

THE PCRA: SOCIAL MARKETING CAMPAIGN FOR PETROLEUM CONSERVATION

Sabita Mahapatra and Rajesh Sharma wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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On a chilly morning in January 2014, Abhay Bakre, the executive director of the Petroleum Conservation Research Association (PCRA), received a call from the Ministry of Petroleum and Natural Gas, Government of India, informing him that he would be expected to present Part 2 of the marketing campaign within a week.

Bakre immediately gathered all the documents related to Part 1 of the *Save Fuel yaani Save Money* (or, “saving fuel means the same as saving money”) campaign, which the PCRA had run since 2008 at the behest of the ministry. A quick glance at an impact assessment report showed that the earlier phase of the campaign, with a budget of ₹ 1 billion,¹ had resulted in savings of more than ₹ 20 billion in fuel consumption.

Although these results were encouraging, Bakre wanted the upcoming part of the campaign to go further and to elicit a long-lasting response from Indian petroleum users. He intended to design the next phase by using some time-tested principles of social marketing, and he was excited about using new media in the digital era. Bakre felt strongly that the right message and media mix would achieve solid results across the broad target audience. He convened a meeting with his team members to finalize the message and the media plan for the next phase of the campaign.

PETROLEUM CONSERVATION EFFORTS IN INDIA

Petroleum conservation in India aimed at reducing the dependency on imported oil and curbing foreign exchange transfers. The National Statistical Organisation’s 20th report on national energy statistics,² issued in 2013, indicated that by 2016/17, only 71 per cent of expected energy consumption would be met by domestic means, and by 2021/22, only 69 per cent would be met.

¹ ₹ = INR = Indian rupee; all amounts are in ₹ unless otherwise specified; ₹1 = US\$0.016 as of May 25, 2015.

² National Statistical Organisation, Ministry of Statistics and Programme Implementation, Government of India, *National Energy Statistics 2013*, 8, accessed March 29, 2016, http://mospi.nic.in/mospi_new/upload/Energy_Statistics_2013.pdf.

To reduce India's dependency on imported petroleum, the government adopted a two-pronged approach³ that consisted of meeting the energy demands of its citizens while also implementing policy changes that would create increased awareness among end-users and promote the use of efficient technology. This endeavour began with the Energy Conservation Act 2001, followed by the National Action Plan on Climate Change (NAPCC) in June 2008. In 2006, the National Urban Transport Policy was formulated, which was further reviewed and implemented as the National Urban Transport Policy 2014. The goal of this policy was to promote fuel-efficient engines, gradually reduce subsidies on petroleum products, and encourage public transportation by reserving lanes and corridors for mass transit.⁴ For the second part of the approach to energy conservation, the promotion of the use of efficient technology, the Indian government drew on the expertise of the Petroleum Conservation Research Association (PCRA), which was established in 1978.

THE PETROLEUM CONSERVATION RESEARCH ASSOCIATION (PCRA)

The PCRA was established to identify measures for conserving petroleum in four specific sectors of the economy: industry, transport, agriculture, and the domestic sector. The consumption within each sector was detailed in annual reports⁵ issued by the Ministry of Petroleum and Natural Gas. Since its inception, the PCRA had launched several initiatives for educating and creating awareness about petroleum conservation.

As a non-profit organization under the aegis of the Ministry of Petroleum and Natural Gas, the PCRA was envisioned as a centre of excellence for conservation of hydrocarbons, environmental protection, and sustainable development. The organization's mission sought to promote efficient energy use for a better quality of life throughout India. The objectives of this mission⁶ included accelerating the conservation of petroleum and creating public awareness about the importance, benefits, and methods of doing so. PCRA promoted research and development (R&D), facilitated fuel-efficient technology, advanced alternate fuels and renewable energy sources, and provided training and technical advice to energy-intensive industries. The PCRA also worked to establish synergy among the various arms of the government that were involved in energy conservation and environment protection, and functioned as an advisory body to the Government of India by proposing policies on petroleum conservation.

