

# Small Business Sector Customer Segmentation



## Contractor Based Energy Efficiency Customer Engagement

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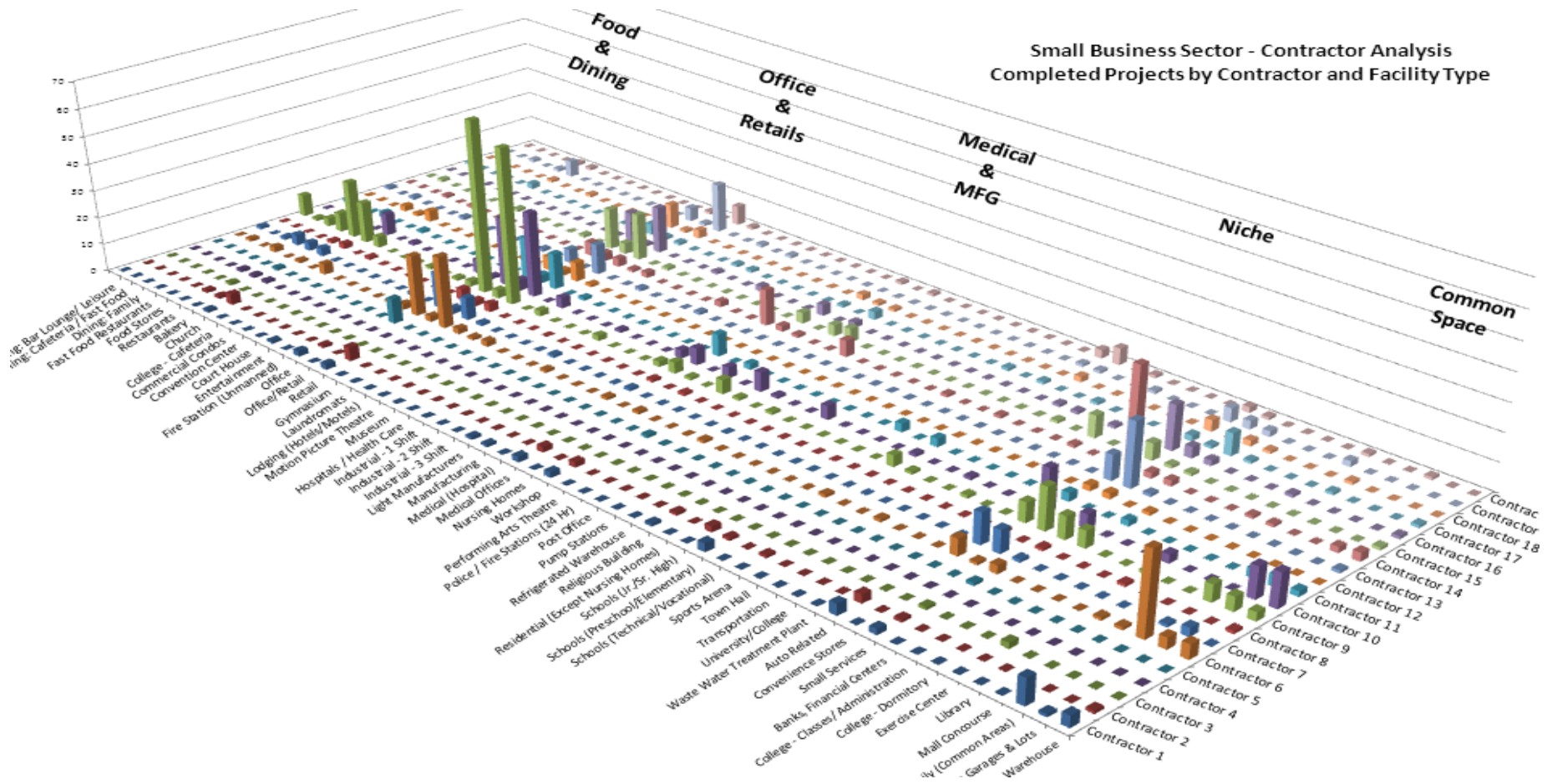
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## Topics

