

# NEW HAMPSHIRE ENERGY EFFICIENCY MARKET ASSESSMENT

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KEY FINDINGS OVERVIEW  
PREPARED FOR THE NH EESE BOARD  
APRIL 19, 2019





# AGENDA

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## Research Goals and Objectives

Methodology Overview

Awareness of NHSaves and Website

Messaging and Communication Channels

Program Awareness and Participation

Residential Customer Segmentation

Large Non-residential Customer Insights

Conclusion

# RESEARCH GOALS AND OBJECTIVES

Establish a baseline customer awareness level of the New Hampshire utilities' statewide energy efficiency program brand, NHSaves

Assess overall customer knowledge and awareness of energy efficiency

Identify general attitudes, perceptions and behaviors concerning energy efficiency

Develop a deeper understanding of the drivers and barriers to program participation

Identify the means for most effectively communicating with customers



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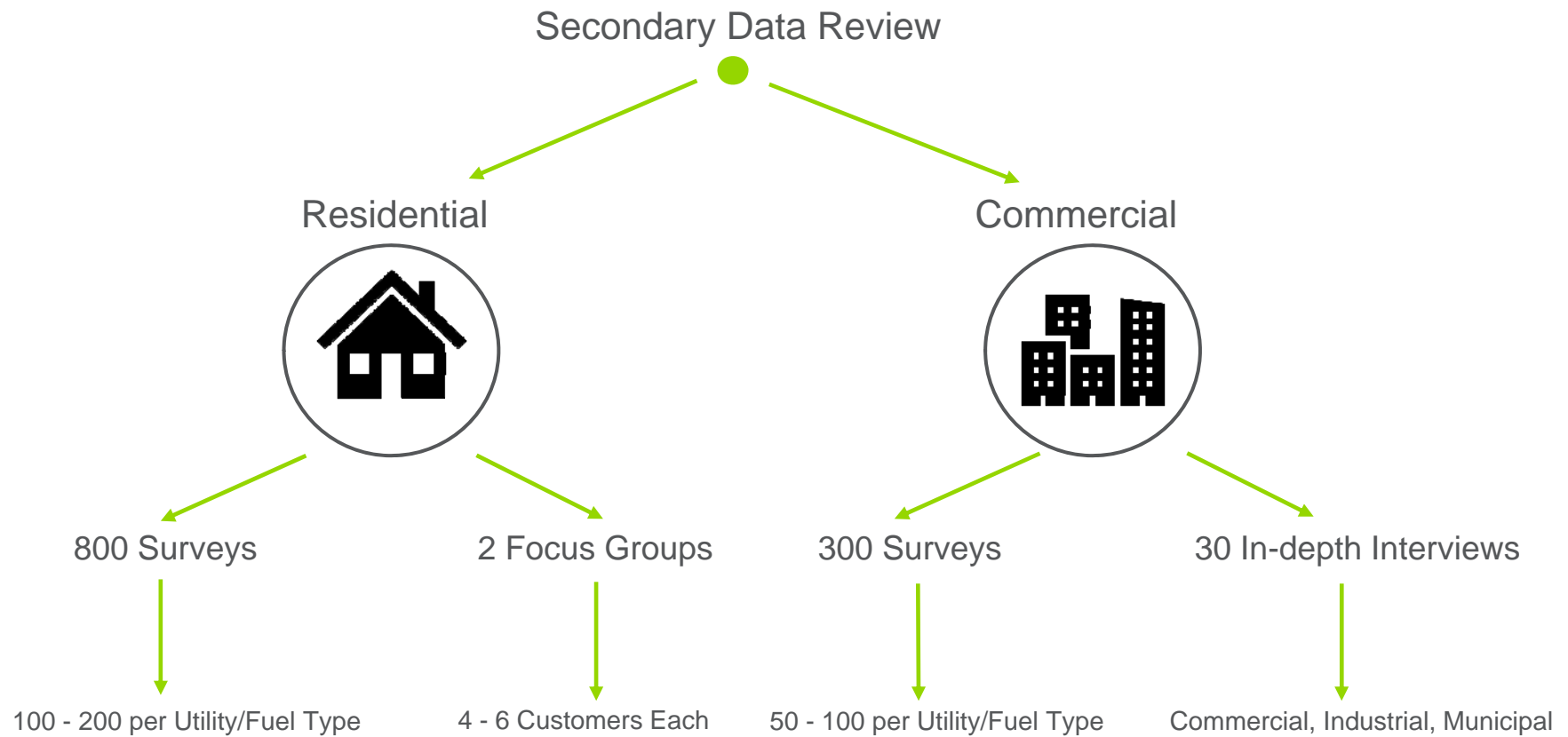
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# METHODOLOGY—OVERVIEW



# METHODOLOGY—FIELDING

Varied approaches were used to collect data from different customer groups, tailored to each groups' characteristics to provide the most insightful information.

- **Residential Surveys**
  - 1,072 completed surveys; residential customers
  - Mixed mode phone and online; stratified for representativeness; post-weighted
  - Incentive: chance to win one of fifty \$20 gift cards
- **Non-Residential SMB Surveys**
  - 304 completed surveys; small commercial and municipal customers
  - Mixed mode phone and online; stratified for representativeness; post-weighted
  - Incentive: chance to win one of fifty \$20 gift cards
- **Large Non-Residential In-depth Interviews**
  - 27 completed interviews; large commercial, industrial and municipal customers
  - Respondents from all utility/fuel types
- **Residential Online Focus Groups**
  - 12 participants, 2 focus groups; 5-7 participants per group
  - \$75 incentive for participation



