

Results from the 2018 E Source Utility Marketing Survey

Qualitative Research Results

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Web conference



E Source

Presentation Outline

Methodology

Participant profile

State of utility marketing

Marketing basics

Organizational structure



Methodology

Methodology

- This year we split the survey to accommodate two customer groups:
 - Residential customers
 - Small and midsize business (SMB) customers
- 25 utilities responded to residential survey:
 - 7 public power utilities
 - 18 investor-owned utilities (IOUs)
- 19 utilities responded to SMB survey:
 - 4 public power
 - 15 IOUs
- Results generally reported as number of respondents; findings are directional only and should be interpreted with caution



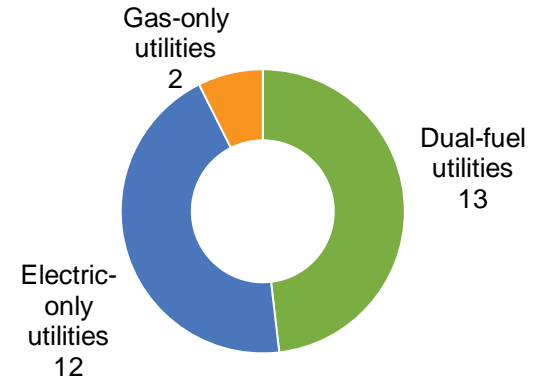
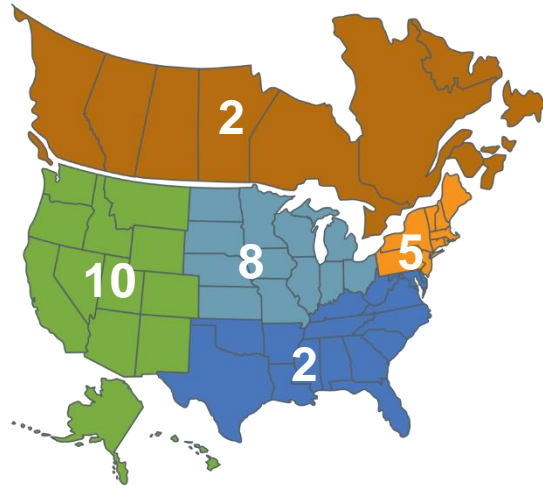
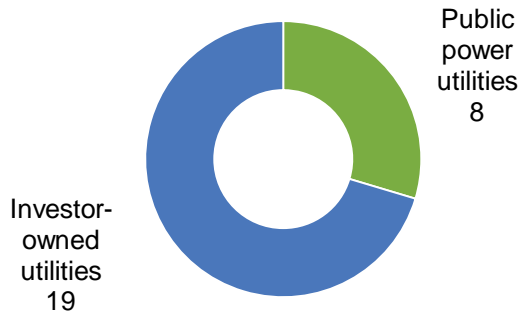
Participant profile

2018 participant profile

- AEP Ohio
- Alliant Energy
- Ameren Illinois
- Arizona Public Service
- Colorado Springs Utilities
- ComEd
- Energy Trust of Oregon
- FortisBC
- Idaho Power

- KCP&L
- Manitoba Hydro
- New Jersey Natural Gas
- NV Energy
- OUC
- Pacific Gas and Electric Co.
- PECO
- Portland General Electric
- PPL Electric Utilities

- PSEG Long Island
- Public Service Electric & Gas Co.
- Sacramento Municipal Utility District
- SCANA Corp.
- Silicon Valley Power
- Tacoma Public Utilities
- Vectren
- WPS/Integrus Group
- Xcel Energy



Base: Number of utilities by utility type.

Base: Number of utilities by North American region.

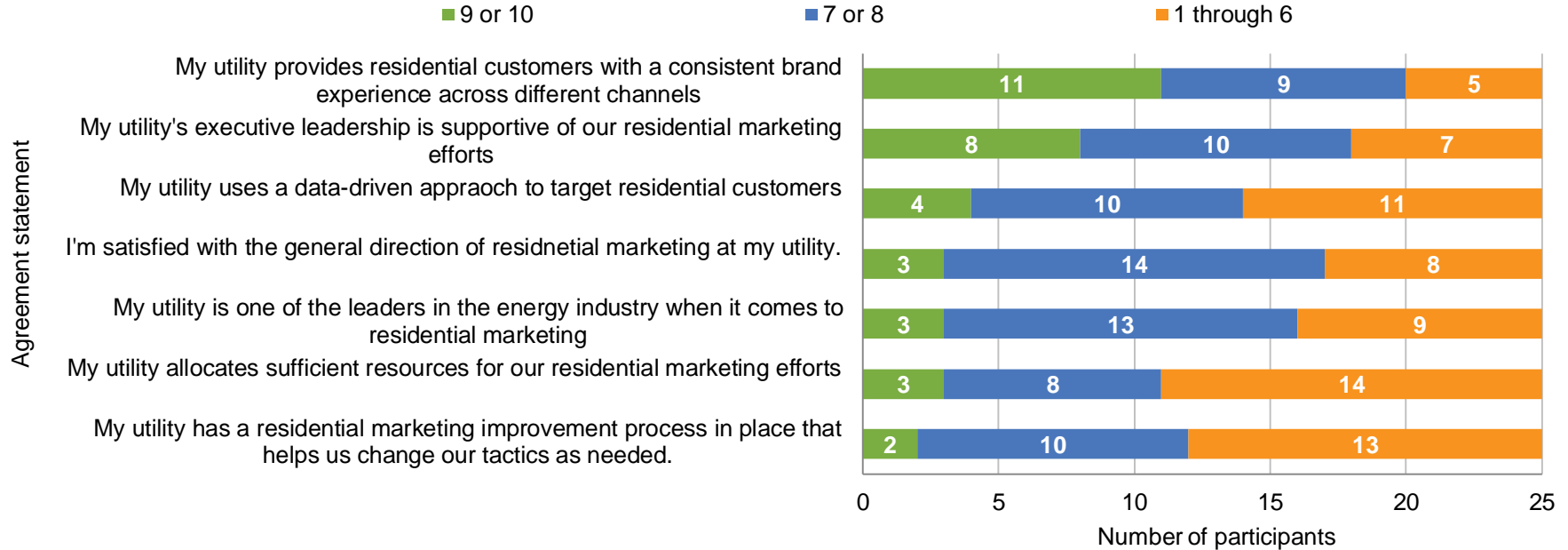
Base: Number of utilities by service type.

