

New Marketing and Engagement Strategies for Residential Efficiency Programs

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ABSTRACT

While some homeowners may be great candidates for whole-home retrofits, others can only afford to tackle one measure at a time. Utility programs have evolved to offer a variety of energy efficiency rebates in their portfolio in order to meet this varying demand for energy efficiency. But how do you market a portfolio of programs ensuring each homeowner is connected with the right one?

CPS Energy, San Antonio's municipal utility, is taking an innovative approach for its residential Energy Savers program marketing. Rather than letting homeowners self-select the individual efficiency measures that they believe will most benefit them, the program uses an online energy survey upfront on a catchall microsite, letting homeowners self-triage into the right upgrade programs, based on a simple, but solid, building science analysis.

This approach allows for a broader, mixed media advertising campaign by not dividing budget into measure-specific silos. More importantly, it maximizes the savings per program participant: encouraging applicants who have greater savings potential to participate in more expensive whole-home programs while off-ramping those with lower savings potential into single-measure rebate programs better suited for their homes.

Introduction

CPS Energy Savers began as a \$10 million Better Buildings grant from the Department of Energy, administered by the City of San Antonio and CPS Energy in 2011 (CPS Energy Savers 2012). Additional funds came from the American Recovery and Reinvestment Act Energy Efficiency Conservation Block grants along with local funds. It is designed to drive both residential and commercial energy efficiency projects through subsidized energy audits, financing options and rebates for retrofits.

CPS Energy is the nation's largest municipal natural gas and electric utility, providing service to approximately 717,000 electric customers and 325,000 natural gas customers in and around the City of San Antonio (CPS Energy 2012). The utility ranks among the nation's lowest-cost energy providers. The Energy Savers program is part of a portfolio of energy efficiency programs administered by the utility that support CPS Energy's Save for Tomorrow Energy Plan (STEP). STEP aims to reduce the growth in San Antonio's demand for electricity by 771 megawatts (MW) by 2020, or approximately 11% of generating capacity (CPS Energy 2012).

On the residential side of the Energy Savers program, CPS Energy has dedicated \$2.3 million in marketing budget to roll out the CPS Energy Savers brand. It plans to transition all of its energy efficiency programs under the Energy Savers umbrella over time.

This paper covers the residential side of the CPS Energy Savers program that kicked off in July 2010, focusing on how the program has approached four key elements:

1. **Marketing** – Building an umbrella (e.g. non-measure specific) customer outreach campaign that resulted in overwhelming program demand.
2. **Website** – Making a program website that successfully converts marketing traffic and generates its own traffic through natural search engine results (i.e. Google).
3. **Online Assessment and Customer Engagement Paths** – Using EnergySavvy’s Online Audit as a do-it-yourself online assessment to qualify and triage customers.
4. **Post-Assessment Follow-up** - Making sure the program gets the most value out of customers who go through the Online Audit.

The goal of this paper is to share the methods and initial results of the CPS Energy Savers program to help other similar programs use our lessons learned.

Marketing

The marketing strategy CPS Energy follows is to pursue a media mix designed to reach all target segments with various touch point formats and direct everyone to the program “micro-site” at <http://www.cpsenergysavers.com>. Notably, the majority of the program marketing does not provide a non-internet based call to action. Target segments for the residential program include:

- CPS Energy service territory homeowners
- Persons living inside Loop 410, primarily targeting homes built prior to 1978
- Ages 25-64
- Household Income \$30,000+ (above the 200% poverty line)
- Emphasis on Hispanics

Media channels employed included:

1. Radio and Out of Home (billboards, bus shelters, bus wraps, bus king signs¹)
2. Print–Local newspapers and targeted residential magazines like Country Living, Elle Décor, House Beautiful, Real Simple, Cooking Light, etc.
3. TV for high reach at specific day-times; including cable

Samples of campaign collateral are shown below in Figure 1.

¹ “Bus king signs” are advertisements that appear on the side of a bus.

