



Strategic Marketing Plan 2020



PREFACE

Who is Faktory?

Faktory is a full-service branding and content marketing agency established in 2005. Since then, we have been helping some of the region's most respected organizations market and advertise. These organizations include Intermountain Healthcare, WCF Insurance, Mountain America Credit Union, Ken Garff Automotive, the Utah Jazz, Children's Miracle Network, BD Medical, and of course, the Dominion Energy ThermWise campaign.

Faktory employs industry best practices when it comes to marketing and advertising for ThermWise. These include utilizing all available data and analytics in our media planning, buying, measuring and optimizing. They include producing stronger, more memorable creative that is more powerful and action-invoking than boring, straightforward ads. We partner with Lighthouse Research, a skilled and respected research firm, to benchmark and improve our campaigns each year. And we demand (and receive) an average of 30% real added value from our media partners.

This marketing plan reflects those best practices. It is our recommendation on how to help Dominion Energy customers conserve natural gas and reap the benefits of doing so.

SUMMARY

Therm Research

Every year, as is best practice for the marketing industry, a benchmarking survey is done by independent firm Lighthouse Research to understand key metrics of performance. This survey is important in directing each year's efforts and in ensuring ratepayer money is spent efficiently and effectively. This research drives strategies; it confirms much of what we're doing and tells us how to redirect efforts based on shifts in consumer thinking. It also helps us understand where our media is best placed, gauging attitudes and awareness of various audiences.

Based on key survey results (to be shown more in-depth below), some ThermWise strategies will remain the same and some will shift. Faktory, the ThermWise communications agency, recommends ThermWise still communicate energy efficiency using Therm as the spokesperson. Awareness leading to a desire to act continues to be the main purpose. But, dollars and messaging will shift a bit based on our annual survey results. Our strategies for 2020 will be:

- Continue using the character "Therm" as the ThermWise spokesperson
- As in the past, utilize a combination of mass and digital for high reach and frequency in order to communicate to Dominion Energy customers and the general public
- Continue to pursue community, grassroots and non-profit education and partnership opportunities
- Pursue a second year of broader messaging to incorporate the "clean air" benefit that comes from conserving energy along with the "save money" message from years past
- Tag some video and audio with call to actions to learn what rebates are available via a home energy plan
- Transition our tagline from "If you conserve, you can save" to the new tagline that tested well with leader and consumer groups, "Conserve. Save. Breathe."



Key Research Findings

- ThermWise continues to be highly recognized with 69% general public awareness
- 91% of consumers feel it's important for utilities to offer energy efficiency programs
- After one year of messaging, 15% of people say they'll conserve energy to help the environment/clean the air, up from 11% in 2018, showing good initial movement
- More people learned about ThermWise on TV than any other medium (though other media have closed the gap a bit), with utility bill inserts and radio coming in next
- In-home energy efficient measures increased in most areas, including efficient furnace installation, insulating or caulk around windows/doors, and tuning up the furnace or water heater
- Awareness among women rose from 64% to 70%—one of our concerted efforts was to ensure our message was reaching women in 2019

Awareness Summary

ThermWise - Overall Awareness (unaided & aided)

Gender	Men	Women
Awareness	68%	70%

Age	18-24	25-34	35-44	45-54	55-64	65+
Awareness	40%	58%	72%	84%	80%	65%

County of Residence	Davis County	Salt Lake County	Utah County	Weber County	Non-Wasatch Front
Awareness	76%	79%	62%	72%	56%

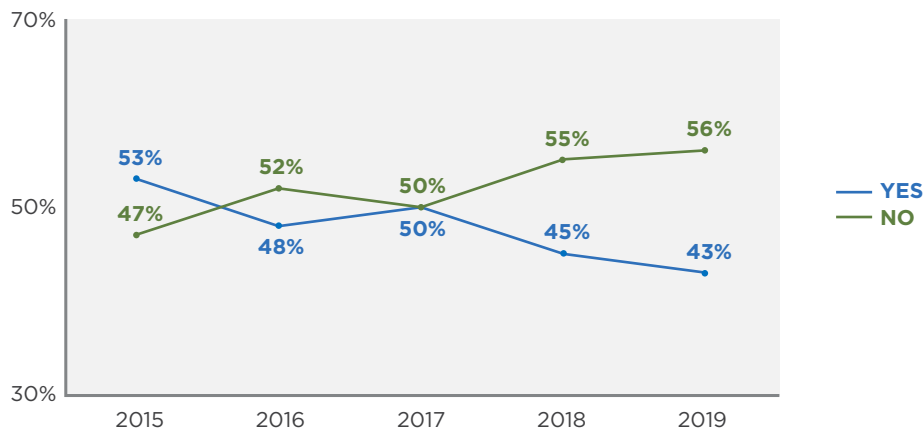
Rent or Own	Renters	Homeowners
Awareness	54%	73%