A person is shown from behind, sitting at a desk and using a laptop. The laptop screen displays a social media profile page with a profile picture and text. The background is a solid blue color. A white rectangular box is overlaid on the center of the image, containing the title text.

State of utility marketing

State of utility residential marketing

Gaining support to tackle the job ahead



Base: Total number of respondents (n = 25). Question S1.8: Using a scale of 1 to 10, where 1 means strongly disagree and 10 means strongly agree, please indicate how strongly you agree or disagree with each of the following statements.

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Top 3 marketing challenges

- Effectively marketing to unengaged customers
- Turning awareness into program enrollments
- Integrating marketing efforts into a broader customer-experience plan

Base: All residential participants (n = 25 utilities) and all small and midsize business participants (n = 29 utilities). Question S1_5: What are the top three residential marketing issues or challenges you expect to focus on in the next 12 months? Select up to three responses.

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Marketing basics

Most-cost-effective channels

Residential customers

Email
Utility website
Social media
Online chat
Text messages
Paid search marketing

Print advertising
TV
Outdoor ads
Outreach and community events

Higher
cost-effectiveness
(≥ 8.0 average rating)



Lower
cost-effectiveness
(< 6.0 average rating)

SMB customers

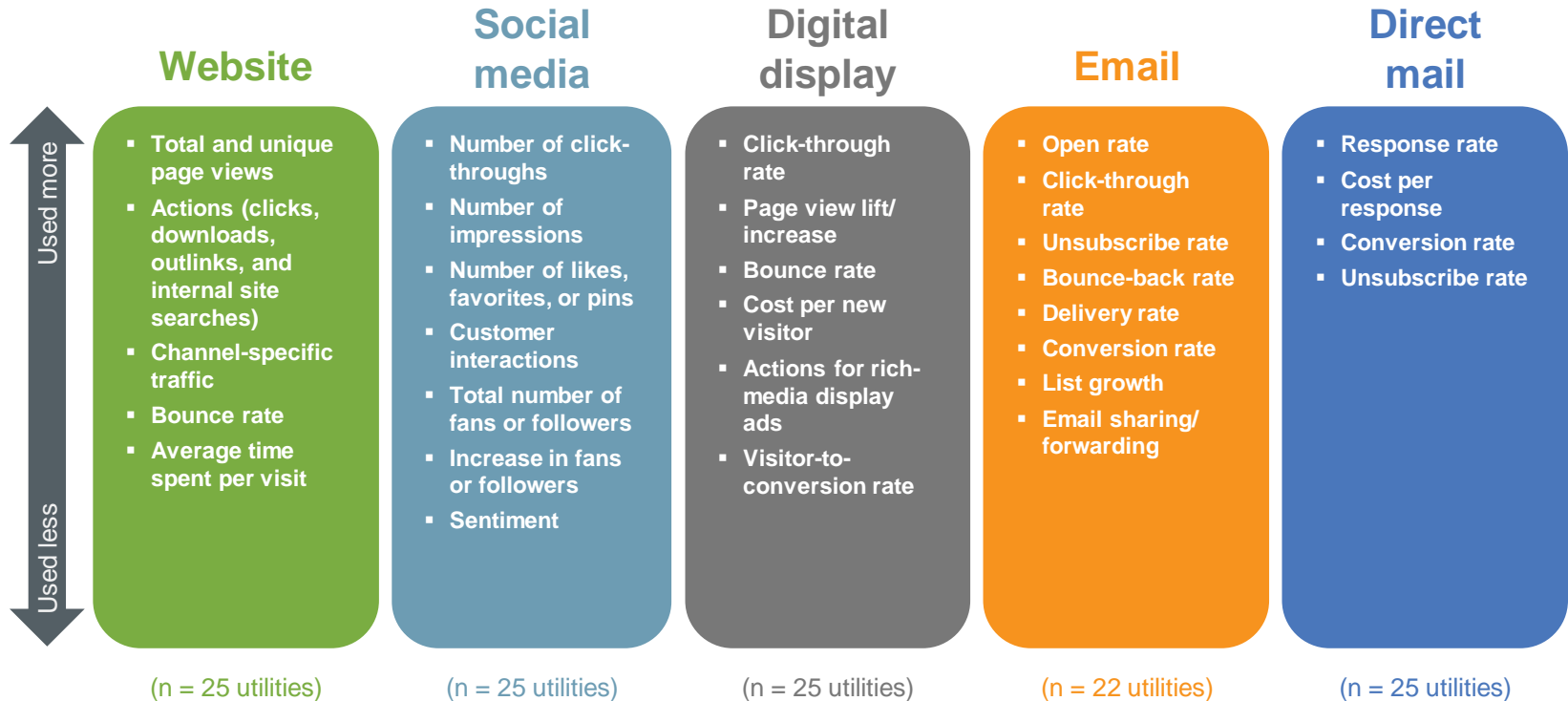
Trade allies
Utility website
Email
Paid search marketing

