Residential Segmentation Toolkit

A resource for you!

Overview

- Background & research summary
- Toolkit contents
- Example scenario using toolkit

Research Background

- Objective: Better understand regional residential customers' attitudes and behaviors regarding energy efficiency
- Goal: Inform and design better program and marketing strategies to increase regional energy efficiency
- BPA Energy Efficiency leveraged segmentation work done for Puget Sound area to conduct research for public power service territories

Regions

- Survey deployed in September 2008
- More than 2,000 residential customers completed the survey

Residential Segments

1. Green Idealists

2. Practical Idealists

3. Affluent Conservers

4. Follows the Crowd

5. Disengaged Consumers

6. Comfort is King

7. No Interest, No Action

8. Green Rejecters

Grouped Segments

- 8 Residential Segments
  - Green Idealists
  - Practical Idealists
  - Affluent Conservers

  Group 1
  Most likely to be concerned with energy efficiency

  - Follows the Crowd

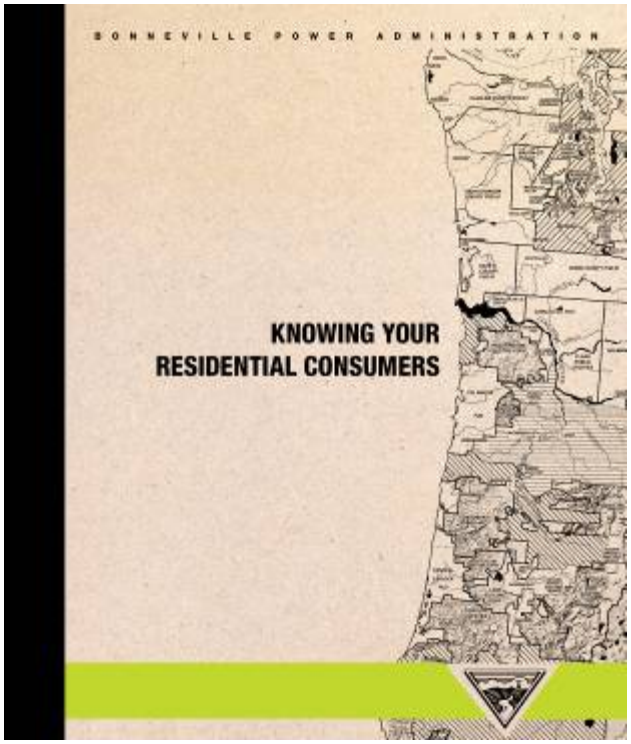
  Group 2
  Somewhat likely to be concerned with energy efficiency

  - Disengaged Consumers
  - Comfort is King
  - No Interest, No Action
  - Green Rejecters

  Group 3
  Least likely to be concerned with energy efficiency

Toolkit Benefits

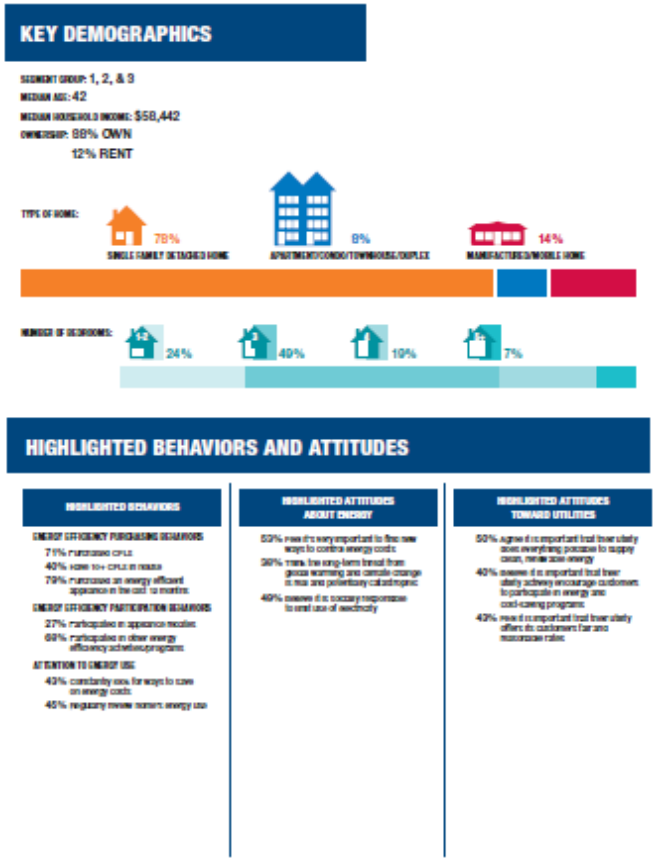
Put the residential segmentation study to work:



