



ENERGY STAR[®]
Products Partner Meeting

The Quintessential Ingredient Brand

“THE ENERGY STAR INSIDE”





The Quintessential Ingredient Brand

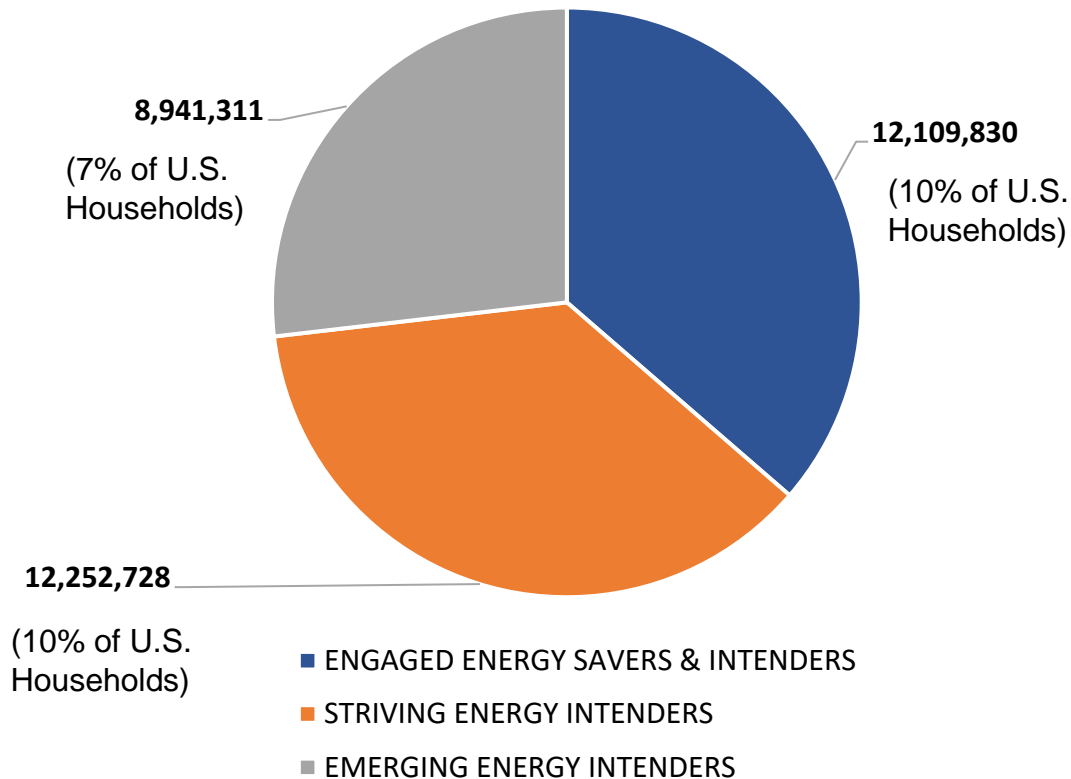
- Serves as implicit seal of approval
 - Enhances Partner brand through association
- Provides shortcut to understanding host brand's full value proposition
 - Differentiates product
 - Builds consumer willingness to invest in premium product
- Forges deeper connection with customers
 - Functional: quality, performance
 - Emotional: confidence, trust, loyalty





