Energy labels and their impact on consumer's decision at the point of investment

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Overview

NOTE: This abstract is being submitted as part of a proposed **concurrent session** with the other **CONSEED** presentations.

The European Union has set itself a 20% energy savings target by 2020, and at least 27% by 2030. This can help consumers lower their energy bills and reduce climate change. According to the European Commission's calculations consumers could save €100 billion annually with installing energy efficient appliances – about €465 per household – on their energy bills by 2020. To help consumers make energy-efficient purchases, all new electric appliances sold in Europe must carry labels that indicate their energy consumption. Similar labelling systems exist for cars while buildings are marked with energy performance certificates.

In this context, the goal of the EU energy efficiency policy is to encourage consumers to consider energy consumption in their purchasing and usage decisions in the most efficient way. For this reason, European Commission is supporting the Horizon 2020 programme project CONSEED (CONSumer Energy Efficiency Decision Making), whose main aim is to figure out how do the energy labels influence the investment decisions of the EU consumers.

CONSEED will examine the full suite of factors influencing consumer decision making at the point of sale, and will investigate in particular the relative role of energy efficiency policies aimed at influencing such consumer decisions. The policies considered will be the ones that are directly aimed at influencing choice decisions between products rather than in-directly through restrictions on the products available. As such, CONSEED will focus on the labelling directives and the Energy Star programme rather than policies which indirectly influence consumer choice (such as the Ecodesign directive and reporting requirements).

Method

CONSEED will develop a model of consumer decision making using existing models and empirical data. A comprehensive database of empirical data on the factors a range of consumer groups (households, services, agricultural and industrial sectors) will be generated to consider at the point of sale for appliances/machinery, buildings and transport through focus groups (FGs), consumer surveys, field trials and choice experiments. Using this database, the model of consumer decision making will be characterised and tested - in particular, the interaction of different consumers with existing energy efficiency policies aimed at influencing consumer decisions at the point of sale will be examined – and policy recommendations based on the empirical evidence collected will be proposed.

In the first stage project will run 29 FGs with four consumer groups (households, services, agriculture and industrial sectors) across the five partner countries to explore factors involved in consumer decisions with an EE element, as well as the relative importance of these factors. The geographical spread of the focus groups is designed to generate maximum sectoral coverage within the budgetary confines of the project. Sectors are chosen in particular countries based both on the characteristics of the country and the skill set of the project partners in that country. 13 FGs will be conducted in for the household sector, 8 FGs for the services sector, 4 FGs for the agricultural sector and 4 FGs in the industrial sector. The aim of the focus groups is to collect qualitative data on the consumer decision making process and to refine and prioritise the factors in the theoretical for each consumer group. The results from the focus groups will also inform and feed into the design of the consumer surveys, field experiments and choice experiments.

Results

The focus groups will be conducted in the period April - June 2017. The paper which will be submitted by the end of June, will include the preliminary results of the focus groups.

Conclusions

Conclusions will be drawn once our empirical work is complete.

Acknowledgement

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