

Connecting with the Customer

May 12th, 2010
Market Research



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Marketing Research Purpose/Objectives

- **Purpose:**

- Leverage Market Research's efforts to better understand our customer's needs and wants in order to engage customers to use less energy and protect the environment

- **Objective:**

- Putting it all together to connect with our customers to meet SMUD's goals



Research Approaches

Develop Research Tactics (i.e. understanding management objectives, questionnaire design, sample plan, etc):

- Qualitative (Focus groups, one-on-one interviews, ethnographic research, etc)
- Quantitative (Surveys via phone, web, mail, etc)
- Secondary Research Data (Census, Equifax, etc)

Field work, data collection, analysis, interpretation, and provide conclusions and recommendations



Customer Inputs

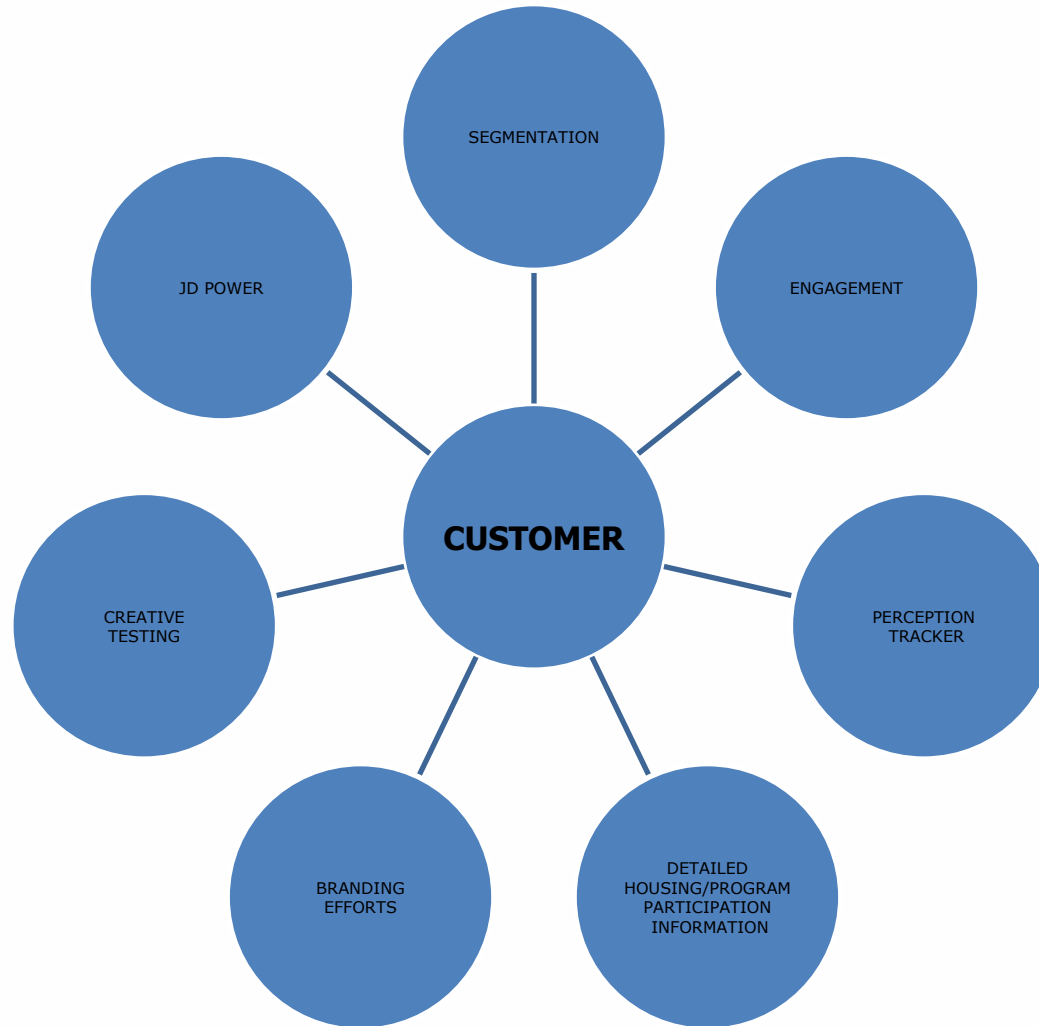


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Customer Studies



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Example of How Marketing Research Studies Impact SMUD EE Programs

Appliance Rebate Program (n=152)

