

Heat in the home - consumer segmentations

Imagine people bought energy services, like a warm home, rather than units of fuel. They would find different services appealing and use them in different ways. We've segmented consumers (based on how they buy heat, use heat and upgrade their heating systems) and quantified the appeal of different types of heat service.

Our aim is to help others...

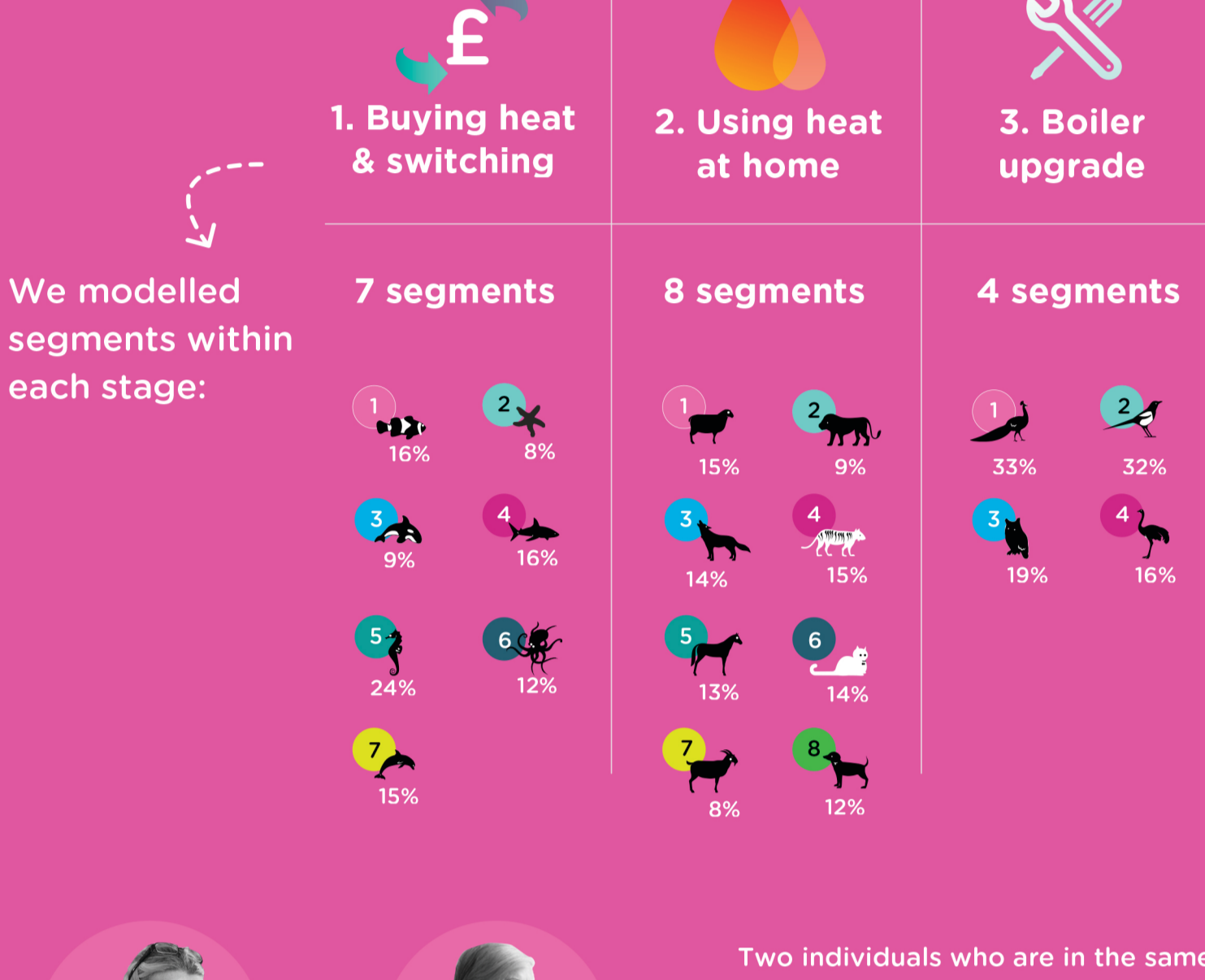
- 1- explain heat services in a compelling and accessible way
- 2- design heat services that appeal to consumers
- 3- deliver heat services that fit consumers' heating needs

What we did...



What we found...

We identified segments across 3 stages of the energy service consumer journey:



Two individuals who are in the same segment for one stage may be in different segments for another.

What's the value to you?

- Energy suppliers can find out:**
 - Who switches and why
 - How often they look
 - What influences who they switch to
- People working on heating technologies can find out:**
 - How people say they maintain and upgrade heating systems
 - Who is open to new technologies
 - Which features appeal to different segments
- Policy designers and Local Authorities can use the segmentation to:**
 - Shape heat policies and strategies that work with the way people think about and use heat
 - Understand who may be open to alternative heating systems and why
 - Explain policies in ways that people will understand

The different stages of the consumer journey:

1. Buying heat and switching

7 segments

- Some people are loyal to a supplier, whereas others switch regularly
- Some people may pay more for something they value e.g. a green tariff, or better customer service
- Some think there is no difference between suppliers' offers and switch no more than necessary on the same commodity

2. Using heat in the home

8 segments

- Some people say they care much more about how much energy they use than others
- People report using their heating in very different ways to get comfortable, make others feel comfortable, stay healthy and look after their home
- Some people are much more interested in new features - like smart control - than others

- 43% say that they often or always put on extra clothes instead of turning up the heating
- 27% use heating to protect their home (e.g. from pipes freezing, or damp)
- 55% think it's more important that their guests feel comfortable with the temperature than they do
- 51% think keeping their home warm is important for staying healthy

3. Boiler upgrade

4 segments

- Some people service their boiler regularly to keep it working. Others only fix it when it breaks.
- Some are more open to alternative heating systems than others
- Some want lots of features in a new heating system; others just want reliability, or improved control; still others are entirely indifferent.

Heat Plans

Consumers attitudes to buying heat or switching supplier do not relate to what people want their 'ideal' Heat Plan to look like.

- 4 in 5 people say they understand Heat Plans from a short explanation
- Price is important, but people will pay more for some things
- 3 in 4 people prefer the flexibility to use heat when they like, rather than sticking to a fixed schedule
- People ask for different 'ideal' temperatures
- 79% express interest in paying more to use 'unlimited' hours at any temperature they like

What matters to people most about 'Heat Plans'

More important | Less important

- Price per week
- Price per extra warm hour
- Temperature
- Number of daily 'warm' hours within the home
- Contract type - Fixed/Flexi/Unlimited

Of course, some care more about some aspects than others