



SHADES OF CYAN

Effective Customer Segmentation for Energy Efficiency Adoption



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Customer segmentation is the practice of dividing a customer base into groups of individuals that are similar in specific ways relevant to marketing, such as age, gender, interests and spending habits.

EPA ENERGY STAR set out to develop their own customized customer segmentation to:

1. Improve our own marketing efforts.
2. Support your marketing efforts.

Shelton^{Grp}

GfK Roper Green Gauge





- Claritas provides market data through direct, original consumer research and provides a unique methodology for analyzing that data through their Prizm Premier segments, which groups customers by demographic data, lifestyles, shopping behaviors, and media use.
 - Household Demographics
 - Sports & Leisure
 - Items in home
 - Environment
 - Energy
 - Radio, Telecom, and TV.
 - **Geography (DMA)**





Methodology

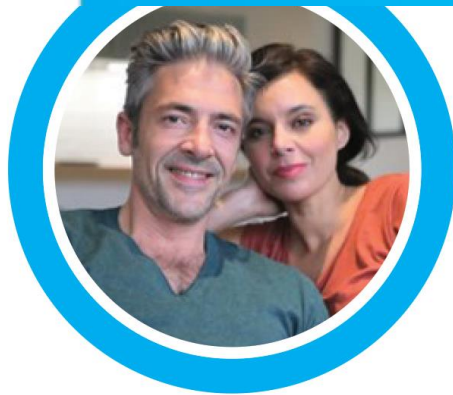
- Focused on two audience behaviors:
 - Households that own energy-saving appliances and households that intend to purchase energy-saving appliances within the next 12 months.
- Like-minded PRIZM Premier Segments were bundled based on these behaviors.
- Data was analyzed for high level findings and market, media & messaging insights.

Terminology

- Count & Index are used to determine the likelihood of a target audience to exhibit a specific behavior. Count describes the population your target is measured against, while Index compares your target to the average person.
 - An index of 100 indicates a segment or segment group is no more or less likely than average to use a product or exhibit a behavior.
 - The higher the index is over 100, the higher the usage rate.

