



EcoPinion

Survey Report

Issue 1 – November 2007

The Green Gap: Communications and Language



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Summary

EcoAlign, a strategic marketing agency focused on energy and the environment, conducted a total of 1,000 online interviews the first week in November. The sample is balanced to match the U.S. population by age, gender, region and ethnicity.

The EcoPinion Survey confirms the existence of a green gap between the communications and language commonly used by companies and stakeholders in the energy and environment space and customers' understanding, acceptance and perceptions of value around terms such as energy efficiency, energy conservation, demand response, smart energy and clean energy.

The green gap in communications contributes to a growing misalignment between customers' stated intentions, e.g., their desire to be more green or frugal with energy consumption, and their actual behavior.

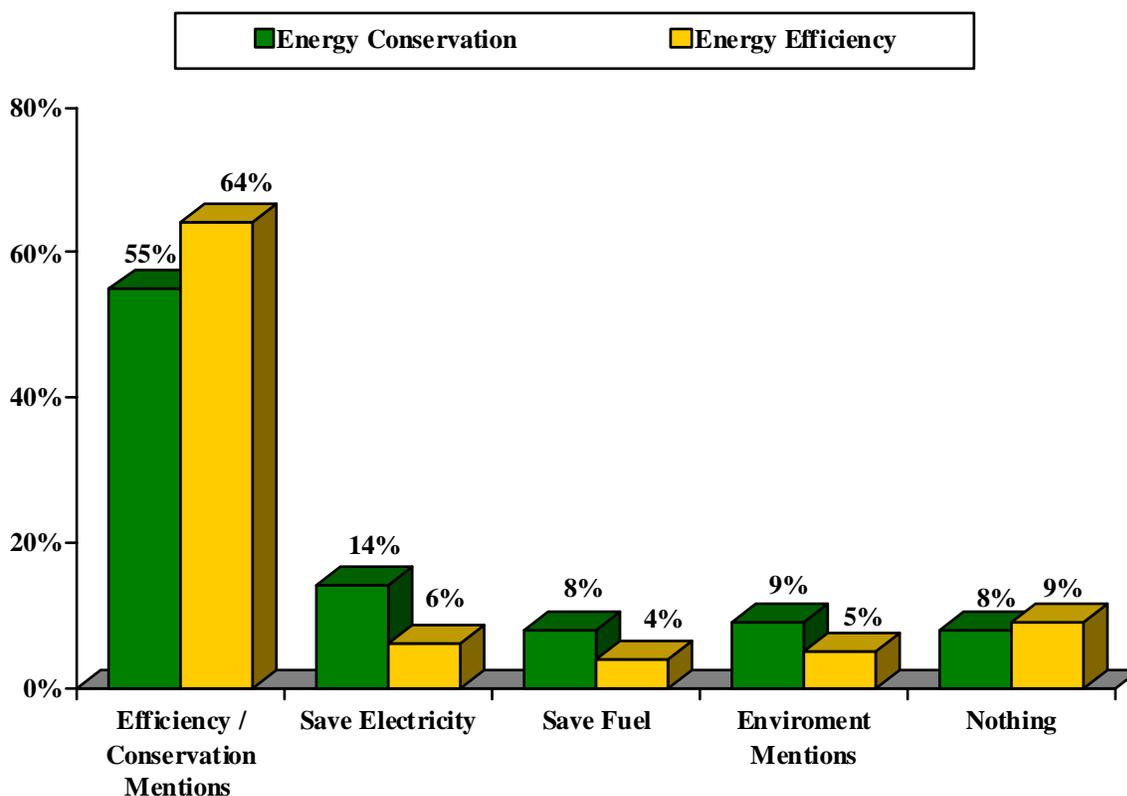
Top Line Findings

1. Most consumers can't articulate the difference between the phrases "energy conservation" and "energy efficiency," while only 13% of respondents think energy efficiency has to do with saving money or cutting down on fuel costs.
2. To conserve energy, a quarter of consumers try to buy energy efficient products, and 19% lower their thermostats, with women more likely to take actions around conserving energy.
3. Only about one third, 30%, of Americans understand the term "smart energy" and about the same amount, 32%, say they are not doing enough in terms of "smart energy."
4. One third of respondents do not know what "clean energy" signifies.
5. 41% of consumers polled don't know what "demand response" is, but nonetheless find it unpopular (44%), annoying (42%) and unhelpful (40%).

