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Zero Carbon Homes: Creating the marketing programme



energy saving trust™

Contents

1	Introduction.....	1
2	Stage 1 – part 1.....	1
3	Management summary.....	2
3.1	Introduction.....	2
3.2	The current case - a topline review of the debate to date.....	3
3.3	An analysis – what is needed / direction to take to engage the consumer	4
3.4	Recommendations - where does the issue need to go from here?	
6	Knowledge to date.....	
	The current case – topline review of the debate to date.....	7
5	Analysis.....	20
5.1	What is needed / direction to take to engage the consumer.....	20
5.2	Where have we come from? – Sources and gaps.....	20
5.3	What does this mean?.....	22
5.4	So how to reflect all this in a marketing strategy?	23
5.5	A word on product	26
5.6	What is the option?.....	26
5.7	The Consumer – the target market.....	27
5.8	How to change this direction? The solution is:	27
5.9	So what are the messages to the consumer?	29
5.10	How to begin?	30
6	Recommendations	30
6.1	Where does the issue need to go from here?.....	30
6.2	Where to begin?.....	31
7	Appendix 1 – Workplan for Consumer Engagement Workstream	34
7.1	Background	34
7.2	Creating consumer demand	35
7.3	Implications for the Consumer Engagement Workstream	35
7.4	How to proceed – a recommendation.....	36
7.5	Outline development plan.....	36

8	Appendix 2 – Existing materials	37
8.1	Existing materials – 2005	38
8.2	Existing materials – 2006	39
8.3	Existing materials – 2007	40
8.4	Existing materials – 2008	44
8.5	Existing materials – 2009	51
9	Appendix 3 – Experts input - individual interviews with industry side	52
10	Appendix 4 – Consumer viewpoint (secondary)	53
	Appendix 4 – Consumer viewpoint (primary)	55
10.2	Pulse group programme	55
10.3	Online omnibus	56

Authorship

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1 Introduction

It is government policy that all new homes will be built to Zero Carbon status by 2016 with a staged lead-up beginning in 2009. The Zero Carbon Hub, in partnership with other organisations, has been charged with delivering this policy. Specifically, it is charged with “facilitating the mainstream delivery of low and zero carbon homes”.

Within the Zero Carbon Hub, the Consumer Engagement Workstream is charged with working with industry to create a marketing plan to “help raise consumer awareness and generate demand for low and zero carbon homes”.

The Energy Saving Trust, as experts in consumer engagement on issues of energy efficiency, micro-renewables, transport, water efficiency and waste reduction has seconded a manager, Matt Robinson, to oversee the direction of the Consumer Engagement Workstream.

As its first task, the Consumer Engagement Workstream, with the assistance Sinclair Barnes Limited, has created a Workplan to develop the marketing plan. The Workplan is included in the Appendix. This document covers the report for Stage 1 – Part 1.

2 Stage 1 – part 1

The focus of this document is to provide a sense of the debate to date from the viewpoint of the consumer. Specifically, it considered: “what is the extent of the current case for marketing new homes to an increased standard of energy efficiency / carbon saving?”

It looks at what is known and where gaps remain.

The document concentrates on Consumer Engagement in the buying process and specifically that related to marketing (and marketing messages) - as opposed to looking at the specifics of the zero carbon features and technologies themselves.

The key deliverable of this report is to provide:

- The current case - a topline review of the debate to date
 - “what is the extent of the current case for marketing new homes to an increased standard of energy efficiency / carbon saving”
 - what is known – where are the gaps
 - Sources used:
 - existing materials – reports, existing research
 - experts input - discussions with industry players
 - consumer viewpoint
 - Secondary

- feedback from test / show / prototype homes
- Primary
 - inclusion in a pulse group programme
 - specifically re definition of zero carbon
 - a topline 2,000 sample online omnibus survey
 - focus on messages, articulation & language in respect of features, benefits and motivations
 - An analysis – what is needed / direction to take to engage the consumer
 - a) what type of marketing is needed
 - b) to whom – priority target audiences
 - c) with what type of messages
 - i. and language
 - Recommendations - where does the issue need to go from here?
 - a) what marketing development is now needed
 - b) by whom
 - c) what tools – further consumer research? prototype testing?

This initial deliverable will lead into:

- Part 2 - Develop and test concepts
 - Concepts in respect of consumer choices
 - To be developed within new home marketing category conventions
 - Developed with industry input

3 Executive summary

3.1 Introduction

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The document concentrates on Consumer Engagement in the buying process and specifically that related to marketing (and marketing messages) - as opposed to looking at the specifics of the zero carbon features and technologies themselves.

The report covers:

- a) The current case - a topline review of the debate to date.
- b) An analysis – what is needed / direction to take to engage the consumer
- c) Recommendations - where does the issue need to go from here?

This deliverable leads into Stage 1, Part 2 – Developing and testing concepts.

3.2 The current case - a topline review of the debate to date

The reports reviewed were written between 2005 and 2009 and fell into two broad areas:

- Understanding consumer behaviour, attitudes and motivation to sustainable housing
 - from various angles – from features to ways of funding.
- Understanding the industry attitudes and actions
 - from how new homes are sold, to planners attitudes
 - to actions regarding climate change mitigation.

In the main, the reports were commissioned for the purpose of understanding dynamics regarding the sustainable housing issue as opposed to as a pre-cursor to creating an actual market and developing a marketing plan. So to that end, they form a useful background to the issue as opposed to a basis on which to develop an actionable plan.

Significant points:

- Taken together, the reports show a consensus on the broad issues – specifically the direction of will on both the supply side and the demand side to push for more energy-efficient solutions.
- They show that, even without the 2016 mandate, this is a strategic and market-directing issue for the housing market and not just a passing fashion
- The reports show us the arc of the consumer behaviour on this issue. Of significance is the similarity of this consumer behaviour to that in similar social issue fields and also in motivation and purchasing behaviour in respect of consumer goods. This is very helpful as it gives us an indication of how this topic could progress by observing how consumers behaved in similar societal and purchasing situations
- In terms of gaps, there are two:
 - the information provides background as opposed to direction in terms of developing a marketing plan.
 - the weight of the available information is skewed to the environmental/ carbon side of the issue because:
 - this area has been extensively researched
 - and reports are in the public sector
 - reports from the housebuilding industry are increasingly of commercial value to the developers themselves and therefore not publicly available.

Working with the industry and going forward to the next stages of this project, we will seek to fill these gaps but moreover will concentrate on taking the debate forward to support a workable marketing plan.

3.3 An analysis – what is needed / direction to take to engage the consumer

A review of the current issue, including reviews of the sources described above show that both consumers and industry have a common objective of moving to more energy-efficient homes. They each have different motivations:

- For the consumer – “if it’s right for my lifestyle”
- For industry – “if it’s right for my business”

To bring these two sides closer together and to move the issue along requires a consumer-centric marketing strategy which:

1. Re-focuses the issue
 - a) from a policy to a product
2. Re-frames the issue
 - a) from zero carbon homes
 - b) to homes which are zero (or lower) carbon.

In doing this, the tenor of the debate is changed from negative to positive and the propositions on both sides become more motivating:

- The consumer:
 - “I want to buy a home for me and my family. I like the idea of a new home which has advantages for me over an existing house. And I want it to be built to the most modern and effective standards”
- The industry:
 - “Our business is to build and sell mainstream homes – and specifically new homes. We will differentiate by building these homes to increasingly higher standards in building, lifestyle amenities and community life”

With regard to targeting the consumer, it is important to keep in mind that – in the consumer’s perception – there is not currently a zero (or low) carbon housing market. Therefore that market needs to be created in reality (product, proposition and messages) before it can be marketed into.

Similarly, before creating a marketing strategy aimed at a stratified and segmented market, one must first create broad public awareness of this market and public appeal for its products and innovations. So recommended targeting would be:

- First to the general public
 - to raise broad awareness of issues, trends and innovation in new houses and opportunities for the consumer
- Then to specific targets i.e. homebuyers
 - to generate demand
 - to segment with different offers

Essentially, looking from the viewpoint of the consumer – who is the ultimate target - the market for low and zero carbon homes needs to move from an “I should” market to an “I want” market. Furthermore, energy efficient and renewables features need to be normalised within home design and home buying to the point where they cease to be unfamiliar options to the point where they become standard in new, modern, innovative homes.

3.4 Recommendations - where does the issue need to go from here?

Creating the market begins by developing an actual, realistic product proposition. The next task of the Zero Carbon Hub Consumer Engagement Workstream project begins by creating the concepts for that proposition.

Here are the steps.

3.4.1 Step 1 – create the product

- Even if initially a prototype
 - CGI etc
- Must be portrayed via category conventions
 - that consumers recognise
 - marketing in a way they are used to
 - that developers recognise
 - marketing that fits their goals and marketing conventions
- And covering the zero carbon trajectory
 - the development benchmarks between now and 2016.

3.4.2 Step 2 – test against a realistic target

- Combination of
 - general public – to create public discourse
 - new home buyers
 - against current demographic - new homes buyers
 - target via current developments
- Need to include (but not be exclusive to) eco-aware
 - otherwise, it remains niche
- But equally begin to identify early adopters
 - variables from DIY'ers to greens to design-led

4 Knowledge to date

4.1 The current case – topline review of the debate to date

4.1.1 Introduction

We approached the information-gathering from two angles

- The industry side
 - Using mostly the reports and studies which have backed up the stances of both the housing issues and the zero carbon issues
- The consumer side
 - What the consumer would find if they viewed the debate from a non-industry standpoint.

The aim was neither to re-visit the issues nor to make the case for any type and level of housing. Rather the aim was to start from the point of view of what is needed to generate consumer engagement and buy-in to homes which will - by legislation - be built to a new zero carbon standard. We wanted to discover what information was available that was helpful to this case, what was working against it and where there were gaps.

To do this, we used the following sources

- Existing materials – reports, existing research
- Experts input - discussions with industry players
- Consumer viewpoint
 - secondary
 - feedback from test / show / prototype homes
 - primary
 - inclusion in a pulse group programme
 - specifically regarding the definition of zero carbon
 - a topline 2,000 sample online omnibus survey
 - focus on messages, articulation & language regarding features, benefits and motivations

The following pages summarise the findings. Further detail is included in the Appendix.

4.1.2 Previous reports and research

The research and reports considered to this stage have been largely sourced from the Energy Saving Trust and the NHBC. There is no pretence that this is an exhaustive literature survey – but more an indication of where the debate sits in terms of the two main sides of the debate.

The reports fell into two broad areas:

- Understanding consumer behaviour, attitudes and motivation to sustainable housing
 - from various angles – from features to ways of funding
- Understanding the industry attitudes and actions
 - from how new homes are sold, to planners attitudes
 - to actions in respect of climate change mitigation

In the main, the reports were commissioned for the purpose of understanding dynamics regarding the sustainable housing issue as opposed to as a pre-cursor to creating an actual market and developing a marketing plan. So to that end, they form a useful background to the issue as opposed to a basis on which to develop an actionable plan.

Having said that, these reports – which date from 2005-2009 - are useful in terms of looking at the issue in a number of different ways. All the reports are relevant and have been professionally conducted. It should however be remembered that they varied in terms of objectives, target audiences, test inputs and context. What that means is that there is not necessarily consensus on the detailed findings (and in fact, particularly taken over time and with different target audiences, some of these details contradict each other). What is evident however, is a consensus on the broad issues – specifically the direction of will on both the supply side and the demand side to push for more energy-efficient solutions.

And for the purposes of this investigation, that is the real value of these reports. Taken as a whole, they set a scene which shows that while this issue is moving slowly, findings are remarkably consistent through time (2005-2009). Furthermore, they show that, even without the 2016 mandate, this is a strategic and market-directing issue for the housing market and not just a passing fashion.

The reports also show us the arc of the consumer behaviour on this issue. It is significant to note that its pattern is consistent with consumer behaviour in similar social issue fields – such as obesity, alcohol and smoking and also in behaviour in respect of consumer goods – for example, consumer technology. This is very helpful as it gives us an indication of how this topic could progress by observing how consumers behaved in similar societal and purchasing situations.

In terms of gaps, the main gap – as stated – is that the information provides background as opposed to direction in terms of developing a marketing plan. There is a sense that the debate really needs to move to the next stage in terms of making a case to the consumer that is clear, relevant and motivating.

The other gap is that the weight of the available information is skewed to the environmental/ carbon side of the issue. Some of the report authors comment on this as well. Our conclusion is that this is a consequence of a number of issues – from the fact that sustainability is a

current policy hot topic to the fact that much of the material is publicly funded and therefore in the public domain. The housebuilding industry is certainly examining and acting on this issue but their findings are increasingly of commercial value to the developers themselves and therefore not publicly available.

Going forward, one of the benefits of the Zero Carbon Hub might be to bring together in a collaborative fashion information which can present the most balanced picture available.

