



Marketing ENERGY STAR® Appliances

Opportunities and Resources

November 10, 2011

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Learn more at energystar.gov

The Science Behind the Decision

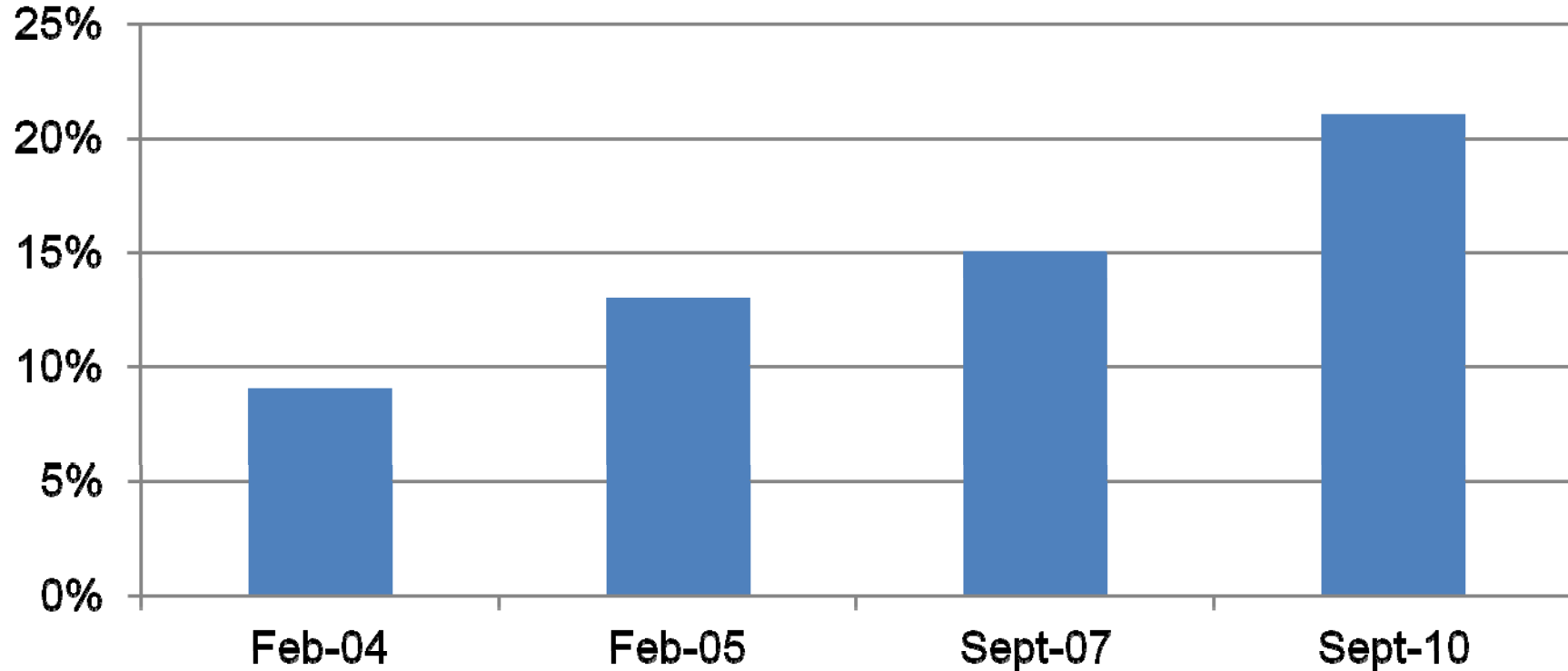


Let's compare!



