

# Easier said than done

A deep dive into Americans' attitudes and beliefs about energy efficiency — and how that drives willingness to participate in utility EE programs.

Michigan EO Collaborative  
November 18, 2014

**Shelton**<sup>Grp</sup>

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Our Vision: Every home & building in America is energy responsible and sustainability is ordinary



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We create **a market advantage** for companies who create a sustainable, energy-responsible future.



Our proprietary research

energypulse™

ecopulse™

b2bpulse™

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## Our clients

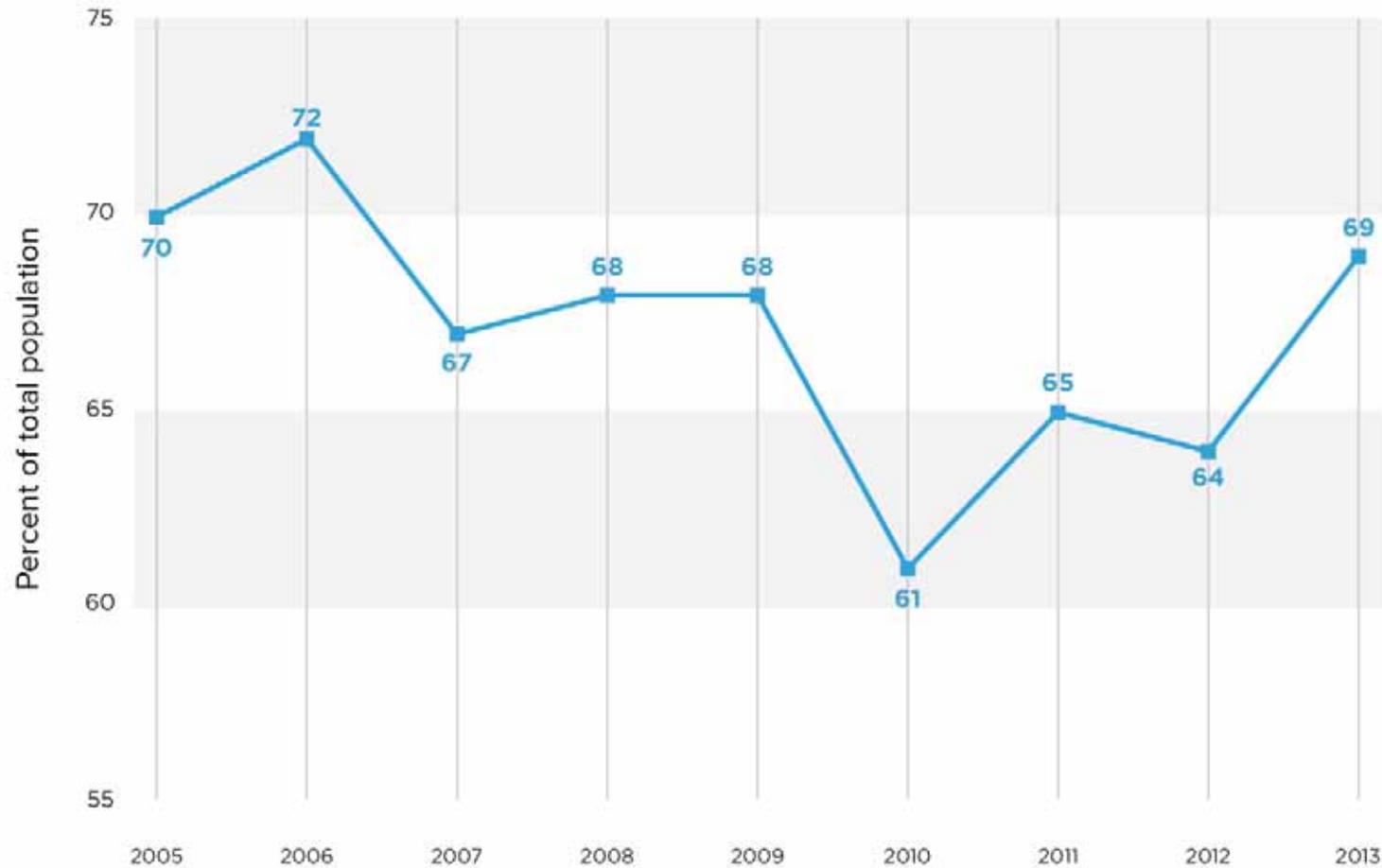


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# The challenge with marketing energy efficiency

# They say energy conservation is important.



N=1,008

How important would you say energy conservation is in the way it affects your daily purchase choices and activities? (Percent rating important or very important)

energypulse™  
2013

Shelton<sup>Group</sup>

# 81%

Say higher energy efficiency would cause them  
to choose one new home over another

