Connecting the dots from values to actions

Insights into today's green consumer

REM

September 24, 2013

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Gain a sustainable advantage

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energypulse™

ecopulse™

greenlivingpulse™

utilitypulse™

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We help companies define and leverage their energy efficiency and environmental commitments **to gain a market advantage.**

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Level Setting

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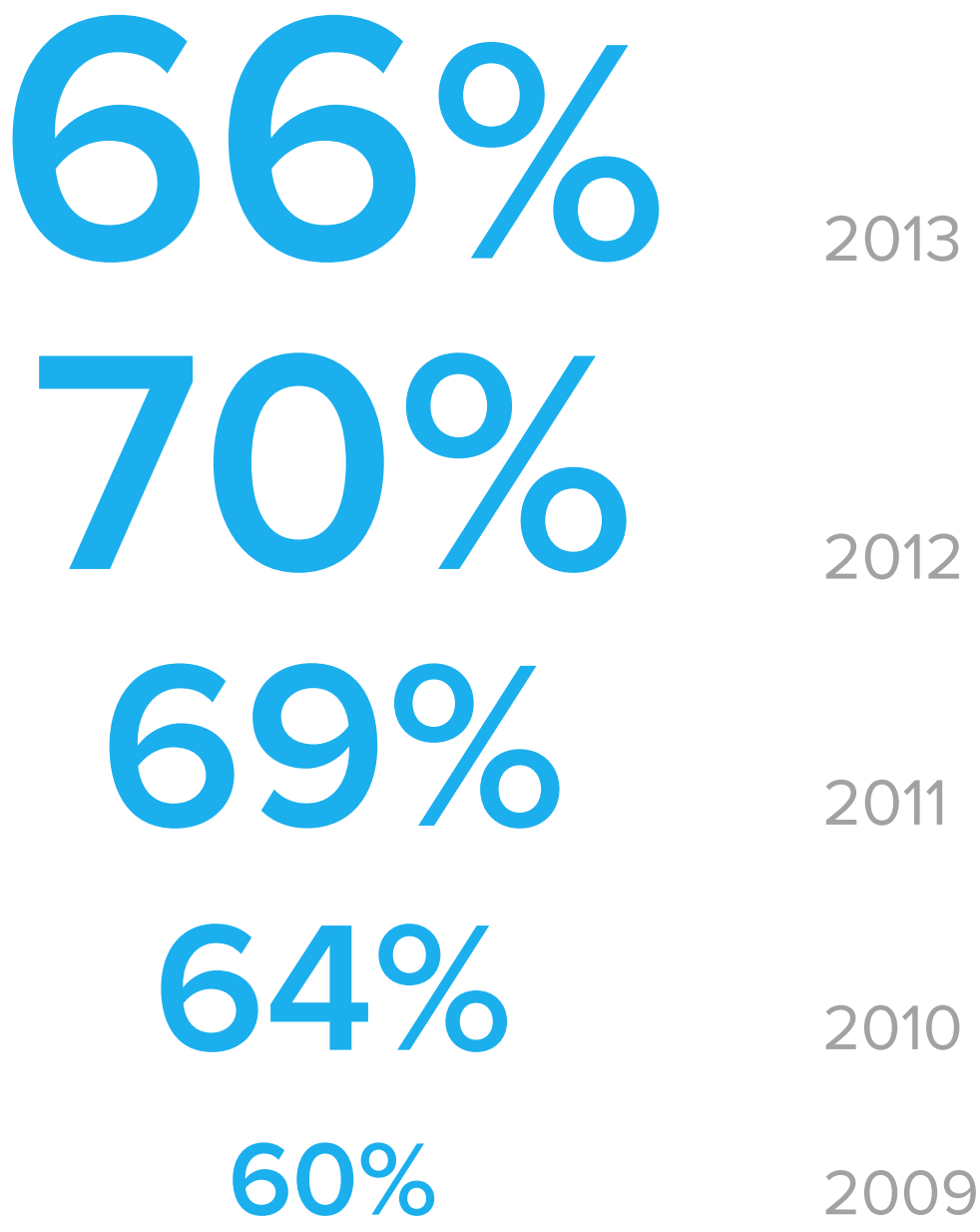

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In which product categories are you searching for greener products?

67.9%

Light bulbs/ fixtures

65.1%

Home cleaning

55.1%

Laundry/ dishwashing

62.7%

Paper

58.9%

Food/ beverages

46.6%

Personal care

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How do you know that a product is green?

41%

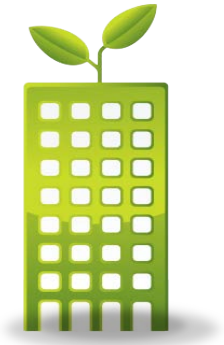
Ingredients, content, energy savings details

35%

Label says so

34%

The brand has a reputation for green products



30%

The company has a good environmental reputation

25%

Certified by an independent third party

24%

Researched on the internet

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Environmental efforts at the brand or corporate level **ARE** a reason for consumers to choose one product over another

