



ENERGY WEBINAR

Customer Engagement 2.0

*Jason McGrade, Deputy Director of the Smart Energy Consumer Collaborative
Joel Gilbert, P.E., President and Chief Software Architect, Apogee Interactive*

June 28, 2022

Our Speakers



Jason McGrade, Deputy Director of the Smart Energy Consumer Collaborative

Jason McGrade plays a key role in producing SECC's research reports and consumer education materials.

Jason has been helping energy utilities for nearly 15 years better connect with their consumers with a focus on brand messaging and digital outreach as well as building customer loyalty programs and improving satisfaction strategies.

He considers himself a lifelong learner and is always on the lookout for delicious local specialties when traveling.



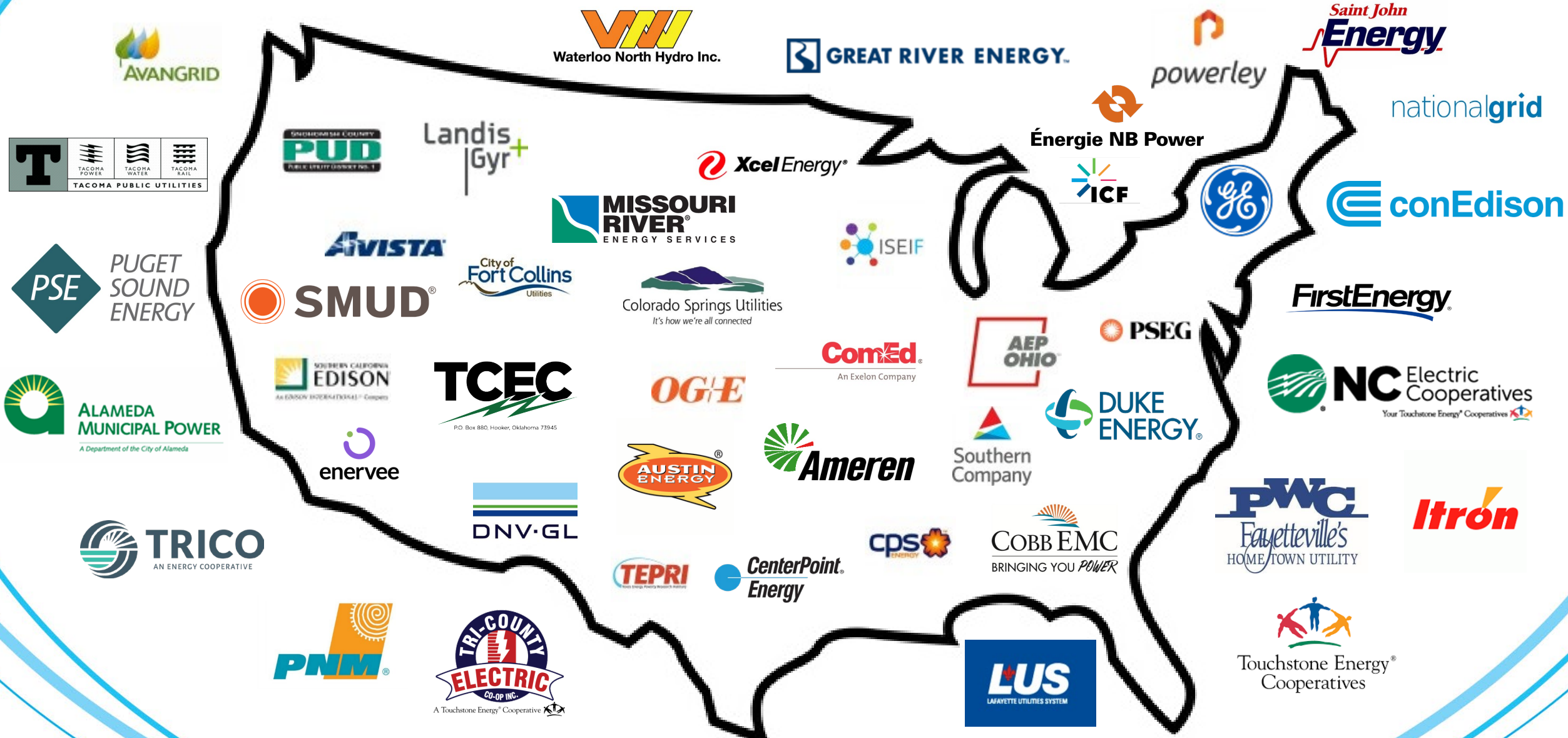
Joel Gilbert, P.E., President and Chief Software Architect, Apogee

Joel Gilbert personally directs the design and development of energy analysis applications utilizing the highest standards in building science, engineering, operational patterns, weather data and pricing to ensure analytical integrity.

Prior to co-founding Apogee, he built his career in energy consulting, being retained by over 200 gas and electric utilities and over 100 industrial and commercial firms across the United States to help them clarify and implement successful customer energy programs. His client roster included virtually every major investor-owned utility in the US and their key trade associations including the Edison Electric Institute (EEI), the Electric Power Institute (EPRI), the National Rural Electric Cooperative Association, and the American Public Power Association (APPA).

Joel holds both bachelor and master degrees in chemical engineering and a masters in management from Rensselaer Polytechnic Institute in Troy, New York. He is also a licensed professional engineer in New York State.