Online chat
Outdoor ads
TV
Print advertising

Base: All residential respondents (n = 25), All business respondents (n = 19). Question S3_1 (residential)/S4_1 (SMBs): Using a scale of 1 to 10 where 1 means not at all cost-effective and 10 means extremely cost-effective, please rate the general cost-effectiveness of the following channels for marketing to [residential or SMB] customers.

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Channel-specific metrics

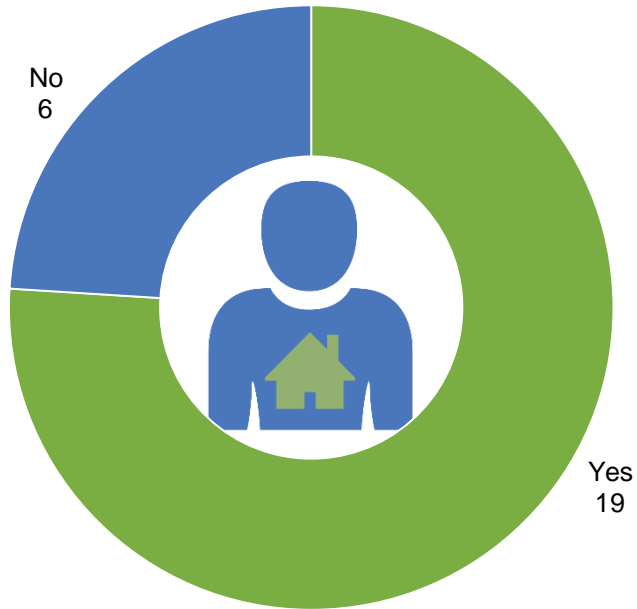


Base: Utilities that use [channel] to market to residential or small and midsize business customers (n sizes vary as shown above). **Questions S5_1–S5_5:** Which of the following marketing metrics does your organization gather for each customer segment for [channel], if any?

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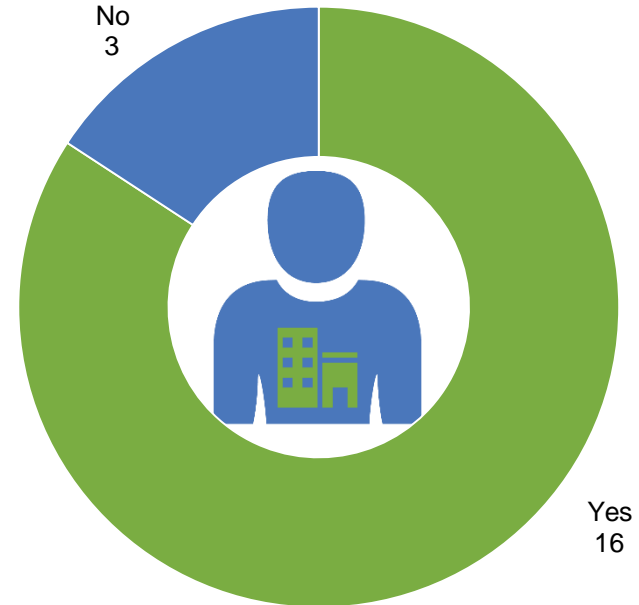
Residential segmentation leads the way

Residential customers



Base: Residential marketing respondents (n = 25 utilities).
Question S3_4: Does your utility segment its residential customers for marketing purposes?