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# Perceptions

**80%**

of Americans think they use less energy than they did 5 years ago

**49%**

think their homes are already energy efficient

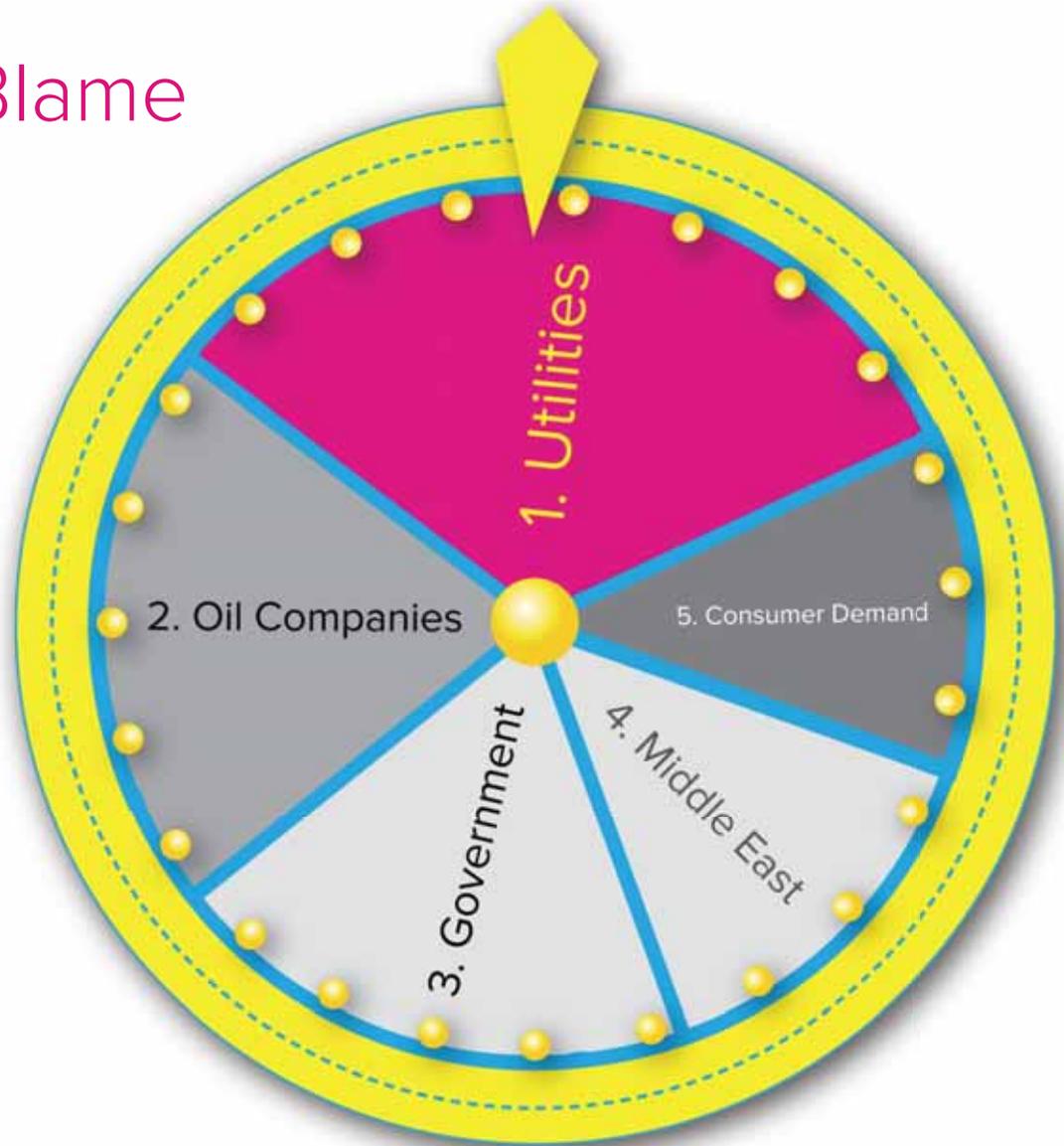
**50%**

claim to have made 1-3 efficiency improvements to their homes



# The Wheel of Blame

Utilities are now at the top of the “blame” list for high energy costs – ahead of oil companies, the government, unrest in the Middle East and consumer demand.



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# 85%

How much they expect to save if they spend  
\$4,000 on EE home improvements

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\$142

2013

\$107

2011

\$92

2009

\$71

2007

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Likelihood of doing every single EE  
home improvement we track is  
down across the board

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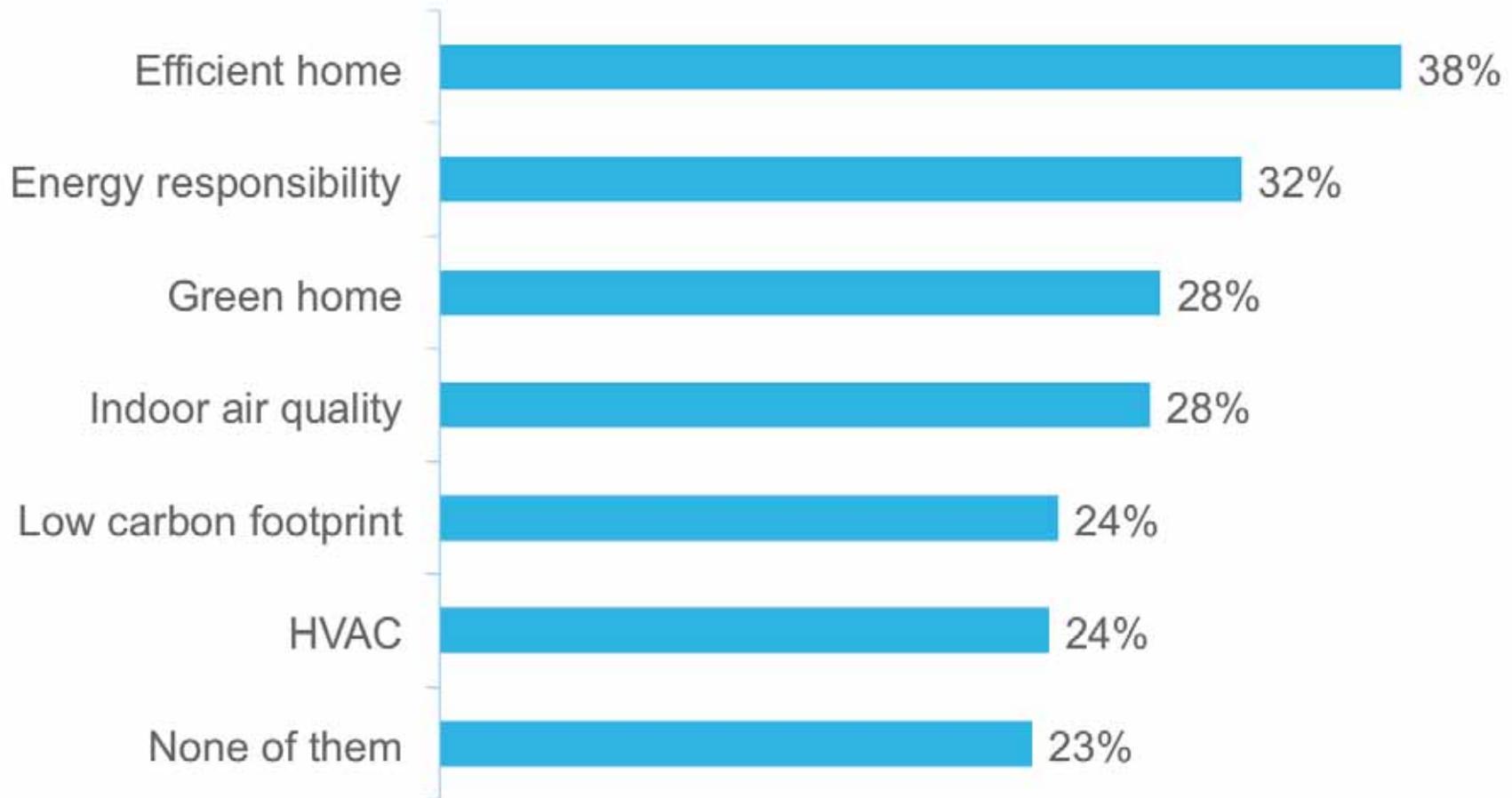
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They don't know what the  
heck we're talking about  
most of the time

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# Terms or phrases you know you could confidently and correctly explain to a friend

