

Statewide Marketing & Outreach - Univision Television Energy Efficiency Marketing

1. Projected Program Budget	\$ 2,989,999
2. Projected Program Impacts	
MWh	n/a
MW (CEC Factor)	n/a
3. Program Cost Effectiveness	
TRC	n/a
PAC	n/a

Note – The budget amount shown reflects only the funding associated with SCE’s service territory for this statewide program. The overall statewide program budget is \$9,000,000 which does not include SCE administrative budget to support this program activity.

4. Program Descriptors

Market Sector: Residential Crosscutting
 Program Classification: Statewide
 Program Status: Existing

5. Program Statement

Hispanics represent one-third of California’s population. According to the state’s IOUs, Hispanics have been underrepresented in residential energy efficiency programs. Barriers to participation have included language, income, and location. In addition, Hispanics do not have the level of access to the web that the population in general enjoys.

6. Program Rationale

Despite the fact that Hispanics are responsible for the majority of the population growth in California and make-up one-third of the population, this audience is underserved by Spanish-language media. In fact, there is only one Spanish-language daily newspaper in the state. Growth in the Spanish market has been better realized in the broadcast media.

According to a recent study in Adweek, ethnic media fills the emotional, cultural and credibility gap link that is crucial to marketers building brand loyalty in ethnic communities. Research into the Spanish-speaking market, both in California and the rest of the nation, consistently identifies television as the number one preferred source for news and information.

Between 1990 and 2000 the Hispanic population grew more than four times as fast as the population as a whole (57.9% vs. 13.2%). Hispanic consumers are now driving forces in most of the largest markets in the country, including Los Angeles. Despite its importance, the Hispanic market is still underserved by many consumer-products companies and continues to offer significant opportunities for growth.

According to research by Yankelovich, 2000, *Hispanic Monitor*:

Latinos tend to "adopt and adapt" to customs and habits in the U.S. without shedding traditions and value systems. Along that line, marketers, and those trying to tap into the Hispanic segment, cannot simply transfer directly to the U.S. Latino market the conceptualizations or marketing strategies that work with more traditional, general market consumers. Latinos are assimilating to prevalent U.S. culture, but they are not, and probably never will be, fully assimilated. Instead, theirs is a path of acculturation. It is a process of integration of native and traditional immigrant cultural values with dominant cultural ones.

Language is one of the most obvious examples of this, with studies predicting that Spanish is likely to remain the language of preference among U.S. Latinos. In fact, Univision is now the #5 network in the United States, behind ABC, NBC, CBS and Fox. Univision reaches over 97% of all Hispanic households.

Television is, in virtually all studies, the primary source of news and information for California's Hispanics. Research shows that Spanish language television commercials are 40% more effective at increasing awareness levels and twice as persuasive as English language commercials for the Hispanic audience.* The visual confirmations provided in television advertising are extremely important, especially so for Spanish-dominant Hispanics.

Univision often considered the fifth full time broadcast network in the US, is also the nations' fastest growing network, broadcast or cable, among the most highly prized audience segments, viewers aged 18-34 and 18-49. It is important to note that, whereas the prized demographic for the population at large is 25-54, Hispanics trend younger in terms of marrying and having families.

The UTEEM statewide marketing and outreach program was specifically designed to take advantage of this powerhouse medium – Spanish language television --in reaching California's Hispanic population with energy efficiency messages.

This program proposes to build on past success in reaching California's Hispanic population with information about and access to statewide energy efficiency programs. UTEEM utilizes a statewide network of Hispanic television stations to provide energy efficiency messages in Spanish, generating in-depth editorial coverage of energy efficiency subjects; deploying an aggressive program of outreach activities in Hispanic communities and distributing bilingual informational materials to Hispanic audiences. The program has encouraged audience acceptance of the messages by using well-known Hispanic media personalities as spokespersons.

7. Program Outcomes

This is an information-only program designed to increase participation in residential energy efficiency programs by Hispanic customers.

8. Program Strategy

Since 2001, this program has used the Univision Television Group as the sole media subcontractor. Univision has 11 stations strategically located throughout the state of California which reach up to 98% of the IOUs customers with their broadcast signals.