Annual Income	Less than \$20K	\$20K to \$39K	\$40K to \$59K	\$60K to \$89K	\$90K to \$129K	\$130K or More
Awareness	44%	55%	66%	69%	78%	78%



Energy Conservation Actions

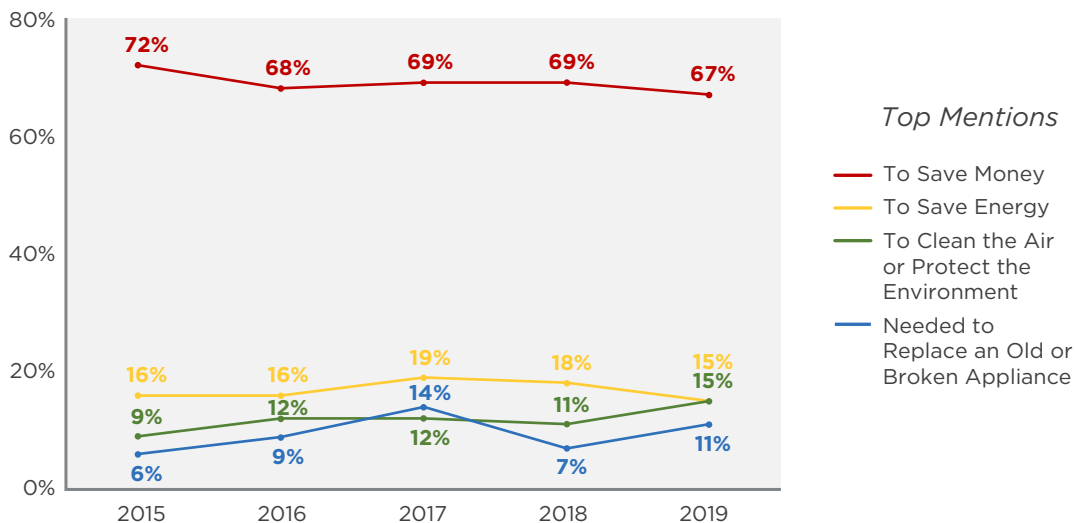
In the past year, have you taken any actions or changed anything in your household to save energy?



Over the past few years, people are less likely to take actions to conserve. This trend continues, and is about energy conservation overall, not specific to natural gas. This could be due to a number of reasons, including low costs of fuel and a good economy where saving money is less of a concern. It could also be due to the number of more dire “public service” messages that fill the airwaves, such as opioid abuse and suicide prevention. In 2019, we added a “clean air” message to our media mix, hoping to engage consumers with a more relevant, emotionally-charged message to drive action.

Energy Conservation Actions

What are the main reasons you took steps to conserve energy in your home?



Saving money continues to be the main reason people conserve. But, there was an uptick in people who want to conserve to protect the environment/clean the air. This could be the beginning of good momentum for driving home a second reason to conserve natural gas. We believe we should continue with this messaging, again paired with the “save money” messaging, as we did in 2019.