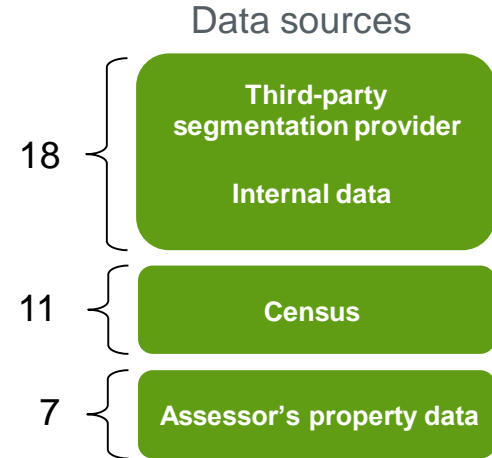
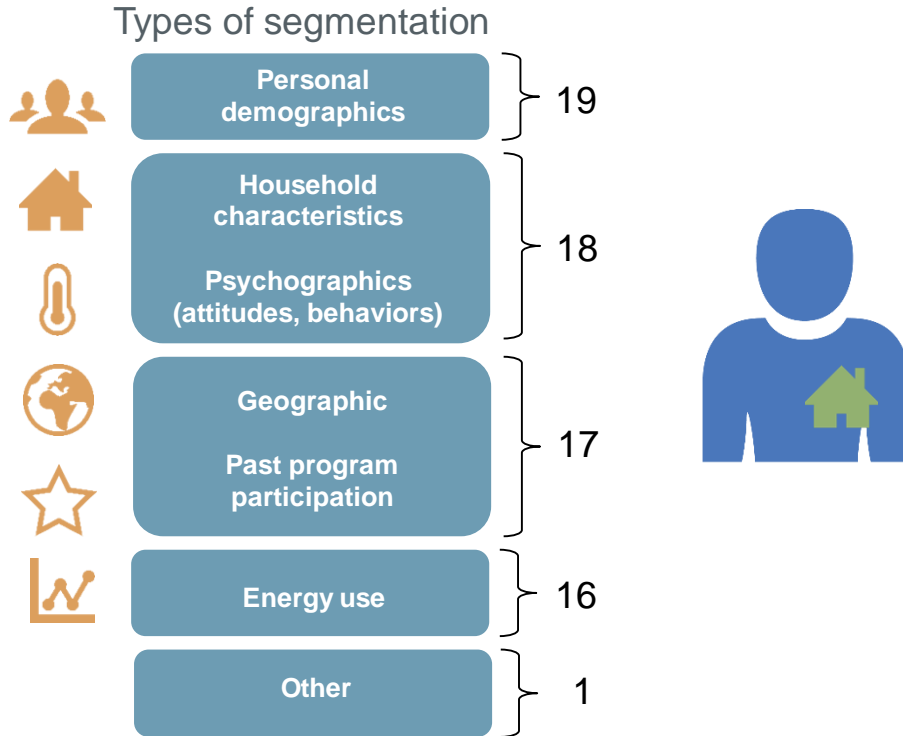
SMB customers



Base: SMB marketing respondents (n = 19 utilities). **Question S4_4:** Does your organization segment its small and midsize business customers for marketing purposes?

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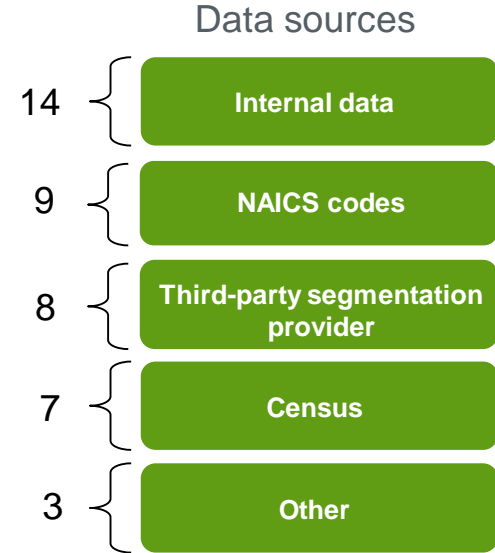
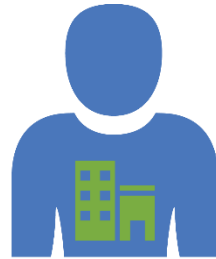
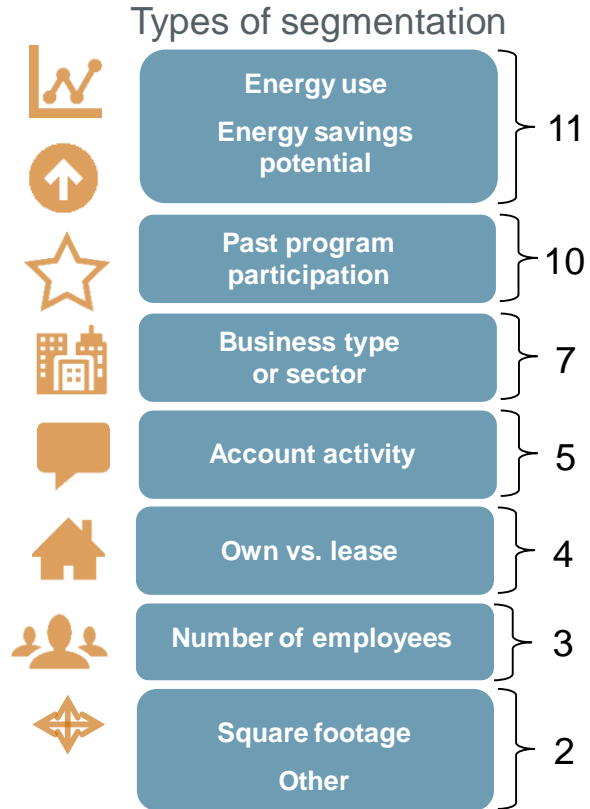
Residential segmentation



