

 energy pulse
2007



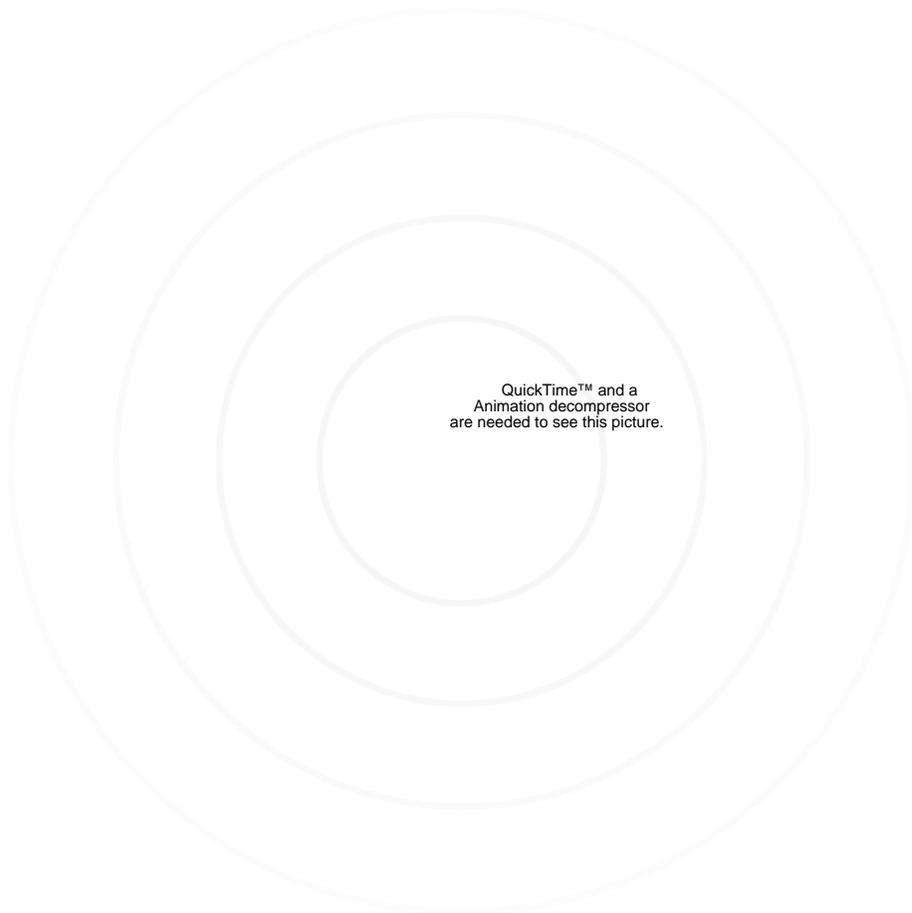
S H E L T O N G R O U P



What are they thinking?

A quick primer on what Americans are thinking about energy efficiency and renewable energy

October 24, 2007



QuickTime™ and a
Animation decompressor
are needed to see this picture.



Challenges and Opportunities



A word about *Energy Pulse*TM



Energy Pulse:

- An annual, national consumer telephone survey of 504 consumers
- Taken from a random sample of Americans that closely matches the overall demographics of the U.S. population
- 95% confidence level and a +/- 4.34% margin of error



Also...

- 8 Focus Groups
 - Atlanta
 - Philadelphia
 - San Diego
 - Denver
- 2007 Data hot off the press



