SMART ENERGY
CONSUMER COLLABORATIVE

Consumer Pulse and Market Segmentation – Wave 8

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SMART ENERGY CONSUMER COLLABORATIVE

Working for consumer-friendly, consumer-safe smart energy

SECC's mission is to serve as a trusted source of information on consumers' views of grid modernization, energy delivery and usage, and to help consumers understand the benefits of smart energy.

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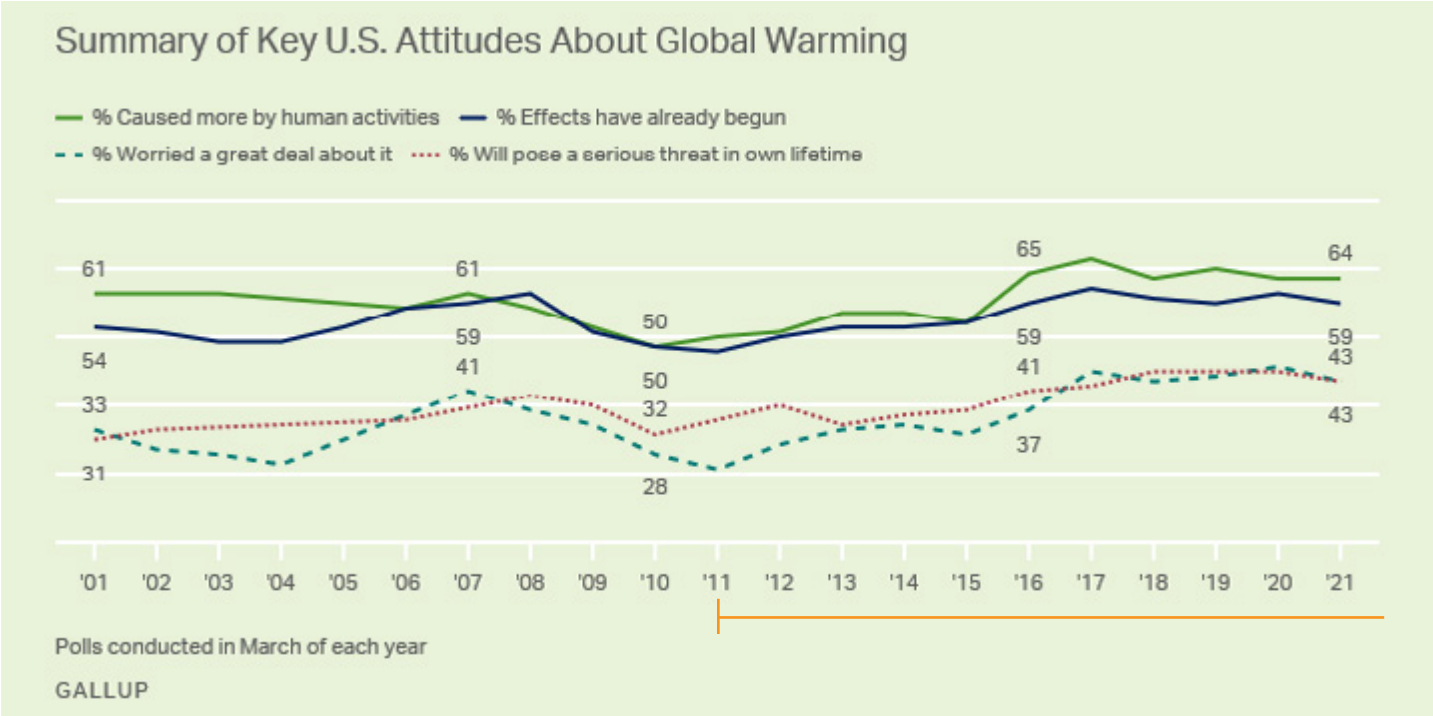
Introduction

SECC has studied consumer attitudes and behaviors around energy for over a decade. As the only organization in the energy space that focuses solely on consumers, our research seeks to inform and assist energy stakeholders in understanding consumers as their needs, wants and behaviors evolve over time. Some of our most informative and important ongoing research studies are our *Consumer Pulse and Market Segmentation* reports — now on the eighth installment with this report.

Much has changed about smart energy technology as well as consumer behaviors and attitudes since 2011 when our first *Consumer Pulse and Market Segmentation* report was published. In 2011, consumer-accessible smart energy technologies were limited to smart meters and demand response devices installed by energy providers, as well as early iterations of smart thermostats and smart appliances. Since then, internet-connected thermostats were introduced[1] and home energy management systems entered the mainstream (2012-2013)[2]. Smart speakers were introduced the next year. The functionality, capability and usability of WiFi-connected devices has matured over the last decade — and there's more to come.

Figure 1: Trends in U.S. Attitudes About Climate Change

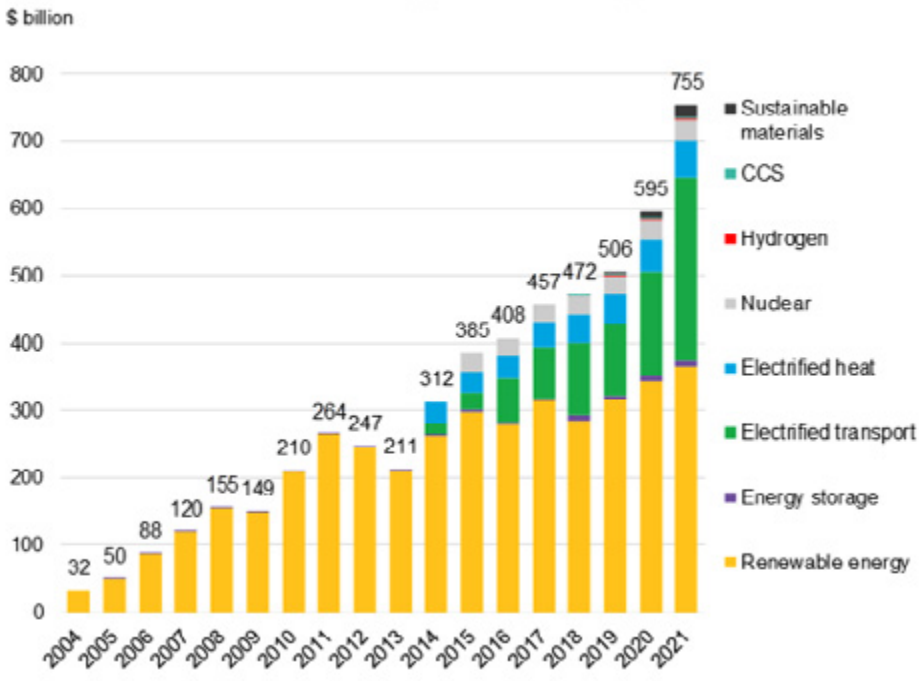


Additionally, a growing mainstream of consumers recognizes the seriousness of climate change[3]. From 2011 when SECC began tracking consumer attitudes about energy and developing consumer market segmentation strategies, the percentage of consumers worried about global warming has risen 11-17 percentage points, depending on the metric. *(Figure 1)* Interest in electric vehicles (EVs), solar, battery storage and wind power has also accelerated among consumers. The energy sector worldwide — financial investors, governments, energy providers and consumers together — continue their march toward a low-carbon energy future[4]. *(Figure 2)*

1 https://www.technologyreview.com/2013/02/01/114171/wi-fi-thermostats-connect-utilities-to-consumers/
2 https://www.greentechmedia.com/articles/read/home-energy-management-systems-redefined
3 https://news.gallup.com/poll/343025/global-warming-attitudes-frozen-2016.aspx
4 https://about.bnef.com/blog/global-investment-in-low-carbon-energy-transition-hit-755-billion-in-2021/

Given the evolution of the energy industry and societal changes due to COVID-19, it is important for SECC and our stakeholders to revisit our consumer segmentation with a fresh lens. While our consumer segmentation continues to recognize consumer concerns over the environment, this is no longer the differentiator it once was. The new segmentation described in this research is based on an entirely new questionnaire and algorithm inputs. It moves away from an environmental focus and, as the reader will observe, hinges squarely on technology as the differentiator.