Snapshot: Who We Are



Snapshot: What We Do

Listen



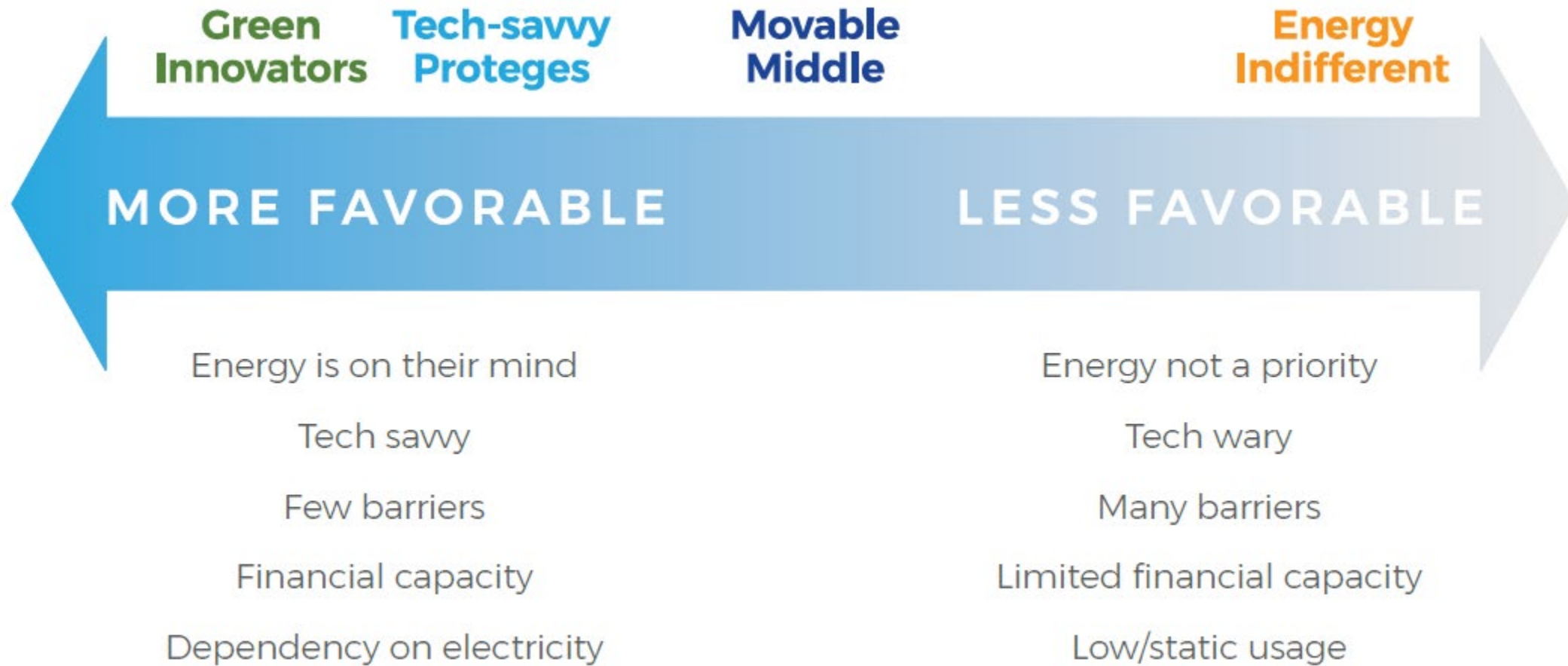
Educate



Collaborate



Connecting with Consumers Based on Values



SECC's Current Consumer Segments

Segment Name	Proportion of Consumer Market	Age			Household Income*			Electricity Bill (Mean)
Green Innovators	20%	18-34 (29%)	35-54 (40%)	55+ (31%)	<=\$50K (47%)	\$50-\$99K (29%)	\$100K+ (20%)	\$121.7
Tech-savvy Proteges	25%	18-34 (35%)	35-54 (35%)	55+ (30%)	<=\$50K (37%)	\$50-\$99K (42%)	\$100K+ (17%)	\$132.0
Movable Middle	29%	18-34 (17%)	35-54 (32%)	55+ (51%)	<=\$50K (52%)	\$50-\$99K (31%)	\$100K+ (11%)	\$117.0
Energy Indifferent	26%	18-34 (16%)	35-54 (25%)	55+ (59%)	<=\$50K (57%)	\$50-\$99K (29%)	\$100K+ (9%)	\$112.8

*4-5% of respondents did not answer the income question, hence percentages do not add to 100.

What Seems to Be Changing with Consumers?

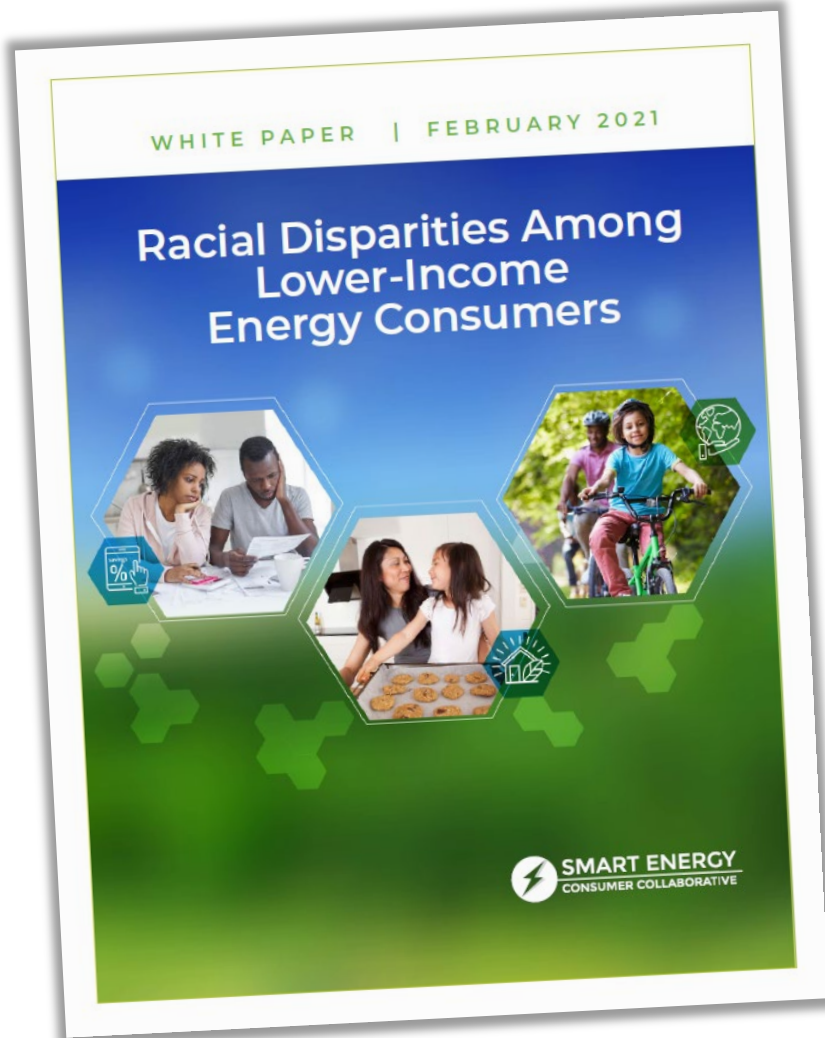
“2022 State of the Consumer” Report



Annual meta-analysis of the previous year's research agenda

Provides six big-picture themes on the needs and wants of today's energy consumers

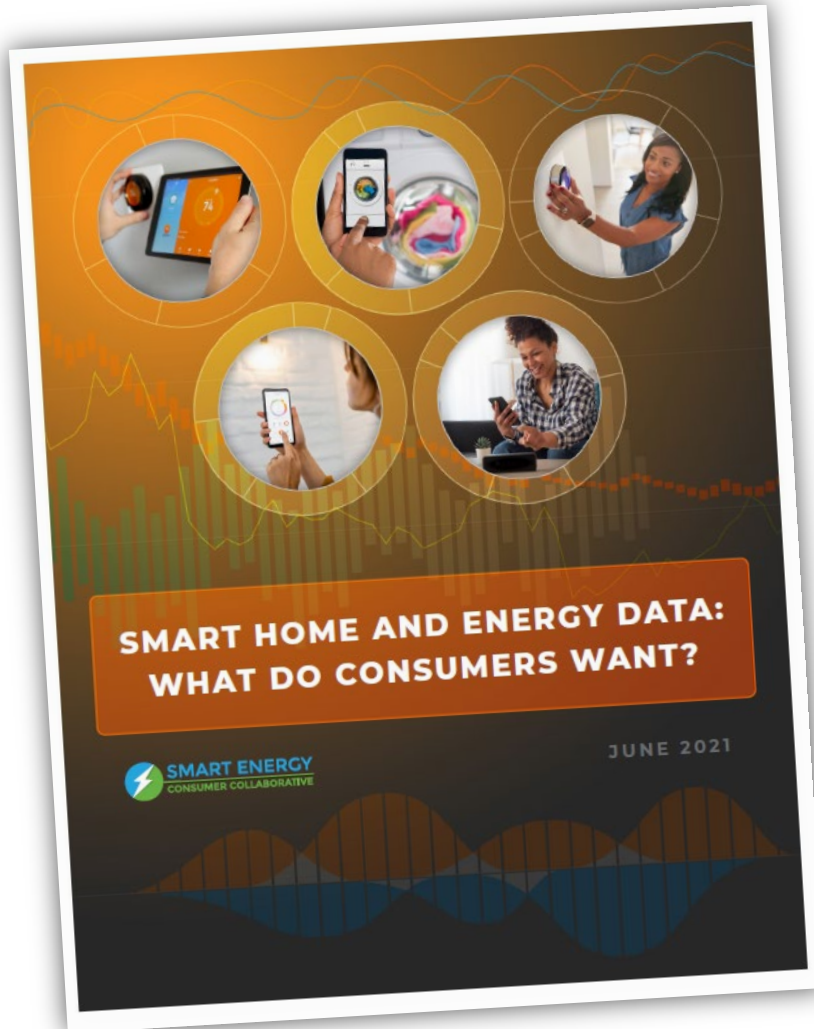
Racial Disparities Among Lower-Income Consumers



