

# **Conservation Is As Easy As 1-2-3: Assessing Customer Behavior Due to PG&E's 1-2-3 Cashback Information and Rebate Program**

*Marissa Myers and John Cavalli, Quantum Consulting  
Kenneth James and Valerie Richardson, Pacific Gas and Electric Company  
Kathleen McElroy, Xenergy, Inc.*

## **ABSTRACT**

California implemented a host of programs to reduce energy usage in 2001. Californians' response to the call to conserve was tremendous – about one third of Pacific Gas and Electric Company's 4.6 million electric customers met the state's goal of conserving electricity by 20 percent or more during the summer. This paper examines what drove these successes, as part of an evaluation of PG&E's primary vehicle for achieving residential energy savings, the 1-2-3 Cashback Program, provides residential customers with energy conservation information ("1") and offers incentives for low cost ("2") and investment-grade ("3") energy-efficiency purchases.

This paper focuses on the big conservation campaigns sponsored by the state of California and PG&E. Did people who were aware of and influenced by these efforts conserve more and undertake more efficiency improvements? Which campaign was most influential? How did they deliver their information to Californians? Which delivery mechanisms reached the most people? Which were most effective?

Survey results highlight the state of California and PG&E's different approaches to saving energy during the 2001 energy crisis. PG&E's biggest impact, on the other hand, lies in influencing customers to purchase energy-efficient products. 1-2-3 Cashback influenced significantly more customers to buy energy-efficient products than the state's Flex Your Power campaign. Flex Your Power's emphasis on conservation in its public education campaign helped Californians to abate the power emergency by curtailing their usage.

## **Introduction**

This paper first describes the major conservation efforts – the 20/20 Program, Flex Your Power and PG&E's 1-2-3, then assesses their effectiveness in terms of awareness, influence and program participation. The paper leverages data from 1303 customer telephone surveys conducted in February-April 2002 as part of the Customer Behaviors and Practices Due to 1-2-3 Cashback Study on behalf of Pacific Gas & Electric. The research was conducted by Quantum Consulting and Xenergy Inc.

A major objective of this paper is to assess the influence of the major campaigns – particularly Flex Your Power and PG&E's 1-2-3 – on conservation and purchasing behavior. To meet this objective, we conducted telephone interviews with PG&E customers, asking them questions about what they did to save energy. First, respondents were asked what conservation measures and peak conservation efforts they undertook as well what energy-saving equipment they purchased (both major appliances and low-cost measures). Second, respondents were asked whether they were aware of 20/20, Flex Your Power and PG&E's 1-

2-3 Cashback program. Third, respondents were asked to rate the influence of the campaigns on a 1 to 10 scale with respect to the campaign's influence on reducing their energy use and, for those that purchased, on their decision to purchase a new appliance or CFL.

The tables present self-reported data from the PG&E survey. Data were collected on appliance purchases, but the study is not capable of determining the level of efficiency of major appliances. The appliance purchase data remains an important measurement because we are interested in the relationship between the campaigns and customers making purchases. If people respond to the messages by buying refrigerators (regardless of the appliance's efficiency) that indicates the campaign was effective. While we did not specifically ask respondents if the appliances they purchased were high efficiency, nearly any refrigerator sold today offers efficiency gains over a household's old refrigerator, so we consider appliance purchases to be an appropriate indicator.

## **Major Campaigns**

This section describes the major energy conservation initiatives undertaken by the state of California and PG&E. The state and PG&E took different approaches to saving energy during the energy crisis. The state's efforts focused on immediate energy savings through conservation. The state of California launched a massive public education campaign called Flex Your Power and created a rebate program that offered bill credits to customers that cut their energy usage by 20 percent in summer 2001.

PG&E offered rebates to create sustainable energy efficiency in addition to tips on conserving energy. PG&E developed a 3-step program to help customers save energy by (1) doing no-cost energy conservation actions, (2) installing low-cost energy saving measures, and (3) investing in energy efficient equipment, appliances and retrofits.

### **20/20 Program**

Under this California state rebate program, customers who reduced their electrical usage by 20 percent or more (compared to the same period over last year) get an additional 20% bill reduction. The program offers a bill rebate for the months of June, July, August, and September. For example, a customer whose June 2001 bill was at least 20 percent less than their June 2000 bill get an additional 20% bill credit on their July bill.

