PERC Highlights for WIP

Paula Wilson - Chair

Miami, FL
October 26, 2014
MISSION STATEMENT

To expand and grow the safe, efficient use of odorized propane gas as a preferred energy source through training, technology development, and the commercialization of new products.
Strategic Goals

GOAL 1: Business Growth

Expand and grow the clean, efficient use of odorized propane gas as a preferred energy source.

GOAL 2: Safety and Training

Provide effective training programs and related communications on the safe use and handling of propane and propane equipment for consumers, the industry workforce, commercialization partners, and emergency responders.
GOAL 3: Industry Engagement

Inform, educate, promote and collaborate across the industry on PERC programs and resources.
Investment by Market ($35.5M)

- Off Road, 5.19, 15%
- On Road, 12.15, 34%
- Residential & Commercial, 5.63, 16%
- Agriculture, 3.39, 9%
- Commercial, 0.89, 2%
- Other, 2.43, 7%
- Propane Industry, 5.9, 17%
The Path to Growth

“COMMERCIALIZATION OF NEW PRODUCTS”
Commercialization Defined

From Mind to Market

PRODUCT CONCEPT:
• Can the product be produced? By whom?
• What’s the business case?
• What technical or safety issues need to be addressed?
• What’s the market? Competition? Regulation?

MANUFACTURE:
• Prototype, Plan & Execute Production, Consumer Testing
• What’s the Sales and Marketing Plan? Distribution Channels? Pricing?

PRODUCT LAUNCH:
• Implementing Sales and Marketing Plan
• What training is needed? For whom?
• What is the market response? Consumers? Competition?
Research Objectives

- Better understand propane familiarity and attitudes.
- Determine what drives propane favorability, willingness to consider, and use.
- Identify opportunities to develop markets and build long-term loyalty.
Target Audiences

- Homeowners & Construction Professionals in propane country.
- Business owners in propane country.
- Fleet managers.
- Landscape and Golf Course Maintenance.
- Farmers and ranchers.
Highlights: Autogas Market

• **FLEET MANAGERS**

**Insights**

• **Where they work:** More likely to work in private sector than public sector.

• **Decision making:** More likely to be top or sole decision maker when it comes to fleet composition.

• **Most trusted source:** Peers.

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**Market Opportunity**

- TOP PROSPECTS: Favorable and Willing to Consider: 24%
- Not Willing to Consider: 51%
- Willing to Consider: 25%

**Recommended Strategy**

- Develop separate outreach programs for private and public fleets.
- Use peer testimonials.
- Increase frequency and intensity of messaging about fuel and vehicle offerings.
**Propane Price Increase Causes**

Data shows responses from total sample, as well as those personally affected by the price increases.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Total</th>
<th>Affected</th>
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<tbody>
<tr>
<td>Spike in demand from the cold weather</td>
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<td>National propane producers are price gouging</td>
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<tr>
<td>Bad government policies</td>
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<tr>
<td>Spike in demand from increased agriculture needs</td>
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<tr>
<td>Not enough infrastructure available</td>
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<tr>
<td>Too much propane is being exported</td>
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<tr>
<td>Local propane retailers are price gouging</td>
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<tr>
<td>National shortage of propane</td>
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<tr>
<td>Not enough local storage facilities for propane</td>
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2014 CONSUMER SAFETY PREPAREDNESS CAMPAIGN

September 8 – November 23, 2014
Campaign Objectives

• Help homeowners stay safe by encouraging them to talk to their propane retailer about how to prepare for the winter.

• Drive residential heating consumers to www.propane.com for important safety advice.

• Increase customer loyalty to propane by reinforcing the many positive reasons to use propane.
State and Local Marketer Support Strategy

Customizable campaign materials:

- 30-second TV advertisement
- 30-second radio advertisement
- Print advertisement
- Direct mail piece
- Invoice stuffer
- Website
- Media buying assistance
- Partnership with States eligibility
ARE YOU PREPARED FOR WINTER?

Clean, American-made propane delivers unmatched comfort for millions of homeowners like you. To make sure your home is prepared for winter, answer these two questions:

Do you use propane appliances in your home? (Not including outdoor grills) *

- Yes
- No
- I don’t know

Do you have a contract with your propane provider for deliveries this winter? *

- Yes
- No
- I don’t know

SUBMIT

KEEP YOUR FAMILY COMFORTABLE AND SAFE

Your propane provider is dedicated to making sure you enjoy your high-performing propane-powered appliances all winter long.

Watch the video to discover how to make the most of propane in your home.

EFFICIENCY TIPS FOR YOUR PROPANE HOME
New Logo Debuts

PROPAINE
CLEAN AMERICAN ENERGY

™
DISCOVER… PERC

- Propane.com
- Propane MARC
- MTST
- New Business Incentives
- PERC Council and Advisory Committee
THANK YOU!!