Energy Intender Demographics

Household Count



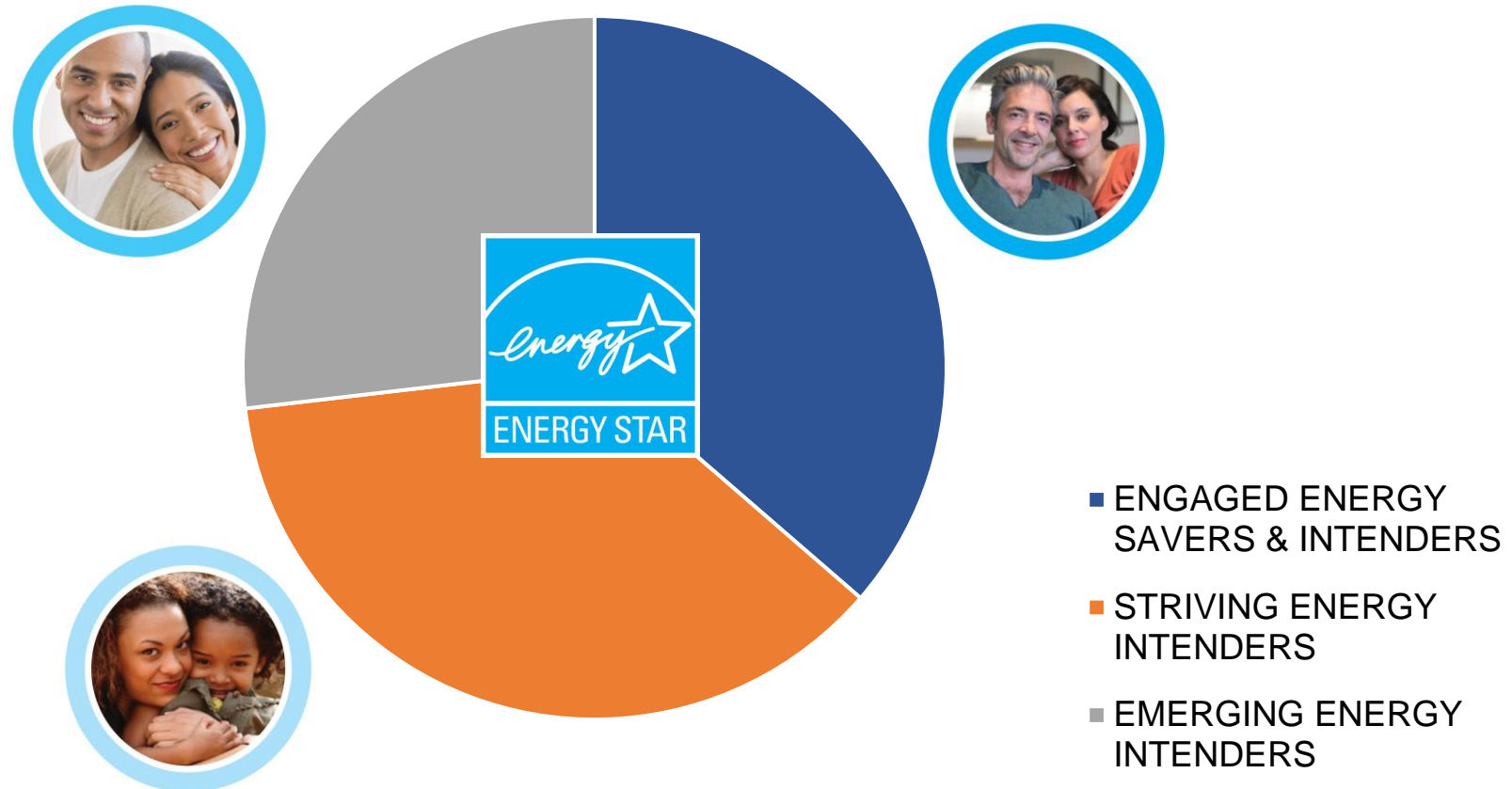
STRIVING ENERGY INTENDERS	EMERGING ENERGY INTENDERS	ENGAGED ENERGY SAVERS & INTENDERS
35 – 44	25 – 34	35 – 44
\$30K – 75K Income	\$75K+ Income	\$100K+ Income
Renter	Homeowner	Homeowner
Single	Married	Married
1+ Children at home	1+ Children at home	1+ Children at home
Some College	Undergrad and Graduate	Undergrad and Graduate
Black/African-American and Hispanic	Mostly Asian and Hispanic	Caucasian, Hispanic and Asian
Urban, Metro Mix, Small Town	Urban & Metro Mix	Suburban & Small Town



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ENERGY STAR Opportunity Audiences





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Corinne McCarthy
Director of Market Intelligence
C+C



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VP of Client Strategy
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Consumer Insights



Phased Qualitative Research Approach

PHASE 1: June 2 – 4, 2020

Five Sessions

- One per segment
- Nine respondents per segment

4-Day Online Qualitative Discussion

- Attitudes, perceptions & experiences with the ENERGY STAR brand
- Lifestyle & psychographic information to help inform key messaging and creative content

SYNTHESIS & STIMULI CREATION

PHASE 2: Sept 15–16, 2020

Five Sessions

- Core Target
- Nine respondents per segment

3-Day Online Qualitative Discussion

- Response to brand positioning elements
- Response to several visual representations
- Understand perspective on utility partner relationship



Key Finding #1

ENERGY STAR has a strong brand foundation

People understand the brand to mean protecting the environment and saving energy and money, and trust it as credible and unbiased.



Trust in ENERGY STAR is very high among all audiences



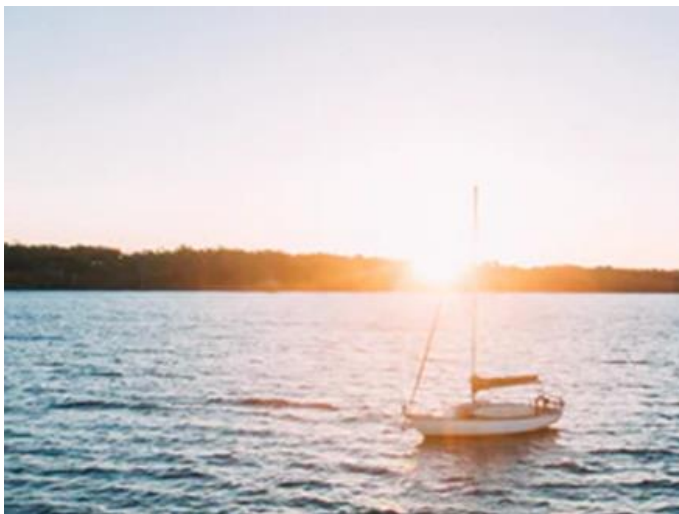
Expressed some doubt about accuracy of money savings

- Experiences with ENERGY STAR
- ENERGY STAR's Environmental mission
- Independent Certification
- Partnerships



ENERGY STAR Provides Assurance

All segments feel at peace, safe, and calm when they think of ENERGY STAR.