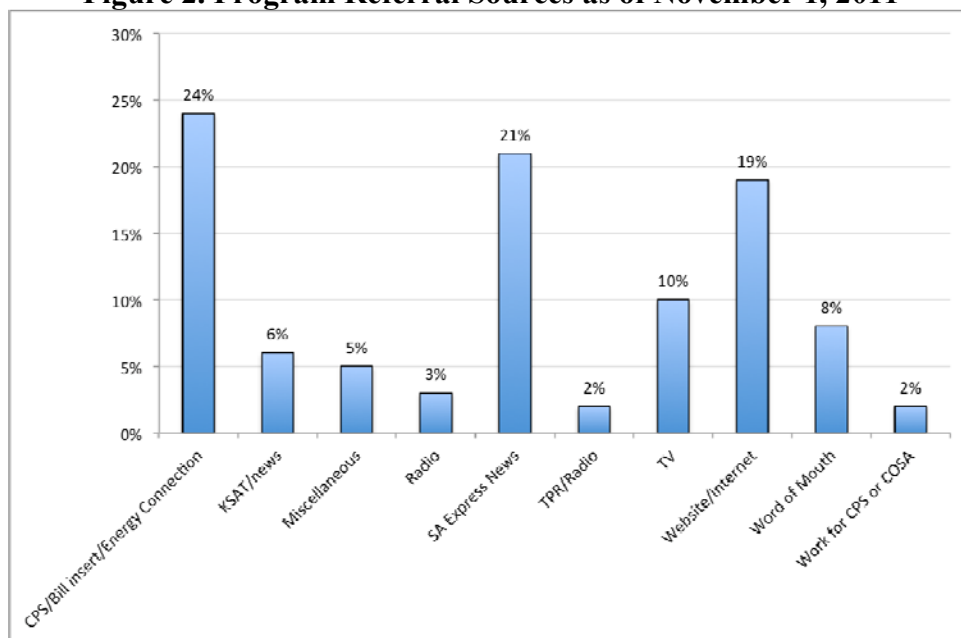
Figure 1. Campaign Collateral Examples for CPS Energy Savers Marketing



From top left: Sample magazine collateral, sample bus stop collateral, sample online banner ad collateral (x2) and sample “bus wrap” collateral. Not pictured: sample billboard collateral, TV spots, bill inserts.

Initial results for program referral sources showed a wide variety of channels driving program leads.

Figure 2. Program Referral Sources as of November 1, 2011



Referral source based on self-reported “How did you hear about?” question on program application form online.

A post-campaign focus group indicated that the marketing campaign was largely successful in reaching its intended target market. The self-reported marketing source for all applicants (shown in Figure 2) indicated that the most effective marketing sources at driving direct signups (though not necessarily impacting brand awareness) were CPS Bill Inserts (24% of applicants), San Antonio Express News placements (21% of applicants) and internet advertising (19% of applicants).

Website

The program website at CPSEnergySavers.com is designed to be a single source for energy efficiency in San Antonio, featuring educational content (including videos), energy calculators, rebate information, contractor information, financing options and other materials. Initially, the website was built for the Energy Savers program specifically, but in subsequent development, the site’s content will be expanded to incorporate all of the energy efficiency programs for CPS Energy.

Over the first five months (June–November 2011), the site received 45,000 unique visitors, with an average time on site of 3 minutes and 50 seconds. The majority of visitors entered the microsite after clicking on a link located on CPSEnergy.com (the corporate website) or were direct visitors, indicating that they directly typed in the URL of the website. A large number of direct visitors not tied to a specific online ad placement typically means that offline, brand-awareness advertising was the most effective driver of traffic to the website. Natural search was a very small proportion of overall traffic to the website, and most of the natural search was navigational in nature—e.g. search queries such as “CPS Energy Savers” that clearly came from consumers with an existing awareness of the website.

Residential traffic was seven times that of commercial traffic—based on the self-triage that all website visitors have to do upon visiting the site’s homepage (see Figure 3). Navigation on

the website follows interesting patterns, with some user experience successes and other situations that need to be improved. The website’s homepage, shown in Figure 3, presents users with a very clear choice between residential and commercial energy efficiency programs. This page passes Steve Krug’s “Don’t Make Me Think” rule (Krug 2000).

