

# THE CONSUMER VIEW – WHAT WE KNOW TO DATE AND WHERE ARE THE GAPS

- 1) Principles of consumer purchasing behaviour – What general consumer behaviour tells us about how people buy houses and other things?

## Research extracts:

**Considerations taken into account by purchasers of newbuild properties [Taken from New Home Buyers Survey, Energy Saving Trust / YouGov, April 2007]**

**Question:** Which three of the following were most important to you when choosing your current 'new build' property?

- 1) Better location (52%) i.e. exactly where you want to live and/or work
- 2) Value for money (48%) e.g. developer deal, no stamp duty etc
- 3) Higher quality (41%) e.g. minimal maintenance requirements, better finishes, modern conveniences
- 4) Style of property (31%) i.e. modern, traditional etc
- 5) More convenience (23%) i.e. simplicity of purchasing, no onward chain etc
- 6) Size and flexibility of living space (22%) i.e. buying off plan
- 7) Proximity to services (19%) e.g. schools, shops, leisure centre
- 8) Running costs (15%) i.e. bills, services etc

**General purchasing habits [Taken from Sustainable Consumption: Green Consumer Behaviour When Purchasing Products, Sustainability Research Institute, 2008 [<http://www.idea.leeds.ac.uk/documents/Young.pdf> ]**

With knowledge of the general purchasing process of green consumers, the key factors that will help green consumers purchase a more ethical technology product are:

1. The consumer's green value is strong;
2. The consumer has purchase experience;
3. The consumer has plenty of time for research and decision-making;

4. S/he has good knowledge of the relevant environmental issues;
5. Green products are reasonably available; and,
6. The consumer can afford and is prepared for the financial costs.

2) Framing the current marketing challenge – that is: the buyer / builder gap.

#### **Research extracts:**

##### **Housebuilder industry view of consumer acceptance of low/zero carbon homes [Taken from NHBC Foundation research report, Zero carbon: what does it mean to homeowners and housebuilders?]**

Consumer acceptance is a key consideration for commercial housebuilders; if they do not build homes that homeowners want to live in and purchase they will not survive. Builders believe that only one of the features likely to be found in a Code home will prove highly attractive to homeowners and that is high levels of thermal insulation. Builders believe that new heating technologies, rainwater harvesting and offsite microgeneration will each be reasonably acceptable.

They are ambivalent about the acceptability of higher standards of airtightness but they tend to believe that consumers will not find the following aspects acceptable:

- Grey water recycling
- Community microgeneration
- Lower water usage
- Property level microgeneration
- Higher proportion of leasehold homes.

Builders believe that the real 'deal-breakers' for consumers will be:

- Additional service and maintenance responsibilities for microgeneration, water conservation and ventilation systems.
- The lack of gas appliances.
- The lack of power showers.

3) Exploring level of consumer knowledge about low/zero carbon – and views on look, style, technologies of low/zero carbon homes.

#### **Research extracts:**

##### **Consumer knowledge on climate change / zero carbon homes and associated technologies [Taken from NHBC Foundation research report, Zero carbon: what does it mean to homeowners and housebuilders?]**

- Few were aware that 27% of UK carbon emissions comes from housing stock.

- Nine out of ten homeowners surveyed agree that climate change is happening, but only 45% agree that this is mainly caused by CO<sub>2</sub> emissions.
- More than 30% said they were aware of a government initiative to reduce CO<sub>2</sub> emissions from housing – the most widely mentioned was the new Energy Performance Certificates. Just under half were aware of the term 'zero carbon home'.
- Knowledge of microgeneration is limited. Although most are aware of solar panels and wind turbines, there is little awareness of the actual types of technology that builders will need to incorporate to deliver the required energy generation for a zero carbon home.
- The experience consumers have with microgeneration technology is mostly limited to solar panels on roofs and rechargeable batteries. There is very little knowledge of products like photovoltaics and ground source heat pumps.
- There is concern among homeowners about the additional costs, the reliability of the technologies and environmental impacts such as noise pollution. However, those owning new homes would, in principle, be fairly interested in purchasing a home incorporating microgeneration.
- Very few have come across the term airtightness and most associate this with draughts from windows and doorways.
- There is a general perception that fresh air is required to maintain the health of both a home and its occupants.
- It is therefore not surprising that airtightness emerged as a source of great concern for homeowners, because of fears that increased airtightness may restrict access to fresh air and ventilation.

#### 4) Other barriers / issues influencing consumer opinion.

##### **Supplementary questions:**

- Are there any other social, cultural, financial or political barrier / factors, which you believe are influencing or affecting consumer opinion of low / zero carbon homes?

# MARKETING THE PROPOSITION

- 1) Current language / messaging techniques used to market low/zero carbon homes.

## **Supplementary questions:**

- What language / messaging techniques are used to market energy efficiency to the consumer?
- What language / messaging techniques are used to market renewable technologies to the consumer?
- What language / messaging techniques are used to sell the benefits of low carbon homes to the consumer?

- 2) Pros and cons of these.

- 3) Initial view as to how messaging can be made more effective.

## **Supplementary questions:**

- What examples are there where language / messaging have been simplified to make potentially complicated or technical information palatable to the consumer?
- What areas should the messaging focus on to make selling low carbon homes simpler.

# UNDERSTANDING CONSUMER NEEDS AND WANTS

- 1) Consumer research proposal – are there any gaps?

## Summary of the research proposal:

Delivery date - 28. February 2009

- 1) Craft the current technical definitions/ scenarios of a zero carbon home into consumer language – and possibly visual material
- 2) Quantitative survey
  - Target to be mainstream attitude as opposed to only potential purchasers of new build ( latter would be too small a sample)
  - Questioning will look at level of awareness, understanding, reaction to features and benefits, and clarity of zero carbon language
- 3) Preparing analysis, conclusions and recommendations
  - Analyse all above and prepare conclusions and recommendations.
  - Possible additional follow-up interviews with builders, housing residents / managers, Innovation Park ( as above ) etc to clarify aspects identified in research