

Psychographic Segmentation of Residential Customers' Conservation Ethic



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WHAT WE DID

DATA COLLECTION

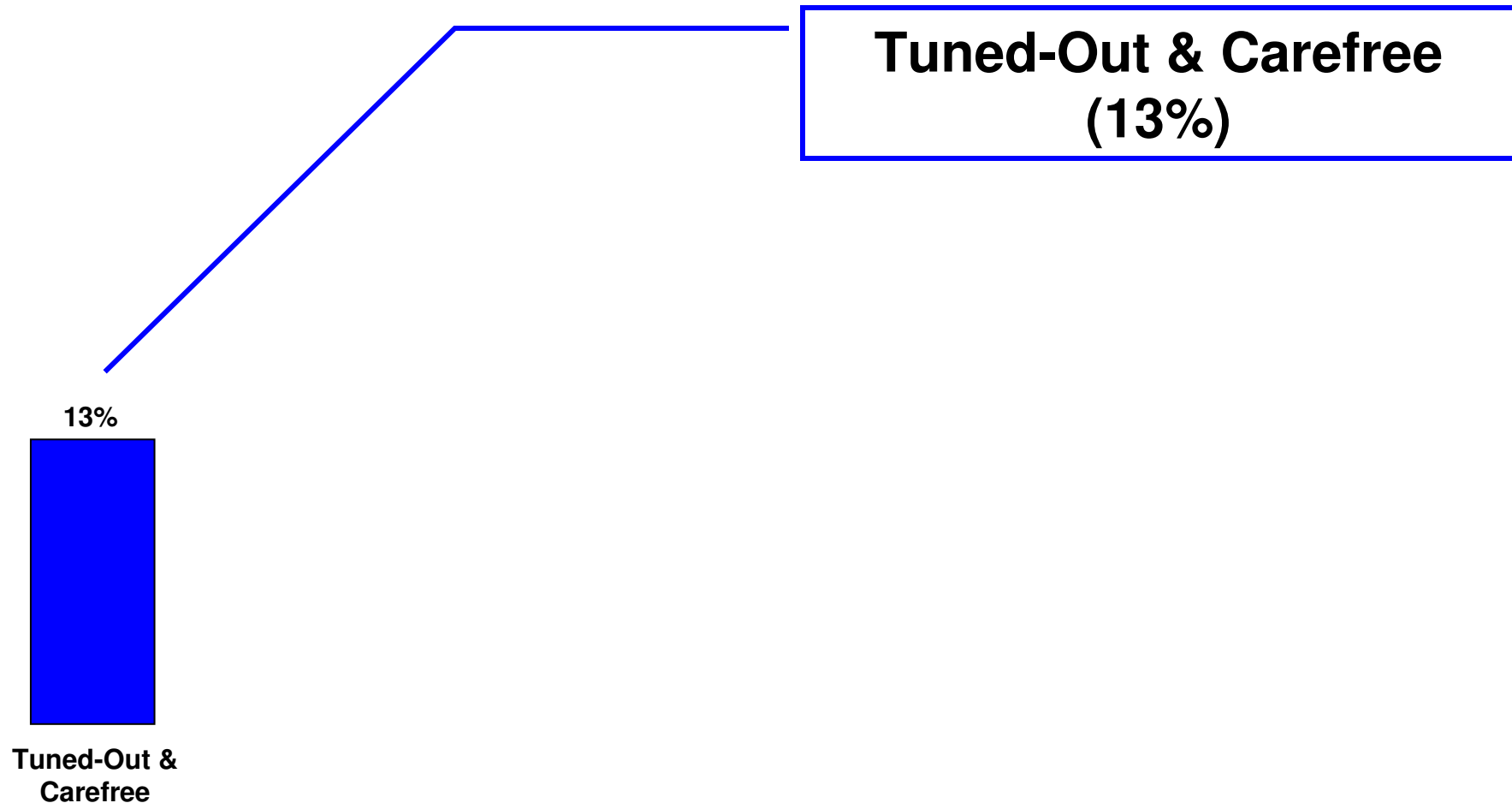
- From BC Hydro's 2006 Residential End-Use Survey.
- About 60 attitudinal and behavioural dimensions.
- Self-Administered, mixed-mode completion.
- Overall sample size of 4,338.

SEGMENTATION METHODOLOGY

- K-means Analysis (with about 30 of the dimensions).
- Segment models evaluated in terms of being measurable, substantial, accessible, actionable and differentiable.

SEGMENT INSIGHTS

- segment share of BC Hydro residential customers/households -



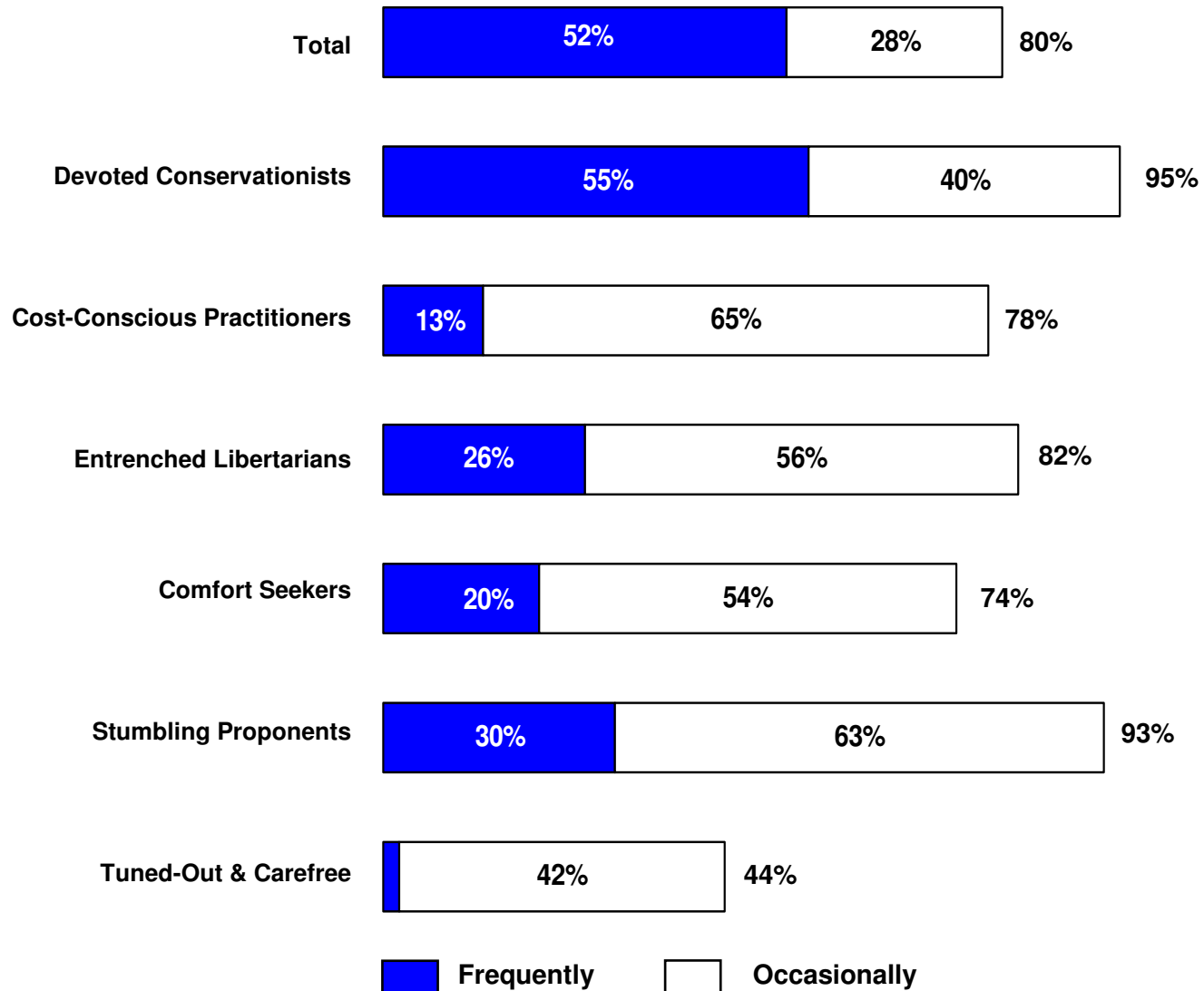
Reliable power, at low cost, for generations. Reliable power, at low cost, for generations. Reliable power, at low cost, for generations. Reliable power, at low cost, for generations.

