ENERGY STAR Partnerships and Customer Satisfaction

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ENERGY STAR: Utility and Regional Energy Efficiency Program Sponsors

ENERGY STAR partners with utilities, state agencies, and other organizations to implement effective energy efficiency programs nationwide.

Offer portfolio of resources to partners:
- Home Improvement
- Residential and Commercial Products Program
- Residential New Construction
- Commercial and Industrial Programs

Over 700 ENERGY STAR Partners: 432 are energy utilities
DOES AN ENERGY STAR PARTNERSHIP INCREASE CUSTOMER SATISFACTION?
J.D. POWER

Produces global marketing information based on independent consumer surveys of product and service quality and customer satisfaction across variety of products and services, *including utilities*
J.D. POWER

Six indices measured on 1,000 point scale:

• Power, Quality, and Reliability
• Price
• Billing and Payment
• Corporate Citizenship
• Communications
• Customer Service

Indices weighted and averaged to create Overall Customer Satisfaction Index score
J.D. POWER

- Received data for 110 utilities scored by J.D. Power
  - 77 Energy Star partner utilities
  - 33 non-partners

- Data from 2008 - 2018
Question:

Does partnering with ENERGY STAR increase customer satisfaction?
For utilities with J.D. Power scores

- First partner agreement in 1997
- Most recent partner agreement in 2017
- To illustrate, 5 of the 77 partners are shown below

<table>
<thead>
<tr>
<th>South Carolina Electric &amp; Gas</th>
<th>Alliant Energy</th>
<th>Jackson EMC</th>
<th>Ohio Edison</th>
<th>Entergy Mississippi</th>
</tr>
</thead>
</table>

Year Partnership Agreement Signed
## Data Centering (illustration of the 77 partners)

<table>
<thead>
<tr>
<th>Company</th>
<th>Years after Agreement Signed</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Carolina Electric &amp; Gas</td>
<td>2008, 2015</td>
</tr>
<tr>
<td>Jackson EMC</td>
<td>2008, 2011</td>
</tr>
<tr>
<td>Ohio Edison</td>
<td>2011, 2014</td>
</tr>
<tr>
<td>Entergy Mississippi</td>
<td>2017</td>
</tr>
</tbody>
</table>

- **Three Years after Partnership Agreement Signed**
  - South Carolina Electric & Gas: 2011
  - Alliant Energy: 2011
  - Jackson EMC: 2011
  - Ohio Edison: 2014

- **Seven Years after Partnership Agreement Signed**
  - South Carolina Electric & Gas: 2015
  - Alliant Energy: 2015
  - Jackson EMC: 2015
Are the six factors positively affected by partnership?

**Power, Quality, and Reliability (no)**
- Eg., “Promptly restore after power outage”

**Price (no)**
- Eg., “Total monthly cost of electrical service”

**Billing and Payment (no)**
- Eg., “Ease of paying bill”
Are the six factors positively affected by partnership?

**Corporate Citizenship (yes, marginal)**
- Eg., “Variety of energy efficiency programs offered”

**Communications (yes)**
- Eg., “Usefulness of suggestions on ways to reduce energy”

**Customer Service (yes)**
- Eg., “Clarity of information provided”
No statistical difference
No statistical difference
Billing and Payment

- Partner: + 6.18%
- Non-Partner: + 4.96%

No statistical difference
Corporate Citizenship

![Graph showing the increase in Corporate Citizenship over the years for partners and non-partners.]

- **Energy Star** increased significantly more than nonES.

> + 7.93%
> + 10.61%

*Note: The graph illustrates the trend of Corporate Citizenship over the years post-signed partnership agreement.*
Communications

ENERGY STAR increased significantly more than nonES.
Customer Service

ENERGY STAR increased significantly more than nonES

+ 4.67%

+ 7.31%
Overall Customer Satisfaction

Change in Overall Customer Satisfaction Across 7-year

<table>
<thead>
<tr>
<th>Years Since Becoming a Partner</th>
<th>Partner</th>
<th>Non-Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-year</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2-year</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>3-year</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>4-year</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>5-year</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>6-year</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>7-year</td>
<td>9%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

ENERGY STAR increased significantly more than nonES
Conclusion

- Evidence for an increase in customer satisfaction for utilities after becoming an ENERGY STAR partner
- 7-year timespan
- Significant increases in Corporate Citizenship, Customer Service, and Communications
- No differences in customer satisfaction with power quality and reliability, price, or billing and payment options.
THANK YOU
J.D. Power: Power, Quality & Reliability

• Relative impact of factor: 28%

• Example items:
  - Supply power during extreme temperatures
  - Promptly restore power after outage
  - Avoid brief interruptions
J.D. Power: Price

• Relative impact of factor: 19%

• Example items:
  - Total monthly cost of electrical service
  - Ease of understanding pricing
  - Efforts of utility to help manage monthly usage
J.D. Power: Billing & Payment

- Relative impact of factor: 19%
- Example items:
  - Ease of paying bill
  - Amount of time given to paying bill
  - Variety of methods to pay bill
J.D. Power: Corporate Citizenship

• Relative impact of factor: 16%

• Example items:
  - Involvement in local charities/civic organizations
  - Actions to take care of the environment
  - Variety of energy efficiency programs offered
J.D. Power: Communications

• Relative impact of factor: 14%

• Example items:
  - Usefulness of suggestions on ways to reduce energy
  - Efforts to communicate changes
  - Keep you informed about keeping costs low
J.D. Power: Customer Service

- Relative impact of factor: 5%

- Example items:
  - Clarity of information provided
  - Timeliness of resolving problem, question, or request
  - Courtesy of representative