The primary component of the program is an annual 20-week schedule of 30-second commercials promoting energy efficiency programs and initiatives. By focusing the advertising campaign in a single media, we have been able to effectively negotiate value-added opportunities worth over \$1 million.

Delivered at no charge to the program, these bonus components include interviews on locally produced talk shows and news programming, distribution of program materials and information at Hispanic-oriented outreach activities throughout the state, and a bonus 10-second schedule worth 50% of the 30-second schedule.

To ensure that we are effectively reaching the statewide Hispanic audience and achieving the highest value for the available budget, Staples Marketing will investigate other statewide Hispanic media outlets that could be used alone or in combination with other media. At the time this program plan was submitted, Staples Marketing was reviewing a proposal from Telemundo television network.

For example, Univision has proposed to include its “sister” TeleFutura network for the 2006-2008 program cycle. TeleFutura is the first 24-hour national broadcast network to premiere with network programming in every day part. TeleFutura is the first 24-hour national broadcast network to premiere with network programming in every daypart. TeleFutura counter programs existing Spanish-language television networks, airing alternative genres during nearly every daypart. For example, TeleFutura broadcasts hit movies against primetime novelas, first-run talk shows against daytime novelas, and original novelas against news and talk shows. TeleFutura also features original news briefs, original Latin American talk shows, first-run and encore novelas for all members of the family and a weekend morning kids block. In addition, TeleFutura broadcasts teen-related hit programming, and blockbuster sports programming.

A sister station to Univision, TeleFutura serves nine major media markets in California.

Spanish-language television stations have a special commitment to their communities, including aggressive public service activities that lend stations credibility with the public. Over the years, Univision has been interested in increasing home ownership among California’s Hispanics. California Energy Efficiency Programs are relevant because Hispanics can decrease the total cost of home ownership by reducing their utility bills each month.

9. Program Objectives

This is an information only program and, therefore, is not tied to energy savings goals.

Staples Marketing has a goal of achieving 161,418,000 gross impressions in the Hispanic market per year. This translates to reaching 5,380,600 Hispanic consumers per year at least three times with energy efficiency messages.

The program also proposes to accomplish at least 14 talk show/public affairs programming/news interviews with IOU, CPUC, local government partnership or other relevant spokesperson each year among the statewide network of stations.

In addition, the program has a goal of at least two special events per station per year during which the public is provided with program information and materials.

Finally, the ultimate goal of the UTEEM program is to increase the number of Hispanics who are aware of and participate in the energy efficiency programs provided through the IOUs.

10. Program Implementation

Staples Marketing will investigate, plan and place an integrated advertising schedule designed to reach the statewide audience of Spanish-speaking Californians with market-specific information about energy efficiency programs available through SCE and the other IOUs.

Staples Marketing will augment the advertising campaign with outreach activities in the Hispanic community, providing outreach staff with training and orientation, as well as supplies of informational materials and handouts.

Handouts include a program-specific brochure developed for statewide marketing and outreach, as well as materials from the IOUs and third-party program implementers.

To provide Hispanic customers with more in-depth information regarding energy efficiency and statewide and local programs, Staples Marketing will work with the subcontracted media to identify opportunities for editorial coverage, such as interview shows or news programming, depending on availability. In addition, Staples Marketing will coordinate with all IOUs, CPUC and other stakeholders to identify bilingual representatives willing to be interviewed by the media subcontractor.

On a quarterly and as-needed basis, Staples Marketing will meet with the Marketing and Outreach Steering Committee to ensure program coordination.

11. Customer Description

The program targets California's Hispanic population, ages 18-54, with a primary focus on customers who speak Spanish as their first or second language. The majority of customers reached are moderate and middle income, with a large proportion of renters in certain SCE markets where there the economy is dependent on agriculture.

12. Customer Interface

The goal of this program is help Hispanic customers understand the value of and provide access to energy efficiency programs. Specifically, the advertising and marketing materials will provide phone and web contacts that allow them to access information about residential and small business energy efficiency programs in Spanish.

