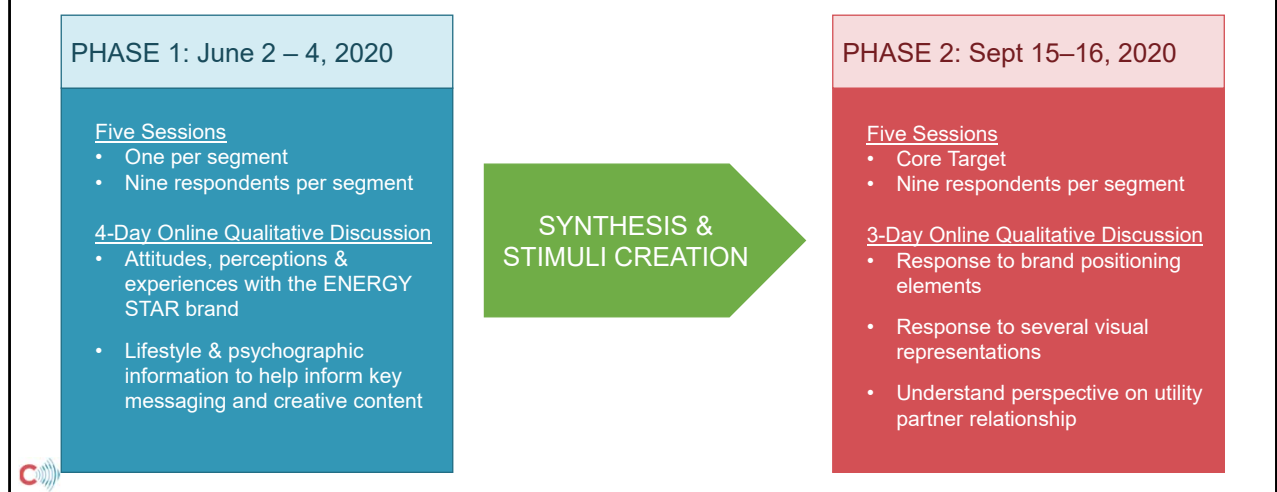


Phased Qualitative Research Approach



- Energy Star is interested in updating the brand strategy by:
a) refreshing their brand positioning to align more with that of an ingredient brand, and b) narrowing in on their core target audience
- To that end, we used Claritas data to identify five types of consumers that are among the most likely to engage with the Energy Star brand and included them in Phase 1 of a qualitative research study.
- The objective of phase 1 was twofold: 1) To update the attitudes, perceptions and experiences with the Energy Star brand, and 2) to identify and better understand the lifestyle and psychographics of their core audience
- Between phase 1 and phase 2, we used what we learned in phase 1 to create brand positioning statements and visuals (mood boards) to test with the core audience in Phase 2.

Who We Talked To

Segment A: OLD SCHOOL ENERGY SAVERS		Segment B: STRIVING ENERGY INTENDERS	Segment C: EMERGING ENERGY INTENDERS	Segment D: ENGAGED ENERGY INTENDERS/SAVERS	Segment E: ENERGY SAVING ADVOCATES
Old School Energy Saver		Striving Energy Savers	Emerging Energy Savers	Engaged Energy Savers	Evangelical Energy Savers
60+	35 – 44	35 – 44	25 – 34	35 – 44	55+
\$100K+ Income		\$30K – 75K Income	\$75K+ Income	\$100K+ Income	\$100K+ Income
Home owner		Renter	Home owner	Home owner	Home owner
Empty nest	1+ Children at home	Single	1+ Children at home	1+ Children at home	1+ Children at home
Retired		Intend to purchase a home in 3 years			Within 5 – 10 years of retirement

- At least 50% decision maker of household purchases
- At least somewhat familiar with Energy Star
- Mix of: Gender, Urban/Suburban/Rural, Education
- Included Black, Hispanic and Asian within each segment based on demos



- This slide captures the five segments that we included in the research
- It is important to note that Segment A, D and E have already purchased Energy Star products, while segments B, C and D intend to purchase Energy Star products in the future
- Attitudes about the benefits of saving energy (both money and the environment) as well as lifestyle and life stage were also considered as we tried to narrow the core target audience

