

Realize Your Brand's Full Potential



MARKETING DRIVE
WORLDWIDE

Co-Marketing with ENERGY STAR®

Introduction: Defining "Brand"



▪ *Defining Brand*



- Brands are a complex mix of emotional benefits and functional attributes
- Consumer's emotional connections to their favorite brands plays out in many ways
 - Trust, credibility, comfort,
- This way of thinking represents shift from considering brands as **product identifiers** to **personal identifiers**







PRIUS



- *Brands are Emotional*

- Ultimately, a brand's emotional connection with its audience creates a relationship which
 - Develops preference
 - Builds customer loyalty
 - Generates long term business results

■ *Co-Branding & Borrowed Equity*

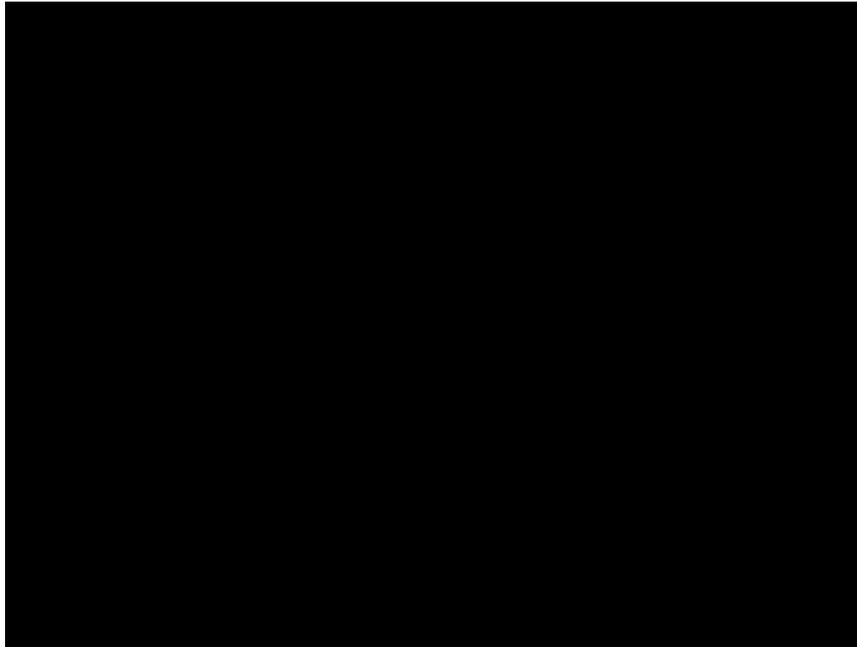
- By tapping into a brand's emotional connection with its constituents, one brand can be leveraged to enhance another
- Marketing partnerships can enable participating brands to:
 - Build credibility
 - Engender loyalty
 - Engage new audiences
 - Exploit new market opportunities
 - Enhance desirability
- However, the right association is key, and partner brands must be:
 - Credible in their association
 - Complement each other's brand positioning
 - Enhance each others' business model

NIKE + iPod nano



- Business Opportunity
 - Leverage market leadership/credibility and shared consumer base/usage occasion to create new market opportunity and enhance customer loyalty
- Co-Branding Initiative
 - Sport Kit that integrates your NIKE running shoes with iPod nano via wireless shoe sensor
 - Sensor sends information to iPod nano, tracking time, distance, pace, and calories burned and offers real-time, spoken alerts to milestones throughout workout
 - Data can then be transferred to nikeplus.com to evaluate performance history, set goals, and even challenge other runners to a virtual race

- *NIKE +iPod nano*



▪ *Vera Wang + Kohl's*

- Business Opportunity
 - Two credible market leaders in respective fields partner to develop new business opportunity
 - Vera Wang: Engage new audiences
 - Kohl's: Build credibility, engage new audiences
- Co-Branding Initiative
 - Premium fashion and lifestyle brand, Simply Vera by Vera Wang, for exclusive distribution through Kohl's stores

