Messaging for Utilities

Renewable Energy Markets Conference
October 2010
Data Marketing Inc.

- Founded in 1976
- Located in Silicon Valley
- Creates and administers direct market campaigns across US and Canada
- Verticals include green energy, government, financial, retail, and non-profit organizations

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Our Approach to Direct Marketing
Messaging for Utilities

- Knowing Your Customers
- Capturing Customer Information
- What We’ve Done
- What We’ve Learned
- Response Analysis
Knowing your Customers

- Your Local Region
  - Geographic, Demographic, Weather/Climate
Knowing your Customers

- Relationship Between the Utility and the Customer
  - Trust and Transparency
Knowing your Customers

- Cost Sensitivity
  - Purchasing Power, Ability/Willingness to Pay Extra
Capturing Customer Information
Capturing Customer Information

customer surveys

census information
Capturing Customer Information

customer surveys

census information

internal data analysis
Capturing Customer Information

Modeling helps to identify best customer targets and identify displayed behaviors to craft a relevant message
What We’ve Done

- Generated 28 separate participation models across 6 states
- Applied to 23 separate direct mail campaigns
- Selected 1,000,000 of the most likely respondents
- Result = 12,500+ new green energy buyers

- Each of the 28 models are:
  - generally unique to the utility
  - specifically unique to the campaign
What We’ve Learned

Similarities

- Three main census variables:
  - Education
  - Age
  - Children
What We’ve Learned

*Similarities*

- Key selection variables for household-specific data
  - Home/Property ownership
  - Non-apartment residence
What We’ve Learned

Differences

- One small utility's model showed that smaller households were more likely participants
- A West Coast utility's model showed that participation was correlated with donations to a low income program
- A State–Wide Utility’s model showed that lower usage indicated a higher likelihood of participation
Response Analysis

- Measure Results
- Validate/Invalidate Methods
- Update and Enhance Modeling

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<th>Percent</th>
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Aligning Your Message

- Recognize and incorporate similarities
- Direct your appeal to a specific modeled segment
- Be aware of your local issues, politics, weather
- Use response information to track results

“... data driven marketing reduces cost, increases effectiveness, and has environmental benefits.”

Jim Burke, SMUD