

Connecting with the Customer

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CEE Winter Program Meeting

San Francisco, CA

Purpose and Outline

- 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

- Outline:
 - Industry Challenges and Executive Directives
 - Tools for Compact with Customer
 - Segmentation
 - Creative Development
 - Perception Tracker
 - Branding
 - Gallup
 - AMI

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

Industry Challenges



- SB1
- AB 2021
- SB 1368
- AB 32



AMI



Workforce Changes

Meeting the Challenges: General Manager Initiatives

Sustainable Power Supply



Compact with the Customer



Changing Workforce

Disconnect Between the Customer and the Industry

Bill Leblanc Slide – E Source

People Think They Are Doing Something!



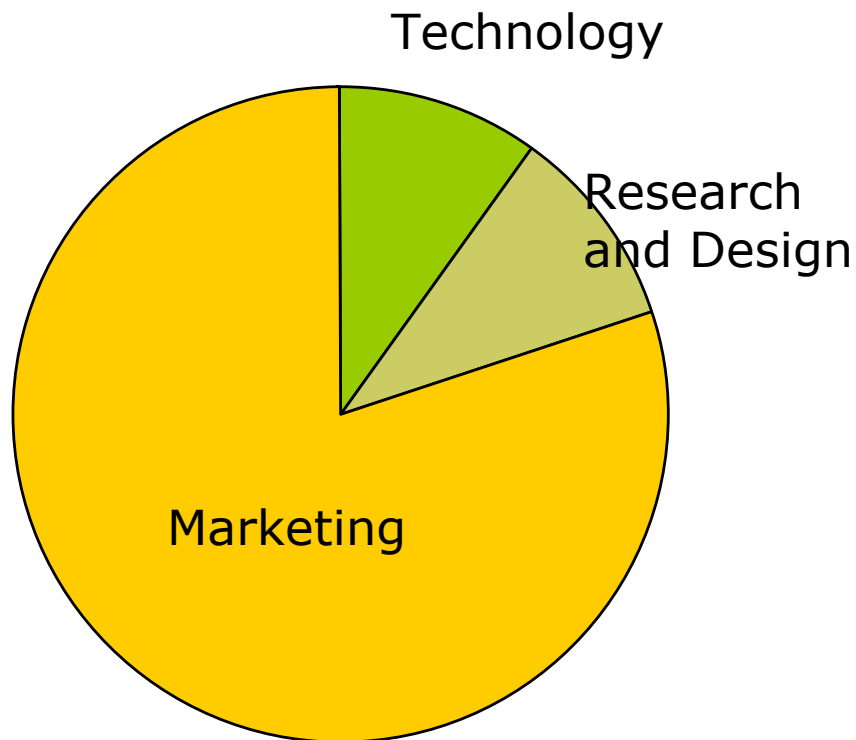
Have any CFLs?



Use a programmable thermostat?



How do we connect?



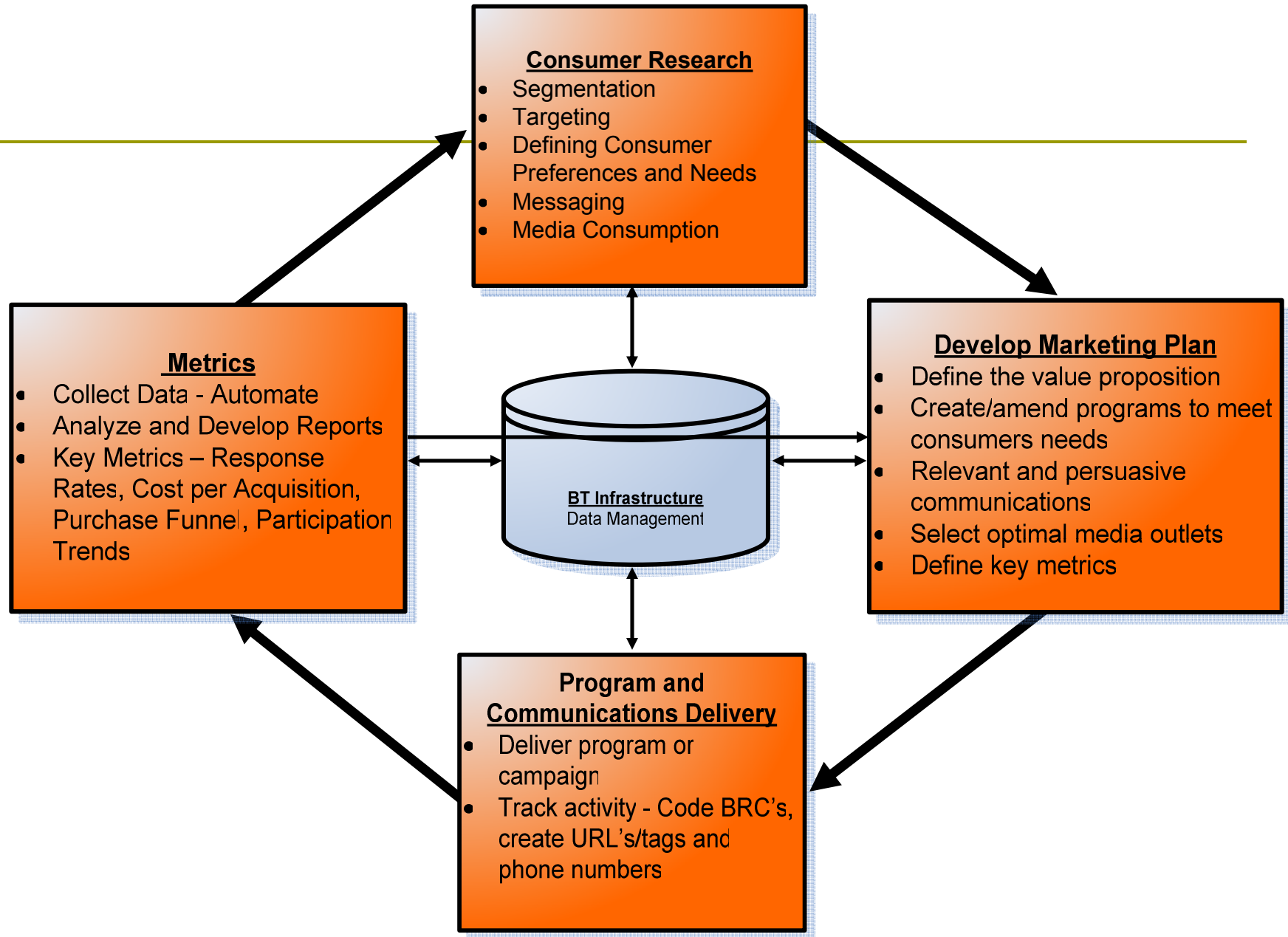
□ Marketing Elements

- Advertising
- Market Research
- Media Planning
- Public Relations
- Product Pricing
- Distribution
- Customer Support
- Sales Strategy
- Community Involvement