For the 2006-2008 program cycle, Staples Marketing will coordinate with Runyon Saltzman & Einhorn and Efficiency Partnership to offer a new toll-free phone number. The number will be provided, along with the Flex Your Power website, on all UTEEM materials. When an energy customer dials the number, he will have the opportunity to choose either English or Spanish language. The phone company offers a product, Call Navigator, which will ask the customer which utility he belongs to and then directly connect him to the correct utility. For example, a caller from the Sacramento area code will have the choice of being connected to PG&E or SMUD. The phone line will allow us to more closely coordinate the efforts of UTEEM with Flex Your Power and the RS&E program, 2) avoid boundary confusion among IOUs and muni's and 3) facilitate more frequent tracking of activity generated by the marketing efforts.

13. Energy Measures and Program Activities

Staples Marketing will not be installing any energy measures.

13.1. Measures Information

This does not apply.

13.2. Energy Savings and Demand Reduction Level Data

This is an information-only program and, therefore, does not have energy savings and demand reduction level data attached to it.

13.3. Non-energy Activities (Audits, Trainings, etc.)

All activities associated with this program involve marketing and the distribution of information.

13.4. Subcontractor Activities

The media subcontractor will broadcast the advertising campaign; schedule, sponsor and staff outreach activities; and provide vehicles for editorial coverage and facilitate interviews with SCE representatives.

UTEEM is unusual in its level of commitment to the program and the value added to the paid media schedule in terms of bonus spots, editorial opportunities on talk shows and public affairs programming, and outreach at special events.

Staples Marketing continues to invite proposals from Spanish language television other than Univision, with a requirement that any new media partner provide the same level of reach into California's Hispanic market for the budget dollars. For example, in 2005, Univision provided Staples Marketing a schedule at a cost per thousand that was under \$15.

13.5. Quality Assurance and Evaluation Activities

For quality assurance, Staples Marketing will monitor advertising schedules and review monthly reports from the media subcontractor. Any advertising that doesn't appear as ordered will be compensated for in the form of a no-charge "make good." Monthly media reports will update progress toward the program goals in terms of number of paid and no-charge ads realized on all media outlets and approximate audience reached.

Prior to the production of advertising, Staples Marketing will facilitate message testing on the previous year's marketing materials. An independent third-party research firm will use focus group(s) to review and comment on previous messages and creative approaches. The results of this message testing will drive the development and production of all future advertising and marketing materials for greatest effectiveness.

Staples Marketing will monitor outreach activities and editorial coverage on a monthly basis.

As in the past, Staples Marketing will provide all draft materials to the program administrator for review and approval. In addition, Staples Marketing will make the program administrator aware of each upcoming commercial flight, make any necessary adjustments, and identify and pursue new opportunities.

Marketing is, by its very nature, opportunistic. The UTEEM program schedule and budget will be designed with adequate flexibility to take advantage of opportunities that arise as a result of extreme weather or market conditions not that were not originally anticipated by the marketing plan.

The evaluation project will be three-pronged in its approach:

Tier I will involve verification of program activities, including the commercial schedule, outreach activities and talk show opportunities. It is expected that the program tracking database of information will be available for use within the verification portion of this evaluation as well as any other information gathered by the program implementer. Univision uses NHSI (Nielsen Hispanic Service Index),

Nielsen Media Research (U.S.), an independently owned broadcast research firm, provides audience estimates for all national program sources, including broadcast networks, cable networks, Spanish language networks, and national syndicators. Local ratings estimates are produced for television stations, regional cable networks, MSOs, cable interconnects, and Spanish language stations in each of the 210 television markets, including electronic metered service in 56 markets.

To be responsive to customer needs, Nielsen Media Research is organized vertically by customer segments and aligned by the different sources of data.

Tier II will involve a combination of qualitative and quantitative research. Staples Marketing will subcontract with an independent third-party research firm to conduct focus groups of Spanish-speaking consumers. These groups will be used to test message effectiveness and identify issues that will guide a more extensive and statistically meaningful survey into the target market.

The survey will address impacts (effects) of the marketing on awareness, knowledge, attitudes and stated intentions to take energy efficiency purchase actions. The EM&V subcontractor will determine the best method to field the survey and locate a database of phone numbers or addresses of the targeted market (depending on the type of survey to be fielded). The survey will be statistically representative of Spanish-speaking population and enable 90/10 certainty that the results represent the population for the areas being analyzed.