Tuned-Out & Carefree

- **The Tuned-Out & Carefree are the most disengaged in the way that they think about and use electricity – in turn, plotting themselves at the undesirable end of the conservation spectrum.**
- **Reflecting this, they consistently emerge to have the highest billed electricity consumption across various dwelling types, heating fuels and household sizes.**
- **Lifestyle is a greater barrier to conservation than the environment is a motivator.**
- **However, as much as energy and electricity issues do not appear to be pressing concerns for them, many do believe - or perhaps “buy” into – the argument that energy conservation can be a worthwhile endeavour.**

Extent of Thinking about Energy Issues in B.C.

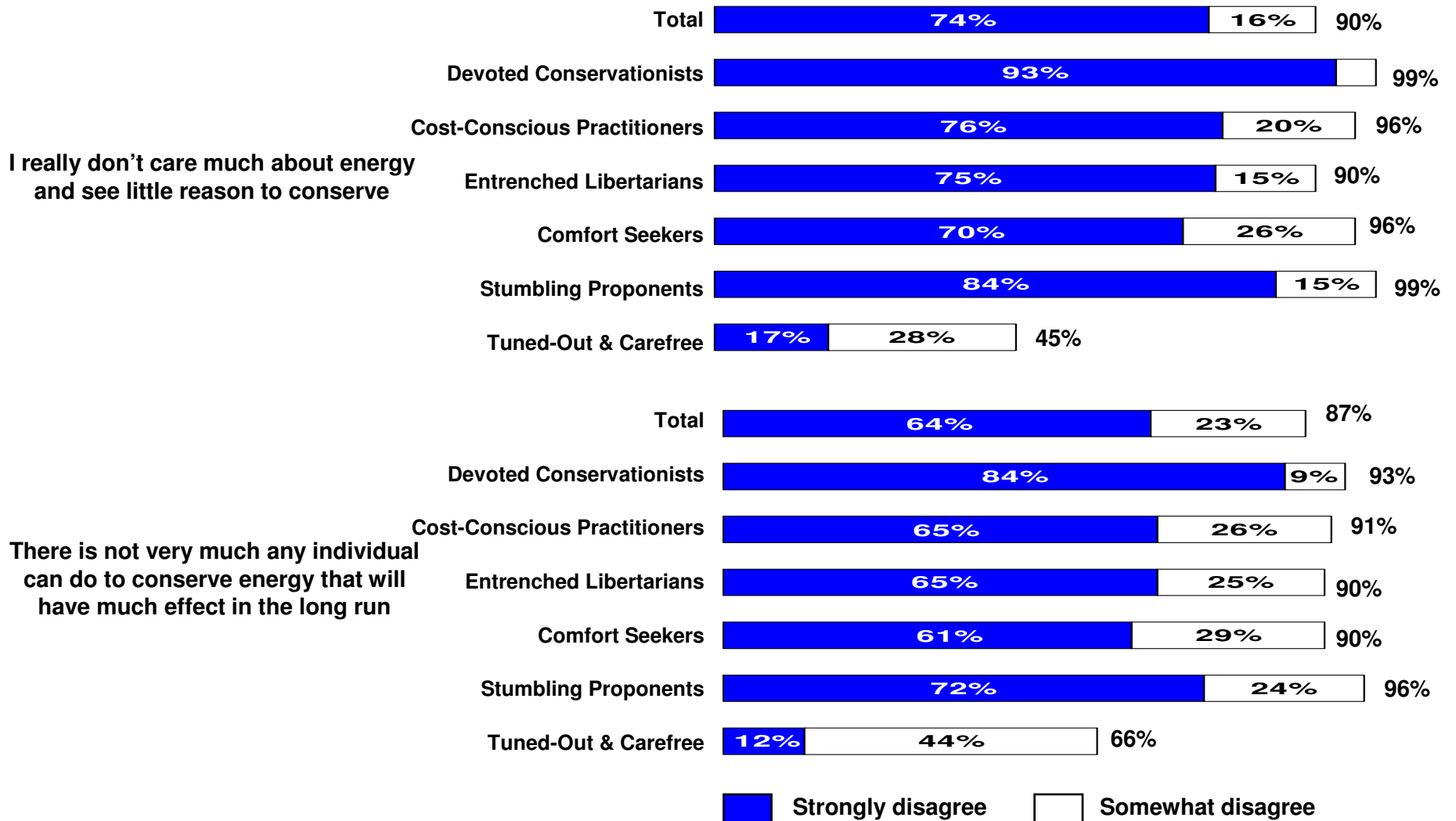
- percent saying either frequently or occasionally -



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Care, Reason and Apathy

- percent who either strongly disagree or somewhat disagree -



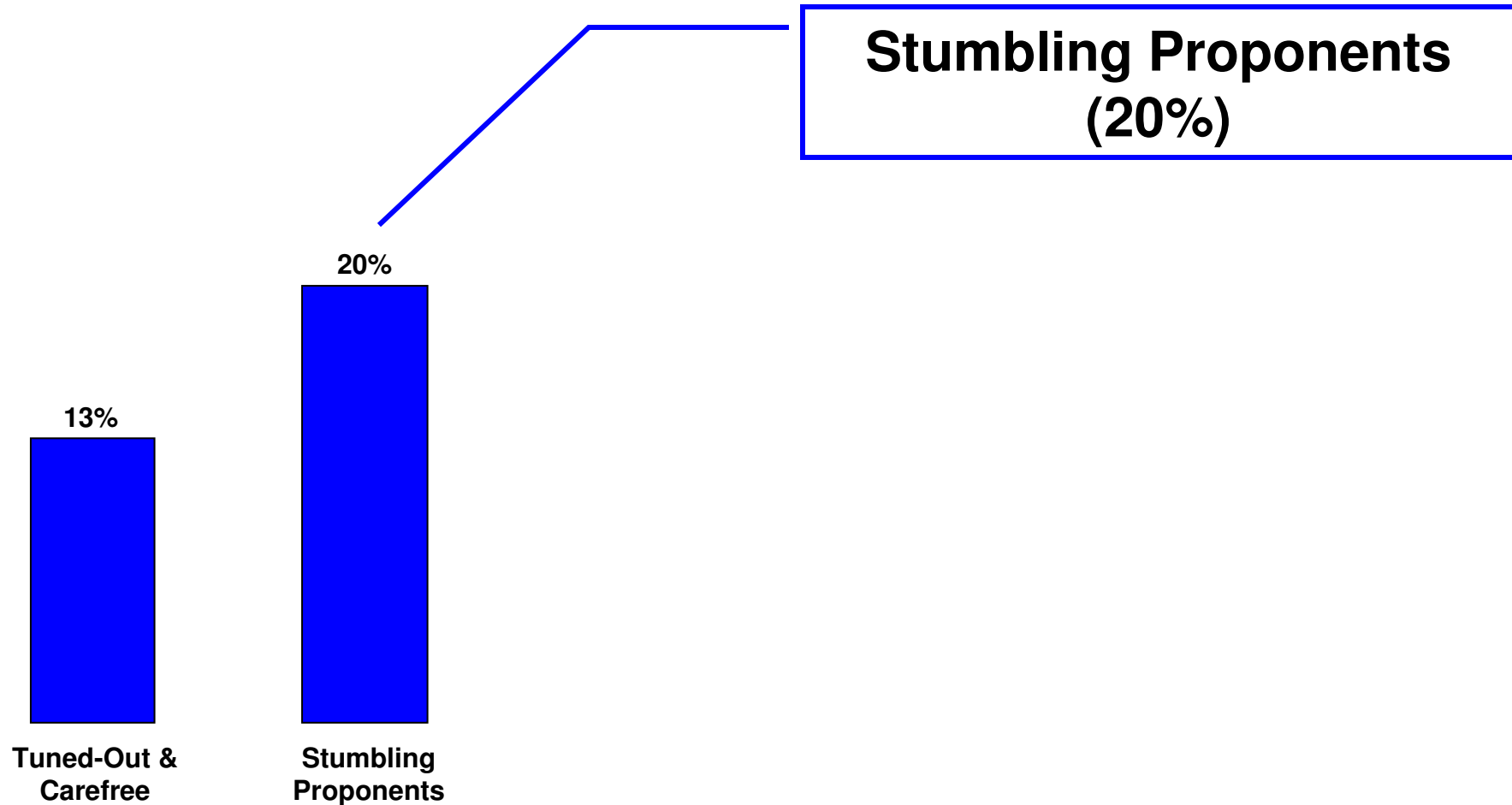
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Tuned-Out & Carefree – Demographic Profile

