

Winning Hearts and Minds (and Air Conditioners): Marketing Demand Response to the Reluctant

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ABSTRACT

In spite of nearly two decades of promoting incentives for direct load control programs, utilities have found that most small business and residential customers remain reluctant to join. According to a 2005 survey by Summit Blue Consulting, a third of utilities surveyed have enrolled less than 5% of eligible customers in load control programs. Only 7% of utilities report enrollment of more than 30% (Gunn 2006). The remainder of customers – anywhere from 70 to 99% – is seemingly hesitant to take action to enroll in these programs.

To convert the reluctant into participants, marketing efforts need to move from simple, logical arguments disseminated through mass marketing channels to more innovative marketing messages and strategies. The messages must contain a strong educational element and economic incentives that influence consumers' decision-making process (Geltz & Martinez 2004, 10). Participants then often become avid proponents, confirming their decisions in their own minds and recommending what they perceive as a benefit to those in their social system (Geltz & Martinez 2004, 9).

This paper will explore alternative outreach strategies embracing the diffusion of innovations approach for reaching and converting small business and residential customers into willing demand response participants, especially in hot climate zones under accelerated time frames. This paper will also highlight the value of a consultative sales approach in which the marketing representative is a problem solver, not a salesperson, and review the importance of intra-company collaborations. Finally, this paper will compare the communication challenges of reaching the residential and small business markets.

Introduction

California was ill-equipped to deal with the sudden and dramatic shortages in the state's electricity resources that arose during the energy crisis of 2001. As a result of Assembly Bill 970 enacted after that cataclysmic event, the California Public Utilities Commission (CPUC) ordered the state's investor-owned utilities to deploy a suite of pilot programs aimed at various residential and small business customer segments (those groups hardest hit by the crisis) that would help determine new programs to reduce the demand on the state's energy reserves during times of peak usage. This effort also included research geared toward determining effective methods for easing electric demand on individual overloaded distribution circuits.

This paper will review the problems with "marketing as usual" and examine an alternative approach that builds on the framework of the diffusion of innovations. This approach was used in two SCE demand response (DR) programs – the SCE EnergySmart ThermostatSM Program for small commercial customers and the Summer Discount Plan (SDP) for residential customers. Both cases take place in hot climate zones of Southern California under accelerated time frames. In the first case, the utility needed to produce a higher, faster rate of returned E\$T

applications than generated by the existing direct mail campaign in the Coachella Valley, a desert region, where triple-digit temperatures are inversely proportionate to the single-digit return rates from direct mail. In the second case, the utility needed to sign up a high concentration customers from a limited geographic area for the SDP. Finally, the paper reflects on the lessons learned and examines the applicability of diffusion in each case.

The Problem with Marketing as Usual

Most consumers are now aware of and understand basic energy efficiency (EE) concepts. They look to particular appliances and other technologies as an automated way to maintain conservation and efficiency. EE is a persistent solution to saving energy, whereas direct response (DR) temporarily reduces load at specific times and in specific places (Meier 2005). This more abstract energy conservation concept is not yet universally understood by the general public and requires a more complex explanation.

Compared to EE programs, customers often view DR programs as a hassle rather than as an opportunity to save energy and money because of the requirement to take “on call” action. To enable long-term adoption, marketing efforts need to go beyond the simple payback argument and provide clear, informative, and persuasive messages involving a community-oriented focus, so that the “hassle” becomes a beneficial “call to action.”

“Getting a new idea adopted, even when it has obvious advantages, is often very difficult,” stated Everett Rogers (Rogers 2003, 1) on the first page of his groundbreaking work on diffusion of innovations theory, now in its fifth edition since 1962. We encounter this phenomenon continually as we promote and deliver innovative EE and DR programs to reluctant and somewhat disinterested small business and residential customers. Because Rogers’ statement resonates with our experience, we have adopted the diffusion approach to market these programs to small business and residential customers.

The conceptual framework for delivering energy-based incentive programs in the past has centered on the challenges of overcoming traditional market barriers and enhancing market effect, with an emphasis closer to that of the neo-classical economic tradition. According to energy consultant Bruce Mast, that tradition “conceptualizes each decision-maker as an isolated, perfectly rational, self-interested decision-maker who engages in economic transaction with other isolated, perfectly rational, self-interested decision-makers” (Mast 1999).

