



Sustainable Development Fund

Liberty Poll Final Report

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I. OBJECTIVE AND METHODOLOGY

The Sustainable Development Fund is engaged in research to both evaluate the effectiveness of current grantees and to develop an effective research model for successive years of the SDF.

As a part of this evaluation, SDF participated in Liberty Poll, which provides statistically valid measures of consumer attitudes and behaviors in the Philadelphia region. The objective of SDF's participation was to determine Philadelphia area consumers' awareness of electricity choice options and benefits, and their behavior concerning switching to suppliers of electricity from natural sources such as wind, sun or water.

A total of 650 adults age 18 or over in Philadelphia, Bucks, Chester, Delaware and Montgomery counties were interviewed from April 21 through April 27, 2003.

Findings are reported for total sample and by sub-samples that are significantly different at the 95% confidence level of statistical reliability.

A copy of the SDF questions is appended. It should also be noted that some of the wording of the SDF questions used available research, especially *Building Renewable Energy Markets: A Public Education Strategy for State Clean Energy Funds* (Clean Energy Funds Network, 2/6/02).

II. SUMMARY AND IMPLICATIONS

1. Eight in ten Philadelphia area consumers report some level of environmentally-conscious buying behavior. The majority says it is important to them to buy such products if the price is generally comparable; one-quarter say they buy environmentally friendly products even if those products cost more.

Implication: Consumers in this region are generally receptive to environmental products, but price sensitivity remains a driver of consumer choice.

2. Only about one-third of all respondents correctly identified that Pennsylvanians definitely have the choice to buy electricity from natural sources such as wind, sun or water. Almost one-half of Philadelphia area adults are not sure about their renewable electricity supplier choices and 17% think that they definitely do not have a choice. African Americans were above average in correctly identifying that Pennsylvanians have renewable electricity choice: 43% vs. 35% of the total sample. Conversely, only one in ten Hispanics correctly identified consumer choices.

Implication: Creating awareness is the first step in any marketing endeavor. The low current awareness of renewable electricity choice is a major barrier to the SDF's stated goal of increasing demand for electricity generated from renewables. The PUC approval of a plan that could assign up to 80,000 customers to renewable energy suppliers over the next several years—the SDF program duration—will help to expand the consumer market; nevertheless, building awareness among adult heads of household in the Philadelphia region should be a primary goal of current and future SDF-funded activities.

The Liberty Poll data suggest that there has been effective outreach to the African American community, but very low awareness in the Hispanic community. If confirmed, effective community-based strategies to increase awareness should be identified and emulated.

3. Consumers rated six attributes of electricity from natural sources on an eleven-point scale, where 0 means not at all important and 10 means extremely important. The most important attribute rated is that electricity from natural sources *does not cause health problems*, with over seven in ten rating this as 9 or 10 (top 2 box).

About two-thirds give two attributes top 2 box ratings: *Helps to protect the environment for families and future generations*; and *is made from sources here in the United States which reduces the nation's dependence on foreign oil*.

Just over one-half give two attributes top 2 box ratings: Electricity from natural sources *is cleaner than coal, oil or nuclear energy* and *is made from sources that are renewable*. The least important attribute rated is that electricity produced from natural sources *is new and different*.

Implication: Future education and marketing efforts should focus on the positive *benefits to consumers* of electricity from natural sources: that it is healthier for your family now and for future generations, and that it reduces dependence on foreign oil—an especially resonant appeal now. The *features* of renewables are very meaningful to educators and activists, but of less direct appeal to consumers in general.

Marketing appeals should also be tailored to specific audiences; for example, urban residents are understandably more concerned than their suburban/exurban counterparts about the importance of clean electricity sources.

4. The majority of these consumers report that their household has not considered switching to a supplier of electricity from natural sources. About three in ten households have considered it and 6% report that their households did switch electricity suppliers. Younger consumers under age 45 are somewhat more likely to have considered switching, while those 45-64 years old are more likely to have actually switched.