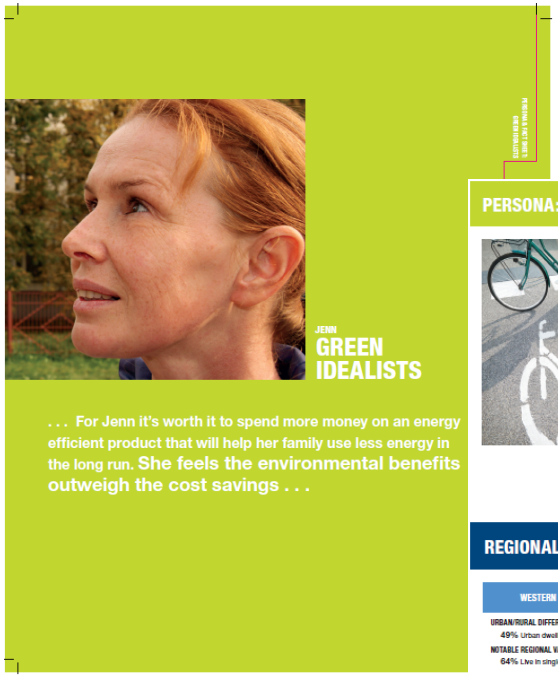
- Gain a better understanding of your customers
- Design or refine your programs
- Create and enhance your marketing campaigns
- Refine your messages

Toolkit Content Overview

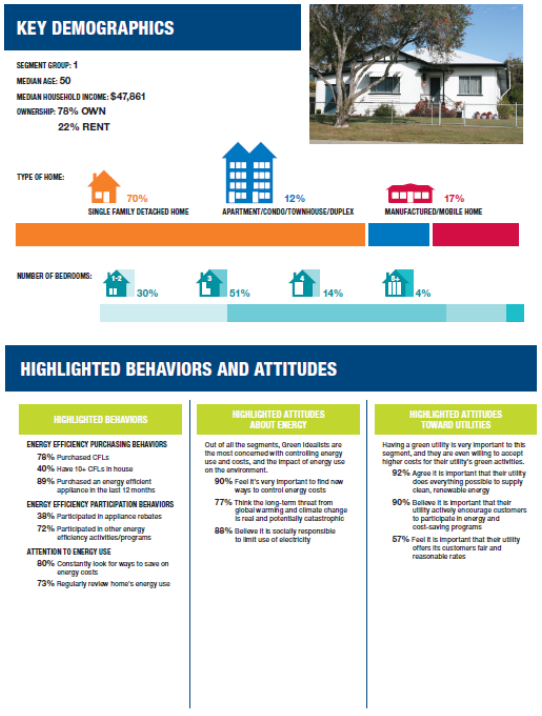
- Segments of BPA Population



Toolkit Content – Persona and Fact Sheets



- Key information about segments



Toolkit Content – Participation Preferences

- Residential segments by group

- Residential segments participation by program category

PURCHASE HOME HEATING/COOLING SYSTEMS

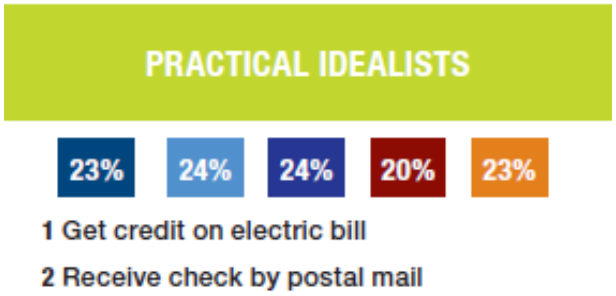
This category informs programs that include ductless heat pumps and air or ground source heat pump upgrades and conversions.

RANK	SEGMENT
1	GREEN IDEALISTS
2	AFFLUENT CONSERVERS
3	PRACTICAL IDEALISTS
4	FOLLOWS THE CROWD
5	DISENGAGED CONSUMERS
6	COMFORT IS KING
7	NO INTEREST, NO ACTION
8	GREEN REJECTERS