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48%

of Americans say corporate environmental reputation impacts product choices

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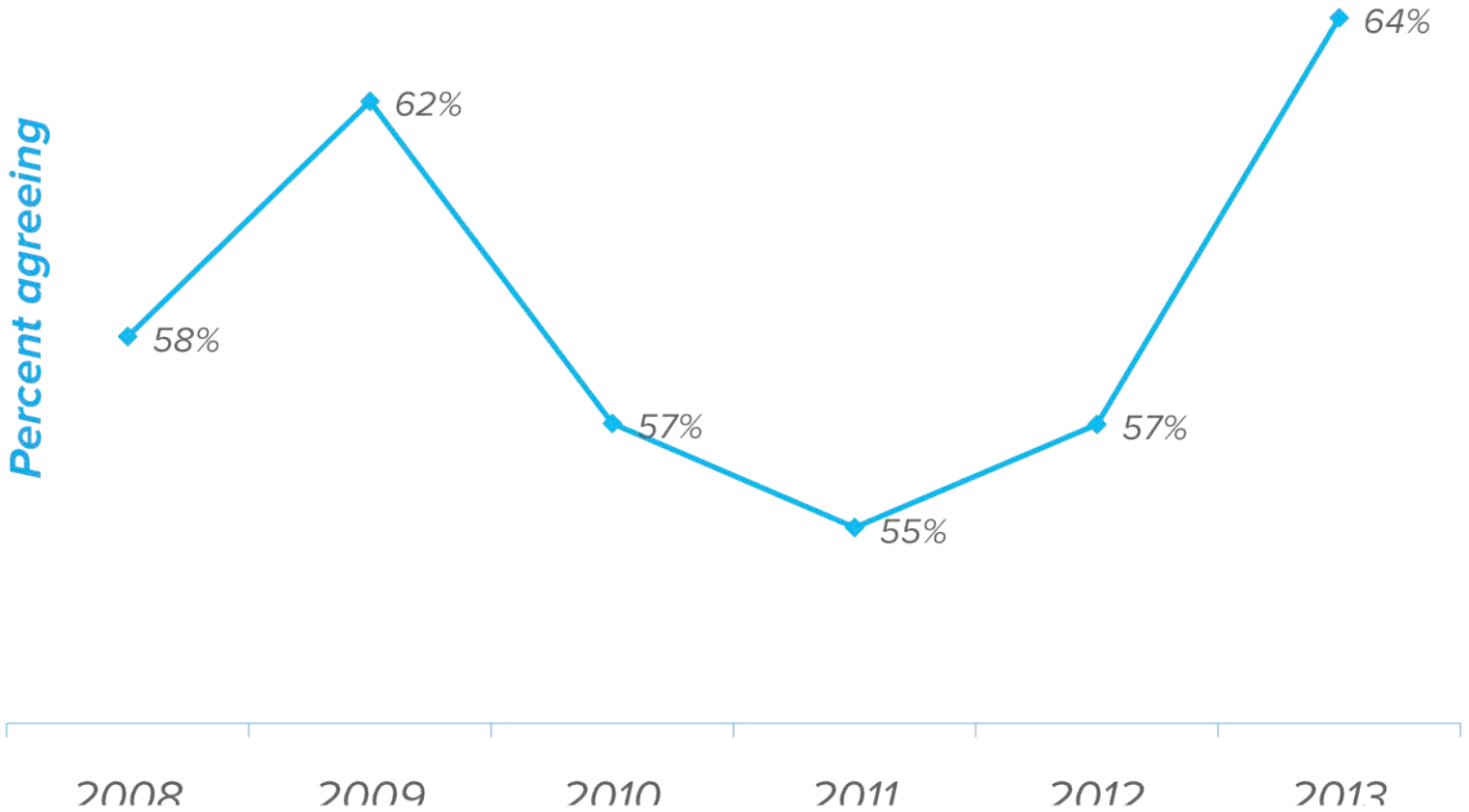
Belief in global warming is trending up

How much do you agree or disagree with this statement: "Global warming, or climate change, is occurring, and it is primarily caused by human activity."



N=1,008

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Source: 2013 Energy Pulse™

If you were the President...

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36%

Solar

17%

Wind

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59%

Say it's important for utilities to use renewable energy sources

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30%

Say utilities should run TV campaigns to tell customers about their investment in renewable energy & the availability of green power programs

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82%

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

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But...

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Only

5%

Know electricity generation is at all to blame for global warming

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Only

10%

Can correctly identify how most of the power in our country is generated

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Most Important Things Companies Can Do

18%

Manufacture in the U.S.A

17%

Remove chemicals of concern

17%

Recycle

15%

Conduct no animal testing

14%

Create no chemical waste

14%

Make recyclable products

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You guys have a connect-the-dots problem

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About now you're thinking, "Clearly, we need to educate people."

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Don’t try to “educate” the market into being green or buying renewables

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Don’t try to scare the market into buying

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Play off of what they already know and care about

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Our top energy concern: Our dependence on foreign countries.

36.9%

America depends too much on foreign countries for energy

29.9%

My ability to pay for energy

20.0%

The environmental impact of our energy use

13.1%

We're using up our energy resources at the expense of future generations.

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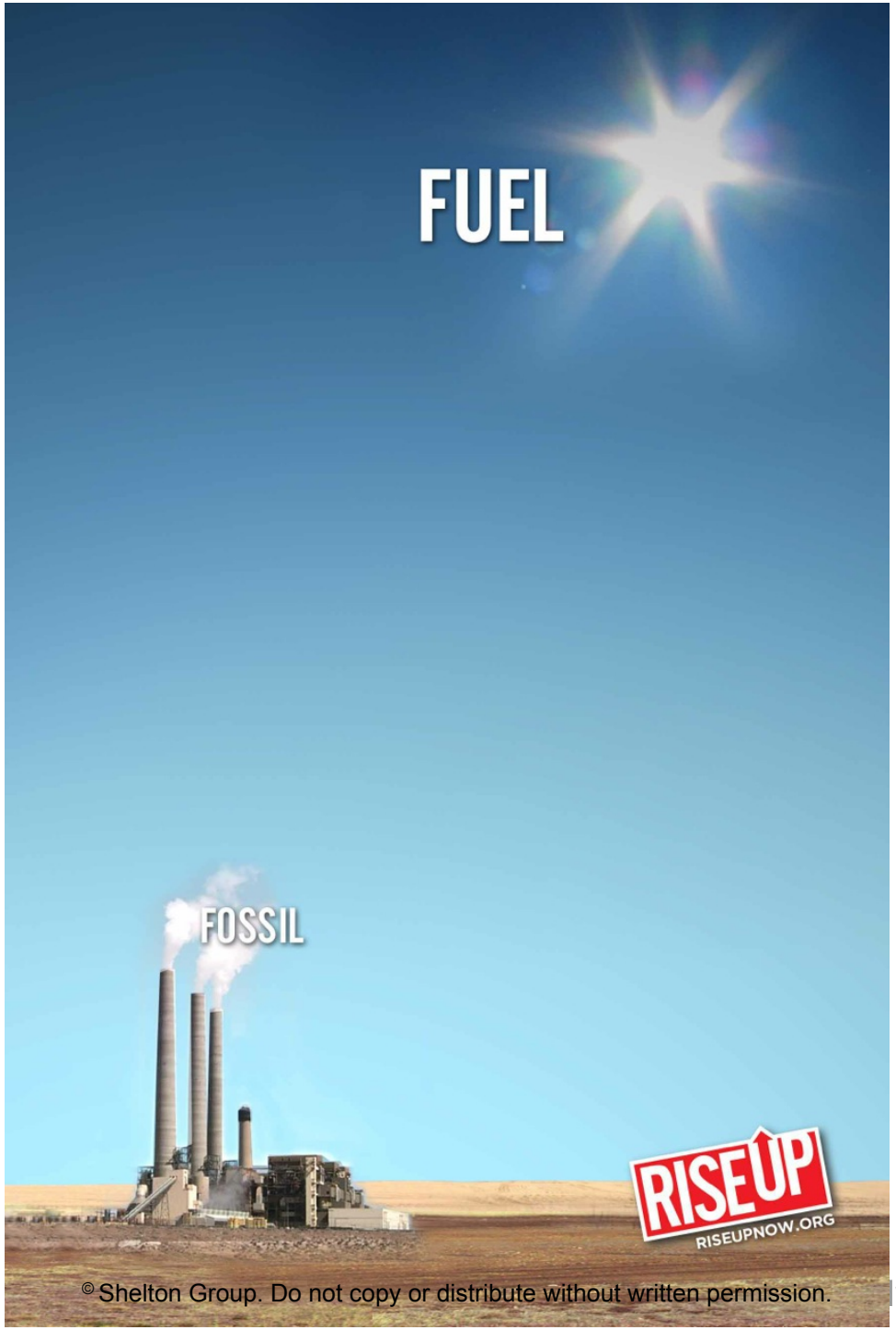

