

A Comparison of Lighting Market Transformation Programs in New York, New England, Wisconsin, California and the Pacific Northwest

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ABSTRACT

Several entities are implementing lighting market-transformation (MT) programs on the national, state, and local levels in the United States. Although the design and implementation techniques of these programs vary, the overarching goals are often similar.

This paper reviews seven large residential lighting MT programs and aims to provide insight into key strategies. First, program summaries outline major design elements including target markets, incentives, publicity campaigns, market outreach strategies (including training and field-staff support), and unique and innovative efforts. Program administrators have provided information on lessons learned, challenges, and successes of each program, and when available future design elements. Finally, the authors discuss several key issues related to lighting MT programs including key program elements, trends and needs. The authors hope the review of the lighting programs and discussion presented in this paper will help spur creative development of activities for future lighting programs.

Introduction

Residential lighting MT programs have gained significant momentum over the last few years, due in large part to increased awareness of the energy-savings potential within the residential sector. The intent of this paper is to identify the program elements that contribute to the success of lighting MT programs and to help spur lighting program managers to share ideas and to support creative thinking and collaboration for future lighting program activities.

To gather the information for this paper, the authors collected written reports and white papers from program managers and conducted interviews to gain insight into each programs' successes, challenges, limitations, and lessons learned. The authors have summarized these findings for each lighting program reviewed and concluded with a discussion of lighting program elements based on the authors' experience in the lighting industry and with MT programs.

Despite variations in program strategies, all of the MT programs discussed have the same goal—to change the buying habits of consumers and to influence midstream and upstream market players to manufacture, stock and distribute more energy-efficient products. As the markets experience a transformation, the required program activities will also change. At the time of writing this paper, some of the regional programs were already developing new strategies. It is important to recognize that these program changes are often indicative of an evolving marketplace and not of a failed program.

Regional Lighting Program Snapshots

California (state-wide): California Residential Lighting and Appliance Program (CRLAP)

The CRLAP is funded by California utility customers and administered by Pacific Gas and Electric Company, Southern California Edison, Southern California Gas Company, and San Diego Gas and Electric Company under the auspices of the California Public Utilities Commission. (Southern California Gas Company is not involved in the administration of the lighting portion of CRLAP.) The goal of the program is to promote and encourage the stocking and selling of ENERGY STAR[®]-qualified compact fluorescent lamps (CFLs), torchieres, and fixtures through large and small retail channels. The program works with manufacturers and retailers (do-it-yourself, hardware, lighting specialty, and mass merchandisers). Key program elements are outlined below.

- **Retailer Participation.** Stores (big-box, hardware, lighting specialty, etc.) receiving shipments of ENERGY STAR[®]-qualified lighting products are considered “participants” even though a formal retailer agreement is not signed. Interaction with retailer representatives at the store and corporate level help to improve program delivery.
- **Incentives.** Manufacturer buy-downs¹ were offered for CFLs, fixtures and torchieres in 1999. Only torchieres are eligible for incentives in 2000 at \$10 per torchiere, and incentives will likely be phased out for 2001.
- **Cooperative Promotional Funds.** Program funds are offered to manufacturers and retailers to co-sponsor various types of advertising and promotional projects featuring ENERGY STAR[®]-qualified CFLs, fixtures, or torchieres.
- **Field Representatives.** Reps frequently visit stores to merchandise qualified products, provide training, install point-of-purchase (POP) materials and conduct promotional events. Over 200 retailers (stores) are to receive training in 2000.
- **Publicity Campaigns.** A two-phase print and radio advertising campaign targets consumers to increase awareness of ENERGY STAR[®] products. The first phase focuses on general ENERGY STAR[®] brand awareness and the second delivers lighting-specific messages. Other media outreach will target additional press coverage.
- **POP Materials.** CRLAP ENERGY STAR[®] hangtags, shelf talkers, and banners are available to the retailers. A CRLAP ENERGY STAR[®] brochure is under development.
- **Special Events.** Retailers hold sidewalk sales with assistance from field reps; one torchiere turn-in event is planned for 2000.
- **Other Activities.** Other initiatives include the development of a grocery store pilot and the coordination of special events for Earth Day and the “lighting season.”²

To date, the primary success of the California programs has been getting ENERGY STAR[®]-qualified fixtures onto retailer shelves where virtually no products existed prior to the program. Manufacturer buy-down incentives, close interaction with retailers and constant store visits enabled the field reps to establish more display space in a variety of stores.