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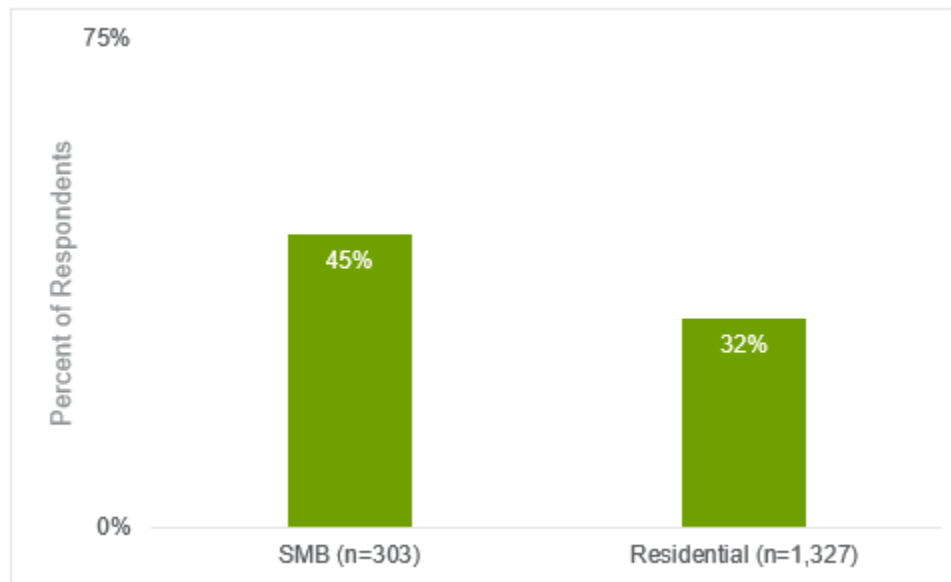
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# AWARENESS OF NHSAVES

Awareness by 45% of small to medium non-residential customers and 32% of residential customers is a big achievement this early in the mass marketing effort.

## Percent of Customers who have Heard of NHSaves (aided)



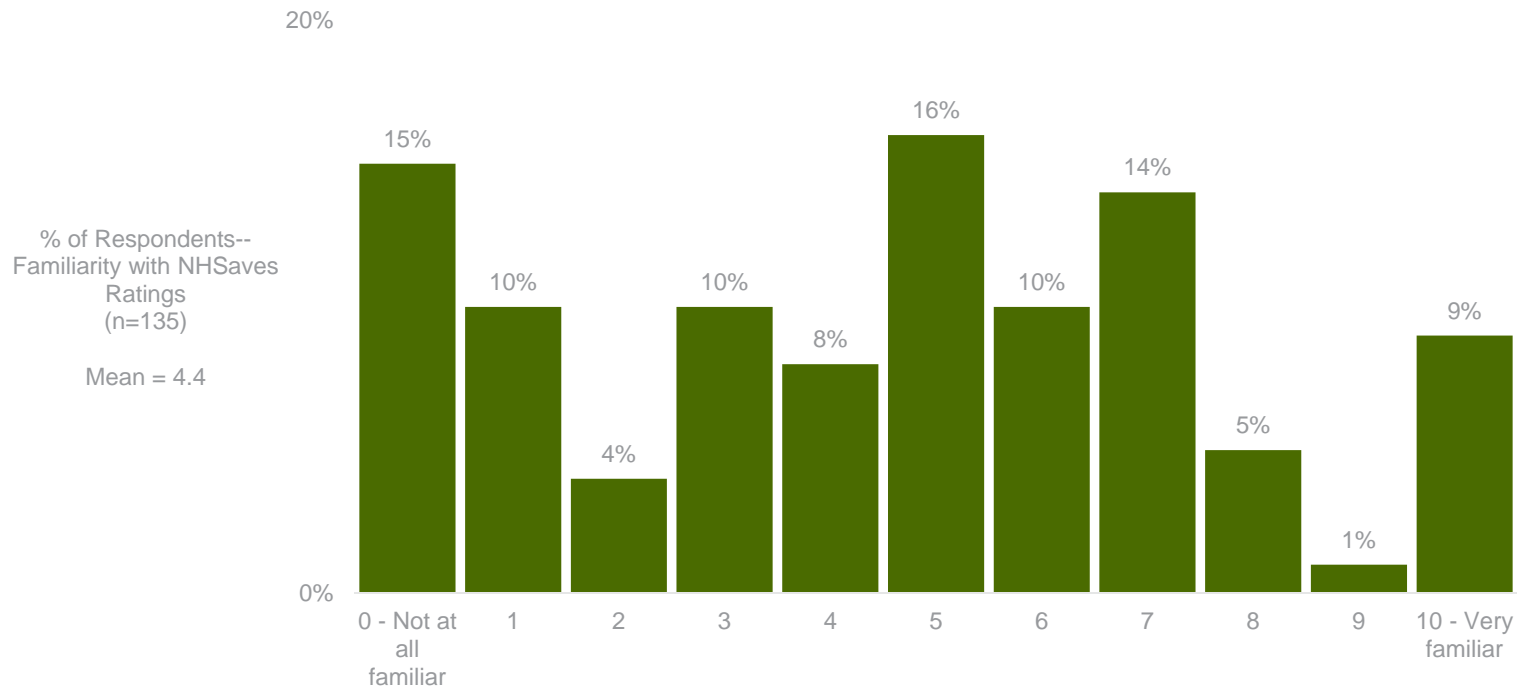
Note: SMB (small to medium businesses) is used in graphics throughout for clarity of exposition, but it is understood that SMB includes non-business small municipal customers as well.



# FAMILIARITY WITH NHSAVES

Over half of SMB customers who had heard of NHSaves reported a brand familiarity score of 5 or higher on an 11-point scale.

