

Agency: Cossette Communication - Marketing

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Hydro-Quebec 'EcoKilo'

INTRODUCTION

Wouldn't life be simple if we could change consumer behaviour just by turning a switch? Sometimes advertisers find this elusive 'hot button.' But usually, shifting the consumer is a more complex process. Awareness, behaviour modification and positive reinforcement are some of the words borrowed by advertisers from the field of psychology to explain the problems they face as well as to measure the success of their work.

In this case, Hydro-Quebec wanted to change the behaviour of its customers. Their growing use of hydroelectricity needed to be curtailed. The creature comforts of home and hearth, as they were being enjoyed by Quebec consumers, needed to be modified to reflect the emerging reality of high cost electrical energy.

At the time of this campaign, concern for the environment was an emerging public issue (as it still is today). Hydro-Quebec was perceived by many in the media and the general public as part of the problem, not part of the solution. Hydro-Quebec chose not to wrap its EcoKilo campaign completely in an environmental flag. In this case, 'Eco' stands for economy, not ecology. The strategy's core message revolved around cost-savings to the individual customer. The campaign used the analogy of shedding kilowatt hours as if it was a matter of going on a diet to lose weight. This approach helped the participants in the campaign to understand the discipline that would be required to implement change and helped set up attainable goals that could reinforce 'sticking to the diet.' A key component of the EcoKilo program was its use of free, household energy-saving devices that would encourage more efficient energy usage.

The campaign's success rests on its integrated approach to communications. Advertising created immediate awareness and a call to action. The use of an elaborate personal questionnaire created a highly interactive direct-mail campaign. Unlike most direct-mail efforts, this one promised each program participant a personal energy assessment, advising them on concrete changes that could be made in their own household to save money. It engaged customers in an intimate dialogue with Hydro Quebec and established a level of commitment by both parties. That goes a long way to explain why the participation rate was twice what the client or agency expected and why 98 per cent of the participants said they were satisfied with the program. Hydro-Quebec supported its suggestions with practical devices to make the job of energy saving easier. This went beyond bribing customers with 'a free gift if you act now.' These devices, such as water aerators and light dimmers, became more than a bonus inducement - they became a value-added reminder of the program every time the participant turned a water tap or switched on a light.

EXECUTIVE SUMMARY

In January 1991, Hydro-Quebec and Cossette developed and executed a major energy saving program in the province. This project was christened 'EcoKilo'.

Designed for residential customers, the objectives of the project were two fold: first, to analyze household energy consumption patterns and second, to offer advice on how to use electricity more efficiently and save.

A questionnaire consisting of 65 questions was sent to each eligible customer and the answers provided the basis for our analysis. Once completed, the questionnaires were returned to Hydro-Quebec. The data was processed by a sophisticated computer program that converted the information into personalized reports detailing electricity consumption patterns and offering tips on how to save energy. These reports were returned to the customers, along with three energy-saving devices supplied free-of-charge, to encourage customers to put Hydro-Quebec's advice into practice.

OBJECTIVE OF THE PROGRAM

Despite the time and effort required by its 2.6 million customers, Hydro-Quebec expected a participation rate of 25 per cent, or 650,000 replies. The objective of the advertising was clear: to encourage customers to participate in the program and ultimately, to exceed the participation rate.

In response to these objectives, Cossette developed a pertinent and motivating campaign. In a sympathetic and responsible way, the advertising talked about the new environmental concerns that face citizens and corporations alike, and put the concerns in an economic context. The advertising message performed very well. In focus group tests that were conducted in various markets before the campaign was launched. As the campaign rolled out in a series of phases, Ekokilo participation rates in the markets that had been exposed to the advertising campaign were a full 30 per cent higher than anticipated.

In fact, Hydro-Quebec achieved its participation rate objective five months before the Ekokilo program came to an end. By the end of the campaign, the overall participation rate had already reached a record high of 51 per cent.

The evidence confirms that advertising played a key role in the success of the Ekokilo program.