A majority of respondents (54 percent) stated that they were unaware of 20/20. Of those aware of 20/20, 19 percent indicated they did not try to reduce their bill by 20 percent. Eight percent tried and failed and another 15 percent succeeded in earning the bill reduction during at least one of the four qualifying summer months.<sup>1</sup>

Table 1 presents adoption rates – conservation actions, conservation at peak, low cost measures and major appliances – by several segments: all respondents, customers that were unaware of 20/20, those who did not attempt to reduce their electricity bill by 20 percent, those who tried and failed to reduce their bill, and those who tried and succeeded in reducing

---

<sup>1</sup> PG&E has reported that, based on billing data, about one-third of households received 20% off their bills 20/20 participation. Self-reported 20/20 participation reported here is lower than PG&E's data because some household monthly bills vary more than 20% year to year without any intervention by the state, utility or customer.

their electricity bill. Each section of the table reports the actions taken most frequently. For example, more people turned off lights, changed thermostats, turned off appliances and dressed appropriately than any other type of conservation action. The italicized rows refer to all actions taken. For instance, respondents took many kinds of conservation actions, including setting computers to stand-by mode, line drying clothes, unplugging and removing spare refrigerators and using cold water to wash clothes.

**Table 1. Conservation Actions and Adoption Rates Among 20/20 Customer Segments**

20/20 Program	Total	Unaware 20/20	Didn't Try	Tried and failed	Tried and succeeded
<b>Total Percent</b>	100%	54.4%	19.4%	8.0%	14.7%
<b>Total N</b>	1303	555	268	134	301
<b>Conservation Actions</b>					
Turn off any lights that are not being used	64.0%	63.4%	61.4%	64.9%	67.7%
Change thermostat	41.3%	40.0%	46.3%	41.3%	40.5%
Turn off appliances when not in use	27.3%	27.0%	23.2%	26.0%	32.9%
Dress appropriately for warmer/cooler temperatures	3.9%	4.6%	2.5%	5.2%	2.3%
<i>All Conservation Actions</i>	84.0%	82.2%	84.8%	88.9%	86.8%
<b>Conservation at Peak</b>					
Do laundry at night	28.8%	28.6%	20.7%	37.1%	32.6%
Turn off lights at peak	15.2%	15.8%	8.9%	12.8%	19.4%
Run dishwasher at night	15.5%	14.1%	10.7%	26.5%	18.5%
Off-peak energy usage	14.6%	13.5%	11.2%	22.1%	17.4%
Run appliances less often during peak	7.9%	7.0%	4.3%	11.4%	11.4%
Change thermostat during peak	6.8%	6.0%	6.5%	8.5%	8.4%
<i>All Peak Conservation Actions</i>	51.0%	50.0%	37.6%	62.5%	60.5%
<b>Low Cost Measure</b>					
CFL bulb	36.9%	32.4%	32.0%	43.4%	54.1%
Weather stripping/Caulking/Weatherization	8.4%	5.9%	6.8%	12.8%	16.0%
Windows-Dual Pane or High Efficiency	8.9%	8.5%	8.2%	7.9%	10.8%
Programmable thermostat	7.1%	6.0%	7.9%	11.2%	8.7%
Motion sensor	4.9%	5.0%	3.8%	2.3%	6.5%
<i>All Low Cost Equipment Purchasers</i>	46.8%	41.8%	44.1%	56.9%	62.7%
<b>Major Appliance</b>					
Refrigerator	15.5%	14.0%	18.2%	9.2%	18.3%
Clothes Washer	12.7%	10.7%	17.3%	13.3%	14.2%
Clothes Dryer	11.8%	9.7%	16.5%	14.2%	13.3%
Stove/Oven	4.4%	3.0%	6.1%	5.5%	5.5%
Dishwasher	4.1%	2.4%	7.7%	3.9%	6.3%
<i>All Major Appliance Purchasers</i>	29.9%	25.8%	32.4%	32.0%	37.1%
<b>% PART</b>	3.8%	2.2%	4.4%	7.0%	7.2%

Conservation activity – using fewer lights, setting thermostat differently, turning off unused appliance, for example – did not vary much between customers that attempted to reduce their bill and those that were unaware or did not try. 20/20 participants tended to do more peak conservation, such as doing laundry and running the dishwasher at night, than unaware customers and those that did not attempt to get the bill rebate.