Researched a product of service yesterday

% of all adults who researched a product or service provider

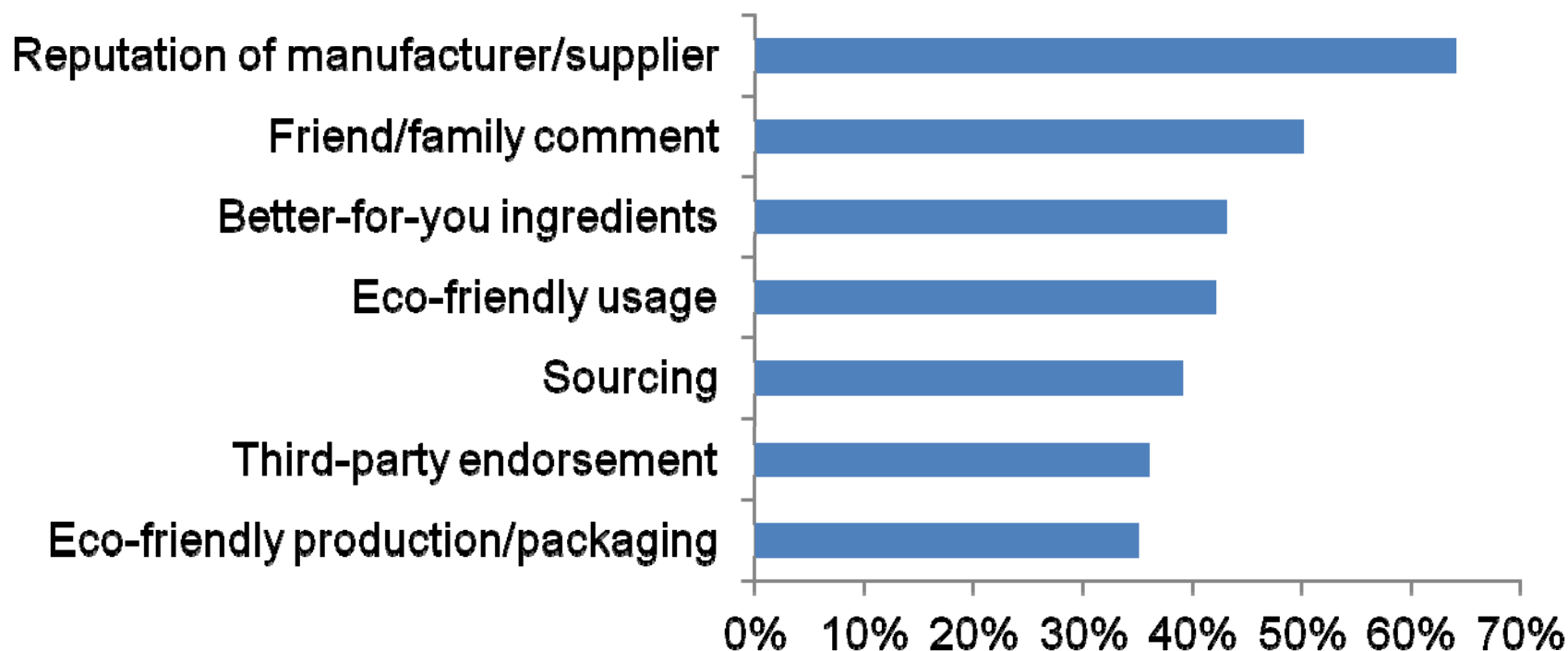


*Pew Research Center's Internet & American Life Project, August 9-September 13, 2010 Tracking Survey, n=3,001 adults and the margin of error is +/- 2.5 percentage points

Where does environmental concern and energy efficiency stand?



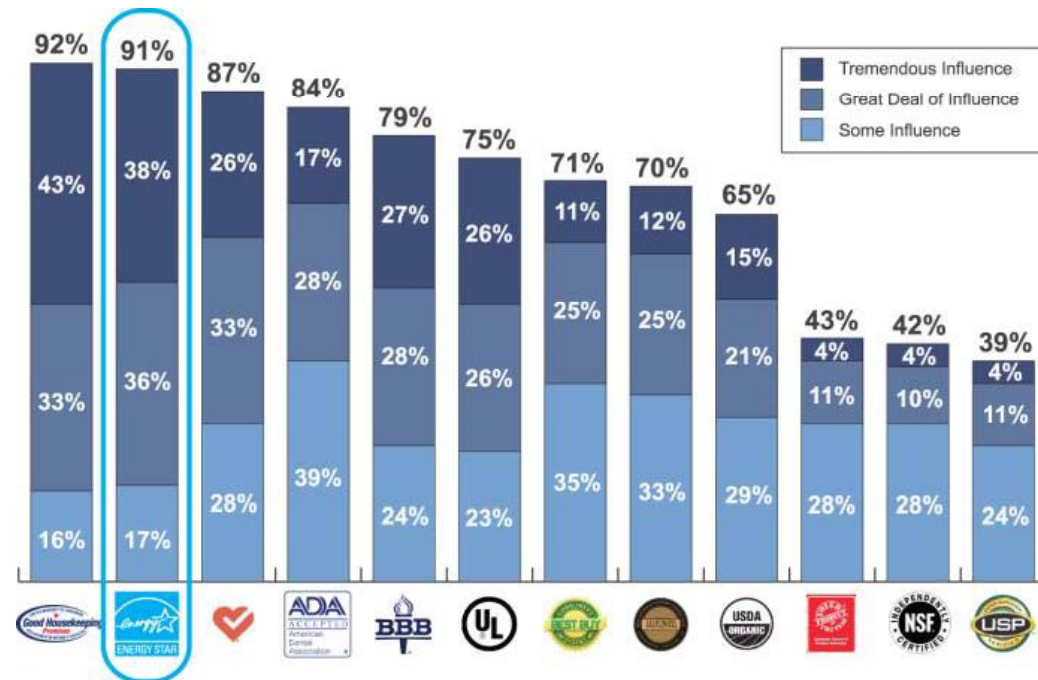
Many Factors Influence Consumers' Decisions to Purchase a New Product



Continuing to Maintain our Strong Brand: With Your Partnership!



ENERGY STAR continues to influence customer purchases!



Source: Fairfield Research, July 2009

The ENERGY STAR mark ranks among the highest level of influence on product purchase among all consumer emblems, similar in ranking to the *Good Housekeeping* Seal.

Maintaining our Brand: Partners-in-Success



Continue to use ENERGY STAR to increase sales and customer loyalty by providing energy saving and environmental benefits.

Consumer awareness and desire for efficiency savings is high

- If every appliance purchased in the United States, in 2011, earned the ENERGY STAR we would:
- Prevent more than 3 billion pounds of greenhouse gas emissions, equivalent to the emissions from 300,000 cars.
- Save 2 billion kWh of electricity
- Save \$585 million in annual energy costs



ENERGY STAR as your Sales Partner: Take Advantage of ENERGY STAR Sales Value



In 2010 alone, Americans—with the help of ENERGY STAR—saved **\$18 billion** on their energy bills and prevented greenhouse gas emissions equivalent to the annual emissions of **33 million vehicles**.

Consumer awareness and desire for efficiency savings is high

- In 2010, more than 75% of households nationwide recognized the ENERGY STAR label
- Of households that purchased ENERGY STAR products in the past year:
 - More than 90% of them reported the label as influential to their purchasing decision
 - More than 86% of them reported they are likely to recommend ENERGY STAR products to friends

