



analogy.

Local Energy Advice Demonstrator (LEAD)

The Far South West Retrofit Consortium
Project: Domestic retrofit service design and
delivery

Market Segmentation Test Research

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1 Introduction

1.1 Overview and objectives

Plymouth Energy Community and partners of the Far South West Retrofit Consortium (FSWRC) are embarking on an ambitious project to design and test new methods of retrofit advice delivery across the South West region (namely Cornwall and Devon). The project intends to drive engagement with housing retrofit (improvement work on an existing building to improve its energy efficiency), resulting in lower bills, reduced emissions and improved occupant health and wellbeing.

A key objective of providing retrofit advice is to encourage households to change their attitudes and behaviour regarding retrofitting their home and to invest in upgrading their homes. As part of the LEAD project, the FSWRC intends to demonstrate the effectiveness of new marketing and engagement techniques, drawing on recent learning from the 2022 LGA-funded and Devon-focused report by Social Engine ‘Using behavioural insights to encourage homeowners to make their homes more energy efficient’.

PFA Research, working with partners Analogy PR, was commissioned by the consortium to provide market research and related services, to help identify the different segments that make up the ‘able to pay’ market, as well as determining how partners should reach and engage with those groups to better understand their journey towards taking action in this area.

The research delivered includes a substantial socio-economic desk study of National Statistics and other resources, based upon examination of relevant demographic, social and economic datasets to indicate where the more affluent geographies are in Devon, Cornwall and Isles of Scilly. This analysis is supported by an examination of ‘market segments’ which seeks to reconcile them with the data. The report of this study has been delivered under a separate volume. It draws a number of conclusions that informed the following research and segment design work, including:

- ‘Ability to pay’ cannot simply be accredited to earnings or disposable income (please also note Table 3.7.1 in this report which reinforces this finding). It is about motivation and choices. This includes knowledge and how engaged people are. Households with higher social capital (for example volunteering) are more likely to become engaged in these issues; especially if they are involved in environmental endeavours.
- The number of ‘segments’ and their labels do not easily fit together/overlap which is why [the report has attempted] to expand on the demographic and economic identity of segments where they have been highlighted but (of course) these interact with the issues outlined in the above paragraph.
- Digital exclusion is a negligible issue for ABC1s. It also increases with age. Generally, access and speed is good except for rural areas of Devon and the moorland areas of both it and Cornwall.

PFA Research’s delivery partner, Analogy PR, used multiple national segmentation and behavioural studies to synthesise relevant segments (in terms of demographics, attitudes and behaviours) against the socio-economic study, and draft messages accordingly that could be tested through primary research. This work has been delivered through a standalone report.

This report presents findings from the primary research, comprising quantitative (online) and qualitative methods. The online survey was designed primarily to identify potential participants for market testing focus groups/depth interviews but also collected various useful category data that describes and umbrella groups for the segments in question.

1.2 Using this report

Throughout this report, the figures show the results as percentages and base numbers are shown where appropriate and available. Sometimes the sample base size varies from question to question, where respondents have declined to answer a follow-on question either. Unless explicitly described, the user should read data as 'all answering'.

General disclaimer

While every care has been taken during the course of the research, PFA Research Ltd takes no responsibility for any incorrect information supplied to us. Quantitative market surveys are based primarily on interviews or self-completed questionnaires and therefore is subject to fluctuation.

The contents of this report represent our interpretation and analysis of information provided voluntarily by respondents. It is not guaranteed as to accuracy or completeness.

Rounding

Due to mathematical rounding, the values presented on some charts or tables may not total exactly 100% (perhaps 99% or 101%). Further, the values against answers to multiple-response questions (where a respondent is permitted to provide more than one answer) may total more than 100%.

Sample size

One should hesitate before drawing % conclusions from any base size lower than 100. Therefore, with a total base size of 283, we should be very cautious drawing any conclusions regarding sub-groups (e.g. comparison of sectors) within the overall sample. Where this has been done in this report, it has been for indicative purposes only and should not be treated as a robust finding.

2 Executive Summary

2.1 Introduction

PFA Research was commissioned by the Far South West Retrofit Consortium (FSWRC) to provide market research and related services, to help identify the different segments that make up the 'able to pay' market, as well as determining how partners should reach and engage with those groups to better understand their journey towards taking action in this area.

This report presents findings from primary research with the ultimate objective of evaluating the presence of the outline typologies (segments) pre-identified by desk research as 'able to pay', and testing a series of draft messages, terminology and assumptions of motivations and barriers within these potential markets. The online research used to identify potential participants itself revealed useful data, which is also presented here.

The quantitative sample of 283 comprised people aged 18-74, living in Cornwall and Devon, of ABC1 social grade, not yet drawing a pension and who at least part own their own home. Responses were collected from 7th to 18th March 2024. Of these, 15 who fitted the outline typologies expressed an interest in participating in further research, and 13 ultimately participated in mini focus groups or one-to-one in-depth interviews.

An objective of this research was not market sizing (the sample described above being drawn not from a representative sample of the population but from those most likely to be 'able to pay'); however, findings from this research which may be useful when considering market size have been included in the appendix. In addition, a substantial socio-economic desk study of National Statistics and other resources has been reported on separately.

2.2 Key quantitative findings

2.2.1 The respondents

Over half of the respondents have achieved a university degree. These are more likely to be politically left of centre, consider themselves financially comfortable and have household incomes over £60k.

One in ten of the sample (11%) would place themselves as 'innovators' in terms of technology adoption, with another third (34%) claiming to be 'early adopters'. These figures are higher for those who say they are highly engaged environmentally.

This sample are also digitally engaged, with 97% describing themselves as heavy users of the internet, being online almost constantly or several times a day.

About a third (31%) feel more uncomfortable than comfortable with their current financial situation, with 42% more comfortable than uncomfortable. About two thirds (65%) have an average household income of £40k or more. However, level of income cannot be relied upon as an indicator of ability to pay: 46% of those who describe their financial situation as uncomfortable have incomes of £40k or more.

2.2.2 Retrofitting and Household Improvements

Six in ten (61%) feel confident that they understand what is meant by the term "retrofitting" (82% amongst men). The findings from the qualitative research suggest that people's definitions are extremely varied and that in most cases, this confidence is almost certainly misplaced.

Of the 39% who are not confident, half are environmentally engaged, and half are not. The qualitative research suggests that for some of the 1 in 5 who are *not* confident about what “retrofit” means but who *are* environmentally engaged, using the term may intrigue them, precisely because they wish to learn what it means.

When explained that housing retrofitting means adding something to the home that was not already there when the owner bought it, usually referring to something that improves energy efficiency, half of respondents (51%) say that this is something they have done. Three quarters (75%) say that they are very or fairly likely to make (more) energy efficient improvements to their home in the next three years.

Likelihood to be *already considering* energy efficiency improvements to the home in the next three years does not seem to obviously correlate with either income, social grade or an individual’s self-perception as financially comfortable. Rather, likelihood to be considering retrofitting is most linked with active community engagement or environmental engagement, being political central or right of centre, younger (18-39) and/or not needing to consult on such decisions (i.e. being sole decision maker in the household; making significant decisions about improving the household is usually a joint decision in households where there is more than one adult).

2.3 Key qualitative findings

2.3.1 Ready Prospectors

Who are they? Participants from this cohort were young professionals, environmentally engaged, 25-40, homeowners with a mortgage, and were early adopters when it comes to taking up new tech and ideas.

Priorities for the home. Priorities for the Ready Prospectors are for paying off the mortgage, then family. As for priorities for the house, this is more likely to be improving the living space (such as adding a conservatory or improving the garden) than make energy improvements.

Time and money are very much key drivers: primarily savings on bills and return on investment, but the appearance and functionality of any improvements, and the impact on the comfort within the property, also played a part. Whilst considering ‘global impact’ and ‘buying local’ are nice to haves, it has to be cost effective.

Engaging with retrofit. Understanding of the term ‘retrofit’ is varied, and generally assumed to mean “improvement” (adding value / adding something that should have been there in the first place) as opposed to “maintenance” (tackling wear and tear). There are also connotations of “retrospective” and “looking backward” which is confusing, given that the interpretation of retrofitting as a forward looking concept. “Retrofit” isn’t a widely used term, more likely they will talk about “energy efficiency” and “consumer choice”.

Confidence to retrofit. Return on investment is important, as well as quality, durability, time factors, and the ‘hassle’ involved to go through purchasing and the installation process. They recognise as benefits of retrofitting the improvements on day to day life (warmer rooms, cleaner air etc), the potential to help the planet, and also for reducing the monthly bills. Personal time and money takes precedence over the environment, perceived as necessity rather than lack of care or consideration for environmental concerns.

Trusting advice. Word of mouth is a ‘trusted’ source for the Ready Prospectors, but they also do their own research online, seeking out independent organisations and voices like Martin Lewis, the Citizens Advice Bureau and possibly .GOV.UK. The independence of the advice matters to them –

they will consider the agenda of a message giver, asking themselves: “Why are they telling me this? Why do they want me to do this?”

Triggers and motivators. Ready Prospectors are most likely to be influenced to retrofit by circumstances (e.g. a cold home), or at key junctures in life such as moving house or getting a property ready for sale, other major works, or the arrival of a new child. Experiencing a financial windfall, or opportunity to access grant funding, could also be triggers.

There is a mixed response to the use of independent, ‘paid for’ retrofit advice - if the objective is about saving money, then spending a large sum before starting any actual improvements feels counterproductive. Will it lead to significant ROI on eventual improvements to justify expenditure of advice as well as any retrofit installations?

What messages work? Ready Prospectors rejected phrases that they considered too jargony, complicated or not imparting tangible information about benefits, and were suspicious of vague, subjective messaging.

Of the messages tested, *“Retrofit: the home improvement trend you can feel all year round”* encouraged them to read on, with an expectation of an explanation as to what is meant by “retrofit”, what specific home improvements are being talked about, and clarification of whether they are talking about benefits that last one year or genuinely benefits felt throughout the entire year. There is some challenge to the word “trend”, in that not all trends are good, trends come and go, and also incredulity: is retrofitting genuinely “a trend”? This message improves by becoming: *“Retrofit: home improvements you can feel all year round.”*

“When will you join the retrofit movement?” was seen as trying to be “too cool”, lacking credibility and not really saying anything. However, simply *“When will you retrofit?”* speaks directly to the reader and implies what will follow will be useful information on timing (assumed to be about government grants and legislation, which may usefully feed into a household’s decision making).

2.3.2 Concerned Convertibles

Who are they? Participants in this cohort were all employed, aged 40-53, with household incomes spanning the scale (£20k to £60k+; mostly double income families). Most had a mortgage, at least one child and tended to be early adopters or early majority when it comes to taking up new tech and ideas.

Priorities for the home. Their domestic priorities would be to make nicer homes: ‘upgrading’ the property (adding extensions, repairing the roof, converting the loft etc.) or making the house warmer.

Engaging with retrofit. Whilst not using the term ‘retrofit’ (and confused as to its meaning if asked), they *are* discussing ideal and future home improvements (increasing space, building performance, cost efficiency) which could be a gateway to engaging them in conversation about retrofitting.

Many have already made energy saving improvements to their homes, such as wall cavity insulation, installing double glazing, or actively seeking out energy efficient appliances when replacing old ones. However, there is nervousness and scepticism about the efficacy of some new types of heating technologies (specifically air source heat pumps) with participants relating negative stories that they had read or heard about.

Confidence to retrofit. The Concerned Convertibles want tried and tested solutions to energy saving technology, which are cost effective and deliver a pay-back. Whilst they may be early adopters in some other areas, when it comes to retrofitting they are unlikely to buy unproven technology - but

neither do they want to enter too late and miss out on the offers or grants. They are likely to be looking for the narrow window when there are enough people already using the technology for it to feel viable, but the support for 'onboarding' remains in place (e.g. evidence of government grants, advertising, demonstrable value for money). Indeed, the availability of free government grants are appealing and can tip the balance between doing or not doing.

Trusting advice. Advice needs to be independent and not look like advertising (no 'infomercials'). Endorsement for solutions is helpful, so long as it is not by celebrities who could have been paid, or the Government who "give contracts to their friends". Sources such as Martin Lewis (the Money Saving Expert) and Which? are considered to be independent.

Triggers and motivators. When it comes to efficiency improvements, Concerned Convertibles are primarily focused on saving money and lowering energy bills. Barriers to making such improvements are all about the cost of doing so, often meaning that it's simply not a priority at present.