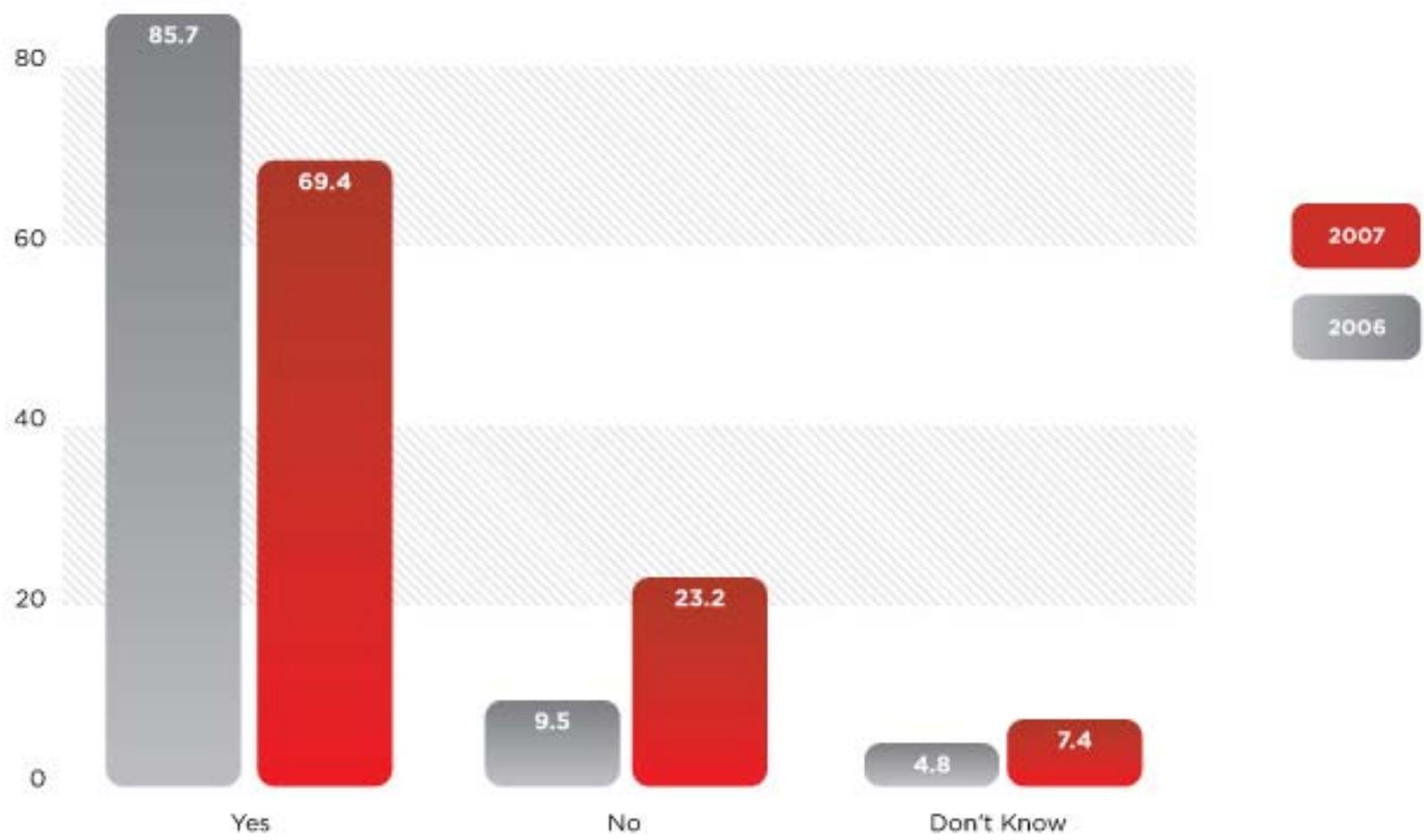
**There are a few inherent
challenges**



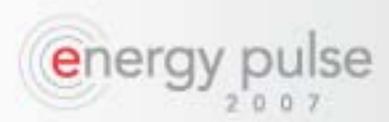
**Consumers are less willing to
spend right now**

