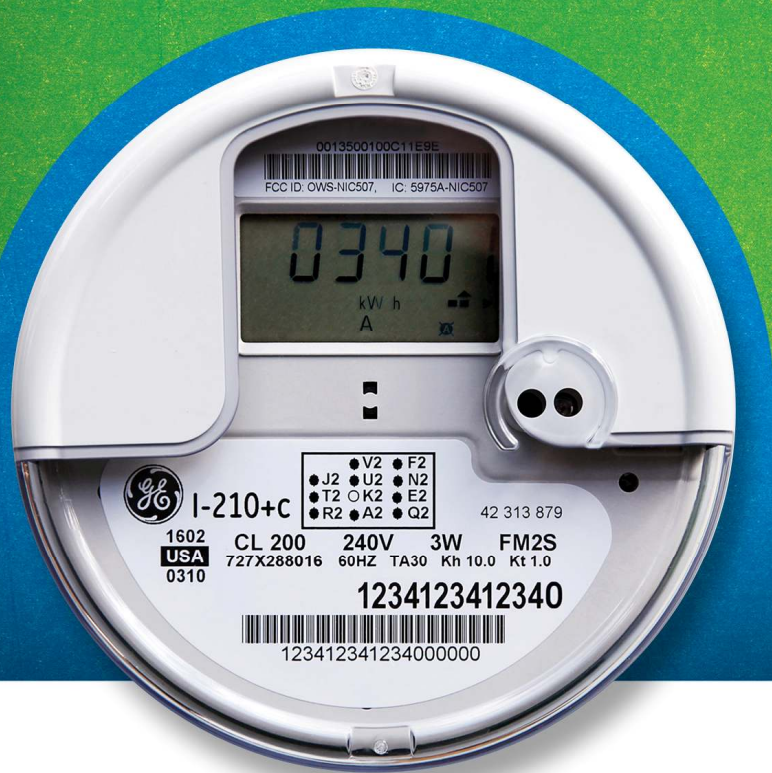


Designing an Effective Market Research Program to Support AMI Customer Education

JD Power & Associates
User Conference

March 14, 2012



Today's Discussion

- PHI Approach to AMI Customer Education
- The Importance of Market Research
- Designing an Effective AMI Market Research Program
- Campaign Highlights
- Measuring Success
- Q&A



PHI Introduction

- Pepco Holdings, Inc. (NYSE: POM) is one of the largest energy delivery companies in the mid-Atlantic region, serving about 1.9 million customers. PHI also provides retail energy savings and renewable services through Pepco Energy Services. PHI's family of energy-related businesses includes:
 - [Pepco](#) is a regulated electric utility delivering electricity serving 788,000 customers in Maryland and the District of Columbia.
 - [Delmarva Power](#) is a regulated utility serving 498,000 electric delivery customers in Delaware and the Delmarva Peninsula and 123,000 natural gas delivery customers in northern Delaware.
 - [Atlantic City Electric](#) is a regulated electric utility serving 547,000 customers in southern New Jersey.



PHI AMI Rollout

	Pepco		Delmarva Power	
	DC	MD	MD	DE
Electric meter installation	<ul style="list-style-type: none"> • 60% complete; to be completed 1Q2012 • Regulatory asset approved 	<ul style="list-style-type: none"> • 4% complete; to be completed 4Q2012 • Regulatory asset approved 	<ul style="list-style-type: none"> • Business case submitted, awaiting PSC order 	<ul style="list-style-type: none"> • 99% complete • Regulatory asset approved
Electric meter activation	<ul style="list-style-type: none"> • Underway; to be completed 2Q2012 	<ul style="list-style-type: none"> • To begin 2Q2012; to be completed 1Q2013 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • 95% complete; to be completed 1Q2012
AMI Customer Benefits – When do they start?	<ul style="list-style-type: none"> • Online access to energy usage data – 2Q2011 • Outage detection – 2Q2011 	<ul style="list-style-type: none"> • Online access to energy usage data – 4Q2011 • Outage detection – 4Q2011 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Online access to energy usage data – 1Q2010 • Outage detection – 1Q2010
Critical Peak Rebate form of dynamic pricing	<ul style="list-style-type: none"> • Proposal pending; proposed phase-in for residential customers to begin in 2012 	<ul style="list-style-type: none"> • Approved in concept; phase in for residential customers to begin 2012 	<ul style="list-style-type: none"> • Approved in concept pending AMI deployment authorization 	<ul style="list-style-type: none"> • Proposal pending; proposed phase-in for residential customers to begin in 2012



