



# **Evaluation of the San Diego Gas & Electric Plug Load and Appliances Field Services Efforts**

Final Report

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Prepared for: San Diego Gas & Electric



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## 1 Program and Evaluation Background

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SDG&E contracted with a firm in February 2013 to conduct field services to support the 2013-2014 Plug Load and Appliance (PL&A) program, which is implemented at over 100 participating retailer and distributor outlets. The contractor is providing management and training of participating retailers and development and display of point-of-purchase materials.

The contractor's performance is measured based on six Key Performance Indicators (KPIs) that are specified in its contract with SDG&E. These KPIs are reported on periodically to SDG&E via monthly reports, email and phone calls.

In May of 2013, Evergreen Economics was hired to review contractor documentation on KPIs and to gather feedback from participating retailers and field service representatives. The overall objective of the research was to identify ways the program can maximize the sales of energy efficient products (water heaters, insulation, refrigerators, clothes washers, and room ACs) through retailer education and marketing. Our research was primarily focused on evaluating the effectiveness of the contractor's program delivery (e.g., whether they are fulfilling their contract obligations, if SDG&E and the retailers they serve are satisfied with their performance, if there are ways in which program delivery could be improved to be more effective and/or efficient). In addition, through the course of our research, we also attempted to provide insights about the effectiveness of program design and market feedback.

## 2 Research Approach

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We conducted our research in two phases. The first phase included a cursory review of KPI documents covering up to 2013:Q4 and a small number of in-depth interviews with staff from SDG&E, the SDG&E contractor and participating retailers, the findings of which we presented in an initial interim memo (Appendix A.) We presented these interim findings for this first phase to program staff in February of 2014. This meeting resulted in a Data Analysis Plan Memo (Appendix B), which identified additional research questions and outlined the tasks to be completed in the second phase of our research.

This report builds on the interim findings we delivered in January and presents findings from the second phase of our research activities:

- Second round of interviews with marketing staff and contractor staff, and
- Review of KPI documentation through June 2014.

Table 1 summarizes the research questions and objectives discussed with program staff during our meeting in February 2014 and shows how each question is linked to the data collection and analysis.

**Table 1 – Research Questions and Associated Tasks**

Research Questions	In-Depth Interviews		Analysis or Revision of KPI Documents
	Market- ing Staff	Contractor Staff	
How does marketing impact customers?	x	x	x
How does the contractor impact customers?	x	x	x
Are there perceived issues related to product turnover? What is the shelf life specific products?		x	x
How does SDG&E get customers to walk away with a broader energy efficiency message? Are retailers interested in home displays?	x	x	
Is anyone else doing overall marketing better than SDG&E?	x	x	
Is the program impacting attitudes of consumers, retail staff, and manufacturers?	x	x	x
When will SDG&E have transformed the market?		x	
Is SDG&E making a positive impact on the market?		x	x
What are consumer barriers to purchasing energy efficient products?			x
How often are products moved/ signs moved?		x	x
What incentive structures are in place for store associates?		x	x
How is the mix of incentivized vs. non-incentivized products changing over time?		x	x

## 2.1 In-Depth Interviews

Evergreen conducted a small number of in-depth interviews with the following staff to inform the research questions:

1. SDG&E Marketing Staff
2. SDG&E Contractor Staff

### 2.1.1 SDG&E Marketing Staff Interviews

During our meeting with program staff in early February of 2013 where we presented our interim results, we held an initial discussion with SDG&E’s marketing team. We continued these conversations through a subsequent telephone interview, which included the following topics:

- Merits of presenting an overall energy efficiency message;
- Customer attitudes and perceptions;

- Direct marketing impacts for consumers; and
- SDG&E contractor marketing strategies.

### **2.1.2 SDG&E Contractor Staff Interviews**

We conducted a telephone interview with the contractor in September 2014. Topics covered included:

- Perceptions of retailer willingness to have in-store overall energy efficiency messaging or demonstrations;
- Product shelf life;
- Marketing in other utility jurisdictions;
- Customer perceptions; and
- Market impacts, changes and direction.

## ***2.2 Review of Key Performance Indicator Documentation***

We conducted three tasks related to KPI materials over two Phases, which are listed below. We reported on Phase One activities in early 2014 via two memos that are summarized in Section 4.1 (and included as Appendix B and C). The focus of this report is a review of KPI documentation covering 2013 through June 2014, summarizing the data and providing feedback on program delivery, market outcomes and market impacts.

1. Review and Analysis of KPI documentation (Phases One and Two)
2. Modification of KPI documentation (Phase One)
3. Creation of Store Questionnaire/Assessment and Sales Associate Survey (Phase One)

### 3 In-Depth Interviews

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Evergreen Economics conducted a small number of in-depth interviews to inform our understanding of program design and implementation, and to identify any high priority issues for our evaluation. We spoke with marketing staff and SDG&E contractor staff members.

We organize our interview findings below by the research questions identified previously in Table 1. We grouped the research questions into five categories:

1. Overall Energy Efficiency Messaging
2. Market Influence
3. Marketing and Communication
4. Product Complexity
5. Regional Comparisons

#### 3.1 Overall Energy Efficiency Messaging

When we met in early 2014 to present our interim findings, SDG&E staff were curious about how to provide an overall energy efficiency message to consumers and identified the following research questions:

- How does SDG&E get customers to walk away with a broader energy efficiency message? Are retailers interested in in-store larger scale displays?
- What are consumer barriers to purchasing energy efficient products?

In our discussions with SDG&E contractor staff and a member of SDG&E's marketing team we asked about the need for overall energy efficiency messaging. Both marketing staff and SDG&E contractor staff felt that an overall energy efficiency message is important for customers.

**Energy efficiency education as a resource for future action.** Marketing staff saw a need for both broad energy efficiency marketing and specific product education. The hope is that customers have a positive experience overall (and specific to monetary savings) with a particular energy efficient product and then know how to get information on additional energy efficient products when they are ready to make a purchase. The marketing interviewee emphasized that customers can drilldown on the greatest areas of need in their home and view usage on the SDG&E website. A broad energy efficiency message allows customers from various segments and income levels to consider what they can do to become more energy efficient.

**Customer interest in energy efficiency.** The SDG&E contractor sees their major objective is to affect market transformation in energy efficiency by creating awareness of products and programs that help customers access energy efficient choices. Their activities do not include interacting directly with customers, rather they aim to influence the customers by educating the sales associates that interact with consumers. The contractor has however, heard more questions about incentives for windows and understands this to be an indicator that people



are thinking about other energy efficiency opportunities. The marketing interviewee noted increased customer interest in overall energy efficiency due to higher energy bills and the visibility of solar and electric vehicles.

**There is an opportunity to educate customers about their energy usage and how to control it.** The contractor staff member we spoke with believes that customers have a base level of understanding that saving energy is a good thing, and as a next step, need to be educated on energy usage. She believes that customer understanding of usage levels of various items in their home would help them to make decisions about what to change (whether that be purchasing a new item or modifying behavior).

SDG&E contractor staff also felt that discussing energy efficiency in terms of kWh and therms provides customers the opportunity to conceptualize energy use in terms of a unit other than monetary savings. The contractor staff member reported that customers understand that rates rise and are skeptical about dollar amount savings promises. Marketing staff also cited raising rates as a reason to support overall energy efficiency marketing. An example of messaging that presents energy efficiency information in terms of water and energy savings (as opposed to monetary savings) can be found on a banner ad that Lowes has introduced. This type of non-monetary messaging can also be helpful when payback is low (and therefore not as motivating).

**Balancing the message.** The marketing interviewee believes that a balance of both pricing and non-pricing messaging is important: “It is both pricing and energy efficiency messaging and you have to get both messages to the consumer.” Both the contractor and the SDG&E marketing staff we spoke with noted that the retailers and SDG&E have different goals. Retailers are focused on sales, while SDG&E is focused on *energy efficient* sales. This difference may be the reason that the contractor has seen stores create their own material marketing monetary savings. The contractor reports that some stores have added their own storewide signage in the form of starbursts that point customers to the incentive amount.

**Support for a centralized messaging center in-stores from the SDG&E contractor.** The contractor reported that there is still a real need for stores to have a centralized area where you can understand what is available to you if you are interested in lowering energy and water usage. One of large retailer A’s stores has allocated staff resources so that one person is in charge of a bulletin board that educates consumers on energy efficient options. The contractor believes that stores would be very receptive to an end-cap energy efficiency center as long as SDG&E paid for the space.

### 3.2 Market Influence

Our research planning discussions with SDG&E lead us to attempt to further understand the market influence of the field services team and SDG&E’s program overall, with a focus on these specific research questions:

- How does marketing impact customers?

- How does the SDG&E contractor's field services impact customers?
- When will SDG&E have transformed the market?
- Is SDG&E making a positive impact on the market?
- What incentive structures are in place for store associates?
- Is the program impacting attitudes of consumers, retail staff and manufacturers?<sup>1</sup>

**Increase in questions about energy efficiency from customers.** The contractor works with retailers, manufacturer representatives, and contractors. Their understanding of customers comes through these channels. We asked the contractor what they have heard about customer attitudes and perceptions of energy efficient products. They heard through staff that consumers are increasingly asking about energy efficiency. They attributed this to changing demographics (a higher interest in energy efficiency from younger purchasers) and to concern about the drought.

**Employees are more open to energy efficiency.** The contractor caters messaging to employee type, motives, and situations. The contractor believes that their strategy of modifying how they present information to sales associates on a situation-by-situation basis has caused employees to be more open to energy efficiency. They take multiple approaches depending on their assessment of what matters to the sales professional including:

- Promoting the presentation of energy efficiency as a trait of a professional employee.
- Making energy efficiency personal by posing the question of how they would feel if they or someone close to them missed messaging and an opportunity to help the environment.
- Understanding the sales environment at the time of education and how this motivates staff interests. Are commission amounts in threat due to high number of staff on sales floor? What part of a sales period is it?
- Understanding that associates often use the SDG&E rebates to *close* sales, specifically in point of sale (POS) enabled stores where the rebate is applied at the time of sale.

**The contractor has had success in putting energy efficient material in front of customers.** Over the past six months, the contractor reports that they have been able to get Pacific Sales to keep qualifying product labels on products, where participation had previously been spotty. This allows customers to be attracted to the energy efficient choice. The contractor also worked with large retailer C to compromise on location of material on refrigerators as part of the recycling program and placed material on the side of the refrigerators in-store rather than on the front.

