research/into/action inc

Final Report

2009 Oregon Residential Awareness and Perception Study

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ES EXECUTIVE SUMMARY

This report provides the results of the *2009 Oregon Residential Energy Awareness and Perception Study*, conducted by Research Into Action, Inc. The goal of this report is to provide findings and recommendations useful to improving Energy Trust's marketing activities to help it achieve its energy-saving goals in the residential sector.

Opinion Dynamics Corporation (contacted to perform the surveys for this study) completed 904 interviews between May and July 2009. Thirty-six percent of respondents in the state at large and 41% of those within the Energy Trust territory reported unaided awareness of Energy Trust. We estimate the participation rate in Energy Trust programs at 7% statewide and at 9% in the Energy Trust-targeted territory. We observed an increase in the reported awareness of Energy Trust in most parts of Oregon, but most noticeably in the Portland Metropolitan and Willamette Valley / North Coast regions. In spite of increased recognition of Energy Trust, a substantial portion of those aware (40%) did not know much about specific program offerings.

We found that electric-heated homes in PGE and PacifiCorp territory (which scatters across the state) have the lowest rate of participation in Energy Trust programs, even though this group qualifies for rebates for both appliances and space heating equipment. This group constituted 48% of all respondents.

For those respondents who had participated in programs, satisfaction with services received from Energy Trust was high, as was their intention to participate again in Energy Trust programs (41%).

Energy Trust program participants' attitudes differed from those of nonparticipants in regard to specific behaviors that could result in energy savings and more responsible use of energy. They described upgrading appliances and windows, installing insulation, changing thermostat settings, and driving less as significantly higher priority actions. They are also more likely than nonparticipants to believe that global climate change is a result of high energy use. Renters expressed high concern about energy issues and a desire to make their homes more energy efficient; however, they perceived limited means for action.

Specific observations in regard to energy-using behaviors are noted. We estimate the CFL penetration rate at 85% (households that have at least one CFL in their home). The increase since 2008 in CFL penetration was particularly apparent among nonparticipants; we no longer observe differences in penetration between participants and nonparticipants. Forty percent of respondents reported they had programmable thermostats, but only 66% of them actually used automatic features to control indoor temperatures. Fifty-five percent of respondents said their homes had an air-conditioning system; 36% of these homes had window or room air-conditioning units. Ninety-two percent of respondents reported they used at least one power strip, with a majority of them (68%) saying they never or rarely turned off the main switch. In addition, 61% of

respondents recognized the ENERGY STAR® label; participants were significantly more aware of the label.

Respondents' self-assessment of their home's energy efficiency revealed that those who lived in older homes believed their homes were less efficient than those who lived in newer homes. Consistent with this, the analysis of the consumption data for households in the survey with billing data revealed that single-family dwellings in the Portland Metropolitan and Willamette Valley / North Coast regions had the highest concentration of high-consumption owner-occupied households.

CONCLUSIONS AND RECOMMENDATIONS

➡ ***Conclusion 1:* Since 2008, awareness of Energy Trust has improved in most parts of Oregon.** Though we did not explicitly track what marketing channels had attracted people's attention, the findings suggest that the 2009 marketing efforts increased overall recognition of Energy Trust and may have successfully affected program participation.

> ***Recommendation 1:*** The next Oregon Residential Energy Awareness Study should include questions that obtain unaided responses as to respondents' awareness of different marketing messages offered about Energy Trust (i.e., those by the utilities and Energy Trust).

➡ ***Conclusion 2:* Six different market segments were identified from the 2009 survey analysis, some of which are similar to the ones identified in the 2008 study**. The differences are likely attributable to changes in the survey questions and improved renter samples in 2009.

- **Maybe Later** – young renters with green attitudes
- **Strugglers** – renters in survival mode
- **Show Me** – Eastern Oregonians who are less receptive to energy efficiency
- **Hands Full** – large families with lower incomes and lower perception of the efficacy of energy efficiency
- **Willing and Able** – financially capable, higher energy consumers with greener attitudes
- **Main Street Oregonians** – non-urban residents who are receptive to green living

Three segments – *Strugglers*, *Willing and Able*, and *Main Street Oregonians* – are similar to the ones we identified in the 2008 study regarding energy efficiency attitudes and demographic characteristics

Willing and Able and *Main Street Oregonians* are the most attractive market segments to Energy Trust, since they include the most high energy consumers and are more likely to

participate in Energy Trust programs, given their high financial and attitudinal readiness to be engaged in efficiency actions.

The *Maybe Later* households are less likely to participate in Energy Trust programs today, primarily because of their young age, rental status, and financial constraints. This segment exhibits a strong desire to become more energy-efficient; therefore, they have the greatest potential to become an attractive segment for Energy Trust, as they earn more money and become homeowners.

The *Show Me* segment, on the other hand, appears to have the capacity to take many efficiency actions, but they are less aware and less convinced of the benefits they might experience by taking such actions.