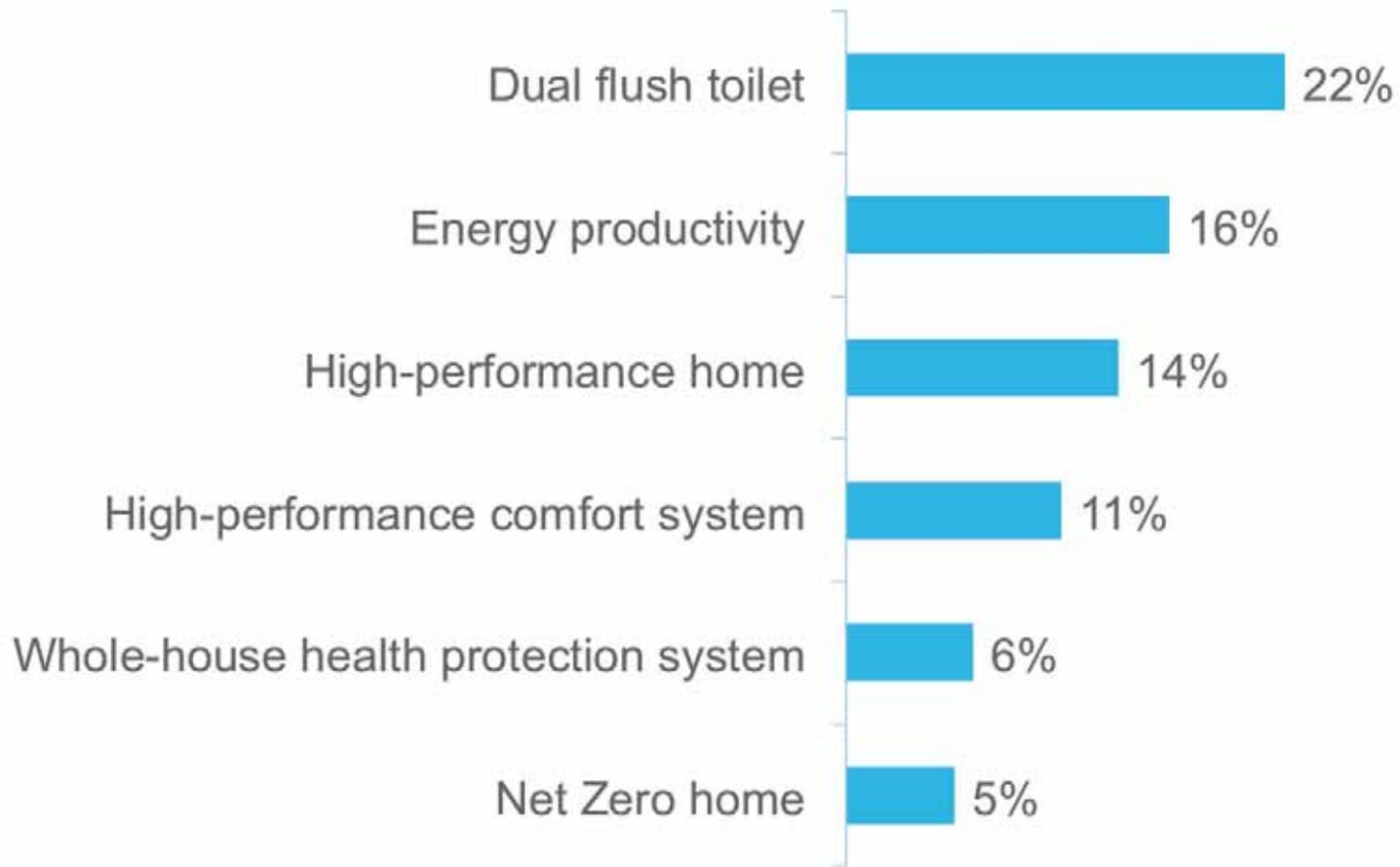


N=2,009

Source: Energy Pulse 2014

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Source: Energy Pulse 2014

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N=2,009



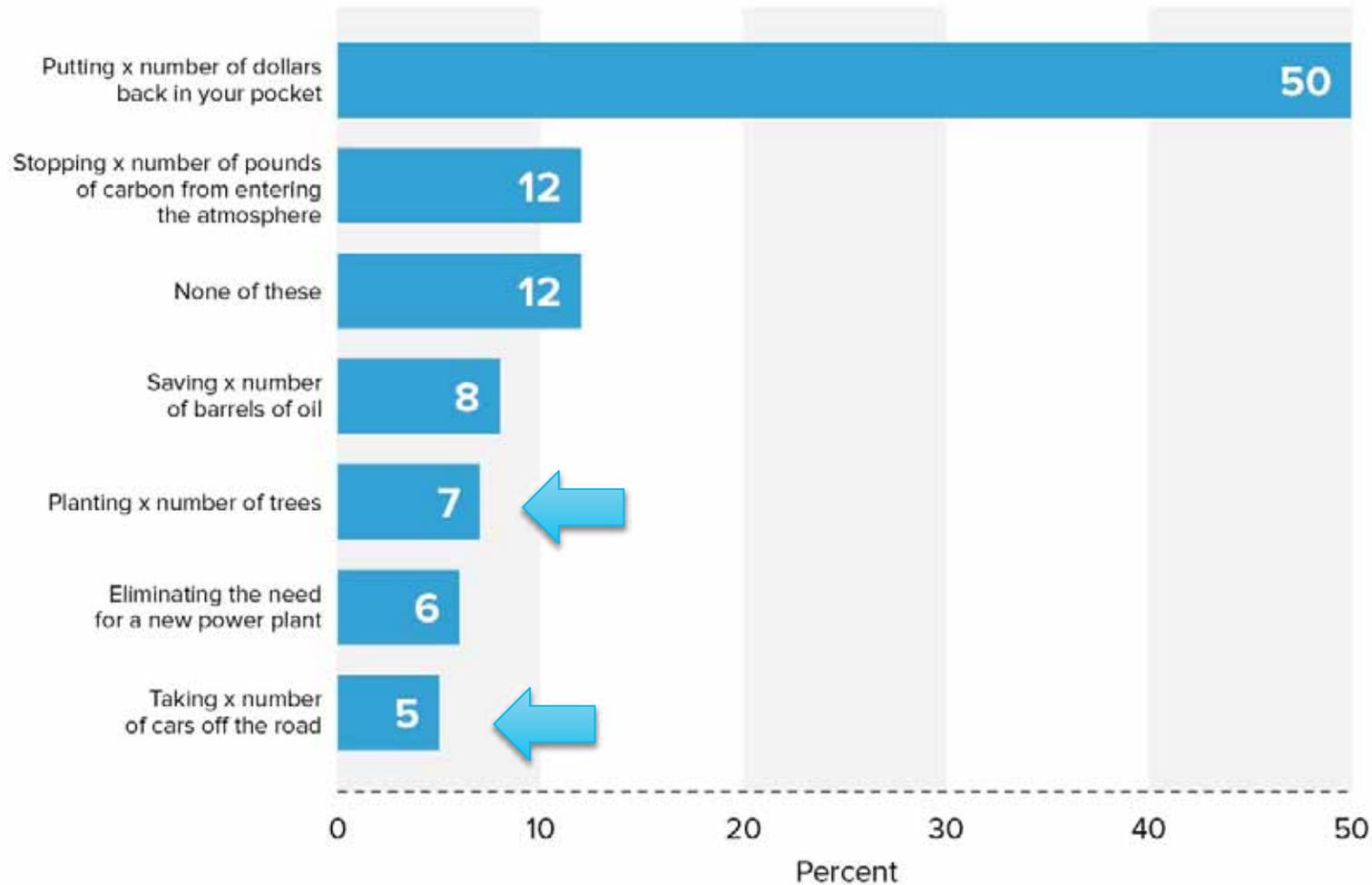
When we say “energy efficiency” 30% think we mean “install solar panels.”