- Majority are male – more likely than any other segment.
- As per the population of customers, the majority are 45 + in age, but this proportion is the lowest of all segments. In other words, they are the youngest of the segments.
- More likely than any other segment to live in Metro Vancouver.
- Slight over-proportion of condo/apartment dwellers.
- Less likely than all others to own their own home.
- But, highest household incomes.

SEGMENT INSIGHTS

- segment share of BC Hydro residential customers/households -



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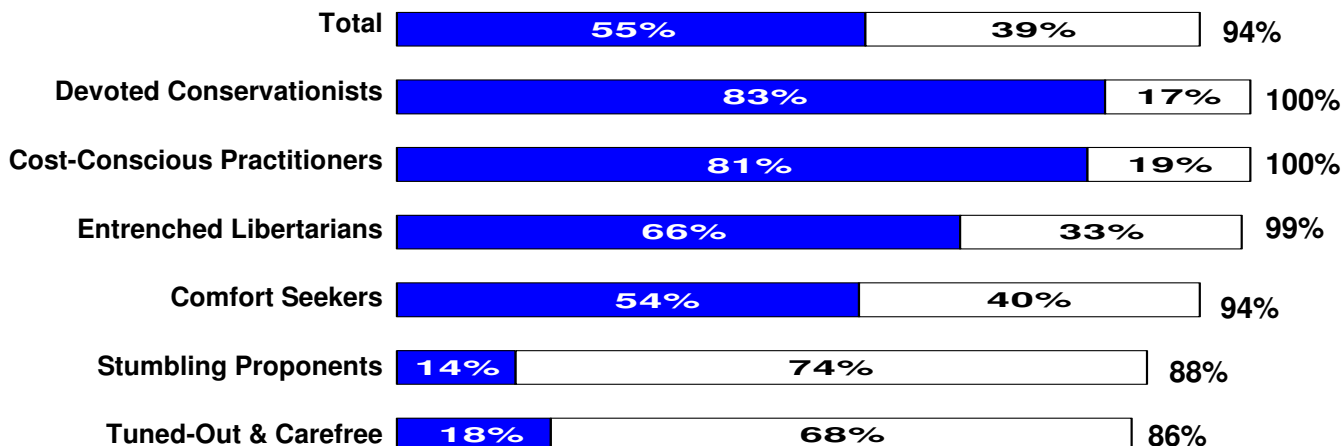
Stumbling Proponents

- **The Stumbling Proponents are fairly conflicted in that their behaviours do not follow in-step with their very well-intentioned attitudes and opinions around conservation.**
- **This segment demonstrates some conservation habits, but the extent and consistency to which they exhibit the desired behaviours lag well behind most others – they are nearly always in the bottom third of the six segments, and for several categories, the worst offenders.**
- **Consistently emerge in the high third of the six segments in terms of their annual electricity consumption.**

