Current State

Fort Collins Utilities Customer Base

Residential
- 66,000 customers
- Programs promoted en masse
- Most concerns handled by Customer Contact Center

Commercial
- 6,000 customers
- Broken down based on facility demand
- ClimateWise partners

Key Accounts
- 29 customers
- Prescriptive criteria
- Broken down by sector, i.e. manufacturing, healthcare
Desired State

- Proactive
- Targeted marketing
- Relationship Management
Why Segmentation?

Better understand customers’ behaviors, motivations and expectations

Group customers into segments according to those findings

Align Utilities resources to reach policy goals
Approach

RESIDENTIAL CUSTOMERS

- Satisfaction with Utilities
- Conservation attitudes
- Conservation participation
- Communication preferences
- Demographics

Telephone Survey
n = 1,000

COMMERCIAL CUSTOMERS

- Relationship with Utilities
- Utilities attitudes
- Conservation participation
- Conservation motivation
- Communication preferences

In-depth Interviews
n = 46
CONSERVATION ATTITUDES

FOR EXAMPLE:

- I consider the environmental impact that my water and electricity use will have on the community.
- I am more likely to participate in conservation programs if there are clear cost savings.
- The City of Fort Collins’ Climate Action Plan goals motivate me to reduce my water and electricity use.

LAYER IN:

- Usage data
- Satisfaction with Utilities
- Conservation programs
- Demographic characteristics
Residential Customer Segments

**Enthusiastic Conservationist**
- Environmental/economic impacts factor heavily into decision-making
- Supportive of Climate Action Plan

**Cost-Driven Users**
- Cost, comfort drive usage decisions
- Willing to participate in conservation programs for cost savings

**Receptive but Busy**
- Environmental/economic impacts important but very time-conscious
- Willing to participate in conservation programs

**Neutral Users**
- Neutral about conservation
- Neutral toward Climate Action Plan

**Unmotivated to Conserve**
- Cost, comfort, convenience drive usage decisions
- Generally disinterested in conservation programs
**Demographic profiles**

- **Enthusiastic Conservationists**
  - Older
  - Live in an apartment
  - Minorities
  - Retired
  - Lower incomes

- **Neutral Users**
  - Younger
  - Live in an apartment
  - Do not have children
  - Not Republican
  - Lower incomes

- **Receptive but Busy**
  - Homeowners
  - Minorities
  - College educated
  - Have children
  - Democrats

- **Cost-Driven Users**
  - Younger
  - Live in a single-family home
  - College educated
  - Republican
  - Higher incomes

- **Unmotivated to Conserve**
  - Homeowners
  - Caucasian
  - Have children
  - Republican
  - Higher incomes
Findings

Residential Customer Segments

- Enthusiastic Conservationists: 20.56%
- Receptive but busy: 23.12%
- Neutral users: 20.56%
- Cost-driven users: 23.88%
- Not motivated to conserve: 11.88%
Electric and water usage

**Average Water Usage (gallons)**
- Enthusiastic Conservationists: 6,552
- Neutral Users: 5,985
- Cost-Driven Users: 7,377 (+)
- Receptive but Busy: 5,537 (-)
- Unmotivated to Conserve: 7,387

**Average Electricity Usage (kWh)**
- Enthusiastic Conservationists: 492
- Neutral Users: 482
- Cost-Driven Users: 538
- Receptive but Busy: 494
- Unmotivated to Conserve: 654 (+)
Support for Climate Action Plan

- **Unmotivated to Conserve**: 4.8
- **Cost-Driven Users**: 6.8
- **Neutral Users**: 7.4
- **Receptive but Busy**: 7.9
- **Enthusiastic Conservationists**: 7.9

Legend:
- Do not agree or support the plan at all
- Very much agree with or support the plan
Amount customers are willing to pay additionally per month to support CAP

- 0
- $1-2
- $3-5
- $6-10
- More than $10
- Don't know/Refused
Fort Collins Utilities emphasizes the importance of **ENERGY** efficiency and conservation at a level that is:

- Not enough
- About right
- Too much
- Don't know/refused

Fort Collins Utilities emphasizes the importance of **WATER** efficiency and conservation at a level that is:

