Effective Feedback: How to Get the Horse to Drink

Retail’s Evolution of Providing and Buying Energy: Feedback on Feedback

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September 28, 2010
Green Bay, Wisconsin
Today

- Touchstone
- Feedback examples
- What research tells us
- 3 Things to Remember
“Buildings would work perfectly if it weren’t for the people in them.”

-- Anonymous, ACEEE Conference, circa 1993
Among the Best Feedback Devices
Energy Feedback Devices

My Cabin  My Home  My Future?
Brain Science 101

How we see ourselves

1. Perceive the situation
2. Calculate your best interest
3. Consider actions
4. Take Action
Perceive the Situation → Take Action

http://www.brainrules.net/
Mind the Brain Gap

Habitual

- Old lizard/puppy brain
- Unconscious
- Uncontrolled
- Rapid fire
- Multi-tasking

Executive/Rational

- New/adult brain
- Self-aware
- Controlled
- Slow
- Single minded
Who’s in Charge?

• HABIT has to rule
  – Operating system we avoid
  – Seeing really is believing

• The rational worker and the habitual consumer
The Rational Mind of Energy Efficiency

- Lists key features of the appliance you're looking at and the similar models that make up the cost range below.

- What you might pay to run the appliance for a year, based on its electricity use and the national average cost of energy. The cost appears on labels for all models and brands, so you can compare energy use just like you would price or other features.

- The cost range helps you compare the energy use of different models by showing you the range of operating costs for models with similar features.

- An estimate of how much electricity the appliance uses in a year based on typical use. Multiply this by your local electricity rate on your utility bill to better judge what your actual operating cost might be.

- If you see the ENERGY STAR logo, it means the product is better for the environment because it uses less energy than standard models.
New Label Design Could “. . . save 100 Billion More kWh/year” - ACEEE
30 Years of Research: Why We Don’t Pay Attention to Energy

- Habit/inertia
- It’s the utilities’ job
- Boring, invisible, assumed
- Lack of knowledge
- Lack of good products
- No one else is doing it
Why We Don’t Pay Attention (continued)

- Lack of availability
- Split incentives
- Higher costs
- Fear of unreliable technologies
- Hassles
Getting Our Attention: Advice from Research

- Create/capitalize upon executive brain moments
- Understand what hooks us
  - A better mousetrap/technology
  - Control
  - Money (‘power of free’)
  - Convenience/ease
  - Urgency (environment, outages)
  - Visual/audio cues
  - Rewards/reinforcement (negatives work too, but . . .)
- Understand who influences us – the power of leaders and norms
Two Examples: Tacoma Power Pay As You Go
PG&E’s Energy Orbs

One business reported that “In two days the . . . Energy Orb did more to educate [our] employees about our participation in PG&E’s demand response program than I [did] in a year and a half. . . .”
3 Things to Remember

1. Feedback is translation, not information
2. Consumer minds and needs must lead
   - Mind the brain gap
   - Find the benefits for them
   - Make it visual/easy
   - Focus on what matters to them: in-home displays, on-line access
3. Norms (and CEOs) rule
Thanks!

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My Sources

- **Brain Rules**, John Medina
- **Influence: The Psychology of Persuasion and Yes! 50 Scientifically Proven Ways to Be Persuasive**, Robert Cialdini
- **Predictably Irrational**, Dan Ariely
- **Nudge**, Richard H. Thaler, Cass R. Sunstein
- **Sway: The Irresistible Pull of Irrational Behavior**, Ori Branfman and Rom Branfman
- **Pay As You Go Research**, Tacoma Power
- **SMI Introduction Research**, BC Hydro
- **Upcoming Smart Grid Consumer Collaborative focus groups**
- **Friends, colleagues, family**
A Case of Bad Feedback.

“The fuel light’s on, Frank! We’re all going to die! ... We’re all going to die! ... Wait, wait. ... Oh, my mistake—that’s the intercom light.”