



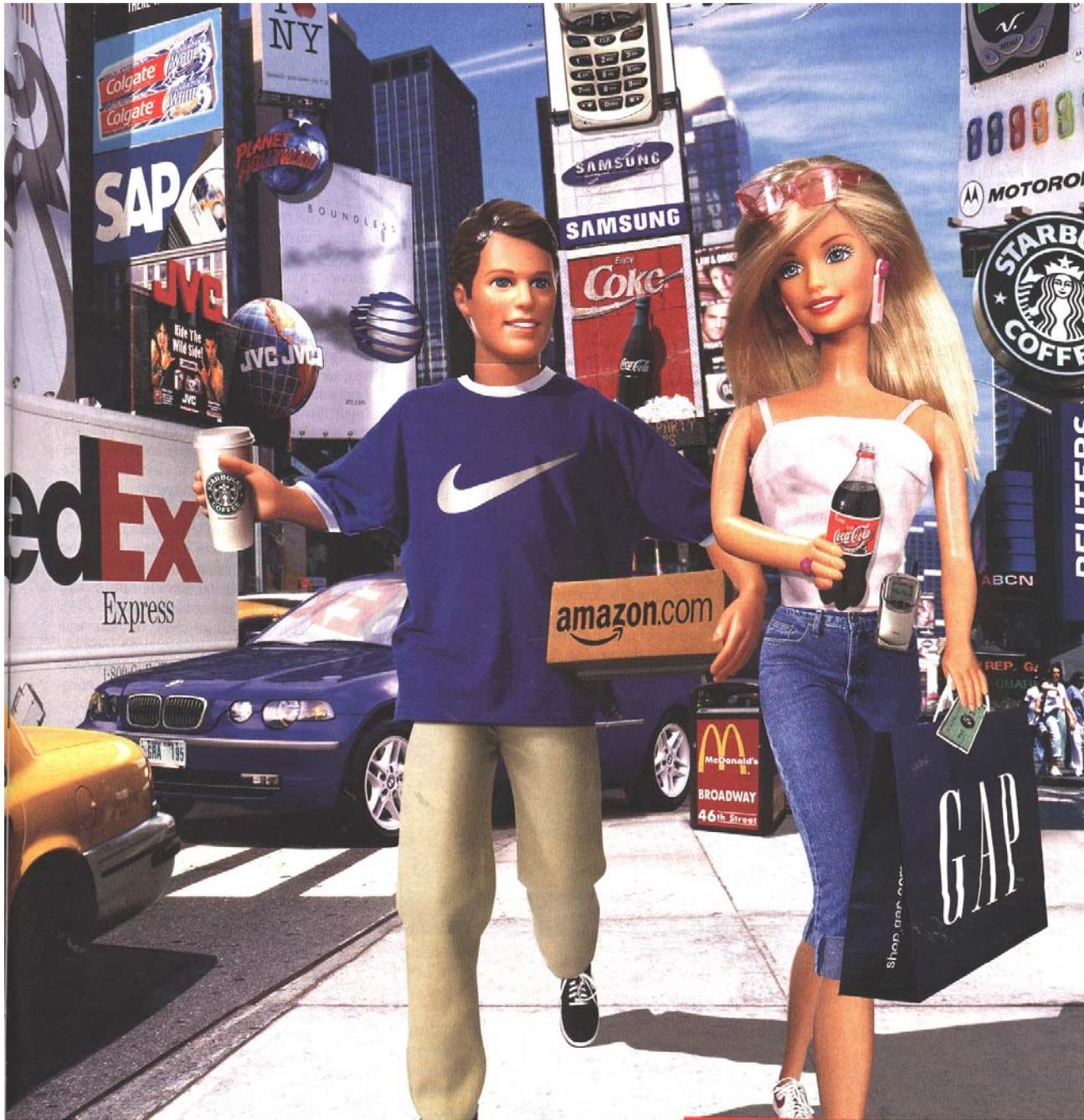
Maria T. Vargas

US Environmental Protection Agency

Outline

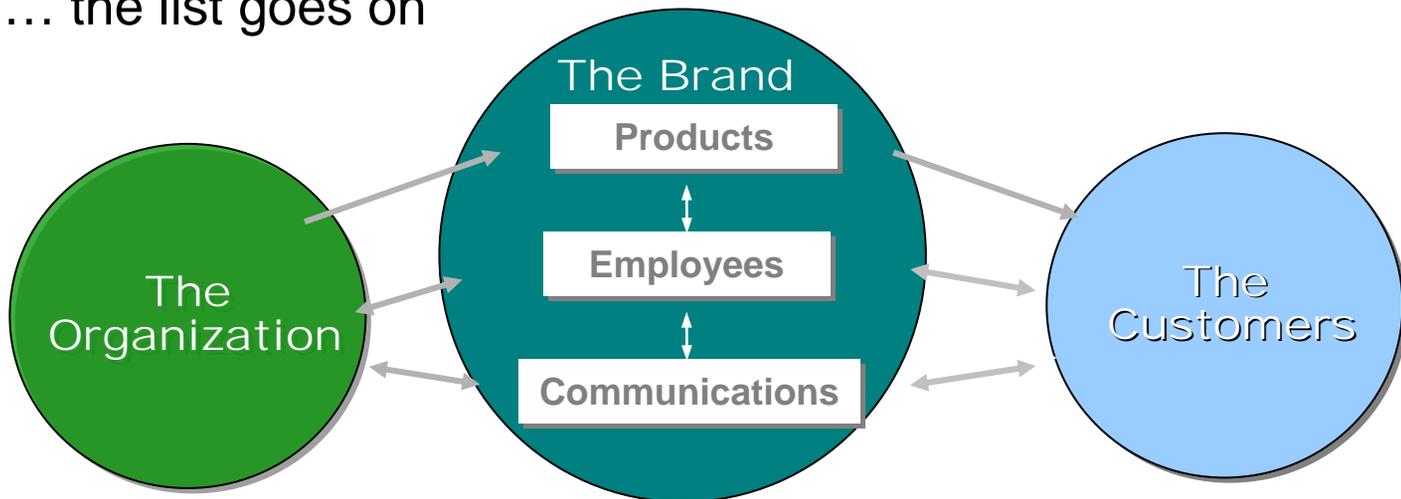


- What is a brand?
- Building a successful brand
- ENERGY STAR Brand



A Brand:

- Is a complex relationship of
 - functional benefits **and** emotional connections
- Exists in the mind of consumer
- Everything you do defines your brand:
 - products
 - people
 - communications
 - services and support
 - website
 - R&D
- ... the list goes on



A Brand Can Be:

- A product: Coke, Orangina
- A company: Apple
- A service: MasterCard
- A charity: Red Cross
- A person: Michael Jordan
- An ingredient: Intel inside
- An endorsement: Good Housekeeping

Coca-Cola



**American
Red Cross**



What is a brand and what isn't?