20/20 participants were more likely to do low-cost and investment-grade actions. Those that attempted to get the 20% rebate had higher PG&E rebate participation (7% vs. 4.4%) and low cost measure adoption (57% vs. 44%) than those that did not. Importantly, PG&E participation rates for those that got a 20% bill reduction were nearly double those that did not try.

However, specific measure adoption rates do not uniformly reflect these different participation rates. 20/20 customers purchased refrigerators, CFLs and motion sensors at higher rates than those who were unaware or did not try, while no significant difference existed among these groups for purchase of clotheswashers, windows and programmable thermostat.

### **Flex Your Power Campaign**

Led by Governor Gray Davis, the state of California undertook a major energy conservation campaign. The centerpiece of this effort was a \$35 million TV ad campaign geared towards using less energy, particularly during peak periods.<sup>2</sup> The ads asked Californians to “kill-a-watt”, emphasized that conserving energy is easy (“It’ll help us all get through the power emergency. And it’s not even hard”) and encouraged everyone to do their part (“together we’re making it through”).

This section examines the role of Flex in customers’ actions – conservation activities and measure adoptions. Of particular interest are customers that were influenced by the Flex Your Power campaign. Table 2 presents adoption rates for all respondents, those aware of Flex, those who were both aware and influenced by Flex to reduce their energy usage, customers both aware and influenced by Flex to purchase a new appliance or CFL. The last column, “All purchasers” refers to any customer who bought any kind of equipment, low cost measure or major appliance. The influence measure presented in the two “Aware and Very Influenced” columns represents data from customers that rated the program’s influence as 8 or greater on a 1-10 scale. The “All purchasers” column is a useful way to compare the behavior of those who reported being influenced to purchase equipment by a program to all those who bought equipment.

---

<sup>2</sup> Nearly two million compact fluorescent light bulbs were given away. Grocery stores stuffed conservation messages into every bag. Flex also launched an efficiency campaign centered around “Appliance Week” in fall 2001, involving manufacturer and retailer efforts to sell EnergyStar appliances.

**Table 2. Conservation Actions and Adoption Rates Among Flex Your Power Customer Segments<sup>3</sup>**

Flex Program	Total	Unaware	Aware	Aware and Very influenced to Save Energy by Flex	Aware and Very influenced to Purchase EE Equipment by Flex	All Purchasers
<b>Total Percent</b>	100%	60.4%	39.6%	11.0%	5.1%	56.9%
<b>Total N</b>	1303	739	564	129	74	940
<b>Conservation Actions</b>						
Turn off any lights that are not being used	64.0%	64.2%	63.7%	67.6%	62.1%	62.7%
Adjust thermostats	41.3%	36.6%	48.5%	49.0%	45.1%	40.1%
Turn off appliances when not in use	27.3%	25.7%	29.6%	36.4%	47.0%	26.1%
Dress appropriately for warmer/cooler temperatures	3.9%	4.0%	3.6%	5.0%	2.7%	3.4%
<i>All Conservation Actions</i>	84.0%	83.4%	84.8%	92.3%	85.2%	85.2%
<b>Conservation at Peak</b>						
Do laundry at night	28.8%	29.3%	28.1%	28.3%	34.8%	33.7%
Turn off lights at peak	15.2%	15.4%	14.8%	16.6%	16.7%	16.6%
Run dishwasher at night	15.5%	16.1%	14.5%	9.3%	26.6%	17.4%
Off-peak energy usage	14.6%	14.4%	14.9%	16.5%	19.6%	17.4%
Run appliances less often during peak	7.9%	8.3%	7.3%	7.7%	13.6%	9.4%
Change thermostat during peak	6.8%	7.5%	5.6%	5.3%	3.0%	7.8%
<i>All Peak Conservation Actions</i>	51.0%	52.3%	49.1%	49.7%	60.6%	58.8%
<b>Low Cost Measure</b>						
CFL bulb	36.9%	35.5%	39.1%	37.6%	78.4%	63.3%
Weather stripping/Caulking/Weatherization	8.4%	8.4%	8.3%	6.4%	9.7%	14.4%
Windows-Dual Pane or High Efficiency	8.9%	9.8%	7.4%	5.5%	18.1%	15.2%
Programmable thermostat	7.1%	6.3%	8.2%	6.5%	15.2%	12.1%
Motion sensor	4.9%	4.9%	4.8%	4.0%	11.3%	8.4%
<i>All Low Cost Equipment Purchasers</i>	46.8%	45.8%	48.3%	44.0%	98.7%	82.3%
<b>Major Appliance</b>						
Refrigerator	15.5%	16.2%	14.4%	13.7%	26.8%	27.2%
Clothes Washer	12.7%	11.3%	14.8%	11.6%	21.8%	22.3%
Clothes Dryer	11.8%	10.4%	14.0%	12.3%	21.7%	20.7%
Stove/Oven	4.4%	4.6%	4.1%	2.8%	6.0%	7.7%
Dishwasher	4.1%	3.8%	4.6%	2.9%	11.4%	7.2%
<i>All Major Appliance Purchasers</i>	29.9%	29.3%	30.6%	23.5%	47.5%	52.5%
<b>% PART</b>	3.8%	3.3%	4.5%	2.3%	4.7%	6.4%
<b>% 20/20</b>	14.7%	13.9%	15.8%	17.2%	21.4%	18.5%