Figure 3: CPS Energy Savers Website Homepage



Figure 4. CPS Energy Savers Website Residential Section Main Page

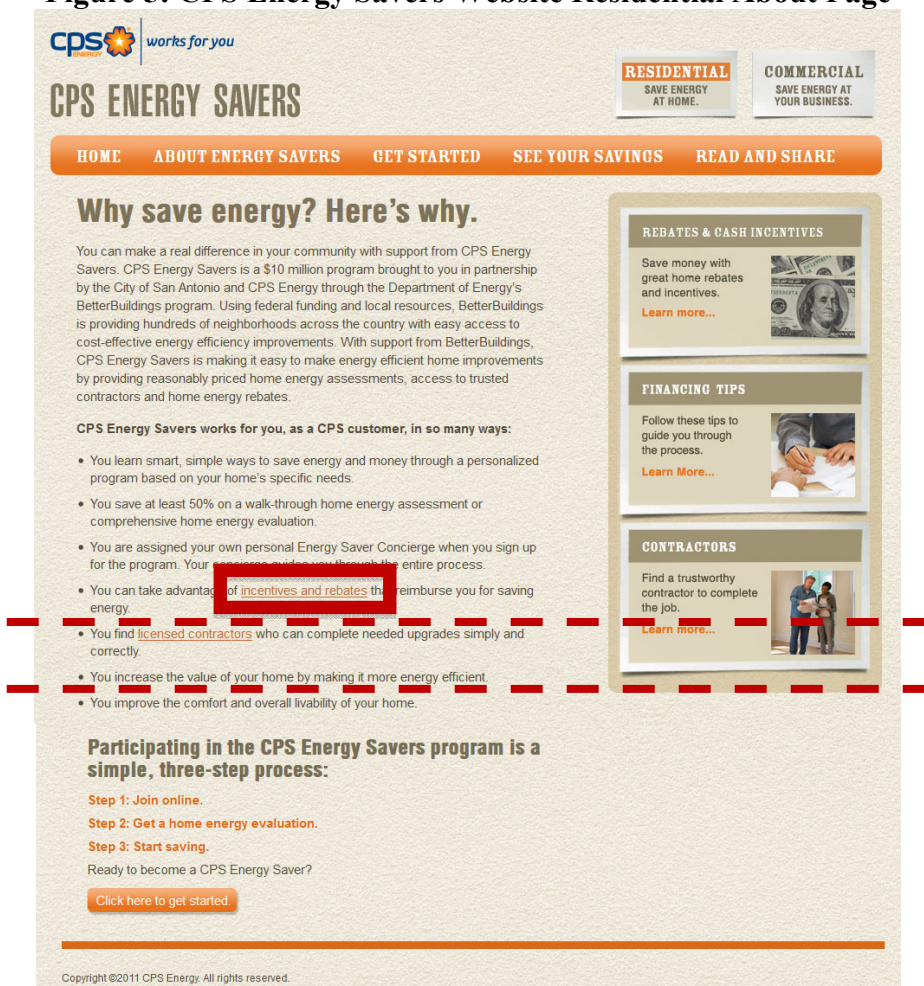


Boxes added to figure to indicate the most commonly clicked links on the page.

Within the next page of the residential section of the site, it is less clear where to click and how to get engaged with the program. Figure 4 shows the front page in the residential section of the website, with the black outline boxes indicating the most common places users click, based on website activity tracking (Google Analytics) data. The website’s primary goal is

to get users to go through an online assessment and then enroll in the program, if qualified. However, many of the most commonly clicked links/images on the first residential page do not lead there. In fact, the two links on this page that do lead directly there are the “Get Started” link in the middle of the top navigation bar (which is not one of the most commonly clicked links on the page) and the “Free Do-It-Yourself Check-Up” link in the lower left-hand corner of the page. Most of the rest of the accessible and commonly clicked links lead to an About Page, shown in Figure 5.

Figure 5: CPS Energy Savers Website Residential About Page



Box added to figure to indicate the most commonly clicked link on the page. Dashed line indicates rough location of the “fold” on 1280x800 and 1440x900 resolution monitors, respectively.

The “About” page, shown in Figure 5, has clear opportunities for navigational improvement. The desired action for the page is the “Click here to get started” button at the bottom of the screen. But since most users usually click on the first link that looks like it goes somewhere productive, and because the action button falls “below the fold” for standard resolution monitors, it gets far fewer clicks than the “incentives and rebates” link midway through the page. The destination for the “incentives and rebates” link is a rebate page with lots of information but no clear way to sign up for the program.

Overall, the CPS Energy Savers site is great from the perspective of having a simple design framework and being relatively light on text (especially on the front pages)—both factors recognized as being key to good user experiences and often missing from utility marketing websites. Navigational issues exist within the site that make it harder for consumers to find, qualify, and sign up for the program through the online assessment. Improvements are scheduled to address those issues in Spring 2012.

Driving Natural Search for the Website

Over the next six to 12 months, more focus will be put on driving natural search as a traffic generator for the CPS Energy Savers website. Search engine optimization (SEO) is a science and art that has become a significant specialization within the marketing discipline. The intent of SEO is to maximize the number of consumers clicking on the website when searching for energy-related topics on search engines such as Google or Bing; resulting in “free” marketing for their programs.