- It defines a relationship that leads to loyalty
- It is a source of inspiration
- It is a vehicle to change behavior

- It is not a logo
- It is not a label
- It is not promotional

- It is a long term value proposition

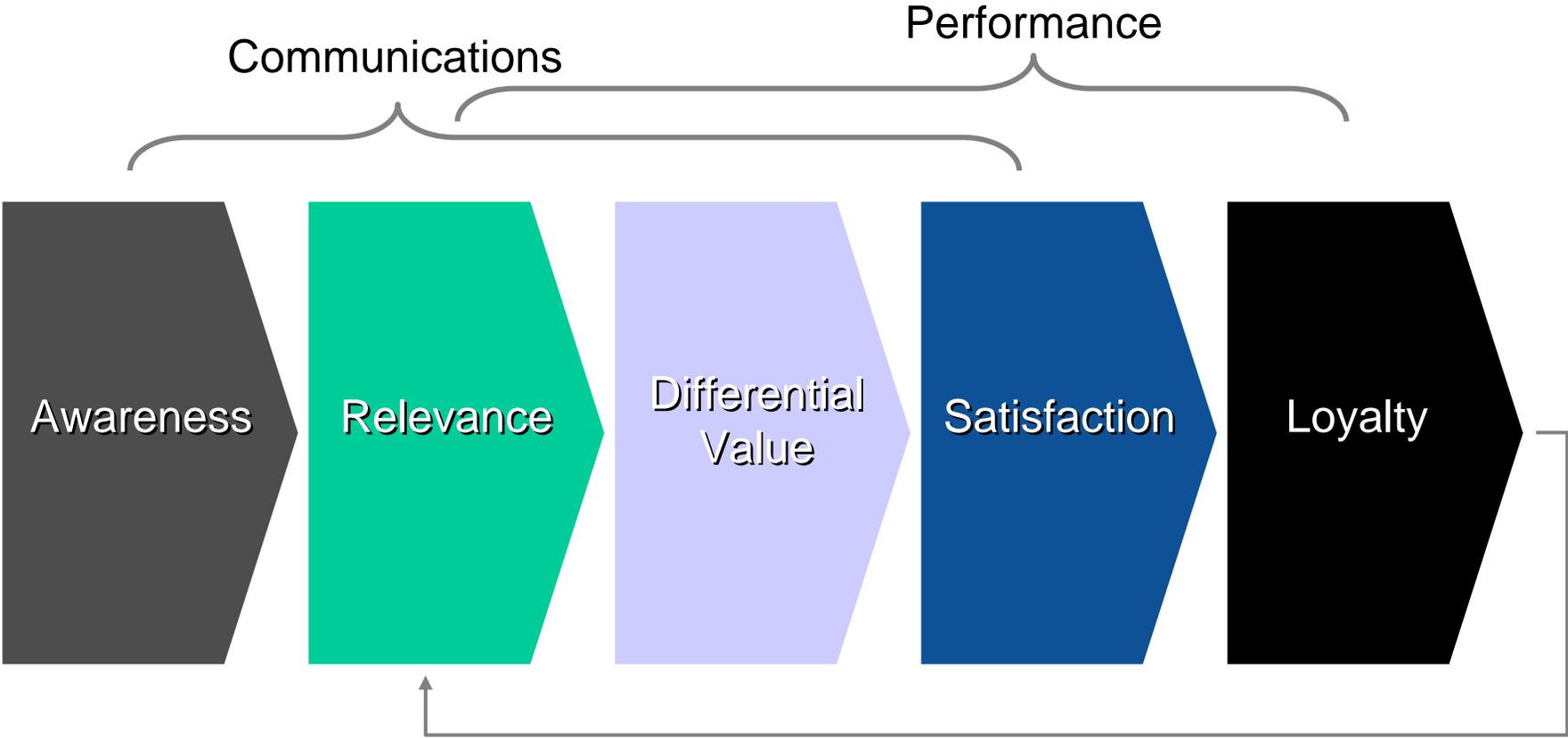
Great brands



- Are built on a belief system
- Create relevance
- Instill values beyond the product sector
- Deliver value to society
- Influence markets
- Owned by customers not company



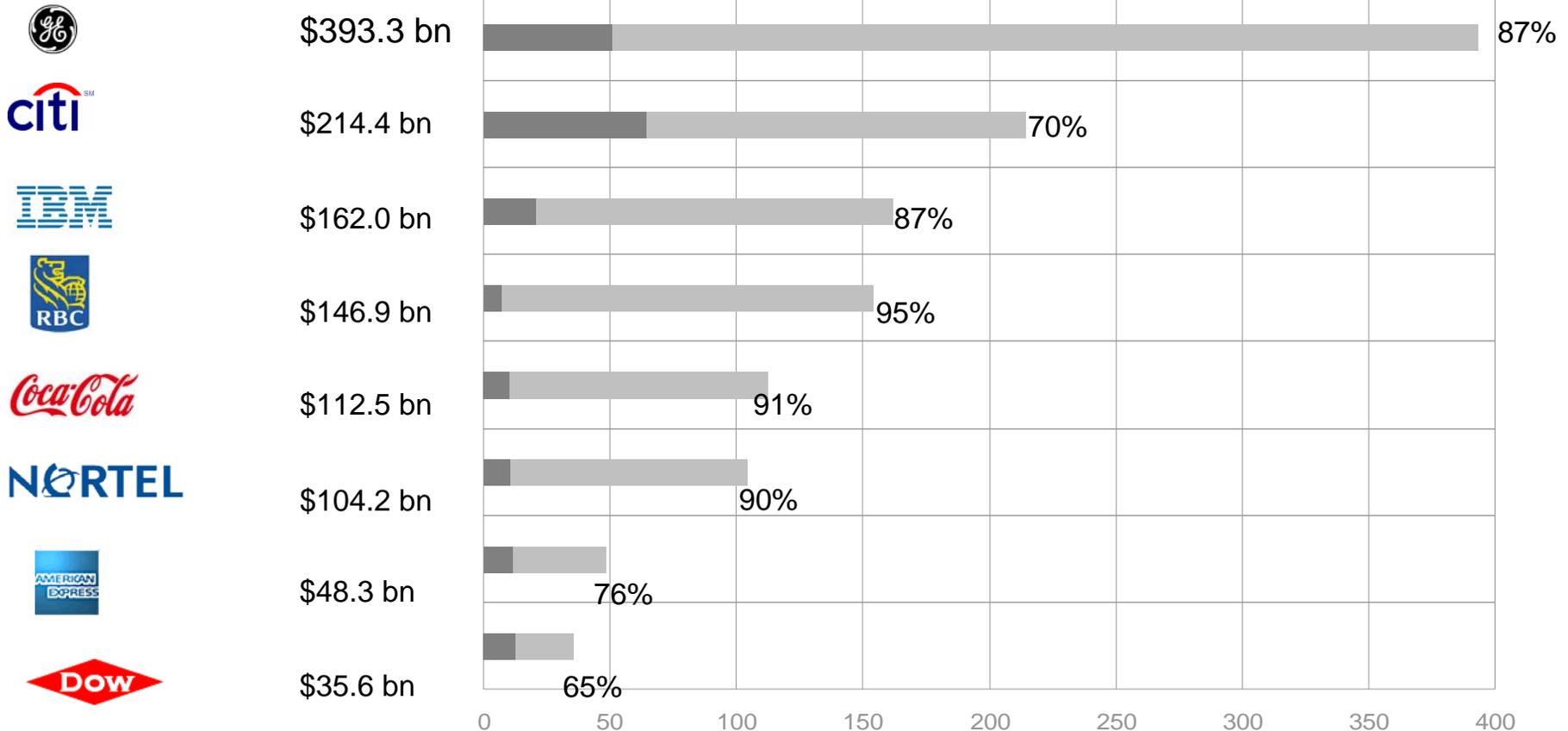
Loyalty is the goal



Brands are economic assets

Loyal customers ensure future revenues

Market Capitalization (U.S. dollars)