Overall, 40% of the customers interviewed were aware of Flex Your Power, testament to the campaign’s high visibility. Eleven percent claimed to be aware and influenced by Flex to reduce their energy use. For example, 49% of customers aware of Flex adjusted their thermostat versus 37% of unaware respondents. However, there are not large differences in behavior between customers aware of Flex and those that were not aware. In fact, aware customers (85%) did not take significantly more action than unaware customers (83%).

<sup>3</sup> Note that the two “Aware and Very Influenced” columns present a distribution of the aware population. For example the “Aware and Very Influenced to Purchase EE Equipment by Flex” displays what customers did of the 4.6% that were aware and very influenced to purchase equipment.

In examining the role of Flex in driving purchase behavior, customers aware and influenced by Flex to purchase equipment are best compared to all purchasers. Of all customers aware of Flex that purchased an EE product and were influenced by Flex to make a purchase, 99% adopted a low cost measure (compared with 83% of all purchasers). For example, Flex influenced more customers to buy programmable thermostats (15%) compared with the purchaser benchmark of 12.1%, which is consistent with the many customers that Flex influenced to adjust their thermostats.

### **PG&E's 1-2-3 Program**

PG&E's 1-2-3 Cashback program is a rebate and informational program offered in 2001 targeted at residential PG&E customers, encouraging them to conserve energy as a way to help manage their energy bill and to help avoid blackouts. 1-2-3 organized conservation actions into three categories: "1" no cost energy savings tips; "2" low-cost home improvements; and "3" investments.

The program offered tips regarding 1's, helping educate customers on how to avoid blackouts, manage their bills and minimize the energy crisis by conserving energy. It offered energy saving tips such as adjusting thermostat set points, water heater temperatures, cleaning refrigerator coils and AC filters.

PG&E offered rebates for 2's and 3's. Low cost measure promotion included a \$3 point-of-purchase rebate for CFLs, \$10 Mail-in rebates for EnergyStar Torchieres, EnergyStar hard-wired fixtures, motion sensors and \$25 Mail-in rebate for EnergyStar programmable thermostats. PG&E rebated several investment-grade measures: mail-in rebates for high performance windows, energy efficient whole house fan, energy efficient water heaters, energy efficient evaporative cooler, EnergyStar refrigerators, clothes washers, room air conditioners, dishwashers and portable evaporative coolers.

PG&E marketed the program by providing appliance retailers with appliance rebate applications, directly mailing customers 1-2-3 Cashback packets (including non-appliance rebate applications, information on appliance rebates and where to find appliance rebate applications, and tips for how to save energy in the home through 1-2-3 actions), offering a point-of-sale CFL rebate, providing retailers with promotional materials, and through the Smarter Energy Line. Five community-based organizations also promoted the program by distributing packets through events and neighborhood canvassing.

PG&E customers purchased a record number of energy efficient appliances in 2001, including 4 million CFLs, receiving a \$3 instant discount for each light bulb purchased. They bought 97,651 energy-efficient refrigerators, totaling over \$13.7 million dollars in refrigerator rebates, over five times higher than 2000.

The survey data presented in Table 3 reflects this EE purchasing boom. Customers aware of 1-2-3 are doing more than unaware across the board, both in terms of conservation and EE adoption. This activity is reflected in customers' 20/20 participation rates, which are significantly higher than those that are unaware of 1-2-3, particularly in customer segments that claimed to be influenced by 1-2-3.