Shades of Cyan

True Blues



Green Blues



New Blues



**Old School
Blues**



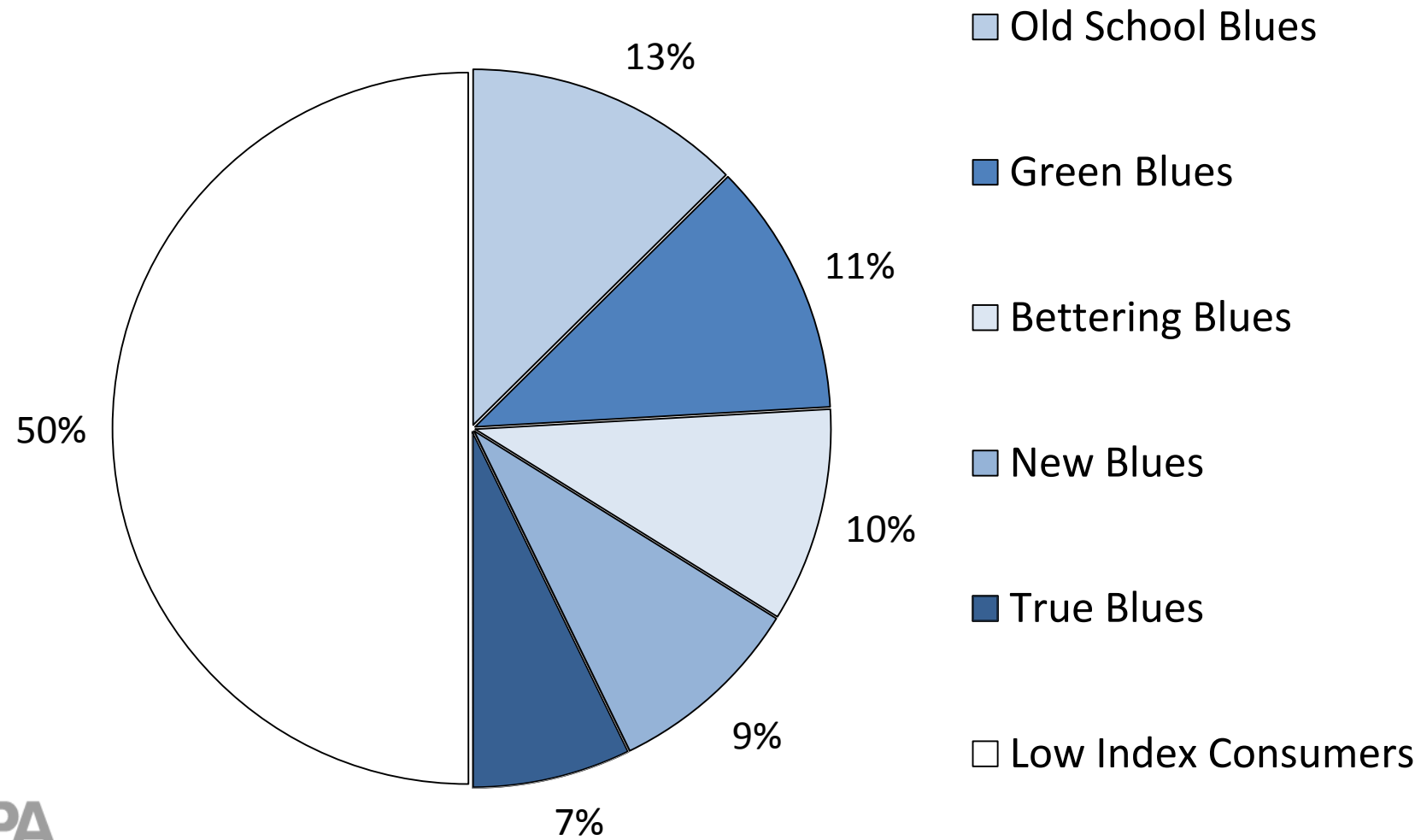
**Bettering
Blues**





Proportion of US Households

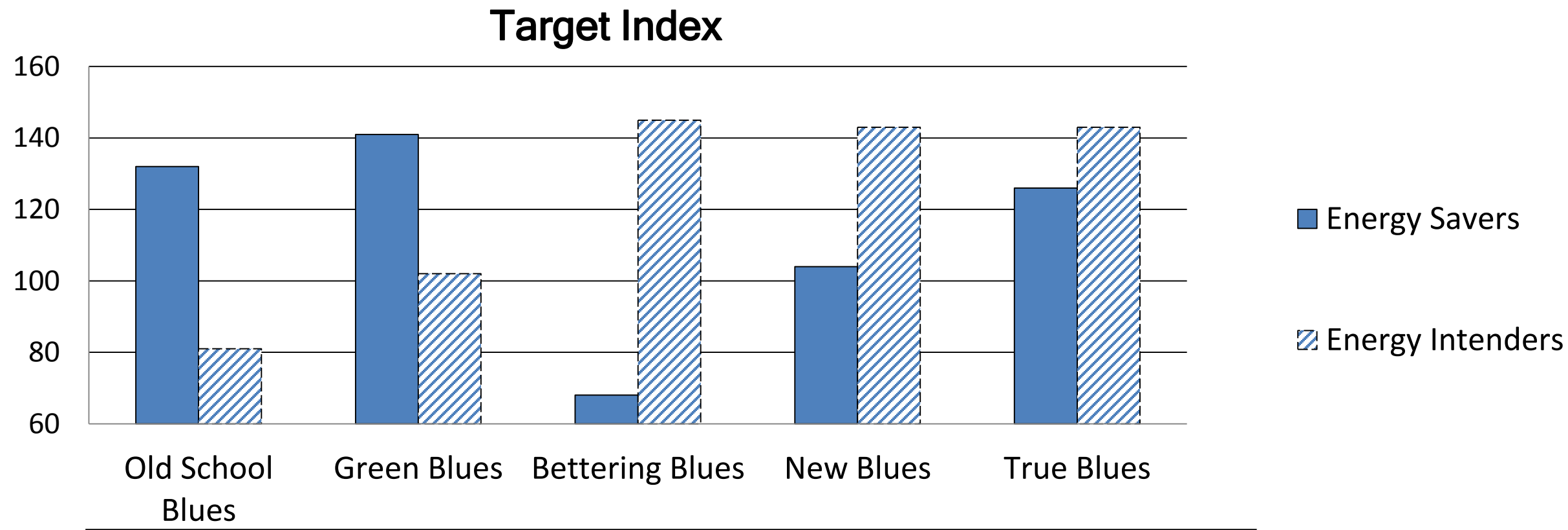
Total Count

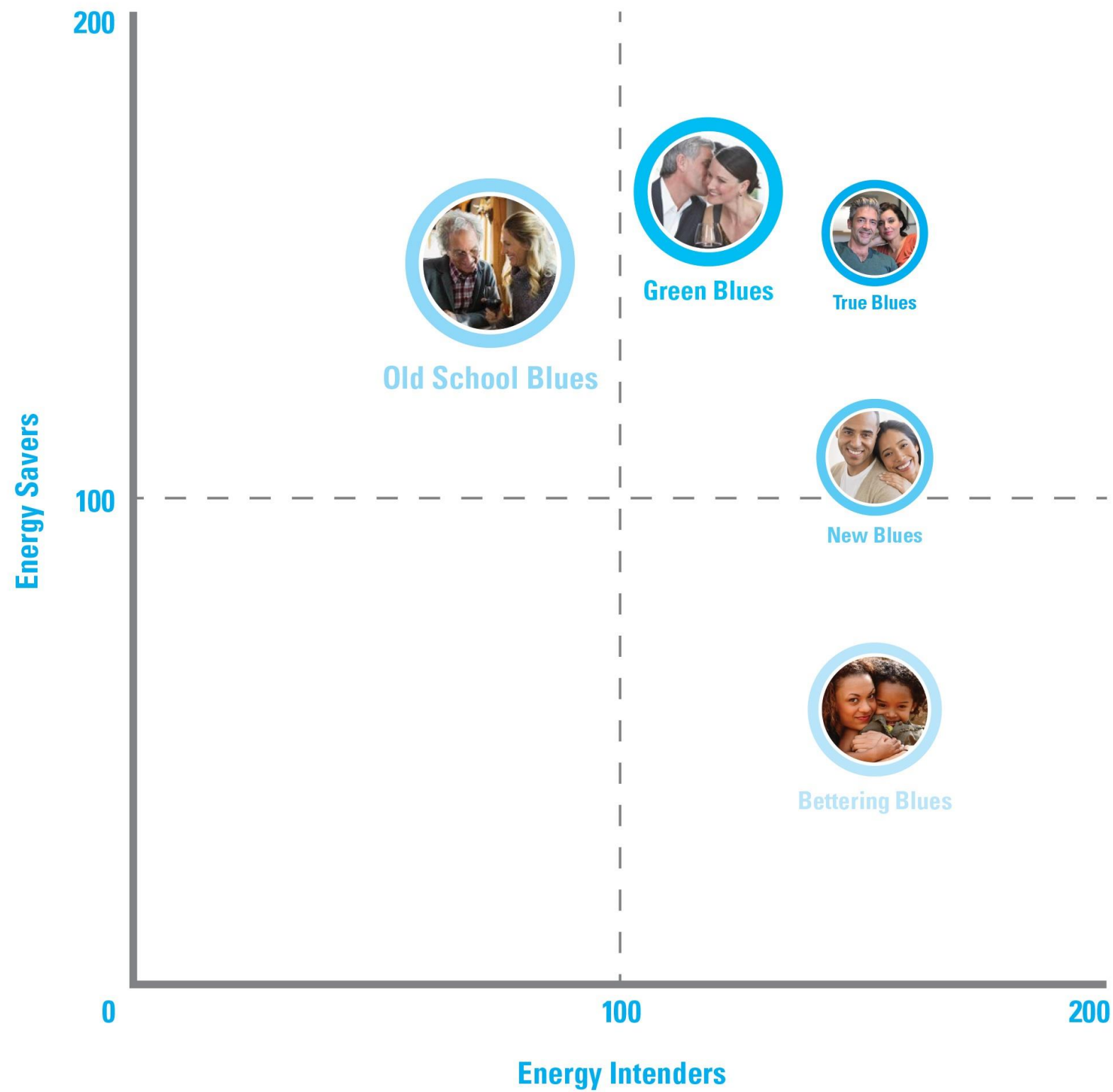


- Our Shades of Cyan target segments represent exactly half of households across the country.
 - 123,914,051 households!