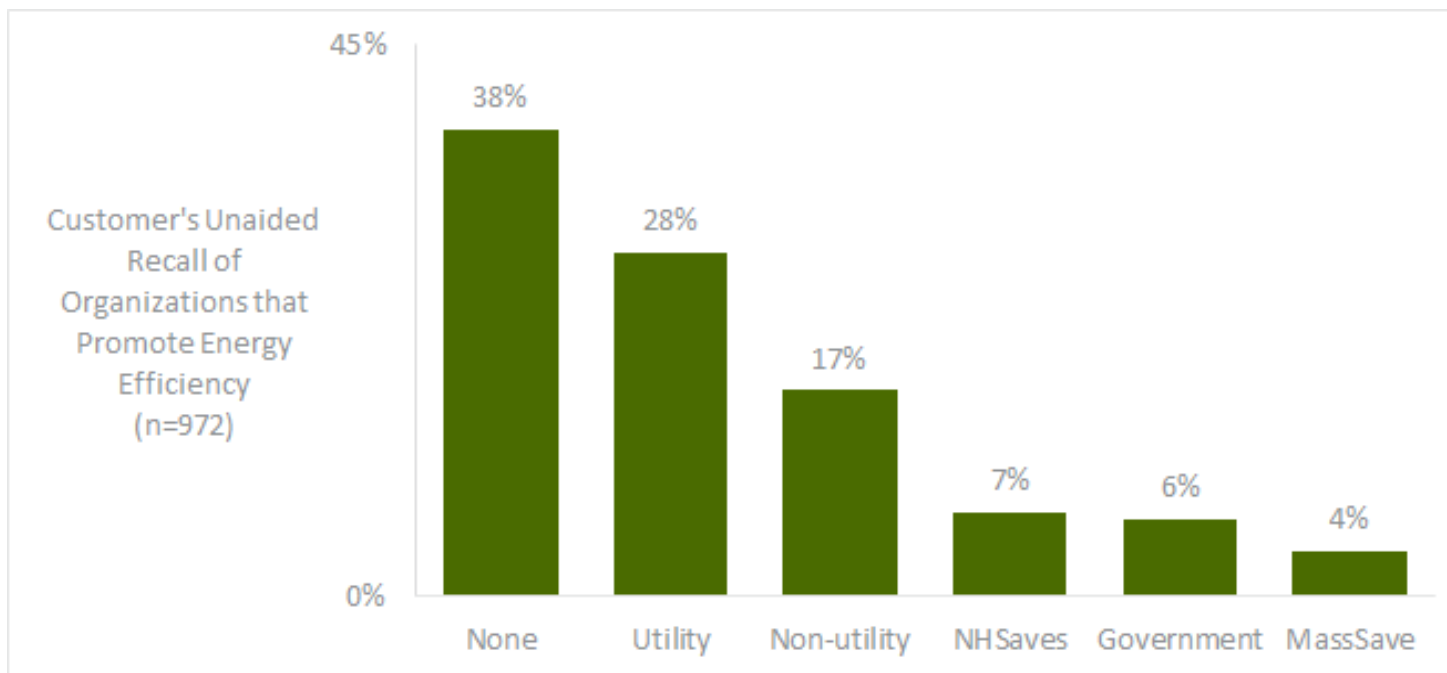
## SMB Familiarity with NHSaves



# ASSOCIATION OF NHSAVES WITH ENERGY EFFICIENCY

7% of residential customers link NHSaves with the promotion of energy efficiency.

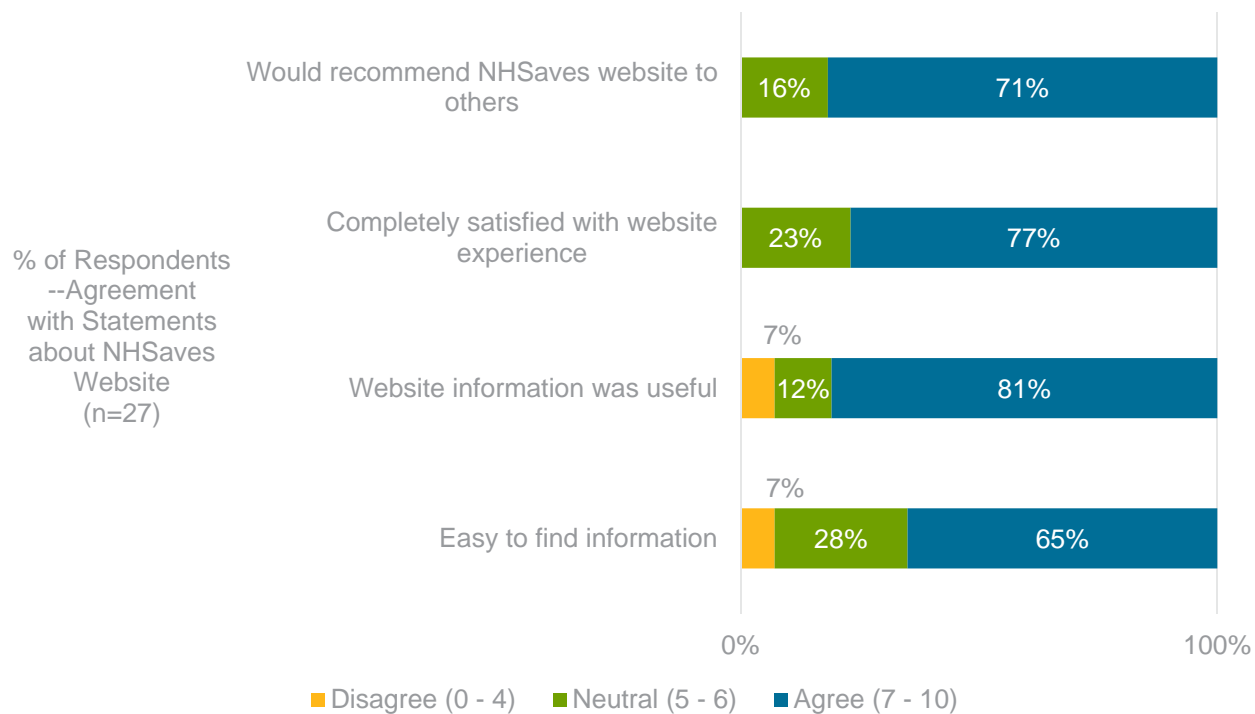
## Residential Association of NHSaves with EE



# AWARENESS AND PERCEPTIONS OF WEBSITE

Though a minority of residential (8%) and SMB (19%) customers are aware of the NHSaves website, those who have visited the site have positive perceptions.