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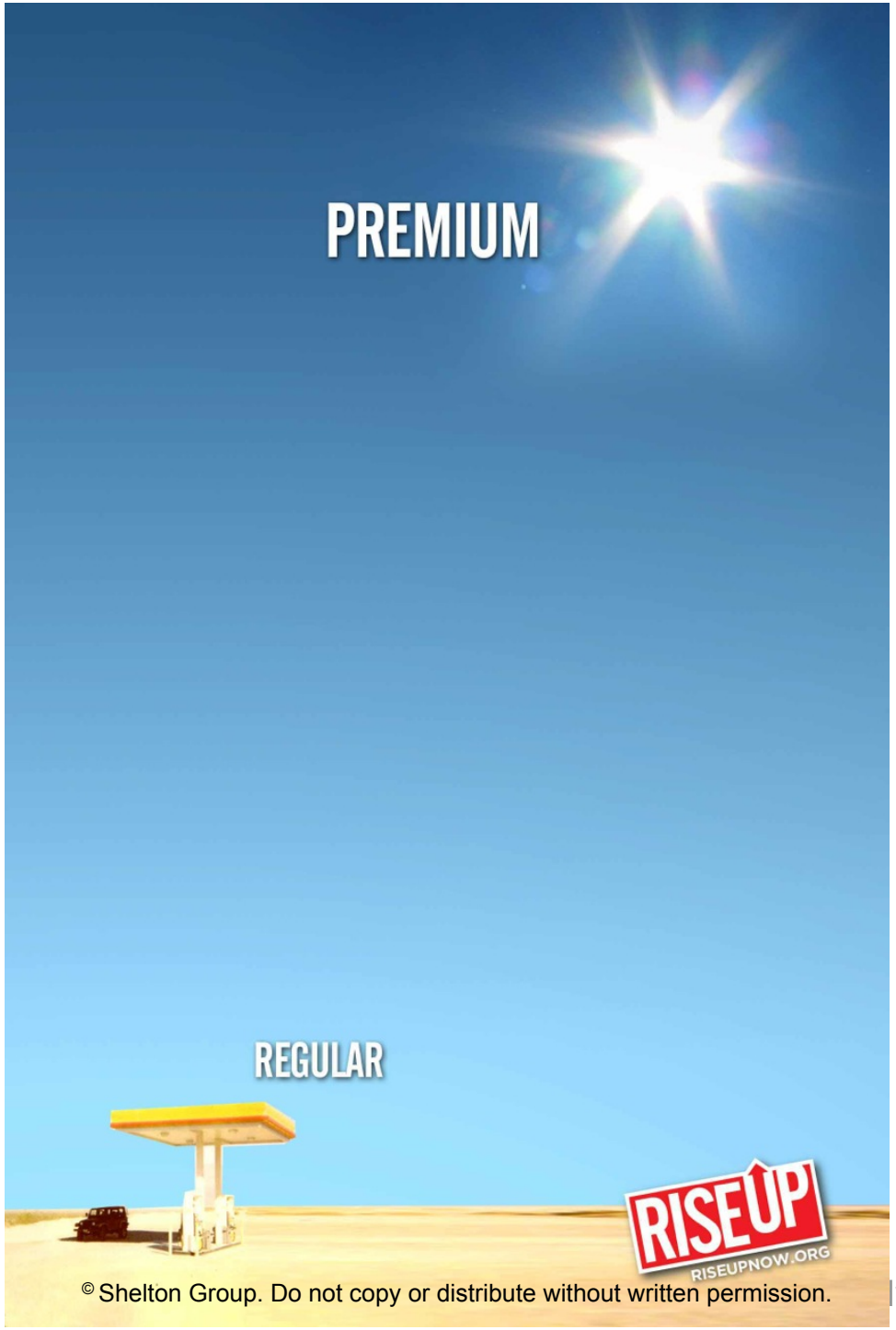