Energy Conservation vs. Energy Efficiency

There does not seem to be too much differentiation in the market between “energy conservation” and “energy efficiency.” When asked what these two terms mean, people generally gave generic descriptions including: use energy efficient appliances/light bulbs, conserve energy/power, consume less energy, don’t waste energy.

QB1a/B2a. What does the expression energy conservation/energy efficiency mean to you?



Additionally, when shown a list of definitions, and asked to choose which best fit each expression, one third of respondents chose the definition for smart energy as the definition for energy efficiency, while only 28% picked the correct definition. While 28% chose the correct definition for energy conservation, another 25% chose the definition for demand response.

The following table further illustrates the lack of understanding and blurring of the line between the terms. (Each respondent was presented with three of the five terms.)

Q. For each of the three expressions indicated below please select the best definition from among the offered choices.

Definitions	Energy Conservation	Energy Efficiency	Demand Response	Smart Energy	Clean Energy
The practice of decreasing the quantity of energy used while achieving a similar outcome. This practice may result in increase of financial capital, environmental value, national security, personal security, and human comfort	28%	22%	10%	13%	3%
Performing the same services but using less power	20%	28%	3%	15%	2%
Within the electric industry the mechanisms to manage the demand from customers in response to supply conditions, for example, having electricity customers reduce their consumption at critical times or in response to market prices	24%	8%	73%	12%	4%
The use of computers, electronics, and advanced materials to make energy use more efficient	11%	33%	8%	33%	5%
A term describing what is thought to be environmentally friendly sources of power and energy. Typically, this refers to renewable and non-polluting energy sources	16%	9%	6%	27%	86%

There does, however, seem to be some contrast when looking at the details of the open ended responses. Consumers tend to mention electricity, fuel and the environment more when describing energy conservation, while cost and the more generic description apply to energy efficiency. These percentages are also low, further illustrating consumers' inability to articulate specifics or provide examples of what these terms signify.

Some differences begin to appear among the age breakouts. The younger set, age 18 to 34, tend to use the words "conserve," "efficiency," and "waste less" in their responses. However, it is members of the 55+ group that, when asked what they are doing, have more concrete answers and are less likely than their younger counterparts to answer "nothing."

Additional differences emerge among the age groups, and even regionally, when responding to the question "what are you personally doing in terms of (energy conservation / energy efficiency)". In both cases, the 55+ age group is significantly more likely to mention conserving or saving fuel by driving less, driving hybrids or driving slower than the speed limit. They are also significantly more likely to mention lowering the thermostat or using less air

conditioning. It would seem the 55+ demographic is more likely to take action, while the younger group is more likely to use “buzz” words and less likely to articulate how that translates into action.

The Midwest lowers their thermostat more than any other region when asked about energy conservation, while the South cuts back on air conditioning. The Northeast and the Western regions are more likely to say that they buy energy efficient appliances. In terms of energy efficiency, the Northeast and the West are more likely to purchase energy efficient light bulbs.

And, since the US is gearing up for elections, we thought you might be interested to know that significantly more self identified “Independents” (25%) say they are purchasing energy efficient appliances compared to their Democratic or Republican counterparts, who both weigh in at 15%.

Respondents were also shown a list of adjectives and asked to pick the ones they thought best described the energy expressions. Energy conservation was described as valuable (62%) especially among the 55+ demographic, smart (58%), and community oriented (55%). Likewise, energy efficiency was perceived as valuable (64%) and smart (60%), as well as easy to use (53%), reliable (51%) and forward looking (50%). Females and respondents age 18-54 used the term valuable significantly more than those age 55+. Not surprisingly, respondents with household incomes less than \$50k were more likely to describe energy efficient as expensive.

Demand Response

Demand Response does not mean anything to most people. Twenty-six percent of respondents could not or did not answer the question, while another 15% answered “nothing.” So to 41% of the population, it has no meaning or relevance.