Figure 2: Global Investment in Energy Transition by Sector



Source: BloombergNEF's *Energy Transition Investment Trends*

Methodology

This research was conducted from April to early June 2022 and included five 30-minute interviews to begin to unpack contemporary residential consumer opinions on smart energy products and services. These in-depth conversations were followed by a 20-minute online survey of 2,500 energy consumers in the U.S. The online sample was weighted to census data for age, gender, region and income.

We explored a variety of topics with respondents:

- What are consumers' attitudes towards technology and their electricity usage?
- What devices do consumers own and do they use them to save electricity?
- How do they view their electricity provider? What information do they want and how do they want to receive it?
- Do consumers know what impacts their bill? Do consumers know the impact their behaviors have on the grid?
- How do these answers vary by consumer segment?

The five consumer segments described in this report are drawn from the data collected during this research. We provide insight about each segment — their attitudes and behaviors as well as demographic information that can aid in further understanding of the segments. We also suggest ways for industry stakeholders to engage and educate consumers about energy efficiency actions, programs and offers that are available to them[5].

5 The segmentation typing tool is available for SECC members to use on their customers. Please contact an SECC staff member for more information.

Introducing the Five Consumer Segments

As we present each of the five consumer segments, it is important to note that differentiation relies heavily on two primary factors: the individual consumer's core **interest in their electricity usage** and how their usage affects the grid and their **comfort with and use of technology**. While these factors have played a role in our previous segmentation studies, in this report, we find the culmination of a trend we've observed over the last four to five years. Now, it is these factors that drive differentiation among consumer segments.

We used a series of agree/disagree statements to understand the attitudes of consumers about technology and electricity. *(Table 1)*

Table 1: Electricity and Technology Statements Tested

ELECTRICITY ATTITUDES STATEMENTS	TECHNOLOGY ATTITUDES STATEMENTS
It's important that my electricity is never interrupted	I compare prices between retailers when purchasing a new technology
Reducing my electricity helps the environment	I like to see and touch devices in-person before purchasing them
I am always looking for ways to save money on my electricity bill	I enjoy learning about new technologies I can use at home
Reducing my electricity reduces my carbon footprint	I wait until others have tried a new technology before adopting it
It is important that I can use as much electricity as I want and when I want	I can easily understand technical reviews of devices
There is a lot of technology available to help people manage their electricity usage	I don't mind spending a lot of money on technology if it improves my quality of life
I wish I had access to technology that could help me manage my electricity usage	Friends and family ask me for opinions and advice on technology
	It is important to me to have the latest technology
	When purchasing a new device/technology, I often don't know where to begin

Figure 3: Electricity and Technology Attitudes by Segment

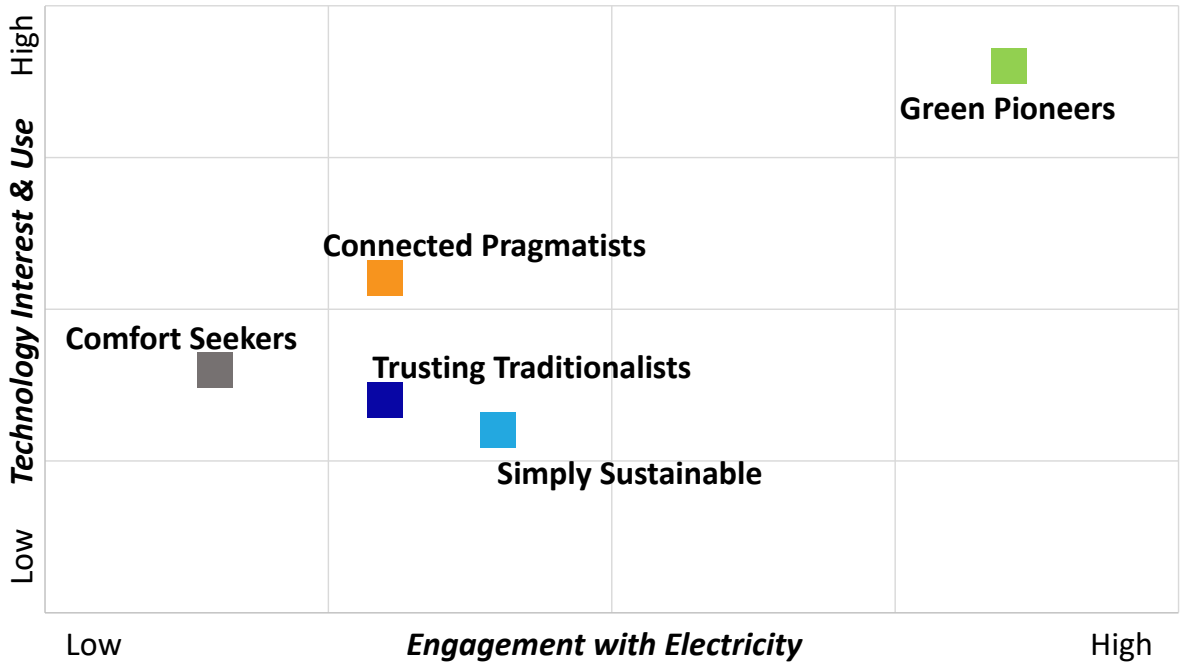


Figure 3 offers a visual representation of the electricity and technology attitudes of each of the five segments we defined in this research.

Green Pioneers are a group of consumers who value technology and electricity. They understand how technology works and the impact their electric usage can have on the grid. They represent the "sweet spot" of those who are willing and able to try new energy management technologies. Consumers in this segment have the highest electricity bills and the highest incomes among the segments.

Connected Pragmatists have a moderate level of engagement with technology, but they are not highly engaged with their electricity usage. These consumers are not overly concerned about the impact of their electricity usage, but they would be interested in energy saving offers/opportunities, especially those that do not require a large investment and can be repurposed in another dwelling since many of them rent their homes. They are the youngest consumer segment and, as such, have the potential to become more energy conscious as they move into home ownership.

