Understanding Consumer Preferences in Energy Efficiency
Consumers – what do they think?

• Do end-consumers have a clear understanding of the impact of electricity consumption on the environment?
• Do they understand how they can optimize their electricity consumption?
• Do they feel social pressure to do so?
• What organizations do they trust to inform them about actions they can take to optimize their electricity consumption?
• Are they aware of electricity management programs?
• What are the drivers and barriers to adoption of electricity management programs?
Accenture has recently completed a survey to understand consumer preferences, behaviors, and attitudes towards electricity management programs. In January 2010, we surveyed 9,108 individuals in 17 countries.

**Countries Surveyed**

- Australia
- Brazil
- Canada
- China
- Denmark
- France
- Germany
- Italy
- Japan
- Netherlands
- Singapore
- South Africa
- South Korea
- Spain
- Sweden
- United Kingdom
- United States

**Global Scope**

- Minimum of 500 respondents per country
- Focus on urban populations in developing economies including Brazil, China, and South Africa
- Survey administered over the Internet
Top 5 Key findings

1. **Consumer Paradox** - There is a significant contradiction between consumer perceptions and their actual knowledge of energy efficiency.

2. **Trusted Advisor** - Consumers' first instinct is to contact utility/electricity providers for energy-efficiency activities, however, providers still need to build trust and credibility.

3. **Emerging Barriers** - While price remains a key factor to adoption, the extent of the utility/electricity providers’ control over energy use has emerged as a potential barrier.

4. **Channel Diversification** - Channels and contact points for utility/electricity providers to communicate with consumers are diverse.

5. **Complexity of Consumer Preferences** - Adoption of electricity management programs is influenced by fragmented and nontraditional consumer preferences.

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Key finding 1: Consumer Paradox

There is a significant contradiction between consumer perceptions and their actual knowledge of energy efficiency.

While 75% of survey participants indicated that they know how to optimize their electricity consumption, only 28% know of programs that enable them to do so.

"Do you think you understand enough about the actions you can take to optimize your electricity consumption?"

- 75% "Yes"
- 25% "No"

"Have you heard of programs that help you to optimize your electricity consumption (i.e., electricity management programs)?"

- 28% I have heard about them and know what they are
- 38% I have heard about them but do not know what they are
- 34% I have never heard about them

Base: All respondents

Source: Understanding Consumer Preferences for Energy Efficiency, 2010
Key finding 2: Trusted Advisor

Consumers' first instinct is to contact utility/electricity providers for energy-efficiency activities; however…

Utilities/electricity providers are the preferred source for electricity management programs.

“Who would be your first choice to deal with/be in contact with regarding each of the following situations?”

<table>
<thead>
<tr>
<th></th>
<th>Get general information on electricity management programs</th>
<th>Get customized advice on the best electricity management programs for your situation</th>
<th>Purchase or sign-up for an electricity management program</th>
<th>Contact for support regarding issues you may have with an electricity management program you have enrolled in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities/electricity providers</td>
<td>53%</td>
<td>45%</td>
<td>77%</td>
<td>77%</td>
</tr>
<tr>
<td>Consumer associations</td>
<td>15%</td>
<td>19%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Government/governmental organizations</td>
<td>10%</td>
<td>8%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Environmental associations</td>
<td>9%</td>
<td>8%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Home service providers</td>
<td>5%</td>
<td>8%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Academics/schools/scientific associations</td>
<td>4%</td>
<td>5%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Retailers/equipment manufacturers</td>
<td>4%</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Base: All respondents

Source: Understanding Consumer Preferences for Energy Efficiency, 2010
Key finding 2: Trusted Advisor

... utilities/electricity providers still need to build trust and credibility.

**Consumers do not necessarily view utilities/energy providers as trusted advisors for electricity conservation.**

“What organizations do you trust to inform you about actions you can take to optimize your electricity consumption?”

<table>
<thead>
<tr>
<th>Category</th>
<th>Do not trust</th>
<th>Neither trust nor distrust</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental associations</td>
<td>11%</td>
<td>36%</td>
<td>53%</td>
</tr>
<tr>
<td>Academics/schools/scientific associations</td>
<td>7%</td>
<td>42%</td>
<td>51%</td>
</tr>
<tr>
<td>Consumer associations</td>
<td>8%</td>
<td>43%</td>
<td>49%</td>
</tr>
<tr>
<td>Utilities/electricity providers</td>
<td>25%</td>
<td>46%</td>
<td>29%</td>
</tr>
<tr>
<td>Government/governmental organizations</td>
<td>26%</td>
<td>46%</td>
<td>28%</td>
</tr>
<tr>
<td>Online service providers (e.g., Google, Microsoft)</td>
<td>14%</td>
<td>66%</td>
<td>20%</td>
</tr>
<tr>
<td>Retailers/equipment manufacturers</td>
<td>27%</td>
<td>60%</td>
<td>13%</td>
</tr>
<tr>
<td>Home service providers (e.g., cable television provider, telecommunications provider, home security company, etc.)</td>
<td>28%</td>
<td>59%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Base: All respondents

Source: Understanding Consumer Preferences for Energy Efficiency, 2010

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Key finding 3: Emerging Behaviors

While price remains a key factor to adoption, the extent of the utility/electricity providers’ control over energy use has emerged as a potential barrier.

