

Abstract #: 201

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Abstract Title: Customers Know Best When it Comes to Behavior Change: Are You Listening?

Abstract Text:

SUMMARY: Energy utilities have many reasons to help customers use less energy—from regulatory compliance and avoiding costly new generation plants to simple public relations. Utilities spend millions of dollars each year persuading hard-to-reach customers to change their behaviors for greater energy efficiency. What if the secret to success was as simple as choosing the right communication channel? One tool used to generate residential energy savings is Home Energy Reports. This paper examines whether communicating by e-mail or through mail impacts customer's energy savings. Researchers hypothesized that mail would be a more effective communication channel in terms of energy savings over the long run. This was based on a premise that people who enrolled through the easiest communication channel (e-mail) would exert less effort toward behavioral changes that required time and energy on their part—resulting in lower energy savings. In addition, they hypothesized that the ease of ignoring e-mails would make ongoing dialog through this communication channel less effective than direct mail. **APPROACH AND RESULTS:** The study employed advanced analytics to cluster consumers into multiple treatment and multiple matched control groups and compare actual electric usage (kWh) for each cluster pre- and post-treatment using the traditional method of “difference in differences”. While all of the customers who received Home Energy Reports saved more energy than those who didn't , the group that was solicited by direct mail and received ongoing mailed reports saved energy at 1.5 times more than other groups and 25% higher savings than the program average.