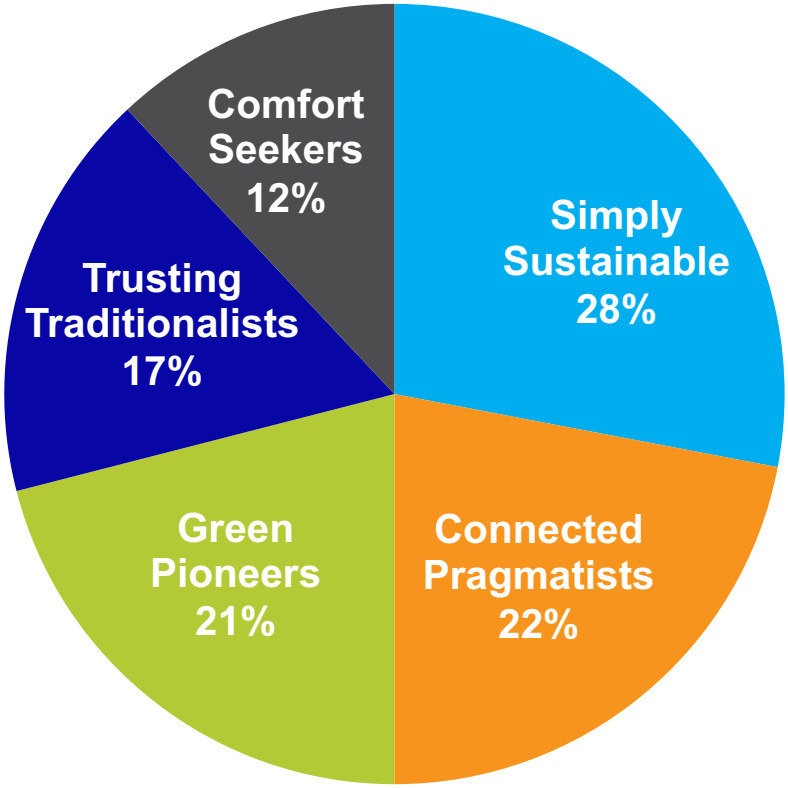
Simply Sustainable consumers want to save energy, but they are very intimidated by technology. They are content to use simple lifestyle approaches to achieve their energy goals. These consumers are some of the oldest among the segments, and they also enjoy some of the lowest electricity bills.

Trusting Traditionalists understand the impact of their energy use on the environment, but they do not make the connection to technologies that can help them achieve their energy goals. More than other segments, these consumers look to their electricity provider as a trusted source of information. They have the lowest incomes among the segments and are also the oldest.

Comfort Seekers are all about their personal comfort. They are disinterested in saving energy and they are not likely to exert much effort to learn about or invest in energy-related technology, even if it's simple to use and will make their homes more comfortable and their lives easier. These are middle-income consumers with an average age of 52. And they are more likely to be male.

We present this summary of the segments and the expected representation of each in the general populace. *(Figure 4)*

Figure 4: Consumer Segments and Expected Distribution In the General Population



In the following section, we will describe each segment in detail. We'll also cover the types of energy-related technologies they are most likely to use or are interested in and the energy-related actions they have taken or expressed interest in. (The specific technologies and actions included in the survey can be found on the right-hand side of this page.) As we describe each of the segments, we will highlight how these differentiators help define the attitudes and expected behaviors of consumers. These affinities will also provide insight into the best ways to identify and reach these consumers with energy-saving programs.

ENERGY-RELATED TECHNOLOGIES: OWNED OR INTERESTED IN
Smart lights
Smart appliances
Smart thermostats
Smart home monitoring
Smart speakers

ENERGY-RELATED ACTIONS: TAKEN OR INTERESTED IN
Installed energy-efficient lighting
Made adjustments to energy usage (e.g., adjusting heating) for a discount/cash incentive
Reduced electricity usage during peak times to save money/for bill credits
Installed energy-efficient windows
Improved weather stripping
Improved insulation
Signed up for monthly report showing energy usage data with personalized tips to save
Had an energy audit
Allowed electricity provider to make adjustments to home's energy usage (e.g., adjusting heating) for a discount/cash incentive
Installed rooftop solar panels
Installed a heat pump

SEGMENT 1: Simply Sustainable

Consumers who value the environment and are open to using technology.

Representing the largest segment (28% of the general population), these consumers have some understanding of the impact of their energy use on the environment and on the grid. They are not tech-savvy but want to save energy, and they're willing to use technology to do it.

VALUES:

Simplicity
Environment
Open to technology

COMMON CHARACTERISTICS:

Older
Female
Homeowners

Their electricity bills are some of the lowest of all segments, averaging about $128/month. They are likely to have taken small actions to save electricity and be interested in taking further action. Over half (57%) have installed energy-efficient lighting. Fifty-seven percent strongly agree with the statement "reducing my electricity helps the environment", and 51% of them strongly agree with the statement "reducing my electricity reduces my carbon footprint" — second only to the Green Pioneers segment (at 61% and 54%, respectively). *(Table 2)*

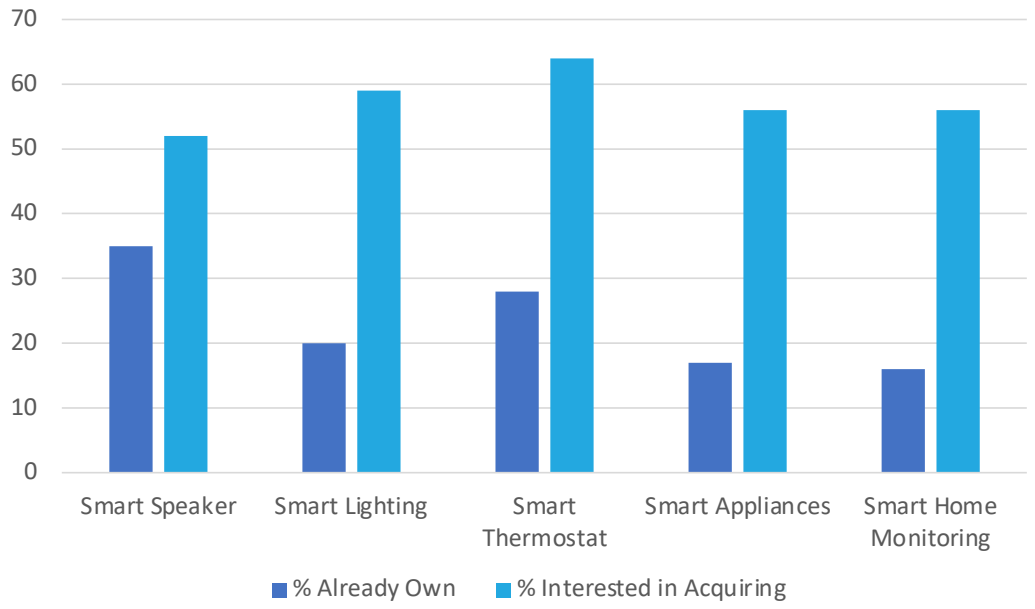
Table 2: Electricity Values Among the Simply Sustainable

	SIMPLY SUSTAINABLE	ALL SEGMENTS
Mean Electricity Bill	$128/month	$135/month
Environmental Awareness • Reducing my electricity helps the environment • Reducing my electricity reduces my carbon footprint	 57% 51%	 43% 39%
Unknown Rate Structure	21%	18%

These consumers are price conscious. They often take advantage of incentives to reduce their use, including reducing their usage during peak times (44%) and adjusting their own usage to take advantage of discounts and incentives (42%). Also noteworthy, 21% of our respondents in this segment were unsure what rate structure they were on. This is the second-highest percentage among the segments (the Trusting Traditionalists have the highest incidence of unknown rate structure at 23%).