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Another issue to deal with

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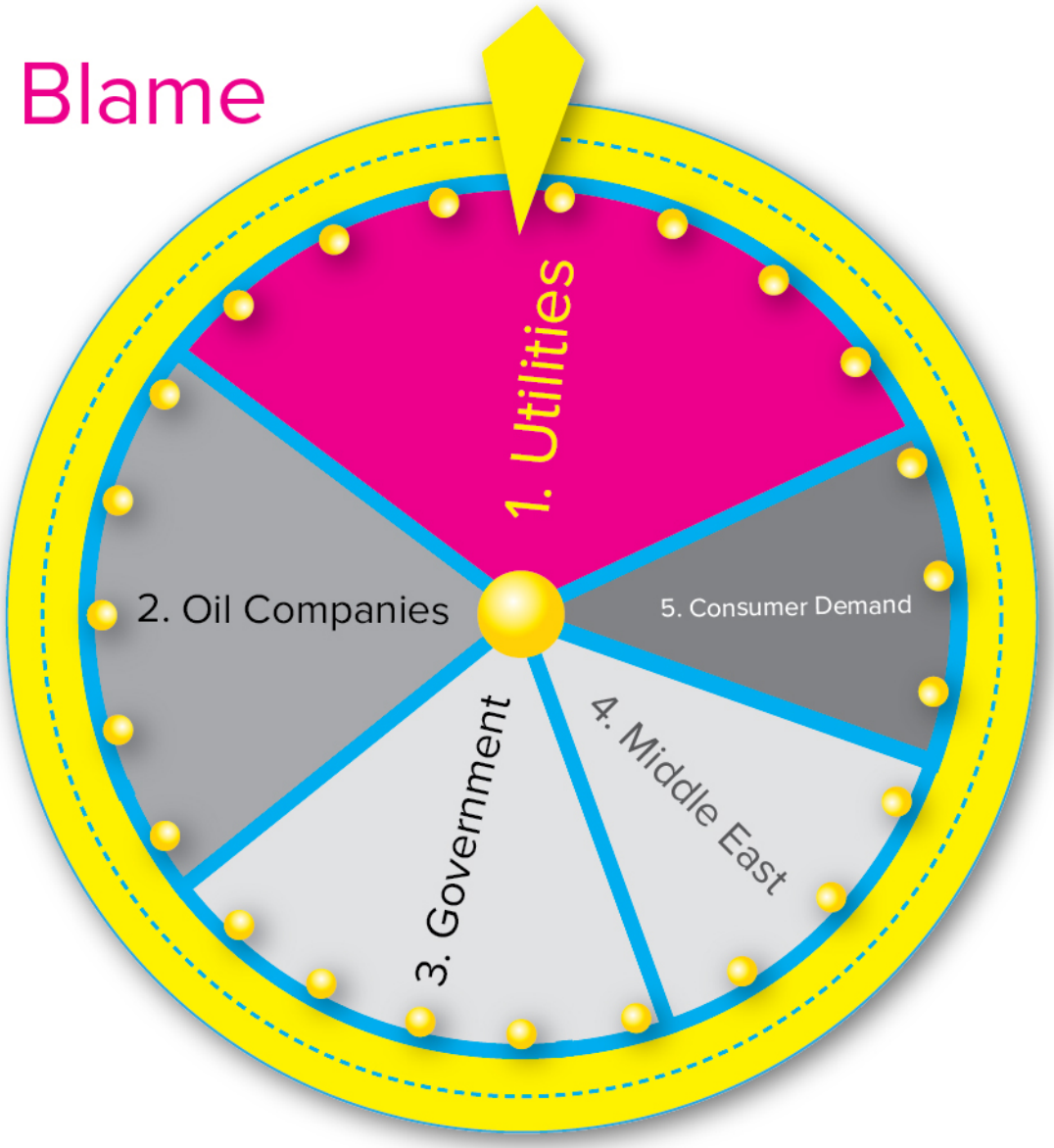
The Wheel of Blame

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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43%

Of utility customers are less than satisfied with their utility

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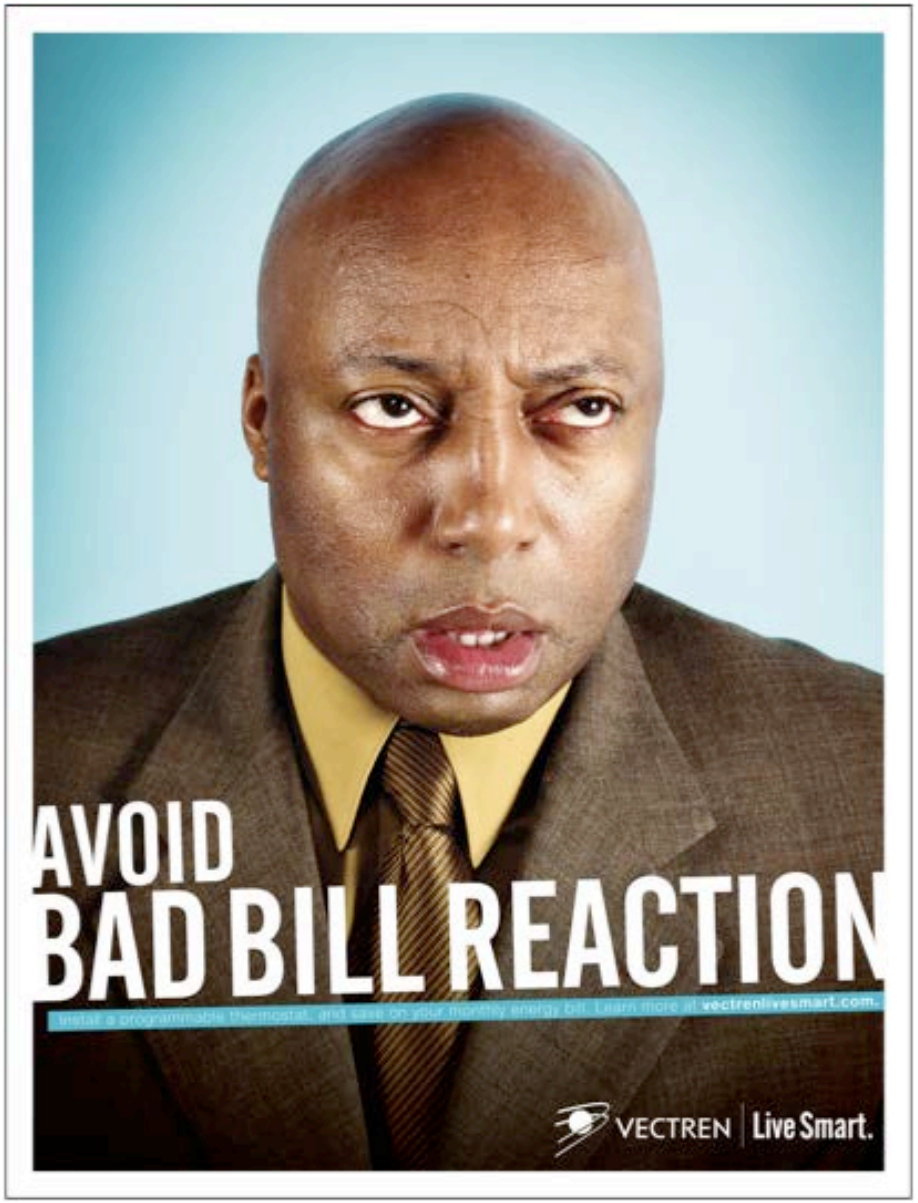