Concerned Convertibles are likely to be open to influence mostly when there is an appliance to replace or towards the end-of-life of bigger installations (e.g. roof repair, window replacement, renovations). All would research their purchase online, and for all benefits to the environment are a secondary consideration to the needs of the household.

They trust family and friends for experience and advice, although they do not feel influenced by 'peer (community) pressure'. Buying (trusting) local is important but this resonates more for supporting the local economy than for considerations around reducing carbon footprint.

What messages work? Concerned Convertibles are unconvinced by vague messaging that is unquantifiable or could mean different things to different people. With retrofitting they are seeking messages about solutions that last, not something that will be obsolete in 5 years' time, solutions that will improve their house in terms of being dry, clean, warm, low maintenance, mould-free.

As with the Ready Prospectors, messages about "the home" are assumed to be about the people, and conflating this with messages about "retrofit" seems odd, in some cases enough of a non-sequitur to disengage. The word "house" is more appropriate in this context to these groups.

None of the messages tested had immediate appeal or were thought to be trustworthy or believable, but when pressed "*Home retrofit: the sooner you start the more rewards you reap...*" could induce Concerned Convertibles to want to read more – though arguably it's not a strong enough message to make them actually *do* something.

2.3.3 Rooted Pragmatists

Who are they? Rooted Pragmatists are slightly older (ages 54+), a mixture of self-employed or full-time, part-time employed and retired (but not yet drawing a pension). They tend to be affluent households without dependent children, traditional, concerned about climate change.

Priorities for the home. They have made home improvements such as installing double glazed windows, solar panels, boiler replacement, loft insulation, switching to LED lighting, and would like to make further improvements that would make their homes more energy efficient and improve their EPC ratings - but many of these ideals are beyond their means. Although they care passionately about the environment, "it's all down to costs".

Engaging with retrofit. 'Retrofit' as a term is not a familiar term for some, or one used spontaneously by any ('renovation' is preferred); for some it has connotations of installing older (retro) things (e.g. a

Victorian bath tub or olde-style decoration) or, for others, of engineering (e.g. fitting a spoiler to a car).

Confidence to retrofit. For Rooted Pragmatists, cost is important, but so is investment - you get what you pay for. For them, value for money is not about getting the cheapest but getting something of good quality and longevity, so you will reap the benefits of researching properly before you buy. They evaluate the pros and cons (on the plus side: energy efficient / financial savings, on the down side: initial installation costs / high running costs and problems maintaining heat pumps).

Trusting advice. The Rooted Pragmatists trust friends and family and independent recommendations, from the likes of Which?, Martin Lewis (“the friend next door”), USwitch and Trust Pilot. Television programmes such as the Gadget Show also work. They will not trust campaigns from central government and there is some scepticism with local government (which is ‘going bust’). Nor will they trust organisations blatantly promoting products, preferring to conduct their own research online (though wary of influencers and scripted ‘infomercials’), before consulting friends and family (word of mouth).

Triggers and motivators. Government grants can make a difference – but it’s not a cut and dried decision as you generally need to spend the money first. The key drivers (to invest in retrofit) are to save money, reduce expenditure in the long term, and reduce bills. Adding value to a property is not a driver as most are not looking to sell. Reducing household emissions has some resonance (‘everyone doing their bit for the environment’) but making cost savings is more important. There is some indifference to ‘future proofing’, as their children may not be able to run/live in the house. Whilst the Rooted Pragmatists recognise benefits to the environment, “me and my family” (ensuring a warm and cosy home, improving health) are most important, and dealing with the cost of living is a more pressing matter.

Some suggest that being presented with information when moving house would be good, perhaps delivered through architects and local planning. In the same way that one may receive a review from an independent financial advisor, Rooted Pragmatists are open to independent advice on spending wisely investing on their home to make it more energy efficient. However, as things stand, they do not understand enough of the benefits to retrofitting, such as what it really costs or the return on investment.

What messages work? Rooted Pragmatists reject phrases that infer joining a campaign or protest, or suggestions that they are part of a bigger plan.

“Join your friends and neighbours in the [Devon/Cornwall] home retrofit movement” implies localness and sense of community, which made it the most believable of the messages tested with this group; as such, it may encourage some to seek out further information. However, encouragement to join in with a ‘retrofit movement’ was unappetising for many.

“Reduce. Reuse. Recycle. Retrofit”, whilst ‘snappy’ and palatable sounds like “a reminder to put the recycling out”, particularly in an age when such short phrase slogans have become commonplace.

2.4 Conclusions to inform messaging

Whilst there are socio-economic differences within and between the Devon and Cornwall counties, and the market testing primary research acknowledged the potential differences through its sampling, this research has not evidenced differences in behaviour or engagement with draft messages based upon where people live. That is not to say that there are no local influences at a more micro level or contextualised by communities unique to Devon or Cornwall), but at a higher level within the bounds of this study, any acute differences were not apparent.

Whilst the segment classifications are realistic and can be useful for the creation of pen portraits, the 'able to pay' market is very small and there is commonality across the sub-groups. It is therefore felt that it would not be sensible for FSWRC to get overly fixated on the audience segments for differentiating marketing. Across all groups the following were in evidence:

- There is a high level of confidence and recognition of the term "retrofit" within the quantitative survey data, but the qualitative research shows a genuine misunderstanding of (and disconnection from) the word in the context of preparing homes for improved energy efficiency (and meeting Net Zero targets etcetera). The word is intriguing for some, confusing for others, and has yet to enter mainstream parlance and become synonymous with upgrading or improving homes with respect to energy efficiency.
- Despite being defined by and recruited to the research for their engagement with and concern for the environment, each of the segments shared a first priority of 'self-preservation', that is, paying down the mortgage, paying the bills, saving costs, and overall serving the needs of the home (family). This might include ensuring the property is insulated, warm, dry, ventilated but draft free, energy efficient and otherwise conducive to all the objectives served by 'retrofitting', but this is not how people in these segments are viewing the information and messages put before them.
- Triggers for engagement in 'retrofit' are specific to the individual (or household) rather than being defined by typology or segment, or indeed a demographic profile in terms of income. Supporting the findings of the socio-economic desk study of National Statistics and other resources (see Section 1.1), this research concludes that "ability to pay" is not about income, social grade or even sense of financial comfort, but motivations and choices (see Section 3.5.6). Triggers can include life events such as moving house or getting a property ready for sale, other major works on the property (including maintenance), changes in the household unit (e.g. arrival of a new child, caring responsibilities) that may provide useful as an intervention to consider home improvement.

Considering all the above, the research has not provided evidence that one message will not fit all. Generally, people within all groups want clear, simple messages without jargon or glib mottos. Whilst recruited to be fairly community-minded, they respond best to messages that speak to them directly (as individuals) and not suggest they are part of a movement or imply pressure to be part of a community. Many of the draft messages tested are useful but need refinement; for example, *"When will you join the retrofit movement?"* may be improved by becoming: *"When will you retrofit?"*. Similarly, an improvement to *"Want to know the secret to a healthy, happy home? Retrofit... pass it on"* could become, more simply: *"Want to know the secret to a healthy house?"*, and *"Retrofit: the home improvement trend you can feel all year round"* becomes more palatable for some when it becomes the more succinct: *"Home improvement benefits you feel all year round."*

3 Results – Online Quantitative Survey

This chapter presents the detailed findings of the quantitative (online) survey.

3.1 Questionnaire design

The survey comprised 23 questions, delivered online with the average interview length of around five minutes. The questionnaire design (as a means to pre-screen potential participants for the follow-on qualitative market testing research) was informed by the outputs of a previous socio-economic study of Devon and Cornwall (the report has been provided as a separate volume) and secondary research study of other segmentation behavioural research. The ‘plan’ is provided for information in appendices (Group Typologies, p34).

3.2 Survey sample

The sample for the online survey was recruited through panels provided by Cint (www.cint.com), selecting people aged 18-74, living in Cornwall and Devon of ABC1 social grade, not yet drawing a pension and who at least part own their own home. The sample was otherwise ‘random’ and not stratified with quotas, as we were primarily interested in finding representatives of households who met the selection conditions. The sample comprises 283 validated completions, collected from 7th to 18th March 2024.

In summary, two thirds of respondents were women and one third men, with between 16% and 25% (of the total) falling within each age category (Figure 3.2.1). 15% of respondents were categorised as social grade A, 46% as B and 40% as C1 (as provided from profile data held within the panel; Figure 3.2.2).

Figure 3.2.1

Age & Sex – taken from panel data

Base: All respondents (n=283)

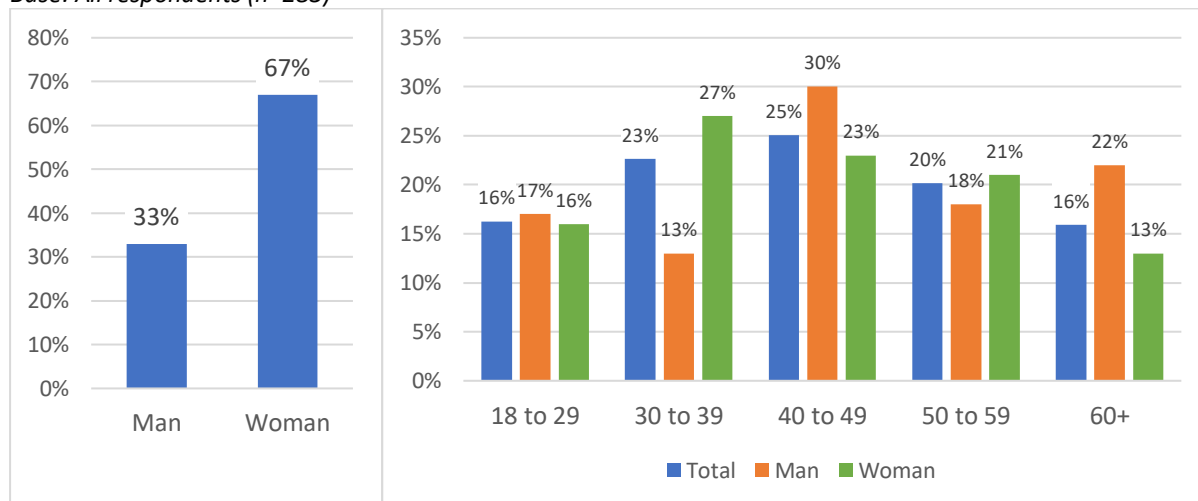
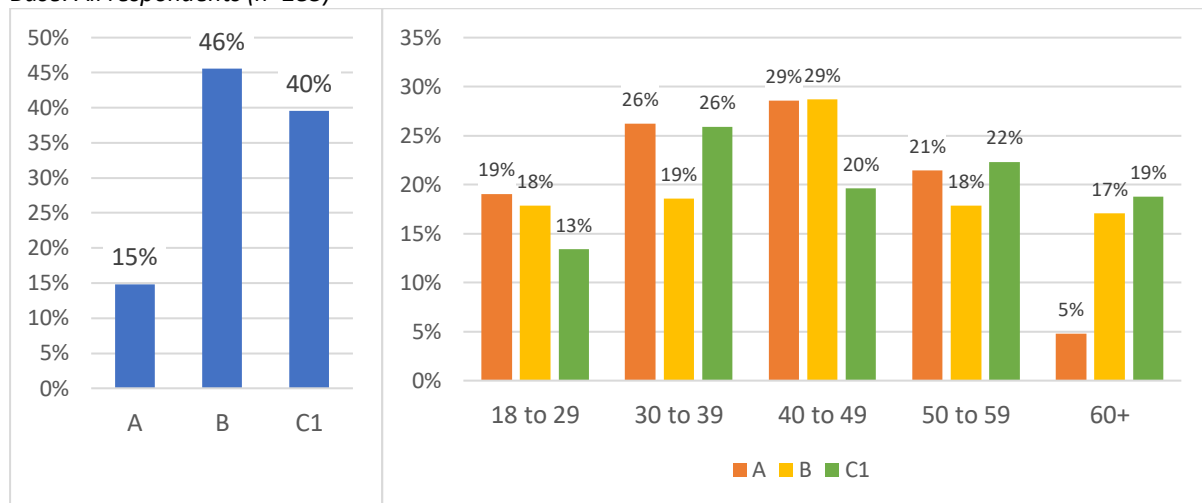