The Simply Sustainable consumers are not completely overwhelmed by the idea of technology. While they are not tech-savvy, they are interested in learning how to use smart devices to manage their electricity usage. Three-quarters of these consumers expressed interest in trying any of the smart devices we asked about. Of most interest are smart thermostats — current ownership is low (28%), but 64% who don't already have them are interested in trying them out (just slightly above the 62% average across all segments); smart lighting ownership is also low (20%), but it is of interest to 59% of the consumers in this segment. *(Figure 5)* They also expressed interest in hybrid vehicles for their next vehicle purchase (51% would consider a hybrid).

Figure 5: Smart Technology Ownership and Interest



Demographically, females are overrepresented in this segment (in our sample, 61% of consumers in this segment are female). This segment is also older — half are over 55. They overwhelmingly live in single-family homes that they own (69%). Though they tend to be older, many (56%) are employed full or part-time and about a quarter of them have kids living in the home.

HOW TO ENGAGE THE SIMPLY SUSTAINABLE

Reaching this segment presents challenges for electricity providers. While these consumers are interested and somewhat engaged, they want to keep their lives simple. While not intimidated by technology, they are willing to try smart devices that can be easily integrated into their homes and simple lifestyle. Promoting simple solutions and set-it-forget-it technologies may be attractive to consumers in this segment who are looking for ways to reduce their electricity usage and bills while helping the environment.

For example, an electricity provider may offer a smart thermostat along with "white glove" set up based on the consumer's preferences. Or the provider may offer technical support to integrate the consumer's existing smart speaker with available energy-related functions to help manage the home environment and electricity use. Of benefit to all consumers, but particularly important to the Simply Sustainable, is simplified navigation of program enrollment and search functions for energy-saving tips and offers on the provider's website.

SEGMENT 2: Connected Pragmatists

Tech-savvy consumers who lack urgency for efficiency.

Representing 22% of the general population, these consumers are not overly concerned about the impact of their electricity usage but are interested in energy-saving offers and opportunities. They have potential to become more proactive with the correct messaging and technologies that do not require large, upfront or permanent changes to their homes.

VALUES:

Tech-savvy
Realistic/sensible
Flexible

COMMON CHARACTERISTICS:

Younger
Well-Educated
Renters

A good way to describe their attitudes toward electricity is "pragmatic", hence the moniker we've chosen for this segment. They are not particularly concerned about the environment or the impact of their usage on it. Few strongly agree with the statements "reducing my electricity helps the environment" (28%) and "reducing my electricity reduces my carbon footprint" (27%).

Even with their interest in technology, they do not demonstrate much concern for continued reliability of the electricity grid. While half or more of all other segments express agreement with the statement "It's important that my electricity is never interrupted", barely a third of these consumers would agree (31% vs. 58%). Notably, these consumers do have the second-highest average utility bill at $139/month, but not by a large margin ($139/month vs. $135/month across all segments). And, they have the lowest agreement with the statement "I'm always looking for ways to save money on my electric bill" (30%). *(Table 3)*

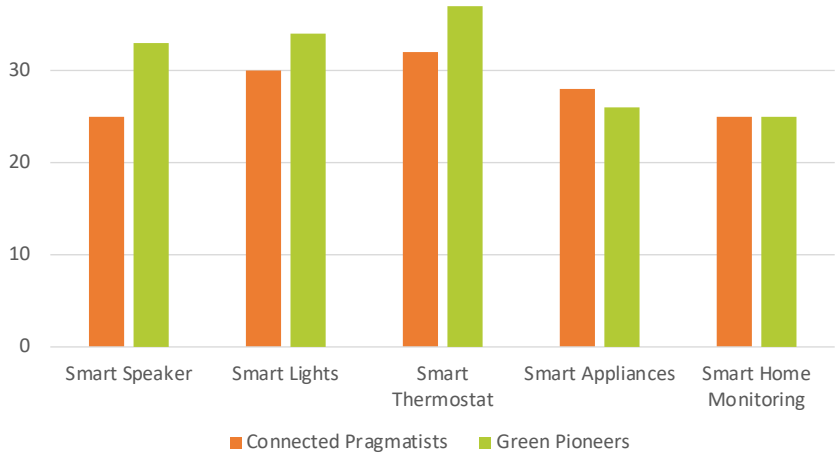
Table 3: Electricity Values Among the Connected Pragmatists

	CONNECTED PRAGMATISTS	ALL SEGMENTS
Environmental Awareness		
• Reducing my electricity helps the environment	28%	43%
• Reducing my electricity reduces my carbon footprint	27%	39%
Reliability of Electric Service	31%	58%
Looking for ways to save money on my bill	30%	43%

The Connected Pragmatists are comfortable with technology, but they're also sensible about it. Technology must deliver tangible benefits before these consumers will invest and use it. As such, these consumers are not early adopters but are often part of the next tier of adoption. They are likely to be resources for their friends and family seeking technology advice (21% strongly agreed with this statement, second only to the Green Pioneers at 45%). They are not particularly price-sensitive (33% strongly agreed with a price comparison statement vs. 49% overall), and they don't need to "see and touch devices" when they purchase (32% strongly agreed with this statement vs. 40% overall).

The Connected Pragmatists are likely to already own several smart devices. Over half own a smart speaker (57%), smart lights (51%) and a smart thermostat (51%). Their ownership rate is comparable to our most tech-invested segment, the Green Pioneers (63%, 44% and 51%, respectively). And, though the Connected Pragmatists aren't as environmentally focused, they're almost as likely as the Green Pioneers to be using these devices to help them manage their electricity usage. *(Figure 6)*

Figure 6: Device Usage Among Connected Pragmatists and Green Pioneers



Demographically, half of consumers in this segment are 18-34 years old, and over one-third identify as non-white. They are a well-educated group with 52% having a university degree; half of them earn between $50,000-$100,000. They are the most likely segment to rent and live a multi-family dwelling. Given these characteristics, we posit their incomes are likely to grow, as will the percentage of these consumers who become homeowners. For now, their attention is not focused on energy or investing in home improvements.

HOW TO ENGAGE THE CONNECTED PRAGMATISTS

When we look at the rates of technology ownership in this segment and the lack of application of the technology to managing electricity use, there is an excellent opportunity for "bring your own device" programs. Electricity providers may use these entrees to build relationship and to engage and educate these consumers. This opportunity for education and relationship building as these consumers approach their most productive years will pay dividends in the future for the consumer and for the provider.

Because these consumers are comfortable with technology, they may also be interested in pilot programs directed toward energy efficiency through technology. They may help providers clarify and articulate the benefits of energy-related technologies, especially for these friends and family members who consult them for advice about technology. They may also be ready, willing and able to share their experiences on social media, expanding the reach of the provider's own network.

SEGMENT 3: Green Pioneers

The ideal consumer that values technology and energy efficiency.