## SMB Perceptions of NHSaves Website





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# HOW CUSTOMERS HEAR ABOUT NHSAVES

Residential customers more frequently hear about NHSaves when shopping for lighting, in bill inserts, or when shopping for home appliances.

## How Residential Customers Hear about NHSaves

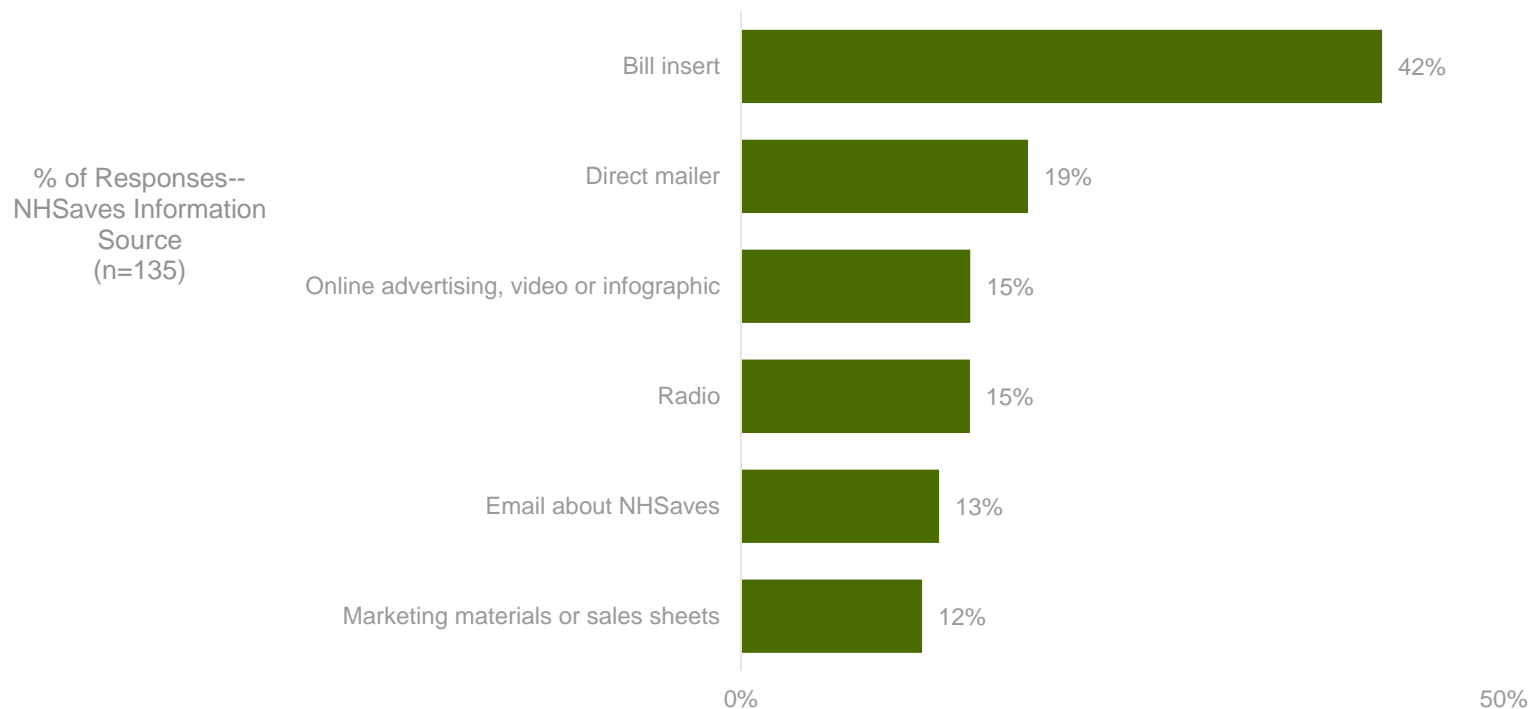
Source	Count	Percent
When shopping for lighting	168	56%
On a bill insert	162	54%
When shopping for appliances	142	47%
On a website advertising banner	72	25%
On television	70	23%
On social media	37	12%
At a community event or tradeshow	33	11%
From a contractor	23	8%

*Multiple Response, n= 302*

# HOW CUSTOMERS HEAR ABOUT NHSAVES

Bill inserts are by far the most common way small to medium non-residential customers currently hear about NHSaves.

## How SMB Customers Hear about NHSaves



# NHSAVES FAVORABILITY

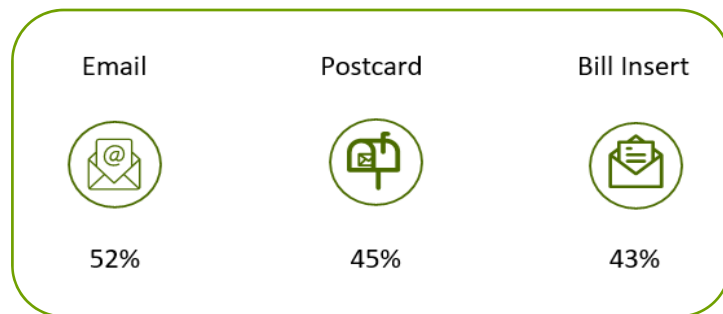
Most New Hampshire customers have favorable views of NHSaves; favorability ratings are high when compared to similar early ratings of Mass Save.