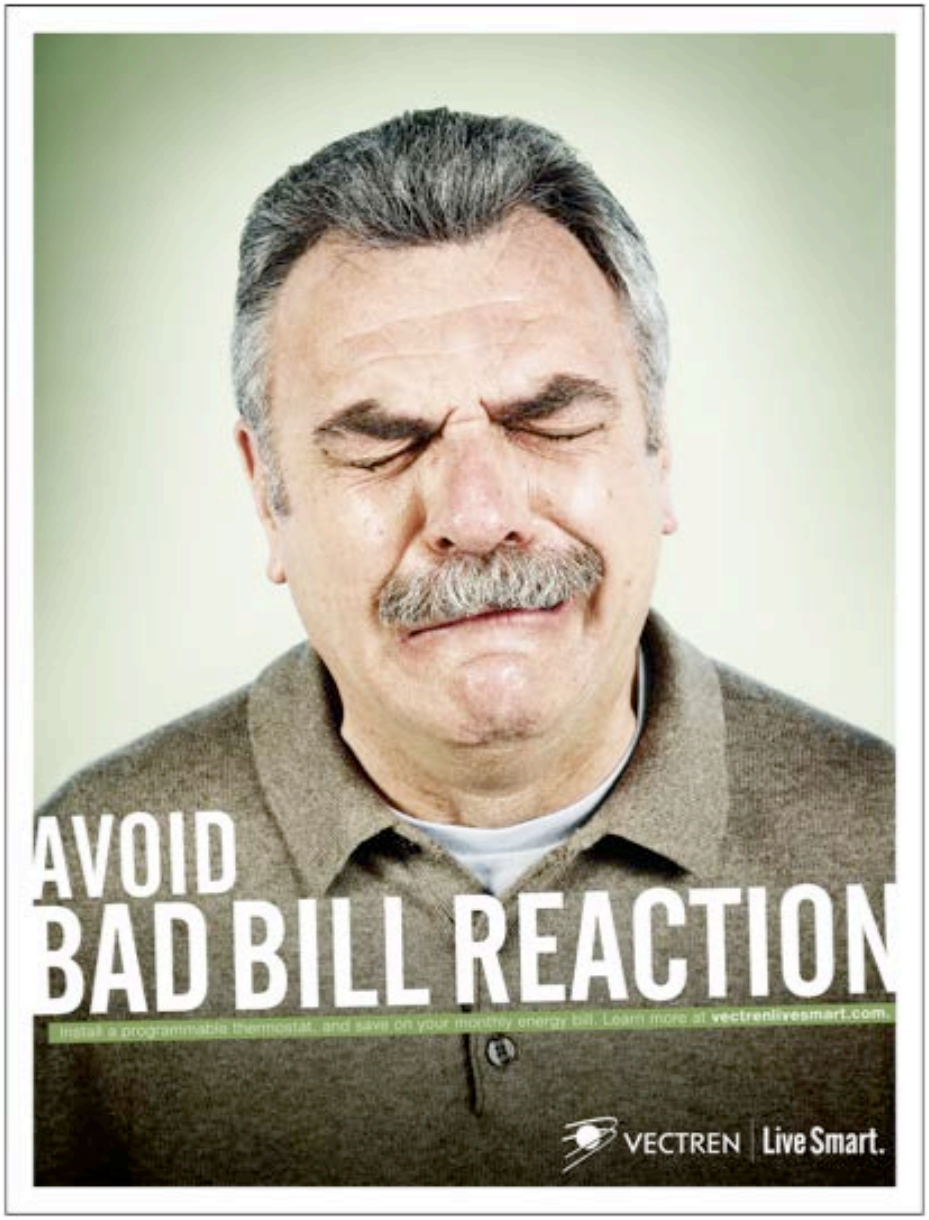

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Results:

- Moved Vectren from third quartile to second in JD Power in one year
- 69% of Vectren customers recalled some message from Vectren
- 82% found ABBR message to be clear
- 51% correctly explained the message / intent of the communication
- 38% found the message useful or very useful

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Who should you focus your marketing efforts on?

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Actives – 24% of Americans

- Equally likely to be female or male
- Somewhat more likely to be aged 45 or older
- Well-educated and relatively affluent – more likely to be professionals
- Predominantly white, but also over-index for Hispanics
- More likely to be homeowners
- More likely to have children under 18
- More likely to vote Democrat
- Physically and culturally active

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Actives have high expectations:

- Want products and packaging that are recyclable and/or biodegradable
- Want companies to be more socially responsible – and will reward them with purchases
- Strongest sense of personal responsibility
- Participate in 21 green behaviors
- 43% are searching for home renewable energy (6% have already purchased)

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Actives also:

- Shop more often than most other consumers
- Are more brand loyal on average
- Will regularly pay more for brands they trust
- Prefer new products vs. used
- Rank themselves the happiest
- Are the most materialistic of the groups

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Rethink “materialism.”

Materialism for Actives =
“external expressions of internal values”

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Rethink “green consumers.”

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Brand hugger (N)

A quarter of the American population; pretty well-off, educated, shops often, buys lots of new stuff and pays more for brands they trust. Oh, and searching for meaning in those brands they purchase. Actively seeking to buy from brands and companies with a sense of purpose that either aligns with or expands their own.

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Employees

Attracting and retaining the best and brightest

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Monstertrak:

92% of students and entry-level workers are seeking an environmentally friendly company for employment.

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12 Peer reviewed studies:

Many job seekers are attracted to organizations with sustainable practices

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SHRM Green Workplace Study:

66% of employees at companies that are engaged in environmentally sustainable practices are likely to remain with those firms because of their perceived importance of these programs.