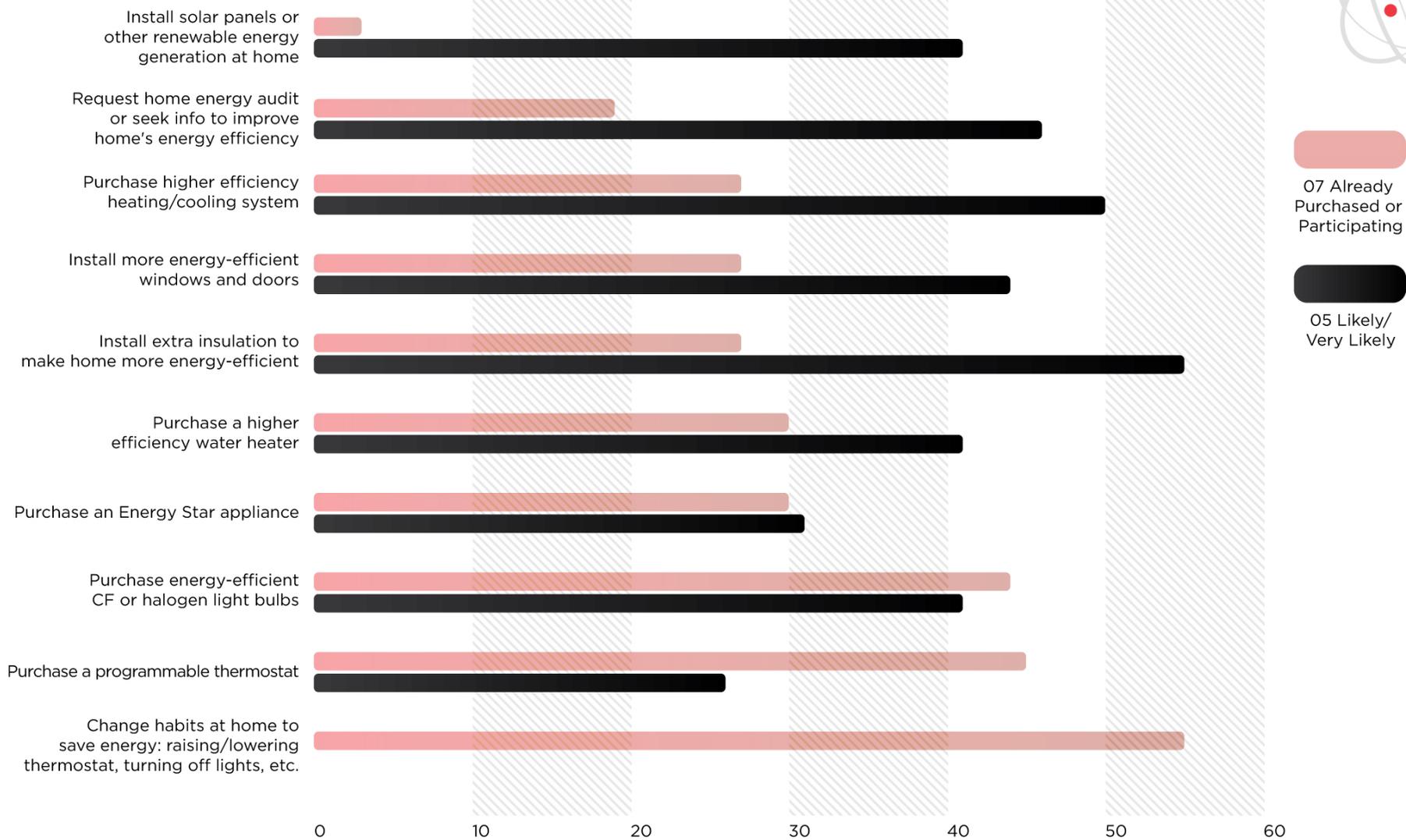


Percent



Would you choose one home over another, based on its energy efficiency?





