Who Buys Green Power and Carbon Offsets?
And how to find them…

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Product Manager, Mass-Market Services, E SOURCE

Renewable Energy Markets 2010
Green Power & Carbon Offset Participants

- E Source collected zip code data of actual green power and carbon offset customers from several utilities across the U.S.
  - > 145,500 green power customers
  - > 8,200 carbon offset customers
- Nielsen PRIZM coded the data file and analyzed the findings to uncover the best segments for green energy and carbon offset programs
- We defined six top target groups: three groups for green power, and three for carbon offsets
- We identified the lifestyle, media, retail, and psychographic behaviors of the top target groups
# Green Power Target Groups

<table>
<thead>
<tr>
<th>Target Group</th>
<th>U.S. Households</th>
<th>% of U.S. Households</th>
<th>Green Power Program Participants</th>
<th>% of Green Power Program Participants</th>
<th>Likelihood to Participate in Green Power Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan Tree Huggers</td>
<td>15,200,607</td>
<td>13.25</td>
<td>48,527</td>
<td>33.37</td>
<td>2.5 times greater</td>
</tr>
<tr>
<td>Cross Town Conservationalists</td>
<td>10,326,036</td>
<td>9.00</td>
<td>16,546</td>
<td>11.38</td>
<td>1.3 times greater</td>
</tr>
<tr>
<td>Budding Environmentalists</td>
<td>15,247,083</td>
<td>13.29</td>
<td>21,246</td>
<td>14.61</td>
<td>1.1 times greater</td>
</tr>
</tbody>
</table>

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Who Are Metropolitan Tree Huggers?

**Demographics:**
- Urban dwellers
- Income ranges from midscale to upscale
- Mixed presence of children – when present, likely teenagers or young adults
- Homeowners (though there are a few renters)
- College educated
- White collar management jobs
- Mixed ethnicity

**Psychographics:**
- Media trusted the most: Internet
- Radio ads are all alike
Who Are Metropolitan Tree Huggers?

- **What do they do for fun?**
  - Attend Hockey Games
  - Snowboard
  - Buy/Listen to Spanish Music

- **What do they read and watch on TV?**
  - Independent Film Channel, HBO, On-Demand Programming
  - New York Magazine, Sunday LA Times & Elle Decore

- **Where do they shop?**
  - Banana Republic, Lord & Taylor, Bloomingdales, Costco & Priceline.com

- **Where do they eat?**
  - Einstein Bagels, Baja Fresh Mexican Grill & California Pizza Kitchen
# Carbon Offset Target Groups

<table>
<thead>
<tr>
<th>Target Group</th>
<th>U.S. Households</th>
<th>% of U.S. Households</th>
<th>Carbon Offset Program Participants</th>
<th>% of Carbon Offset Program Participants</th>
<th>Likelihood to Participate in Carbon Offset Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midlife Carbon Fighters</td>
<td>8,523,371</td>
<td>7.43</td>
<td>1,538</td>
<td>18.75</td>
<td>2.5 times greater</td>
</tr>
<tr>
<td>Mature Carbon Free</td>
<td>15,989,113</td>
<td>13.94</td>
<td>1,966</td>
<td>23.97</td>
<td>1.7 times greater</td>
</tr>
<tr>
<td>Youn Carbon Concerned</td>
<td>8,766,217</td>
<td>7.64</td>
<td>1,046</td>
<td>12.79</td>
<td>1.6 times greater</td>
</tr>
</tbody>
</table>

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Who Are Midlife Carbon Fighters?

**Demographics:**
- Homeowners in city/greater metropolitan area
- Children living at home
- College or post-graduate degrees
- White collar management jobs
- Ethnically diverse

**Psychographics:**
- Media trusted the most: Internet
- My kids have an impact on the brands I choose
- Radio ads are all alike

_E Source’s own Carbon Crusader!_
Who Are Midlife Carbon Fighters?

- **What do they do for fun?**
  - Ice Skate
  - Run on the treadmill

- **What do they read and watch on TV?**
  - Spanish Language TV & Sports, Nickelodeon
  - Chicago Tribune, Working Mother Magazine

- **Where do they shop?**
  - Nordstrom
  - Disney Store

- **Where do they eat?**
  - Einstein Bagels, Baja Fresh Mexican Grill & Chuck E Cheese’s
2009 E Source Residential Energy Use Studies

- E Source developed market research products based on a Nielsen Claritas survey
- This is a comprehensive U.S. *residential* energy survey focusing on behaviors and attitudes related to energy use
  - 32,471 U.S. households surveyed (Internet panel)
  - This is the first of an annual survey
  - Online survey by head of household conducted in 2009
  - Dataset includes content for about 200 variables
Carbon Offset & Green Power Buyers
Satisfaction with Utility

<table>
<thead>
<tr>
<th>Service</th>
<th>Agree strongly</th>
<th>Agree somewhat</th>
<th>Disagree somewhat</th>
<th>Disagree strongly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Offset</td>
<td>25</td>
<td>52</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>Green Power</td>
<td>25</td>
<td>58</td>
<td>13</td>
<td>4</td>
</tr>
</tbody>
</table>