■ Net Tangible Assets ■ Intangible Assets

Interbrand,
2003



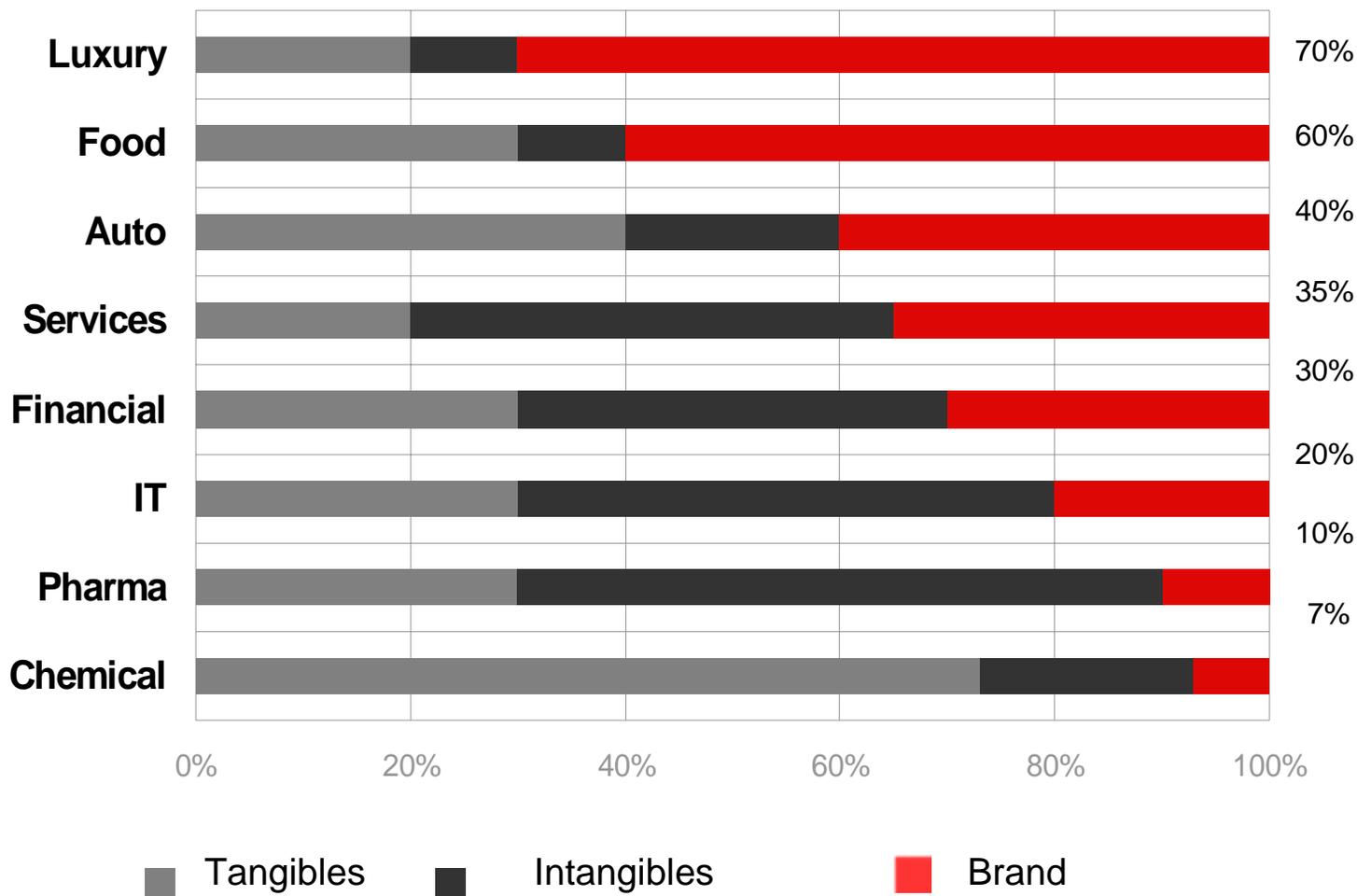
Calvin Klein \$68.00



no name \$9.50

Brands are economic assets

Recognized brands command premium pricing



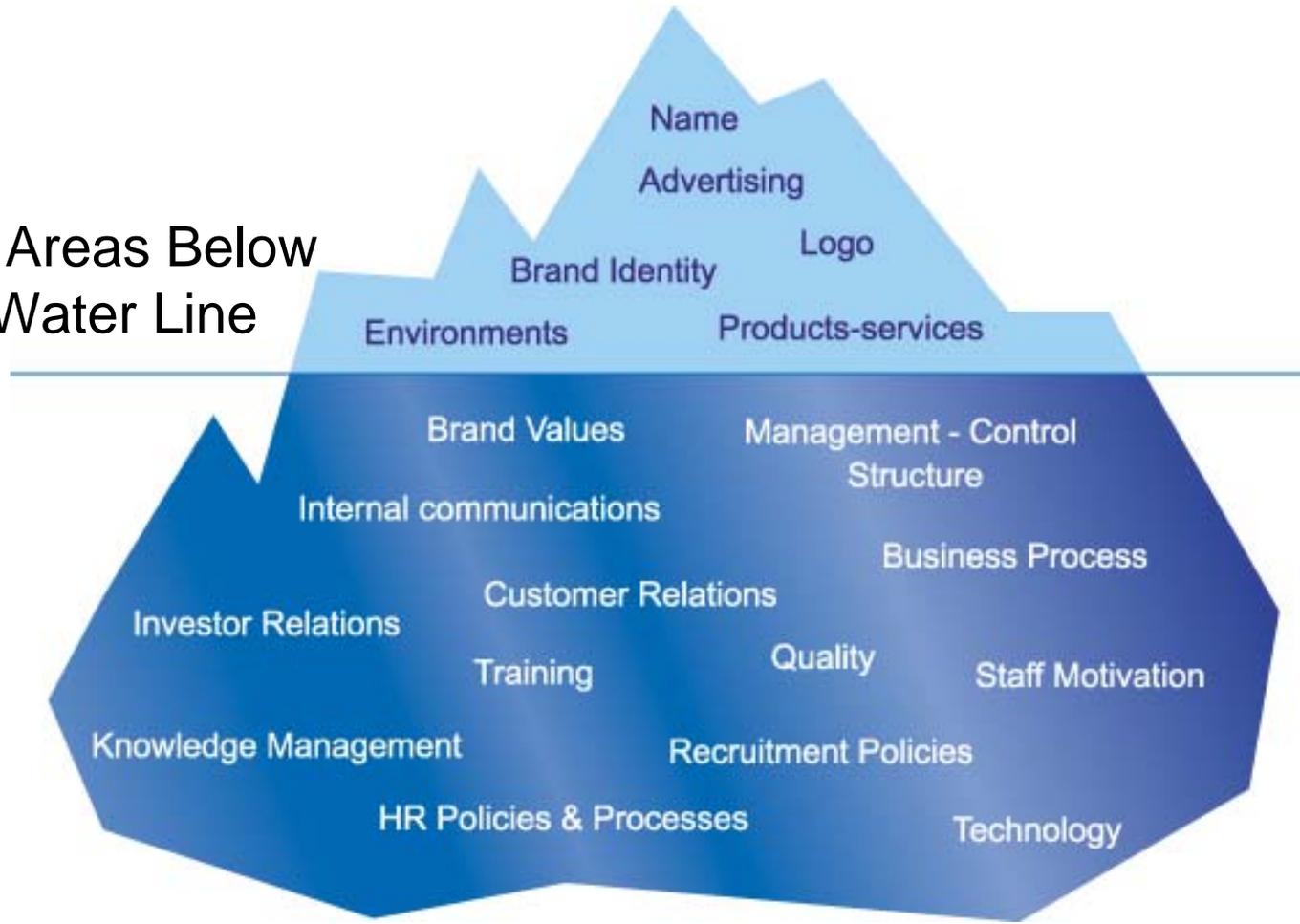
Brand strategy brings business strategy to life:

“Once the enterprise understands what the brand is all about, it gives direction. You know what products you are supposed to make and not make. You know how you are supposed to answer the telephone. It gives an entire set of principles to an enterprise.”

Shelly Lazarus, Chairman, Ogilvy & Mather

Much of the brand's weight is not visible

Critical Areas Below the Water Line



Brand platform

VISION / AMBITION

Simple, straightforward expression of the need you are here to fulfill.