Current and Likely/Very Likely Home Purchases and Activities 2005-2007

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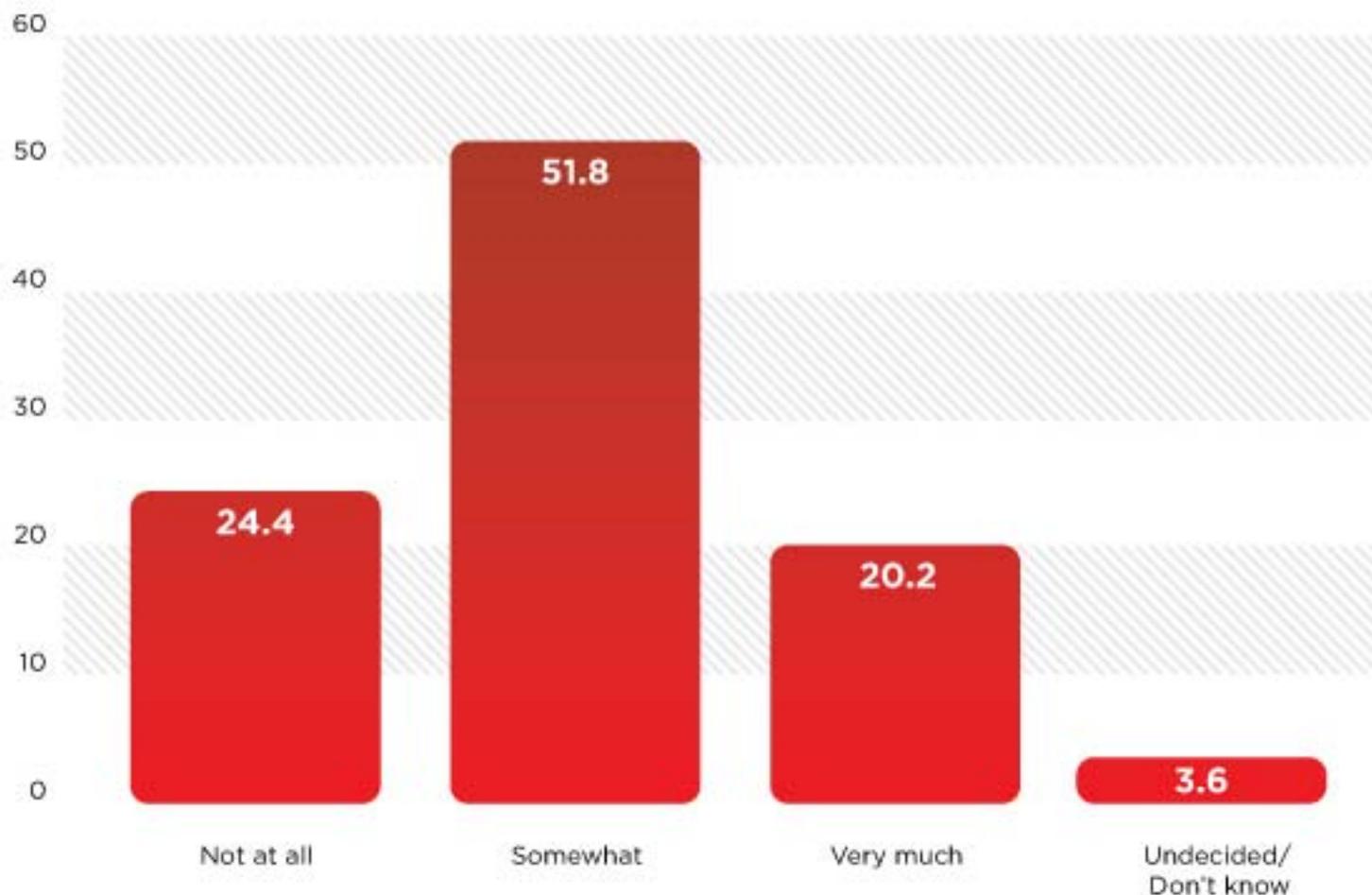
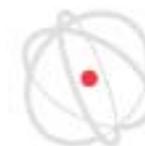
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**They're a little skeptical about the
whole green thing**