Source: Energy Pulse 2014

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# Popular analogies don't work.



N=2,009

Thinking in terms of energy efficiency, which of the following comparison items would motivate you to make an energy-efficient improvement to your home? If you make an energy-efficient home improvement, it's like ...

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2014

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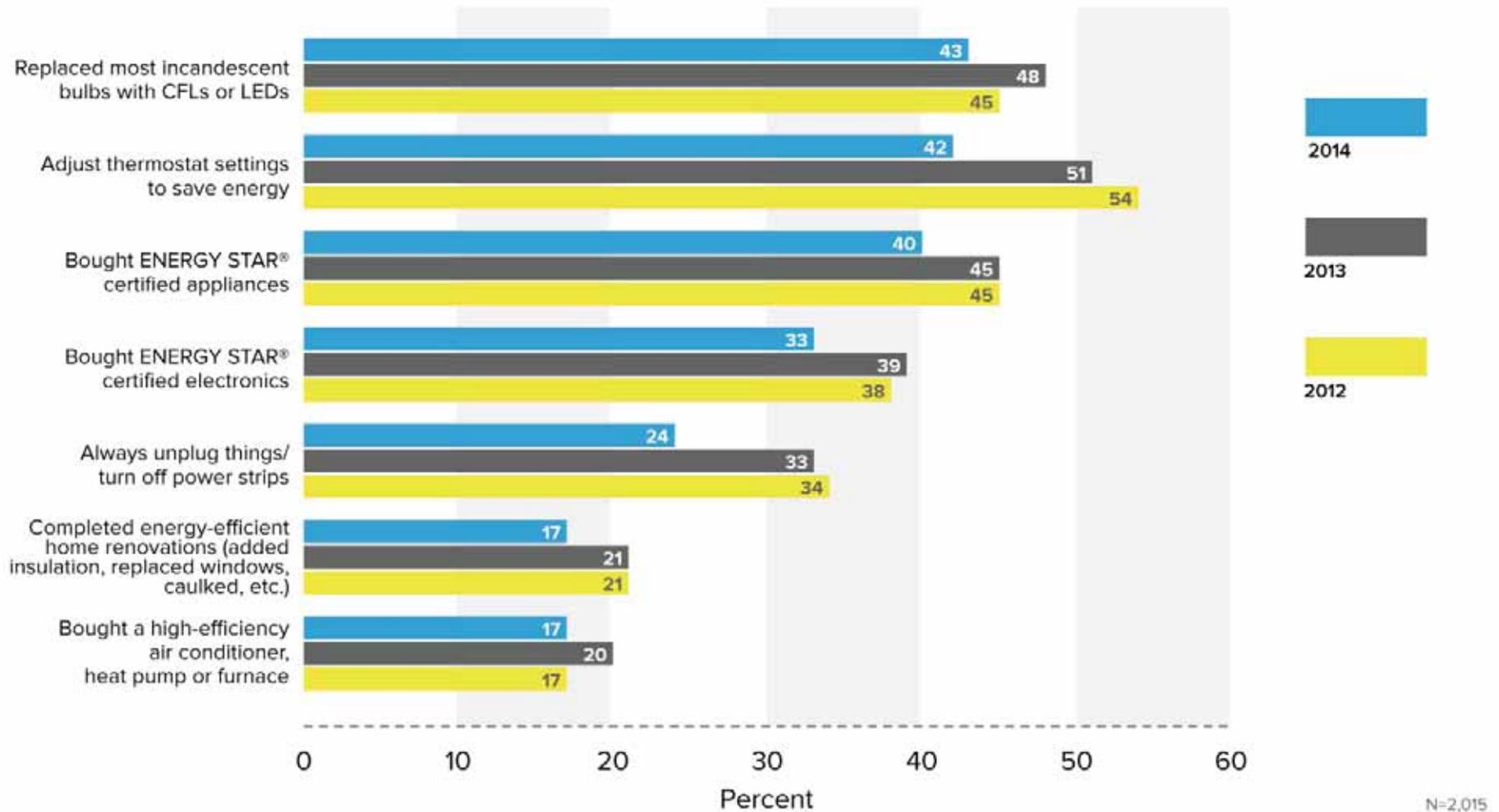
# 67%

Are unaware of/unfamiliar with utility rebate programs

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# Energy conservation activities have declined

