is that there is an interesting correlation between levels of engagement, the average amount of electricity that people save and how consistently they save it. Back when we did our market test, our knowledge on engagement levels was not as sophisticated and it was measured as a single, simple metric – e.g., number of times that people went onto the website where they could look at their challenges and their consumption patterns.

I can't repeat enough that making that emotional connection is very important in behaviour change because, ultimately, we need to work on those engagement levels. We need to get people excited. We need to look at how we can move people into doing things and, again, I'll tell you a couple of things. The main tools that we use there are storytelling and co-creation.

If I put on my marketing hat and I summarize what our program looks like, I'd like to briefly talk you through the marketing mix elements. It's a very traditional marketing approach, coming from the principle of exchange. Basically, I give you some money and you give me the product that I want to buy. The same works in social marketing and the same works for this particular behavioural program. However, we need to translate the P-for-price.

In this case, the P-for-price can be translated into what people must give up or overcome to get the product's benefits. Just what we've learned from our research is that there's different “currencies” for the P-for-price. The currency of time that people need to

dedicate to behaviour change, for example, is valued as a higher value currency than money, which means that we need to provide product benefits. The P-for-product includes intangible benefits and tangible product benefits.

The intangible product features touch on norm appeals – doing the right thing, group appeal, you're not alone, and there are thousands of other people out there. There is also a whole range of what's called hidden motives in literature, and I think there are lists circulating of about 30 to 40 hidden motives, including acknowledgment, admiration and those types of things, which touch on the motivations of people to participate. It's not a single motivation. It is all across the board, basically. With our loyalty program, we're trying to touch on all these different motivations – including, in our case, the beautiful province of British Columbia as one of the motivations for energy conservation, but also providing a future for my children, doing it for the environment – but there's not a single motivation that is predominantly available. The traditional threesome of saving energy, saving money, saving the environment, is only valid up to a certain point, and there's a whole wealth of other types of motivations that we're trying to tap into, especially with storytelling.

However, we also need to translate it into tangible product features, read member perks. The next slide will give you an overview of that.

[Slide] Quickly, the P-for-place. We strongly believe that it is important to connect online and offline worlds. It is very, very difficult to accomplish real behaviour change through online media or online loyalty program only, and that's why we've included tangible member magazines, for example, and other tangible prompts and reminders that can live a life within the households. The P-for-promotion is pretty straightforward – multichannel mass and direct media – and I have an example towards the end of how we use co-creation in the acquisition of new participants.

A quick overview of our tangible product features, which often get the most attention. We treat every program participant as a Team Power Smart member and members have exclusive member perks. If you're a member, you have access to your exclusive, online member's toolbox, which includes consumption tracking graphs and exclusive online tools, e.g., comparison tools, Analyze-My-Home-type of tools. Also, they have access to special offers that are for Team Power Smart members only, that are exclusive in the marketplace. We ask the partners that we work with to put offers on the table that are not available elsewhere in the marketplace.

We organize members-only contests. We have a monthly contest, which stimulates people to come back to their members' toolbox on a monthly basis. The chances of winning are pretty decent. We also organize an annual large photo contest. I'll show you some examples of that later. We organize member events to celebrate the success of energy reductions and accomplishments. We offer our program participants the opportunity to participate in 12-month challenges. They can earn a \$75 reward if they reduce their energy consumption by 10% or more, calendar-normalized and weather-normalized.

The other important component is regular communications – touch points. We send out monthly e-newsletters. We produce a member magazine that we send out in the old-fashioned snail-mail. They receive challenge correspondence and challenge updates, additional e-mails, e-mail alerts, prompts and reminders.

High-level overview of our product mix and our marketing mix. This is like a piece of our collateral, "Join Team PowerSmart." Having said all this, I quickly want to go over our program performance to date before we go into a few specific examples.

For fiscal 2010, an official impact evaluation was conducted, consisting of three elements. First, our program strategy was reviewed by an independent third party, and that was the Academy for Educational Development (AED) from Washington D.C., and they came back with a positive message that, yes, indeed, they thought that the behavioural program designed as a loyalty program made complete sense to capture behavioural change energy savings and work towards habit formation. That made us feel more confident.

The second thing that fed our confidence was the billing analysis and the statistical analysis. What we found is that a lot of people think that they're doing everything within their power to reduce their consumption. Sometimes, we get people on the phone – when we put them on a graph and we compare them to the average, and they're double the average – because we've given them a red label. They get upset. They call us and they say, "Well, we've done everything within our power to reduce my consumption. I don't understand why BC Hydro is slapping a red label on me. I deserve a green label." So we do some ad-hoc billing analysis, and we look at what people have done, and we ask them a couple of questions, and it turns out, they've put in a few CFLs, and they've done some recycling, and other bits and pieces. We go over all the other options that people can do and that is a matter of education. They weren't aware they could do so, but they think they're better than – or they indicate they're better than – they are.