**Incentive structure and preference differs by retailer.** The contractor is working on a rewards program to encourage sales associates to push energy efficient options but it is still in the development phase. They hope to implement before the end of 2014. Large retailer B

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<sup>1</sup> Note that these issues were not part of the initial primary research plan. These questions were explored where possible based on the relatively limited research that was already underway.

employees are used to being incentivized individually, which differs from large retailer A, which requires that recognition must be storewide. In May, large retailer B's incentive mechanism for employees changed so that if there was a price match or clearance item, adding a second markdown (like the POS rebate) would make the sale non-eligible for employee commission. The contractor's role is to work with the corporate staff and sales associates to assure that the POS process does not conflict with incentive systems for retail staff and this often involves being aware of process changes and creating solutions to problems that hinder POS transactions.

**Stocking of efficient water heaters.** While the contractor did not credit SDG&E for supplier or manufacturer changes such as beginning to carry more efficient products and large retailer A's switch from GE to Rheem, they did note that SDG&E's \$100 rebate on water heaters helped large retailer A to stock more efficient models. Large retailer A switched from GE models to Rheem models (adding more efficient models than before) and placed GE models on clearance to make room for the new Rheem models. The contractor worked with large retailer A to make sure that the new qualifying Rheem units were connected to the rebate program. Retailer E has also recently made a greater commitment to energy efficient water heaters. The contractor credits these retailer business decisions to sales lift, incentives, and a desire to do the right thing.

**Additional stores are interested in POS.** POS is implemented at retailer D, large retailer A, and large retailer B. They introduced large retailer F to the possibility of POS by meeting with individual stores to get them on board. The contractor works to recruit retailers to participate but finds that the length and complexity of the program agreement document is a barrier in expanding to other retailers due to its complexity and length.

**Request for market data to gauge program effectiveness.** During the interview with the contractor, the interviewee often mentioned that information on rebated sales from various retailers would help to refine the program and help the contractor understand what works well. The contractor gave the example of being able to understand if dropping off rebate applications at a certain retailer increased program participation at this store.

### 3.3 Marketing and Communication

Interviews with the contractor and marketing staff lead to discussion of the strategies employed by the contractor to fulfill their sales staff education goal, and the gaps that exist and are/could be filled by the contractor's presence in the retail space. The contractor labeled the major retailers as their "biggest source of opportunity and challenges."

**The contractor fills a gap between corporate and store level staff by assuring that sales systems and incentives are understood.** The contractor noted that they "understand the large retailer B system and all its nuances better than the management in some instances." There are multiple challenges that the contractor confronts regarding POS systems in stores. One such challenge is major changes in retailer policy. The contractor reports that retailers change check out interfaces and locations. As an example, large retailer A is encouraging

appliance transactions to be completed within the department where POS rebates cannot be applied. The contractor works to have these changes on their radar so that they can educate store teams and make sure that there are options within corporate mandates that facilitate SDG&E's incentives. In this role, the contractor facilitates communication between store staff and corporate staff.

This year, large retailer A did a rebranding of their water heaters and switched from GE to Rheem, as previously described. They were able to let the contractor know about this upcoming change in December, but the quarterly visits were not frequent enough to make sure the signage was moved to new beam (shelf) locations along with the new water heaters. The contractor was able to fix the materials after the rebranding was completed in May. The contractor suggested that it would be useful to expand to monthly visits next time something like this happens to assure POS opportunities are not missed and that staff is trained on new products as soon as possible. The contractor serves a useful role during such occasions and facilitates with both corporate and store level staff to work towards a solution.

**The contractor fills a gap between corporate and store level staff by assuring that all parties are aware of new eligible products and their rebate availability and processes.**

“Without [the contractor’s] work, there would be little awareness of the programs, a great many of the sales associates would be misinforming customers or not telling them at all” according to our interview with the contractor. Large retailers deal with multiple utilities and are slow to connect new qualified products to their POS systems. The contractor helps to identify newly rebated products by sending a list of new qualified products and barcodes to corporate level staff. The contractor predicts that when a new product arrives it may not get aligned with the program for three months.

The contractor has worked to combat this by encouraging floor staff to take responsibility to bring new items into alignment. They predict that this is the case in 70 percent of the stores that they visit. Large retailer A does their barcode updates quarterly and large retailer B does their updates monthly. The contractor reports back to corporate about which barcodes are reported as not working by in-store associates. In the interim before large retailer A updates their barcodes employees have to go to the customer service desk. This will become increasingly challenging given the push to complete appliance sales within the appliance department.

Keeping staff educated is a challenge, especially during the holiday season when new staff are brought on board and for part time staff who work nights and weekends. The contractor has worked to combat this by having large retailer B sign on in July to have one-hour trainings for all new hires. In large retailer A, managers are trained once a year and sales staff are trained during store visits.

**Visit frequency.** The contractor believes some stores would benefit from additional visits (more than quarterly). When we spoke, the contractor reported that about 105 of the 131 participating locations are visited quarterly. The contractor reported that it is important to be

in POS stores more frequently than quarterly in order to assure that active promotions are in effect. The contractor visits small retailers with less frequency in order to allocate resources to increase outreach to distributors. Because small stores focus more on repairs and used appliance resale, they have begun to visit those groups on a semi-annual visit<sup>2</sup>, and have increased the frequency that they visit distributors. Certain products in the PL&A program are purchased through non-retail sales channels. A 2010 Energy Star report<sup>3</sup> reported that there is “a roughly 60-40 split” with 40 percent of water heater sales going through distributors or wholesalers and 60 percent of sales going through retailers.

**Water-energy nexus is a beneficial addition to marketing.** The contractor thinks that there is an increasing interest in energy efficiency as it relates to water efficiency. The contractor reports “there is some market transformation going on with associates being more tuned in with energy efficiency and water...” The contractor discusses the drought in sales associate trainings and said that associates are “blown away” by the drought maps that they present. The contractor receives feedback on training evaluations that learning about the drought was very valuable. Contractor staff does not currently present information on the free Water and Energy-Savings Kits that are offered by SDG&E but this could be a valuable opportunity to do so.

**Program product variety creates a marketing challenge.** The PL&A program contains multiple products with different incentive channels. The contractor and SDG&E work together to create tools that work for each product application. Budgeting thus far has only allowed for one round of signage design that required signage to be generic because products and prices may change.

Marketing also differs based on rebate mechanism and purchase types. Some purchases are more likely to be emergency buys (e.g., water heaters) compared to more discretionary purchases (e.g., clothes washer or refrigerator for a home remodel). In the appliance departments, the contractor places material that educates consumers about incentives so that they note the discount upon checkout. For marketing materials for products that require customer to take action on their own to receive a rebate (e.g., fill out an application once they leave the store), the contractor suggested that heavier weighted paper for brochures and apron cards would be beneficial to combat humidity and minimize counter space that is taken up by flyers.

**Retailer marketing preferences.** When asked about the most requested retailer marketing material, the contractor reported that paper applications were greatly valued by retailers but that product demand varies. If the contractor were given the budget and ability to print material when needed, the contractor believes they would be able to meet the demand of each retail store more quickly. The SDG&E marketing staff we spoke with noted that the downside

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<sup>2</sup> Visits include education about appliance recycling and other applicable program offerings.

<sup>3</sup> [http://www.energystar.gov/ia/partners/prod\\_development/new\\_specs/downloads/water\\_heaters/Water\\_Heater\\_Market\\_Profile\\_2010.pdf](http://www.energystar.gov/ia/partners/prod_development/new_specs/downloads/water_heaters/Water_Heater_Market_Profile_2010.pdf)

of having a third party in the field is that they can not be sure of all messaging that is being given to consumers. It is important that SDG&E find the appropriate balance with the contractor where they are able to take advantage of the contractor's eyes and ears in stores but assure that SDG&E is able to direct the messaging that customers receive.

**Online marketing.** The contractor has noticed that more customers are doing online browsing before coming into the stores in order to look at models and feature and to utilize price match services. Information about SDG&E's on-line buyer's guide is not included in the training done by the contractor at this point in time. Large retailer A recently began placing their rebate information online, and large retailer B has worked to refine theirs, according to the contractor.

**Move to digital signage.** Large retailer B moved to digital signage on their appliances and it would be useful to get energy efficiency marketing on to these digital displays. The contractor will need to leverage their relationship with corporate level staff since this directive is large retailer B-wide.

### 3.4 Product Complexity

The PL&A program covers a large variety of products. Our research planning discussions with SDG&E lead us to attempt to further understand product specific challenges, with a focus on these specific research questions:

- Are there perceived retailer issues related to product turnover? What is the shelf life of specific products?
- How is the mix of incentivized vs. non-incentivized product changing over time?

**Products cross multiple staff groups and store areas.** Some stores, like large retailer B, have all PL&A product in the same department and others like large retailer A require the contractor to "have their track shoes on" because products are spread across five to six different areas. The contractor combats this by leaving educational information with supervisors such as product mix matrixes to help understand which products are POS, markdown, or rebate application eligible, product barcodes and instructions for applying a POS rebate in various situations.

**Products rarely move and are refreshed quarterly.** The only product that physically moves around the footprint of stores are room ACs due to their seasonality. The contractor reported that in general about four times a year, stocking of other products is changed to sell old models and bring in new models. They estimate that there is a five percent turnover rate of rebated products during these sales.

**Changes in standards modify the product mix of incentivized and non-incentivized products.** Federal refrigerator standards have changed the refrigerator landscape greatly, according to the contractor. There are fewer refrigerators that qualify for the SDG&E

incentives in the more commonly purchased sizes. The contractor expects similar challenges with new clothes washer standards in January.

**Incentivized to non-incentivized product ratio and importance of additional SDG&E support.** We asked the contractor to share their observations on the number of incentivized (i.e., program-qualifying) to non-incentivized products in stores. Certain products have a large portion of units in-stores that are incentivized (wall insulation, clothes washers, and room ACs). We also asked the contractor to report on the importance of SDG&E support to maintaining or increasing sales of specific products in the PL&A program. Responses were often related to the ratio of incentivized to non-incentivized products under the assumption that SDG&E support is less necessary when many options are already incentivized. In Table 2 the importance of SDG&E support is shown in the third column in a numeric scale along with the reasons that the contractor gave for giving the number from one to five, where one is maintain support and five is increase support. This could help SDG&E allocate resources to areas with a higher need for support such as room ACs and water heaters.