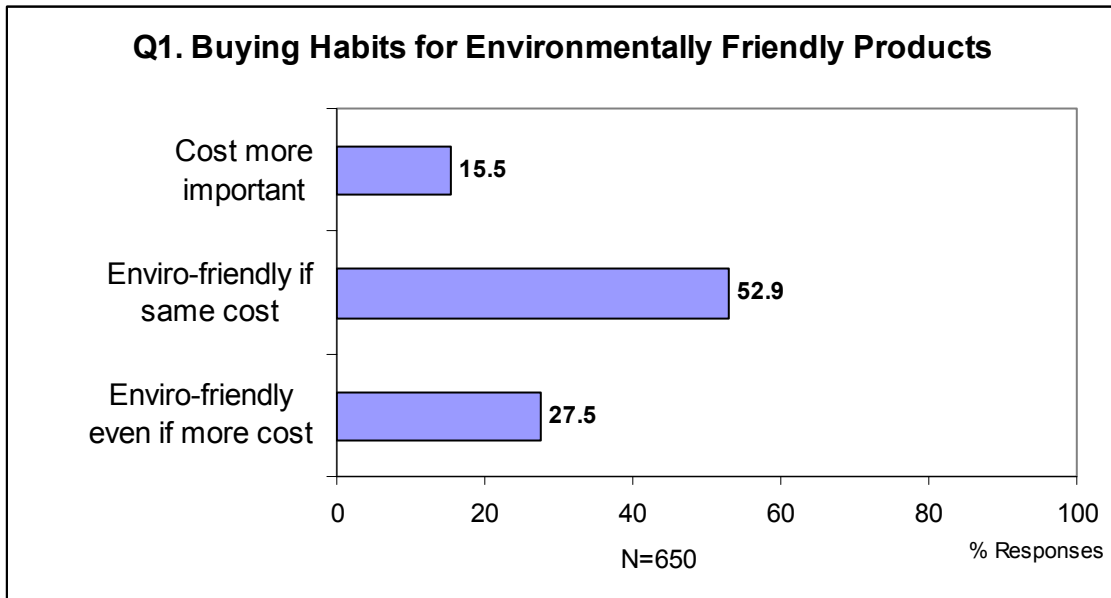
Implication: The Liberty Poll data are generally consistent with the reported incidence of 7.6% of households in PECO's service area having switched to alternative suppliers. Most important, there is a significant segment of the market that has at least considered switching. Further research among this market segment would be valuable in order to identify the specific barriers that resulted in their decision to not switch to renewable electricity suppliers.

III. FINDINGS

Q1. Buying Habits for Environmentally Friendly Products

The first of four questions measured the importance of buying environmentally friendly products. The majority of Philadelphia area consumers say that it is important to them to buy environmentally friendly products, but only if they cost about the same as other, similar products (53%). About one-quarter are less cost-sensitive, and report that it is important to them to buy such products even if they cost more (27%). Thus, eight in ten Philadelphia area consumers report some level of environmentally-conscious buying behavior. Only 15% said that it was important to them to buy low cost products, whether or not they are environmentally friendly.