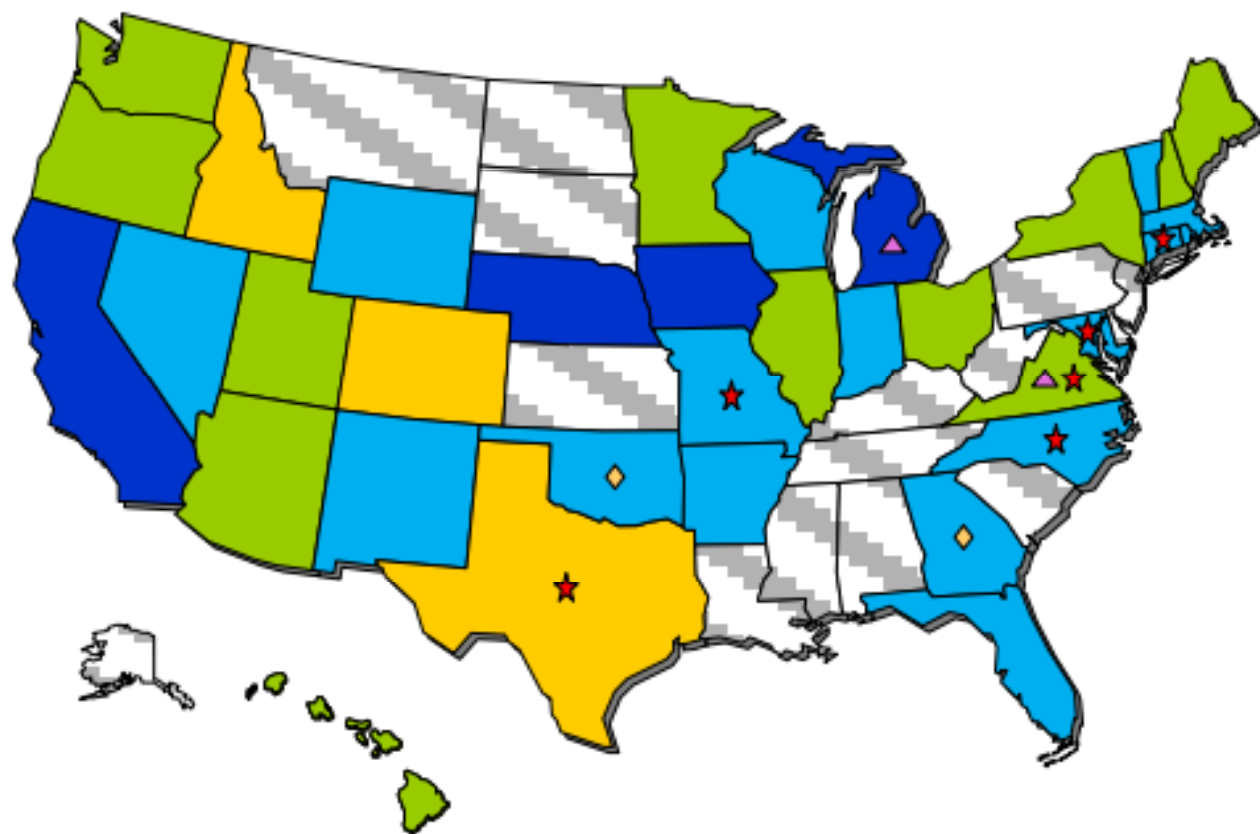


Sources: 1) EPA Office of Air and Radiation, Climate Protection Partnerships Division. *National Awareness of ENERGY STAR for 2009: Analysis of 2009 CEE Household Survey*. U.S. EPA, 2010. 2) *ENERGY STAR Overview of 2009 Achievements*. March 2010.

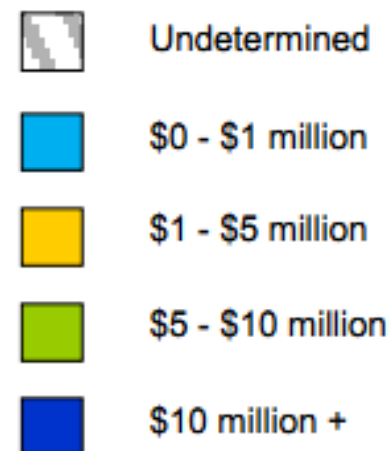
ENERGY STAR Appliance Rebates



Appliance Program Budgets



*2011 Energy Efficiency
Appliance Rebate
Programs are
maintaining their
success!*

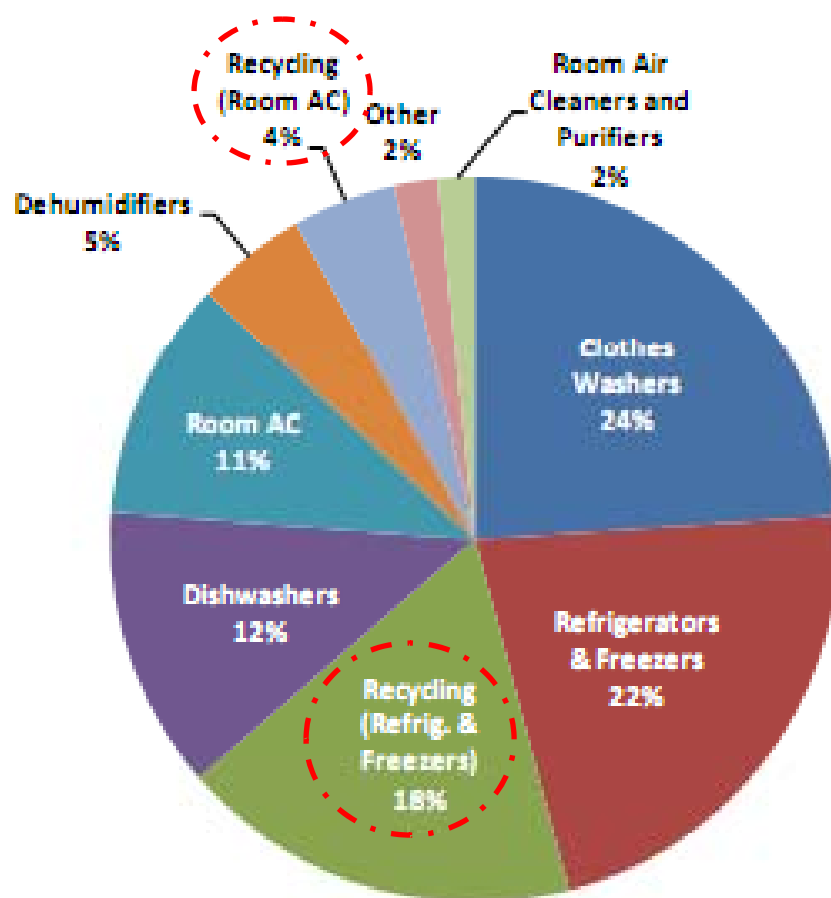


*ENERGY STAR Summary of Appliances & Water Heater Programs – October 2011

The numbers don't lie



ENERGY STAR Appliance Promotions by Product Type (Total 672)