> ***Recommendation 2:* Design programs that primarily target the *Willing and Able* and *Main Street Oregonian* segments, as these include those residents most likely to participate and provide energy savings**. Enhanced marketing efforts that target the *Maybe Later* and *Show Me* segments could be effective by increasing their awareness of the benefits of taking energy efficiency actions and by targeting low-cost/no-cost actions that could have immediate effects.

➡ ***Conclusion 3:* Renters are interested in learning what they can do to reduce energy use**. Renters, who tend to be younger, are generally more uneasy about current energy issues than are homeowners, and were the most interested in learning what they can do to reduce their environmental footprint. Simultaneously, they expressed their lack of knowledge or access to means to do so.

> ***Recommendation 3:* Actively engage renters by promoting CFLs and low-cost/no-cost measures through creative communication channels such as YouTube, Twitter, and other Web2.0 and 3.0 tools, and by exploring program options that can influence landlord decision-making.**

➡ ***Conclusion 4:* A larger sample of customers with energy consumption billing data could provide a more meaningful segmentation analysis.** Information provided by the cases with consumption data was used to determine the key variables for the segmentation analysis. Thus, reducing the amount of missing billing data will improve the reliability and consistency of segmentation solutions.

> ***Recommendation 4:* Energy Trust should explore how to ensure that future surveys have access to samples that include energy consumption data upfront,** rather than matching energy consumption data to RDD-sampled households**.**

➡ ***Conclusion 5:* The use of behavioral and attitudinal variables was effective in identifying segments.** The largest change in survey questions for the 2009 sample was to expand the questions addressing behavioral and attitudinal variables. This proved to be a

more effective basis for the segmentation analysis and was especially valuable due to the lack of billing data.

***Recommendation 5:* Continue to use behavioral and attitudinal questions in surveys that will be used for segmentation analysis**. These questions can be refined further and perhaps expanded to further account for drivers in customer decision-making about energy efficiency.

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MEMO

Date: December 4, 2009
To: Board of Directors
From: Sarah Castor, Evaluation Project Manager
Amber Cole, Director of Communications and Customer Service
Brooke Graham, Residential Marketing Manager
Subject: Staff Response to the 2009 Oregon Residential Awareness and Perceptions Study

The 2009 Oregon Residential Awareness and Perceptions Study is the second such study Energy Trust has completed, following on last year's report. The goals of the study were: 1) to gather information about the level of awareness Oregonians have of Energy Trust; 2) to compare awareness and participation with similar figures from last year's study and 3) to better understand attitudes and behaviors surrounding the topics of energy efficiency, renewable energy and climate change.

The 2009 Oregon Residential Awareness and Perceptions Study provides results based on a representative sample of both homeowners and renters statewide. While the vast majority of respondents reside in Energy Trust service territory, the sample includes some other electric and gas utility customers who are not eligible for Energy Trust programs and services.

Of the population surveyed (approximately 900), 36% were aware of Energy Trust and about 7% reported that they have participated in one of our programs. These figures grow to 41% and 9%, respectively, when filtering for respondents located in Energy Trust service territory.

From 2008 to 2009, awareness of Energy Trust increased among all four participating utility customer groups, and in all but one region (Southern Oregon, where awareness remained constant). As in 2008, the highest awareness is concentrated in the Portland Metro area, particularly among PGE and NW Natural customers.

We are pleased with the high levels of satisfaction and intention of repeat participation among past participants. However, we are conscious of the need to extend our reach in electrically heated homes and households outside the Portland area. To address this need, the proposed Energy Trust 2010 budget increases investment in general outreach, trade ally network recruitment and training, and targeted residential program marketing activities in outlying areas

with the purpose of increasing customer awareness and participation outside of the Portland metropolitan region.

The study noted a low penetration of programmable thermostats, and among households with such a device, very few used the automatic setbacks. In 2010, the Home Energy Solutions – Existing Homes program will pilot programmable thermostat installations and education during Home Energy Reviews to assess the potential savings.

The study identified six customer segments based on energy usage and respondent attitudes and behaviors around energy and climate change. Two segments – “Willing & Able” and “Main Street Oregonians” – were recommended for program targeting. In addition, different marketing messages and strategies were recommended for “Maybe Later” and “Show Me” segments. Energy Trust advertising and communications will build on this learning to target specific messaging to specific audiences where possible. This strategy will ultimately be balanced with general messaging to reach all, including the “Strugglers” and “Hands Full.” We plan to deploy some of these targeted messages to relevant customer segments in 2010 and then follow up to measure effectiveness in the future Residential Awareness studies.

In 2010, we intend to field the survey again, but with a reduced set of questions, to track trend in awareness, participation, and explore other specific topics of interest. We do not plan to repeat the segmentation in 2010 because we have a solid understanding of the current customer segments and opportunities to employ targeted marketing strategies for specific segments. We will watch for indications that targeted efforts, where they can be utilized, contribute to overall awareness gains.

As recommended, we also plan to explore different sampling approaches to increase the amount of billing data that can be matched to respondents.