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UCLA Study:

Businesses that follow international environmental standards have employees that are **16% more productive** than less sustainable companies.

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An example

Bringing this all together

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Initial Request:

We must get Americans to understand the vital importance of water conservation.

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Half

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Shorter showers ARE NOT AWESOME.

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22%

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To create real behavior change we must:

- Move people from automatic behaviors to conscious choices
- Make the problem visual
- Make the problem uncomfortable
- Give them a specific, simple action

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Aha!

Wake people up to the moment when using water becomes wasting water.

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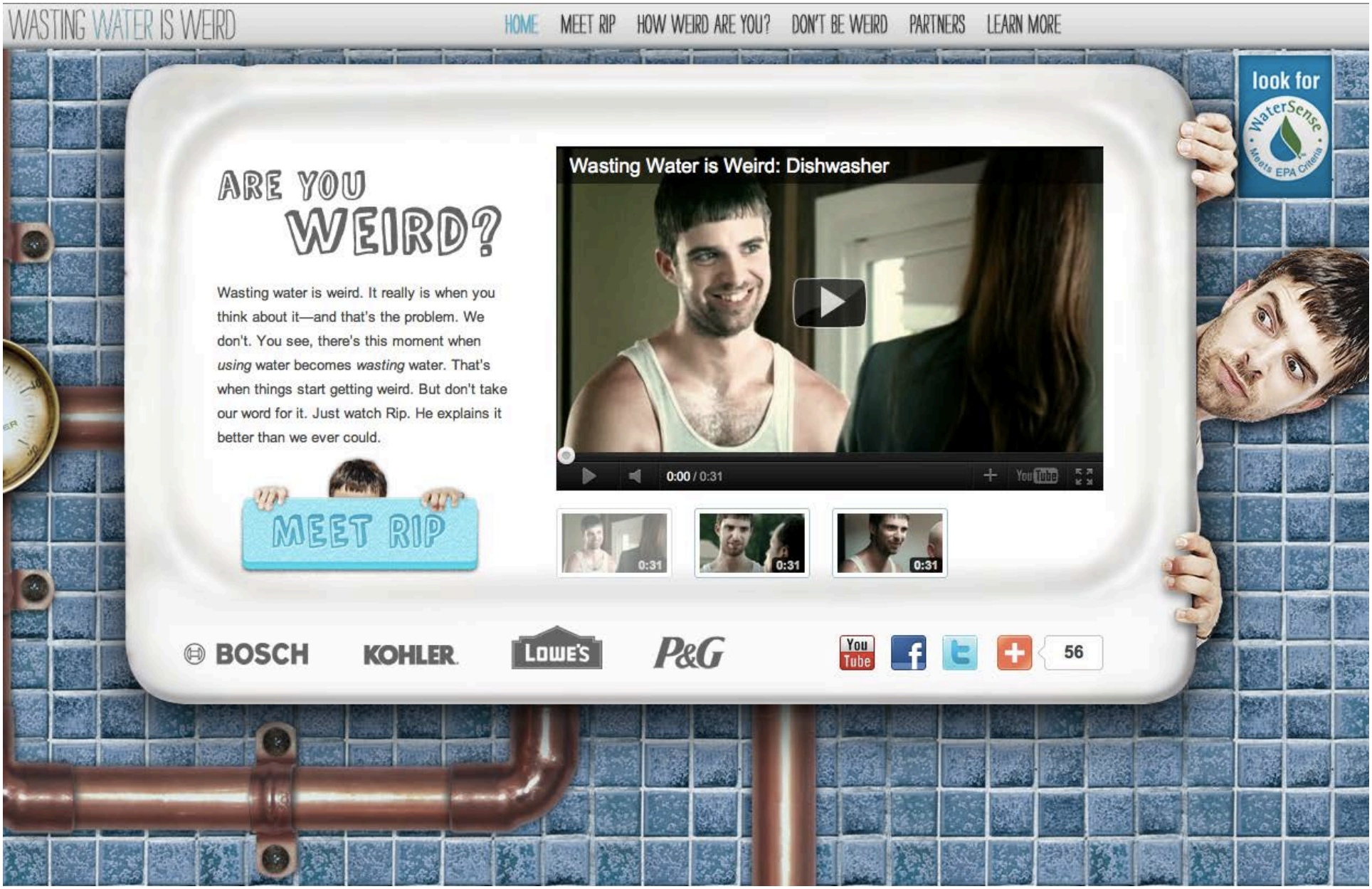

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121 markets
290 stations
432 million impressions
$6 million in free ad space

29% who saw it said it moved them to change their water usage habits.