- Provides focus for all communications and, ultimately, behavior

MISSION

What you must do to realize this vision

- It Must
 - define an unmet need
 - not require another level of interpretation
 - be substantive, not just attitude
 - provide focus to differentiate
 - be credible
 - be rooted in the organization, aspirational and achievable

POSITIONING

Long term impression the brand desires among relevant audiences

- Audience specific

VALUES

For example: Apple Brand Platform



Brand Vision

Man should not be subservient to machines

Mission

Create products that make access to technology simple

Positioning

Ease of Use

Values

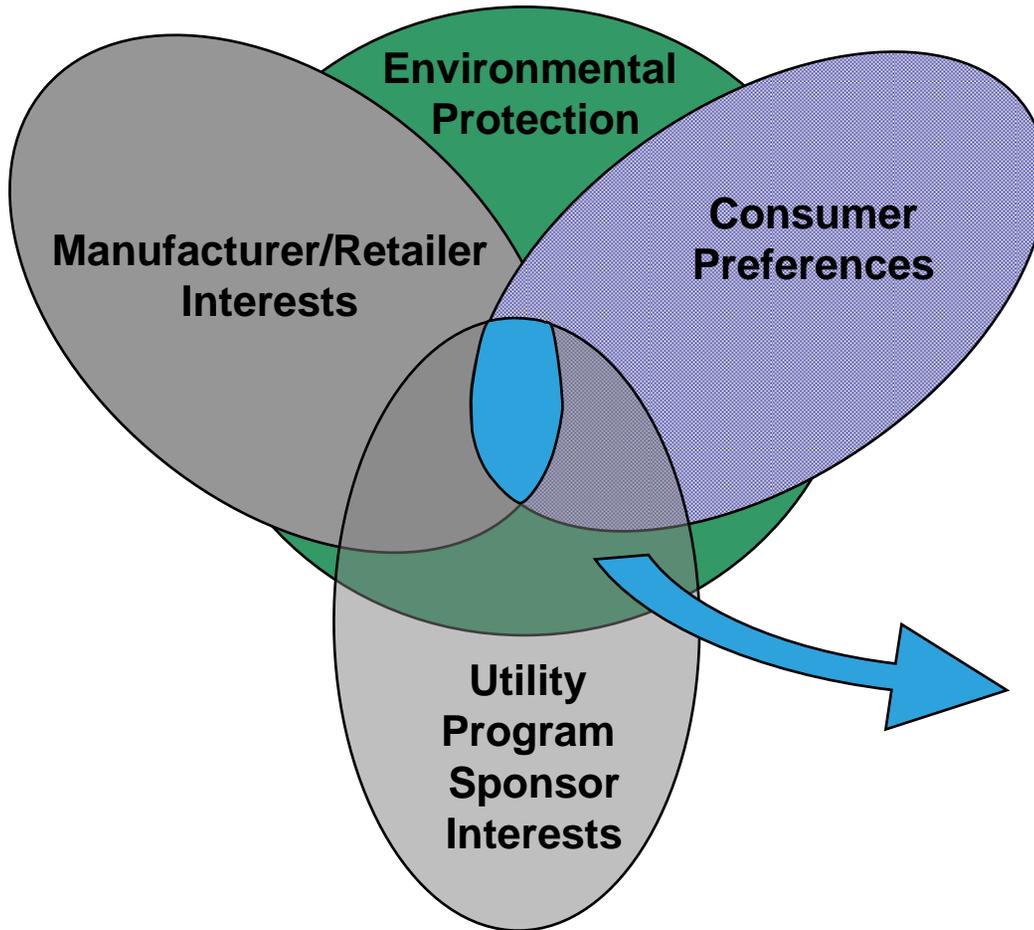
Friendly, Fun, Different

Top 10 Traits

1. Excels at delivering benefits customers truly desire.
2. Is and stays relevant.
3. Pricing strategy is based on consumers perceptions of value.
4. Properly positioned.
5. Consistent.
6. The brand portfolio and hierarchy make sense.
7. Makes use of / coordinates many marketing activities to build equity.
8. Brand managers understand meaning to consumers.
9. Brand is given proper support, sustained over the long run.
10. The company monitors sources of brand equity.



Environmental Success Requires Finding/Building Upon Intersection of Interests



Cost-effective
No Sacrifice in
Performance

Consumer is Key

ENERGY STAR



- Protects the environment through superior energy efficiency
- No tradeoffs in performance or quality
- Cost effective (2nd price tag)

- ENERGY STAR is a government backed symbol providing valuable, unbiased information – source of authority
- Binary (Y/N)
- Power of the individual to make a difference

ENERGY STAR Strategies



Residential

Labeled Products

- 50+ products / 1700 manufacturers
- 10-60% more efficient

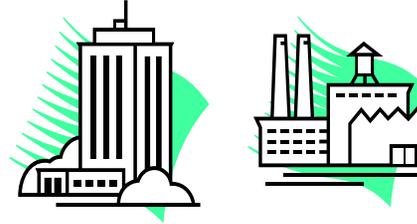
Labeled New Homes

- 30% more efficient

Home Improvement

Services

- beyond products
- ducts / home sealing
- whole home retrofits



Commercial / Industrial

Corporate energy management

- benchmarking, goals, upgrades
(management, systems more than widgets)
- whole building labeling for excellence
- technical assistance

Labeled Products

- for plug loads -- not system components

Industrial

Small business initiative

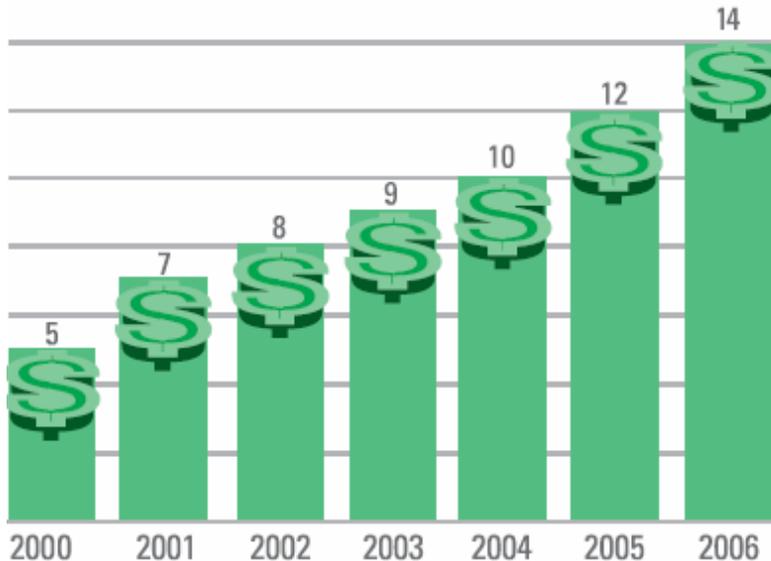
International partnerships – Canada, EU, Japan, etc

A Successful Program

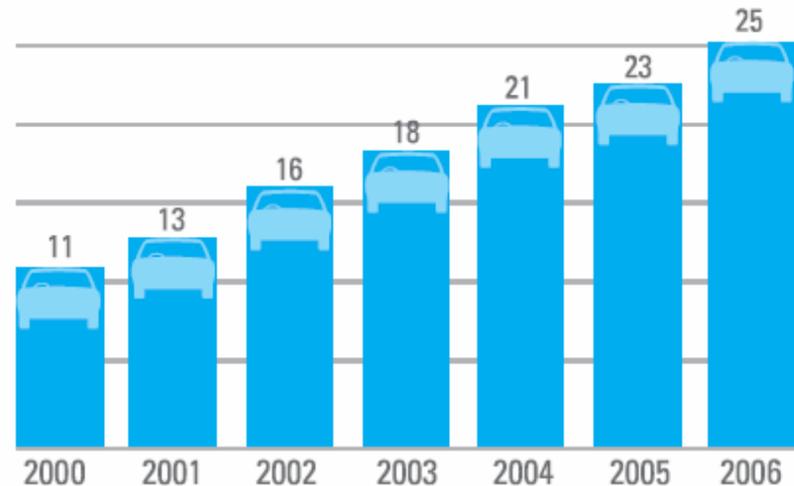


In 2006, Americans with the help of ENERGY STAR:

- Prevented 37 million metric tons of GHG emissions— equivalent to 25 million vehicles
- Saved \$14 billion on energy bills
- Lowered their energy use by 170 billion kilowatt hours – almost 5% of US electricity sales
- Delivered 1/3 of total US GHG emissions reduction from EPA's Climate Programs



UTILITY BILL SAVINGS
(in billions)



EMISSIONS SAVED IN
VEHICLE EQUIVALENTS (in millions)