Target Audience Count: Energy Savers vs. Energy Intenders





Market Opportunity

ENERGY STAR. The simple choice for energy efficiency.



ENERGY STAR. The simple choice for energy efficiency.



True Blues



Children in Household:
1-3



Undergrad/
Graduate
Degree



Mostly
Homeowners
Value: \$150K+



HH Income:
>\$75K



Neighborhood:
Suburb, Small Town,
Exurb, Major City

25-54

Age



Full Time -
Business/Chief
Executive



Married



Ethnicity:
Predominantly
Caucasian,
Hispanic, &
some Asian



Total Household
Count: 8,921,335
of 123,914,051

ENERGY STAR. The simple choice for energy efficiency.



TRUE BLUES

Snapshot: Mark & Jennifer

- Mark & Jennifer are in their early 50s and live in Washington, DC with their 3 children
- Mark & Jennifer are both lawyers and they have just purchased a second home in Hilton Head, SC. Two out of their three children are in college, the third is a senior in high school.
- They like to golf together and go hiking and camping on the weekend with their kids.
- They shop on Amazon and at Crate & Barrel and Lowe's for most of their home needs.
- They are heavy radio listeners, Mark listening mostly to sports and classic rock and Jennifer listening mostly to the news and Top 40.
- They have cable, but also subscribe to Netflix. They don't watch much TV, but they do enjoy award shows, sports, HGTV and The Bachelor.
- They are politically active and like to stay informed locally and nationally, which is why they use the internet to get a wide variety of news
- They engage in energy saving activities, such as recycling, buying eco-friendly products and organic food, and donating to environmental causes.



TRUE BLUES

Using the Data to Target “Mark & Jennifer”

Messaging

- Environmental responsibility and preserving the environment for their children’s future
- Smart, thoughtful messaging

Visual Cues

- Family imagery
- Active lifestyles
- Ethnically diverse
- Well kept middle/upper-class homes

Media

- Digital Media
 - Paid Search: Google
 - Digital display ads
- Radio
- TV





TRUE BLUES

Using the Data to Target “Mark & Jennifer”



ENERGY STAR. The simple choice for energy efficiency.



New Blues



Children in Household:
1-4



Undergraduate Degree



Home Value:
\$100-199K



HH Income:
>\$40K



Neighborhood:
Suburb, Small Town,
Second City, Major City

25-44

Age Range



Full Time -
Business/
Management



Married



Ethnicity: Black
& Hispanic



Total Household
Count: 11,090,119
of 123,914,051

ENERGY STAR. The simple choice for energy efficiency.



NEW BLUES

Snapshot: Angie & Jorge

- Angie & Jorge are in their early 30s, and living in Atlanta, GA with their two children.
- Angie & Jorge have bachelor's degrees, and Jorge is applying to business schools to get his MBA. Jorge is an Account Manager at a tech company, Angie is an RN.
- They recently had their second child, and lead very busy lives between their jobs and two children under the age of 3.
- They enjoy working on their home and yard and are renovating everything as they plan to sell within the next 5 years.
- They both love jogging, hiking, and camping and Jorge plays in a recreational basketball league once a week.
- Other than the NFL and some professional soccer, Jorge doesn't watch much TV, and Angie will sometimes watch reality TV through their streaming service. However, they do go to the movies when they can for date nights.
- They shop at Home Depot, Sam's Club, and Target, and Angie does a lot of online shopping for beauty products, home accessories, and electronics.
- They spend a lot of time on the internet reading news, listening to regional Mexican music on Pandora, and managing their finances.
- They buy, and are willing to pay more for, eco-friendly products. They also recycle regularly and buy organic food.

NEW BLUES

Using the Data to Target “Angie & Jorge”

Messaging

- Smart, Tech Savvy messaging
- Financial and social importance of saving energy

Visual Cues

- Young, ethnically diverse family, couples
- Urban and suburban

Media

- Digital Media
 - Social Media: Facebook, Snapchat, Instagram, and Twitter
 - Paid Search: Google & Bing
- POP: Wal-Mart, Lowe’s, Home Depot
- Radio





NEW BLUES

Using the Data to Target “Angie & Jorge”

Google Display Network



 **entravision**

ESPN

ENERGY STAR. The simple choice for energy efficiency.



Bettering Blues



Children in Household:
1-4



High School Diploma/Some College



Mostly Renters



HH Income:
< \$40K



Neighborhood:
Suburban, Second City, Rural, Major City, Small Town

18-54

Age Range



Mostly Unemployed



Single or Divorced



Ethnicity: Black, Hispanic and Caucasian



Total Customer Count: 12,063,963 of 123,914,051

ENERGY STAR. The simple choice for energy efficiency.

BETTERING BLUES

Snapshot: Kayla



- Kayla is a single African-American female in her late 20s, living with her 3-yr-old daughter and sister and in Los Angeles, CA.
- Kayla attends her local community college. She is also a hairdresser.
- She splits rent for her \$2,000/month apartment with her sister who helps take care of her daughter.
- Kayla doesn't have much leisure time as she is usually busy working or studying, and all of her free time is spent with her daughter so she doesn't watch much TV.
- She has a computer for her studies, but uses her phone for posting pictures of her and her daughter on Instagram, dating sites, and texting her friends and family.
- Kayla does not have much disposable income, and what she does have goes towards her education and her daughter. She occasionally purchases scratch tickets, but does not often take financial risks as she can't afford to.
- She purchases energy saving appliances and air dries her clothes when she can for the cost-saving benefits.
- Kayla is looking to improve her and her daughter's life and would like to continue her education, get a better paying job, and move into a place of her own.