- After being read or shown a description of NHSaves, most residential and SMB customers reported having a somewhat or very favorable opinion of the brand.
  - 97% of residential customers
  - 99% of SMB customers
- These ratings are higher than those given by MA customers in 2012 when their favorability towards Mass Save was first measured
  - 84% of residential customers gave a somewhat or very favorable rating
  - 87% of non-residential customers rated it somewhat or very favorably

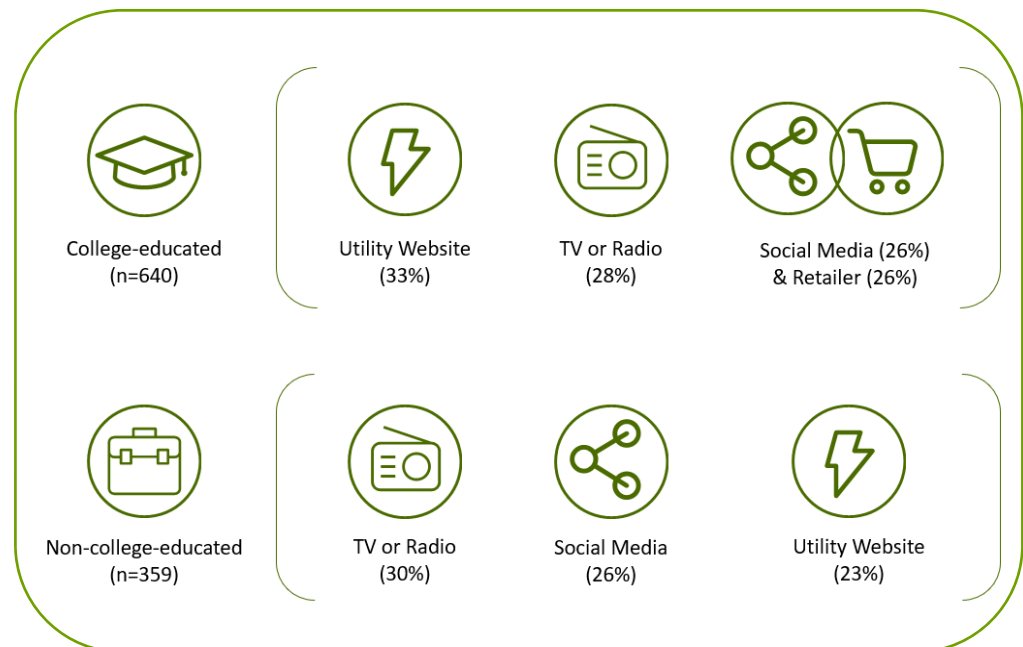
# PREFERRED COMMUNICATION CHANNELS—RESIDENTIAL

Email, postcards and bill inserts are preferred general channels of communication by residential customers. Residential customers with higher education are more likely, however, to look for program information on the utility website.

## Communication Channels Residential Customers Prefer



## Preferred Sources of Program Information

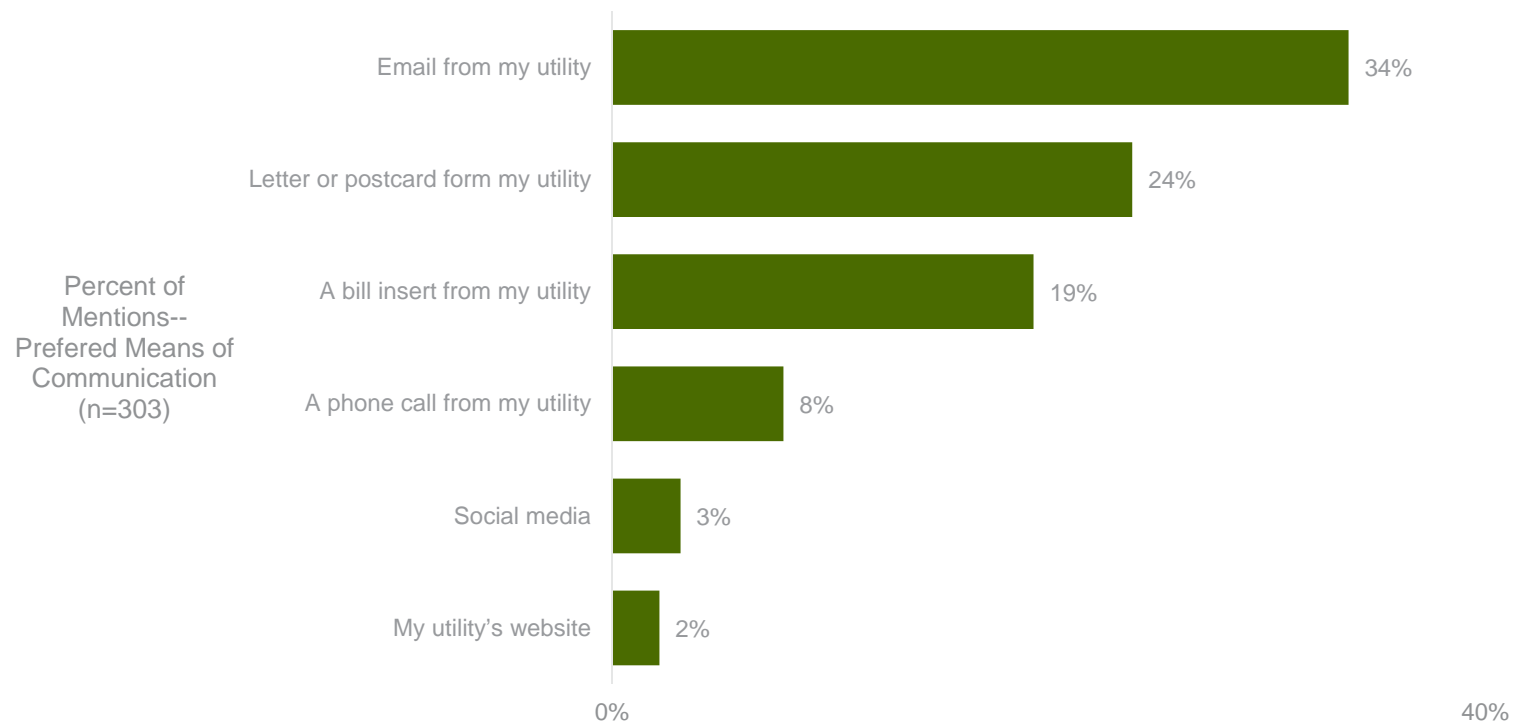




# PREFERRED COMMUNICATION CHANNELS—SMBS

SMB customers prefer to receive communication through emails, letters or bill inserts from their utility.