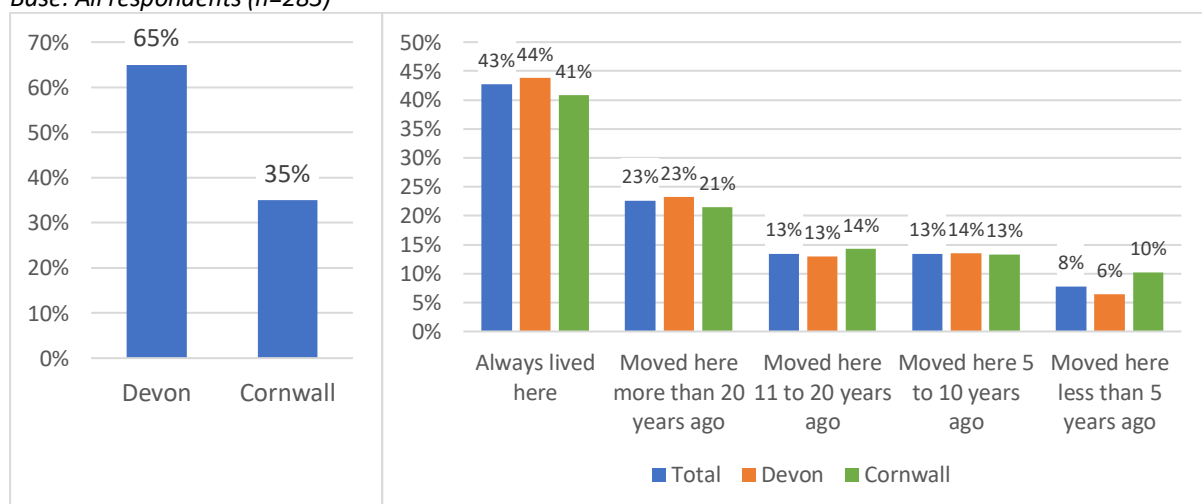
Figure 3.2.2
Social grade and Age – taken from panel data
 Base: All respondents (n=283)



3.3 Households and employment

About two thirds of the sample (65%) reside in Devon, and 35% in Cornwall. About two thirds overall (66%) say they are long-time residents of where they now live, having always lived there or moved there more than 20 years ago (Figure 3.3.1).

Figure 3.3.1
Q1. Do you live in Devon or Cornwall or elsewhere?
Q2. Have you always lived in (Devon / Cornwall) or have you moved here from elsewhere?
 Base: All respondents (n=283)



94% of respondents are currently in employment. 15% of respondents say the Chief Income Earner in the household is in a 'higher managerial' position, and these are more likely to be men than women (Figure 3.3.3 and Table 3.3.2).

Figure 3.3.2

Q3. Which of the following categories best describes your employment status?

Base: All respondents (n=283)

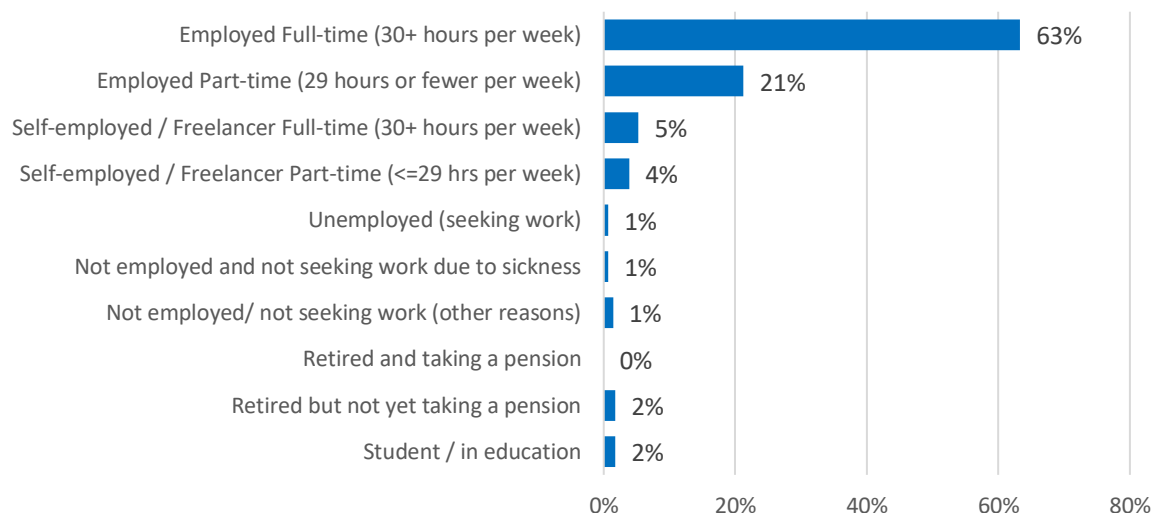


Table 3.3.1

Employment (net) by social grade

	Total	A	B	C1
Base	283	42	129	112
Employed	94%	98%	95%	91%
Not employed	6%	2%	5%	9%

Figure 3.3.3

Q4. Please indicate to which occupational group the Chief Income Earner in your household belongs, or which group fits best.

Base: All respondents (n=283)

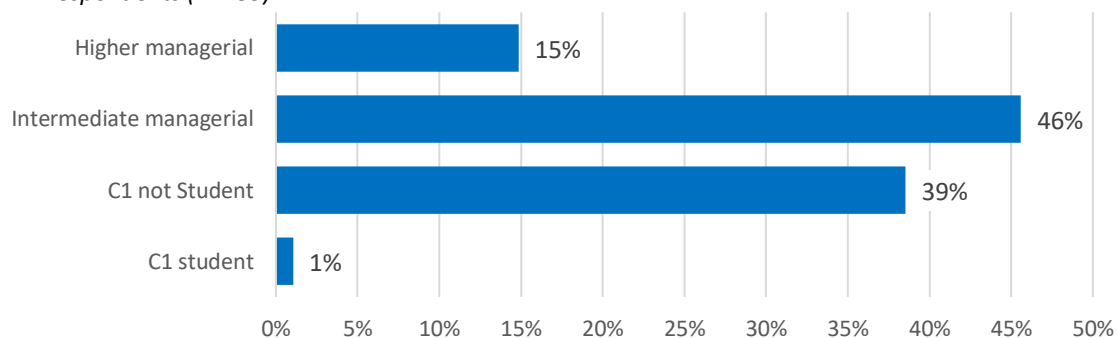


Table 3.3.2

Occupational groups - summary

	Total	Men	Women	A	B	C1
Base	283	93	190	42	129	112
Higher managerial	15%	20%	12%	100%	-	-
Intermediate managerial	46%	42%	47%	-	100%	-
C1 not Student	39%	37%	39%	-	-	97%
C1 student	1%	1%	1%	-	-	3%

Just over a third of respondents (35%) own their property outright, with 60% having a mortgage or loan (Figure 3.3.4), though a third of these have mortgages of no more than 25% of the value of the property (Figure 3.3.5). About three quarters (73%) know or believe that their property was built more recently than 1919 (when Parliament passed the Housing Act following the end of the First World War¹; Figure 3.3.6).

Figure 3.3.4

Q5. Do you or a member of your household own or rent the accommodation in which you are currently living?

Base: All respondents (n=283)

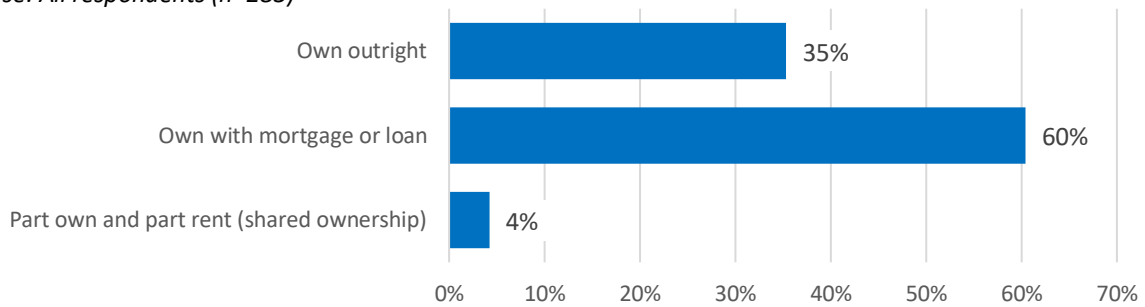


Figure 3.3.5

Q6. Is your mortgage or loan 25% or less than the value of the property?

Base: All respondents with a mortgage (n=171)

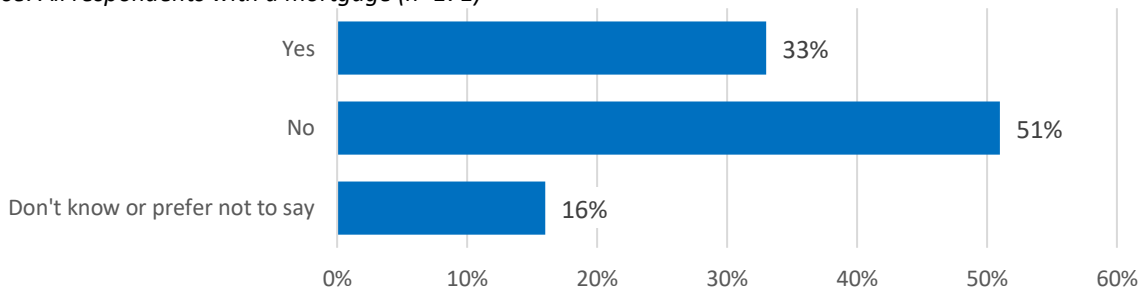
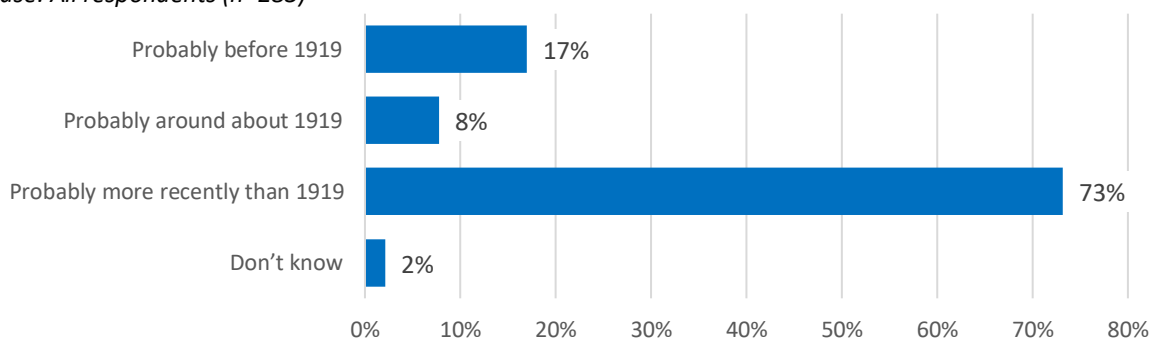


Figure 3.3.6

Q7. Do you know roughly when the home you currently live in was built?

Base: All respondents (n=283)



¹ <https://www.parliament.uk/about/living-heritage/transformingsociety/towncountry/towns/overview/councilhousing/>

16% of respondents live alone, 36% are in households with more than one adult and no children, and 48% are in households with children.

Figure 3.3.7

Q8. Who lives with you in your home?

Base: All respondents (n=283)

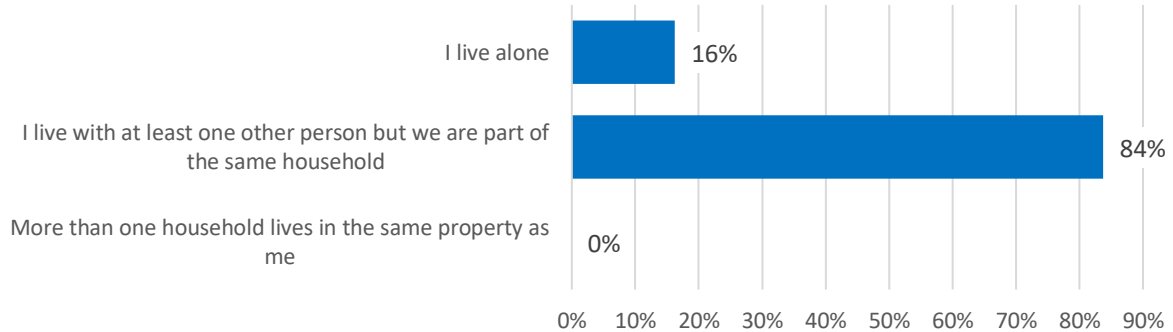


Figure 3.3.8

Q9. Is there anyone aged 17 or under in your household?