With a registered office in New Delhi, four regional offices at Delhi, Mumbai, Kolkata, and Chennai, and 14 sub-regional offices in other major cities, PCRA's widespread network facilitated improvements in various sectors. The organization developed extensive connections⁷ with educational institutions and business organizations, such as the Bureau of Energy Efficiency, the Confederation of Indian Industries, the Federation of Indian Chambers of Commerce and Industry, the State Institute of Rural Development, and the Energy Conservation Center, Japan. It invited proposals, extended support, and monitored projects at various research institutions. Further, the PCRA aided entrepreneurs with R&D projects, technology, processes, and equipment. Additional measures included the energy labelling of vehicles and cooking stoves, enhancing energy productivity in industrial clusters, and technology transferring of

³ Ministry of Power, Government of India, "Energy Efficiency," accessed March 29, 2016, <http://powermin.nic.in/content/energy-Efficiency>.

⁴ Ministry of Urban Development Government of India, *National Urban Transport Policy*, accessed March 29, 2016, http://moud.gov.in/sites/upload_files/moud/files/pdf/TransportPolicy.pdf.

⁵ Ministry of Petroleum and Natural Gas Government of India, *Indian Petroleum and Natural Gas Statistics, 2014–15, 72*, accessed March 29, 2016, www.petroleum.nic.in/docs/pngstat.pdf.

⁶ Petroleum Conservation Research Association, "About PCRA," accessed March 29, 2016, www.pkra.org/pages/display/15-about-pkra.

⁷ Petroleum Conservation Research Association, *Corporate Profile*, accessed March 29, 2016, www.pkra.org/pkra_adm/writereaddata/upload/files/corporate_profile.pdf.

efficient processes in energy-intensive industries. The PCRA sponsored several energy-saving R&D projects⁸ that aided the processes of optimum energy utilization and pollution reduction.

INITIATIVES FOR CONSUMER AWARENESS

In 2008, the PCRA's role expanded to greater promotion of energy conservation, starting with pamphlets and colourful calendars that contained numerous tips on how to save on petrol, diesel, and liquefied petroleum gas (LPG) (i.e., cooking gas). These unique messages captured the attention of the public. To generate awareness and acceptance of its social cause, the PCRA organized initiatives for the transport, industry, agriculture, and domestic sectors (see Exhibits 1 and 2). The resulting programs included driver training, *kisan melas* (farmers' fairs), energy audits, seminars, workshops, and technical meetings for the industry and agriculture sectors. Additionally, the PCRA held essay and painting competitions that focused on the theme of energy conservation.

THE CAMPAIGN

A notable initiative by the PCRA involved a *Save Fuel* mass social campaign in 2008 called *Save Fuel yaani Save Money*. This ambitious mega-campaign was launched with a budget of nearly ₹ 1 billion over four years, with the intention of changing the mindset of Indian petroleum users to one of conservation. It focused on conserving petroleum, curbing waste, and improving fuel efficiency.

Three creative media houses — Hindustan Thompson Associates Pvt. Ltd., J. Walter Thompson, and Madison Communications Pvt. Ltd. — joined forces to design the ad campaign to target domestic and business users. The promotion, which evolved in different phases over time, used radio, TV, and print ads to generate public awareness about the savings that could be achieved through energy conservation. Part 1 of the campaign consisted of four phases (Phase I to Phase IV), and the marketing strategy to promote the message of energy conservation in Phase IV differed from the strategy in the earlier phases. In the initial phases of Part 1 (Phases I to III), the benefits resulting from energy conservation were conveyed in abstract terms rather than as a measure of savings in monetary values. For example, the benefit of carpooling was portrayed as a means of making friends, while a fuel-efficient tractor was portrayed as a dutiful son who provides monthly earnings to his father.

In contrast, in Phase IV of the campaign, the creative experts modified the themes of the ads to clearly highlight the tangible monetary savings that could be achieved through energy conservation. In this phase of the campaign, carpooling was shown to result in savings of ₹ 50,000 in a year, which allowed one of the carpoolers, for example, to buy a gold chain for his wife. Similarly, the campaign highlighted that regular maintenance on the tractor resulted in savings of ₹ 3,000, which enabled the owner of the tractor to buy a bicycle for his son. Exhibit 3 describes the radio spots used in Phase IV of the campaign. Exhibit 4 shows the budget for each phase.

