

A man and a young child are sitting on a light-colored carpeted floor, watching television. The man, on the right, is wearing a brown long-sleeved shirt and blue jeans, holding a black remote control. The child, on the left, is wearing a teal shirt and has a large brown teddy bear next to them. A clear glass bowl filled with popcorn sits on the floor in front of the child. The background is a bright, out-of-focus indoor setting.

**NHS** SAVES  
*we all win*

## Marketing Landscape

EERS Plan, 2018-2020

February 24, 2017

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# Agenda

- I. Situation Analysis of New Hampshire
  - a) Economic Conditions & Customer Demographics
  - b) Residential Energy Efficiency Benchmarks
  - c) Business Energy Efficiency Benchmarks
- II. Existing Marketing Strategies & Tactics
- III. Challenges & Opportunities

New Hampshire

# **ECONOMIC CONDITIONS & CUSTOMER DEMOGRAPHICS**

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# New Hampshire Economic Conditions

**2.6% Unemployment<sup>1</sup>**  
#1 in U.S.

**3.9% GDP<sup>2</sup>**  
16<sup>th</sup> in U.S.  
2<sup>nd</sup> to ME in New England

**Highest Median Annual Household Income<sup>3</sup>**  
4.5% increase in employee wages in 2016<sup>4</sup>

**9% Increase in Single Family Home Sales in 2016<sup>5</sup>**  
3.3% Increase in Median Home Sale Prices<sup>5</sup>

**6% increase in Leisure & Hospitality Jobs<sup>4</sup>**  
Largest amongst any job category

1. U.S. Department of Labor, Bureau of Labor Statistics, Dec 2016. Retrieved from <https://www.bls.gov/web/laus/laumstrk.htm>
2. U.S. Department of Commerce, Bureau of Economic Analysis. Feb 2017. Retrieved from [https://www.bea.gov/newsreleases/regional/gdp\\_state/ggsp\\_newsrelease.htm](https://www.bea.gov/newsreleases/regional/gdp_state/ggsp_newsrelease.htm)
3. U.S. Census Bureau, 2016 Current Population Survey, Annual Social and Economic Supplements Data Tables <http://kff.org/other/state-indicator/median-annual-income/?currentTimeframe=0>
4. Ronayne, K. (2016, Dec 27). NH Economy Ends 2016 Strong. Retrieved from <https://www.apnews.com/479fbb44d2964dd9be659348fe298da5/New-Hampshire-economy-ends-2016-strong,-but-challenges-ahead>
5. New Hampshire Association of Realtors, Dec/Q4 2016. Retrieved from <http://www.nhar.org/short-term-data/>

# New Hampshire Demographics

**4<sup>th</sup> Oldest Population<sup>1</sup>**  
In terms of % aged 35+

**One of highest % of residents  
who classify self as retired<sup>2</sup>**

**47% classify political  
affiliation as independent<sup>2</sup>**  
Compared to 27% for Northeast

1. 2017 Kasier Family Foundation, Retrieved from <http://kff.org/other/state-indicator/median-annual-income/?currentTimeframe=0>

2. The Nielsen Company (2016). 2016 Residential Consumer Survey. Produced by The Nielsen Company in partnership with E Source LLC.

# Declining Energy Price Environment

## Electric Retail Price per kWh

Feb'15	\$0.162 <sup>2</sup>	
Feb'17	<b>\$0.12<sup>1</sup></b>	

## Natural Gas Price per MMBtu<sup>1</sup>

Feb'15	\$16.2	
Feb'17	<b>\$12.7</b>	

## Heating Oil Price per Gallon<sup>1</sup>

Feb'15	\$3.50	
Feb'17	<b>\$2.44</b>	

## Propane Price per Gallon<sup>1</sup>

Feb'15	\$3.75	
Feb'17	<b>\$3.35</b>	

1. New Hampshire Office of Energy & Planning, Average Fuel Prices in New Hampshire. Retrieved from [https://www.nh.gov/oep/energy/energy-nh/fuel-prices/#note\\_2](https://www.nh.gov/oep/energy/energy-nh/fuel-prices/#note_2)
2. U.S. Energy Information Administration, NH Electricity Profile, 2015. Retrieved from <https://www.eia.gov/electricity/state/newhampshire/>