Key findings from the reports consulted are as follows:

Consumers

- Consistent with classic home purchase motivations – “location”, “good quality” and “value for money”
- Overall “social” desire for energy efficiency
 - a consistent feeling that as a society we must “solve” the problem of energy efficiency caused by climate change and energy security
 - but a “social” desire in that it must be tackled together – not as individuals
 - and almost overwhelmingly, this should be led by government policy
- A willingness to take individual actions
 - evidence is that “do-able” solutions are subscribed to
 - energy-saving lightbulbs
 - recycling - almost oversubscribed
 - plastic bags – huge response & market change
- No perceived “solution” regarding eco/green/sustainable housing
 - partly because it is less “do-able” via individual action
 - more a societal project
 - partly because current examples / choices are perceived to be non-mainstream
 - sustainable housing examples exist
 - but are few in number
 - majority are niche, experimental or social housing
- Motivations are multi-layered
 - range from the common good
 - to practical issues
 - comfort levels
 - lower costs
 - but act in combination
 - not just saving money alone/ not just saving energy alone

- Actions are in “wait-and-see“ mode
 - this behaviour preceded any credit crunch
 - as sustainable housing is not seen as mainstream it is seen as both
 - experimental – and expected to get better
 - expensive – and expected to become less expensive
 - in this case, scenarios similar to some consumer sectors – consumer electronics for example
 - in addition consumers – and developers – look to be awaiting both direction and facilitation from government
 - regarding policy, supply and incentives
 - in this case, similar to social issues – obesity, smoking etc.

- Definite indications of consumer propensity to purchase
 - expectation that such homes will be built in the mainstream market
 - expectation that they will be able to afford them
 - expectation that this will initially be via incentives on either supply side (the homes) or the demand side (the buyers)
 - expectation that in time, such homes will sell for standard prices

- Gap in information sources:
 - many of the consumer-facing studies were skewed to “green“ consumers
 - partly because such people are classic early adopters in this area
 - does not invalidate the study
 - but caveat is that this does not always fit the target of mainstream, new homes buyer
 - where aspects of housing are studied, balance appears to be on features as opposed to benefits
 - partly due to the subject of study
 - but in terms of marketing and especially with unfamiliar technology, it is equally important –and sometime more so – to lead with benefits
 - action regarding gaps:
 - move from background research to more action-oriented learning for marketing development
 - which will mean more testing than exploratory research

Developers

- Market in a standardised, predictable manner
 - a) category conventions which both builders and buyers recognise
 - b) which has the advantage of giving a structure to industry marketing
 - c) but which has the current disadvantage that energy-efficiency features have not been integrated within these formats

- Cannot create energy-efficient housing measures on their own
 - a) legislative, planning, financing issues must be integrated
 - b) and currently do not work in a joined-up manner
 - c) as such, this constitutes a barrier for builders

- Reports over time show that industry views energy-efficient features becoming more important
 - some have taken initiatives (Crest Nicholson, Barratt Green Home)
 - and use this as a marketing differentiator
 - so no sense that builders/developers are intractable
 - but issues as to how to monetise these features – maintain margins
 - and especially make them affordable to mainstream markets

- Developers are increasingly being more sustainable as businesses
 - and mainly are featuring this in their positionings and communication
 - however, much is this in terms of office practices, transport
 - as opposed to being in the homes themselves

- At point of purchase, sales staff do not feel confident discussing, explaining energy efficiency measures
 - so even if consumers ask, show home staff/ marketing staff feel unsure in terms of how well they can explain / sell this in
 - versus ease / consumer interest in discussing decorative options

- Bottom line is that 2016 timeline has changed the game
 - debate must move from hypothetical to real
 - concern that target is not supported by government, supply chain, marketing infrastructure

- Consistent developers' concern
 - how to achieve government targets at prices buyers can afford

- Gap in information sources
 - just fewer available sources
 - vs the energy-efficiency side of the debate
 - lack of consumer “real world” feedback from the industry side
 - how have buyers reacted at point of purchase to specific sustainability measures
 - when offered in show homes
 - when actually installed in houses they purchase?
 - we hope to fill these gaps via access to industry sources as the Zero Carbon Hub Consumer Engagement project progresses.

Overall

- On the basis of the current reports, both sides of the sustainable housing debate are correct in their stances
 - consumers – “there are no effective green choices” is correct in consumer terms
 - at point of purchase, they do not see sustainable choices
 - developers – “there is no consumer demand” – is correct in developers’ terms
 - at point of purchase, consumers are likely to specify decorative finishes but not energy-efficient features

In the main all the reports have been either reporting of opinion (both consumers and industry) or exploratory on sustainable features. They have generally not gone further to test actual marketing scenarios. In this sense, as stated above, these reports form a background to the issue as opposed to a basis on which to develop actionable marketing strategies and plans.

However, their consistency as regards macro issues on both sides of the debate suggests that this project does not need to re-visit these findings and can move to the next step –the development of a marketing strategy and plan to generate consumer demand.

4.1.3 Experts input

This section begins to move from reported and to a certain extent, historical data – to discuss the idea of low and zero carbon homes with actual practitioners.

This is an area on which we will focus on in greater depth in Stage 1, Part 2 and we began here to line up some of these sources. While doing that, we took the opportunity to get some fresh and primary industry input. A list of individuals and organisations we spoke to is included in the Appendix.

Key findings include:

Sustainable developers

- Committed to sustainable standards
 - most had / are building sustainable homes / developments
 - Code levels vary
- Feeling that this will remain niche within
 - current planning structure – approvals, consultations etc
 - current land prices and zonings
 - higher land costs reduce margins
- Current cost / planning situations favours
 - social housing – not a commercial imperative

- committed / experimental/professional (architects etc)
 - building for themselves or to commission
- Attitude to Zero Carbon
 - many feel it's unachievable in any mass-market sense
 - “it's largely unachievable on most developments”
 - “means every development will fall short”
 - suggestions that low carbon is a better position
 - note: to be tested further in this investigation
- These developers often mentioned the “ extra” costs of sustainable features
 - monitoring and maintenance
 - potential additional service charges
 - potential for cost savings on utility bills to be wiped out by such charges (note: this not yet an issue that comes up in consumer interviews)
 - note: also to be tested further in this investigation

Volume developers

- Sustainable housing issues are a key area going forward
 - market issues are driving it
 - the 2016 deadline has escalated the issue
- Consensus on many issues with the sustainable developers above
 - but working to a very different business model
- Low and zero carbon is an area of necessity – and some opportunity
 - but also an area of great uncertainty in their business
 - an area of frustration – due to lack of support and definition regarding implementation
- In addition, most cite current lack of consumer demand
 - which is correct given current home marketing conventions
 - their current business models will not support building higher cost homes if no evidence of demand
- Developers are concerned with potential threats to successful consumer engagement, such as
 - products failing / not working properly
 - lack of industry skills meaning that large scale delivery of low/zero carbon homes won't be possible
- But see potential opportunities as impact of related Government policies
 - for example, the refurbish/renovate policy being proposed by Government could mean that homeowners are forced to improve the energy efficiency of their homes
 - would this then make low/zero carbon homes more appealing?
- Wide variation as to how developers are approaching the issue

- from a wait-and-see attitude
 - to developing a sustainability / CSR stance
 - which may / may not include the actual homes
 - to taking part in trials and experimental builds
 - to using it as an integral part in some of their developments
- Comment: sustainability is positioned as a separate stream
 - As opposed to the mainstream way volume builders build
 - Gap regarding information sources:
 - For both sustainable and volume builders, there is a gap in terms of real , usable information in respect of how people live in lower carbon homes, their experiences, how they see benefits
 - Collecting these is a priority of the next stage of this Zero Carbon Hub Workplan and will be used as background to developing consumer-facing concepts and scenarios to test

The next stage of this project will include a larger proportion of industry players – both sustainable and volume developers. But even the number of industry participants we have spoken to so far indicates that both the will and the possibilities exist to develop sustainable housing – if not always to an absolute Zero Carbon standard. There is also the legislative mandate now to begin to push this through.

However, this is one definite area where there is a gap in the process. On current evidence, government mandates clash with current commercial business models both in tone and in reality. There is a sense that the policies have not been thought through (even the name Zero Carbon) nor have the structures been developed to support the policies (planning consultation and approvals for example). What we have picked up to date is scepticism – even bad feeling within the industry and this in itself, is likely to have a negative impact on new housing starts. This is especially so when played out against the current economy.

4.1.4 *Consumer viewpoint*

We have made the point earlier in this document that the background to the low and zero carbon homes issues have been well covered by previous attitudinal research and reports. However, in addition to the consumer input gleaned from those sources, we wanted to gather some new feedback and data that was less macro and attitudinal and more specific to the task at hand – that of developing a marketing strategy and plan to engage the consumer in Zero Carbon homes.

Our hypothesis at this stage was that previous testing looked primarily at the features and technologies – and costs – associated with Zero Carbon or simply more energy-efficient homes. To create a marketing plan, we also needed to look at the issues through the filter of

benefits to the consumer. In this way we were getting closer to the actual consumer motivations and to the messages which could be developed to support those motivations.

We used two sets of sources here – secondary and primary (newly-conducted qualitative and quantitative). In addition – and to help inform the primary research, we looked at how the consumer media was presenting this debate.

Key findings include:

Consumer viewpoint – secondary

- From social housing feedback
 - and eco-builders (including websites)
 - looking at the liveability issues of higher Code homes
 - generally via interviews administered by the relevant housing association
 - or project websites
- From volume builders
 - little available information
 - mainly sourced via website case studies (ex Countryside Properties)
 - residents in both social and commercial properties report similar comfort-level advantages
 - fewer draughts
 - more even heat
 - reduced bills
 - but still few examples
 - niche builders - ex: Living Villages
 - social housing – where there is no commercial imperative
 - volume builders – limited cases usually in web “Case Studies”.
 - gaps in information
 - As before the number of mainstream examples is low
 - To generate more information is a priority of the next stage in this project.

While few of these sources could be said to be mainstream in terms of average buyers, their experiences in actually living with the features and experiencing the benefits was useful in helping generate a list of real and genuine benefits which we could then test further.

4.1.5 Media Check

The media check – as with the review of reports – does not pretend to be exhaustive. Its purpose was to look at a selection of UK consumer media sources (not industry media) to gauge the tenor and level of debate surrounding green/eco/sustainable housing issues.

More specifically, before proceeding to primary research, we wanted to check the type, tenor and language of information which consumers might be influenced by through mainstream media.

We looked at print - generalist titles and news (daily and Sunday newspapers) as well as shelter titles (from House & Garden to DIY magazines) and at TV (home / house programmes), radio (ex: You & Yours on BBC Radio4) and the internet.

Key findings were as follows:

- Level of debate, regarding “green” housing, is not mainstream:
 - still niche, new, future, generally expensive
 - green issues are not generally integrated within the copy
 - a separate mindset – the “eco column” etc
 - on balance, fairly government “health warning” driven
 - exception is at the high end (House & Garden, Grand Designs) both regarding cost and design
- As a media topic, showing signs of looking for new angles
 - indication: current , growing angle to show downside of green
 - why? because it grabs more headlines
 - current examples:
 - consumer opposition to wind turbines
 - insulation causing moisture problems / water damage
 - recycling not being recycled
- Consumer reaction
 - interest remains / people are not put off
 - but media coverage also indicates consumers’ tendency to wait until technology matures
 - nobody wants to be a guinea pig
 - credit crunch aligning with this wait-and-see attitude
- Housing per se is still a strong media issue / wide public appeal
 - not only state of the housing market
 - but also TV schedules still full of house buying / renovating programmes

- DIY is holding strong as people stay vs move house
- all indications are that media will be a key tool in re-starting the house buying cycle once the economy improves

- Gap in this information
 - no gap regarding sources
 - more important is the positioning of sustainable issues as a “ separate” issue
 - not totally niche but not yet mainstream
 - opportunity – as opposed to gap– to gather input from journalists in mainstream media and titles

Going forward, a key plank of a Zero Carbon homes marketing plan will be a strong media strategy. While much of the impetus and actions in the marketplace will need to come from government sources and builders themselves, housing is a mass-market issue in terms of awareness, interest and influence. It will be important to influence the public discourse in a broad sense as well as concentrating on house-marketing media channels.

Consumer viewpoint – primary

a) Pulse group programme

The Energy Saving Trust runs a programme of 8 focus groups per quarter. Focus is on 4-5 topical issues per time. Purpose is to take the temperature of opinion and tenor of dialogue on a range of issues as opposed to looking at any one subject in depth. Sample was 25-55+, BC1/C2D in London, Cardiff and Midlands in February 2009.

We included questions about Low and Zero Carbon – particularly awareness and attitude toward some of the features, benefits and attributes of such homes.