IMPACT OF THE CAMPAIGN

An impact study was carried out to justify the budget allocated under each phase of the campaign. The assessment was entrusted to an external research agency⁹ to obtain an unbiased view. To assess the impact

⁸ Petroleum Conservation Research Association, *Annual Report 2013-14*, 31, accessed March 29, 2016, www.pkra.org/pkra_adm/writereaddata/upload/reportts/Annual_Report_2013-14.pdf.

and effectiveness of the campaign messages, the research agency conducted a survey among 3,000 urban households, 1,000 rural households, and 1,000 institutional users. This survey aimed to assess the believability and usefulness of the ads that had been used in the campaign, apart from obtaining feedback about the extent to which suggestions were actually implemented by the households in quantitative terms. Exhibit 5 summarizes the findings of the research agency's assessment survey.

The savings in fuel consumption that resulted from the campaign were estimated, based on the survey responses, and were then tabulated as either optimistic, most likely, or pessimistic. The optimistic scenario represented the average savings reported by all respondents. The most-likely scenario represented the modal value of reported savings. The pessimistic scenario was derived from the lowest savings reported by the respondents, as shown in Exhibit 6.

To arrive at the monetary savings amounts, the surveyed estimates of savings (in percentage terms) in each segment (LPG, petroleum, kerosene, and diesel) were multiplied by the annual consumption, as provided by the website of the Petroleum Planning and Analysis Cell (PPAC).¹⁰ Segment-specific data were added to arrive at the overall saving estimates shown in Exhibit 7. Even in the most pessimistic scenario, the awareness campaign resulted in an estimated savings of more than ₹ 18 billion.

CHALLENGES AHEAD

Bakre, well aware of the rising popularity of social and digital media, had wanted to reap the benefit of these technologies in Part 2 of the campaign. He had recognized, however, that some challenges would be involved. The diverse target audience included farmers, villagers, car-owners, truck drivers, thrifty parents, tech-savvy youth, and busy professionals. In light of this diverse audience, Bakre required some insight, which he thought he could obtain through a study about the media preferences and habits of the various segments of the target audience.

For Bakre, it was obvious that all segments did not have similar preferences or media habits, which meant that the campaign would need to present a variety of messages and themes through a blend of traditional and non-traditional media. He felt unsure about how best to distribute the campaign's resources across the various communication channels. How should he execute his ideas?

Bakre wondered whether his marketing team would vote unanimously for using only non-traditional media, such as social media and the Internet. For his own part, Bakre was convinced that a non-traditional media mix would be beneficial. Besides being cost-effective, it seemed to be the most appropriate channel for engaging the target audience and was possibly the most effective way of gauging the campaign's effectiveness. Bakre also worried about both the right message for the next phase of the campaign and the diversity of the target audience. He was unsure whether the savings theme would foster a significant and long-lasting response toward petroleum conservation.

The presentation to the ministry was scheduled for the following week. Bakre felt a sense of urgency as he prepared to convene a meeting with his marketing team. At the meeting, he would articulate his ambitions for the next phase of the social campaign and gather the support of his team.

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⁹ Ibid., 38.

¹⁰ Petroleum Planning and Analysis Cell, "Petroleum Consumption-Historical Data," accessed March 21, 2016, http://ppac.org.in/content/147_1_ConsumptionPetroleum.aspx.

EXHIBIT 1: THE PCRA'S SECTOR-SPECIFIC INITIATIVES

Sector	Initiatives by PCRA
Transport	Driver training, model depots, model garages, emission checks, engine replacements, mass awareness
Industry	Energy audits, fuel oil diagnostic studies, seminars, consumer meets, workshops, R&D projects for efficiency improvement
Domestic	Educating on cooking and driving habits, development of fuel-efficient kerosene and LPG stoves, encouragement of alternative energy sources such as biogas and solar heating
Agriculture	Replacement of inefficient foot valves, rectification of lift irrigation pumps, <i>kisan melas</i> (farmers' markets) and demonstration centres

Note: PCRA = Petroleum Conservation and Research Association; R&D = research and development; LPG = liquefied petroleum gas
 Source: "Conservation of Petroleum Products," Ministry of Petroleum and Natural Gas, accessed on March 20 2016, www.petroleum.nic.in/docs/pcranew.pdf.

