Under Cover: A mystery shopping study on the role of retailers

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December 8, 2015
BECC - Washington
The issue

There is a communication gap between sales associates and consumers regarding information about energy and water efficient products.
Research Objectives

1. How are marketing mix strategies used by retailers to influence consumer purchases towards energy and water efficient products over conventional products?

2. What potential barriers and incentives exist for consumers at the point of purchase when attempting to purchase these products?
Study Design

4 Mystery Shoppers

Each with 60 shopping experiences

240 Shopping Experiences

30 + 30
Retailers Sampled

38 retail stores included in the study across Halton and Waterloo Regions

Area of study: Washington, DC

- Bad Boy Superstore
- The Bay
- Best Buy
- The Brick
- Canadian Tire
- Future Shop
- Home Depot
- Leon’s
- Sears
- Walmart
Study Design

- Retailer Claim
- EnerGuide Label
- ENERGY STAR Label
- Manufacturer Claim

Saves Water
Study Design
In-Store Marketing and Promotion

66% of retailers in 152 shopping experiences displayed None or Very Little environmental messaging
In-Store Marketing and Promotion

- ENERGY STAR
- EnerGuide
- Manufacturer Claims
- Retailer Claims

Washing Machines
Televisions
Product Features

Top Four Product Features Discussed

Washing Machines
1. Type of Washer)
2. Size/Capacity
3. Water Savings
4. Energy Savings

Televisions
1. Size
2. Resolution
3. Refresh Rate
4. Colour Gamut
Interaction with Salesperson: Knowledge of ENERGY STAR

Understand that ENERGY STAR means energy savings
Know that ENERGY STAR qualified Televisions or Washers reduce energy usage by around 30%

% Washing Machine Shopping Experiences
% Television Shopping Experiences
Finding Efficient Washers and Energy Efficiency Info

- **Good or Very Good Ability to find efficient products**: 72%
- **Good or Very Good Ability to find energy efficiency information**: 60%
Finding Efficient Televisions and Energy Efficiency Info

Good or Very Good Ability to find efficient products: 53%

Poor or Very Poor Ability to find energy efficiency information: 64%
Recommendations

**Labeling**
- Most retailers presented consumers with little or no environmentally-related messaging in the store environment

**Sales Associate Interaction**
- Salespeople were unlikely to discuss ENERGY STAR or EnerGuide prior to being
- The majority of salespeople understood the main benefit of ENERGY STAR (i.e. energy savings) but had more trouble recalling specific details
- Salespeople tend to have more trouble finding energy and water efficiency information than they do finding efficient products

**Consider increasing upfront labelling of appliances (e.g. Australia)**

**Develop tools to encourage sales associates to discuss energy/water information with customers (e.g. training, commission models, in-store tools such as apps)**
In-store App
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This project was made possible by Industry Canada’s Contributions Program for non-profit Consumer and voluntary Organizations. The views expressed in this presentation were not necessarily those of Industry Canada or the Government of Canada.