As SECC has studied consumers and their relationship to energy-related topics for over a decade, there has always been a segment of consumers that highly value energy efficiency and environmental stewardship. As we revisited our segmentation, this remains the case with the Green Pioneers who represent 21% of the general population. Yes, they are still green and, perhaps even more relevant today, very tech-savvy. They understand how technology works and the impact their electric usage can have on the grid.

VALUES:

Knowledgeable about energy
Technology leaders
Engaged

COMMON CHARACTERISTICS:

Mid-career
Homeowners with kids

Green Pioneers are the most knowledgeable consumers when it comes to using electricity and understanding how their behavior impacts the electric grid. These consumers place a high value on reliability, with 71% strongly agreeing with the statement "It is important that my electricity is never interrupted" (vs. the average across all segments at 58%). They are also the most environmentally aware of our consumer segments and their consciousness is backed by knowledge. Almost two-thirds (61%) agree that reducing their electricity use helps the environment and 54% connect their electricity use with their carbon footprint.

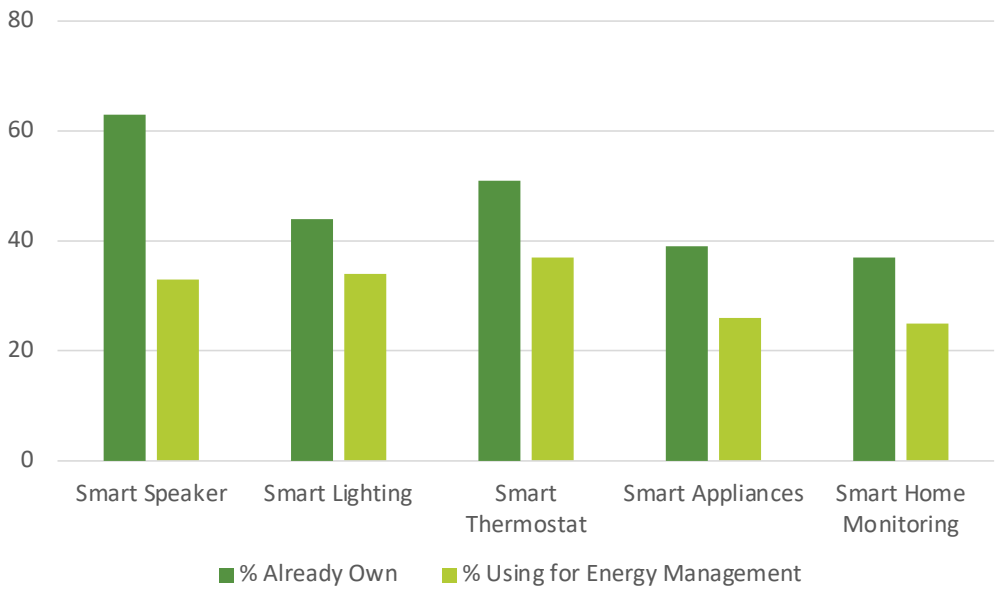
These consumers also have the highest electricity bills at $151/month on average. These higher energy costs lead them to look for ways to save money on their bill (57% strongly agreed with this statement vs. 43% for consumers across all segments). *(Table 4)* Notably, these consumers are willing to pay more to ensure reliability and resilience.

Table 4: Electricity Values Among Green Pioneers

	GREEN PIONEERS	ALL SEGMENTS
Environmental Awareness • Reducing my electricity helps the environment • Reducing my electricity reduces my carbon footprint	 61% 54%	 43% 39%
Reliability of Electric Service	71%	58%
Looking for ways to save money on my bill	57%	43%
Mean Electricity Bill	$151/month	$135/month

The Green Pioneers are tech-savvy and own many devices. They have the highest ownership rates among the segments for smart speakers (63%), and they own smart thermostats at the same rate as the Connected Pragmatists (51%). Interestingly, only about a quarter to a third of these Pioneers are taking advantage of their devices for energy management purposes. *(Figure 7)* This is an opportunity for education and outreach.

Figure 7: Smart Technology Ownership and Use for Energy Management Among Green Pioneers



The demographic profile of the segment tends to be younger (average age is 44) and male (63%). Income is high in this segment with 41% earning between $50,000 – 100,000 and 35% earning over $100,000. They are most likely to have children at home (39%).

HOW TO ENGAGE GREEN PIONEERS

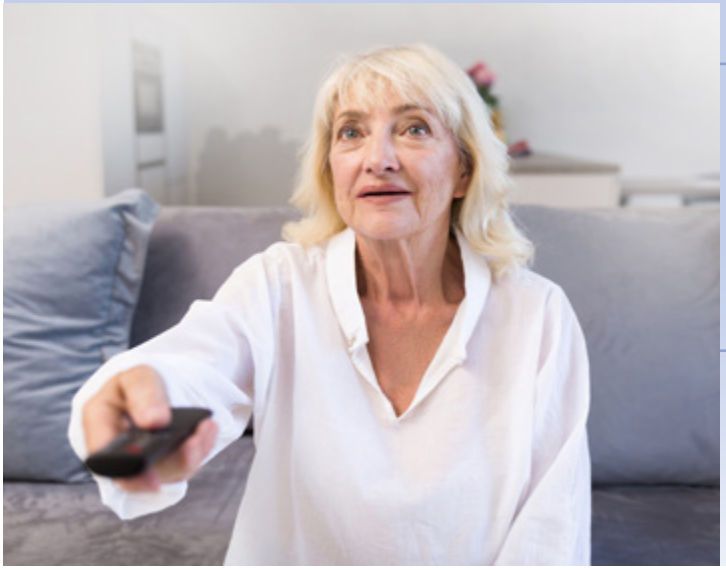
This group of consumers has energy values, technology know-how and the demographic profile to make them the "sweet spot" of those who are most likely to participate in pilots and programs, whether they come from their electricity provider, a technology company or both working in partnership. Looking for consumers willing to test new smart speaker-enabled functionality? This is your pilot group. Improving the search engine on your website? The feedback this group provides from their experience with other providers will be insightful and may generate ideas that are applicable to other segments.

Green Pioneers will lead the way and be willing to try new technologies, especially those that can help them reduce their environmental impact, improve grid reliability or keep their bills down. Need to choose a neighborhood to test a microgrid and get customer feedback? Examine the census data to find high concentrations of these consumers within the service area. Engage them by highlighting the application of technology as it helps improve grid reliability. Solicit their feedback and their stories to influence others who are a bit more cautious. A word of caution: these consumers have a lot on their plates so be brief and direct about the expected environmental, reliability and cost benefits of any invitation.

SEGMENT 4: Trusting Traditionalists

Consumers intimidated by technology, but trusting of their electricity providers.

Seventeen percent of the general population are what we have called Trusting Traditionalists. These consumers understand the impact of their electricity usage on the environment, but do not see how technology can help. They have the lowest adoption rates and interest in technology because it often overwhelms them.



VALUES:

Knowledgeable about energy
Overwhelmed by technology
Trust electricity provider

COMMON CHARACTERISTICS:

Senior
Non-working
Homeowners

More of these Trusting Traditionalist consumers are satisfied with their electricity provider and they find their providers trustworthy. Perhaps because they already enjoy the lowest electricity bills, they are less likely to look for ways to save money on their bills. *(Table 5)* This is also the segment of consumers who were most likely to say they do not know what rate structure they were on (25% said they did not know).