Thirty-seven percent answered that it meant a response was needed or there was a need to take action, while only 8% answered that it was a company’s response to consumer demands or the ability to provide service when demand is high. When asked what people were doing in terms of demand response, 39% said “nothing” and 32% either didn’t know or didn’t answer.

Not surprisingly, respondents picked adjectives such as authoritative (54%), unpopular (44%) and annoying (42%) to describe demand response. Only 15% chose easy to use. When shown the list of definitions, 73% chose the correct one for demand response.

This is clearly an industry term that, although not well understood by consumers, nonetheless carries negative connotations.

Smart Energy and Clean Energy

Almost one third of respondents do not know what “smart energy” means. Another 33% answered that smart energy means some type of energy conservation, and this was higher among females (37%) than males (29%).

Eighteen percent of respondents said smart energy is environmentally friendly energy, and this response was significantly higher among the 18 to 34 set. The 55+ group was more likely to say that smart energy is that which doesn’t harm or pollute the environment. Thirteen percent mentioned alternative energy and alternative energy technologies (solar power, wind power, etc). Only 3% of respondents mentioned fuel in their answers (as in fuel conservation or cleaner fuels).

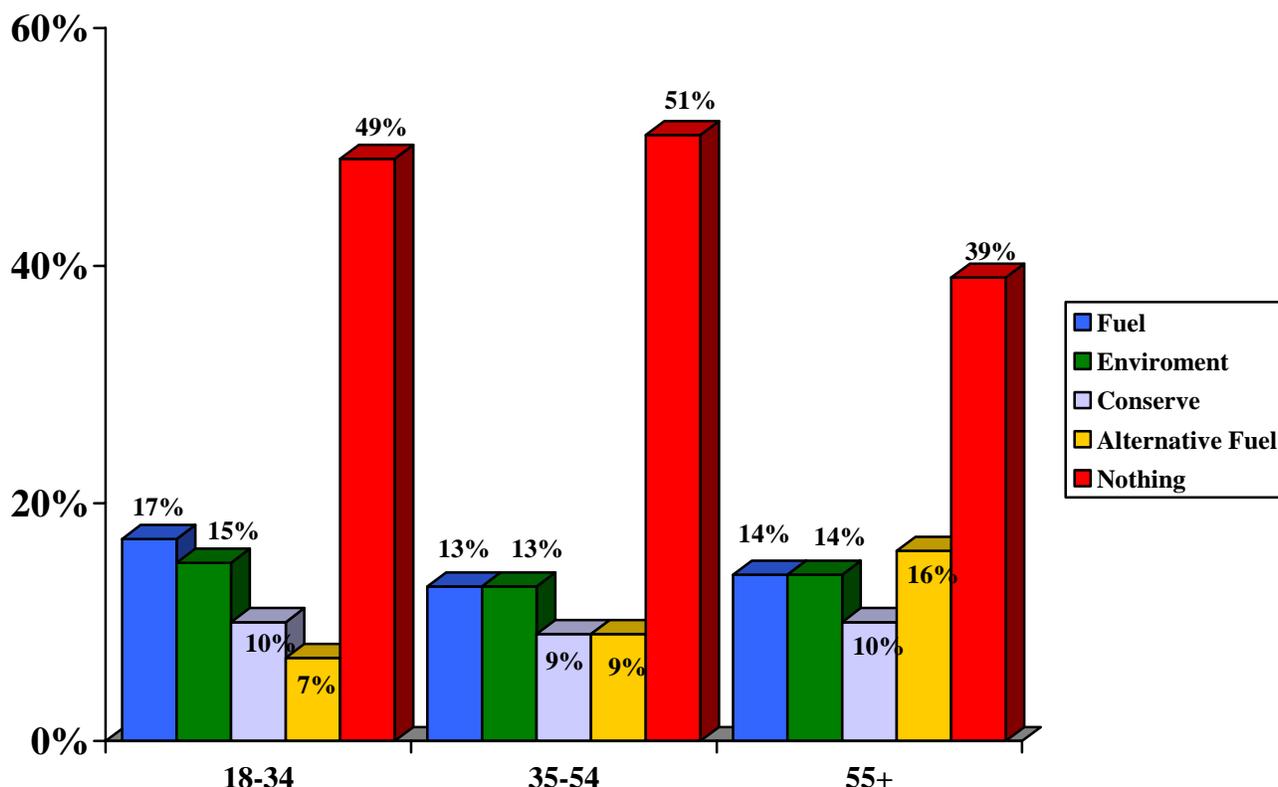
When shown the list of definitions, 33% chose the correct one, but an almost like percentage (27%) chose the definition for clean energy, further illustrating the lack of understanding.