EXHIBIT 2: THE PCRA'S ADDITIONAL MEASURES FOR ENERGY CONSERVATION, 2012/13

Serial No.	Measure Taken	Objective
1	Printed literature with tips for energy savings	To target a specific type of user (e.g., transport, domestic, or industry)
2	Participation in exhibitions such as PETROTECH and IIFT to showcase PCRA achievements	To offer a useful method for creating synergy with other stakeholders and partners of the campaign
3	Celebrating Oil & Gas Conservation Fortnight (OGCF) annually from January 15–31	To display the government's commitment to creating and spreading mass awareness about the importance of conservation of petroleum products
4	Awards to state units of PCRA for achieving results in energy conservation	To award efforts at state level for behavioural change
5	Organizing essay and painting competitions at secondary school and college levels focusing on the theme of energy conservation	To sensitize children at a young age to their responsibility for sustainable energy conservation
6	Hosting energy audits, seminars, workshops, and technical meets for industries	To target industry sectors for energy conservation
7	Offering driver-training programs, agriculture workshops, <i>kisan melas</i> (farmers' fairs)	To target the agriculture and transport sectors
8	Promoting campaigns via websites and SMS (e.g., Twitter)	To target social media users; however, PCRA does not have a social media presence (e.g., no Facebook page)

Note: PCRA = Petroleum Conservation and Research Association; IIFT = Indian Institute of Foreign Trade; SMS = short message service.
 Source: Petroleum Conservation Research Association, *Annual Report 2012–13*, accessed March 20, 2016, www.pcr.org/pcra_adm/writereaddata/upload/reportts/Annual_Report_2012_13.pdf.

EXHIBIT 3: THE MESSAGES AND HIGHLIGHTED BENEFITS OF THE PCRA'S PHASE IV RADIO SPOTS

Serial No.	Message	Benefit Highlighted
1	Promotion of carpooling by highlighting the cost savings	Annual savings are equivalent to the cost of an LCD TV
2	Save gas by reducing driving speed to between 45 and 60 kph	Annual savings of ₹25,000 per year
3	Save energy by allowing food to come to room temperature after removing it from the fridge	Annual savings of ₹1,500
4	Save energy by covering food while cooking	Annual savings of ₹1,000, which can be used to purchase a sari for the mother-in-law
5	Reduce costs by driving a tractor at the right speed and tuning up the engine	Annual savings of ₹3,000, which can be used to purchase a bicycle for son
6	Save money by driving a truck at the right speed	Annual savings of ₹30,000, which can be used to purchase a TV

Note: PCRA = Petroleum Conservation and Research Association; LCD TV = liquid crystal display television; kph = kilometres per hour; a sari is a cotton of silk garment generally worn by women in India;
Source: Authors' analysis of radio spots of PCRA campaign.

EXHIBIT 4: THE BUDGET FOR EACH PHASE OF THE PCRA'S PHASE IV CAMPAIGN

Phase	Period	Budget (in ₹ million)
I (2008/09)	Feb. 15 to March 31, 2009	400
II (2009/10)	Jan. 19 to March 31, 2010	300
III (2011/12)	Feb. 6 to March 31, 2012	200
IV (2012/13)	Feb. to March 31, 2013	Not disclosed

Note: PCRA = Petroleum Conservation and Research Association
Source: Information from PCRA.

EXHIBIT 5: SUMMARY OF THE SURVEY FINDINGS REGARDING THE EFFECTIVENESS OF THE PCRA CAMPAIGN MESSAGES

Parameter	Response (%)
The ad seems believable	97
The ad seems useful	96
Have followed the fuel-saving tips	35
Would follow fuel-saving tips in future	11
Felt the need for similar campaigns in future	84

Note: PCRA = Petroleum Conservation and Research Association
Source: Information from PCRA.

EXHIBIT 6: BASED ON SURVEY RESPONSES, THE ESTIMATED SAVINGS IN FUEL CONSUMPTION BASED ON PCRA MARKETING CAMPAIGN (IN PERCENTAGE)

Scenario	Overall Savings (%)
Optimistic	4.2
Most probable	3.3
Pessimistic	0.6

Note: PCRA = Petroleum Conservation and Research Association
Source: Information from PCRA.

EXHIBIT 7: OVERALL SAVINGS ESTIMATES AS A RESULT OF THE PCRA'S AWARENESS CAMPAIGN (IN ₹ BILLIONS)

Product	Pessimistic	Most Probable	Optimistic
LPG	6.62	21.06	25.23
Petrol	1.24	15.54	18.43
Kerosene	1.92	6.21	7.45
Diesel	8.87	59.93	77.94

Note: PCRA = Petroleum Conservation and Research Association LPG = liquefied petroleum gas
Source: Information from PCRA