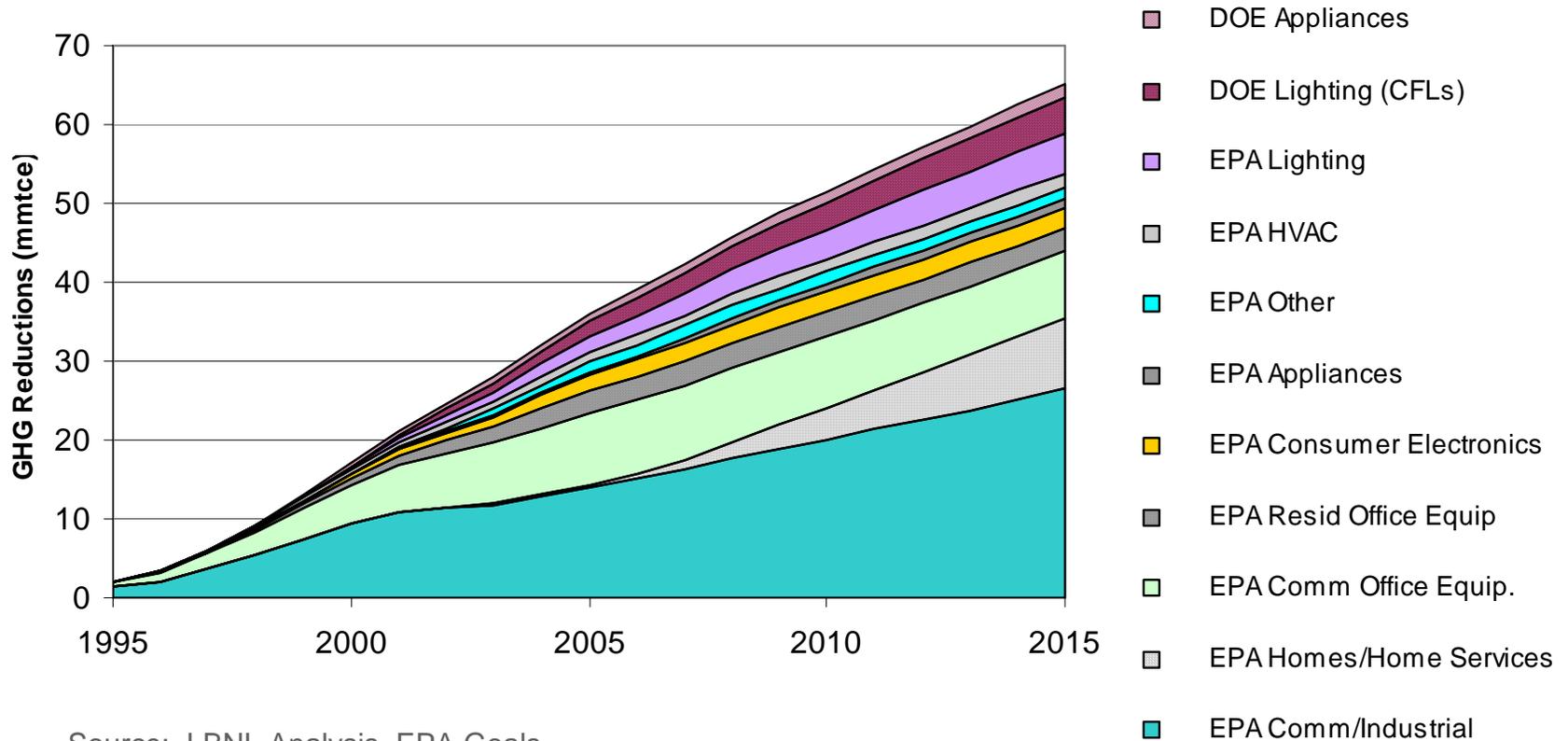
Successful Program



- Public awareness of ENERGY STAR more than 70%
- Engaged 9,000 organizations in manufacturing, delivery, adoption of energy efficiency
- Helped consumers purchase more than 2 billion qualified products from 1,700 manufacturers across 50 product categories
- Over 725,000 new homes are ENERGY STAR; almost 10% of new homes starts across the country are ENERGY STAR
- Tens of thousands buildings benchmarked, thousands of buildings improved

**ENVIRONMENTAL RESULTS POSITIONED TO
DOUBLE OVER NEXT 10 YEARS**

Large Environmental Benefit



Source: LBNL Analysis, EPA Goals

50+ Product Categories Are Covered by ENERGY STAR in the US



Heating & Cooling

Central AC
Heat pumps
Boilers
Furnaces
Ceiling fans
Room AC
Ventilating fans

Office Equipment

Computers
Monitors
Printers
Copiers
Scanners
Fax machines
Multi-function devices

Home Electronics

Battery chargers
Cordless phones
Answering machines
TV/VCRs
DVD products
Home audio
External power adapters
DTAs

Appliances

Clothes washers
Dishwashers
Refrigerators
Dehumidifiers
Air cleaners
Water coolers

Lighting

CFLs
Residential light fixtures
Exit signs

Commercial Food Service

Refrigerators
Freezers
Fryers
Steamers
Vending machines

Home Envelope

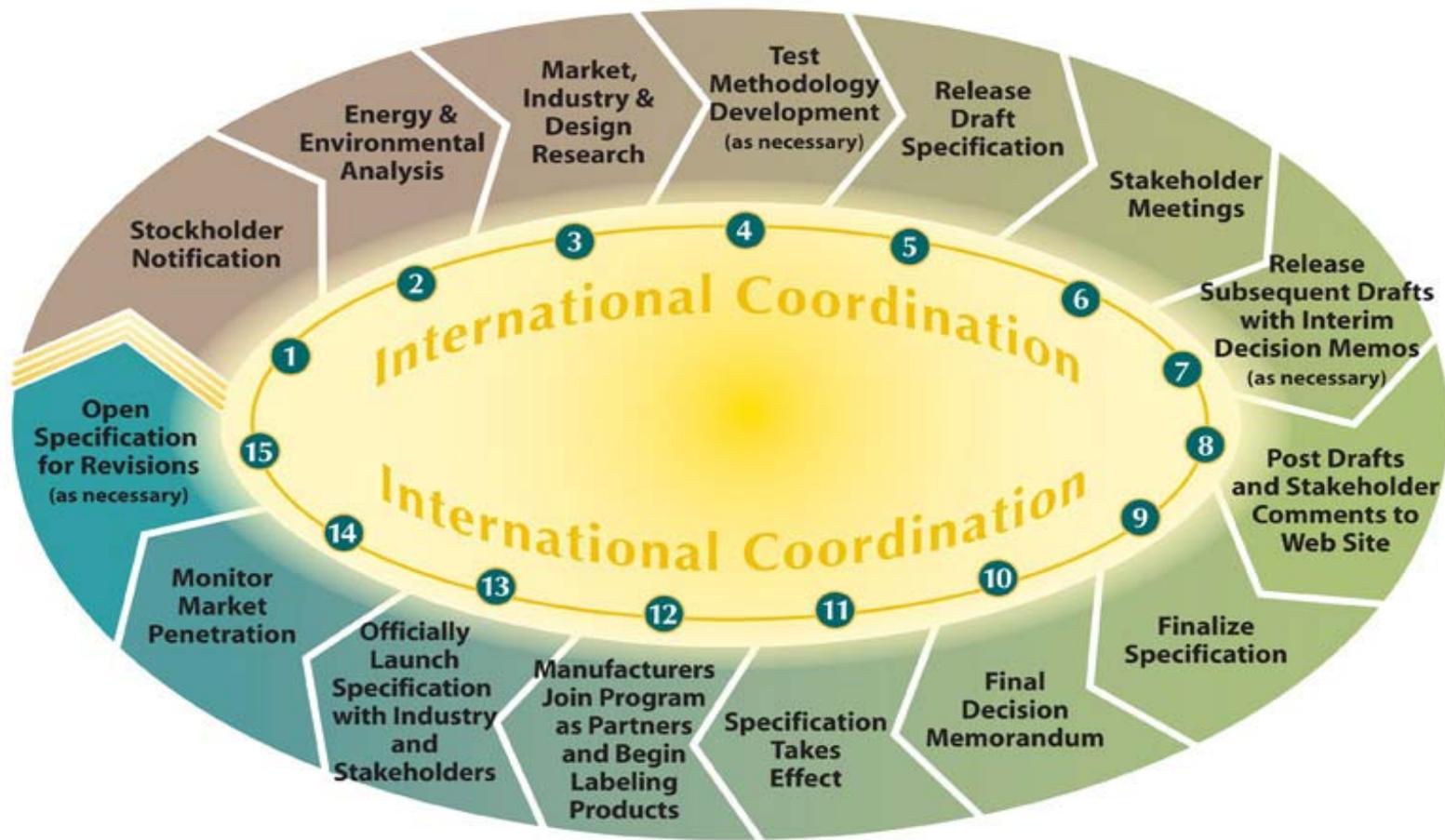
Home sealing
Roof products
Windows/Doors