SITUATION ANALYSIS

THE CONTEXT

In order to stabilize the ever-increasing demand for electricity and to control the infrastructures that such growth requires, Hydro-Quebec had to reconsider its position on the consumption of electricity.

The prospect of rate increases and growing environmental concerns motivated Hydro-Quebec to change its outlook. As part of this new strategic direction, Hydro initiated different energy-saving programs for its industrial, commercial and residential clientele.

In spring 1991, Hydro-Quebec launched its first major program to assess the energy-consuming patterns of its residential customers.

BACKGROUND INFORMATION

Large crown corporations rarely initiate such monumental surveys. Hydro Quebec's had conducted a small-scale survey in 1989 in which a questionnaire consisting of 29 questions was sent to 101,977 households. At the time, this survey generated a participation rate of 44.9 per cent.¹

Hydro-Quebec's prognosis for this program was less optimistic. After all, the questionnaire was almost twice as long (therefore twice as time consuming), and demanded much more detailed answers.

Moreover, it is not uncommon that these kinds of initiatives undertaken by large corporations become targets for the media. Journalists attacked an earlier energy-saving program initiated by Hydro before this campaign. At the time, Hydro was offering a cash-back special on 'Waterpik' shower heads. The press accused the crown corporation of promoting an American product instead of one made in Quebec or Canada. Other factors were also in play during the time to create an adverse public relations climate for Ekokilo:

- The Grande Baleine Hydroelectric project was becoming highly controversial because of the joint opposition of environmentalists and natives.
- Hydro has been selling electricity at cut-rate prices to the United States and certain regional aluminium plants. This perceived 'favouritism' was not received well by household consumers.

STRATEGY AND EXECUTION

MARKETING OBJECTIVE

Hydro-Quebec's main objective was to obtain a participation rate of 25 per cent. Of its 2.6 million customer base, 650,000 were expected to respond. The response rate was set in accordance with other similar programs executed in Canada and the United States. The main one that guided this decision was a similar program by Ontario Hydro in which the response rate ranged between 15 and 45 per cent. Hydro-Quebec's target of 25 per cent was positioned within that range, although, it was a fairly optimistic expectation given the effort required by respondents and the negative image the media was painting of Hydro-Quebec.

Hydro-Quebec estimated the value of this participation in terms of the impact of energy conservation on its capital equipment investments. This program was expected to save over \$147-million in additional equipment acquisition costs.

COMMUNICATION OBJECTIVES

- To encourage eligible customers to participate in the Ekokilo program;
- To improve Hydro-Quebec's image in the eyes of its customers.

COMMUNICATION STRATEGIES

- To develop a global communications approach that would unfold in several integrated phases

The entire strategy was based on the crucial phases involving the mailing and the processing of the questionnaire. The operation was conducted in five phases:

- Advertising - Conditioning/Information
- Mailing 1/Questionnaire
- Advertising - Relaunch/Reminder
- Mailing 2/Reply
- Advertising - Follow-up/Advice

To create a 'down-to-earth,' familiar tone, a regional roll-out was undertaken according to a plan based on Hydro-Quebec's nine business and administrative regions. It ran from June 1991 to December 1992. The media plan was flexible so that each region could launch and support the individual phases. The realities of each regional market were taken into consideration, especially regarding the selection of publications.

THE CAMPAIGN

The advertising played the key role of providing all the information about the program. As a result, it had to appeal to the public and motivate them to participate.

Because of the information to be conveyed and the regional specificities, print and radio were chosen. Print allowed us to give the information in phases, and radio allowed us to create urgency. Three print ads and three radio ads were produced for the first part of the campaign, which corresponded to the Conditioning and Relaunch phases.

In the second part, or the Follow-up/Advice phase, the emphasis was placed on the 'advice' aspect. Five mini-

ads and four radio commercials were created to promote the energy-saving devices, and to provide practical tips to cut down on energy consumption. These advertisements were negotiated as bonuses, based on media purchases during the first part of the campaign. These mini-ads were run as inserts or broadcast at the end of radio programs in each market. They served as 'reminders' for participants to use the energy-saving devices and to apply the recommendations of their personalized reports. This arrangement allowed us to obtain a media value equal to the first part of the campaign.