BETTERING BLUES

Using the Data to Reach “Kayla”

Messaging

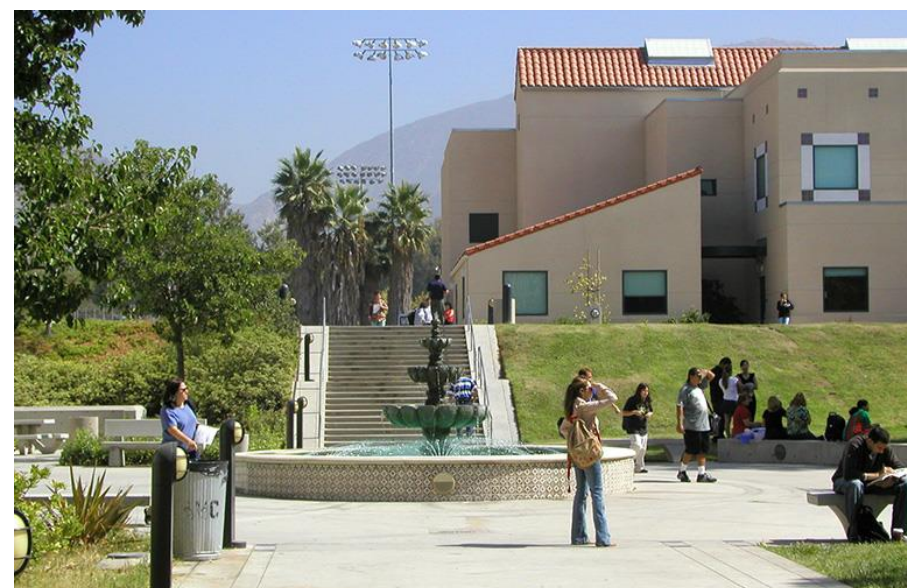
- Investing in the future, bettering yourself and life for your child
- Getting the most out of your paycheck, making your money go further
- Informational and direct – what are the benefits?

Visual Cues

- Young, ethnically diverse singles or couples
- Urban environment or campus

Media

- Digital media
 - Social media: Facebook, Instagram
 - Mobile display ads
- POP: Wal-Mart & Kmart





BETTERING BLUES
Using the Data to Reach “Kayla”