Trust in ENERGY STAR is very high among all audiences



Key Reasons

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



A: Old School Energy Savers

B: Striving Energy Intenders

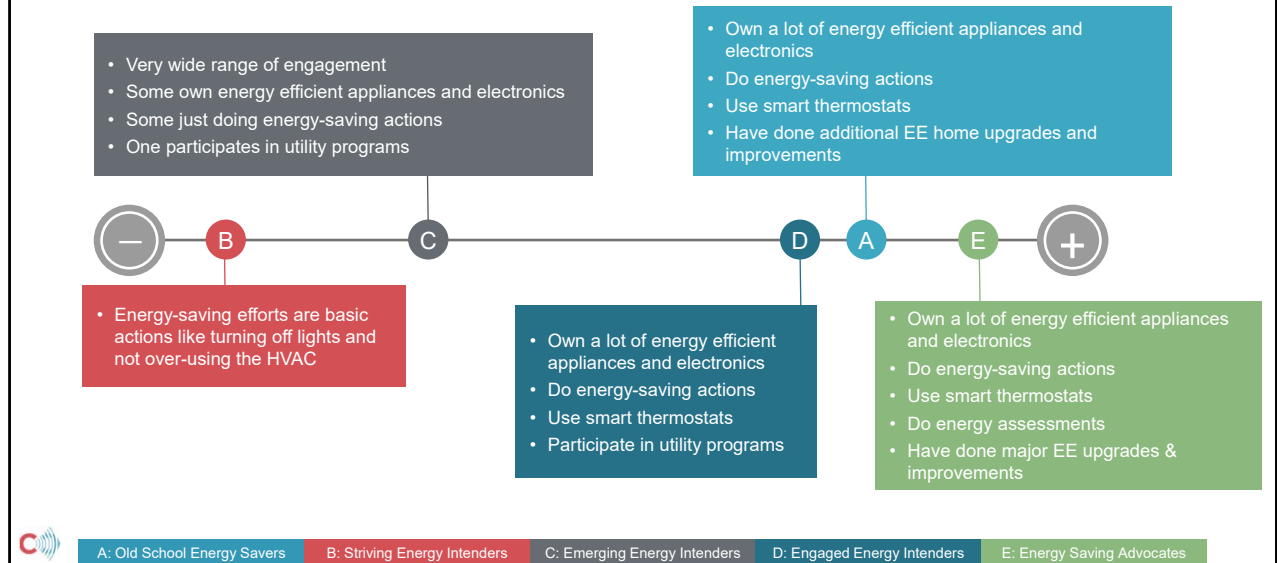
C: Emerging Energy Intenders

D: Engaged Energy Intenders

E: Energy Saving Advocates

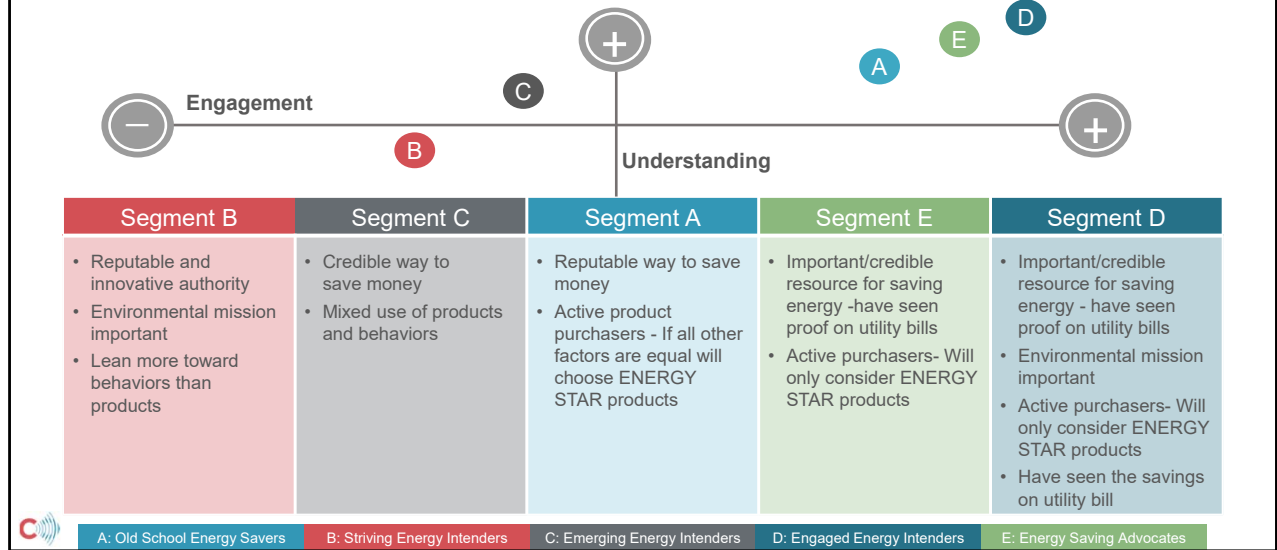
- We found that all audiences had very high trust in the Energy Star brand
- The main reason for this are:
 - Positive experiences with the Energy Star brand
 - The Environmental Mission
 - The fact that they do independent certification
 - Their partnerships with reputable retailers and manufacturers
- Only the Old School Energy Savers expressed a small amount of skepticism – and that was really about understanding how energy, and therefore money, savings are calculated.
- However, there is no concern about losing the Old School Energy Saver's business as they have habituated making Energy Star part of their purchase consideration.

