What are they thinking?
Effectively marketing energy efficiency by understanding the consumer mindset

October 5, 2010
We are a consumer engagement agency that exists for one purpose: motivating mainstream consumers to make sustainable choices.
What we do:
1. Develop smart marketing strategies
2. Invent fresh creative
3. Propel our clients’ businesses forward
How we do it:
We extract meaningful insights from the market on a quarterly basis and apply these insights via our *Listen Speak* process.
Welcome.


Andea Kreekadil
Austin, TX
BE A WATT WATCHER!

Watch your home max out on energy savings with rebates and incentives from EnergyFit™. Take the next step on the path to eliminating wasteful wattage.
HOUSE WARMING

THE AVERAGE US HOME IS RESPONSIBLE FOR THE SAME AMOUNT OF GREENHOUSE GAS POLLUTION AS THE AVERAGE CAR. LEARN MORE AT ASGORG.ORG.
Stop sacrificing aesthetic quality for energy efficiency. LED lighting is here, clean and beautiful. Delivering light more effectively than fluorescent technology, Cree LED lighting produces the high-quality, beautiful light you expect, provides the living life you want, and eliminates toxic mercury. Lighting for homes, offices, and life.

Stand up for your environment and join the revolution! Visit Cree at Lightfair booth #1442 and at creeLEDlighting.com.

CREE
LED Lighting

creeLEDrevolution.com

Rise up Against Inferior Light.

It’s time to rise up against energy-wasting and unattractive lighting. LED lighting is here. Energy-efficient and beautiful. Cree LED lighting produces the high-quality, beautiful light you need, provides the living life you want and eliminates toxic mercury. Cree "TruWhite™" technology creates quality light that displays colors beautifully, runs cooler, and lasts longer than traditional lighting. Designed to last 50,000 hours, these lights can reduce maintenance costs and waste.

Stand up for your environment and join the LED revolution! Visit creeLEDlighting.com to learn more about these products.
Proprietary research

• Energy Pulse™
• Eco Pulse™
• Utility Pulse™
• Green Living Pulse™
Insight One:
Consumers are interested in energy efficiency
(more so than green in many cases)
Pick three features a green home MUST have.

- Higher-efficiency (ENERGY STAR®) appliances: 45.6%
- Higher-efficiency (ENERGY STAR®) windows: 42.8%
- Includes renewable electric power generation systems such as solar, geothermal or wind: 36.9%
- Water-conserving features like low-flow showerheads, toilets and/or rainwater collection systems: 34.7%
- Higher-efficiency (or SEER) HVAC, furnace or air conditioning equipment: 33.6%

N=1302
Please rank in order the top three criteria in deciding if a home improvement product is green.

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Please choose the best reason to buy a greener home improvement product.

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Which of the following are the best third-party certifiers?

- ENERGY STAR®: 53.8%
- Good Housekeeping Green Seal: 31.8%
- Consumer Reports: 30.0%
- USDA Organic: 28.8%
- Don’t know: 16.1%
- Fair Trade Certified: 14.7%
- GREENGUARD: 9.8%
- Green Seal: 9.0%
- Quality Assurance International Certified Organic: 9.0%
- LEED: 8.2%

N=207
Which of the following are the best third-party certifiers?
— Continued

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Green homes use less energy and incorporate lower maintenance components, meaning they are less expensive to operate. Green homeowners are more in control of their home expenses.

Green homes help people live more in harmony with nature. By using eco-friendly building materials, using less energy and conserving natural resources, green homes bring people closer to living in-tune with the environment.

Green homes bring a higher standard to home building, using more efficient systems and a more complete way of looking at all the elements that make a home more comfortable, long-lasting and beautiful. Green homes are the combination of smart thinking and beautiful design to create a more pleasing experience.

Green homes are built with non-toxic building materials and many include air filtration systems that help homeowners better control their indoor air quality and minimize health concerns.

None of these messages would help convince me to buy a green home.

N=1007

Which message would best convince you to buy a green home?
Energy Conservation Reported Importance Compared to Behavior

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Insight Two: Most consumers know less than you might think they do
Do you think you now use less, more, or the same amount of electricity in your home compared to five years ago?

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How energy-efficient is your home?

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Age of home

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How much would your monthly bill have to go up to push you to spend money on energy-efficient renovations? (Categorized verbatims)

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Activity Propensity Compared to Actual

N=384
How much would you expect to save on your monthly utility bill if you spent $4,000 on energy-efficient home improvements?

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What do you think is the number-one man-made cause of global warming or climate change?

N=505

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Consumers are misinformed and confused. That stops them from making more energy efficient choices.