Significant program challenges include overcoming negative consumer perceptions of fluorescent lighting and coordinating utility funding with retailer and manufacturer needs and timelines. For example, utility funds are allocated within specific utility territories, while retailer and manufacturer needs are based on a regional market level. In addition, utility

¹ Manufacturer buy-downs use program incentive funds to pay part of the product cost directly to manufacturers on a per unit basis. This allows manufacturers to sell products to retailers/distributors at a reduced price.

²Lighting season typically runs from September through February when days become noticeably longer and clocks are turned back to Standard Daylight Time.

funding is based on a fiscal calendar, while retailer and manufacturer planning and selling seasons stretch across calendar years. Fortunately strong publicity and outreach components are helping to overcome negative perceptions, and the program has been successful at keeping products and promotions within utility bounds. However, this requires significant, sometimes costly, effort by manufacturers and retailers.

Although all activities are interrelated and important for the success of the program, implementers have found that working with manufacturers and retailers to get products into the stores is the pivotal program element. This interaction and relationship building helps to gain support and increases product shelf space. Once the products are available and placed in the stores, the field reps show store and department managers how these products can be profitable and that they are worthy of prominent display space and promotional events. Another lesson learned is that due to the twelve-month budget and planning cycle, program activities need to be planned carefully, and transitioned smoothly and quickly from year to year to avoid a hiatus of program activity during the heart of lighting season.

Sacramento Municipal Utility District (SMUD): Residential Retail Lighting Program

SMUD sponsors and administers this program which aims to increase the market share of ENERGY STAR[®] lighting fixtures and CFLs in Sacramento residences. The CFL campaign is slated to continue through 2000, while the fixtures program ended in March 2000. Promotion of CFLs and fixtures is targeted at retrofit and remodeling jobs via manufacturers, retailers, and consumers. Key program activities are outlined below.

- **Retailer Participation.** Retailers sign a Participation Agreement similar to EPA/DOE's voluntary ENERGY STAR[®] Memorandum of Understanding (MOU). Retailers sign-up upon request without active marketing from the program.
- **Incentives.** Through the Pacific Northwest National Laboratory's procurement program, SMUD was able to set up bulk purchasing of CFLs at reduced prices. Participating retailers are eligible to purchase these CFLs and can receive a \$2.50 rebate per purchased CFL.
- **Field Representatives.** Monthly or bi-monthly store visits provide program updates and general outreach for both the CFL program and the past fixtures programs.
- **Publicity Campaigns.** The utility newsletter, *Customer Connections*, and bill stuffers help to place informational articles. Ads are placed in local news publications throughout the lighting season, with radio ads used for event promotions.
- **POP Materials.** Shelf-talkers, brochures, and signage are available for participating retailers.
- **Special Events.** Several successful turn-in events have been sponsored, supported by radio and television media events for publicity.
- **Other Activities.** A traveling display for home shows and a permanent display in SMUD's Energy and Technology Center promote the program. A telephone hotline provides customer support.

Key program successes include the development of strong relationships with retailers and manufacturers, which has led to increased industry support for the program. These relationships have also allowed program implementers to learn about the needs and day-to-day business functions of retailers and manufacturers; making the entire program operate

more smoothly and further building industry support. To date, retailers have purchased 30,000 CFLs through the program.