## Preferred Communication Channels by SMBs





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# RESIDENTIAL AWARENESS AND UNDERSTANDING OF PROGRAMS

Nearly half of residential respondents have heard of programs but don't know what they are. Almost one-quarter know what programs are.

## Residential Program Awareness and Understanding

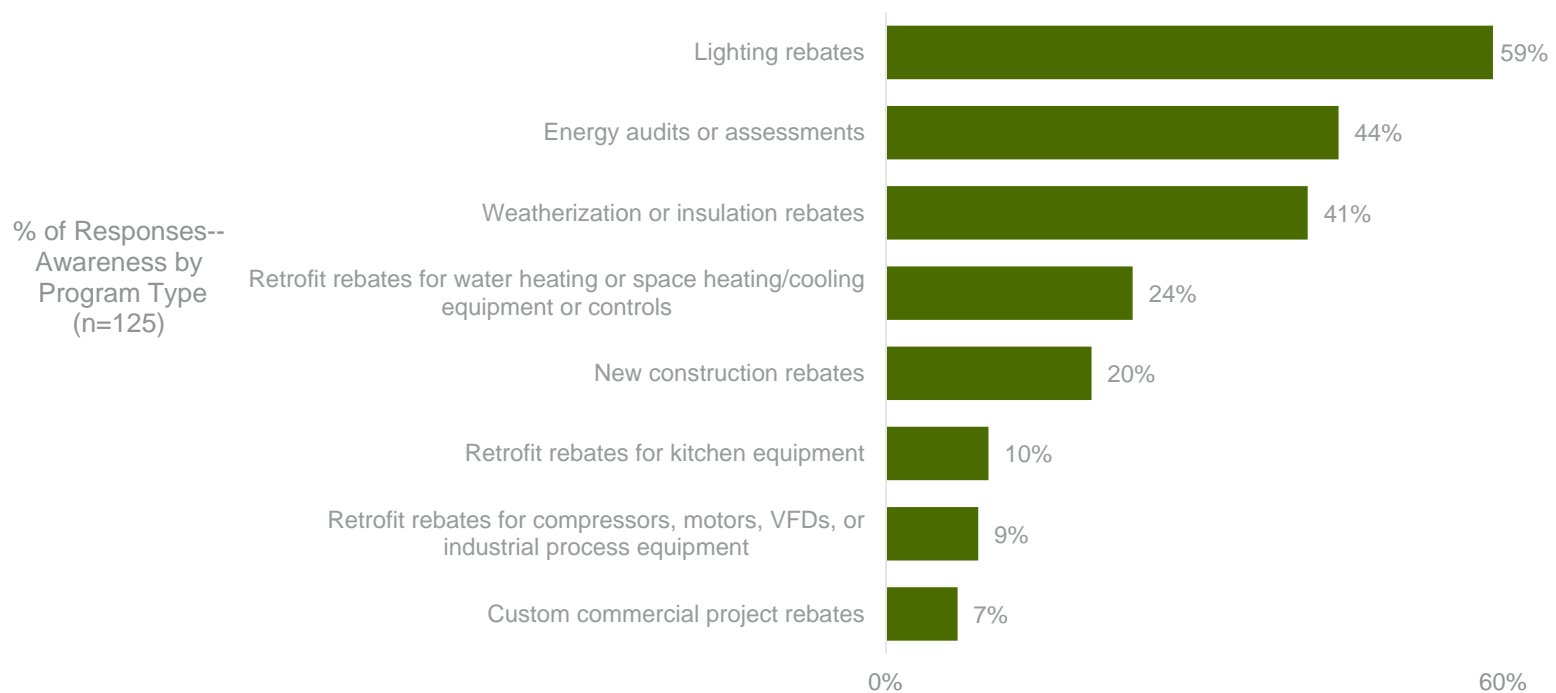
Awareness of Programs	Count	Percent
Have heard of programs and know what they are	229	22%
Have heard of programs but do not know what they are	489	46%
Have never heard of programs	342	32%
Total	1,060	100%

*Multiple Response, n= 1060*

# SMB AWARENESS AND UNDERSTANDING OF PROGRAMS

41% of SMBs were aware of programs. Program-aware SMBs were most likely to know about lighting rebate, audit/assessment and weatherization programs.

## Non-residential Program Awareness and Understanding



# PROGRAM PARTICIPATION

Both residential and SMB customers are most likely to have participated in lighting rebate programs.

- Lighting rebates were by far the most common program SMBs had participated in (72%)
  - Energy audits (24%), HVAC retrofits (12%) and new construction programs (12%) followed
- Lighting rebates were also the most common program residential customers had participated in (44%)
  - Appliance rebates (26%), audits and weatherization (20%) and heating and water heating (11%) followed

# BARRIERS TO PROGRAM PARTICIPATION

The largest barrier to residential customer participation in programs is lack of awareness.

