CRIBB Communications
Agenda

• Quant research
• Ethnography
• Brand and communications development
Quant Research

• 1600 Phone surveys of mid-high income households
  – Chose this group because they’re the most likely users of single family home financial product

• Summary of results (next)

• Continue segmentation analysis based on attitudes and beliefs towards home improvements and energy efficiency improvements
Summary of Findings

Need Recognition / Problem Awareness
• While most homeowners view energy efficiency improvements positively, they don’t necessarily believe it is urgent or a priority

Information Search
• Most homeowner believe their knowledge of energy efficiency is limited particularly on where to find information about financial incentive programs
• When considering a home improvement, recommendations from personal sources such as family and friends were viewed to be very important

Evaluation of Options
• When evaluating home improvement options, homeowners seem to be pragmatic and first consider replacement needs then functional benefits and financial impacts

Purchase Decision
• Homeowners who are very likely to make energy efficient improvements are thinking of making improvements in the shorter-term (within the next year)
• When asked about the types of improvements, owners expressed greater likelihood of making simpler improvements
• Costs were cited to be the top barrier to execution
• After hearing about potential financial incentive programs, 8% more respondents said that they would be very likely to make an improvement
• Loan programs were the least attractive option - programs which subsidized cost of the improvements had higher appeal
Market research provides insights as to how homeowners approach home improvement decisions

Home Improvement Decision Making Process

**Need Recognition / Problem Awareness**
- Homeowner recognizes a need or a problem triggering a decision to be made
- Recognition of a need may be triggered with (e.g., Home Depot) or without external marketing stimulus commercial (e.g., notice a light bulb has burned out)

**Information Search**
- Homeowner seeks to understand options available
- Multiple sources of information may be utilized:
  - Personal experience and knowledge
  - Personal sources (e.g., family, friends, neighbors)
  - Public sources (e.g., newspapers, TV)
  - Commercial sources (e.g., advertising, company web site)

**Evaluation of Options**
- Homeowner assesses value of the options to make a decision
- Evaluation criteria can include both objective and subjective considerations

**Purchase Decision**
- Homeowner decides:
  - To buy or not to buy
  - From whom to buy
  - When to buy
Pragmatically, homeowners perceive an improvement need when something is broken or in need of maintenance/repair

“When evaluating options for improving your home, how important is …?”¹

(scale 1-6)

Fix Something Broken
(N=1619)

Not Important: 2%
Somewhat Important: 11%
Very Important: 87%

Preventative or Maintenance Repair
(N=1613)

Not Important: 2%
Somewhat Important: 21%
Very Important: 77%

¹ Excludes respondents who didn’t know or refused to answer
Source: Booz & Company analysis

Booz & Company
Nov 10, 2011
While most homeowners view energy efficiency improvements positively.

“How strongly do you agree or disagree that energy efficient improvements ...
...?”

% Strongly Agree (Top 2 Box, scale 1-6)¹

- Results in lower costs over the long-run: 76%
- Results in higher home values: 58%
- Costs more than non-energy efficient improvements: 45%
- Makes sense only when there is clear financial benefit: 33%
- Lower your family’s comfort or require giving up things you enjoy: 11%

¹ Excludes respondents who didn’t know or refused to answer.
Source: Booz & Company analysis
energy efficiency improvements are generally not viewed as urgent or a personal priority

“How strongly do you agree or disagree that …?”
% Strongly Agree (Top 2 Box, scale 1-6)¹

- Energy efficient improvements are a priority for you: 48%
- You have already made a lot of energy efficient improvements to your home: 48%
- You or your family is already doing everything you can to reduce energy usage: 37%
- You would rather spend money on things for home other than energy efficient improvements: 19%

¹ Excludes respondents who didn’t know or refused to answer

Source: Booz & Company analysis

Booz & Company
Nov 10, 2011
Most homeowners do not feel they “know a lot” about energy efficiency improvements….

“How much do you feel you know about…”
% Know A Lot (Top 2 Box, Scale 1-6) ¹

- Where to find information about energy efficiency improvements: 53%
- What behavioral changes to make to reduce your energy usage: 53%
- The types of home improvements that would result in the biggest energy efficiency: 50%
- Your home’s energy efficiency: 41%
- Where to find contractors to make energy efficient improvements: 40%
- Where to find information about financial or other incentive programs for energy efficiency improvements: 31%

¹ Excludes respondents who didn’t know or refused to answer
Source: Booz & Company analysis
Booz & Company
Nov 10, 2011
...and almost half somewhat agree/disagree that it is easy to find energy efficient information

“How strongly do you agree or disagree that…It is easy or convenient to find energy efficient solutions”

Scale 1-6, N = 1618

1 Excludes respondents who didn’t know or refused to answer

Source: Booz & Company analysis

Booz & Company
Nov 10, 2011
When seeking information for purchase decisions, personal recommendations have the greatest influence.