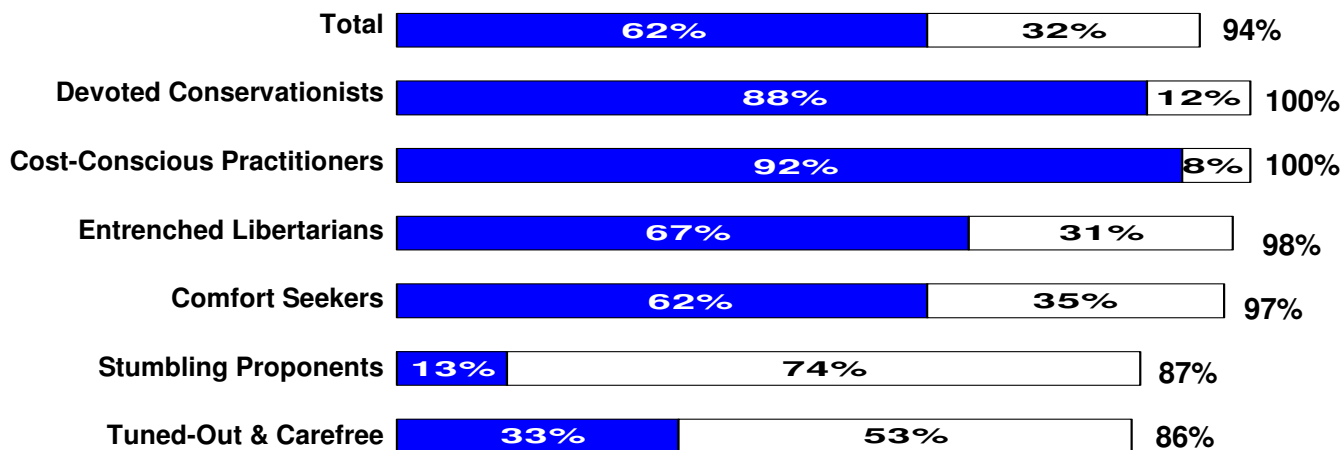
Lighting Habits

- percent who either always or usually perform the action -

Only have the minimum number of lights on in a room for what I am doing



Turn off lights when no one is in the room



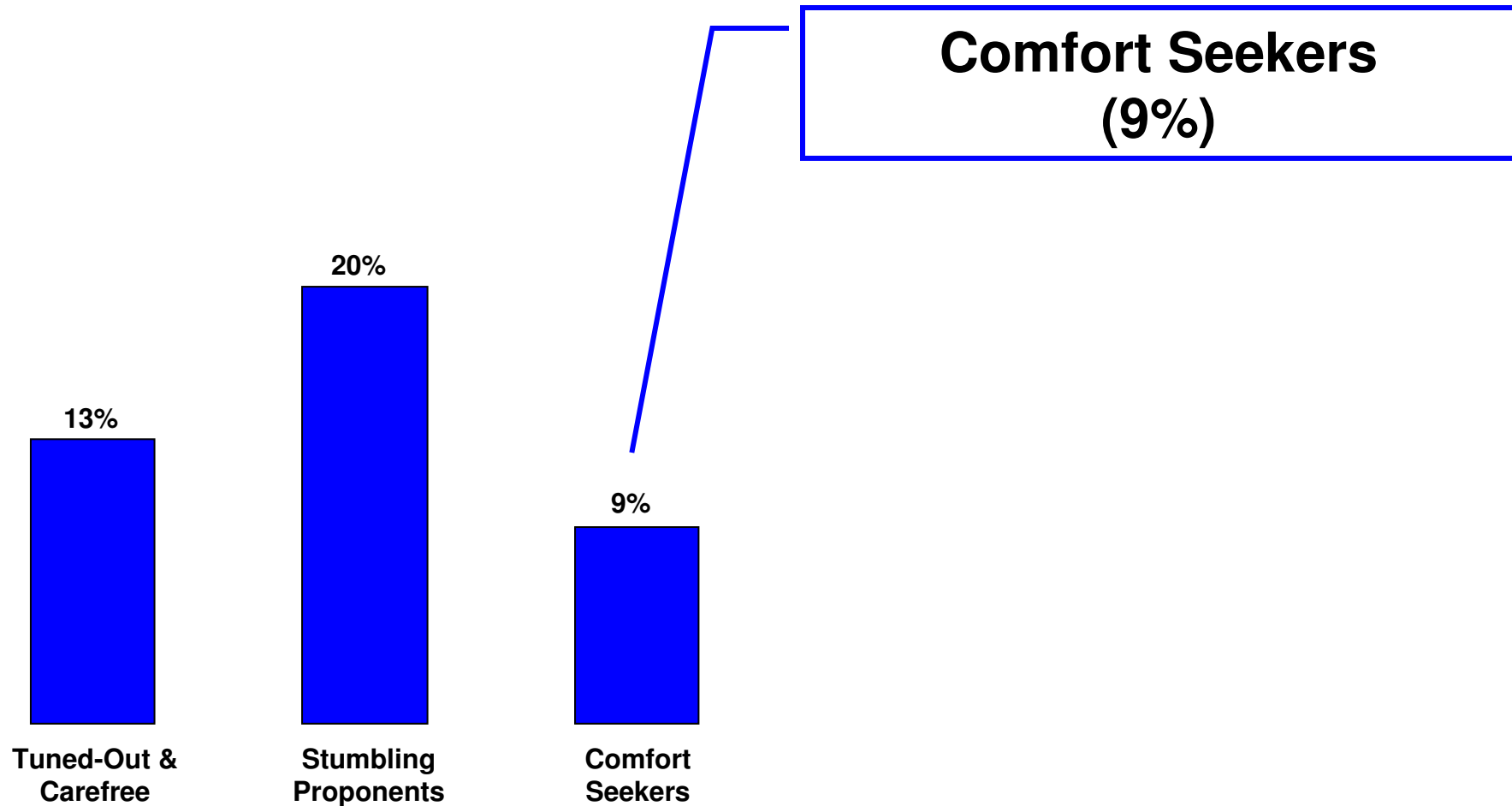
Always Usually

Stumbling Proponents – Demographic Profile

- **Second highest occupants of single detached houses, duplexes, row or townhouses.**
- **Most likely of any of the segments to have attended and completed university.**
- **Second highest household incomes.**

SEGMENT INSIGHTS

- segment share of BC Hydro residential customers/households -



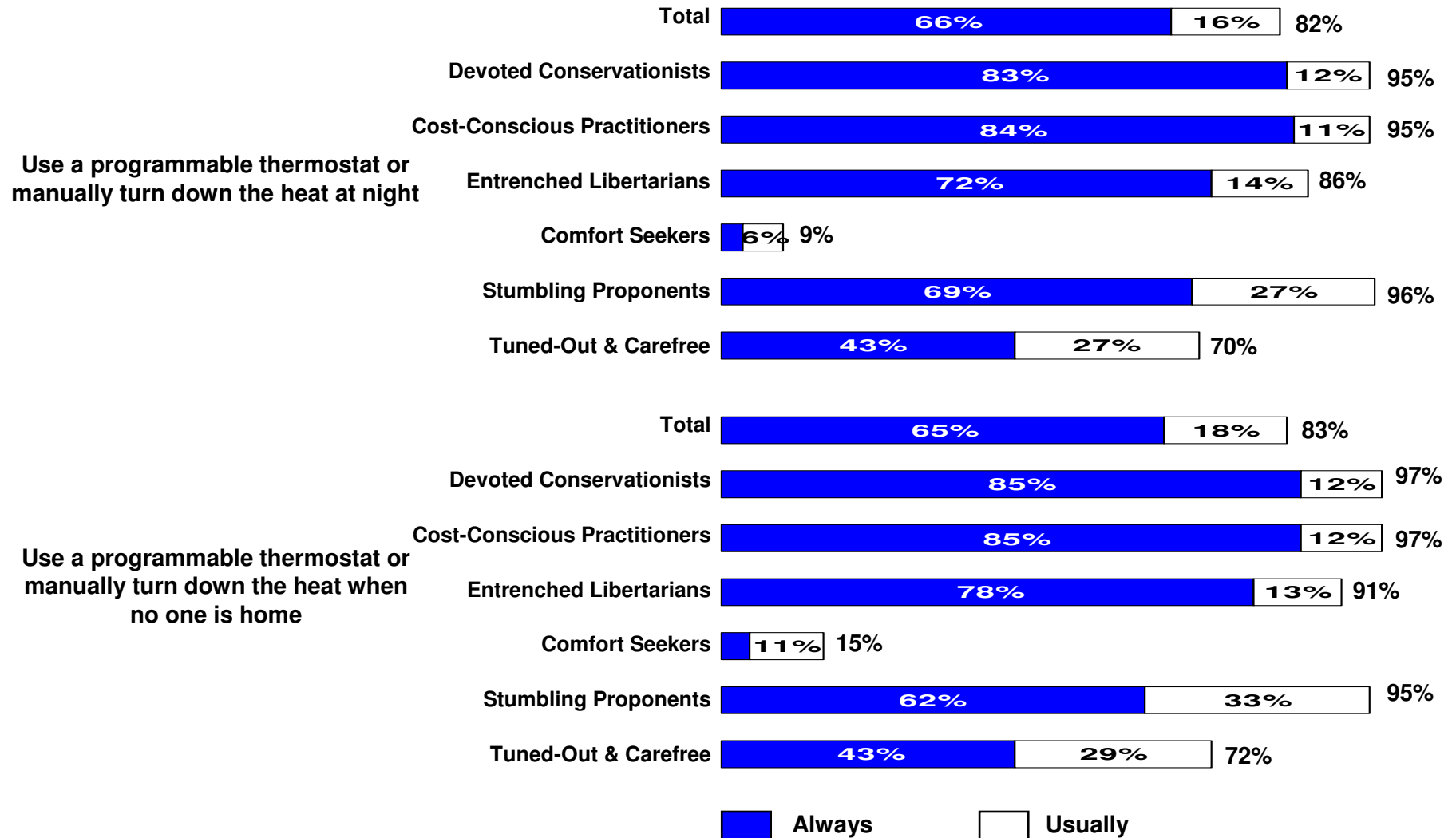
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Comfort Seekers

- They can be viewed as siblings to the Stumbling Proponents in that their pro-conservation views and intentions are not followed-up with the desired behaviours.
- What makes this segment of customers especially different from all others is their behaviour around space heating and space cooling in that it can be described as nothing short of lackadaisical.
- For example, the Comfort Seekers very rarely use a programmable thermostat or manually turn down the heat – either *at night* or when *no one is home*. In fact, their habits in this regard are dwarfed by even those of the Tuned-Out & Carefree.
- Consistently in the middle to high third of the six segments in terms of their annual electricity consumption.