To address the question that came up in the landmark panel about self-reported bias, when we were only surveying people, we would get results that were probably skewed by how people thought or perceived how well they're doing, and that's why we're now connecting it to actual billing analysis.

The billing analysis of our program participants is matched, one-on-one, to comparable households. We also compare it to a non-participant group that acts as a control group.

The third component, a huge participant, non-participant survey, is an attempt to specifically learn about what specific behaviours drove those savings. The impact evaluation for fiscal 2010 indicated that we could claim 5.15 gigawatt hours, which may seem moderate; however, it is a snapshot in time, and I'll tell you a little bit about the trending of our main performance indicators and how that has improved over time.

The impact evaluations for fiscal 2011 and 2012 have started, and the main thing that we need to learn from those official impact evaluations is what the behavioural savings do to our persistency of the savings.

The impact evaluation overrides our reported savings and the things that we monitor on a monthly basis; however, it's important to constantly check the KPIs, or key performance indicators, which we monitor on a monthly basis, to see how we're doing and how we can adjust our program strategy, if necessary. I'll talk over a couple of these performance indicators and why they're important.

The one about participation is – and I think that is one of the main performance indicators for any marketing program – you want to know how many participants you've got. The one remark I'd like to make here is that participation should not be taken as a function of the total number of residential accounts in the service territory because our target group – our target segments – is not the whole province. It's an illusion to think that this program will ultimately reach 100% market coverage. It's just not the case and I'll show you with the psychographic segments why that is not the case.

Also, from a marketing and sales perspective, we look at our transition from hot leads to acquisition. We're currently sitting around 60% conversion from hot lead to actually joining Team Power Smart, which is quite healthy.

When we look at the participant profiling, we look at our geo-demographic profiling and you know what? The geo-demographic profile of our program participants is not dissimilar from the provincial geo-demographics; however, if we look at our psychographic breakdown, the interesting thing that we see is that when we launched the program initially in April 2008, a staggering 58% to 59% belonged to what we call “devoted conservationists.” On a ladder of green, they're right at the top, which means that, initially, we mainly attracted the keeners and they were looking for acknowledgment like, "I'm green. Is there something out there in the market – something new? I wanna test it out. I wanna see if it's something for me." We couldn't reach those people much; they were already practicing most of the behaviours that we'd like them to perform.

The nice thing to see is that, over time, we have started to attract different types of people and, especially, the breakdown of “stumbling proponents” has increased in our participant profile, and that's important because that's our main target segment. Stumbling proponents have all the right attitudes towards energy conservation in place; however, they don't necessarily always follow through and they need a little bit of encouragement and help. With a little bit of reminding and prompting, they can get there. Their savings potential is much more substantial than that of the devoted conservationist. We keep monitoring this on a regular basis – how we're doing a participant profile and what type of people we're attracting, basically.

When we look at engagement, we look at two dimensions: quantitative and qualitative. When we look at quantitative – that's where we started – we simply look at the use of all the value proposition elements that we offer: how many times people log into their

member's toolbox, the quantitative use of Compare Your Home, the quantitative use of Analyze Your Home, readership of e-newsletters, redemption special offers – you name it and we track it.

We also look at how our program participants – or our members, I should say – rate those value proposition elements. For space reasons, I only included the overall average rating of the members' toolbox, which is looking pretty decent, and we monitor that on a regular basis as we monitor the individual value proposition elements.

As for the more qualitative aspects of engagement, Jay Kassirer already hinted towards it as he helped us with identifying what engagement actually is because we found that a lot of people talk about engagement. There's not a single definition that covers it properly, and sometimes, people are talking at cross purposes when they talk about engagement. We worked together with Cullbridge and the Tools of Change Institute to really look at engagement, what it is, and we found that engagement consists of three main subcomponents: affiliation, enjoyment and resonance. If we want to increase the engagement levels of our program participants, we need to ensure that we cover all three of these subcomponents. I'll give you a few examples later. Again, this is one of these topics that would almost justify like a whole, separate presentation.

Moving forward, I mentioned a snapshot in time. We offer our program participants to participate in a 10% reduction challenge over a 12-month period. We segment the challenge results in three segments: pass, save, and fail, where pass is those people that become eligible for the \$75 reward if they save 10% or more. Save would be those people who actively try to reach their 10% reduction, but don't quite get there. Fail would be those people that, ultimately, did not save at all. When we started our program, the breakdown was 17% to save 10% or more, 24% to actively try, but save less than 10% percent, and 59% did not save at all.

