TECHNICAL REVIEWERS' RATING SUMMARY

R013-A

Comprehensive Statewide Higher-Level Blend
Ethanol Marketing Campaign

North Dakota Ethanol Council
Principal Investigator: Deana Wiese
Request for $199,600; Total Project Costs $424,000

Rating Category	Weighting Factor	Technical Reviewer 1A Rating	1B Rating	1C Rating	Average Weighted Score
1. Objectives	9	4	4	4	36.00
2. Achievability	9	4	4	3	33.00
3. Methodology	7	4	4	4	28.00
4. Contribution	7	3	2	3	18.67
5. Awareness	5	4	4	3	18.33
6. Background	5	5	5	3	21.67
7. Project Management	2	4	3	3	6.67
8. Equipment Purchase	2	5	5	5	10.00
9. Facilities	2	4	5	3	8.00
10. Budget	2	4	4	4	8.00
Average Weighted Score		200	193	172	**188.33**
Maximum Weighted Score					**250.00**

OVERALL RECOMMENDATION

FUND	x	x	x
FUNDING MAY BE CONSIDERED			
DO NOT FUND			

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Comprehensive Statewide Higher-Level Blend
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1. The objectives or goals of the proposed project with respect to clarity and consistency with North Dakota Industrial Commission/Renewable Energy Council goals are: 1 – very unclear; 2 – unclear; 3 – clear; 4 – very clear; or 5 – exceptionally clear.

Reviewer 1A (Rating: 4)
The proposals greatest strength is the cooperation of key stakeholders; the group is obviously the core leadership of the ethanol industry. By combining their resources to create a unified message and then deliver it to specific targeted audiences seems to be a logical approach to increasing overall sales of ethanol. The proposal solidly addresses most key NDIC objectives and has measurable outcomes.

Consideration: The proposal implies but does not clearly articulate what the actual economic impact will be to the industry and farmers. For example: there is a clear goal of increasing marketshare by 4% but it is not clear if that directly relates to an increase in production capacity and corn consumption or simply more sales in-state as opposed to exporting.

Reviewer 1B (Rating: 4)
The stated mission of the Renewable Energy Program of the North Dakota Industrial Commission is to promote the growth of North Dakota's renewable energy industries through research, development, marketing and education. This proposal clearly targets all four of those components through a broad coalition of support. The proposal will positively impact the state's ethanol marketing campaign by creating one cohesive message for all stakeholders to utilize in promoting the advancement and increased usage of ethanol in flex fuel vehicles. This reviewer was impressed with the broad support already secured for the purposes of this proposal and foresees additional support as the project continues.

Reviewer 1C (Rating:4)
This is a promotional campaign that targets people driving Flex-Fuel vehicles along with dealers who sell FFV to educate them on the economic and environmental impacts of using higher ethanol blends as a vehicle fuel.

2. With the approach suggested and time and budget available, the objectives are: 1 – not achievable; 2 – possibly achievable; 3 – likely achievable; 4 – most likely achievable; or 5 – certainly achievable.

Reviewer 1A (Rating: 4)
The proposal has three (3) specific and appropriate goals.

- Unified state wide promotional message
- Increase FFV owners using high level ethanol blends
- Increase the auto industry's familiarity with higher ethanol blends

Goal #1 is clearly achievable and a logical approach for all partners.
Goal #2 A "targeted" approach to reach current FFV owners is a fiscally responsible approach and likely far more effective than a general public awareness campaign.

Consideration: The proposal uses baseline survey data to show that only 15% of FFV owners currently use high-level blends; so there is a huge opportunity for growth. However; the proposal doesn't identify what the root-cause for such low use is. One can assume it is either lack of infrastructure or a price issue. Knowing the 'root-cause' is critical to developing the appropriate message and ultimately the success of the campaign.