“When considering a home improvement or evaluating different options, how important are recommendations from...?”

% Very Important (Top 2 Box, scale 1-6)¹

- Friends or Family: 56%
- Neighbors: 37%
- Repair / Service Technician: 35%
- Home Improvement Websites / Magazines: 26%
- Trade Associations: 25%
- Utility Companies: 22%
- Local, State or Federal Government Agencies: 21%
- Home Improvement Stores: 21%
- Religious / Community Organizations: 7%

¹ Excludes respondents who didn’t know or refused to answer

Source: Booz & Company analysis

Booz & Company
Nov 10, 2011
Believability of information may be an issue as respondents don’t perceive sources of information to be very reliable.

"Regarding information about energy and energy-efficiency, how reliable is/are…?"

% Very Reliable (Top 2 Box, scale 1-6)¹

- Government Organizations (e.g., Department of Energy, EPA): 42%
- Utility Companies (e.g., ComEd, People’s Gas, Nicor): 31%
- Non-Profit Organizations (e.g., Sierra Club): 29%

¹ Excludes respondents who didn’t know or refused to answer.
Source: Booz & Company analysis

Booz & Company
Nov 10, 2011
When asked likelihood of making energy efficient improvements in the next 3 years, 71% of respondents said they are “very likely”

“How likely are you to make any type of energy efficient improvement to your home or property in the next 3 years?\(^1,2,3\)
Scale 1-6, N = 1588

**Likely Timing of Energy Efficient Improvements**
Base: Those who are “Very Likely” to Make Home Improvements
N = 714

- **Very Likely (5-6)**: 46%
- **3-4**: 33%
- **Not Likely (1-2)**: 20%

Within next 6 months: 40%
Within next 1 year: 32%
Within next 2 years: 19%
Within next 3 years: 9%
Don’t Know / Refused: 1%

\(^1\) Includes only respondents who were asked likelihood of making and improvement prior to and after mention of program
\(^2\) Excludes respondents who didn’t know or refused to answer
\(^3\) Responses prior to mention of purchase, rebate or loan programs
\(^4\) Source: Booz & Company analysis

Booz & Company
Nov 10, 2011
Owners expressed greater likelihood of making simpler improvements

“How likely are you to...within the next 3 years?”
Base: Those more likely to make any type of energy efficient improvement
% Definitely Will (Top 2 Box, scale 1-6)¹

1 Excludes respondents who didn’t know or refused to answer
Source: Booz & Company analysis

Booz & Company
Nov 10, 2011
Financial reasons were the most frequently cited reasons for deciding not to make a home improvement.

Sample Financial Verbatim

Cost of Improvement (87% of total financial responses)
- "Because of the price. No other reason"
- "The cost. It's a question of priorities."

Financial Payback (8% of total financial responses)
- "Not worth the cost for the value received"
- "Never would have received the pay back for the initial investment"
- "A 20-year payback and annual maintenance are needed"
- "The energy savings payback was too long"
- "The cost factor outweighed the resale value of what we would get back"
- "Not putting any more money in the house because the market is crap. Will I retain my value?"

Don’t have the Money (5% of total financial responses)
- "No funds. We’re in a recession. I live from payday to payday, and barely have enough money for the gas bill"
- "We can't afford it right now, my husband is laid off. I would have done it, but with him not working, we can't do it"
- "I don't have the money. If there is a program from the government it would be affordable"
- "We’re saving to do it with money instead of with credit"

Other (2% of total financial responses)
- "I just didn't know if it would be a wise use of money, liquid cash"

Only 2 respondents cited they couldn’t get financing to make the improvements

Base: Those who considered home improvements but decided against
% of reasons mentioned and not % of respondents
N=767

1 Excludes respondents who didn’t know or refused to answer
2 Other includes information access, condition of house, life changes (such as pregnancy), permission denial, weather, found better option, energy costs already low, esthetics, and other

Source: Booz & Company analysis

Booz & Company
Nov 10, 2011
Likelihood of making energy efficient improvements increased by 8% after respondents heard about potential incentive programs

“How likely are you to make any type of energy efficient improvement to your home or property in the next 3 years?
Scale 1-6, N = 1580

Before Mention of Purchase, Rebate or Loan Programs

- Very Likely: 46%
- Somewhat Likely: 33%
- Not Likely: 20%

After Mention of Purchase, Rebate or Loan Programs

- Very Likely: 53%
- Somewhat Likely: 31%
- Not Likely: 16%

1 Does not include respondents who refused to answer or don’t know
Source: Booz & Company analysis

Booz & Company
Nov 10, 2011
Homeowners are much more likely to make an energy efficient improvement if costs are subsidized.