**Table 3. Conservation Actions and Adoption Rates Among 1-2-3 Customer Segments**

PG&E 1-2-3 Program	Total	Unaware	Aware	Aware and Very influenced to Save Energy by 1-2-3	Aware and Very influenced to Purchase EE Equipment by 1-2-3	All Purchasers
<b>Total Percent</b>	100%	73.8%	26.2%	5.5%	4.5%	56.9%
<b>Total N</b>	1303	733	570	199	228	940
<b>Conservation Actions</b>						
Turn off any lights that are not being used	64.0%	63.5%	65.4%	62.4%	64.2%	62.7%
Set thermostats lower when heating and higher w	41.3%	40.4%	44.0%	48.2%	44.8%	40.1%
Turn off appliances when not in use	27.3%	28.9%	22.7%	33.0%	35.7%	26.1%
Dress appropriately for warmer/cooler temperatur	3.9%	4.0%	3.5%	2.6%	0.7%	3.4%
<i>All Conservation Actions</i>	84.0%	82.3%	88.6%	93.2%	94.6%	85.2%
<b>Conservation at Peak</b>						
Do laundry at night	28.8%	27.7%	31.7%	31.0%	32.1%	33.7%
Turn off lights	15.2%	14.9%	16.0%	14.9%	20.5%	16.6%
Run dishwasher at night	15.5%	14.6%	18.0%	24.3%	22.9%	17.4%
Off-peak energy usage	14.6%	11.8%	22.4%	18.2%	18.4%	17.4%
Run appliances less often	7.9%	6.1%	12.9%	22.6%	18.3%	9.4%
Change thermostat during peak	6.8%	6.2%	8.4%	8.8%	7.7%	7.8%
<i>All Peak Conservation Actions</i>	51.0%	48.9%	56.9%	70.8%	66.8%	58.8%
<b>Low Cost Measure</b>						
CFL bulb	36.9%	32.6%	49.2%	50.0%	64.8%	63.3%
Weather stripping/Caulking/Weatherization	8.4%	7.8%	10.0%	9.7%	11.9%	14.4%
Windows-Dual Pane or High Efficiency	8.9%	7.6%	12.5%	16.3%	20.4%	15.2%
Programmable thermostat	7.1%	6.6%	8.5%	12.7%	15.5%	12.1%
Motion sensor	4.9%	5.3%	3.7%	3.7%	5.1%	8.4%
<i>All Low Cost Equipment Purchasers</i>	46.8%	43.0%	57.7%	63.6%	80.3%	82.3%
<b>Major Appliance</b>						
Refrigerator	15.5%	14.5%	18.3%	47.4%	60.9%	27.2%
Clothes Washer	12.7%	10.7%	18.4%	33.2%	35.6%	22.3%
Clothes Dryer	11.8%	10.2%	16.5%	28.4%	32.6%	20.7%
Stove/Oven	4.4%	4.1%	5.2%	6.6%	14.7%	7.7%
Dishwasher	4.1%	3.7%	5.1%	9.8%	12.3%	7.2%
<i>All Major Appliance Purchasers</i>	29.9%	27.4%	36.7%	58.2%	71.6%	52.5%
<b>% PART</b>	3.8%	2.4%	7.7%	11.6%	18.1%	6.4%
<b>% 20/20</b>	14.7%	13.4%	18.3%	26.8%	27.2%	18.5%

In assessing measure adoptions, the influence of 1-2-3 is best benchmarked against all purchasers. Comparing these purchaser segments shows significant differences in major appliance purchases. Of aware customers that claimed 1-2-3 influenced their purchase, 72% bought a major appliance, versus 53% of all purchasers.

Likewise, 1-2-3 and 20/20 participation rates were highest among aware customers that claimed 1-2-3 influenced them to save energy (23%) or purchase equipment (30%), compared with 21% for all purchasers. This result is consistent with PG&E's emphasis on EE investments and suggests that an appliance-centric approach helped customers earn the 20% bill reduction.

## Comparison of Effectiveness

This section compares the effectiveness of the campaigns and the mechanisms used to deliver the campaigns (i.e. TV, radio, utility bills, etc).