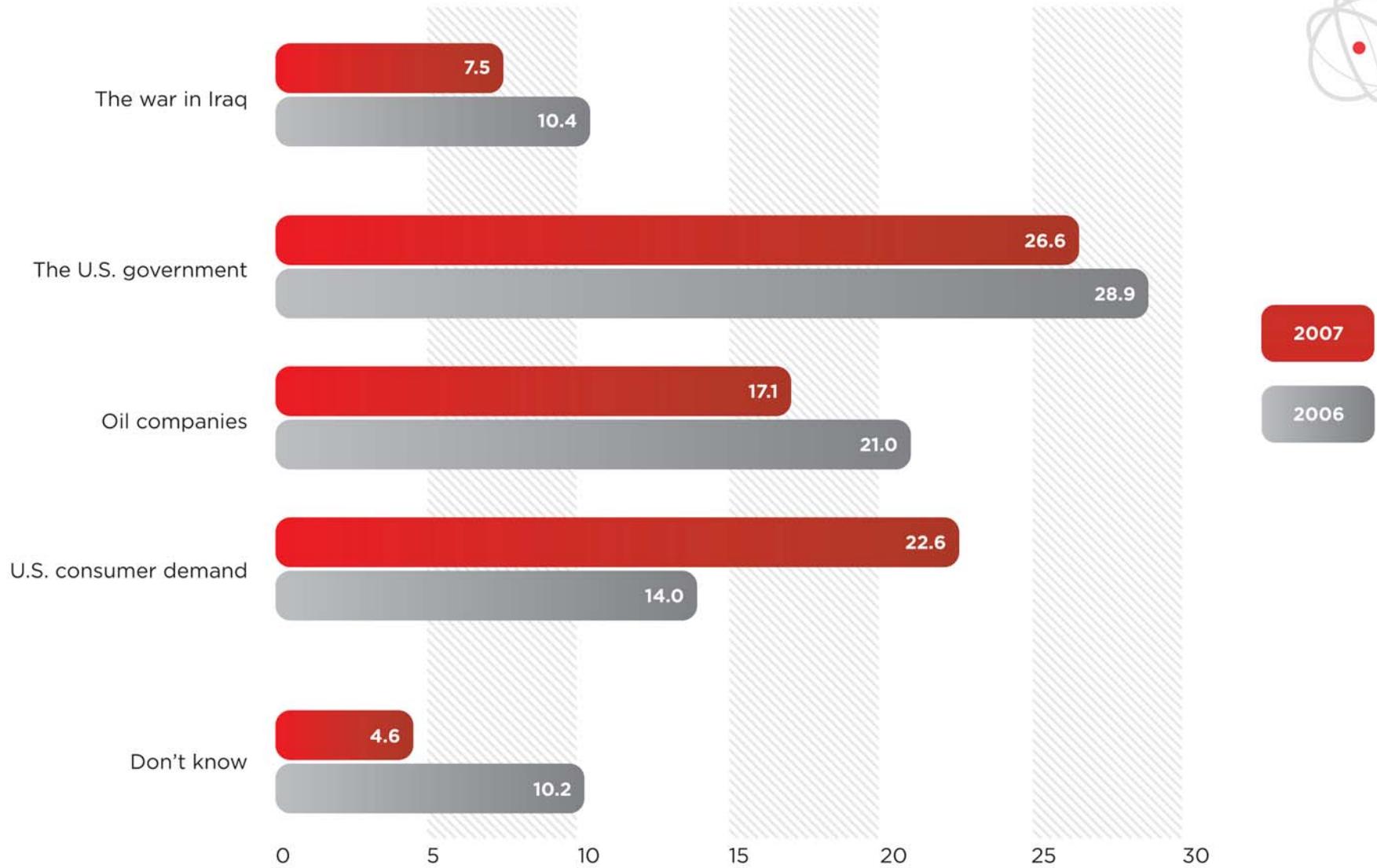
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How much does a company's environmental advertising impact your perception and likelihood to buy?



They have lots of excuses



Who or what is most to blame for rising energy prices?

