

Solar Marketing & Payback

Andy Black 

Solar Energy International 

July 23, 2005



Thanks

- * Solar Energy International
- * Johnny Weiss & Sandy Pickard
- * Todd Bartolf
- * The SEI Staff

- * You for coming

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Agenda

- * Introduction & Dream Job notes
- * Areas of Need in Solar:
 - o Marketing Solar
 - * Marketing Overview
 - o Financial
 - * Payback on Solar Electric Systems
 - * Proving the Payback Analysis

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Introduction

- * My background:
 - * Electrical Engineer
 - o Solar in Grad School
 - o Sold my soul to computer chip industry
 - * Bought it back through volunteering & training

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Buying My Soul Back

- * Took classes at SEI and anywhere I could
- * Started reading, attending events
 - o Conferences, Fairs, etc
- * Volunteering for ASES chapter
 - o Solar home tour, Events, Booth
- * Organizing tours & classes
- * Writing articles, teaching, etc

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Networking & Participation

- * Get involved
- * Get connected to people & groups
- * Get known
- * Important for proprietor & employee
- * Use list in back, updated at:
www.ongrid.net/dreamjobresources.html

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Work for Others First

- * ...before starting your own business
- * Get experience thru them
 - o Less expensive than making the mistake w/ you own money
 - o Starting a business is hard enough as it is
- * Important for industry health for each solar business to be as successful as possible

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Current & Recent Activities

- * Sold PV systems for 4 years in CA
- * Taught a lot of classes and volunteered
 - o Good for industry & good for leads
- * Started my own company recently

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OnGrid Solar

- * PV Purchasing Consultation
 - o Sales broker for PV systems
 - o Help buyer get and analyze bids
- * PV Financial Analysis & Consulting
 - o Payback analysis & software tool available to installers to help them make the financial case for solar electricity

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Marketing

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What is Marketing?

- * “All the activities involved in the movement of goods to final customers”
 - Encyclopedia Britannica

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What is Marketing?

- * “The process of **planning and executing the conception**, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual & organizational objectives.
 - American Marketing Association

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Marketing is Essential & Missing

- * Marketing is Essential
 - o Engineers Rejection
- * Marketing is missing in many solar firms
 - o No value given to it
 - o Hippie days
 - o Engineer driven


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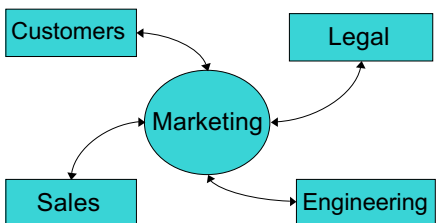
What is Marketing?

- * Central function in a business
 - o Define product - customer & engineering
 - o Define price - engineering & demand
 - o Plans for survival and growth
 - o Protects - legal
 - o Promotes & sells

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Marketing is Central




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Dangers if Marketing Isn't Central

- * Other Centers:
 - o Engineering: Quality over Profit
 - o Sales: Volume over Quality or Margin
 - o Legal: Caution over Opportunity


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Marketing Brings a Balance

- * Marketing
 - o Input from & direction to all departments
 - o Strikes balance between all needs

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Marketing is Essential

- * Without it, no one knows you're there
- * You don't know where you are
 - o Customer satisfaction surveys
- * You don't know what to sell or to whom
- * You don't know what to charge

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Topics in Marketing

- * Marketing is more than advertising
 - o Defining Products
 - o Promotion Strategies
 - o Making a Compelling Case


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4 P's of Marketing

- * Product
- * Placement
- * Price
- * Promotion

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A look at 2 P's


- * Product
- * Promotion

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Product

- * Easy right?
- * The Thingus being sold
 - o Eg. 1.25kW Grid Tied PV System




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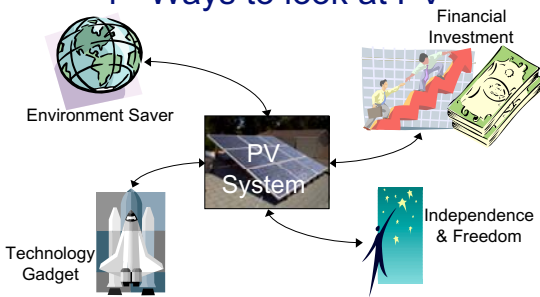
The same PV system is actually 4 or more products

- * Huh?


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4+ Ways to look at PV




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4 “Products”

- * To the enviros – it saves the planet
- * To the bean counters, it saves/makes \$
- * To the geeks – it’s a new toy
- * To the independents – it’s freedom


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



Segmentation

- * 4 groups each see a different product
- * Each group needs its own approach
- * Each is a Market Segment
 - o There are sub-segments

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Sub-Segments

- * Each Segment has sub-segments
- * eg. The Independents might want:
 - o Backup Power 
 - o No foreign or out-of-state energy in CA 
 - o No electric bill / No rate hikes 
 - o No PG&E 

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Target Markets

- * Each Segment or sub-segment is a Target Market
 - o Each with different needs & wants
 - o Needs different messages that relate
- * Messages focus on sub-segments
- * This becomes Promotion


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Promotion

- * Promote each “Product”
 - o Different message for each segment
 - o Message tailored to target market

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Each Group Gets Its Own Promotional Presentation

- * Payback doesn’t work on tree huggers
- * Tech “coolness” doesn’t work on accountants
- * Some crossover, but usually one focus is dominant


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Target Market Segments

- * Environmentalists – global warming, ...
- * Financial – payback focused
- * Techno – weenies & gadgeteers
- * Libertarians - *\$&#@ PG&E


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One Promotion Message Does Not Fit All Audiences


- * Trying to hit all at once will hit no one
- * Focus on one target in each message
 - o Keep target clear
 - o Keep message clear for the target
 - o OK to miss other targets
 - * Go only for most important targets

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One Segment Approach:

- * To the Sierra Club member: “A PV system generates a positive cash flow and will increase your home equity”





- * Where’s the environmental value?