This initial self-reported data analysis – assessing the nature and frequency of conservation, energy efficiency adoptions as well as program awareness and participation (both 20/20 and 1-2-3) – will be supplemented with statistical modeling in the second stage of this project. Logistic regression models will analyze the influence of the three programs (1-2-3 Cashback, Flex Your Power and 20/20) on customers' likelihood to take energy saving actions. In addition, we will construct a logit model to analyze the effect of program participation and awareness on the probability of receiving the 20/20 incentive. This modeling is in process and is not presented in this paper, the results will offer further information about how successful the programs were in reducing energy consumption. Because customers were exposed to widespread energy efficiency programming in 2001, a statistical modeling approach – currently in process – will offer a more robust method of assessing the independent effects of these programs on customer behavior.

Since Californians were bombarded by conservation messages through a variety of channels (TV, radio, newspapers, bill stuffers) during the energy crisis, we expect that people who are aware of one campaign are likely to be aware of another. Chi-square tests of independence on the awareness variables – 1-2-3, 20/20 and Flex awareness – suggests significant association. The chi-square value for the association between 1-2-3 awareness and Flex awareness was obtained as 8.12 with 1 degree of freedom and a significance probability of 0.0044, a significant result. The result is even stronger for 20/20 and Flex ( $\chi^2 = 24.76, p < 0.0001$ ) as well as 20/20 and 1-2-3 ( $\chi^2 = 72.76, p < 0.0001$ ), confirming that the association between 20/20 and the campaigns is strong enough to generalize to the population from which this sample was drawn. People who are aware of the opportunity to save with the 20% rebate are also aware of the ways being promoted to do that. The relationship is strongest between 1-2-3 and 20/20, possibly because PG&E rebates reflect customers' interest in saving money on their energy bills.

### Major Campaigns

Table 4 compares awareness, influence and participation by customers that were aware of Flex Your Power and PG&E's 1-2-3.

**Table 4. Customer Awareness and Influence by Flex Your Power and PG&E 1-2-3**

	Aware of :	
	Flex Your Power	PG&E 1-2-3
% aware	39.6%	26.2%
mean influence	5.1	3.9
% Influenced to Save Energy through Conservation	25.6%	19.4%
% Influenced to Save Energy through Peak Conservation	13.8%	14.7%
% Influenced to Purchase Low Cost Measure	12.6%	13.9%
% Influenced to Purchase Major Appliance	6.1%	12.4%
% part 1-2-3	4.5%	7.7%
% 20/20	15.8%	18.3%
n	564	570

Table 4 suggests that Flex Your Power was more influential on customer behavior – with the exception of major appliance purchases and the 20/20 rebate. Flex commanded greater awareness among customers and influenced more customers to conserve than PG&E 1-2-3. Twenty-six percent of aware customers indicated that Flex influenced them to conserve, whereas 19% reported that 1-2-3 drove them to conserve energy. Consistent with PG&E’s emphasis on energy efficiency, 1-2-3 Cashback influenced far more customers to buy major appliances.

Table 4 suggests that Flex was the more effective campaign, yet Table 3 demonstrates that PG&E’s 1-2-3 also influenced customers. One possible explanation is that the 1-2-3 message was broader, encouraging customers to do a number of activities, whereas the Flex message focused on a few, individual actions. As a result, Flex influenced customers to do targeted actions, such as turning off lights and appliances during peak and buying programmable thermostats (consistent with thermostat adjustment). PG&E, on the other hand, was effective in getting people to do improve efficiency in a number of ways – reflected in the differences between 1-2-3 aware and unaware customers in Table 3 – that helped more customers get their 20/20 rebate than Flex.

### Sources

How customers became aware of the campaigns is another important aspect in evaluating their effectiveness. Table 5 presents customers’ self-reported sources of awareness.

**Table 5. Sources of Awareness for 1-2-3, Flex Your Power and 20/20**

Sources of Program Awareness	Aware of 1-2-3	Aware of 20/20	Aware of Flex
<b>Total Percent</b>	26.2%	45.6%	39.6%
<b>Total N</b>	570	749	564
<b>Sources of Awareness</b>			
<i>PG&amp;E</i>	61.0%	31.6%	15.4%
PG&E Bill Insert	59.6%	2.4%	-
PG&E Website	2.0%	-	-
Smarter Energy Line/PG&E Phone Rep	0.1%	-	-
<i>TV/Radio/Newspaper Advertisements</i>	4.4%	30.5%	76.4%
Radio advertising	-	9.2%	20.0%
Television advertising	-	18.6%	65.1%
Newspaper or magazine advertising	-	7.1%	5.1%
<i>TV/Radio/Newspaper Articles</i>	4.3%	21.5%	2.2%
Newspaper articles	-	21.5%	2.2%
In a Store/From a Contractor	4.9%	9.5%	1.5%
Word of mouth	0.0%	1.2%	0.7%
Internet	0.5%	1.0%	0.7%
Information from state agencies	12.6%	0.4%	0.0%
Other	5.8%	1.2%	2.9%
Don't Know	11.1%	10.5%	8.3%
<b>%PART</b>	7.7%	5.8%	4.5%
<b>%20/20</b>	18.3%	32.2%	15.8%

