

Engaging Consumers to Reduce Energy Consumption

Discussion Group

Date

13 October 2009

Chair

Jerome Reback, Partner, Engage for Change

Introduction

Experts agree that our climate's future is precarious and the impact of a changing climate could be severe if something is not done to help the situation.

Energy consumption, by individuals and industry, plays a large role in carbon emission and sustainability issues plaguing the environment. Compounding the problem is the ever-increasing consumption of conventional energy (due to increases in middle class populations in the developing world) and the fact that this energy is becoming harder to find and less accessible. Energy is fundamental to every aspect of our modern Western lifestyle, with access to low-cost energy seen as a basic human right in the developed world.

With this in mind, how can companies, especially those that produce energy products, promote sustainability issues and encourage consumers to reduce energy consumption?

The topic raised many questions for the Members involved in the Discussion Group, although few were answered, probably due to the inherent intricacy of the issue, participants flushed out what questions should be asked and what other organisations are doing about the issue.

The energy conundrum

Finite resources of traditional energy are forcing companies to look at alternatives, both for conventional and alternative fuels.

According to a Member, there are six pathways to tackle the energy conundrum:

1. Lower carbon content fuels, ie, biofuels
2. Efficiency of operations
3. Carbon capturing and storage

4. Advocacy with government – global cap and trade regime
5. More efficient ways of locating and obtaining fuel
6. Help customers use less energy

The last point is what concerned participants most. Those that work for fuel-producing companies wondered how to create a business proposition and be responsible to shareholders, while telling consumers to use less of their product.

Engaging consumers

Engaging consumers is tough enough. Due to the recession, green issues have fallen by the wayside as consumers are now more concerned about saving money than the environment. So how do you engage consumers and get them to take responsibility for saving the environment?

According to the chair of the event, engagement cannot be imposed. Consumers will engage when they want to. The right conditions have to be laid for consumers to engage; initiatives need to be accessible and seamlessly blend into their everyday lives.

Driving the agenda forward

Much of the debate was centred on with whom the onus for driving the climate change agenda forward lies.

Though the government should be leading, it was thought to be too short-termist to drive this agenda as policies are set for the next three to six years. Local government taking on initiatives is not enough. A global programme is needed to make a substantial impact. The United Nations was also mentioned as a possibility.

The group felt that although large companies have made more strides than government, they have to answer to shareholders, who won't buy into unprofitable initiatives.

Consumers need to be educated about the issues and effects of energy consumption as their decisions shape the way governments and organisations respond.

Cynicism

Another layer added to the engagement problem is that consumers feel a sense of cynicism towards large organisations, especially those that produce fuels, when they try to talk about sustainability issues. This is a real challenge for companies.

The example of McDonald's was given. It now provides nutritional facts and a light menu, yet consumers know that their food is still unhealthy. This creates

a sense of cynicism with consumers and leaves them wondering if there is an underlying reason for the programme.

With respect to energy usage there seems to be an ideological challenge. Stakeholders believe that fossil fuel should be stopped but this may not be realistic for the organisation.

Dilemmas

When trying to start initiatives or getting them approved by the board companies can face many challenges. Deciding between short-term vs. long-term initiatives can be an issue. The problem is getting investments in something that doesn't make money. There has to be openness about what is going to be profitable in the future. At the end of the day the company has to be responsible to the shareholders as well as helping the environment.

Sometimes the board will reject sustainability projects because the scale is just too small in comparison to other business deals.

Solutions

Delegates felt that it will be difficult to drive the debate until it is clearly defined whose responsibility it is to take action. The right coalition of people have to come together to drive it forward.

One Member offered a solution, which includes a loop with three players:

1. Education – educating consumers about the issues
2. Behavioural and market – getting consumers to change their lifestyle which will influence leadership of government and industry
3. Creating the partnerships – getting the right people together to drive the agenda forward

In the past, large innovations changed the behaviour of consumers. For example, the automobile captured the imagination of the population and changed transportation forever. Many believed that this sort of imagination capturing innovation is needed in the sustainability arena to move the issue forward but they questioned whether their companies are bold enough to make these big decisions.
