THE WHITEBOARD

¿Quién es más macho? Wannabe man brands try to crack guy code

One of the fundamentals of marketing is remarkably simple: Guys will be guys.

David Taylor

Speaking on behalf of this brotherhood, since I am a guy and I wish desperately to be seen as "one of the guys," I want to warn dudes everywhere there are a lot of brands looking to trick us into thinking they are guy-worthy.

Because we're self-reliant and secure in our masculinity, we can decide for ourselves, but don't say I didn't warn you. (Ladies, you can read on if you like, but you probably won't get it. It's kind of a guy thing.)

Let's start with the new soda, Dr Pepper 10. I must say the slogan "It's not for women" gets right to the point. Their commercial is all "A-Team" meets "Jurassic Park," so you gotta love that. And at least the stuff has 10 calories, so it's not all bad. But make no mistake, this is a no-calorie drink disguised as a cool guy's thirst quencher. It's what you'd drink if you were on a diet. I know! That stuff is never going to make it into my man cave.

Miller Lite is working a different angle with its latest ad campaign. It's showing some seriously weenie-looking men who apparently don't care what kind of light beer they're ordering. The cool guys in the spots (and their smokin' female companions and bartenders) equate this lack of brand preference with unmanly behavior such as wearing skinny jeans (check), sporting a lower-back tattoo (OK, check) or inviting another guy at the bar to go to the bathroom with him (triple check). Call to action: "Man up. And choose a light beer with more taste."

Guys, this is, like, extra clever marketing strategy, because the Miller Lite people are telling us it's OK to drink a light beer as long as it's a cool-tasting light beer that other guys drink and, more importantly, of which women approve.

Waassup? That's some tricky branding going on there. As far as I'm concerned, the slogan should be, "If you're going to be a girly man and drink light beer, you might as well drink one that tastes better."

Bud Light — the top-selling beer brand by the way — ignores the whole gotta-be-macho thing entirely and does funny commercials that are all about the party power of having a really big supply of Bud Light on hand at all times. Open a fridge full of Bud Light (or in one spot, an entire house made of Bud Light) and let the good times roll. Which, come to think of it, is kind of manly. Its slogan: Here we go!

Ooo-rah! See, a six-pack of light beer isn't very guy-worthy. But a house full of Bud Light? That's cool, bro.

Dudes, my family owns a minivan, and has for many years. They are super practical vehicles and I am behind the wheel for maybe 10 percent of the miles that get put on our mom-my-wagon. Let's just say my car is not a minivan. Know what I'm sayin'?

But now minivan makers are bustin' a Miller Lite move by rebranding their minivans as more macho. Gotta get a minivan? Get one made for guys! Chrysler has brought out an R/T version of their Caravan brand that adds 17-inch wheels and performance suspension to their best-selling product. "We ... feel we can change the conversation on minivans," said Ralph Gilles, CEO of Dodge Brands.

Clearly, Ralph is missing the point, which is, of course, that guys don't talk about their feelings. Duh. So keep trying, Ralph, but it will take more than bigger wheels to toughen up the familymobile.

I have to give some props to Toyota's Sienna minivan brand for bringing out a hilarious tongue-in-cheek campaign called "Rollin' in my Swagger Wagon." It's a series of rap video spoofs with decidedly un-hip-hop parents singing the praises of their Sienna van. While it's no monster truck it's got a more macho look than past Siennas.

If you watch the videos — and I highly recommend that you do— I think you'll see that the husband of the family has decided that if he's going to drive a minivan, he's at least going to pretend that it actually is a guy-friendly ride.

Which sometimes is all it takes to maintain our self-esteem — right, guys?

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It's time to correct industry misconceptions and rethink energy aggregation groups

Bakken Shale oil, Marcellus Shale gas, deregulated energy markets; what does it all mean for the future of energy prices? Only one thing is certain: volatility.

Doug Snyder

For commercial and industrial energy buyers, remaining nimble is and will continue to be the key to successfully navigating a volatile energy market. Choosing the correct supplier and making timely purchasing decisions is pivotal to getting the best supply terms possible (price as well as contract language). Anything that slows this process will negatively affect purchasing power and your bottom line.

Many of the largest misconceptions I've come across during my 25 years working in the energy industry revolve around energy aggregation groups. As an energy consultant and co-owner of Tybec Energy Management Specialists, I struggle to correct some of these misunderstandings, as do my partners. Businesses need to be aware of the seldom-mentioned trappings of energy aggregation and association groups.

Lacking agility

While reducing energy consumption is very beneficial, the second most-direct route to decreasing energy costs is to manage the energy purchase itself. The largest barrier to purchasing energy at lower prices: trying to make sense of the deregulated energy markets.