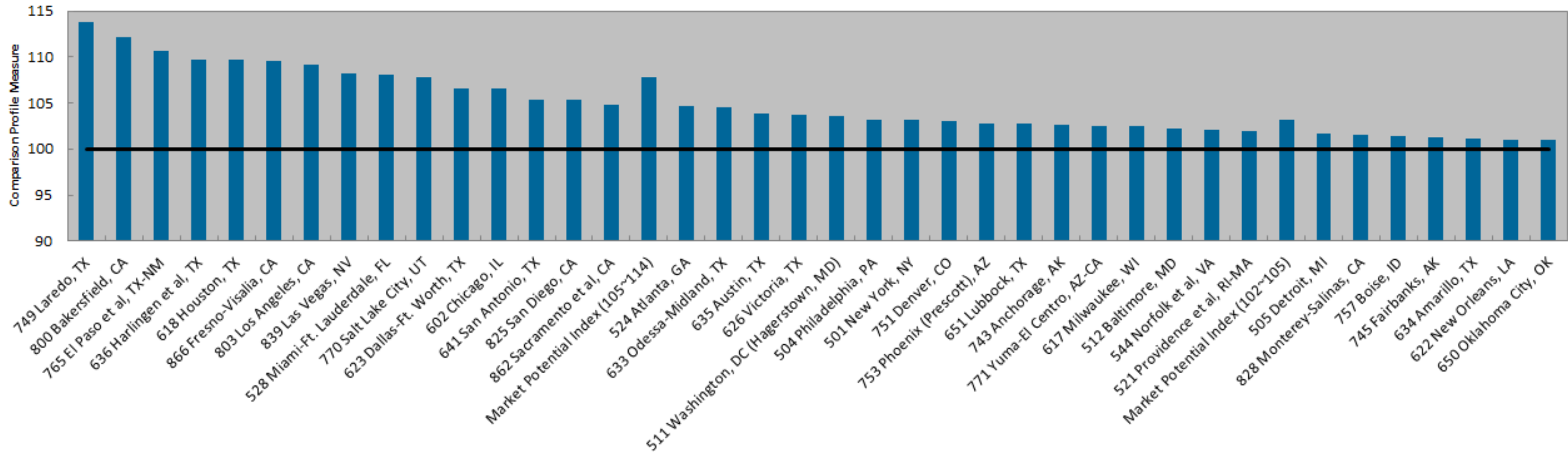
Google Display Network



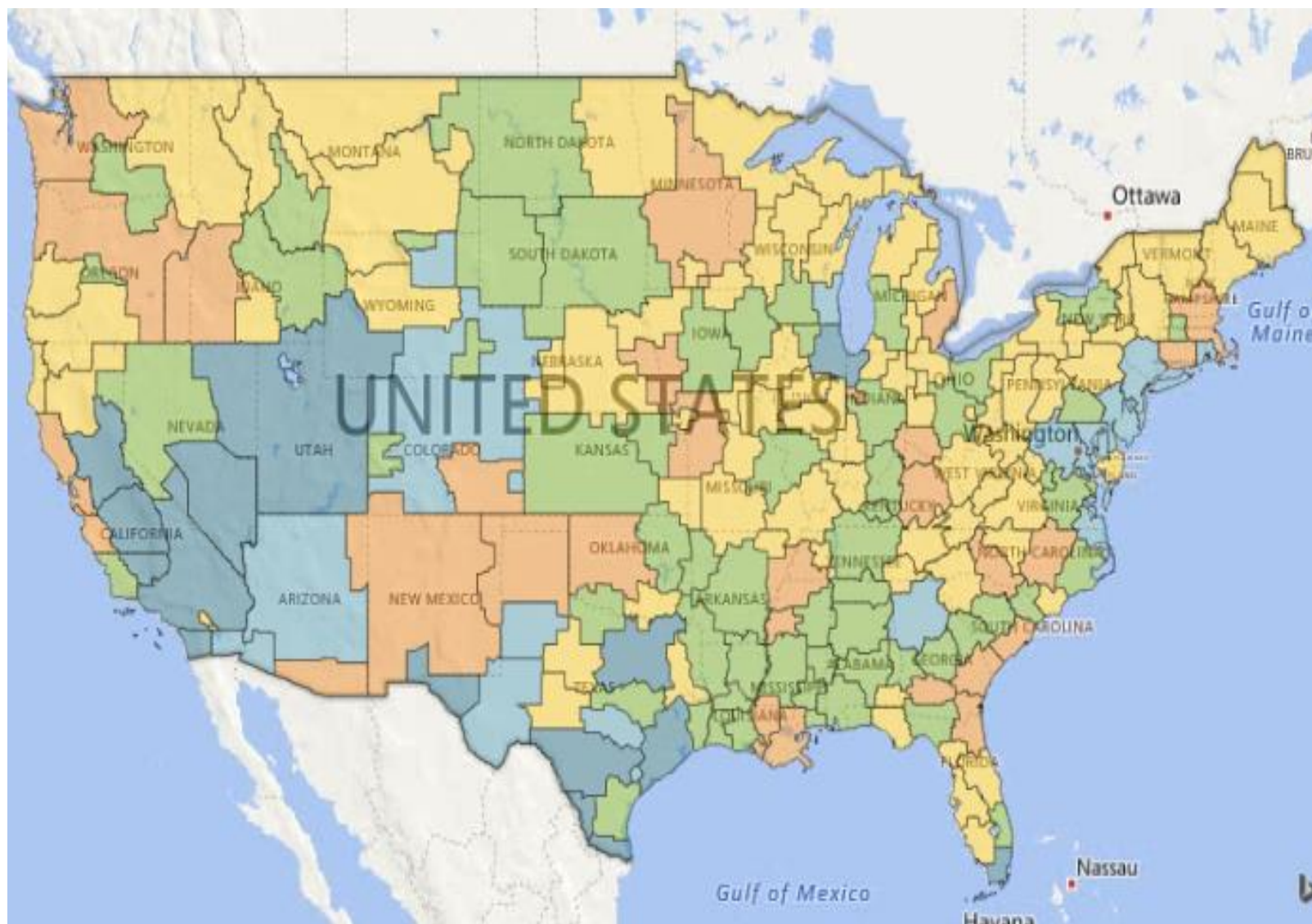


WHERE ARE THEY?

Market Potential Index Bar Chart



Market Potential: All Energy Intender Targets

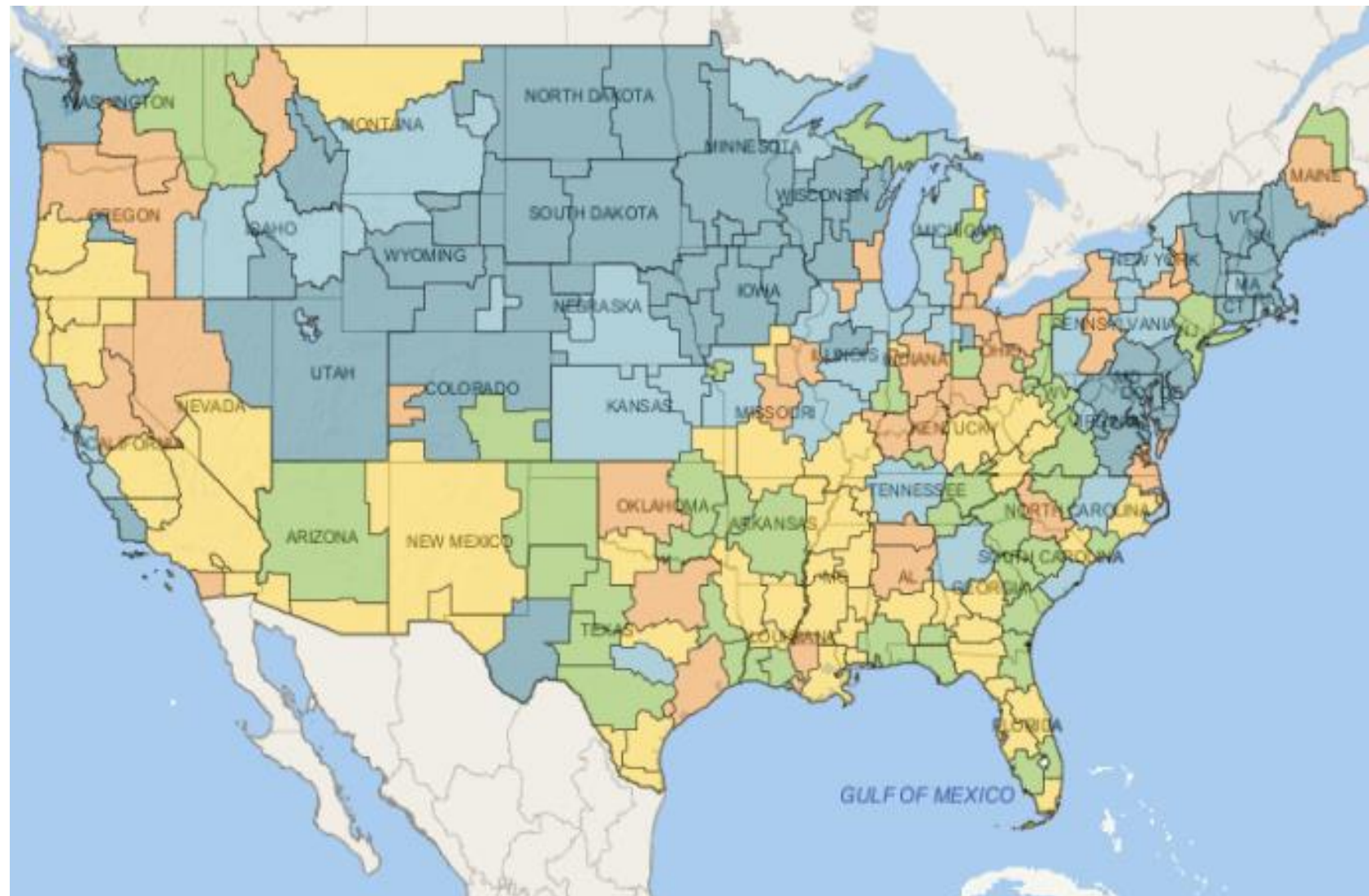


Items/services HHLD plans to buy in next 12 months (HHLD) Energy saving appliances (Items in the Home (Nielsen Scarborough), 2017) : Market Potential Index: Descending by n-Tile