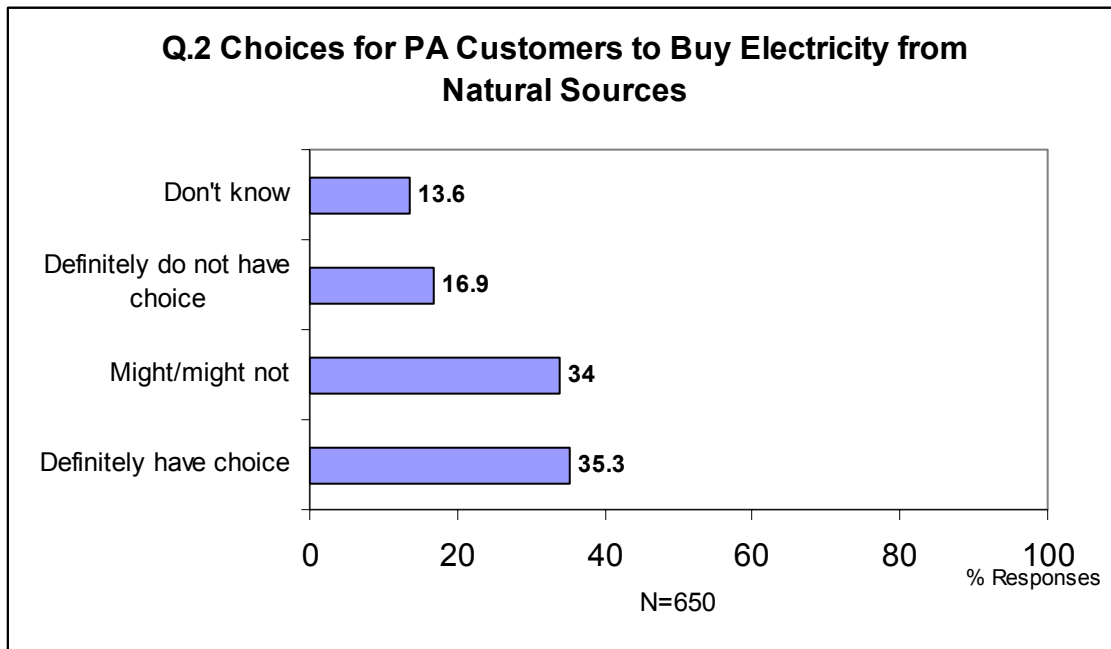
There are no significant differences across demographic groups.



Q2. Choices for Pennsylvania Electricity Customers

Asked which of three statements best described the choices for Pennsylvania electricity customers, about one-third correctly identified that Pennsylvanians definitely have the choice to buy electricity from natural sources such as wind, sun or water (35%). An equal number said customers might or might not have choices, and an additional 13% said they did not know; thus, 47% of Philadelphia area adults are not sure about their renewable electricity supplier choices. 17% are misinformed that Pennsylvanians definitely do not have the choice to buy electricity from natural sources.

African Americans (43%) and consumers ages 45+ (40%) are somewhat more likely to know that Pennsylvanians do have renewable electricity supplier choices. Conversely, only one in ten Hispanics correctly identify consumer choices. Consumers in higher income households of \$50,000+ are somewhat more likely to report consumers might/might not have choices (38%).



Q3. Importance of Attributes of Electricity from Natural Sources

Consumers rated six attributes of electricity from natural sources on an eleven-point scale, where 0 means not at all important and 10 means extremely important.