**Table 2 – Incentivized To Non-Incentivized Product Ratio And Importance Of SDG&E Support**

Product	Incentivized to Non-incentivized Product Ratio	Relative Importance of SDG&E Support to Maintain or Increase Sales of the Product (1-maintain, 5-increase)
Refrigerator	Incentivized products have dropped dramatically with new Energy Star rating.	1 (because so few products currently qualify)
Wall Insulation	Almost all are incentivized.	1 (because mostly all incentivized)
Clothes Washers	Almost all are incentivized.	2 (price differential between energy efficient and non-energy efficient models has been decreasing)
Room AC	Almost all are incentivized, however, there is another product category (portable units) that is inefficient.	3 (the contractor reports that despite being mostly incentivized, the incentive helps people to choose window ACs over less efficient portable units)
Water Heater	Shift to greater portion of energy efficiency units in stores.	5 (often purchased in crisis mode)

**Need to work with additional sales channels.** The wide range of products rebated under the Plug Load and Appliance program means that there is a variety of channels where any one product can be sold. Certain products in the PL&A program are purchased through non-retail sales channels such as through contractors or distributors. As an effort to reach plumbing contractors, the contractor is encouraging wholesale distributors to have printed applications out so that contractors are aware of rebates and how to redeem them. The contractor has started to work with distributors in order to address this. Water heaters can be purchased

through multiple channels and are often purchased in crisis-mode where price is very important. The contractor believes that contractors are not providing energy efficient options to customer despite the value proposition. Furnaces are also often purchased by contractors rather than end users and the contractor has received feedback that the incentive is too small given the large price differential between energy efficient and non-energy efficient units.

**Energy efficiency bundled with other product benefits.** The contractor reported that energy efficiency in water heaters is bundled with longer warranties. This appeals to customers who are purchasing the units in “crisis-mode” that would like to put off a similar situation for as long as possible. For refrigerators, consumers reportedly often shop “features first” and then look at energy efficiency second, if at all. For room ACs, consumers reportedly shop for size first (and many of the popular sizes come in energy efficient options). There may be value in tying energy efficiency to other desired product features demanded by consumers as is done on SDG&E’s online buyer’s guide<sup>4</sup>. Printed marketing material could point out the non-energy benefits of energy efficient models where relevant.

### 3.5 Regional Collaborations

In our discussion in early 2014, SDG&E expressed interest in knowing what was happening in the surrounding regions:

- Is anyone else doing overall marketing better than SDG&E?

While we were not able to gather information about surrounding reasons, we were able to learn about relevant collaborations.

**The contractor works with Southern California water agencies.** The contractor works with Southern California water agencies and is able to leverage their knowledge of water rebates and educate sales associates about products where customers can get dual rebates from both SDG&E and water agencies on clothes washers, likely leading to greater sales of efficient products. This information can also be accessed through SDG&E’s online buyers guide.

**SDG&E marketing team collaborates with the Western Regional Utility Network (WRUN).** WRUN is a consortium of West Coast utilities that work with manufacturers and retailers on special pricing. This has been done at large retailer B where the store and the IOU will both give a discount and this will be promoted regionally (along the West Coast). This is coordinated directly between Program Staff and WRUN. Promotional material takes the form of email and in-store material and is often retailer specific. The contractor may be able to assist in informing store associates about upcoming promotions.

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<sup>4</sup> <http://www.sdge.com/buyers-guide>



**Collaboration with ARCA.** The contractor views one of their major successes as their collaboration with the implementer of the refrigerator recycling program to successfully promote awareness of refrigerator recycling in large retailer B stores. The contractor reports that large retailer B employees are now “avid promoters” of the recycling program<sup>5</sup>.

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<sup>5</sup> SDG&E staff noted the ability to compare energy savings of old and new refrigerators online:  
<http://www.sdge.com/buyers-guide-item/3862/appliance-recycling>

## 4 Review of Key Performance Indicator Documentation

The implementation contractor is required to submit documentation on the following KPIs:<sup>6</sup>

1. Number of channel outlet visits (monthly);
2. Number of channel staff trained (monthly);
3. Channel satisfaction survey (monthly);
4. Number of incentivized SKU tracked (monthly);
5. Number of non-incentivized and competing products (monthly); and
6. Quarterly meeting (quarterly).

SDG&E reviews a series of reports that contain KPI data from the contractor periodically to ensure they are fulfilling their contract obligations and also to obtain secondary market feedback. The reports are provided electronically, and have been modified to be cumulative in nature.

Table 3 lists the various reports along with their frequency and the KPIs that are addressed within each report.

**Table 3—Key Performance Indicator Documentation**

Report (frequency)	KPI Addressed
Monthly Summary Report- <i>includes store visit report, trainings lists, and event lists</i> (monthly)	1, 2, 4
Site Visit Survey (monthly)	3
Training Program Evaluations (monthly)	3

Evergreen reviewed the monthly reports to:

- Track KPI performance;
- Provide background on the program status;
- Ensure that all the KPIs are reported on comprehensively;
- Identify any issues with program delivery;
- Ensure that SDG&E is receiving the information they need to effectively oversee the program; and
- Ensure that the reports are provided in a useful format for SDG&E.

Evergreen reviewed a sample of the training and site visit surveys to ensure that:

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<sup>6</sup> Note that schedule is actual and may not align with the contract between SDG&E and the contractor.

- The contractor is reporting on the KPIs that are in their contract;
- There is sufficient documentation (e.g., pictures of displays, pictures of store fronts, pictures of marketing materials); and
- That the reports are provided in a useful format for SDG&E.

For the monthly reports, site visit surveys and training program evaluations, Evergreen analyzed all of the report data (covering 2013 through second quarter of 2014) in mid-2014 to:

- Provide summary data to SDG&E; and
- Provide feedback on program delivery, market outcomes and possibly market impacts.

Evergreen performed the review in two phases. Phase One covered data presented through the end of 2013 and presented suggestions and findings in early 2014 in interim memos that are attached to this document as appendices. These findings were related to both new documentation options and modifications to the current KPI. The second phase review covers 2013 through Q2 2014 and has a greater focus on summarizing the data while providing feedback on program delivery, market outcomes and possibly market impacts.

## 4.1 Phase One Analysis

### 4.1.1 Modification of KPI Documentation

Modifications of KPI documentation were reported on in the second quarter of 2014 in two separate deliverables. The reasoning behind the revisions is described in the Data Analysis Plan Memo (included as Appendix B), and the revisions themselves were delivered in April in a document titled Site Visit Report Suggestions which can be found in Appendix C. Table 4 shows which KPI documentation was modified, and which Appendix in this report contains the modified KPI.

**Table 4 – Location of Modified KPI Documentation**

Document Name	KPI Task	Location
Site Visit Report Document Modifications	2. Modification of KPI documentation	Appendix C: Site Visit Report Suggestions (Delivered April 18)

### 4.1.2 Creation of Store Questionnaire/Assessment and Sales Associate Survey

The Creation of a Store Questionnaire/Assessment and Sales Associate Survey were discussed in the Data Analysis Memo delivered in March and included here as Appendix B. Table 5 shows which Appendix in this report contains both the store questionnaire/assessment and the sales associate survey.

**Table 5 – Location of Store Questionnaire/Assessment and Sales Associate Survey**

Document Name	KPI Task	Location
Store Questionnaire/ Assessment	3. Creation of Store Questionnaire/ Assessment and Sales Associate Survey	Appendix B: Data Analysis Plan Memo – Appendix B
Sales Associate Survey	3. Creation of Store Questionnaire/ Assessment and Sales Associate Survey	Appendix B: Data Analysis Plan Memo – Appendix A

## 4.2 Phase Two Analysis

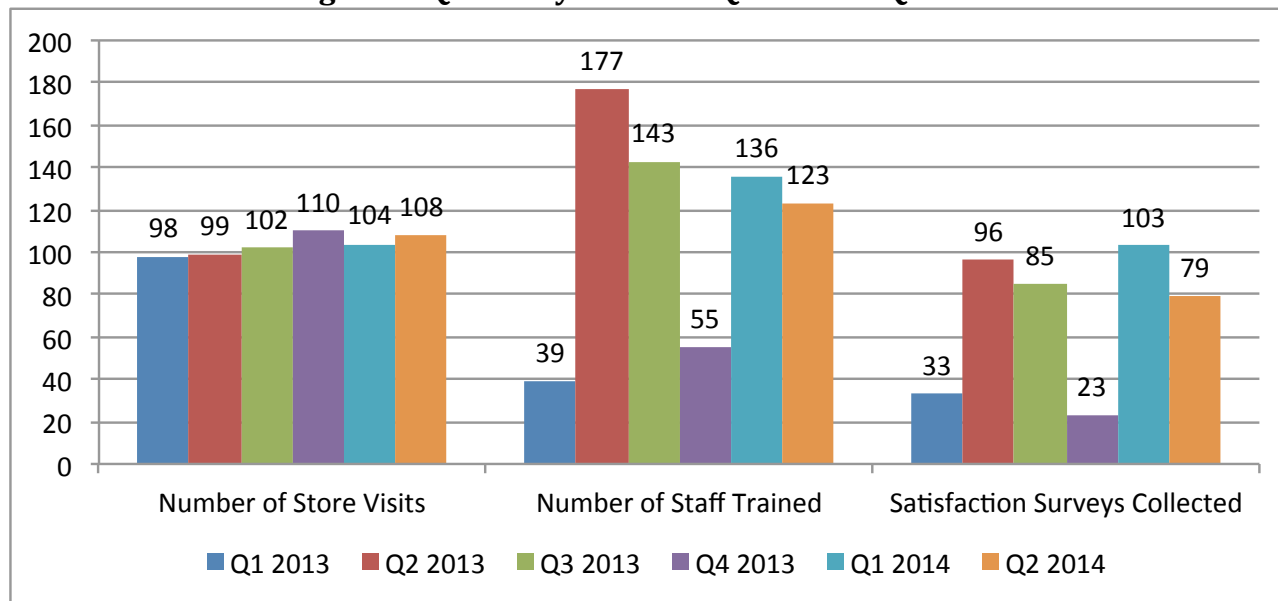
In this section we summarize available key performance indicators and conduct additional analysis that we feel would provide value.

Evergreen reviewed a sample of documents to confirm that the numbers summarized in the monthly summary sheets were representative of the supporting documentation that was provided. These numbers matched with a few exceptions where the summary numbers were off by a count of one to three. Three of the four errors we found provided more conservative numbers in the summaries than what was found in the more detailed documentation. For our summary analysis we used the summary data provided.

### 4.2.1 Key Performance Indicator Summaries

The contractor presents summary data on a monthly basis to SDG&E. To facilitate comparison, in Figure 1, monthly data from 2014 is aggregated into quarterly data. Note that the program activities and reporting in 2013 did not start January 1, 2013, such that Q1 2013 does not represent an entire three months of activities. Below you can see that while store visits are rather consistent across each quarter, that staff training and subsequently satisfaction survey collection are more variable. In the following sub sections we discuss each of the six KPI, with a focus on the three summary metrics shown below.

**Figure 1: Quarterly KPI from Q1 2013 to Q2 2014**



### Number of Channel Outlet Visits (Monthly)

The contractor visits each store on a quarterly basis. As of mid-September, the contractor had 103 different retailers that they aim to visit each quarter. At store visits the contractor:

- Monitors product merchandising;
- May train sales staff on PL&A products and services;
- Surveys product availability and pricing (does not occur each visit); and
- Collects store feedback on PL&A products and choices.