Results were:

- No awareness of a zero carbon homes policy
 - but general awareness of a move to energy-efficiency in the home
- Term zero carbon did not play well
 - too absolute – not believable
 - sounds extreme and can suggest denial / sacrifice
- Sources were general public discourse & media
 - but equally, supplier advertising or inserts in utility bills
- Clear interest in saving money by using less energy
 - but also unprompted interest in a greener solution
 - more marked in 25 – 34 / less in 35-50 and 50+

- Passive interest in knowing more
 - none of the respondents had sought out energy-efficiency information
 - but were happy to hear about it – and felt once they had been alerted to this, they will seek out more
 - surprise – especially among older groups – that they had not heard more about solutions
- In both age groups, a sense that energy efficient / green / eco homes are not “normal-looking”
 - from comments that “they don’t look like normal houses” to “they look like teletubbies houses”
 - implication is that they are not houses they’d actually like
 - even though they may like the idea of energy-efficiency
- We tested the “allowables” concept – which they likened quickly to “offsets”
 - not so much that offsets were a bad thing in themselves
 - but felt that the concept should be clearer and more honest.

Conclusions:

- The concept of zero carbon homes as presented does not relate to these respondents. They are certainly not against further energy-efficiency in fact welcome this. But the concept as presented seemed somewhat unreal and very far from their lives
- This underlines the necessity to craft these concepts onto consumer language and scenarios before attempting to generate first understanding and thereafter, demand.

b) 2,000 sample quantitative omnibus

At this stage, we used a 2,000 sample Omnibus to conduct a topline check of what “the man-on-the-street” found most motivating. We also wanted to fill a gap in the existing data – that of checking the benefits of an energy-efficient home as decoupled from either features/technology alone or cost alone.

This was purposely not an in-depth study. Rather it was a first pass at people’s spontaneous reactions to certain benefits, the extent to which they could prioritise and link these to listed energy-efficient features, the likelihood of their wanting these benefits in a home and their likelihood to purchase and pay for a home with such benefits.

Surveys of this nature indicate what people “aim to do / would like to do “as opposed to what they actually do – so behavioural aims as opposed to behavioural actions. But critically, given that what marketing does is to leverage people’s aims / ambitions, this survey was designed to identify which aims had most resonance with the general public.

The results are significant as opposed to totally conclusive. The findings of the survey will be used to direct our development of product and marketing scenarios for testing as this project progresses. Full results are listed in the Appendix.

Key findings are:

- Cost is currently definitely the number 1 driver
- But consumers are interested in other benefits
 - comfort levels ,warmer, fewer draughts etc
 - and a green source generally
- Awareness of the technologies is very low
 - 53% have seen none of these technologies installed – even in a show home.
- Perception is that homes with these features and benefits will be more expensive due to
 - cost of new technology/green technology
 - cost of additional elements
 - need for specialist suppliers, building expertise
- In spite of additional cost, there is “conditional“ demand
 - people want houses with these features
 - 65% of our sample said they were interested
 - and are willing to purchase with certain conditions
 - that 65% is made up of
 - 32% would pay if they received a grant to cover cost
 - 21% would pay if they got a council tax discount
 - and 11% of the 65% would pay the premium in full without an incentive
 - highest - ABC1, 45-64, homeowners, no children at home
 - also high incidence in Scotland

The findings of this survey are consistent overall with previous reports and data which indicated a desire for homes with better energy-efficiency profiles. What is different is that with this survey, we have begun to identify the specific benefits-led drivers and most importantly to move beyond simply cost savings

The survey has also indicated consumers' largely conditional propensity to purchase – particularly if certain incentives are present. It also indicates that some consumers – mostly the better off – would be interested in such homes even without an incentive.

In the next stage of investigation, we will take these findings and explore them in greater depth but always with a view to using them to develop a consumer marketing proposition, strategy and plan.

5 Analysis

5.1 What is needed / direction to take to engage the consumer

The previous section was a review of sources. We were looking for insights on which to base a marketing plan of consumer engagement in the low and zero carbon homes issue. What we found provides a good body of background – and points out what information exists and where gaps need to be filled.

The next step is to use this information to begin to create the actual marketing direction. Specifically, we need to progress to:

- What type of marketing is needed
 - a) to whom – priority target audiences
 - b) with what type of messages
 - i. and language

This section begins this process of analysis and indicates in the next section – Recommendations – where the project needs to go from here and what are the recommended next steps.

5.2 Where have we come from? – Sources and gaps

Each of the groups of sources looked at so far provide background but also leave gaps in our knowledge:

- Reports & data
 - why examined
 - to see what learnings existed
 - what did we find
 - helpful background – and a historical review of the issue
 - where are the gaps
 - no real marketing direction or concrete action plan

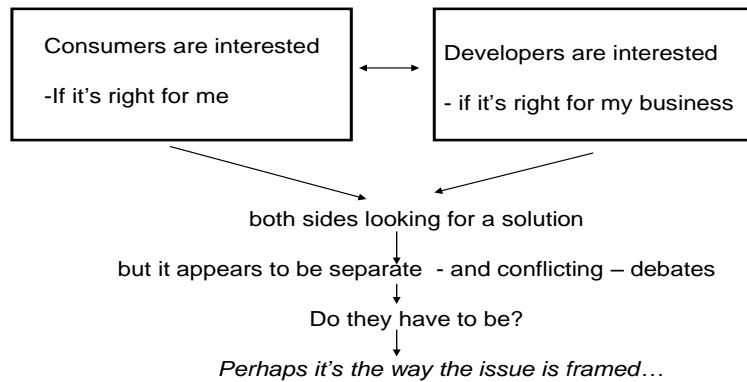
- Industry experts
 - why examined
 - to begin to gather current opinion from the supply side
 - to line up information contributors for the next steps
 - what did we find:
 - very promising area – and enthusiasm for a solution
 - industry generous in sharing information and contacts
 - where are the gaps
 - “on the ground information” (versus “reported information”)
 - but with these contacts, we will do this in part 2

- Media check
 - why examined
 - to gauge the tenor of debate
 - media is consumers’ main information channel
 - what did we find
 - it’s very much a niche media topic
 - niche as in separate sections / sense that it’s not mainstream
 - where are the gaps
 - journalist input
 - gap to be filled in part 2

- Customer viewpoint
 - why examined
 - to gather current, “man-on-the-street”, “top-of-mind” customer awareness of issue
 - to begin to identify and prioritise benefits – to lever in marketing
 - to look at language
 - what did we find
 - issue is still niche – not mainstream
 - consumer approval of sustainability as a concept
 - passive interest in the practical issues
 - low awareness and understanding of solutions
 - where are the gaps
 - a real proposition and product to test
 - available in part 2 & 3?

5.3 What does this mean?

Lower Carbon Housing the Debate so far



The sources consulted in our review leads to the conclusion that the debate so far is polarized – with consumers and developers appearing to be on different sides of an issue of supply and demand. Both sides are looking for a solution each on their own terms:

- For the consumer – “if it’s right for my lifestyle”
- For the developer – “if it’s right for my business”.

But is this the only possible state of affairs? And is the problem not so much the issue as how the debate is framed? Are developers and consumers really so far apart on this issue?

To examine this, we need to look more closely at the motivations of each side.

Looking at consumers, when people buy houses

- They buy a home – not a cause
 - “a life for my family”
 - vs an ecological statement
- They buy benefits – not features
 - “a warm home with no draughts”
 - Vs
 - “I want superinsulation and triple glazing”
- They buy a product – not a hypothesis
 - something they can see / experience
 - Vs
 - a potential product in the future

Given that, a key gap for the consumer at this moment is “where’s the product?” As we found the majority of the low carbon housing options are not in the mainstream market and most people have never come across a low carbon house.

Looking at the developer’s side, when developers build homes...

- They build houses, buildings, developments – not a cause
 - “a product for the market”
Vs
 - an ecological statement

- They build lifestyles – not just features
 - “to appeal to buyers”
 - to differentiate their offer
 - both from existing homes
 - as well as from direct competitors

- They build a product – not a hypothesis
 - something tangible – even if off-plan CGI
Vs
 - a potential product in the future

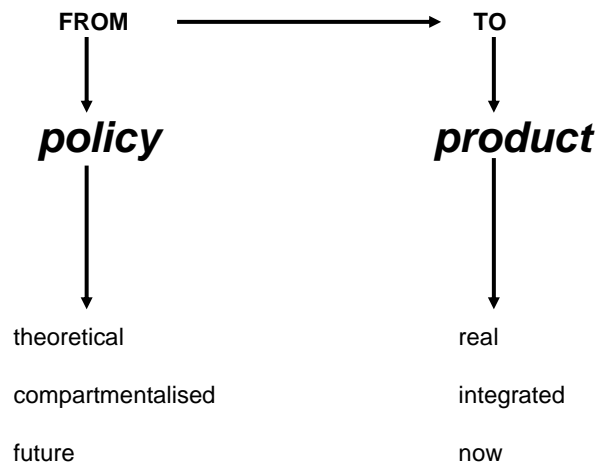
5.4 So how to reflect all this in a marketing strategy?

The answer is by creating a customer-centric strategy that does two things:

1. Re-focus the debate
2. Re-frame the issue.

Re-focusing the debate changes it from being about a theoretical policy position – which is far from people’s lives to a product focus which homebuyers want and which they understand.

1. Re-focus the debate



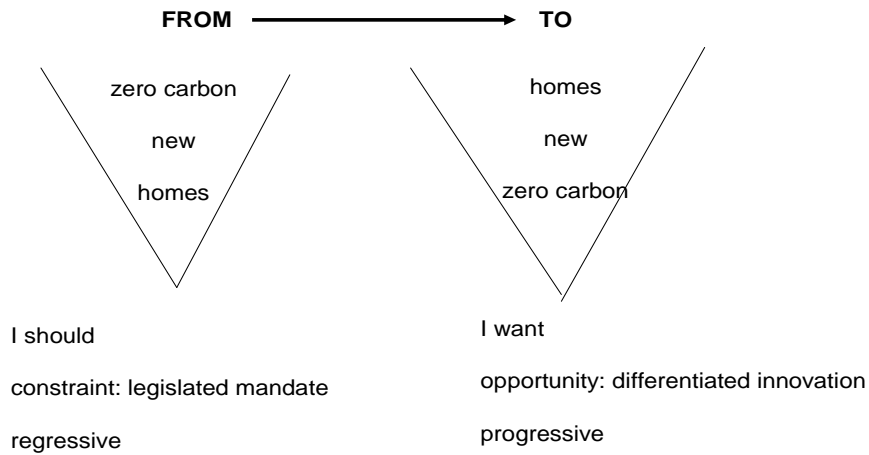
From that and to begin creating a marketing strategy, one then needs to re-frame the issue from a “them and us” / “consumer vs developer” issue to a strategy that realises that there is a common motivation here – which is to have “homes”.

One of the characteristics of the debate – and both the review of reports and the media check underlined this – is that the debate is articulated as:

- “Zero carbon homes” (or low carbon, or eco-homes, or green homes)
as opposed to:
- “Homes which are zero carbon” (or low carbon or eco-homes or green homes).

So – if we re-frame the issue, can we make the debate more motivating to all parties?

Need to re-frame the issue



The difference is critical because as we've seen above people want homes not causes and developers want homes because that's how they grow their business. At the moment, the zero carbon debate seems to be casting a negative stranglehold on progressing on what could actually be a motivating opportunity for both sides by tapping into the innovation, better building possibilities and therefore better product possibilities that exist.

By reframing the issue from the negative to the positive, one can totally change the tenor of the debate from:

- The negative
 - zero carbon homes
 - something I should buy / I should build
 - legislated – so not my choice
 - regressive
 - consumers see this as a sacrifice on current liveability
 - developers see this as a restriction on business

to a much more motivating scenario of:

- The positive
 - homes – that are zero carbon (or in the lead up, some proportion of that)
 - something I want to buy / I want to develop
 - progressive
 - using innovative techniques and supplies
 - to build a better product / create a better lifestyle
 - and also minimise cost, environmental impacts, waste etc.

In doing so, one also then re-frames the proposition

- From the demand side – the consumer
 - “I want to buy a home for me and my family. I like the idea of a new home which has advantages for me over an existing house. And I want it to be built to the most modern and effective standards”
- From the supply side – the industry
 - “Our business is to build and sell mainstream homes – and specifically new homes. We will differentiate by building these homes to increasingly higher standards in building, lifestyle amenities and community life”.

5.5 A word on product

At the risk of making a very obvious point, it is worth stressing that all attempts at creating a market and generating consumer demand will fail if the housing product is not in place, is not robust and not capable of being implemented and rolled out.

At this stage both consumers and developers have concerns on this front though they express it in different terms. Consumers are largely taking a wait-and-see attitude – to housing generally due to the economy and to any new technologies and features – including energy-efficiency – that will add cost – until those technologies are more mature.

Developers who are more knowledgeable about the technologies tend to be more specific. They worry about the robustness and reliability of the new technologies and the impact their potential failure will have on their businesses. They are also concerned that the skills base to deliver the new energy-efficiency and renewables technologies does not exist in a way to allow large-scale delivery.