Bill inserts (60%) dominate 1-2-3 awareness, while most respondents point to TV ads (65%) as the way they became aware of Flex Your Power. A distant second were radio ads (20%), which outweighed print sources (5%) for Flex awareness. Contractors (10%) played an important role in customer awareness of 20/20 and, to a lesser extent, 1-2-3, which fits contractors' interest in selling retrofit jobs and PG&E's emphasis on energy-efficiency opportunities. Sources of 20/20 awareness are fairly evenly distributed between PG&E (32%), media advertising (31%) and media articles (22%). It is also interesting to note that a substantial number of respondents misidentified the source of program awareness, crediting PG&E with their awareness of Flex and state agencies for making them aware of 1-2-3 Cashback.

### **Delivery Mechanisms**

The campaigns brought a wealth of information to Californians in a variety of ways. Table 5 suggests that Flex and 1-2-3 primarily relied on utility bills, TV and radio ads to educate consumers about energy use. A more comprehensive examination of delivery mechanisms – and which seemed more effective than others – must include the news media, retailers, community groups and cities.

Survey respondents were asked if they noticed information on conserving energy from a variety of sources. Table 6 compares customer awareness and influence by eight key delivery mechanisms, both program-related (utility bills, TV and radio ads) and general sources of information.

**Table 6. Customer Awareness and Influence by Delivery Mechanism**

	Aware of :							
	Program Channels			General Channels				
	Utility Bill	TV Ads	Radio Ads	Newspaper Ads	News Media	Retail Stores	Community Groups	City
% aware	69.6%	66.0%	37.4%	32.2%	56.5%	43.4%	9.4%	13.7%
mean influence	5.97	6.02	5.4	5.16	6.11	4.95	6.55	6.49
% Very Influential on Use	36.2%	38.0%	24.6%	22.4%	36.7%	20.7%	40.4%	39.6%
% Very Influential on Purchase	17.8%	13.6%	10.1%	8.6%	15.1%	16.7%	19.1%	17.3%
% part 1-2-3	4.4%	4.1%	4.3%	5.2%	4.6%	5.4%	3.7%	4.4%
% 20/20	15.5%	16.1%	19.0%	20.2%	18.0%	18.5%	24.8%	17.6%
% aware of 1-2-3	31.3%	27.2%	26.6%	31.6%	29.3%	32.3%	37.4%	29.5%
% aware of Flex	41.8%	46.3%	49.5%	42.6%	45.0%	43.1%	51.5%	50.3%
n	947	877	498	485	800	674	105	180

TV ads and utility bills had the greatest reach; 70% of respondents were aware of these channels. TV ads were more influential in reducing usage (38%) than equipment purchases (14%) – in line with the Flex Your Power TV spots that focused on conservation. Retailers did not seem to impact customers’ more than other channels, even on purchase decisions, which is surprising, given the big EE sales push of Home Depot and other retailers.

## Conclusion

Survey results highlight the state of California and PG&E’s different approaches to saving energy during the 2001 energy crisis. Flex Your Power influenced more individuals to do at least some conservation action and more people claimed to be influenced by Flex. However, more customers aware of 1-2-3 received a 20% bill reduction than those aware of Flex, suggesting that 1-2-3’s appliance-centric approach enabled more customers to earn the 20% bill reduction than Flex Your Power’s focus on curtailment.

Credit for California’s successful conservation campaign must be shared by the state and PG&E, which launched complementary efforts that Californians responded to in different ways. Flex Your Power’s emphasis on conservation in its public education campaign helped Californians to abate the power emergency by turning off lights and adjusting thermostats in particular. PG&E’s biggest impact lay in encouraging customers to buy energy-efficiency products through the 1-2-3 Cashback program. Customers claimed PG&E rebates in record numbers, helping to lower their electric bills and create sustainable energy efficiency.