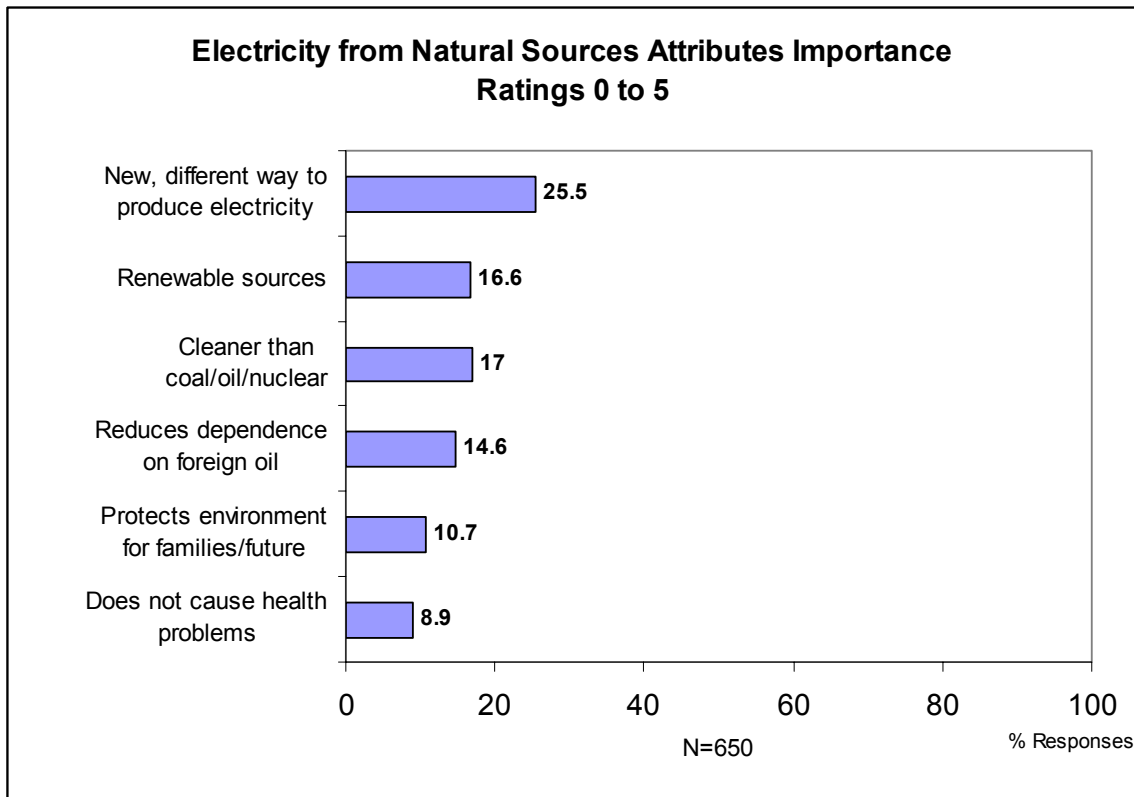
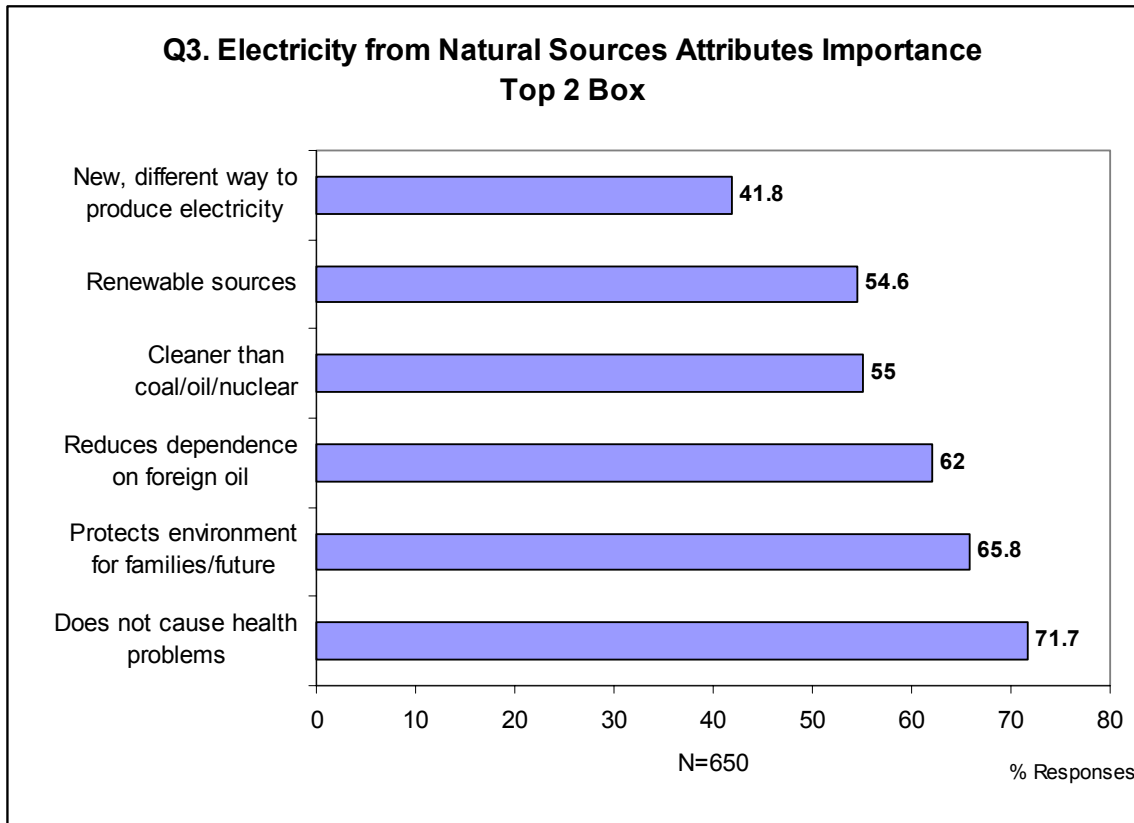
The most important attribute rated is that electricity from natural sources *does not cause health problems*, with over seven in ten rating this as 9 or 10 (top 2 box).

