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When Marketing Energy Efficiency, Who are We Marketing To?

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Here's a hint: it ain't us. By virtue of the fact that we already work in the energy efficiency industry, we are typically more interested and engaged in this topic than most people are. Too often, when we put together marketing plans, messaging and tactics, we ask our co-workers, our friends or our family members to offer their critique. Unfortunately, they are not in our target market, so their feedback isn't necessarily all that helpful, and it can even be counterproductive.

Also, we aren't (or shouldn't be) marketing to stereotypes either. "Californians care about energy efficiency" or "conservatives don't care about the environment" are blanket statements that are not always true. And yet, in our haste to implement marketing programs, it's easy to fall into the trap of using either stereotypes or personal opinions to drive marketing efforts.

But there is a better way. By spending a little time up front learning about your audience, and then building messages and tactics that are meaningful to that particular group, you can greatly increase the effectiveness of your marketing.

At the broadest scale, a potential audience could be all utility rate payers. Some might believe a mass approach is best. But the fact remains that, for most energy efficiency programs, mass marketing is not a cost-effective option. Mass marketing can be great for raising awareness and certainly has a role within a utility's overall marketing efforts, but it rarely makes sense for a specific energy efficiency program. Realistically, not every rate payer is going to be a good match for every program.

So, in order to effectively target customers, we need to understand who is most likely to "buy" or enroll in your program. Are they more likely to live in certain neighborhoods? Are they homeowners? Young singles? And to effectively target them, we want to go beyond just simple demographics and look at how people think, feel and behave. For example: Where do they shop? How likely are they to use new technologies? This info will help to build a cost-effective campaign that specifically targets those most likely to participate in your program. Further, it allows you to develop targeted messages and tactics that will appeal to your targeted audience.

Some examples of how this can work:

- For one of our programs, we are working in a state that is politically conservative and not traditionally thought of as a strong market for energy efficiency. But what we found through our research is that “preservation” and “conservation” are concepts that resonate with a large segment of the population. By framing our programs in these terms, they become much more appealing than a straight “save energy” message.
- We know that moms are often the decision makers when it comes to energy efficiency purchase decisions. But did you know that they are also some of the biggest consumers of mobile apps? According to a 2011 study (by BabyCenter), smartphone use by moms has exploded 64 percent in the last 2 years and 46 percent have taken action after seeing an ad on their smartphone. Clearly, if this is the market you want to reach, mobile needs to be a consideration in your marketing mix.
- Although younger adults often have the greenest attitudes, in many of our programs the people taking action are middle-aged or older. As a result, we have shifted our marketing messaging and tactics to appeal to an older demographic.

The key takeaway? Guard against your assumptions! What we think is true may not be. It is important to look at the data to make sure that our assumptions are correct.

Once we have decided to use data to drive our marketing plans, we need to find which data is most applicable. I am a believer in the idea that some data is better than no data, more data is even better, but there is such a thing as too much data. Think carefully about how you will use the data and how much capacity you have for analysis before getting started. Then, from least expensive to most expensive, here are some ideas for sources of data:

1. **Utility data** – yes, the utilities often have a lot of information on customers, their energy usage, and their participation in past programs. Although sometimes this can be difficult to get at, it can be a powerful source of information.
2. **Free data** – such as census data, information on new home starts and other publically available data, usually from government resources.
3. **Purchased data** –organizations such as Nielsen, Shelton Group, or Experian can be a rich source of particularly consumer-related data.
4. **Simple data collection** – short online surveys, questions on incentive applications or focus groups can be a great way to get targeted data for your specific issue.
5. **Large-scale demographic research studies** – the most time and budget intensive, these studies usually make sense at a utility level where multiple programs can benefit from the data.

Marketing that is based on our intuition or on what appeals to us sometimes works. But marketing based on real data is much more cost-effective and much more likely to drive real results. What data are you using to build your marketing plans?

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