The latest in the Simply Vera Vera Wang collection is here

Simply Vera

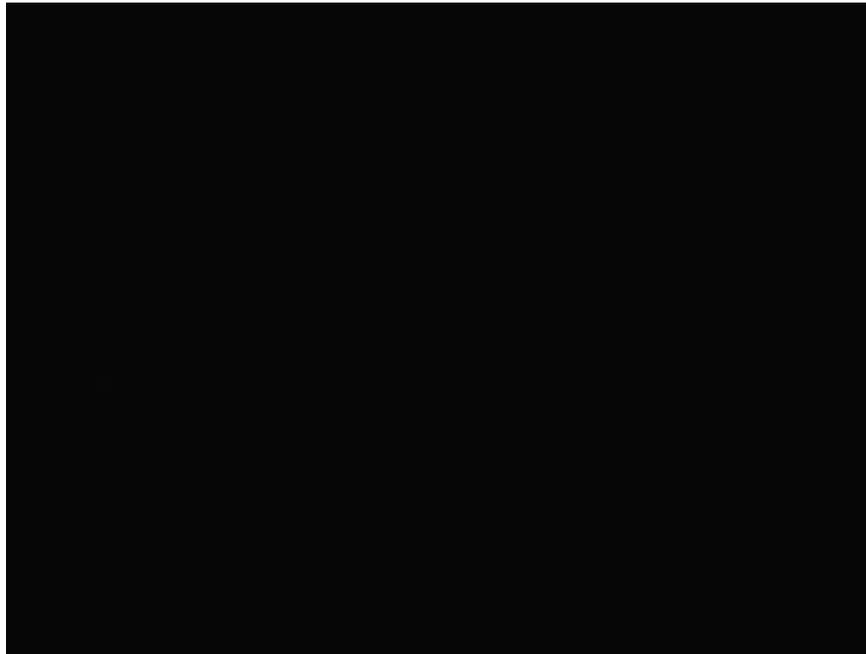
VERA WANG

NOW AND ONLY AT KOHL'S

shop the new looks

The advertisement features a light blue background with a subtle pattern. At the top, it says 'The latest in the Simply Vera Vera Wang collection is here'. Below this, the brand name 'Simply Vera' is written in a large, elegant serif font, followed by 'VERA WANG' in a smaller, bold, sans-serif font. Underneath, it says 'NOW AND ONLY AT KOHL'S' in a bold, sans-serif font. In the center, there are three small images of models wearing different outfits from the collection. At the bottom, there is a call to action 'shop the new looks' followed by a blue play button icon.

- *Vera Wang + Kohl's*



■ *Pottery Barn + Benjamin Moore*

- Business Opportunity
 - Two credible market leaders in respective fields partner to develop exclusive product line, new channel of distribution
- Co-Branding Initiative
 - Exclusive line of co-branded Benjamin Moore Paints in Pottery Barn designer colors
 - Offers Pottery Barn customers an easy way to select the perfect paint colors to complement their furniture choices
 - Teaches décor principles through online interactive module and in store classes



▪ *Macy's & Market Leaders*



- Business Opportunity
 - Engage new audiences and build credibility by leveraging diverse celebrities/experts in exclusive product partnerships
- Co-branding Initiative
 - Go to market via aggregate personalities in one strong campaign
 - Includes personalities/"designers" Martha Stewart, Tim Gunn, Sean Combs, Jessica Simpson, Tommy Hilfiger, Usher, Donald Trump, Kenneth Cole, Marc Ecko, Kimora Lee Simmons, Russell Simmons, Macy's Culinary Council chef Tyler Florence and chef Emeril Lagasse



- *Macy's & Market Leaders*



Co-branding with ENERGY STAR

- *Co-branding with ENERGY STAR*



- Co-branding with ENERGY STAR is a powerful way for utilities and Energy Efficiency Program Sponsors to achieve a variety of business objectives
 - Enhance credibility
 - Overcome “Green Fatigue”
 - Explore new business opportunities

■ *Credibility*

- Credibility is among the most important benefits of brand association with ENERGY STAR
 - ENERGY STAR is the recognized and trusted resource for energy efficiency and environmental protection
 - Brand awareness is now over 70%
 - Consumers understand the brand promise of no tradeoffs in performance or quality
 - Only ENERGY STAR provides the Government Voice of Authority
 - ENERGY STAR not an entity, the government is the source
- This is increasingly important given increasing consumer skepticism about “green marketing claims”

■ *Green Fatigue*

- “Green” has become a ubiquitous marketing platform,
 - Noted as “trendiest marketing buzzword” in recent Mediapost study
- Perhaps as a consequence of this trend, consumers have become increasingly confused about what constitutes green and skeptical about doubt the veracity of claims
 - Recent study by Terrachoice indicates consumers are “overwhelmingly wary of green marketing and consider it ‘just a sales tactic’”
- To overcome, acknowledged best practices include:
 - Rather than marketing on a generic “green” platform, focus on specific environmentally- friendly attributes to help educate consumers and build credibility of claim
 - E.g. energy savings
 - Leverage accredited third party definitions of environmentally-friendly products to ensure credibility of claims
 - **Government Voice of Authority is key**

