Trends in B2C Green Energy Marketing

Description: National and EU governments are now showing the level of commitment to the green energy sector that would encourage the development and marketing of green retail energy tariffs. There is scope for suppliers to boost their green energy sales by filling a growing gap in the marketplace as green regulations increasingly take hold.

Scope

- Ten years of renewable power generation data for the USA, Europe, East / Southeast Asia, Oceania and South Asia.

- A detailed review of European consumer perceptions about climate change and the way in which these could be leveraged by utilities.

- A review of some of the significant efforts in green tariff marketing: in the United States, the United Kingdom, the Netherlands and Australia.

- A review of some of the world's most pioneering green programs and how best practices can help offset current market structure limitations.

Highlights of this title

Legislation and green awareness have spurred the generation of renewable power, led by EU Member States. Governments play a crucial role in making green energy economically viable, by stimulating the supply side, yet the green B2C market remains very much a marginal part of the power industry and has achieved a fraction of its true potential.

Green tariffs will remain peripheral where suppliers only market them at a premium. Residential customers need reassurances that they are actually buying real green power. Excessively pushing the environmental angle may breed customer cynicism and be counterproductive. Pioneers of green programs have learned to stay clear of these pitfalls.

Green energy is subject to the economic needs of stakeholders and their wider regulatory constraints, yet the growing issue of climate change now provides suppliers with opportunities in selling green energy. For now, utilities can overcome market structure limitations by deploying best practices that centre on price, product and promotion.

Key reasons to purchase this title

- Determine how utilities can lobby governments and amend their own internal product management operations to sustainably boost green B2C sales.

- Determine what consumers are willing to do to fight climate change, what products and services they are likely to take up and at what additional cost.

- Understand how and why certain providers and countries are fairing much better than others in their efforts to market green energy.

Contents:

CATALYST
SUMMARY
METHODOLGY
SOURCES
ANALYSIS

Environmental issues are taking centre stage across world energy markets

To date, the global market for green energy tariffs has been driven by three main factors

Interest in protecting the world’s environment has increased dramatically, presenting new opportunities for B2C green tariffs

The emergence of green retail tariffs is a response to the liberalization of electricity and gas markets worldwide

The Kyoto Protocol instigated a political movement that drove the uptake of large-scale renewable power worldwide

Renewable energy directives worldwide have sparked the adaptation of numerous legal frameworks (1/2)

Renewable energy directives worldwide have since sparked the adaptation of numerous legal frameworks (2/2)

Legislation and green awareness have spurred the strong uptake of renewable power on the supply side, led by EU Member States

Globally, key renewable energy indicators have shown dramatic gains over the past three years - a trend which is likely to continue

Consumers will change their habits provided utilities offer them the means and incentives to do so

More than half of Europeans feel informed about climate change

Europeans deem climate change to be a very serious issue and one of the most serious problems facing the world

Climate change is perceived as a serious problem, but one which European citizens are willing to address

A significant proportion of Europeans citizens are willing to pay more for green energy

Green tariffs linked to the reduction of energy consumption in the home demonstrate great comparative potential

Genuine concern about climate change does not always result in remedial actions with tangible green benefits

Where electricity prices are much higher than the EU average, citizens are less willing to pay for green energy

Europeans citizens believe that the different stakeholders aren't doing enough to fight climate change

Green tariffs could help meet the expectations that citizens have of corporations and industry

A review of countries involved in green tariff marketing suggests lessons are to be learned in the US

In the US’ partly deregulated electricity market, three types of green power retail offerings coexist

Despite the economic downturn, US utilities significantly expanded green power sales at a national level

Utility green energy sales in the US continue to make up an increasing part of total retail electricity sales

More US consumers are making clean power choices than ever before

The success of US green tariffs is attributed to persistent and creative marketing strategies and a falling premium

US green power markets will continue growing but state RPS requirements threaten to alter market dynamics

In the UK, the disjuncture between green wholesale and green supply is caused by the Renewables Obligation

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Of the five types of 'green' tariffs offered by suppliers in the UK in 2008, some were much 'greener' than others

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In 2008, most 'green' energy tariffs suffered from a lack of transparency and clarity.

In September 2009, there are less green source and green fund tariffs than at the same time in 2008

In the UK, there is still no impartial green tariffs accreditation or audit scheme to substantiate supplier’s claims

In Germany, green energy tariffs are actively being promoted as an alternative and way of curbing unpopular nuclear and coal power

Green tariffs are mainstream in the Netherlands but incoming EU legislation could unsettle high rates of take-up

The success of Australia's green tariff program hinges on liberalized energy markets and a strong accreditation program

Pioneering green retail programs highlight the elements central to any successful green tariff strategy

Palo Alto has created one of the most effective and successfully marketed green power programs in the US (1/2)

Palo Alto has created one of the most effective and successfully marketed green power programs in the US (2/2)
Ecotricity has positioned itself as a semi-green, sustainable, non-premium, small and credible energy company.

Green Energy UK differentiated itself by only supplying 'deep green' or 'pale green' electricity.

Good energy's has positioned itself as the UK's greenest and only 100% true 'deep' green energy supplier.

British Gas offers two 100% green tariffs: Future Energy and Zero Carbon, both at a price premium.

Bounce Energy offer fixed rate for their 100% renewable energy and a modern and rewarding marketing program.

The deployment of best practices can offset many of the B2C renewable energy market structure limitations.

Regional, national, and international policies drive the market for green energy, mainly from the supply-side.

Green energy is subject to the economic needs of stakeholders and their wider regulatory constraints.

Green energy providers are increasingly scrutinized and held to account by their customers and industry.

Utilities must create new 'low hanging fruit' by driving the adoption of renewable energy, by partnership.

Beyond government legislation, best practices in green tariff marketing centre on price, product and promotion.

The successful sale of utility green energy tariffs must focus on five key elements of strategy.

The burden is on utilities to lobby governments and amend their own internal product management operations.

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Ask the analyst

Datamonitor consulting

Disclaimer

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Figure 3: By the end of 2007, no less than 60 countries (37 developed and transition countries and 23 developing countries) have some form of policy to promote renewable power generation.

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