PHI Approach to AMI Customer Education

- Multi-phased approach
- Integrated multi-channel communications campaign
- Relied heavily on market research to understand customer needs, track awareness, test messaging and creative, and measure success
- Collaborative Effort Internally
- Strategically timed campaign around activation of web presentment functionality and benefits
- Designed a campaign that was highly metrics driven



Customer Education Campaign

Delmarva Power Used the Following Phased Approach; Similar at Pepco DC and MD

- Phase 1: Get Ready to Take Control
 - Pre-deployment
- Phase 2: Take Control
 - Deployment
- Phase 3: Benefits
 - Activation of web presentment and online tools



The Importance of Market Research

- Assess customer understanding of messaging and educational campaigns
 - Evidence that the campaign is working (or not)
 - Reassure key stakeholders
 - Provide data for increasing budget
- Identify potential barriers to adoption and usage
- Test customer reactions to communications program elements
- Identify ways to help customers use energy efficiency information



AMI Market Research Program Elements

Tracking studies:

- Monitor favorability and awareness
- Assess understanding of benefits
- Investigate awareness of specific message

Qualitative research:

- Test creative across jurisdictions
- Test terminology, wording, benefits

Segmentation study:

- Identify segments to target in early phase
- Understand motivations to leverage



Delmarva Power Customer Ed Campaign Highlights



Campaign Highlights

- Developed integrated communications and education plan
- Worked closely with PSC; Continue to do so
- Large emphasis on customer research and segmented communications
- **Theme: Take Control Delaware**
 - Includes paid and earned media
 - Print, Online, Billboards, Radio, Television
 - Direct Mail
 - Community Outreach and Events
 - Informational microsite with videos
 - 1-855 New Meter