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How About

- * To the Sierra Club:
 - “Solar Electric Systems are a great way to preserve the environment cleanly and quietly, and with rebates are at the lowest prices ever. Now your dream of really helping the planet is finally affordable...”


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A Second Segment:



- * To a banker looking for an investment:
 - “A PV system generates clean quiet power which helps preserve the environment.”
- * Where’s the investment value?

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How About

- * To the banker:
 - “A PV system generates a positive cash flow and will increase your home equity. Call Andy for a customized financial analysis...”


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Promotional Messages

- * Keep it focused on the target
 - o Don't combine messages
 - * Harder for audience to see connection
 - * No one will connect -> no calls
- * Use words & phrases from the sub-segments to draw attention

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Good Promotion Mediums

- * Effective mediums for solar include:
 - o Website
 - o Postcards & mailers - BP
 - o Radio - Solar Depot
 - o Solar Home Tours - All vendors
 - o Classes & Events
 - o Community Events & Festivals


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Websites

- * Every business should have
 - o Many customers search online
 - * Even if it only has your contact info
 - * Can bid on searchable key words
- * Keep it simple & timeless
 - o Minimize contact you must maintain
 - * Out of date is almost as bad as none at all
 - o Keep it low cost & low time investment
 - o You may lose interest in updating it, but it needs to stay looking good

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Postcards

- * Easy & low cost for you
 - o Printing, paper & postage all minimized
- * Effective
 - o Headline is unavoidable
 - o Must read to scan, even if they discard it
- * Easy for them
 - o No letter opener required
 - o A quick scan gives them all the info

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Postcards Example

OnGrid SOLAR

My new contact info is:
 Andy Black
 OnGrid Solar
www.ongrid.net
andy@ongrid.net

4175 Renaissance Dr #4
 San Jose, CA 95134
 (408) 428-0808 (open two to cellular also)



We are continuing our solar advocacy through our service to the NorCal Solar Energy Association (www.norcal-solar.org) and the American Solar Energy Society (www.ases.org).

4175 Renaissance Dr #4
 San Jose, CA 95134
 (408) 428-0808
www.ongrid.net


Andy Black's New Contact Info

It has been a pleasure to serve you. I'm writing to let you know that after 4 great years of working for others, I'm restarting my own business: **OnGrid Solar**.

Please see the other side for my complete contact info and please contact me if I can be of assistance.

Sincerely,
 Andy Black
 (408) 428-0808, andy@ongrid.net


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? Promotion Mediums

- * TV - failed big at one company!
- * Paid Print Advertising - not clear
- * Most effective:
 - o PR - Articles in the paper
 - o Word of mouth & referrals
 - o Solar Home Tours


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Make A Compelling Case

- * Use various angles of Promotion to make a compelling case for your product.
- * Methodical demonstration
 - o Benefits
 - o Backed up with Evidence


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Bridge the Confidence Gap

- * Dump the puffery that anyone can claim
- * Have something solid & good to say
 - o Say it well
 - o Say it often


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Methodical Demonstration

- * Benefits
 - o Offer superior benefits
 - o Create a unique offering
- * Evidence
 - o Supporting evidence for each claim


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Superior Benefits

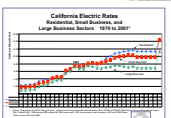
- * Truly extraordinary customer service
- * Tangible & definable benefits
- * Unique offering no one else can claim
 - o All Principals are Engineers
 - o Customized financial analysis
 - o 10 year warranty

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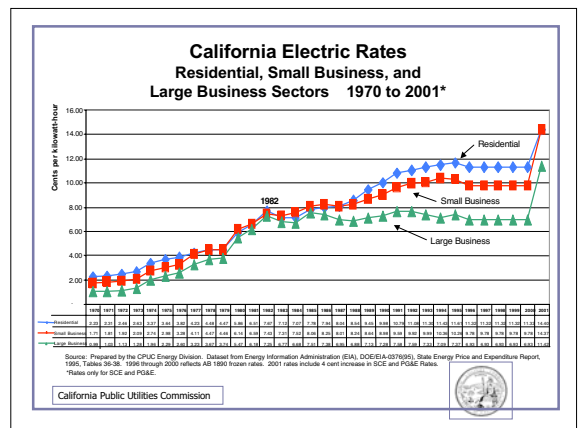




Evidence for Each Point

- * Published Articles
- * Graphs from independent sources
- * Figures & Calculations
- * Endorsements & Testimonials
- * Quotes from Satisfied Customers
- * ...



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Create a Logical Progression Leading to the Conclusion

- * The customer would be foolish to do business with anyone else



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Marketing Conclusion:

- * Marketing is an important function
- * Identify the Products via the Segments
- * Identify the messages for Promotion
- * Chose the right medium for Promotion
- * Build a compelling case

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At first people refuse to believe that a strange new thing can be done.
 Then they begin to hope it can be done.
 Then they see it can be done.
 Then it is done, and the world wonders why it was not done centuries ago.

- Frances Hodgson Burnett, Author,
 The Secret Garden

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