New Hampshire

# RESIDENTIAL ENERGY EFFICIENCY BENCHMARKS

# Preferred Channels for EE Communications from Utility

Category (sample size)	U.S. (33,050)	Northeast (5,862)	NH (145)	MA (689)	VT (64)
1) Email	45%	43%	41%	48%	34%
2) Postal Mail	28%	28%	23%	27%	31%
3) Web Site	12%	11%	11%	11%	10%
4) Phone	6%	7%	6%	5%	6%
5) Text	10%	10%	4%	8%	6%
6) Mobile App	5%	5%	4%	4%	6%
7) Social Media	3%	3%	1%	2%	0%

Source: E Source Residential Customer Insights Center, collected by The Nielsen Company 2016 Energy Behavior Track consumer survey.  
 Question – “Which ways would you prefer your electricity provider or natural gas provider contact you regarding energy-efficiency information? (Select all that apply)”



# Preferred Ways to Contact Utility About EE

Category (sample size)	U.S. (33,050)	Northeast (5,862)	NH (145)	MA (689)	VT (64)
1) Email	35%	33%	28%	35%	23%
2) Web Site	22%	20%	16%	20%	14%
3) Phone	13%	14%	15%	13%	15%
4) Postal Mail	19%	19%	14%	14%	16%
5) Mobile App	5%	5%	4%	3%	8%
6) Text	8%	7%	3%	6%	6%
7) Social Media	2%	3%	2%	2%	0%

Source: E Source Residential Customer Insights Center, collected by The Nielsen Company 2016 Energy Behavior Track consumer survey. Question – “Which ways would you prefer to contact your electricity provider or natural gas provider regarding energy-efficiency information (Select all that apply)”

# Energy Efficiency Indicators

Category (sample size)	U.S. (33,050)	Northeast (5,862)	NH (145)	MA (689)	VT (64)
Have added insulation <sup>1</sup>	17%	19%	21%	20%	26%
Have installed weather stripping & sealed air leaks <sup>1</sup>	26%	28%	41%	30%	32%
Have replaced light bulbs with CFLs <sup>1</sup>	41%	40%	49%	39%	53%
Have made EE window replacements <sup>1</sup>	16%	19%	21%	20%	19%
Have replaced light bulbs with LEDs <sup>1</sup>	32%	32%	28%	32%	33%
Replaced light bulbs with “smart” LED bulbs <sup>1</sup>	7%	8%	5%	7%	6%
Have manual thermostat <sup>2</sup>	49%	48%	58%	49%	55%
Heating system – normal (base) efficiency level <sup>2</sup>	45%	46%	51%	48%	51%
Cooling system – normal (base) efficiency level <sup>2</sup>	43%	44%	50%	49%	33%
Not Familiar with Home Energy Management <sup>1</sup>	40%	42%	50%	39%	46%

Source: E Source Residential Customer Insights Center, collected by The Nielsen Company 2016 Energy Behavior Track consumer survey.

<sup>1</sup>Question – “Have you or has someone else in your household done any of the following at your primary residence in the past 5 years (Select all that apply)?”

<sup>2</sup>Question – “Does your residence have any of these system types (Select all that apply)?”

# Past EE Program Participation in Past 12 months

Category (sample size)	U.S. (33,050)	Northeast (5,862)	NH (145)	MA (689)	VT (64)
Participated in Weatherization Service <sup>1</sup>	4%	5%	7%	5%	4%
Participated in Lighting Rebate <sup>1</sup>	3%	3%	10%	6%	6%
Participated in Appliance Rebate <sup>1</sup>	9%	10%	10%	10%	16%
Participated in Equipment Rebate <sup>1</sup>	5%	5%	4%	6%	1%
Participated in Appliance Recycling <sup>1</sup>	5%	6%	4%	6%	6%
Participated in Whole-House Audit <sup>1</sup>	4%	4%	2%	8%	1%

Source: E Source Residential Customer Insights Center, collected by The Nielsen Company 2016 Energy Behavior Track consumer survey.  
 Question – “Which of the following programs/services have you used through your energy provider in the past 12 month (Select all that apply)?”