*“People feel **calm and safe** when they have a product with the ENERGY STAR logo” – Segment A*

*“You feel **peaceful** and calm – it’s one less thing to worry about” – Segment B*

“I feel peaceful and relaxed. ENERGY STAR is very reputable and I feel at ease going with their products.” – Segment C

*“I think this photo shows **peace of mind**. That is how people feel when they are using an ENERGY STAR product and you know you are making a small difference in the world.” – Segment D*

*“I think the ENERGY STAR logo portrays a **peaceful, positive** image that indicates a measure of cost savings and reliability.” – Segment E*



ENERGY STAR Provides Freedom from Worry

Many consumers also feel a sense of freedom when they think of ENERGY STAR



*“They feel like they are floating, liberated. It’s **one less thing to worry about**...whether or not you are saving energy...You can just soar onto other things.” – Segment B*

*“When I see ENERGY STAR I feel light and airy. I know I am making a better decision that will save and conserve energy, which is better for the environment. **It’s a breath of fresh air.**”
– Segment C*

*“The products with the ENERGY STAR logo would perform at a higher level. At a level beyond expectations. At a level that would give me **peace of mind** so I could enjoy other activities.”
– Segment E*



All segments agree that ENERGY STAR is approachable, dependable, hardworking, and conscientious

- **LIFESTYLE:** healthy, active, sustainable
- **HOBBIES:** outdoor activities (hiking, running, camping, kayaking)
- **MINDSET:** social good driven, independent thinker, problem solver
- **ATTRIBUTES:** smart, hard-working, successful, confident
- **FRIENDSHIP:** trustworthy, reliable, provides good advice, loyal, thoughtful, non-judgmental

*“ENERGY STAR would be a **safe place** where we could tell each other our deepest, darkest secrets, desires, and dreams. ENERGY STAR would never judge me.”* – Segment B

*“ENERGY STAR is a person who would be **determined**, a strong person who has their own ideas.”* – Segment C

*“ENERGY STAR would be the solid, **dependable**, bookish person you can always count on.”* – Segment D



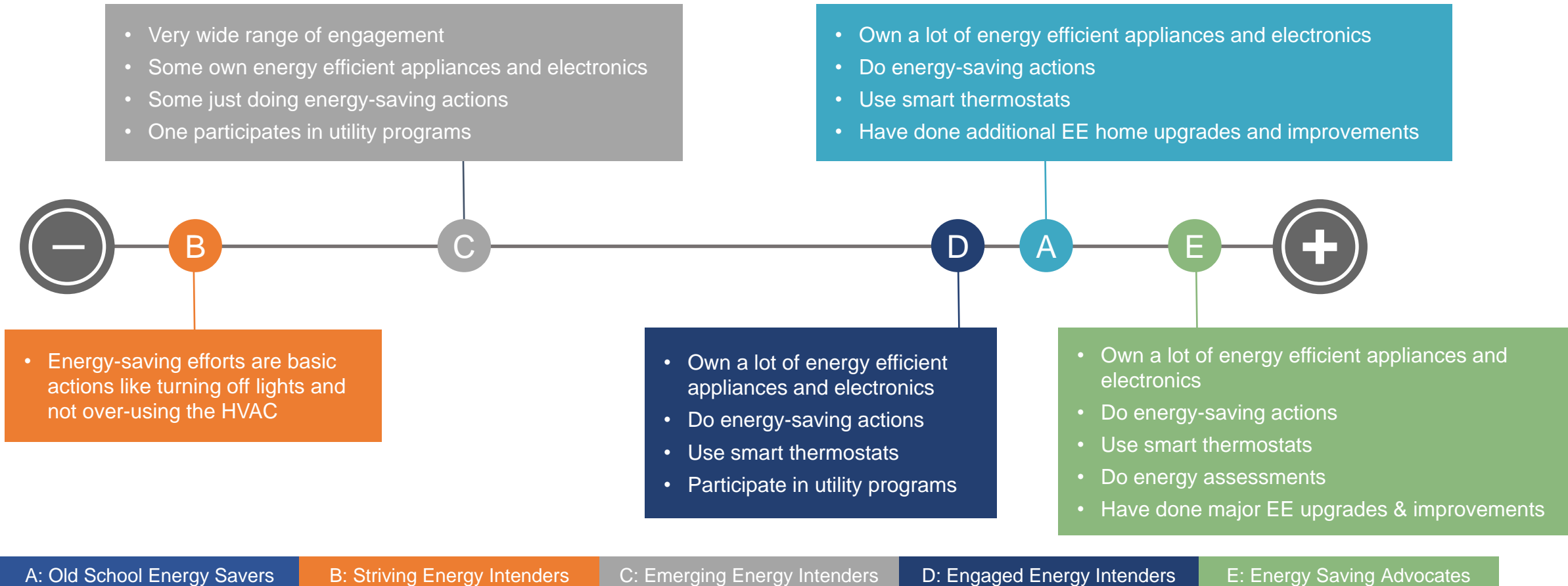
Key Finding #2

Energy Intenders are a primary Opportunity Audience

Intender audiences are looking for guidance as they enter the market for energy efficiency.