Q10. Is there anyone aged 15 or under in your household?

Base: All respondents (n=283)

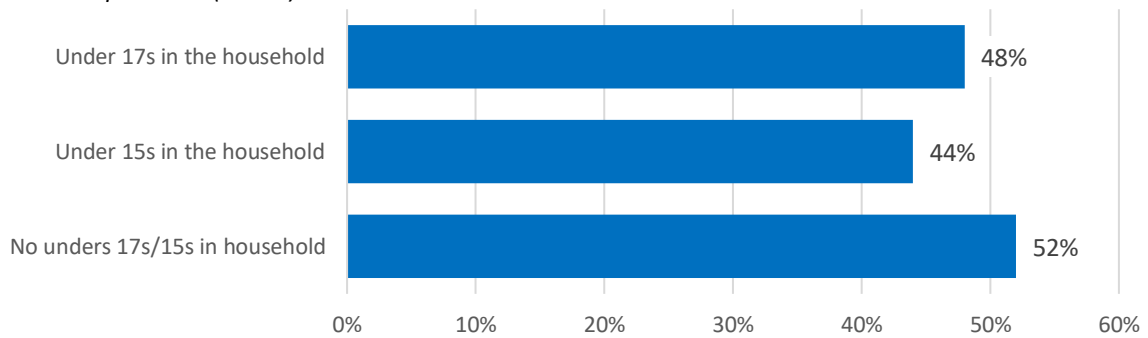
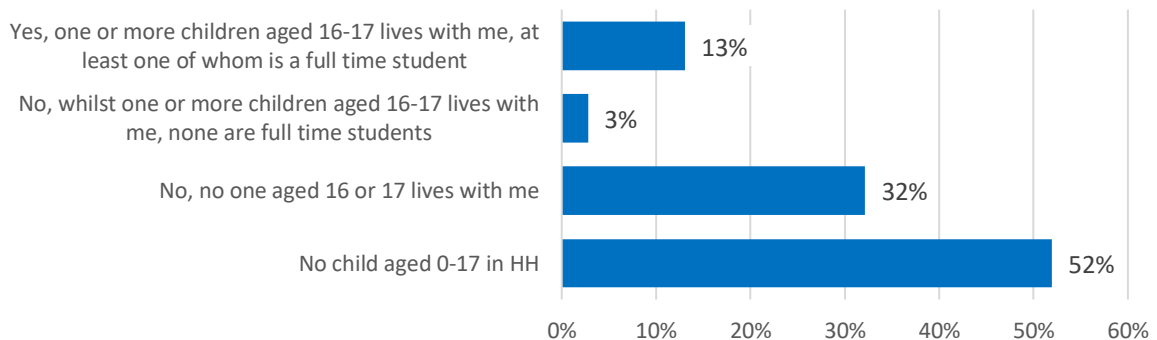


Figure 3.3.9

Q11. Is there anyone aged 16 or 17 in your household who is a full time student?

Base: All respondents (n=283)



3.4 Environmental and social engagement

An hypothesis (explored in section 3.5.4) suggests that potential to retrofit for energy and environmental improvements correlates with higher levels of social capital. A third of the sample overall proclaim they are both socially and environmentally engaged (Table 3.4.1).

Figure 3.4.1

Q16. Do you consider yourself to be engaged in environmental concerns, whether that is actively seeking out and discussing news relating to environmental matters, or donating to or volunteering for environmental groups?

Base: All respondents (n=283)

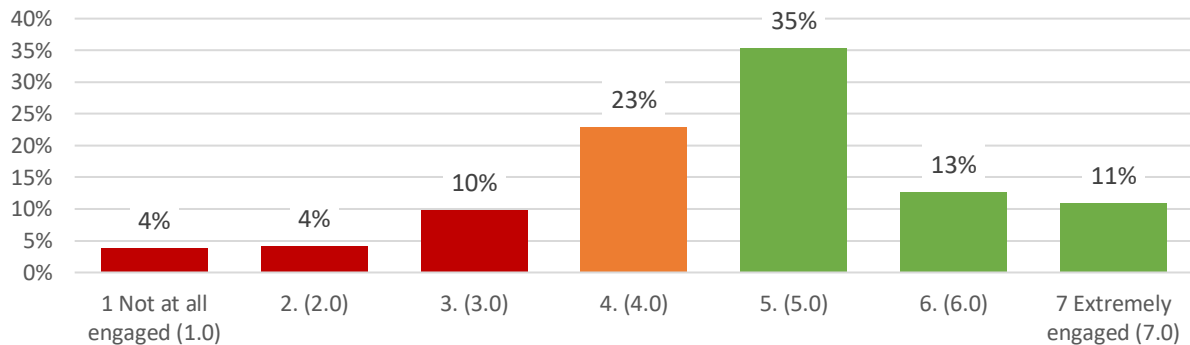


Figure 3.4.2

Q17. Do you consider yourself to be engaged in your community, whether that is actively seeking out and discussing news relating to local issues, or working for or volunteering for local community groups?

Base: All respondents (n=283)

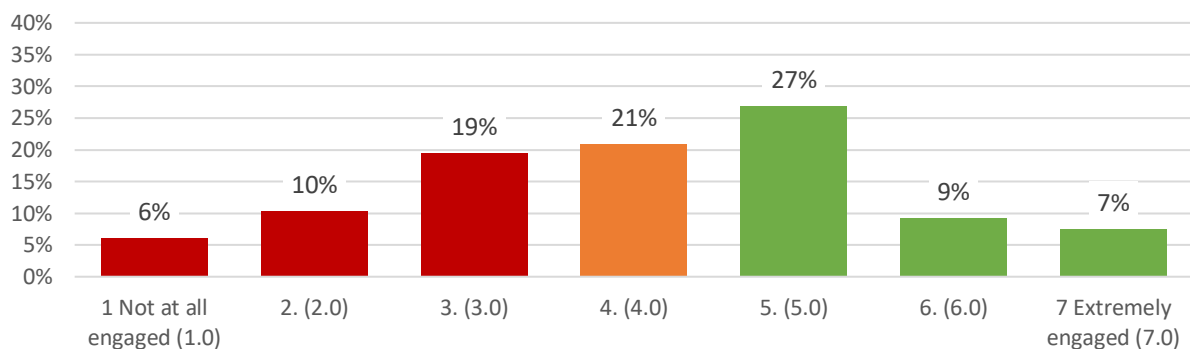


Table 3.4.1

Social & Environmental engagement

		Social		
		Engaged	Neither/nor	Disengaged
Environmental	Engaged	33%	12%	14%
	Neither/nor	8%	7%	8%
	Disengaged	2%	2%	13%

3.5 Retrofitting: understanding and likelihood to do it

3.5.1 Overview of this section

Making significant decisions about improving the household is usually a joint decision, especially in households where there is more than one adult but no children (Figure 3.5.1 and Table 3.5.1).

Figure 3.5.1

Q12. Who in your household makes decisions about making any home improvements?

Base: All respondents (n=283)

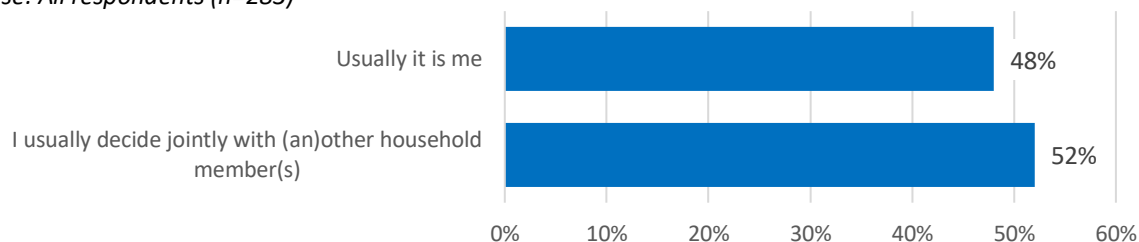


Table 3.5.1

Decision makers - summary

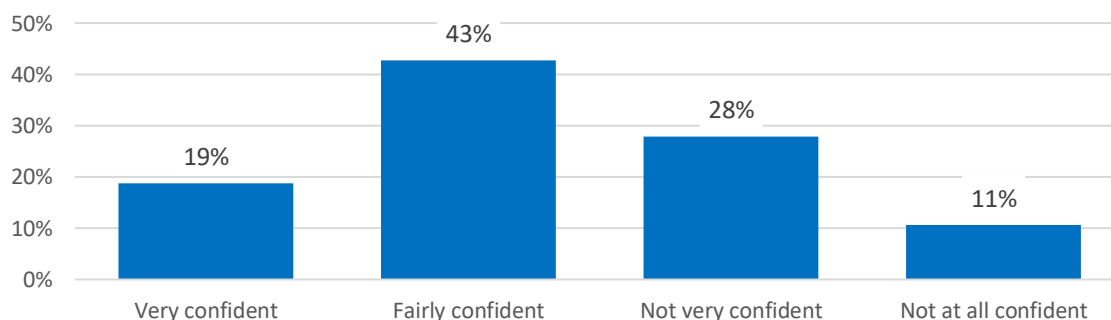
	Total	Men	Women	Live alone	1+ Adult no children	HH with children
Base	283	93	190	46	101	136
Usually it is me	48%	57%	43%	100%	24%	48%
Decide jointly with (an) other	52%	43%	57%	-	76%	52%

Most people (61%) feel confident they know what 'retrofitting' means, with 1 in 5 being very confident (Figure 3.5.2). This does not mean they are all necessarily correct, or all share a unified understanding; indeed, the qualitative research (Section 4) suggests that definitions are highly varied (from dictionary perfect to "making something look retro") and often confused (improving a property or car, with no reference to energy efficiency, is perhaps the most common). What the confidence expressed shows is that most people are unlikely to feel a need for clarification, as they feel they already understand the term correctly.

Figure 3.5.2

Q13. (Without looking it up!) how confident are you that you know what is meant by the word "retrofitting" when applied to housing?

Base: All respondents (n=283)



When explained that housing retrofitting means adding something to the home that was not already there when the owner bought it, usually referring to something that improves energy efficiency, half

of respondents (51%) say that this is something they have done (Figure 3.5.3). Three quarters (75%) say that they are very or fairly likely to make (more) energy efficient improvements to their home in the next three years (Figure 3.5.4).

Figure 3.5.3

Q14. "Housing retrofitting" means adding something to your home that was not already there when you bought it, usually referring to something that improves energy efficiency. This might include installing solar panels or a heat pump, replacing your boiler with a more energy efficient one, installing or improving the insulation etc.

Is this something you have already done at your current home?

Base: All respondents (n=283)

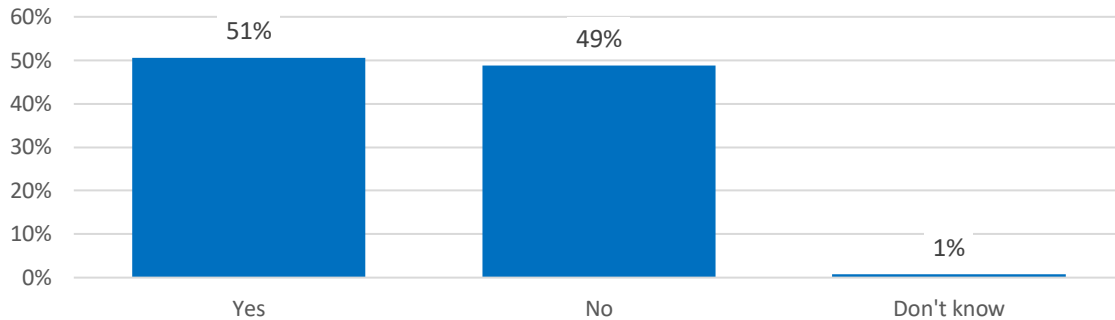
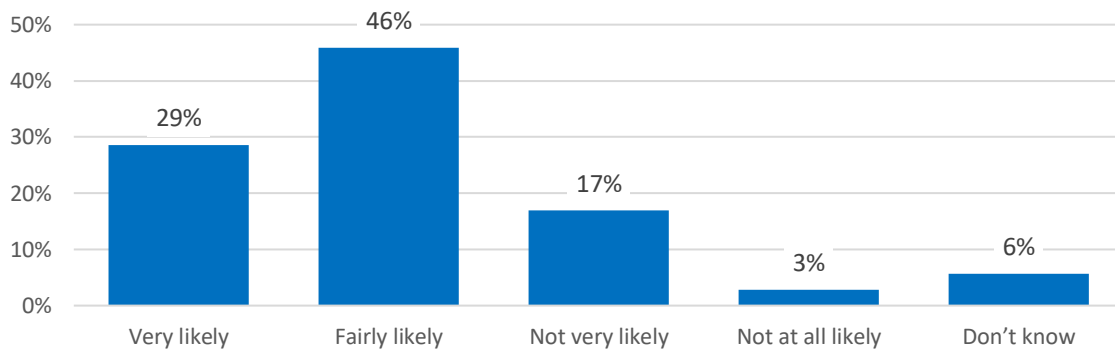


Figure 3.5.4

Q15. How likely are you to make (more) energy efficient improvements to your home in the next three years?

