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

- Reputation of manufacturer/supplier
- Friend/family comment
- Better-for-you ingredients
- Eco-friendly usage
- Sourcing
- Third-party endorsement
- Eco-friendly production/packaging

*Deloitte
Continuing to Maintain our Strong Brand: With Your Partnership!

ENERGY STAR continues to influence customer purchases!

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
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

ENERGY STAR Appliance Rebates

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

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%

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

0% 25% 50% 75% 100%

Clothes Washers

Refrigerator

Room Air Conditioners

*2011 EPA ENERGY STAR Program
ENERGY STAR Qualified Clothes Washers

$150 / $57 = 2.63 yr.

Price premium for ENERGY STAR qualified model

Annual ENERGY STAR savings

Payback

“2011 EPA ENERGY STAR Program
ENERGY STAR Qualified Refrigerators

$50 / $12 = 4.33 yr.

Price premium for ENERGY STAR qualified model / Annual ENERGY STAR savings = 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…

- Higher-efficiency (ENERGY STAR®) appliances: 45.6%
- Higher-efficiency (ENERGY STAR®) windows: 42.8%
- Includes renewable electric power generation systems such as solar, geothermal or wind: 36.9%
- Water-conserving features like low-flow showerheads, toilets and/or rainwater collection systems: 34.7%
- Higher-efficiency (or SEER) HVAC, furnace or air conditioning equipment: 33.6%

Pick three features a green home MUST have.

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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

ENERGY STAR Penetration*

<table>
<thead>
<tr>
<th></th>
<th>Dishwashers</th>
<th>Dehumidifiers</th>
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<tbody>
<tr>
<td>2008</td>
<td>67%</td>
<td>75%</td>
</tr>
<tr>
<td>2009</td>
<td>66%</td>
<td>62%</td>
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<tr>
<td>2010</td>
<td>100%</td>
<td>98%</td>
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*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
The ENERGY STAR Training Center serves as a resource for partners who are looking to improve their sales effectiveness. Sales associates can use product category specific facts and consumer tips when speaking with customers.

www.energystar.gov/trainings
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*

Freezers*

Room Air Purifiers

2008
2009
2010

*2011 EPA ENERGY STAR Program, market share information not available for freezers for 2008-2009
ENERGY STAR Qualified Air Purifiers

$70 / $25 = 2.83 yr.

Price premium for ENERGY STAR qualified model
Annual ENERGY STAR savings

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.
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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