



Memorandum

December 20, 2023

To: Board of Trustees

From: Peter Eglinton, Deputy Director
Sheldon Perkins, Website, Multimedia and Marketing Manager

Re: Proposed Sole-Source Purchase of Digital Ads for Triennial Plan V Period

In July 2022, the Board approved the Staff's request for a waiver for competitive procurement procedures in order to purchase digital ads for program marketing that was outlined in Triennial Plan V. Now nearly half-way through that Triennial Plan period, the influx of new federal and state funding is driving increased need for marketing at a level higher than forecast last year. This memorandum amends the prior request, proposing an increase in expenditures for digital advertising under the sole-source authorization.

Background

Over the past several years, Efficiency Maine programs have increasingly relied on digital advertising to reach potential program participants. As described in the Triennial Plan, digital ads are a key element of program marketing – they are more targeted, more measurable, and lower cost than many other marketing channels.

- **Targeted:** Digital ads can be targeted by geography (e.g., within Maine, or by any town or ZIP code), by demographics (e.g., ages 35+), and by search term (e.g., "heat pumps"). This targeting allows us to customize campaigns and messages to the right audience – a feature that is especially important when Efficiency Maine's incentives differ by customer group or location. For example, natural gas ads can be targeted by geography, offering a greater likelihood that they are seen by natural gas customers.
- **Measurable:** The Staff carefully monitors marketing and outreach expenses. The insights available for digital ads (number of views, number of clicks through to the website, number of visitors who then continued to explore our website) are far more detailed than what is available from traditional advertising channels. Newspaper and radio circulation numbers are knowable, but how many of those newspaper readers see a particular ad is not.
- **Lower Cost:** For roughly the equivalent price of one full-page ad in a special section of a major Maine daily newspaper, a recent digital ad for heat pump water heaters was seen by more than 25,000 Mainers while they were in the process of conducting online searches related to water heaters. Of those, 1,848 visited the Efficiency Maine website from the ad. In most campaigns, Efficiency Maine pays between \$1 and \$4 per engaged prospect (or "click"). While the Trust still relies on print ads, radio ads and other marketing channels, digital ads allow us to invest our marketing dollars to reach Mainers who are searching specifically for energy-efficiency products and services.
- **Impactful:** On average, between 40% and 60% of total website visits from inside Maine are driven by digital ads. In addition, folks who come to the website via paid ads spend more time on the site than average and they are the most engaged (more time on pages, click on more links, watch more videos, etc.).

All ad placements and budgets are carefully considered as part of individual program marketing efforts. It has been the Staff’s experience that more focused marketing to interested customers and/or a targeted customer group is the best first outreach strategy before investing in wider, broadcast advertising or messaging. Digital ad placements to date have been successful in driving qualified leads and interested customers to our website.

Section 4 of the Efficiency Maine Trust Procurement Policy indicates that competitive procurement may be waived when “goods and services are not conducive to competitive bidding.... Examples of covered goods or services that are presumptively not conducive to competitive bidding include but are not limited to... advertising for a particular media outlet.” The Trust’s policy further dictates that Staff will seek Board approval to procure sole-source digital ad “buys” for program campaigns if they exceed \$25,000.

Staff forecasts the following updated annual budgets for digital ads in the Triennial Plan V period (FY2023 – FY2025):

Provider	Annual Spending
Google	\$1,500,000
LinkedIn	\$10,000
TOTAL	\$1,510,000

The total annual amount, \$1,510,000, would support marketing and outreach for four measures (heat pumps, weatherization, heat pump water heaters, and electric vehicles) and five programs (Home Energy Savings Program, Low Income Initiatives, Retail Initiatives, Distributor Initiatives, Electric Vehicle Initiatives). Google ads are the most valuable channel and would constitute the largest share of this budget, although we also plan to use smaller budget amounts for digital ads on LinkedIn for our EV fleet promotions; LinkedIn ads were previously tested with Commercial and Industrial Prescriptive Initiatives. Although we have used Facebook ads in past years (see example in Appendix B), Staff does not anticipate running them in FY2024. See Appendix A for more details on anticipated expenditures, which Staff may modify from time to time in order to meet programming needs and stay within the proposed budget of \$1,510,000. Appendix B includes examples of past digital advertising.

Proposed Motion

Move to waive the requirement for competitive solicitation for the digital ad campaign to support implementation of Triennial Plan V and authorize the Executive Director to purchase digital ads from Google and LinkedIn in FY2023, FY2024, and FY2025 at amounts not to exceed \$1,510,000 per year.