Base: All respondents (n=283)



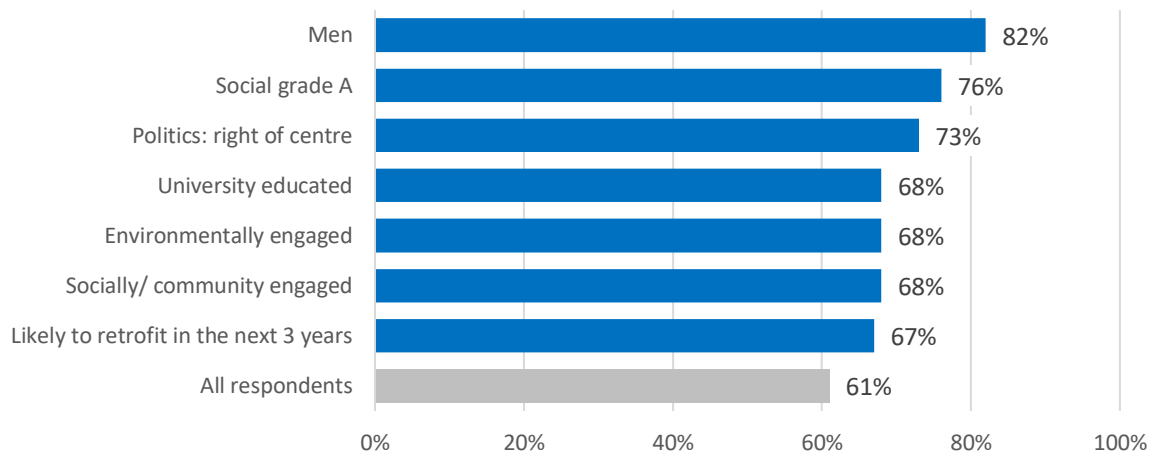
3.5.2 Those most likely to feel they understand the term “retrofitting”

Certain groups are more likely to say they are very or fairly confident that they understand the term “retrofitting” (Figure 3.5.5) – most of all men, 82% of whom are confident they understand the term compared to 61% across the sample overall. Those who are social grade A, politically right of centre, university educated, environmentally and/or community engaged or likely to retrofit in the next three years are also all more likely to feel they understand the term.

Figure 3.5.5

Q13. Groups very or fairly confident they understand the term “retrofitting”

Base: All respondents (n=283)



On these base sizes (comparing sub-groups within an overall sample of 283) we can be 95% confident that there is a correlation between having one or more of the above characteristics and ‘being confident that one understands the term “retrofitting”’. There are additional, weaker, correlations, which may hold true with more statistical robustness if one had access to a larger sample; these include: having a household income of £60K+ p.a., being the sole decision maker in the household re. home improvements, being aged 30+, feeling financially comfortable or being in a household with no children.

3.5.3 Those least likely to feel they understand the term “retrofitting”

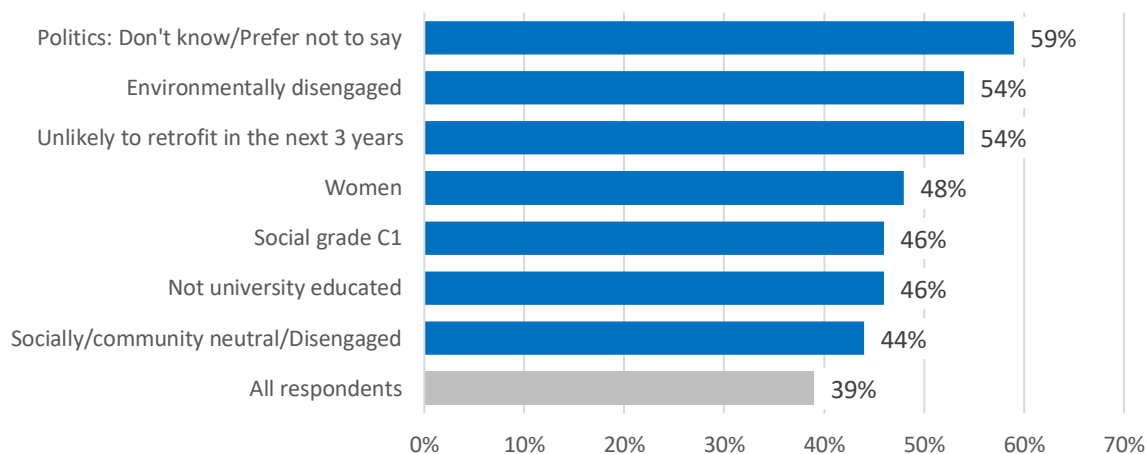
Conversely, it is floating and shy voters (those who said “Don’t know” or, in fewer cases, “Prefer not to say”, when asked if their politics were centre, right of centre or left of centre) who are the least confident that they know what the term “retrofitting means” (59% are not very or not all confident, compared with 39% of the sample overall) (Figure 3.5.6).

Those who do not engage with environmental issues, are unlikely to make energy efficient improvements to their home in the next three years, women, those of social grade C1, those without a university education and those who are neutral or disengaged when it comes to community involvement are also all less likely to feel confident as to what “retrofitting” means.

Figure 3.5.6

Q13. Groups not very or not at all confident they understand the term “retrofitting”

Base: All respondents (n=283)



There is weaker correlation (but correlation nevertheless) between those aged 18-29, those with a household income of £40K p.a. or less, those who make most household decisions jointly, those who do not consider themselves financially comfortable and those with children in the household, with a lack of confidence in understanding the term “retrofit”.

Region is irrelevant to this issue: those living in Devon and those living in Cornwall are no more or less likely to be confident that they understand the term “retrofitting” than the other.

Not understanding the terminology may prove a barrier to some but a “hook” to others: of the 31% who are unconfident as to what “retrofit” means, a quarter (10% of the total sample) are disengaged from environmental issues and another quarter (again, 10% of the total sample) are environmentally “neutral” (neither especially engaged nor disengaged) They may well lack the interest to read further if a headline uses a term they are unsure of (if they assume it to be “environmental”). (Please note: this is an untested hypothesis, as the qualitative research specifically targeted those who, amongst other characteristics, were environmentally engaged).

However, the other half of those unfamiliar with what “retrofit” means (19% of the total sample) *are* environmentally engaged; the qualitative research undertaken (Section 4) suggests that for this group, the use of term “retrofitting” may be intriguing, perhaps making them *more* likely to read on, precisely in order to understand the term (Table 3.5.2).

Table 3.5.2

Environmental engagement by Understanding of ‘retrofit’

		Understanding of “retrofit”			
		Very confident	Fairly confident	Not very confident	Not at all confident
Environmental	Engaged	13%	27%	15%	4%
	Neither/nor	3%	10%	7%	3%
	Disengaged	3%	6%	6%	4%

3.5.4 Those most likely to already be considering retrofitting

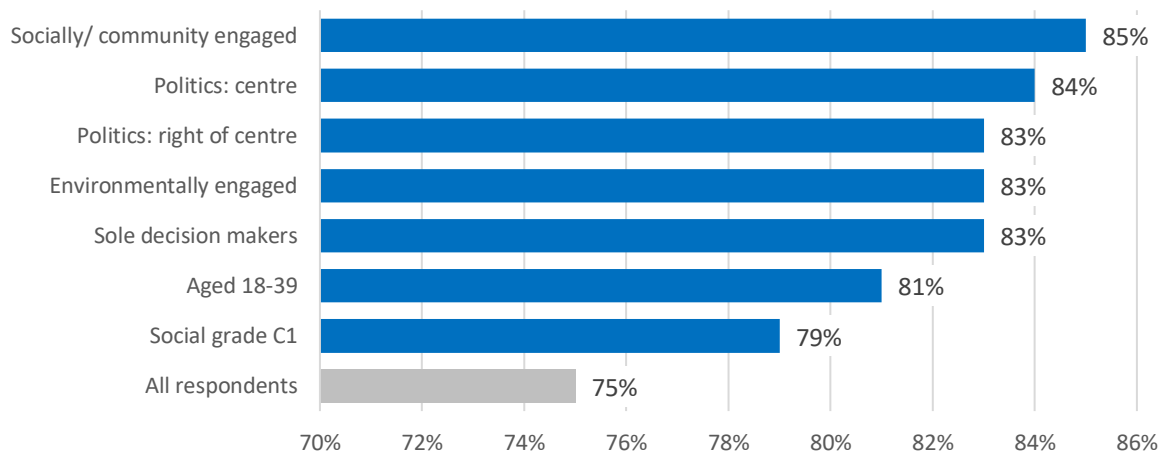
75% of the sample said they were likely to make (more) energy efficiency improvements to their home in the next 3 years. Interestingly, the group most likely to do so were those actively engaged in community matters (85%) – even (slightly) more so than those actively engaged in environmental issues (83%) (Figure 3.5.7).

Those who describe their political leaning as central or right of centre, those who are (usually) the sole decision makers on home improvement matters, those aged 18-39 and social grades C1 (supervisory/clerical/junior managerial/student) are also more likely than others to be considering retrofitting in the next few years.

Figure 3.5.7

Q15. Groups very or fairly likely to make (more) energy efficient improvements to their home in the next three years

Base: All respondents (n=283)



Men, those with an income between £40,000-£59,999, those with children in the household and those with a university education also appear more likely to be considering retrofitting, but the correlation is weaker and would require a larger sample size to provide more robust evidence.

3.5.5 Those least likely to already be considering retrofitting

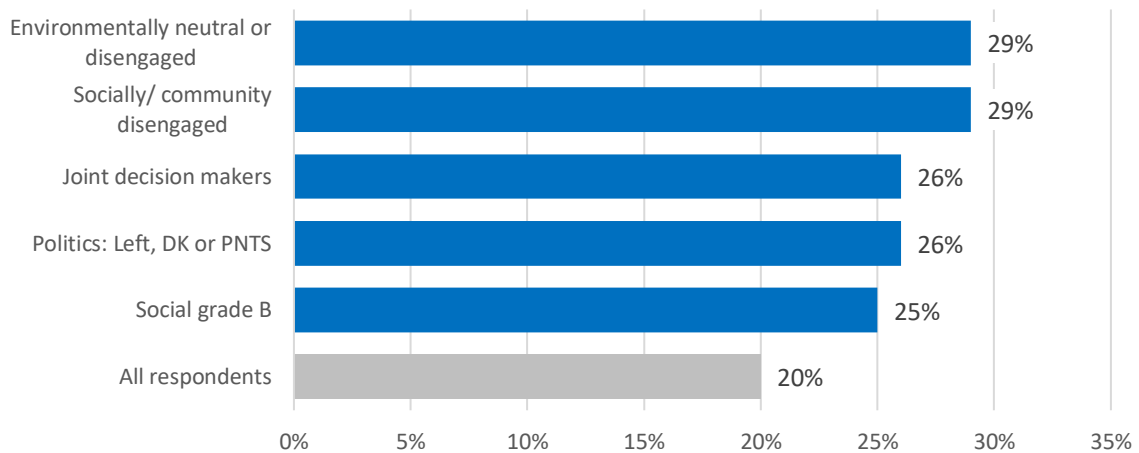
Conversely, one in five (20%) of respondents say they are not very or not at all likely to retrofit in the next 3 years (6% say “Don’t know”). It is those who are not active (i.e. neutral or disengaged) when it comes to environmental issues, and those who are disengaged from community engagement who are the least likely to consider retrofitting in the near future.