Based on an online national survey of 1,000 Americans with incomes under \$50,000 annually

Highlights differences between white, Black and People of Color households around energy-related interests, concerns, behaviors, etc.

Smart Home Technologies and Energy Data

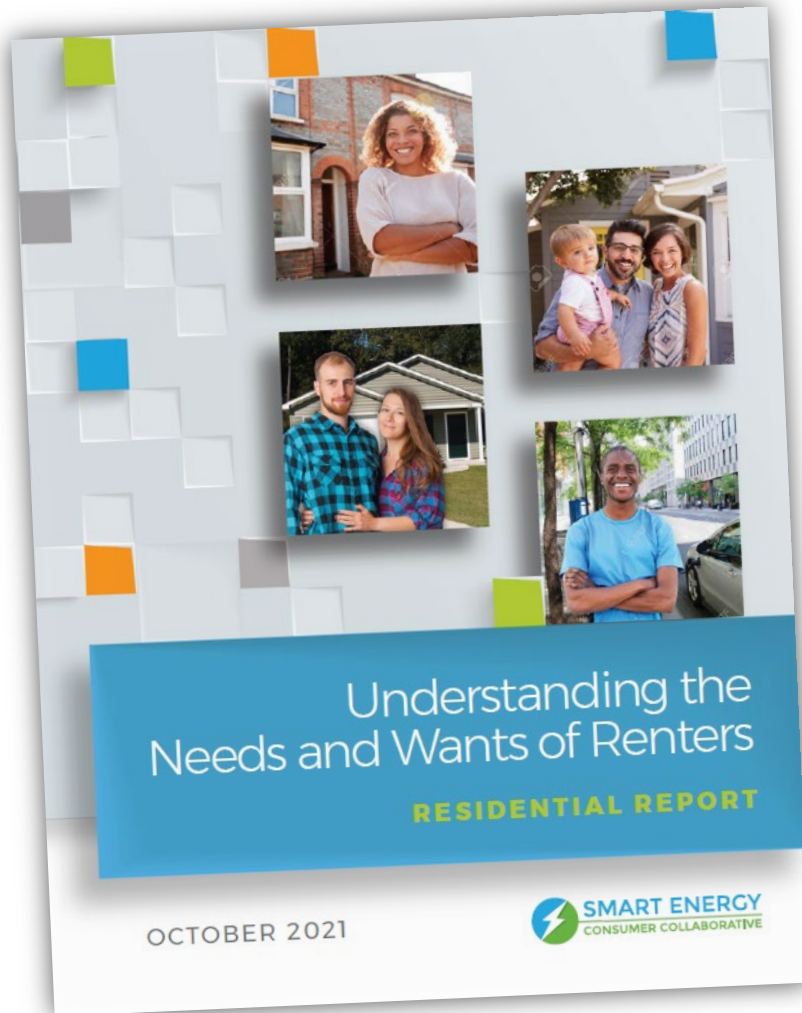


Investigates consumer satisfaction and perceived benefits of smart home devices, especially those most directly related to home energy usage

Examines non-adopters of smart home devices and their barriers

Explores consumer concerns around data privacy and data security

Residential Customers Who Rent Their Homes

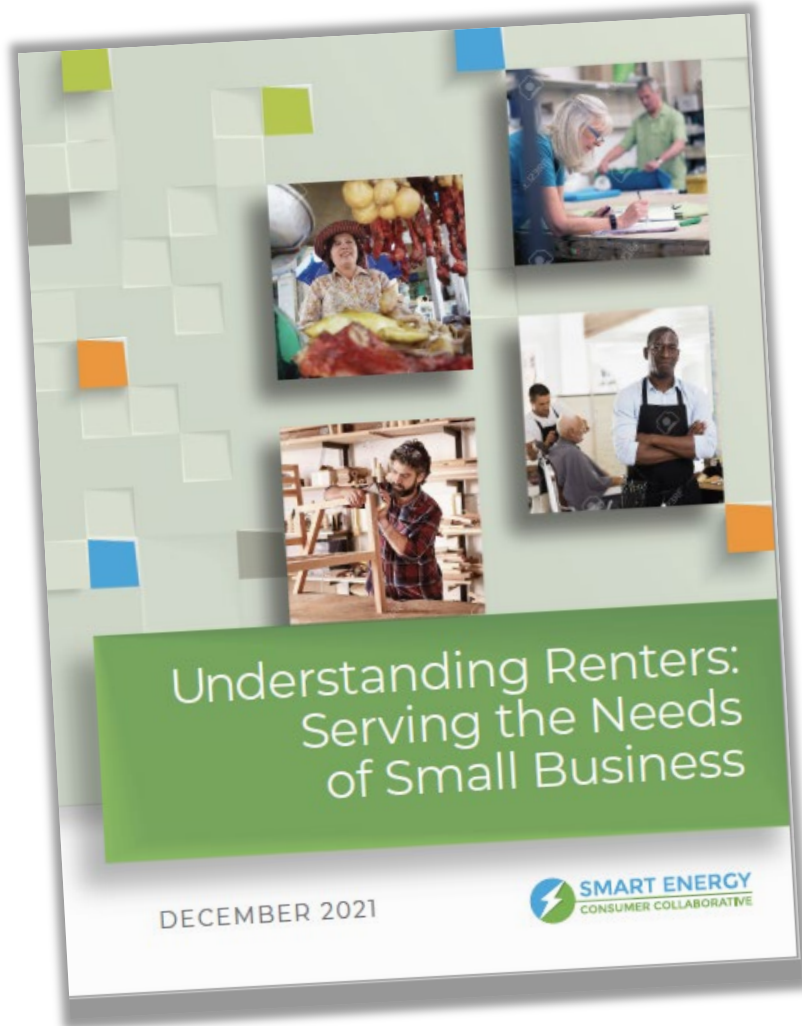


Aims to better understand residential renters as consumers and to explore their attitudes, values and preferences regarding energy management activities and utility programs