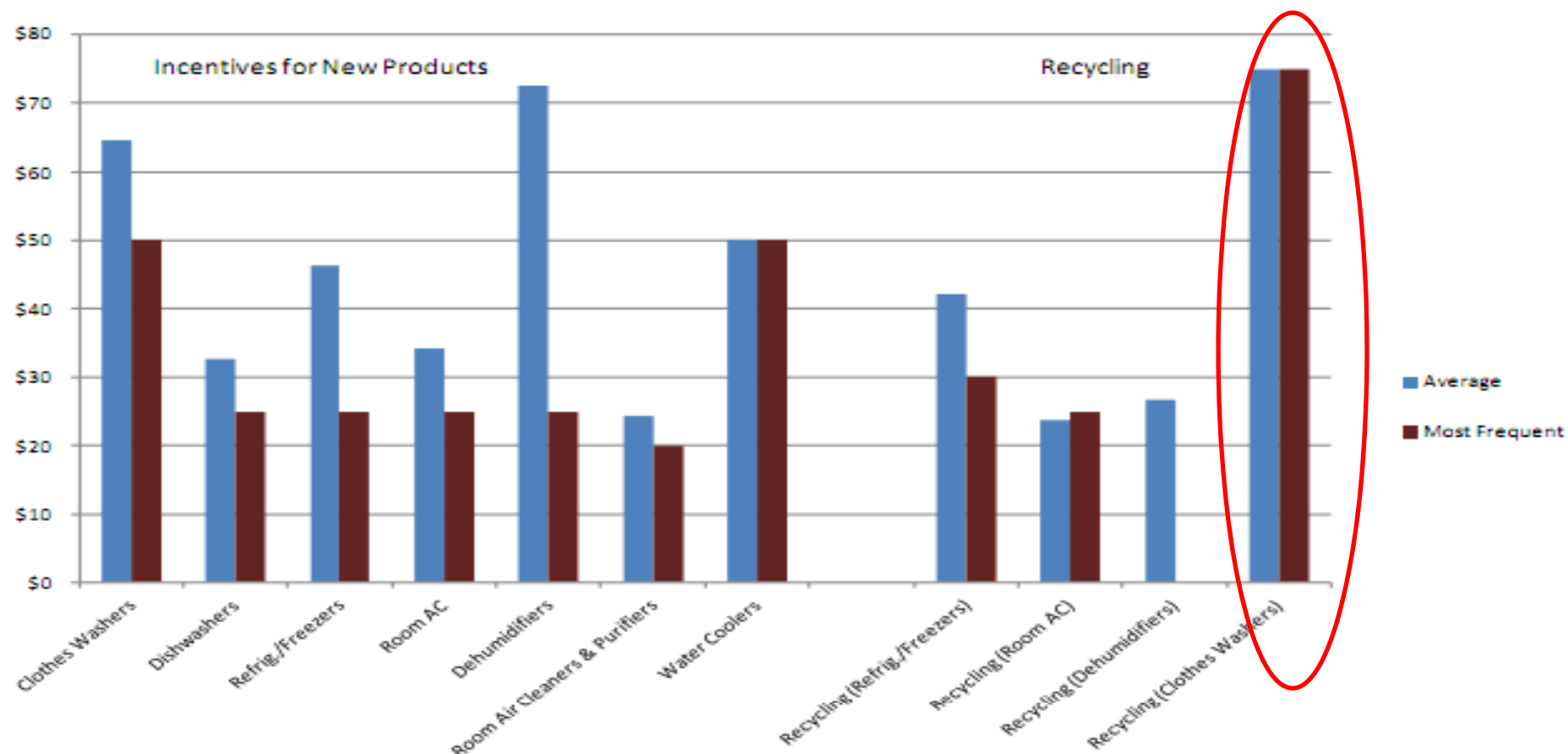


Out of the 672 appliance product promotions, incentives for clothes washers and refrigerators and/or freezers lead the group, representing ~24% and ~22%. With an impressive percentage for recycling following closely behind at ~18% followed by dishwashers at a ~12% and room air conditioners at 11%

The numbers don't lie



Average and Most Frequent Promotion Amount for ENERGY STAR Appliances



*ENERGY STAR Summary of Appliances & Water Heater Programs – October 2011



How Are We Doing So Far?