Tier III will involve quarterly tracking of activity on the Spanish-language toll-free phone line to identify the immediate impact of marketing efforts in generating response to the call for action.

13.5.1. Expected Number/Percent of Inspections (planned percent of projects)

This does not apply.

13.6. Marketing Activities

This is an information only program and, therefore, entirely a marketing effort

Production of Marketing/Outreach Materials

Based on the results of the previous year's message testing, accomplished through focus groups, Staples Marketing will script and produce a series of 30-second, Spanish-language commercials. They will be designed to deliver important energy efficiency messages to California's Hispanic population and motivate them to action.

Specifically, the call to action will direct viewers to the new toll-free phone line or Flex Your Power website. Whichever route of access the viewer chooses, he or she will be connected to the appropriate utility for access to rebate applications, online home or business energy surveys, appliance recycling instructions, and so on.

As in previous years, Staples Market will use on-air (television or radio) talent provided through the media contractor. Use of well-known personalities increases the memorability and credibility of the message among Hispanic viewers.

Staples Marketing will also produce compatible 10-second messages to compliment and enhance the 30-second spots. These 10-second spots will be used in the bonus schedule.

Staples Marketing is working with Efficiency Partnership and Runyon Saltzman & Einhorn to investigate either coordinating the graphics and messages of our respective

program brochures or creating one brochure that can be used by all three statewide marketing and outreach programs.

Schedule of 30-Second Television Commercials

Staples Marketing will coordinate the Spanish-language television schedule with the statewide marketing and outreach programs of Efficiency Partnership, Runyon Saltzman & Einhorn and the four IOUs to present a more seamless program of energy efficiency messages to the public.

Commercials will be aired in a series of flights – totaling 20 weeks -- that coordinate with the program roll-outs of Efficiency Partnership and Runyon Saltzman & Einhorn:

January-February:	Natural Gas Demand Reduction
May-June:	Energy Efficient Appliances
July-August:	Energy Efficient Cooling Equipment
September:	Lighting

Marketing is, by its very nature, opportunistic. The UTEEM program schedule and budget will be designed with adequate flexibility to take advantage of opportunities that arise as a result of extreme weather or market conditions not that were not originally anticipated by the marketing plan.

Messages will be designed to promote the goals of the 2006-2008 portfolio. For example, the lighting promotion in August will focus on hardwired fixtures, as opposed to CFLs. We might also include a message about installation quality in any central air conditioning commercials prepared for the 2006-2008 program cycle. In other words, the messages will relate directly to key issues identified as priorities for the portfolio.

Because 2006 is an election year, Staples Marketing will avoid placing television schedules during September-November when availabilities are low and rates are high. The same will hold true in 2008.

The inclusion of the natural gas focus in the late fall-early winter is a result of a request from Sempra Utilities that the statewide marketing and outreach programs help customers reduce their demand for natural gas in light of rising prices.

In 2005, Staples Marketing prepared four 10-second commercials on the topics of energy efficient water heaters, programmable thermostats, furnaces and insulation. It is anticipated that compatible 30-second commercials will be produced on the same topics for 2006-2008 to take further advantage of this opportunity for savings.

The 30-second commercial schedule will be augmented by a concurrent schedule of 10-second bonus spots to be provided at no charge to the program by the media subcontractor. Staples Marketing will negotiate a bonus schedule that has the value of

approximately 50% of the paid media schedule. The 10-second messages will reinforce the 30-second messages or repeat the call to action.

Staples Marketing places the media schedules on a quarterly basis to allow for as much flexibility as possible.

As noted previously, Staples Marketing is entertaining proposals from other television stations. Should Univision remain the primary media for this program, the commercial schedules will air on the following stations:

- KABE-TV -- Bakersfield
- KOFZ-TV -- Chico/Redding
- KFTV-TV -- Fresno
- KMEX-TV-- Los Angeles
- KVER-TV – Palm Springs
- KUVS-TV -- Sacramento
- KSMS-TV—Salinas/Monterey
- KBNT-TV – San Diego
- KDTV-TV – San Francisco
- KPMR-TV – Santa Barbara
- KVYE-TV – Yuma/El Central

The current plan is to air 5,928 30-second commercials and 2,632 10-second commercials over the 11 stations for an estimated total of 8,560 spots per year. These totals may or may not be changed, should Staples Marketing utilize a television subcontractor other than Univision Television Group.

