



**ThermWise Market Transformation
Strategic Marketing Plan**



PREFACE

Who is Faktory?

Faktory is a full-service 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 more emotionally compelling 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, because we know rate payor dollars are sacred, 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 consumers 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.

For the second year, we included Therm (the ThermWise spokesperson) in our Lighthouse survey. The results are in, and he continues to be a strong and likable expert communicating the benefits of energy efficiency. Faktory, the ThermWise communications agency, recommends ThermWise still communicate energy efficiency using Therm as the spokesperson:

- **49%** of all consumers are aware of Therm
- Of those, **73%** have seen ads in the past year
- **79%** have a positive impression of Therm

Key 2022 Campaign Strategies

Our strategies for 2022 will be:

- Continue using the character "Therm" as the ThermWise spokesperson
- Utilize a combination of mass, digital, social and earned media for high reach and frequency in order to communicate to Dominion Energy customer and the general public how to conserve gas to save money
- Shift the content and tone of the campaign from the smart humor of the past to testimonial and story-telling
- Focus the campaign on three specific ThermWise programs to drive awareness and desires to act: builder rebates, weatherization rebates, appliance rebates, with the Home Energy Plan as the CTA in most instances
- Have the CTAs for each program to drive to specific scheduling and information portions of the ThermWise website
- Due to the continued consumer move from mail bills to email bills, better infuse the email bills with ThermWise information
- Continue to pursue community, grassroots and non-profit education and partnership opportunities
- Broaden our social media channel strategy to reach and influence younger demos

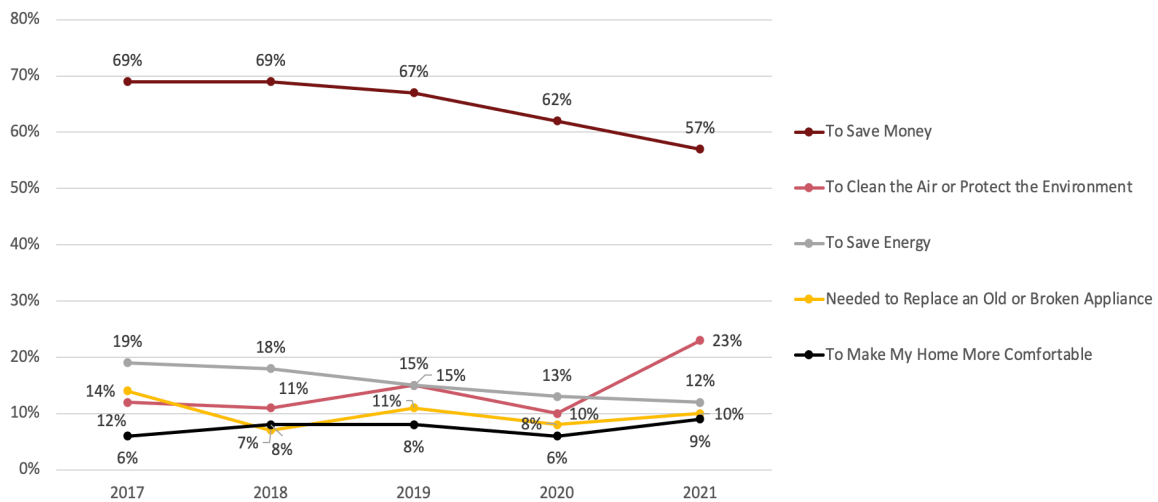


Key Research Findings

- **90%** of consumers feel it's important for utilities to offer energy efficiency programs
- ThermWise continues to be highly recognized with 62% general public awareness, which remained the same from the previous year
- A significant number of people learn about ThermWise via utility bills, but fewer people are receiving their utility bills via mail
- TV and utility bills continue to lead in how people find out about ThermWise, with radio coming next to TV
- **58%** of respondents are aware Dominion Energy offers a Home Energy Plan to its customers
- Saving money continues to be the major reason consumers conserve, but we saw a huge tick up in conserving to clean the air or protect the environment