2011-2012 ENERGY STAR Appliance

ENERGY STAR Appliances



Low Market Penetration



High Market Penetration



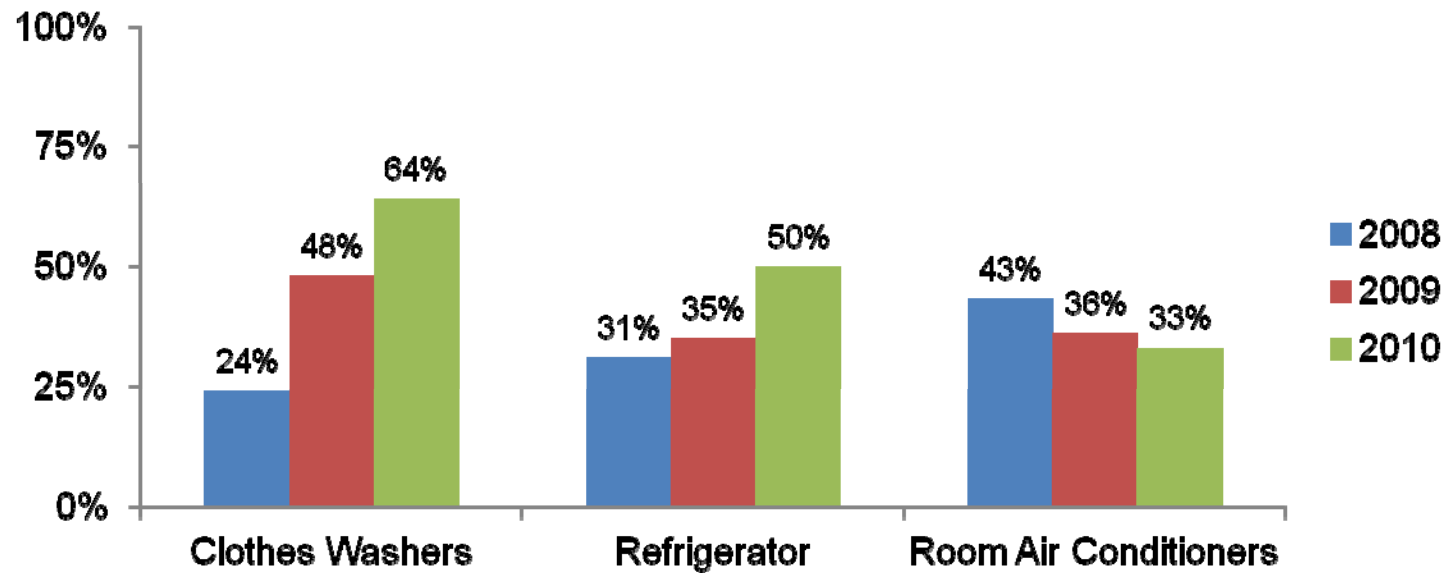
Medium Market Penetration



Where do we stand?



ENERGY STAR Penetration*



"2011 EPA ENERGY STAR Program

ENERGY STAR Qualified Clothes Washers



$$\begin{array}{c} \$150 \\ \text{Price premium for} \\ \text{ENERGY STAR} \\ \text{qualified model} \end{array} / \begin{array}{c} \$57 \\ \text{Annual ENERGY STAR} \\ \text{savings} \end{array} = \begin{array}{c} 2.63 \text{ yr.} \\ \text{Payback} \end{array}$$



ENERGY STAR Qualified Refrigerators



$$\begin{array}{ccc} \$50 & / & \$12 \\ \text{Price premium for} & & \text{Annual ENERGY STAR} \\ \text{ENERGY STAR} & & \text{savings} \\ \text{qualified model} & & \end{array} = 4.33 \text{ yr.}$$

Payback



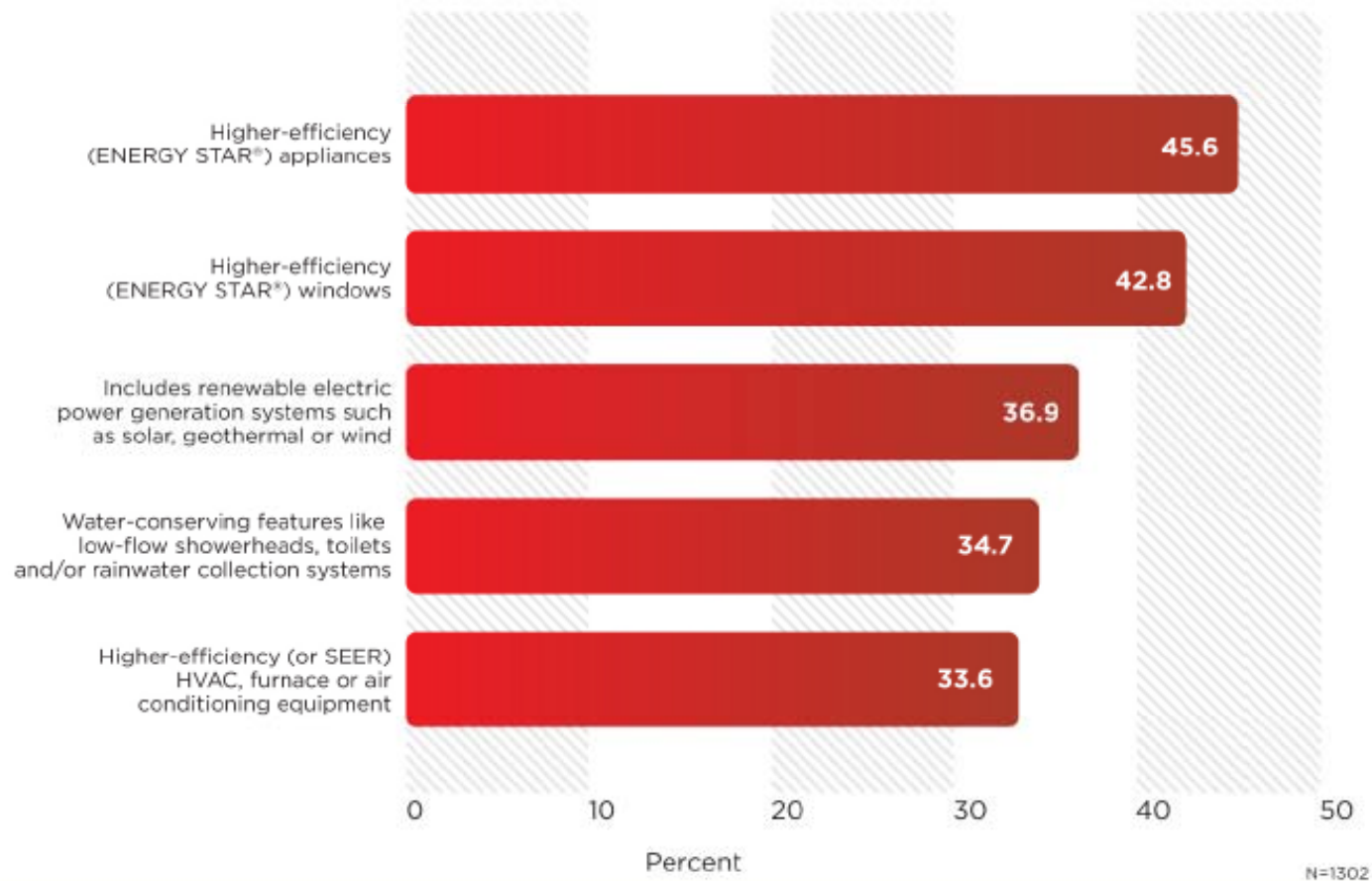
Promoting Most Efficient



- 2011 Pilot launched on May 5, 2011; extended through 2012
- Products that are covered include:
 - Refrigerators-Freezers
 - Clothes Washers
- 18 Clothes Washers and 2 Refrigerator-Freezers have been qualified as Most Efficient.