Focusing on the Consumer



VOICE OF THE CUSTOMER



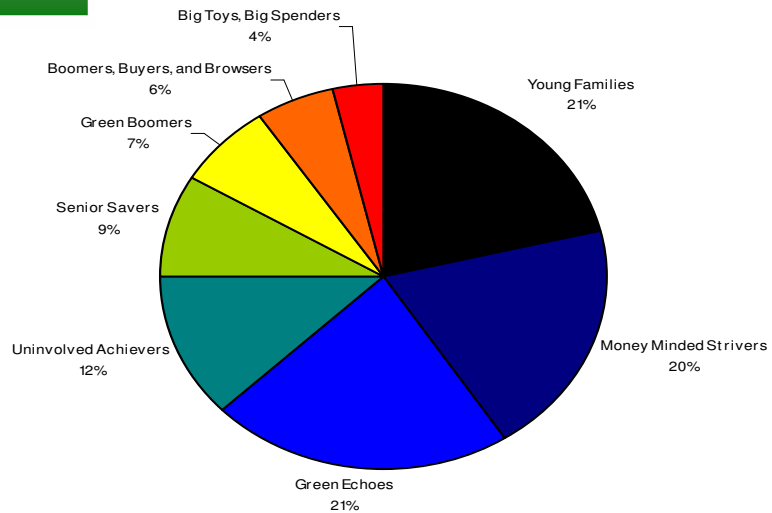
Customer Inputs



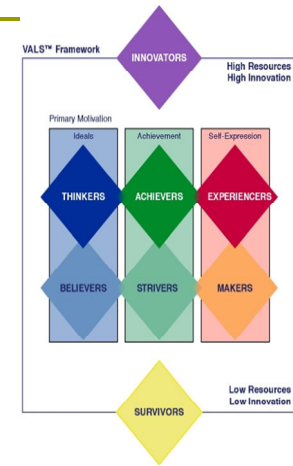
Segmentation Tools



PRIZM

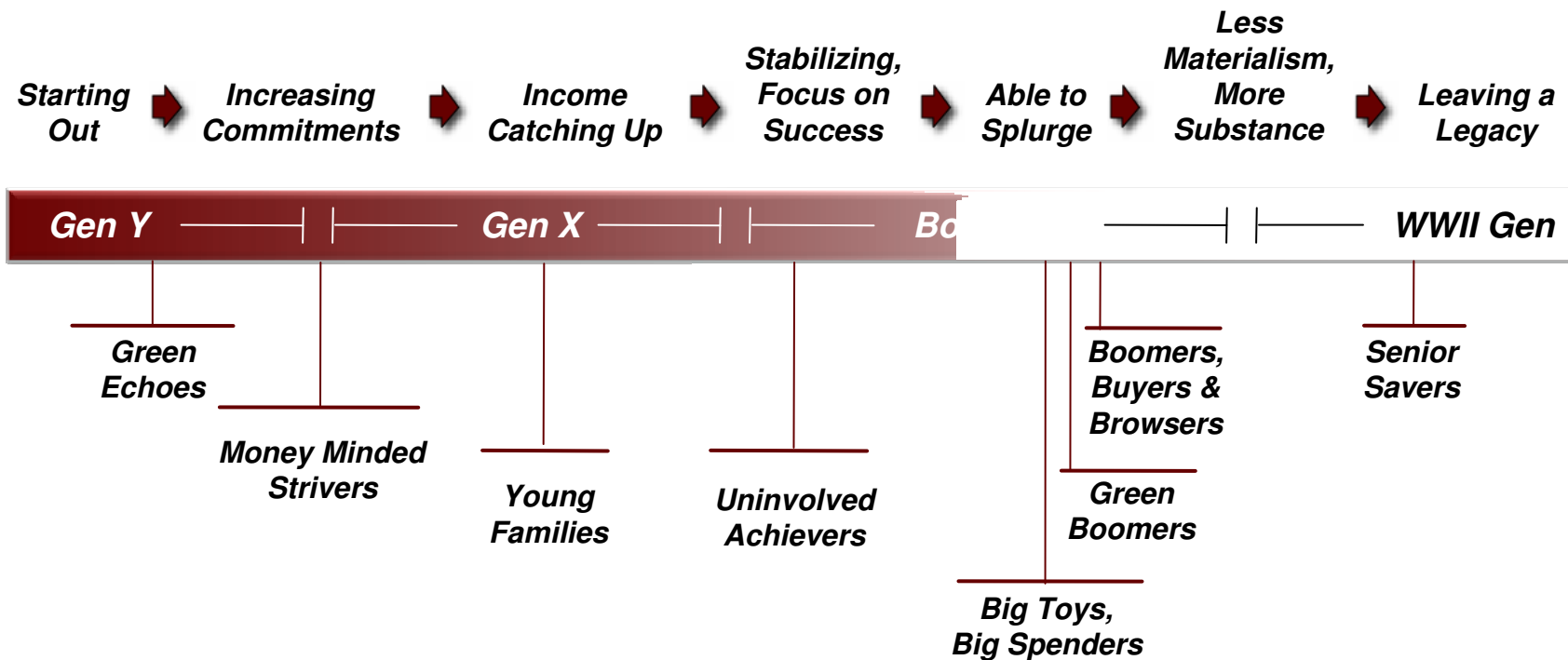


SMUD



VALS

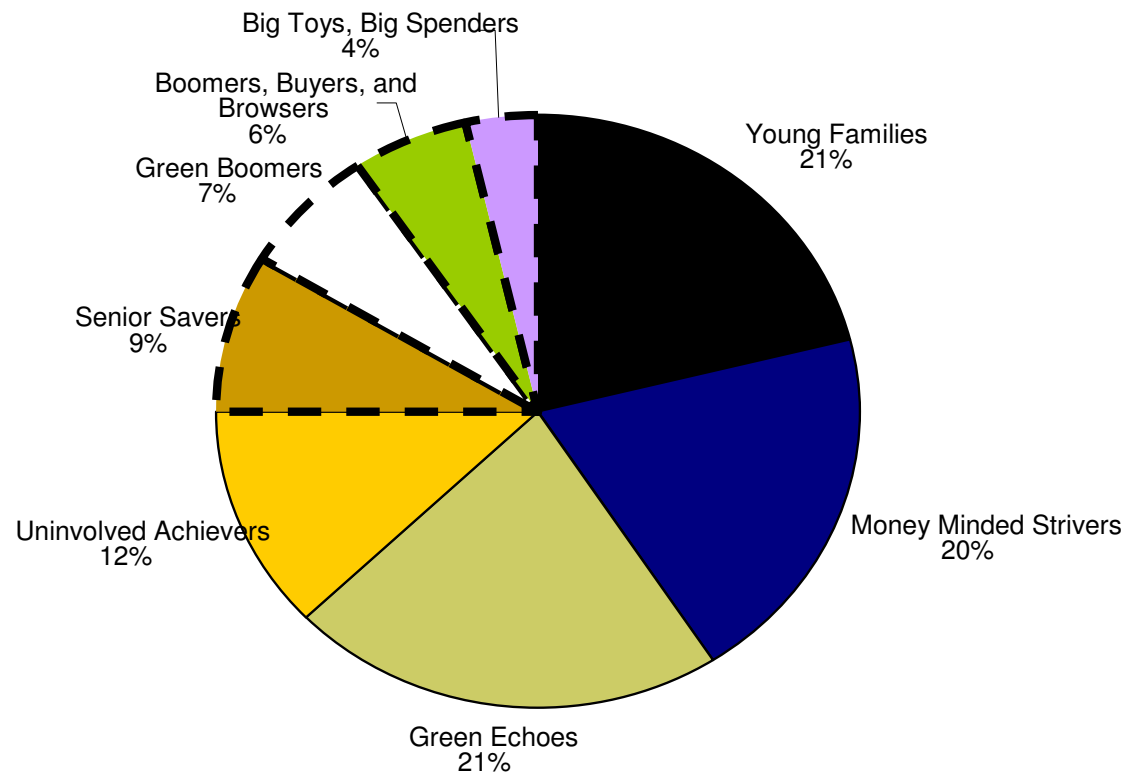
Segments by Lifestage



Residential Segment Size



- Business typically comes from a relatively small, core audience
 - SMUD currently does well with approximately 30% of the customer base, but this is not sufficient to reach our goals (15% reduction over 10 years)
 - The segmentation can help us penetrate our current core and identify opportunities to connect with new consumers

