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New National Consumer Survey Reveals High Preferences for Energy-Efficient Homes, But Scattered Sources of Expertise

Residential Design, Building and Realty Face Significant Branding Opportunities

Knoxville, Tenn. – **Attention professionals in home design, building and sales:** 78 percent of U.S.

consumers say they would choose one home over another based on its energy efficiency, and 55 percent say they are willing to pay more for energy-efficient home features that help save money on monthly utility bills and potentially increase resale value, according to a national consumer study released today. The bottom line: a big brand-positioning opportunity for home design and sales-related businesses.

Shelton Group, a marketing communications agency specializing in the architectural, utilities and energy industries, conducted the survey, “Energy Pulse 2005,” which measures attitudes, opinions and behaviors related to energy use and a range of energy-based product categories.

Shelton’s Energy Pulse study found high consumer interest in residential energy-efficient features, but many consumers may not know who to turn to for recommendations or expertise in incorporating those features into their homes.

For example, when asked if builders and architects in their area are knowledgeable about home energy efficiency and include or recommend energy-efficient features, 37 percent of U.S. consumers said yes – but more (48 percent) said they just don’t know, and 15 percent said no altogether.

When asked to cite what source from or through which they would purchase energy-efficient home products, consumers said they were likely or extremely likely to seek out a national home improvement

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store such as Lowes or Home Depot (82.3 percent), a national home appliance store such as Best Buy or Sears (78.9 percent), a local appliance store (65.6 percent), a local heating or air dealer (56.8 percent), a home builder or contractor (45.7 percent) or an electric or gas utility (45.2 percent).

“Professionals in home design, building and sales can help simplify consumers’ ability to make energy-efficient choices for their homes by availing their knowledge to consumers in visible, approachable ways.”

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“Our Energy Pulse study shows that a tremendous opportunity exists for home builders, architects and potentially even realtors to leverage their knowledge and expertise about energy-efficient home features to sell their services – and even to brand their businesses with greater clarity and appeal to consumers across demographics and income levels,” said Shelton Group CEO Suzanne Shelton.

According to the Energy Pulse survey data, targeted demographics for energy-efficient products in general seem to be changing. While past purchasers have more often been highly educated, white, upper-middle class white-collar workers, purchase propensity data indicate many products are moving into the “main stream” with lower-income, blue collar workers and minorities expressing

strong purchase likelihood.

“Regardless of demographics, we suspect that the majority of home buyers lack the knowledge to ask for energy-efficient homes, and fewer know of the full range of energy-efficient home features available to them,” Shelton said.

“Professionals in home design, building and sales have a wide opportunity to differentiate their companies by promoting strong energy efficiency knowledge and expertise to consumers and developing strategic marketing messages along those lines in their branding and promotional efforts,” Shelton said.

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The Energy Pulse study also showed that when it comes to investing in energy-efficient home features, many consumers are willing to pay. Among the 55 percent of consumers willing to pay more for

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an energy-efficient home, the average extra amount they’re willing to add to a home purchase price is \$9,600. The most frequent amounts given were \$10,000 (15 percent) and \$20,000 (12 percent).

When asked what would be the longest amount of time they would be willing to wait to recoup the expense, via reduced heating and cooling bills, most said more than three years.

Energy Pulse also cited that 50 percent of U.S. consumers said they’d be willing to pay more for energy generated through renewable means. Among those, the average amount they’re willing to pay is \$10 per month.

In addition, nine percent of U.S. consumers said they’ve already purchased a high-efficiency Energy Star[®] or Touchstone[®] rated home (study occurred prior to release of LEEDS[®] residential rating system). Twenty-nine percent said they are likely/very likely to do so in the future.

Further substantiating lack of consumer knowledge, the Energy Pulse study found that although 70 percent of consumers said they’ve heard of renewable, “green,” or sustainable energy, 80 percent were unable to name one source of renewable energy. However, while only 3.4 percent of U.S. consumers said they’re currently participating in their electric utility’s renewable or green power program, an additional 38 percent said they are likely to very likely to do so – further demonstrating interest in energy-efficient options.

“We’re seeing a strong openness by consumers to consider energy-efficient options that are easy to choose, from practical and financial standpoints,” Shelton said. “Professionals in home design, building and sales can help simplify consumers’ ability to make energy-efficient choices for their homes by availing their knowledge to consumers in visible, approachable ways.”

More information about Shelton Group’s Energy Pulse 2005 study is available on the agency’s web site, www.sheltoncom.com. Based in Knoxville, Tenn., and founded in 1991, Shelton Group’s agency portfolio includes helping a D.C.-based national professional society in the construction/design arena manage its corporate communications, as well as developing brand-identity strategies and communications programs for two of the largest U.S. public power cooperative associations.