Figure 1 shows that the number of store visits has increased slightly over time. This is likely due to fluctuations in the number of participating stores. When we talked with the contractor in the last quarter of 2013 there were 105 participating retail stores and when we spoke with them in the third quarter of 2014, they noted that there were 131 participating shops. In 2014, the contractor has focused less on small appliance retailers who are focused on resale or repair of old appliances and has shifted funding for these visits towards stores with higher sales potential.

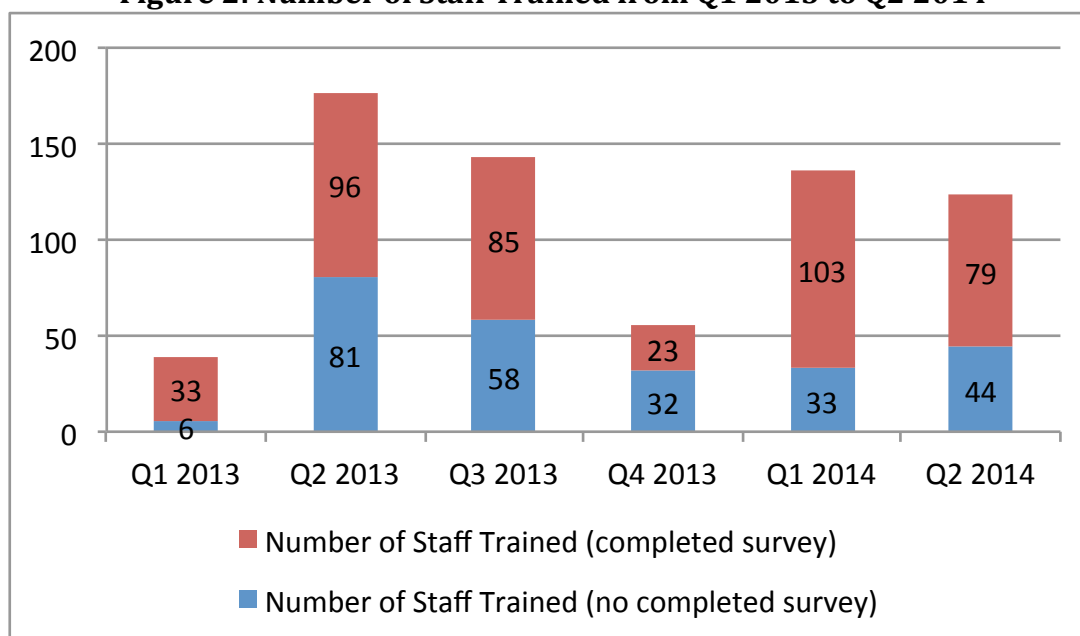
### Number of Channel Staff Trained (Monthly)

Staff trainings are a large part of the work that the contractor performs for SDG&E. The contractor inform staff (both part time and full time, and in various relevant departments) about all incentives in the PL&A program and educate them on how to apply rebates or connect customers with the appropriate way to apply for rebates depending on the product. The contractor understands the POS system at each retailer and educates staff on how to use each retailer's unique system and discuss energy efficiency with customers. Staff is trained through sit down sessions at their respective store location. From February 2013 to June

2014, 111 training sessions were conducted. On average, each training session had six staff members in attendance.

Close to 60 percent of staff that go through trainings fill out surveys after the training ends. Figure 2 breaks out the staff trained numbers from Figure 1 to show what portion of staff completed surveys. The low training numbers in Q1 2013 are due to Q1 consisting of two months of program activity rather than a full three months.

**Figure 2: Number of Staff Trained from Q1 2013 to Q2 2014**

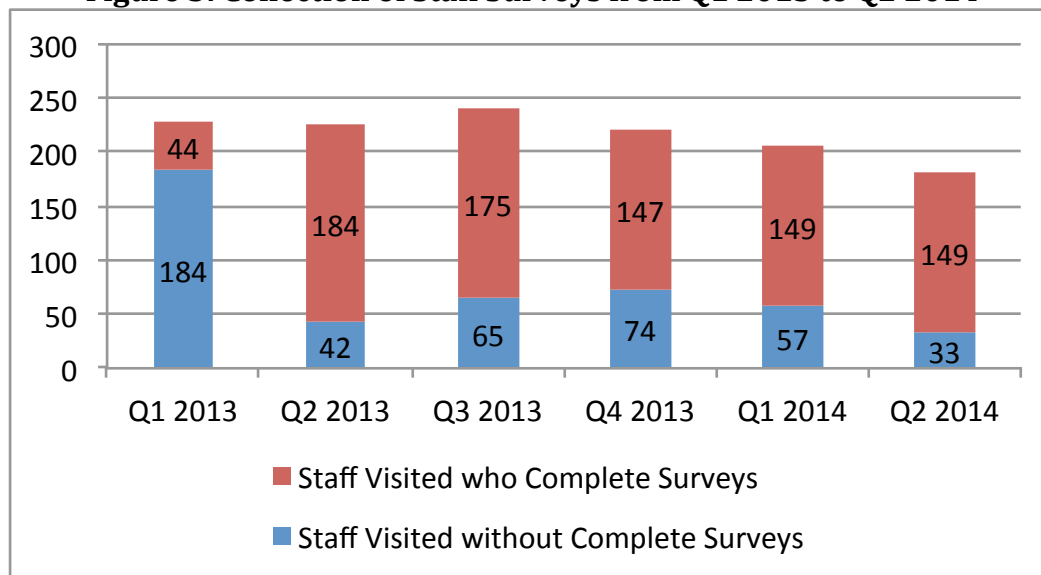


The contractor also reports monthly on the overall satisfaction levels found in the staff training visit surveys. Almost every month, the number of staff that have given feedback that is either “excellent” or “good” (opposed to “average” or “needs improvement”) is 100 percent. There were only two months where this dipped below 100 percent and the most recent occurrence was over a year ago.

### Channel Satisfaction Survey (Monthly)

On average, the contractor speaks to about two staff at each channel outlet visit. Sixty six percent of the staff visited fill out some or all of a staff survey. Staff Surveys collect information regarding staff knowledge of rebate amounts, staff contact information for program updates, source of rebate program information, and comments from customers regarding products. The contractor recently added a question regarding the pertinence and usefulness of information/training received. Figure 3 shows that the first quarter of 2013 collected a much smaller portion of surveys from the pool of staff that were approached.

**Figure 3: Collection of Staff Surveys from Q1 2013 to Q2 2014**



### Number of Incentivized SKU Tracked (Monthly)

The contractor has tracked this number in a variety of ways over the program cycle. This information is available in a non-summarized form every month via site visit reports. From February to April of 2013, the total number of incentivized SKU tracked was reported in the monthly summary sheet. From May to December 2013, the monthly reports refer the reader to a quarterly report. Beginning in January 2014, the contractor stopped reporting the total number of incentivized SKU tracked in their site visit reports but continued to record information on the proper display of signage in addition to the maximum incentive amount. Photos are also included on the site visit reports to identify what the marketing material looks like in a sample of stores.

In Phase One, we suggested that the number of stocked models be presented on an average per store site level rather than summed across all stores within one retailer. This number is no longer summarized in the site visit reports. If SDG&E were still interested in this metric it would be useful to have the contractor include it in either the site visit reports or the monthly summary sheet on an average incentivized SKU per store basis. This would assist the reader in understanding what a single store at a retailer would look like.

### Number of Non-Incentivized and Competing Products (Monthly)

The contractor has not collected data (that Evergreen has seen) on non-incentivized competing products as required in the contract between the contractor and SDG&E. This data could help SDG&E and the contractor reallocate resources to product areas where customers have more choices between efficient and non-efficient products (rather than mostly efficient options).

### **Quarterly Meeting (Quarterly)**

Evergreen does not have data regarding the occurrence of quarterly meetings between the contractor and SDG&E.

### **4.2.2 Additional Metrics**

Evergreen is mainly tasked with evaluating current metrics but has come across opportunities to collect additional information that may help improve the program. It is important for the contractor to be able to balance performing the activities required of them with the collection and reporting of data. Too much reporting and data collection can get in the way of program activities but a certain level is necessary to monitor program progress and can help to allocate resources effectively. In section 4.1 we reviewed our Phase One suggestions.

In Phase Two, we identified another metric that may be useful to analyze: Retail Staff Program Knowledge. The contractor records the level of PL&A program knowledge on a numeric scale from their calls to different retailers. This information, combined with retail store and staff position, can help the contractor to target where training services are most needed.



## 5 Findings

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This section presents findings based on the research that has been conducted during the second phase of our evaluation. Preliminary findings from the first phase of research can be found in Appendix A.

**Field Service efforts allow for an open line of communication with retailers.**

Continuation of field service efforts assists with quicker reactions to program changes, an educated sales staff, and familiarity with SDG&E programs and goals. It also helps to maintain relationships with retailers, which is valuable to support current programs and could be useful in the future should programs be expanded or new programs added. Field services may be a relatively inexpensive way to maintain the continuity of the utility relationship with retailers and indirectly with their suppliers.

**Anecdotal information provided by the contractor and corroborated by a retailer suggests that some of the program's impact occurs at the stocking level.** Measuring net impacts strictly via customer surveys could undercount net savings and/or market effects attributable to program impacts on the supply and promotion of products.

**Overall energy efficiency messaging coupled with specific energy efficiency messages may be a good strategy to address all customer sectors and encourage broader efficiency behaviors.** A broad energy efficiency message allows customers from various segments and income levels to consider what they can do to become more energy efficient. By giving customers many options, customers are able to choose the purchase or behavior that is best for them. SDG&E marketing staff and the contractor independently felt that this strategy will encourage customers to take advantage of other SDG&E energy efficient programs in the future. The contractor believes that consumers are ready for more education regarding energy usage because they believe it will allow consumers to have a deeper understanding of how they can control their energy usage.

**The contractor could summarize retail staff program knowledge from phone calls to find locations in greater need of training if program staff has a desire to further target trainings.** The contractor makes check in calls to retail staff. On these calls they record the level of PL&A program knowledge on a numeric scale. This information, combined with retail store and staff position can help the contractor to target where training services are most needed for staff positions and locations with low knowledge scores.

**Staff turnover rates are highest in the end-of-year period.** SDG&E could encourage the contractor to perform additional trainings during this time period in order to educate the influx of additional staff members.

**The contractor fills important gaps in staff understanding of sales systems and energy efficiency.** The contractor communicates with corporate level staff and retail staff in order to assure that corporate level systems include rebate processing options and fill an important need to train staff on rebate processing functionality once implemented. The contractor also

delivers education on energy efficiency to sales staff that would not be a focus, given the varying goals of retailers and SDG&E.

**Sharing data with the contractor regarding the amount of rebates processed from or through certain stores would help the contractor understand which strategies are working.** The contractor would like more feedback on the effects of their different activities. The contractors have knowledge of different activities or marketing strategies used at various retailers and would like to expand or lower the frequency of these depending on SDG&E participation data (rebates by product type and store over a given time period, preferably monthly).