In many ways, the Zero Carbon Hub – which covers all these areas such as technologies, skills and energy supply – is in a pivotal position to ensure that all these issues are covered in an integrated fashion and that the industry can go forward not only with a product which means the criteria but a product that meets the needs and motivations of the consumer.

5.6 What is the option?

Essentially, there isn't one. All the macro geopolitical issues – from the environment, energy supply and energy security to the fundamental changes in the way the world functions economically – are lining up to force change in the way we live and the part our homes play in this. More prosaically, the current UK government has mandated this change via legislation. So both for homebuyers and home builders, increasing environmental standards – and the initial costs that entails – is not a choice.

What is a choice is how it is implemented, how (and the rate at which) it progresses and how it is marketed. And specifically, from the viewpoint of the Consumer Engagement Workstream of the Zero Carbon Hub, how this is marketed to the UK consumer.

5.7 The Consumer – the target market

The issue of homes with lower carbon emissions – from lower to zero – is a new concept to the UK consumer and like any new concept, it needs to introduce and explain the concept to its target market.

One of the characteristics of much of the reviewed research – and one of the observations of the more current media check – is that to date, this issue has largely been targeted at the “environmentally-aware” subset of the UK population. Equally when it comes to the sharp end – the actual purchase – information has been gathered primarily from the subset of “new homes buyers”.

While this might be the right strategy in a mature market when the issues are understood and in the public domain and you can begin to specifically isolate and target your prime market segments, it is not yet the right strategy in this situation. At present, not only is the market for low and zero carbon homes (or as we are suggesting “homes with lower carbon emissions”) immature, it is essentially non-existent (a point on which – as our research review shows – buyers and builders agree). And apart from some exemplar schemes and some social housing, it is a market without a perceptible product.

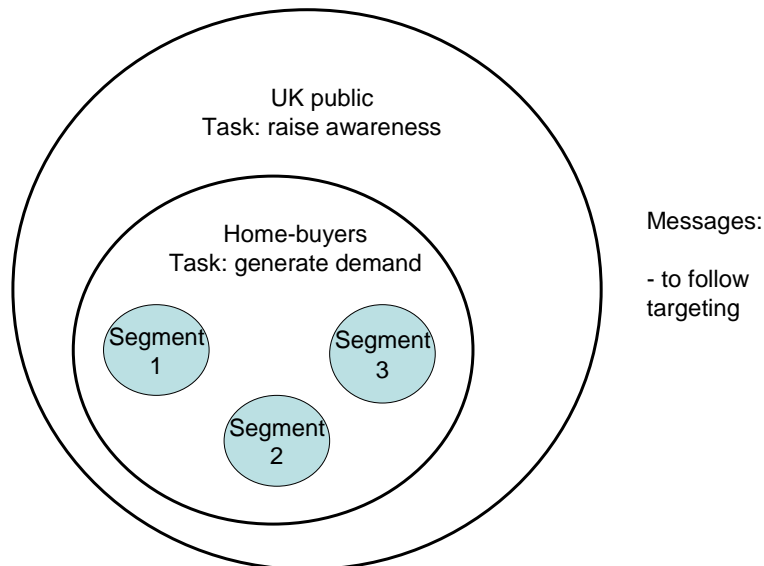
Furthermore, at the moment, the direction of development looks to be creating a niche market (new homes buyers who are environmentally aware) as opposed to what both developers and buyers are looking for – a mass market proposition where innovative design, methods and supplies are creating more choice for anyone looking for a home and creating more opportunities for innovative developers of all sizes.

5.8 How to change this direction? The solution is:

- To broaden the scope of the issue – first create a mass market “ movement” for such innovation
 - thus creating consumer awareness, understanding, motivation and demand
- Then from that base, zero in on the actual potential purchasers
 - and ideally people who want to buy homes
 - who can be persuaded to buy a new-build home
 - as opposed to only those who specify new-build from the start.

Essentially, this means creating the market first then selling the market. Relating this back to consumers, it means starting with the general UK public first to create broad understanding and public appeal before drilling down to specific targets and subsets with specific offers and messages.

Who are we speaking to? - The Target Consumer



What do you talk about?

A key advantage of this strategy – build the market first, then sell into it – is that it is a better fit with the current supply side where product supply is low. As new homes come onstream built to the new 2016 mandate (lower carbon leading to zero carbon), the sales focus can escalate and it will be underpinned and supported by a consumer base which actually understands the market and the benefits and will increasingly demand these low carbon benefits as mainstream.

Additionally, this strategy also fits the current economic climate. It is clear that the UK housing market will not snap back to the way it was. Major global and local economic forces are seeing to that. Constrained consumer budgets and major restrictions on borrowing and mortgages will impact on a number of consumer housing market.

characteristics – from purchase frequency / the length of time people live in a home (Improve, Don't Move is the theme of this year's Ideal Home Show), to the reason they buy a home (more as a home, less as a speculative investment), to the requirements they will demand (fundamental values – good construction, energy-efficiency – will become increasingly important).

This is good news for developers who build into these values. But for all developers, it will change the way both second hand and new-build homes are marketed. And that new way of marketing needs to be broadly communicated to the UK public as a whole – not just introduced tactically to buyers at point of sale.

5.9 So what are the messages to the consumer?

In terms of this project, that is the next step. The consumer wants to know “what is the product? What is available? What are the choices now – and where is this market going?”

So the industry – and this is where the Zero Carbon Hub can help – must articulate this product and answer the following questions:

- How do we define the market for consumers?
- Where can they see the product?
- How can they begin to be educated about it?
- How can they form an opinion about it?
- How can industry begin to build demand
 - to support the consumer?
 - to support industry?
 - to achieve the mandated government policy?

In terms of how the issue is articulated – and the tone of the communication, this also needs to be more relevant to consumers. It is currently coming across as

- “I should” not “I want”
 - Government-led (Act on CO₂)
 - technology-led
 - DIY-level – nuts and bolts
 - architect-level
 - more Grand Designs than everyday / real life
- There is a huge need to “normalise” energy-efficient features
 - normal to see/ use in a home
 - and in time, to become standard

5.10 How to begin?

Creating the market begins by developing an actual, realistic product proposition.

The next stage of this Zero Carbon Hub Consumer Engagement Workstream project begins by creating the concepts for that proposition – which we explain in the recommendations which follow.

6 Recommendations

6.1 Where does the issue need to go from here?

This document covers Stage 1 – Part 1 of the Workplan for the Consumer Engagement Workstream which is constructed as follows:

6.1.1 Stage 1 - Developing the Marketing-specific Consumer case

- Part 1 – current marketing context (subject of this document)
 - based on existing information & new industry and consumer contacts
- Part 2 - develop and test concepts
 - concepts regarding consumer choices
 - to be developed within new home marketing category conventions
 - developed with industry input
- Part 3 - develop and test prototypes (product proposition)
 - TBC – and will be informed by findings of Stage 1 & Stage 2
 - envisioned to include
 - further product detail (what will home look like / what features)
 - pricing models – including any incentives, subsidies
 - if applicable at that stage, some physical product / showhomes

6.1.2 Stage 2 - Developing the marketing plan

- Including
 - positioning
 - broad consumer positioning
 - positioning implications for individual developments
 - target audience – propriety targets
 - messaging

- message distribution
 - marketing materials
 - media
- detail of the marketing plan will be informed by:
 - Stage 1 discovery process above
 - product developments as they happen
 - agreed Codes, policies, programmes, allowables and definitions.

The first section of this document looked at what we know now about the issue of low and zero carbon home, what information we can use, where are the gaps and what is the nature of the debate.

The second section provided an analysis - what is needed now, what direction to take to engage the consumer.

This final section suggests the next steps to take to achieve this, specifically:

- What marketing development is now needed
- By whom? What tools – further consumer research? prototype testing?

6.2 Where to begin?

Creating the market begins by developing an actual, realistic product proposition. The next task of the Zero Carbon Hub Consumer Engagement Workstream project begins by creating the concepts for that proposition.

Here are the steps.

6.2.1 Step 1 – Create the product

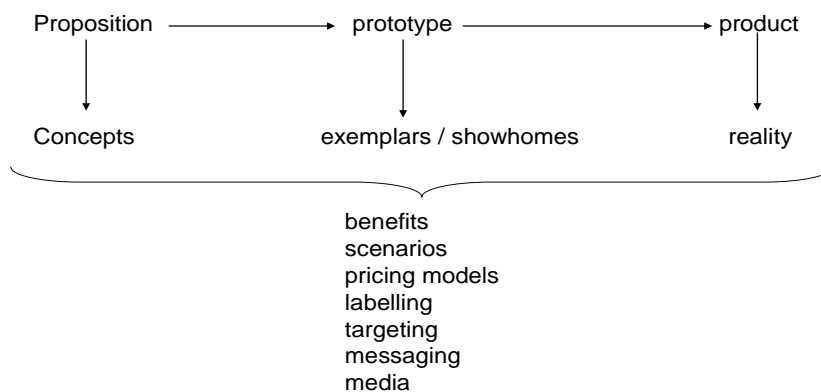
- Even if initially a prototype
 - CGI etc
- Must be portrayed via category conventions
 - that consumers recognise
 - marketing in a way they are used to
 - that developers recognise
 - marketing that fits their goals and marketing conventions
- And covering the zero carbon trajectory

- the development benchmarks between now and 2016

6.2.2 Step 2 – test against a realistic target

- Combination of
 - general public – to create public discourse
 - new home buyers
 - against current demographic - new homes buyers
 - target via current developments
- Need to include (but not be exclusive to) eco-aware
 - otherwise, it remains niche
- But equally begin to identify early adopters
 - variables from DIY'ers to greens to design-led

What to test?



In addition, some of the specific issues which this should address are:

- Product – nature of , specifics of
- Allowables – what does this mean for industry as well as for consumer
- Cost – including affordability and financing (incentives, grants)
- Labelling – will a label help clarify, if yes, what labels and what will it mean
- Brand – how can developers migrate and leverage their brand reputation (as volume builders) in a market that has to date, been a niche proposition

- Media – channels to the consumer.

6.2.3 Stage 1 Part 2 – specific actions.

- Develop real world concepts
 - based on familiar marketing category conventions
 - and media angles and message streams
 - to develop with help from developers & media on steering group
- Test against real buyers (qualitative and quantitative)

Note: this is testing not additional exploratory research

 - Respondents sourced via:
 - estate agents TBD
 - developers lists TBD
- Possibility of real installations
 - Milton Keynes – compare / contrast
 - exemplar homes
 - real world examples - commercial propositions
 - possibility of filmed examples?

Moving forward on these issues will be the subject of the Consumer Engagement Workstream Steering Group on 31 March 2009.

Appendices

Appendix 1 – Workplan for Consumer Engagement Workstream

Appendix 2 - Existing materials – reports, existing research

Appendix 3 - Experts input

- List of industry players consulted

Appendix 4 - Consumer viewpoint

- Secondary
 - feedback from test / show / prototype homes
 - list of feedback consulted
- Primary
 - Inclusion in a pulse group programme
 - A topline 2,000 consumer sample online omnibus survey

7 Appendix 1 – Workplan for Consumer Engagement Workstream

7.1 Background

The core objective of the Consumer Engagement Workstream of the Zero Carbon Hub is to create customer demand for the proposed zero carbon homes which will begin to come onstream in a staged manner beginning in 2010 with full implementation by 2016.

The Energy Saving Trust has been asked to manage the Consumer Engagement Workstream and to bring its expertise in the field of consumer engagement on energy efficiency.

While there are a number of necessary strands to the Zero Carbon Hub's mandate, the specific remit of the Consumer Engagement Workstream is to work with industry to create a marketing programme which delivers against both overall goals (consumer understanding, motivation and propensity to purchase Zero Carbon homes) and specific goals (marketing at the sharp end as delivered by the manufacturers – specifically housebuilders, manufacturers of technologies and appliances and by the distribution channel – developers, estate agents,

also retail in respect of appliances and technologies and finally financing – from incentives to warranties to mortgage providers).

All these issues must be addressed and solved if a mainstream market for zero carbon homes is to be created. The alternative is that this issue will remain a niche proposition – financially unviable for both builders to develop and for consumers to buy.

7.2 Creating consumer demand

In most cases of market development (and housing is a classic case), the market is founded on a perceived (and then documented and analysed) consumer need / desire. Essentially the market grows organically and on a base (which varies by stage of development) of consumer demand and likelihood to purchase which is apparent to both the consumer and to the relevant industry/supplier.

This is not the case here.

While there is a general societal move to become more energy efficient and while developers are increasingly including energy-efficient features and options, the larger move to zero carbon homes is being driven by government mandate. So the market driver is not consumer demand but legislative intervention. Essentially, the Zero Carbon Hub is being asked to both create demand (by influencing the consumer) as well as influence supply (working with new Code policy).