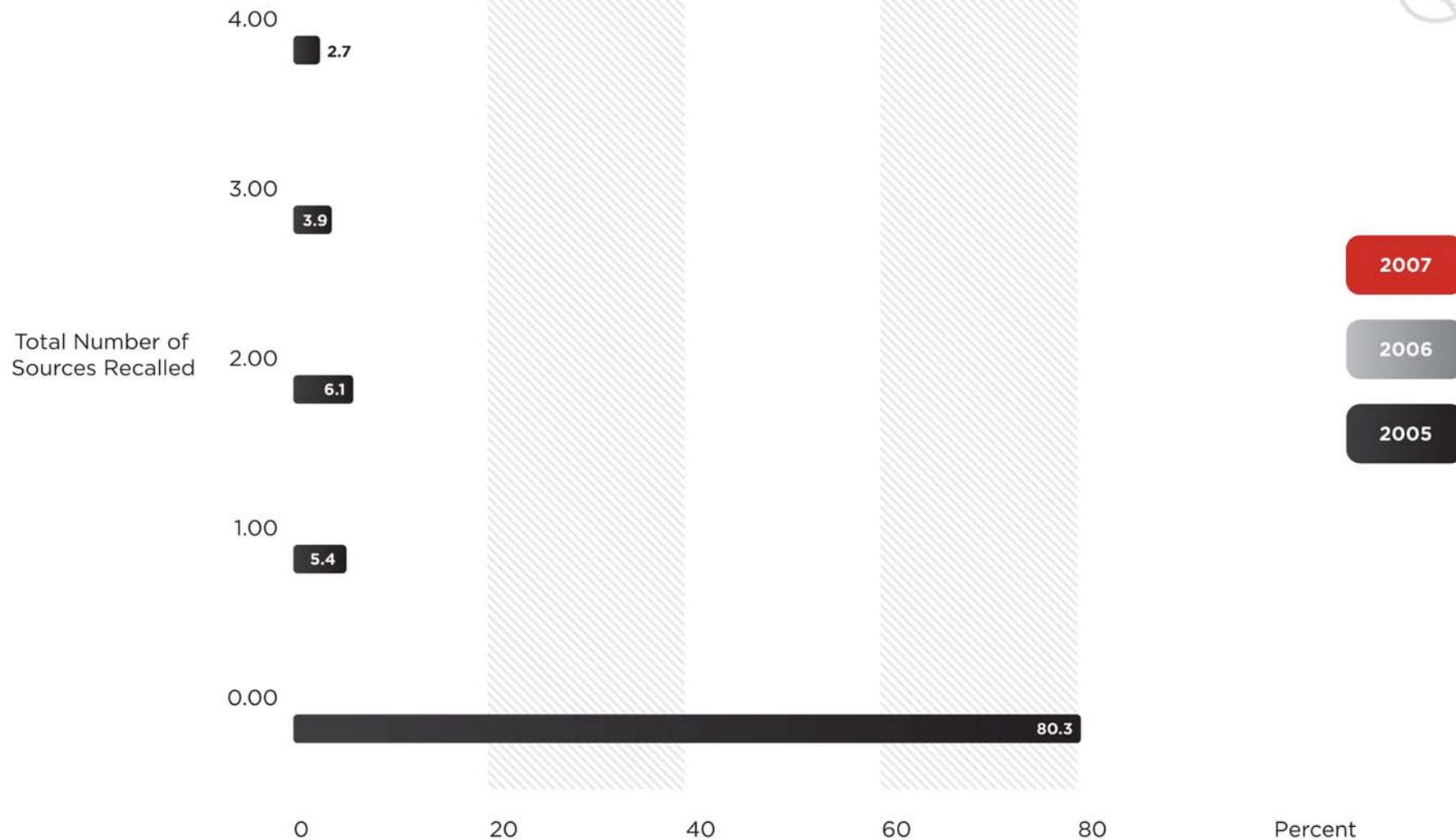




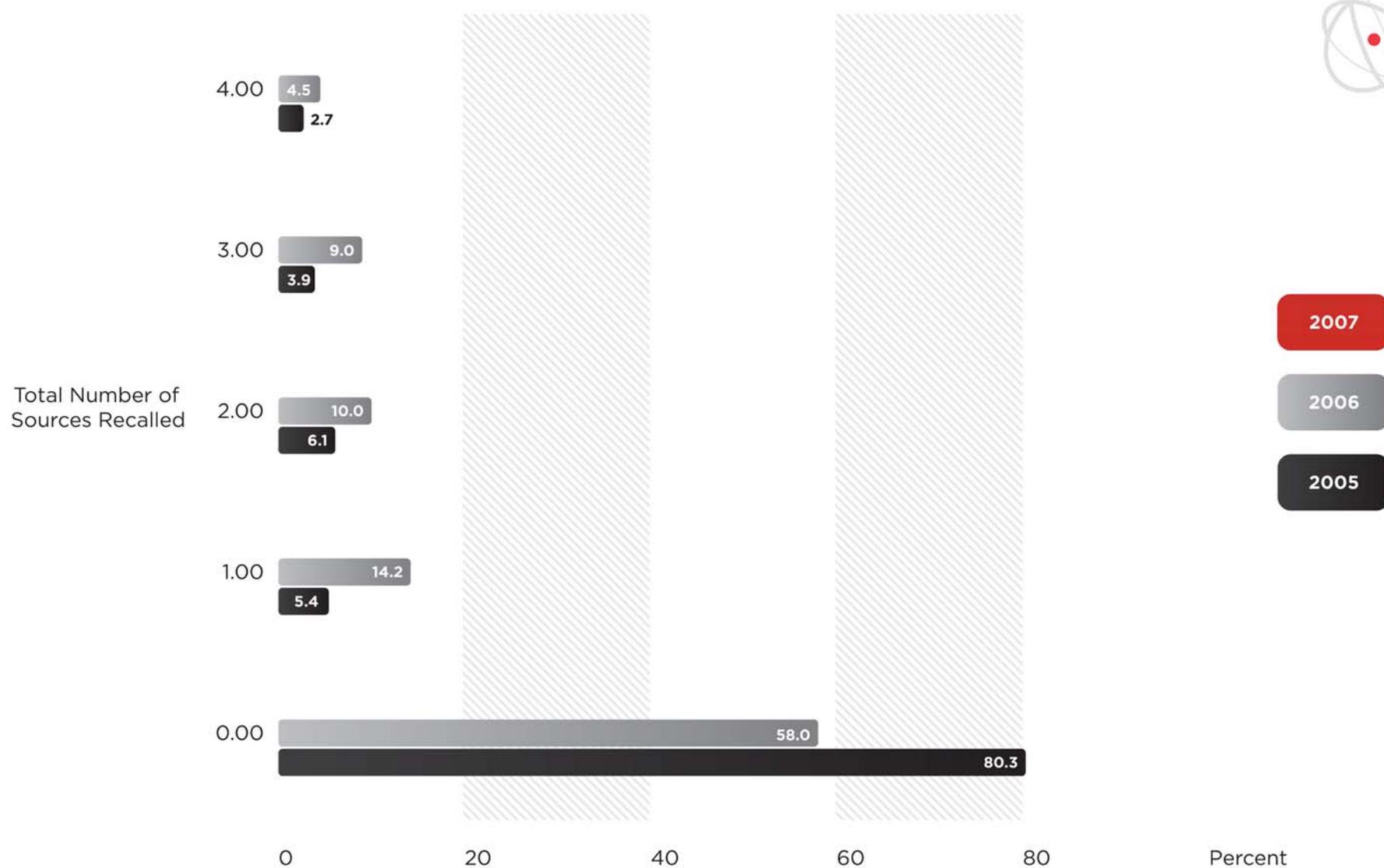