In today’s information-heavy society, programs that rely on direct mail and mass media for customer persuasion and recruitment can become lost in the high-volume shuffle. One just has to turn on the television, radio, or their computer to see that most customer segments are overly saturated by impersonal, one-way marketing messages (Rogers and Kincaid 1981).

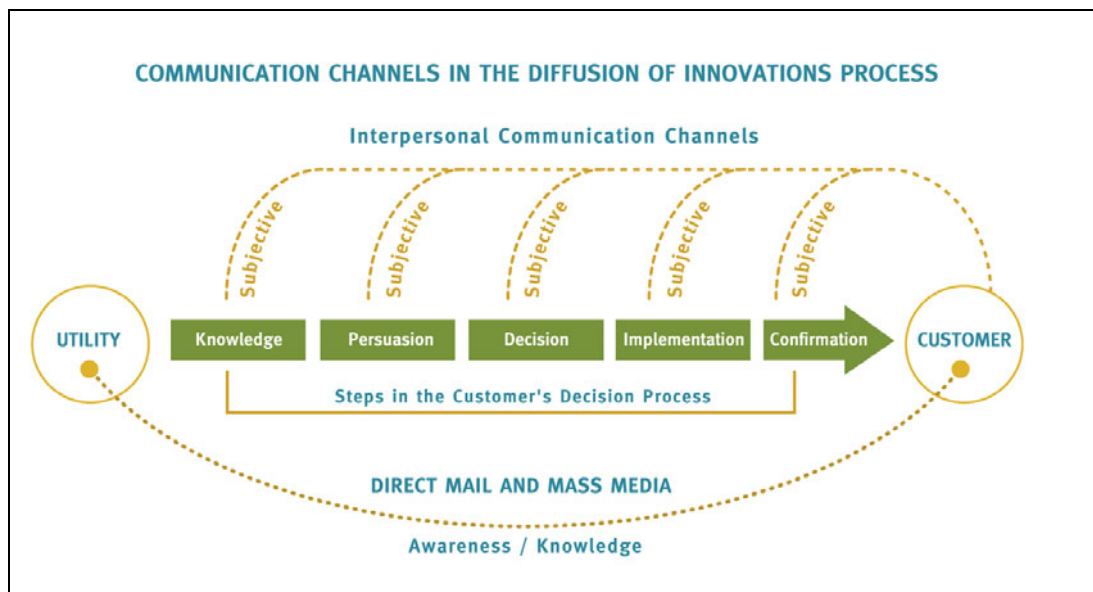
Most traditional communication theories and approaches view communication as a one-way, linear act in which one individual transfers a message to another in order to achieve certain effects. By contrast, communication in the diffusion framework is an iterative process of convergence that creates momentum and perpetuates itself (Rogers 2003, 6).

Introduction to a new idea or innovation involves uncertainty. In the diffusion model, the individual making a decision about an innovation seeks and processes information to reduce this uncertainty about the advantages and disadvantages of the innovation in his or her own situation.

According to Rogers, the diffusion of innovations framework views decision makers as social beings who rely on their social and business interactions for objective and subjective clues on whether to adopt or avoid innovations. This approach is in contrast to treating customers as if

they were in a social vacuum. The decision maker can pass through all five stages in the decision process (knowledge, persuasion, decision, implementation, and confirmation) and is influenced by a variety of communication channels at each stage in the process. (See Figure 1 below.)

Figure 1. Communication Channels



Adapted from E. Rogers, *Diffusion of Innovations*, 2003

At the primary knowledge stage in the decision process, the individual should be made aware of what the innovation is and how and why it works. Mass media channels (i.e., radio, television, newspaper, and for the purposes of this study, mass direct mailing) are often the most rapid and efficient means of creating awareness of a service or product.