Reviewer 1B (Rating: 4)
The overall strategies are laid out very well, with clear deliverables, deadlines and action steps. This reviewer would like to see the addition of personnel responsible for each strategy and action step added to the timetable, but the overall scope of work is feasible for this budget. The marketing firm budget will need additional oversight throughout the project as the development and refinement of promotional messages could take considerable time and expense.

Reviewer 1C (Rating: 3)
My concern is in regards to the tentativeness of second year funding, which could diminish if budgets of contributing organizations are reduced. The application says that the project would be postponed, which is bothersome because a campaign builds upon itself and the work already accomplished. Delays would be counterproductive to enforcing key messages with targeted audiences.

3. The quality of the methodology displayed in the proposal is: 1 – well below average; 2 – below average; 3 – average; 4 – above average; or 5 – well above average.

Reviewer 1A (Rating: 4)

- The unified message is a solid foundation to the proposal.
- The proposal has a good cross-section of stakeholders including producers, car dealers, FFV owners and fuel retailers resulting in a very comprehensive approach.
- Use of social media is also strength of the proposal

Considerations: Success is highly dependent on the quality and effectiveness of the "yellow hose message" and the ability of the marketing firm to package it for the intended target markets. The proposal lays out a strategic approach but ultimately the success of the campaign will be determined by two unidentified critical pieces, a) the marketing firm and b) the message. Realizing this is a classic chicken-or-egg conundrum it will be important that the committee formed from the various stakeholder groups are diligent in their selection process and oversight roles to ensure the message results in behavior change and not just increased awareness.

Reviewer 1B (Rating: 4)
The methodology is clearly laid out in three main strategies, with individual action steps underneath. The entire campaign has been constructed in a logical format, with realistic goals and objectives for an initial campaign. This reviewer strongly agreed with a realistic approach of starting with two dealerships in larger cities for an educational campaign and with current owners of flex fuel vehicles. This shows strength in this proposal to not overextend or exaggerate the goals. The methodology is clearly illustrated through the initial survey taken to determine use of ethanol by flex fuel vehicle owners.

Reviewer 1C (Rating: 4)
I thought the strategy and logic were well thought out.

4. The scientific and/or technical contribution of the proposed work to specifically address North Dakota Industrial Commission/Renewable Energy Council goals will likely be: 1 – extremely small; 2 – small; 3 – significant; 4 – very significant; or 5 – extremely significant.

Reviewer 1A (Rating:3)
The proposal does not directly offer new or technical contributions to the renewable energy industry but it does add to the educational and promotion needs of the existing ethanol industry. The proposal does offer a strategic approach to achieve incremental growth through the increased use of infrastructure investments that are being made in new blender pump technology.

Reviewer 1B (Rating: 2)
The scientific and technical contributions will be minimal in terms of specific studies. However, this proposal has the potential to significantly impact the use of ethanol in the state, paving the way for additional research in the future. If additional flex fuel vehicles are sold as a result of this campaign and additional blender pumps put in, selling higher volumes of ethanol, the impact to the state of North Dakota could be considerable.

Reviewer 1C (Rating: 3)
The informational/promotional campaign's effectiveness can be judged by public opinion survey and usage of ethanol at the pump.

5. The principal investigator's awareness of current research activity and published literature as evidenced by literature referenced and its interpretation and by the reference to unpublished research related to the proposal is: 1 – very limited; 2 – limited; 3 – adequate; 4 – better than average; or 5 – exceptional.

Reviewer 1A (Rating: 4)
Outstanding partnership of key stakeholders supporting the PI. The collaborative effort and collective experience of the PI and partners should result in effective execution of the proposal. The PI used baseline survey data to set goals for increased usage of ethanol.

Reviewer 1B (Rating:4)
This reviewer appreciated the sound survey work done ahead of putting in this proposal. This was not a "pie-in-the-sky" approach to increasing ethanol usage. Very real statistics and research were utilized to determine existing usage, blender pump locations and flex fuel vehicle sales. A modest increase for increased usage and sales is then used. A post survey will also be implemented to gauge real results of the campaign. Additional research on ethanol, blender pumps, etc. is not noted in this proposal, but the broad coalition of supporters indicates such knowledge exists within those entities.