Toolkit Content – Marketing Preferences

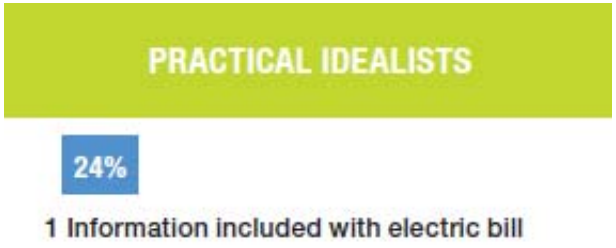
- Submitting rebates

- Receiving rebates



Toolkit Content – Marketing Preferences

- How each segment learns about energy efficiency programs by region



- Local events attended in last 12 months by region

Toolkit Content – Shopping Preferences

- Key attitudes about shopping

PRACTICAL IDEALISTS

24%

1 Carefully research product specifications, features and reviews

2 Someone in household does a lot of do-it-yourself projects to save money

- Stores shopped most in the past month

PRACTICAL IDEALISTS

24%

1 Discount stores

2 Retail grocery stores

3 Home improvement stores

Toolkit Content – Messaging Guidelines

GROUP 1

PRIMARY	SECONDARY
1 Save money	1 Save utility money
2 Control	2 Comfort
3 Conservation	

PRACTICAL IDEALISTS

23% 24% 24% 20% 23%

PRIMARY	SECONDARY
1 Save money	1 Comfort
2 Conservation	2 Save utility money
3 Control	

- Primary and secondary messages to segments and groups

Toolkit Content – Lighting and Appliances

- Attitudes towards appliances
- Most important factors when buying a new appliance

PRACTICAL IDEALISTS

23% 24% 24% 20% 23%

1 It's worth spending more for an energy efficient electric appliance or device

2 Without exception, I want appliances that are simple to use

3 It's very important that appliances save me time and effort

4 It's worth spending more to get the highest quality appliance available

PRACTICAL IDEALISTS

23% 24% 24% 20% 23%

1 Cost savings from reduced electricity usage

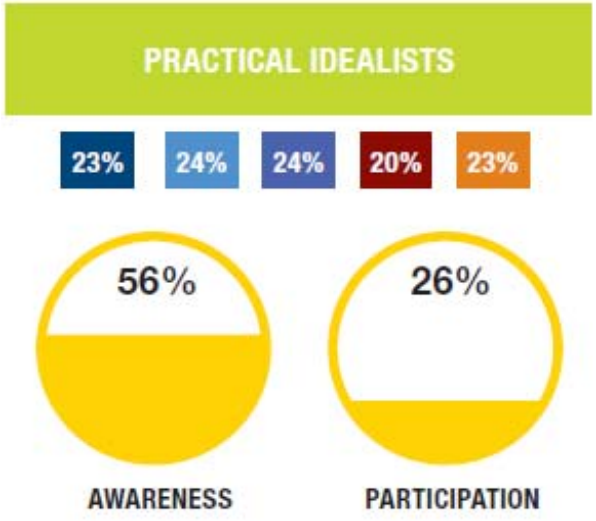
2 Positive impact on environment from less energy

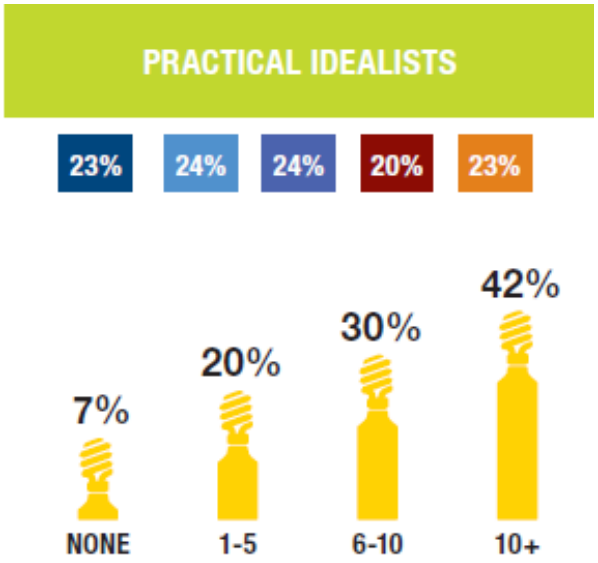
3 Discounts for buying an energy efficient appliance

