COST SHARING OF ENERGY STAR® APPLIANCE INCENTIVES

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What is Cost Sharing?

A partnership between Focus on Energy and Manufacturer/Retailer where we cooperatively fund a Cash-Back Reward (REBATE) or Salesperson Incentive (SPIFF) on ENERGY STAR qualified appliances.
Why Does Cost Sharing Work?

- Reduces costs for both parties
- Gives ENERGY STAR qualified products a premium incentive
- Ensures common promotional message in the market
- Builds on each other’s credibility
- Directs resources to ENERGY STAR qualified products

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Types of Cost Sharing

- Cash-Back Reward (Rebate)
- Salesperson Incentive (SPIFF)
- Coordinated Training Events
- Marketing and Advertising
Steps to Partnering

➢ Chose type of incentive that works with the partnering entities business model and program goals

➢ Decide on the logistics:
  ▪ Who will process the payment
  ▪ How will it be delivered to market
  ▪ How will you promote the partnership
  ▪ Negotiate dates of promotion – minimum of 45 days to see real market interest or activity
Steps to Partnering cont.

- Choose models and set reward/spiff amounts – amount are often based on energy savings by appliance to ensure the promotion is cost effective.

- Finalize partnership with an agreement – outlines terms and privacy of customer data

- Create materials & distribute to retailers either through manufacturer or program staff

- Execute the promotion

- Invoice and transfer of final data
Results of 2005 Partnerships
Year to Date

Total matching funds = $426,935

Total ENERGY STAR qualified units = 18,664
Advantages

➢ Cost effective for both parties
➢ Allows for market differentiation
➢ Flexible design to align with manufacturer business strategy
➢ Delivered to market from two angles
➢ Follows model retailers and manufacturers are familiar with
Challenges

- Possible issues with sharing customer data
- Logistics to jointly pay customer or salesperson
- Verifying eligible customers (based on utility)
- Serial numbers availability
- Low savings on some products
Focus on Energy 2005 Partnerships

- Amana
- Bosch
- Electrolux
- Fisher Paykel
- General Electric
- Jenn Aire
- Maytag
- Sears
- Siemens
- Speed Queen
- Appliance World
- Bitter Neumann
- The Maytag Store
- Brand Source (AVB)

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