

New Study Finds Americans Jumping Ahead in Energy Efficiency

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The United States has made great strides in becoming more energy efficient and is well positioned for future growth in the sector, according to consumers and the industry in a new study from the Rexel Foundation for a better energy future, a recently launched charitable initiative founded by Rexel, a global leader in the professional distribution of products and services for the energy world.

Published today, the Rexel Foundation energy efficiency study found that 75% of US consumers have made energy efficiency improvements to their homes in the last five years, ahead of the UK (68%) and France (70%) and just slightly behind Germany (76%). In addition, 70% of US consumers plan to make energy efficiency improvements in the near future and an overwhelming majority (93%) stated that they are convinced that investing in energy efficiency products will enable them to reduce their energy bills.

The views of electrical contractors support this trend with 97% confirming an increased awareness with regard to wasting energy among their client base, as well as increased knowledge of energy efficiency products and solutions (89%). They also said their clients have become more conscious of the return on investment (87%) and the depletion of natural resources (79%). These numbers were statistically higher than in the other European countries. An overwhelming majority of electrical contractors surveyed (79%) also felt that that the United States is advanced in adopting energy efficiency versus the other countries polled (namely the UK, France and Germany).

However, this study also shows that despite perceptions of progress in energy efficiency, there are several key obstacles that are holding US consumers back from making further improvements. While US consumers agree that investing in energy efficiency will save them money, for 59% the cost and other financial considerations are holding them back, followed by renters who feel the investment is not worth their while (22%). But not knowing who to turn to for advice (18%), the overwhelming choice of products (18%) and the complexity of products (11%) were also cited as major obstacles.

Chris Hartmann, Executive Vice President & CEO, Rexel Holdings USA, said: “The Rexel Foundation’s energy efficiency survey highlights that, as a country, we are ready to make meaningful improvements to our homes and lifestyles in order to become a more energy efficient society.

“However, there are still areas where the industry needs to work together to help consumers increase their rate of adoption. Even simple and relatively low cost solutions such as switching to LED can make a significant difference for renters and homeowners alike. By raising awareness of the benefits, providing a simplified product offering and advising consumers on the right solutions for them, we can ease the financial obstacles cited in this study and make progress in energy efficiency.”

The Rexel Foundation Study in Focus

A Strong Desire to Change

With 70% of consumers planning to make energy efficiency improvements to their homes in the next five years, the energy efficiency sector holds great potential. Solutions that ranked the most popular among respondents include LED lighting, insulation (window, wall, etc.), occupancy sensors and energy efficient heating and air conditioning systems.

Data also shows that today’s younger generations of consumers are more likely to make such improvements. It appears that those aged 18-34, who have grown-up in a world embedded in technology, are more comfortable utilizing today’s newer, more technologically advanced products and solutions. Excluding energy audits and passive measures such as upgrading insulation of windows, walls and roofs, the age demographic of people planning “active technology driven” energy efficient upgrades in the next five years can be split as follows:

- 18-24 years – 68%
- 25-34 years – 68%
- 35-49 years – 52%
- 50-64 years – 44%
- 65 years+ – 28%

Additionally, 79% of respondents from the electrical industry felt that the U.S. is very much or reasonably advanced in adopting the practice of energy efficiency. This compares very favorably to the European countries in the study. 79% of German contractors felt the same way, but only 7% in France and 20% in the U.K. felt they were very much or reasonably advanced.

The Ramifications of Energy Inefficiency

If nothing is done to improve energy efficiency in the United States, we will be left in a vulnerable position with negative consequences in several key areas.

According to the consumer survey, 92% of Americans agree that if nothing is done to improve energy efficiency, the cost of energy will continue to rise, 83% said that political tensions will increase as we become more dependent on other countries to provide our energy, while 82% of respondents felt that more people will be unable to pay their bills and will fall into fuel poverty. Finally, more than three quarters of Americans (78%) agree that irreversible damage will be made to the environment.

Cost is the Catalyst for Change

The United States is emerging from a difficult economic environment and the data collected from the Rexel Foundation study reinforces the belief that cost is still top-of-mind for most consumers.

