

Accelerating LED Adoption In a Utility Environment

Rene Burger

Agenda

1. The Importance of Utility Rebate Programs
2. Where are LED Rebates
3. LED Lighting and Consumers
4. Partnering to Driving ENERGY STAR Certified LED Lighting

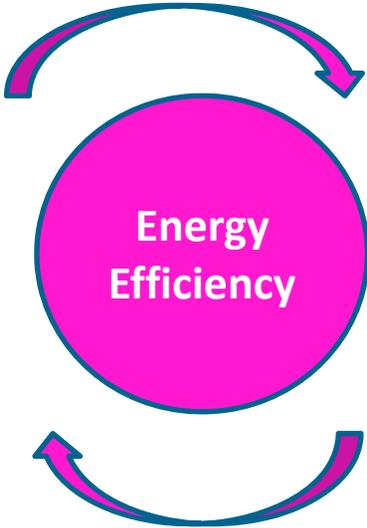
Importance of Utility Programs



Accelerates Consumer Trial and Conversion to ENERGY STAR Products



Leverage New Technology and Innovation



Drives Incremental Sales



Supports Retail and Utility Partnerships



Where are LED Rebates*?

**0% of Stores
Active rebates
7 states**

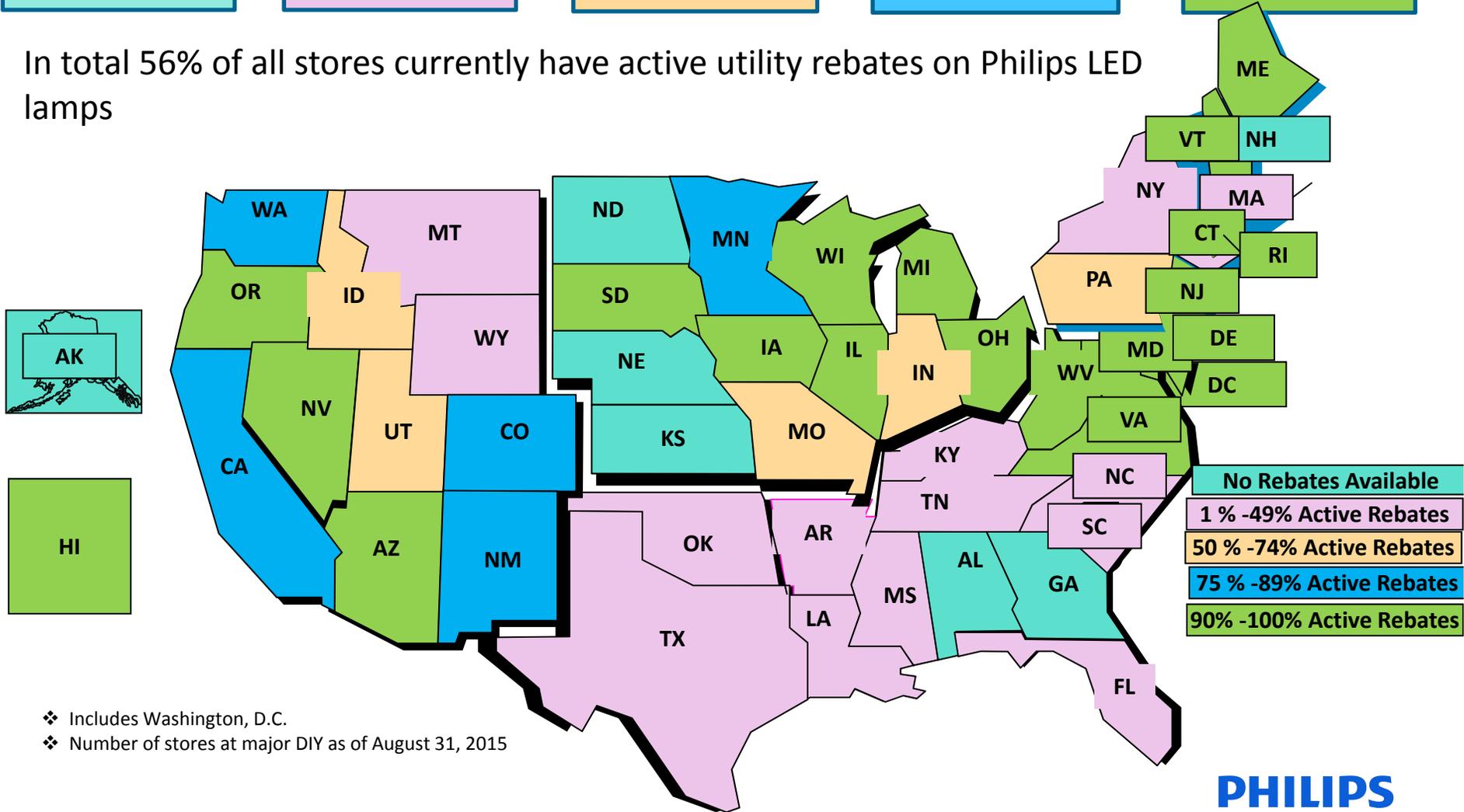
**1-49% of Stores
Active rebates
14 states**