Moving through the next stages in the decision-making process in Figure 1, the individual evaluates the innovation. Interpersonal networks with near-peers are particularly likely to convey this kind of information, and are more effective than mass media in persuading an individual to accept a new idea, especially if the interpersonal channel links two or more individuals who are similar in socioeconomic status (such as small business owners), education, or other important ways, such as club affiliations. Ultimately, it is the power of “word of mouth” that both converts the individual and confirms his or her innovation decision, and these messages are carried and delivered by interpersonal channels.

In the diffusion framework, a change agent influences clients’ innovation-decisions in a direction desired by the change agency (Rogers 2003, 33). Change agencies like utilities seek to persuade markets to adopt the technology through direct representatives, or agents, who are deployed as extensions of the agency. They may come from outside the social structure of the market but operate within the cultural boundaries to seek to influence the innovation-decisions.

Opinion leadership is the degree to which an individual is able to influence other individuals’ attitudes or overt behavior informally in a desired way with relative frequency. Opinion leaders have a unique and influential position in their system’s communication structure: they are at the center of interpersonal communication networks. Opinion leaders such

as political figures or successful business managers can help influence potential adopters through their interpersonal communications networks in the community.

The following marketing campaign for a DR program in the Coachella Valley of California in 2004 incorporated several tenets of the diffusion model, including diffusion framework to incorporate opinion leadership and change agents to convert reluctant small businesses into willing participants. Furthermore, the campaign utilized a consultative sales approach and intra-company collaborations to contribute to the success of the program.

Turning Up Small Business Setpoints in the Desert: The SCE EnergySmart ThermostatSM Program

The CPUC asked Southern California Edison (SCE) to target its small business customers with a technology-based approach to reduce air conditioning (A/C) load on demand. In response, SCE devised the EST program, which offered small businesses a free, state-of-the-art, “smart” thermostat that would take over the chore of monitoring their indoor temperature and operate their A/C equipment more efficiently. SCE would install the thermostat at no cost to the customer, and sweeten the deal by letting them keep the thermostat and giving them \$150 a year as an appreciation payment for participation. In exchange, SCE would be able to control (curtail) the thermostat remotely during electrical emergencies.

On its own, the “smart” thermostat could save on energy usage as a means to suit the business owner’s A/C operating hours and temperature needs. This was one of the main sales features. The thermostat (via radio paging) could also be programmed by the customer via the Internet, a feature that appealed to a wide range of commercial customers. The thermostat’s two-way pager capability also allowed SCE to remotely curtail air conditioning load when overall electricity demand was at its highest and resources on the state electricity grid ran short.

During a curtailment event, SCE raised the thermostat setpoint by four degrees (called the temperature offset), thereby reducing the amount of electricity needed for cooling without completely eliminating the A/C. For small business owners, this was preferable to the alternative of a “rolling blackout” (and resulting revenue loss) during an electrical system emergency. The customer could override the curtailment by pressing a button, but each override reduced the customer’s end-of-the-cooling season incentive check by \$5.

During the spring of 2004, SCE was concerned about the likelihood of a hotter than average summer in 2004, and began investigating accelerated marketing of its DR programs. In June 2004, SCE asked Geltz Communications (Geltz) to design, develop and deploy an accelerated outreach program that would produce a higher, faster rate of returned applications than the existing direct mail campaign to the Southern California desert region, where lower than average response rates to mail campaigns were the norm. The purpose of the accelerated outreach was to develop more than 100 additional customer work orders for a specialized team of thermostat installers who were scheduled to arrive in two weeks.

Marketing Strategy

For SCE, “marketing as usual” meant flooding the Coachella Valley small commercial market with direct mail letters and EST brochures. When a May mailing to 6,800 businesses did not produce the desired results, SCE followed up a month later with a repeat mailing to the identical list. The double mailing produced just 135 applications, far short of the goal for the

accelerated outreach. Although the numbers were not significant, the mailing laid a diffusion foundation for the primary knowledge stage in the decision process, when an individual is made aware of the innovation (the E\$T) and how and why it works.

Because of previous experience with door-to-door marketing the E\$T program in the Coachella Valley in 2003, Geltz proposed that a campaign based on interpersonal communication channels was the key to success in signing up the required number of businesses for the E\$T program. Geltz and SCE developed a specific marketing strategy to accelerate the sign ups for the E\$T program using key approaches, drawn from diffusions theory. During the campaign five field representatives visited small commercial businesses for three days.