Earned Media

Staples Marketing will work with producers of local talk shows, public affairs and news programming on the subcontracted television station(s) to arrange interviews of CPUC, IOU and stakeholder spokespersons. These interviews allow for the distribution of more in-depth information regarding energy efficiency programs. These programs also offer the UTEEM effort third-party credibility, since the information is coming from a valued news source. Though the content of specific interviews are left to the talk show producers and interviewees, Staples Marketing suggests topic ideas and lines of questioning that reinforce and augment and commercial schedule.

Staples Marketing is also working to offer these earned media opportunities to third-party program facilitators, local government partners and other stakeholders. For example, one of the first such talk shows during the 2006-2008 program cycle would feature a representative from the City of San Francisco on KDTV-TV discussing that city's partnerships for energy efficiency.

During the 2006-2008 program cycle, Staples Marketing will coordinate more closely with the public relations staffs of the IOUs to ensure that the news departments of the

Univision or other television station subcontractor receives frequent information about energy efficiency programs and opportunities.

Outreach

Since the Univision program began in 2002, Staples Marketing has reached around 800,000 individuals through special events throughout the state. During the 2006-2008 program cycle, Staples Marketing will work with the television subcontractor to develop and facilitate a UTEEM outreach effort at Hispanic cultural events , festivals, fairs and other community events.

Specifically, the UTEEM program takes advantage of subcontractor booths and staffs for community outreach by training staff to incorporate energy efficiency information and materials into their usual activities. This includes a program brochure, relevant IOU materials and handouts imprinted with the contact phone number and web site.

Prior to the start of “festival season,” Staples Marketing will orient station staffs to program policies and procedures, use of display, brochure and giveaways, and sources for additional information. Stations will be provided an Orientation Manual to serve as a resource for staff in the booth.

As in past years, Staples Marketing will send a broadcast email to all third-party program implementers, offering them the opportunity to provide outreach materials to the subcontractor television station(s) serving their target markets. We will also contact the muni's and local government partnerships with a similar offer.

Staples Marketing will also provide each of the subcontractor television stations with some type of interactive game that will motivate people who stop at the booth to make sure they obtain information regarding energy efficiency.

Imprinted giveaways provided by Staples Marketing will feature the toll-free phone number and web site to further encourage Hispanic consumers to take action.

Branding

Staples Marketing has never branded its marketing and outreach program to avoid any potential confusion with the IOUs and other statewide marketing and outreach efforts. Though Staples Marketing has utilized the Flex Your Power brand on all print materials during previous program years, the FYP brand will be applied to all marketing materials, including television commercials, in the 2006-2008 program cycle. This will further coordinate the statewide marketing and outreach programs for a more seamless approach.

Consistent use of the new toll-free phone number and FYP website will enhance the coordination of the programs.

Partnering

Staples Marketing has partnered with California's HUD offices in the past to reach moderate-middle income homebuyers with energy efficiency information. For the 2006-2008 program cycle, Staples Marketing will investigate mutually beneficial outreach opportunities with the HUD regional office in Santa Ana and branches throughout the state. Possibilities may include the inclusion of energy efficiency information in first-time homebuyer classes as well as distribution of energy efficiency materials at HUD sponsored homebuyer fairs and neighborhood events.

Summary

By its very nature marketing is not an end in itself, but a means to an end. The role of UTEEM is to help support and promote the total portfolio by increasing the target market's awareness of and receptivity to the benefits of energy efficiency and providing the target market with easy access to energy efficiency programs.

During the 2006-2008 program cycle, Staples Marketing Communications will build on UTEEM's past successes and enhance its impact through improved coordination with all other statewide marketing and outreach programs.

Specifically, statewide branding and employment of a toll-free phone number will help prevent confusion among the marketing and outreach programs, while allowing for ongoing tracking of public response to our efforts.

All UTEEM elements, though coordinated with the other programs, will also address the unique language and cultural characteristics of the Hispanic market to ensure their effectiveness.