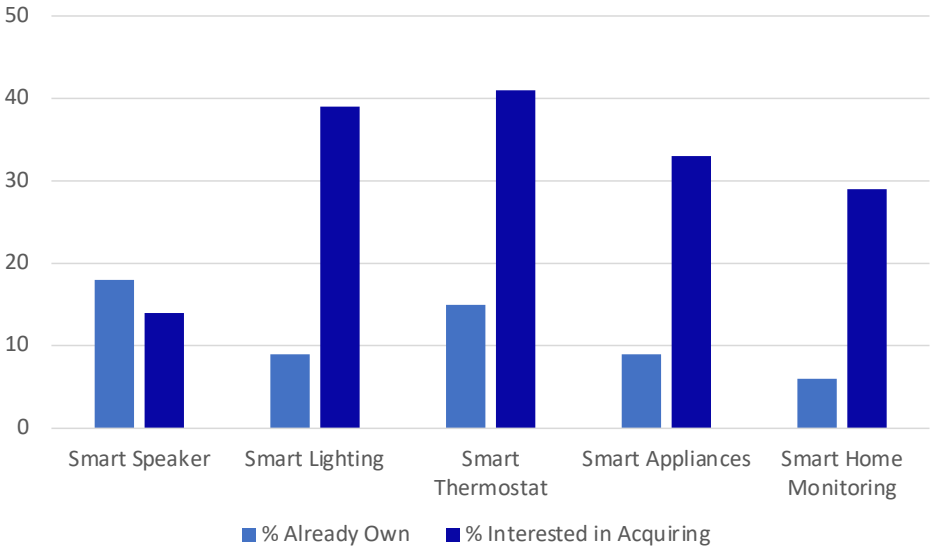
Table 5: Electricity Values Among Trusting Traditionalists

	TRUSTING TRADITIONALISTS	ALL SEGMENTS
Relationship with Electricity Provider • Trust their provider • Satisfied with their provider	 62% 65%	 56% 57%
Looking for ways to save money on my bill	35%	43%
Mean Electricity Bill	$124/month	$135/month

Trusting Traditionalists' attitudes about technology can be summed up in a word: caution. When asked about technology, consumers exhibited significant hesitation about adopting technology:

- 65% said they wait until others have tried a new technology before adopting it (vs. 49% overall)
- 53% said they like to see and touch technology before purchasing it (vs. 40% overall)
- 34% said that when purchasing a new device/technology, they often don't know where to begin (vs. 13% overall)
- None of our respondents in this segment reported that their friends and family consult them for opinions and advice about technology or that it is important to them to have the latest technology

Figure 8: Smart Technology Ownership and Interest Among Trusting Traditionalists



Their ownership and interest in various technologies and devices is also weak. Ownership is below 20% for all the devices and technologies we investigated. Interest in acquiring any of these devices barely rises above 40%. Interestingly, the most popular device owned is a smart speaker; interest in acquiring one is the lowest of the technologies we tested. While smart speakers have been around since 2014, some of the more popular technologies we tested garner much greater interest (smart lighting at 39% and smart thermostats at 41%). We posit this is another example of reluctance to engage newer technologies.

Demographically, these consumers are older (their mean age is 60) and overwhelmingly female (71% of the consumers in this segment are female). While they share many characteristics with the Simply Sustainable consumers, this segment skews eight years older and ten percentage points more heavily female. Notably, consumers in this segment are unlikely to have children at home.

They have the highest home ownership rates among the segments at 80%. Just 38% of these consumers are employed and they have the lowest incomes among the segments, with 36% with incomes below $50,000 and 43% between $50,000 and $100,000. This combination of demographic characteristics may partially explain their hesitancy to adopt and use technology.

HOW TO ENGAGE TRUSTING TRADITIONALISTS

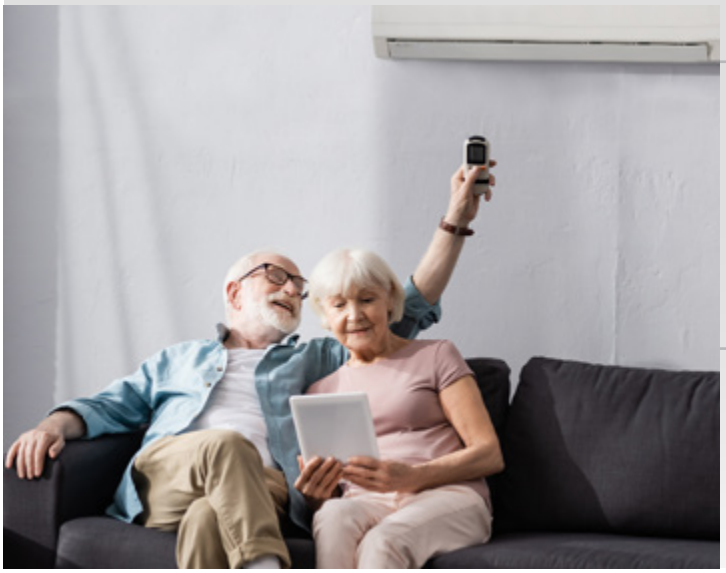
Trusting Traditionalists already have a high level of satisfaction and trust in their electricity providers. This is an advantage for the electricity provider as they seek to offer useful tips and programs that will help these consumers save energy and money. Since these consumers have some of the lowest rates of adoption of and interest in energy efficiency devices, it makes sense to focus on those devices that have been available for longer periods of time — smart lights, smart thermostats and smart appliances. These devices may prove attractive if installation/setup is provided and ongoing use is automatic or very simple.

When deciding what to purchase or evaluating the benefits, the existing relationship and trust is a positive factor that allows the electricity provider to credibly advise and offer beneficial choices that meet the consumer's need. But a word of caution is in order: adoption of technology-based tools will not be quick, even in the case of clearly articulated benefits. Patience, small steps and ongoing education will be needed to get these consumers to a place where they are confident in using any technology. Engaging voices and stories that mirror the experience and demographic characteristics of these consumers may also be helpful.

SEGMENT 5: Comfort Seekers

Consumers who focus on their needs first, not prioritizing technology or efficiency.

Representing only 12% of the general population, Comfort Seekers show the least amount of interest in technology and energy. Their priority at home is their comfort. It is possible to say that these consumers have a "me first" attitude. They do not put in the effort to learn about technology and to control the amount of energy they consume.



VALUES:

Comfort at home
Convenience
My needs first

COMMON CHARACTERISTICS:

Older
Middle-income
Male

Electricity reliability is paramount for the Comfort Seeker consumer, because interruptions are inconvenient and affect their comfort. They want to use "as much electricity as I want and when I want" (46% vs. 25% overall). This consumer isn't all that interested in reducing the size of their bill either – only 25% strongly agreed with this value (vs. 43% overall). *(Table 6)* They have very little interest in environmental concerns – just two percent strongly agreed with the statement "reducing my electricity helps the environment." And only one percent strongly agreed with the statement "reducing my electricity reduces my carbon footprint."