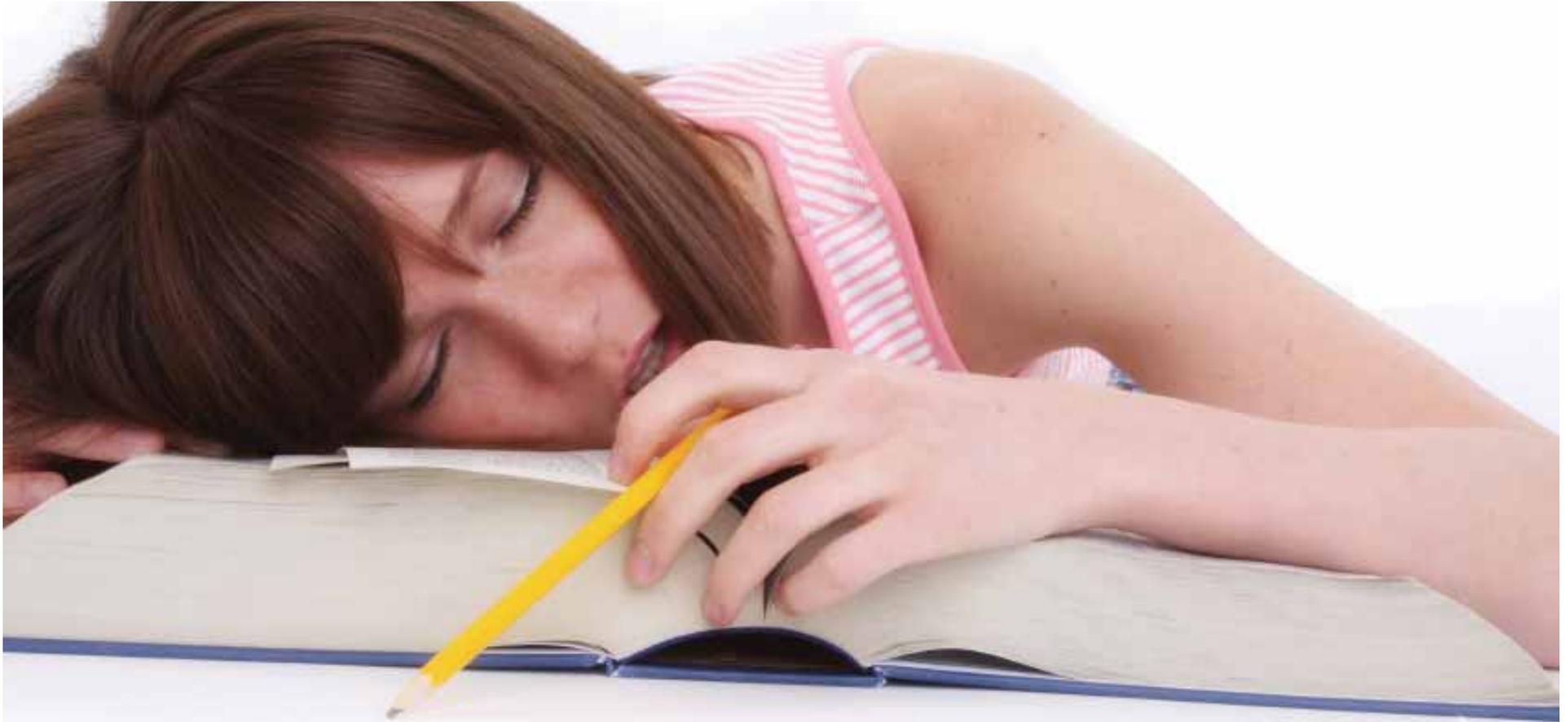


## Home Energy Activities

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2014

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We keep trying to “educate” the market,  
presuming they’ll do the right things if we just  
tell them what to do

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And we keep trying to sell the  
drill bit, when what people want  
to buy is the ¾" hole



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## Other challenges

- Siloed marketing efforts; very little cross-marketing or follow-up
- Too many recommendations

What can we do?



Connect them to the real, underlying benefits of energy efficiency that they actually care about

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When you communicate, use a one-two punch

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The one-two punch:

1. Wake Americans up to the fact that they have an efficiency problem
2. Drive them to prescriptive solutions

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<http://www.avoidenergydrama.com>

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# AVOID ENERGY DRAMA



DO IT RIGHT VS. DO IT YOURSELF

- Home
- Savings Tips
- About
- Contact Us



A PUBLIC SERVICE ANNOUNCEMENT FROM **michigan saves**

## WHAT'S YOUR ENERGY DRAMA?



"MY HOME IS ALWAYS TOO HOT OR TOO COLD!"

Let's get comfortable, shall we? >



"ENERGY UPGRADES COST TOO MUCH!"

Have we got some affordable ideas for you. >



"WHERE DO I EVEN BEGIN?"

Good question. Here are some good answers. >

## ENERGY SAVINGS TIP

### Power to the strip

You can save up to \$100 a year just by plugging your electronic devices into a power strip and turning off the strip when you're not using them.

See more tips >

## WITH SUPPORT FROM



# Results ten months in

- Reached 29,717,234 TV & radio media impressions beyond an annual goal of 15 million
  - **\$830,294 in free media towards goal of \$3-600,000**
- Reached 2,389,398 additional media impressions (Pandora & Yahoo)
- Exceeded unique visitor goals at 11,416 (goal – 2,500)
  - 21.5% conversion rate
- **1,098 people have completed a form to sign up for a \$99 energy audit**
- **19% unaided recall**, 28% total recall (unaided and aided)
  - 1.44 million MI residents 18+ unaided
  - 2.13 million MI residents 18+ aided

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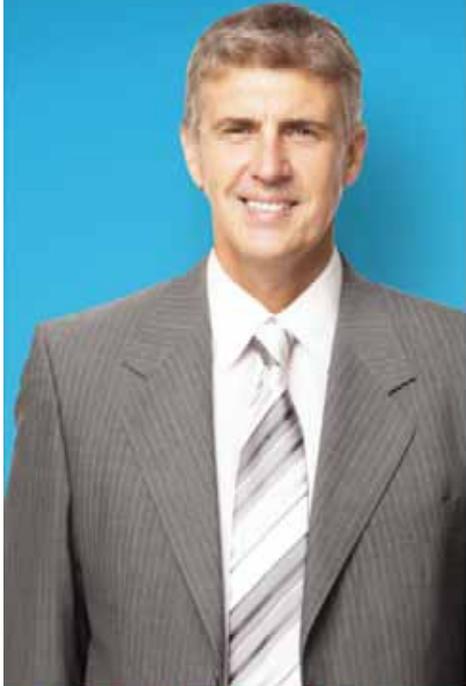
# Do5 things

Making energy efficiency  
marketing more efficient via  
segmentation, personalization,  
and marketing automation