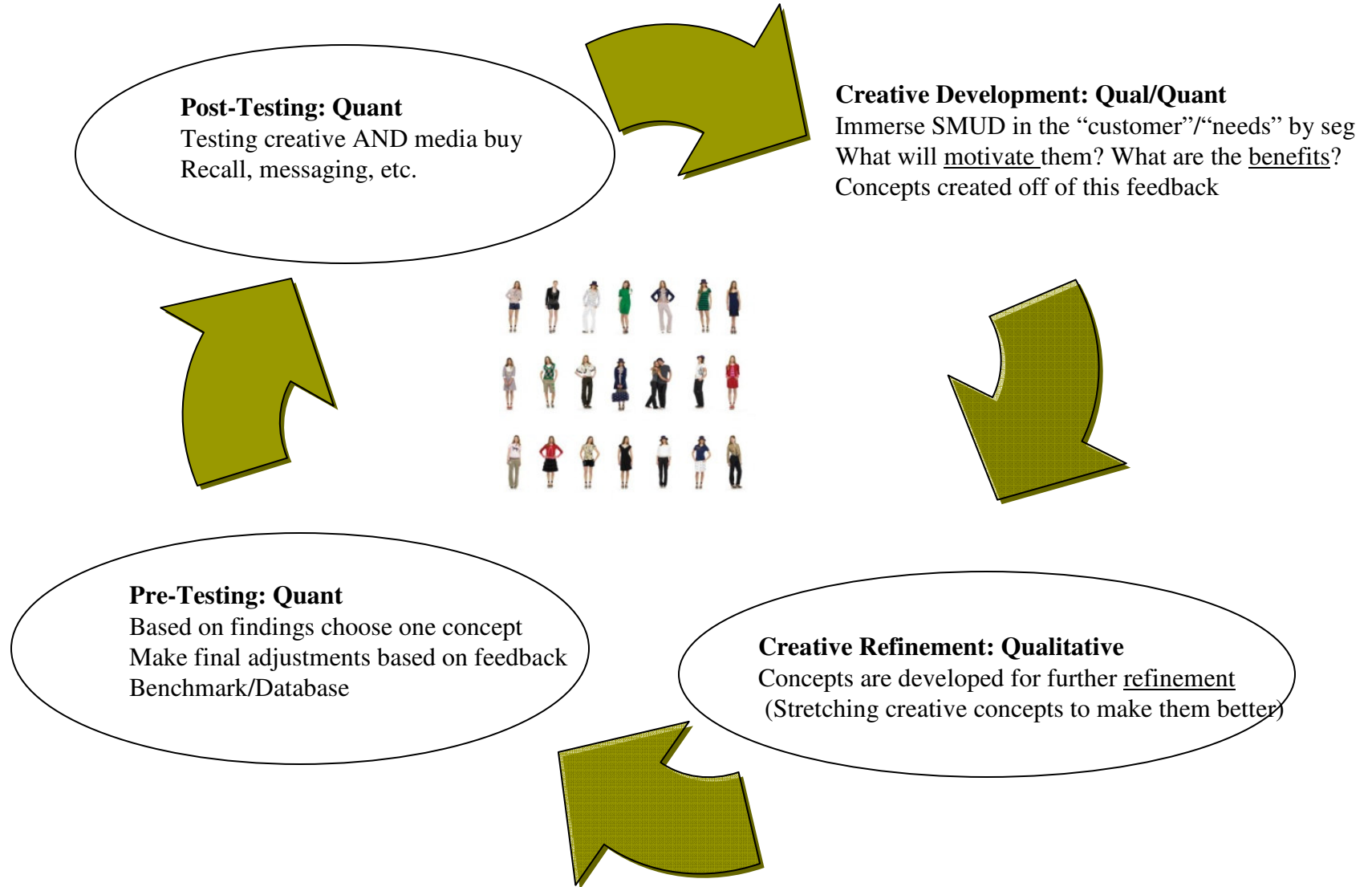


Creative Research

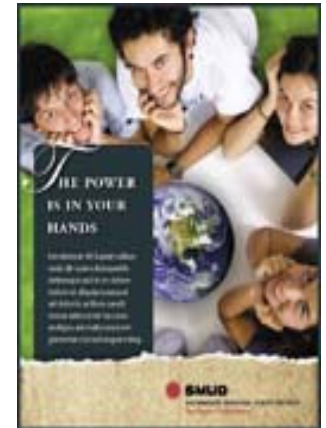
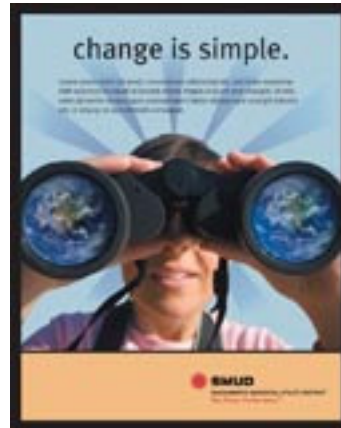
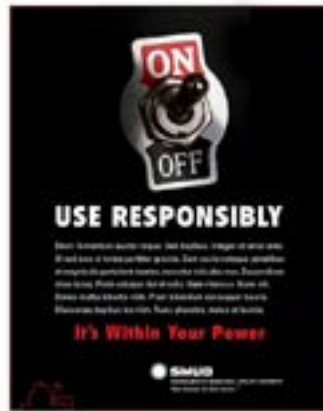


Creative Research

“Communicating the Offering so it is Relevant to the Customer”



Nine Creative Concepts



Total Score Rank



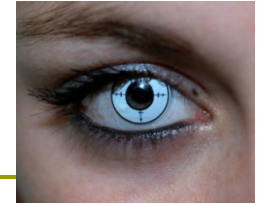
Overall Liking

% Top Box	7	4	6	1	3	1	8	9	4
% Top 2 Box	6	5	3	1	4	2	7	8	3
% Neutral	3	6	4	9	5	7	2	1	7
% Bottom 2 box	4	3	8	9	7	6	2	1	5