1,000 renters in the United States who pay for their energy bills

In-depth interviews with five landlords

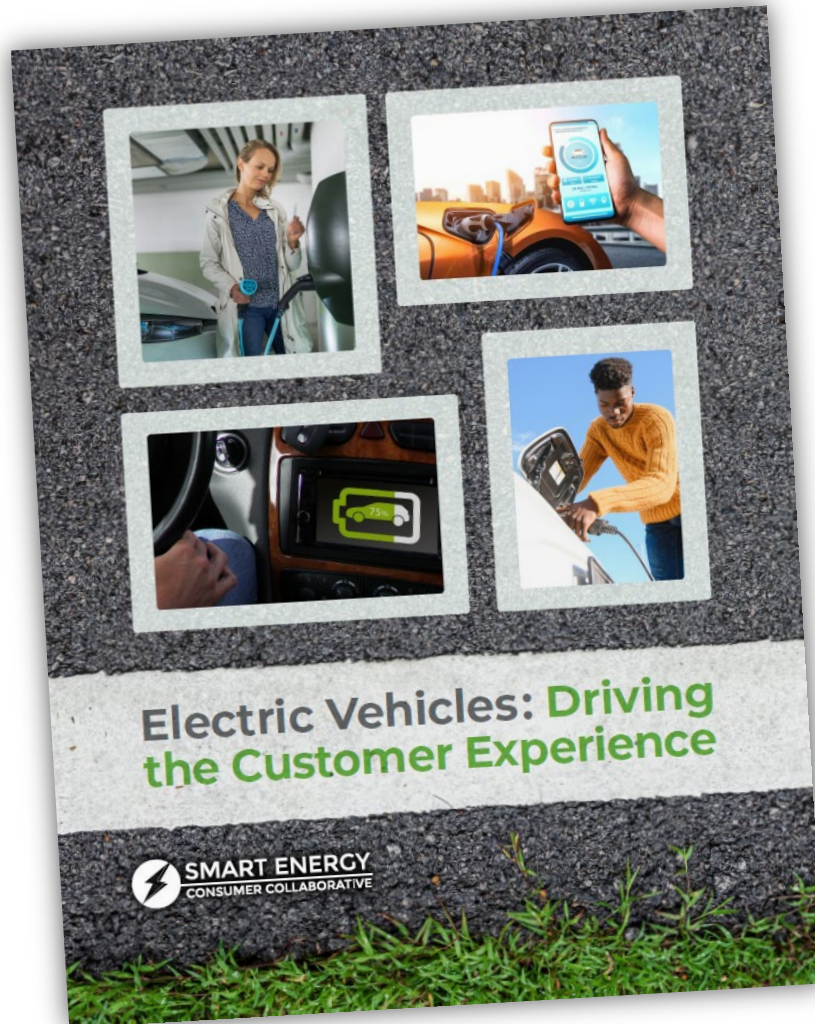
Small Businesses Who Rent Their Facilities



Focuses on the energy-related concerns and interests of small businesses with fewer than 100 employees that lease commercial property

Based on twenty 30-minute interviews with business owners that occupy rental properties in nine U.S. states

The Customer Experience Around Electric Vehicles

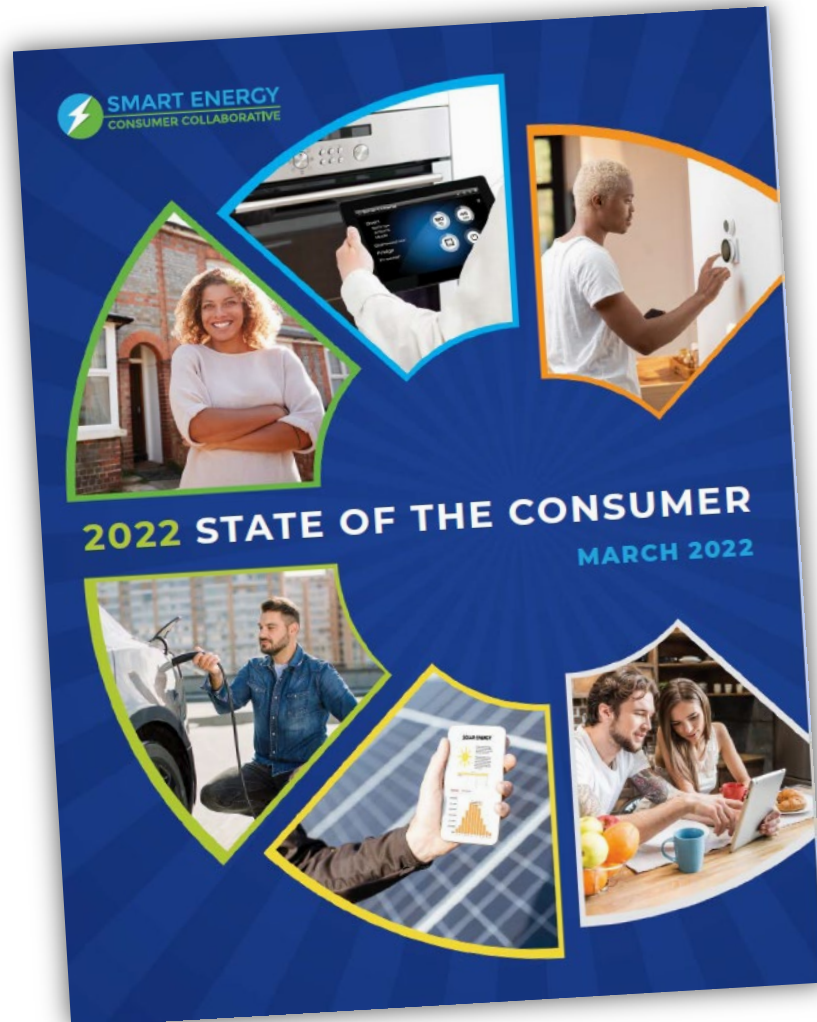


Provides insight into consumers' knowledge and attitudes about EVs as well as the experiences of current EV drivers

Based on an online survey that was administered to 1,000 residential consumers in the U.S.

The sample was boosted with an additional 750 respondents who currently own an EV

“2022 State of the Consumer” Report



Theme 1:

Consumers are ready to take action to help meet decarbonization goals.