The consultative sales approach, in which the field representative understands the needs and challenges of running a small business, effectively transformed “sales people” into “change agents.” As stated earlier, in the diffusion framework, a change agent influences clients’ innovation decisions in a direction desired by the change agency. Change agents may come from outside the social structure of the market but operate within the cultural boundaries to seek to influence the innovation-decisions. Empathy with the decision maker is one of the most helpful ways of crossing the cultural boundary. Rogers defined empathy as the degree to which an individual can put himself or herself into the role of another person (Rogers 2003, 376). He went on to say that change agents’ success in securing the adoption of innovations by clients is positively related to empathy with clients (Roger 2003, 377). Therefore, in this program, representatives were trained to understand the needs and motivations of small businesses, were knowledgeable about other SCE programs that could benefit the customer (such as SCE’s Express Efficiency), and displayed an attitude of, “I care about you and I’m here to help you.”

An obvious principle of human communication is that the transfer of ideas occurs most frequently between two individuals who are similar, or homophilous. *Homophily* is the degree to which two or more individuals who interact are similar in certain attributes such as beliefs, education, socioeconomic status, and the like. *Heterophily*, the opposite of homophily, is defined as the degree to which two or more individuals who interact are different in certain attributes. More effective communication occurs when two or more individuals are homophilous; however, in communicating about innovations, one of the most distinctive problems is that the participants are usually quite heterophilous. A change agent is likely technically more competent than his or her clients. However, a successful change agent is one perceived as homophilous on all other variables (education, socioeconomic status, and the like) even though he or she and the client are heterophilous regarding the innovation (in this case, the EE or DR technology) (Rogers 2003, 19). The field representatives on this program were trained to embody these successful characteristics of homophily and heterophily.

The cross marketing of SCE’s Express Efficiency program and the offer of a free compact fluorescent lamp (CFL) provided an effective “foot in the door” by leading with concepts that customers understand – saving energy, saving money, and improving the look and comfort of their businesses. The concept of saving money on their energy bill was particularly effective because most small businesses reported that their energy bills were among the top three overhead items.

The E\$T case further used the diffusion model by partnering with SCE’s Corporate Communications and Public Affairs departments to generate well-timed publicity which created another link in the diffusion of innovations decision-making process. An article appeared in the Business Section of the July 9, 2004, Desert Sun Times and local television station KMIR taped a brief segment about summer energy bills, conserving energy, SCE’s EE programs and the E\$T.

The segment was filmed on location at the office of a small business owner who had taken advantage of both SCE's EE and E\$T programs. SCE's local public affairs manager and the owner of a local business were interviewed on air.

After the interview, the owner, a Latina woman whose first language was Spanish, explained to SCE and Geltz her desire to help Latino-owned businesses succeed. She believed that one way she could help them was to let them know about the Express Efficiency and E\$T programs. As she unwittingly espoused the effectiveness of interpersonal channels, Geltz and SCE proposed that she host an event for the Hispanic Chamber of Commerce. In addition to inviting Chamber members, the business owner suggested that she add her own list of contacts to the guest list, further demonstrating how a satisfied customer was converted into a program spokesperson. In the diffusion model, this business owner was an opinion leader with a unique and influential position in her community of Latino-owned small businesses.

Field representatives further ignited the diffusion process by offering extra copies of E\$T brochures and suggesting that the business owners share the program materials with their colleagues. Although the effectiveness of this interpersonal communication method was not tracked in this case, during the 2001-02 program researchers observed clusters of applicants when plotted on street maps that the researchers attributed to this phenomenon and recommended for further study (Geltz & Martinez 2004, 10). The combination of mass marketing and interpersonal channels resulted in a successful three-day campaign that exceeded SCE's goals by 32%. Since the three-day deployment was successful, SCE asked the team to return two weeks later for an additional two days. The two extra days also allowed Geltz to observe how small factors can make the difference of being perceived as an "insider" or an "outsider" and to test another interpersonal channel from an opinion leader.