The situation is complicated by the fact that if realised, the move to Zero Carbon homes is likely to - and is certainly perceived to – involve real financial cost for both the consumers and industry. At the best of times, this is not a positive market driver. In the current economy, it is a positive disincentive re both demand and supply.

This does not suggest that creating Zero Carbon Homes – and creating demand for these - is an impossible task. But it is a complex task. And this has implications as to how the Customer Engagement Workstream needs to address and deliver on the issue.

7.3 Implications for the Consumer Engagement Workstream

The main implication – and challenge - is for the Consumer Engagement Workstream is to position its specific task within the Zero Carbon Hub as representing the voice of the consumer. The Workstream must be both marketing-led and consumer-driven. This does not mean either being unmindful of the real and urgent concerns of the house building industry or

failing to work with the industry to develop a marketing plan. But it does mean ensuring that the consumer voice and demands are kept to the fore in an impartial and unbiased manner.

The benefits of doing this are that any plan developed will be robust - having run the rigorous test of consumer acceptance and uptake. The consequences of not doing so are that the plan might find favour with government or industry or both but will then fail to gain consumer acceptance and take-up.

7.4 How to proceed – a recommendation

Developing the marketing case and programme needs to be a staged approach. One report – or one additional piece of research – by itself will not answer all the questions which need to be answered. The laydown below has broken down the tasks to allow an integrated series of steps to build to a conclusion.

One further reason for this approach is that a key element is still missing from the investigation – that being a clear and agreed product. What is the consumer proposition? What is the nature of the homes (the product) potential buyers are/will be offered in the marketplace? At this stage in the consultation process, this product is not yet defined and there are a number of variables yet to be decided – an agreed definition of Zero Carbon / a decision on the target Code Level / agreement on the mix of allowables.

The marketing plan cannot be constructed in isolation of this product definition. However, the development process needed to construct the marketing plan can itself help to define the product by providing a structure within which to explore alternatives and test options. This will allow the Zero Carbon Hub both to fine-tune the product proposition and also to create the optimal marketing strategy and plan.

The following plan will achieve these ends and has been organised in two distinct stages.

7.5 Outline development plan

7.5.1 *Stage 1 - Developing the Marketing-specific Consumer case*

- Part 1 – current marketing context
 - based on existing information & new industry and consumer contacts
- Part 2 - develop and test concepts

- concepts re consumer choices
- to be developed within new home marketing category conventions
- developed with industry input
- Part 3 - develop and test prototypes (product proposition)
 - TBC – and will be informed by findings of Stage 1 & Stage 2
 - envisioned to include
 - further product detail (what will home look like / what features)
 - pricing models – including any incentives, subsidies
 - if applicable at that stage, some physical product / showhomes

7.5.2 Stage 2 - Developing the marketing plan

- Including
 - positioning
 - broad consumer positioning
 - positioning implications for individual developments
 - target audience – propriety targets
 - messaging
 - message distribution
 - marketing materials
 - media
 - detail of the marketing plan will be informed by:
 - Stage 1 discovery process above
 - Product developments as they happen
 - Agreed Codes, policies, programmes, allowables and definitions.

8 Appendix 2 – Existing materials

2005

- Energy Saving Trust – Consumer Attitudes to Microgeneration Technologies November 2005 – Haslam Associates for the Energy Saving Trust

2006

- Eco Chic or Eco Geek – The Desirability of Sustainable Homes – Summary – Sponge Sustainability Network – for Defra - 2006

2007

- New Home Buyers Survey – YouGov for Energy Saving Trust – April 2007
- Renewable Technologies Planning Study - IFF Research for Energy Saving Trust - April 2007
- Energy Saving Recommended for homes - Quadrangle Research for Energy Saving Trust - November 2007

2008

- Note on the Australian Greenhouse Office paper – February 2008 – Sustainable Energy Academy
- Zero Carbon: What does it mean to homeowners and housebuilders? - April 2008
- The Marketing and Purchase Process for New Homes – May 2008 – Constructive Research for Building Businesses (qual. conducted by Lynchgate Consultants)
- Sustainable Consumption: green consumer behaviour when purchasing products – Young et al – Journal of Sustainable Development - July 2008
- Energy Ratings Survey – online survey regarding Energy Performance Certificate's – September 2008 - ICM for Energy Saving Trust
- Buyer's Guide to a Greener Home – Sponge Sustainability Network – funded by Defra and CLG with sponsorship by Driver Jonas and Fulcrum Consulting – 2008
- At a Push – Draft Desktop Summary of Current Research on Consumer Perceptions of Sustainable Construction and Lifestyles – Kate Moorcock-Abley of Audacity for NHBC – February 2008
- Developing Homes for a Changing Climate – NextGeneration, 2008

2009

- Green Finance Uptake - Quadrangle Research for Energy Saving Trust - January 2009

8.1 Existing materials – 2005

[Energy Saving Trust – Consumer Attitudes to Microgeneration Technologies - November 2005 – Haslam Associates for the Energy Saving Trust](#)

An early (2005) look at consumer awareness, understanding and motivation re renewables (renewables being the word consumers most often used). A sample of enquirers (some of whom had installed renewable features) and non-enquirers.

8.1.1 *Report conclusions*

- Clear leadership from Government, with the availability of grants demonstrating commitment and making the technologies more affordable
- Understanding the importance of lifestage and key 'choice points' in developing the market (moving home, extending the home, renovation, retirement etc)
- Understanding it is not a short term fix but a long term consideration in terms of lifestage opportunities
- The establishment of an impartial one stop shop for all communication and advisory needs
- Accredited surveyors, installers, sellers
- Education for all including in schools, for builders and architects
- "Joined up thinking" with planners and councils
- Bespoke financial products to help purchase, and better information about capital costs, savings on fuel bills, and the payback period to cover costs.

8.1.2 *Key points relevant to Zero Carbon Hub in 2009:*

- Renewables was in its infancy and steps needed to be taken to create a market
- Early adopters (in the enquirers group) tended to be people " in the know" technically (engineers etc) or dark greens
- Solar water heating was the best known technology (and some had used it) but "interest in solar was often driven by lack of awareness of other options"
- Uptake was dependent on grants/incentives " grants were felt to be essential"
- Those who had progressed past simply enquiry commented on difficulties in the process of implementation – from planning permission to advice, quotes and understanding of costs and paybacks.
- The general / non-enquirers sample, while having "goodwill" toward doing its part had low and piecemeal awareness largely driven by the media and felt there was "no real and visible consumer choice".

8.2 Existing materials – 2006

[Eco Chic or Eco Geek – The Desirability of Sustainable Homes – Summary – Sponge Sustainability Network for Defra- 2006](#)

Commissioned by Defra and conducted in 2006. Built on a previous study in 2005. Mix of telephone quantitative and focus groups.

8.2.1 *Report conclusions:*

- Homeowners were increasingly interested in sustainable homes
 - study notes figure of 52% of people willing to spend more to achieve this
- Homeowners / buyers expect builders to build to highest environmental standards
- Lack of information seen as barrier to buying such homes
- Consumers expect government to take the lead on legislation, incentives etc

8.2.2 *Key points relevant to Zero Carbon Hub in 2009:*

Interesting that similar strands still exist in 2009 (homeowners interest and potential to spend more for sustainable homes, perceived lack of information, onus on builders to build environmentally-efficient homes and for government to lead the direction). So it appears as though little has moved forward.

Background in 2006 however had neither a government mandate (Zero Carbon Homes by 2016) nor a credit crunch which has changed the context against which 2009 supply and demand exist.

Also, some of these findings seem too good to be true (52% said they would pay more). Executive summary which is available does not include details as to how this question was asked, whether incentives, conditions, other were included.

8.3 Existing materials – 2007

[New Home Buyers Survey – YouGov for Energy Saving Trust – April 2007](#)

This survey was commissioned to understand purchasing patterns of new homes buyers. Timing coincided with the development of EPC's. Good review and behaviour identified is consistent with previous research. Additionally, this research looked at attitudes to zero-carbon homes.

8.3.1 *Report conclusions:*

Consistent with other research examined in this review:

- little spontaneous interest in specifying environmental features
- interest increased when a zero-carbon home was defined
- cost was the leading issue
 - so interest rose if money saving was evident
- as research progressed, interest in zero carbon homes increased
 - indicating effect of increased information.

Again – similar to other research – is the idea that developers should be required to build new-build properties to zero-carbon standards but only half felt that such homes should command a premium. General agreement that homes should be rated on their environmental standards.

8.3.2 *Key points relevant to Zero Carbon Hub in 2009:*

Consistent with other research which shows that there is conditional interest – and willingness to pay – for zero carbon homes. Also consistent with the fact that the issue remains relatively hypothetical to these respondents but that interest in the ideas presented – and conditional interest in take-up - increases the more information and explanation is provided.

This is consistent with a critical caveat in market research: respondents cannot judge that with which they are unaware or unfamiliar unless significant and effective stimulus, information and explanation is provided.

Renewable Technologies Planning Study - IFF Research for Energy Saving Trust – April 2007

A qualitative study to establish planners' awareness, practices and information requirements regarding renewables.

8.3.3 *Report conclusions:*

Conclusions were that planners felt sufficiently up to speed with renewables, although one-third felt otherwise. All reported an increase in applications for renewable measures (mainly wind turbines) in the six months preceding the study.

One objective of the study was to gauge planners' interest in Energy Saving Trust information (re a pack, updates etc). Interest was high – which is an opportunity for Energy Saving Trust but also maybe somewhat refutes the planners' assertions that they are currently well informed on this issue.

8.3.4 *Key points relevant to Zero Carbon Hub in 2009:*

An interesting view when compared against findings in some developers reports and expert interviews that planners while not anti-renewables or sustainability are essentially overly-bureaucratic and risk-averse in dealing with all but standard applications. In this sense, planners constitute a barrier in the eyes of some developers.

The value of this report for the Zero Carbon Hub is to underline the importance of planners as a target audience though more relevant to the development process than to be included in consumer-directed marketing.

ESR for homes - Quadrangle Research for Energy Saving Trust - November 2007

Energy Saving Trust commissioned research amongst house builders, landlords, estate agents, HIP providers and local authorities as well as home-owners to help them to understand whether there is an opportunity and demand for the Energy Saving Recommended labelling scheme to be applied to the housing market. Sample of homeowners as opposed to only home buyers.

8.3.5 Report conclusions:

- Developers
 - could see merit, particularly in respect of simplifying standards and regulations that they have to work to
 - greatest concern was lack of financial advantage to them of participating
 - particularly as they could not see demand for the label from house-buyers
 - unlikely to participate
- The public
 - for these respondents, energy-efficiency was not a house-buying priority
 - although feel positively toward environment
 - feel that positive behaviour towards the environment should be rewarded and they should not have to pay for a label demonstrating the efforts that they have made.
 - saw little payback on anything other than simple home improvements
 - usually make improvements for a personal benefit or to repair
 - did not see a need for the label themselves
 - and felt that others would feel the same way
 - this has to be seen in the context of their environmental attitudes
 - confused (and some are fed up) about the environmental debate
 - feel that they are not being helped sufficiently to do the right thing
 - leads to a degree of cynicism
- Other parties
 - estate agents
 - sense of lack of consumer demand
 - coloured by sceptical reaction to the introduction of HIPs
 - not in favour.
 - HIP assessors:
 - belief that house-buyers want ever more information
 - but not just on energy-efficiency
 - concerns about the lack of awareness (Energy Saving Trust & Energy Saving Recommended) and potential cost

- any label must be incorporated into existing schemes/ assessments.

- local authorities
 - enthusiastic about the scheme- including for political reasons
 - but concerns about the cost and where costs would be incurred.

- registered social landlords:
 - the most informed and pragmatic
 - and have used Energy Saving Recommended for supplies
 - concerns re practicality of implementation and cost
 - and perceptions of low customer demand at present
 - needs to fit with existing schemes, not be separate.

- Recommendations
 - don't try to introduce Energy Saving Recommended for homes at this time
 - demand not evident
 - costs and practicalities outweigh perceived benefits
 - actions to take
 - increase consumer awareness of energy-efficiency re homes
 - via an efficient marketing campaign
 - minimise bureaucracy
 - consider incentives

8.3.6 Key points relevant to Zero Carbon Hub in 2009:

Extremely useful as background to an investigation into the viability of labelling. While this showed that an Energy Saving Trust label for homes would not work at this stage, it gave an excellent steer as to why it would not and this can be used to guide further investigation going forward.

Additionally, it is useful to decouple the findings and responses of those interviewed from the “negative” overall result regarding an Energy Saving Trust label. If viewed from a non-Energy Saving Recommended /Energy Saving Trust label perspective, these findings show that both housebuilders and housebuyers want more information and guidance in this area and want this delivered with maximum clarity, lack of bureaucracy and in a way that can demonstrate a clear financial benefit. Furthermore, both sides want a mechanism which will help direct their efforts but not penalise them if they take those efforts. Where there is ambiguity is as to which mechanism and from whom.