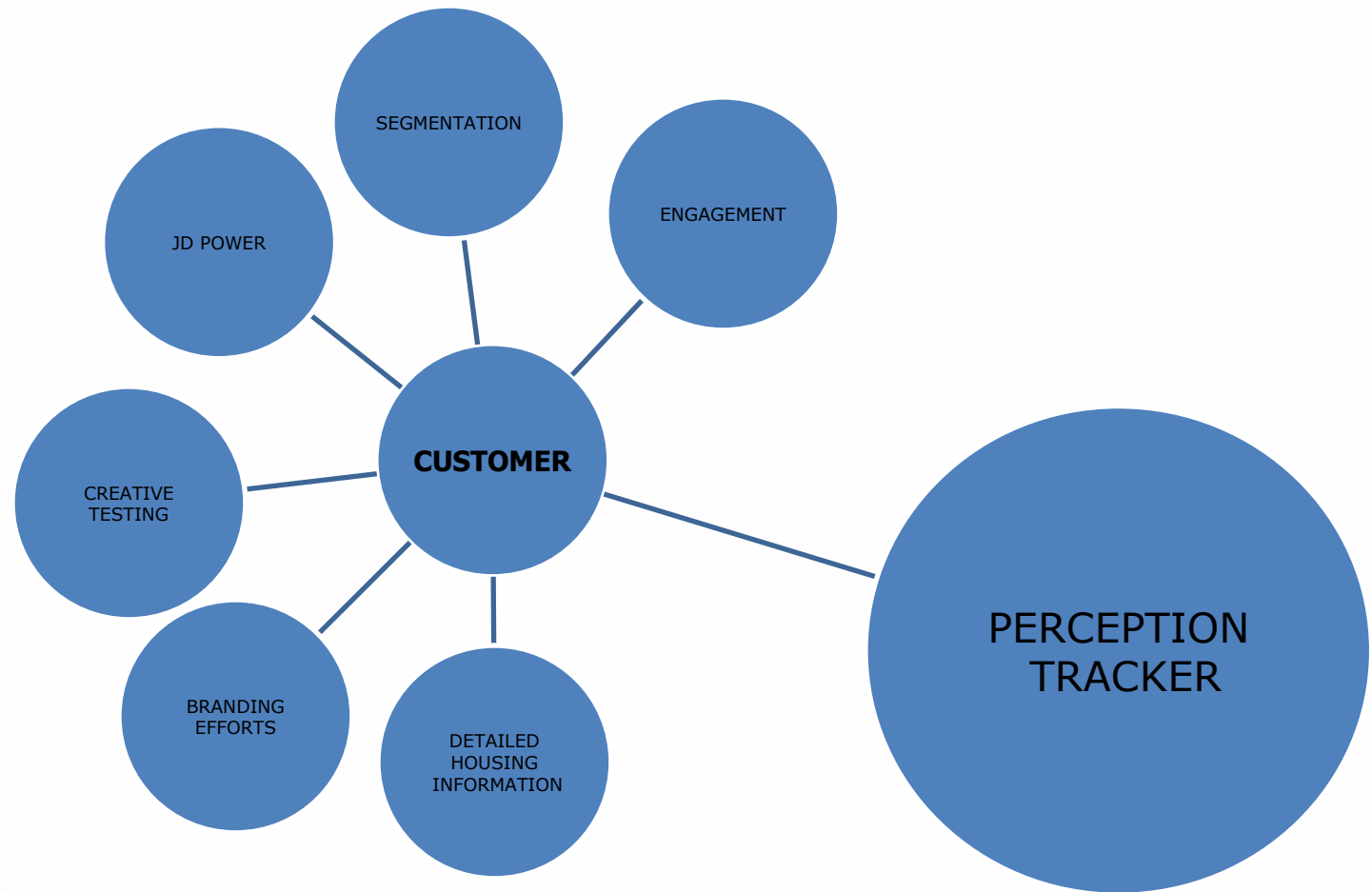


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Research Studies and EE programs



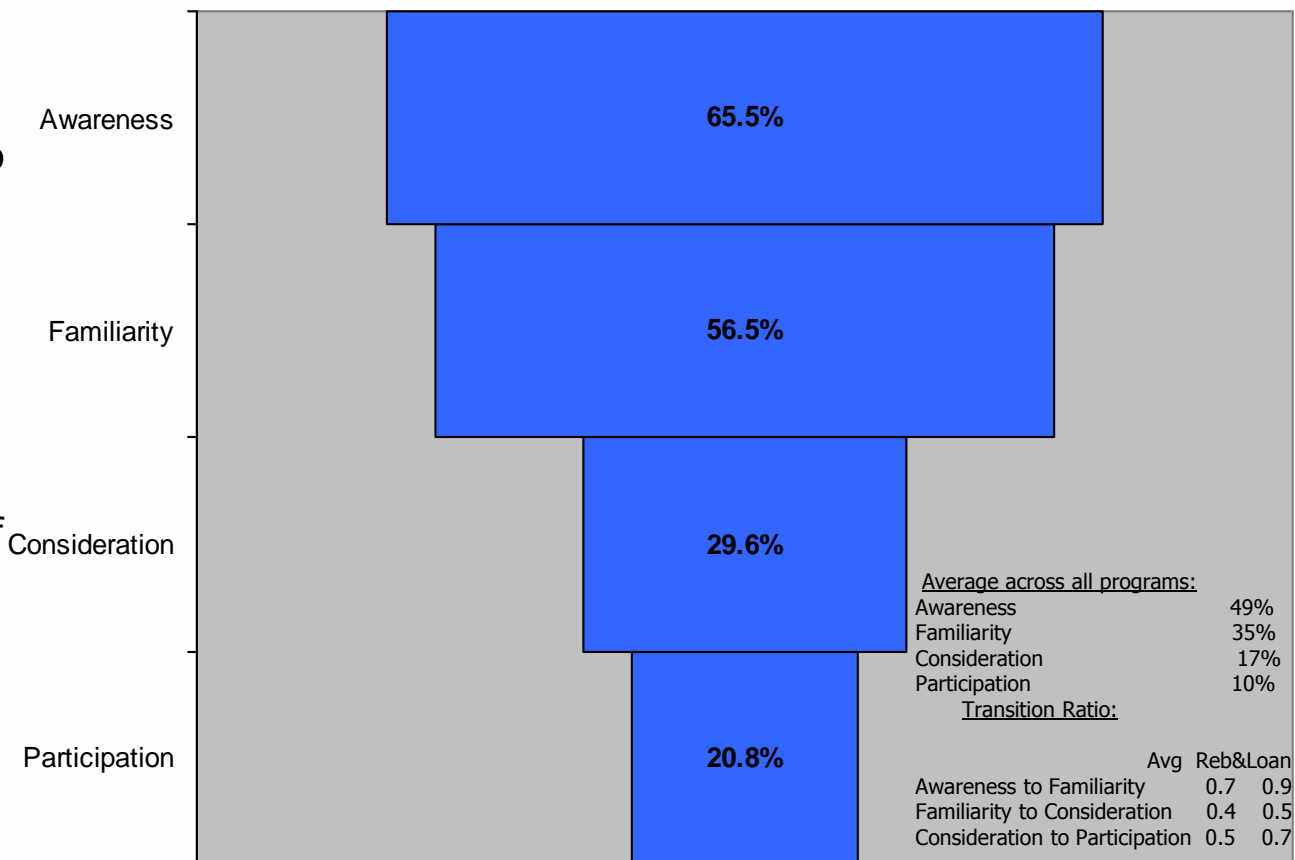
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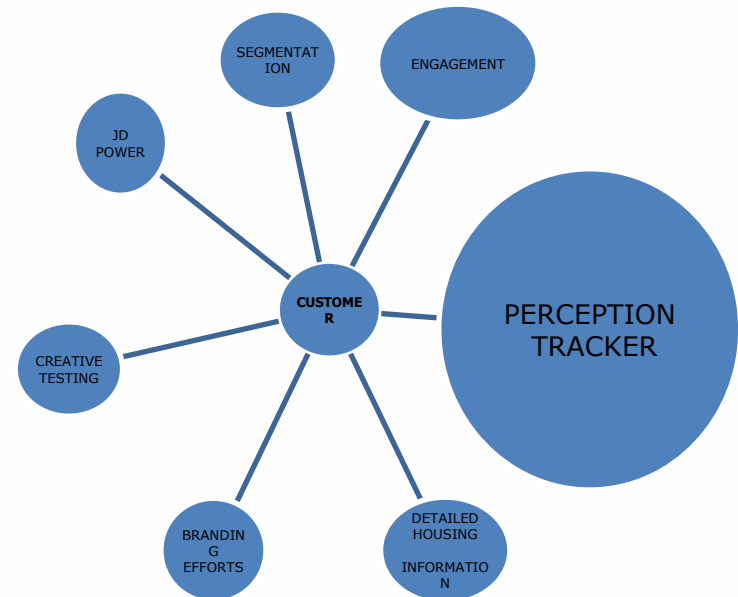
Rebates and Loans Funnel

