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National Survey: Consumers Face 'Green Fatigue' Focused on Price as Much as 'Greenwashing'

In Down Economic Year, Prices Fatigue Consumers Most When Considering Energy-Efficient Home Products

Knoxville, Tenn. – The well-known political mantra of the early 1990s, “It’s the economy, stupid,” may well take on new meaning in the green marketing and energy-efficiency sector this year to explain why consumers have lost a marked level of enthusiasm for energy-efficient home products, as well as for green housing itself.

The Shelton Group **Energy Pulse 2007** study (www.energypulse.org), just released today, indicates a significant, measurable downturn in purchase intent for a range of green home products, as well as rising skepticism about advertisers’ use of terms like “green,” “sustainable,” “earth,” and “eco-friendly.”

Energy Pulse 2007 documents that:

- Purchase intention for every energy-efficient home product evaluated is down from the study’s 2006 results.
- The total number of current conservation activities and energy-efficient product ownership averaged 3.00 in 2007, down from 3.63 in 2006; and the number of “very likely” energy-conservation activities and product purchases cited by consumers averaged only 2.49 in 2007, down from 3.74 in 2006
- When asked, “Would you choose one home over another based on energy efficiency?,” those who answered “yes” declined significantly in 2007 compared with responses in 2006, by 16.27 percentage points.
- Average response among consumers who think energy conservation is important in how it impacts their daily purchase choices and activities is down this year by five percent (72.3 percent thought it is important/extremely important in 2006; 67.26 percent think it is important/extremely important in 2007).

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–Suzanne Shelton,
CEO, Shelton Group

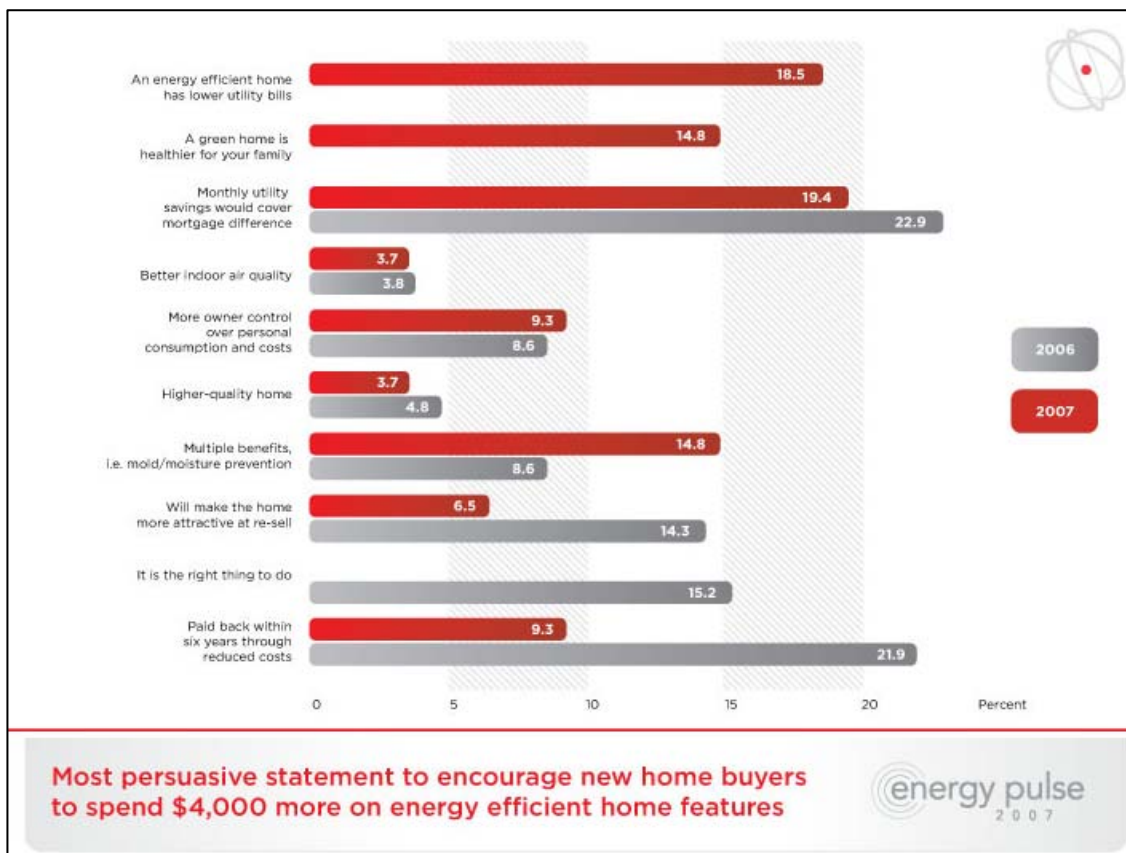
“In the past few years, consumers have been bombarded by the marketing messages of companies jumping on the green-friendly bandwagon,” said Suzanne Shelton, CEO of Shelton Group, which independently sponsored the study. “People are becoming much more inquiring about the bill of green goods being sold to them – not only in terms of ‘is it as ‘green’ as what they say it is?,’ but also ‘does it matter enough to me to pay extra?’”

According to Shelton, ‘energy-efficient’ is consistently equated to ‘more expensive’ in the minds of consumers.

“What consumers are often fatigued about in 2007 is the price differential – or at least the perceived price differential,” Shelton said. “But saying ‘save money’ when advertising an energy-efficient product isn’t necessarily good enough. Our research shows that consumers want proof. Messages also need to offer other subtle suggestions such as happiness, safety, peace of mind and security in order to resonate with what consumers desire.”

When asked which messages from a number of options would be the most persuasive to encourage home buyers to spend \$4,000 more on energy efficient or green features, the top three answers were:

- 1) Monthly utility savings would more than cover the difference in the mortgage payment
- 2) An energy efficient home has lower utility bills
- 3) (Tie) A green home is healthier for your family
- 3) (Tie) Many green / energy-efficient features have multiple benefits, such as better air-sealing, which helps reduce/prevent mold



Energy Pulse 2007 respondents also continue to have unrealistic expectations regarding the impact energy-efficient renovations can have on their utility bills, with respondents citing cost-savings expectations on average of 49-53 percent per month.

ABOUT SHELTON GROUP:

Established in 1991 and based in Knoxville, Tenn., Shelton Group is a full-service marketing and advertising agency providing award-winning research, market strategy, advertising and creative services to clients across the United States. Shelton Group specializes in successfully taking energy-efficient and green products and services to market. Energy Pulse methodology and other details are available upon request. www.energypulse.org