**In the face of the drought, information on the water-energy nexus is useful in motivating both consumers and sales staff.** The contractor is also able to tap their engagement with Southern California water agencies in order to connect water and energy issues for consumers and sales staff. The contractor should continue to piggyback energy efficiency messaging on water conservation messaging and should incorporate information about SDG&E's free Water and Energy-Savings Kits.

**Customers are increasingly getting information from store websites and digital displays in-store.** The contractor and SDG&E should continue to watch the digital and online presentation of information to assure that energy efficiency messaging is being presented to the consumer at the point of consumer interaction. The contractor can work with large retailer B to explore the possibility of being included on digital appliance displays. They can also work with retailers to assure that current rebate information is available on retailer websites for incentivized products. SDG&E can encourage the contractor to include information about SDG&E's online buyer's guides in their trainings.

**Program can be tailored to the relative importance of SDG&E support or maintenance on increasing product sales.** PL&A covers a vast product group, which creates a challenge for streamlined messaging and education. The contractor and SDG&E can allocate program resources to products that have a small percentage of program-qualified products such as water heaters and room ACs.

**Products can be sold through multiple sales channels.** The program should continue to focus their efforts on the areas where sales are being made. Items like water heaters and furnaces can be purchased outside of the retail space by contractors. SDG&E may want to consider a residential midstream incentive program for water heaters given multiple sales channels. SDG&E can look to programs with this approach in Connecticut<sup>7</sup> and Vermont<sup>8</sup> as examples.

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<sup>7</sup> <http://www.energizect.com/residents/programs/high-efficiency-natural-gas-hot-water-rebates>

<sup>8</sup> <https://www.encyclopedia.com/for-our-partners/Contractor-Supplier-Installer-Partners/heat-pump-water-heaters>

**Energy efficiency can be bundled with other product benefits to make it more appealing to consumers.** Energy efficient water heaters reportedly come with longer warranties, making the product more appealing to consumers in more ways than one. Marketing material should work to point out the non-energy benefits of energy efficient models where relevant, such as attractive features that are often bundled with energy savings in higher end models, or product attributes such as less wear and tear on clothes due to the superior technology of front-loading clothes washers, or less noise generated by a high efficiency refrigerator, or ancillary benefits such as having added space in garages (or other areas) after turning in an old refrigerator.<sup>9</sup> Broader, societal benefits have also typically been emphasized, which are attractive to some customers who are concerned about the environment.

**The contractor's summary reports accurately represent the more detailed data that they provide to SDG&E.** We found that the data were accurate and even in a few isolated cases where there were discrepancies, they were minor and most often crediting less than they should have.

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<sup>9</sup> <http://www.sdge.com/buyers-guide-item/3862/appliance-recycling>

## 6 Appendix A: Interim Memo

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This appendix contains results from the first set of in-depth interviews and KPI review.



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## MEMORANDUM

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January 24, 2014

**To:** Rob Rubin, Michael Nguyen, SDG&E

**From:** Martha Thompson and Tami Rasmussen

**Re:** Interim Findings Memo Regarding Evaluation of SDG&E Plug Load and Appliances Field Services Contract

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This memorandum provides interim findings based on the first six months of our evaluation and contains the following sections:

1. Program and Evaluation Background
2. Research Approach
3. Interim Findings
4. Suggestions for Potential Program Improvements
5. Evaluation Next Steps

### 1. Program and Evaluation Background

SDG&E contracted with a firm in February, 2013 to conduct field services to support the 2013-2014 plug load and appliance (PL&A) program, which is implemented at over 100 participating retailer outlets. The contractor is providing management and training of participating retailers and development and display of point-of-purchase materials.

The contractor's performance is measured based on six Key Performance Indicators (KPIs) that are specified in their contract with SDG&E. These KPIs are reported on periodically to SDG&E (e.g., via monthly reports, email and phone calls).

In May of 2013, Evergreen Economics was hired to review the contractor documentation on KPI and to gather feedback from participating retailers and field service representatives. Based on feedback from SDG&E at the project initiation meeting, the overall objective of the research is to identify ways the program can maximize the sales of energy efficient products through retailer education and marketing. While our research approach is focused on evaluating the effectiveness of the contractor's program delivery (e.g., are they fulfilling their contract obligations, are SDG&E and the retailers they serve satisfied with

their performance, are there ways in which program delivery could be improved to be more effective and/or efficient), through the course of our research we can also provide insights about the effectiveness of program design.

## 2. Research Approach

Since we initiated this evaluation, we conducted a cursory review of KPI documents covering up to 2013:Q4 and a small number of in-depth interviews with staff from SDG&E, the contractor and participating retailers.

At the close of the second quarter of 2014, we will conduct another review of the KPI documents, conduct analysis of the data contained in them, follow-up interviews and deliver a draft evaluation report in September.

### Review of Key Performance Indicator Documentation

The implementation contractor is required to submit documentation on the following KPIs<sup>1</sup>:

1. Number of channel outlet visits (monthly)
2. Number of channel staff trained (monthly)
3. Channel satisfaction survey (monthly)
4. Number of incentivized SKU tracked (monthly)
5. Number of non-incentivized and competing products (monthly)
6. Quarterly meeting (quarterly)

SDG&E reviews a series of reports that contain KPI data from the contractor periodically to ensure they are fulfilling their contract obligations and also to obtain secondary market feedback. The reports are provided electronically, and have been modified to be cumulative in nature.

**Table 1** lists the various reports along with their frequency and the KPIs that are addressed within each report.

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<sup>1</sup> Note that schedule is actual and may not align with the contract between SDG&E and the contractor.

**Table 1—Key Performance Indicator Documentation**

<b>Report (frequency)</b>	<b>KPI Addressed</b>
Monthly Summary Report- <i>includes store visit report, trainings lists, and event lists</i> (monthly)	1, 2, 4
Site Visit Survey (monthly)	3
Training Program Evaluations (monthly)	3

Evergreen reviews the monthly reports to:

- Track KPI performance
- Provide background on the program status
- Ensure that all the KPIs are reported on comprehensively
- Identify any issues with program delivery
- Ensure that SDG&E is receiving the information they need to effectively oversee the program and
- Ensure that the reports are provided in a useful format for SDG&E.

Evergreen reviews a sample of the training and site visit surveys to ensure that:

- The contractor is reporting on the KPIs that are in their contract
- There is sufficient documentation (e.g., pictures of displays, pictures of store fronts, pictures of marketing materials) and
- That the reports are provided in a useful format for SDG&E.

For the monthly reports, site visit surveys and training program evaluations, Evergreen will analyze all of the report data (covering 2013 through second quarter of 2014) in mid-2014 to:

- Provide summary data to SDG&E and
- Provide feedback on program delivery, market outcomes and possibly market impacts.

This interim memo provides initial feedback on the first two reviews described above. The September draft report will include results from the third review above.

## **In-Depth Interviews**

Evergreen conducted a small number of in-depth interviews to inform our understanding of program design and implementation, and to identify any high priority issues for our evaluation.

- **SDG&E Program Staff Interviews** - we interviewed three SDG&E program staff members in August 2013.
- **Contractor Interviews** - we interviewed two contractor staff members in October 2013.
- **Retailer Interviews** - we interviewed five<sup>2</sup> participating retailers (including corporate staff and managers) in January 2014.

### 3. Interim Findings

This section presents preliminary findings based on the research that has been conducted to-date. The findings are organized as follows:

- Program Overview
- Program Accomplishments
- Program Delivery
- Market Barriers and Program Influence and
- Program Monitoring and Reporting.

#### Program Overview

The program is delivered through store visits (at about 105 participating channel outlets) where the contractor does the following:

- Monitors product merchandising
- May train sales staff on PL&A products and services
- Surveys product availability and pricing (does not occur each visit) and
- Collects store feedback on PL&A products and choices.

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<sup>2</sup> Due to the busy nature of retail staff, not all five interviewees were able to answer questions from the entire interview guide.



## Program Accomplishments

At the close of the fourth quarter of 2013 (the program contract commenced in February 2013), the field services contractor had visited stores 410 times, which was nearly 100 percent of their goal (estimating a goal of 100 participating stores visited once a quarter). They trained 414 staff across 36 stores, receiving feedback that trainings were “good” or “excellent” 92 percent of the time. In addition to their contracted trainings and store visits, the contractor held six in-store events.

The contractor is maintaining a consistent relationship with participating retailers and is able to assure that marketing material is in place and up to date on a quarterly basis. The contractor has not collected data (that Evergreen has seen) on non-incentivized competing products as required in the contract between the contractor and SDG&E.

**Increased number of retailers using point of sale (POS).** Retailer D, large retailer B, and large retailer A all currently use a point of sale system for SDG&E incentivized products. The contractor provides continuous support to these retailers to smooth out the transition to POS and to make sure that floor staff fully understand how POS works in their sales system.

**Retailer relationship maintenance.** The program provides a valuable communication link between SDG&E and retail stores and the contractor is often included on calls between retailer corporate staff and SDG&E. Retailer interviews indicated that store associates recognize the contractor team members when they are making their quarterly visits. A corporate level retail staff we spoke with was pleased with the continuous communication and felt that they could contact the contractor when needed. This open relationship between the contractor and retailers allows retailer barriers and preferences to be communicated to the utility level when necessary. The contractor is uniquely positioned to understand the needs of both SDG&E and retailers and can help fill in gaps in communication.

**Able to receive customer feedback on newer technologies.** Through discussions with retail staff and time spent in stores, the contractor is able to receive customer feedback on new technologies such as digital control panels and frontload washers. This information is relayed to SDG&E and can help them understand how to support newer technologies that may be confusing or disliked by customers.

**Knowledgeable support to retail sales staff.** The contractor reported positive relationships with retailer sales associates, who are appreciative of them coming in and educating staff about the incentive program. Retail store and corporate managers highly value the training and support of their sales associates. Without the program, there would be less (e.g., not continuous, comprehensive or consistent) energy efficiency sales or POS system training of staff.

**Higher-level associate trainings effectively encourage staff to pass on information to colleagues.** The contractor reported that while walking through the retail store after a training, they came across supervisors who attended the trainings who were already disseminating relevant information discussed to other sales associates.

### **Program Delivery**

Significant barriers exist in the retail business model that make maintaining a constant program presence in retail stores challenging. Constant in-store changes such as rotating staff, new stock, and new incentive delivery strategies (such as POS) mean that training and marketing efforts need to be constantly checked on and repeated. Various corporate/local retailer structures can make program communications and implementation difficult. The additional time needed to address these barriers creates added cost for implementation. We identify some opportunities for possible refinements in program delivery based on our interim research.