Reviewer 1C (Rating: 3)
The proposal is based on public opinion research that has already been completed.

6. The background of the investigator(s) as related to the proposed work is: 1 – very limited; 2 – limited; 3 – adequate; 4 – better than average; or 5 – exceptional.

Reviewer 1A (Rating: 5)
PI and partners are the clear leaders in the ethanol industry and have a vested interest in assuring that the project is successful and well managed. The PI has a solid background in the industry and is backed by a solid management firm with a proven track record of managing similar campaigns.

Reviewer 1B (Rating: 5)
The work done by the supporters of this proposal IS renewable energy and specifically, ethanol. The group knows the value that ethanol brings to the state of North Dakota ($300 million annually) and works to promote the industry and advance ethanol use within the state. The entire scope of this project brings ALL of these stakeholders together for the specific reason of a unified message for the industry, which is critical to the proposal's success.

Reviewer 1C (Rating: 3)
The principal investigator and Clearwater Communications have an adequate background in public relations, which is probably more important for this application than actual knowledge of the ethanol industry.

7. The project management plan, including a well-defined milestone chart, schedule, financial plan, and plan for communications among the investigators and subcontractors, if any, is: 1 – very inadequate; 2 – inadequate; 3 – adequate; 4 – very good; or 5 – exceptionally good.

Reviewer 1A (Rating: 4)
The timeline and overall plan appear to be well thought out and achievable. Financial commitments from the partners are clearly identifiable for year 1 and future funding is committed pending favorable internal funding.

Reviewer 1B (Rating: 3)
The plan for the strategies and action items is very clear, with the exception of major personnel responsible for each specific action item, as noted earlier in this reviewer's comments. The overall lead manager is the North Dakota Ethanol Council, which is an appropriate fit. Communication among the additional stakeholders is not specifically addressed in the proposal. Quarterly reports to funding agencies are addressed and outlined in the proposal.

Reviewer 1C (Rating: 3)
Again, I think if the funding for year two activities is sufficient, this plan will succeed. I agree that an informational campaign will go a long way to encouraging drivers of FFV to use higher blends of ethanol, but a delay in the campaign due to funding would be an Achilles' heel.

8. The proposed purchase of equipment is: 1 – extremely poorly justified; 2 – poorly justified; 3 – justified; 4 – well justified; or 5 – extremely well justified. (Circle 5 if no equipment is to be purchased.)

Reviewer 1A (Rating: 5)
NA

Reviewer 1B (Rating: 5)
No equipment is planned for purchase, as outlined in this proposal.

Reviewer 1C (Rating: 5)
No equipment needs to be purchased.

9. The facilities and equipment available and to be purchased for the proposed research are: 1 – very inadequate; 2 – inadequate; 3 – adequate; 4 – notably good; or 5 – exceptionally good.

Reviewer 1A (Rating: 4)
No facilities:

Considerations: Equipment related to education and promotions appear to be adequately distributed across the various goals and objectives but little detail is provided as to budget plan within the various initiatives.

Reviewer 1B (Rating: 5)
No facilities need to be purchased for this proposal – this is an educational and marketing campaign. Major costs will include travel, materials, printing and postage and overall management or services rendered. This is a plus for this application.

Reviewer 1C (Rating: 3)
This is an informational campaign, so the equipment is such things window stickers, mailings, social media and a Webinar. I think they will be adequate to carry the informational messages.