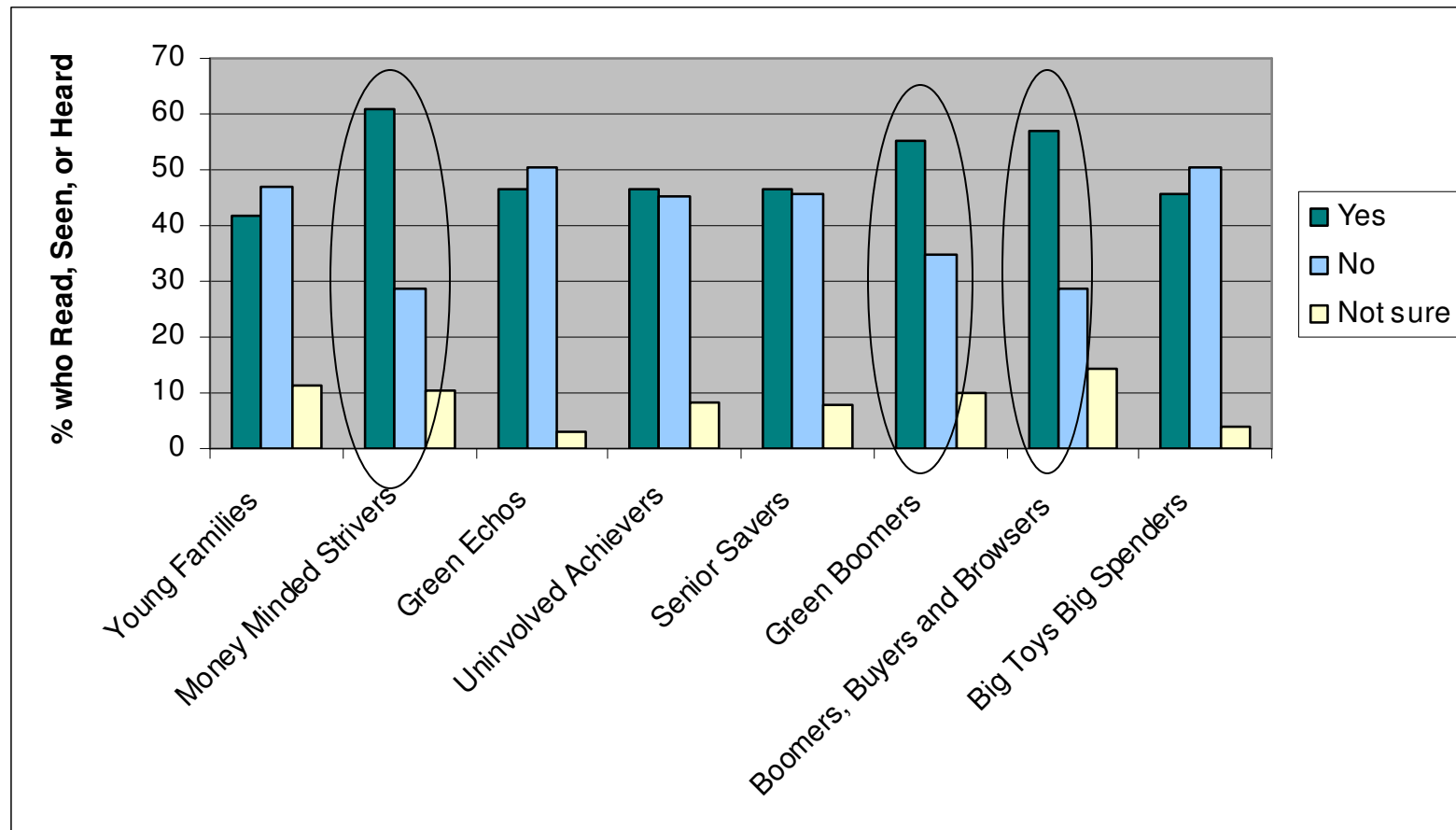
Diagnostics (Top 2 Box)

Saw the ad get my attention	6	2	7	1	4	3	8	9	5
I like the visual/images in ad	7	5	5	1	3	2	8	9	3
Message in the ad matters	7	5	4	1	2	2	8	9	6
Ad emotionally appealing	7	6	5	2	3	1	8	9	3
Ad made me think about energy use	5	2	3	1	3	6	9	8	7
The headline was motivating	7	3	6	1	3	2	8	9	5

Recall SMUD Advertising

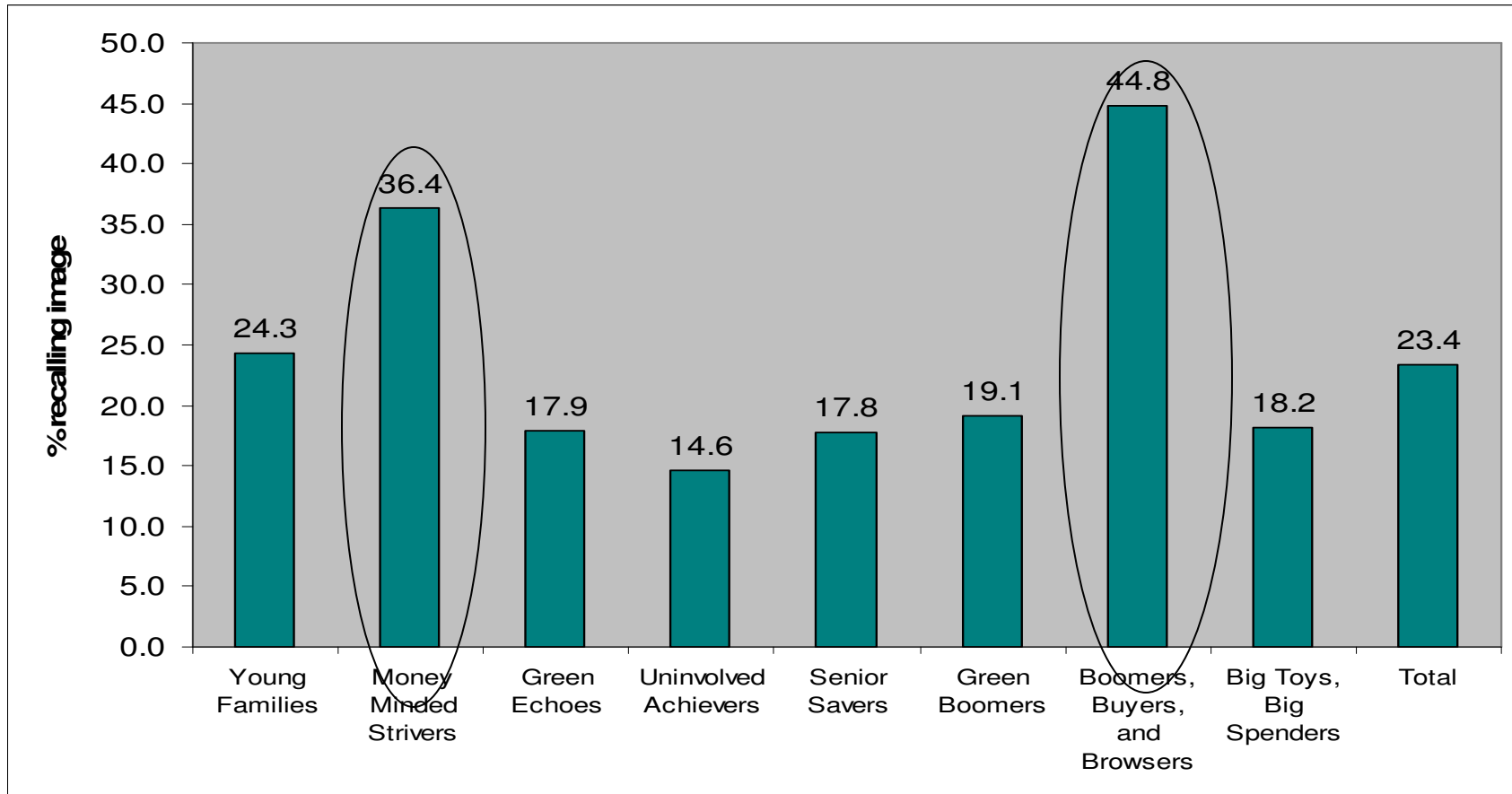


- Save Today: Save Tomorrow has “stopping power” with three segments. Not Surprising as it is delivering on needs that resonate with these segments—money and the environment



Recall Image of Girl/Globe

High imagery recall among the Money Minded Spenders and the Boomers, Buyers and Browsers segments—the two segments that had the highest SMUD advertising recall overall. Green Boomers less here—low incidence of children in home.



Media Circle



Can You Guess?

What are the top four mediums (In order) customers want to use to LEARN about SMUD programs?