List of Report Areas by Nielsen Designated Market Area (DMA)

- Market Potential Index (105~114)
- Market Potential Index (102~105)
- Market Potential Index (99~102)
- Market Potential Index (95~99)
- Market Potential Index (0~95)

Market Potential: All Energy Saver Targets



Items/services household currently has (HHL) Energy saving appliance (Items in the Home (Nielsen Scarborough), 2017) : Market Potential Index: Descending by n-Tile

List of Report Areas by Nielsen Designated Market Area (DMA)

- Market Potential Index (104~121)
- Market Potential Index (101~104)
- Market Potential Index (99~101)
- Market Potential Index (96~99)
- Market Potential Index (0~96)



Using Segmentation Data

1. Determine the designated market area (DMA) your utility operates in
 - Example: Entergy Arkansas - Little Rock, AR
2. Determine which of our five ENERGY STAR target audiences are represented in that market, based on how high each segment indexes.
 - As illustrated below, Striving Conservationists have a much stronger presence in Little Rock than other groups, providing Entergy Arkansas and effective target on which to focus.
3. Once your audience has been identified, use the recommended messaging and media channels identified in this study to effectively communicate with them.

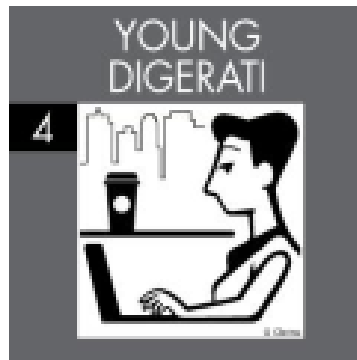
Little Rock, Arkansas	
Segment	Index
Sustaining Seniors	66
Established Environmentalists	78
Conscious Conservers	51
Aspiring Energy Savers	67
Striving Conservationists	195



Shades of Cyan Customer Segmentation Toolkit

- Beginning **Spring 2019**, all ENERGY STAR partners will have access to the Customer Segmentation Toolkit, available at www.energystar.gov/products/tools_resources, including:
 - A deeper dive into behavioral data for all five customer segments.
 - Sample messaging and media recommendations for each segment.
 - Geographic data for each segment at the DMA level.
 - A white paper outlining the findings of this data.
- Our plan is to update this data and revise the toolkit in the next 2-3 years in order to maintain accuracy and efficacy.

TRUE BLUES



Wealthy Middle Age Mostly w/ Kids

Young Digerati are tech-savvy and live in fashionable neighborhoods on the urban fringe. Affluent and highly educated, Young Digerati communities are typically filled with trendy apartments and condos, fitness clubs and clothing boutiques, casual restaurants and all types of bars, from juice to coffee to microbrew. Many have chosen to start families while remaining in an urban environment.

Owns a Mercedes • Eats at Chipotle • Shops at Banana Republic • Goes hiking/backpacking
• Visits Asia • Uses Yelp • Listens to Alternative

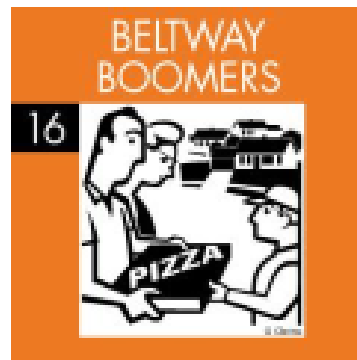


Upscale Middle Age Mostly with Kids

The residents of Executive Suites tend to be prosperous and active professionals who own multiple computers, large-screen TV sets, and are above average in their use of technology. Executive Suites also enjoy cultural activities, from reading books to attending theater and watching independent movies.

Owns a Mazda • Eats at Starbucks • Buys organic food • Plays tennis • Stays at Radisson •
Visits NHL.com • Listens to Adult Contemporary

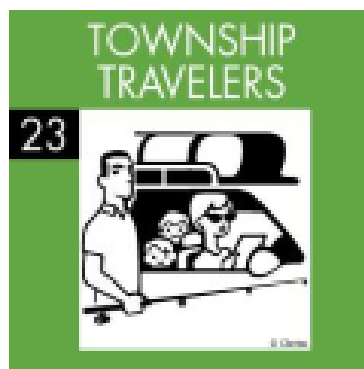
TRUE BLUES



Upper Mid(Scale) Middle Age Family Mix

The members of the postwar Baby Boom are all grown up. One segment of this huge cohort, college-educated, upper-middle-class, and home-owning, is found in Beltway Boomers. Like many of their peers who married late, many of these Boomers are still raising children in comfortable suburban subdivisions while beginning to plan for their own retirement.

Owns a Lexus • Eats at Chick-fil-A • Shops at Stein Mart • Follows motocross • Stays at Spring Hill Suites • Watches Fox Sports 1 • Listens to Inspirational

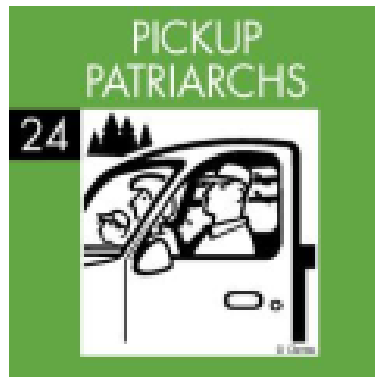


Upper Mid(Scale) Middle Age Family Mix

Homeowners in Township Travelers exhibit a blend of behaviors representative of their upscale incomes and small town environment. They enjoy outdoor activities like fishing and off-road biking but also enjoy the creature comforts of reading, watching college basketball, and shopping at wholesale clubs and gourmet groceries.