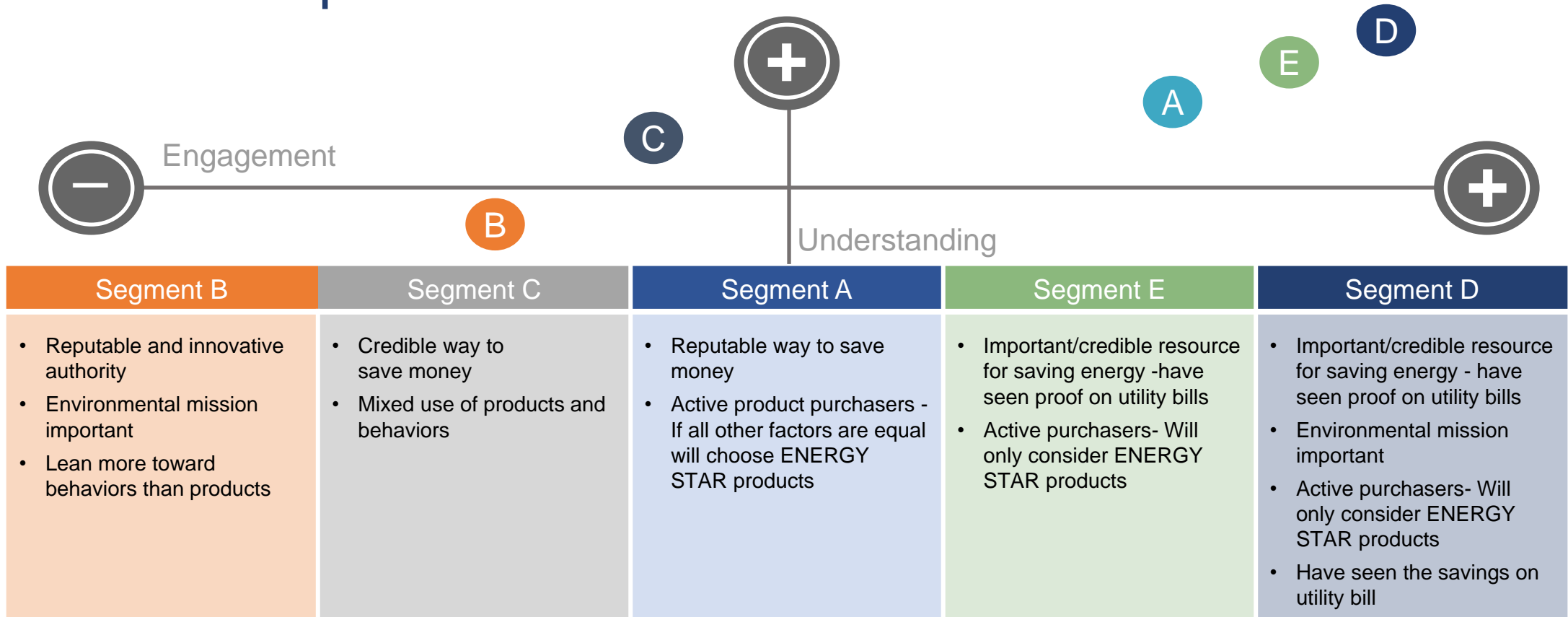


There is opportunity for *Energy Intenders* to be more energy efficient through product purchases





Energy Intenders also have room to further develop their relationship with ENERGY STAR



A: Old School Energy Savers

B: Striving Energy Intenders

C: Emerging Energy Intenders

D: Engaged Energy Intenders

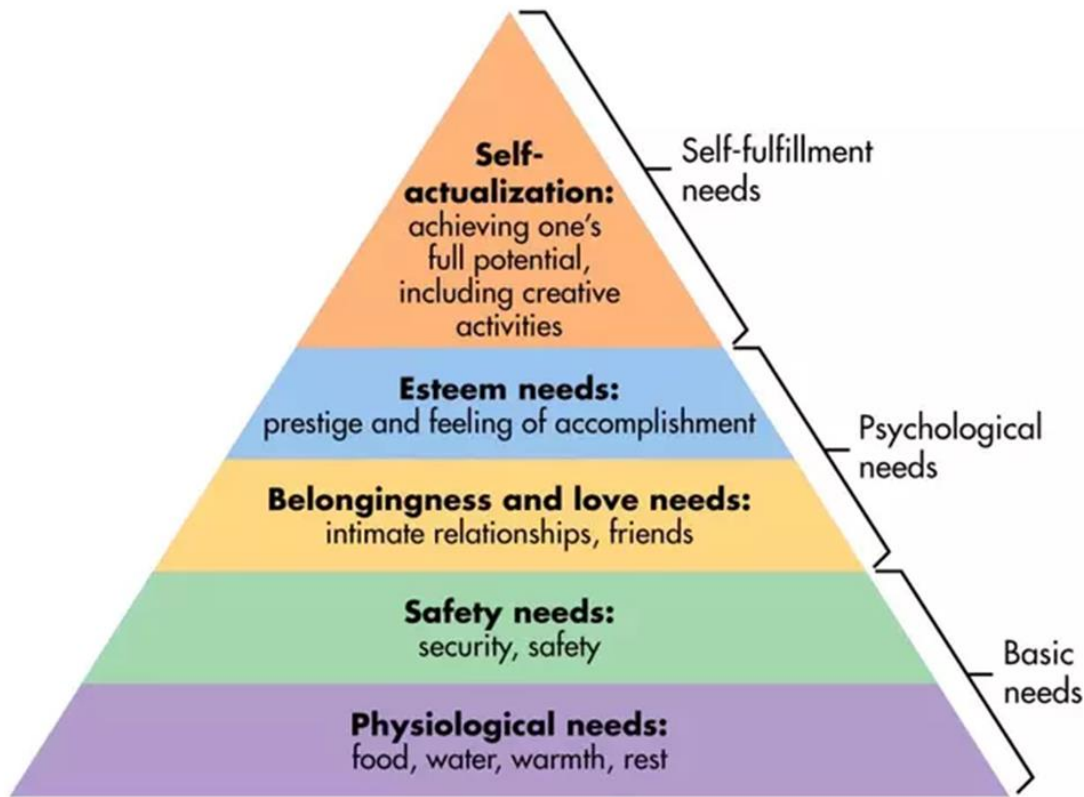
E: Energy Saving Advocates



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ENERGY STAR can satisfy the *Energy Intenders'* emotional and rational need states