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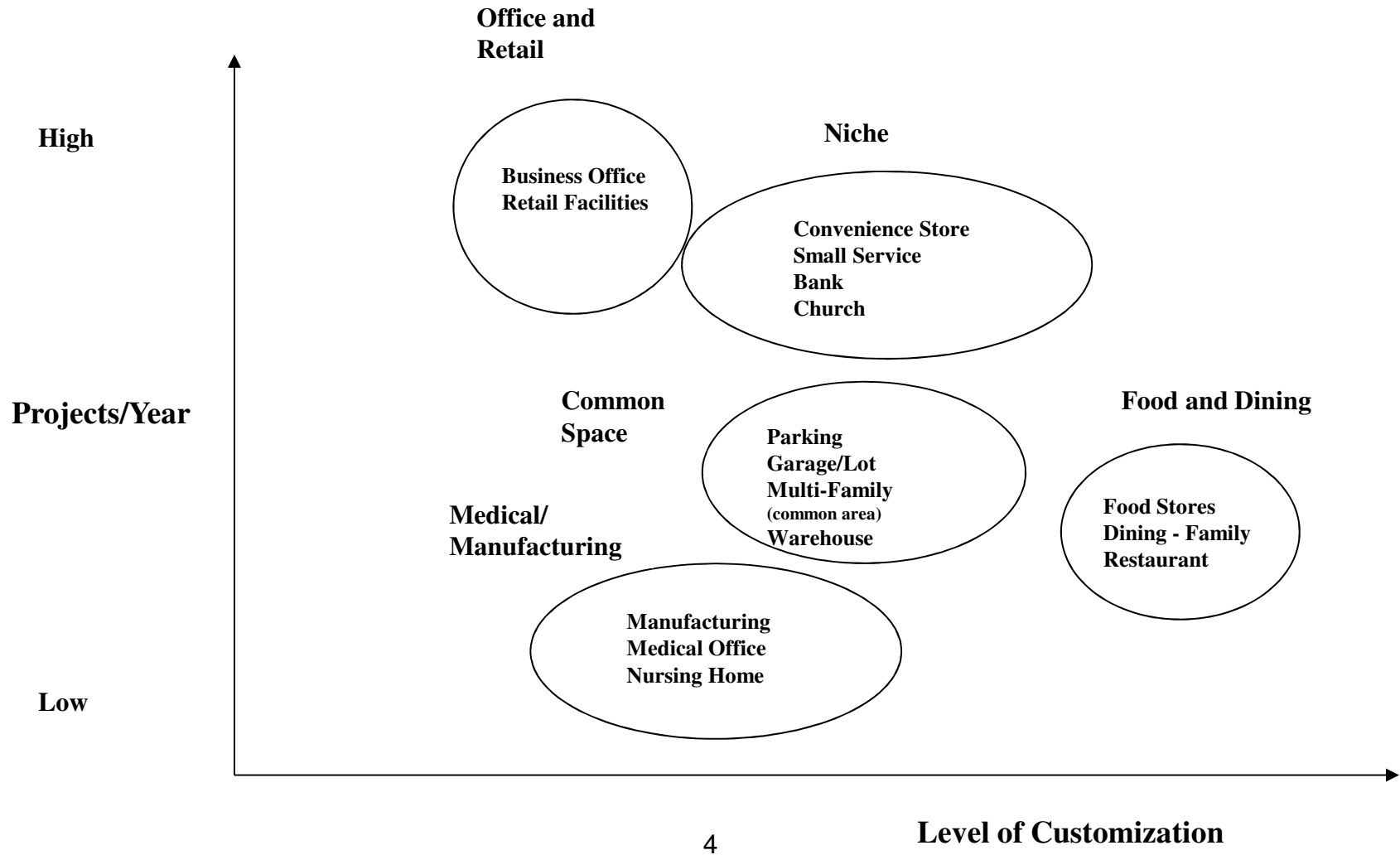
- Contractor Success Groups
  - Defining Strategic Groups
- Contractor Training and Feedback
  - Nature of Demand and Value Creation Proposition
  - The 4Ps for Small Business Sector
- Market Focus
  - 2012 Usage and 2013 YTD Savings by Sector and Quartile
- Customer Engagement Expansion