When considering an energy procurement strategy, joining an aggregation group is often an "easy" choice because of its simplicity and the secure feeling of cover provided by the group. Aggregators and associations often promise potential members they can lock in energy below the utility price-to-compare, or PTC.

While that might be true, the intent of just beating the PTC should not be the ultimate goal. The PTC simply is the utility's posted energy cost for the next quarter and not an extended period of time. Projected volume, future market prices and a true-up from the preceding quarter are the main considerations a utility reviews prior to adjusting a quarterly PTC.

Given appropriate timing, anyone can purchase energy at a price below the utility PTC. In fact, being versatile and familiar with daily market fluctuations and future trends can result in purchases far below the PTC. But for that to happen, buyers need to take an educated position and respond to market opportunities on short notice.

For example, on Feb. 3, the daily current month settle for the price of natural gas was \$4.69 per dekatherm. Two weeks later, that same month settled down 85 cents per dekatherm, at \$3.84 per dekatherm. If your requirements for that month were 10,000 dekatherms, monitoring the market closely over those two weeks would have added \$8,500 to your bottom line.

Additionally, if the aggregation group bought natural gas on Feb. 3 and an individual customer outside of that group bought their natural gas on Feb. 18, the individual customer would have beat the aggregation group's price by 85 cents per dekatherm. Timing, not volume discounts, will dictate the price no matter how large or small the account.

When making informed decisions and responding quickly to market movement, an aggregation group tends to move like a barge trying to maneuver in quick water. With the natural gas and electricity markets being two of the most volatile in the world, it pays to be patient, truly understand the impact factors that affect the markets and be prepared to act on short notice to take advantage of attractive long- and short-term market opportunities.

Whose best interest?

Unfortunately, the altruistic motives of an aggregator often are elusive and vague. What looks like concern for the group's individual members might in fact be opportunistic advice given to lock customers quickly for the longest term possible so they can move on to the next account. The more volume they sign, the more they make.

Additionally, if an aggregation group confirms a price with their supplier for a group buy, presents it to the group for approval and during this time the price drops, will the aggregator pass the additional savings on to the group? Conversely, if the market goes up during this time, you can reasonably assume the aggregator will present a refreshed higher price to the group for approval. Buyers need to be aware of the headroom for additional margin or savings that market movement can create.

The business model for any aggregator or supplier is to group as many customers as they can, extend them for as long as possible and guarantee their revenue stream. No matter what the market looks like, aggregators will never say it's a bad time to buy unless prices are over the PTC. Locked-in terms are their primary goal.

Some members in the group can benefit, at the expense of other members. Cross-company subsidization, in the case of energy aggregation, occurs when both flat-load customers and peaking-load customers are priced together. If all the members of an aggregation group are given the same price, it might be very fair to some and extremely unfair to others.

The same applies to geographic location, as the distance from an energy source will play a large part in determining an energy price. A customer located in close proximity to the energy source will subsidize a client a state and a half away, yet as members of the same group, they are priced the same.

No brainer?

You would think more companies would purchase energy on their own or with the help of a consultant, yet many do not. There are varied reasons companies jump on the aggregation bandwagon. Here are just a few:

- Purchasing agents, engineering departments and facility managers might not fully understand the motives of an aggregation group and the effects it could have on their organization. Aggregation group members are content with the knowledge they are beating the PTC, and nothing else really matters.
- Joining an aggregation group is simple. Sign a contract and their energy needs are met. No hassle watching the market or interacting with a supplier or consultant.
- In the case of some municipalities, schools and hospitals, if they are participating members of another purchasing consortium, the die has been cast and it's not an easy task to opt out of future group purchases. Unfortunately, the reality of a school buying discounted pencils and paper in bulk does not translate to the energy procurement process. In fact, some association groups aren't aggregation groups at all. The associations simply recommend their preferred supplier for a fee and let the chosen supplier handle the purchasing details with each individual account.
- Herd mentality — everyone's doing it. If there are 50 companies signed up in one big purchasing group, they can't all be wrong, can they? Now you know differently!
- A consultant's loyalty should be to an individual client rather than a supplier or an aggregator; they should offer a personalized and independent perspective to an energy buyer's needs and goals. In addition, a consultant should be experienced in all aspects of energy procurement, with a client's bottom line as their prime goal.

Tybec Energy is an independent energy solutions company that has more than 70 years' combined experience working with and for natural gas and electricity providers. Based in Lititz, but serving the entire mid-Atlantic region, the firm helps industrial and commercial companies keep energy costs under control.

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