Middle age and middle income consumers rate this even more highly: 78% of those with household incomes of \$50-75,000, and 76% of 45-64 year olds rate this as 9 or 10. Fewer than 9% consider the health benefit as relatively unimportant, at ratings of 0 to 5.

About two-thirds give two attributes top 2 box ratings: *Helps to protect the environment for families and future generations* (66%); and *is made from sources here in the United States which reduces the nation's dependence on foreign oil* (62%). Only 10-15% of consumers rate these attributes as relatively unimportant at ratings of 0 to 5. The importance of protecting the environment for families and future generations is particularly important to African Americans, with a top 2 box rating of 76%. Reducing the nation's dependence on foreign oil is particularly important to Chester county residents and those ages 45-64, with top 2 box scores of 72% and 70%, respectively.

Just over one-half give two attributes top 2 box ratings: *Electricity from natural sources is cleaner than coal, oil or nuclear energy* (55%) and *is made from sources that are renewable* (55%). 17% rate each of these attributes as relatively unimportant. The importance of a clean electricity source is particularly important to Philadelphia residents and those with household incomes under \$50,000., with top 2 box ratings of 62% in each sub-sample.

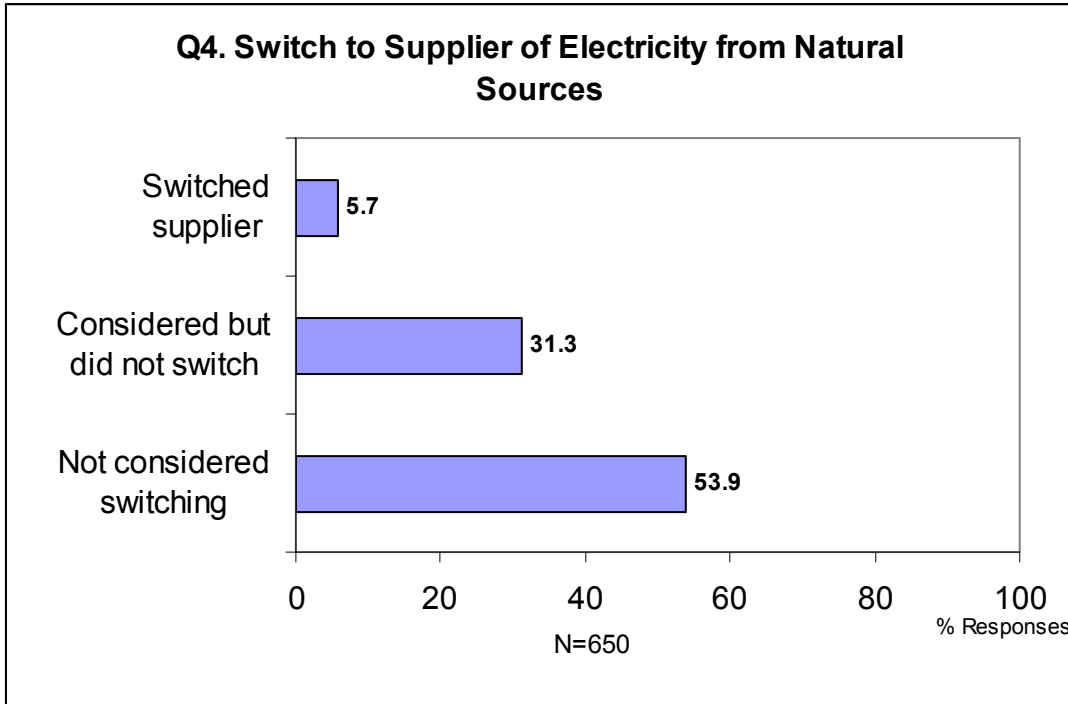
The least important attribute rated is that electricity produced from natural sources *is new and different* (42% top 2 box). And one-quarter rated this at 0-5. Higher income and educated consumers are more likely to rate this as unimportant, with about 31% of these respondents giving it a rating of 0 to 5.