When asked about what they are doing in terms of smart energy, over one quarter (26%) of respondents said they are doing nothing or not enough, and another 22% either did not know or did not answer. Not surprising, considering almost a third don’t know what it means.

More respondents seem to know or understand what the term “clean energy” means. Almost 50% answered that clean energy is energy or fuel that does not harm or pollute the environment, while 8% mentioned less or no emissions. Eighty-six percent identified the correct definition from the list.

Again, there were significant differences among the age groups when asked what they were personally doing in terms of clean energy. While the 35-54 set is more likely to drive a fuel efficient car than the 18-34 group, the 55+ set was more likely to use alternative energy, such as geothermal, propane and “better gas” than the 18-54 group. They were also much less likely to answer that they were doing “nothing” than their younger counterparts.

QB5b. What are you personally doing in terms of clean energy?



While perhaps not well understood, both smart energy and clean energy elicited positive responses from the adjective list. They are perceived as forward looking, smart, visionary, valuable and futuristic. Respondents in the Northeast are more likely to describe smart energy as “community oriented” than the other regions, while those in the South used the term “fun” and the Midwest was more likely to choose reliable. Interestingly, almost 20% of those ages 18-34 said smart energy is “unpopular.”

What Does it all Mean?

While there is a level of awareness regarding consumers’ energy and environment footprint, there is confusion and a lack of understanding surrounding the language and terms used within these industries. Perceptions regarding energy conservation, efficiency, smart energy and the like are muddled by consumer ignorance and this directly affects consumer-purchasing behavior.

Opportunity exists for companies and utilities to educate and guide consumers in the environment and energy space. By educating consumers

about the energy they use, their impact on the environment and what actions they can take, consumers will feel more confident in making changes. Clearly consumers are aware they could be doing more in terms of conservation and efficiency, but they don't know what to do and they don't think it will be easy. This is illustrated in the high percentages answering they are not currently doing enough and the low percentages choosing "easy to use" to describe any of the energy terms.

In addition, these changes do not have to be on a large scale. But consumers may not understand this. Only small percentages in this study are aware of, or purchasing energy efficient appliances or light bulbs or using alternative fuel sources. It is EcoAlign's position that the lack of understanding and education leads to consumer paralysis, but that by tracking consumer awareness, attitudes and behavior and by asking *different* questions to better understand consumers (and thus communicating with customers differently), the gap between the stated intentions of customers to be more conscious of their energy and environment footprint and their actual purchasing behavior can be closed.

For more information on adding future questions to be tested, the EcoPinion subscription series or for customized survey and research efforts, please contact Dana Cogar at (703) 869-7636 or dcogar@ecoalign.com.

For more information on EcoAlign, visit our website at www.ecoalign.com

Appendix

Table 1a. Energy Conservation

Q. What does the expression “Energy Conservation” mean to you?

Energy Conservation	Total (A)	18-34 (B)	35-54 (C)	55+ (D)
Energy conservation/efficiency (all mentions)	55%	63% (CD)	52%	49%
Fuel Conservation	9%	7%	9%	13%
Electricity Conservation	14%	16%	11%	15%
Water Conservation	3%	4%	3%	3%
Environment (all mentions)	8%	6%	8%	10%
Alternative Energy	4%	3%	2%	4%
Cost/Savings	3%	3%	3%	3%
Nothing/Don't Know/No Answer	8%	8%	9%	6%

(The letters denote statistically significant differences among data in the columns. The data in Tables 1a, 1b and 2 without such notations are not statistically different. Miscellaneous mentions are not included.)