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Lessons Learned

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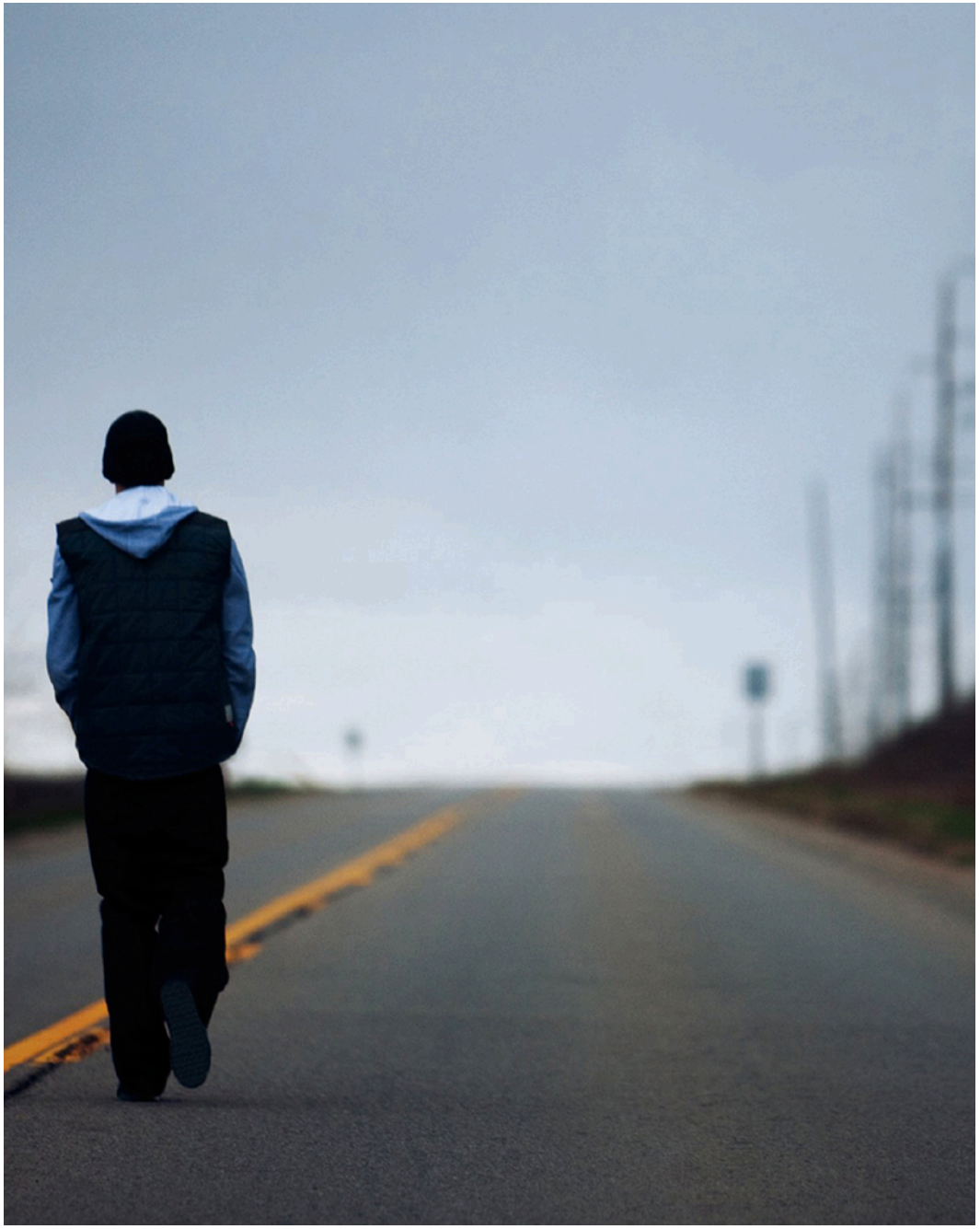

You don’t have to go it alone.

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You can make a bigger impact *together.*

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You can take greater creative risks.

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Do5 things

Sign in Help

Lowering your energy bill is as easy as **1-2-3-4-5.**

Learn more

How it works

Tell us about yourself and your home.
by completing a brief and fun survey.

We'll give you a personalized energy savings list.
complete with rebates and other incentives.

Mark things off your list as you go.
and watch your energy usage go down.

Sign up today

Enter your email address

Create a password

Sign up

Or sign up with:

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Do5 things

Log out Help

We hear you. Saving money is a great reason for conserving energy,
but what about bigger issues?

Tell us a little about yourself.

How do you feel about climate change?

- (●) Anxious! We need to reduce our carbon emissions.
- ( ) Malarkey! ... it's just a natural, repeating trend.
- ( ) Eh, haven't thought about it or don't really care.

Go back | Next question

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Do5 things

Log out Help

Great job! We'll add those things to your energy savings list and mark them done.
Now what about these?

Tell us a little about your home.

Have you made any of these improvements already?

- [ ] Installed extra insulation.
- [x] Installed a high efficiency heating or cooling system.
- [ ] Installed a high efficiency or tankless water heater.
- [x] Purchased an Energy Star appliance.

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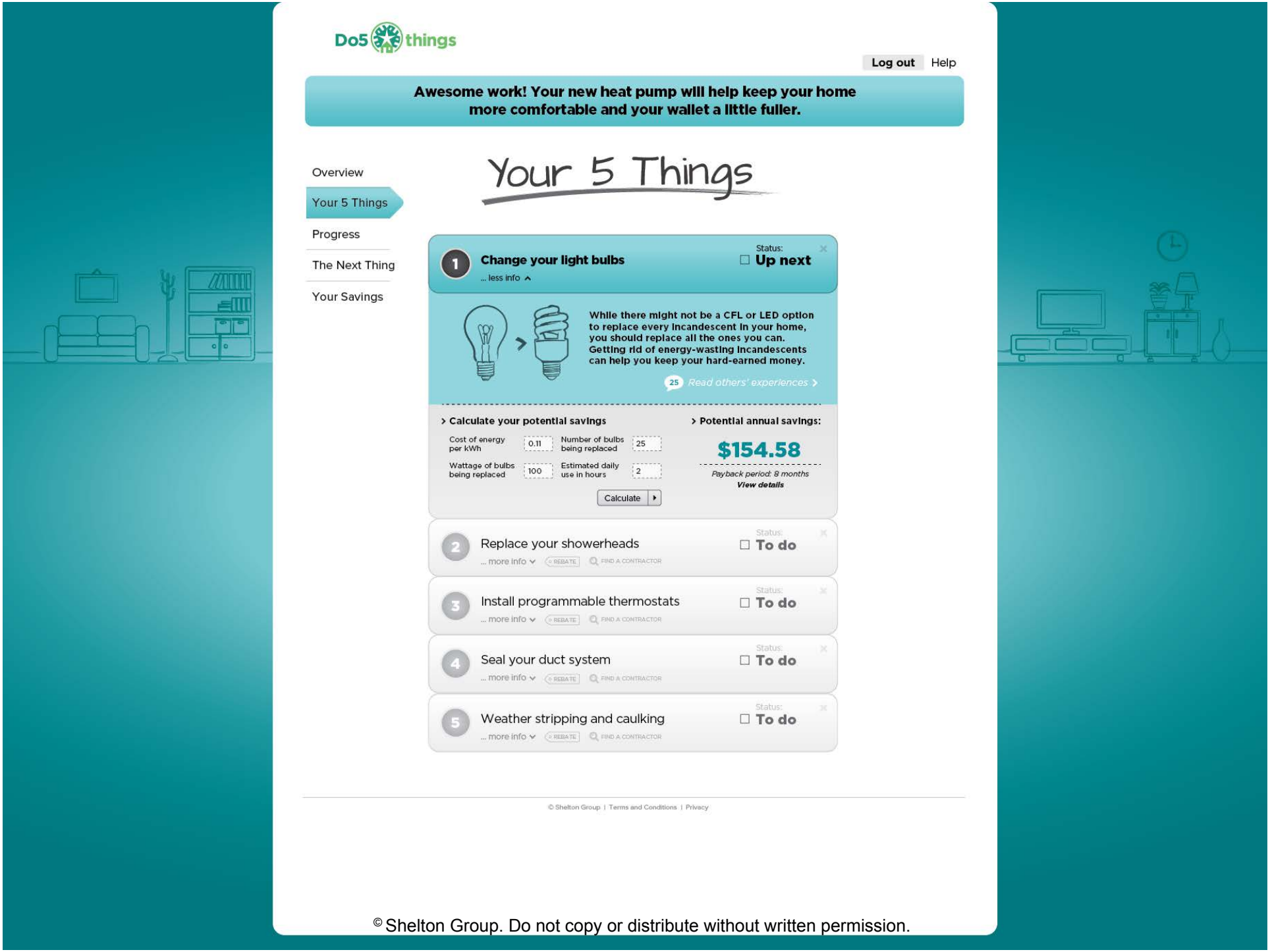

