

How knowing your neighbor's electric bill can help you to cut yours

by *Bonnie Tsui*

Greening With Envy

IMAGE: GRAHAM ROUMIEAU

THREE DECADES AGO, Robert Cialdini was one of the first social psychologists to study what motivates people to take care of the environment. Since then, focusing on everyday settings that would have clear relevance for policy makers, he's investigated how we respond to everything from litter in a parking garage to public-service announcements about recycling.

A few years ago, Cialdini, a professor at Arizona State University, conducted a study in several Phoenix hotels comparing the effects of those ubiquitous hotel-bathroom placards that ask guests to reuse towels, testing four slightly different messages. The first sign had the traditional message, asking guests to "do it for the environment." The second asked guests to "cooperate with the hotel" and "be our partner in this cause" (12 percent less effective than the first). The third stated that the majority of guests in the hotel reused towels at least once during their stay (18 percent more effective). The last message was even more specific: it said that the majority of guests "in this room" had reused their towels. It produced a 33 percent increase in response behavior over the traditional message.

When made aware of the social norm, subjects tended to adhere to it. "People are mostly oblivious to the impact of the decisions of those around them," Cialdini told me. "But they are powerfully affected, without recognizing what it is that is influencing them."

Cialdini terms this effect "social proof." It's a primitive instinct, much like the impulse that drives insects to swarm or birds to flock; people take in information and respond, without being aware of why they act the way they do. "On some base level, it's survival recognition: these are the people who are most like me—we share the same circumstances," Cialdini explained. He sees the power of this impulse less as peer pressure and more as peer information.

Now Cialdini is applying that concept to energy consumption, with promising results. [Positive Energy](#), a company that has drawn on his work (he's the chief scientist), has created software that assesses energy usage by neighborhood. Results are sent to consumers on behalf of their local utility, praising you with a row of smiley faces (you've used 58 percent less electricity than your neighbors this month!) or damning you with none (you used 39 percent more electricity than your neighbors in the past 12 months, and it cost you \$741 extra).

In Positive Energy's reports, a once-intangible bit of social information—how much energy you use relative to your neighbors—is made tangible. Now you can find out not just what people in the same city are doing, but what people in your neighborhood, living in the same-size houses, are doing—akin to discovering what guests in "your" hotel room have done, but also with customized tips on how to do better.

Keeping up with the Joneses may be cliché, but it seems to work: in Sacramento, where Positive Energy began its pilot program with the Sacramento Municipal Utility District in 2008, people who received personalized “compared with your neighbors” data on their statements reduced their energy use by more than 2 percent over the course of a year. In energyspeak, a 2 percent reduction is huge; with the pilot sample of 35,000 homes, it’s the equivalent of taking 700 homes off the grid. And the cost to the utility is minor: for every dollar a utility spends on a solar power plant, it produces 3 to 4 kilowatt-hours; for every dollar a utility spends on the energy reports, it *saves* 10 times that. By the end of 2009, Positive Energy will have contracts to deliver these reports to 1 million customers across the country, including in California, Washington, Minnesota, Illinois, and New York.

Many utilities have been trying for years to get their customers to be more energy-efficient, with limited success. Persuading consumers to switch to compact fluorescent lightbulbs—which serve the customer’s self-interest—is one tactic, but it’s hard to get consumers to act, says Val Jensen, who oversees the design and implementation of energy-efficiency programs for the Chicago utility Commonwealth Edison. Social proof is a way to do so, he has concluded. ComEd will begin sending out reports to its customers in August.

Cialdini hopes that what has been learned in the energy arena will be applied to the looming problem of water conservation—not only in the U.S., but globally. Something akin to the homeowner reports is a logical extension. And he notes that another aspect of behavioral science may influence policy makers trying to find a way to conserve water resources. “The very same unit of value—say, a gallon of water—has more impact on people if they think they’re going to lose it than if they think they’re going to gain it,” he explained. “Seizing on the concept of loss can be a motivational opportunity—one that will finally get people to act.”

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