Consumers are placing emerging emphasis on control factors which are influenced by: personal home control, data privacy, security, lifestyle, and ‘big brother’.

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Relative importance of each component in the decision to adopt electricity management programs

- **Utility control**: 38%
- **Impact on your electricity bill**: 37%
- **Your environmental impact**: 17%
- **Your action required**: 8%

*Base: All respondents*

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**Utility control**
You may agree to allow your electricity provider to remotely reduce and limit the use of specific appliances and devices in your home at specific times of the day.

**Impact on your electricity bill**
You may take personal actions such as turning off appliances and equipment or allowing your electricity provider to remotely control equipment to reduce your electricity bill.

**Your environmental impact**
Changing when and how much electricity you use may reduce your environmental impact.

**Your action required**
Your electricity provider may alert you at various times of the day of high electricity-demand situations and you may or may not choose to take actions that interrupt your daily routine for up to one minute each time.
Key finding 4: Channel Diversification

Channels and contact points for utility/electricity providers to communicate with consumers are diversifying.

Customers’ preferred contact channel is highly dependent on the type of interaction.

“What would be your first choice to do each of the following?”

<table>
<thead>
<tr>
<th>Contact Channel</th>
<th>Get general information on electricity management programs</th>
<th>Get customized advice on the best electricity management programs for your situation</th>
<th>Purchase or sign-up for an electricity management program</th>
<th>Contact for support regarding issues you may have with an electricity management program you have enrolled in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over the Internet (website)</td>
<td>46%</td>
<td>33%</td>
<td>37%</td>
<td>31%</td>
</tr>
<tr>
<td>In person at your home</td>
<td>15%</td>
<td>22%</td>
<td>20%</td>
<td>4%</td>
</tr>
<tr>
<td>Paper mail</td>
<td>10%</td>
<td>8%</td>
<td>7%</td>
<td>12%</td>
</tr>
<tr>
<td>Email</td>
<td>8%</td>
<td>10%</td>
<td>7%</td>
<td>37%</td>
</tr>
<tr>
<td>Over the telephone</td>
<td>6%</td>
<td>11%</td>
<td>10%</td>
<td>37%</td>
</tr>
<tr>
<td>In-store</td>
<td>6%</td>
<td>9%</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td>TV/radio spots, programs</td>
<td>4%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>In-home energy display</td>
<td>2%</td>
<td>3%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>In your workplace</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Social media (i.e., web log, Twitter, Facebook</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>SMS-text message</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Base: All respondents

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Key finding 5: Complexity of Consumer Preferences

Adoption of electricity management programs is influenced by fragmented and non-traditional consumer preferences.

Six consumer segments have been identified according to their preferences for the different components of electricity management programs.

Indifferents
- Lowest willingness to take actions to reduce the use of major appliances in their home
- Higher acceptance of utility control

Skepticals
- Lowest acceptance of utility control
- Lowest trust toward utilities/electricity providers

Pragmatics
- Lower acceptance of utility control
- Higher sensitivity to electricity bill saving

Cost Conscious
- Highest sensitivity to electricity bill saving
- Higher impact of social pressure to drive them to take action

Eco-Rationals
- Highest interest in the reduction of their impact on the environment
- Higher impact of social pressure to drive them to take action

Proactives
- Highest willingness to take actions to reduce the use of major appliances in their home
- Lowest interest in the reduction of their impact on the environment

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## Understanding Consumer Preferences in Energy Efficiency

**Implications for energy providers**

<table>
<thead>
<tr>
<th>Collaborating with communities to increase education</th>
<th>Becoming a trusted advisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities/electricity providers need to actively promote education programs to eliminate the contradiction between consumer perceptions and their actual knowledge of energy efficiency.</td>
<td>Consumers instinctively want to turn to their utilities/electricity provider for energy-efficiency activities, but providers still need to build trust and credibility.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Providing multi-channel capabilities</th>
<th>Creating a consumer-centric organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities/electricity providers need to offer consumers more ways to interact for energy efficiency and conservation advice and service.</td>
<td>Differentiating services and capabilities to better meet a more active consumer base and diverse consumer preferences.</td>
</tr>
</tbody>
</table>