Building Supply: Setting/Revising ENERGY STAR Specifications



- **Criteria weighed** when developing or revising ENERGY STAR product specifications:
 - Significant energy (GHG) savings will be realized on a national basis.
 - Product energy consumption and performance can be measured and verified with testing.
 - Product performance will be maintained or enhanced.
 - Purchasers of the product will recover any cost difference within a reasonable time period.
 - Specifications do not unjustly favor any one technology.
 - Labeling will effectively differentiate products to purchasers
- Strive for top 25 percent of product models (not sales) but key criteria can trump that goal
- Use a well documented process and Agency guidance for transparency

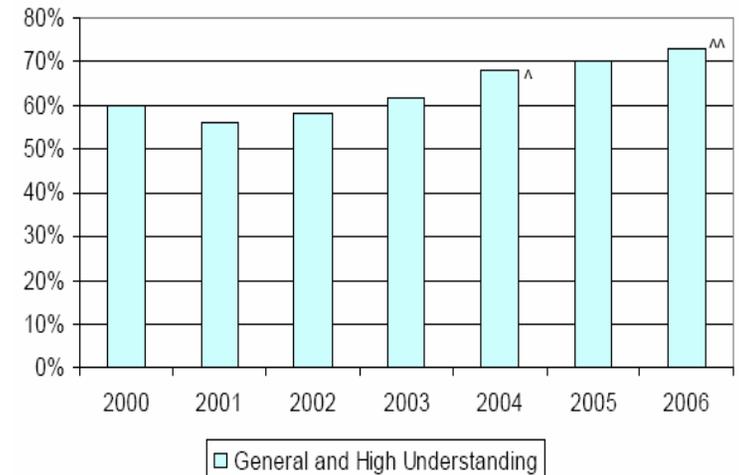
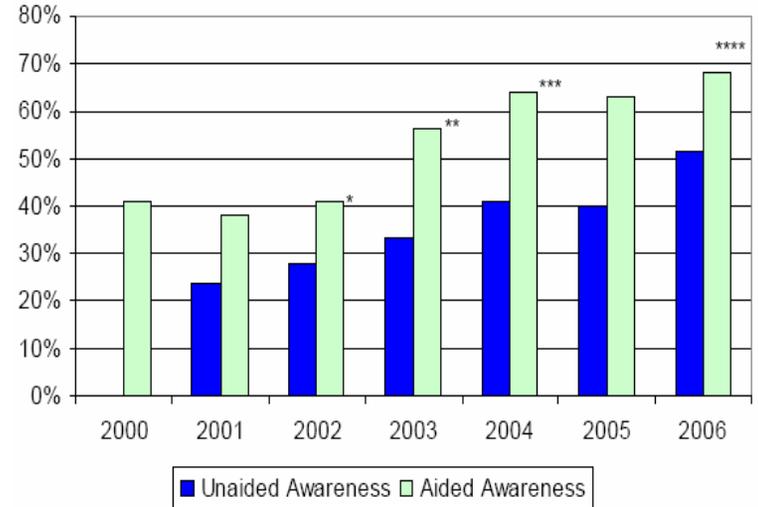
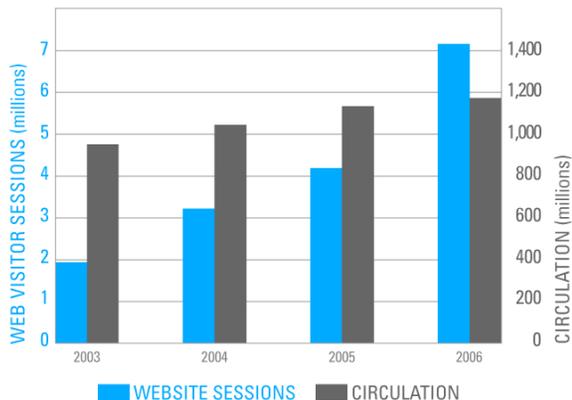
Specification Development Cycle



Building Demand: Outreach critical to environmental results



- Specifications are a foundation
- People must ACT to achieve environmental benefit
- EPA devotes substantial resources to outreach with strong results
 - Annual outreach strategy
 - Media reach of 1 billion plus per year
 - 6 million web visits per year



Why talk about the environment and global warming?



- Americans are concerned about the environment
 - 87% strongly agree or agree with the statement “I am very concerned about the environment.”
 - 93% strongly agree that “Saving energy helps the environment”
 - 74% of consumers believe that a product that is better for the environment is a somewhat to a very important consideration when purchasing an appliance or an energy using product
- Protecting the environment creates a long term connection for action; helps to motivate change
- Emotional

Delivering Relevance: National Campaigns and Outreach



- Broad
 - PSA
 - ENERGY STAR Advice: energystar@home
 - ENERGY Home energy advisor
- Lighting: Change A Light / Change the World
- HVAC
 - Cool your world – summer campaign
 - DIY Home sealing
 - Properly used thermostat
- Office equipment
 - Monitor enabling
 - New Low Carbon IT campaign

Multiple Goals

Build Awareness

Provide value of program partners

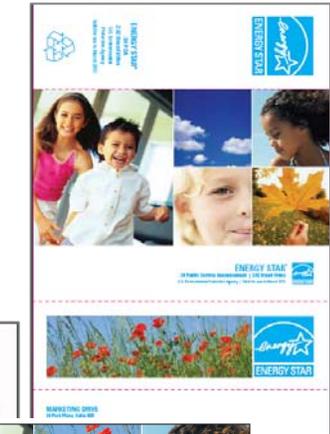
Promote action

Promote growth in product sales

ENERGY STAR PSA Campaign



- Current campaign components include:
 - :30 TV PSA
 - 4 print PSAs: 2 C&I, 2 Residential
 - 2 minute video



Print campaign



- Martha



NAME: Martha Ware

FIGHTING GLOBAL WARMING BY: Using ENERGY STAR® qualified products, including lighting, a programmable thermostat, a furnace, and new insulation.