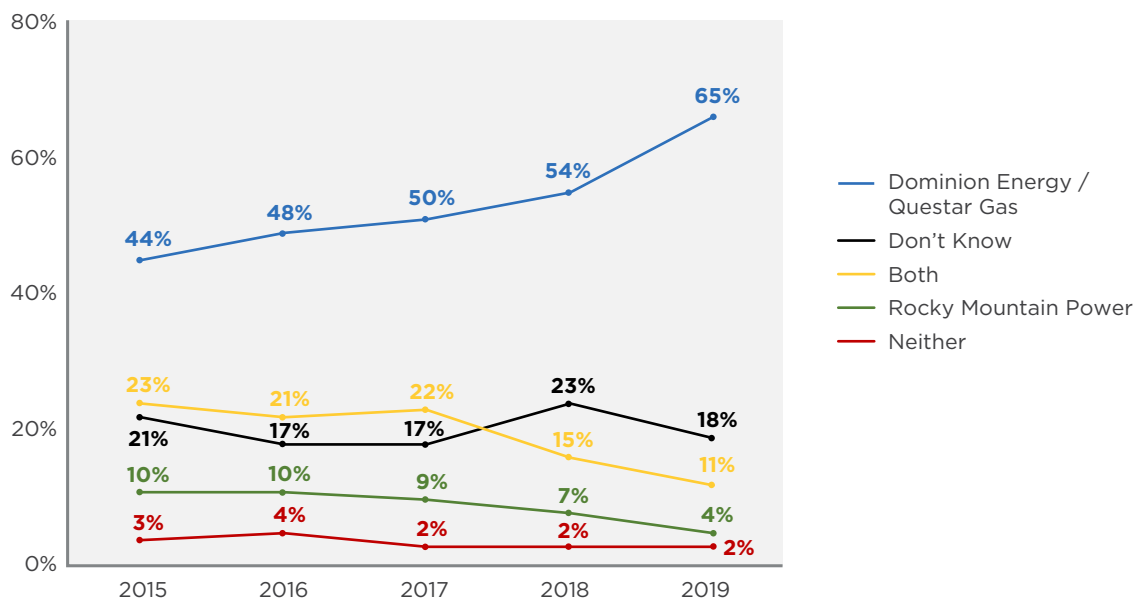
Awareness Summary

Awareness of ThermWise Program	2015	2016	2017	2018	2019
Unaware of ThermWise Program	26%	29%	31%	32%	31%
Unaided Awareness	5%	4%	4%	4%	5%
Aided Awareness (name only)	60%	58%	58%	58%	58%
Aided Awareness (name & description)	8%	9%	7%	6%	6%
Overall Awareness (unaided & aided)	74%	71%	69%	68%	69%

Overall awareness remains strong, denoting continued success in the marketing and communications of ThermWise.

Energy Programs

Who offers this in-home service?

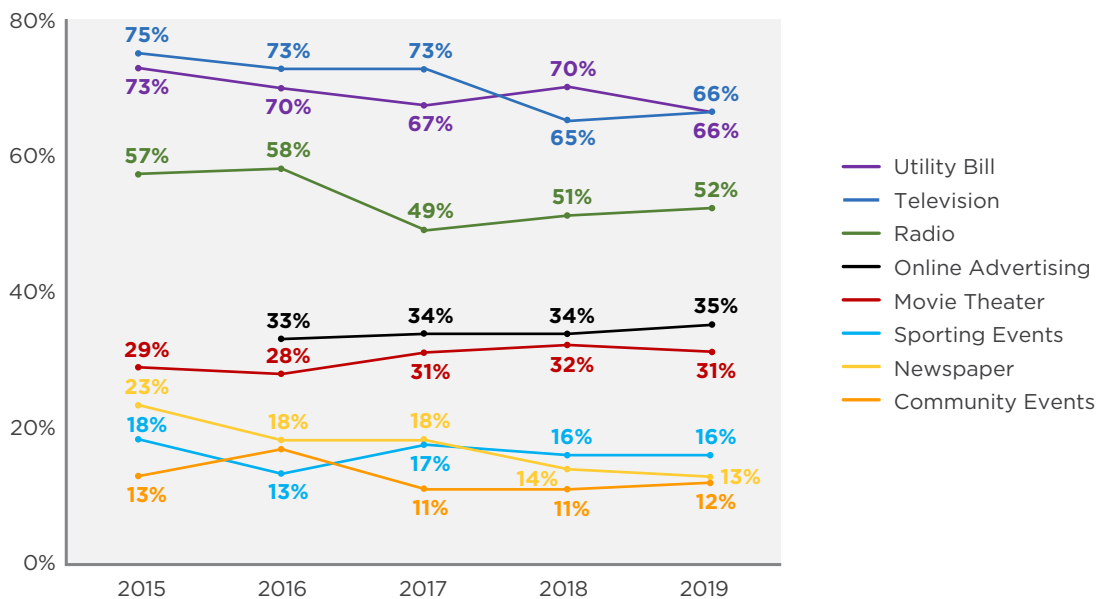


Our call to action over the past eight years has been to get a home energy plan to see how a person can save money on her/his gas bill. Awareness that Dominion Energy offers this program has risen from 44% in 2014 to 65% in 2019. This will continue to be our main CTA.