- Rebates and Loans has some of the highest funnel scores
- Transition ratios are also higher than the overall averages
- The strong funnel suggests that increasing Awareness and Familiarity will result in the most efficient use of marketing resources
- However, we may be close to saturation for Awareness so more analysis is required

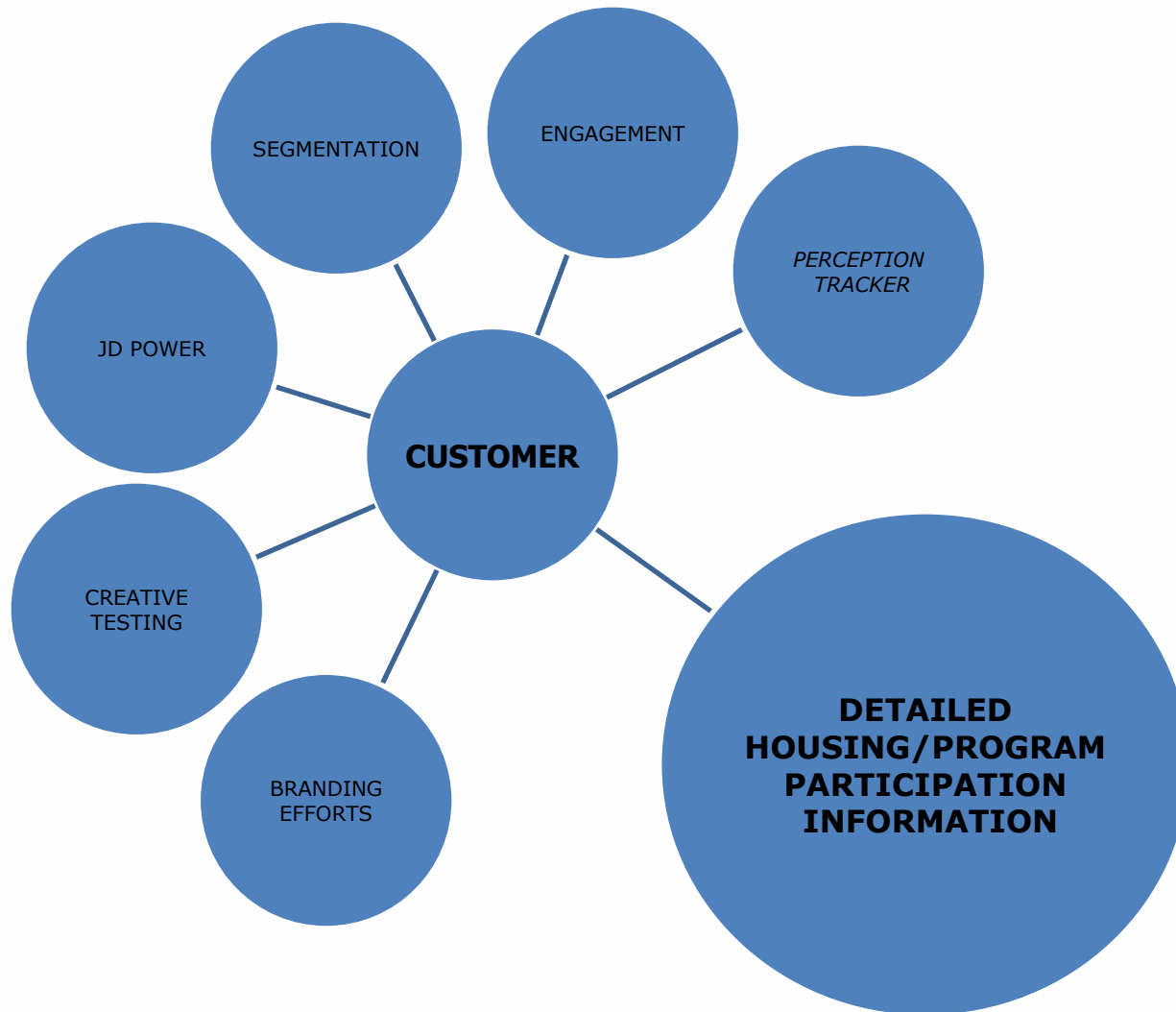


The EE Appliance/Home Improvement Market

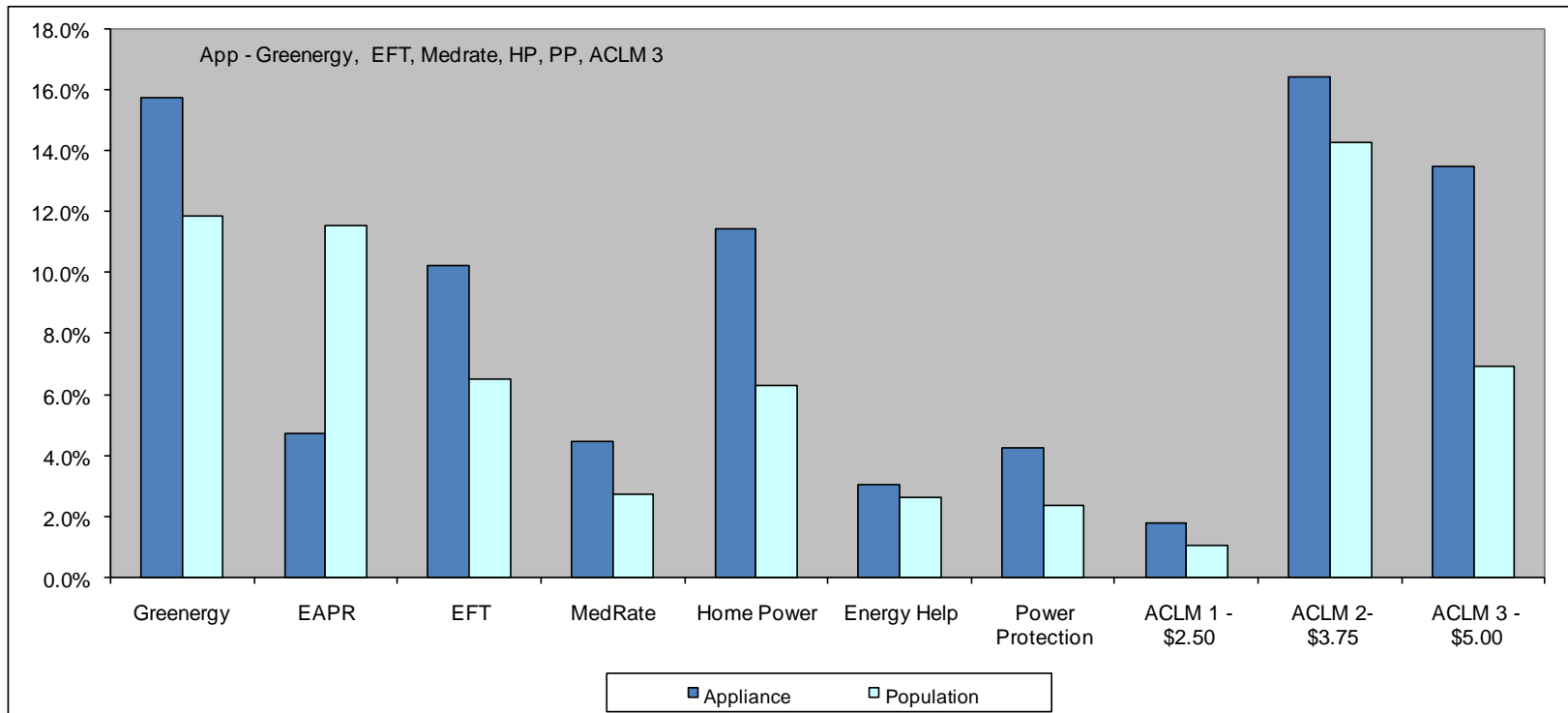
- 520k Residential households in SMUD territory
- About 340k households are aware that SMUD provides rebates and loans
 - We do not breakout awareness for the individual Appliance and Home Improvement rebates
 - We also do not measure the awareness numbers for the refrigerator recycling program
- Trying to collect EE data from BT to determine the number of HH that have received an EE rebate over the last x years