Space Heating Habits

- percent who either always or usually perform the action -



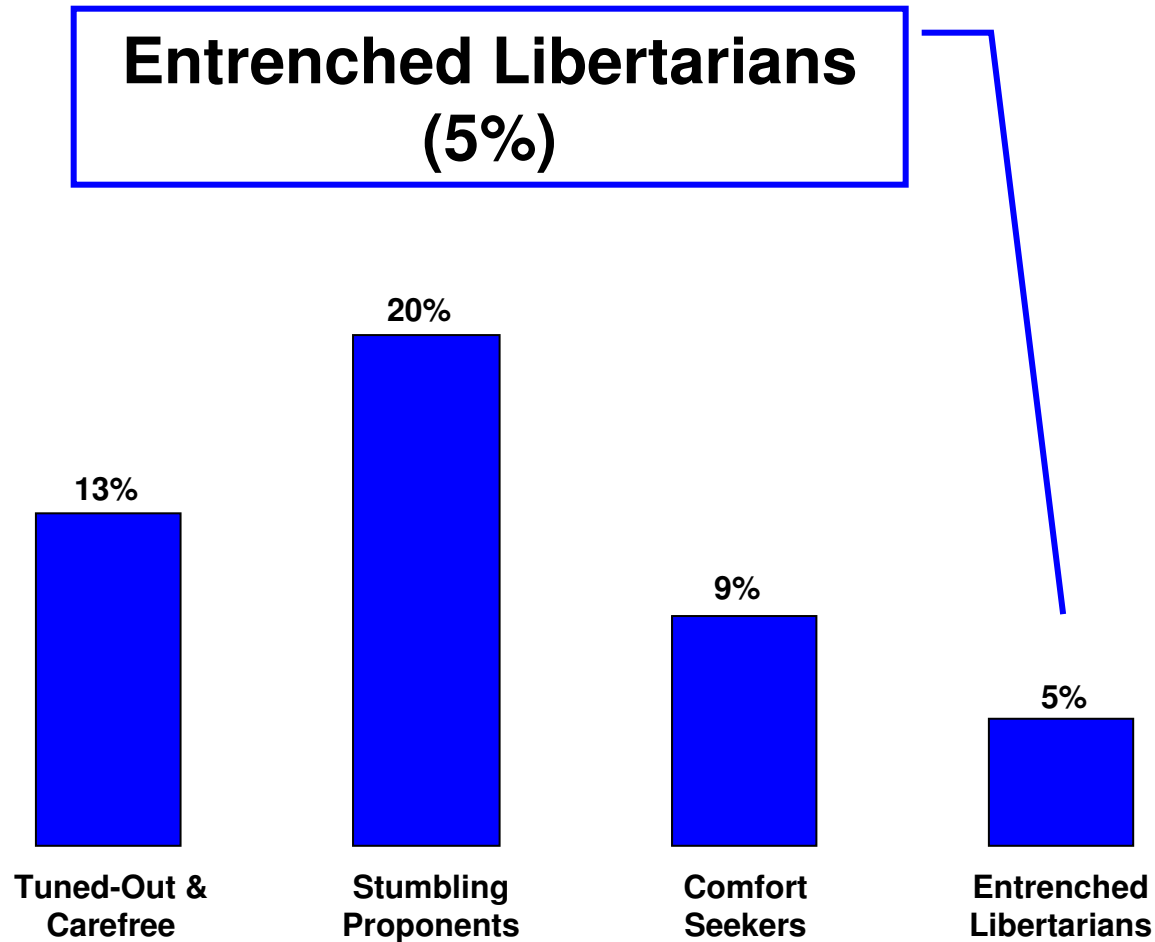
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Comfort Seekers – Demographic Profile

- Most likely of all segments to be young to middle-aged: 25 - 44.
- Most likely of all segments to have children/young adults in the household.
- Most likely of all segments to have 3 + people in the home.
- Most ethnically diverse.
- Disproportionately high percent living in Metro Vancouver.

SEGMENT INSIGHTS

- segment share of BC Hydro residential customers/households -



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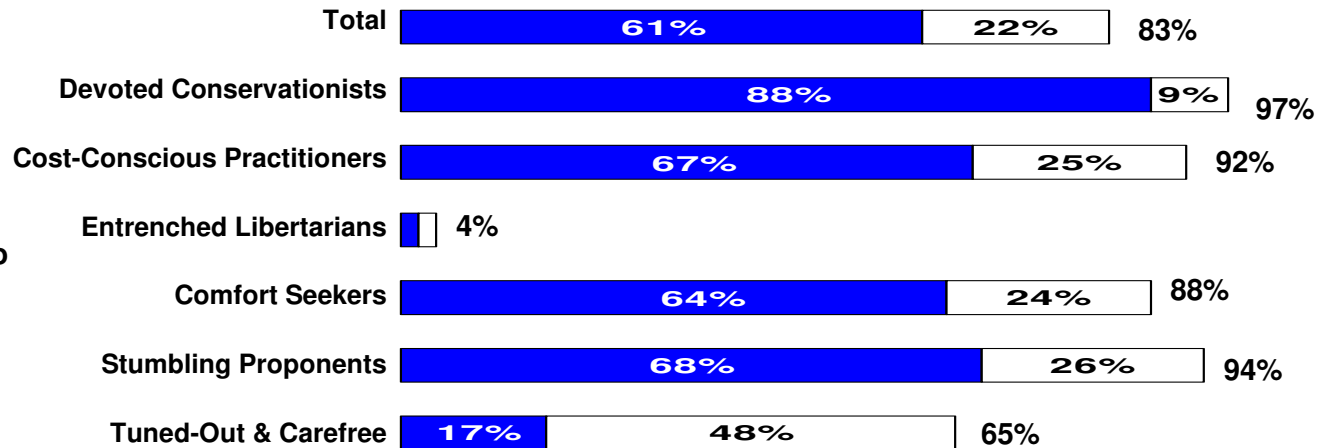
Entrenched Libertarians

- **The Entrenched Libertarians are so very different from all others in their opinions to warrant such differentiation.**
- **It is not as if this segment exhibits a flagrant disregard for the merits around conservation – most do care about energy issues, do see some reason for conserving, and believe that there are things individuals can do that will have some effect in the long-run. In fact, for most end-uses, this segment demonstrates very favourable conservation habits and behaviours.**
- **What makes this group profoundly unique is that most of them are generally off-side with the notion that customers have a moral obligation to conserve, that conservation efforts can be substantial, and that their homes' use of energy impacts the environment.**
- **When they do conserve, they tend to do it for their own reasons or on their own terms.**
- **In the middle third of the six segments in their annual electricity consumption.**

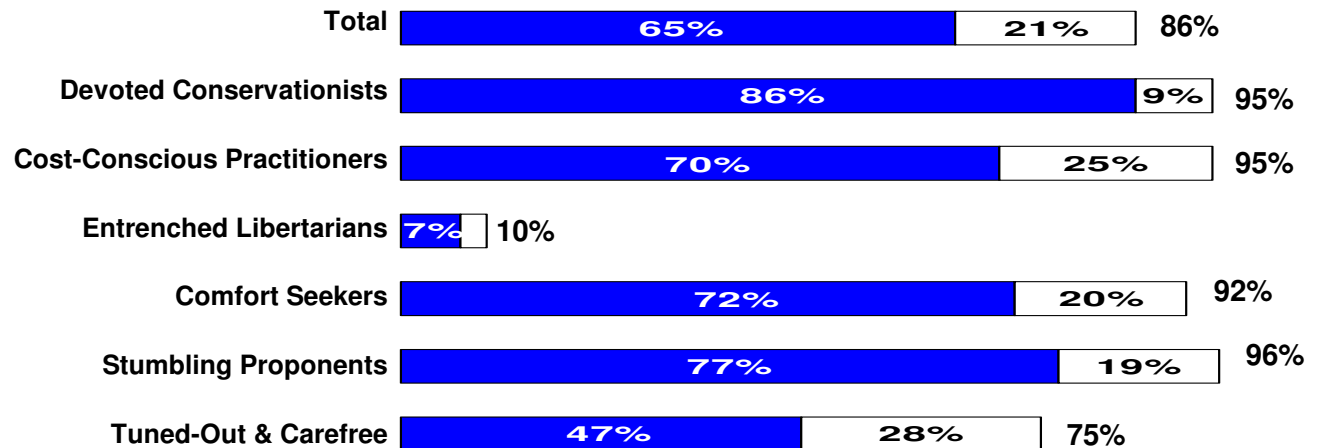
Making a Difference and Moral Obligation

