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BREAKING NEWS

FOR GREEN BUILDING AND SUSTAINABILITY BEATS

New 'Eco Pulse' Study: Consumers Overwhelm Themselves on Notions of What Makes a Home 'Green,' Paralyzed to Inaction

Responses Show Significant Education / Awareness Void; Energy Star® Valued at Higher Cost

Knoxville, Tenn. – When it comes to making their homes green, consumers are paralyzing themselves to inaction based on overwhelming notions of what is required and what it costs, according to Eco Pulse, the newest national study on U.S. consumers and green affinity, produced by Shelton Group, a Tennessee advertising agency focused on energy, energy efficiency and sustainability.

When Eco Pulse asked consumers to choose from a provided list of features all of those they thought were “required” to make a home green, respondents were demanding. Out of 17 listed features, the average number of features checked by consumers totaled 10.4.

Top features consumers believed were required included ENERGY STAR® appliances (cited by 82 percent), water conserving features (78 percent), and high-efficiency windows and a renewable electric power generation system such as solar (71 percent each).

Juxtaposed with this demanding standard, consumers demonstrated a high awareness gap when asked unaided questions earlier in the survey.

While 55 percent of U.S. consumers said that having a green home is important to very important, when asked to then name (unaided) a green home feature, 42 percent could not. Twenty-eight percent cited "solar"; 12 percent cited CFL light bulbs; 10 percent cited energy-efficient or ENERGY STAR® appliances and 10 percent cited "the household recycles."

Although most consumers know green buzzwords, when asked "What does the term "green" mean, as in green homes, green home products, etc.?" most (56 percent) could offer only generic responses, such as "environmentally-friendly" or "eco-friendly." Another eight percent were unable to offer an answer at all. The top specific answers were "energy efficient" (eight percent) and "natural or chemical-free" (five percent).

“Consumers seem to think green homes are an all-or-nothing proposition – and because of the real and perceived costs, many are throwing their hands up and saying ‘I just can’t do all of this’,” said Shelton Group CEO Suzanne Shelton.

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***-Suzanne Shelton,
CEO, Shelton Group***

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“For example, consumers’ heavy top-of-mind emphasis on solar – one of the most expensive home upgrades for energy efficiency that can be made – is a good case in point,” Shelton said. “For consumers who can only afford to take baby steps, the idea of installing solar panels as ‘required’ to make a home green – or even just greener – can be a total deal-breaker.”

To Shelton’s point, when Eco Pulse asked consumers the primary reason to purchase a green home product, respondents’ answers were more financial than environmental: 49 percent said “to reduce my energy bill (save money),” 31 percent chose “to lessen my impact on the environment,” and 13 percent chose “to make my home healthier.”

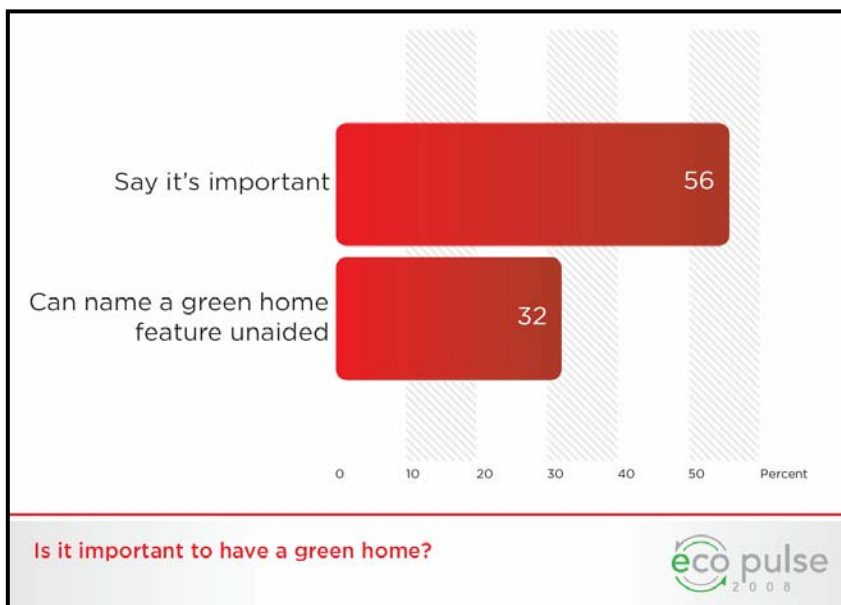
A majority (78 percent) of consumers said that green products sometimes to always cost more.

Interestingly, there is a flip-side to the economic issue on green products. When taken as a whole, the vast number of green home products and their collective costs appear to overwhelm consumers. Yet on an individual product basis, U.S. consumers do value green product features, and most are willing to pay some premium for them.

In discrete choice testing of three products, with different levels of purchase risk – wood flooring, dishwashers and general purpose cleaners – the product with the green feature (respectively, rapid-growth, sustainable bamboo; ENERGY STAR®; and all-natural cleaning ingredients) commanded both significant purchase favor and a price premium.