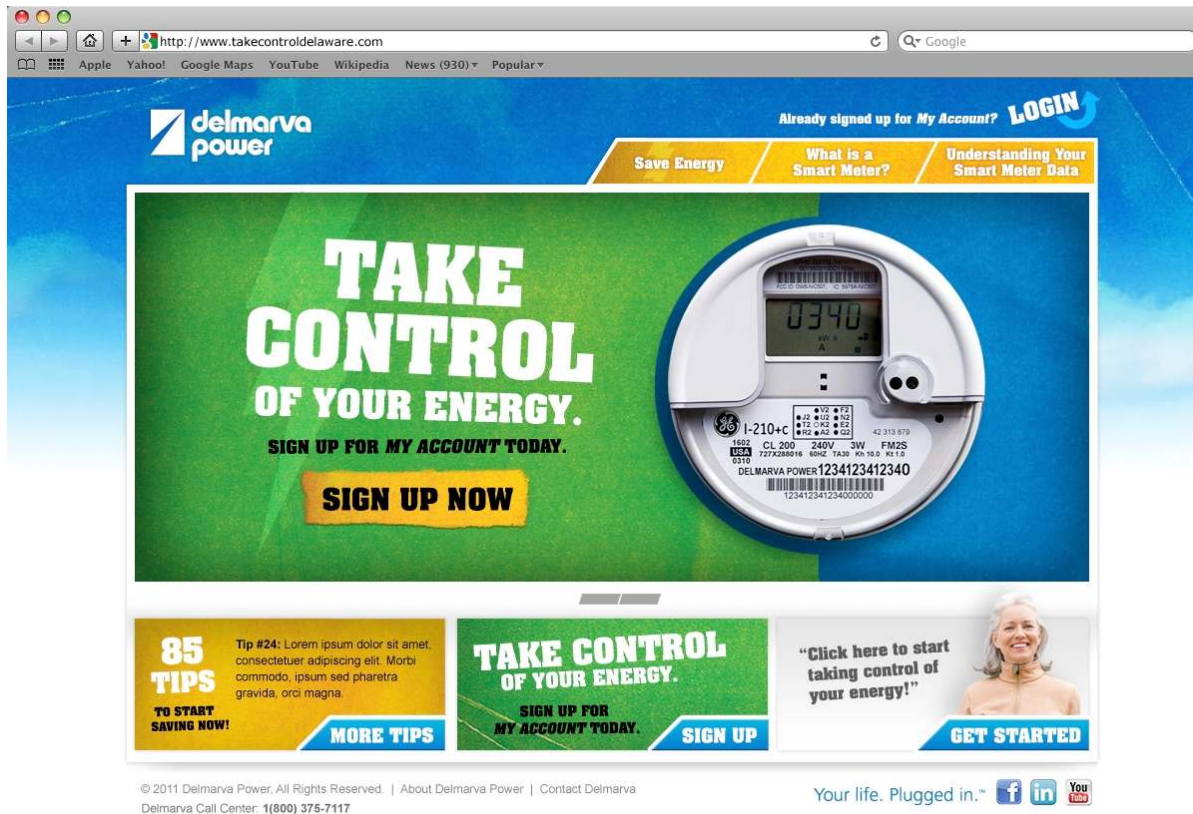


Web and Online

Interactive educational website dedicated to Smart Meter education and awareness

Phase I: Informational videos regarding how to see and use your data and energy saving tips

Phase II: Will include additional information for SMBs, an Events Corner, as well as a Kids Corner



Advertising

TakeControlDelaware.com

SMART METERS ARE HERE.

1-855-NEW-METER

delmarva power
Your life. Plugged in.™

Billboards

GET READY TO TAKE CONTROL OF YOUR ENERGY USE.

Delmarva Power is completing the installation of electric smart meters for its Delaware residential and small business customers. Once you receive your smart meter, it will measure your energy use periodically throughout the day and Delmarva Power will make your data available to you online. You can get ready by signing up for *My Account* and creating your own personalized energy profile. After all, when you know how you use energy, you have the power to control it.

GET READY TODAY
by signing up for *My Account*
at **TakeControlDelaware.com**

delmarva power
Your life. Plugged in.™

Have questions?
Call: **1-855-NEW-METER** or visit TakeControlDelaware.com

Print Ads

GET READY DELAWARE

Online Advertising

TO TAKE CONTROL OF YOUR ENERGY USE!



Radio



Television

TV SPOT



Community Outreach and Events



Key Takeaways

- Timing was critical; When to begin education, when to “pump up the volume” and when not to
- Customers want to be engaged and will surprise you
- Be direct and clear in message
- Use a metrics driven campaign and be accountable

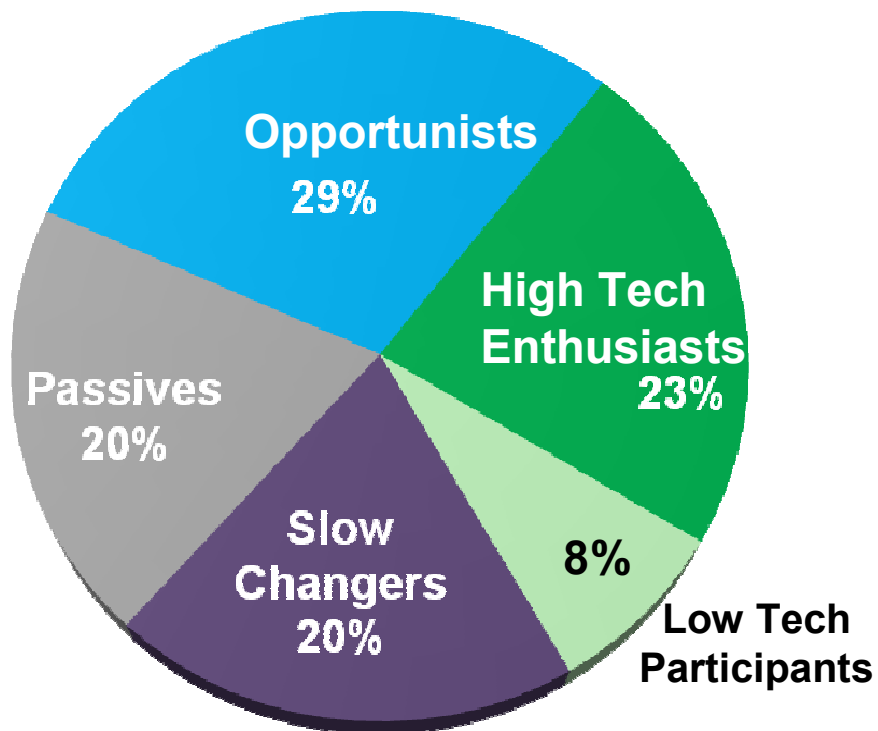


Measuring Success

- My Account registrations increased 28% in 2011
- Overall increase in awareness and education via the tracking study:
 - ❖ Awareness that Delmarva Power is installing smart meters has increased significantly, from 47% to 66% of customers
 - ❖ Overall awareness of smart meters has increased significantly from 2010-2011 (59% to 76%)
 - ❖ Smart Meter favorability went up from 37% to 51%.