What we're seeing over time – and basically, I've marked fiscal 2010 as the snapshot in time for which the impact evaluation was done – is that 5.15 gigawatt hours may be undercutting ourselves a little bit because we've seen the program performance or the challenge performance increase. If we add up the results of all challenges over a 33-month period from the start of our program, October 2008 until June 2011, we had 26.5 thousand challenges finished in total. We looked at the results of each and every individual challenge. The average pass rate was 32.2%, which is a substantial improvement from the 17% we initially calculated. Twenty-nine percent actively saved and 38%, initially, didn't save on their challenge. However, because it is a long-term strategy and people can start a second challenge or a third challenge – i.e., they can follow sequential challenges – we managed to build up that relationship. Sometimes people are not completely ready when they start their first challenge, but they learn by being in the program to be more energy conscious.

A few other key performance indicators that we look at on a regular basis include member satisfaction. That's an important one for any loyalty program and, basically, we're doing decently. Two-thirds of our members rate their experience with Team Power

Smart as excellent or good. The poor and very poor rating is less than 5%. Energy savings, as I mentioned, of 5.15 gigawatt hours; it may be moderate at this time. The impact evaluation also indicated that we're probably under-representing the savings; however, there's a whole bunch of savings that we may not be able to prove, and therefore, we don't claim them. However, the 5.15 gigawatt hours is extremely cost-effective.

When we look at the behavioural impact, which is also an interesting performance indicator, we have identified a range of about 35 to 40 behavioural actions that we monitor on a regular basis. It is self-reported; however, there is a control group, so the questions get asked of program participants, as well as non-participants. The interesting thing is that on all behavioural dimensions measured, program participants consistently outperformed non-participants, which means that program participants switch off their lights when no one is in the room, more so than non-participants. They hang out their laundry to dry more so than non-participants. They turn down their thermostat more so than non-participants. The sample sizes were huge –in the range of 20,000 to 30,000 – so the results of those surveys are very decent. Although sometimes the changes may be relatively small in percentage points, they're always statistically significant. We've seen that consistently across the board as well.

Quickly, a few notes about the social marketing tools that we use that are all embedded in our program. I'll then move into a few examples if there's still time. Setting a target, providing feedback, gaining commitment, engaging participants, providing the value-added, utilizing the power of norms, addressing barriers specifically through education and storytelling, rewarding progress with the \$75 reward, meeting people where they are, all of these are included in our program. In other words, we connect the topic of energy conservation, low involvement, to the things that people care about.

The two things I'd really like to take out are storytelling and co-creation or “crowd surfing” as it's called in some other areas. These are very important because they're very specific tools where we can include program participants in their Team Power Smart.

A specific example of storytelling is the member magazine that we send out three times a year to our program participants. The other tool that I didn't even mention in the previous slide is celebrity endorsement. We work with a whole bunch of local celebrities that support Team Power Smart as celebrity members; we talk about connecting the things that people care about or are interested in, include some celebrity gossip, quotes, or a peek into the lives of our celebrity members. Those are the things that people find interesting, as well as topics such as cooking and household things. The member magazine is not an energy conservation magazine; it is a member magazine, which touches more on a specific lifestyle, and therefore, it touches on specific engagement components: enjoyment, affiliation, and resonance. It seems that these magazines resonate well with our program participants.

In terms of key performance indicators, we do regular post-distribution readership surveys to distill whether we're still on the right track and how the specific tool of the

member magazine is performing. There are similar results – people that like it, the excellent and good ratings, versus the poor/very poor ratings – people are more inclined to the excellent and good ratings, which means that we're on the right track.

Another example is a member event. [Slide] These are a few pictures of our most recent event that we organized at Science World. We celebrated with Team Power Smart members who recently accomplished their 10% reduction and all received a \$75 cheque. We invited them and their families to come over to Science World. We gave them a badge, and the interesting thing about a badge or a button is that it identifies them as a Team Power Smart member. We got e-mails afterwards that a lot of people decided to keep wearing them because they wanted to show their neighbors and other people on the street that they were a Team Power Smart member. A better level of engagement is something that we can't wish for.

The concept of that member event was very simple. We had some stand-up comedians and the people you see on the picture are real Team Power Smart members. We invited Mark Madryga, the local weather guy on Global Television, and Kristen Kreuk, a well-known actress, as our two celebrity members. We offered VIP meet-and-greets. They could mingle with the audience. Afterwards, people could explore Science World. If we look at the results [slide] – again, monitoring how it goes down is important to do on a constant basis – we found very favourable and high scores to questions like "Did you like it?" and "Are you likely to recommend Team Power Smart to someone else?"

Our photo contest – I'm going to skip over this one – is a great example of co-creation because the photos that are submitted we use for collateral, in brochures, and in our magazine as well, always with a caption that this picture was taken by proud Team Power Smart member, and then, their name. Without exception, people are always very proud and request additional collateral or leaflets to show to their neighbours and friends.

