

UNDERSTANDING THE MEANS, MOTIVATORS AND PREFERENCES OF ENERGY CONSUMERS

ENERGY CONSUMER
DYNAMICS SEGMENTATION

ACX IOM



CHALLENGES ADDRESSED

Most utilities have a sophisticated but heavily operational perspective of energy demand and usage, and a strong ability to predict “how much” retail consumption will be and “when” peak load will occur. The broader potential of the consumer market remains largely untapped, however, because the industry has historically had little incentive to understand “why” consumers behave the way they do, “how” the new world of behind-the-meter possibilities might change the way they participate and consume, or “which” messages and offers will be personally relevant and beneficial.

A pervasive effort is underway to close this knowledge gap, and the amount of new direct research being conducted by residential energy marketers is impressive. But there are two challenges to converting research into actionable intelligence, and doing so at full-market scale:

- With so little history of consumer shopping and decision-making behavior in this vertical, many surveys necessarily focus on self-reported intentions (a best guess at future behavior) rather than leveraging demonstrated behaviors (what consumers are actually doing or have done in the past).
- Varying residential market parameters, system priorities and customer exposures too often create localized survey bias and outcomes, thus limiting the ability to extrapolate modeled propensities across jurisdictions.



WHAT IS ENERGY CONSUMER DYNAMICS SEGMENTATION?

Acxiom’s Energy Consumer Dynamics Segmentation recognizes and assigns virtually every household in the U.S. to one of 11 clusters based on critical household energy buyer capacities, affinities and behavioral propensities. Developed from Acxiom’s breadth of consumer data assets and cross-industry marketing analytics and insights, each of these clusters delivers actionable analytical distinctions based on a holistic context of the new energy buyer marketplace.

Placing energy consumers into their own broad context on a national or regionally adjusted scale based on relevant and relative dimensions drives meaningful clustering and supports a path to actionable marketing across the variation in locales, offers and relationships.