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

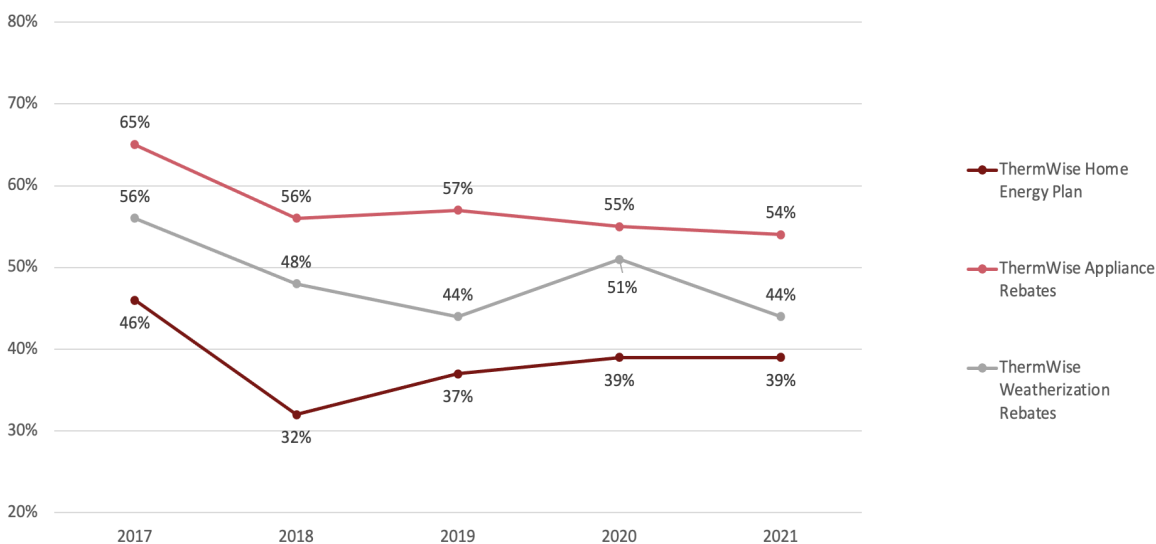
Top Mentions



↑ 2021 respondents were **more** likely than 2014-2018 and 2020 respondents to say "to clean the air or protect the environment." ↓ 2021 respondents were **less** likely than 2014-2018 respondents to give the reason "to save money."

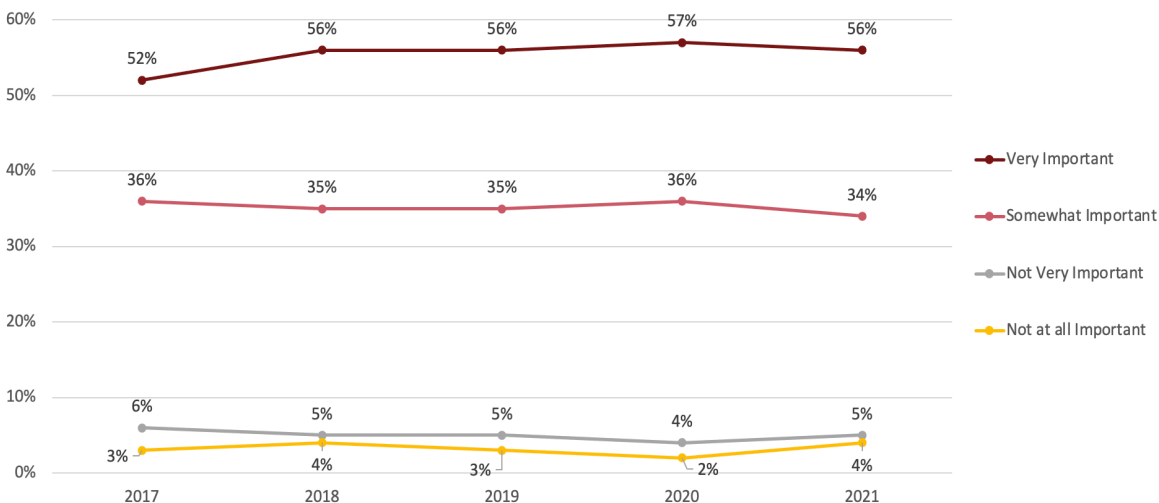


Awareness of Specific ThermWise Programs (Among Respondents Aware of the General ThermWise Program)



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.