We developed a board game to touch on family engagement – getting all the family members on board, to not necessarily watch television for a night, but just do something together. The game is based on Monopoly; however, if we talk about engagement, enjoyment, affiliation, and resonance, the title deeds on the board all had a relation to beautiful British Columbia. There were educational questions in there. We adjusted the tokens. There was also an inbox survey that people could fill in to keep monitoring how it would go down. "Would you play it again?" "Did you like it?" "Would you recommend it to someone else?" Again, the scorings are quite high.

Our recycling box sticker project – and I'm just skimming through these examples quickly – is another example of identification. We wanted to test a premise: whether people would be willing to identify themselves, voluntarily, as a Team Power Smart member, which touches on two things. For those people who identify themselves, it speaks about their engagement levels and their commitment levels to Team Power Smart; second, if we somehow can make that public, it acts as an acquisitional avenue. We selected the neighbourhood with the highest density of Team Power Smart members. We sent them an envelope with a sticker that basically says, "Proud to be Team PowerSmart

Member," and a request to put it on their blue box. Then, we sent out mystery shoppers behind the garbage trucks, and those people that had their sticker put on their recycling box, they received a little note after it was emptied inside their recycling box with a secret code they could use in their online members' toolbox to redeem a little token of our appreciation. Whole streets got covered green because 51% of people applied that sticker to their recycling box.

We also provided our Team Power Smart members with a simple pack of Team Power Smart-branded clothes pegs. They were wrapped with a backing card with an endorsement by our celebrity weather guy. Every time people hang out their laundry to dry, they are reminded of their membership and how it makes them feel good because they're performing a specific behaviour that we're requesting them to do.

For our testimonial campaign, we put out a request for stories – a request for testimonials – from our Team PowerSmart members and then used them in a real advertising campaign. The co-creation and advertising campaign created by Team Power Smart members increased our engagement levels to recruit new Team Power Smart members.

A few last comments. Energy savings are still moderate, but they're very cost-effective and they're expected to ramp up. What we're seeing is that, in terms of our program performance, when we monitor all these different performance indicators, we're following a bell-curve shape, specifically comparable to the Rogers Innovation Curve. We have a flexible program design, which is necessary because it's a long-term program and we need to be able to adjust our focus if our performance indicators tell us to.

What's coming – and this will improve our member experience tremendously – is in-home feedback through the smart meter project. Team Power Smart benefits from that because we will be able to provide more accurate, more timely, and better feedback on people's consumption, which will help them understand what their consumption pattern is; however, providing feedback in itself, we believe, is not enough because we still need to educate and engage people with the topic of energy conservation.

The main thing about behaviour change and habit formation is it is a long-term strategy. You need to commit to it as an organization to make that work because it's probably just as easy to kill it as it is to make it work, but it needs dedication over the long-term. A flexible program design helps to remain relevant to the audience.

Q&A

Jay Kassirer: Unfortunately, we only have about two minutes left for questions. However, I believe that you have graciously agreed to send answers that we can circulate to everyone. If they get their questions in today, Arien will answer them in e-mail.

Q: Can you speak a little more about use of the control group?

A: We're comparing participants to non-participants, and the double deflation methodology was used by our evaluation department, which matches each program participant to a non-program participant on the main dimensions from the geo-demographics: home size, dwelling type, region and consumption. From a statistical perspective, the matching is accurate to 99.9%, I believe. And because the sample sizes are so incredibly large, the differences that we find are always substantially statistically significant.

Q: Long-term change is stressed, but the program is based on hitting a time-based mark. When and how does it make sense – or does it make the leap to status quo? How long it Power Smart funded for? What's the time frame?

A: There are different answers to that question, but ultimately, what we do in our demand-side management portfolio strategy perspective, we look at the world. We look at 20 to 30 years, sometimes, depending on the exercise. What we're seeing with this particular program, it's almost like Marketing 101. We're following the bell-curve shaped Rogers Diffusion Curve and what feeds that premise is that, initially, we attracted those stumbling proponents, which basically have similar characteristics as innovators and early-adopters, if you look at the Rogers theory. Now that we've started to attract stumbling proponents and different types of people with different needs and different requirements, the innovators and early-adopters have a high appetite, a high hunger, for factoid-based information.

The questions like the feedback that we got in the early days were based more on specific facts like, "Tell me how this works specifically?" The questions that we get these days are way more like, "I want to feel good. Tell me roughly what I need to do and tell me that I feel good about it." That is reflected in the different types of stories in, for example, our member magazine, which goes way more into feeling good about the things that you can do, more lifestyle-oriented.

Jay Kassirer: We hope you enjoyed and got good value from today's webinar. Thanks so much, Arien, for sharing your information with us.