B, C, D is our sweet spot

- E is not getting any higher
- A's feet are firmly planted

E

Part of their homeowner identity

B

C

D

Saves money & helps customer feel good about helping the environment

A

Pragmatic, money saving choice

A: Old School Energy Savers

B: Striving Energy Intenders

C: Emerging Energy Intenders

D: Engaged Energy Intenders

E: Energy Saving Advocates



Key Finding #3

ENERGY STAR is first and foremost about caring for people and the planet

Although it's true that ENERGY STAR does the research and is a reliable resource for guidance, these truths support ENERGY STAR'S higher order mission regarding saving money while saving the environment.



Energy Intenders have a variety of ENERGY STAR purchase drivers

- All segments are motivated to purchase ENERGY STAR products to save money.
 - The environmental benefits of ENERGY STAR also motivates some segments, but at different levels of impact.
- The two segments that haven't purchased ENERGY STAR products are also motivated to purchase ENERGY STAR products because it makes them feel confident that they made a good purchase.

Motivation	B	C	D
Save Energy/Money			
Environment			
Makes decision easier			
Feel good			
Teach kids			



“Confident about savings” is the most universal benefit across *Energy Intenders*

Respondents were exposed to a series of benefits that Energy Star offers and were asked for feedback regarding:

- Relevance
- Strategic Fit
- Importance
- Believability
- Motivation

Makes an impact
Confident about savings
Does the research
Reliable resource

	M	C	D	R
Strategic Fit				
Relevant				
Important				
Believable				



However, the environmental message is increasingly important to *Energy Intenders*

- They know and believe that energy efficiency is good for the environment – it doesn't have to be called out specifically
- Positive impact on the environment was a big factor in evaluating the brand benefits and tone of voice
- Energy efficiency is part of their decision making process because
- Issues with the environment are a prevalent issue in the news, and Energy Intenders want to help

*“It **feels great** to know you are patronizing a brand that has the interest of the planet at heart.”*
– Segment C

“Throughout ENERGY STAR’S history they have shown they formulate products that do impact and reduce energy demand.” – Segment B

“It’s very important to me to go green wherever I can so I can put a minimal amount of a footprint on this world.” – Segment D



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Consumer Insights: ENERGY STAR as an Ingredient



Key Finding #4

ENERGY STAR adds value to Partner brands

ENERGY STAR certification denotes products as higher quality, innovative, and desirable for purchase.



ENERGY STAR has undeniable credibility

- ENERGY STAR's mission is to protect the planet through energy efficiency
- ENERGY STAR independently certifies products to meet high standards for efficiency
- ENERGY STAR works with companies that make and sell products to make sure they're as efficient as possible/meet high standards for energy efficiency
- ENERGY STAR has 25 years of engineering experience and expertise in energy efficiency

*“The **25 years of engineering experience** best supports they are reliable since they know what they are doing. I would trust people with years of experience since they have been through a lot and seen the changes.” – Segment C*

“[Independent certification] ensures the items that you are purchasing will be as energy efficient as they possibly can be.” – Segment B

“[Works with companies that make and sell products] specifically states it guarantees it will meet the needs to make efficient energy saving product.” – Segment C



ENERGY STAR'S collaborative relationships with partners are well understood & respected

*"It's [**hand/heart**] like partners that work well together and have the same goal." – Segment D*

*"I picked this image [**crayons**] because to me it means 'in it together.'" – Segment B*

*"I believe the relationship between ENERGY STAR and the brand is a group effort [**fish**]. They both need to do their part in order to reach their goal." – Segment C*





ENERGY STAR certified products are energy efficient, higher quality, & save money

*“I picked this image of a large **red dragon** vs. a **small knight** to demonstrate how much better ENERGY STAR appliances (dragon) would perform vs. non-ENERGY STAR appliances (knight).” – Segment D*

“There are two characters and one is obviously bigger than the other and is going to destroy his competition. It reflects how ENERGY STAR products are better than Non-ENERGY STAR products.” – Segment B

*“A certified ENERGY STAR products is helping consumers feel like they don’t have to solve a **puzzle** and wonder if they are wasting too much energy – they can feel confident that they are taken care of in that regard.” – Segment C*





ENERGY STAR enhances and improves products

*“I would say that the ingredient that is like ENERGY STAR is **salt**. As simple as it may sound, it has tremendous importance because food with and without salt tastes completely different...salt **plays a vital role** in the way that food ends up tasting. It’s also very consistent... ENERGY STAR is a consistent rating of energy efficiency and provides for a better experience.” – Segment C*

*“ENERGY STAR is like **salsa** because it helps a meal/product get that extra boost to make it the complete package. ENERGY STAR is that last endorsement and or add on that appliances need to add in order for consumers to love it and want to buy it. Salsa is spicy, just like ENERGY STAR, and is willing to add an **extra boost** to make the appliance special.”*

– Segment D





Key Finding #5

There's an opportunity to strengthen the symbiotic partnership between **ENERGY STAR** and utilities

Consumers have an awareness gap about the way ENERGY STAR works with utilities.