# Contractor Success Groups



# Contractor Training and Feedback

## Customer Interface Groupings



# Contractor Training and Feedback

## Customer Interface - Value Creation Proposition and Nature of Demand

Customer Group	Custom-ization	Projects / Year	Comp-lexity	Cost Effec.	Customer Types	Contractor's Value Creation Proposition	Customer's Nature of Demand
Office and Retail	Low-Med.	High	Med.	High	Business Office Retail Facilities	To provide highly cost effective, high volume energy efficiency services with consistent and functional quality.	These customers recognize value from highly cost effective proposals, quick installation schedules and do not require high quality energy efficiency services.
Medical/ Manuf.	Med.	Low	High	Low	Manufacturing Medical Office Nursing Home	To provide expertise and functional quality energy efficiency solutions in sensitive or challenging facilities.	These customers require quality energy efficiency solutions and value special consideration for their sensitive or challenging facilities. Quality and customization is a concern but value expertise and functionality over high levels of customization.
Common Space	Med-High	Med.	Med.	Med.	Convenience Store Small Service Bank Church	To provide durable and customized energy efficiency services with focus on unique requirements of a unique market segment.	These customers require durable and customized energy efficiency services and recognize value from a focus on their unique requirements.
Niche	Med-High	Med.	Med.	Med.	Convenience Store Small Service Bank Church	To provide high quality and customized energy efficiency services with focus on unique requirements of a narrow market segment.	These customers require high quality and customized energy efficiency services and recognize value from a focus on their unique requirements.
Food and Dining	Top	Low	Med.	Med.	Food Stores Dining (Family) Restaurant	To Provide top quality customized energy efficiency services special focus on aesthetics and occupant concerns.	These customers require top quality energy efficiency services and recognize special focus on aesthetics and occupant concerns.