New Hampshire

# **BUSINESS ENERGY EFFICIENCY BENCHMARKS**

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# Top Reasons for Participating in EE Projects

<b>Category</b> <small>(note – multiple options can be chosen)</small>	<b>% of Selections</b>
1) Take advantage of utility rebates or financing	45%
2) Reduce the need for maintenance or maintenance costs	38%
3) Get a return on investment or payback	37%
4) Conduct facility renovations or upgrade equipment	19%
5) Improve employee comfort or workplace conditions	16%
6) Address concern about environment or sustainability	14%
7) We would not participate in an EE project / none of the above	13%
8) Enhance my customers' experience	9%
9) Other	3%

Source: E Source Business Customer Insights Center and the Business Gap and Priority Study (2014).  
 Question – “What would be the top reasons your business would participate in an energy-efficiency project through your utility (Select up to three)?”

# Barriers to Participating in EE in Past 12 Months

<b>Category</b> <small>(note – multiple options can be chosen)</small>	<b>% of Selections</b>
1) I don't know	40%
2) We had no budget to engage in EE	18%
3) Other	16%
4) Upfront costs were too high	12%
5) We couldn't get enough reliable info about programs	10%
6) Programs were not a good match for business	9%
6) Incentives were not robust enough to justify moving forward	9%
8) It was too much trouble or inconvenient	7%
9) It was too much of a time commitment	5%
10) Programs were unappealing	4%
11) We couldn't find a good contractor to do the work; didn't know who to trust	2%
11) We participated in past and all cost-beneficial programs were exhausted	2%

Source: E Source Business Customer Insights Center and the Business Gap and Priority Study (2014).  
 Question – “What were the barriers, if any, to participating in an energy-efficiency program through your utility in the past 12 months (Select all that apply)?”



# Contact Preference, Learning About Programs & Services

<b>Category</b> <small>(note – multiple options can be chosen)</small>	<b>% of Selections</b>
1) Email	35%
2) Utility Web Site	34%
3) Phone, with a Live Person	13%
4) Postal Mail	11%
5) In Person	3%
6) Phone, through IVR	1%
6) Mobile Phone App	1%
6) Text Message	1%
6) Other	1%
10) Social Media	0%

Source: E Source Business Customer Insights Center and the Business Gap and Priority Study (2014).  
 Question – “Select your most preferred method of contact for interacting with your utility when learning about utility programs and services.”

# Trusted Resources for EE Advice

<b>Category</b> <small>(note – multiple options can be chosen)</small>	<b>% of Selections</b>
1) <b>Your Utility</b>	<b>60%</b>
2) Colleagues at Similar Businesses	26%
3) Governmental Agencies (i.e., state energy office or US DOE)	19%
4) Contractors	18%
5) Consultants	14%
6) Colleagues Within My Organization	13%
7) Industry Associations	11%
7) Vendors	11%
9) Local Chamber of Commerce	6%
10) Other	5%
11) Corporate Energy Manager	3%

*Source: E Source Business Customer Insights Center and the Business Gap and Priority Study (2014).  
 Question – “Please select the resources you trust most for energy-efficiency advice (Select up to three)”*



# EE Interest & Past Participation

Category <small>(note – multiple options can be chosen)</small>	Future Interest	Past Participation
1) Lighting	53%	16%
2) Space Cooling	43%	6%
3) Space Heating	39%	5%
4) Building Shell	37%	4%
5) Office Equipment	38%	5%
6) Pumps & Motors	34%	7%
7) Water Heating	31%	5%
8) Refrigeration	26%	4%
9) Compressed Air	22%	6%
10) Commissioning	20%	5%
10) IT Infrastructure	20%	5%
12) Industrial Processes	18%	4%
13) Cooking Equipment	17%	3%

Source: E Source Business Customer Insights Center and the Business Gap and Priority Study (2014).  
 Question – “Please tell us whether your business has participated in or would be interested in participating in a utility-provided energy-savings \_\_\_\_\_ program.”