- percent who either strongly agree or somewhat agree -

Regardless of whether it makes a difference, everyone has a moral obligation to do the best they can to conserve energy



We could all use a lot less energy than we do and if many people conserved, we could all make a big difference overall



Strongly agree Somewhat agree

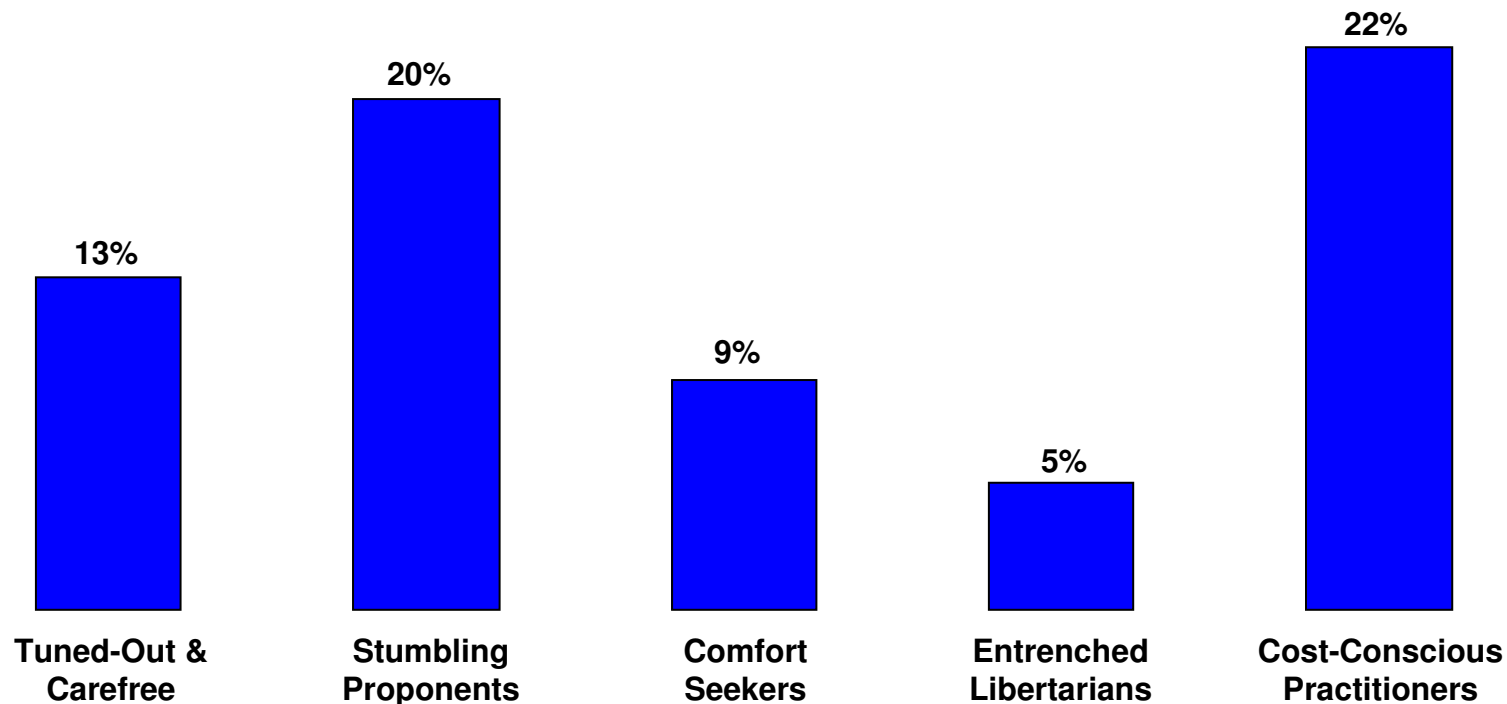
Entrenched Libertarians – Demographic Profile

- Skewed slightly female and slightly 35 – 54.
- More likely than other to live in single detached houses, as well as more likely than all others to live in duplexes, row or town houses.
- Almost exclusively English spoken as the main language in the household.
- More likely than all other segments to have an intermediate level of education.

SEGMENT INSIGHTS

- segment share of BC Hydro residential customers/households -

**Cost-Conscious Practitioners
(22%)**



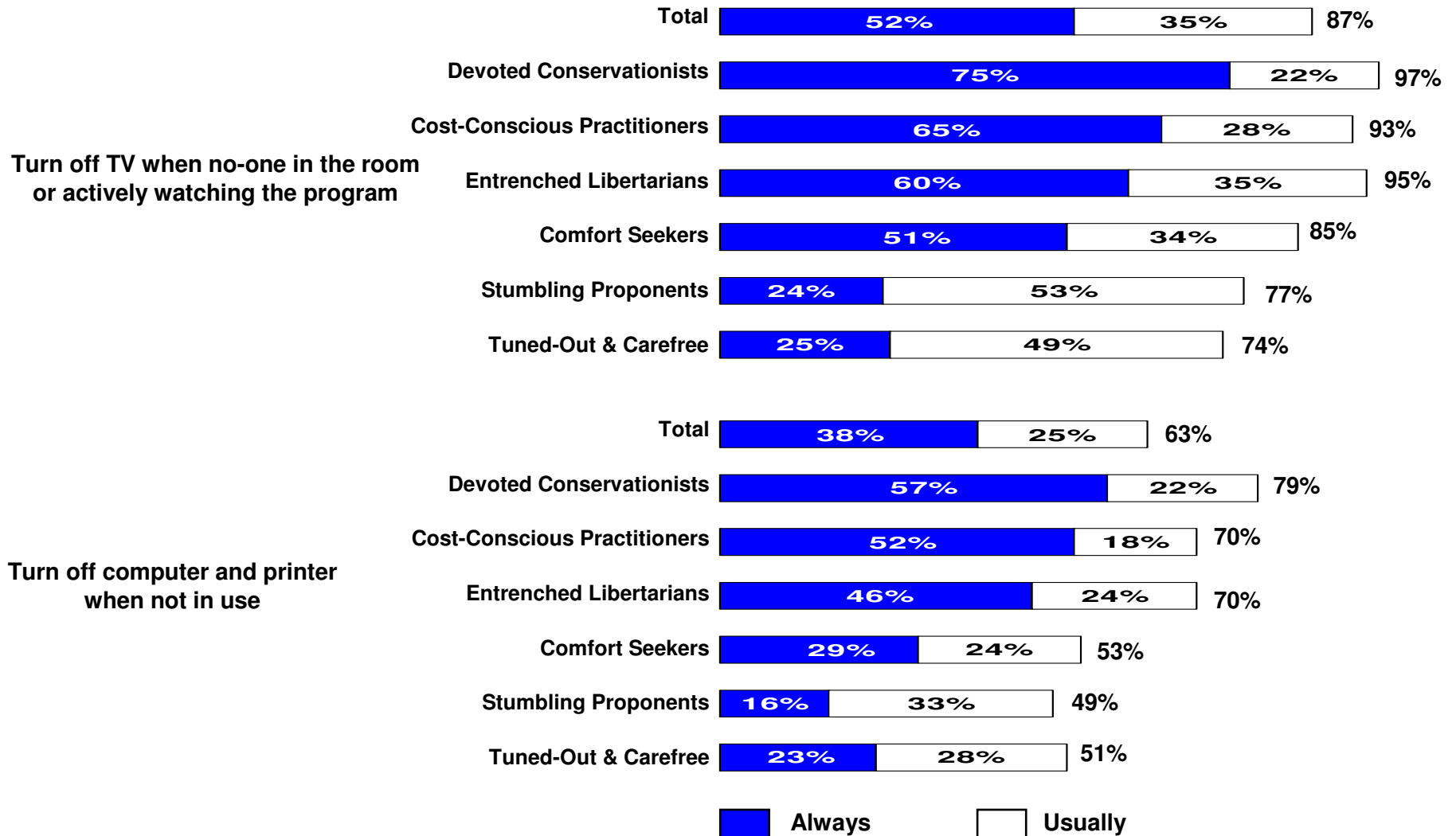
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Cost-Conscious Practitioners