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## Cautious Conservatives



## Working Class Realists

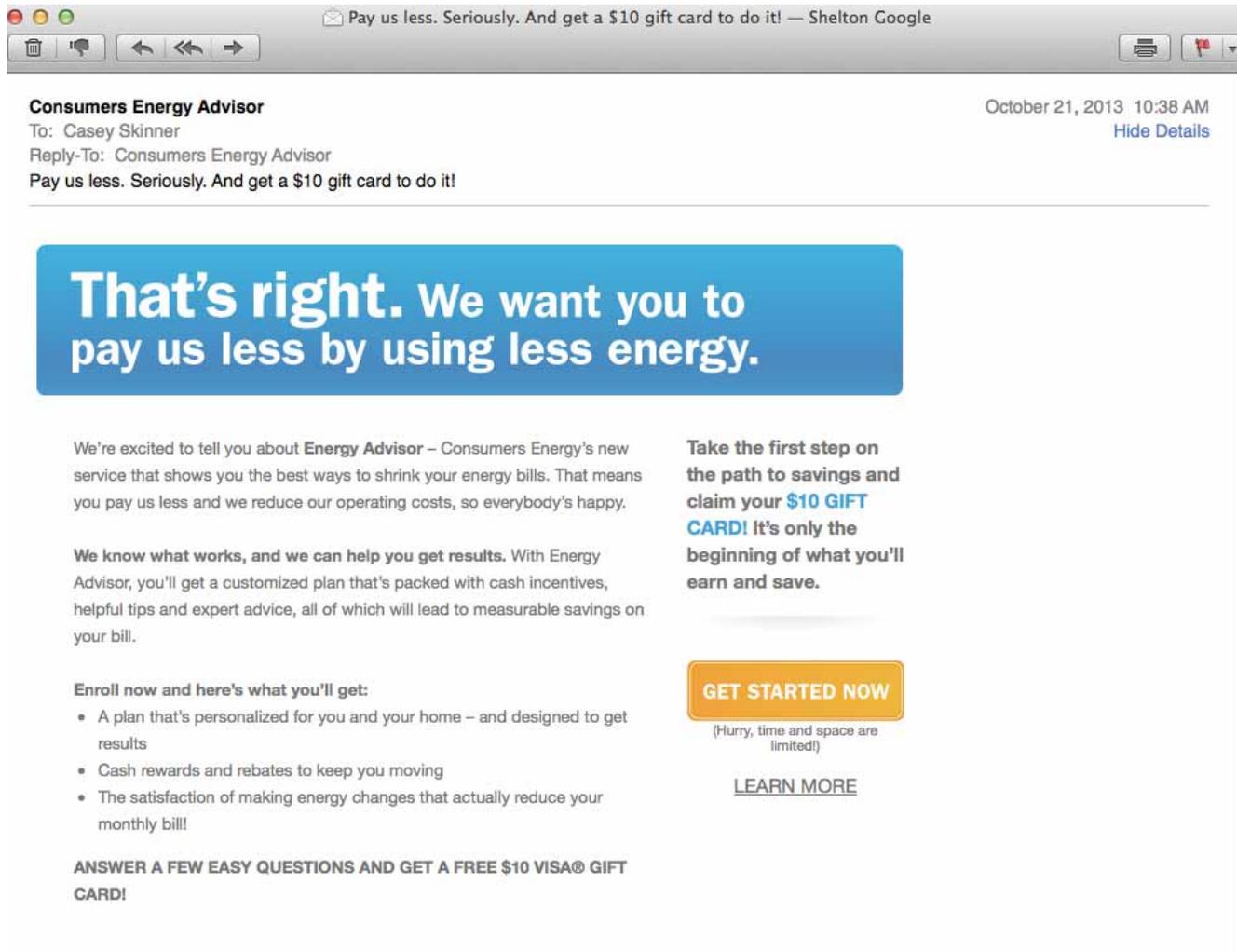


## Concerned Parents



## True Believers





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# Do5 things

[Why This Works](#) [Why We're Doing This](#) [How You Earn Rewards](#)

## Pay us less. Seriously.

Consumers Energy Advisor is here to help you shrink your bill. Answer a few simple questions, and we'll give you an easy-to-follow plan to reduce your energy use. **Would a \$10 gift card get you going? It's yours.** And you'll get more cash along the way.

[CLICK TO START PAYING LESS!](#)



## We're not kidding.

When you use less energy, it actually saves us money. [\(Here's why.\)](#) So we've designed a service that's totally different from others you've seen. It isn't a laundry list of pie-in-the-sky stuff – it's a manageable plan that's personalized for you and lets you know what kind of savings to expect.



We'll even give you a \$10 Visa® gift card just to get started!

\$75 **<** \$350

Pick one? No, have both!

- Do two things from your plan by 12/31/2013, and you'll qualify for \$75 cash.
- Do all five things from your plan by 9/30/2014, and you'll qualify for \$350 cash.

[CLICK TO  
Start  
Paying  
Less](#)



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**Have you made any of these improvements in your current home already? (Please check all that apply)**

- Installed extra insulation
- Installed an ENERGY STAR® qualified furnace, boiler, or heat pump
- Installed an ENERGY STAR® qualified central AC unit
- Installed a high-efficiency or tankless water heater
- Purchased an ENERGY STAR® qualified appliance
- None of the above

◀ Go back **Next question** ▶



**How important is energy conservation in the way it affects your daily purchases and activities?**

- Very unimportant
- Unimportant
- Neither unimportant nor important
- Important
- Very important

◀ Go back **Next question** ▶

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## Do5 things

Dashboard **Your Plan** Go Next Your Savings

The personalized savings plan. Five steps to a smarter footprint

STEP	MAX SAVINGS	ESTIMATED SAVINGS	STATUS
1. Schedule a heating system tune-up this fall - we'll give you \$50 towards the \$150 average cost.	\$50.00	\$50.00	Complete
2. Install a boiler high-efficiency water heater and get a rebate from Consumers Energy.	\$75.00	\$28.00	In Progress
3. Install a tankless hot water system and get a rebate from Consumers Energy.	\$100.00	\$0.00**	Pending
4. If you have a steel space, install insulation in walls and get a rebate from Consumers Energy.	\$80.00	\$36.00	In Progress
5. If you have a basement, install basement wall insulation and get a rebate from Consumers Energy.	\$50.00	\$50.00	In Progress
<b>Total rebates and savings</b>	<b>\$325.00</b>	<b>\$174.00</b>	

**Checklist on Action**

**Check the Status, too you get another \$50!**

Complete a total of the qualifying improvements

- Earn another \$50 to use plus rebates, for things!

Plan to complete by: Sep 24, 14

## Do5 things

Dashboard **Your Plan** Go Next Your Savings

The personalized savings plan. Five steps to take control of your bill

STEP	MAX SAVINGS	ESTIMATED SAVINGS	STATUS
1. If you have a steel space, install insulation in walls and get a rebate from Consumers Energy.	\$80.00	\$36.00	Complete
2. If you have a basement, install basement wall insulation and get a rebate from Consumers Energy.	\$50.00	\$50.00	In Progress
3. If you have a basement, install in-joint insulation and get a rebate from Consumers Energy.	\$50.00	\$37.00	In Progress
4. Replace your windows with new high-efficiency models - and get a \$15 rebate on every one.	\$15.00	\$115.00	In Progress
5. Install above-grade wall insulation and get a rebate from Consumers Energy.	\$125.00	\$66.00	In Progress
<b>Total rebates and savings</b>	<b>\$290.00</b>	<b>\$298.00</b>	

**Checklist on Action**

**Check the Status, too you get another \$50!**

Complete a total of the qualifying improvements

- Earn another \$50 to use plus rebates, for things!

Plan to complete by: Sep 24, 14

## Do5 things

Dashboard **Your Plan** Go Next Your Savings

The personalized savings plan. Five steps to a cooler home

STEP	MAX SAVINGS	ESTIMATED SAVINGS	STATUS
1. Schedule a cooling system tune up this summer - we'll give you \$50 towards the \$150 average cost.	\$50.00	\$10.00	In Progress
2. Schedule a heating system tune up this fall - we'll give you \$50 towards the \$150 average cost.	\$50.00	\$50.00	In Progress
3. Schedule an in-home energy analysis - see promo code CA101 and we'll waive the \$25 fee!	\$75.00	\$66.00	In Progress
4. Purchase a furnace with an ECM and get a rebate from Consumers Energy.	\$100.00	\$176.00	In Progress
5. Install roof ( attic) insulation and get a rebate from Consumers Energy.	\$125.00	\$66.00	In Progress
<b>Total rebates and savings</b>	<b>\$400.00</b>	<b>\$368.00</b>	

**Checklist on Action**

**Check the Status, too you get another \$50!**

Complete a total of the qualifying improvements

- Earn another \$50 to use plus rebates, for things!