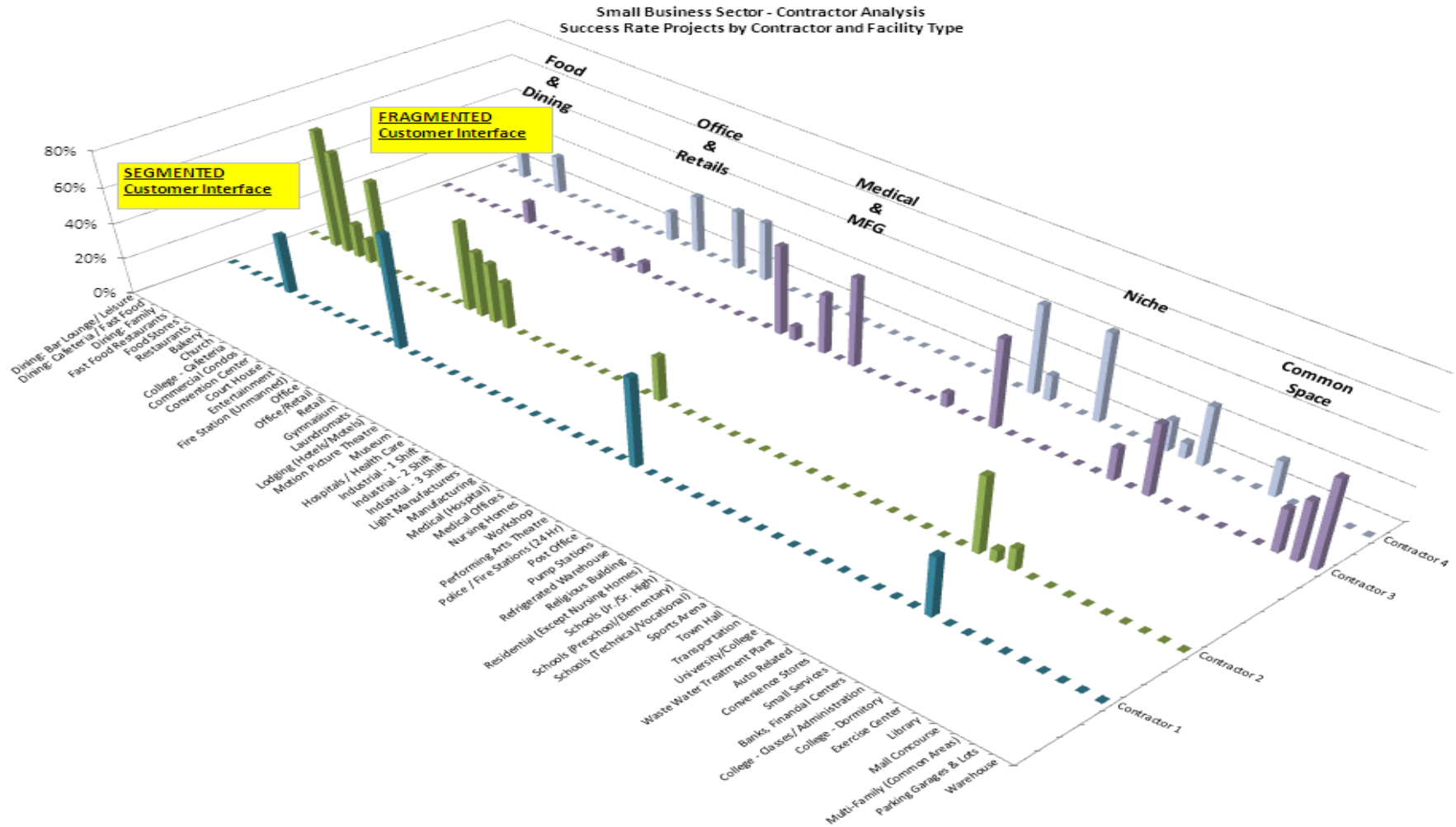
# Contractor Training and Feedback

EE Products where customers need them, when they want them at a price they are will to pay

Customer Group	Customization	Projects / Year	Complexity	Cost Effec.	Customer Types	Promotion	Product	Price	Place
Office and Retail	Low-Med.	High	Med.	High	Business Office Retail Facilities	Leverage contacts with retail organizations, targeted case studies	Enhanced work space illumination functional environmental control	Medium incentive levels	At customer's facility organization events
Medical/Manuf.	Med.	Low	High	Low	Manufacturing Medical Office Nursing Home	Engage through Manufacturer's alliance, Hospital orgs. with case studies and group presentations	Customized lighting, and environmental control products	Higher incentive levels	At customer's facility
Common Space	Med-High	Med.	Med.	Med.	Parking Garage/Lot Multi-Family (common area) Warehouse	Engage property management and facility personnel directly with application specific promotions and case studies	Durable lighting products and application specific expertise	Standard incentive levels	At customer's facility
Niche	Med-High	Med.	Med.	Med.	Church Municipal	Direct engagement with customized promotions, case studies and targeted messaging	Specialized lighting and environmental control products	Customized incentive levels	At customer's facility
Food and Dining	Top	Low	Med.	Med.	Food Stores Dining (Family) Restaurant	Direct engagement with quality focused promotions, case studies	Top quality lighting with aesthetic focus, comfort oriented HVAC	Standard incentive levels	At customer's facility organization events