New Hampshire

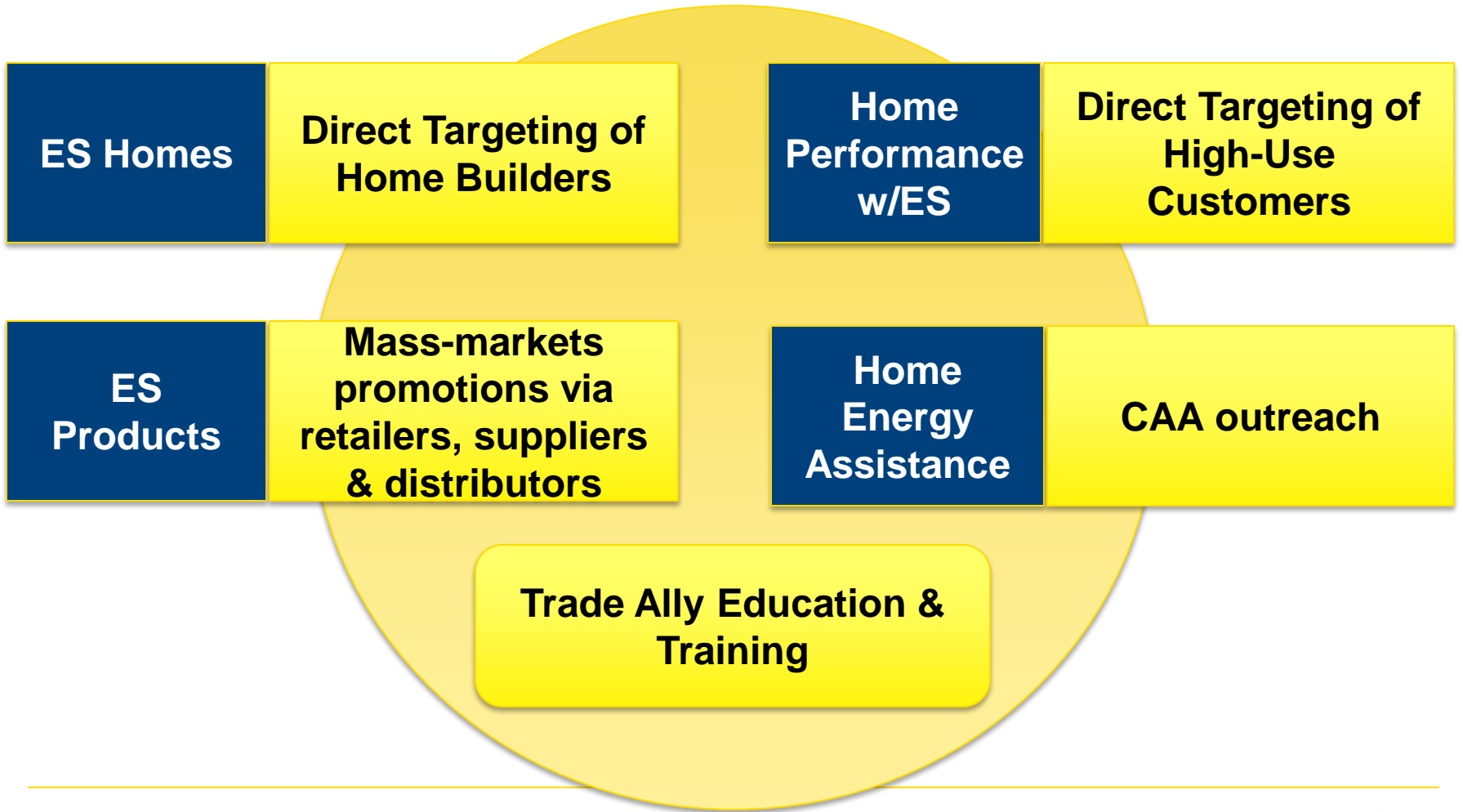
# EXISTING MARKETING STRATEGIES & TACTICS