- Separate mail/Direct Mail
- E-mail
- SMUD Website
- TV
- Radio
- Newspaper
- Bill Insert
- Text Message
- CBO

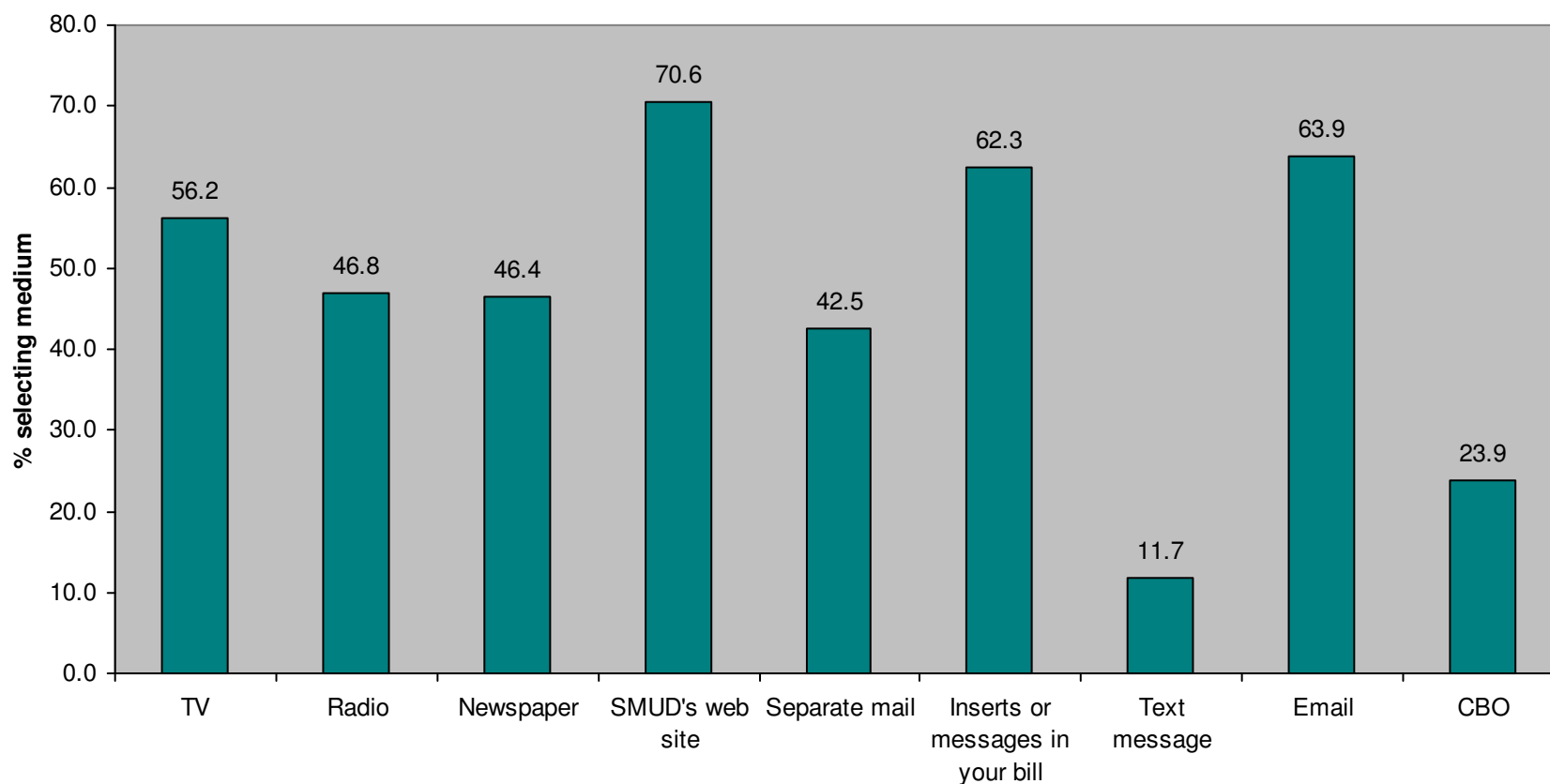
What are the top TV programs that our customer want to watch (In order)?

- News
- Sports
- Home Improvement
- Financial
- Reality
- Sit Coms
- Movies
- Drama
- Weather
- Educational



Media by Mediums

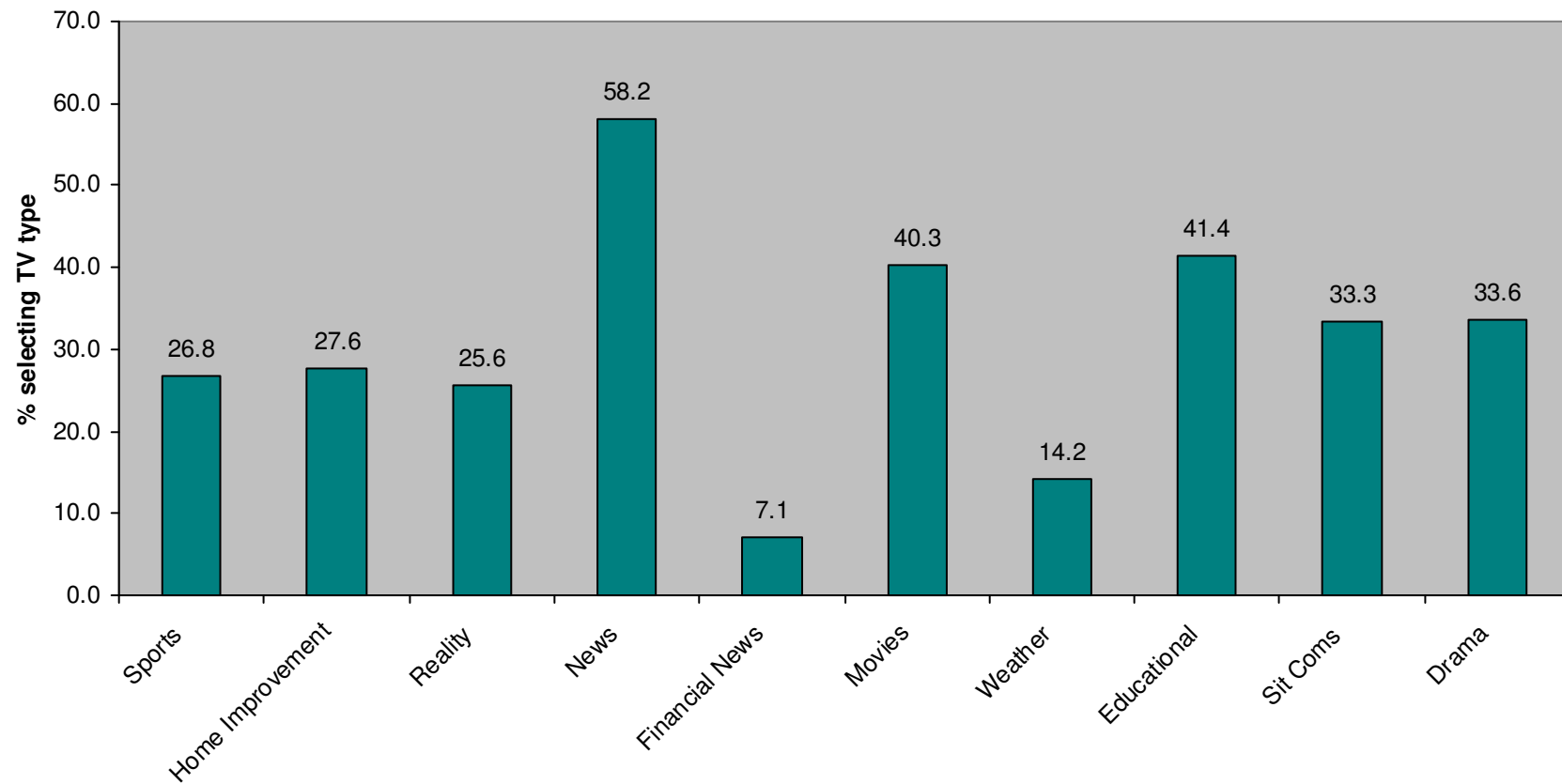
- SMUD's website, E-mail, Bill Inserts, and TV are the main mediums that customer's would like to utilize to learn more about programs and services.