How important is it for utility companies to offer customers programs to help conserve energy?



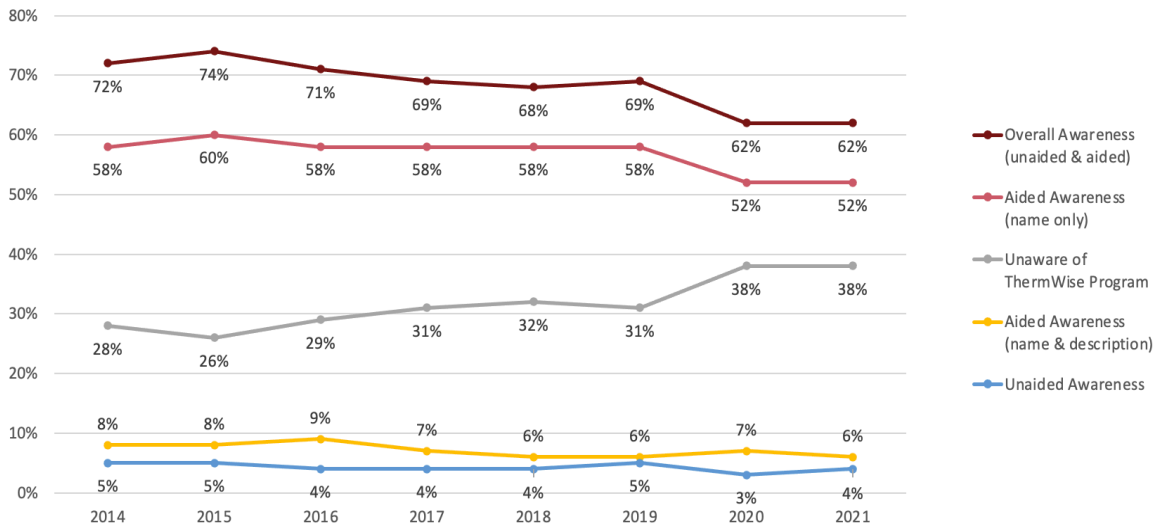
Consumers continue to feel it’s important for utility companies to offer ways to conserve, and saving money continues to be the main reason people conserve.





Since 2014, awareness has remained strong and steady. Last year, we experienced a 7% drop in awareness. Per our filing last year, we addressed that decline and maintained at 62% awareness. In digging into the research detail, we find that the drop is mainly among the younger demographics - 18-24 and 25-34. Strategies will be implemented to improve reach with that age group.

Overall Awareness of ThermWise



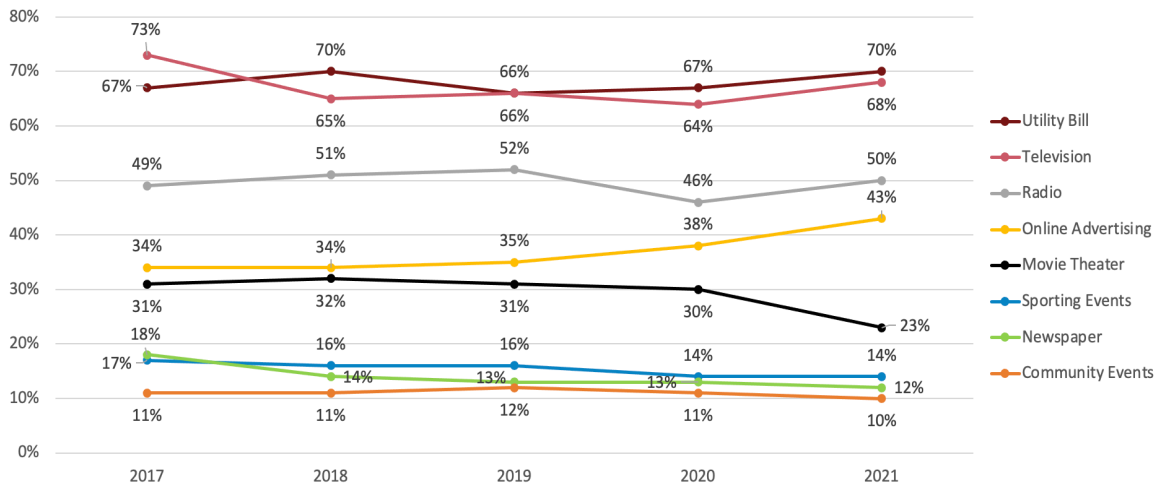
Those measures will include a more aggressive social push, putting more budget behind Instagram and Facebook. We will also do earned media, looking for more opportunities to be featured on channels beyond traditional advertising.