**Limited bandwidth for store visits makes it difficult to perform timely updates of program developments, trainings, and marketing material placement.** A member of the SDG&E staff and the contractor reported that it is difficult for the contractor to be in stores more than once a quarter, and that they are needed in stores on a more frequent basis. Marketing materials are not always going with the appropriate products. Trainings that cover energy efficiency, the water energy nexus, qualifying products, internal promotional opportunities, and POS functionality do not reach all sales associates in the quarterly schedule. The contractor's attempts to work around this time barrier by having staff disseminate information to other sales associates and doing some visits in off hours where more part-time employees may be working. The contractor also updates a qualified product list online and helps associates bookmark the resource so that they can reference it between contractor visits. Program updates and changes (such as heat pump water heater incentive change and the new retail component of appliance recycling) can only be

communicated so quickly given the quarterly visit schedule and thus may take more time than desired to be disseminated across retailers.

**Change in staffing at SDG&E.** Towards the beginning of the program year the SDG&E staff structure changed. The contractor needed to spend time to get the new staff members up to speed on the current program efforts, barriers and progress. Staff needed to be educated on the many necessary steps required to move a retailer to POS including barcode alignment and interface updates.

**Communication gap between corporate communication and store floor staff and managers.** The contractor reported that they work to bridge the communication gap between corporate staff and staff who work in store regarding the program and POS efforts. The contractor notes that corporate employees are often limited in the amount of communications they can pass down to each individual store. The contractor's position allows them to understand what makes SDG&E's incentives and POS efforts difficult from both the corporate and store levels.

One particularly problematic communication issue occurred at large retailer B where employees thought that their sales commission (reported by the contractor to be anywhere from \$100 to \$450 per month) would decrease if they used the POS system to give customers rebates. They instead sent customers home with a mail-in rebate. Large retailer B corporate level staff had told SDG&E that employees would receive commission for incentivized products, but employees were not aware of this and had no easy way to track their commission.

Another communication gap between corporate staff and sales associates occurred at large retailer B after the introduction of the new iPad sales system. The contractor reported that the iPads did not completely function with the POS barcodes due to either broken or missing scanners. At the corporate level, large retailer B set up a portal so sales associates could pull up the necessary information to make the POS purchase complete, but this was not effectively communicated to sales associates.

**Miscommunication regarding singular incentive mechanism.** It was not originally clear to the contractor and retailers that doing POS meant that customers were no longer eligible to submit rebates via mail or online. While this mechanism was effective in motivating stores to iron out issues with POS systems quickly, it caused confusion. At large retailer A customers' applications were rejected and were told by SDG&E to go back to the store in order to get the lower price.

**POS systems vary across retailers and each possesses unique barriers that require individual attention from the contractor.** Having retailers successfully use POS for PL&A incentivized products has been a large focus of the contractor's efforts. Stores who had previously done POS had stopped participating after issues with payments or qualifications. Multiple meetings with large retailer G lead to the conclusion that their system will not facilitate POS, but they were successful in discovering and overcoming barriers with large retailer B and large retailer A.

**Each new model requires a process by which it is integrated or aligned with the POS system.** This is required each time a new incentive is introduced through the program or each time a new model is introduced on the floor (the contractor estimates this could be 20-30 units at a larger store in a given year). The contractor reported that they have tried to train staff to identify when a barcode isn't registering the incentive or when a new qualified product is introduced in store, but this often falls into the contractor's hands. The contractor reported that they have recently inserted themselves into the roll of the internal tracking and qualifying resource for large retailer B. The contractor now receives all of large retailer B's product lines and determines what is qualified. They then let large retailer B know what should be integrated into POS and then the contractor assures that the incentive signage is tied to the product in-store.

Large retailer A has someone at the corporate level who tracks eligibility across all utility programs nationwide but the contractor still fills a valuable roll in making sure products are identified in store and communicates with large retailer A corporate staff continuously.

### **Market Barriers and Program Influence**

While our evaluation is focused mainly on validating that the contractor is meeting its performance targets (i.e., KPIs), our research provides some insights on the program's influence on the market.

**Complex and fragmented market.** The current incentivized products that the contractor focuses on are larger energy efficiency saving products, but recent statewide changes have grouped appliances with plug load products under one PL&A program. Consumer electronics<sup>3</sup> such as set top boxes, printers, microwaves, etc. contain small savings on the

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<sup>3</sup> Note that these consumer electronics are not covered in this PL&A contract between the contractor and SDG&E.

individual level, but represent a significant amount of residential energy use. A SDG&E staff member reported that these products pose a challenge to utilities as technologies move quicker than work papers can be created.

The large variety of products incentivized under the PL&A program (clothes washers, refrigerators, room A/Cs, furnaces, pool pumps and wall insulation) may benefit from different marketing approaches and in-aisle signage. Appliance purchase such as clothes washers and refrigerators are more likely to be assisted by a sales staff where as appliances like water heaters may be viewed in-aisle without assistance of a store associate. According to an interview with a big box retailer, for a product with higher sales associate traffic, customers can rely on staff for information on energy efficiency, but for items in lower traffic areas such as water heaters, customers rely more on in-aisle price differences to make decisions.

**National product procurement.** A SDG&E staff member reported that national product procurement poses a challenge to local utility incentive programs. This structure makes it difficult to get products added or removed as large retailers utilize economies of scale to present items at lower prices to customers on a national level.

**Increased customer desire for energy efficiency.** A staff member of large retailer A reported that customers are asking which products are Energy Star more than they have in the past and a large retailer B employee also noted a higher customer demand for energy efficiency. Interviewees credit this both to a push of energy efficient product from staff and a growing concern about the cost of energy from customers. This increased desire for energy efficient products is evidenced in higher sales of energy efficient water heaters at large retailer A.

**Mixed incentive systems for sales associates.** A contractor staff member reported that at some stores, there is a lack of incentive for sales associates to share information learned in trainings to other sales associates due to sales competitions amongst staff. The contractor's insight into such barriers can help them understand which stores may benefit from more frequent in-aisle trainings.

**Many washing machines are program qualifying.** Two retailers we spoke with noted that a large portion of their clothes washers qualify for the incentive. This could be an issue for net savings, if it becomes unlikely for customers to buy non-qualifying units. This could suggest a need for an increase in efficiency standards for rebate qualification.

**Customer hesitation towards new technologies.** Customers have difficulty with new technologies that make clothes washers more efficient. One retailer interview reported that customers are having trouble adjusting to the models that do not have agitators as it differs from what customers expect when shopping for a new unit.

**Customers value instant rebates.** Retailer interviews indicate customer satisfaction with instant rebate and credit this with the added convenience of not having to mail in a rebate or wait to receive the monetary incentive.

**Program influence on sales.** Evergreen has not seen sales data from retailers benefiting from the PL&A field service efforts. For the next phase of the evaluation, we could work with SDG&E to review what sales data they may have and conduct analysis.

In the following section, we report on the data that is being collected comprehensively and provide a plan for analyzing it for the draft evaluation report.

## **Program Monitoring and Reporting**

Below we provide information on current monitoring and reporting. This is followed by suggestions and options for analysis by Evergreen Economics given current data collection and possible modifications to existing KPI.

### **Current Monitoring and Reporting**

The implementation contractor is required to submit the documentation on the following KPIs:

1. Number of channel outlet visits (monthly)
2. Number of channel staff trained (monthly)
3. Channel satisfaction survey (monthly)
4. Number of incentivized SKU tracked (monthly)
5. Number of non-incentivized and competing products (monthly) and
6. Quarterly meeting/ report (quarterly<sup>4</sup>).

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<sup>4</sup> Evergreen Economics did not receive for review. Quarterly summaries may have been rolled into monthly reports.

**Table 2—Key Performance Indicator Documentation**

<b>Report (frequency)</b>	<b>KPI Addressed</b>
Monthly summary report- <i>includes store visit report, trainings lists, and event lists</i> (monthly)	1, 2, 4
Site visit survey (monthly)	3
Training program evaluations (monthly)	3

**Internal documentation review process.** Reports are delivered monthly and are reviewed at various times by SDG&E staff. A staff member with an operational focus reviews the contractor reports to understand what challenges the contractor is facing in order to continue forward progress of the field service efforts. Another SDG&E staff member will review documentation at a higher level twice a year. Having staff that work in various capacities review the same documentation is helpful in that it allows multiple interpretations of barriers and success metrics. The overall project manager assesses similarities and solutions between both the Plug Load and Appliance and Lighting programs' field service efforts.

**Balancing the need for more data with the impact on efficient implementation.** SDG&E staff thinks critically about the value of the data that they collect and makes continuous improvements to attempt to strike an appropriate balance. The contractor can get bogged down trying to collect and report too much data, and SDG&E program staff has limitations on their time to be able to make use of data.

**Format of reports.** Over the past year, the contractor and SDG&E have worked together to create monthly summary reports that encompass what has been accomplished, what barriers still exist, and how the contractor proposes to overcome the barriers going forward. Reports are easy to read, in bullet format, and give summary statistics showing monthly, quarterly, and annual results.

If more detail is desired, monthly reports also have additional detail and exhibits, although Evergreen Economics was only able to view this for the month of July. Product information is not available in the monthly summary reports but can be viewed at the retailer level in

the additional detail and exhibits<sup>5</sup>. It would be helpful to have this information (incentivized products carried) at the store level (as an average per store) in order to understand how retailers vary and how marketing and POS efforts should be adjusted accordingly.

### **Analysis Plan for Current KPI and Options for KPI Modification**

The key performance indicators are valuable for different SDG&E staff and serve varied purposes:

1. **Tracking program outputs:** Tracking program accomplishments towards their goals.
2. **Refining program outcomes:** Providing information that helps refine program delivery.
3. **Understanding market impacts:** Providing information that informs its influence on the market.

The current KPI documentation is heavily focused on tracking outputs (number one above) but Evergreen believes that with some additions and modifications, KPI could also be utilized to further understand market impacts (3) and program outcomes (2).

We reviewed the KPI reports and provide an overview of our proposed plan for analyzing the data in the evaluation report in Table 3 below. The table includes analysis of existing data, and options based on modifying the existing data and adding new data, if desired by SDG&E. Analyses are categorized according to the list above as measuring program outputs, program outcomes, or market impacts in the fourth column of Table 3.

For our next deliverable, Evergreen proposes to analyze all data that is labeled as “existing” in column three. When these findings are presented to SDG&E in early February, Evergreen plans to discuss these suggestions and receive feedback on what KPI can be modified, if any, and what analysis would be useful to SDG&E to further program improvement.

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<sup>5</sup> These monthly reports refer to a quarterly report for product information. Evergreen did not review such a report and cannot comment on the quality of the product tracking above what they have reviewed in the July report, which contained the monthly detail and exhibits.