During the first three-day deployment, representatives worked from a list provided by SCE. This list included account numbers and business-owner names. During the two-day visits, however, representatives cold-called businesses without the benefit of account numbers and business-owner names. This seemingly insignificant difference led to a significant difference in close rate: 30% when working from a list versus 18% when cold calling. Could something as simple as a name have been responsible for adding 12% of credibility to the efforts?

During the two-day campaign, Geltz also tested the effectiveness of yet another interpersonal communication channel – an endorsement from an opinion leader. Three Coachella Valley Chambers of Commerce provided lists of new members who had joined within the prior three months. When representatives contacted these businesses, they introduced themselves by saying, "I'm here because you're a new member of the Palm Springs Chamber of Commerce. As a benefit of membership, your Chamber wanted to make sure you knew about some energy-saving programs." One representative successfully signed up 100% of the 20 businesses on her target list by using this approach. These businesses enrolled in both the Express Efficiency and E\$T programs.

The differences in success rates for varying recruitment approaches were dramatic. Less than 2% of the 6,800 direct mail recipients returned applications (approximately 135), but 82% of the 70 new Chamber members who were contacted signed up for the E\$T program. The comparison of results for actual thermostats is even more dramatic. Direct mail yielded a return of less than 3% ESTs, but the in-person visits to Chambers of Commerce members yielded 150 %.

Results

The five-day campaign generated a total of 456 new E\$T thermostats, an especially high volume considering that it took two years of direct mail to generate 4,600 participants (Wright, Okura & Garcia 2005). These numbers supported the case for the diffusion approach in marketing the E\$T program, combined with a consultative sales approach and intra-company collaboration (Geltz & Martinez 2004, 11).

The results of the program are included in Table 1 and Table 2 below. Table 1 compares the close rate of the four approaches used during the campaign.

Table 1. Comparison of Close Rates

	Direct Mail	In Person: Cold Calling	In Person: SCE-provided, qualified List	In person: Chamber of Commerce List
E\$T Program Applications	2%	18%	30%	82%
E\$T Thermostats	3%	27%	47%	150%*

*Note: the yield rate for thermostats is greater than 100% because many of the businesses requested multiple thermostats.

Table 2 compares the actual quantities of applications garnered from each approach.

Table 2. Comparison of Quantities of Applications and Thermostats

	Direct Mail	In Person: Cold Calling	In Person: SCE-provided, qualified list	In Person: Chamber of Commerce List
E\$T Program Applications	135	27	131	50
E\$T Thermostats	202	49	197	75

Would a similar approach yield similar results for residential customers? SCE explored this concept with a highly targeted marketing campaign to deploy residential load control to a neighborhood in a Southern California inland region with high summer temperatures. This was to investigate the effectiveness of reducing electricity consumption on a specific distribution circuit, in order to defer substation construction modifications.

Cycling Off Residential A/C in the Inland Empire: SCE Summer Discount Plan – Circuit Saver

In order to reduce the electrical consumption on a potentially overloaded distribution circuit in the inland region of Southern California, SCE targeted 835 high-usage residential customers on the circuit for the SDP¹. This previously existing SCE load curtailment program with 150,000 participating customers cycles off the A/C during power emergencies. By staging curtailment events and monitoring the circuit, SCE could test the viability of using this DR strategy to reduce current on the circuit, and also assess the SDP as a form of spinning reserve.

¹ SCE's direct load control program using radio-controlled switches on air conditioner systems

SDP employs two different switch technologies and currently gives participants a choice of three different cycling regimes and an “enhanced” or a “base” option for a total of 12 possible plan-technology combinations. In return for enrolling and staying on the program throughout the cooling season, the customers would receive a \$200 credit on their bill in October.

SCE challenged Geltz to recruit 625 of the targeted customers for the most stringent option in an accelerated recruitment effort—no easy task, since, according to SCE data, the targeted customers frequently used their A/C on weekday afternoons, making them a hard-to-persuade contingent—and it was already 95°F outside during the May 2005 program launch. This goal was especially challenging when considering that SCE generally considers 25% market saturation.