- They are fairly modest in the different ways they think of themselves as being active energy conservers – so much so that they emerge in fourth position in terms of having the desired attitudes and opinions around energy and energy conservation.
- Despite the fact that they don't talk or think about energy conservation with the same conviction as do some of the other segments, the Cost-Conscious Practitioners report exhibiting much more favourable and consistent behaviours around space heating, water usage, lighting and other plug-in appliances and devices than most other segments.
- In fact, they hold second position behind the Devoted Conservationists in their conservation behaviours.
- All of this can be tied to the fact that they primarily conserve to save money – not the environment – though it appears they ride the bandwagon of doing things for a greater good.
- Generally have the second lowest annual electricity consumption.

Television & Computer Habits

- percent who either always or usually perform the action -



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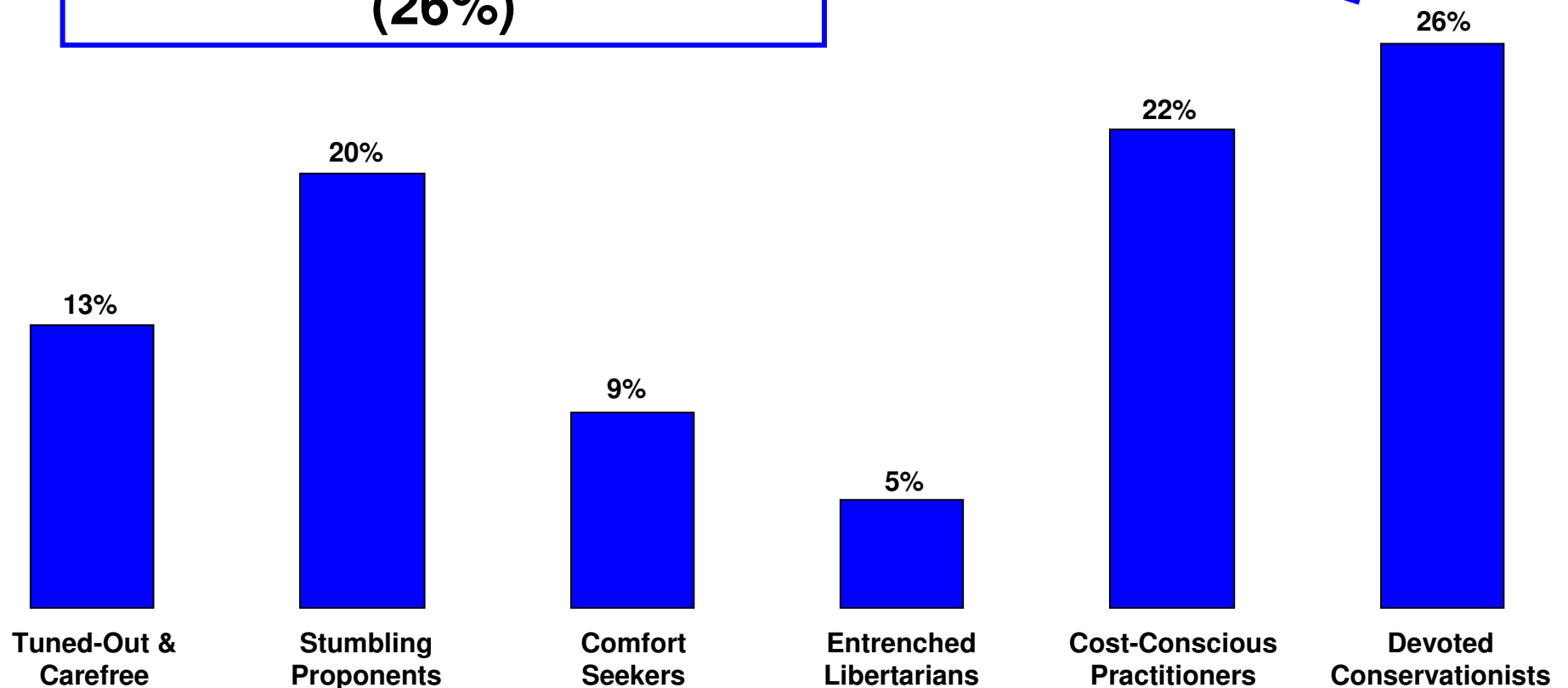
Cost-Conscious Practitioners – Demographic Profile

- Very similar to the overall population.
- But, they are the least likely to have university degrees.

SEGMENT INSIGHTS

- segment share of BC Hydro residential customers/households -

**Devoted Conservationists
(26%)**



Note: 5.6 percent of customers/households are either intermediates or outliers, and go unclassified as such.

