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 Jordon
• An ingredient: Intel inside
• An endorsement: Good Housekeeping
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

Communications

Awareness

Relevance

Differential Value

Satisfaction

Loyalty

Performance
Brands are economic assets
Loyal customers ensure future revenues

Market Capitalization (U.S. dollars)

- GE: $393.3 bn (87%)
- Citi: $214.4 bn (70%)
- IBM: $162.0 bn (87%)
- RBC: $146.9 bn (95%)
- Coca-Cola: $112.5 bn (91%)
- Nortel: $104.2 bn (90%)
- American Express: $48.3 bn (76%)
- Dow: $35.6 bn (65%)

Net Tangible Assets | Intangible Assets
Interbrand, 2003
Calvin Klein $68.00

no name $9.50
Brands are economic assets
Recognized brands command premium pricing

Interbrand, 2003
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:

- Name
- Advertising
- Logo
- Brand Identity
- Environments
- Products-services
- Brand Values
- Management - Control Structure
- Business Process
- Staff Motivation
- Quality
- Customer Relations
- Recruitment Policies
- Training
- Knowledge Management
- Technology
- HR Policies & Processes
- Investor Relations
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.

Kevin Lane Keller, Harvard Business Review, 2000
Environmental Success Requires Finding/Building Upon Intersection of Interests

Manufacturer/Retailer Interests

Environmental Protection

Consumer Preferences

Utility Program Sponsor Interests

Consumer is Key

Cost-effective
No Sacrifice in Performance
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
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
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

International Coordination

1. Open Specification for Revisions (as necessary)
2. Stockholder Notification
3. Energy & Environmental Analysis
4. Market, Industry & Design Research
5. Test Methodology Development (as necessary)
7. Stakeholder Meetings
8. Release Subsequent Drafts with Interim Decision Memos (as necessary)
9. Post Drafts and Stakeholder Comments to Website
10. Final Decision Memorandum
11. Finalize Specification
12. Manufacturers Join Program as Partners and Begin Labeling Products
13. Specification Takes Effect
14. Officially Launch Specification with Industry and Stakeholders
15. Monitor Market Penetration
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
Pepsico

Transwestern

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.

NAME: PepsiCo Green Team

REASONS FOR JOINING: Empowering employees to help make their facilities and manufacturing processes more energy efficient.

Savings: $179 million | 20 trillion Btu | 3 billion lbs CO2

NEXT PROJECT: Winning the softball championship

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: Transwestern

REASONS FOR JOINING: Improving energy efficiency and reducing property operating costs for 250 corporate clients, 62,000 tenants, and thousands of business associates.

Savings: 33% energy savings | $30 million in energy bills

NEXT PROJECT: Getting deck chains for the roof
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.
Brand Continuum

- **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

- **Awareness**
- **Understanding**
- **Relevance**
- **Differentiation**
- **Satisfaction**
- **Loyalty**
Protecting Integrity of ENERGY STAR Label

- Self-certification program – works due to competitive marketplace 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 – qtlly
  - Integrity Report - annually
  - Insure correct use of mark: all violations dealt with; coordinate with EPAs 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
“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
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 measurable
  – 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

Spring into a World of Savings with ENERGY STAR® QUALIFIED APPLIANCES

Products that earn the ENERGY STAR save energy and help reduce air pollution by meeting strict energy efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy.

appliances that make a difference

Spring into a World of Savings with ENERGY STAR

CHANGE FOR THE BETTER WITH ENERGY STAR

Spring into a World of Savings with ENERGY STAR
SAVING 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
KEEP YOUR COOL ON ENERGY COSTS THIS SEASON.
JUST LOOK FOR THE STAR.

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 $10–$400 a year
- Change 5 lights to ENERGY STAR: Save up to $60 a year
Save More.

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

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

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.TexasEnergyStarHomeInfo.

*Conservenergy 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 means the game is out of buying: This T surprise you with more comfortable homes that use at least 15% more energy efficient than standard homes while saving the peace of mind in knowing you made a smart investment. To learn more about ENERGY STAR® New Homes, go to www.energystar.gov.

Look for these ENERGY STAR® Builders
- Crestwood Communities
- Hemingway Development
- J.D. Pierce
- L.D. Hughes Development
- Prestige Homes
- Woodard Homes

When it comes to buying a new home, purchasing an ENERGY STAR® qualified home is 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 receipt 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 210-479-8200
Greenboro Homes 210-594-5302
KB Home 210-342-3122
Legacy Homes 210-402-6045
Medallion Homes 210-490-2555
Meritage Homes 210-402-6045
Newmark Homes 210-402-0004
Perry Homes 1-800-34FERRY
Wilshire Homes 210-403-0892

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: 7400 East 25th Ave.
Denver, CO 80238 303-355-0600 I From Quebec, turn East on 25th Avenue. We are in the South crescent building.

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

- Awareness
- Relevance
- Differential Value
- Satisfaction
- Loyalty

Communications

Performance