
Consumer Mindset – A Retailer Perspective

Observations, Research, and Lessons
Learned

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November 2011



WHAT CONSUMERS THINK AND KNOW



Who are Consumers

- Consumer Segments*
 - Active: actively seeking and purchasing
 - Seeker: seeking, but not always purchasing
 - Indifferent: lack interest in environmental issues
 - Skeptic: not concerned about the environment
- Intrinsic and extrinsically motivated
- Most mainstream group of shoppers are extrinsically motivated seekers and skeptics.



*Shelton Group Consumer Research

Consumers and ENERGY STAR®

- The vast majority of consumers are aware of the ENERGY STAR Label.
- Among those aware of the ENERGY STAR Label, almost half have recently purchased a qualified appliance or product.
- Over half of those who made a purchase state the label definitely made them more likely to purchase the product.
- About one-third of consumers mention that in-store designs, rebates, and government tax credits and incentives impacted their purchase.



MONEY ON THE MIND



Save Money, Save Energy

- Saving money is still the primary reason given for purchasing energy efficient products*
- Most are replacement purchases
- Comfort, convenience, and control are the three supporting “c’s”
- Money is rational *and* emotional
- Resonates well with key target: Seekers & Skeptics
 - Actives are already purchasing these products and making these behavior changes



*Shelton Group Consumer Research

Save Money, Save Energy

build your savings 

Save money and energy with these products.

Look for these signs throughout the store.

TAX CREDIT ELIGIBLE SAVE \$900 ENERGY STAR

construya sus ahorros
Save money and energy with these products

Look for the signs above throughout the store.

SAVE UP TO \$50 /YR.

USE AN ENERGY STAR QUALIFIED CLOTHES WASHER.

See an associate for details. Savings vary by geographical location and utility rate.



Lowe's.com/BuildYourSavings

SAVE UP TO \$100 /YR.

REPLACE STANDARD GAS WATER HEATER WITH AN ENERGY STAR TANKLESS MODEL.

Lowe's.com/BuildYourSavings

efficient HOME

Home Save Money Save Energy Save Water Ask the Experts Find Products

SAVE ENERGY, SAVE MONEY

Energy is one of the biggest expenses in any home. Just click through these tips to find some of the best ways to save energy and money every day to reduce your utility bills all year round.

Energy Saving Tips

1 2 3 4 11

Cut Energy Costs with Insulation

Carrier ComfortHouse partners with Lowe's to offer energy-efficient tips for sealing and insulating your home. Shop Insulation >

Watch the Video >

Energy Efficiency Saves You Money

Efficient Home Newsletter

Sign up for print publications, e-newsletters, and promotional e-mails.

Subscription Center >>

TEXT TO

efficient HOME

Home Save Money Save Energy Save Water Ask the Experts Find Products

Save Energy, Save Money on Heating and Cooling

Heating & Cooling Lighting Water Heating Appliances

Average Annual Home Energy Costs

47% of the average home's yearly energy expenses are spent on heating and cooling the home.

Source: EPA Energy Star

TIP Replace single-pane windows

with properly installed ENERGY STAR® windows and save to \$500 a year in energy costs.

Savings vary by geographical location and utility rate.

Shop Windows >

Source: EPA ENERGY STAR

Your Energy-Efficient Home

Lowe's has the tools you need to save money. Learn how to reduce power use without sacrificing comfort and style.

Visit Site >

Federal Tax Credit

You could earn tax credit when you purchase select energy-efficient products from Lowe's to improve your home.

Get Federal Tax Forms >>

Home Energy Audit

How does your home's energy performance measure up? Our Home Audit Tool can help you find



**KEEP IT SIMPLE. ACTIONABLE.
ENGAGING.**



Simple. Actionable. Engaging.

- The “green” message is big. “Energy efficiency” is big.
 - Consumers can get overwhelmed with the messaging, products, and projects.
 - Where do I start?
- Make it simple.
- Break it down into actionable steps. Be directive.
- Keep them engaged by offering new content or leveraging social media to start a conversation.



Simple. Actionable. Engaging.



Shop, check and save.

Take this checklist to your nearest Lowe's and bring home the best ways to save money and cut your utility bills while conserving water and energy.



