

General Brand Discussion

As we discussed the Interior Gas Utilities brand, one thing quickly became evident. We almost never referred to the company by its full name. Our usage bounced between "IGU" and "Interior Gas." This spurred us to do some investigation into other companies with similar names, and a clear pattern emerges that company names of three words or more, especially when one of the words is a generic word, such as Incorporated, Services, Utility, etc., usually get shortened to initials or to the two more descriptive words.

International Business Machines became IBM. General Communications Inc. became GCI. Alaska Communications Systems became ACS, then Alaska Communications, although most still call them ACS. There are many other examples that convince us that Interior Gas Utility should shorten its public branding name to either IGU or Interior Gas.

Each has advantages and disadvantages. IGU is shorter and easier to say and remember. It lends itself to more flexibility in logo designs, branded merchandise (hats, jackets, mugs, etc.). If the company expands to other regions outside of the Interior, it is less restrictive. Even with the initials as the public brand, the full name can still be used in press releases and other communications, as well as on letterhead and other official documentation. We often see this with other companies.

Interior Gas's greatest advantage is that it states the company's product right in the name. You provide gas to the Interior, and that's right in the name.

We lean toward using IGU as the public brand; however, we are open to building the brand around Interior Gas.

Slogan/Positioning Statement

In reading through IGU's Business Plan, as well as studying the natural gas industry, we identified three primary consumer strengths for natural gas.

- Cost: Natural gas is more cost-efficient for heating homes than electricity, oil, or other alternatives. This seems to be one sensitive area in Fairbanks, as some people express a belief that IGU will price its gas just below competitors' prices, rather than pricing it as low as it could. Even so, lower prices mean that people can have a warmer home for less money.
- Reliability and Convenience: With natural gas, the consumer never needs to worry about running out during a cold snap. Even with automatic refill plans, this can sometimes happen with oil, or at the least, it's a consideration.

• Better for the environment: Natural gas burns much cleaner than oil or solid fuels, such as wood. With the air-quality concerns Fairbanks frequently faces, this can be a big selling point for gas. Also, with natural gas, there is never a worry about a tank going bad and causing a spill.

The greatest barrier to sales is the cost of converting a home from another kind of heat to natural gas, since it requires a complete changeover of the furnace or boiler, which can cost thousands. In time, this can pay for itself through savings on monthly bills. Or if a system needs replacement anyway, or for new construction, then the initial cost is less of a consideration. Our message and branding can help alleviate these concerns and convince consumers that the initial cost is worth it.

With these thoughts in mind, we have identified various slogans that we would like to present for your consideration. We feel that IGU's current slogan does a fine job as a mission statement. You provide clean, low-cost natural gas for the Interior. It is very complete, but most effective slogans don't try to capture every aspect of a company's mission. For marketing purposes, the slogan should be short, memorable, and flexible with a variety of messages. We will list some potential slogan ideas, as well as our rationale for each one.

- For a Warmer Interior. This is short, simple, and hits on the primary message of warmth. It also has a nice little double meaning, where Interior can mean the interior of a home or the Interior of Alaska.
- *Breathe Easier*. The obvious message here is the environmental benefits, but this theme will work with almost any marketing message. The customer can breathe easier knowing that they're saving money. They can breathe easier knowing that they'll never run out of fuel. They can breathe easier because the air is cleaner. So it's very versatile.
- A Smarter Kind of Warm. We like the word warm more than heat or other synonyms because it's more emotionally appealing. And IGU offers a smarter way to warm up. This then opens up the ways it's smarter: affordability, environmentally, reliability, or almost anything.
- You're Getting Warmer. We take a familiar phrase that everyone is familiar with and make it literal. In Alaska, staying warm occupies a great deal of our thoughts (and budget), and IGU allows its customers to stay warmer than they could through other means.
- *Clean Affordable Warmth*. We use the rule of threes for our most literal slogan idea. It's not trying to be clever, but the three short thoughts are still easy to grasp and quickly get across the main messages.

Wrap-up

We hope this provides you with a lot to think about. We had a lot of other ideas that didn't make it onto this document, but these were the ones we felt were strongest. We look forward to your thoughts, so we can keep moving forward.