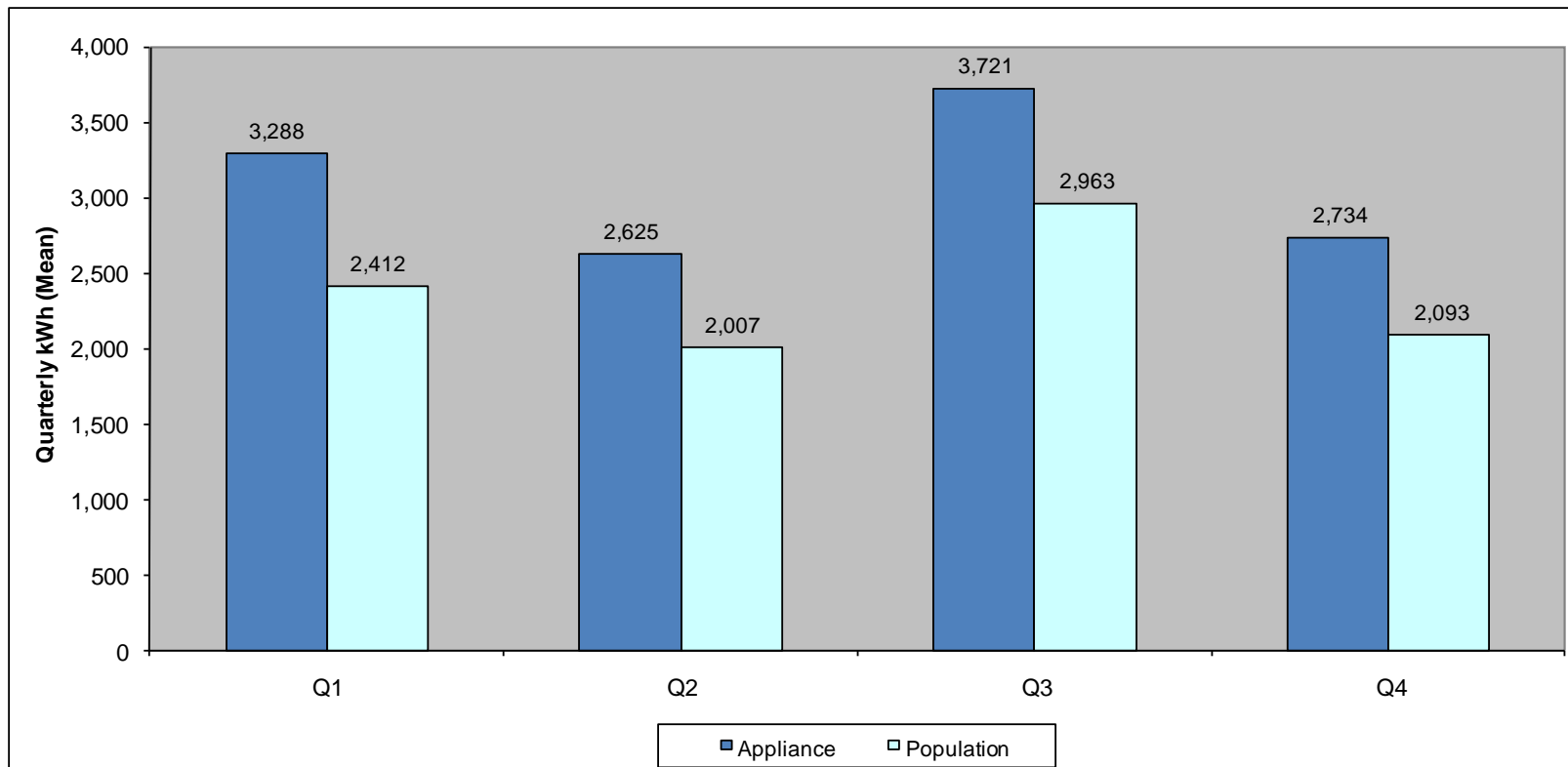
Customer Studies



Program Participation



Average Quarterly kWh Usage

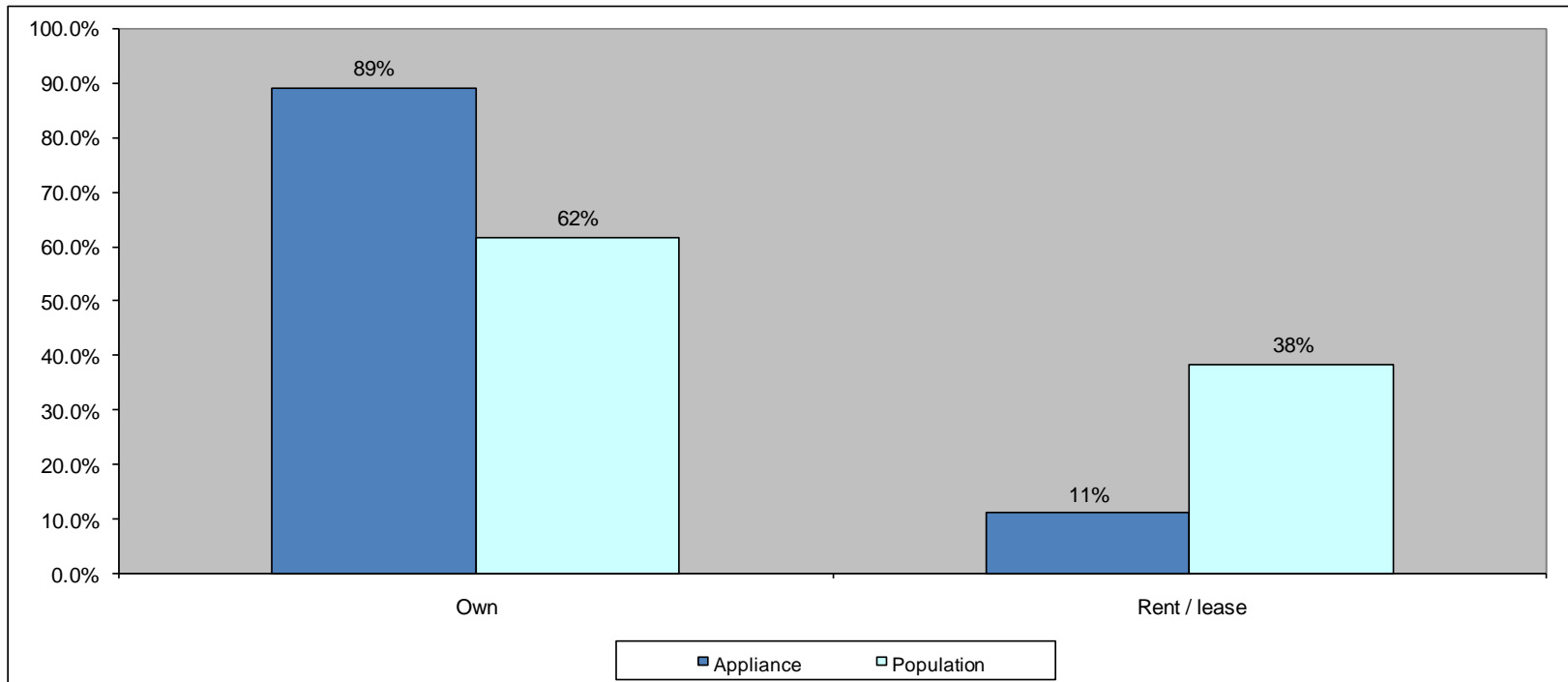


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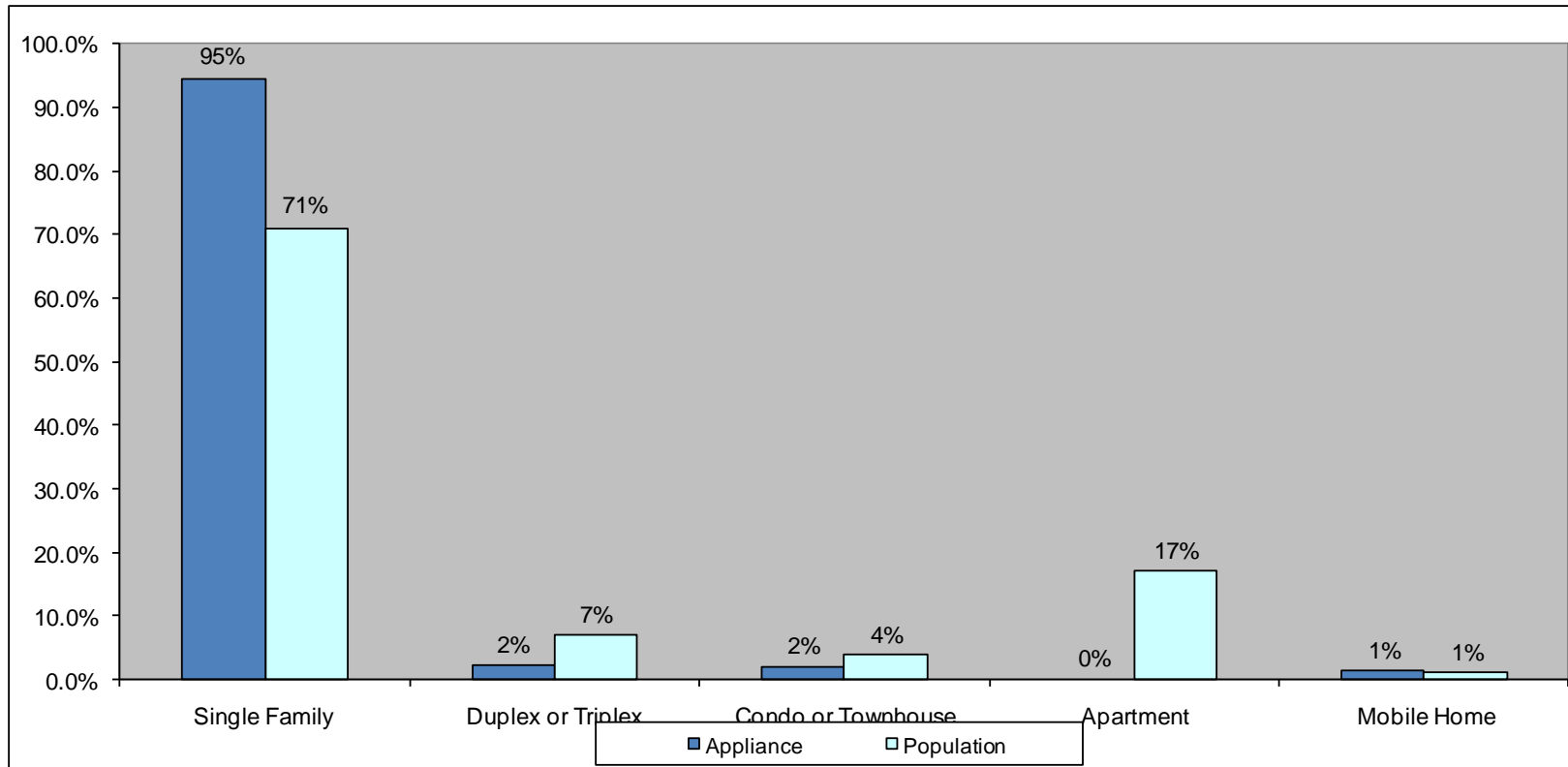