ANNUAL SAVINGS: \$1,150 | 11,000 kWh | 12,000 lbs. CO₂

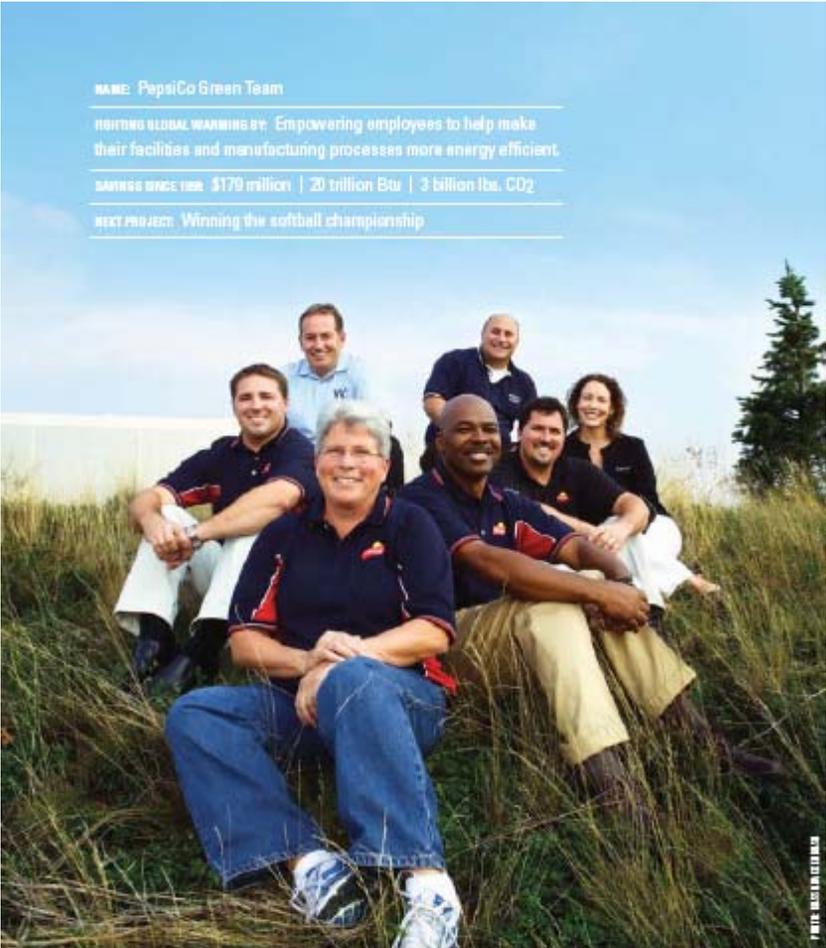
NEXT PROJECT: Teaching Shadow to roll over

PHOTO: BLOOMBERG

JOIN MARTHA IN THE FIGHT AGAINST GLOBAL WARMING. ENERGY STAR® qualified products and energy-efficient behaviors can help you save energy and money at home while reducing greenhouse gas emissions. Learn more at energystar.gov.



Transwestern



NAME: PepsiCo Green Team

FIGHTING GLOBAL WARMING BY: Empowering employees to help make their facilities and manufacturing processes more energy efficient.

SAVINGS SINCE 1992: \$179 million | 20 trillion Btu | 3 billion lbs. CO₂

NEXT PROJECT: Winning the softball championship



JOIN PEPSICO IN THE FIGHT AGAINST GLOBAL WARMING. PepsiCo is one of thousands of organizations saving energy with help from EPA's ENERGY STAR® Program. That means lower energy bills for PepsiCo and a cleaner environment for all of us. Learn how your organization can be a part of the solution at energystar.gov.

Pepsico



NAME: TRANSWESTERN

FIGHTING GLOBAL WARMING BY: Improving energy efficiency and reducing property operating costs for 250 corporate clients, 83,000 tenants, and thousands of business associates.

SAVINGS SINCE: 30% energy savings | \$30 million in utility bills

NEXT PROJECT: Getting deck chairs for the roof



JOIN TRANSWESTERN IN THE FIGHT AGAINST GLOBAL WARMING. TRANSWESTERN is one of thousands of organizations saving energy with help from EPA's ENERGY STAR Program. That means lower energy bills for TRANSWESTERN's tenants and a cleaner environment for all of us. Learn how your organization can be a part of the solution at energystar.gov.

NAME: The Mayor

FIGHTING GLOBAL WARMING: With my friend Horton lending a hand

We helped all the Whos across the land!

We insulated homes and changed lights.

They're now fluorescents—so very bright.

ENERGY STAR® showed us the way

To make a difference every day.

SAVINGS PER HOME: \$400 | 11,000 kWh | 5,800 lbs. CO₂

NEXT PROJECT: Teaching all of Who-ville to do what's right.

Turn out the lights when you're sleeping at night!



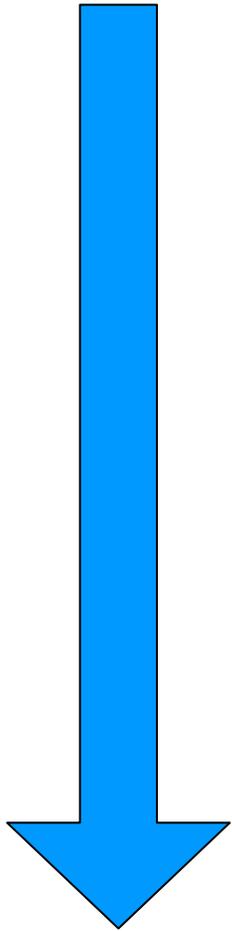
JOIN HORTON and THE MAYOR IN THE FIGHT AGAINST GLOBAL WARMING.

Horton and The Mayor understand how important it is for each of us to do our part. We can all fight global warming by making easy changes in our homes, at school, and at work. Learn more at energystar.gov.

Dr. Seuss' Horton Hears A Who! © 2007 Twentieth Century Fox Film Corporation. Dr. Seuss, Horton Hears A Who! and Dr. Seuss Characters TM & © 1954, 2007 Dr. Seuss Enterprises, L.P. All Rights Reserved.



Branding Continuum



- ✓ Awareness
- ✓ Understanding
- ✓ Relevance
- ✓ Differentiation
- ✓ Satisfaction
- ✓ Loyalty

In 2006

- 60+% of households recognize the label
- 70% had a high or general understanding of the label's purchase
- 56% agree "buying ENERGY STAR labels products makes me feel like I am helping to protect the environment for future generations"
- Households that recognized & purchased ENERGY STAR products rated them 4.5 (out of 5)
- 76% of knowing purchasers would likely recommend ENERGY STAR to friend

Protecting Integrity of ENERGY STAR Label



- Self-certification program – works due to competitive market place and active consumer groups (Consumer Reports)
- BRAND BOOK and GUIDELINES
- EPA monitors use/protects integrity of brand
 - Information on products and appropriate logo use required as condition of partnership
 - Routine checking of manufacturer submitted information
 - Selective product testing
 - Pulling from retail shelves – twice annually
 - Customer calls
 - Manufacturer information on competitors
 - Designed supplemental testing program for problem areas -- lighting products
 - Track all advertisements (reports monthly)
 - All printed press coverage– daily, monthly
 - Web report –qtly
 - Integrity Report - annually
 - Insure correct use of mark: all violations dealt with; coordinate with EPA's Office of General Counsel
- Complementary reinforcing package

ENERGY STAR: Goals for the future



- Triple carbon savings by 2012 (from 2000).
 - From 16 MMTCE to over 50
- Build consumer awareness of, and loyalty to, the brand
- Motivate consumers and build demand
- Maintain meaning/integrity of label on full suite of products
 - Quality, cost-effective, relevance
- Enhance partnership with utilities and energy efficiency program sponsors
- Reduce costs of assisting partners to expand program
 - Need to manage more products
 - Need to manage more builders / new homes
 - Need to manage more commercial and industrial partners
- Build home improvement – beyond products
 - Duct sealing, home sealing, whole home performance are big opportunities
- Transform C&I approaches

Report on ENERGY STAR Brand



“Building a Powerful and Enduring Brand: the Past, Present and Future of the ENERGY STAR Brand”

- ENERGY STAR as a strong brand in the marketplace
- Report examines the history, evolution and current status of ENERGY STAR brand
- Benchmarks ENERGY STAR against other brands, lessons learned
- Outlines challenges for the future
- Prepared by Interbrand,
 - Leading international branding consultancy specializing in brand services and activities such as strategy, visual and verbal identity, and valuation.
 - Working with the ENERGY STAR program since 2001
- Now available

Building a Powerful and Enduring Brand:
The Past, Present, and Future
of the ENERGY STAR® Brand

Prepared by Interbrand for the U.S. Environmental Protection Agency
June 2007



Challenges identified by Interbrand



Interbrand has worked with thousands of brands; applied lessons learned to ENERGY STAR

- Brand tenants cannot be compromised
 - Proven technology
 - Carbon reductions
 - Benefits reasonably immediate and measureable
 - Protect the brand
- Moving forward
 - Continue to carefully manage the brand
 - Be consistent; protect brand definition
 - Results must be tangible
 - Remain customer driven
 - Innovate to maintain momentum

ENERGY STAR as a Co-Marketing Platform:

The Benefits of Borrowed Equity

Examples



- Retailers:
 - Customers looking for information in the store
 - ENERGY STAR meeting their needs to talk to customers about energy and the environment
 - Adopting ENERGY STAR platform; borrowed equity
- Utilities
 - Using ENERGY STAR Platform – value added for their customers
 - EPA backed program
- Home Builders

Sears



The Home Depot



SAVE MONEY ALL YEAR WITH THESE ENERGY SAVING IDEAS

AUTOMATED MOTION SENSORS, TIMERS, DIMMERS AND ENERGY SAVING LIGHTBULBS CAN HELP YOU SAVE ON YOUR UTILITY BILLS



Just look for ENERGY STAR and other ways to save energy

ENERGY STAR® is sponsored by the U.S. Environmental Protection Agency and the U.S. Department of Energy.