Advertising Awareness

Respondents Who Were Aware of ThermWise Through Various Sources
Combined Aided and Unaided Awareness



▼ Respondents in 2018 & 2019 were significantly **less** likely than previous years to mention “television.”

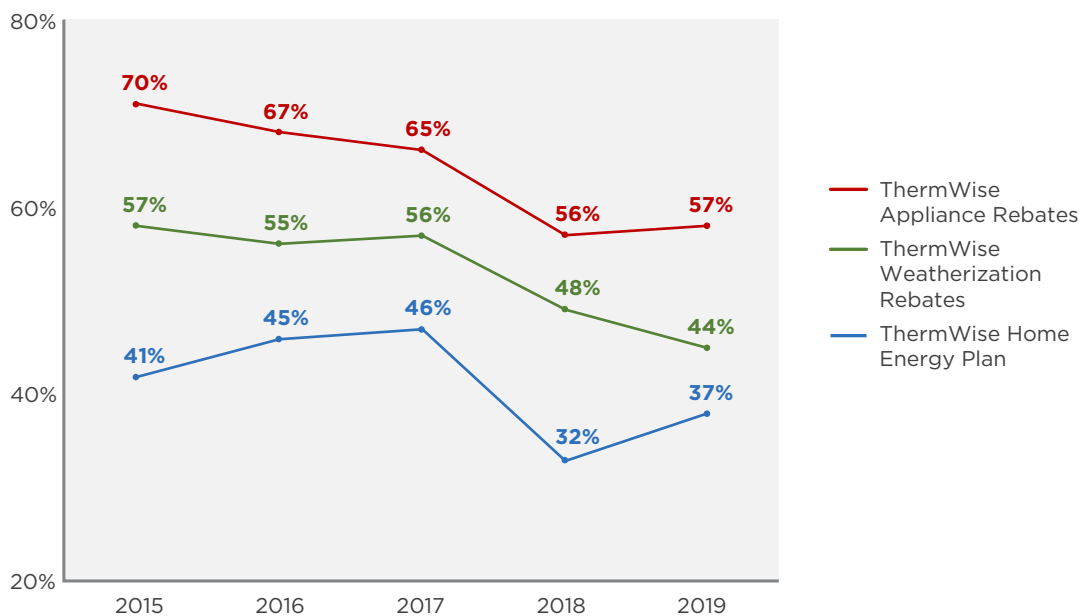
▼ Significant **decrease** since 2015 in the percentage who said “newspaper.”

Television and utility bills still lead in helping people become aware of the ThermWise program. Radio and online advertising are the next leaders. This confirms our mass media strategy of broadcast platforms combined with targeted communications, both digital and through bill inserts.



Participation in Energy Programs

Awareness of Specific ThermWise Programs
(Among Respondents Aware of the General ThermWise Program)



Targeting Rebates

Since 2015, awareness of specific rebate programs has dropped. That year, a conscious choice was made to remove specific focus on rebates because awareness was so strong, focusing much more on the saving money message (which is what resonated most with audiences in focus group testing that year). As we can see, taking away that focus has caused awareness to decline slightly every year, though a couple of rebate programs began to rebound in 2019. Our messaging and CTA this year will include rebate reminders to make people more aware again.

Key Takeaways for 2020

This year's annual survey confirmed much of the ThermWise strategy. It continues to be important for utilities to offer programs like ThermWise. Awareness and participation in ThermWise continues to be strong. The Home Energy Report is becoming more and more known. It also showed a continuation of the trend of, over the past five years, people's desire to take action waning (conservation overall, not solely natural gas). Saving money is still the main driver of conservation, but it also seemed to hint that the "clean air" messaging can be effective over time. It also showed an opportunity to refocus some efforts on messaging rebate programs.



2020 STRATEGIES

2020 Target Audience

First and foremost, targeting the general public with a mass campaign to drive both awareness and desire to conserve energy will continue. Using dollars previously put towards sponsorships, a strategy to partner with other organizations and communities will continue to roll forward, such as the Habitat for Humanity home done in 2019. Opportunities to partner with community leaders in pushing out conservation messaging will also be pursued.

Messaging

Messaging: The Importance of Staying “ThermWise”

Years have been spent building the “ThermWise” brand via consistent messaging and a recognizable, likable spokesperson in Daryn Tufts, aka “Therm.” Past years’ research proves this is a strong, memorable tactic for consumers. Promoting “ThermWise” and using “Therm” as messenger will continue. This will be done with all audiences.

