



marketing mix

TOM JAENICKE

Deliver reliable service

CONSIDER THESE FACTORS WHEN PLANNING FOR THE FUTURE

In decades gone by, the perception of propane service was not as good as it should have been.

Most people living in propane country had heard of neighbors or friends who had run out of propane, seemingly through no fault of their own. Those infrequent propane run-outs and near runouts caused customer anxiety and sometimes even property damage. Just the thought of having a finite supply of propane on-site made some propane customers nervous, especially those who had been used to getting their urban energy from a public utility.

That was yesterday, and much has changed in the energy world since then. The propane industry has undergone significant operational improvements that coincide with a remarkable increase in the domestic production of propane. A stable supply of propane produced in North America has made it much easier for the propane industry to turn to other aspects of bringing propane to consumers in the most efficient and dependable way possible.

► IN THE PAST

Propane predictive demand scheduling always seemed to have a wide margin of error that varied depending on climate zone, weather trends, usage patterns or tank mis-sizing. On top of that, most marketers had a “fill and bill” approach that drove many customers to “will call.” That further complicated delivery planning and overall dependability.

Credit issues hampered propane delivery scheduling too.

Scheduling deliveries by some combination of degree-day calculations, route system and will call was a juggling act that unintentionally left a few customers without propane along the way. Even without today’s use of social media, that kind of news spread widely and seemed to be a larger problem than it really was.

Market the fact that your propane business can reliably service customers, even during extended electric grid failures.

► IN THE PRESENT

The availability of sophisticated predictive demand software, more accurate weather reporting and forecasting, and the incorporation of tank-level monitoring has made customer out-of-propane occurrences a rarity. In fact, your customers who want a continuous and uninterrupted supply of propane and agree to and abide by your service terms should never run out of propane. If you have customers who still experience out-of-propane situations, you may not be taking advantage of the wide array of technology that is available today.

► IN THE FUTURE

Technology will continue to march on and produce new ways for you to maximize customer service levels and keep propane the most dependable form of energy available in propane country and beyond.

A virtual metering system available in the U.S. incorporates propane tank fuel-level monitoring and a periodic billing approach that is comparable to public utility customer support. Other technological advances are being tested across the country and around the world. Be prepared to invest in technology that makes propane even more dependable.

Other factors for propane marketers to consider as the overloaded electric grid becomes less dependable:

- How will I unload propane transport or rail deliveries during an extended power outage?
- How will I load my propane delivery trucks during an extended power outage?
- How will I fuel my trucks during an extended power outage?
- How will my autogas customers fuel their vehicles during an extended power outage?
- How will electric vehicle owners charge their vehicles during an extended power outage?
- How will I access routing and scheduling systems and other customer records during an extended outage?
- How will I communicate with my employees and protect their families during an extended power outage?

Propane can be the backstop for successfully dealing with all of these issues and opportunities. Market the fact that your propane business can reliably service customers, even during extended electric grid failures. Propane: dependable energy for everyone. **LPG**

Tom Jaenicke is vice president of propane marketing services for Warm Thoughts Communications. He can be reached at tjaenicke@warmthoughts.com or 810-252-7855.