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



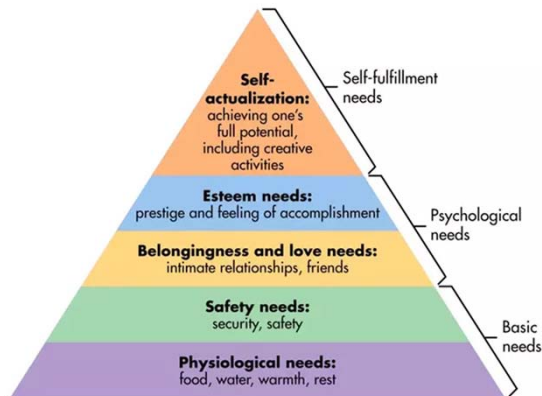
- We also found that segments A and E were currently doing the most to try to save energy.
 - Segment E was a big advocate of saving energy, and really needed no convincing to continue to save energy and purchase Energy Star products
 - Segment A represented some of the first energy star customers, who are loyal to the brand and will only consider Energy Star products
- While B and C did not purchase products to save energy, they were very conscious about taking actions that saved Energy
- Segment D purchased some Energy Star products and are more engaged with utility programs than B and C

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



- Because B and C don't currently purchase Energy Star products, they have room to grow in their engagement with the brand.
- A, D and E all have strong understanding and engagement with the brand.

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

- Based on everything we learned from these segments, we identified segments B, C and D as the core target
- Segment A is already buying the brand, and is focused on saving money – they are very pragmatic in their approach
- Segment E is buying the brand and is very engaged in the environmental mission – they are both pragmatic and passionate
- Segments B, C and D are all interested in saving money, and helping the environment through energy efficiency, and have room to grow based on their current attitudes towards the brand, the mission and their life stage
- Based on the results of Phase 1, we decided to test positioning elements with the segments B,C and D

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			



B. Striving Energy Intenders

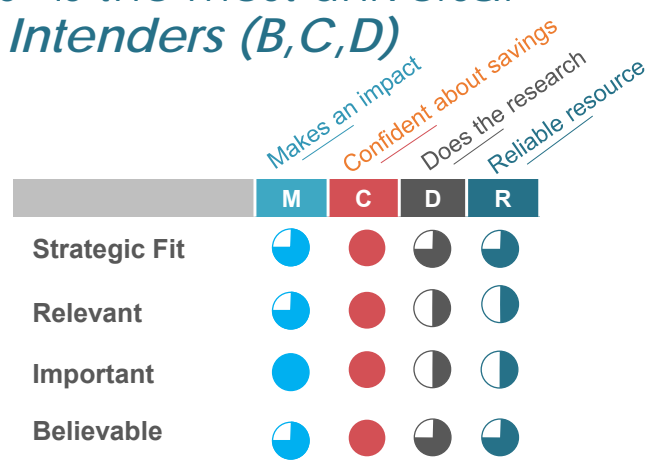
C. Emerging Energy Intenders

D. Engaged Energy Intenders

- We tested a variety of motivations for purchasing Energy Star, and we saw that saving money and environmental benefits resonated with all three groups

“Confident about savings” is the most universal benefit across *All Energy Intenders (B,C,D)*

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



- Benefits Tested:
- When I buy ENERGY STAR products I know that I am making a positive impact on the environment
 - When I buy ENERGY STAR products I am confident that I will save money on energy bills
 - When I want to do and buy things to save energy, I can trust that ENERGY STAR has done the research so I don't have to
 - When I want to do and buy things to save energy, I can trust ENERGY STAR to be a reliable resource when I do research

We tested a series of benefit statements on the key success factors of:

- Strategic fit
- Relevance
- Importance
- Believability

The most compelling benefit statement about Energy Star to all intenders is that they can be confident that when they buy Energy Star products they are confident that they will save money on energy bills

However, the fact that the environmental message is increasingly important to the group provides additional reasons to choose Energy Star over other products

The positioning “Confident About Savings” was the strongest positioning statement we tested

When you’re buying energy-saving products or doing things to save energy, you want to feel confident that you’re getting all the savings you possibly can. When you look for ENERGY STAR you can be assured that you’ll save money on energy bills over time, because ENERGY STAR:

- Independently certifies products to meet high standards for efficiency
- Works with companies that make and sell products to make sure they’re as efficient as possible/meet high standards for energy efficiency
- Partners with utility programs that help customers save energy and money

“I think everyone would like to save money. It is even better when you are doing something to make an impact on the environment as well as savings in your pockets. It’s a win-win.”

“I’ve always seen ENERGY STAR’S value as a mixture of benefitting the environment and also saving me money.”

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

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

“[Utility partner] I am all about saving money and I love that ENERGY STAR works for me in finding me savings on my energy use so I can be a smart shopper and be rewarded for choosing an ENERGY STAR high rated product.”

We’ve captured some of the comments that represent how research respondents reacted to this positioning.