You must wake them up.
HOUSE WARMING

POWERING THE AVERAGE U.S. HOME PRODUCES TWICE AS MUCH GREENHOUSE GAS POLLUTION AS THE AVERAGE CAR.
LEARN MORE AT ASE.ORG/HOMES.
Insight Three:
Importance doesn’t always equal action
Energy Conservation Reported Importance Compared to Behavior

- It's important/very important to reduce home energy consumption: 68.0%
- Bought ENERGY STAR® qualified appliances: 35.0%
- Completed energy-efficient home renovations (e.g., added insulation, replaced windows, caulked): 22.2%

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Reported Importance of Water Conservation Compared to Behavior

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Insight Four:
Most people don’t go green to save the planet and they don’t buy energy efficient products just to save money.
Belief in global warming is decreasing, yet more people are searching for greener products.
Given a choice between your comfort, your convenience and the environment, which do you most often choose?
If you thought it was harming the environment, which of the following (that you currently own) would you give up?

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Which of the following would be your top concern?

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Top Concerns Sorted by Percent Ranking #1

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You want to appeal to deeper drivers:
  Comfort
  Convenience
  Peace of mind
  Control
  Fear of wasting
  Aesthetics
"DOES THIS BULB MAKE MY BILL LOOK FAT?"
- Julie Moore

SHRINK YOUR WASTE LINE.

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AVOID BAD BILL REACTION

With Vectren's help, you can combat winter's chill and high energy prices. Set your thermostat back five degrees for eight hours a day and save up to 5% on your heating bills.

Manage your energy use wisely to offset rising costs!

For more information visit VectrenLiveSmart.com.
Insight Five:
There’s a lot of power in the ENERGY STAR brand
In comparing two homes for purchase, how much would an ENERGY STAR® certification impact your selection decision, assuming other features like price, size, location and major amenities were comparable? (Percentage responding “somewhat” or “very much”)

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Washing Machine Conjoint Analysis

• Capacity: standard capacity and extra-large capacity
• Color: white, silver and black
• Energy efficiency: with and without ENERGY STAR
• Loading style: top-load and front-load
• Extra features: ultra-quiet motor and hand wash cycle
• Brand: Whirlpool®, GE and Maytag
• Price: $399, $699 and $899
Washing Machine Average Feature Importance

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Washing Machine Simulated Share of Preference at Price Points

N=879

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Television Conjoint Analysis

• Size: 52", 42", 32"
• Price: $599, $1,199, $2,500
• Energy efficiency: “Super” ENERGY STAR, ENERGY STAR and no ENERGY STAR
• Format: LED, LCD, Plasma
• Brand: Sony, Samsung, Vizio
Television Average Feature Importance

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Television Simulated Share of Preference at Price Points

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What do you think about ENERGY STAR®?

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Insight Six:
There’s a very specific target audience to focus on
Green Living Pulse™ 2010 Consumer Segments

Indifferents: 16%
Skeptics: 30%
Actives: 28%
Seekers: 27%
Actives: 28% of Americans
• Somewhat more likely to be female
• Most are age 45–54
• Well educated
• High-income
• Ethnically diverse
  (significant Hispanic population)
• Children living at home
Seekers: 27% of Americans
• Equally likely to be male or female
• Slightly younger than Actives
• Average education level
• White collar and middle- to upper-income
• Homeowners
• Married with kids at home
How green is your lifestyle? (Energy conservation home products purchased or improvements made)

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Can you name a specific feature a green home would have?

Actives
- Name at least one feature: 55.2%
- Name two features: 45.6%

Seekers
- Name at least one feature: 48.1%
- Name two features: 39.7%

Skeptics
- Name at least one feature: 25.7%
- Name two features: 17.9%

Total population
- Name at least one feature: 40.9%
- Name two features: 32.2%

N=1302
Please choose the best reason to buy a greener home improvement product.
Which message would best convince you to reduce your energy use? List of test messages:

- **Control/financial security:** When you make changes to use less energy, you can feel more financially secure since you’re better controlling your energy consumption and expenses.

- **Don’t waste:** We’re living in a time when using less energy is growing in importance. It feels right to be responsible—to do your part and not be wasteful.

- **Protect the environment:** Reducing your energy consumption is one of the most important things you can do to help protect the environment. When you use less energy, you’re helping to slow the impact of the climate crisis and conserve natural resources.

- **Energy independence:** Conserving energy is one of the most cost-effective ways to make our nation more energy independent. If we reduce our energy consumption, we reduce our need for foreign oil and more expensive alternative energy sources.

- **None:** None of these messages would help convince me to reduce my energy use.
Which message would best convince you to reduce your energy use?

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Conclusions

• On the surface, consumer interest in energy efficiency is strong
• But they know less than you think they do
• It’s not enough to get them to think EE is important; importance and action are two different things
• In fact, rational explanations aren’t enough to move them -- you must also have an emotional play
• There is a lot of power in the ENERGY STAR® brand
• There’s a specific target audience to focus in on and specific messaging they respond to
Questions
Thank you!

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