Base: Residential marketing respondents who use segmentation to market to residential customers (n = 19 utilities). **Question S3_4b:** How do you segment your residential customers? *Please select all that apply.* **Question S3_5a:** Which data sources do you use to inform your residential customer segments? *Please select all that apply.*

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SMB segmentation




Base: Residential marketing respondents who use segmentation to market to residential customers (n = 16 utilities). **Question S4_4b:** How do you segment your residential customers? *Please select all that apply.* **Question S4_5a:** Which data sources do you use to inform your residential customer segments? *Please select all that apply.* **Note:** NAICS = North American Industry Classification System. © E Source (2018 Residential Utility Marketing Survey)

Marketing basics

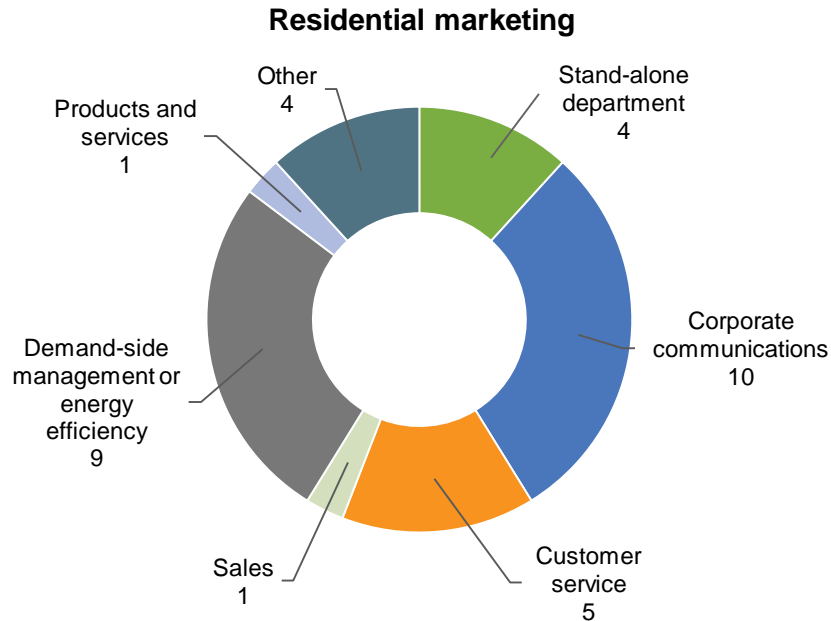
Key takeaways



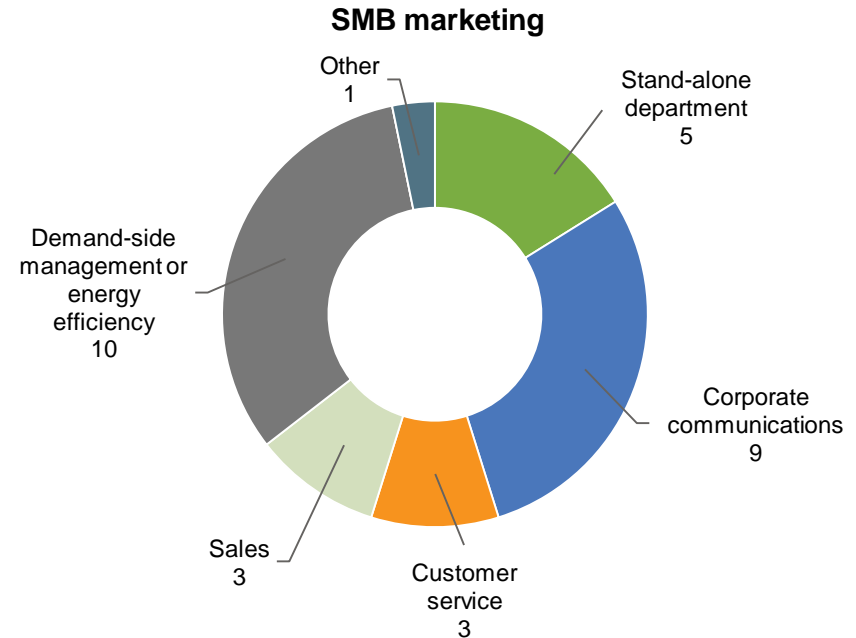


Organizational structure

Marketing resides largely in corporate communications and customer service departments



Base: Residential marketing respondents (n = 25). Question S1_13: In which department(s) does residential marketing reside? Please select all that apply



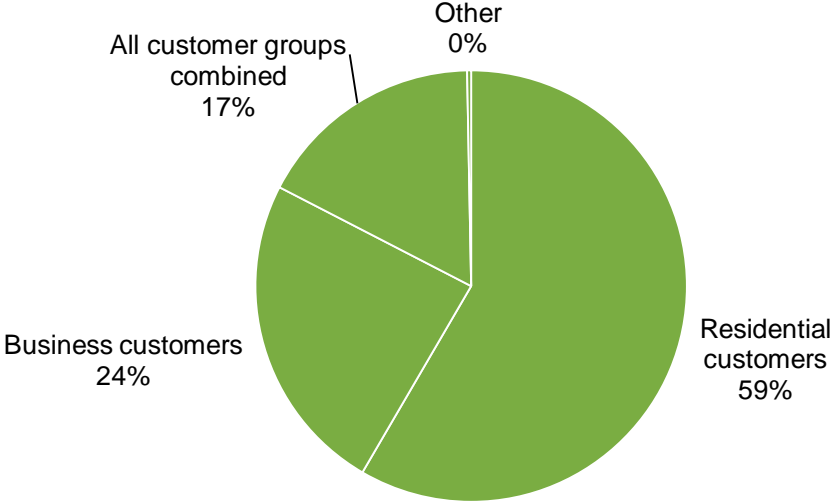
Base: SMB marketing respondents (n = 19). Question S1_13: In which department(s) does residential marketing reside? Please select all that apply