Most *Energy Intenders* were unaware of the partnership between ENERGY STAR and the utilities

- Most consumers thought this relationship made sense and assumed it was about **rebates**
- A few understood that the utility benefits through **better management of energy** to curb the expansion of new plants or grids
- A few thought that the utilities might actually be able to measure the actual **energy savings**, which is of interest to many consumers
- The most uninformed thought this partnership sounded odd – they didn't understand how the utilities gain from **energy efficiency**



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Ingredient Brand Best Practices & Shopper Marketing Strategy



RECAP: What have we learned?

- ENERGY STAR has a strong brand foundation
 - Opportunity to enhance creative & messaging
- Energy Intenders are a rich target audience
 - Up & Comers, eager to learn more and looking for guidance
- ENERGY STAR adds value to Partner brands
 - Ingredient that enhances brand/product perceptions
- There's an opportunity to strengthen the symbiotic partnership between ENERGY STAR and utilities



ENERGY STAR's InBrand Status Validated

Partner Brand

- Serves as implicit seal of approval
 - Enhances host brand through association
- Represents value proposition
 - Differentiates product
 - Builds consumer willingness to invest in premium product
- Bolsters customer connection
 - Functional: quality, performance
 - Emotional: confidence, trust, loyalty

Consumer

- Helps navigate complex categories
 - Creates a more informed, intelligent shopper
- Provides meaningful product benefit
- Serves as proof point of trust/quality



Ingredient Branding is...

The process of branding a component of a third party's product, in such a way that **enhances the product** and **drives purchase**

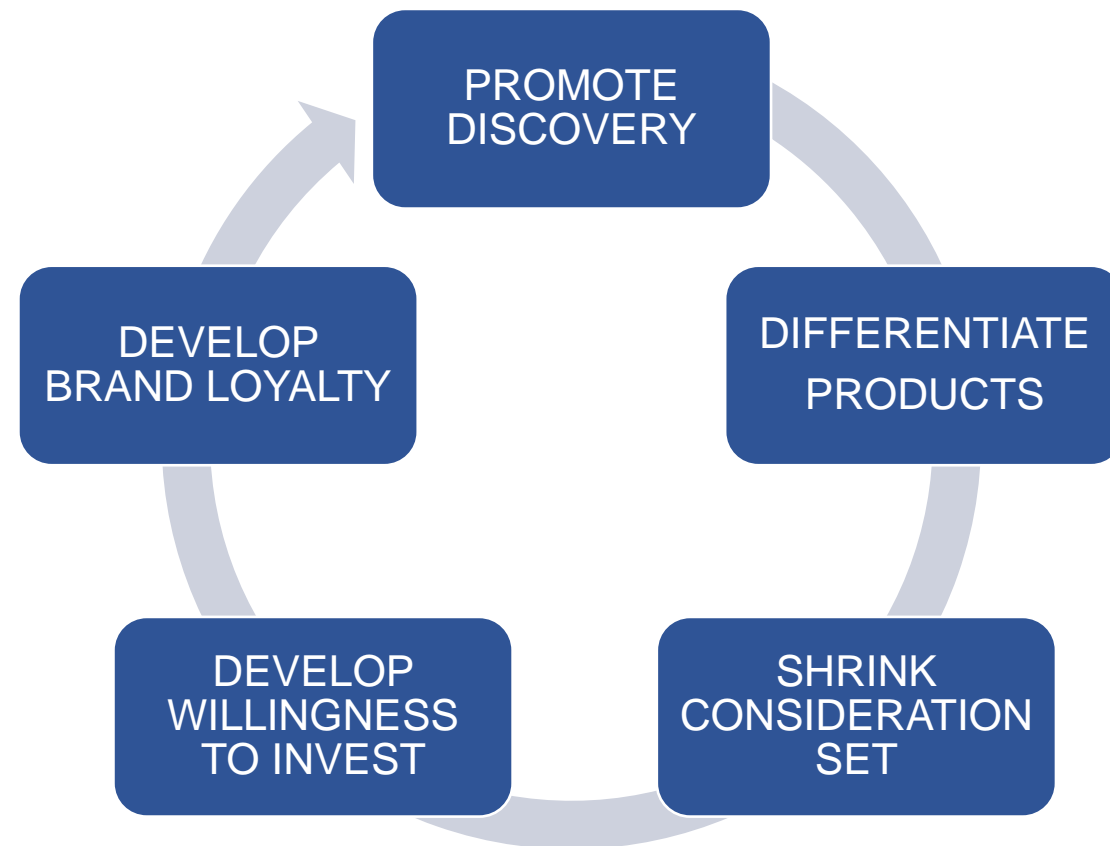
- Leverage brand attributes and associations to create preference
 - Rational/Tangible/Functional
 - Emotional/Motivational/Aspirational
- Facilitate shopper journey
 - Helps consumers quickly process emergent product and service categories based on its salience, recognition, and association