“How much more likely would you be to make an energy efficient home improvement if … for energy efficient home improvements were made available?”

% Much More Likely (Top 2 Box, scale 1-6)

- Tax Credit: 60%
- Purchase Rebate: 54%
- Loan: 18%

1 Does not include respondents who refused to answer or don’t know
Source: Booz & Company analysis
Ethnography Research

• Anthropologists from The Field Museum
• In-depth research and observation, interviews in 7 communities (2008-present)
• 5 additional communities (2011-2012)
Research Methods

- Participant observation
- Interviews
- Focus groups
- Visual activities
- Storytelling
- Social network surveys
Approach

Studies completed 2008 to present

1. SOUTH CHICAGO
2. NKO/BRONZEVILLE
3. POLISH COMMUNITY
4. PILSEN
5. SOUTH ASIAN COMMUNITY
6. ROSELAND
7. FOREST GLEN
Studies to be completed 2011 to 2012

- AUSTIN
- CHINESE COMMUNITY (CHINATOWN, UPTOWN)
- NORTH EAST SIDE
- CHINESE COMMUNITY (CHINATOWN)
- MIDWAY AREA
- BEVERLY

*Contract pending*
Many recognize the seriousness of global climate change and the importance of caring for the natural environment, but generally do not connect it to their lives in Chicago.

- lack of urgency
- invisibility of problems

- someone else’s agenda
- fault of big business/government
Recommendations

- Make climate change feel local, personal, and actionable, in part by linking it to issues that residents care about.
- Identify and support culturally diverse environmentally-friendly traditions and values.
- Present climate change as an international/transnational issue, addressing ethnic communities’ connections to their homeland cultures.
Beyond Environmental Action

Even if they are skeptical about climate change, residents already engage in green practices for a variety of reasons:

- cost savings
- sense of communal responsibility
- cultural traditions/heritage
- community beautification
- health
- youth development
- social pressure
Recommendations

• Start where people are at: showcase and reward the practical and creative ways communities are already engaged in climate-friendly practices.

• Create campaigns that address particular fears & concerns and that frame stigmatized practices in a positive light.

• Link DIY practices to larger, structural green solutions (e.g. retrofits).
Ranking Energy Practices

**High Ranking**
- using CFLs
- turning off lights & appliances
- opening windows & using drapes
- using energy-efficient devices

**Low Ranking**
- retrofitting
- using renewable energy
- building green
- installing green roofs
Barriers to Structural Change

- Practical barriers to making larger changes include upfront cost and renter-landlord arrangements.
- Many residents feel they lack the expertise to deal with contractors/inspectors and are wary of contractor scams and home energy ‘inspections’.
- Aging or deteriorating housing stock precludes some residents from getting retrofits.
- Co-delivery programs become problematic when remediation resources have not been identified.
Barriers to Structural Change

• Some residents are taking actions based on marketing (e.g. windows) and on their own perceptions of their homes’ needs instead of pursuing energy audits.

• A lack of centralized, actionable information on energy efficiency beyond mainstream measures leaves residents unsure of how to proceed.

• Many communities are beginning to organize around green building jobs but are concerned that they will be left out of the larger movement.
Residents who retrofit do so for a variety of reasons:

- comfort
- beautification/pride
- noise abatement
- cost savings
- maintaining property value
- environmental impact
Recommendations

• Develop retrofit programs that use trusted local contractors and liaisons from trusted local organizations during energy audits and construction.

• Enlist a handful of influential and trusted homeowners to get energy audits and share their experiences with their communities.

• Provide comparative informational tools that allow residents to prioritize energy efficiency steps, locate qualified providers, and easily utilize rebate and credit programs.

• Create retrofit programs that connect energy efficiency to the other benefits people see in retrofitting.

• Find a way to make retrofitting a visible and talked about status symbol.
Word-of-Mouth

Word-of-mouth is an essential source of community information and provides credence to information that residents receive through other channels.
Findings V: Communications

Recommendations

• Create word-of-mouth campaigns through informal communications networks.

• Educate local opinion leaders on climate change and deploy them as climate action ambassadors.

• Tap into suburban, trans-regional, and trans-national networks.

• Provide support for communities to develop green demonstration sites, including through public arts programming.
Findings V: Communications

Recommendations

• Link climate action to topics that already receive significant coverage in local media, and pitch media stories about Chicago’s climate action work to international media outlets.

• Work with CBOs to drive website usage and to provide community-specific information about climate action resources.
Findings VI: Models for Engagement

- Green Demonstration Communities
- Gardening/Urban Agriculture
- Art & Heritage
- Youth Development/Education
Communications Process

• Fleishman Hillard and Fathom
• Campaigns area developed for the RFP
• Campaign development currently on hold
  – Overall branding and brand strategy is priority and will inform the communications