What consumers want...



Pick three features a green home MUST have.

greenlivingpulse
2010



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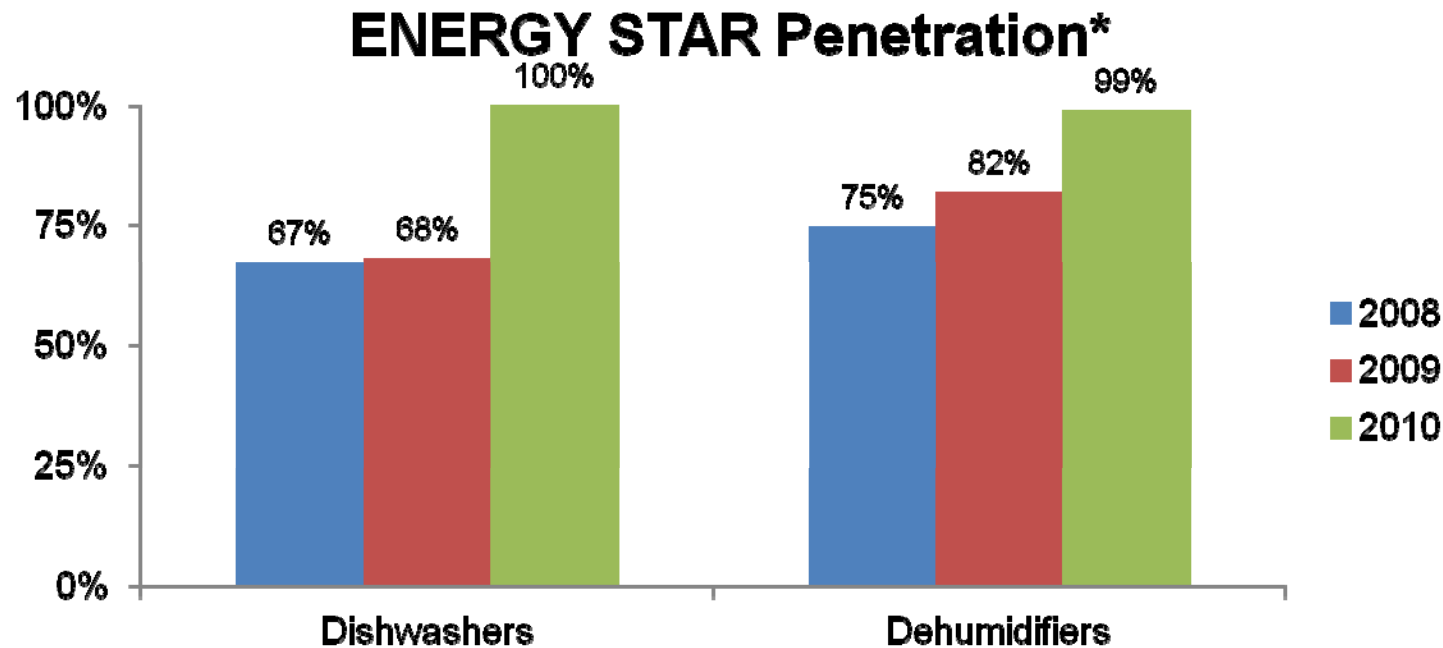
Goal for Most Efficient



Drive more energy efficient products into the market more quickly by identifying the top, few, most energy efficient products for early adopters without confusing consumers or harming the ENERGY STAR brand.



High Penetration Appliances

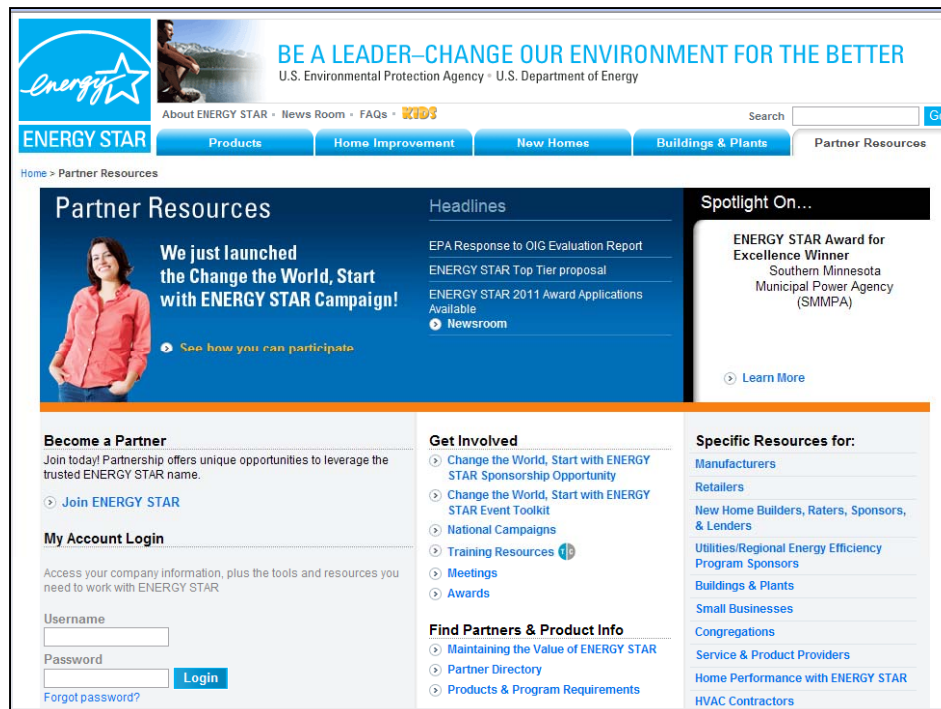


"2011 EPA ENERGY STAR Program

Partner Resources



Partner Resource Page: www.energystar.gov/partners



- Sales and Marketing Materials
- Access to Logos, Calculators, Publications, and more