InBrands in the Shopper Journey

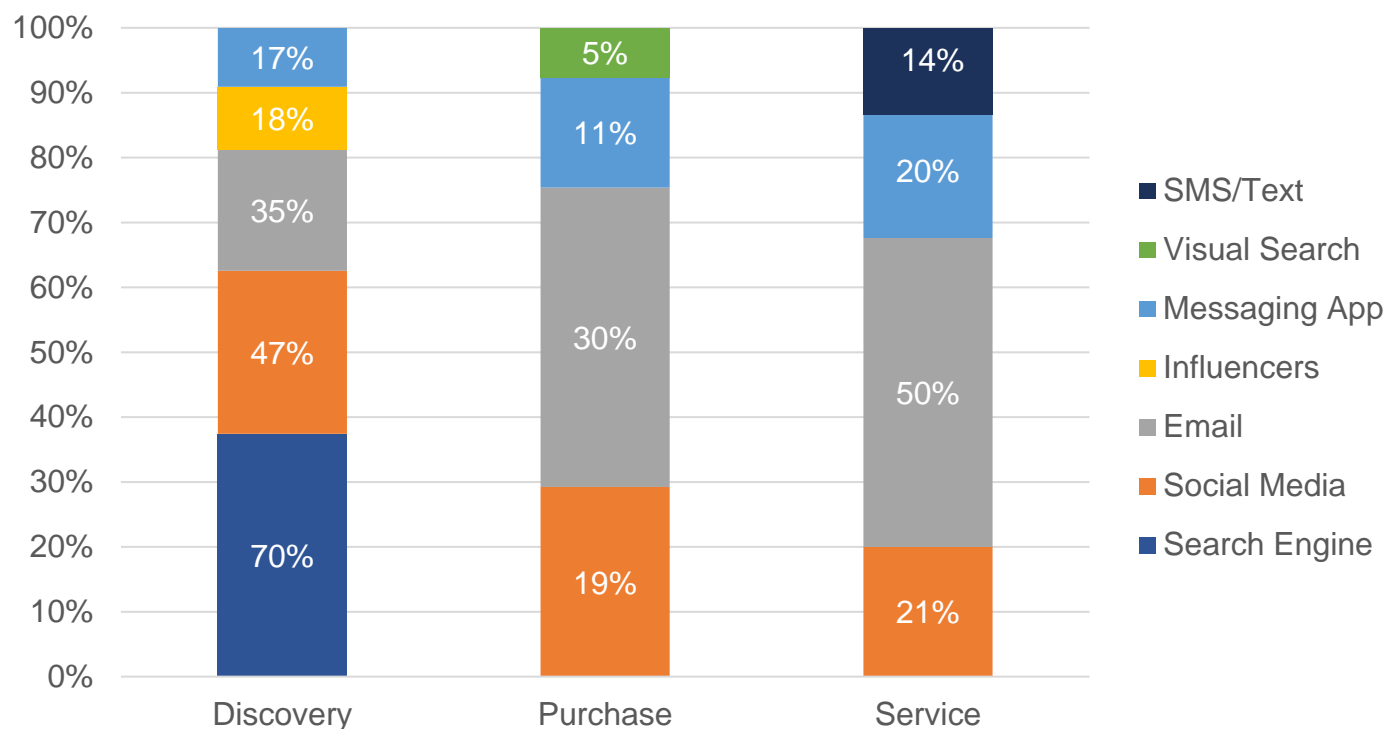
- A primary role of InBrands is to help differentiate products and facilitate purchase
- ENERGY STAR serves as a consumer filter in their product purchases – which is increasingly digital





The Digital Shopper Journey

- **67% of shoppers used multiple channels** to complete a single purchase in 2019
 - The average shopper used 8
- Even the in-store shopping has become **increasingly digital**
 - 57% conduct research online while in stores
 - 29% adopted newer technologies like mobile wallets to streamline the shopper journey



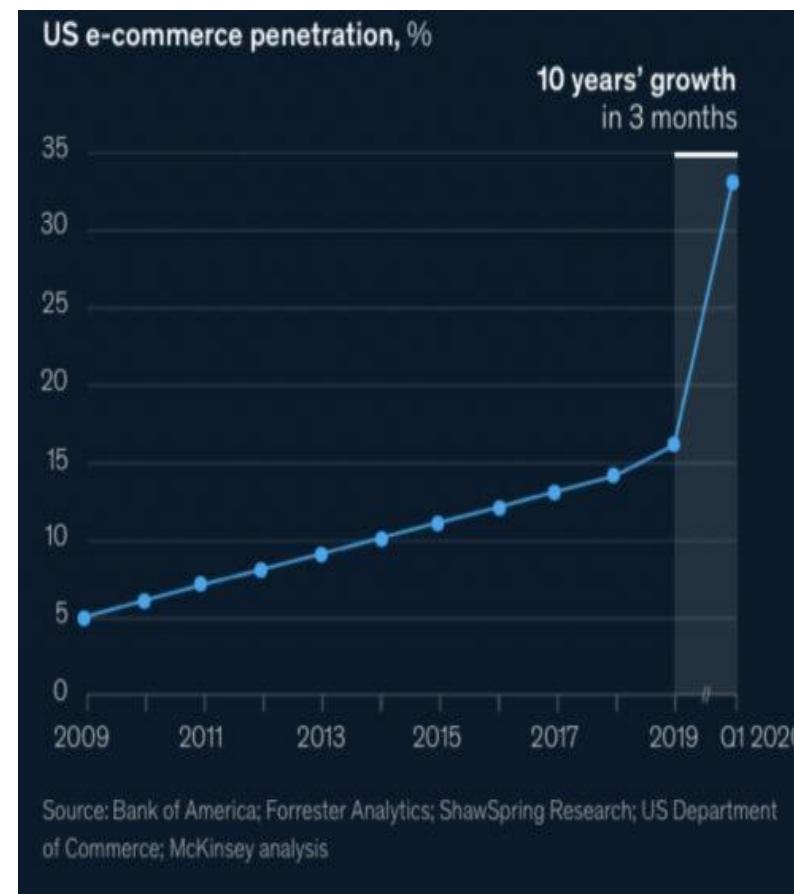
Source: Salesforce 2019 Retail Industry Trends