4 Purchase price for buying appliance

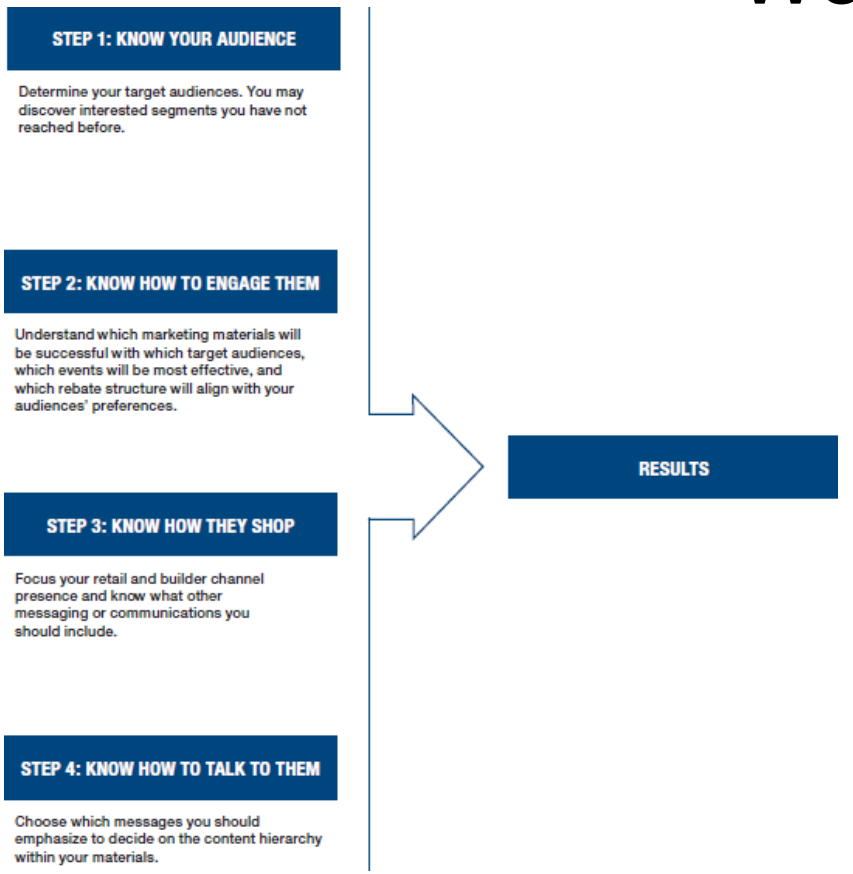
Toolkit Content – Lighting and Appliances