Those who make decisions about household improvements jointly, those who describe their political leaning as left of centre or say “Don’t know” or “Prefer not to say” about their politics, and those of social grade B (intermediate managerial) who are also less likely than others to be considering retrofitting (Figure 3.5.8).

Figure 3.5.8

Q15. Groups not very or not at all likely to make (more) energy efficient improvements to their home in the next three years

Base: All respondents (n=283)



Women, those aged 60+ and those who live alone also appear to be less likely to be open to retrofitting in the next three years, although these correlations are weaker and would require a larger sample size to provide robust evidence.

Region is irrelevant to this issue: those living in Devon and those living in Cornwall are no more or less likely to be open to retrofitting in the next three years than the other. Someone's perceptions of how financially comfortable they are also has no bearing on how likely they are to be considering retrofitting.

3.5.6 "Able to pay"

The purpose of this research was to help identify the different segments that make up the 'able to pay' market, as well as determining how partners should reach and engage with those groups to better understand their journey towards taking action in this area. 'Able to pay' is subject to interpretation, including meaning 'able to pay for independent advice'. For the purpose of this research, a somewhat literal definition is used that relates specifically to the issue of affording to retrofit. With this in mind, the sample was specifically drawn from employed homeowners of social grades ABC1. Of interest is that there is no correlation between markers of "ability to pay" within this more affluent sub-set of the population and those who are already considering retrofitting.

- Household income is not a strong indicator of likelihood to be considering retrofitting; there is a weak correlation between those with a household income of £40,000-£59,000 p.a. and likelihood to do so, but not even a weak correlation for those with household incomes of £60,000 p.a.+
- Perceptions of financial "comfortableness" have no correlation with considering retrofit. Those who may *feel* "able to pay" are not necessarily prioritising retrofitting any more or less than those who feel it is more of a struggle to find the funds to do so
- It is those who are C1 (supervisory/clerical/junior managerial/student) who are more likely to be considering retrofitting (79% say they are vs 75% overall) and those who are B (intermediate managerial) who are least likely (25% say they are not vs 20% overall), with social grade A (senior managerial) falling between the two.

- It is worth noting that those of social grade A are most likely to have already had (some) retrofitting done (60% have), then B (51%), with C1 the least likely to have done so (46%), and perhaps this is why it is higher on their list of priorities.

3.5.7 Summary of retrofitting: understanding and likelihood to do it

Six in ten (61%) feel confident that they understand what is meant by the term “retrofitting” (the qualitative research suggesting this confidence is perhaps misplaced). Those most likely to feel confident about this are men, those who are social grade A, politically right of centre, university educated, environmentally and/or community engaged or likely to retrofit in the next 3 years.

Perhaps of greater interest is that of the 39% who are not confident, half are environmentally engaged, and half are not. The qualitative research focussed on those who, amongst other things, are environmentally engaged, and suggests that for those environmentally engaged but unconfident as to the meaning of the term “retrofit” (19% of the total sample), using the term would intrigue them and make them read on. However, it is a valid (but untested) hypothesis that for those unconfident as to the meaning, but *not* environmentally engaged (20% of the sample) the use of the word *may* put them off.

Likelihood to be *considering* energy efficiency improvements to the home in the next three years does not seem to obviously correlate with either income or an individual’s self-perception as financially comfortable. Nor does it link as one might have pre-supposed with social grade (C1s are the most likely to be considering it, Bs the least).

Rather, likelihood to be considering retrofitting is most linked with active community engagement (43% of the total sample) or environmental engagement (59%) (33% of the sample describe themselves as *both*, see Table 3.4.1, p16), being political central or right of centre, younger (18-39) and/or not needing to consult on such decisions (being sole decision maker in the household).

3.6 Technology and digital engagement

One in ten of the sample (11%) would place themselves as ‘innovators’ on the technology adoption cycle, with another third (34%) claiming to be ‘early adopters’ (Figure 3.6.1). These figures are to be higher for those who say they are highly engaged environmentally.

This sample are also digitally engaged with 97% describing themselves as heavy users of the internet, being online almost constantly or several times a day (Figure 3.6.2).

Figure 3.6.1

Q18. When it comes to adopting new ideas and technology, which of these comes closest to describing you?

Base: All respondents (n=283)

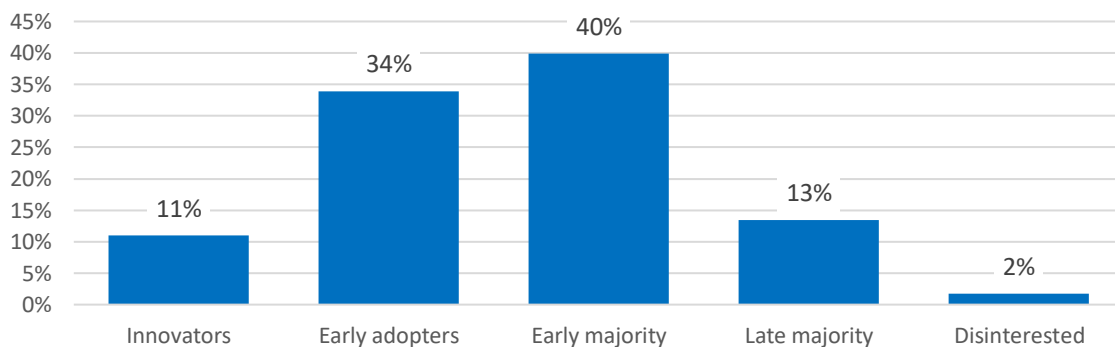
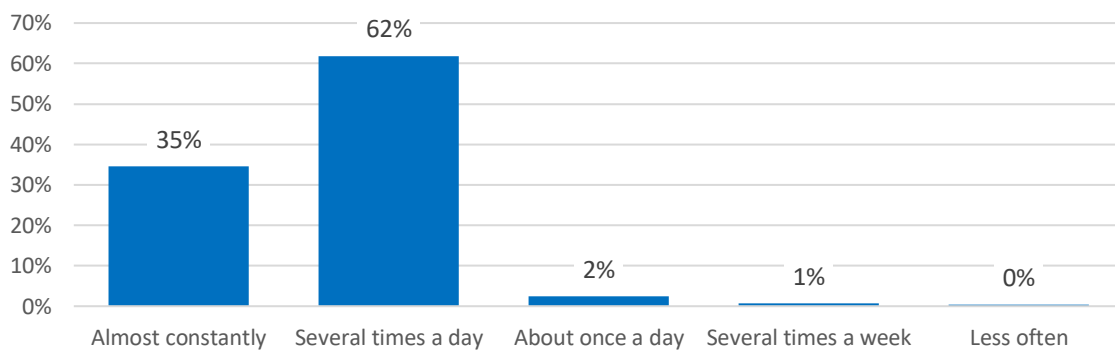


Figure 3.6.2

Q19. On average, do you go online..?

Base: All respondents (n=283)



3.7 Politics, finance & education

The sample presented an expected wide distribution of political stances, with a slightly higher proportion claiming their politics were mostly left of centre (Figure 3.7.1).

About a third (31%) feel more uncomfortable than comfortable with their current financial situation, with 42% more comfortable than uncomfortable (Figure 3.7.2). About two thirds (65%) have an average household income of £40k or more (Figure 3.7.3). However, level of income cannot be relied upon as an indicator of ability to pay: 46% of those who describe their financial situation as uncomfortable have incomes of £40k or more (Table 3.7.1).

Over half of respondents have achieved a university degree. These are more likely to be politically left of centre, consider themselves financially comfortable and have household incomes over £60k.

Figure 3.7.1

Q20. Would you describe your politics as mostly..?

Base: All respondents (n=283)

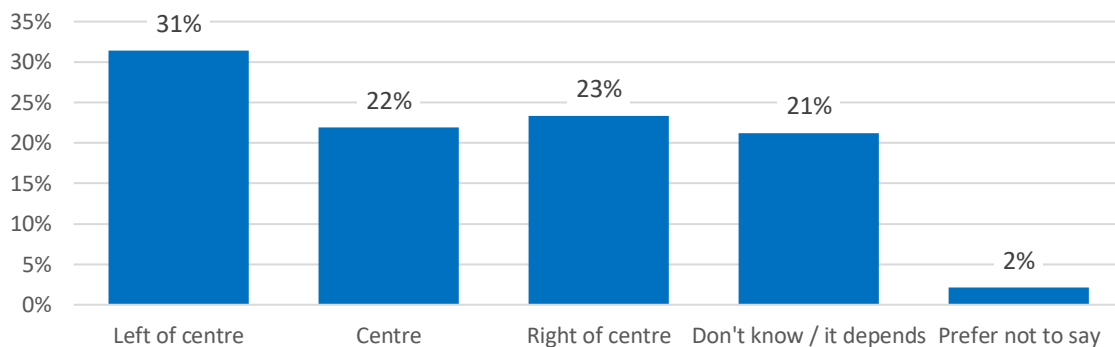


Figure 3.7.2

Q21. How comfortable do you feel with your current financial situation?

Base: All respondents (n=283)

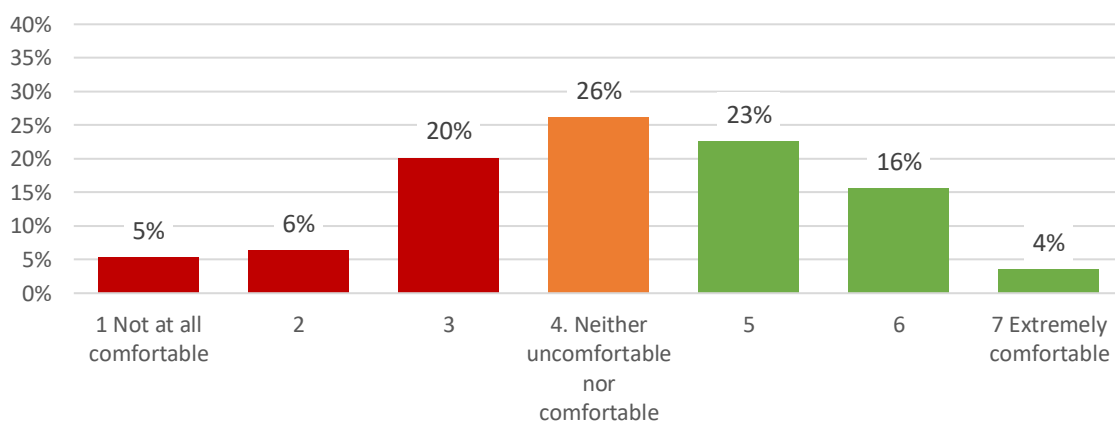


Figure 3.7.3

Q22. What is your annual household income before tax?

Base: All respondents (n=283)

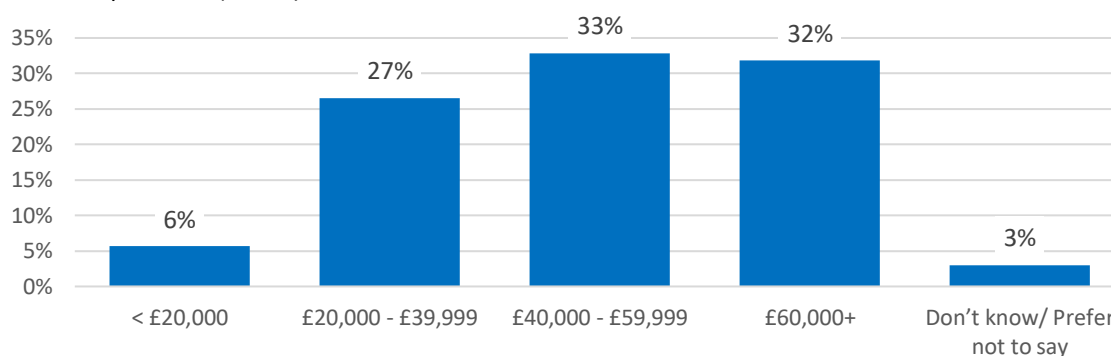


Table 3.7.1

Household income summary – by financial comfort

	Total	Comfortable	Neither/nor	Uncomfortable
<i>Base</i>	274	116	70	87
£40k or less	33%	19%	30%	54%
£40k - £60k	34%	41%	34%	25%
£60k+	33%	41%	36%	21%

Figure 3.7.4

Q23. What is the highest level of education you have achieved?