Save \$70 a year.
Replace your 6 most-used incandescent light bulbs with ENERGY STAR® CFLs. Each CFL could save you up to \$30 over its lifetime. Source: ENERGY STAR®



Save up to \$50 a year.
Cut utility bills by upgrading to an ENERGY STAR® qualified clothes washer. Source: ENERGY STAR®



Save up to \$150.
An ENERGY STAR® refrigerator saves you \$150 in energy costs over its lifetime. Source: ENERGY STAR®



Save up to \$90.
An ENERGY STAR® dishwasher saves you \$90 in energy and water costs over its lifetime. Source: ENERGY STAR®



Save up to \$90 a year.
Replace an older inefficient toilet with a WaterSense® labeled model. Source: WaterSense®



Save \$100 a year.
An ENERGY STAR® whole-home gas tankless water heater can save you \$100 a year in energy costs compared to a standard gas model. Source: ENERGY STAR®



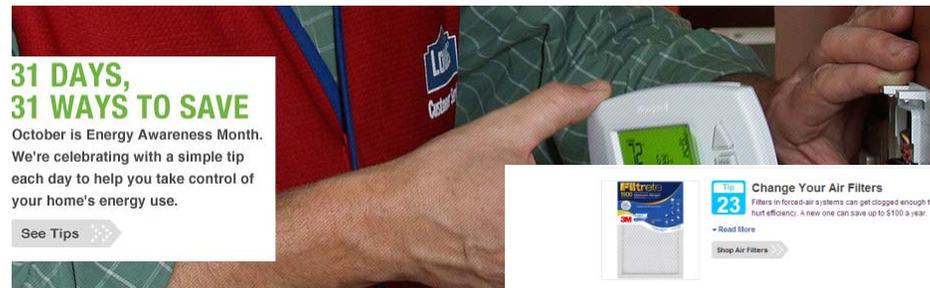
Save up to \$500 a year.
Install a programmable thermostat and set it to automatically lower the temperature at bedtime by 7 degrees. Source: Adapted from October 2006 MONEY®



Save up to \$65 a year.
Low-flow showerheads can save up to \$65 a year in water costs. Source: Adapted from December, 2007 MONEY®



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- 23** **Change Your Air Filters**
Filters in forced-air systems can get clogged enough to slow down air flow and hurt efficiency. A new one can save up to \$100 a year.
[Read More](#)
[Shop Air Filters](#)
- 22** **Use an ENERGY STAR® Qualified Dishwasher**
ENERGY STAR® qualified dishwashers are on average 10% more energy-efficient than nonqualified models. ENERGY STAR qualified dishwashers can save you about \$50 over the lifetime of the product.
[Read More](#)
[Shop ENERGY STAR Qualified Appliances](#)
- 21** **Use an ENERGY STAR® Qualified Refrigerator**
ENERGY STAR qualified refrigerators are required by the US Department of Energy to use 20% less energy than models not labeled with the ENERGY STAR. Choose a new qualified model rather than a nonqualified model, and cut your energy bills by \$135 over the lifetime of your fridge.

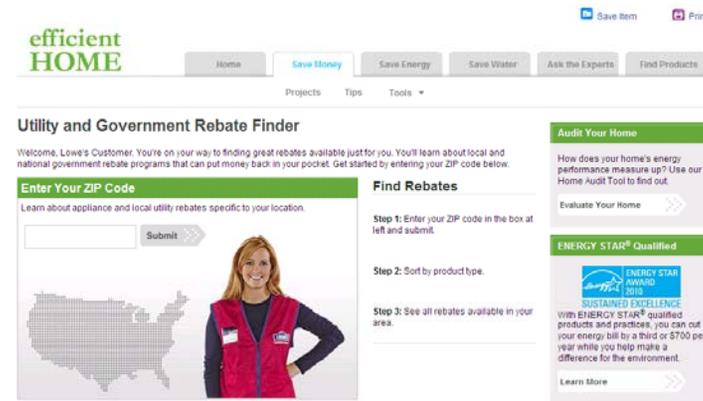


**CONSUMERS LOVE A REBATE . . . IF
IT'S EASY.**



Customer Perspectives on Rebates

- Must be easy
- The easiest incentive type for customers in stores is a markdown
- Make the rebate requirements simple.
- Move to online. If a form needs to be filled out for redemption, give an electronic submission option
- Use 2-D barcodes so those with wireless devices can apply on the spot
- Be willing to work with retail partners to try tests for new rebate models. This will help find solutions that work smoothly for the retailer, utility and customer



Key Takeaways

- Make it easy.
- Savings (or not wasting) is a key message for mainstream consumer.
- Keep them engaged.
- Highlight ENERGY STAR. Consumers get it.
- Make it actionable, be directive. See the first bullet.