Among those polled, 76% said that a reduction in their energy bills was the primary reason why improvements were made to their home. Reflecting the strong environmental movement in this country, Concern for the Environment ranked second with 35%.

American consumers also believe that by upgrading to more energy efficient products and solutions, the potential for cost savings to their energy bills would be significant. This point is reinforced by a vast majority with 93% of American consumers stating that they are convinced that investing in energy efficiency products will allow them to save money.

Among these, 56% think they could save up to 20% or more on their bills per year (26% of consumers would expect savings of up to 30% or more).

Although the majority of Americans are planning to make energy improvements to their homes, the cost and other financial considerations are cited as the recurring reason why many are not doing more. When consumers were asked, "What needs to be done on a local, national and international level to encourage people to make greater energy efficiency improvements to their homes:"

- 59% insist that to encourage people to make energy efficiency improvements in the future the price of technologies and products will have to come down
- 35% say better financial incentives or subsidies from the government are needed
- 30% say access to attractive financial packages/plans to help them manage the cost would make a difference

Those within the industry see a similar pattern. When electrical contractors were asked, "What do you think are the greatest obstacles for customers," those surveyed said:

- The high price of energy efficient products/new technology – 40%
- A limited disposable income/budget – 34%
- Poor understanding/awareness of the subsidies/tax incentives that are available to them – 28%

Energy Efficiency Must Come from Within

Rexel Foundation's study addressed the issue of responsibility and the results showed differing perspectives between consumers and contractors.

42% of contractors felt that it was the role of the federal government to promote energy efficiency, followed by 38% saying it was the role of utilities/energy companies and 25% said state or local governments are responsible.

The importance of the role of government was further highlighted by 78% of contractors who absolutely or somewhat agreed with the statement; "if the government does not intervene by imposing strict regulations, consumers will not do a great deal to adopt energy efficiency solutions and the energy sector will not take off."

Interestingly, consumers said that the responsibility for improving energy efficiency in the home falls primarily on themselves (42%), which was followed by utilities (29%), state, regional or local government (22%) and the Federal Government (20%).

Greater Awareness and Access to Simplified Solution Needed

When contractors were asked the question, "What are the reasons stopping your customers from adopting energy efficient solutions," the most popular, non-financially related response was 'lack of knowledge/awareness of what energy efficiency is all about' (46%). That was followed closely by 'complexity of technology/products and fear of not understanding how to use them' (33%).

This was reinforced by the fact that 64% of contractors also said that knowing how to explain the use and benefits of the products and technologies would help them to better advise their customers on energy efficiency in the future.

Consumers had a similar feeling towards this issue with 18% saying they are overwhelmed by the number of different products/technology available and that the products are too complex 11%.

Conclusions

The survey conducted by the Rexel Foundation shows that while Americans are gaining ground in the race to become more energy efficient and they have a greater willingness to do so, there is still a lot of work that needs to happen in order to make this goal a reality.

Cost serves as the catalyst for change. Reducing cost is the main reason cited for becoming energy efficient, but cost is also the primary reason prohibiting consumers from doing so.

While the Federal Government and industry play a key role in advancing the energy efficiency agenda, consumers understand that the responsibility falls on them in order to

make a difference. It also appears that today's younger generation could also serve as frontrunners for driving progress in energy efficiency in the future.

Methodology

This survey was conducted on-behalf of the Rexel Foundation for a better energy future by OpinionWay. A sample size of 2021 individuals aged 18 years and over, representative of the population of the United States of America, were interviewed for the US consumer poll. The uncertainty margin is between 0.5 and 2 points for the full sample size (including the USA, France, the UK and Germany). A sample size of 100 electrical contractors, with 10 or fewer employees, working in the residential sector in the United States of America, were interviewed for the US industry poll. The uncertainty margin is between 2 and 5 points for the full sample size (including the USA, France, the UK and Germany).

All responses were collected online with the CAWI system (Computer Assistance for Web Interview) and fieldwork was conducted from April 10 – 22, 2013