- Appliance rebate awareness vs. participation
- Number of CFLs in household





Toolkit Content - Worksheet

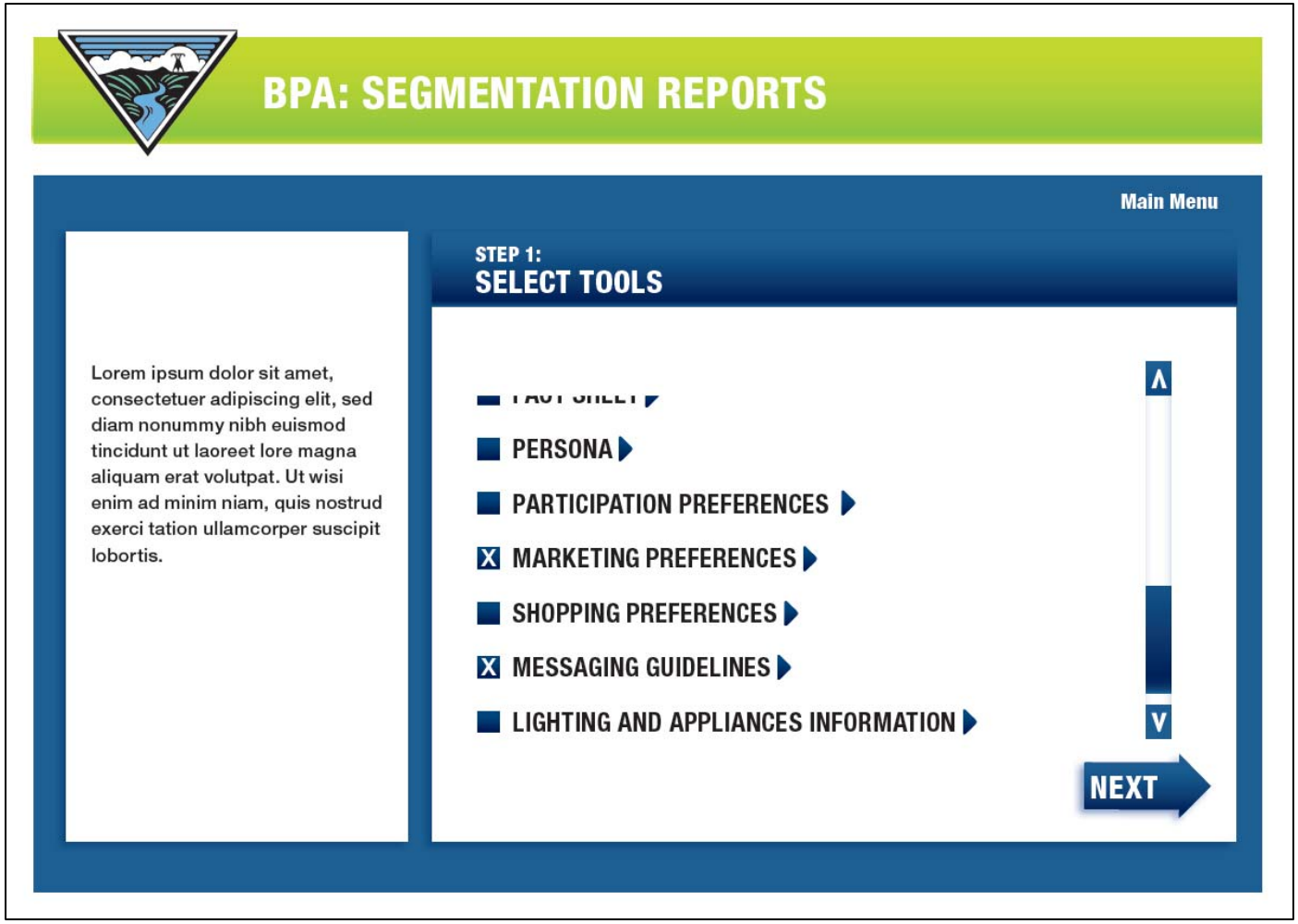


- Worksheet and sample
  - Copy worksheet for multiple uses
  - Review sample worksheet

Toolkit Content - Index

- Fact Sheets
  - Persona and fact sheets
- Tools
  - Preferences sections, messaging guidelines and lighting and appliance information

E-toolkit


BPA: SEGMENTATION REPORTS
Main Menu
STEP 1:
SELECT TOOLS
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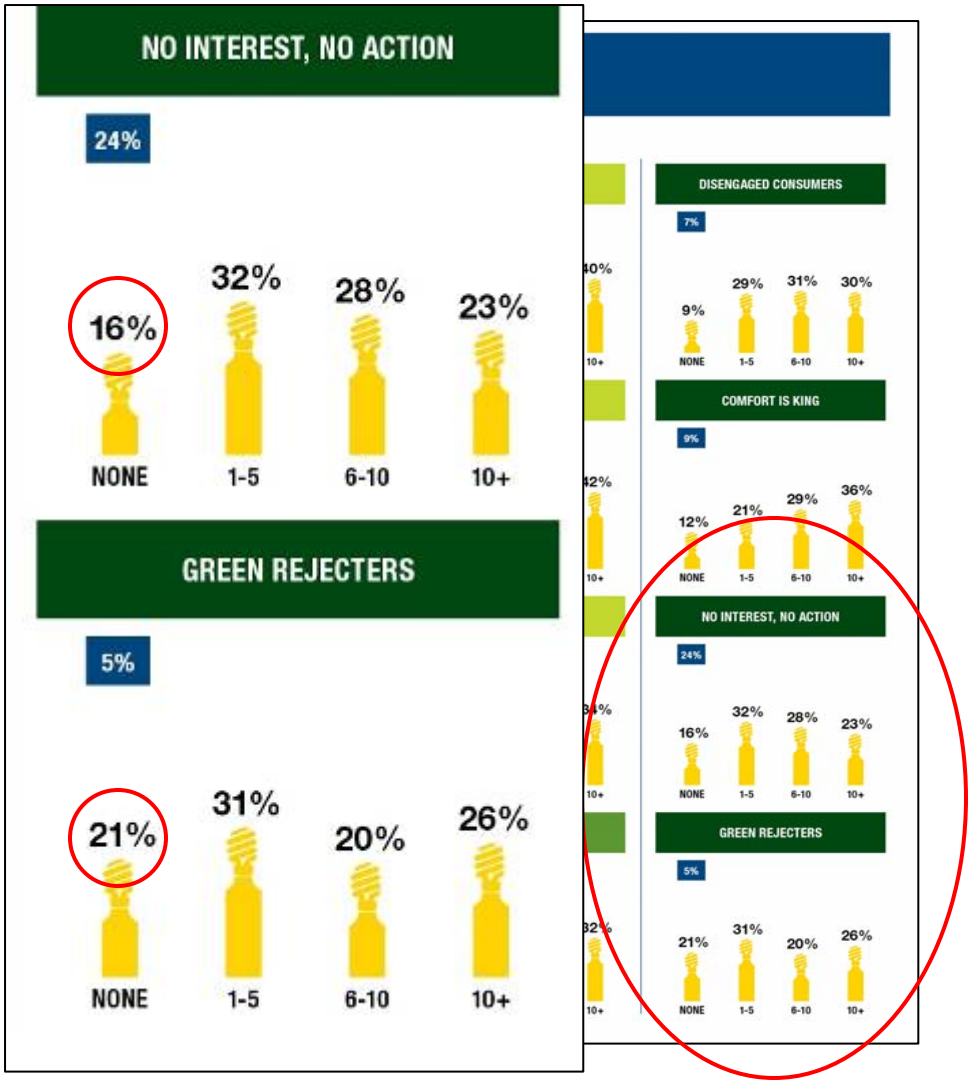
PERSONA
PARTICIPATION PREFERENCES
MARKETING PREFERENCES
SHOPPING PREFERENCES
MESSAGING GUIDELINES
LIGHTING AND APPLIANCES INFORMATION
NEXT

