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MEMO

Date: April 21, 2010
To: Board of Directors
From: Sarah Castor, Evaluation Project Manager
Subject: Staff Response to the Segmentation Comparison Study

When Energy Trust completed its first segmentation study in late 2008, we were left with several questions: Do these customer types really exist? Are they a figment of our particular segmentation algorithm? How do our results compare with other energy agencies that have conducted segmentation? How can segmentation be use to inform program and marketing?

This report answers many of our questions. We are reassured to know that there is no one perfect way to develop customer segments and that other utilities have found that an iterative process is important. We also found it interesting that some of the segments we identified among our customers are similar to those from other segmentation schemes.

The commitment some agencies have shown to segmentation is impressive and requires a long term planning view. To do so at Energy Trust would require additional organization buy-in to pursue intensive use of segmentation for program development and marketing. Though program and communications staff see the value in this commitment, current activities compete with time and resources to focus on additional segmentation research. On a forward looking basis, projects could be structured to help Energy Trust apply this research and corresponding learning, especially to help strategize ways of reaching underserved and non-urban parts of our customer base.

In the interim, communications staff are planning some use of the research information to develop 2010 marketing materials for segments developed in the 2009 Oregon Residential Awareness and Perceptions Survey. At this time the segmentation component in the 2010 Residential Awareness Study will not be repeated. We will, however, continue to monitor the use of segmentation by others and the results they derive.