Owns a GMC • Eats at Logan's Roadhouse • Buys books online • Follows college baseball • Stays at Spring Hill Suites • Visits Pinterest • Listens to SEC Football

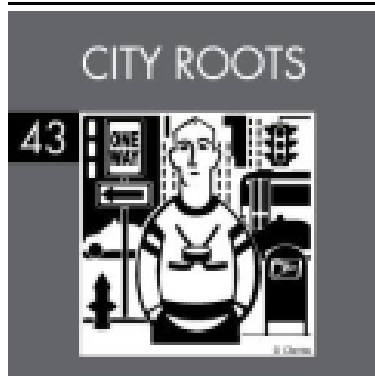
TRUE BLUES



Upscale Older Mostly without Kids

Pickup Patriarchs, an upscale segment found in exurban areas, are country chic. They live in areas that are somewhat rural but they have more suburban tastes. They are frequent golfers and boaters, heavy shoppers and savvy investors.

- Owns a GMC
- Eats at Bob Evans
- Shops at Eddie Bauer
- Goes boating
- Stays at Radisson
- Visits NASCAR.com
- Listens to NASCAR



Upscale Middle Age Family Mix

Found in urban neighborhoods, City Roots is a segment of middle class mainly white-collar workers, typically living in older homes they've owned for years. In these ethnically diverse neighborhoods residents are working hard, avid soccer fans, and enjoy traveling to Central and South America.

- Owns a Cadillac
- Eats at Jack in the Box
- Shops at IKEA
- Follows MLS
- Visits Central/South America
- Watches Telemundo
- Listens to Jazz

NEW BLUES



Upscale Younger Mostly with Kids

Young, upper-middle-class families seeking to escape suburban sprawl find refuge in New Homesteaders, a collection of small rustic townships. With a mix of jobs in white and blue-collar industries, these dual-income couples have fashioned comfortable, child-centered lifestyles; their driveways are filled with campers and powerboats, their house with the latest technological gadgets and hunting gear.

Owns a Subaru • Eats at Cold Stone Creamery • Shops at Justice • Goes hunting • Flies Frontier • Visits NHL.com • Listens to New Country

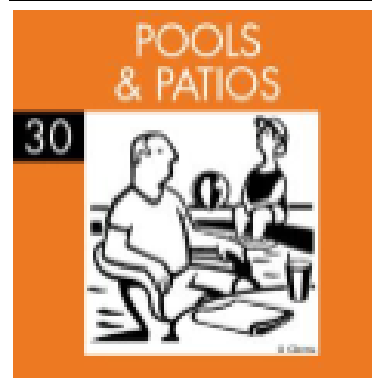


Upper Mid(Scale) Middle Age without Kids

Widely scattered across the nation's suburbs and second cities, the residents of Home Sweet Home tend to be younger, midscale families living in mid-sized homes. The adults in the segment, mostly under 55, have gone to college and hold professional and white-collar jobs. These folks stay busy remodeling and improving their homes, enjoy the occasional night out singing karaoke, and follow professional sports.

Owns a Kia • Eats at Jason's Deli • Shops at Cost Plus World Market • Follows PGA/LPGA • Cruises on Royal Caribbean • Visits PGATour.com • Listens to minor league baseball

NEW BLUES



Upper Mid(Scale) Younger Mostly w/ Kids

Pools & Patios is a segment of middle-aged suburban families. In these stable neighborhoods graced with backyard pools and patios, residents work as white-collar managers and professionals, and are now at the top of their careers. They are above average technology users, often researching products and shopping online.

Owns a Kia • Eats at Wingstop • Shops at New York & Company • Plays soccer • Stays at Spring Hill Suites • Watches Nick Jr • Listens to Classic Country

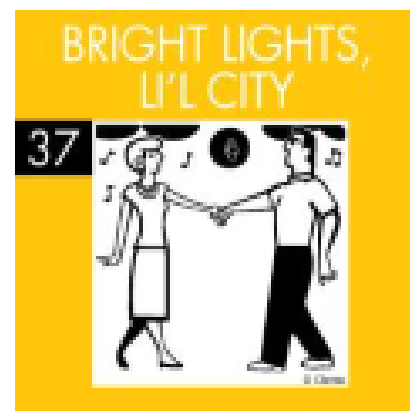


Upper Mid(Scale) Younger Mostly with Kids

In Second City Startups, young to middle-aged families have settled in neighborhoods within smaller cities and metro areas. These families are ethnically diverse and are more likely to have a military affiliation of some kind and have average technology use.

Owns a GMC • Eats at CiCi's Pizza • Shops at Ross • Follows motocross • Stays at La Quinta • Watches TV One • Listens to Urban Adult Contemporary

NEW BLUES



Upper Mid(Scale) Younger Family Mix

Not all of America's chic sophisticates live in major metros. Brite Lights, Li'l City is a group of well-off, college educated, middle-aged couples settled in the nation's satellite cities and suburbs. Despite living further out from the urban downtowns, they still like to go out on the town with frequent meals out and karaoke evenings.

Owns a Cadillac • Eats at Taco Bell • Uses smartphone for shopping • Follows motocross • Cruises on Carnival • Watches Adult Swim • Listens to Rock



Midscale Younger Mostly with Kids

Widely scattered throughout the nation's heartland, Kid Country, USA is a segment dominated by families living in small towns. These working-class households enjoy outdoor activities and are more likely to own boats and ATVs.

Owns a GMC • Eats at Logan's Roadhouse • Shops at Gap Kids • Follows college baseball • Visits the Bahamas • Watches WWE • Listens to Rock

NEW BLUES

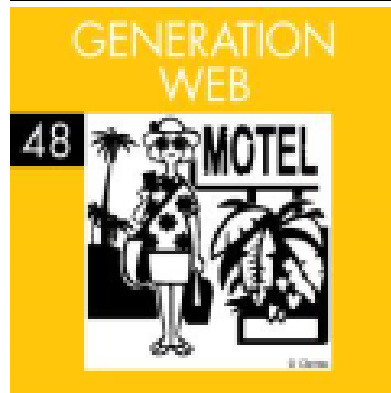


Midscale Middle Age Family Mix

An immigrant gateway community, Multi-Culti Mosaic is the urban home for a mixed populace of Hispanic, Asian, and African-American singles and families. This segment is characterized by many first-generation Americans who are striving to improve their economic status.