“2022 State of the Consumer” Report



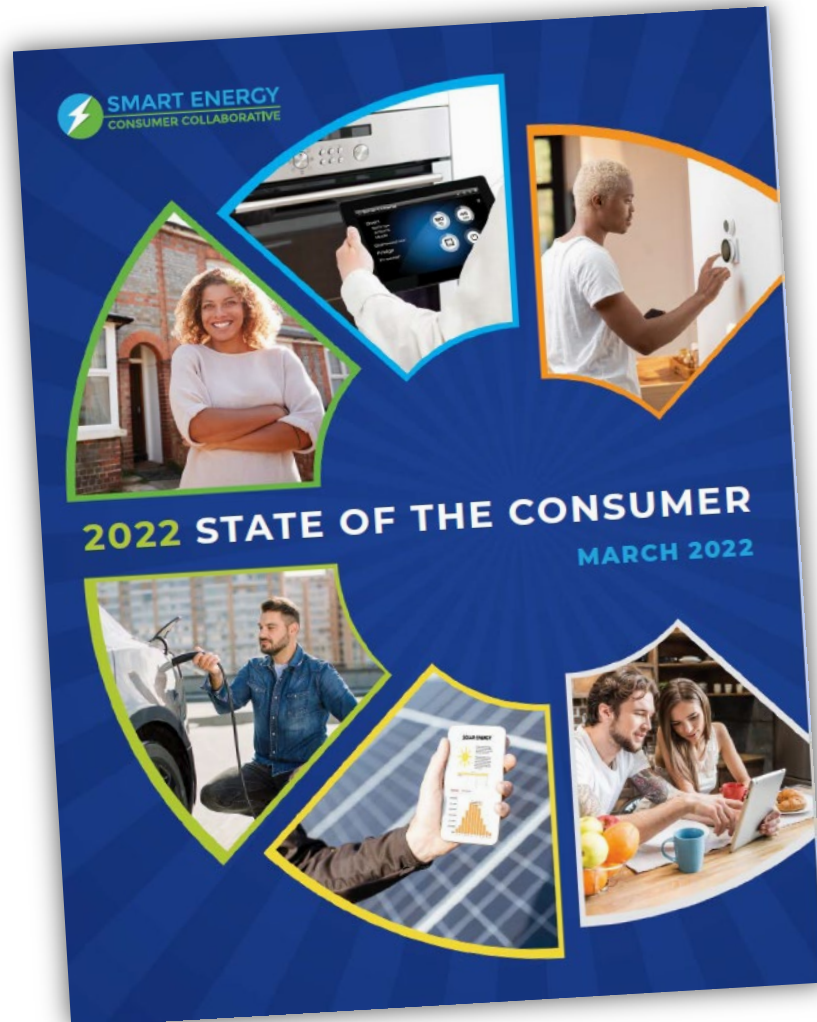
Theme 1:

Consumers are ready to take action to help meet decarbonization goals.

Theme 2:

Consumers are most likely to invest in smart energy technologies that are easy to use and demonstrate clear value.

“2022 State of the Consumer” Report



Theme 3:

Consumers increasingly expect a high degree of personalization in their interactions with energy providers.

“2022 State of the Consumer” Report



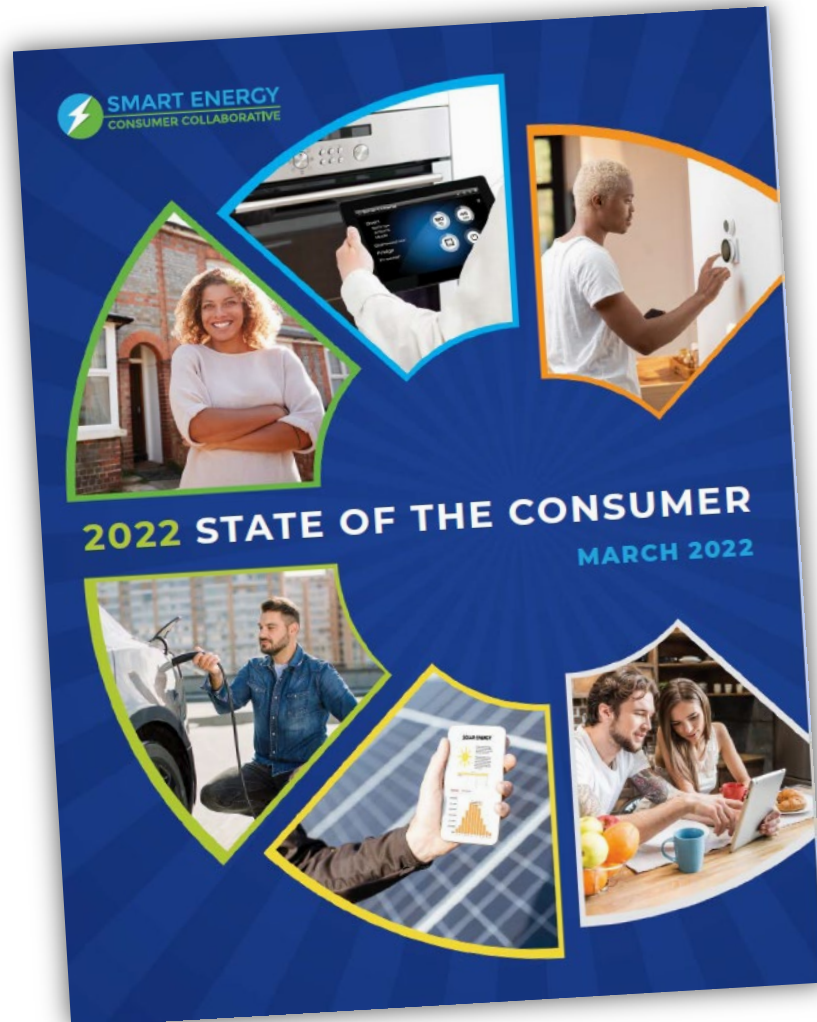
Theme 3:

Consumers increasingly expect a high degree of personalization in their interactions with energy providers.

Theme 4:

Consumers are inclined to trust their energy providers to help them manage their energy and protect their data.

“2022 State of the Consumer” Report



Theme 5:

Consumers need support to gain equitable access to clean energy opportunities.

“2022 State of the Consumer” Report



Theme 5:

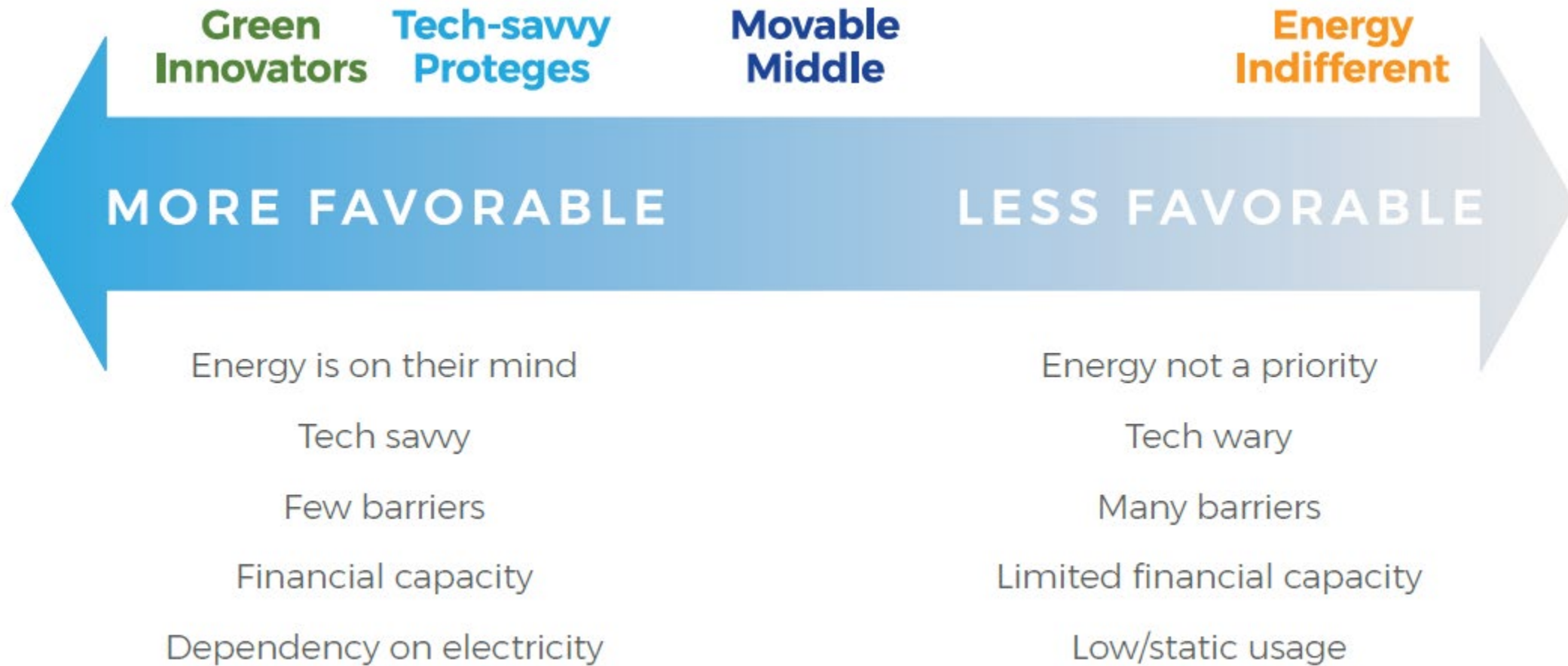
Consumers need support to gain equitable access to clean energy opportunities.