Base: All respondents (n=283)

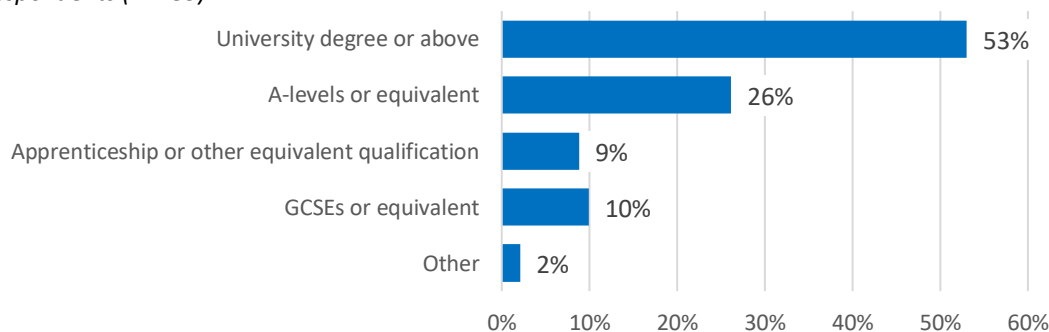


Table 3.7.2

Education profiles – summary

	University degree	No university degree
<i>Base</i>	149	133
Politics – left of centre	41%	20%
Politics – centre	20%	24%
Politics – right of centre	21%	26%
Finance - Comfortable	46%	37%
Finance - Neither/nor	23%	30%
Finance - Uncomfortable	31%	33%
Household income - £40k or less	27%	41%
Household income - £40k - £60k	32%	37%
Household income - £60k+	42%	23%

4 Results - Market Testing Qualitative Research

4.1 Introduction

This section presents findings from the qualitative phase of the primary research, designed to 'market test' the draft typologies with people who potentially fall within those segments. The intention was to take sample from across Devon and Cornwall, for each typology.

The three typologies are:

- Ready prospectors – characterised as *young professionals, environmentally engaged, 25-40, homeowners (mortgaged), early adopters but not innovators.*
- Concerned Convertibles – characterised as *working families with dependent children, 30-55, ABC1, mostly double income, £40k+, homeowners (mortgaged, 'early adopters > early majority'*
- Rooted Pragmatists – characterised as *older, affluent households without dependent children, traditional, concerned about climate change.*

It should be noted that each of our segments represents a small subset of the population. The research sample drew from a pool of people who are homeowners, aged 18-75 and who are categorised as social grade ABC1. Further, in order to draw relevant sample for the qualitative study, potential participants were screened on a number of significant criteria including working status, mortgage status, household composition, income and financial security, environmental engagement, community engagement, and attitudes to digital and technology adoption. The specification for screening sample into each group typology is provided for reference in the appendix.

Because of the number of criteria defining each typology, few individuals were a perfect fit for any one group across all measures. Respondents recruited to qualitative depth interviews or focus groups were allocated on a best fit basis, where the fewest measures have been flexed the least far. If too many measures would have required flexing, or fixed requirements were not true (i.e. if they were not ABC1, were not a (part) homeowner, were not the (joint) decision maker etc) then they were deemed out of scope.

Following the survey of 283 people who fitted with the outline sample profile (homeowners, aged 18-74, ABC1), 86 were further contacted based upon meeting a minimum number of categories against the typology segment criteria (and had previously expressed interest in participating further with the research). 15 responded and were recruited into mini focus groups or one-to-one in-depth interviews (of which 13 proceeded to participate).

4.2 Method

A discussion guide (or 'topic guide') for the focus groups was scripted, designed for a meeting lasting one hour, with the following sections:

- Section 1 – Introduction and warm up
- Section 2 – Future & family – covering priorities for the home property, future needs, current energy efficiency features
- Section 3 – Purchasing – decisions for investment into the home, expected impacts
- Section 4 – Advice needed – who do homeowners trust for advice, where do they expect to find it
- Section 5 – Triggers, motivations & barriers – at what stages do people think about retrofitting (and understanding of what retrofitting means), reasons for making energy efficient improvements, what deters, and reactions to trigger messages

- Section 6 – Messages – whether messages for different typologies resonate and what are the reactions to them

The discussion guide is provided for reference in appendices.

4.3 Findings

The objective of the market testing research was to evaluate the presence of the outline typologies (segments) and test a series of draft messages, terminology and assumptions of motivations and barriers within those potential markets.

Whilst there are socio-economic difference within and between the Devon and Cornwall counties, and the market testing primary research acknowledged the potential differences through its sampling, the research has not evidenced differences in behaviour or engagement with draft messages based upon where people live. Our presentation of findings from the qualitative research therefore is presented by segmentation group only.

4.3.1 Ready Prospectors

Who are they? Participants from this cohort were all typical ‘Ready Prospectors’ (*young professionals, environmentally engaged, 25-40, homeowners with mortgage*), other than being early adopters when it comes to taking up new tech and ideas. Participants’ homes include a Victorian property that has been converted into flats (with access to the loft), a town house and a 1940s terrace house.

Priorities for the home. Priorities for the Ready Prospectors are for paying off the mortgage, then family (including holidays, or helping out parents). As for priorities for the house, then this could be to improve living space (such as adding a conservatory, or improving the garden), rather than make energy improvements. One participant felt that little needs doing as they had improved the loft insulation after buying the property, though having looked up the EPC they were surprised it was only an F, but this still was not enough to change the view that the property didn’t really need work. Another had also made retrofit improvements after buying the property 10 years since (as there were little energy efficiency measures in place) and acknowledges there is more to do, but paying off the mortgage and installing a new kitchen would be higher up the priority list.

Potential energy improvements recognised by participants include cavity wall insulation, new windows and internal furnishing such as better blinds and curtains that would help to keep the heat in. However, time and money are very much key drivers; savings on bills (and therefore a key driver for retrofit considerations) primarily, as well as the appearance and functionality of any improvements, the impact on the comfort within the property, and return on investment. Solar panel installation was considered and rejected by one participant as it called for significant upfront cost with low potential for future bill savings. Whilst considering ‘global impact’ and ‘buying local’ are nice to haves, it has to be cost effective.

Engaging with retrofit. Understanding of the term ‘retrofit’ is varied; so whilst one participant who works in social housing was able to give a dictionary perfect definition, it isn’t a term used outside of work, preferring to talk about “energy efficiency” and “consumer choice”. It is otherwise assumed to mean “improvement” as opposed to “maintenance” – where properties suffer wear and tear (e.g. a kitchen that eventually needs replacing). Further, improvement may mean improving the quality of the home but is most likely to mean adding value to it. For another, retrofitting means making a

change to a product (probably a car or house) to add something that should have been there in the first place, or bringing up to scratch something that was there but was sub-par. There are also connotations of “retrospective” and “looking backward” which is confusing, given that the interpretation of retrofitting is a forward looking concept.

Confidence to retrofit. Return on investment is important, as well as quality, durability, time factors, and the ‘hassle’ involved to go through purchasing and installation process. Benefits of retrofitting are recognised as improvements on day to day life (warmer rooms, cleaner air etc), potential to help the planet (though it’s important not to only consider the impact once installed, but that of installing; e.g. the types of materials being used), and also for reducing the monthly bills. One participant explained how they want to be environmentally responsible and set a good example for the children, but personal time and money have to take precedence. Lack of ROI is key deterrent.

Trusting advice. Word of mouth is a ‘trusted’ source for the Ready Prospectors, including friends and family (“I’d go the Dad first...”) and advice needs to be independent. Own research through Google features, as does independent organisations and voices like Martin Lewis, the Citizens Advice Bureau and possibly .GOV.UK. Participants will consider the agenda of the message giver, and for that reason there is general distrust of national government and politicians. They are more likely to be open to messages from local government, but always with the challenge of “Why are they telling me this? Why do they want me to do this?”

Triggers and motivators. Ready Prospectors are most likely to be influenced to retrofit by circumstances (e.g. a cold home), or at key junctures in life such as moving house or getting a property ready for sale, other major works, or the arrival of a new child. Experiencing a financial windfall, or opportunity to access grant funding, could also be triggers.

The impact on the home environment may be slightly more important than ROI but slightly less important than initial cash outlay. For one participant, being told they would not get reduced energy bills, but new windows would stop the draughts and produce a warmer home would spark interest.

There is a mixed response to the use of independent, ‘paid for’ advice. One participant was particularly open to the idea, having been aware of some neighbours who had paid for external advice (which was around £400). Others were sceptical, including that if the objective is about saving money then spending out a large sum to start with feels counterproductive. Others need to be convinced that it has real value to be able to lead to significant ROI on eventual improvements to justify expenditure of advice as well as any retrofit installations.

What messages work? Ready Prospector participants’ response to “a healthier, happier home” was lukewarm at best; either because they judge “home” to mean the people rather than the house, or their home is already considered to be healthy and happy, or the phrase is sufficiently vague and subjective as to raise suspicion. Participants would expect the use of the phrase to be backed up with explanations and facts; for example, by “healthier” we mean improved air quality (say) that can be measured. “Futureproofing” (understood to mean getting ahead of future legislation) was more motivating.

Considering messages (and words) that Ready Prospectors might see online, on a poster or in a newspaper:

- Want to know the secret to a healthy, happy home? Retrofit... pass it on
- Retrofit: the home improvement trend you can feel all year round
- When will you join the retrofit movement?

Participants rejected phrases that they considered too jargonistic, complicated or not imparting tangible information about benefits. Specifically:

- *“Want to know the secret to a healthy, happy home? Retrofit... pass it on”* – could be confused by the juxtaposition of retrofitting with what was assumed to be family’s personal health (i.e. changing “home” to “house” may be less confusing and more compelling). It chances being attention grabbing without really saying anything, and ‘pass it on’ has negative connotations (viral, unwelcome). *“Want to know the secret to a healthy, happy home?”* alone is better and further improved by replacing ‘healthy, happy home’ to ‘healthy house’.
- *“Retrofit: the home improvement trend you can feel all year round”* – encourages the receiver to read on, though the expectation is for follow up text to explain what is meant by “retrofit”, what specific home improvements are being talked about, and clarification of whether they are talking about benefits that last one year or genuinely benefits felt throughout the entire year. There is some challenge to the word “trend” that not all trends are good (they come and go) and whether this is genuinely a trend (is the word being misused?) It improves by becoming: *“Retrofit: home improvements you can feel all year round.”*
- *“When will you join the retrofit movement?”* - is jargonistic, trying to be “too cool”, and not really saying anything. Considered to lack the credibility to be engaging and the idea that it is a “movement” was not convincing and sounds cultish to some. However, simply *“When will you retrofit?”* speaks directly to the reader and implies there will be useful information on timing, assumed to be about government grants and legislation, which may usefully feed into a household’s decision making.

4.3.2 Concerned Convertibles

Who are they? Participants in this cohort are all employed in intermediate managerial / professional / administrative positions, aged 41-53, with household incomes spanning the scale (£20k to £60k+). They live in detached or semi-detached houses or bungalows and include participants who are currently undertaking major works (loft conversion) and an owner of a second property.

Priorities for the home. If afforded with a windfall of money that they could spend for the home, the priorities would be to make nicer homes: adding space, finishing the build, and making it warmer, though one also referenced making the house more energy efficient. Future priorities are to repair the roof, convert the loft and to ‘upgrade’ the property.

Engaging with retrofit. Whilst participants are not explicitly discussing ‘retrofit’ (and there is confusion on what it means), they are discussing ideal and future home improvements (increasing space, building performance, cost efficiency) which could be a gateway to engaging conversation about retrofitting.

Many have already engaged with energy saving improvements to their homes, such as wall cavity insulation, installing double glazing, and actively seeking out energy efficient appliances when replacing. However, there is nervousness and scepticism about the efficacy of some new types of heating technologies (specifically air source heat pumps) with participants reciting negative stories that they had read or heard about.

Confidence to retrofit. The Concerned Convertibles want tried and tested solutions to energy saving technology, which are cost effective and deliver a pay-back. This can mean they are unlikely to be early adopters and buy unproven technology, but neither do they want to enter too late and miss out

on the offers or grants. Discerningly, circumstances at the time (especially around costs) will factor, and they will evaluate the value for money at the right time – where ‘right time’ means there are enough people now using the technology and the support for ‘onboarding’ with it is in place (e.g. evidence of government grants, advertising, demonstrable value for money). Indeed, the availability of free government grants are appealing and can tip the balance between doing or not doing (i.e. helps to instil confidence).