TV By Total Population



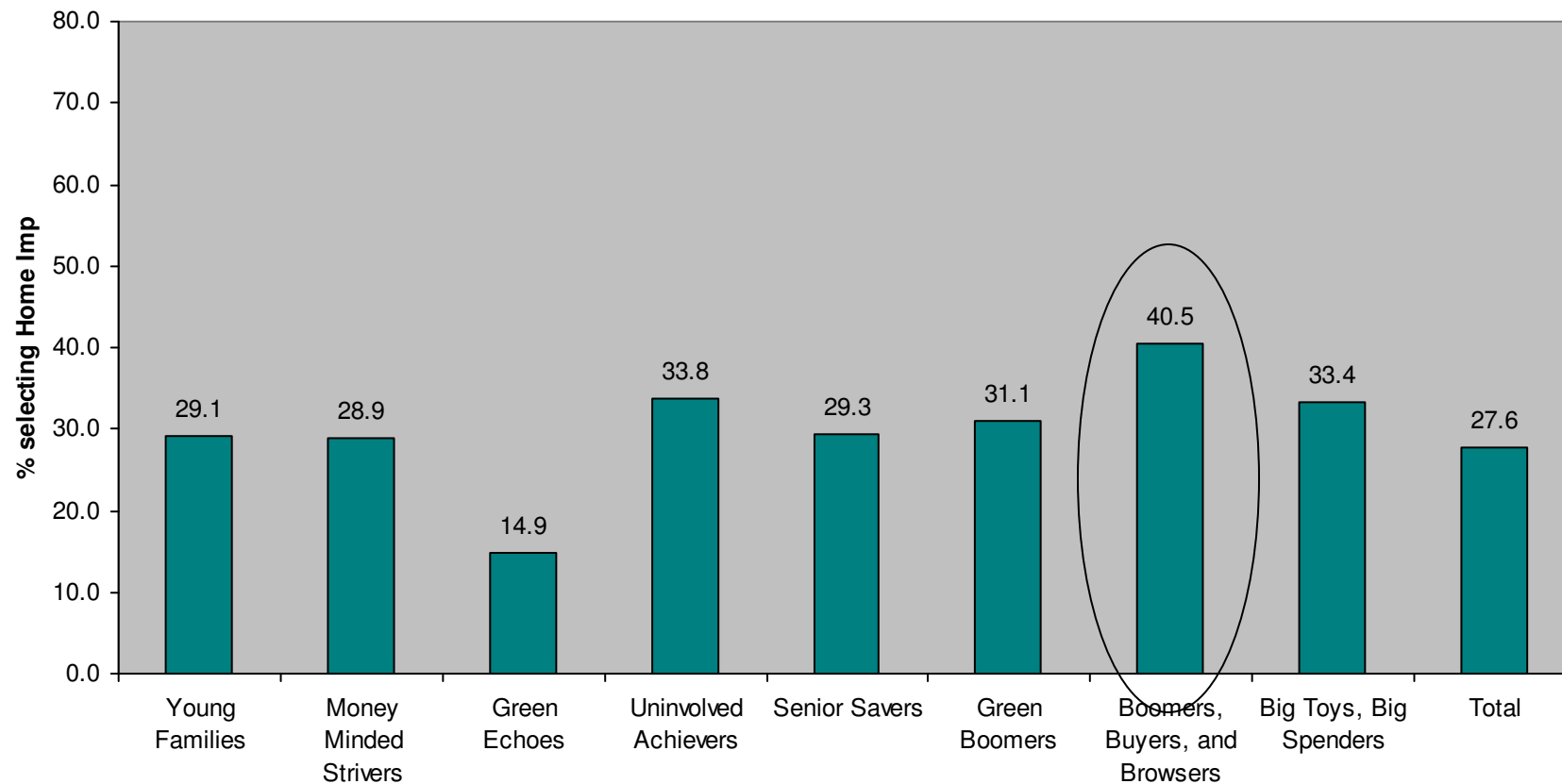
- Customers primarily watch news, educational channels, and movies.



TV: Home Improvement



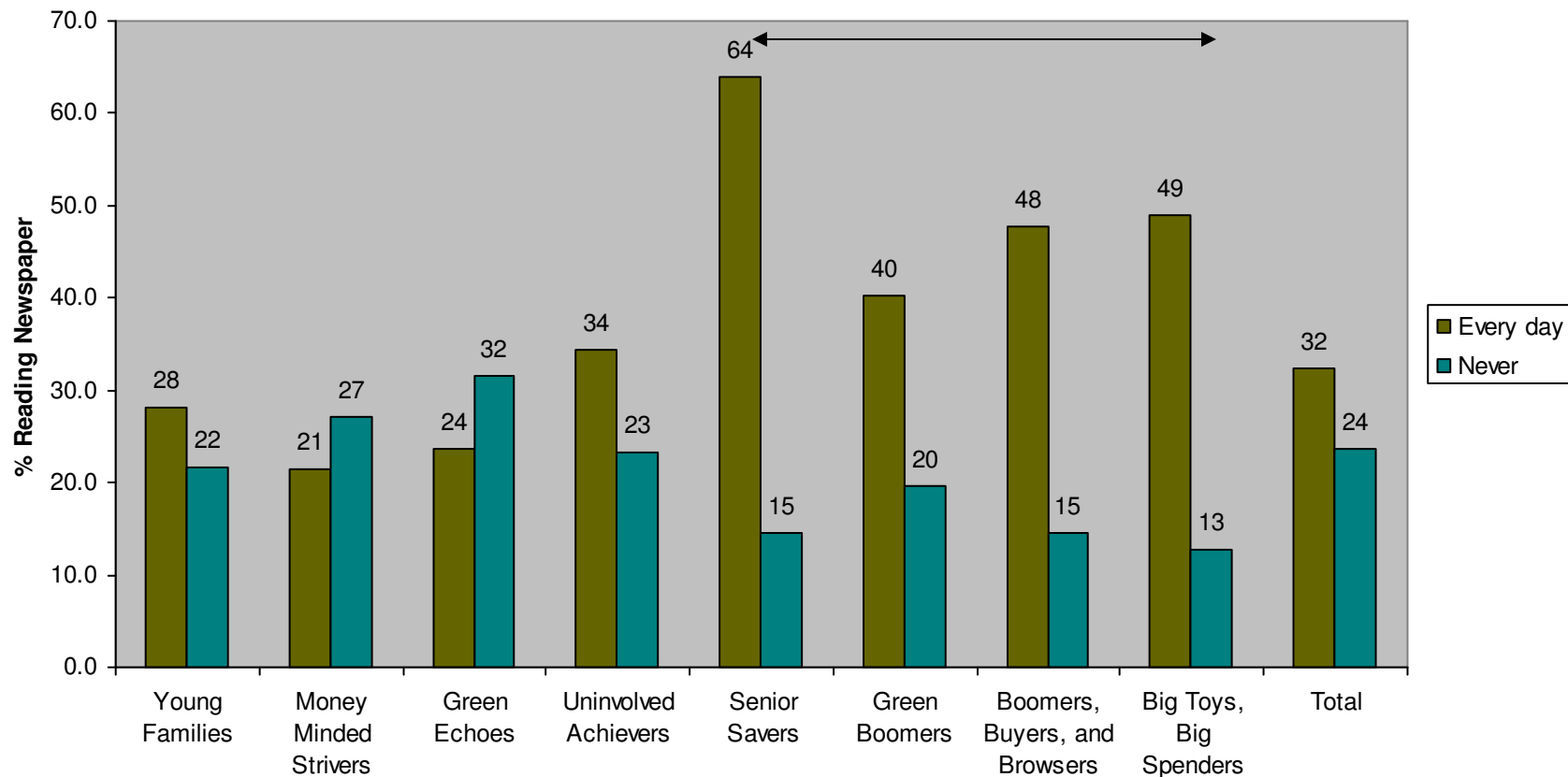
- Green Echoes score the lowest on Home Improvement programs—which makes sense because most are young and tend to be renters.
- Boomers, Buyers, and Spenders is the highest--Premium buyers who are 7x more likely to have an appliance/home improvement loan or rebate