Theme 6:






Consumers respond favorably to innovative utility partnerships.

What Comes Next?

Connecting with Consumers Based on Values



Benefits Per Smart Home Device Owners

	 Smart speaker	 Smart thermostat	 Smart appliances	 Smart plugs/ power strips/ outlets	 Smart light/ bulb/switch
<i>n</i>	750	539	372	438	424
It is fun to use/entertaining	56%	14%	25%	23%	25%
It is easy to use	54%	37%	37%	46%	46%
It allows me to multi-task/save time	28%	18%	29%	26%	21%
It makes my home more comfortable	25%	40%	28%	27%	31%
I can connect it to other smart home devices	25%	18%	21%	26%	24%
It stays on a reliable schedule	21%	34%	22%	25%	25%
It helps others in my family manage tasks/time	20%	14%	27%	17%	16%
I can control it away from home	18%	40%	26%	37%	36%
It saves me money	14%	38%	28%	25%	40%
It helps me reduce my electricity usage	13%	42%	29%	32%	35%
It helps me lower my carbon footprint	11%	23%	19%	22%	21%
Other benefits	4%	2%	4%	3%	2%
There are no benefits	2%	2%	3%	0%	1%

Base: Smart Home Device Owners, base varies by smart device owned – Smart speaker (n=750), Smart thermostat (n=539), Smart appliances (n=372), Smart plugs/outlets (n=438), Smart lighting/bulbs (n=424), Other benefits (n=76)

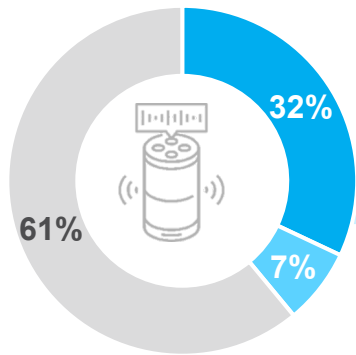
QDeviceBenefit. Based on your experience, what are the benefits of owning each of the devices below?

QDeviceBenefitOE. What other benefits are there to your smart home devices?

Consumer Actions Based on Monitoring Usage

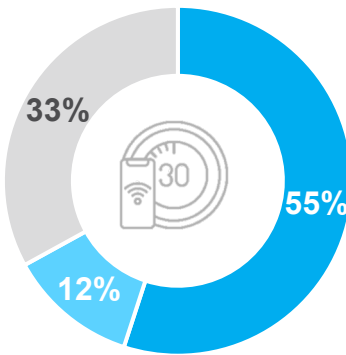
Using Devices to Monitor Electricity

Smart Speaker



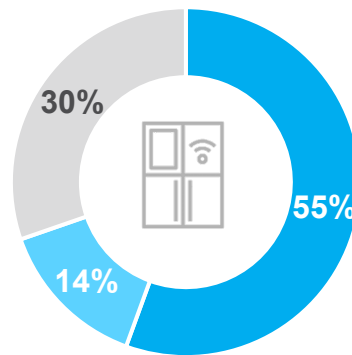
39%
Yes,
Currently/
Past

Smart Thermostat



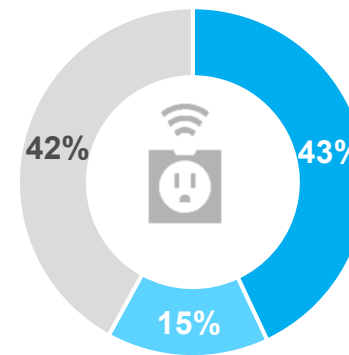
67%
Yes,
Currently/
Past

Smart Appliances



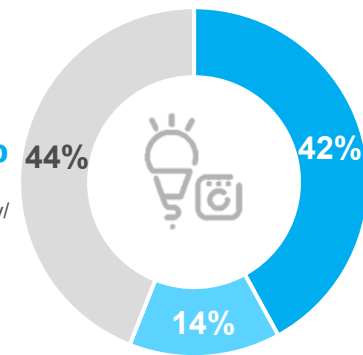
70%
Yes,
Currently/
Past

Smart Plugs/Power Strips/Outlets



58%
Yes,
Currently/
Past

Smart Light/Bulb/Switch



56%
Yes,
Currently/
Past

- Yes, I currently do
- Yes, in the past but not currently
- No

Did you take any actions to change your usage?

(Among those who have ever monitored usage)



21%
Yes, Smart
Speaker
Owners



21%
Yes, Smart
Thermostat
Owners



20%
Yes, Smart
Appliance
Owners



19%
Yes, Smart
Plug
Owners



19%
Yes, Smart
Light
Owners

Base: Smart Home Device Owners, base varies by smart device owned – Smart speaker (n=750), Smart thermostat (n=539), Smart appliances (n=372), Smart plugs/outlets (n=438), Smart lighting/bulbs (n=424); Net Yes to Any Device in QDeviceUsage (n=545)
QDeviceUsage. Have you ever monitored your electricity usage through any of the devices below?
QDeviceAction. Did you take any actions to change your usage? If so, what were they?

Renters Are Interested in Receiving Offers

Among those who have not seen programs/offers, rebates, rate adjustments, etc. are the most popular. Green Innovators and Tech-Savvy Proteges lead interest, with-lower income renters more challenging to engage.