- Not enough
- About right
- Too much
- Don't know/refused
Utilities Customer Survey Results - Residential

1. I take the time to learn more about conservation in an effort to make better energy and/or water use decisions

   - Strongly Disagree
   - Disagree
   - Neither
   - Agree
   - Strongly Agree
   - Don't know/Refused

2. I am interested in using new energy efficiency devices such as programmable thermostats and energy use displays

   - Strongly Disagree
   - Disagree
   - Neither
   - Agree
   - Strongly Agree
   - Don't know/Refused

3. I expect the City of Fort Collins to lead the way to a clean energy future through investment in or support of community based solutions

   - Strongly Disagree
   - Disagree
   - Neither
   - Agree
   - Strongly Agree
   - Don't know/Refused

4. I support charging more for energy used during peak periods of the day when it costs more to generate energy

   - Strongly Disagree
   - Disagree
   - Neither
   - Agree
   - Strongly Agree
   - Don't know/Refused
Commercial Customer Segments

Environmentally-Conscious
- Engaged, proactive, and enthusiastic about conservation
- Motivated by the communal good (and cost savings)

Environmentally-Flexible
- Environmentally-conscious to some degree
- Motivated most by cost savings and company image

Cost-Oriented
- Largely indifferent toward conservation
- Motivated largely by cost-savings
### Business Characteristics

<table>
<thead>
<tr>
<th>ACCOUNT SIZE</th>
<th>Environmentally-Conscious</th>
<th>Environmentally-Flexible</th>
<th>Cost-Oriented</th>
</tr>
</thead>
<tbody>
<tr>
<td>TENANTS</td>
<td>More likely to be Key Accounts</td>
<td>More likely to be small accounts</td>
<td>Account size varies</td>
</tr>
<tr>
<td>RENT/OWN</td>
<td>Majority do not have tenants</td>
<td>Majority do not have tenants</td>
<td>Most likely to have tenants</td>
</tr>
<tr>
<td>% of BUSINESSES</td>
<td>All own their properties</td>
<td>Most likely to rent</td>
<td>More likely to own</td>
</tr>
<tr>
<td></td>
<td>20%</td>
<td>48%</td>
<td>33%</td>
</tr>
</tbody>
</table>
Participation in Conservation

**Environmentally Conscious**
- ClimateWise: 89%
- Efficiency Works: 56%
- Solar/Renewable: 33%

**Environmentally Flexible**
- ClimateWise: 55%
- Efficiency Works: 59%
- Solar/Renewable: 9%

**Cost-Oriented**
- ClimateWise: 47%
- Efficiency Works: 33%
- Solar/Renewable: 0%
Amount customers are willing to pay additionally per month to support CAP

- 0%
- 1-5%
- 6-10%
- 11-15%
- More than 15%
- Don't know
Fort Collins Utilities emphasizes the importance of ENERGY efficiency and conservation at a level that is:

- Not enough
- About right
- Too much
- Don't know/refused

Fort Collins Utilities emphasizes the importance of WATER efficiency and conservation at a level that is:

- Not enough
- About right
- Too much
- Don't know/refused
My organization takes the time to learn more about conservation in an effort to make better energy and/or water use decisions.

- Strongly Disagree
- Disagree
- Neither
- Agree
- Strongly Agree
- Don’t Know/Refused

My organization expects the City of Fort Collins to lead the way to a clean energy future through investment in or support of community based solutions such as solar gardens, on-bill financing for efficiency upgrades, and contractor certification.

- Strongly Disagree
- Disagree
- Neither
- Agree
- Strongly Agree
- Don’t Know/Refused

My organization supports charging more for energy used during peak periods of the day when it costs more to generate energy.

- Strongly Disagree
- Disagree
- Neither
- Agree
- Strongly Agree
- Don’t Know/Refused
Next Steps for Fort Collins Utilities

- Re-evaluate techniques
- Major segments and Key Accounts

Program planning
- Disseminate segmentation and customer preferences
- Develop programs based on strategies

Marketing strategies
- Identify segments, neighborhoods, and groups of likely participants
- Match key messages to customer preferences
Thanks!

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