Q4. Household Switching to Suppliers of Electricity from Natural Sources

The majority of these consumers report that their household has not considered switching to a supplier of electricity from natural sources such as wind, sun or water (54%). About three in ten households have considered it and 6% report that their households did switch electricity suppliers.

Younger consumers under age 45 are more likely to have considered switching (35%), while those 45-64 years old are more likely to have actually switched (8%).



**Sustainable Development Fund
Liberty Poll
April 2003**

1. Which one of the following three statements comes closest to describing your buying habits for environmentally-friendly products? Is it...**(ROTATE SEQUENCE)**...? **(READ ALL BEFORE ACCEPTING RESPONSE)**

(ROTATE ORDER OF PRESENTATION)

1. It is important to me to buy environmentally-friendly products, even if they cost more;
2. It is important to me to buy environmentally-friendly products, but only if they cost about the same as other, similar products; or
3. It is important to me to buy low cost products, whether or not they are environmentally friendly.
8. **(DO NOT READ)** Don't know
9. **(DO NOT READ)** Refused

The next few questions are about electricity from natural sources such as wind, sun or water.

2. Which one of the following three statements best describes your opinion about choices for Pennsylvania electricity customers? Is it...**(READ ALL BEFORE ACCEPTING RESPONSE)**...?
1. Pennsylvanians definitely have the choice to buy electricity from natural sources such as wind, sun or water;
 2. Pennsylvanians might or might not have the choice to buy electricity from natural sources
 3. Pennsylvanians definitely do not have the choice to buy electricity from natural sources
 8. **(DO NOT READ)** Don't know
 9. **(DO NOT READ)** Refused

3. Now I am going to read you statements about electricity from natural sources such as wind, sun or water, and for each I would like you to rate how important it is to you on a scale of 0 to 10 where 0 means not at all important and 10 means extremely important. Of course, you may choose any number in between. How important to you is that electricity from natural sources such as wind, sun or water :...**(READ)**...? **(ALLOW DON'T KNOW AND REFUSED)**

(RANDOMIZE)	Not at all important								Extremely important		
	0	1	2	3	4	5	6	7	8	9	10
A. Is made from sources here in the United States which reduces the nation's dependence on foreign oil	0	1	2	3	4	5	6	7	8	9	10
B. Is cleaner than coal, oil or nuclear energy	0	1	2	3	4	5	6	7	8	9	10
C. Does not cause health problems	0	1	2	3	4	5	6	7	8	9	10
D. Is a new and different way to produce electricity	0	1	2	3	4	5	6	7	8	9	10
E. Helps to protect the environment for families and future generations	0	1	2	3	4	5	6	7	8	9	10
I. Is made from sources that are renewable	0	1	2	3	4	5	6	7	8	9	10

4. Which of the following best describes your household's position with regard to switching to a supplier of electricity from natural sources such as wind, sun or water? Have you or has someone in your household...**(READ)**...?
1. Not considered switching
 2. Considered switching but have not switched
 3. Switched to a supplier of electricity from natural sources such as wind, sun or water?
 8. **(DO NOT READ)** Don't know
 9. **(DO NOT READ)** Refused