# Existing Approaches

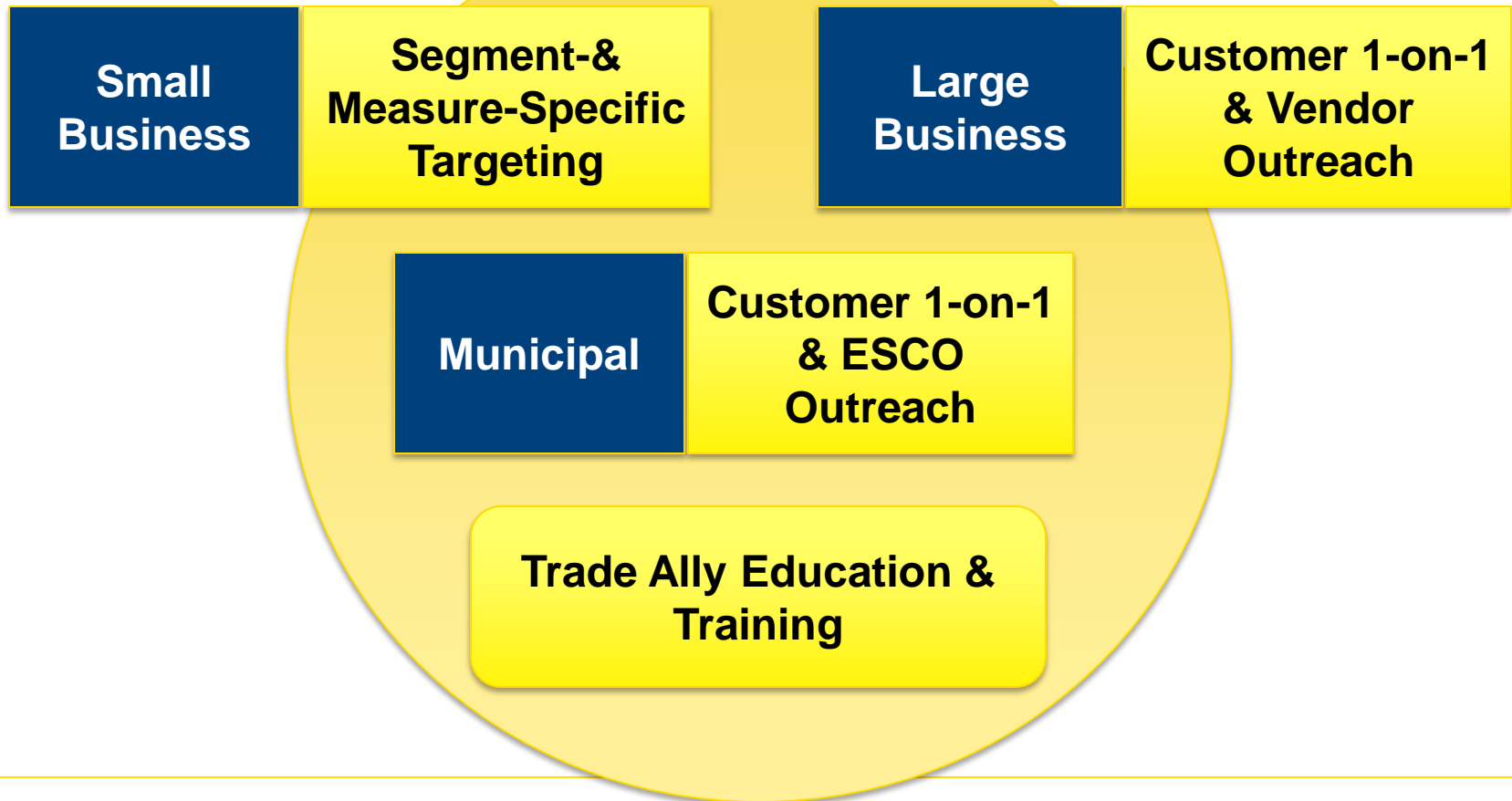
- Emphasis on program-specific strategies & tactics by utility needs
- Limited focus on broad awareness building
- Evolving focus on NHSaves as a statewide brand, while preserving visibility of utilities