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Marketing budget allocations

By customer group

Average marketing budget allocations



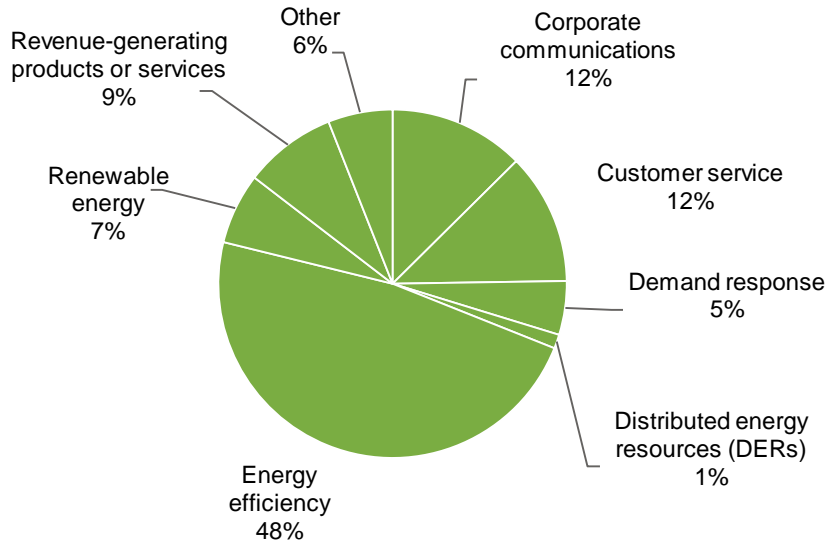
Base: Unique residential and SMB marketing participants who know their departments marketing budget (n = 31). **Question S2.3:** Generally speaking, what percentage of the overall corporate marketing budget (including employee salaries, technology, events, and consultants) is spent on marketing to residential and business customers?

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Marketing budget allocations

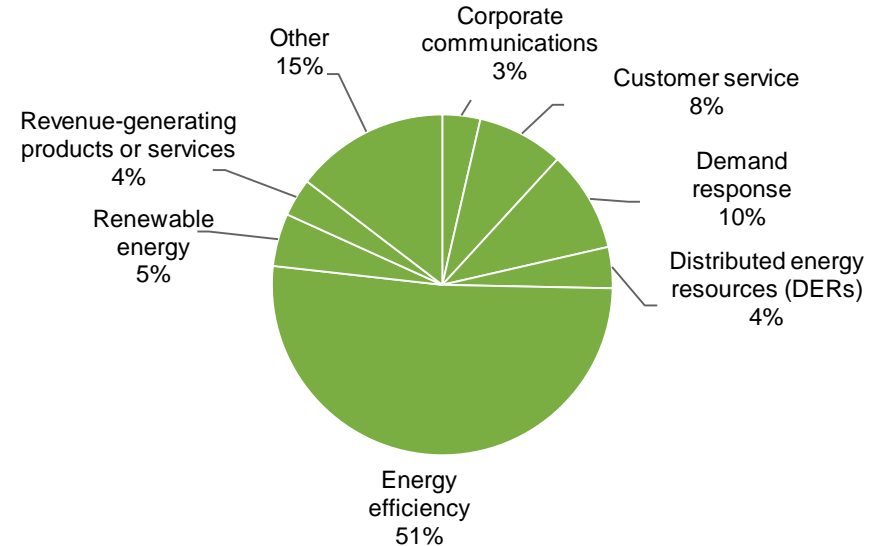
By topic area

Residential marketing budget



Base: Residential marketing respondents (n = 25). **Question S2_5:** Including all operating companies or service territories, what percentage of your utility's annual Residential marketing budget (including employee salaries, technology, events, and consultants) do you expect to spend within the following areas in FY2018?