**Table 3—Data Analysis Plan**

Analysis	Objective	Data (New, Modified or Existing)	Output, Outcome or Market Impact
Monthly Summary Reports			
Track sales associate satisfaction over time.	Understand if program is increasing sales associate satisfaction.	Existing	Outcome
Site Visit Reports (detail attached to monthly summary reports)			
Add number of staff training interactions.	Encourage use of store visits for sales associate interactions.	New	Outcome
Change counts of products and signage to the average per store.	Understand number of units in the context of one store and allow comparison over time.	Modified	Outcome/Market
Add average number of non-incentivized product.	Understand the mix of incentivized products compared to non-incentivized products and track the change over time.	New	Market
Create sales visit reports in spreadsheet format in order to analyze store changes over time.	Further improve ability to track how store changes over time.	Modified	Market
Pull information into tracking spreadsheet to review frequency of site visits with and without reports.	Understand method or pattern to decision to create site visit report (where store items are tracked).	Existing (although Evergreen currently only has data from one month)	Output
Information concerning sales staff understanding of the market including: <ul style="list-style-type: none"> <li>• What barriers to customers face in deciding to purchase energy efficient products?</li> <li>• Are there any energy efficient technologies that customers have misconceptions or hesitations about?</li> </ul>	Understand more about consumer barriers to purchasing energy efficient products.	New	Market
Store Questionnaire/Assessment – This assessment could be given to stores when they sign up for participation and to all participating stores in order to assess where best to allocate the contractor resources. Assessments of current participating stores may be able to be filled out, in part, by the contractor.			

Analysis	Objective	Data (New, Modified or Existing)	Output, Outcome or Market Impact
Number of staff in department. Percent of sales that involve store associate/customer interaction by product type.	Find out value of staff trainings based on their in-aisle availability.	New	Outcomes
Which shift has the highest turnover rate?	Find out during which time shifts should staff be trained.	New	Outcomes
How often do new qualified products enter store floor?	Understand how often price tags and signage may be interfered with and allocate visits to be more or less than quarterly depending on results.	New	Outcomes
What are motivational policies set in place for sales associate?	Understand if store structure has incentives in place that will hinder information sharing about SDG&E efforts.	New	Outcomes
Checklist of acceptable or desired marketing materials in addition to language needs.	Learn on outset what types of material are acceptable and focus efforts there.	New	Outcomes

#### 4. Suggestions for Potential Program Improvements

In this section we discuss potential program improvements based on our interim research, which may improve the effectiveness and efficiency of program delivery.

**Integrate rebate information into retailer promotional mailings and materials.** An interviewee at a retailer not currently doing POS suggested that it would be useful to have rebate information included in corporate print advertising (such as weekly newspaper inserts). Current in-store materials only inform customers who are already in-aisle, but including marketing into already distributed materials could help bring more interested customers into the store and could increase awareness of SDG&E discounted products across the service territory. This may require greater flexibility with regards to material review due to the quick nature of retail promotions.

**Meet with lighting team to explore areas of overlap with similar barriers and approaches to overcoming barriers.** While there are many differences between the

lighting field service efforts and the PL&A field service efforts, Evergreen thinks it would be beneficial for the two operational teams to meet to discuss their challenges in the event that one team may have a solution or strategy that the other team has not tried. The program manager currently is aware of efforts from both groups but those in more operational rolls may find value in an information-sharing meeting. This may be especially useful as the PL&A team continues to shift their focus towards trainings.

**Create avenues for increased electronic communication between the contractor and retailers.** The contractor reported that in their past experience, being able to communicate electronically with retailers allows for better communication. Having more succinct communication between the contractor and retailers can clear up time for the contractor to spend on training and store visits.

**Continue focus on training.** A member of the SDG&E staff reported that a portion of the funding for collateral has been moved to training. Retailer interviews indicate that staff trainings are happening both in break room settings and in-aisle. The success of the break room trainings is dependent on the ability of higher level staff to both be available and to disseminate information. Evergreen encourages the contractor to expand in-aisle trainings when available. This may help eliminate sales associate confusion about commissions, and the appropriate way to process the POS transaction through a more direct interaction with the contractor.

**Continue efforts to expand POS efforts to smaller stores.** A member of the SDG&E staff reported that they would like to get more mom and pop type of shops involved. Monthly reports suggest that smaller retailers often have low sales volume of new appliances. These stores may require less frequent visits by the contractor.

**Sales and stocking data collection.** Ideally if there were no resource limitations, all sales and stocking data would be collected electronically and available to SDG&E real-time on a cumulative basis. In Evergreen's experience, this data is difficult and time consuming to gather. Total sales and stocking data would facilitate understanding of program effects on the market but it is important to be realistic about the challenges in receiving this type of information. The program outcome of continued retailer relationships may help to increase trust and facilitate shared sales data at a later date.

**Format of reporting.** Modifying the data collection format could allow for a more efficient understanding of the program's progress over time. Technology, such as digital data collection (via a tablet) could make the data collection process more efficient. Drop down

menus allow data to be categorized at the point of collection and tablets could facilitate the shelf and display photography that is incorporated into reports. Before visiting a store, the field service representative could pull up information from the prior report and understand what issues to look for. Digital collection would help to lower the amount of time that information is processed at the contractor for consumption by SDG&E. While the digital data collection solution may help save time in the long run, the up front costs of the tablet and the time to create the interface may take budget and focus away from other program activities.

**Increase customer interaction component.** The contractor currently participates in a minimal number of outreach events and this type of effort is not a part of their KPI. These events offer the opportunity for the contractor to receive direct customer feedback. The contractor is positioned well to receive customer feedback through outreach events or through their store visits and Evergreen suggests that this function be developed and tracked with a series of questions with customers who are shopping while the contractor is doing their in-store visits.

## 5. Evaluation Next Steps

After discussions with SDG&E about our proposed plan for data analysis, we will deliver a memo that provides the final plan for data analysis in February. We will submit data requests in the first two quarters of 2014, and analyze data through the second quarter of 2014. We will deliver a draft evaluation report in September of 2014.

Deliverables:

- Interim findings memo (this document)
- Final data analysis plan memo – February 2014
- Data requests – April 1, 2014 and July 1, 2014
- Draft evaluation report – September 2014

## 7 Appendix B: Data Analysis Plan Memo

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This document contains both the research plan and revised documents that were suggested in the Interim Memo included as Appendix A.



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## MEMORANDUM

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March 19, 2014

**To:** Rob Rubin, Thomas Van, SDG&E

**From:** Martha Thompson and Tami Rasmussen

**Re:** Data Analysis Plan for Evaluation of SDG&E Plug Load and Appliance Field Services Contract

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This memorandum provides our data analysis plan for the Plug Load and Appliance (PL&A) Field Services Evaluation report that will be drafted and delivered in September 2014. The plan is based on discussions with SDG&E staff with regards to the Interim Findings Memo submitted in January 2014. This memo contains the following sections:

1. Program and Evaluation Background
2. Research/Analysis Approach
3. Schedule of Deliverables

### 1. Program and Evaluation Background

SDG&E contracted with a firm in February 2013 to conduct field services to support the 2013-2014 PL&A program, which is implemented at over 100 participating retailer outlets. The contractor is providing management and training of participating retailers and development and display of point-of-purchase materials.

The contractor's performance is measured based on six Key Performance Indicators (KPIs) that are specified in their contract with SDG&E. These KPIs are reported on periodically to SDG&E (e.g., via monthly reports, email and phone calls).

In May of 2013, Evergreen Economics was hired to review contractor documentation on KPI and to gather feedback from participating retailers and field service representatives. Based on feedback from SDG&E at the project initiation meeting, the overall objective of the research is to identify ways the program can maximize the sales of energy efficient

products through retailer education and marketing. While our research approach is focused on evaluating the effectiveness of the contractor's program delivery (e.g., are they fulfilling their contract obligations, are SDG&E and the retailers they serve satisfied with their performance, are there ways in which program delivery could be improved to be more effective and/or efficient), through the course of our research we can also provide insights about the effectiveness of program design.

## **2. Research/Analysis Approach**

In January 2014, Evergreen Economics presented our interim findings to program staff, which were based on review of key performance indicator (KPI) documentation and in-depth interviews with program staff, field service contractor staff, and retailers. For more detail on those efforts please see the Interim Findings memo, dated January 24, 2014. During the presentation of interim findings, and subsequent discussions, we solicited feedback from program staff regarding the remaining study analyses. This Data Analysis Plan Memo incorporates their feedback.

Remaining research efforts for 2014 include the following and are detailed below.

- In-Depth Interviews with marketing staff, the contractor staff and
- Analysis or revision of KPI documentation.

Table 1 summarizes the research questions and objectives discussed with program staff and shows how each question is linked to the data collection and analysis.

**Table 1 – Research Questions and Associated Tasks**

	In-Depth Interviews		Analysis or Revision of KPI Documents
	Market-ing Staff	Contractor Staff	
How does marketing impact customers?	x	x	x
How does the contractor impact customers?	x	x	x
Are there perceived issues related to product turnover? What is the shelf life specific products?		x	x
How does SDG&E get customers to walk away with a broader energy efficiency message? Are retailers interested in home displays?	x	x	
Is anyone else doing overall marketing better than SDG&E?			
Is the program impacting attitudes of consumers, retail staff, and manufacturers?	x	x	x
When will SDG&E have transformed the market?		x	
Is SDG&E making a positive impact on the market?		x	x
What are consumer barriers to purchasing energy efficient products?			x
How often are products moved/ signs altered?		x	x
What incentive structures are in place for store associates?		x	x
How is the mix of incentivized vs. non-incentivized products changing over time?		x	x

### ***In-depth Interviews***

Evergreen will conduct a small number of in-depth interviews to inform the research questions. In-depth interviews will include:



1. **SDG&E Marketing Staff Interviews** – During our meeting with program staff in early February we found discussions with the marketing team to be valuable. We will continue these conversations through interviews which will include topics such as:
  - Merits of presenting overall energy efficiency message,
  - Customer attitudes and perceptions,
  - Direct marketing impacts for consumers, and
  - Contractor marketing strategies.
  
2. **Contractor Interviews** - we will follow up our October 2013 interviews with the contractor. This will be done in a similar format, with program staff from various positions on one call. Topics covered will include:
  - Perceptions of retailer willingness to have in-store overall energy efficiency messaging or demonstrations,
  - Product shelf life,
  - Marketing in other utility jurisdictions,
  - Customer perceptions, and
  - Market impacts, changes and direction.

*Deliverables:* Draft guides for each interview group, May 30, 2014. Interview findings will be reported in the draft findings memo that will be submitted in September, 2014.

### ***Analysis or Revision of KPI Documents***

This section includes the following tasks:

- Review and Analysis of KPI documentation
- Modification of KPI documentation
- Creation of new KPI documentation

#### **1. Review and Analysis of KPI documentation**

For the Interim Findings Memo we conducted a cursory review of KPI documents covering up to 2013:Q4. We will submit two additional quarterly data requests for KPI documents on April 1, 2014 and July 1, 2014 in order to include quarter one and quarter two of 2014 in our analysis.