Marketing Strategy

The EST and the SDP cases share two key similarities: Both are load reduction programs in hot Southern California regions and both required higher than normal results in an accelerated time frame. The type of customer – residential versus small commercial - and the finite target list of the SDP , however, presented two key differences.

The campaign began in a similar vein as the EST case – with a direct mail letter to the 835 targeted customers. As in the EST case, the purpose of the letter was to lay a diffusion foundation for the primary knowledge stage in the decision process, when an individual is made aware of the innovation (the EST) and how and why it works. The letter also made residents aware of an upcoming Summer Discount Day event in a local park and visits by community representatives. In the SDP case, the letter packed a diffusion bonus because it was from a trusted opinion leader, the city manager of Fontana, and the letterhead was official City of Fontana stationery. A week later, SCE followed up with a second letter.

At the same time street banners and strategically placed posters in the community built awareness of the Summer Discount Day event on May 21. The goal of the community event was to create buzz about the SDP, provide an opportunity to cross-market EE, and to give residents a place to sign up if not home when visited by a representative. Activities included games, prizes and incentives for signing up for the program.

All of these communications channels reinforced the message and increased awareness, but did not create diffusion. The next challenge was to turn the field representatives into change agents during their door-to-door visits to 744 homes on May 21. As stated earlier, a change agent’s success in securing the adoption of innovations by clients is positively related to empathy with the clients. All six of the field representatives were SCE residential customers. Three of the representatives lived in the high-climate Inland Empire area of Southern California. Two representatives were already enrolled in the SDP program. Were these similar characteristics enough to create empathy, especially when these representatives were asking customers to give up control of their air conditioners on a May day with temperatures of 93 degrees?

The SDP campaign differed from the EST in another important way. Whereas a majority of business owners were available during visits, nearly 70% of the residential customers were not home or did not answer the door. When customers did come to the door, there wasn’t time (or need) for the representatives to establish themselves as problem solvers or consultants. Furthermore, there wasn’t time (or need) to discuss other EE programs. The representatives had mere seconds to second to grab the customer’s attention, and less than a minute to hold that attention.

Another diffusion challenge was the finite size and makeup of the targeted group. Unlike the EST, which was targeting customers in the far-flung Coachella Valley with thousands of small businesses, the targeted customer list was limited to 835 customers. To complicate matters further, those customers shared geographic proximity but no other characteristics to make them homophilous, an important ingredient for diffusion to take place. The circuit included customers from more than one new home development, cut through two other communities (Etiwanda and Rancho Cucamonga) and covered both low-income and middle income families.

The majority of the targeted customers lived in a new development known as the Village of Heritage. This was problematic because an estimated 40% of the residents of this development were not on the circuit. And in spite of a homeowner’s association, the residents of the Village of Heritage are not a cohesive group. Typically, only five homeowners attend the association’s bimonthly meetings.

With few opportunities for other avenues of diffusion outreach, the campaign relied on repeated follow-up phone calls. But, like the in-person recruitment, most customers were not home or did not answer the phone. It is difficult for representatives to become effective change agents when the clients are unwilling or unable to receive the message, and the message sent through additional communication channels such as the city manager letter are not enough to persuade the customer to enroll.

Since the campaign did not reach its goal of enrolling 625 customers from the list of 835 (a goal that SCE acknowledged was unrealistic), in August an additional 1,032 low- and medium- usage customers on the circuit were targeted. Since the SDP device could not be installed in time to be eligible for the October bill credit, customers were offered the incentive of a \$25 Starbucks gift certificate after installation.

Results

Table 3 below reflects the outreach method and the numbers of customers enrolled through that method.

Table 3. Results of Marketing Campaign by Type of Outreach

Outreach Method	Resulting Customer Applications
Already on plan before start of outreach	67
In-person outreach (Target: high usage customers)	69
Phone outreach (Target: high usage customers)	53
Other (response to direct mail or package left by outreach team)	66
Phone and letter outreach w/ Starbucks card (High and lower usage customers)	156
TOTAL	411

Recommendations

- **Timing is everything.** The 2005 campaign was kicked off on the hottest day in May, when temperatures reached 95 degrees. Customers were reluctant to sign up for a program that asked them to sacrifice comfort when they were already feeling the heat. The correlation between signups and temperatures was even more apparent in July and

August when temperatures exceeded 100 degrees. During these periods, high-performing telephone representatives experienced 1% close rates, in stark contrast to 25% close rates during milder temperatures.