In terms of the objectives of the Zero Carbon Hub, this report is not conclusive as to the mechanism (label or not?) but is highly prescriptive as to the objectives and requirements of such a mechanism.

8.4 Existing materials – 2008

Note on the Australian Greenhouse Office paper – February 2008 – Sustainable Energy Academy

A report on a statistical analysis by the Sustainable Energy Academy (SEA) of Australia of the impact of higher energy-efficiency – as indicated by a star rating – on house price – at purchase and anticipation of resale in the Australian Capital Territory (which includes Canberra).

8.4.1 Report conclusions:

The headline result was “that energy-efficient houses increase their sale value by an average of 3% for every star increase in the Australian thermal standard compared to ordinary houses”.

The SEA group stated that the conclusions suggest three incentives to invest in energy-efficiency:

- Benefits of reduced operational energy costs
- Increased capital value of the property is likely to exceed the costs of achieving the improvements
- Direct consumer benefits including thermal comfort, better physical health and greater mental satisfaction associated with lower environmental impacts.

The study also found a positive impact on consumers when the energy ratings (in the mechanic of a star rating) was disclosed and integrated into the marketing process.

Note: We had access to the abstract only – not the full report.

8.4.2 Key points relevant to Zero Carbon Hub in 2009:

This is a useful addition to this debate – and shows, among other things, the value in comparative analysis of other jurisdictions and how they have handled these issues whether successfully or not. While the study was limited to a small area (population 330,000), there are useful points to keep in mind in the Zero Carbon Hub work.

Specifically:

- While energy-efficiency had a positive correlation with increased house price, it was neither the primary driver nor even the leading driver (as the report says, “location, location, energy-efficiency”).

- As a factor, energy-efficiency explains only a small, portion of the total value of the house and needs to be integrated within the whole benefits package of a house – the implication being that a bolted- on measure will not work.
- Not all features correlated with a higher price – for example, double glazing had a positive effect while ceiling and wall vents had a negative effect.
- The rating mechanic – in this case a simple star system – has to be clear, well-understood by both sides of the transaction and integrated and normalised into the marketing process.

The authors suggest – but do not seek to prove – that a similar positive result could be achieved in the UK. However – and this is a key point - they feel that this is not a quick fix and that “it may take 9-10 years before the market is established as ...(happened) ... in Australia”.

[Zero Carbon: what does it mean to homeowners and housebuilders? - April 2008](#)

A very comprehensive study - commissioned by the NHBC Foundation - which looks at the issue from both points of view – homeowners and housebuilders.

In the forward, the Rt. Hon Nick Rainsford MP outlines the purpose of the report as being:

“to provide valuable insight into the psychology of homeowners and their attitudes toward environmentally friendly housing in order to identify issues and potential barriers to achieving the 2016 objectives. It also provides an accurate reflection of the views of housebuilders who face the challenging task of delivering new housing that meets these ambitious targets.”

The study covers broad issues – such as attitudes to climate change - as well as the larger and more complex measures such as microgeneration, airtightness, water conservation – as well as the code/labelling issue – specifically, the Code for Sustainable Homes.

8.4.3 Report conclusions:

The study is sober reading in that it points up the huge gulf between what the government is mandating – Zero Carbon by 2016 – and the motivation of the two sides most directly involved – housebuilders and homebuyers.

Essentially the report shows that at the time of the study, there was little evidence that housebuilders wanted to build such homes or that housebuyers wanted to buy them – especially given the anticipated price premium. Essentially, the report shows a stalemate that someone – most likely government – will need to incentivise if it is to achieve its ends.

8.4.4 Key points relevant to Zero Carbon Hub in 2009:

For purposes of creating the type of marketing push the Zero Carbon Hub has been charged with, this report has value as background to the understanding of the issue by both sides of the debate. In itself it does not – nor does it seek to – provide direction for marketing.

However, taken with other knowledge, it does suggest the following:

- Features and measures may not be the best entry point to achieve consumer acceptance and build consumer demand
 - a focus on features and measures – microgeneration, airtightness etc – just underlines what people do not understand or value as opposed to what they may value – benefits such as warmer homes, lower bills.
- Zero carbon may be a leap too far – especially in a single leap. Will consumers – and housebuilders - be more favourably disposed to a direction of improvement and a strategy that consistently moves to increase the level of energy-efficiency as opposed to a monolithic target that creates huge doubt of its being achieved?

The Marketing and Purchase Process for New Homes – May 2008 – Constructive Research for Building Businesses (qualitative conducted by Lynchgate Consultants)

Good piece of work. Lynchgate knows this market well and clearly has good access to the builder / estate agents side. Details of how new homes are marketed and bought consistent with both previous available research (from Energy Saving Trust sources) and also consistent with findings (separate to this project) on previous Sinclair Barnes Limited projects in the housing sector.

The report also looks at both the demand and supply/supply of information / options of green and sustainable features. It reports that while builders and agents expect these issues / request for options to grow, neither builders/agents or consumers currently have enough choices / information / understanding of these features, benefits – or in the case of the supply side, how to effectively monetise this.

8.4.5 Report conclusions:

The result as the findings say is that demand is there but weak (buyers don't understand, feel confident in discussing these features) and agents/builders are not sufficiently familiar with how to market the features. So while in theory such features as energy-efficient boilers are available to specify, the discussion does not usually go that way and discussions regarding options tend more to concentrate on decorative items (kitchen counters, type of wood flooring) which are both more inherently interesting to the buyer and easier to deal with for the developer..

The research concludes that both sides of the equation need to increase awareness, understanding and motivation for sustainable features and integrate the placement of these types of information within the category conventions of the house buying process.

8.4.6 Key points relevant to Zero Carbon Hub in 2009:

A straightforward and easy-to-understand account of the current category conventions in the marketing of new homes. Excellent background to the status quo.

The issue here for the Zero Carbon Hub is more to do with whether these category conventions can remain so static and consistent. Both the environmental question but also the massive changes to the economy and particularly to the homes market may well necessitate equally fundamental changes to the way new homes – and specifically for our purposes, low and zero carbon homes - will be marketed in the future.

Sustainable Consumption: green consumer behaviour when purchasing products – Young et al – Journal of Sustainable Development - July 2008

A review of academic literature specifically examining the gap – and how to close it – between people’s green values and their purchasing behaviour regarding environmentally responsible choices. Additionally depth interviews with a sample of self-defining green consumers.

The authors focused specifically on consumer technology.

8.4.7 Report conclusions:

This report collated existing information as well as collected primary data via interview. It started from the fact that there is an “attitude / action” gap and attempted to uncover both the key barriers and the solutions which would go furthest to overcome these barriers. Barriers were:

- Lack of time – to research / gather information on green choices
- Price – or more accurately affordability
 - which would limit choices
- Lack of available information
- The actual effort of searching
 - especially if this information was hard / a hassle to source
- Non-green issues and considerations
 - for example performance
 - ex: sound performance regarding consumer technology / electronics

In terms of what “solutions” would best overcome these barriers, the authors concluded:

- The presence of certain trusted information sources
 - which could include labels
- Availability of green choices in store

- one finding was that retailers choice-edited but often – if a mainstream retailer – chose only one green option – thus reducing choice
- Guilt
 - which for strong green consumers might override other considerations
 - or cause them to compensate on other purchase decisions

8.4.8 Key points relevant to Zero Carbon Hub in 2009:

A useful report in that it brings together a wealth of knowledge on consumer behaviour – which while known (as evidenced by the academic collation) is not always easily presented. Also useful is the identification of some of the barriers which – we can see from other research reviewed – are also present with regard to home purchase.

While useful as background, this report should be considered with several caveats:

- It looked particularly at consumer technology which is a different type of purchase to housing
 - it is an intensely interesting sector for some – and consequently, some people will enjoy spending significant time researching options
 - it is a low-risk category – when compared to the financial and emotional outlay of house purchase
- Respondents interviewed were self-defined green consumers
 - so green / ethical/sustainable values were higher than normal
 - new build homebuyers are a more mainstream audience – so appealing on a green / sustainable basis alone will not have the strength that it would against these respondents.

Energy Ratings Survey – online survey regarding EPC's – September 2008 - ICM for Energy Saving Trust

Online survey aimed at consumers mainly looking at awareness of EPC's. Most questions looked at cost implications – “would they renegotiate if the property had lower Energy Performance Certificate (EPC) – and would this be an advantage in respect of the resale value?”

8.4.9 Report conclusions:

Consistent with other research which shows that cost is a key criteria.

8.4.10 Key points relevant to Zero Carbon Hub in 2009:

Tactical survey regarding EPCs. There is limited additional usefulness in developing a marketing strategy for zero carbon new build.

Buyer's Guide to a Greener Home – Sponge Sustainability Network – funded by Defra and CLG with sponsorship by Driver Jonas and Fulcrum Consulting – 2008

Guide designed for consumers to “take this guide with you when househunting so you know what questions to ask and features to look for”. Covers house fabric and features plus healthy living, transport and community. Attractively produced with green ratings explained and top tips given. Not indicated nature or volume of distribution although extra copies via CLG.

It does not say, but it looks to have been published to coincide / support etc the introduction of EPC's.

8.4.11 Report Conclusions:

N/A – not a report per se.

8.4.12 Key points relevant to Zero Carbon Hub in 2009:

A good, small guide with some good and useful tips. Covers a wide range of measures from lightbulbs to solar. Raises the issues for consumers – does not necessarily answer them or help them achieve the changes / savings mentioned.

More a nice-to-have than anything which would actually direct buyers in a fundamental way. In that sense, more a lightweight PR-piece. Would be interesting to see if there was follow up as to usage, feedback and success.

At a Push – Draft Desktop Summary of Current Research on Consumer Perceptions of Sustainable Construction and Lifestyles – Kate Moorcock-Abley of Audacity for NHBC – February 2008

A desktop summary of current (February 2008) consumer perception surveys and related literature on consumer perceptions of energy efficiency and house design. The author of the report concentrated as much on the quality of the research reports as on the findings they provided.

It is written in a breezy style – which is interesting to read and as the author makes clear, as much an opinion piece as simply a literature review. Covers a number of the reports also covered separately in this document.

8.4.13 Report conclusions:

Concluded that the research methods employed were basically sound and that taken together overall findings were:

- Consumers were 'at a push' willing to pay their fair share of improvements to home design in order to be environmentally friendly
- Consumers feel a lack of clear and specific information on environmental house design

- They do not trust builders or contractors.

The author also found that some areas that concern consumers such as car use, parking and gardens had not been looked at all.

8.4.14 Key points relevant to Zero Carbon Hub in 2009:

Of limited additional benefit as some of the reports covered have also been covered separately in this report.

Also, unlike our report which examines previous reports through the prism of creating a marketing plan for Low and Zero Carbon homes, the Audacity report looks at the reports through a much less specific focus, that of “consumer perceptions of sustainable construction and lifestyles”. So, it is perhaps not surprising that the author seems to question the usefulness of some of the reports – while acknowledging that the research itself is sound.

Developing Homes for a Changing Climate – Next Generation 2008

Next Generation was launched in 2006 as a multi-stakeholder initiative to drive best practice on sustainability into the heart of the residential sector by encouraging the industry itself to embrace more sustainable housing designs and delivery.

Its 2008 report concentrated on an assessment of the top 20 UK homebuilders to addressing climate change mitigation and adaptation issues. The report collected data and benchmarked the builders on a number of criteria.

8.4.15 Report conclusions:

- The industry is stepping up to the challenging policy set by the government
- Industry has gone beyond asking “why” it is being targeted with a plethora of housing policy
 - to figuring out solutions to “how” it can be achieved
- Regarding their rankings the two companies that emerged as benchmark leaders were
 - the Berkeley Group and Crest Nicholson
 - And Miller Homes and Inspace also performed well
- Driving consumer demand is still a major concern
 - and both government and industry have a long way to go in promoting and publicising the benefits of energy-efficient homes
- Report was disappointed to find little progress made in the techniques made by the sector to engage the customer
 - but praised certain companies for being ahead of the pack
- Made the point that the debate has been the province of government and industry

- and that “the customer has been the overlooked element of the drive to deliver more sustainable housing”.

8.4.16 Key points relevant to Zero Carbon Hub in 2009:

An enlightening – and clearly authoritative – report on the current industry stance on sustainability issues and particularly on the marketing – or lack thereof - of sustainable homes to the consumer market.

If there is a gap – and the authors point this out – it is that industry is not consistent in providing data on its activities. Part of this is driven by the fact that their efforts at promoting sustainability are becoming increasingly commercially sensitive. In one way, this is a positive sign that the issue is growing in importance among the industry. The bad news is that this creates difficulty in attempting to collect accurate industry data.

A key takeout from this report for the Zero Carbon Hub is that it should work more closely with the Next Generation in the joint objective of creating the market for sustainable housing.

