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National Survey: Consumer 'Green' Home Purchase Intent / Enthusiasm Down in '07

Sour Housing Market, Price Perceptions May Be To Blame

Knoxville, Tenn. – Despite a growing U.S. marketplace touting the benefits and desirability of “green” home products and new-home construction, consumer purchase intent for energy-efficient home products is down in 2007 compared with a year ago, according to a national study that evaluates the consumer mindset on energy use and conservation.

The Shelton Group **Energy Pulse 2007** study (www.energypulse.org), just released today, indicates that the current economy and housing market decline – coupled with consumer perceptions that green products cost more – may be resulting in a marked downtick in consumer enthusiasm for energy-efficient homes and other green home products.

When asked, “Would you choose one home over another based on energy efficiency?” those who answered “yes” declined significantly in 2007 compared with responses in 2006, by 16.27 percentage points.

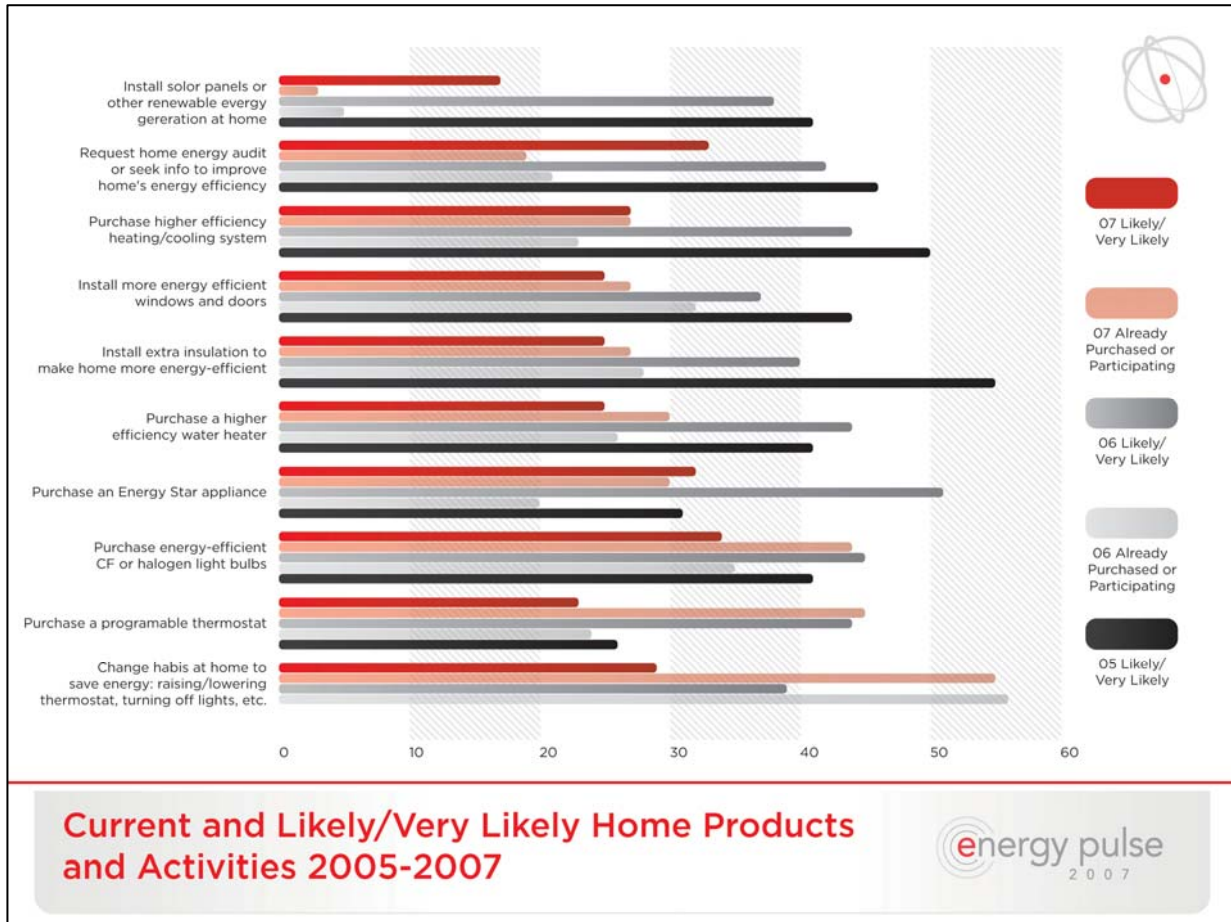
Reflecting the housing troubles of the past year, Energy Pulse also documented a 13 percentage point decline in the number of consumers who have “recently completed home renovations,” from 30 percent of consumers who responded affirmatively in 2006 to only 17 percent in 2007.

Energy Pulse 2007 also documents that purchase intention for every energy-efficient home product evaluated is down from the study’s 2006 results. Decreases in levels of “likely/very likely” purchase intention for the following products and activities between 2007 and 2006 include:

- Purchase a programmable thermostat – down 22 percent
- Purchase an energy efficient compact fluorescent or halogen light bulbs – down 11 percent
- Purchase an Energy Star appliance – down 19 percent
- Install extra insulation to make home more energy efficient – down 15 percent
- Install special energy-efficient windows or doors – down 12 percent
- Purchase higher efficiency heating/cooling system – down 17 percent
- Request home energy audit or seek information to improve home energy efficiency – down 9 percent
- Install solar panels or other renewable energy generation at home – down 21 percent

“... The ‘buy, buy, buy’ optimism of last year has been replaced with real concerns about cash flow... Marketers should take notice with respect to the content and credibility of their messages.”

**–Suzanne Shelton, CEO,
Shelton Group**



“Even with all the talk today about consumers seeking to save energy costs and help the environment, the ‘buy, buy, buy’ optimism we’ve seen in the past has been replaced by very real concerns about day-to-day cash flow,” said Shelton Group CEO Suzanne Shelton, who independently sponsors the Energy Pulse study.

“Fewer consumers seem willing to put the up-front cash into a green or energy-efficient purchase despite how much it may save them in the long-run or how it might assuage their guilt about the environment,” Shelton said. “Marketers should take notice with respect to the content and credibility of their messages. Prices matter, and consumers may be growing weary of companies that appear to tout ‘green’ merely as a marketing ploy.”

Sixty-one percent of Energy Pulse 2007 respondents thought energy-efficient products cost more. According to Shelton, energy-efficient product marketers should make it clear if their products are priced comparably to less-efficient alternatives.

ABOUT SHELTON GROUP:

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