ENERGY STAR TRAINING CENTER



- The ENERGY STAR Training Center serves as a resource for partners who are looking to improve their sales effectiveness
www.energystar.gov/trainings

- Sales associates can use product category specific facts and consumer tips when speaking with customers

ENERGY STAR Clothes Washer Features




Many qualified clothes washer models incorporate high-efficiency features such as:

- Higher capacity with front- and top-loading options without central agitators
- High-pressure spray rinsing that saves water compared to filling and draining the tub



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LEARN MORE AT
energystar.gov

ENERGY STAR® is a U.S. Environmental Protection Agency and U.S. Department of Energy program, helps us all save money and protect our environment through energy efficient products and practices. For more information, visit www.energystar.gov

Promoting ENERGY STAR Qualified Clothes Washers

What is ENERGY STAR?
ENERGY STAR is the government-backed symbol for energy efficiency. It identifies products in more than 60 categories, including clothes washers, that use less energy without sacrificing performance or quality. ENERGY STAR qualified products are an easy, convenient solution to energy and cost concerns.

ENERGY STAR qualified products **save energy, money, and the environment.**

How do clothes washers earn the ENERGY STAR?
Clothes washers that have earned the ENERGY STAR reduce energy by about 30% and water consumption by over 50% compared to regular washers. Clothes washer efficiency is measured by Modified Energy Factor (MEF) and Water Factor (WF).

- MEF is the ratio of clothes washer volume (capacity) divided by total energy consumption per load. The higher the value, the more efficient the clothes washer.
- WF is the ratio of water use divided by clothes washer volume (capacity). The lower the value, the more efficient the clothes washer.

Starting on January 1, 2011, clothes washers will need to have a MEF of 2.0 or greater and a WF of 6.0 or lower to qualify for ENERGY STAR.

Why sell ENERGY STAR qualified clothes washers?

- ENERGY STAR is a highly recognized and sought-after brand.
- The ENERGY STAR label was recognized by more than 75% of households nationwide in 2009. Of the people who knowingly purchased an ENERGY STAR qualified product in 2009,
 - 80% report the label as influential in their purchasing decision, and
 - More than 90% report they are likely to recommend products that have earned the ENERGY STAR to friends.
- A full-sized ENERGY STAR qualified clothes washer uses 10–20 gallons of water per load, compared to the 30–35 gallons used by a standard machine.
- By using less energy, qualified clothes washers reduce greenhouse gas emissions caused by burning fossil fuels at power plants. By reducing water consumption, they help protect our lakes, streams, and oceans.
- Many models incorporate high-efficiency features such as:
 - Efficiency motors and precise settings that can save energy and water.
 - Higher capacity with front- and top-loading options without central agitators.
 - High-pressure spray rinsing that saves water.
 - High speed spin options that reduce drying time and energy use.

What in-store promotion ideas are available?

- Print and place ENERGY STAR hang tags on all displayed qualified models.
- Co-brand a poster or banner with a retailer or manufacturer.
- Distribute window decals for display on retailers' windows.
- Use an in-store or event banner to draw attention to a display of all your qualified energy-efficient products.
- Offer sales associate training on qualified products.

To LEARN MORE about ENERGY STAR and Qualified Products:
Visit www.energystar.gov/training or call 1-888-STAR-YES (1-888-782-7937)
Updated September 2010



ENERGY STAR Qualified Dishwashers



ENERGY STAR qualified dishwashers:

- Use less energy and hot water than new conventional models, saving about \$50 over the lifetime of a unit
- Offer energy-efficient features like internal water heaters and high-pressure jets
- Help prevent climate change by reducing the greenhouse gas emissions caused by burning fossil fuels at power plants
- Help reduce water consumption

Incentives Resources



Database for Incentives & Joint Marketing Exchange (DIME)

- Visit www.energystar.gov/DIME to find:
 - Appliance rebates in your area
 - Incentive amounts, start and end dates
 - Name, location, and contact information of rebate sponsors
- Retailers and manufacturers can also:
 - **Connect** to local energy efficiency program sponsors (e.g., utilities)
 - **Find** joint ENERGY STAR promotional and marketing opportunities
 - **Promote your program!** Contact your ENERGY STAR partner account rep or e-mail efficiencyrebates@energystar.gov.

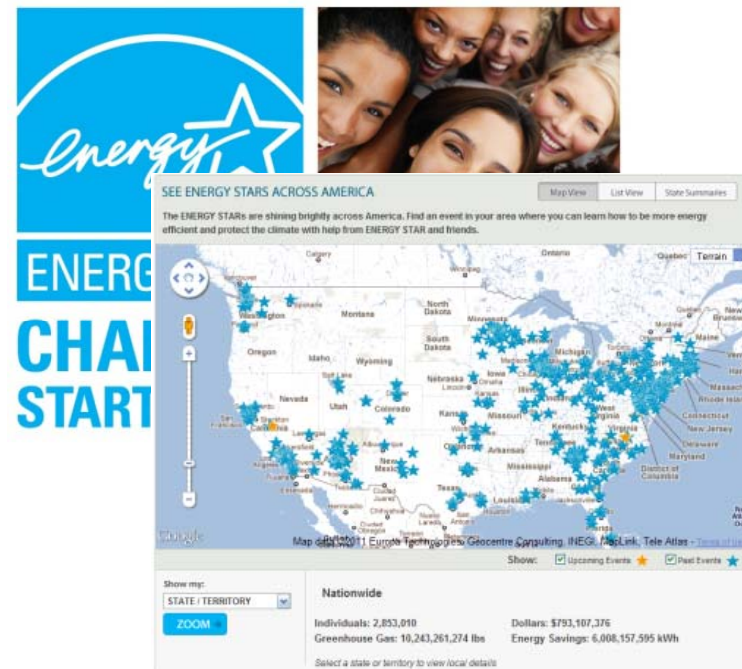
National Campaigns



Change the World, Start with ENERGY STAR Campaign

- Campaign intends to inspire Americans to make sustained behavioral change around energy efficiency. Over 2 million people have taken the campaign pledge.