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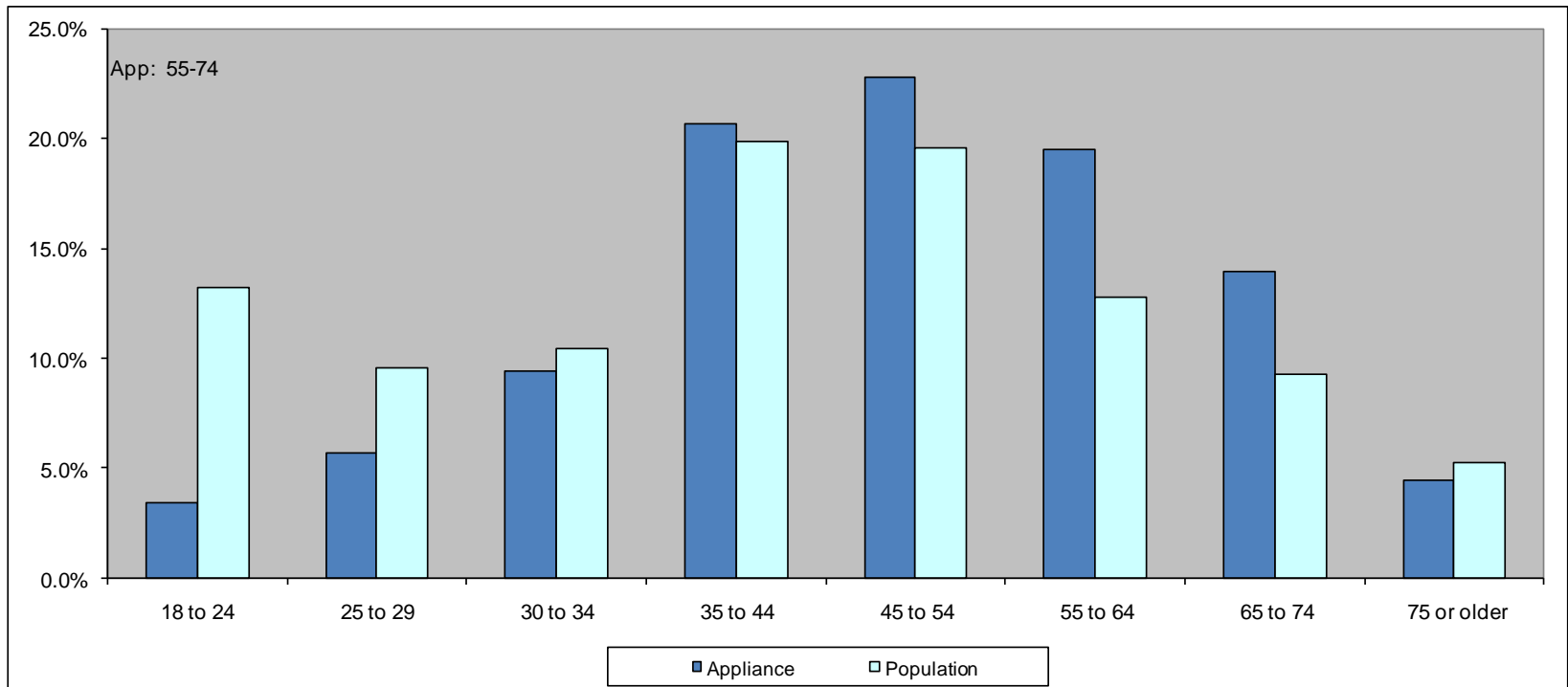
Rent vs. Own