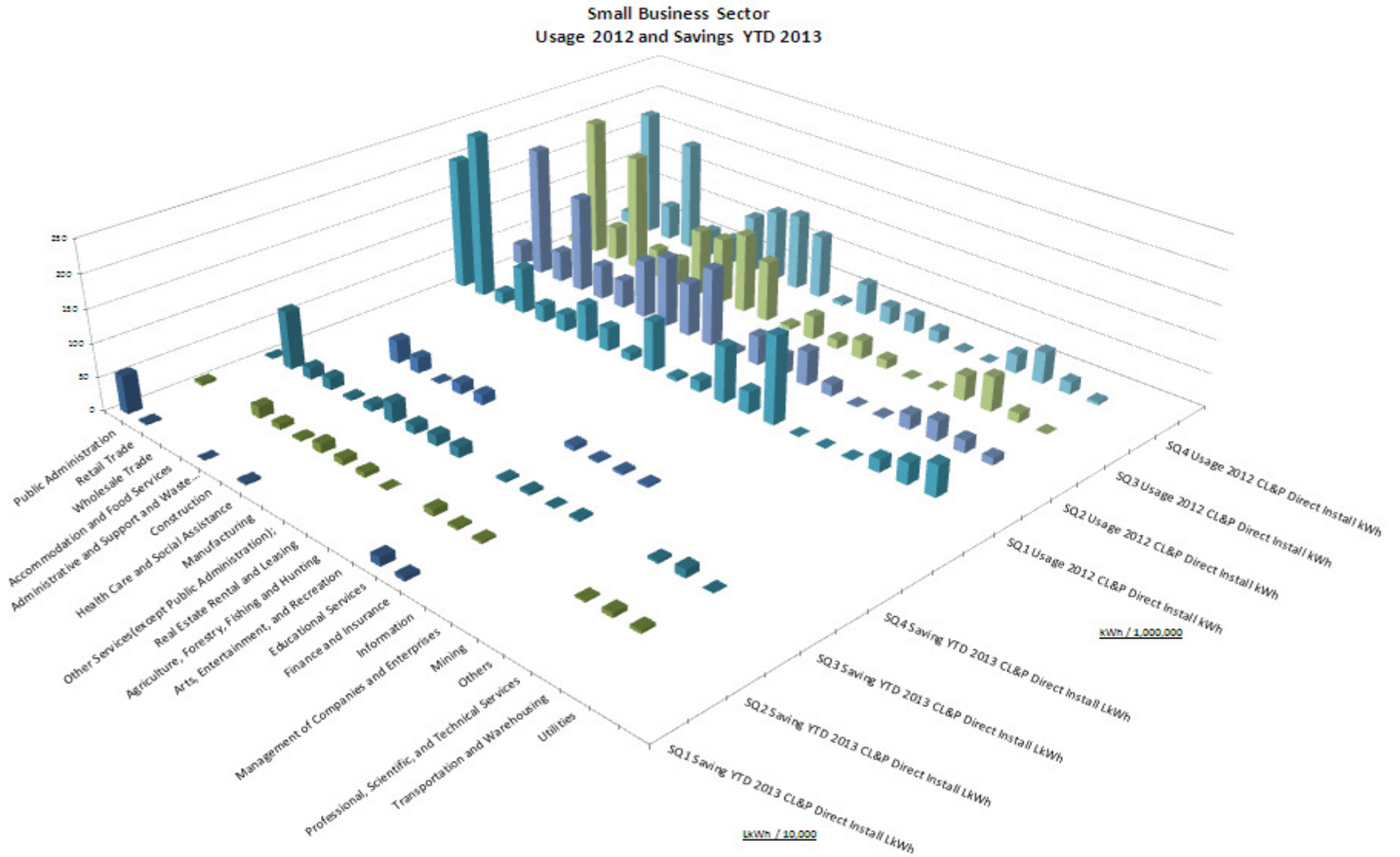
# Contractor Training and Feedback

## Customer Interface - Lead Conversion Rates



# Market Focus

2012 Usage and 2013 YTD Savings by Sector and Quartile



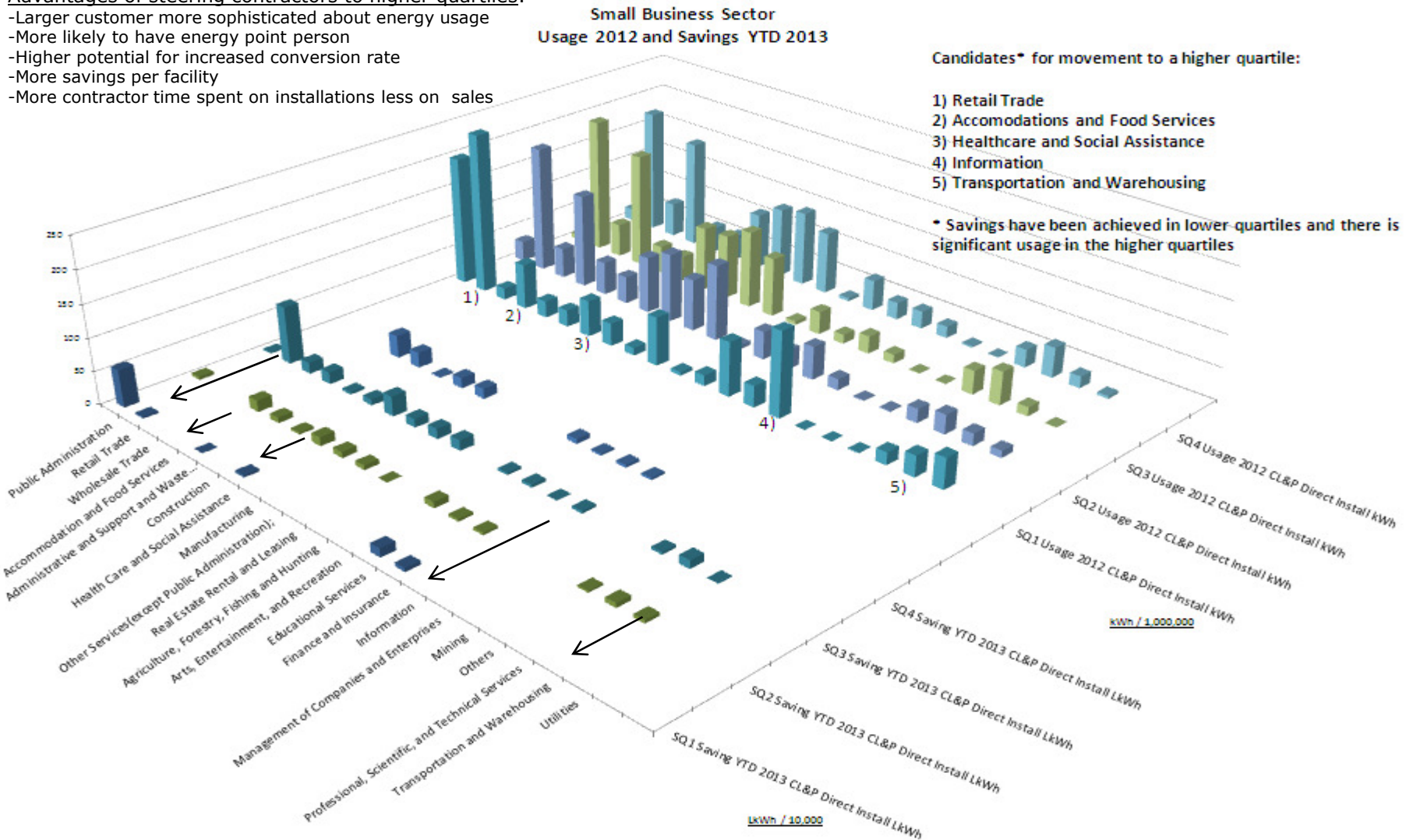


# Customer Engagement Expansion

## Market Movement by sector to higher Quartiles

### Advantages of steering contractors to higher quartiles:

- Larger customer more sophisticated about energy usage
- More likely to have energy point person
- Higher potential for increased conversion rate
- More savings per facility
- More contractor time spent on installations less on sales



# Customer Engagement Expansion

Gauging Emphasis Among Customer Segments

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Place more emphasis on sectors with a high emphasis rating

Emphasis Rating =  $f$  (Market Potential, Cost Rate, Customer Size, Conversion Rate)

Market Potential  $\sim$  Energy Usage by Sector

Cost Rate  $\sim$  \$/LkWh by sector

Customer Size  $\sim$  average kWh usage per customer by sector

Conversion Rate  $\sim$  Project Completion/Lead