



Members of the E Source Corporate Communications Service get access to research and analysis that helps transform the relationships they have with customers by creating an integrated approach to the ways utilities interact across all contact channels, while building a brand that customers advocate for. What follows is an excerpt of a recently published member-only report.

## Energy-Efficiency Programs Positively Affect Customer Satisfaction and Brand Perception

Beth Hartman

When deciding whether to run a demand-side man- Increasing numbers of utilities are implementing customer experience management strategies across all departments, including demand-side management (DSM) and energy efficiency (EE). As a result, utilities are striving to better understand the impact that EE programs have on customer satisfaction and perceptions of the utility brand.

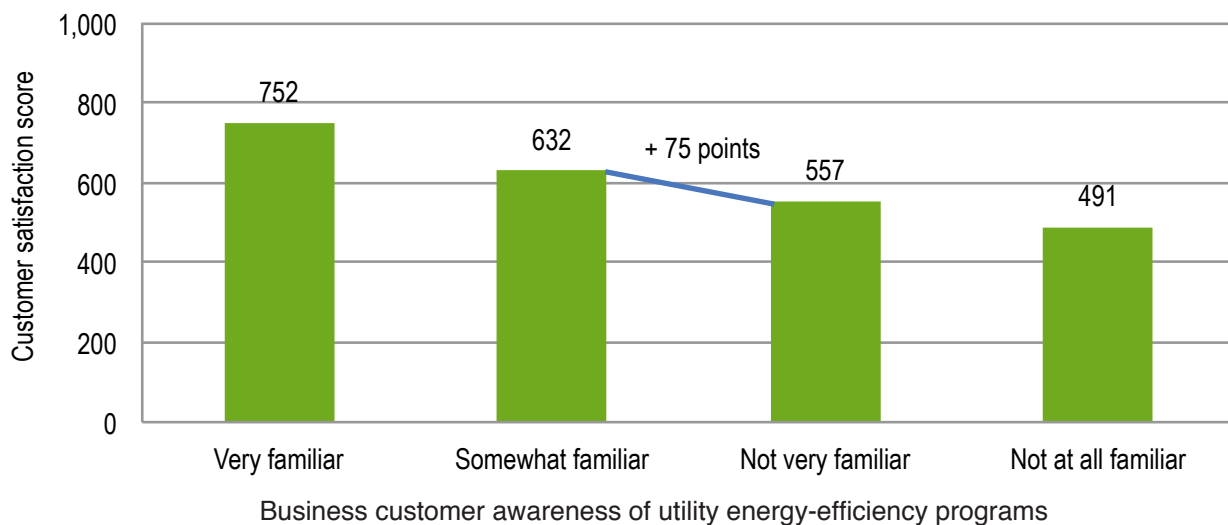
Market research studies show that customers who are more aware of EE programs have improved satisfaction, even if they don't participate in those programs. However, increased program awareness can often lead to higher program participation rates, and this augmented level of participation improves customer satisfaction as well as brand perception. Utilities that wish to enhance their customer satisfaction and brand ratings, as well as increase program participation, may therefore want to focus on raising awareness of EE programs through targeted marketing efforts to both business and residential customers.

### Business Customer Satisfaction

Surveys of business customers show that satisfaction increases when electric and gas utilities promote EE programs to increase awareness of those programs.

**FIGURE 1: Business customers who are familiar with energy-efficiency programs have higher satisfaction levels**

Business customers who were aware of utility energy-efficiency programs gave higher satisfaction scores by 75 points on a 1,000-point scale, according to data from the J.D. Power and Associates 2011 Electric and Gas Business Customer Satisfaction studies.



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## Residential Customer Satisfaction

### PROGRAM PARTICIPATION DRIVES SATISFACTION

Although increased awareness of utility efficiency programs leads to higher customer satisfaction, participation in these programs can also increase satisfaction. In fact, when customers take part in efficiency programs, their satisfaction levels often jump to even higher levels than awareness alone can achieve, as shown by the J.D. Power data above. In addition to this data, according to the E Source Residential Energy-Use Study 2011, customers who participated in at least one EE program were more likely to give a rating of “very good” when asked to score the overall performance of their electric provider than those who had not participated in a program. Though “very poor” ratings and more-neutral ratings were less affected by program participation, the proportion of customers giving the most positive rating tended to increase with each additional program in which they participated.

The percentage of respondents indicating that their electric provider performs very well overall increases a bit with each additional program in which they enroll. However, the causality of this relationship isn't clear:

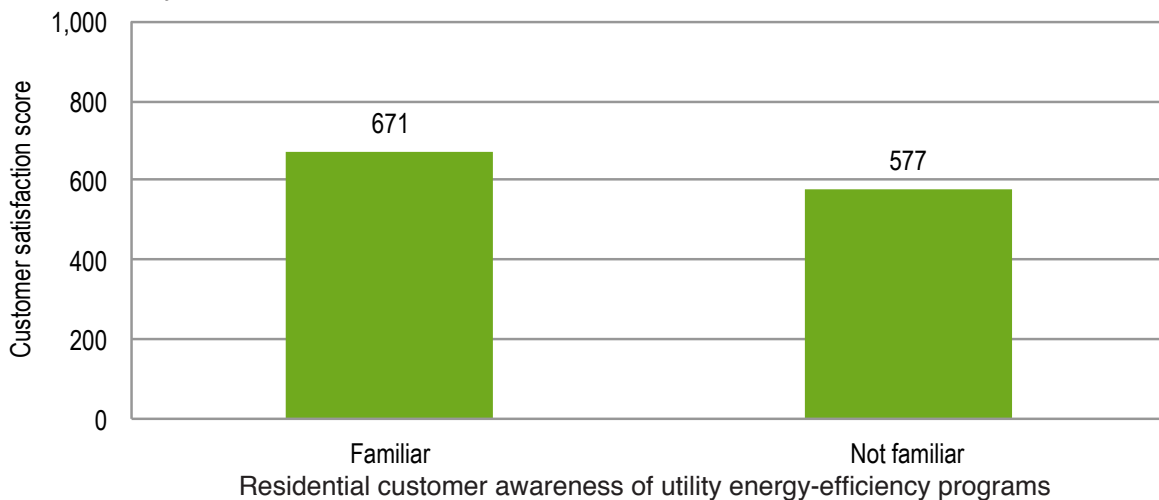
Customers could be more satisfied because they participated in additional programs, or they could be participating in additional programs because they're happy with their utility overall. E Source members of select services can do their own analysis with our online market research tool, the [E Source Residential Customer Insights Center](#), to see how participation in a specific type of EE program affects customer satisfaction.

### TARGETED MARKETING EFFORTS INCREASE AWARENESS AND PARTICIPATION

Targeted marketing is an effective way to encourage predisposed customers to participate in certain utility programs. For example, younger customers are generally more interested in green power programs and are receptive to messaging about enrollment. It's also a potentially beneficial strategy for improving awareness, participation, satisfaction, and utility brand scores. Moreover, targeted marketing has proved promising at increasing awareness of utility programs, which—even if customers do not actually participate in the programs—can improve customer satisfaction and overall utility perceptions.

**FIGURE 2: Residential customers who are familiar with energy-efficiency programs have higher satisfaction levels**

Residential customers who are familiar with utility energy-efficiency programs had an American Customer Satisfaction Index score almost 100 points higher than those who were unfamiliar with utility programs, according to the J.D. Power and Associates 2011 Electric Utility Residential Customer Satisfaction Study.



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