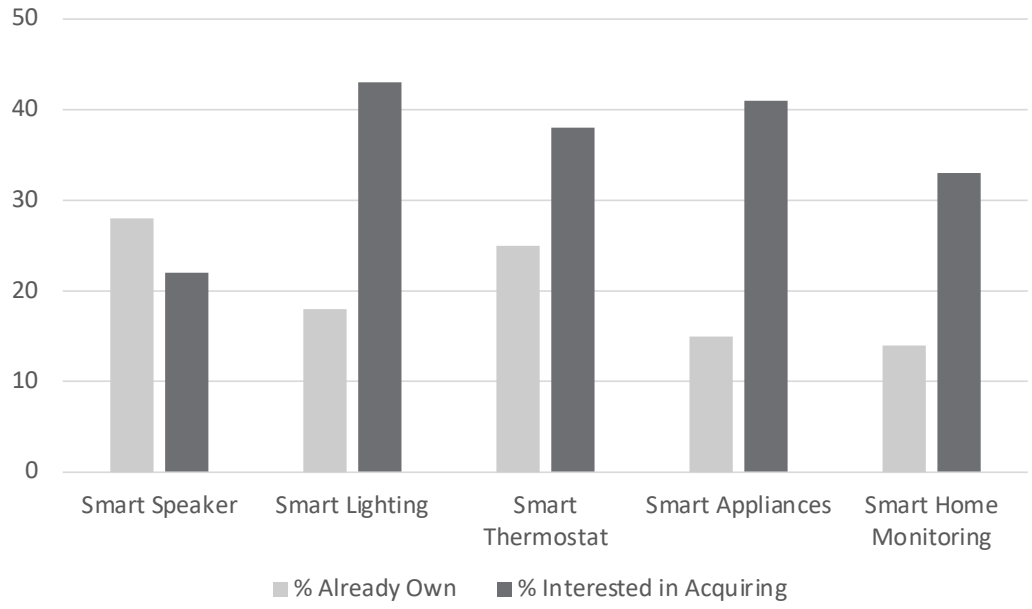
Table 6: Electricity Values Among Comfort Seekers

	COMFORT SEEKERS	ALL SEGMENTS
Reliability of Electric Service	74%	58%
Looking for ways to save money on my bill	25%	43%
Want to use electricity when I want, a much as I want	46%	25%

Energy management technology doesn't excite these consumers either. Only 4% of our respondents in this segment said they "wish they had access to technology that could help them manage their electricity usage". Unlike the Trusting Traditionalists, Comfort Seekers do own some technology. Smart speakers (28%) and smart thermostats (25%) are the most popular devices owned by consumers in this segment. However, usage of these devices for energy management is low — 9% for smart speakers and 17% for smart thermostats. Interest in learning how to use these devices for energy management is also low — 25% for smart speakers and 48% for smart thermostats.

Among those who do not own these devices and technologies, interest remains below 50% across the board. *(Figure 9)*

Figure 9: Smart Technology Ownership and Interest Among Comfort Seekers



Demographically, Comfort Seekers are older with an average age of 52. They are a bit more likely to be male. Homeownership is 74%. These consumers are not as likely to have a university degree as other segments and their income varies with 33% earning under $50,000/year and 41% earning between $50,000 and $100,000/year.

HOW TO ENGAGE COMFORT SEEKERS

With these consumers focused on their comfort and convenience, engagement will be difficult. They are not attracted by the "wow factor" of technology, and they show little interest in reducing their energy usage or bill. Messages and offers will need to emphasize comfort with convenience to engage these consumers. Given their small representation within the general population (12%), it might be easy to simply ignore these consumers. But, as many providers have learned, when things go awry, these consumers complain — sometimes loudly. Understanding that comfort and convenience are key motivators for these consumers, it behooves the provider to ensure that Comfort Seekers are able to maintain that stasis they so enjoy. Keep interactions simple. Keep electricity reliable. Don't require much effort to take advantage of energy-saving tips that will help these consumers contribute toward grid reliability while maintaining comfort at home.

Engage Consumers Efficiently

Often, it is difficult to deliver personalized service to every customer or consumer, and this is where segmentation is beneficial. As we've emphasized differences among consumer segments in the previous sections of this report, this section will focus on similarities. It is here that industry stakeholders may gain efficiencies as they communicate with consumers about the programs and education they offer. We hope the information provided here will help consumers and industry stakeholders maximize benefits and create win-win opportunities to improve energy efficiency across the board.

Where do consumers get their energy efficiency information?

As we know from our personal experiences and from previous research, consumers have a variety of resources to draw upon when they want to learn more about energy efficiency and programs that can help them save money on their electricity bills. While about a quarter of consumers don't seek information on energy efficiency or bill savings, three-quarters of them do (77% in this study). *(Table 7)*

Table 7: Where Consumers Get Information On Energy Efficiency

	ALL SEGMENT	SIMPLY SUSTAINABLE	CONNECTED PRAGMATISTS	GREEN PIONEERS	TRUSTING TRADITIONALISTS	COMFORT SEEKERS
General Internet search	**39%**	**41%**	**33%**	**57%**	**30%**	**32%**
My electricity provider	**38%**	**39%**	**35%**	**46%**	**39%**	**30%**
Friends/family	**24%**	**22%**	**23%**	**32%**	**24%**	**17%**
Government websites	10%	11%	9%	16%	9%	4%
A company that partners with my electricity provider	9%	5%	14%	12%	5%	5%
A company that does not partner with my electricity provider	8%	6%	12%	12%	3%	2%
A trusted contractor	7%	6%	12%	12%	4%	6%
My property manager	5%	3%	9%	5%	1%	2%
Online forums/chat groups	3%	1%	10%	3%	<0.5%	2%
Social media	2%	1%	6%	4%	1%	1%
Non-profit organization websites	2%	2%	3%	1%	2%	1%
Other	1%	1%	1%	1%	1%	<0.5%
I don't look for information on this	23%	25%	20%	11%	31%	39%

While there is variance in how important these sources are to the consumers in each segment, the top-three sources for every segment are general internet searches, their electricity providers and friends/family. These will be broad-reaching avenues that will reach most consumers. We also note that Trusting Traditionalists and Comfort Seekers are less likely to seek out this type of information — from any source (31% and 39%, respectively). Their lack of initiative is no surprise as we've characterized these two segments as the least interested in energy efficiency overall. For those that do seek information, they will go about their search in the same way consumers in the other three segments do.

When receiving offers from their electricity provider, what channel do consumers prefer?

In this research we also learned that overall, 45% of consumers confirmed they had received and seen information on energy efficiency products or services from their electricity providers. As expected, Green Pioneers were the most likely to be aware of this information (54%), and Connected Pragmatists were the least aware (34%) — perhaps due to the higher incidence of renters in this segment.