## Barriers to Residential Program Participation

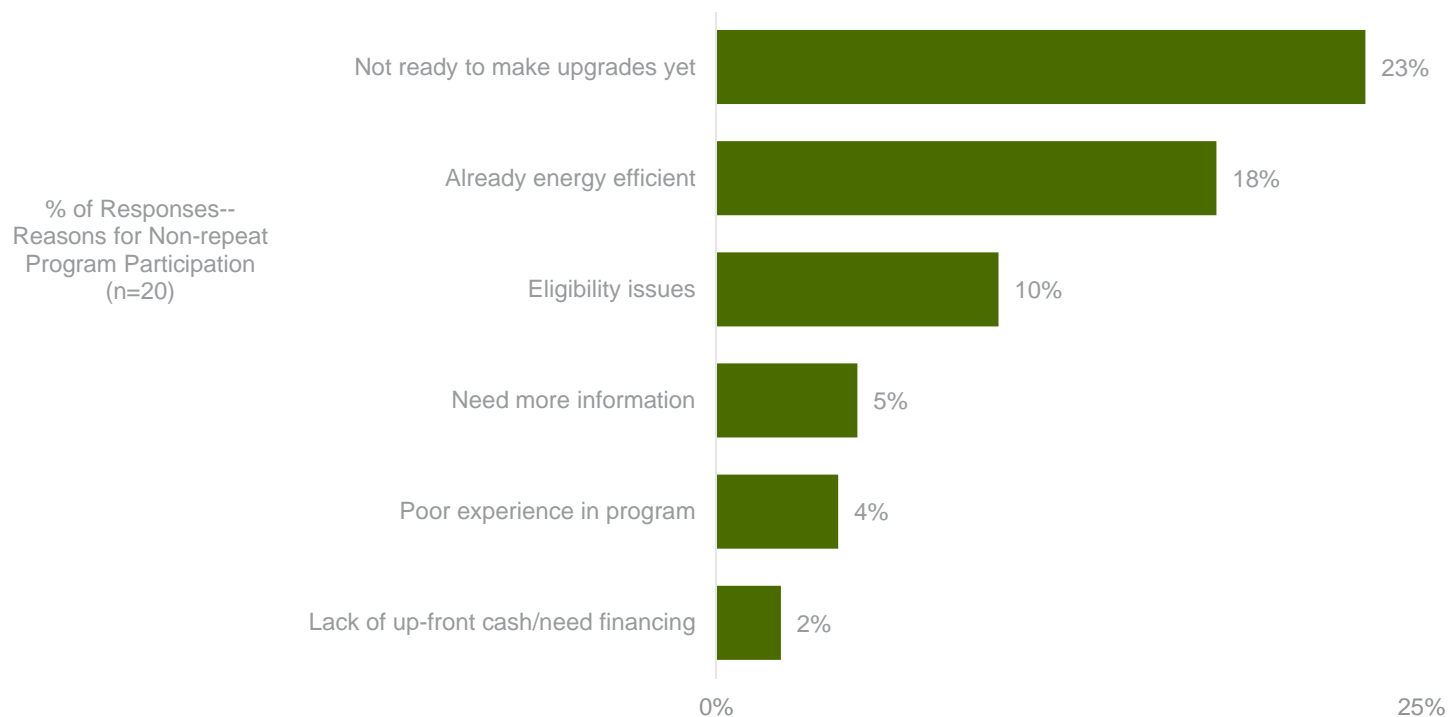
Reason for Not Participating	Count	Percent
I didn't know there were programs	308	52%
House is already energy efficient	38	6%
I'm a renter	38	6%
I didn't know how to participate	34	6%
Didn't know where to get information	26	4%
Recently moved to NH	21	4%
Didn't have the time	15	3%
Didn't want to deal with the hassle	15	3%
Cost of energy-efficient equipment	14	2%
Not sure I qualify	12	2%
Not interested	8	1%
Seasonal resident	6	1%
Other reasons	104	18%
Total	594	100%

*Multiple Response, n= 595*

# LACK OF REPEAT PARTICIPATION

Poor program experiences do not explain why past SMB participants fail to participate again. Most feel they're already efficient enough, or the timing is not right.

## Reasons for Lack of Repeat Participation—SMBs





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# WHY WE USED THIS TYPE OF SEGMENTATION

## Leverage Psychographic and Behavioral Segmentation Strategies to Refine Marketing Strategies and Tactics used to Engage those Segments

- Using psychographic segmentation in combination with demographically-based customer segments is likely to provide the most insight into customers lives, world views, and motivations to participate in energy efficiency programs.
- Socio-demographic data tell us who a customer is but not what motivates a customer to participate in energy efficiency programs.
- Using psychographic and behavioral segmentation allows us to identify different motivations for participation. These findings can then be leveraged to tailor marketing strategies and tactics to engage those segments and boost program participation.

# CUSTOMER SEGMENTS: HOW WE DEVELOPED THEM

Developed using target metrics, such as NHSaves awareness, and attitudinal statements.

- Four key factors
  - **Concern:** about the environment, such as pollution, climate change, and inefficient use of energy.
  - **Environmentalism:** electricity use linked with environmental outcomes.
  - **Responsibility:** and intention to take action, including a sense that respondents need to act to help the environment and keep their bills low.
  - **Behaviors:** energy efficiency and environmental behaviors taken.

## TWO SEGMENTS PRESENT IMMEDIATE OPPORTUNITY

### **The “Engaged Greens” and “Aspiring Greens” Customer Segments Represent Immediate Opportunity for NHSaves Brand and Program Engagement**

- These customer segments already have moderate levels of awareness of the NHSaves brand and have participated in energy efficiency programs.
- These customers are interested in taking action to save energy and perceive that it is their responsibility to do so.
- Messaging to these customer segments should leverage these key motivators to further encourage brand engagement and program participation.