CREATIVE APPROACH

In considering all the aspects of the situation, one element was clear: Quebeckers were consuming too much electricity. Based on this fact, the analogy was made with the need to lose weight. Unwanted kilos were used as a metaphor for unwanted kilowatt hours.

This creative approach lent itself to the various phases of the campaign. The Sensitization ad read: 'To shed those extra kilowatt-hours.' The First reminder was: 'Need to lose a few kilowatt-hours And the last reminder asked: 'Have you done your exercises?'

Visually, the dial of a weigh scale was replaced with a Hydro-Quebec counter. This new image was used to identify all the print materials produced for the campaign (from the brochure to the questionnaire and the personalized report).

For radio, the warm voice of a woman over a calm background was used to inform customers about the progression of the program. An older, male voice was used to announce and sign off the radio commercials.

COMPLEMENTARY TACTICS

PROGRAM IDENTIFICATION

Before developing the copy, it was imperative to give the program a distinctive identification. And so, the name Ecokilo, which brings together the words 'economy' and 'kilowatt hours,' was chosen. The name Ecokilo was used on all communications developed for the program.

DIRECT MARKETING

Hydro-Quebec had to provide the simplest possible tools to enable its clientele to participate in the program. All print material was produced as collateral material for the advertising campaign. The first mailing consisted of an envelope, an instructive brochure and the questionnaire. The second mailing included a theme box that contained the chosen energy saving devices and their installation instructions. Customers could choose from two options that consisted of a refrigerator thermometer, two reduced-flow faucet aerators and either a lighting system timer or a reduced flow shower head. The name, logo and signature (theme of the campaign) were printed on the theme box to reinforce the program's identity.

PUBLIC RELATIONS

The specific role of public relations was to introduce and to explain the objectives of the program to the media, while providing support for the campaign overall. Public relations interventions were particularly effective in communicating the results of the program through regional media coverage. Their job was made especially difficult given the socio-political difficulties Hydro-Quebec was experiencing in each one of its administrative regions.

RESULTS

THE ADVERTISING EFFECTIVENESS

In order to verify the pertinence of the advertising campaign, a pilot project was initiated in spring 1991. Two regions were selected and were exposed to the campaign. In light of the results, Hydro-Quebec can confirm that the participation rate was 30 per cent greater than the initial objective of 25 per cent in these two markets². As

for the awareness of the campaign, the test markets scored 45.5 per cent awareness, compared with a rate of 31.9 per cent in other markets.

RESULTS OF THE PROGRAM

Ecokilo was considered a success, even after covering only four of the nine regions. The anticipated participation objective set at 25 per cent was surpassed in all of the regions covered up until August 31, 1992.

Montmorency	57.2 per cent
La Grande	55.9 per cent
Saint-Laurent	40.6 per cent (partial results)*
Richelieu	47.7 per cent (partial results)*

** In these last regions, the participation rate could increase 5 to 10 per cent by the end of this project*

As this trend continued, the campaign eventually doubled the original participation objective. Moreover, follow-up surveys revealed that 98 per cent of customers are satisfied with the program.

SAVINGS INCURRED

Hydro-Quebec revised its projected equipment savings up to \$348-million from its initial projections of \$147-million.

Moreover, the project's reputation has spurred the interest of foreign energy/utility companies which have contacted Hydro-Quebec and want to know more about the project. In that sense, the program helped confirm Hydro-Quebec's leadership and expertise in the field of energy-saving programs on an international basis.

We are convinced that without the advertising and the graphic elements designed for this program, Ecokilo would never have met with such unanticipated success. Nor would Hydro-Quebec have achieved its objective of informing its public on the need for efficient and responsible energy use.

Notes.

1. Utilisation de l'électricité dans le marché résidentiel, Ad Hoc marketing et BMA 1989
2. Système de suivi de l'efficacité, édition post marchés test, SAR, novembre 1991, p.31

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