Evergreen reviews the monthly reports to:

- Track KPI performance
- Provide background on the program status
- Ensure that all the KPIs are reported on comprehensively
- Identify any issues with program delivery
- Ensure that SDG&E is receiving the information they need to effectively oversee the program and
- Ensure that the reports are provided in a useful format for SDG&E.

Evergreen reviews a sample of the training and site visit surveys to ensure that:

- The contractor is reporting on the KPIs that are in their contract
- There is sufficient documentation (e.g., pictures of displays, pictures of store fronts, pictures of marketing materials) and
- That the reports are provided in a useful format for SDG&E.

For the monthly reports, site visit surveys and training program evaluations, Evergreen will analyze all of the report data (covering 2013 through second quarter of 2014) in mid-2014 to:

- Provide summary data to SDG&E
- Review frequency of site visits that either have or do not have full documented reports to further understand how the choice to document or not document store visit is made by the contractor and
- Provide feedback on program delivery, market outcomes and possibly market impacts.

*Deliverables:* Data requests on April 1, 2014 and July 1, 2014 and analysis included in the September draft report.

## **2. Modification of KPI documentation**

One of our recommendations in the Interim Findings Memo was to modify one KPI document to increase efficiency and/or usefulness of the data. In Table 2, we outline the edits that we suggested, and the analysis we expect they will facilitate if incorporated into reporting data for the first half of 2014.

We will work with Thomas Van to create a revised document. Evergreen will deliver a draft document in April, 2014. We anticipate that SDG&E program staff will then work with their field service contractor to implement these changes as appropriate and feasible.

**Table 2 – Document Modifications**

Analysis	Objective
Site Visit Report	
Number of staff training interactions that occur in store (rather than break room setting).	Encourage use of store visits for sales associate interactions.
Change counts of products and signage to be the average per store.	Understand number of units in the context of one store and allow comparison over time.
Add average number of non-incentivized products.	Understand the mix of incentivized products compared to non-incentivized products and track changes over time.

*Deliverables:* Evergreen will deliver draft modifications to Thomas Van in April, 2014.

### **3. Creation of Store Questionnaire/Assessment and Sales Associate Survey**

In-depth interviews with retailers, program staff, and field service contractors made it apparent that retail locations vary greatly in their needs, acceptable marketing material, stocking refresh practices, and interactions with customers. One recommendation in the Interim Findings Memo was to create a store questionnaire/assessment for each store when they signed up with the program that would allow the contractor to have a profile of each store that could assist with the objectives shown in the second column of Table 3. This could be an addition to a Retailer Guide that contains the store agreement.

**Table 3 – Questionnaire Suggestions**

Questionnaire Item	Objective
Number of staff in department. Percent of sales that involve store associate/customer interaction by product type.	Find out value of staff trainings based on their in-aisle availability.
Names and contact information for sales managers.	Help to build relationship with sales managers.
What are the various shift schedules? Which shift has the highest turnover rate?	Find out during which time shifts should staff be trained.
How often do new qualified products enter store floor?	Understand how often price tags and signage may be interfered with and allocate visits to be more or less than quarterly.
Who makes store stocking decisions?	
Please tell us a bit about the process of getting a new model on the store floor.	
What motivational policies are set in place for sales of individual sales associates? Are there ways that SDG&E could help to encourage sales of incentivized products by sales associates?	Understand if store structure has incentives in place that will hinder information sharing about SDG&E efforts.
Checklist of acceptable or desired marketing materials in addition to language needs.	Learn on outset what types of material are acceptable and focus efforts there.
Checklist of acceptable verbiage.	

We think it would be valuable to take advantage of the knowledgeable sales associates who are more customer facing than the contractor, by having the contractor deliver and report on a new Sales Associate Survey that can be utilized to both encourage the contractor to interact with sales staff when updating signage, and to receive their feedback and insight as customer facing market actors. We have drafted the Sales Associate Survey to be delivered at quarterly site visits in Appendix B. The questions and objectives are shown below in Table 4.

**Table 4 – Sales Associate Survey**

Survey Question	Objective
How satisfied are you with the assistance you've received from the contractor/SDG&E?	Understand if program is increasing sales associate satisfaction.
What barriers do customers face in deciding to purchase energy efficient products?	Understand more about consumer barriers to purchasing energy efficient product.
Are there any energy efficient technologies that customers have misconceptions or hesitations about?	Understand more about consumer barriers to purchasing energy efficient product.
What would the contractor/SDG&E be able to provide that could help you do your job better? Example: A pocket size information sheet.	Understand more about consumer barriers to purchasing energy efficient product.
Have you been trained by a store supervisor or the contractor before about energy efficient incentives?	Understand if trainings need to happen more or less often.
Interest in green demo space, where would it go?	Understand interest in green demo space.

If these forms are completed before the data request on July 1, 2014, Evergreen can perform analysis and include findings in the September deliverable. Evergreen suggests that SDG&E leverage the contractor staff knowledge to complete the questionnaire for existing stores, and use this questionnaire for new stores going forward.

*Deliverables:* Questionnaire draft, which can be found in Appendix A of this memo. Sales Associate Survey draft that can be found in Appendix B.

### **3. Schedule of Deliverables**

Below we present the schedule of deliverables.

**Table 5 – Scheduled Deliverables**

<b>Item</b>	<b>Deliverable Date</b>
Status Updates	On or before the 10 <sup>th</sup> of each month
Modified Site Visit Report	April, 2014
Retailer Questionnaire Additions	See Appendix A
Sales Associate Survey	See Appendix B
2014 Q1 Data Request	April 1, 2014
2014 Q2 Data Request	July 1, 2014
Draft Interview Guides	May 30, 2014
Draft Findings Report	September 2014

## Appendix A: Retailer Questions

The questions below are the suggested additions to the retailer introductory material.

<p>What percent of sales involve store associate/ customer interaction for each of the listed products:</p>	<p>Clothes washers ___%  Refrigerators ___%  Room A/C ___%  Furnace ___%  Water Heater – Electric, Storage ___%  Water Heater – Natural Gas, Storage ___%  Pool Pump and Motor ___%  Wall Insulation ___%</p>
<p>What are the names and phone numbers of sales managers who work in the department with the products listed in the question above?</p>	<p>Name _____ Phone _____  Name _____ Phone _____  Name _____ Phone _____  Name _____ Phone _____  Name _____ Phone _____</p>
<p>What are the various shift schedules? Which work shift has the highest turnover rate? (Used for training scheduling, if applicable)</p>	
<p>How often do new qualified products enter the store floor?</p>	<p>Name _____ Phone _____</p>
<p>Who makes the store stocking decisions?</p>	
<p>Please tell us a bit about the process of getting a new model on the store floor.</p>	
<p>What motivational policies are set in place for sales of individual sales associates? Are there ways that SDG&amp;E could help to encourage sales of incentivized products by sales associates?</p>	

Please check all marketing material or education products you would be willing to post:

- Small shelf sign
- Break room poster
- Aisle apron card
- Shelf tag
- End cap

Is there any verbiage that SDG&E should avoid using in their marketing per store policy? If so, what?

Do you have other suggestions for marketing material that would be useful for yourself, employees, and customers? If so, What?

Would your store be interested in creating an area dedicated to an overall energy efficiency message with demonstration household products?





## Appendix B: Retailer Questionnaire Suggestion

Sales Associate Survey questions, as suggested by Evergreen, are shown below. These are to be utilized during quarterly site visits by the contractor. We recommend giving the survey to two sales associates that handle different qualified product areas.

Name:	
Date:	
Store:	
<b>Question</b>	<b>Answer</b>
How satisfied are you with the assistance you've received from the contractor/SDG&E?	
What barriers do customers face in deciding to purchase energy efficient products?	
Are there any energy efficient technologies that customers have misconceptions or hesitations about? If so, what are they?	
What would the contractor/SDG&E be able to provide that could help you do your job better? Example: A pocket size information sheet?	
Have you been trained by a store supervisor or the contractor before about energy efficient incentives?	



## 8 Appendix C: Site Visit Report Suggestions

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This document contains an example of modifications that could be performed on the site visit report.

**Plug-Load & Appliances Program  
Store Visit Report – December 2013**



Add space to report total number of stores visited. This will help extrapolate new average numbers that are suggested below if need be

Add metric for number of staff training interactions that occurred on average per store visit in order to encourage use of store visits for sales associate interactions where appropriate.

**POP Materials** Replaced and replenished as needed: literature holders, fact sheets, POP signage, qualifying appliance product labels, and laminated barcode instruction sheets.

**Challenge:** POP Beam Signage – Water Heaters: MET team and sales associates do not always reposition SDG&E beam signage when corresponding product is moved. This results in the rebate markdown message\* potentially aligned with models not receiving or qualified for the markdown discount.  
\*\*Lower price on select water heaters made possible by SDG&E.\*\*

**Remedy:**  repositioned or removed signage as appropriate.

**Display – Product & Signage:**  
Exceptions, if any, are noted in "Visit Information"

Qualified Product	Maximum Incentive Amt.	Approx. # Qualified Models Stocked	Qualified Products Displayed?	2013 Signage Properly Displayed?
Clothes Washer: CEE Tier 3, MEF ≥ 2.4, WF ≤ 4.0	\$ 50.00	22	Yes: Normal	Yes: POS QP Labels, Lit Holder.
Refrigerator: CEE Tier 2 & 3	\$ 50.00	13	Yes: Normal	Yes: POS QP Labels, Lit Holder.
Room A/C: ENERGY STAR	\$ 50.00	0	No: Seasonal	Not Applicable
Furnace: AFUE ≥ 90 AFUE ≥ 90 w/ variable speed motor	\$ 100.00 \$ 200.00	0	Yes: Sample	<input type="checkbox"/> installed "Ask About Rebates" label on display.
Water Heater - Electric, Storage: EF: tiers	\$ 100.00	0	No: Not Carried	Not Applicable
Water Heater – Natural Gas, Storage: EF ≥ 0.62	\$ 100.00	2	Yes: Sample	<input type="checkbox"/> installed "Ask About Rebates" label on display, removed 2013 laminates.
Pool Pump and Motor: with automatic controller -- variable speed	\$ 200.00	0	No: Not Carried	Not Applicable
Wall Insulation: ≥ R13	\$ .15 per sq. ft. installed	Supply on hand > 50 rolls/ packages	Yes: Normal	<input type="checkbox"/> removed 2013 laminates.

Report this as average models stocked per store to help contextualize the metric and allow for clearer comparison over time.

Consider collecting the average number of non-incentivized products per store. (Consider additional time needed to collect this data when deciding whether to use this metric)

Continued on next page