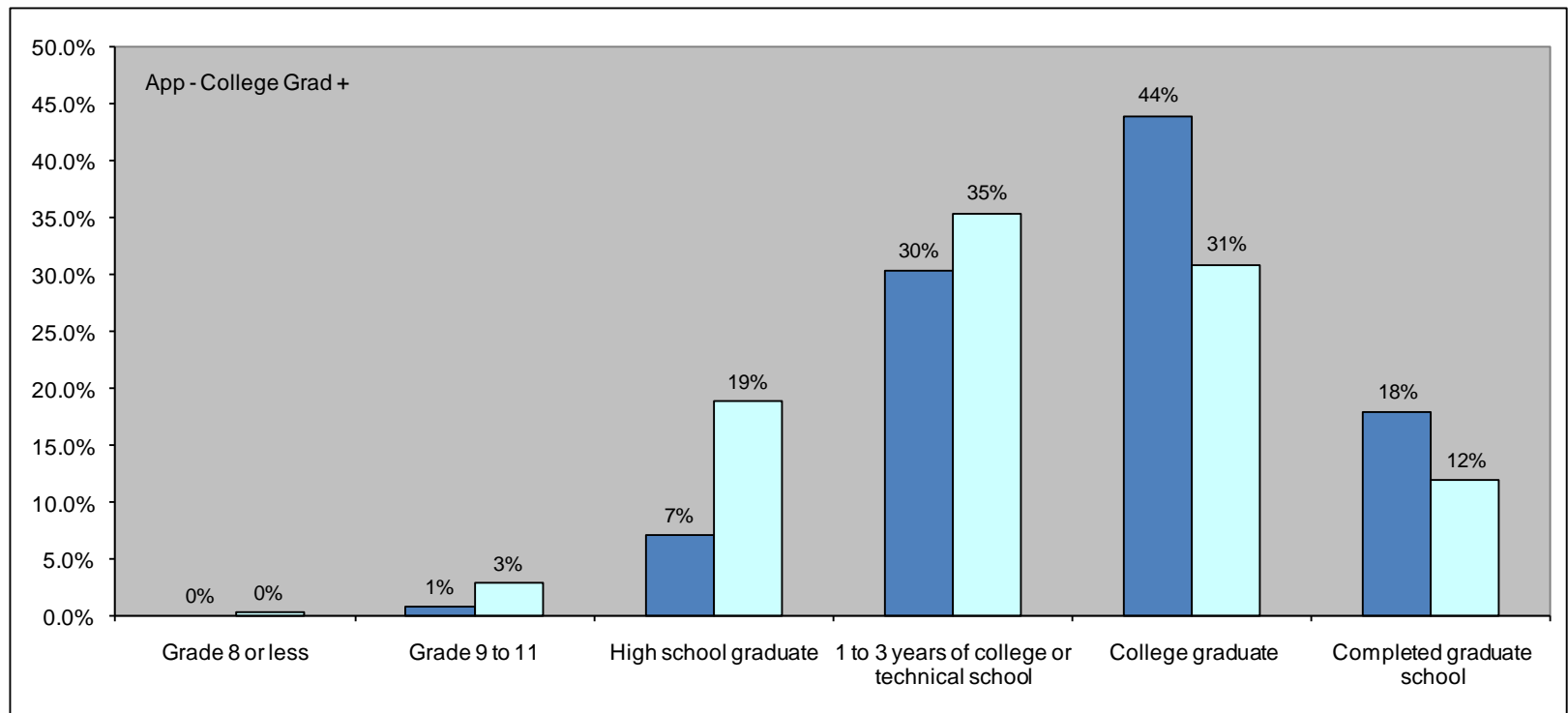
Housing Type



Age



Education

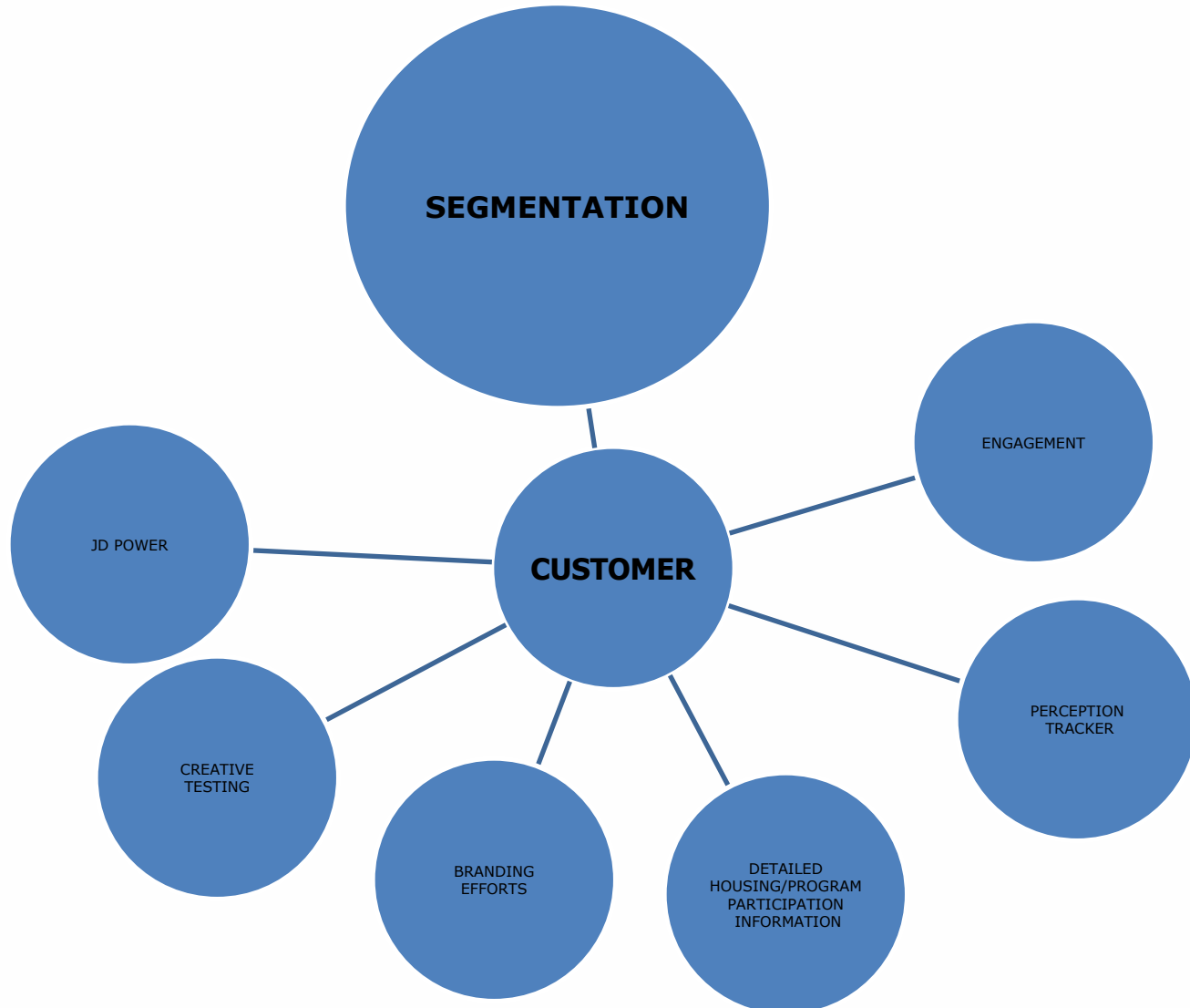