On the other hand, SCE learned that recruitment efforts during the cool season can be equally lackluster. A direct mail campaign launched in January 2006 produced less than a 0.20% close rate. The key is to begin a campaign in spring when thoughts are turning to summer, but the mercury has not yet started to rise. This points to timing as an indicator of the innovation's relative advantage to the customer, one of its key perceived characteristics in Rogers' diffusion model (Rogers 2003, 170).

- **Keep it simple.** The current Summer Discount Plan offering is complex and difficult to comprehend, with three options for number of days and three options for cycling. All options are impossible to communicate during in-person visits or telephone calls because a representative must capture the customer's attention within the first 10 seconds.
- **Accentuate the positive.** Incorporate indoor temperature comparison into any marketing to make the point that there is a very small (and imperceptible) impact on comfort during a short curtailment. A study by RLW Analytics (Wright & Bernier 2005) found that 15-minute cycling resulted in a temperature increase of less than one degree and that most customers are unaware of the temperature change. In addition, emphasize the "general good" aspect of contingency load reduction for the neighborhood and the community.
- **Combine instant gratification with deferred gratification.** Customers who signed up for the program after July were ineligible to receive their participation reward the following October and would have to wait more than a year to receive a bill credit. By adding a thank you payment of a \$25 Starbucks gift card, customers were able to enjoy "instant gratification."
- **Build upon success.** Augment the customer openness to DR program enrollment by leveraging the resources and benefits of the utility's current EE programs—and make sure that everyone who touches the project benefits in the process.

Conclusions

The success of the E\$T campaign depended on diffusion of program messages through a variety of techniques and channels including cross-marketing, intra-company cooperation, and in-person field visits. In the Coachella Valley, awareness of the E\$T program spread through word of mouth and from special events hosted by small business community leaders. This approach worked because virtually any small business in the SCE region of the Coachella Valley was eligible for the program and the business owners were available generally to receive the outreach messages.

These same approaches, however, were not as successful with a select group of residential customers in the Inland Empire neighborhood. The goal of the SDP campaign was to enroll a select group of customers on a specific circuit. As such, it was difficult to encourage residents to recommend other residential customers to sign up for the program because the boundaries were finite. Moreover, most of the homes in the targeted area were in a new development where neighbors did not socialize with one another. For diffusion to work most effectively, interpersonal communication should take place.

Representatives did a trial of a diffusion model marketing approach in which customers who signed up for the SDP were asked to sign up their neighbors for an incentive, but the feedback to reps was that the residents considered this an “invasion of privacy.”

In-person visits proved to be a successful approach in the E&T campaign because most small business owners can be found at their place of business during the day. Residential customers are more elusive. Only 32% of the customers visited answered the door during the one-day in-person campaign in May. If the customer answered the door, the success rate was comparable to results at businesses in the E&T case – an average of nearly 30%.

And while the cross-marketing of EE was a successful strategy with businesses, residential customers were too impatient to listen to more than one message. In-person and telephone representatives kept the message to DR only. The Summer Discount Day event in the park, which showcased both EE and DR, attracted few visitors.

The most successful approach with the residential market was a telephone campaign conducted by highly skilled sales people. Business owners, on the other hand, have several layers of “gate keepers,” who screen out perceived telemarketing calls.

Marketing DR to small businesses and residential customers presents two unique sets of challenges. What works in one scenario may not be successful in another. However, under an accelerated schedule or the need for a special test program deployment, a non-traditional outreach methodology must be crafted to the specific needs of the program. As demonstrated in both of the above cases, a focused approach is more certain to achieve desired results than a traditional mass marketing approach.

Through the use of innovative marketing design that incorporated several tenets of the diffusion of innovations model, results can be readily achieved for projects that “need to succeed.” Effective approaches would include a diffusion framework that adds opinion leadership and change agents to convert the reluctant into willing participants, nested in a campaign that utilizes a consultative sales approach with empathetic community messages.

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