Interest in Each Offer

Among Those Who Have Not Seen It

	TOTAL % Top 2 Box (Very/Somewhat Interested)	CONSUMER SEGMENT				INCOME		
		Energy Indifferent	Green Innovators	Movable Middle	Tech-Savvy Proteges	<\$50K	\$50-\$99K	\$100K+
Energy efficiency rebates/credits	78%	65%	89%	73%	83%	74%	86%	78%
Rate adjustments for energy efficiency	78%	61%	92%	66%	86%	74%	85%	78%
Free or discounted energy efficiency products	78%	62%	91%	69%	84%	74%	83%	80%
A report of your monthly energy usage	74%	57%	90%	58%	81%	71%	79%	78%
Access to your energy use data	72%	56%	88%	62%	76%	65%	83%	78%
Energy efficiency programs	72%	53%	87%	56%	84%	68%	80%	71%
Renewable energy programs	63%	42%	83%	48%	72%	60%	70%	59%
Information on new energy efficient or smart energy technology	62%	41%	81%	43%	73%	58%	69%	67%
Electric vehicles and electric charging	36%	19%	48%	19%	48%	30%	45%	40%

Best Practices on Messaging

What Messages Did We Test?

- 1. I am trying to reduce my greenhouse gas emissions
- 2. I am concerned about air pollutants inside my home
- 3. I am concerned about my community's air quality
- 4. Saving money is more important to me than saving the environment
- 5. Saving money is more important to me than improving the air I breathe
- 6. Electricity from renewable sources reduces greenhouse gas emissions
- 7. The government isn't doing enough to reduce greenhouse gases
- 8. The increase in extreme weather is concerning to me
- 9. Climate change is impacting how I use energy
- 10. Electricity emits more greenhouse gases than natural gas
- 11. Electricity is becoming cleaner and more renewable everyday
- 12. Banning natural gas will help reduce greenhouse gas emissions
- 13. Buildings should favor electricity over natural gas to reduce greenhouse gas emissions
- 14. Any little bit of renewable energy helps prevent climate change
- 15. I am concerned about the safety of natural gas in homes
- 16. I am concerned about the safety of electricity in homes
- 17. If my electricity provider switched to using renewable sources, this would increase my bill
- 18. Buying electric vehicles is for the wealthy
- 19. New homes that are 100% electric are often more expensive than new homes that are not 100% electric
- 20. EVs reduce greenhouse gas emissions compared to gas-powered automobiles
- 21. I would only reduce my greenhouse gas emissions if it saves me money
- 22. Moving to electric vehicles and all-electric buildings will strain the power grid, potentially impacting reliability

Getting the Message Across



Crossroads Analysis *(Total)*



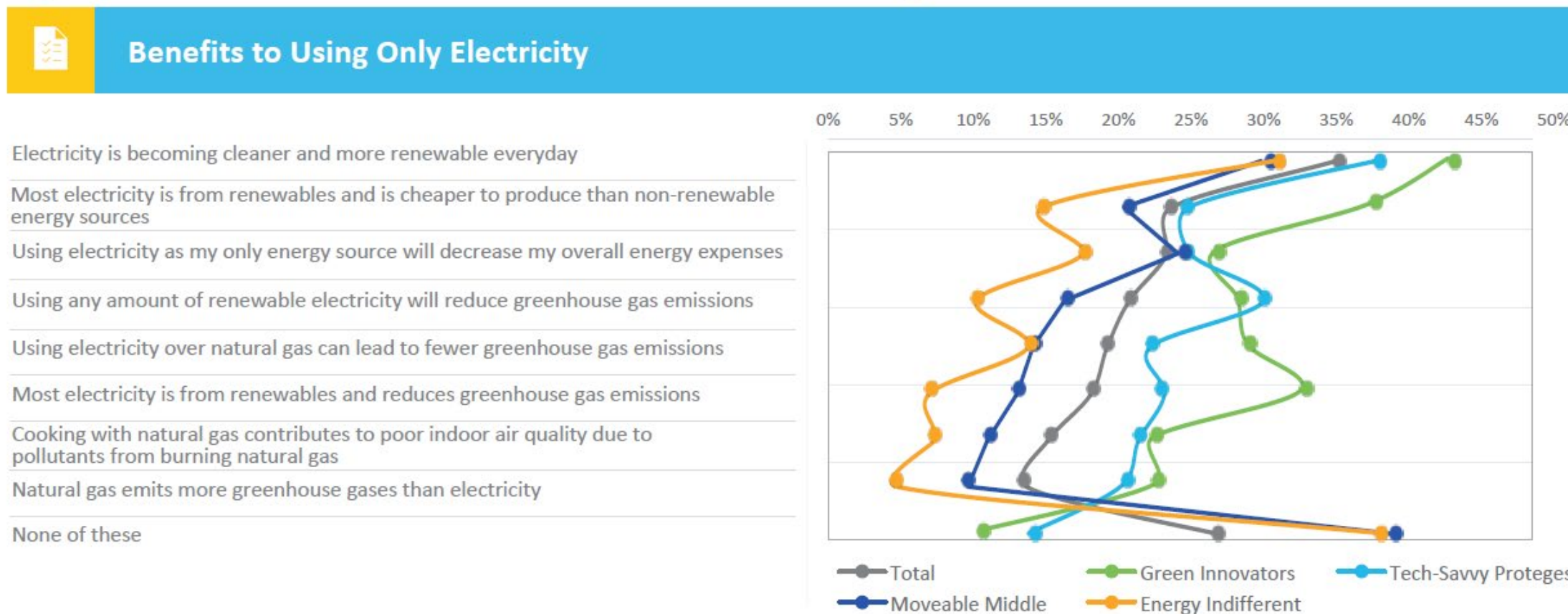
Base: All Respondents (n=1201)
 Q_IATPersonal. Does this statement describe how you feel about energy and the environment?
 Q_MaxDiff1. Please indicate which of the following statements MOST applies to you, and which one applies the LEAST.

The Most Effective Message

“Electricity is becoming cleaner and more renewable everyday”
 addresses consumer values across segments. With the addition of cost information,
 even less-engaged consumers can be encouraged to take notice and act.

What Statements Motivate Consumers?

Figure 15: Statements That Would Motivate Consumers to Electrify



Base: All Respondents (n=1201); Energy Indifferent (n=204), Green Innovators (n=318), Moveable Middle (n=218), Tech-Savvy Proteges (n=461) Q_Electrification. And which of the following statements, if any, makes you want to only use electricity as an energy source?

How to Optimize Messaging by Segment



Green Innovators

Emphasizing positive environmental changes appeals to the core beliefs of Green Innovators. Statements that showcase **putting forth any little bit of effort** to reduce environmental impact strongly resonate with this segment. Although, Green Innovators are the most likely to act, they **should not be taken for granted**. Messaging still needs to be tailored to them.



Tech-Savvy Proteges

Tech-Savvy Proteges place high importance on environmental concerns and putting in any bit of effort. However, these concerns are not as implicitly agreed with as Green Innovators. Rather, the Tech-Savvy Proteges **need to think about these statements** a bit more. Messaging should clearly **emphasize how** doing anything can help to engage their explicit or rational side. Employing technology could also be used to appeal to this segmentation. With clear and consistent ongoing messaging, this can become more implicit.

How to Optimize Messaging by Segment



Energy Indifferent

The Energy Indifferent not only state they value monetary savings, but it also comes through in their decision-making. Additional statements that resonate with this segment focus on the **importance of money over the environment** and concern of cost increases. To create longstanding success, the winning message should **include wording about ensuring cost savings** as electricity becomes cleaner and more renewable.



