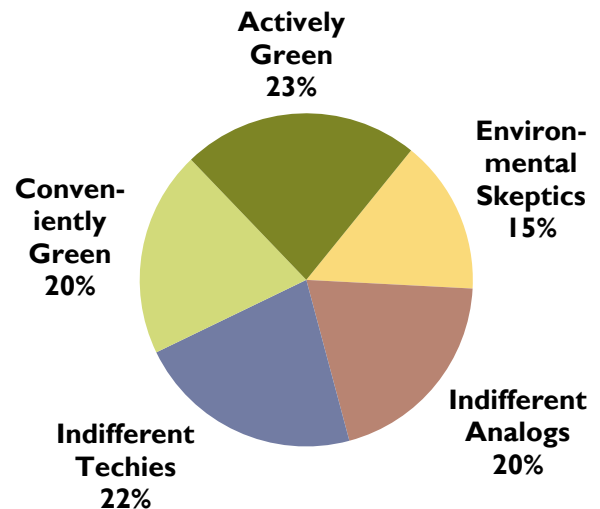


Energy Efficiency & Renewable Energy Segmentation Study

A SEGMENTATION OF RESIDENTIAL CO-OP MEMBERS

NRECA Market Research recently completed a study that segmented residential members based on their likelihood of embracing various energy efficiency and/or renewable energy programs offered by their co-op. This study used statistical techniques to surface natural groupings, identifying segments based upon survey responses to a wide range of attitudinal questions related to energy, economics, and the environment. The analysis identified five distinct segments of consumers and provided profiles of each. This is a tool co-ops can use to determine the types of programs likely to be most attractive to their membership, the segments of consumers most/least likely to participate, the most compelling messages for promoting those programs, and the media likely to work best for communicating with members about the given programs.






Among the 1,200 co-op members who participated in the survey, the following pie graph shows the proportions falling into each of the five segments:



The segmentation is derived using attitudinal questions. On one hand this makes the segments more powerful, effective and predictive because they are tied to people's motivations rather than strictly to their demographics or geography. On the other hand, it makes the segments more difficult to readily identify because it is not derived from easily acquired demographics. To help address this issue, the segmentation analysis also identified a battery of eight questions that are 78% predictive of the segment a consumer would fall in. That is, 78% of the time, if we have the consumer's responses to the eight questions, we can correctly predict which of the five segments they would fall into if they were to answer the much longer/comprehensive survey used to identify and profile the segments.

To find the composition of the five member segments in their own residential membership, cooperatives have two options. The first is to include the eight questions in another survey being conducted with a random sample of members (e.g., a Member Satisfaction Survey). The co-op can then estimate the proportion of members falling into each of the five segments. The second option is to complete a census of the co-op's entire residential membership, or sample a desired portion of the membership, asking as many members as possible to answer the eight questions. This option will allow the co-op to assign member households a segment designation, which then can be used for targeted marketing of various programs and services.

RESIDENTIAL CO-OP MEMBER SEGMENTS

	ACTIVELY GREEN	CONVENIENTLY GREEN	INDIFFERENT TECHIES	INDIFFERENT ANALOGS	ENVIRONMENTAL SKEPTICS
					
RENEWABLE ENERGY	Renewable energy and climate change important	Renewable energy important; climate change cyclical	Low concern	Low concern	Renewable energy too expensive, not needed
ENERGY EFFICIENCY	Very motivated to conserve; change lifestyle	Once-and-done energy efficiency improvements	Room to improve, not motivated to change	Room to improve, not motivated to change	Not willing to conserve
TECHNOLOGY	Internet savvy	Low-tech	Internet, new technology, gadgets	Very low-tech	Low-tech
LIFESTYLE	Involved, voters, hybrids	Busy, frugal	Busy, Yuppies, college degrees	Not involved, not busy	Always vote
DEMOGRAPHICS	Second-youngest, often single	Older, lowest income, largely female	Youngest, highest income, children in home	Oldest, lower income, retired, adult children	Second-oldest, largely male, married
HOME	Newer homes, some rent, often suburban/urban	Some mobile/ manufactured home	Newer single-family homes, often suburban/urban	Largely rural, older homes	Largely rural
CO-OP	Often unaware of co-op programs and services	Highest satisfaction, high member identity	Low member identity, newer members	High member identity, longest tenure	Lowest satisfaction, lowest member identity
PROGRAM INTEREST	All renewable energy and energy efficiency programs	Once-and-done energy efficiency improvements	Smart phone app, online calculators, programmable thermostats, etc.	Weatherization, insulation rebates, energy use on bills	Energy use on bills
MEDIA	Email, text, app, social media, website, YouTube, bill stuffers	Bill stuffer, newsletter, TV, newspaper	Email, social media, text, apps, YouTube, website	Bill stuffers, newsletter, TV, newspaper, word of mouth	Newsletter, bill stuffers, email, TV, radio
MESSAGING	Environmentally-friendly, invest now, the right thing to do, community	Once-and-done, save money, payback period, member-ownership	Cool gadgets, state-of-the-art, convenience	Easy to do, hassle-free, low-tech, human touch	Save on bills, convenience