



Motivations and Emotions of Engaged Consumers

Executive Summary for Non-SGCC Members.

A full report with detailed findings is available free to SGCC members and for purchase for non-members.

More information on the benefits of membership is available at www.SmartGridCC.org.



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Smart Grid Consumer Collaborative (SGCC)

The SGCC is a consumer-focused nonprofit organization aiming to promote the understanding and benefits of modernized electrical systems among all stakeholders in the United States. Membership is open to all consumer and environmental advocates, technology vendors, research scientists and electric utilities for sharing in research, best practices and collaborative efforts of the group. Learn more at smartgridcc.org.

Market Strategies International

This research was conducted by Market Strategies, a market research consultancy with deep expertise in the energy, technology, communications, financial services, and healthcare industries. Learn more at marketstrategies.com.

Background

The Smart Grid and other technological advances have provided consumers an ever-increasing set of options for engaging with energy. For example, the wealth of usage information provided by smart meters offers new opportunities for utilities to enhance their communication and engagement with consumers, and has led to new interest in energy management offerings by startups and established technology providers.

Additionally, the Smart Grid Consumer Collaborative's (SGCC) *Smart Grid Economic and Environmental Benefits* report, released in 2013, demonstrated that there were a number of Smart Grid capabilities for which the consumer benefits are driven, at least in part, by consumer engagement in Smart Grid-enabled programs.

SGCC has undertaken this study to help its members and other Smart Grid stakeholders better understand consumer engagement, consumers' motivations for engaging with their utility and/or energy use, and what emotions result from that engagement.

Our intent is to understand the drivers of consumer engagement in order to inform product/service development and marketing programs so that industry stakeholders can effectively create enduring consumer engagement.

Methodology

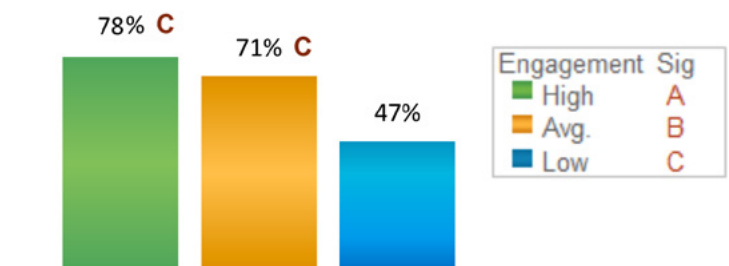
The *Motivations and Emotions of Engaged Consumers* study is a random-sample national telephone survey, sponsored by SGCC. The analysis was performed on data collected between July 18 and August 23, 2014.

- Respondents include 493 adult (18+) head of households interviewed via phone.
- Data are weighted by age and region to align with national population parameters.
- The margin of error for the total sample size of 493 is +/-4.5 percentage points at a confidence level of 95%.
- If a question is filtered (not asked of all respondents), the respective base sizes are shown in the graphs.

Statistical significance is used to determine whether the outcome seen is the result of a relationship between specific factors or merely the result of chance. Throughout the report statically significant differences are shown across three engagement groups: "A" for high engagement group, "B" for the average engagement, and "C" for low engagement. When any of these letters appear in a graph, it indicates that particular engagement group's response is significantly higher than another group's.

In the example at right, the "C" indicates both the high (78%) and average (71%) engagement groups' responses are significantly higher than the low engagement group's (47%).

Please note that statistical significance can only be conducted on those groups with 30 or more interviews.



Executive Summary

KEY FINDINGS

Three levels of energy engagement were defined in this study.

- Consumers were asked a series of questions about ownership, usage, and participation across a variety of energy products, services, and programs. From these results, three groups were defined:
 - High energy engagement (28% of all respondents)
 - Average energy engagement (41%), and
 - Low energy engagement (31%)
- This report focuses on these groups of consumers and their differences.

In general, most consumers voice a desire to reduce their energy bills, not be wasteful, and express a belief that they are energy conscious.

- By definition, the highly engaged consumers are using products and programs that can lead to reduced energy usage. Further, this group is almost unanimous in reporting that not being wasteful is important.
- However, low energy engagement consumers, though to a lesser degree, do consider themselves energy conscious, want to do what they can to lower their energy bill, and believe it is important to not be wasteful. Yet they are much less likely to purchase energy management technology and participate in energy management programs.