Sixty-six percent of our respondents said they would like to see more offers from their electricity providers and the majority of those consumers prefer to receive that information via email (49%) followed closely by on their bill (46%) and through the mail (42%). *(Table 8)*

Table 8: Preferred Channel For Those Wishing to Receive More Offers

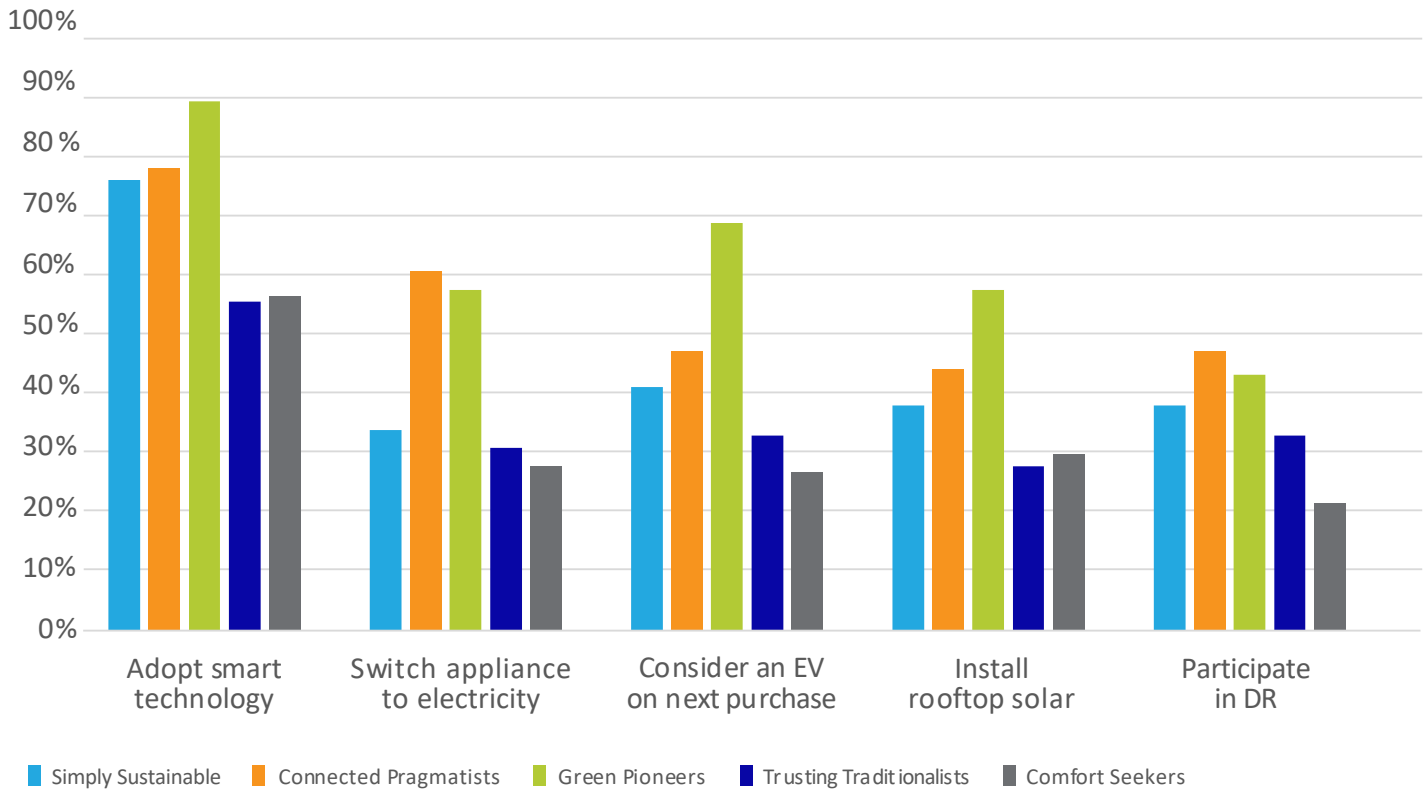
	ALL SEGMENTS	SIMPLY SUSTAINABLE	CONNECTED PRAGMATISTS	GREEN PIONEERS	TRUSTING TRADITIONALISTS	COMFORT SEEKERS
Email	**49%**	**50%**	**42%**	**59%**	**47%**	**54%**
On my bill	**46%**	**48%**	**35%**	**49%**	**56%**	**51%**
In the mail	**42%**	**47%**	**32%**	**41%**	**51%**	**50%**
My electricity provider's website	**33%**	**35%**	**27%**	**40%**	**28%**	**38%**
On TV	15%	12%	16%	19%	10%	11%
My electricity provider's mobile app	14%	10%	13%	22%	6%	17%
Word of mouth	12%	8%	17%	13%	12%	9%
Flyer/brochure left at my door	10%	9%	12%	10%	7%	11%
In newspaper/magazines	7%	7%	9%	8%	4%	7%
Pop-up banner online	5%	3%	10%	4%	1%	4%
Outdoor ad	5%	2%	10%	6%	1%	3%
Someone coming to my door	4%	1%	8%	3%	1%	1%
Social media	1%	1%	2%	1%	1%	<0.5%
Other	<0.5%	<0.5%	<0.5%	<0.5%	–	–

While four of the segments rank these channels in the same order, there is a notable difference in how the Trusting Traditionalists rank their top three choices, preferring offers on their bill first (56%), in the mail second (51%) and then via email (47%). This difference reflects their lack of comfort with technology which we discussed earlier. That said, offers delivered through more than one channel are always best practice and using the top three channels will provide good coverage, regardless of the segment.

What offers might generate the most interest among consumers?

Interest in taking on specific energy efficiency actions varies among the segments, but the pattern is consistent: Green Pioneers and Connected Pragmatists are always the most interested. *(Figure 10)*

Figure 10: Interest in Specific Energy-Related Actions



The highest levels of interest are in adoption of smart technologies to help manage electricity usage. We've already spoken about each segment's attraction (or aversion) to technology. So, to encourage consumers to use smart technologies to manage their usage, the Simply Sustainable consumer will need a message focused on ease of use. The message for the Connected Pragmatist might be "use what you already own to help you save money". Tailoring the message — or offering dual benefit statements either together or in separate offers, may help make the most of already existent high interest.

For industry stakeholders seeking across-the-board wins, participation in demand response (DR) is interesting to all segments save the Comfort Seekers. Given what we've learned about the consumer segments, it will be important to offer consumer choice in how that DR is implemented. For example, to garner participation from Trusting Traditionalists, the implementation will need to be automatic. While only about 20% of Comfort Seekers express interest in DR, some guarantee of maintaining the temperature where they want it in their home without their intervention will be of paramount importance for them to participate. Bottom line: one-size-fits-all DR will not get the attention of all segments.

Conclusion

As technology and massive amounts of data are now available about consumer behavior, consumers expect their providers to know them and to use what they know help them achieve their goals. Providers who ignore this (or are not as adept at it) will have a more difficult time building a relationship and maintaining satisfaction with their customers over time.

As we've described this new consumer segmentation framework and provided insights that we hope will help the industry hear the voices of consumers in all their diversity, we encourage stakeholders to apply this knowledge as they design products and services and communicate the benefits of smart energy. The segmentation battery and algorithm that have been developed from this research are available to SECC members for their use in analyzing their consumer base. We invite our members to use these tools to inform and advance relationships with their customers in their own context.

SMART ENERGY
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Working for consumer-friendly, consumer-safe smart energy

SECC's mission is to serve as a trusted source of information on consumers' views of grid modernization, energy delivery and usage, and to help consumers understand the benefits of smart energy.

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