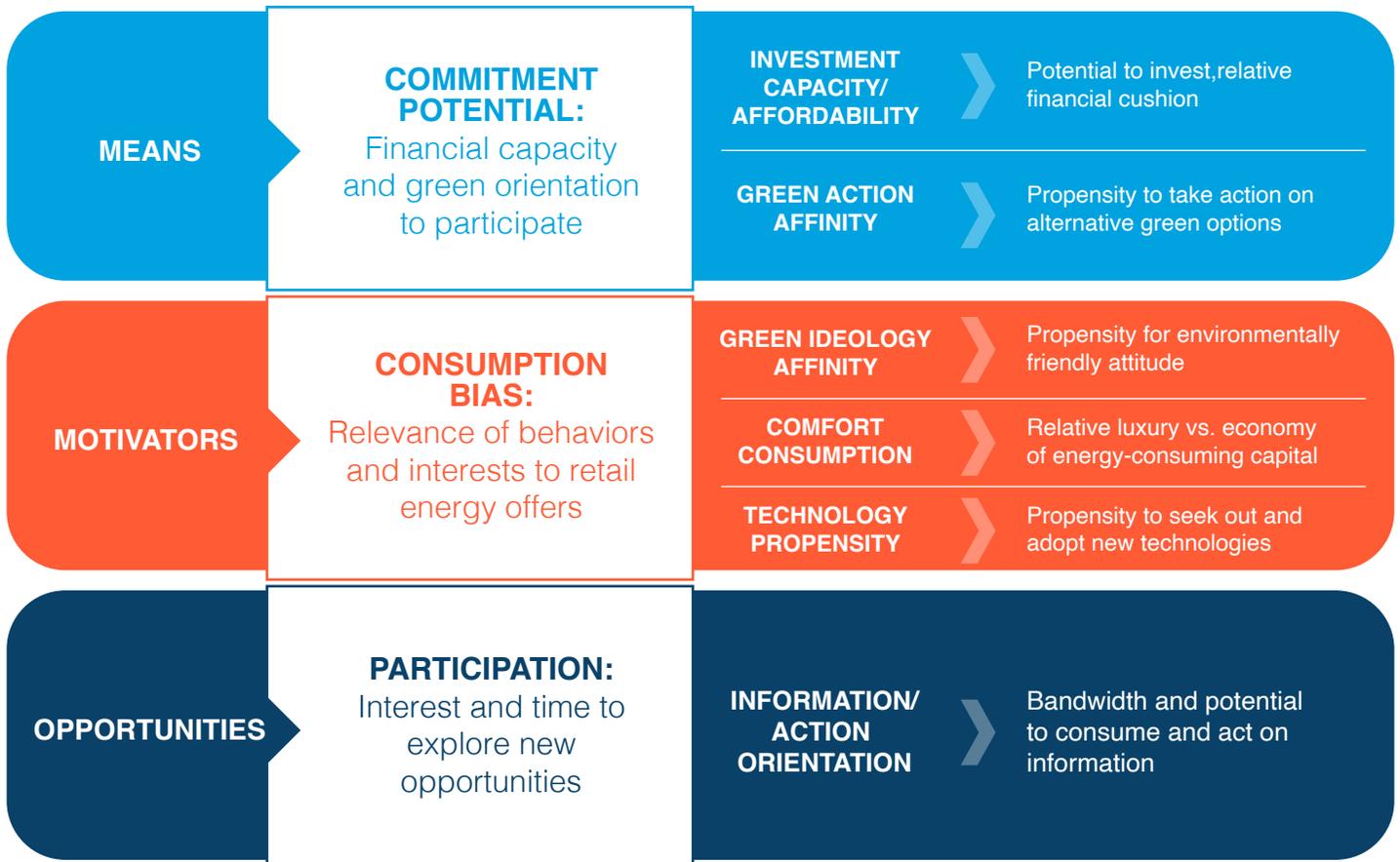
HOW IT WORKS

This segmentation offers a new perspective of residential energy consumers by providing marketers with insights into each household's ability to receive, engage in and respond to the breadth of retail and behind-the-meter market offers. The key themes of participation, behavior and engagement were the guiding design principles from the outset and are at the core of the resulting statistically defined segmentation system.

Acxiom's unique, foundational approach to developing this segmentation model included:

- Synthesis of six distinct dimensions of relevance through decomposition of numerous public and private market segmentation assessments.
- Analytical modeling of each dimension using demographic, economic, psychographic and buyer behavior data and proprietary cross-industry propensity models.
- Statistically defined, iterative clustering driven by these six dimensions without reliance on individual direct research or empirical sub-population data as the basis for full population extrapolation.

The table below illustrates how six underlying factors are used in combinations to recognize consumers according to their means, motivators and opportunities to be engaged energy consumers.



BUSINESS BENEFITS

Acxiom's system can benefit businesses through several unique capabilities, such as:

- Providing both a stand-alone market segmentation and a powerful complement to existing research and proprietary client segmentation efforts.
- Offering granular understanding and explanatory value about capacity, affinities and propensities, and adding insight into the broader addressable market that has yet to engage.
- Enabling analytical flexibility, allowing marketers to leverage dimensional insights on their own or in combination with the clusters.
- Delivering both national and regional normalization at cluster and dimension levels to enable local market insights and national level comparisons.

THE 11 CLUSTERS AND 6 DIMENSIONS OF ECDS

ECDS CLUSTER	COMMITMENT POTENTIAL		CONSUMPTION BIAS			PARTICIPATION	ENGAGEMENT COHORTS
	INVESTMENT CAPACITY AFFORDABILITY	GREEN ACTION AFFINITY	GREEN IDEOLOGY AFFINITY	COMFORT CONSUMPTION	TECHNOLOGY PROPENSITY	INFORMATION/ACTION ORIENTATION	
01 – Powered Up	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	Capacity to Engage
02 – Comfortech Investors	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	
03 – Comfortably Green	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	
04 – Green Tech	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	On Their Terms
05 – Informed Investments	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	
06 – Ideological Ambitions	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	Focused Filters
07 – Demi-Determined	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	
08 – Prudent Planners	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	Substantial Barriers
09 – Green Horizons	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	
10 – Conservative Tech	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	
11 – Unplugged	●●●●	●●●●	●●●●	●●●●	●●●●	●●●●	

ABSOLUTE SCORING

● High ● Medium ● Low

DESCRIPTION

Household-level segmentation system based on the means, motivators and opportunities of energy consumers

- National or regional
- 11 unique clusters
- 6 distinct dimensions

APPLICATIONS

- Customer analysis
- Market analysis
- Retention marketing
- Prospect marketing
- Personalization
- Omnichannel campaign execution

PROVEN PERFORMANCE

- 240% ROI when focusing marketing on top indexing clusters rather than entire market
- Successful identification of households over 2.7 times more likely to own an electric vehicle

ACCESSIBILITY

The ECDS clusters and dimensions are available for customer file enhancement, audience selects (postal, email, online display, addressable TV, social, mobile), and custom reporting and mapping.

TO LEARN MORE

about how Acxiom can work for you, contact us at info@acxiom.com.