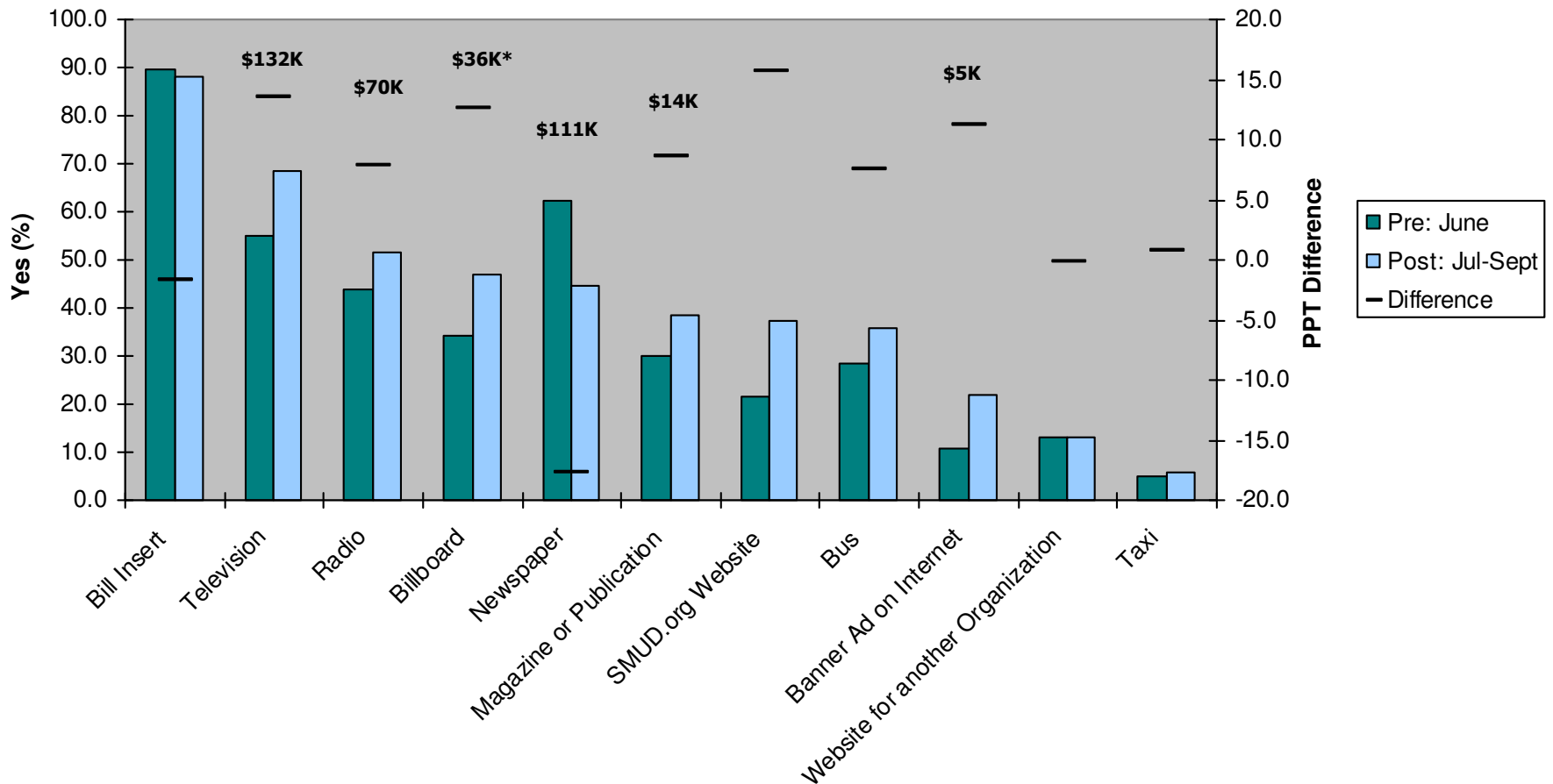
Newspaper Frequency of Reading By Segment

- The majority of our customers (7 in 10) do not read the paper on a daily basis. A quarter do not read it at all
- Senior Savers and older segments primarily read the paper daily

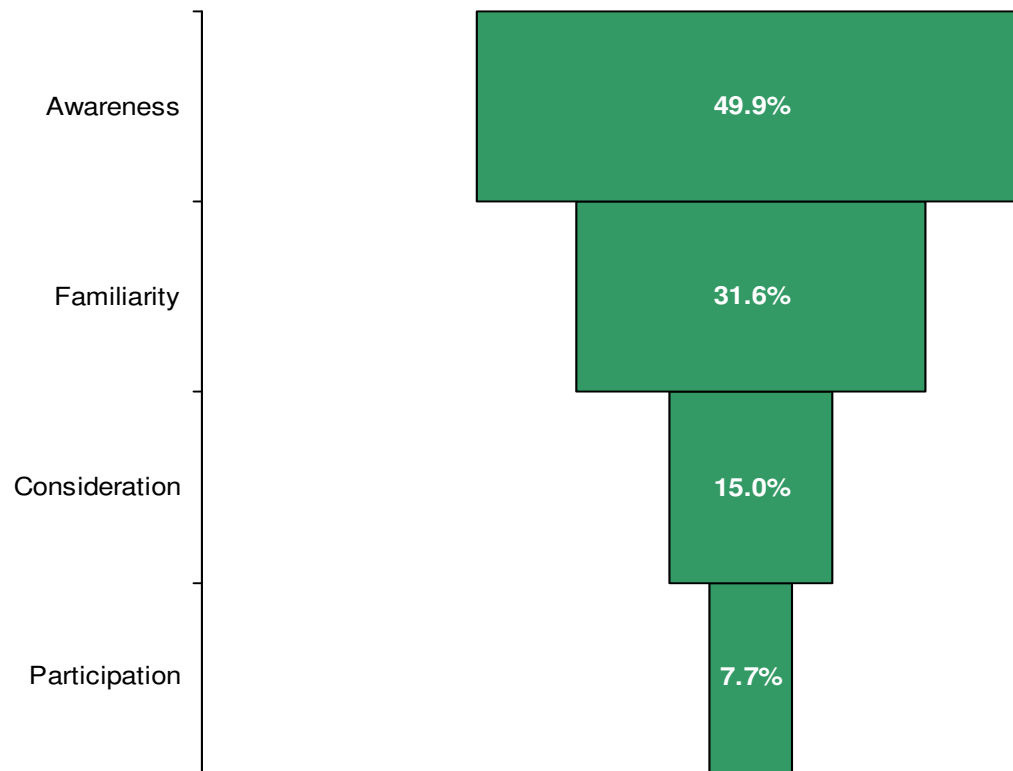


Advertising Channels: Did you read, see, or hear any SMUD advertising on... Total Pop and Spend