Messaging: Keep Saving Money

Research tells us that saving money is still the number one motivator for conservation. This message will stay as a staple for the ThermWise mass media audience.

Messaging: Continue with Cleaning the Air

Year one of the “clean air” messaging showed a nice uptick in people conserving to help clean the air. Saving money is still the main reason people conserve and will continue to play a major role in ThermWise messaging. But the 2019 research shows conserving for the environment ranks second behind saving money. Faktory proposes that, as in 2019, some of the ThermWise communications funds be used to promote efficiency and conservation based on environmental stewardship, specifically helping to clean our air. This is something people care about and, over time, will be more apt to act upon in a good economy with inexpensive gas where money doesn’t matter as much. It adds an emotionally relevant message to ThermWise.

Note: Before launching more clean air messaging, we will work with the Advisory Group to ensure all are comfortable with our approaches.

Note: Clean Air Message Testing

In 2019, Faktory did message testing focus groups to find what “clean air” message resonates with the general public. The message that resonated the most was, “together, we can help clean Utah’s air.”

Note: Before launching more clean air messaging, we will work with the Advisory Group to ensure all are comfortable with our approaches.

Messaging: Peppering in Rebate Messages

Rebates shouldn’t be our main message or behavioral change driver. Rebates are only offered once on items, and many of those items are high-cost appliances that people repair only when they break down. But, the research shows there is an opportunity to remind people of the rebates we offer. Faktory recommends we use certain materials to remind people of rebates available through Dominion Energy’s ThermWise program.



Who Receives What Message

The general public will continue to get the “save money” message, as usual. They will also receive the “clean air” message. Community leaders (and by way of them, their constituents), will receive the “clean the air” message through educational materials. Partnerships with some of Utah’s most environmentally-conscious companies and communities will also continue to be explored, much like the Habitat for Humanity partnership.

New Tagline

“If you conserve, you can save” has been the ThermWise tagline since its inception. It’s a good line and has functioned well to communicate the singular message of saving money. As part of the 2019 message testing, new taglines were explored. The one that came out as the winner was:

“Conserve. Save. Breathe.”

This tagline brings together our two main messaging points around the reasons to conserve: to save money and to help clean our air. “If you conserve, you can save” has been the tagline since inception in 2007. Faktory recommends using both lines in 2020 as a transitional phase; the old tagline for saving money assets and the new tagline for cleaning the air assets. This change is to make our message more meaningful to consumers, giving the campaign new life and more influence.

Note: Before launching a new tagline incorporating clean air messaging, we will work with the Advisory Group to ensure all are comfortable with our approaches.

MEDIA

Mass and Digital Media

As has proven effective, the ThermWise campaign will reach the general public via mass, utilizing TV, radio, and digital (web and social) platforms. The Company will also use limited print, strategically placed. The annual research bares out this approach, as does industry research for public service campaigns like ThermWise. Mass media, along with the awareness/desire to act that it creates, is a necessary part of any behavioral change initiative. As a reminder from the 2019 filing, the National Institutes of Health states the following on mass media used to change behaviors:

“Mass media campaigns can work through direct and indirect pathways to change the behavior of whole populations. Many campaigns aim to directly affect individual recipients by invoking cognitive or emotional responses. Such programmes are intended to affect decision-making processes at the individual level. Anticipated outcomes include the removal or lowering of obstacles to change, helping people to adopt healthy or recognise unhealthy social norms, and to associate valued emotions with achieving change. These changes strengthen intentions to alter and increase the likelihood of achieving new behaviours. For instance, an antismoking campaign might emphasize risks of smoking and benefits of quitting, provide a telephone number for a support line, remind smokers of positive social norms in relation to quitting, associate quitting with positive self-regard, or a combination of these features. “Behaviour change might also be achieved through indirect routes. First, mass media messages can set an agenda for and increase the frequency, depth, or both, of interpersonal discussion about a particular health issue within an individual’s social network, which, in combination with individual exposure to messages, might reinforce (or undermine) specific changes in behavior.

Second, since mass media messages reach large audiences, changes in behavior that become norms



within an individual's social network might influence that person's decisions without them having been directly exposed to or initially persuaded by the campaign. For example, after viewing televised antismoking campaign messages, several members of a social group might be prompted to form a support group to help them stop smoking. Another individual who has not seen the television campaign could decide to join the support group and change his or her own behavior.