SMB marketing budget

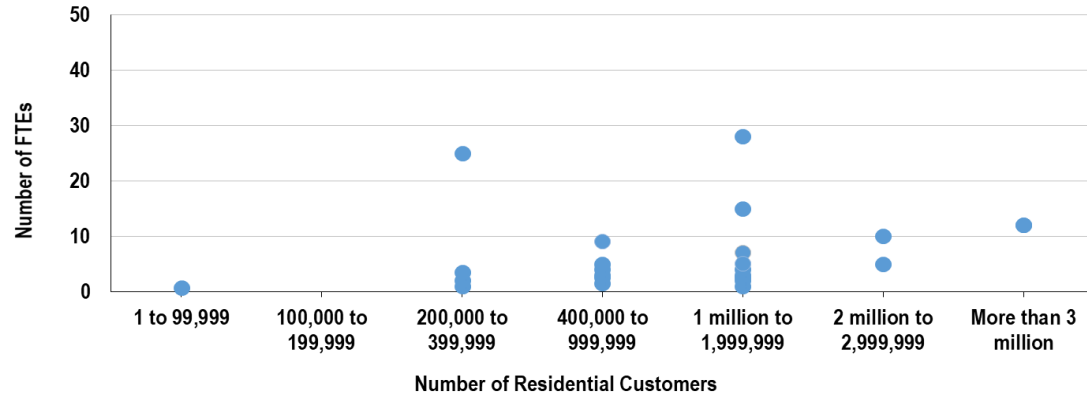


Base: SMB marketing respondents (n = 19). **Question S2_5:** Including all operating companies or service territories, what percentage of your utility's annual SMB marketing budget (including employee salaries, technology, events, and consultants) do you expect to spend within the following areas in FY2018?

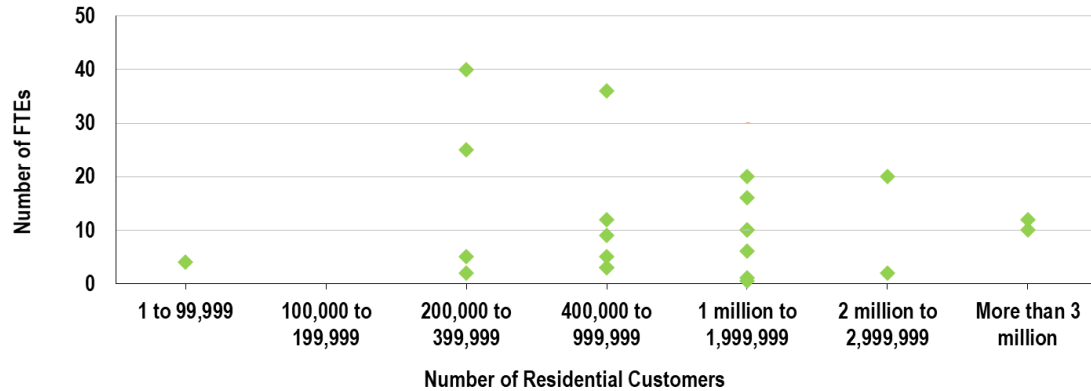
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Utilities use variable staffing

● Full-time equivalents (FTEs) exclusively dedicated to marketing activities



◆ FTEs occasionally dedicated to marketing activities



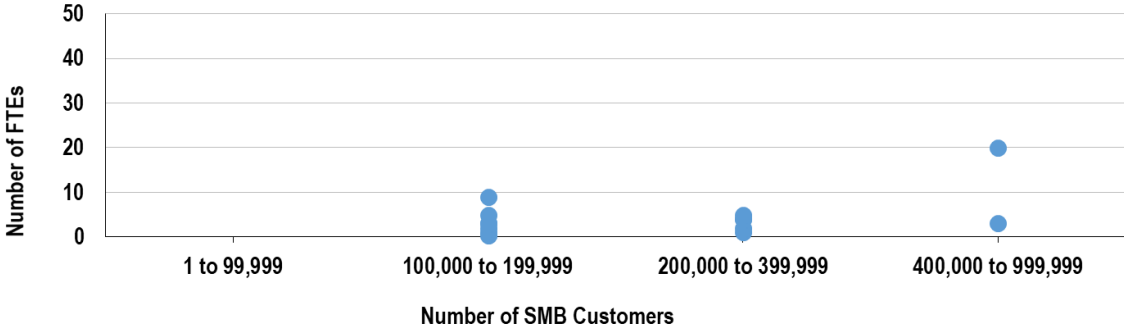
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Base: Total sample (n = 25 utilities). Question S1_18 (x-axis, both graphs): Including all operating companies or service territories, approximately how many residential customers does your utility serve? Question S1_16 (y-axis, top graph): Approximately how many full-time equivalents (FTEs) are exclusively dedicated to residential marketing activities at your utility? Question S1_17 (y-axis, bottom graph): Now we'd like you to think about employees who are not exclusively dedicated to residential marketing activities, but are occasionally responsible for residential marketing. Approximately how many individual employees across all departments are at least occasionally responsible for residential marketing activities at your utility? Note: Each data point in the graph represents a utility in the sample.

