

Is the Monster Green-Eyed, or just Green?

Assessing the Impact of Group Cohesion and Environmental Attitudes on Energy Conservation Habits

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KEYWORDS: Energy Policy; Energy Consumption; Behavioural Economics; Group Cohesion; Contests

BACKGROUND

- Understanding the stimulants which incentivise people to use energy in the most efficient way is important to both the individual consumer and to regulators in the energy market.
- Given the apparent unwillingness of people to respond to the financial inducements of tariff switching, this emerging research field tests alternative incentives. A leading scheme provides relative energy usage information to participants, who can then respond to this in light of knowing how they compare with those around them.

METHODOLOGY

- This study builds upon the existing literature by providing subjects with energy performance information at group-level in a controlled field experiment setting.
- The new aspects studied here are: (a) issuing information at a group level, assessing if individuals can co-ordinate conservation efforts, and (b) to test the role of pre-existing environmental attitudes on both initial usage and the response to relative information.

KEY FINDINGS

- Significant differences appear between treatment groups, with high-performing groups using as much as 15% less energy than poor-performing peers.
- Treatment groups respond to information over time, and significantly reduce usage relative to the baseline average of students in the building.
- Those with a pre-disposition for sustainable living do not hold a lower baseline usage *per se*, but respond more strongly to comparative information and have a stronger competitive desire to obtain a better rank.

POLICY ISSUES

- Using these behavioural tools in conjunction with or instead of traditional (pecuniary) incentive schemes seems a logical way to ensure consumers meet their energy needs in an economically and environmentally efficient way. This creates a 'win-win' for both society and the individual.
- Understanding how best to target individuals and the most effective method of dissemination is key to maximising these gains. This work shows not all respondents react equally to information or the way it is issued to them.

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