Trusting advice. Advice needs to be independent and not look like advertising (not ‘infomercials’). Endorsement for solutions is helpful, so long as it is not by celebrities who could have been paid, or the Government who “give contracts to their friends”. Sources such as Martin Lewis (the Money Saving Expert) and Which? are considered to be independent.

Triggers and motivators. Concerned Convertibles are likely to be open to influence mostly when there is an appliance to replace or towards the end-of-life of bigger installations (e.g. roof repair, window replacement, renovations). All would research their purchase and this could include social media (probably Facebook) as part of this research. They are likely to Google solutions, looking for independent advice, but looking for the ‘personal’ benefit first and foremost – benefits to the environment are a secondary consideration. This might change for small scale spending (e.g. £100s) but if it’s a large project (e.g. £1,000s) then the basic needs of the household must come first.

Their own experience is also both a motivator and barrier; a participant described a negative experience with air source heating that the property was cold all winter, that the technology is deemed inadequate. The presumption is similar for ground source heating.

The Concerned Convertibles will trust family and friends for experience and advice, though ‘peer pressure’ doesn’t feature at all. Buying (trusting) local is important but this resonates more for supporting the local economy than for considerations around reducing carbon footprint.

Influence to make energy efficiency improvements are primarily focused on saving money and lowering energy bills. Barriers to making such improvements are all concerned with cost of doing so and that it’s simply not a priority at present.

What messages work? Our study with Concerned Convertibles didn’t buy into the ‘healthier, happier home’ or ‘futureproofing your home’ draft messaging, described as “too fluffy” and unconvincing, that they can mean different things to different people and are unquantifiable. Participants related to the physical structure of their homes in the context, but ‘healthier, happier homes’ implies more about family and relationships. Further, the personal needs of a retrofitted home (in context) are about being warm, cosy, without mould, low maintenance, dry, clean. Relating to ‘future proofing’, this needs to be about solutions that last and not something that’s obsolete in 5 years’ time when the better technology comes to the market.

One participant is currently converting a bungalow with future health needs in mind. Discussions about future proofing made another person uncomfortable in consideration of the needs they may have when they are elderly or the need to accommodate and care for elderly parents.

Considering messages (and words) that Concerned Convertibles might see online, on a poster or in a newspaper:

- Is your home (retro)fit for the future? Insulated. Airtight. Renewable.
- Home retrofit: the sooner you start the more rewards you reap...
- Make your house a home for life with retrofit

None of these had immediate appeal or were thought to be trustworthy or believable, but when pressed the second one (sooner you start) could induce participants to want to read more – though arguably it's not a strong enough message to make them actually do something.

4.3.3 Rooted Pragmatists

Who are they? Participants in this group are slightly older (ages 54-63), a mixture of self-employed or full-time, part-time employed and retired. Homes are semi-detached houses, bungalows, and old (17th century) buildings.

Priorities for the home. Participants have made home improvements such as installing double glazed windows, solar panels, boiler replacement, loft insulation, switching to LED lighting.

Participants would like to make further improvements that would make their homes more energy efficient and improve their EPC ratings, but many of these ideals are beyond their means. Future priorities would include adding [more] solar panels, battery storage and considering installation of heat pumps. The costs for heat pump systems are seen as prohibitive, and there is some negativity towards solar PV (“don't get any – it's not worth it”) though with an acknowledgement that the environment benefits. One participant has a listed building in a conservation area which makes planning difficult, although they care passionately about the environment and have room for solar... “but it's all down to costs”.

Engaging with retrofit. ‘Retrofit’ as a term was not mentioned spontaneously and was not a familiar term for some (preferring instead ‘renovation’); for others it implies the installation of older things (e.g. Victorian bath tub or olde-style decoration). Whilst some have heard the term retrofit, they wouldn't apply it to the home as it has connotations with engineering, such as fitting a spoiler to a car.

Confidence to retrofit (and purchasing). Needs a lot of research. Money (cost/investment) is important, but you get what you pay for. So considering value for money means understanding the difference it makes afterwards (savings and good for energy.) Some worry about the running costs (e.g. heat pumps and “no one knows how to maintain them”) as well as the initial costs. If people are making a significant investment in retrofit then the difference needs to be noticed. Value for money is important – one never wants the cheapest but the product needs to be good quality and last a long time; so a new boiler guaranteed for 15 years could represent good value for money. Negativity around heat pumps includes a perception that they are noisy and nervousness around them going wrong with not enough skills around to be able to fix them

Trusting advice. The Rooted Pragmatists trust friends and family and independent recommendations, from the likes of Which?, Martin Lewis (“the friend next door”), USwitch and Trust Pilot. Television programmes such as the Gadget Show also work. They will not trust campaigns from central government and there is some scepticism with local government (which is ‘going bust’). Nor will they trust organisations blatantly promoting products, preferring to conduct their own ‘research’, such as through Google to find reviews, or social media (though wary of influencers and scripted ‘infomercials’), before consulting friends and family (word of mouth), such as for recommending a trader. People are not reading newspapers, though may notice the nationals online (e.g. Daily Mail Online), and they listen/watch the news as well as informative programmes on Radio 4 (say) which may discuss innovations that encourage participants to do more research.

Triggers and motivators. Government grants can make a difference – but it’s not a cut and dry decision as you generally need to spend the money first. The key drivers are (to invest in retrofit) are to save money, reduce expenditure in the long term, and reduce bills. Adding value to a property is a not a driver as most are not looking to sell. Reducing household emissions has some resonance (as well as ‘everyone doing their bit for the environment), but making cost savings is more important. With respect to ‘future proofing’, there is some indifference as their children may not be able to run/live in the house. Whilst the Rooted Pragmatists recognise benefits to the environment, “me and my family” (ensuring a warm and cosy home, improving health) are most important and dealing with the cost of living is a more pressing matter.

Some suggest that being presented with information when moving house would be good, perhaps delivered through architects and local planning, especially for first-time buyers. Independent advice is needed around investments, so people know how best to prioritise money. Rooted Pragmatists say they have worked hard for their money, so they want to know it is well spent for their home to be energy efficient; in the way that one may receive a review from an independent financial advisor, which helps with planning ahead. Barriers to retrofitting, there are not enough [understood] benefits; such as knowing what it really costs and the pay back (return on investment).

What messages work? For Rooted Pragmatists, the phrase ‘healthier, happier home’ means somewhere safe, where nothing bad happens, the roof is secure, without leaks and drafts, not getting sick, to secure peace of mind and where all is working well. It lacks as a ‘hook’ for retrofit, by not conveying the benefit. It can imply people (relationships) rather than houses.

Considering ‘future proofing’, the phrase is open to interpretation but seen by some as being more to do with re-fit or ‘eco science’, suggesting a preparation for the future, such as home vehicle charging. It is considered a bit jargonistic, where simple language would do (“just say, updating your house”) when also “no one knows what the future brings”. ‘Future proofing’ can also imply preparing for old age, such as moving from a three storey house to a bungalow, or relating to mobility and moving bedrooms downstairs, rather than material things

Considering messages (and words) that Rooted Pragmatists might see online, on a poster or in a newspaper:

- Reduce. Reuse. Recycle. Retrofit.
- Give your home a new lease of life with a personal 'energy fitness' retrofit plan
- Join your friends and neighbours in the [Devon/Cornwall] home retrofit movement

Participants reject phrases that infer joining a campaign or protest, or suggestions that they are part of a bigger plan. Whilst joining with friends and neighbours implies localness and sense of community is the most believable and may encourage some to seek out further information, encouragement to join in with a retrofit movement is unappetising for many.

“Reduce- Reuse- Recycle- Retrofit”, whilst ‘snappy’ and palatable (particularly in an age when such short phrase slogans have become commonplace), can sound like “a reminder to put the recycling out”.

5 Appendices

5.1 Group Typologies

The following table was produced following the segmentation research, to inform the design of the survey and selecting potential participants for the follow-on qualitative 'market testing'.

	Ready Prospectors	Concerned Convertibles	Rooted Pragmatists
Qual group allocation	GROUP 1: Cornwall GROUP 2: Devon	GROUP 3: Cornwall GROUP 4: Devon	GROUP 5: Cornwall GROUP 6: Devon
SEG	ABC1	ABC1	ABC1
Age	25-40 (widened to 18-44 if other criteria are met)	30-55 (widened to 25-55 if other criteria are met)	50-75 but NB "yet to take a pension"
Working status	Must be employed or self-employed, either part time or full time	Must be employed or self-employed, either part time or full time	Only exclusion is "Retired and taking a pension"
Homeowner	Yes, with mortgage	Yes, with mortgage	Yes, with mortgage 25% loan-to-value (LTV) or less, or fully paid off
Household status	Can't be in shared accommodation but anything else is viable, incl. living alone	Can't be in shared ownership and must have at least one dependent child in the household (but not necessarily anyone else)	Can't be in shared accommodation and cannot have anyone aged 17 or under in the household, but anything else is viable, inc living alone
Household income	No exclusions	£40K+	No exclusions
Household savings	No exclusions	Do not code themselves as 1-3 on a scale where 1 is "not at all comfortable" and 7 is "extremely comfortable"	Do not code themselves as 1-4 on a scale where 1 is "not at all comfortable" and 7 is "extremely comfortable"
Environmental engagement	"Engaged" – code as 5-7 on a scale where 1 is "not at	"Environmentally aware but not necessarily	"Concerned about climate change" – code as 5-7 on a

	all engaged” and 7 is “extremely engaged”	engaged” – code as 4-6 on a scale where 1 is “not at all engaged” and 7 is “extremely engaged”	scale where 1 is “not at all engaged” and 7 is “extremely engaged”
Community engagement	No exclusions	“Engaged (but busy!)” – code as 4-7 on a scale where 1 is “not at all engaged” and 7 is “extremely engaged”	“Engaged” – code as 5-7 on a scale where 1 is “not at all engaged” and 7 is “extremely engaged”
Ideas & Tech adoption	Early adopters but not innovators; ideally only those coding 2 on the New Ideas and Technology question should be included, but allow Code1 (innovators) and Code 3 (early majority) if necessary	“Early adopters > early majority” and “Desire latest ideas and tech” ; ideally only those coding 2 or 3 on the New ideas and Technology question should be included, but allow Code 1 (innovators) if necessary	“Open to new ideas and tech”; ideally only those coding 4 (Late majority) on the New ideas and Technology question should be included, but allow Code 3 (early majority) if necessary
Online usage	Heavy; go online several times a day or constantly	Heavy; go online several times a day or constantly	Not heavy; go online once a day or less often

5.2 “Market sizing”

The objectives of this research were to help *identify* the different segments that make up the ‘able to pay’ market, as well as determining how partners should reach and engage with those groups to better understand their journey towards taking action in this area. The objective was not to undertake market sizing. Nevertheless, findings from this research may be useful in scoping what potential market size might look like.

Please note:

- As discussed (in section 3.5.6) likelihood to already be considering retrofitting does not correlate with those factors one might associate with being “able to pay”. This section is a look at the proportion of the market most likely to be able to pay, regardless of whether they are already considering retrofitting.
- The key segments (outlined in section 4.1) are defined by numerous variables that include an element of fluidity and therefore potentially some degree of overlap. The factors used in the illustration below are a simplification of this nuance in order to provide an illustration of what market size might look like, rather than a hard and fast definition of “able to pay” or a hard and fast figure for market size.
- This research is based on data from people aged 18-74, living in Cornwall and Devon, of ABC1 social grade, not yet drawing a pension and who at least part own their own home, not the total population
 - 52.4% of the population of Cornwall and Devon are ABC1 (compared to 56.1% of the population across all of England and Wales) (*source: [Census 2021 from the Office for National Statistics](#)*)
 - 67.0% of those in the South West own or part own their property (compared to 62.5% of the population across all of England and Wales) (*source: [Census 2021 from the Office for National Statistics – Census 2021](#)*)
 - What is not known is the % of overlap (i.e. ABC1 homeowners) but if we assume it is 67.0% of 52.4%, then this quantitative research report is focussed on approximately 35.1% of the population of Cornwall and Devon. Whilst the proportion of homeownership is likely to be higher amongst ABC1s, this would be offset to some extent by those drawing a pension / aged 75+ who are excluded from this definition of “able/likely to pay”

Figure 5.2.1

Illustration of impact of various “able/likely to pay” factors on potential market size