Program challenges include maintaining retailer and customer momentum and unit sales. As more retailers and manufacturers participate, momentum is expected to increase. These challenges may be due in part to a limited budget. In addition, many consumers have difficulty overcoming suspicion of manufacturers' light-output claims, as well as high product price and general bias against fluorescent. Another challenge is that many qualifying ENERGY STAR[®] products have not been labeled with the ENERGY STAR[®] logo.

The major lessons learned are that it is never too early to plan ahead; tasks undoubtedly require more time to complete than seems necessary. Program administrators should have a back-up plan and be prepared for unexpected problems or situations, such as inclement weather for an outdoor promotional event or breaking news that may detract attention from a program event.

Two additional lessons learned are the importance of communication with the industry and overcoming consumer concerns about product quality. Developing on-going relationships with those assisting in successful events will help break down communication barriers. Those who participate will then have a sense of ownership in the success of the event and freely give future help, cooperation, and support. To address consumer quality concerns, a "hands-on" display enables consumers see what the product actually looks like and how it will function. Programs must also ensure consistency and accuracy of all information provided to customers, employees, retailers, and other program participants.

Long Island, NY : Residential Lighting and Appliance Program (RLA)

Sponsored and administered by the Long Island Power Authority (LIPA), the goal of RLA is to build consumer awareness and demand for ENERGY STAR[®]-labeled lighting and appliances through specific market interventions. The lighting program promotes ENERGY STAR[®] CFLs, fixtures, and torchieres, targeting retailers and consumers. Builders and contractors are placed on a mailing list so that they are kept up-to-date with program activities. Key program activities are outlined below.

- **Retailer Participation.** Retailers (big-box, hardware, small independent stores, etc.) sign a LIPA version of the EPA/DOE ENERGY STAR[®] MOU.
- **Incentives.** In-store consumer instant rebates and up-stream incentives for fixtures are available (\$6 for CFLs; \$15 for hardwired; \$20 for torchieres).
- **Field Representatives.** Circuit riders visit stores monthly to provide sales training, ensure shelves are stocked, and keep stores up-to-date with program activities.
- **Publicity Campaigns.** RLA uses paid advertising for TV, radio and print ads including bill-inserts. Ads are intended to promote ENERGY STAR[®] products, educate consumers about ENERGY STAR[®] and publicize instant rebates.
- **POP Materials.** End-cap displays (at the end of a shelf row) and brochures are used.
- **Product Catalog.** The consumer catalog promotes CFLs, torchieres, hardwired fixtures, outdoor fixtures, and other non-lighting non-ENERGY STAR[®] energy-saving products, and highlights product discounts. Future catalogs will continue to feature non-lighting products, but *all* lighting products will be ENERGY STAR[®]-labeled.

- **Special Events.** Provide materials for manufacturers to publicize products at consumer home shows and sponsor Earth Day events. Torchiere turn-in events may be planned for the future.

One of the successes of this program lies in the strong reception of the catalog. Since the first mailing of 150,000 catalogs in September 1999, over 9000 orders have been placed and over 13,000 CFLs and 1,000 fixtures have been sold. Consumers may purchase CFLs for as little as two dollars, and each household can buy up to 10 lamps (down from 15 per house in April 2000). As of April 2000, 300,000 catalogs have been distributed. After the initial mailing, additional catalogs have been distributed through smaller targeted mailings, shows, hotline fulfillment, LIPA bill payment offices and advertising in newspapers. Instant rebates at home shows along with educational material also assisted in the program success.

One of the major challenges is the lack of available high quality products. In addition, the problem of low-price products being lower quality continues to be an issue. Often, good quality products, which are higher priced, are not available, even after rebates are made available. Another challenge was getting big-box stores to sign-up. Many of these stores originally signed up to carry instant rebates, but backed out when upper management determined the chain did not have the infrastructure to support the rebates across the region.

One hard lesson learned is that big-box stores did not join as easily as assumed. Program directors felt they should have approached the big-box stores before the program was launched to have more time to gain management's buy-in. The directors have learned to be very flexible by modifying rules to maximize sign up of retailers and to maintain a high-level of retailer participation throughout the program, particularly during special events.