*Billboard also received some free time from the CSUS LED board



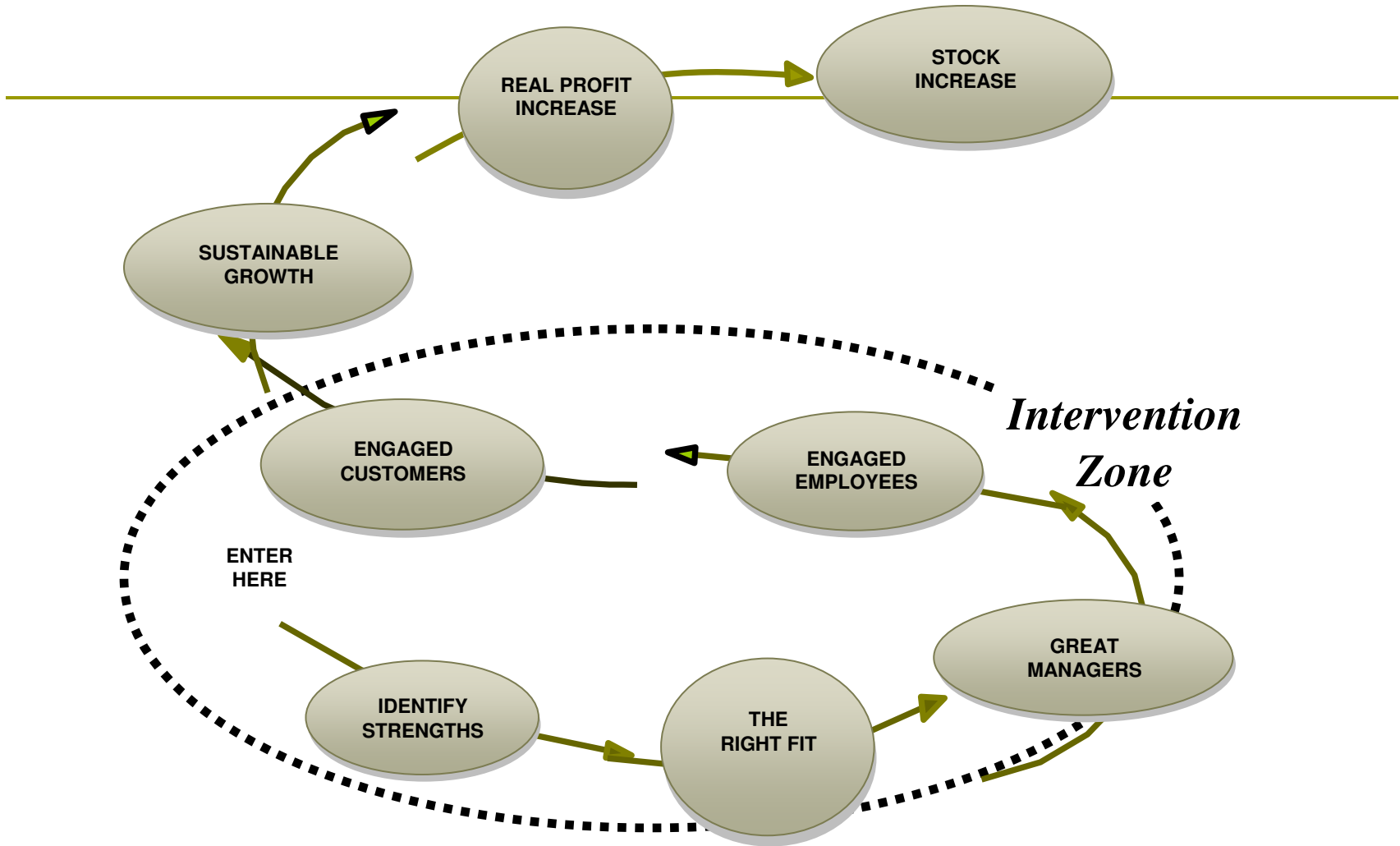
Green Echoes Funnel



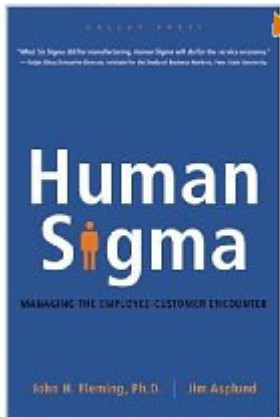
Engaging the Customer



The Gallup Path®

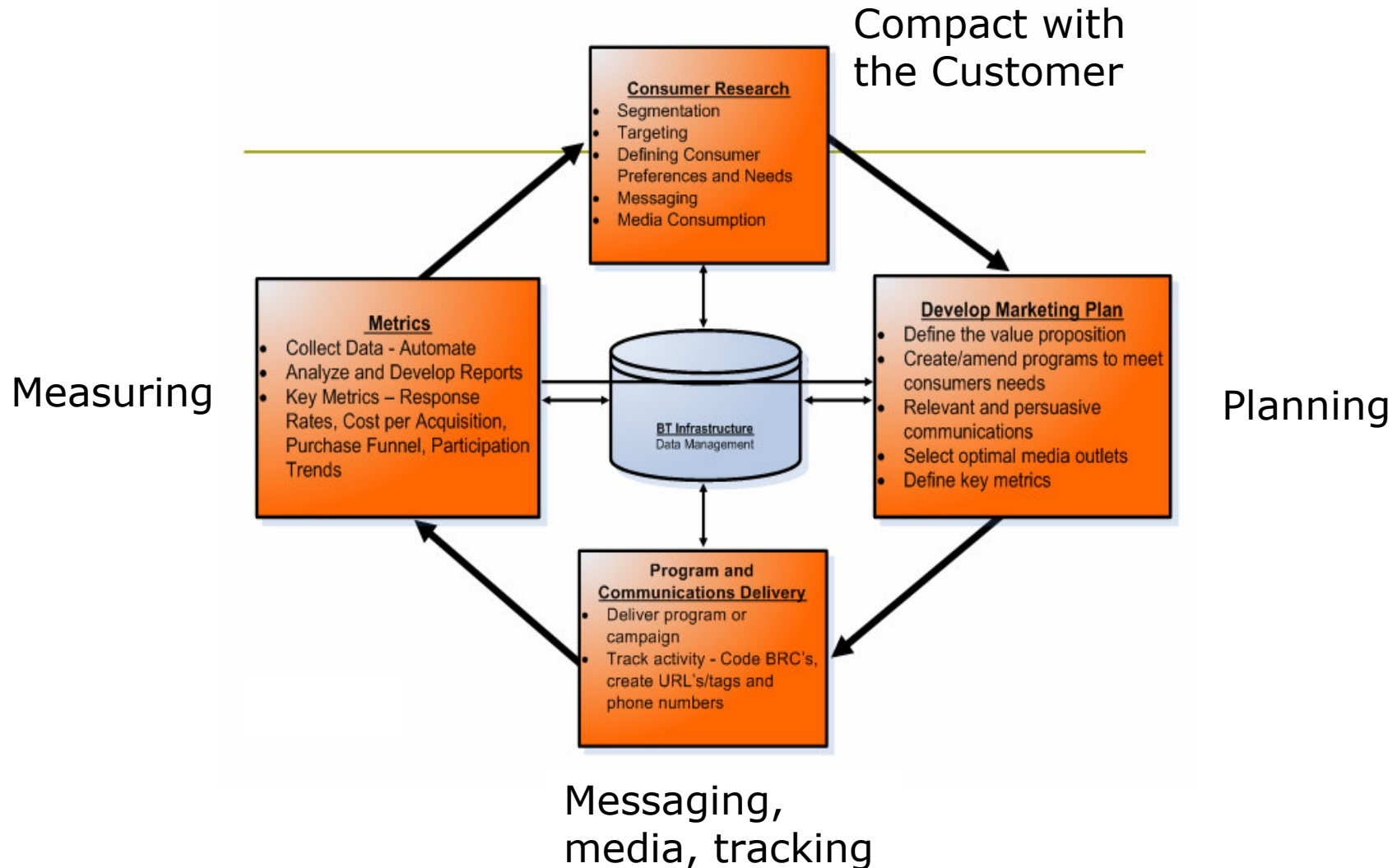


Managing the Employee-Customer Encounter



- Engagement by 8 Segments
 - Customer
 - Employee
- Tying Customer Engagement to Employee Engagement – *Human Sigma*®

Putting it all together to connect to our customers and meet our goals



Next Steps

- Partner with In-House Training to train program managers and planners
- Test segments to determine actual demography
- Continue monthly Perception Tracker
- Coordinate with CAS, Planners, Program Managers to refine messaging

Questions?



Green Echoes Funnel

