

## How effective are market-based retail programs that incorporate ENERGY STAR?

Over the past several years, EPA has worked cooperatively with coordinators of energy efficiency programs in states throughout the country to enhance energy efficiency programming through ENERGY STAR. The program offers a wide array of tools and resources that many of these coordinators have used to improve their program's energy, financial, and environmental performance including

- **Program design and implementation support** to assist in designing promotional activities that build consumer awareness for the benefits of ENERGY STAR qualified products
- **Consumer-oriented marketing materials** for use in energy efficiency public education campaigns
- **Coordination and information exchange** with different market actors including retailers, manufacturers, building operators, and utilities
- **Communications and media support** with an extensive ENERGY STAR brand awareness campaign
- **Technical and evaluation support** including market data on product availability and national sales of ENERGY STAR qualified products
- **Use of the ENERGY STAR logo.**

Today, the ENERGY STAR logo is recognized by 40 percent of U.S. households, and one in five consumers knowingly purchased at least one ENERGY STAR qualifying product last year. Most purchasers say they would recommend ENERGY STAR to a friend or colleague—a strong indicator that consumers are loyal to ENERGY STAR and would be favorably influenced by the label for future purchases.<sup>1</sup>

ENERGY STAR's success is one we share with our partners, and our partnership with regional energy efficiency program sponsors has been particularly effective. In areas with sustained local energy efficiency programs that incorporate ENERGY STAR, awareness levels are 54 percent versus 31 percent in areas with no local programs. There is also significantly higher market share for ENERGY STAR labeled products. Twenty six percent of households report purchasing an ENERGY STAR product in the last 12 months versus 13.6 percent in areas with no local efficiency program.

This trend is confirmed by retail sales data and local program evaluations.

- Clothes washer market share in areas with active regional programs is 10 to 15 percent greater than the national average.<sup>2</sup>
- California Investor Owned Utilities (IOUs), who track market share as a measure of program efficacy, have seen a market share growth of 12 to 28 percent (depending on product) for major appliances since 1998, and unit sales for ENERGY STAR compact fluorescent bulbs reach nearly 2.8 million by mid 2001.<sup>3 4</sup>
- In the Northwest, market share for ENERGY STAR qualifying windows grew from 15 percent in 1997 to 66 percent in June 2001.<sup>5</sup> During the fourth quarter of 2001 ENERGY STAR qualifying clotheswashers hit about 30 percent and last year, about 8.3 million compact fluorescent bulbs were sold in four Northwest states. The NW Alliance estimates that the region saved 88 aMW of electricity by the end of 2001 and is expected to save 500 aMW by 2010.<sup>6</sup>

While building market momentum requires an up front investment of time and money, retail-based program models that incorporate consumer outreach, cooperative marketing and coordinated promotions with retailers and manufacturers, retailer education, in-store point of purchase labeling, and ongoing tracking and evaluation have worked effectively in many regions of the country.

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- 1 National Analysis of CEE 2001 ENERGY STAR Household Surveys. Final Report. The Cadmus Group, Inc. and Xenergy Consulting, Inc. August 1, 2002.
- 2 National ENERGY STAR Retail Sales Tracking Data. 2000. D&R International.
- 3 California Appliance Trends. 2001. Volume 1. Residential Market Share Tracking Project, RER, Managed by So Cal Edison.
- 4 California Lamp Trends, 2001, Volume 1. Residential Market share Tracking Project. RER, Managed by So Cal Edison.
- 5 ENERGY STAR Windows Program, No. November 2000. Market Progress Evaluation Report. Prepared by Quantec for NEEA. Report #E00-069.
- 6 Northwest Energy Efficiency Alliance, 2001 Annual Report.