“Finally, mass media campaigns can prompt public discussion of health issues and lead to changes in public policy, resulting in constraints on individuals' behaviour and thereby change. For example, a campaign discouraging smoking because of its second-hand effects on nonsmokers might not persuade smokers to quit, but it might increase public support for a new policy that restricts smoking in specific places, which might have the secondary effect of persuading smokers to quit.”

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4248563/>

In other words, changes in behavior work on two levels via a mass campaign. First, the campaign directly affects people via emotional or cognitive messaging. Second, the campaign affects change through indirect means such as increasing discussion about a specific topic or changing social norms within a given group. This is why the market transformation dollars are so vital to the ThermWise campaign. They create awareness and a desire to make change.

A behavioral change initiative like ThermWise can't be effective if people aren't aware of it. It's a necessary component to ensure ThermWise is successful as a program.

Trade/Consumer Shows

The Company will continue marketing the ThermWise programs through local events and promotions such as spring and fall home shows, local fairs, energy efficiency conferences, local business conferences, military related events, and other community events. This allows the Company to have direct contact with its customers and local leaders, distribute marketing collateral, answer questions, and provide useful and accurate information in regards to its energy efficiency programs. In an effort to increase awareness of the programs outside the Wasatch Front, the Company has initiated involvement in more community events outside the Wasatch front, including county fairs and community events in more rural areas. In addition, many of these events allow “Therm” to interact with the Company's customers and further promote energy efficiency awareness and participation. Below is a list of marketing events through October 2019. The Company anticipates similar community marketing events in 2020.

2019 Marketing Events

We anticipate 2020 to be similar but not exactly the same list

- Autoliv Earth Fair
- Box Elder County Fair
- Cache Business Summit
- Cache County Fair
- Cyber Security Conference
- Davis Chamber of Commerce
- Deseret News Fall Home Show



- Edwards Life Science
- Environment + You
- FanX
- Governors Economic Summit
- Governors Energy Summit
- Habitat Tree Planting
- Hill AFB Green Event
- Hispanic Chamber of Commerce
- Legislative Session Reception
- Oak Hill Elementary School
- Parade of Homes
- Salt Lake Comic Convention
- Salt Lake Tribune Home and Garden Show
- Sandy Chamber of Commerce
- Segoe Lily Community Center
- Tooele County Fair
- UMA Expo
- Utah Manufacturers Association
- Utah Technology Innovation Summit
- Utah Valley Builders Association
- Varex Green Fair
- Weber State Employee Training
- Wells Fargo Green Fair
- Women in Business Conference

Launch New ThermWise.com Website

The survey results show that people look to the Dominion Energy website for conservation information. In addition, 58% of all website visits are generated from a mobile device. Right now, ThermWise.com is being updated to be more mobile-friendly and search-friendly. It has also been remapped and reorganized, eventually including the “clean the air” message along with other benefits.

<https://www.stonetemple.com/mobile-vs-desktop-usage-study/>

Continued Engagement with Communities and Community Leaders

ThermWise wants to empower community leaders to better talk about joining Therm and Dominion Energy’s ThermWise program in being good environmental stewards to help clean our air. Materials have been developed to allow our ThermWise team to help community leaders understand the need for conservation. Deeper partnerships with specific conservation-minded communities will also continue to be explored.

Net Zero Homes Initiative

The Company plans to broaden our Net Zero home initiative by partnering with non-profit organizations throughout Utah in 2020 to promote Net Zero Homes. This partnership focuses on building homes that meet Net Zero Standards. A Net Zero Home is defined as an energy efficient building where, on a source energy basis, the actual annual consumed energy is less than or equal to the onsite renewable



generated energy. In addition to renewables, these homes will include high-efficient natural gas and electric appliances. The Company views this initiative as a foundation for the development of a robust and self-sustaining Net Zero Homes market in the years to come. The Company will partner with non-profit organizations, higher education institutions, local trade schools, contractors and other interested parties to implement this initiative. An additional goal of this initiative is to train the next generation of contractors and tradesfolk in the production of Net Zero Homes.

RESEARCH AND EVALUATION OF SUCCESS

The annual research survey will be performed to ensure awareness/desire to conserve continues strong among the ThermWise target audience, along with verifying ThermWise remains strong in recognition. Minor adjustments will be made based on feedback from the Advisory Group.