Table 1b. Energy Efficiency

Q. What does the expression “Energy Efficiency” mean to you?

Energy Efficiency	Total (A)	18-34 (B)	35-54 (C)	55+ (D)
Energy conservation/efficiency (all mentions)	64%	66%	62%	64%
Fuel Conservation	5%	2%	7%	8% (B)
Electricity Conservation	6%	4%	9%	6%
Water Conservation	1%	1%	0%	0%
Environment (all mentions)	4%	4%	2%	6% (C)
Alternative Energy	4%	0%	0%	4%
Cost/Savings	13%	9%	16% (B)	14%
Nothing/Don't Know/No Answer	9%	11%	8%	8%

Table 2 Clean Energy

Q. What are you personally doing in terms of “clean energy”?

Clean Energy	Total (A)	18-34 (B)	35-54 (C)	55+ (D)
Energy conservation/efficiency all mentions	10%	10%	9%	10%
Fuel Conservation	15%	17%	13%	14%

Electricity Conservation	3%	2%	4%	2%
Water Conservation	1%	1%	0%	1%
Environment (all mentions)	14%	15%	13%	14%
Alternative Energy	10%	7%	9%	16% (BC)
Nothing/Don't Know/No Answer	47%	49% (D)	51% (D)	39%

Table 3: Adjectives to describe energy terms

Q. For each of the three expressions indicated below please select those words that can be used to describe that expression. You may choose as many words as you want and you may use a word for more than one expression. (ROTATE PRESENTATION OF WORDS. ALLOW MULTIPLE ANSWERS FOR EACH EXPRESSION.)

Adjective	Energy Conservation	Energy Efficiency	Demand Response	Smart Energy	Clean Energy
Forward looking	45%	50%	28%	57%	58%
Authoritative	24%	20%	54%	19%	12%
Smart	58%	60%	27%	70%	56%
Fun	23%	26%	12%	31%	25%
Annoying	18%	11%	42%	11%	10%
Community oriented	55%	42%	34%	35%	45%
Unpopular	24%	11%	44%	12%	17%
Visionary	36%	38%	27%	53%	55%
Old Fashioned	29%	18%	31%	11%	8%
Boring	20%	12%	35%	12%	10%
Futuristic	27%	35%	25%	56%	52%
Easy to use	38%	53%	15%	39%	34%
Expensive	16%	21%	31%	27%	44%
Valuable	62%	64%	27%	51%	55%
Unhelpful	14%	9%	40%	10%	8%
Reliable	35%	51%	21%	39%	35%

Definitions used:

Energy Conservation

The practice of decreasing the quantity of energy used while achieving a similar outcome. This practice may result in increase of financial capital, environmental value, national security, personal security and human comfort.

Energy Efficient

Performing the same services but using less power.

Demand Response

Within the electric industry the mechanisms to manage the demand from customers in response to supply conditions, for example, having electricity customers reduce their consumption at critical times or in response to market prices.

Smart Energy

The use of computers, electronics and advanced materials to make energy use more efficient.

Clean Energy

A term describing what is thought to be environmentally friendly sources of power and energy. Typically, this refers to renewable and non-polluting energy sources.

Methodology:

A total of 1,000 online interviews were conducted the first week in November. The sample is balanced to match the U.S. population by age, gender, region and ethnicity. (Online sample is provided by Survey Sampling International's (SSI) SurveySpot online panel. SSI is recognized as a leading sample provider to the market research industry.)

Consumers across the nation were surveyed on their understanding and acceptance of the following terms: energy conservation, energy efficiency, demand response, smart energy and clean energy. The first question was open ended, in order to gauge how consumers defined these terms in their own words. "What does the expression energy conservation mean to you?" and so on. Responses were then coded and categorized.

Consumers were then asked what they were personally doing in terms of each term, again open ended question with the responses coded and categorized. Lastly, they were asked to pick from a list the definition that best described each of the terms.

Although there were 5 terms, each respondent was asked, on a randomized basis, about only three in order to avoid responder fatigue.