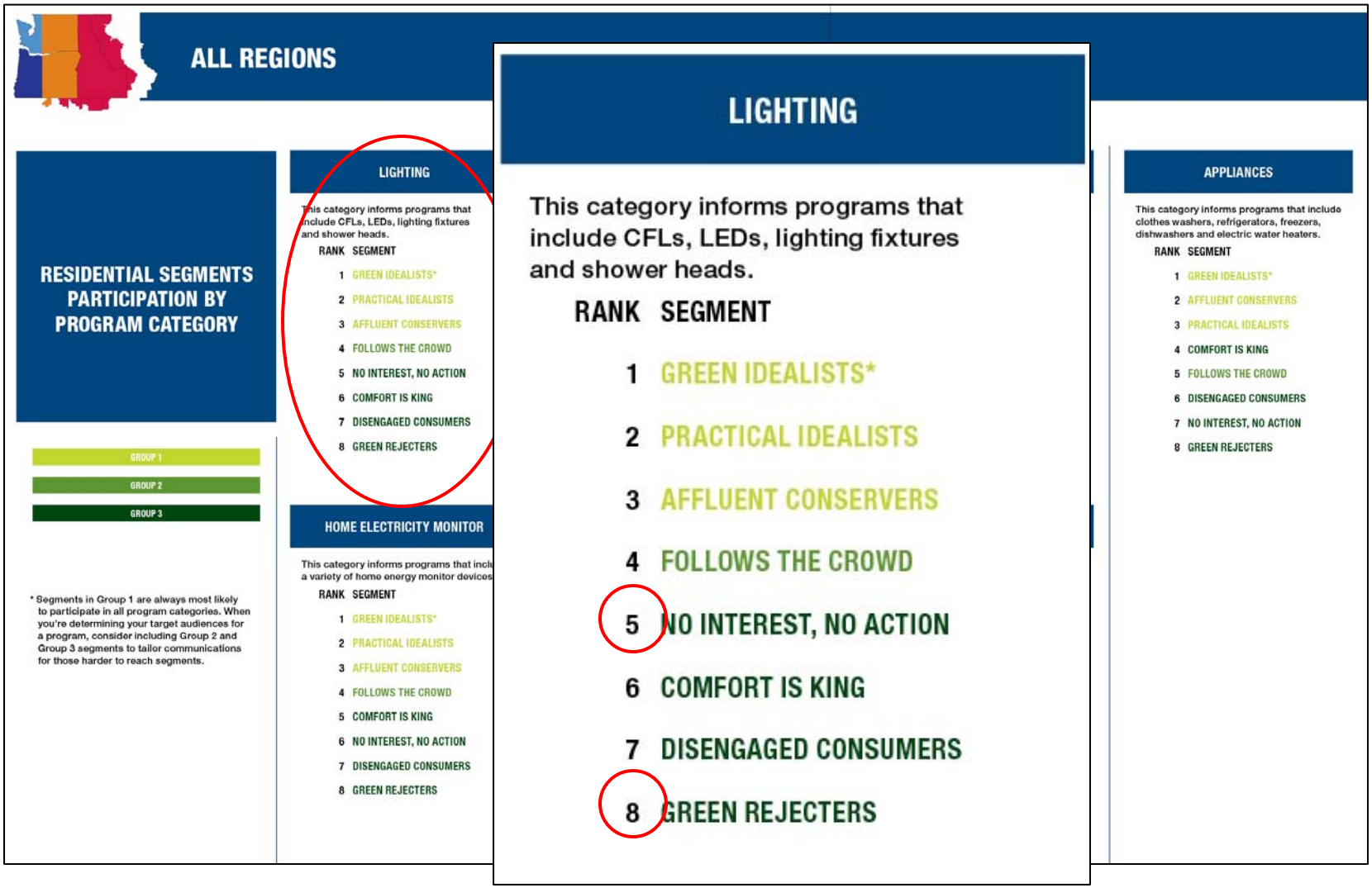
Scenario - Identify CFL Opportunities

- Determine which segments to target
- Review probability that target segments will participate in a CFL program
- Identify which target segment will give you the biggest opportunity
- Create messaging to engage target audience