KEEP YOUR COOL ON ENERGY COSTS THIS SEASON.
JUST LOOK FOR THE STAR.



You can do it. We can help.™



ENERGY STAR
AWARD
2006

PARTNER OF THE YEAR

YOUR GUIDE TO HOME ENERGY SAVINGS

- SEAL AIR LEAKS AND INSULATE: CUT UTILITY COSTS BY 10%
- INSTALL A PROGRAMMABLE THERMOSTAT: SAVE \$100 A YEAR
- REPLACE SINGLE-PANE WINDOWS: SAVE \$110-\$400 A YEAR
- CHANGE 5 LIGHTS TO ENERGY STAR: SAVE UP TO \$60 A YEAR

Utilities/EEPs



Save More.

Energy. Money. Environment.

Purchasing this energy efficient clothes washer may entitle you to rebates up to \$75.

For rebate information, go to pge.com/res/rebates



Pacific Gas and Electric Company®



ENERGY STAR

ENERGY STAR®

All the comforts of home, plus a few new ones.



The Lone Star just got some company.

Now more than ever, Texans are choosing ENERGY STAR qualified homes. That's because with tighter construction, energy-efficient heating and cooling equipment, and healthier indoor air, ENERGY STAR qualified homes help you breathe easier and stay comfortable year round. And because they're built to be more energy-efficient, they can help save you money on energy bills.*

You're not alone in wanting a more comfortable home. For a complete list of homebuilders in Texas, please visit www.TexasEnergyStarHome.Info.

*Cost savings may vary.



Oncor Electric Delivery is a proud ENERGY STAR Partner.



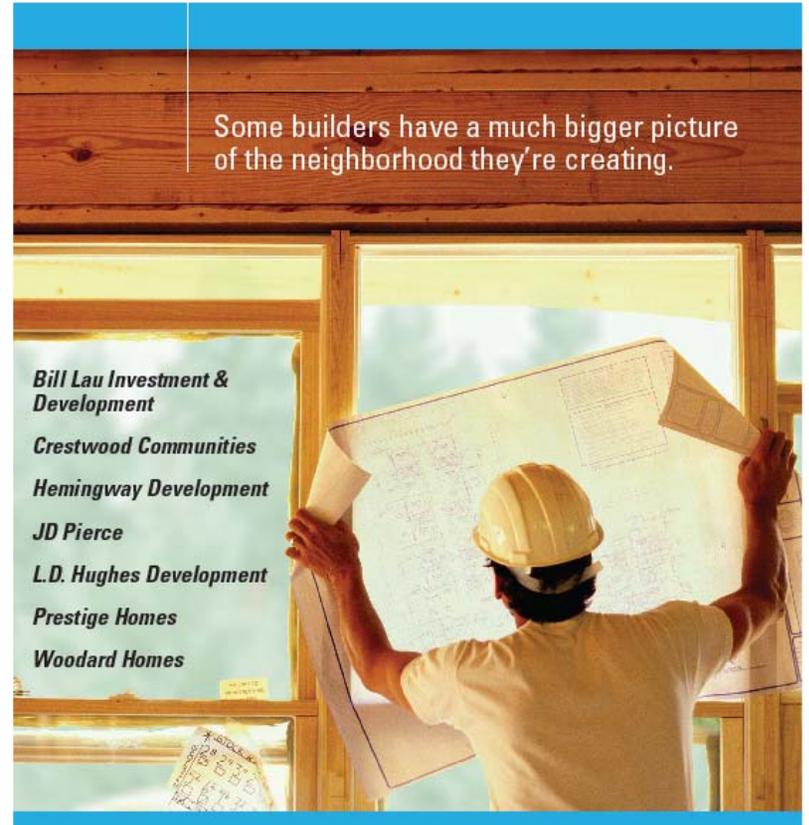
Buy a Home with Star Quality

With an ENERGY STAR® New Home



Buying a home is difficult enough, but an all-electric ENERGY STAR home can make the process easy. Each ENERGY STAR home is independently inspected and certified, which takes the guess work out of buying. You'll enjoy a quieter, more comfortable home that is at least 15% more energy efficient than standard homes while having the peace of mind in knowing you made a smart investment. To learn more about ENERGY STAR New Homes, go to energystar.gov.

Look for these ENERGY STAR builders
 Southcraft Builders
 Ivy Residential, LLC
 J.W. Ivey and Associates
 Collier Construction Company, Inc.



Some builders have a much bigger picture of the neighborhood they're creating.

Bill Lau Investment & Development

Crestwood Communities

Hemingway Development

JD Pierce

L.D. Hughes Development

Prestige Homes

Woodard Homes

When it comes to buying a new home, purchasing an ENERGY STAR qualified home is a smart choice for those interested in greater comfort, higher quality and lower operating costs. The builders listed above are building ENERGY STAR homes under the SCE California New Homes Program.

For more information, visit us today at www.sce.com/builder.

This program is funded by California utility customers and administered by Southern California Edison, under the auspices of the California Public Utilities Commission.



New Homes Outreach Partnership



Before you break ground on your new home,
do a little digging here:
www.energystar.gov

AN ENERGY STAR® QUALIFIED HOME IS BETTER FOR YOU AND THE ENVIRONMENT.
 Compared with standard homes, ENERGY STAR qualified homes use substantially less energy for heating, cooling, and water heating—delivering \$200 to \$400 in annual savings.

ENERGY STAR Builder Partners in San Antonio

- 
Armadillo Homes
 210-662-0066
- 
David Weekley Homes
 210-479-8260
- 
Greenboro Homes 

 210-694-9302
- 
KB Home
 210-342-5122
- 
Legacy Homes
 210-402-6045
- 
Medallion Homes 

years for life 210-494-2555
- 
Meritage Homes
 210-402-6045
- 
Newmark Homes 

 210-489-8484
a member of the toUSA family
- 
Perry Homes 

 1-800-24PERRY
- 
Wilshire Homes 

 210-493-0892



To earn the government's ENERGY STAR, a home must meet strict energy efficiency guidelines set by the U.S. EPA. ENERGY STAR qualified homes are quieter and more comfortable, have lower utility bills, and help protect the environment by reducing greenhouse gas emissions. To find participating home builders near you, visit energystar.gov.



You may find yourself using less energy...



At Stapleton, every builder is an ENERGY STAR® partner. Which means a home in Stapleton will use less energy than the typical new home. Which means smaller utility bills for you and a lot less pollution for the earth. Which makes you wonder why every community isn't like this.

STAPLETON

FEELS DIFFERENT

Buy an ENERGY STAR® qualified home. It's better for you and the environment.

HOMES OFFICES SHOPS PARKS SCHOOLS

VISITOR CENTER: 7480 East 29th Ave. 30 model homes open daily from the low \$100s to over \$1 million.
Denver, CO 80238 303-355-9600  From Quebec, turn East on 29th Avenue. We are in the South crescent building.
STAPLETONDENVER.COM

To earn the government's ENERGY STAR, a home must meet strict energy efficiency guidelines set by the U.S. EPA. ENERGY STAR qualified homes are quieter and more comfortable, have lower utility bills, and help protect the environment by reducing greenhouse gas emissions. To find participating home builders near you, visit energystar.gov.



Managing for loyalty