CPS Energy’s decision to create a separate domain for its energy efficiency programs at CPSEnergySavers.com allows for much more creative and content flexibility than if it were on the utility’s main website. But it does present a start-up challenge, since a new domain always has less “importance” in the eyes of internet search engines than existing domains with more inbound links. Table 2 compares the domain authority of CPS’s new Energy Savers domain to CPS’s main utility website, according to SEOMoz’s Open Site Explorer statistics (Open Site Explorer, 2012).

Table 1. Comparison of CPS Energy Website and CPS Energy Savers Website

	CPSEnergy.com	CPSEnergySavers.com
Domain Authority	51	31
External Followed Links	3,089	1,394
Followed Linking Root Domains	460	11

The disparity between links and linking root domains between the two websites causes CPS EnergySavers website to appear lower on similar natural searches (assuming similar content) than CPS Energy.

The relative “domain authority” gap between the two sites means that, all else being equal, cpsenergy.com pages will be listed higher in natural search results than cpsenergysavers.com pages. However, over time with directed effort in SEO, cpsenergysavers.com will catch up. In general, utility websites that have been around for a long time with a lot of inbound links are likely to be highly trusted websites by internet search engines; therefore, there is great potential for SEO if relevant content is added, constantly curated and structured in the right way.

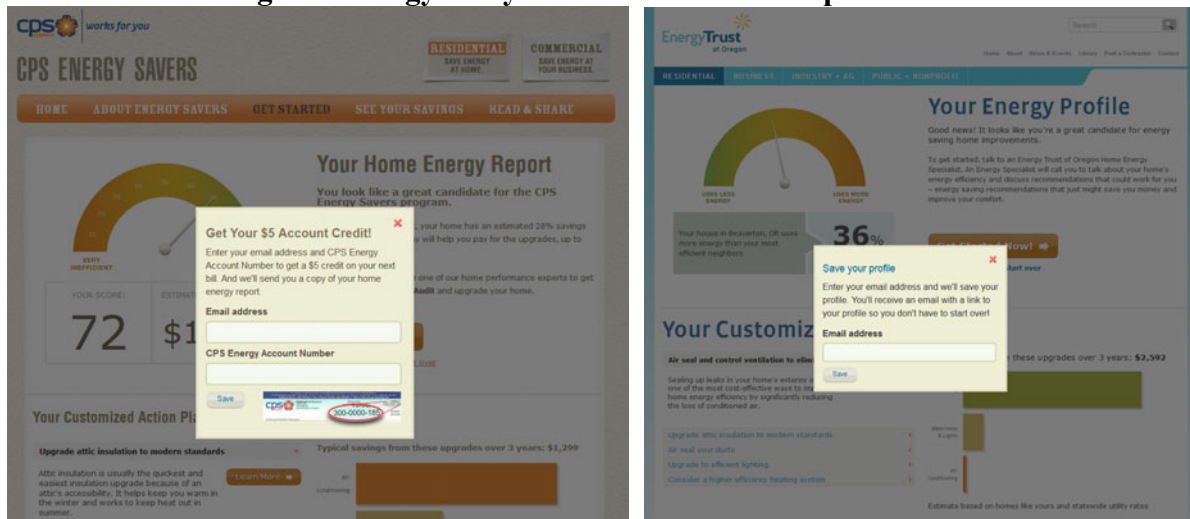
Online Assessment

The main starting point for enrolling in the CPS Energy Savers program is the EnergySavvy Online Audit tool, consisting of a “light” 30-question home characteristics assessment without usage data. (Visit <http://cps.energysavvy.com> for full user experience.) This was an explicit decision by CPS Energy program staff due to the engagement and re-engagement opportunities that the tool provides. The deployment of the Online Audit tool for CPS Energy

had some key differences from EnergySavvy’s previous implementations that have created some interesting new statistics.

The main difference in the CPS Energy implementation from other EnergySavvy Online Audit deployments is that it offers customers a \$5 account credit for completing the online survey (see figure 8).

Figure 8. The \$5 Audit Tool Enticement by CPS Energy vs. Energy Trust of Oregon’s EnergySavvy Online Audit Tool Implementation



The left screen capture shows the email and account number capture dialog for CPS Energy. The right screen capture shows the email capture dialog for the Energy Trust of Oregon, another EnergySavvy client.