The Five Segments



High Tech Enthusiasts

“Smart Meters fit my tech-smart lifestyle.”
Younger, tech savvy. High favorability, high interest in programs, energy monitoring.

Low Tech Participants

“These new programs sound good; can they really help people like us?”
Home owners, read print newspapers, not as interested in online tools/apps.

Slow Changers

“Conserve energy? We’d need to stay comfortable and save \$\$.”
Conservative, low online usage, saving money is key.

Passives

“Will Smart Meters really help the environment?”
Prefer in-home displays, talk about saving energy but do little.

Opportunists

“Smart Meters sound OK, but we’re not sold.”
Moderate awareness & interest. Best way to reach is email.



Phase 3 Strategy

- Shift of primary message from meters to benefits
- Shift in design from meter to bar graphs/benefits
- Incorporate best practices learned from AMI Phase 1 and 2
- Leverage Segmentation Results to increase success rate
- Comprehensive, integrated approach
- Continue drum beat of information
- Focus on *My Account* sign up



Campaign Evolution: Shift in visual design from meter to graphic charts

Before

Delmarva Power's smart meter website is your informational resource to learn everything you need to know about your new smart meter.

Your life. Plugged in.™

TAKE CONTROL OF YOUR ENERGY USE

SIGN UP FOR MY ACCOUNT TODAY.

SIGN UP NOW

Already have an account? [Login](#)

With your **SMART METER** the power is in your hands.

Your new smart meter from Delmarva Power helps you take control of the energy you use in your home or small business each and every day. Just sign up through My Account and you'll see your actual energy usage data online in easy-to-read graphs. Then, with the data your smart meter provides, you can make informed choices about controlling your energy consumption. Which is very smart indeed.

Use these links to learn more:

- Save Energy
- What is a Smart Meter
- Understanding Your Smart Meter Data

TAKE CONTROL OF YOUR ENERGY. SIGN UP FOR MY ACCOUNT TODAY. [SIGN UP](#)

LEARN HOW TO VIEW YOUR NEW DATA [LEARN HOW](#)

CLICK HERE TO LEARN ABOUT YOUR NEW SMART METER [GET STARTED](#)

TAKE CONTROL OF YOUR ENERGY USE

WITH YOUR NEW SMART METER

Learn how at TakeControlDelaware.com or speak to an Energy Adviser at 1-855-639-6383, 7am - 7pm.

delmarva power
Your life. Plugged in.™

After

Delmarva Power's smart meter website is your informational resource to learn everything you need to know about your new smart meter.

Your life. Plugged in.™

Learn More About How To Take Control Of Your Energy Use With New Tools On My Account

CLICK HERE

How does my home use energy?

Bill to Date

Does my home use energy?

With your **SMART METER** the power is in your hands.

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CLICK HERE TO LEARN ABOUT SMART METER BENEFITS [GET STARTED](#)

TAKE BETTER CONTROL OF YOUR ENERGY USE WITH NEW TOOLS ON MY ACCOUNT

ENJOY NEW SMART METER BENEFITS
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delmarva power
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Additional Customer Research

Customer Insights Panel

- Online consumer panel used for communications testing and usability

Focus groups

- Tested both online tools and marketing collateral with user/non-user groups

Mall Intercepts

- Quick feedback on radio ads, images



Additional Customer Research Results

**Obtained
customer
feedback on
notification
process**

**Reviewed
brochures**

**Sharpened
focus of
messaging on
Saving Money**

**Tested interest
in My Account
online tools**

**Tested names
and process of
peak events**

**Changed
program name
from critical
peak pricing to
Peak Energy
Savings**



Leveraging AMI Market Research

- ✓ Ongoing monitoring of customer opinions is critical
- ✓ Use data to modify plan/tactics/messages over time
 - Numbers help!
- ✓ Address stakeholder needs
 - Include specific segments (i.e. retirees, low income)
- ✓ Keep project teams focused on benefits to customers
- ✓ Don't assume what works in one area will work in another
 - Test creative across jurisdictions
 - Terminology, wording, account processes



Q&A