Lighting and Appliances Information



Participation Preferences



Identify Segment with Largest Opportunity

	No Interest, No Action	Green Rejecters
% of Population		
Own versus Rent		
Size of Homes (Number of Bedrooms)		
% with no CFLs in Household		
Rank for Participating in CFL Program	5th	8th
Best Segment to Target		

Green Rejecters: Persona and Fact Sheet

PERSONA: GREEN REJECTERS

CRAIG

KEY DEMOGRAPHICS

SEGMENT GROUP: 3
MEDIAN AGE: 41
MEDIAN HOUSEHOLD INCOME: $49,494
OWNERSHIP: 92% OWN
8% RENT

TYPE OF HOME:

NUMBER OF BEDROOMS:

REGIONAL VARIANCES

WESTERN WASHINGTON

URBAN/RURAL DIFFERENCES
27% Urban dwelling

EAST/CENTRAL WASHINGTON, EAST OREGON AND CALIFORNIA

URBAN/RURAL DIFFERENCES
100% Rural dwelling

NOTABLE REGIONAL VARIANCES
74% Use AC at home
85% Purchased high efficiency appliances

% OF POPULATION BY REGION

WESTERN OREGON

URBAN/RURAL DIFFERENCES
58% Urban dwelling

NOTABLE REGIONAL VARIANCES
38% Use AC at home

IDAHO AND EASTERN REGION

URBAN/RURAL DIFFERENCES
100% Rural dwelling

NOTABLE REGIONAL VARIANCES
43% Use electricity as their primary home heating fuel
25% Use AC at home

5% OF USA POPULATION

HIGHLIGHTED BEHAVIORS AND ATTITUDES

HIGHLIGHTED BEHAVIORS

This segment participated in the least amount of rebates than any other segment.

ENERGY EFFICIENCY PURCHASING BEHAVIORS
64% Purchased CFLs
26% Have 10+ CFLs in house
73% Purchased an energy efficient appliance in the last 12 months

ENERGY EFFICIENCY PARTICIPATION BEHAVIORS
16% Participated in appliance rebates
55% Participated in other energy efficiency activities/programs

ATTENTION TO ENERGY USE
16% Constantly look for ways to save on energy costs
31% Regularly review home's energy use

HIGHLIGHTED ATTITUDES ABOUT ENERGY

This segment is the least concerned about controlling its energy costs, or how energy use impacts the environment.

20% Feel it's very important to find new ways to control energy costs
1% Think the long term threat from global warming and climate change is real and potentially catastrophic
5% Believe it is socially responsible to limit use of electricity

HIGHLIGHTED ATTITUDES TOWARD UTILITIES

Whether its utility can offer fair and reasonable rates to this segment is more important to them than it is utility's green. These people have the lowest opinions about their local utility.

3% Agree it is important that my utility does everything possible to supply clean, renewable energy
1% Believe it is important that my utility actively encourage customers to participate in energy and cost-saving programs
41% Feel it is important that my utility offers its customers fair and reasonable rates

No Interest, No Action: Persona and Fact Sheets

PERSONA: NO INTEREST, NO ACTION

BRIAN

Brian, age 41, and his wife, Heather, 40, rent a small two-bedroom apartment in Eastern Washington. Their 19 year-old son, Jeff, lives nearby and is currently studying environmental science at the local community college. Brian delivers packages for UPS and Heather is a vet tech at an animal clinic.

Recently, Jeff purchased an ENERGY STAR rated television. He pointed out to Brian and Heather that having an energy efficient television will save him money and is better for the environment. Although it is a nice TV, Brian wonders why his son would spend so much money when his old television works just fine. Brian understands Jeff has a different perspective on the environment, but he is not convinced himself that it's his responsibility to limit his use of electricity. Brian doesn't feel it's necessary to replace all their appliances or their light bulbs just to conserve electricity or get a rebate from their utility.

Last month their utility bill was $95, and it frustrated Brian because it seems they are paying more than they used to. Heather recently heard on TV that some utilities charge more money so they can operate more "environmentally friendly," which also frustrated Brian; he thinks their utility company should worry more about offering their customers low rates and less about being green.