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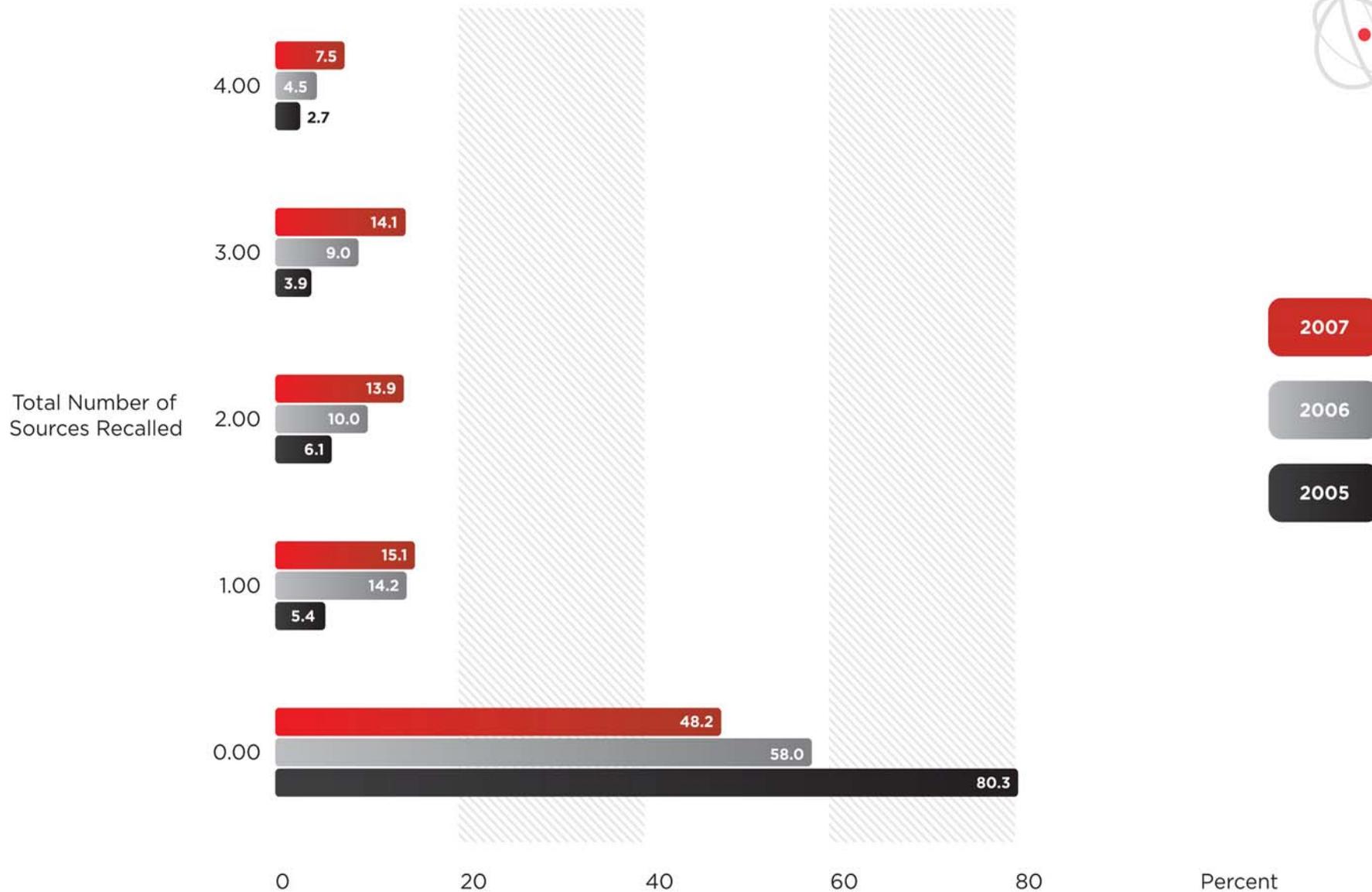
**They know less than
you think they do**