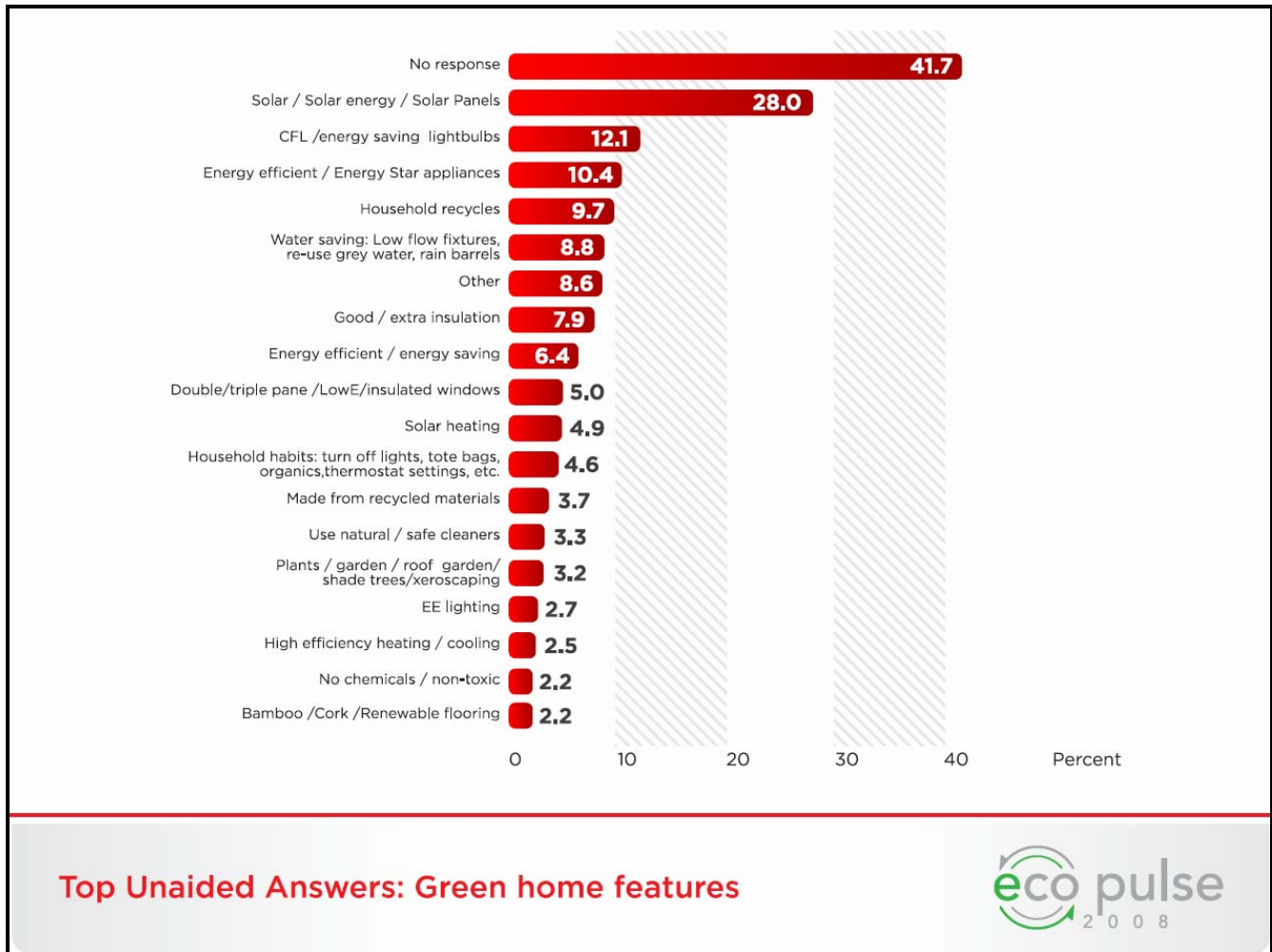
In fact, a substantial percentage of the market (ranging from 35 percent for bamboo to 66 percent for ENERGY STAR®) valued the green feature so much, their response was almost completely inelastic, meaning those consumers continued to prefer the green product regardless of increases in price point. In these controlled, two-product comparisons, there was a significant percentage who wanted the green feature, even at a significantly higher price point.

“When it comes to green and sustainability, the consumer mindset and behavioral patterns are full of contradictions,” Shelton said. “With that said, one of the real take-aways of Eco Pulse that marketers should note is the idea of simplicity – making green purchase decisions easier and less overwhelming for consumers to get their arms around.”





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ABOUT SHELTON GROUP:

Based in Knoxville, Tenn., Shelton Group is an advertising agency entirely focused on energy, energy efficiency and sustainability. Founded more than 17 years ago by CEO Suzanne Shelton, Shelton Group uniquely understands the consumer mindset as it relates to energy, energy efficiency, conservation and green marketing – based on its portfolio that includes a multi-year range of original consumer research (www.energypulse.org) and client work for such accounts as BP Solar, Andersen Windows, Vectren, Knauf Insulation and the American Institute of Architects.