Respondent (%)
Top Drivers of Satisfaction

1. I feel like I have control over my energy costs in my home
   - Increase in satisfaction per level higher in agreement: 3.9

2. My utility expends a lot of effort to be as environmentally friendly as possible
   - Increase in satisfaction per level higher in agreement: 8.6

3. The amount of money I spend on energy and utilities for my home is fair
   - Increase in satisfaction per level higher in agreement: 10.6
Carbon Offset & Green Power - Perceived Environmental Friendliness

- **Carbon Offset**
  - Disagree strongly: 7%
  - Disagree somewhat: 26%
  - Agree somewhat: 45%
  - Agree strongly: 21%

- **Green Power**
  - Disagree strongly: 4%
  - Disagree somewhat: 28%
  - Agree somewhat: 51%
  - Agree strongly: 17%

Respondents (%)
<table>
<thead>
<tr>
<th>State</th>
<th>Have/Likely</th>
<th>Green Energy</th>
<th>Carbon Offsets</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>Have</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>California</td>
<td>Likely</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Texas</td>
<td>Have</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td>Texas</td>
<td>Likely</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>New York</td>
<td>Have</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>New York</td>
<td>Likely</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Florida</td>
<td>Have</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Florida</td>
<td>Likely</td>
<td>7%</td>
<td>8%</td>
</tr>
</tbody>
</table>
### Target Customers Who Participate in Other Utility Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>% of population that have or are likely to participate</th>
<th>Likelihood to Participate in Green Power Programs</th>
<th>Likelihood to Participate in Carbon Offset Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weatherization Service</td>
<td>6.5</td>
<td>4 times greater</td>
<td>5.8 times greater</td>
</tr>
<tr>
<td>Whole House Audit</td>
<td>6.6</td>
<td>4 times greater</td>
<td>5.8 times greater</td>
</tr>
<tr>
<td>Online Energy Audit</td>
<td>4.9</td>
<td>5 times greater</td>
<td>7.3 times greater</td>
</tr>
<tr>
<td>Appliance Rebate</td>
<td>8.9</td>
<td>3.6 times greater</td>
<td>4.3 times greater</td>
</tr>
<tr>
<td>Equipment Rebate (heating/cooling system or water heater)</td>
<td>6.1</td>
<td>4 times greater</td>
<td>5.2 times greater</td>
</tr>
</tbody>
</table>

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E Source Target Segments Specific to EE Achievement and Desire

EE Achievers™ (12 percent)
- Customers most engaged in DSM programs, particularly energy efficiency
- Demonstrated willingness to participate in multiple energy actions (including recent rebate activity, weatherization, audits, load management, and multiple CFL purchases)
- This is the prime segment for targeting DSM programs

EE Anticipators™ (26 percent)
- Inclined to participate in efficiency programs but have not yet done so in an extensive manner
- Some similar demographics and attitudes as EE Achievers
- Strong secondary target audience for DSM programs

EE Uncommitteds™ (25 percent)
- High interest in saving money through saving energy, but not ready to commit
- Have significant barriers to utility DSM program participation and could be a good segment for low-cost, no-cost approaches to energy savings

EE Indifferents™ (37 percent)
- Largest segment and least promising group of customers from an energy-efficiency marketing standpoint
- They are doing very few, if any, efficiency actions.
- Least enthusiastic about saving money through energy savings
How old are they?

EE Achievers

Green Power & Carbon Offset Buyers

<table>
<thead>
<tr>
<th>Age</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE</td>
<td>11</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>GP</td>
<td>8</td>
<td>7</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Respondents (%)
How many people live in their household?

<table>
<thead>
<tr>
<th>Number of people in household</th>
<th>EE Achievers</th>
<th>Green Power &amp; Carbon Offset Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>3 to 4</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>5 or more</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>3 to 4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>5 or more</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
What is their political mindset?

<table>
<thead>
<tr>
<th>Political Mindset</th>
<th>Political Mindset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberal</td>
<td>EE Achievers</td>
</tr>
<tr>
<td>Moderate</td>
<td>13</td>
</tr>
<tr>
<td>Conservative</td>
<td>12</td>
</tr>
<tr>
<td>Liberal</td>
<td>Green Power &amp; Carbon Offset Buyers</td>
</tr>
<tr>
<td>Moderate</td>
<td>6</td>
</tr>
<tr>
<td>Conservative</td>
<td>3</td>
</tr>
</tbody>
</table>

Respondents (%)
What We Learned
(or what the data confirmed that we already thought)

- Green power and carbon offset customers share similar characteristics
- Customers who have participated in efficiency programs have a higher likelihood than the rest of the population to buy green power and carbon offsets
- There are some distinct differences among green power and carbon offset buyers and energy-efficiency buyers
- A majority of green power and carbon offset customers are satisfied with their utility
- Use segmentation analysis to target marketing efforts!
For More Information

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