10. The proposed budget "value"[1] relative to the outlined work and the financial commitment from other sources is of: 1 – very low value; 2 – low value; 3 – average value; 4 – high value; or 5 – very high value. (See below)

Reviewer 1A (Rating: 4)
Financial commitment appears to have solid support from industry partners in excess of 50%. The proposal clearly identifies a need and an opportunity for increasing the market share of total ethanol sold within the state. This increase in sales is a very important component to keeping a strong ethanol industry and shortening the time to recognize ROI for infrastructure investments being made in new-blender pumps.

Considerations: the actual economic impact of a 4% increase of market share for ethanol is not clearly articulated. The proposal implies that the 4% increase proportionally impacts both direct and in-direct jobs and corn producer income; but proportional growth would only occur if the ethanol processors are operating below full capacity.

Reviewer 1B (Rating: 4)
The stakeholders in this project have clearly identified their match and willingness to invest in this project. All partners will contribute at least 53% of the total costs in both years of the outlined project. Based on this reviewer's experience, the marketing strategies outlined are of reasonable cost and realistic to the overall project.

Reviewer 1C (Rating:4)
I think this proposal offers high value to the ND ethanol industry by increasing the number of ethanol gallons consumed plus the environmental benefits that consuming ethanol will have on the overall environment.

[1] "Value" – The value of the projected work and technical outcome for the budgeted amount of the project, based on your estimate of what the work might cost in research settings with which you are familiar.

10a. Financial commitment from other sources – A minimum of 50% of the total project must come from other sources to meet the program guidelines. Higher priority is to be given if the application has private industry investment equal to or at least 50% or more of total cost.

The minimum 50% cash match is demonstrated.

Section C. Overall Comments and Recommendations:

Please comment in a general way about the merits and flaws of the proposed project and make a recommendation whether or not to fund.

Reviewer 1A ***(Fund)***
Strengths:

- Strong partnership and leadership, with a shared vision to increase ethanol market share.
- There is clearly an opportunity; and a need, to strengthen the industry by maximizing the use of higher blend levels.
- Targeting marketing efforts to key stakeholders makes more sense than general promotional campaigns.

General concerns:
With current market share at 4% there is clearly a need and an opportunity for increasing sales. The proposal does not identify the root cause for the low market penetration. Without clearly understanding the "why" it will be difficult for the marketing firm to develop an effective campaign.
Considering the success of the proposal is highly dependent on a) selecting the right marketing firm and b) developing the message, not much detail was provided on how the firm and the message would be determined, other than "by committee"
It will be important that the message is carefully design for "what the targeted audiences need to hear to cause behavioral change, and not necessarily what the committee wants to say". They will likely not be the same.

Reviewer 1B ***(Fund)***
This reviewer sees no reason not to fund this particular project at this time. This project allows all stakeholders within the ethanol industry of North Dakota to come together in a cohesive manner and attempt to further the industry through increased marketing, communication and education. The project sets realistic timelines and goals and does not attempt to exaggerate initial impacts. The initial survey work that was done prior to submitting this proposal indicates a very real need for increased education on the availability and use of blender pumps by flex fuel vehicle owners and increased education to auto dealerships on the benefits of flex fuel vehicle sales.

The project sets specific action items under each strategy, but needs to add personnel responsible for each of those action items and track marketing and printing expenses, as those are general areas for costs to rapidly escalate.

Reviewer 1C ***(Fund)***
I recommend this proposal be funded. The strategy in the project description seems logical and the plans seems to be comprehensive and targeted on the right groups of people. Execution, however, needs to done well. The methods of relaying the messages seem to low-cost; however, a Webinar for auto dealerships – while cost effective – may not work if the dealerships do not participate on a voluntary basis. There definitely has to be buy-in from the dealerships and I'm not so sure there will be. For instance, I was shopping for a car recently for my son and I asked the sales rep if it was a Flex Fuel vehicle. His response was, "You don't want to use ethanol anyway. Do you?" As a matter of fact, I did. I think the economics and environmental

information will persuade a lot of Flex Fuel vehicle owners to use higher blends of ethanol and dealers might see the FFVs as easier to sell because of the campaign.