Plan to complete by: Sep 24, 14

## Do5 things

Dashboard **Your Plan** Go Next Your Savings

The personalized savings plan. Five steps to a better wallet.

STEP	MAX SAVINGS	ESTIMATED SAVINGS	STATUS
1. Schedule a cooling system tune up this summer - we'll give you \$50 towards the \$150 average cost.	\$50.00	\$10.00	In Progress
2. Schedule a heating system tune up this fall - we'll give you \$50 towards the \$150 average cost.	\$50.00	\$50.00	In Progress
3. Schedule an in-home energy analysis - see promo code CA101 and we'll waive the \$25 fee!	\$75.00	\$66.00	Complete
4. Purchase a furnace with an ECM and get a rebate from Consumers Energy.	\$100.00	\$176.00	In Progress
5. Let Consumers Energy recycle your old refrigerator - and get a \$50 rebate.	\$50.00	\$150.00	In Progress
<b>Total rebates and savings</b>	<b>\$325.00</b>	<b>\$452.00</b>	

**Checklist on Action**

**Check the Status, too you get another \$50!**

Complete a total of the qualifying improvements

- Earn another \$50 to use plus rebates, for things!

Plan to complete by: Sep 24, 14

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Dashboard **Your Plan** Up Next Your Savings

Your personalized savings plan: five steps to a smaller footprint.

CHECK WHEN DONE		MAXIMUM REWARDS	ANNUAL SAVINGS*	
<input checked="" type="checkbox"/>	Purchase and install CFL light bulbs	\$15	\$40	143 Endorsements
<input checked="" type="checkbox"/>	Call to sign up for free energy savings products and installation	\$40	\$150	Endorse
<b>UP NEXT</b>	<input type="checkbox"/> <b>Recycle an old refrigerator</b>	<b>\$80</b>	<b>\$135</b>	
	<input type="text" value="Enter your zip code"/> <input type="button" value="Schedule your free pickup"/>			
	<a href="#">Learn more...</a>			
<input checked="" type="checkbox"/>	Install a new natural gas furnace	\$850	\$270	Claim Your Reward
<input type="checkbox"/>	Insulate and seal your attic	\$300	\$270	
<b>Total rewards and savings</b>		<b>\$1,605</b>	<b>\$865</b>	

Contact an Advisor

With your Energy Advisor, you're never alone! Our advisors are here to help answer questions about your plan.

Ask an Advisor ▾

Take the first step and earn \$10 cash!

- Do the right thing for the planet and your wallet!
- Complete one qualifying improvement
  - Receive a free \$10 gift card on top of all your rebates

Must be completed by Aug 31, 2014

Then multiply by 5 for another \$50!

Complete all 5 items on your list and qualify for another \$50 cash, just in time to help offset your holiday expenses!

Must be completed by Dec 31, 2014

More ways to save: make saving energy a habit!

Set your water heater temperature to 120°F

Are you still sticking with 120°F on your water heater? We hope so!

Mark as Done

Use Window Treatments to Save Energy

Did you know that curtains and blinds can be energy-saving devices? It's as simple as keeping window treatments open on sunny winter days and closed at night.