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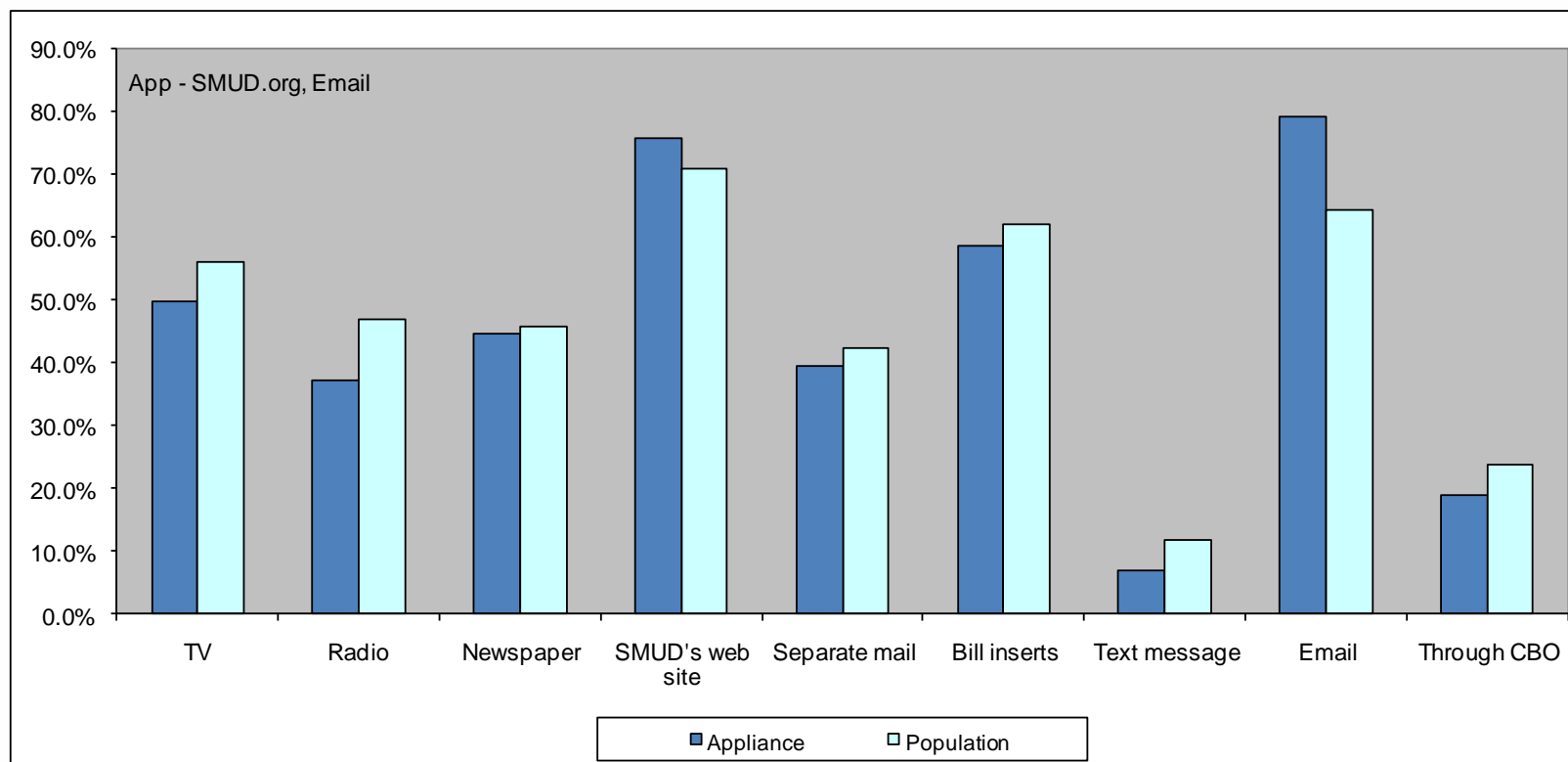