**50-74% of Stores
Active rebates
5 states**

**75-89% of Stores
Active rebates
5 states**

**90%+ of Stores
Active rebates
20 states**

In total 56% of all stores currently have active utility rebates on Philips LED lamps



Availability of Utility Rebates



- 56% of consumers who shop at a local home improvement store can receive utility rebates
- However 44% of consumers don't have this opportunity

The LED-Consumer Quandary

Consumers are interested in LED lighting but still consider light bulbs a nominal household purchase

- Traditional bulbs are no longer available for common applications
- Consumers still expect light bulbs to be a low cost purchase
- Consumers are still cautious about energy-efficient lighting
- **LEDs have made a more positive first impression on consumers than CFLs**



Consumers are looking to make the switch to LED lighting

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Driving Consumer Trial of LED Lighting

Consumer Confidence / Price = Propensity to Purchase

Consumer Confidence

- Not fully aware of LED lighting benefits
- Not fully aware of LED lighting cost savings over time
- Not confident of the light being bright enough
- Not sure of the higher cost of LED lighting compared to CFLs and halogens

however

- LED lighting has a better reputation than CFLs
- LED lighting is being offered by familiar and trusted brands
- Utility rebates reduce the price barrier for consumers to trial LED lighting

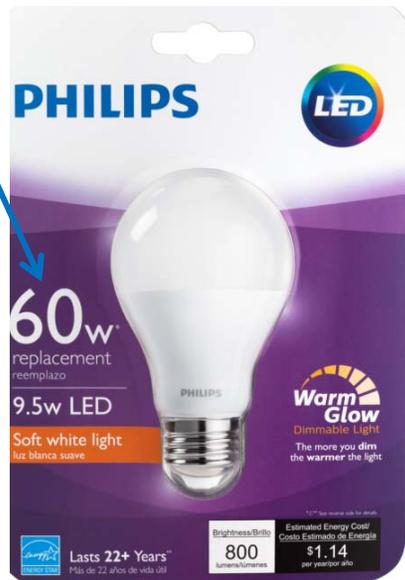
Consumers need experience with LED lighting to build their confidence



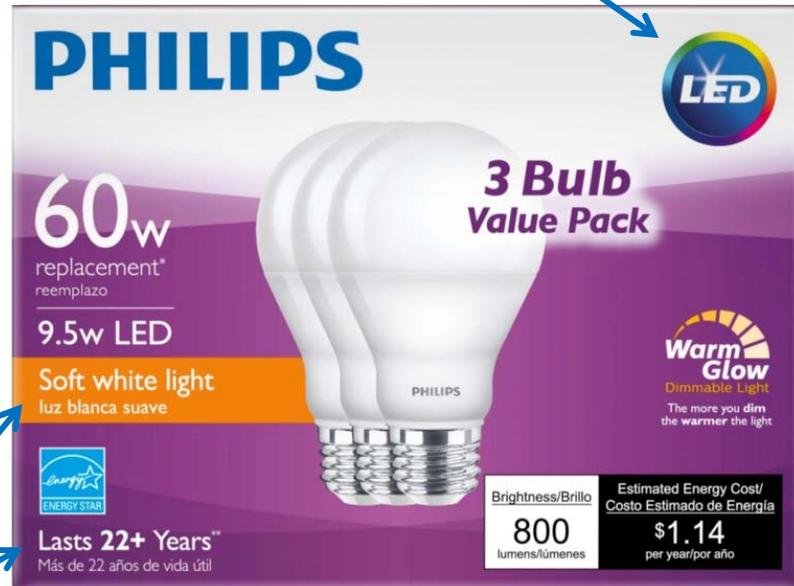
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Promoting Consumer Confidence

Building on Familiarity



Highlighting LED



On Package Education

Partnering to Educate Consumers at Retail

2014 In-Store Slim Style End Cap



Features and Benefits

Updated Utility Pricing

Utility logos added by individual utility

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Successful Partner Promotions

MEGA TRUCKLOAD Utility Partnership

Strategy:

- Build strong partnerships with utilities to boost program awareness
- Target aggressive price points to create excitement for ENERGY STAR lighting in-store
- Key placement of ENERGY STAR certified LED bulbs with in-store displays

Timing:

- End of September – early November
- Daylight Savings Season
- Drive trial of LED lighting by reducing retail price during a high traffic period for lighting



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Thank you
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