Appendix A – Updated Actual and Forecasted Digital Advertising for FY2024

	Google				LinkedIn	
	Heat Pumps	Weatherization	EVs	Heat Pump Water Heaters	EV Fleet	
July (actual)	\$30,278	\$33,830	\$2,667	\$43,459	\$812	
August (actual)	\$28,165	\$33,878	\$3,758	\$66,767	\$892	
September (actual)	\$18,713	\$33,697	\$4,214	\$67,207	\$980	
October (actual)	\$15,173	\$33,829	\$4,542	\$68,579	\$780	
November (actual)	\$11,332	\$20,920	\$4,487	\$68,809	\$913	
December (projected)	\$20,500	\$33,700	\$5,500	\$68,500	\$865	
January (projected)	\$20,500	\$33,700	\$5,500	\$68,500	\$865	
February (projected)	\$20,500	\$33,700	\$5,500	\$68,500	\$865	
March (projected)	\$20,500	\$33,700	\$5,500	\$68,500	\$865	
April (projected)	\$20,500	\$33,700	\$5,500	\$68,500	\$865	
May (projected)	\$20,500	\$33,700	\$5,500	\$68,500	\$865	
June (projected)	\$20,500	\$33,700	\$5,500	\$68,500	\$865	
Total FY	\$247,161	\$392,054	\$58,168	\$794,321	\$10,432	\$1,502,136

Appendix B – Illustrations of Past Use of Digital Ads

Efficiency Maine programs have deployed Google and Facebook ads to market to potential customers for several years. In the past, these channels have been particularly helpful in advertising programs or measures available only to a select geographic region in Maine and advertising measures that are quickly replaced (e.g., a heat pump water heater ad appears when you search for “broken water heater” in Maine). By way of illustration, current campaigns include digital ads for electric vehicles, heat pump water heaters, and high-performance heat pumps.

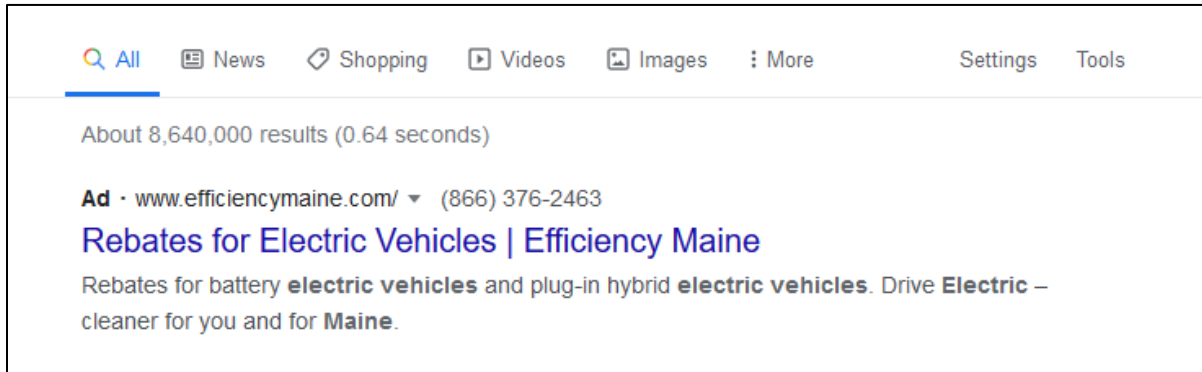


Figure 1: Google ad for EV Programs

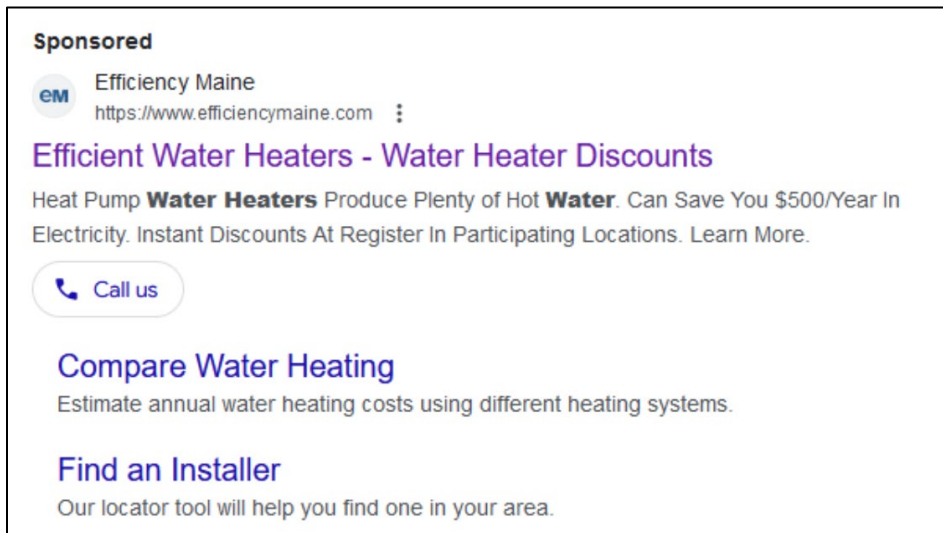


Figure 2: Google Ad for heat pump water heaters



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Figure 3: Facebook ad for high-performance heat pumps