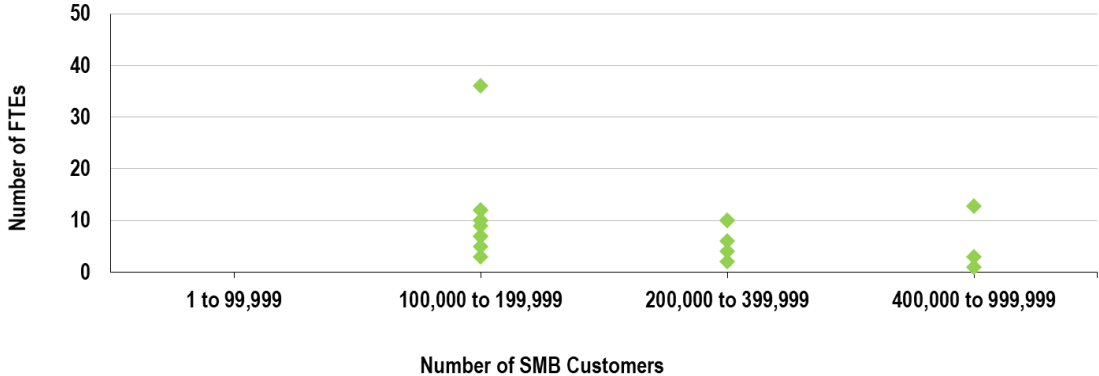


Small to midsize utilities use variable staffing for SMB marketing

● Full-time equivalents (FTEs) exclusively dedicated to marketing activities



◆ FTEs occasionally dedicated to marketing activities



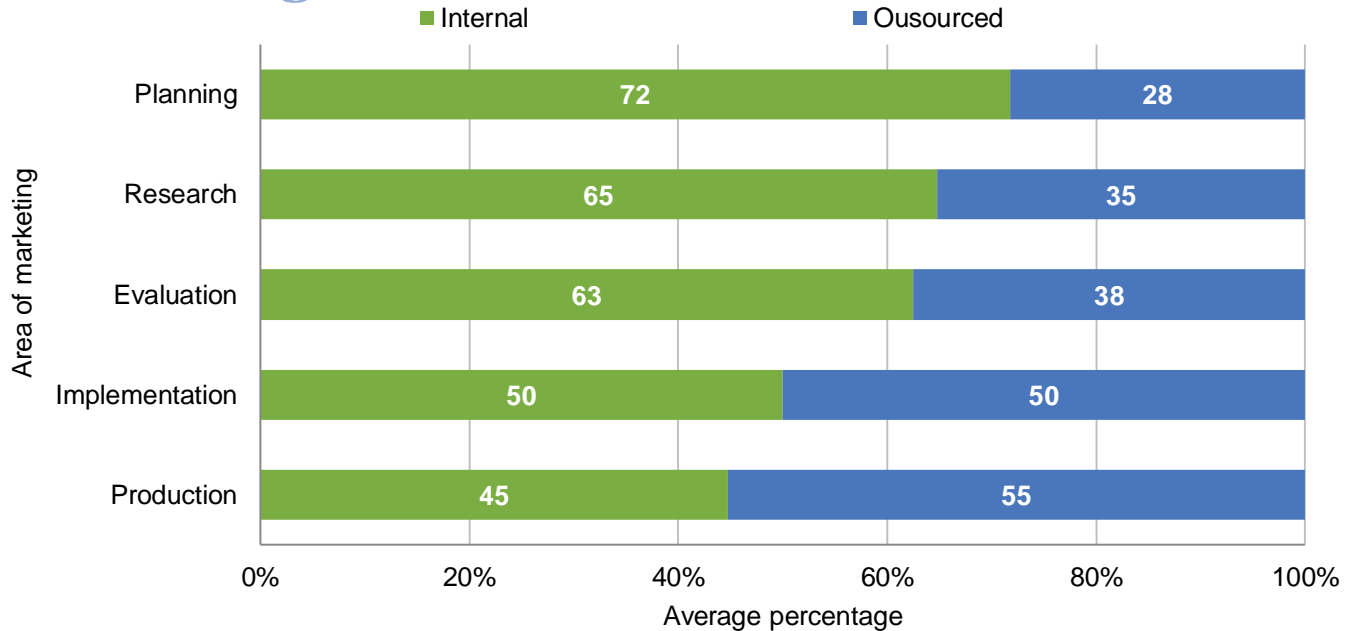
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Base: Business marketing survey respondents (n = 18 utilities). Question S1_18 (x-axis, both graphs): Including all operating companies or service territories, approximately how many [small business, midsize business] customers does your utility serve? Question S1_16 (y-axis, top graph): Approximately how many full-time equivalents (FTEs) are exclusively dedicated to SMB marketing activities at your utility? Question S1_17 (y-axis, bottom graph): Now we'd like you to think about employees who are not exclusively dedicated to SMB marketing activities, but are occasionally responsible for SMB marketing. Approximately how many individual employees across all departments are at least occasionally responsible for SMB marketing activities at your utility? Note: Each data point in the graph represents a utility in the sample.



Utilities plan internally and produce creative externally

Residential marketing



Base: Residential marketing participants using agencies (n = 20). **Question: S6_2:** Generally speaking, what share of your utility's overall residential marketing is done internally vs outsourced to an agency? Outsourcing can range from outsourcing an entire program to just a fraction of a program. Please make sure your answers for each column sum to 100%. Your best estimate is OK.

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Utilities often work with implementation contractors and agencies for marketing

Work with ...



Over **3/5** utilities work with implementation contractors

3/5 utilities work with agencies

Less than **1/5** utilities do not work with agencies or implementation contractors

Base: Residential and SMB marketing participants (n = 44). **Question S6.1:** It's important for utilities to know more about how the industry is working with implementation contractors and agencies. Who does your utility work with for residential marketing efforts? *Please select all that apply*

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Organizational structure

Key takeaways



Any suggestions for the next utility marketing survey?

Thank you! Questions?



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