Movable Middle

Although the Movable Middle state money is a concern, they place high importance on doing 'any little bit' to prevent climate change and are concerned 'the government is not doing enough'. There tends to be a **say versus do gap with this segment**, as they do not prioritize saving money over saving the environment but show some cost concerns. Messaging to this group needs to **emphasize environmental action**, but also incorporate some **wording on cost mitigation**.

Five Key Takeaways

01

'Electricity is becoming cleaner and more renewable everyday' best conveys the urgency of climate change.

02

To streamline messaging, segments can be grouped as less or more engaged when it comes to beneficial electrification.

03

Cost increases have little impact on electrification adoption for more engaged segments.

04

Climate change messaging needs to account for cost sensitivities among the Energy Indifferent.

05

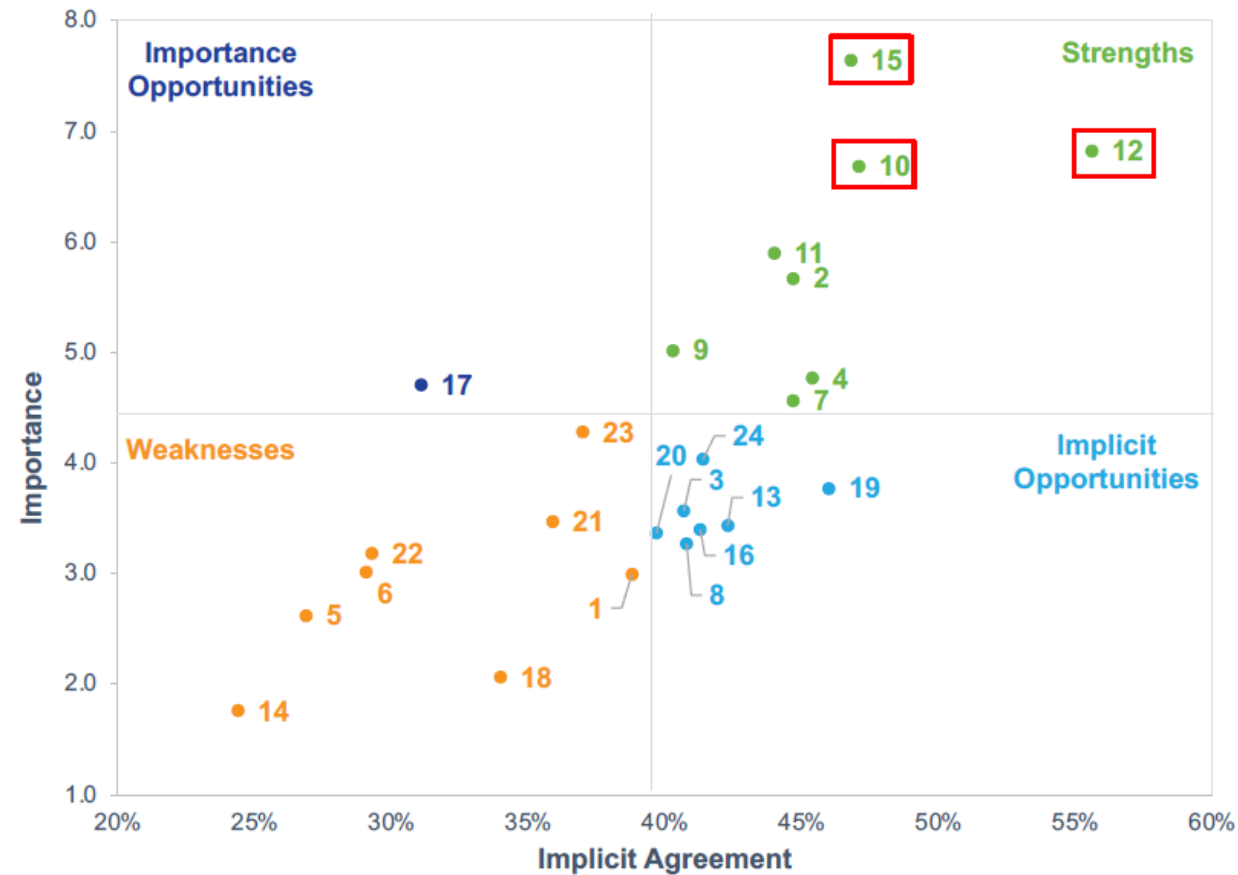
Green Innovators and Tech-Savvy Proteges need to be encouraged that any little bit counts.

Getting the Smart Home Messaging Right

1. Smart home devices provide peace of mind
2. Smart home devices can help me manage my electricity bill
3. Smart home devices are easy to set up
4. Smart home devices are easy to use
5. Smart home devices are for big houses
6. Smart home devices are for the wealthy
7. Smart home devices can make my home more comfortable
8. Smart homes devices can help me lower my carbon footprint
9. I would use more smart home devices if it made my life easier/more convenient
- 10. I would use more smart home devices if it saved me money**
11. Smart home devices can help lower my electricity usage
- 12. Smart home devices are innovative**
13. Smart home devices are fun/entertaining to use

14. When it comes to smart home devices, convenience is more important than data privacy
- 15. I worry about my data privacy when it comes to smart home devices**
16. Smart home devices are reliable
17. I worry about a smart home device failing or causing damage to my home
18. Smart home devices are trustworthy personal assistants
19. Smart home devices can easily be connected
20. Smart home devices help me have more control over my life
21. Smart home devices make it easier for anyone who I allow to have access (e.g., other household members, a utility provider, or other third-parties) to help me get things done
22. I would use more smart home devices if I had more helpful technical support
23. I would like to know more about how smart home devices can help me in my life (e.g., tips/tricks)
24. I know what smart home devices are capable of doing for me or my home

Getting the Smart Home Messaging Right



Base: US Gen Pop (n=1520)

Q_IATSH. Now we would like to show you a series of statements and will ask you to tell us whether you feel that statement **describes how you feel about smart home devices** by dragging and dropping the statement into the "Agree" or "Disagree" buckets that will appear below the statement.?

QMaxDiff. Next, we're going to show you a series of statements. At each screen, please drag and drop "Most" to the statement you agree with the most, and drag and drop "Least" to the statement that you least agree with.

Getting the Smart Home Messaging Right

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Key Takeaway

Tailoring the message to specific consumer segments can help industry stakeholders connect with consumers on their terms and provide them with the information and support they find most meaningful.

Upcoming Events

Webinars:

July 21st **JD Power – Residential Customer Satisfaction** Adrian Chung, JD Power & Jim Malcom, Apogee

August TBA, **The Coming Customer Engagement Crisis**, Susan Gilbert, Apogee & Dan Violette, APEX Analytics

Conferences:

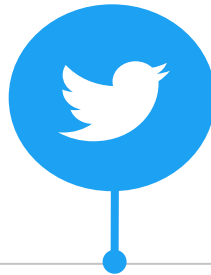
Sept 13 - 16, E Source, Denver

Oct. 17 – 20, EMACS, Orlando

Nov. 13 – 16 APPA Connections, Minneapolis



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Questions



Thank You!

Contact Us:

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Joel Gilbert, jgilbert@apogee.net