Most consumers are motivated to save energy and/or to save money.

- While we cannot establish if “saving energy” is driven by money savings or environmental consciousness, we do know that few explicitly state they purchase and use these energy management products to help the environment.

Regardless of why they engage, the vast majority of consumers feel positive about their energy-saving actions.

- For low engagement consumers, it’s all about saving money.
- The average engagement group also focuses on money, but is more likely to mention environmental issues.
- The high engagement consumer mentions money, environment, and responsibility most often.

It appears from these responses that high engagement consumers are more likely to be future-oriented in their motivations, while low engagement consumers are more likely to be present-oriented in their motivations.

Consumer motivations differ depending on the extent of their engagement and the level of their self-stated energy consciousness.

- Specifically, when energy engagement intersected energy consciousness, four groups emerge: high engagement/high energy conscious, high engagement/low energy conscious, low engagement/high energy conscious, and low engagement/low energy conscious.

	ENERGY CONSCIOUS	LOW ENERGY CONSCIOUS
HIGH ENGAGEMENT	<p>Desire to not be wasteful in energy use, concerned about future generations, interact with their utility to find ways to save</p> <p>College graduates (54%), 30% with HH income over \$75K, Home owners (82%), Larger homes (77% with 3+ bedrooms)</p> <p>More intrinsically motivated than other groups. Focus on doing what is right for future generations and less concerned about the costs associated with their energy usage.</p>	<p>Motivated by protecting the environment and reducing dependence on foreign oil. Prefer to have more control over their energy use. Have a higher level of those saying they are satisfied with their energy utility (95%)</p> <p>College graduates (56%), 40% with HH income over \$75K, Larger homes (74% with 3+ bedrooms), Larger households (69% with 3+ HH members)</p> <p>Intrinsically motivated, their motivation is primarily doing the right thing for the environment, possibly due to social influences. May feel they are not doing as much as they should to be considered energy conscious, though highly engaged by definition.</p>
LOW ENGAGEMENT	<p>Motivated by protecting the environment and reducing dependence on foreign oil.</p> <p>Lower incomes (44% earning under \$40,000 per year), more often renters (56%), most liberal political views (35%), lower levels of college graduates (40%), least likely to have kids in the home (70%)</p> <p>Care about energy efficiency but may not have the resources to do much about it. They may not be allowed to make changes to their home or apartment, or less motivated since they do not own the property. Are likewise intrinsically motivated, but need some sort of extrinsic motivation in the form of financial incentive, loan, or subsidy to actually be able to act.</p>	<p>Low interest in saving energy, and when they buy energy efficient products, it is usually because they have no other choice. Will use as much energy as they want to, and care less than others about being wasteful. Not willing to change energy use at peak energy times. They are satisfied with their energy utility.</p> <p>The most conservative political affiliation (57%), more likely to have 3+ in the HH (66%), highest monthly electric bills (about \$290 per month), tend to be slightly younger (58% under the age of 45), lower level of college graduates (43%).</p> <p>These consumers are more concerned with convenience, and do not want to go out of their way to sacrifice their comfort. The biggest motivator is to save money, followed by saving energy.</p>

IMPLICATIONS

Ultimately, the question we intend to answer is how to shift low engagement/energy conscious consumers and low engagement/low energy conscious consumers up to higher engagement.

Moving Low Engaged/Energy Conscious to Higher Engagement

- Those who are currently in the high engagement/energy conscious category have demonstrated that they are willing to engage with current offerings and are motivated more often by intrinsic ideas. This group also tends to have more financial resources to become more engaged.
- Moving the low engagement/energy conscious consumer up to greater engagement is hampered by lifestage issues such as income and housing. So while messages about environmental savings and even financial savings are sure to be received positively, it is the practicality, affordability, and simplicity messages that will be critical to creating trial of new and existing energy programs.

Moving Low Engaged/Low Energy Conscious to Higher Engagement

- A more difficult task, these consumers are not only not engaged, but less interested. However, it shouldn't be lost here that this group will make changes to reduce their bill, but whatever they do must be simple to enroll in and use and must communicate extrinsic benefits such as savings money. Start by designing programs/technologies that actually are easy-to-use and convenient. Then message the programs as being convenient and providing money savings opportunities.

*Need more information?
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