The completion and email capture rate comparison for the CPS Energy deployment in contrast to all other EnergySavvy deployments is shown in the Table 2 below:

Table 2. Comparison of CPS Energy and other EnergySavvy Clients’ Customer Completion and Email Capture Rates

	CPS Energy	All other EnergySavvy Clients
Completion Rate of Online Audit	92%	90%
Email Capture Rate (of those who completed Audit)	71%	48%

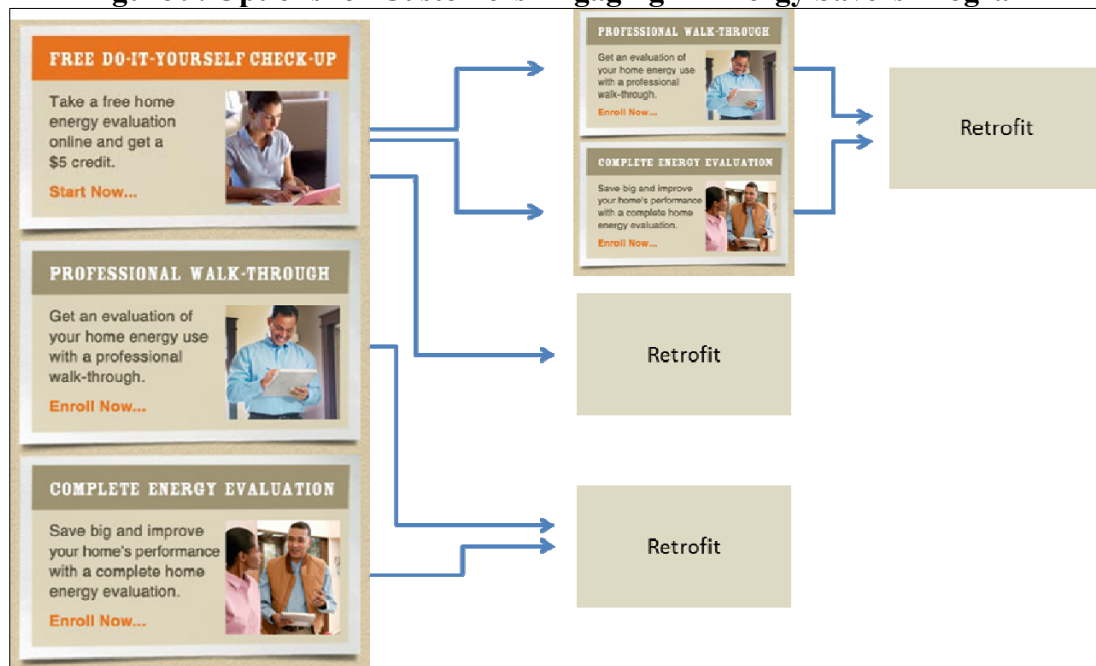
Source: EnergySavvy, Unpublished Data. Statistics from EnergySavvy Analytics: July 2011–January 2012

It appears that the addition of the \$5 account credit improved the online audit completion rate slightly from 90% to 92%, but there was a significant jump in email address capture rate: from 48% baseline (without an account credit) to a 71% capture rate (with an account credit). This higher email capture rate allows for more effective post-assessment email remarketing (described in the next section).

Customer Engagement Paths

For the first nine months of the CPS Energy Savers program, residential customers could take several different paths from start to finish (retrofit completed). Figure 9 illustrates the possible paths.

Figure 9. Options for Customers Engaging in Energy Savers Program



As of November 2011, 92% of the total audits were of the Do-It-Yourself variety (using the Online Audit tool in the website) – not a surprising result given the fact that the online assessment gave customers a \$5 account credit while the in-home versions cost \$25 (for the walk-through option) or \$100 (for the complete evaluation). Very few customers proceeded directly to one of the in-home audits (without first completing an online audit).

Somewhat surprisingly, of the remaining 8 percent of audits conducted, the split was 31 percent walk-through to 69 percent complete evaluation. The theory posited by the program managers was that the presence of a free—or more accurately negative \$5—option pulled price sensitive customers away from the lower cost walk-through option, leaving a relatively higher proportion of less price-sensitive customers to opt for either in-home option.