8.5 Existing materials – 2009

[Green Finance Uptake - Quadrangle Research for Energy Saving Trust - January 2009](#)
Commissioned by Energy Saving Trust to provide a quantification of homeowners’ interest in the different energy saving measures and assess financing methods that could be used to encourage financial services providers to develop products for this market. Methodology included qualitative focus groups as well as an online quantitative element.

8.5.1 Report conclusions:

- Quantification of demand is fraught with difficulties
 - as influences to demand - from energy prices to technologies - are constantly in flux
- Also consumers are not static with regard to these issues in that:
 - ‘energy saving’ or the term ‘energy efficiency’ has a broad range of connotations:
 - homeowners attitude in relation to the area of energy saving is a dichotomy: they are concerned but don’t feel they’ll have an impact
 - homeowners in relation to the area of energy saving need absolute simplicity in marketing, communications and sales literature
 - segmented language that might be easily and naturally understood by experts such as Energy Saving Trust is likely to be met by homeowners as an added layer of complexity
 - more easily understood is something like ‘basic’ and ‘advanced’ measures.
- Government can be – and to a large degree is – seen as a credible source of advice/information on energy saving measures.

- the idea of an independent or government-backed body resonated with respondents
- The most powerful messages tested concern saving money through reduced energy usage
 - homeowners thought: money first; environment second.
 - success is more likely if people get there themselves rather than be told so in advance, especially by an authority.
 - a focus on the key tangible benefits goes further than covering the detail
 - a simple, credibly expressed average percentage energy saving tested better than an arbitrary “pound note” figure (that instinctively feels non-credible).
 - in terms of financial incentives, a limited number of the most widely accepted (by homeowners) incentives will work better than offering too much choice.

8.5.2 Key points relevant to Zero Carbon Hub in 2009:

One of the key issues in the zero and low carbon debate is that neither zero carbon nor low carbon homes are currently tangible products to either builders or buyers. As such, studies such as this on green finance are extremely difficult both to conduct and to analyse. Until people have a real and clear sense of the product, it is relatively hypothetical to ask them to project demand or to judge financial mechanisms via which they will fund demand. This project falls victim to this situation – a point which the consultancy, Quadrangle, pointed out and attempted to mitigate.

So while the Zero Carbon Hub needs to exercise caution in viewing the results of this research as conclusive, it provides good background regarding the issues, possibilities and barriers to the whole issue of financing zero carbon homes.

9 Appendix 3 – Experts input - individual interviews with industry side

In the course of compiling this report, we spoke to the following. All were able to shed light on this issue and many were able to steer us to further information and contacts.

Going forward, we will hope to include some of these individuals, companies and organisations in developing the propositions, concepts and scenarios which we will test against the consumer.

- Richard Hartless - BRE
- Ameeta Sharma - ZED Homes Ltd
- Claire Lipop - Raven Housing Trust
- Jon Lissimore - Environment Manager - Housing, Regeneration and Environment
- Helen Saunders - Crest Nicholson

- Sara Crawford - Berkeley Homes
- Will Anderson - Clapham Treehouse
- Euan Cresswell - Westmark Developments
- Chris Twinn - ARUP
- Steve Turner - NHMB

10 Appendix 4 – Consumer viewpoint (secondary)

Going forward, it will be important to understand the benefits as described by people with real, day-to-day experience living in low carbon homes. At this stage, we wanted to source some of these experiences in terms of:

- Collecting secondary data – via buyer / occupants / residents feedback surveys
- Identifying homes and homeowners / residents which we could interview in depth at a later stage.

What we found was that the majority of these homes were in the social housing sector (with no/little commercial imperative) or were in some way niche – architect's own homes, environmental builders. So while valid, these were not the buyers that will ultimately be the target of the Consumer Engagement Workstream.

An objective of Stage 1 – Step 2 will be to identify and interview more mainstream buyers and residents.

Having said that, and with help from the following people, we collected some very helpful input.

Good Homes Alliance - transcripts of Occupant/Buyer interviews

10.1.1 Content conclusions:

Post-occupancy interviewees – provided by Simon Corby at the Good Homes Alliance from three social housing developments:

- Norbury Court
- Lincoln Grove, Bladon - 2008
- Ecotessey Park – October 2008

Occupants were asked how the new housing compared to their previous homes. Specific features included better insulation / airtightness, dual flush, controlled heat, cycle storage.

In the main, comments were positive – particularly regarding air quality. There were however, several complaints of dampness, condensation and mould.

10.1.2 Key points relevant to Zero Carbon Hub in 2009:

Useful and a potential source to follow up for further liveability feedback. However, not mainstream examples.

Ashford ZED – Statement of Consultation August 2006

10.1.3 Content:

Consultation document relating to the planning application to build a mixed use development (residential, commercial) in Ashford Kent. ZedHomes conducted significant community consultation and made adjustments to their proposal as a result. Planning application was granted in 2009.

10.1.4 Key points relevant to Zero Carbon Hub in 2009:

Useful to indicate the level of community commitment possible when residents are engaged and significant information is provided in an easily accessible manner.

In the flip side, shows the level of effort which is sometimes necessary for developers to achieve such permission. ZedHomes reported that the risk-averseness of the planners was a frustration.

Useful to show some of the community engagement techniques used.

Post occupancy study of Boatemah Walk

10.1.5 Content:

Social housing block of 18 flats in London. Post-occupancy monitoring work tracked awareness, understanding & usage of features including PV and rainwater recycling.

Found that occupants were aware of the features and understood how to use them. Several of the residents were disabled so while they generally liked the features installed were not keen on the hassle factor of any further modifications being undertaken.

10.1.6 Key points relevant to Zero Carbon Hub in 2009:

This is a very technical, metering track so not useful in helping us look at marketing.

Countryside Properties – Green Living

10.1.7 Content

Website case study in Chatham Kent. A nice example of the environmental features being incorporated into the description of the overall benefits of the development

10.1.8 Key points relevant to Zero Carbon Hub in 2009:

Interesting that these properties are still presented in a special Green Living section although this understandably allows a 'point of difference' to be made. However, going forward, there are implications for the Zero Carbon Hub in attempting to position low carbon homes as mainstream.

Appendix 4 – Consumer viewpoint (primary)

We collected input from two separate pieces of primary consumer research:

- Inclusion in a pulse group programme
- A topline 2000 sample survey

In both, the objective was to get a topline read on the currency of the zero carbon homes issue as opposed to examining any one element in depth. We are looking for hooks to take the debate into the consumers' world and directives as to candidate messages and priorities for consumer engagement,

10.2 Pulse group programme

The Energy Saving Trust runs a programme of eight focus groups per quarter. Focus is on four-five topical issues per time. Purpose is to take the temperature of opinion and tenor of dialogue on a range of issues as opposed to looking at any one subject in depth. Sample was 25-55+, BC1/C2D in London, Cardiff and Midlands in February 2009.

We included questions about Low and Zero Carbon – particularly definition, awareness and attitude toward some of the features, benefits and attributes of such homes.

10.2.1 Results

- No awareness of a zero carbon homes policy
 - but general awareness of a move to energy-efficiency in the home
- Term zero carbon did not play well
 - too absolute – not believable
 - sounds extreme and can suggest denial / sacrifice
- Sources were general public discourse & media
 - but equally, supplier advertising or inserts in utility bills
- Clear interest in saving money by using less energy
 - but also unprompted interest in a greener solution
 - more marked in 25 – 34 / less in 35-50 and 50+
- Passive interest in knowing more
 - none of the respondents had sought out energy-efficiency information
 - but were happy to hear about it – and felt once they had been alerted to this, they will seek out more
 - surprise – especially among older groups – that they have not heard more about solutions
- In both age groups, a sense that energy efficient / green / eco homes are not “normal-looking”
 - from comments that “ they don’t look like normal houses” to “ they look like teletubbies houses”
 - implication is than they are not houses they’d actually like
 - even though they may like the idea of energy-efficiency
- We tested the “ allowables” concept – which they likened quickly to “ offsets”
 - not so much that offsets were a bad thing in themselves
 - but felt that the concept should be clearer and more honest.

10.2.2 Conclusions:

- The concept of zero carbon homes as presented does not relate to these respondents. They are certainly not against further energy-efficiency in fact welcome this. But the concept as presented seemed somewhat unreal and very far from their lives
- This underlines the necessity to craft these concepts onto consumer language and scenarios before attempting to generate initially understanding then thereafter, demand.

10.3 Online omnibus

10.3.1 Objectives

- To look at headline-level (not in-depth) awareness and motivations of low carbon features and technologies

- Through the prism of consumer benefits / aspects of what consumers like
 - which has not been done before
- Focus on messages, articulation & language in respect of features, benefits and motivations
- To look beyond cost (both spending and saving in respect of low carbon) as a motivator
- To look at buying / paying options – incentives etc

10.3.2 *Style of investigation*

- Quantitative topline survey - Omnibus
- Important to test at a headline-level only – to replicate top-of-mind awareness
- Important to test “ man-on-the-street” level / public discourse level
 - as opposed to only potential new homes buyers

10.3.3 *Sample & Fieldwork*

- Online omnibus
- 2,000, nationally representative sample
 - Wave 1 – new homes - conducted 27 Feb - 1 March
 - Wave 2 – zero carbon – conducted 6 - 9 March

10.3.4 *Wave 1 – New Homes - conducted 27 Feb – 1 March*

Questionnaire

1. Many new homes nowadays benefit from being built using the most up-to-date building methods and materials. If you were in the market for a new home – either now or in the future – which of the following benefits, if any, would most appeal to you?

Single code - 1st, 2nd, 3rd mentions only - rotate

- 1) More ‘even’ heating distribution e.g. avoid accumulation of cold spots
 - 2) Lower utility bills
 - 3) Under -floor heating
 - 4) Ability to set individual temperatures in each room
 - 5) No draughts around windows and doors
 - 6) Better indoor air quality e.g. fresher, no musty or stale air
 - 7) Better sound insulation e.g. quieter, less outdoor noise
 - 8) None of these appeal to me
 - 9) Don’t know
- 1a. Measures such as new products and improved building methods will make new homes more energy-efficient (they don’t need as much energy to heat them) and also reduces carbon output (much of their electricity comes from clean, renewable energy sources).

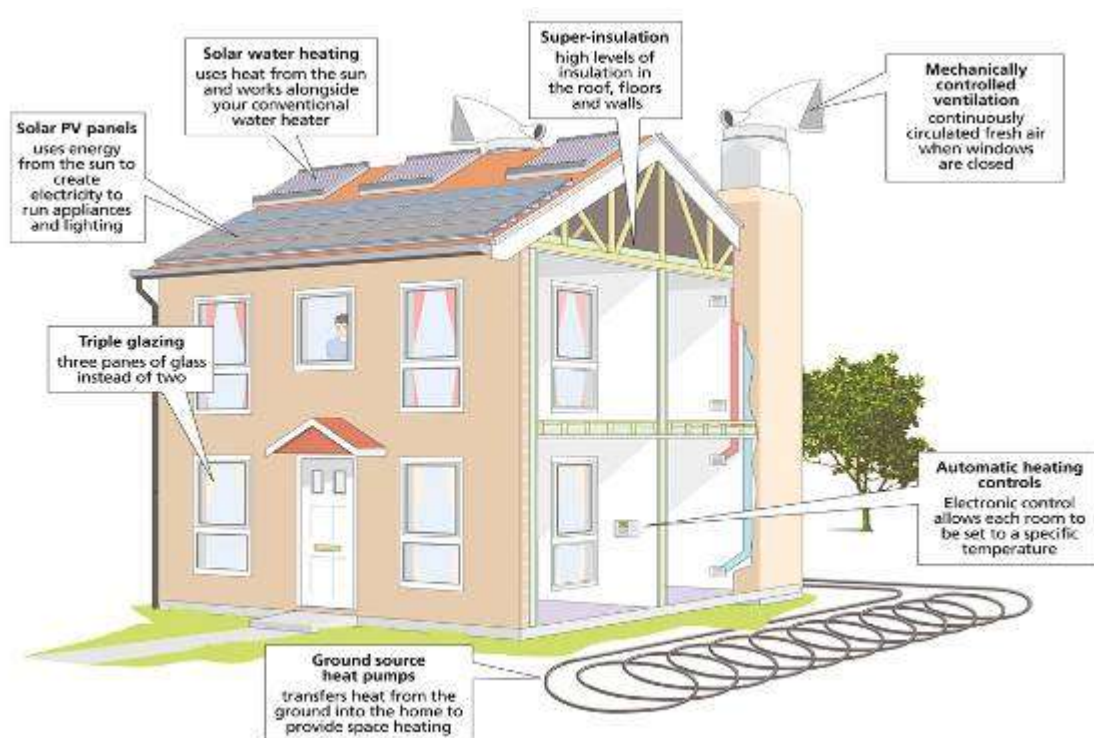
2. Which of these measures, if any, have you ever heard of?