▪ *EPA & EEPs Consumer Impressions of Co-branding*



- In late 2006, EPA tested a variety of ENERGY STAR signage with consumers in one-on-one interviews around the country
- Research showed that ENERGY STAR has great equity
 - Positive associations
 - Good understanding
 - Trusted resource
 - Used to make decisions
- However, when both EEPs/utility marks appeared on communications, offering became even more credible and trustworthy
 - Recognition and knowledge of local/regional brand
 - Credibility/government voice of authority from EPA



Examples of ENERGY STAR Co-branding

- ENERGY STAR Partners have long embraced co-branding as a way to enhance their credibility with regard to energy efficiency offerings and expertise



ENERGY STAR Influence Expands

- Leading media outlets are increasingly embracing ENERGY STAR as the seal of credibility as well



■ *ENERGY STAR Co-Branding Opportunities for EEPS*

- ENERGY STAR campaigns and resources provide an important avenue for EEPS to achieve business goals
 - Participating in ENERGY STAR marketing initiatives can help build awareness and credibility for efficiency programs while driving program results
 - Leveraging ENERGY STAR Partner relationships can open new doors to promote efficiency program offerings
 - Utilizing ENERGY STAR resources and expertise in particular fields can help effectively launch and drive program success



Opening Doors to New Business Opportunities: Northeast ENERGY STAR Lighting & Appliance Group & The Home Depot

Save BIG
ENERGY STAR **Save BIG**
REBATE CENTER

ENERGY STAR qualified
BULBS & FIXTURES

- Use up to 66% less energy
- Save up to \$60 each year when you replace your home's most frequently used light fixtures
- Produce nearly 70% less heat, so they're safer to operate

ENERGY STAR qualified
Clothes Washers

- Use 50% less energy
- Save up to \$100 per year in energy and water use
- Can save over 7,000 gallons of water per year

For more information, visit:
myenergystar.com

YOUR LOGO HERE

Swap out for promotions.

\$60 off

- Business Opportunity
 - Leveraged shared business interest in ENERGY STAR
 - Heightened visibility for Sponsor rebate offerings
 - Raised profile of Home Depot product offerings
- Co-Branding Initiative
 - Northeast ENERGY STAR Lighting & Appliance Group Sponsors created co-branded, ENERGY STAR information & rebate center to stand at front of Home Depot stores (CFL displays) and merchandise rebates and educational information
- Results
 - Anecdotal reports from Home Depot indicate strong results in CFL category

Enhancing Brand Credibility: ENERGY STAR Partners



- Business Opportunity
 - Highlight leadership status and credibility through co-branding association
- Co-Branding Initiative
 - Fortune Magazine Print Supplement featuring educational content and highlighting various ENERGY STAR partners of the year
 - Post-supplement research study demonstrated exceptional ad recall (68% recall seeing, 29% recall reading) and favorable impressions for all participants

■ *Supplement Results*



- ENERGY STAR Supplement proved an effective tool to help partners enhance brand image and build consumer awareness, understanding and affinity
 - Readers recognized participating brands and products
 - Readers mentioned brand/product purchases for replacements and upgrades
 - Readers learned more about advertisers from information presented and expressed desire to learn more
 - Readers expressed intent to share information learned with others
 - Ads created positive impressions based on ENERGY STAR brand association

Leveraging Resources & Expertise: Efficiency Vermont/Home Performance with ENERGY STAR

- Business Opportunity
 - Leverage ENERGY STAR brand credibility, resources and expertise to help promote Home Performance with ENERGY STAR (HPwES) program at a regional level
- Co-Branding Initiative
 - Home Performance with ENERGY STAR developed and placed co-branded print, radio and online media in conjunction with Efficiency Vermont to increase awareness of HPwES program and benefits
- Results
 - Feedback from Efficiency Vermont indicates that contractor leads and website traffic increased significantly as a result of campaign



Conclusions

■ *Conclusions*

- ENERGY STAR has long been recognized as an effective platform for co-branding, and the brand's importance continues to grow
 - Increased brand awareness and relevance
 - Increased influence on purchase decisions
 - Increase in consumer skepticism regarding "green" marketing and heightened focus on unbiased, third party sources as consumer safeguard
 - All indications are that this trend will continue as environmental protection and energy efficiency come increasingly to the forefront of consumer mindset and purchase decision



■ *Conclusions*

- By evaluating co-branding opportunities with ENERGY STAR in terms of business opportunities, utilities and EEPS can effectively
 - Help build awareness and credibility for efficiency programs
 - Develop new channels to promote efficiency program offerings
 - Develop new business opportunities
 - And ultimately, **drive program results**