As pointed out above, we saw a massive increase in desire to conserve to clean the air or protect the environment. We will not change messaging based on that desire yet - saving money continues to be the clear leading reason to conserve. But we will monitor it in next year's study.



Respondents Who Were Aware of ThermWise Through Various Sources

Combined Aided and Unaided Awareness



↑ 2021 respondents were **more** likely than 2016-2019 to say “online advertising.” ↓ 2021 respondents were **less** likely than 2015 to mention “television.” ↓ 2021 respondents were **less** likely than 2015-2017 to say “newspaper.”

Utility bills and television 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.

Key Takeaways for 2022

This year’s annual survey confirmed much of the ThermWise strategy. It continues to be important for utilities to offer programs like ThermWise. Both 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 5-year trend showing that people’s desire to take action is waning (conservation overall, not solely natural gas). Saving money is still the main driver of conservation, and interest in specific programs seems to be growing.



2022 STRATEGIES

2022 Target Audiences

First and foremost, targeting the general public with a mass campaign to drive both awareness and desire to conserve energy will continue, though with a sincere tone (versus humorous) and concepts that involve storytelling. Social media as a channel will increase to speak with younger audiences. Digital retargeting will be used to drive action with those who show interest. The community outreach opportunities will continue to be pursued (such as Habitat for Humanity and Davis School District). Opportunities to partner with community leaders in pushing out conservation messaging will also be pursued.

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.” Our 2020 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: Focus on saving energy tips and specific programs

We will build on the success of last year’s focus on builder and appliance rebates. To better resonate with our younger audiences, we will also develop messaging focused on simple energy saving tips you can do around your home. We will continue to emphasize the Home Energy Plan as the Call to Action to help people save money.

MEDIA

Mass and Digital Media: reminder from past filings

As has proven effective, the ThermWise campaign will reach the general public via mass, utilizing TV, radio, and digital (web and social) platforms. We will also leverage earned media outside traditional paid advertising channels. 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. 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.

Social Media

As consumer habits change, though, social becomes a more powerful way to reach younger consumers. We will allocate more campaign dollars to grow our social presence for more influence among younger audiences.

Earned Media

Looking for ways to garner attention for the ThermWise campaign outside of paid advertising channels will be part of our 2022 strategy. These opportunities are meant to make a “splash” of publicity to get people talking and paying attention.



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, as long as local guidelines permit safe participation according to state and local guidelines. 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.

Better utilize bill emails

Mail utility bills lead in how people find out about the ThermWise program. That being said, more and more people are going to emailed bills. That being the case, we will infuse email bills with more ThermWise marketing messages that encourage program participation.

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 and Dual Fuel Heating System Promotion

In 2020 and 2021, we spent a lot of time looking for ways to promote Net Zero within the non-profit space. Multiple wonderful and effective partnerships have come from that. We propose extending this program to broaden our ability to teach Net Zero and new technologies such as the dual fuel heating systems.

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 that ThermWise remains strong in recognition. Minor adjustments will be made based on feedback from the Advisory Group.