- Ways Partners can participate:
 - Become a pledge driver
 - Provide an incentive
 - STARs on our Map



EPA RAD Program



- Recognizes partners that ensure the disposal of refrigerant-containing appliances by using the best environmental practices available.
- Reduce emissions of ozone-depleting substances (ODS) and greenhouse gases (GHGs).
- Cost-effective way to reduce energy demand. Taking old, inefficient units off the grid costs less than generating more electricity - **Benefit/Cost ratio = 3:1**
- Partners report annually on the quantity of waste products recovered and associated energy savings.



Appliance Disposal



Consumers want to recycle old appliances.

- 70% of consumers want all or part of their appliances recycled.
- 82 % will go out of their way to purchase from a retailer that recycles.
- 67 % of customers are also willing to pay more for an appliance if a retailer offers recycling programs.



Promote Replacement of Older Appliances

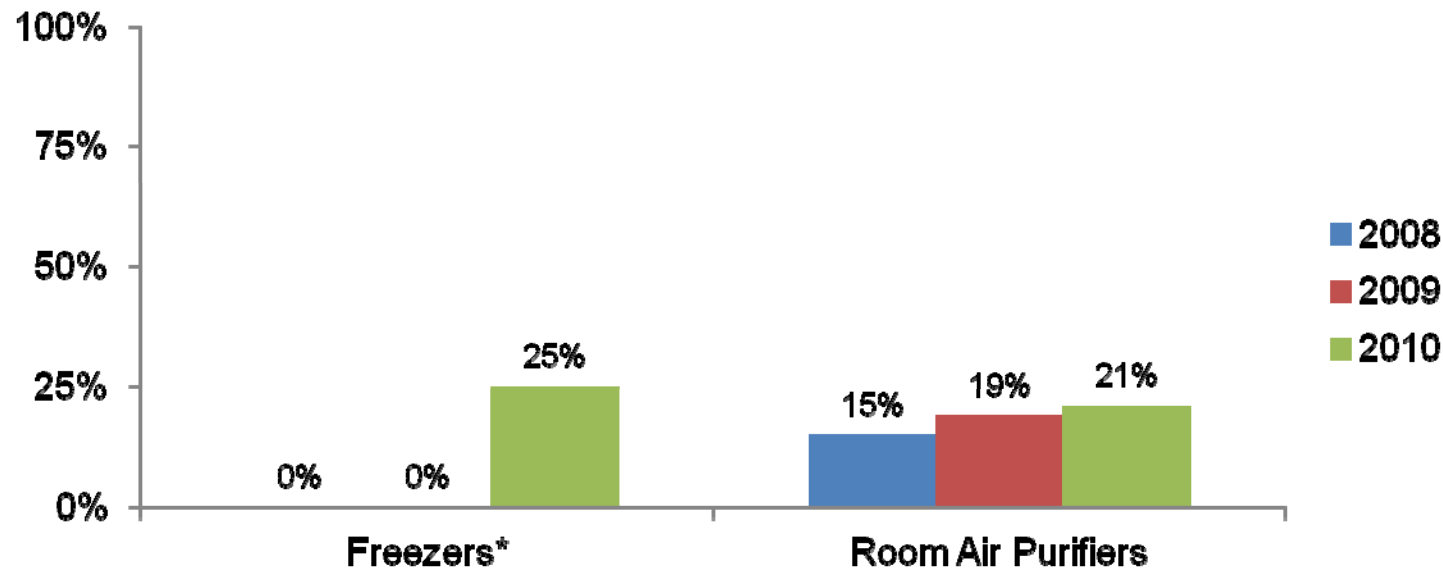


- The Opportunity:
 - Millions of older refrigerators, clothes washers, dishwashers waste water, energy and money
 - Millions of “second refrigerators ” creating strain on the electricity grid and people’s pocketbooks
- Ideas:
 - Upgrade to ENERGY STAR and Save
 - Ask: How much is that second refrigerator/freezer costing you?
 - Rebates for recycling that older appliance

Low Penetration Appliances



ENERGY STAR Penetration*



"2011 EPA ENERGY STAR Program, market share information not available for freezers for 2008-2009"

ENERGY STAR Qualified Air Purifiers



$$\begin{array}{ccc} \$70 & / & \$25 \\ \text{Price premium for} & & \text{Annual ENERGY STAR} \\ \text{ENERGY STAR} & & \text{savings} \\ \text{qualified model} & & \end{array} = 2.83 \text{ yr.}$$

Payback



Small Appliances, Big Savings



- A standard room air purifier, operating continuously, uses more energy than some new refrigerators.
- ENERGY STAR qualified room air purifiers can save consumers about **\$220** over the product's lifetime.
- Offer one of the highest lifetime greenhouse gas savings of any appliance: over **3,140 lbs** of CO2 emissions, compared to 2,614 lbs for clothes washers

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Barriers



- Limited awareness of savings opportunity
- Limited product availability
- Product price premium
- Fragmented consumer messaging
- Seasonal and geographic focused sales

Opportunities



- Educate consumers about the benefits of owning a room air cleaner, as well as the tremendous environmental savings of an ENERGY STAR model.
- Coordinate promotions and events with retailers and manufacturers, giving them an opportunity to market to consumers and reduce the price premium.
- Program sponsors in pollen-heavy regions should consider offering incentives in late winter and spring, when most room air purifiers are seasonally purchased.

Your Suggestions Are Welcome!



- What do you need to assist in your ENERGY STAR sales and marketing efforts?
- We welcome your ideas and suggestions for additional tools, resources, and product-specific campaigns.

Next Steps



- Ensure accurate ENERGY STAR labeling online and in-store
- Promote Most Efficient refrigerators and clothes washer, including associate training and incentive program
- Become a RAD Partner and promote appliance recycling
- Design a rebate program for air purifiers
- Become a pledge driver for the Save the World, Start with ENERGY STAR Campaign

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Q & A