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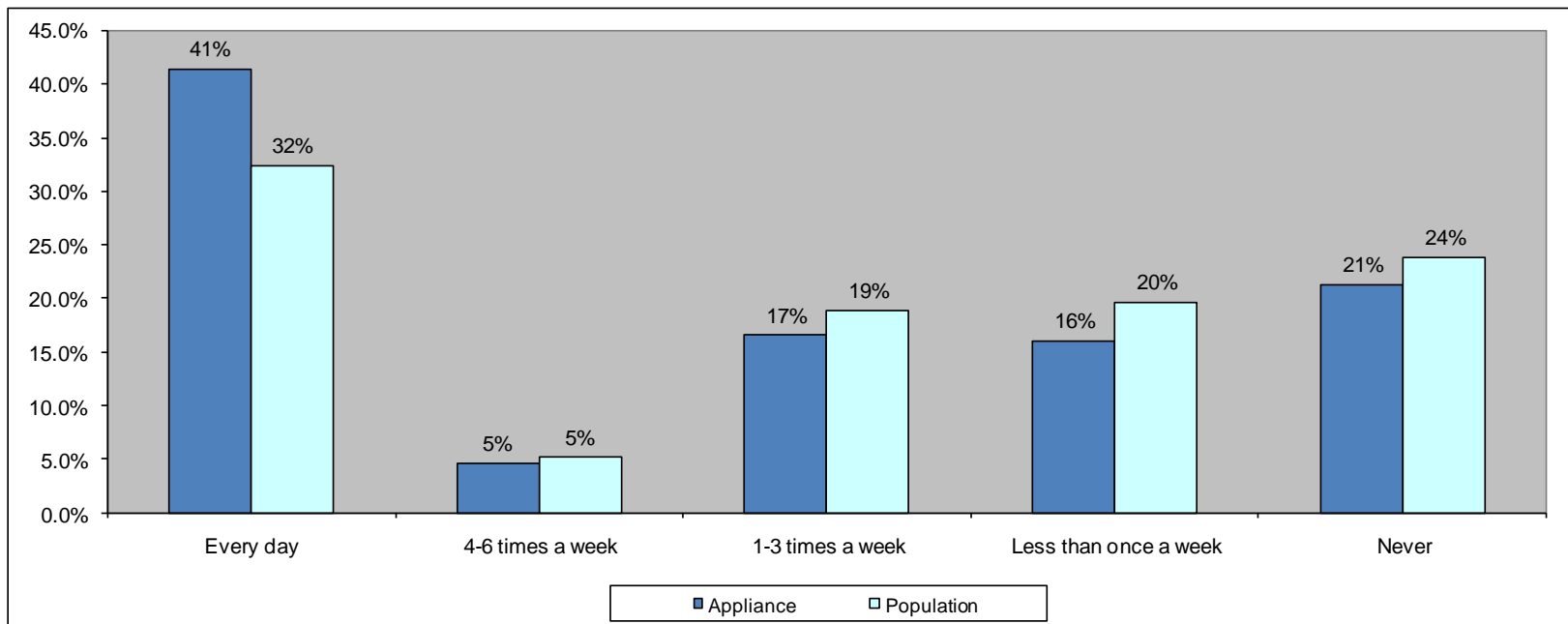


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Preferred SMUD Channels



Read the Newspaper



Appliance Rebate Program Findings

- **Programs They are Participate In and Concept Interest**
 - Participation: Greenergy, EFT, Medrate, HP, PP, ACLM 3
 - Concepts: Energy Reports and pay bill online
- **Energy Usage and Housing Information**
 - Use about 30% more energy (kWh) than the population
 - Primarily single family home owners whose homes are about 25% larger than the population
 - Have lived in their homes about twice as long (8 yrs vs. 4 yrs)
 - More likely EE behaviors: Programmable thermostat, Energy Star appliances, recycle a refrigerator, asked SMUD for advice, and addressed standby power
- **Demographics**
 - 56% are between 45 and 74 which compares to 42% for the population
 - 76% are Caucasian which compares to 63% for the population
 - 62% have a college degree which compares to 43% for the population
 - 71% are married compared to 49% for the population
 - 61% have HH income > \$75k which compares to 36% for the population



Media Habits

Appliance Rebates

- **Radio**
 - Similar to the population with News/Talk Radio and Rock leading the way
 - Radio listening times very similar to population with drive times 6:00am-10:00am and 4:00pm-6:00pm scoring the highest
- **TV**
 - Home Improvement and Education indexed marginally higher while News scored the highest
 - Times are very similar to the population with a significant prime time peak
- **Newspaper**
 - The older more educated population is more likely to read the newspaper every day (41% vs. 32%)
- **Website**
 - More likely to visit SMUD.org for general information (36% vs. 23%) to learn about saving energy (33% vs. 20%) and rebates and programs (56% vs. 26%)
 - **Preferred SMUD Channel**
 - Similar to the population but did score and index high for email; radio indexed low; and, SMUD's website and bill inserts scored high
- **Community Engagement**
 - Are more active in community groups, particularly Chamber of Commerce, Professional Association, Youth Sports, and Political Group



Questions?

- Thank You
- Lisa MacKie @ 916-732-5163



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