KEY DEMOGRAPHICS

SEGMENT GROUP: 3
MEDIAN AGE: 41
MEDIAN HOUSEHOLD INCOME: $49,494
OWNERSHIP: 77% OWN
22% RENT

TYPE OF HOME:
- 68% SINGLE FAMILY DETACHED HOME
- 13% APARTMENT/CONDO/TOWNHOUSE/DUPLEX
- 18% MANUFACTURED/MOBILE HOME

NUMBER OF BEDROOMS:
- 1/2 45%
- 3 46%
- 4 7%
- 4+ 2%

REGIONAL VARIANCES

WESTERN WASHINGTON

URBAN/RURAL DIFFERENCES
27% Urban dwelling

EAST/CENTRAL WASHINGTON, EAST OREGON AND CALIFORNIA

URBAN/RURAL DIFFERENCES
100% Rural dwelling

NOTABLE REGIONAL VARIANCES
74% Use AC at home
85% Purchased high efficiency appliances

% OF POPULATION BY REGION

25% 25% 22% 23%

WESTERN OREGON

URBAN/RURAL DIFFERENCES
58% Urban dwelling

NOTABLE REGIONAL VARIANCES
33% Use AC at home

IDAHO AND EASTERN REGION

URBAN/RURAL DIFFERENCES
100% Rural dwelling

NOTABLE REGIONAL VARIANCES
43% Use electricity as their primary home heating fuel
25% Use AC at home

24% OF BPA POPULATION

HIGHLIGHTED BEHAVIORS AND ATTITUDES

HIGHLIGHTED BEHAVIORS

These people engage in less conservation activities than any other segment besides Green Rejecters.

ENERGY EFFICIENCY PURCHASING BEHAVIORS
60% Purchased CFLs
23% Have 10+ CFLs in house
70% Purchased an energy efficient appliance in the last 12 months

ENERGY EFFICIENCY PARTICIPATION BEHAVIORS
22% Participated in appliance rebates
60% Participated in other energy efficiency activities/programs

ATTENTION TO ENERGY USE
28% Consistently look for ways to save on energy costs
29% Regularly review home's energy use

HIGHLIGHTED ATTITUDES ABOUT ENERGY

This segment is the least concerned with controlling its energy costs or the environmental impact of energy use. These people do not see a strong connection between energy efficiency activities and protecting the environment.

31% Feel it's very important to find new ways to control energy costs
21% Think the long-term threat from global warming and climate change is real and potentially catastrophic
29% Believe it is socially responsible to limit use of electricity

HIGHLIGHTED ATTITUDES TOWARD UTILITIES

Similar to Comfort is King, it is more important to these people that its utility keep costs low, not to be green. This segment's impressions of its utility are low, though better than Disengaged Consumers and Green Rejecters.

33% Agree it is important that my utility does everything possible to supply clean, renewable energy
19% Believe it is important that my utility actively encourage customers to participate in energy and cost-saving programs
34% Feel it is important that my utility offers its customers fair and reasonable rates

CFL Opportunity Analysis

	No Interest, No Action	Green Rejecters
% of Population	24%	5%
Own versus Rent	77% own / 22% rent	92% own / 8% rent
Size of Homes (Number of Bedrooms)	1-2: 45% 3: 46% 4: 7% 5+: 2%	1-2: 13% 3: 58% 4: 23% 5+: 6%
% with no CFLs in Household	16%	21%
Rank for Participating in CFL Program	5th	8th
Best Segment to Target		

No Interest, No Action Segment shows Most CFL Opportunity

	No Interest, No Action	Green Rejecters
% of Population	24%	5%
Own versus Rent	77% own / 22% rent	92% own / 8% rent
Size of Homes (Number of Bedrooms)	1-2: 45% 3: 46% 4: 7% 5+: 2%	1-2: 13% 3: 58% 4: 23% 5+: 6%
% with no CFLs in Household	16%	21%
Rank for Participating in CFL Program	5th	8th
Best Segment to Target	X	

BRIAN

NO INTEREST, NO ACTION

. . . is not convinced that it's his responsibility to limit his use of electricity. Brian doesn't feel it's necessary to replace all their appliances or their light bulbs just to conserve electricity or get a rebate from their utility.

PERSONAS FACTSHEET: NO INTEREST, NO ACTION

Engage the Target Audience

How to reach them and what to say

Marketing Preferences

NO INTEREST, NO ACTION

25%

1 Information included with electric bill

2 Newspaper, radio, or television advertising

NO INTEREST, NO ACTION

25%

1 Neighborhood or community events

2 Farmers' markets

Messaging Guides

NO INTEREST, NO ACTION

24% 25% 23% 25% 22%

PRIMARY	SECONDARY
1 Save money	1 Control
2 Save utility money	2 Conservation
3 Comfort	

Questions?

Contact Information

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