Owns a Nissan • Eats at Church's Chicken • Shops at Ross • Follows Mexican league soccer • Stays at Motel 6 • Watches Telemundo • Listens to Urban Adult Contemporary

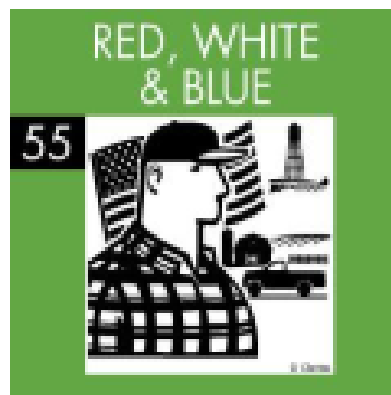
BETTERING BLUES



Low Income Middle Age Family Mix

Having grown up in the age of the internet, Generation Web are younger families with above average technology use. They are more often renters, living in suburban neighborhoods and second cities, and frequent video game and accessory stores.

Owns a Nissan • Eats at Burger King • Shops at GameStop • Plays basketball • Stays at Motel 6 • Watches MTV2 • Listens to Adult Contemporary



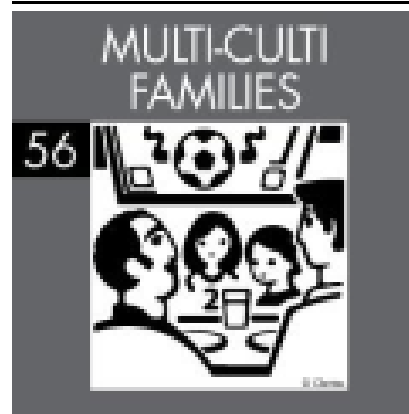
Low Income Middle Age Family Mix

The residents of Red, White & Blue typically live in rural areas. Middle-aged, with high school educations and lower incomes, many of these folks are transitioning from blue-collar jobs to the service industry. In their spare time, they are active members of their local community organizations.

Owns a Jeep • Eats at Long John Silver's • Shops at Wal-Mart • Follows monster trucks • Stays at Days Inn • Watches Nick at Nite • Listens to New Country



BETTERING BLUES



Midscale Middle Age Family Mix

Multi-Culti Families are middle age, urban households with moderate means. Often bilingual, they enjoy a wide variety of media and are average in their overall use of technology.

- Owns a Mitsubishi
- Eats at Jack in the Box
- Shops at Ross
- Follows Mexican league soccer
- Visits Mexico
- Watches Telemundo
- Listens to Alternative

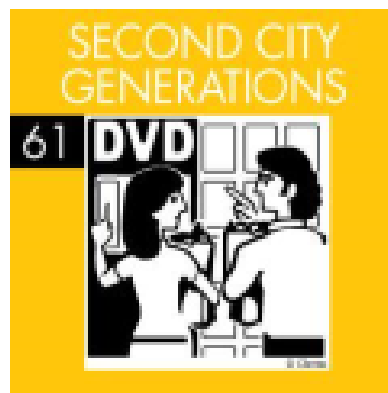


Downscale Middle Age Family Mix

New Melting Pot neighborhoods are populated by a blend of ethnically diverse, young families and singles in the nation's second cities. They are mainly high school graduates that rent and work in a mix of service jobs. They are big fans of gospel music, wrestling, and monster trucks.

- Owns a Mazda
- Eats at Church's Chicken
- Shops at Burlington
- Follows monster trucks
- Stays at Ramada
- Watches WWE
- Listens to Gospel

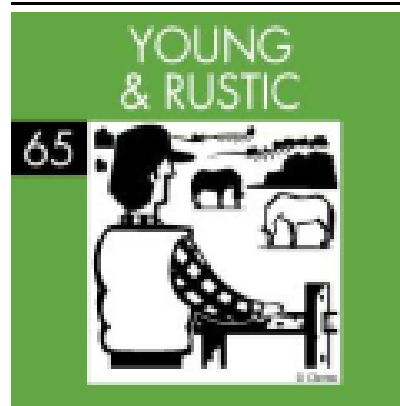
BETTERING BLUES



Low Income Middle Age Family Mix

Second City Generations are often multi-generational households with middle-aged parents or grandparents and new babies and young children all under one roof. Also often bilingual, they are entertained by a wide variety of media channels and programs.

Owns a Cadillac • Eats at Church's Chicken • Shops at Burlington • Follows Mexican league soccer • Stays at La Quinta • Watches Telemundo • Listens to Gospel

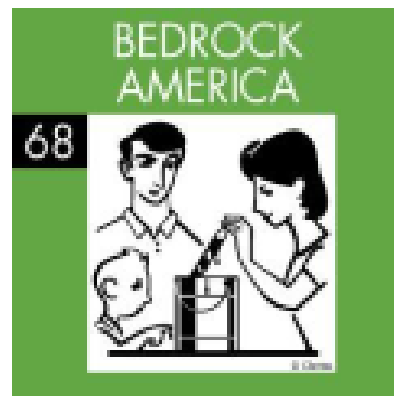


Low Income Middle Age Family Mix

Young & Rustic is composed of restless singles and young families in the nation's rural areas. They enjoy the outdoors on their ATVs but are also big video gamers and follow NASCAR and monster trucks.

Owns a Ford • Eats at Hardee's • Spends 5+ hours a day on social network sites • Follows monster trucks • Stays at Days Inn • Watches Boomerang • Listens to NASCAR

BETTERING BLUES



Low Income Middle Age Mostly without Kids

Bedrock America consists of economically challenged families in small, isolated towns located throughout the nation's heartland. With modest educations, sprawling families, and service jobs, many of these residents struggle to make ends meet but find enjoyment in following motocross and listening to rock music.

Owns a Chrysler • Eats at Hardee's • Shops at Eddie Bauer • Follows motocross • Stays at Ramada • Watches MTV • Listens to Rock