More surprisingly, of the 600 retrofits generated (as of May 2012), 75 percent of them came after do-it-yourself online assessments only, as opposed to only 25 percent of retrofits that occurred after in-home assessments of either type. Furthermore, of the retrofits coming after in-home audits, 30 percent of them began with online assessments prior to in-home. For the purposes of this program, a retrofit consisted of at least one of the following measures: A/C upgrade, duct replacement, attic insulation, solar screening on windows and/or refrigerator replacement.

Based on these statistics, CPS Energy decided to drop one of the two varieties of in-home audits in March 2012 and make the Online Assessment the required first step for all participants in the program: to simplify the program for homeowners and to eliminate costly in-home audit

subsidies paid by the program with the conversion-to-retrofit rate for in-home audits (without online audits) was so low.

Post-Assessment Follow-Up

Follow up after the Online Audit has taken three forms so far: homeowners who sign up for the program immediately to reserve rebates and move ahead with retrofits; homeowners who complete the online audit but do not move ahead immediately; and homeowners who are not good candidates (those that were modeled to achieve less than a 30% energy savings with a retrofit, or had homes built since 2000) for energy retrofits but might fit into other programs like solar or home energy management systems.

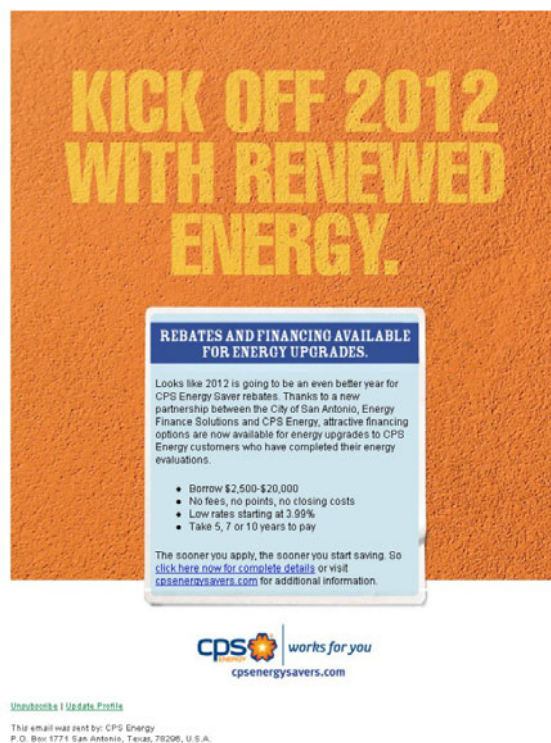
Homeowners who sign up for the program immediately are added to CPS's project tracking system, receive program-based in-home audits (if they opted for that), work with private market contractors to implement their projects and then receive program-driven Quality Assurance final (test-out) audits to verify the work.

Of the homeowners who do not sign up immediately after going through the online assessment, the significant majority (71 percent) provides email addresses that can be included in email remarketing. An example of such email is shown in Figure 10.

EnergySavvy and CPS Energy are collaborating in April 2012 to test various segmentation and targeting techniques using Online Audit data correlated with email addresses. For instance, a targeted email with an AC upgrade message might go out to people with old air conditioners in July 2012. Results from this campaign will be available from the authors later in 2012.

Finally, homeowners who were not good candidates for the main whole-home retrofit program offered by Energy Savers were recruited or targeted for other programs in the CPS portfolio based on their self-reported home characteristics. These programs include CPS's solar programs and Energy Guard, a home energy monitoring pilot program.

Figure 10. Email Re-marketing Example



Summary

This paper outlines and highlights the major approaches and initial results of CPS Energy’s marketing, website, assessment (online and in-home) and post-assessment follow-up efforts for the CPS Energy Savers program/brand. A complete impact assessment of the program has yet to be completed but the early indications are positive (centralized program marketing, number of email addresses associated with home profiles, number of retrofits driven without paying out in-home audit subsidies, etc) and we believe the program’s innovative design has valuable lessons for other marketers and program managers in the industry. Specifically:

1. Combining a centralized energy efficiency marketing campaign with an online self-assessment “triage” user experience – as opposed to individual program by program marketing efforts – can guide customers to the programs that are the best fit for their circumstances.
2. Designing a customer engagement website with usability in mind – making the desired action ‘drop dead’ simple – is an important component of a marketing campaign, so you don’t lose the people you get to the website.
3. Offering a small account credit can significantly increase email capture rate and provide a larger customer list for targeted email re-marketing based on home profiles and interests.
4. Simplifying customer engagement paths to a single sequential set of steps starting with a low-cost online audit (compared to an subsidized in-home audit) may be more effective than offering lots of choices.

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