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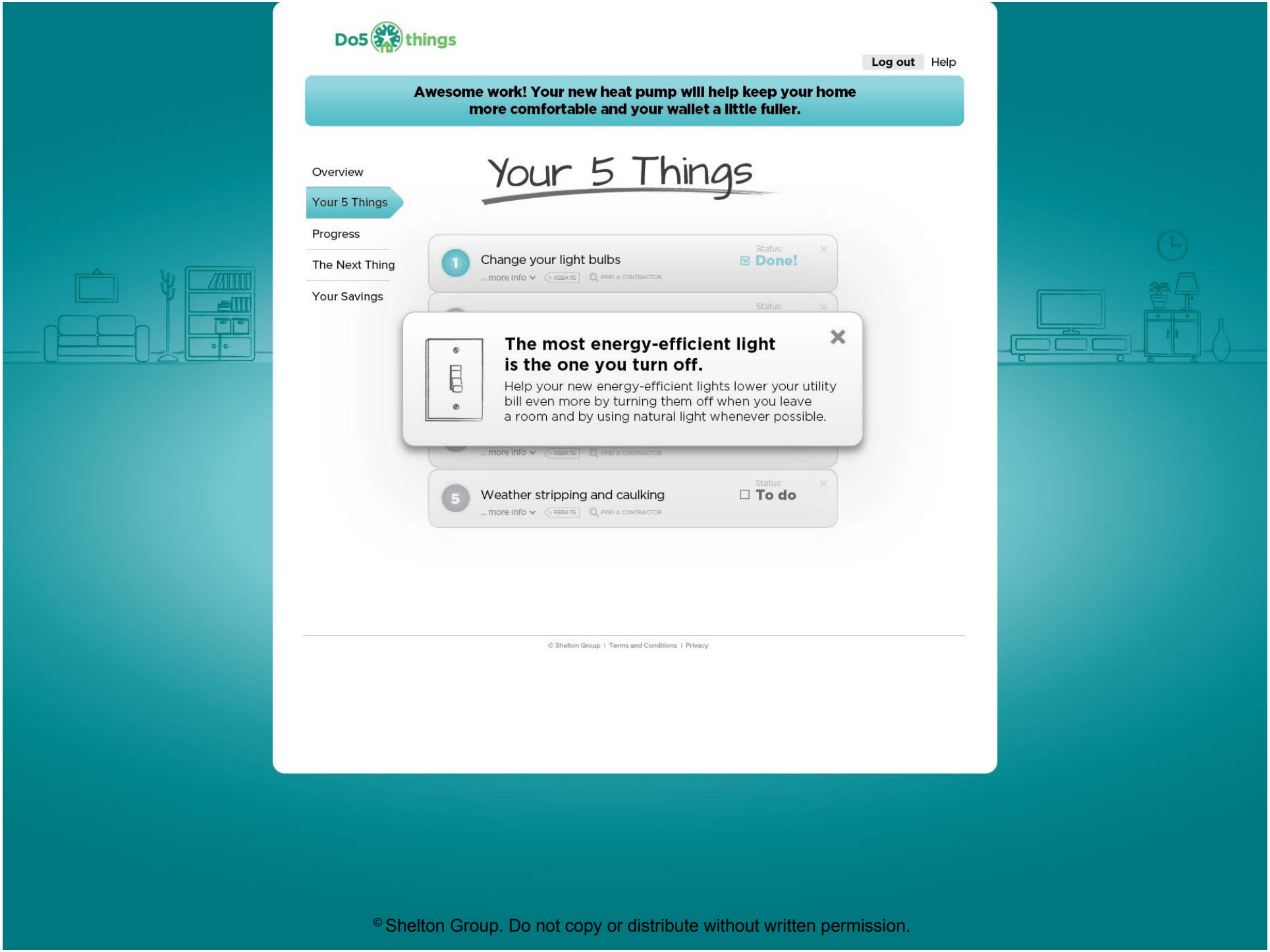

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Do5 things

Congrats!

You're one step closer to completing Do 5 Things.

1 2 3 4 5

Your progress as of **October 15, 2012** 1 of 5 things done

By replacing your old light bulbs with CFLs or LEDs, you've taken a big step toward keeping your hard-earned money where it belongs – in your pocket. Now lower your utility bills even more by clicking **here** to see what's next on your Do5 list.

Keep up the good work. Go to do5things.com today and get started on your second thing.

Next thing

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Takeaways

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Connecting the dots from values to action

- Make sure you're talking to the right audience
- Don't try to educate, spin or scare her into buying/ committing
- Connect to what she actually cares about:
  - Aligning her values with her purchases/actions
  - The broader story
  - Her health, conserving resources, energy independence
- Apply the principles of behavioral science
- Give a clear, prescriptive "ask"

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Discussion

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Thank you!

Suzanne Shelton
865.524.8385
sshelton@sheltongrp.com

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