Multicode - rotate

- 1) Super-insulation
- 2) Mechanically controlled ventilation
- 3) Automatic heating controls
- 4) Triple glazing
- 5) Solar PV panels
- 6) Solar water heating
- 7) Ground source heat pumps
- 8) Not heard any of these before

Ask all-show image and labels

2a. This example house gives information on each of the measures that can make homes more energy efficient and reduce carbon output.



Ask all

2b. Which, if any, have you ever seen installed in a home or a show home?

Show image - multicode - rotate

- 1) Super-insulation
- 2) Mechanically controlled ventilation
- 3) Automatic heating controls
- 4) Triple glazing
- 5) Solar PV panels
- 6) Solar water heating
- 7) Ground source heat pumps
- 8) Never seen any installed in a home/show home

9) Don't know

Ask all

2c. And which, if any, have you used in your own home?

Show image - multicode - rotate

Same list as 2b

8) Never used in own home

Show image again for each 1-7

3. Which of the following aspects of each of the new home measures, would most appeal to you in terms of increasing comfort and enhancing lifestyle?

Single code – rotate a-f

- 1) Super-insulation of roof, floor, walls
 - a. No maintenance once installed
 - b. Built into the house-so not visible
 - c. Keeps homes warmer
 - d. Lower CO2 emissions
 - e. Better sound insulation from outdoor noise and indoor noise going out
 - f. None of these
 - g. Don't know
- 2) Mechanically controlled ventilation
 - a. Can significantly improve a home's air quality by removing allergens and pollutants
 - b. Prevents the build-up of moisture in the home which can cause mould problems
 - c. Enhance health
 - d. Prevent odours, lingering smells
 - e. None of these
 - f. Don't know
- 3) Automatic heating controls
 - a. Set a temperature for an individual room
 - b. System automatically sets heating accordingly
 - c. Can adjust heating remotely – for example via internet
 - d. None of these
 - e. Don't know
- 4) Triple glazing
 - a. Reduces heat loss through the windows.
 - b. Fewer draughts and breezes
 - c. Can help to lower CO2 emissions

- d. Better sound insulation
 - e. None of these
 - f. Don't know
- 5) Solar PV panels
- a. Requires minimal maintenance due to the system having no moving parts.
 - b. Gives you the option of selling surplus electricity generated
 - c. No CO2 emissions
 - d. None of these
 - e. Don't know
- 6) Solar water heating
- a. No CO2 emissions
 - b. Extends the life of existing gas boiler system by increasing the base temperature of the water and thereby reducing the gas boiler's workload.
 - c. None of these
 - d. Don't know
- 7) Ground source heat pumps
- a. High reliability and low maintenance costs
 - b. Reduces CO2 emissions
 - c. None of these
 - d. Don't know

4a. Which of these measures shown on the example, do you think would help to save the most energy?

Show image - Single code - rotate - 1st, 2nd, 3rd mentions only

- 1) Super-insulation
- 2) Mechanically controlled ventilation
- 3) Automatic heating controls
- 4) Triple glazing
- 5) None of these
- 6) Don't know

4b. Which of these measures, do you think would be least expensive to install?

Show image - Single code - rotate - 1st, 2nd, 3rd mentions only

Same list as 4a

4c. And which of these measures do you think would have the lowest cost to maintain or to run?

Show image - Single code - rotate - 1st, 2nd, 3rd mentions only

Same list as 4a

- 5a. Which of the following renewable energy measures do you think would help to reduce the most carbon output?

Show image - Single code - rotate - 1st, 2nd, 3rd mentions only

- 1) Solar PV panels
- 2) Solar water heating
- 1) Ground source heat pumps
- 2) None of these
- 3) Don't know

- 5b. Which of the following renewable energy measures do you think would be least expensive to install?

Show image - Single code - rotate - 1st, 2nd, 3rd mentions only

Same list as 5a

- 5c. And which of these measures, do you think would have the lowest cost to maintain or to run?

Single code - rotate - 1st, 2nd, 3rd mentions only

Same list as 5a

6. Knowing now the benefits of each of these features, which would you.....

Multicode - rotate – top three only

- 1) Most likely consider having in your home?
- 2) Least likely consider having in your home?
 - a. Super insulation
 - b. Mechanically controlled ventilation
 - c. Automatic heating controls
 - d. Triple glazing
 - e. Solar PV panels
 - f. Solar water heating
 - g. Ground source heat pumps

7. Thinking about those features you would likely consider having in your home, would you prefer...

Single code

- 1) that the house was an all-inclusive price with these features already installed by the developer at the time of buying
- 2) that the house was lower than standard price with these features offered as extra options at time of purchase
- 3) that the house was lower than standard price with provision made for these features to be built at a later date

4) Don't know

8. 8. In terms of cost to buy these new houses, do you believe these houses would be more or less expensive in comparison to houses already on the market, or do you think it would be the same price?

Single code

- 1) more expensive
- 2) less expensive
- 3) the same price as homes already on the market
- 4) Don't know

- 8a. Why do you think that the new houses would be [insert mention 1-3 at Q8]

- 1) Insert answer_____
- 2) Don't know

9. It is estimated that NEW homes built with these features will cost on average 15% more than a home without these features. Which of the following statements best describes you? I would...

Single code

- 1) pay this premium in the selling price
- 2) pay the premium if I receive a grant to cover the cost
- 3) pay the premium but get a discount on my council tax
- 4) not be prepared to pay anything extra, but would like a home with these features
- 5) not want a home with these features
- 6) Don't know

Results

Cost always top answer

- Cost always the lead reaction
 - Consistent through questions
 - Consistent re costs (especially at purchase) and savings (a key motivator)
- But once past the cost issue, other benefits are coming through as motivating:

Note: all below are total mentions

- Lower bills 77%
- No draughts around windows & doors 41%
- Better sound insulation 40%
- Individual temperatures per room 38%
- More even heat 32%
- Which suggests opportunities to:
 - major on benefits
 - encourage innovation in these supply chains

Awareness of technologies

- Some awareness of all technologies
 - However 16% had not heard of any of the technologies listed

- The following had all been heard of before the survey
 - Solar water heating 68%
 - Triple glazing 58%
 - Automatic heating controls 36%
 - Ground source heat pumps 33%
 - Solar photovoltaics 28%
 - Super insulation 21%
 - Mechanically controlled ventilation 12%

- For all these features males are somewhat more aware than females
 - Consistent with usual features-driven elements
 - Females are more likely than males to have heard of none of these
 - 21% females vs 10% males
 - Awareness trends slightly higher in:
 - 35+
 - homeowners
 - indication of greater likelihood to have come across the technologies

- Have they seen these technologies installed – even in a show home?
 - None 53%
 - Solar water heating 23%
 - Solar PV panels 21%
 - Triple glazing 14%
 - Heating controls 10%
 - Superinsulation 6%
 - Heat pumps 5%
 - Ventilation 4%

Non-cost benefits

- Once questioning moves to non-cost benefits other motivations come to the fore – top mentions (prompted choice lists provided)
 - Superinsulation of roof, floor & walls
 - Reduces home energy use/carbon emissions 32%
 - Keeps home warm & cosy 30%
 - No maintenance once installed 17%

- Comment: a motivation – but is this valid??
- Mechanically controlled ventilation
 - Prevents stuffiness 24%
 - Prevents moisture build up 22%
- Automatic heating controls
 - Set temperature per room 33%
 - Reduces energy/carbon emissions 32%
- Triple glazing
 - Reduces energy/carbon emissions 28%
 - Keeps house warm & cosy 27%
 - Better sound insulation 21%

- Solar PV panels
 - Uses green energy source 42%
 - Option of selling surplus energy 28%
 - Requires minimal maintenance 20%
- Solar water heating
 - Third of hot water for free 59%
 - Uses Green energy source 22%
- Ground/air source heat pumps
 - Uses small amount of electricity 57%
 - Uses green energy source 21%

Energy Efficiency

- Which do they think would save most energy? (total of 1st, 2nd,3rd mentions)
 - Superinsulation 89%
 - Triple glazing 84%
 - Automatic heating controls 74%
 - Mechanically controlled ventilation 21%

- Which do they think would be least expensive to install? (total of 1st, 2nd,3rd mentions)
 - Superinsulation 67%
 - Automatic controls 67%
 - Triple glazing 46%
 - Mechanically controlled ventilation 40%

- Which do they think would have the lowest cost to maintain or run? (total of 1st, 2nd,3rd mentions)

- Superinsulation 84%
- Triple glazing 82%
- Automatic heating controls 60%
- Mechanically controlled ventilation 25%

Renewables

- Which do they think would generate most energy?
 - In this case 1st mention was significant:
 - Solar PV 43%
 - Heat pumps 28%
 - Solar water 14%
 - Don't know 14%

- Which do they think would be least expensive to install?
 - In this case 1st mention was significant
 - Solar water heating 28%
 - Don't know 28%
 - Solar PV 26%
 - Heat pumps 13%

- Which do they think would have lowest cost to maintain or run?
 - In this case 1st mention was significant
 - Solar PV 40%
 - Don't know 20%
 - Solar water 19%
 - Heat pumps 18%

Highest consideration features

- Which would they most like in their home?
 - Superinsulation 44%
 - Triple glazing 36%
 - Solar PV 33%
 - Solar water 29%
 - Automatic heating controls 21%
 - Heat pumps 16%
 - None 12%
 - Mechanical ventilation 6%

Lowest consideration features

- Which would they least like in their home?
 - Mechanically controlled ventilation 40%
 - Heat pumps 33%
 - None of these 19%
 - Triple glazing 12%
 - Solar PV 12%
 - Automatic heating controls 11%
 - Solar water heating 9%
 - Superinsulation 4%

Buying the Home

- If they bought a home with these features, what would they prefer?
 - All-inclusive price 60%
 - Features already installed
 - Lower price 19%
 - Features as options
 - Don't know 11%
 - Lower price 10%
 - Provision to add later

Cost to Buy

- Would the house be more or less expensive
 - More expensive 79%
 - Same price 11%
 - Don't know 7%
 - Less expensive 4%
- Why do you think that? – key answers here –
 - Costs of new houses
 - Costs of new technologies / green technologies
 - Costs of additional elements
 - Cost of gadgets
 - Need for specialist builders/engineers

Would they pay – and how? (quoted 15% premium on current houses)

- would they pay?
 - Yes 65%
 - No 24%
 - Don't know 11%

- The 65% who would pay is made up of
 - If received a grant to cover cost 32%
 - Get a council tax discount 21%
 - Pay premium in selling price 11%
 - ABC1 25%
 - 45-64 31%
 - Scotland 16%
 - Homeowner/outright 13%
 - No children under 1 12%

- The 24% who would not pay is made up of:
 - but would like a home with these features 21%
 - not want a home with these features 3%

10.3.5 Wave 2 – Zero Carbon - conducted 6-8 March

Questionnaire

10. Which of the following have you heard of:
- a. Zero carbon homes
 - b. Low carbon homes
 - c. Eco-home
 - d. Carbon-neutral homes
 - e. none
11. What do you think specifically is meant by the term zero carbon home – write in
-
12. It is government policy that from 2016 all new homes must be zero carbon and all existing homes will be encouraged to be low carbon homes. Were you aware of this policy?
1. Yes
 - i. If yes, where did you hear / read this – write in or list
 2. No.
13. In using the term zero carbon with regard to homes, do you assume this refers to: (multi-code)
- a. The building methods used to build / construct the house
 - b. The materials used in that construction
 - c. The carbon emissions actually generated day-to-day by the house when it's lived in
 - d. All of the above
 - e. None of the above

14. And thinking about the term zero carbon with regard to homes, can you think of any specific products or features in the home that would make the house either zero carbon or low carbon – write in
-

Results

- Which have you ever hear of?
 - Eco homes 77%
 - Carbon-neutral homes 45%
 - Low carbon homes 42%
 - Zero carbon homes 22%
 - None 12%

- What do you think specifically is meant by the term zero carbon home – write in
 - Top answers
 - “Something to do with carbon emissions” 46%
 - “don’t know” 36%
 - “no/zero carbon is generated day to day” 34%

- It is government policy that from 2016 all new homes must be zero carbon and all existing homes will be encouraged to be low carbon homes. Were you aware of this policy?
 - Yes 17%
 - TV 44%
 - Newspapers 24%
 - Internet 15 %
 - No 83%

- In using the term zero carbon with regard to homes, do you assume this refers to:
 - The carbon emissions actually generated day-to-day by the house when it’s lived in 74%
 - The materials used in that construction 28%
 - The building methods used to build / construct the house 25%
 - Don’t know 14%

- And thinking about the term zero carbon with regard to homes, can you think of any specific products or features in the home that would make the house either zero carbon or low carbon - write in
 - Top answers
 - solar panels 16%
 - insulation 10%