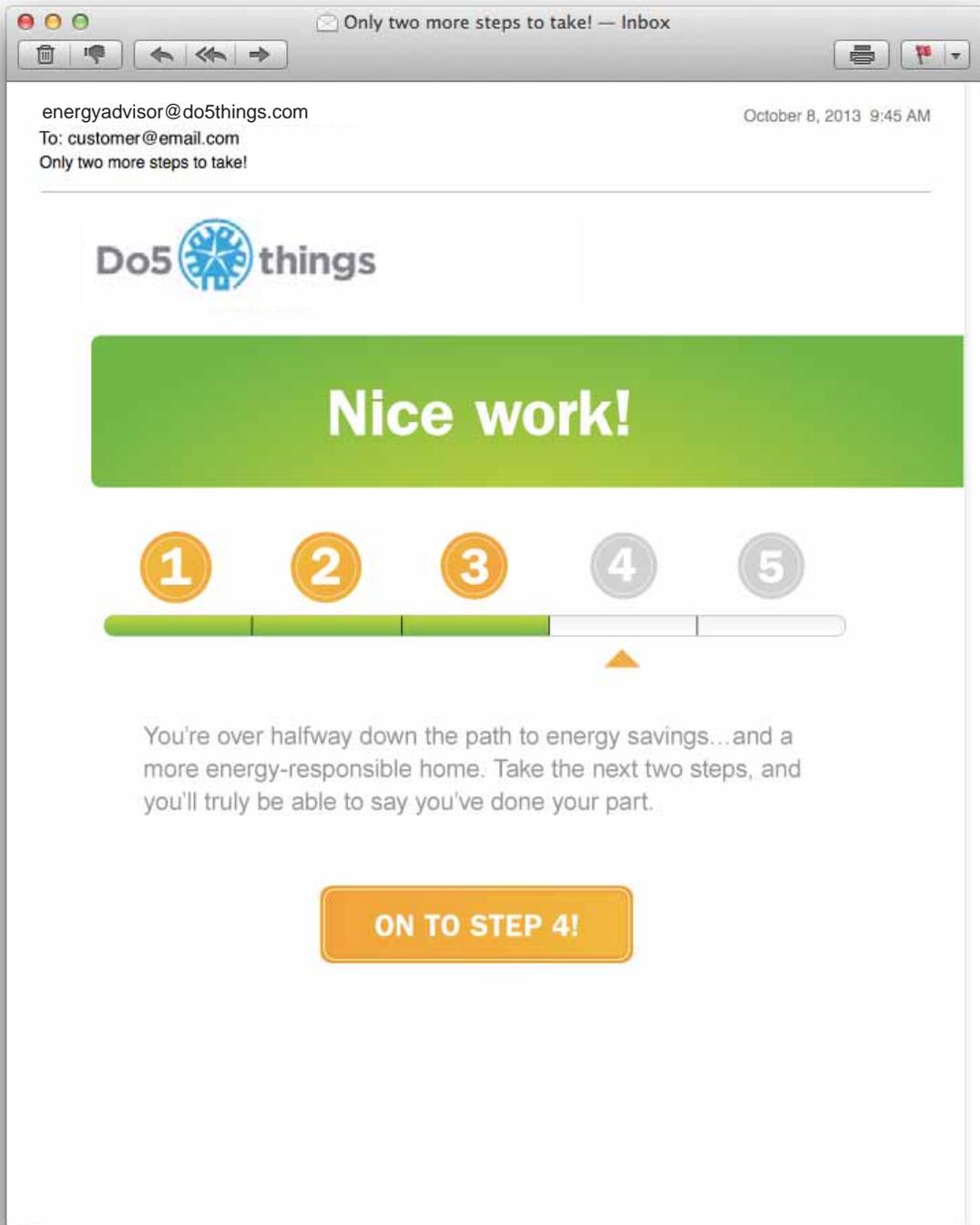
Mark as Done

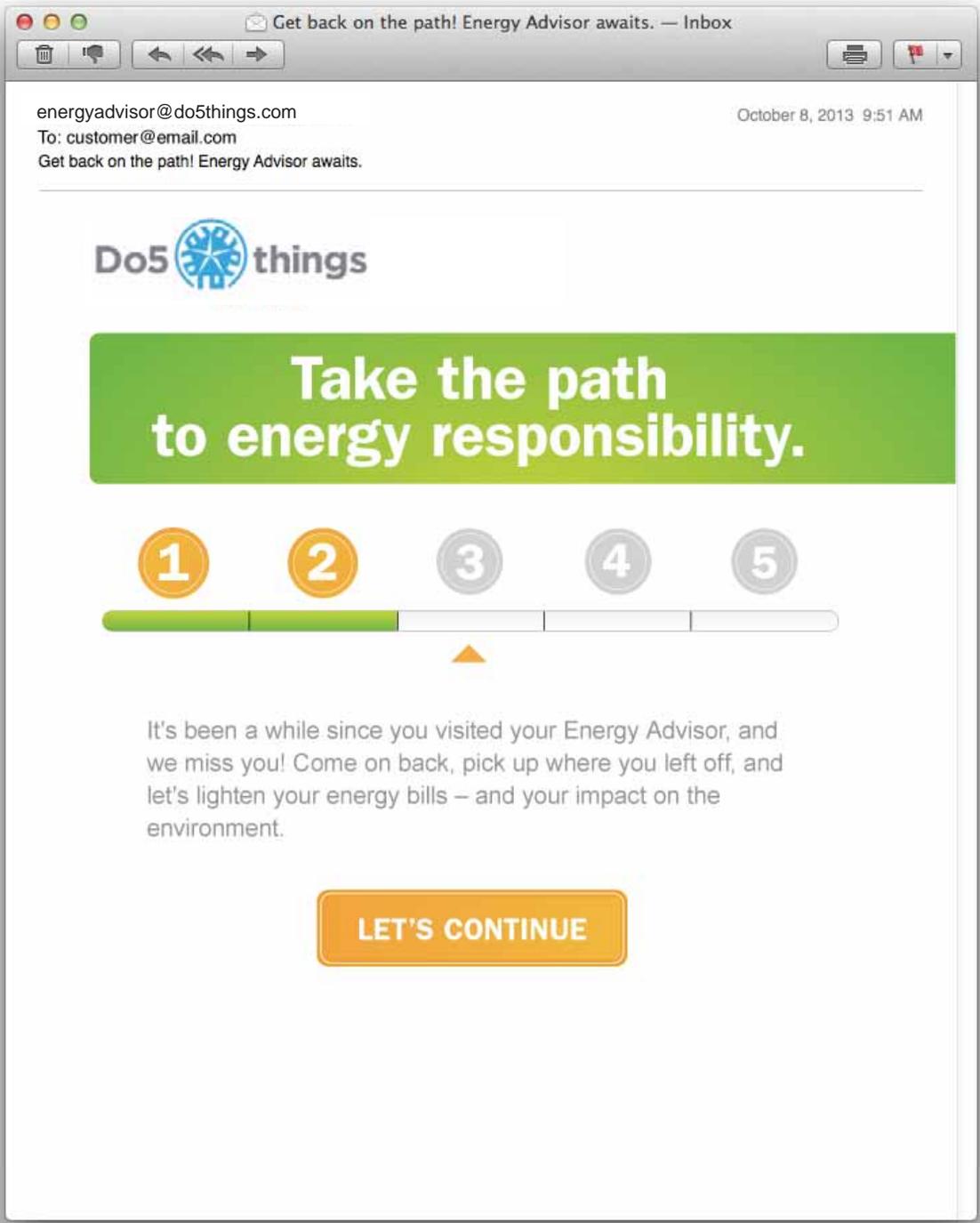
Use Energy-Saving Computer Settings

Did you know that turning down the brightness on your computer monitor and using shorter automatic sleep mode settings can cut your energy consumption?

Mark as Done

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energyadvisor@do5things.com  
To: customer@email.com  
Get back on the path! Energy Advisor awaits.

October 8, 2013 9:51 AM



## Take the path to energy responsibility.



It's been a while since you visited your Energy Advisor, and we miss you! Come on back, pick up where you left off, and let's lighten your energy bills – and your impact on the environment.

**LET'S CONTINUE**

# Results

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# Highly targeted email marketing drives engagement

**35%**

OPENS

**7%**

CLICK-  
THROUGHS

---

Industry Averages

**15%**

**3.5%**

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# Overall program opt-in rates through the roof

**7%**

Pilots 1-2

**15%**

Pilot 3

---

Industry Averages

**2%**

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# Self-reported Measure Completion

## Pilots 1-2

<b>Heating System Tune-up</b>	<b>33%</b>
<b>Attic Insulation</b>	<b>26%</b>
<b>In-home Analysis</b>	<b>24%</b>
<b>CFLs and LEDs</b>	<b>16%</b>
<b>Crawl Space Insulation</b>	<b>9%</b>
<b>Refrigerator Recycling</b>	<b>9%</b>

12% of all participants self-report

## Pilot 3

<b>Free Products &amp; Install</b>	<b>64%</b>
<b>Refrigerator Recycling</b>	<b>47%</b>
<b>Attic Insulation</b>	<b>39%</b>
<b>CFLs</b>	<b>18%</b>
<b>In-home Assessment</b>	<b>18%</b>
<b>Energy Monitoring</b>	<b>13%</b>

14% of all participants self-report

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# A Behavioral Framing Experiment

Test four different behavioral framing principles in email campaign effectiveness

ENDOWMENT

SOCIAL PROOF

LOSS AVERSION

POWER OF FREE

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# Behavioral Experiment Results

Behavior Principle	Opens	Clicks
Loss Aversion	64%	27%
Social Proof	60%	21%
Endowment	54%	17%
Power of Free	55%	7%

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Let's not forget after-the-fact behavior  
modification

Over half of potential buyers admit they would likely use energy-efficient products more.

53%



Source: Energy Pulse 2013

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Source: Energy Pulse 2013

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Source: Energy Pulse 2013

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Source: Energy Pulse 2013

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# Takeaways

# Takeaways

- Understand that people are now skeptical of energy efficiency/save money claims
- Don't try to educate, scare or spin them into buying
- Talk in normal, human terms; avoid industry jargon
- Wake them up to the fact that they have a problem
- Push increased comfort for the family, healthier for everyone in the home, controlling energy bills, less waste and better resale value
- Deliver the right message to the right segment
- Push behaviors, not just products
- Create specific, logical action steps forward for folks

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# Discussion

Thank you!

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