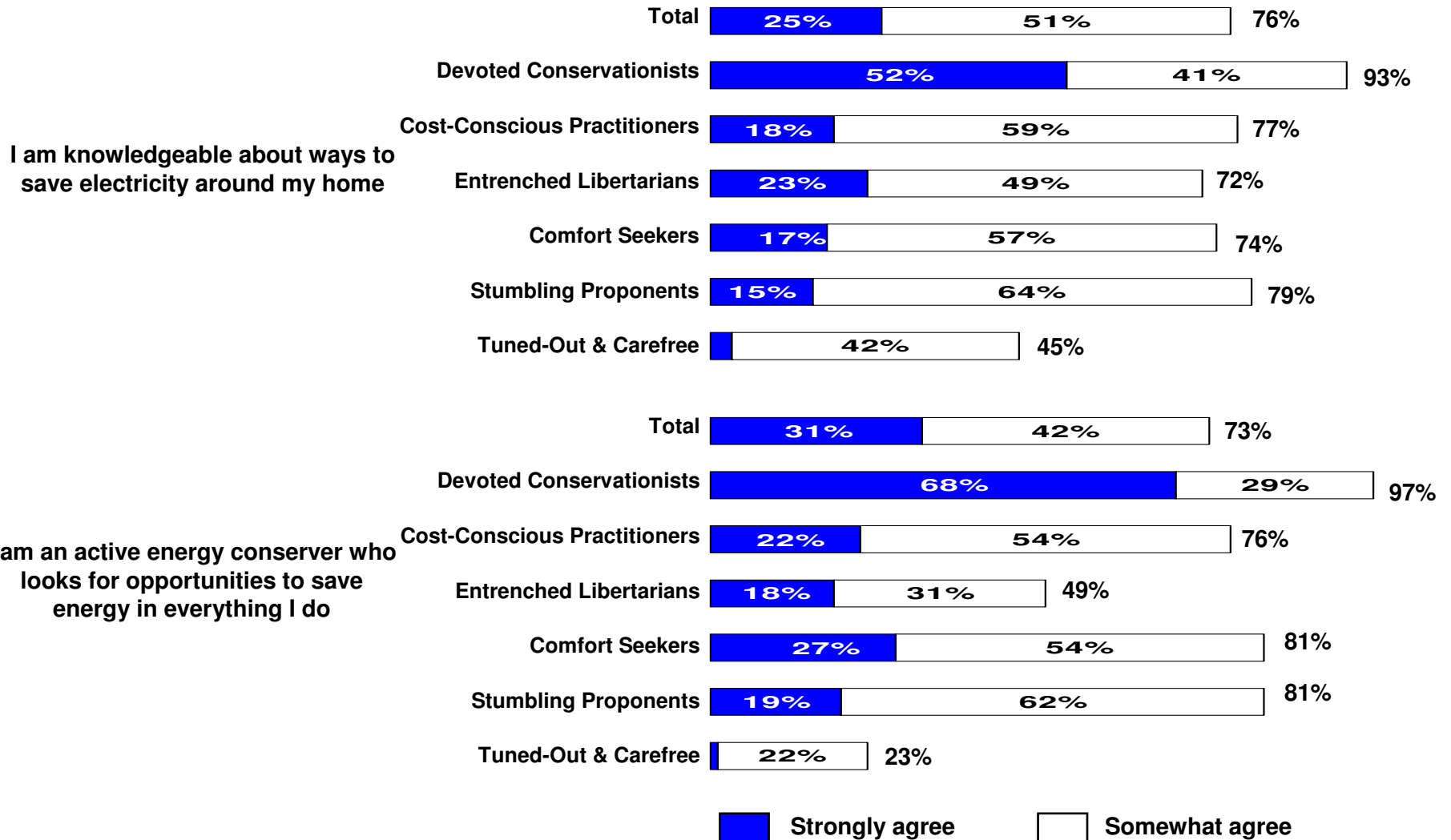
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Devoted Conservationists

- **The conservation ambassadors and leaders that the corporation would like everyone else to model and follow.**
- **Their attitudes toward and understanding of energy issues, electricity and conservation are unparalleled and certified as genuine, based on demonstrating persistent conservation habits to levels beyond all others and their actual billed electricity consumption.**

Knowledge and Practitioner

- percent who either strongly agree or somewhat agree -

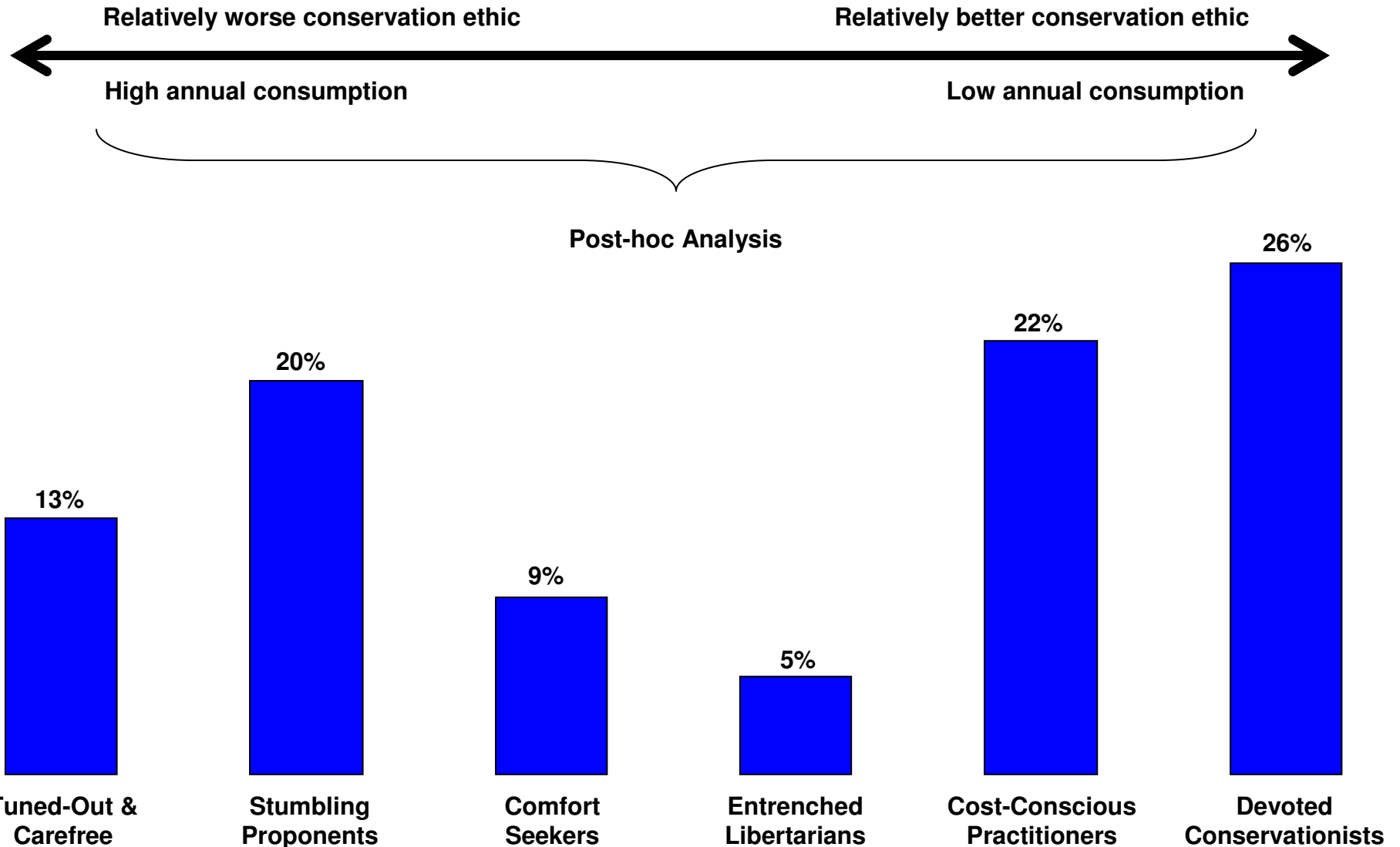


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Devoted Conservationists – Demographic Profile

- They are the oldest of the segments: 58% are 55+, including 34% 65 +.
- Least likely to have children/young adults in the home.
- Smallest household occupancy.
- Lowest household incomes.
- One-half do live in Metro Vancouver, but this is the lowest of all segments.

MODEL VALIDATION



Note: 5.6 percent of customers/households are either intermediates or outliers, and go unclassified as such.

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EARLY LESSONS & IMPLEMENTATION

UNDERSTANDING OF RESIDENTIAL CUSTOMERS

- Confirms the customer group is heterogeneous.
- But can be generalized into 6 homogeneous segments.
- It's now up to the marketing and communications groups to determine if there are opportunities and value in targeting programs and messaging to specific segments.
- But are there cost barriers? Logistical barriers? Political barriers?

QUALITATIVE RESEARCH

- Further model validation.
- Provides deeper, richer insights.
- Explore, develop and refine advertising, messaging, etc.

EARLY LESSONS & IMPLEMENTATION

GEODEMOGRAPHIC ANALYSIS OF SEGMENTS

- Postal code analysis.
- Birds of feather (may) flock together...
- ...Same behaviors might not make neighbors.

MESSAGING THAT THREADS SEGMENTS TOGETHER

- Net importer issue has traction among all segments, even for the Tuned-Out & Carefree and some of the Entrenched Libertarians.

PROFILING

- Subscribers to eNewsletters and Team Power Smart programs.

RECRUITING

- Ambassadors program.



THANK YOU!