



S H E L T O N G R O U P

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New Survey: Recession-Weary Consumers Willing to Spend on Green Products -- if They Get Green in Return

Recession Refocuses Opinions on Energy-Efficient Products: Saving Money Now Trumps Saving the Environment

March 23, 2009, Knoxville, TN - Although worried about the economy, consumers are willing to buy energy-efficient products and services - if they see immediate savings, according to a national survey released today.

The survey, one of four annual surveys conducted by The Shelton Group, found that 71 percent of consumers cited saving money as a reason to buy energy-efficient products. Far fewer chose "to protect the environment" (55 percent) and "to protect the quality of life for future generations" (49 percent). That is a notable change from the surveys conducted by The Shelton Group in 2006 and 2007 - before the recession - when consumers cited "to protect the environment" most often.

"Americans are concerned about their jobs, their homes and their bank accounts. They're now more focused on saving money than saving the Amazon," said Suzanne Shelton, president of The Shelton Group, which conducted the study. "Yes, conserving energy is the greenest thing anybody can do, but consumers are not buying more efficient products because they want to save the world. They want products that can save them money in the long run."

Shelton Group keeps a finger on the pulse of shifting consumer attitudes and behaviors about energy efficiency and sustainability through quarterly insight studies: Utility Pulse, Eco Pulse, Green Living Pulse and Energy Pulse. The latest study, Utility Pulse, shows the recession's profound effect on consumers' mindset.

"Now more than ever, Americans have a deep desire to be in charge of their lives," Shelton said. "And seeing utility bills go down \$10 to \$20 a month brings a lot of peace of mind. It's a huge motivator."

According to the survey, consumers said they are likely to take a number of energy-efficient measures after learning they would save over the long term. Among them:

- *44 percent responded they are likely to buy a programmable thermostat; 32 percent already have;*
- *43 percent responded they are likely to install insulation in their homes; 26 percent already have;*
- *42 percent responded that they are to install a higher-efficiency water heater; 26 percent already have.*

The study also showed consumers want results when they buy energy-efficient products, and they are disappointed if they do not see the return on investment they expected:

- *Most (53.3 percent) of those who said they had purchased ENERGY STAR brand appliances, completed energy-efficient home renovations or participate in special utility programs had seen the reduction in their utility bill that they had expected.*
- *Almost a third (32 percent), however, said they had not. This is most likely due to their utility raising rates, or because they are using more energy, thanks to additional gadgets (computers, cell phones, etc.) that they have plugged in. Then there is the third possibility: the “Snackwells effect.”*

“A lot of us buy a box of Snackwells and think, ‘They’re low fat, so I can eat all of them.’ Then we wonder why we haven’t lost weight,” Shelton said. “Buying an energy-efficient product can create the same type of effect. We’ll say, ‘I just got a high-efficiency air conditioner, I can lower the temp and make my home even cooler in the summer.’ Then we get frustrated that our new air conditioner isn’t reducing our utility bills.

“That’s why it’s important that utilities and energy-efficient product manufacturers make sure consumers understand what they’re getting and promote behavior change alongside product purchases,” Shelton added. “A high-efficiency heater doesn’t mean we can turn our home into sauna in the winter.”

The survey also found consumers are taking a variety of “green” measures. Here are the - top activities and percentage of consumers taking the action:

- *Always turn off lights, unplug things, turn off power strips - 73 percent*
- *Adjust the thermostat and/or hot water heater setting to save energy - 71 percent*
- *Replaced most incandescent bulbs with CFLs - 57 percent*
- *Bought ENERGY STAR brand appliances, water heater, air conditioner, or furnace - 57 percent*

- *Completed energy-efficient home renovations; for example, added insulation, replaced windows, or caulked - 52 percent.*

“Green” measures taken by the fewest consumers include:

- *Installed natural / indigenous / low water landscaping - 13 percent*
- *Telecommute for work - 10 percent*
- *Participate in utility’s green power program - 9 percent*
- *Buy carbon offsets for plane trips or for home - 6 percent.*

ABOUT SHELTON GROUP:

Founded in 1991 by Suzanne Shelton, Shelton Group is an advertising agency located in Knoxville, Tennessee, focused exclusively on motivating mainstream consumers to make sustainable choices. To continuously track shifting consumer perceptions on energy efficiency and sustainability, the agency conducts four proprietary consumer opinion studies annually—Eco Pulse, Energy Pulse®, Utility Pulse and Green Living Pulse.

ABOUT THE SURVEY

Utility Pulse 2009 was conducted by telephone to 500 respondents in January 2009. Demographic quotas were set for gender, age, race, region and educational attainment to match the overall demographic distribution of the U.S. population. Based on the U.S. Census 2007 American Community survey estimate of the total number of owner-occupied households (75,072,666), the sample has a 95 percent confidence level and a +/- 4.32 percent confidence interval (margin of error). In other words, Shelton can be 95 percent certain that the attitudes and opinions found in this study would closely match those of all U.S. homeowners to within +/- 4.32 percent.