# Residential Markets:

## Program & Utility Specific Strategies



# Business Markets: Program & Utility Specific Strategies

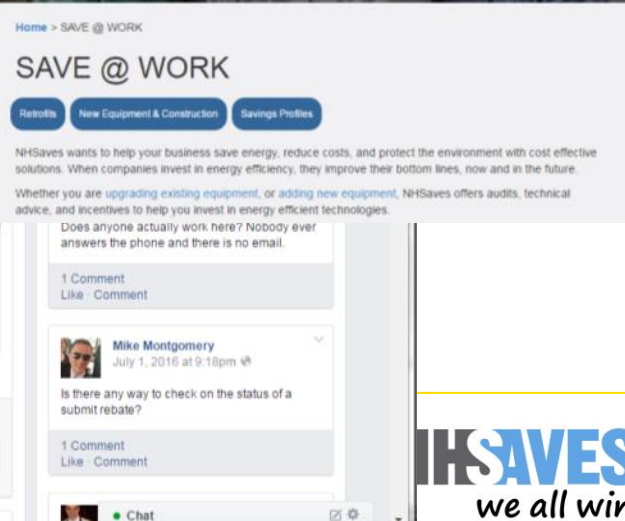
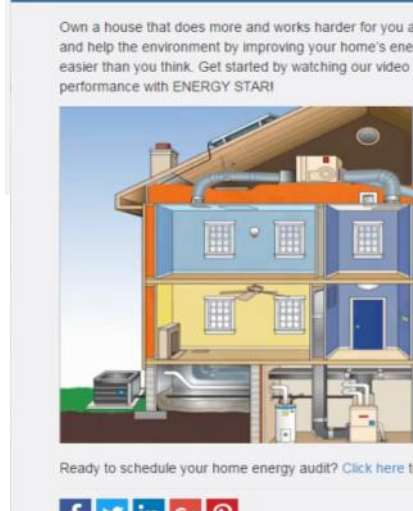
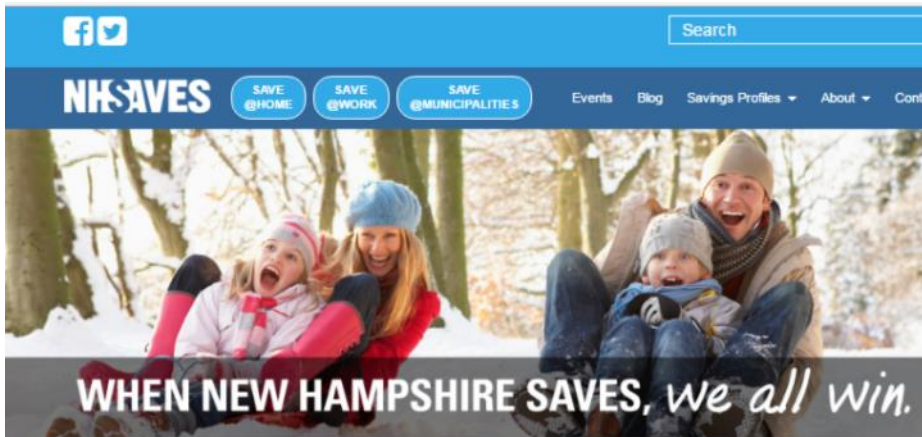


# Multi-Channel Engagement with Customers & Trade

The collage features several key components:

- Liberty Utilities** branding and logos throughout.
- EVERSOURCE** logo and a "Home Energy Report" showing a "Last 3 Months Neighbor Comparison" where the user used 8% more electricity than neighbors.
- Unitil** logo and a "Smart Energy Solutions Save Energy and Money" brochure.
- NH SAVES** logo and a "Flip Your Fridge" campaign graphic.
- GasNetworks** logo and a "Rebates for Residential Customers of New Hampshire" brochure offering up to \$100 in rebates for programmable and Wi-Fi enabled thermostats.
- ENERGY STAR** logo and a "Smart Energy Solutions Save Energy and Money" brochure.
- ASK ABOUT ENERGY STAR CERTIFIED NEW HOMES PROGRAM** logo.
- PHOTOS** of trade show booths, a woman in a headset, and a man in a blue shirt talking to a woman.

# NHSaves.com



New Hampshire

# CHALLENGES & OPPORTUNITIES



# Challenges

- Limited benchmark research on:
  - Customer & trade awareness of EE programs and NHSaves
  - Customer & trade EE attitudes and behaviors
- Customer prioritization of energy efficiency?
  - Given current economic & energy price conditions
- Stop/start issues
  - Balancing program demand with resources available to serve
- Limited relationships with certain trade allies, such as architects
- Legislative uncertainty
  - Resistance amongst market actors to invest resources

# Opportunities

- Focus on increasing statewide awareness and education
- More detailed customer segmentation approaches & targeting methods
- Expanded online marketing and providing one-stop shopping options via NHSaves.com
- Increase network of engaged contractors, equipment distributors, suppliers to act as efficiency advocates
- Dual-utility customer relationship marketing (i.e., targeted joint electric and gas initiatives)
- Leveraging local, regional and national partnerships for communication and education activities
- Self promotion of successes & accomplishments for peer customer influence