COVID-19 has Accelerated Digital Shopping

According to McKinsey, the pandemic accelerated e-commerce growth by 10 years in 90 days

- 81% shopping online the same amount or more than usual
 - Rise of Generation N: Connected Consumers + Late Adopters
- 71% increase in digital revenue
 - April - June 2020 vs. 2019
- 45% are buying the same amount or more via social media
 - Purchases referred by a social channel +104%
- 75% of consumers tried new retailers/brands
 - 60% integrating into post-pandemic lives





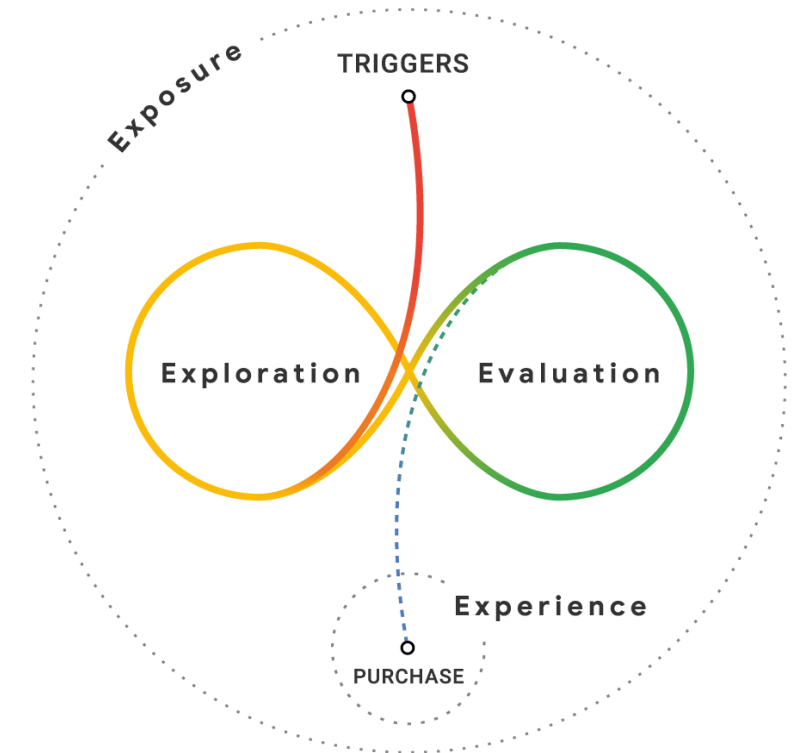
Hyper-Relevance to Energy Efficiency

- According to CEE, 20% of ENERGY STAR purchases were completed online in 2017
 - Double the general market rate of 9%
- As consumers increasingly work and attend school from home, the need for energy efficient products and technologies is even greater, making ENERGY STAR's presence even more important to guide the purchase journey



Making Sense of the Messy Middle

- InBrands can help partners win in the “Messy Middle”
 - Ensure presence across journey
 - Simplify decision with information and reassurance
 - Offer compelling brand proposition, grounded in:
 - Category Dynamics/Product Specs
 - Social Proof
 - Endorsement of expert or trusted source





Optimizing Partner Benefit

- ENERGY STAR resonates with consumers as a trusted mark and as an essential ingredient to a product or program message
 - Partners can leverage ENERGY STAR's value as an ingredient to enhance brands and programs
 - Label products in online marketplaces to win the Messy Middle
 - Link to energystar.gov to demonstrate partnership and provide further information
 - Leverage owned media to explain ENERGY STAR partnership



PARTNERING WITH ENERGY STAR® TO
HELP YOU SAVE ENERGY, MONEY AND
PROTECT THE PLANET.



Optimizing ENERGY STAR Outreach

Insights into Action!

- ENERGY STAR will use these learnings to:
 - Inform ENERGY STAR Outreach
 - Support Partner Brands
 - Engage Energy Intenders
 - Drive Action





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ENERGY STAR 2021

2021 Outreach Plan: ENERGY STAR® PRODUCTS



JAN | FEB | MAR | APR | MAY | JUN | JULY | AUG | SEPT | OCT | NOV | DEC | JAN

BRAND CAMPAIGNS

EARTH DAY

ENERGY STAR DAY

HOLIDAY

- APPLIANCES
- SMART THERMOSTATS
- ELECTRONICS
- LIGHTING

PRODUCT PROMOTIONS

POOL PUMPS

LAUNDRY

FLIP YOUR FRIDGE

WATER HEATERS

LIGHTING

COOLING

ROOM A/C, SMART THERMOSTATS, HVAC

HEATING

SMART THERMOSTATS, HVAC, INSULATION

SEASONAL OUTREACH

NEW YEAR'S DAY

PRESIDENT'S DAY

VALENTINE'S DAY

MEMORIAL DAY

FATHER'S DAY

INDEPENDENCE DAY

BACK TO SCHOOL

LABOR DAY

MOTHER'S DAY

BLACK FRIDAY



Materials can be used year-round and are available at:
energystar.gov/marketing_materials