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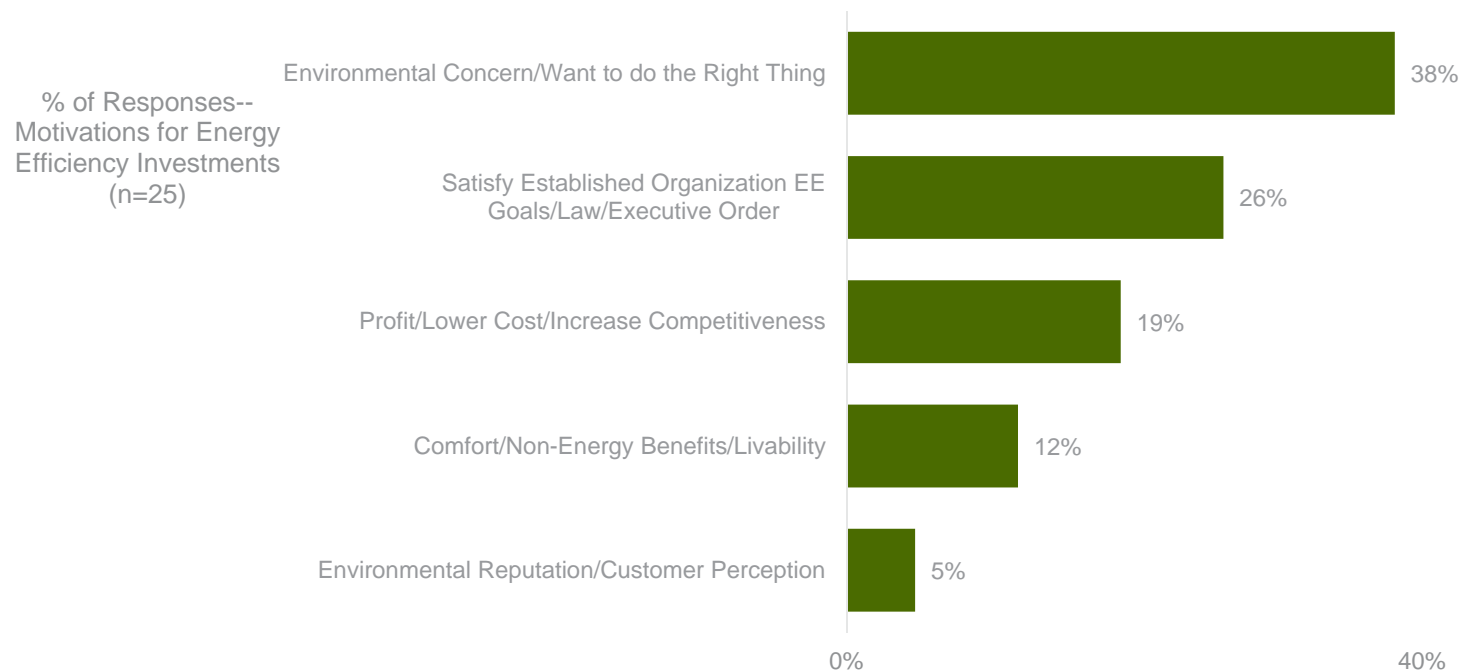
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# EE PROGRAM PARTICIPATION MOTIVATIONS

Unlike SMBs, large non-residential customers are often motivated to participate in energy efficiency programs due to environmental concerns or the desire to be seen as green.

## Reasons Large Non-Residential Customer Participate



# EE PROGRAM PARTICIPATION MOTIVATIONS

Key account representatives play a critical role in facilitating program participation by large non-residential customers.

*“One of the greatest things are the conversations I've had with my key account reps, in that when there are changes to the program, they will let me know that the rebate structures have changed and if there is any money still available out there.”*

*Large Non-residential Customer*

*“For me personally, it is the connection with our utility rep. [He] has great communication skills and personal skills, he works with us very well. I would say if we did not have that good of a relationship we would likely not call upon it. He has done a great job building a relationship with [my firm] and my team.”*

*Large Non-residential Customer*

*“I have a great working relationship with the key account manager and the account manager from [the firm]. We talk all the time and strategize together.”*

*Large Non-residential Customer*

# LARGE CUSTOMER ORGANIZATIONAL CONSIDERATIONS

Large non-residential customers often face unique seasonal, organizational decision-making constraints that should be taken into consideration to optimize participation.

## Large National Retail Chains

- Local teams meet about EE constantly but decisions made at national/regional level
- Maintain strong key account rep relationships and leverage utility presence in other states
- Always be aware of who the ultimate decision maker will be

## Large Manufacturers

- Highly competitive space where EE seen as a cost-cutting competitive advantage
- Decision making process often decentralized, and ideas for EE improvements from all levels considered
- Maintain strong key account representative relationships; offer appropriate cost-saving opportunities

## Municipal, Military and Higher Education

- Organization very structured, as is decision-making process
- EE investment decision making process time consuming and long term
- Much longer payback periods considered, opening an opportunity for larger-scale EE investments
- Be aware of decision making structure and timing

## Seasonal Operations

- Resorts, hotels, and manufacturing firms with cyclic down-periods face unique constraints
- Timing of offering EE opportunities and support is critical, as investments will only be considered during certain times of year
- Keep in mind each entity's unique timing and seasonal considerations when approaching them with opportunities



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# CONCLUSIONS AND FUTURE RESEARCH

This study provides NH with a clear picture of baseline customer attitudes, behaviors and perceptions to benchmark against, and our findings show a strong foundation of positive engagement by NH customers to build on as NHSaves expands and matures.

## Key areas for future research:

- If NHSaves shifts messaging toward customers' self-reported preferred communication channels, will this positively impact engagement and awareness?
- Given that lighting savings are diminishing and lighting programs decreasing in prominence in the near future, what program channels, measures and outreach efforts can sustain and increase customer engagement with NHSaves in the future?
- As new connected technologies become more prevalent, with customers increasingly adopting smart home technologies, EVs and EV charging units, smart thermostats and other advanced technologies, how can NHSaves leverage their interest in these technologies to increase NHSaves engagement?

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