Renewable Energy Source Recall



Renewable Energy Source Recall



Renewable Energy Source Recall



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Causes of Climate Change*

- Fossil fuel combustion accounts for 79% of greenhouse gas emissions
 - Of that, electricity generation accounts for 41% of CO₂, or nearly a third (32.8%) of all greenhouse gases
- Transportation (personal cars, diesel trucks, heavy duty vehicles, and jet fuel) accounts for 26% of greenhouse gas emissions
 - Personal vehicles account for 15.7% of all greenhouse gas emissions

*The Inventory of Greenhouse Gas Emissions and Sinks: 1990-2005 report



**Here's where the
opportunities are**



**A green story will work
if it's believable and tangible**



Wal-Mart is believable

- Company-wide sustainability initiative
 - Associates are “encouraged” to have their own “PSP’s”
 - Annual day-long meetings with associates and suppliers
- Promotion initiatives
 - Light bulb campaign
- Marketing initiatives
 - Web site
- Physical initiatives
 - Solar and wind visible on buildings



Recent studies say:

- Yankelovich study says Toyota, GE, Whole Foods and Wal-Mart are most recognized as green companies
- Interbrand study shows GE brand gaining in value since launch of ecomagination



**There are messages
that work**

It's Better for the Environment

Fewer resources used

Less damage

Lower prices

More for future

Better air/habitats

Healthier humans

Healthier plants/animals

More money

Peace of mind for kids

Happier

Lower Bills

Good steward

Save more

Less guilt

More security

Peace of mind

More disposable income

More control

Spend on wants, not needs

"Stick it" to utility

Happier

Personal satisfaction

Less Dependent on Gas

Less driving

More mass transit

More alternatives developed

Country more independent

More biking/walking

New jobs

More money

Less pollution

Economic strength

Defensive strength

More money

Less war/conflict

Happier

Better health

Peace of mind

Safe



Green programs can be a win for utilities

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Conclusions



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- Consumers have gotten more skeptical/realistic and cost conscious
 - So the money has to work
- Getting them to be energy efficient and/or to conserve requires tapping into their deeper drivers
- They need to see a reward for their efforts
- Not everyone will buy in -- you'll need to segment your audience
- Back up any green messaging with believable facts and actions



Discussion



Thank you!