New England: Residential Lighting Market Transformation Initiative

Funded by a consortium of utilities and other organizations, the Northeast Energy Efficiency Partnerships, Inc. (NEEP) regional Residential Lighting Market Transformation Initiative began in 1998 and is expected to maintain operation through 2002. The overarching goal is to create and sustain positive changes in the residential lighting market by increasing product availability and consumer acceptance of high-efficiency lighting technologies. The program uses the U.S. EPA/DOE ENERGY STAR[®] performance specifications as the criteria for identifying CFLs and fixtures for eligibility. Target audiences include a full range of market players involved in residential retrofit, new construction, and remodeling. In addition, the Initiative works with lighting manufacturers, wholesalers, and retailers. Specific elements of the Initiative include the following activities.

- **Retailer Participation.** Recruited retailers sign a region-specific MOU. They are also encouraged, but not required to sign an EPA/DOE ENERGY STAR[®] MOU.
- **Incentives.** In New England states, rebates offset premium first costs for qualified CFLs and fixtures (CFLs: \$3-\$7; fixtures: up to \$20). Rebates are not envisioned for the long-term but rather as a short-term means of encouraging consumer purchases.
- **Field Representatives.** Circuit riders sign-up retailers, provide POP materials, maintain product displays and offer sales-staff training featuring skills to promote ENERGY STAR[®] products. Circuit riders visit retailers weekly.
- **Publicity Campaigns.** The cornerstone of the Initiative is a comprehensive, broad-based radio, television and print campaign coordinated with supporting in-store POP.

- **Product Catalog.** Catalogs promote high-efficiency lighting products and provide another mechanism to educate consumers about the ENERGY STAR[®] product benefits.
- **Special Events.** A variety of special events support the Initiative including torchiere turn-in events, special in-store CFL promotions, and booths at home shows and regional and state fairs.

One major success has been the implementation of a grocery store pilot project. Outreach to grocery stores began in late 1999 when the first chain was approached. Since then, grocery stores have begun approaching program implementers wanting to join. In addition, available shelf space for CFLs has steadily increased. Another major success is program participation. Program managers estimate that 75% of the target retailers have signed onto the program.

A major challenge encountered has been overcoming negative consumer perceptions of energy-efficient lighting products. These negative perceptions can be partially attributed to the fact that individual electric companies have sponsored residential lighting programs in the Northeast for the last 10-12 years, which in some cases promoted products that did not meet consumer expectations. Enticing these customers to re-try the technology has been difficult, despite vast improvements in product performance and quality.

One major lesson learned is that program requirements for all participating retailers should be consistent. In order to ensure fairness, allowances made for one retailer must be made for all participating retailers. Furthermore, experience has shown that the circuit riders need to be flexible in their work schedule for special events and other program activities.

In the future, the sponsors will seek to include more retailer and manufacturer participation in planning, coordinating and sponsoring Initiative activities. This strategy is being pursued as part of an ongoing transition plan to establish a fully market-based operation that does not require intervention from sponsors.

Pacific Northwest: ENERGY STAR[®] Residential Lighting Program

This program is funded by the Northwest Energy Efficiency Alliance (NEEA) through support from utilities across Washington, Idaho, Oregon, and Montana. Initiated in 1997, the current program will run through June 2000. NEEA's program goal is to create a market for energy-efficient fluorescent residential light fixtures by accelerating accessibility and consumer acceptance. Targeted technologies include ENERGY STAR[®] hard-wired fixtures, torchieres, and screw-based CFLs. Key program activities include the following.

- **Retailer Participation.** Retailers sign an EPA/DOE ENERGY STAR[®] MOU.
- **Field Representatives.** Circuit riders visit retailers every two months to support promotional events and conduct sales-staff training.
- **Incentives.** Manufacturer buy-downs are set at \$3 for CFLs, \$7 for fixtures and \$10 for torchieres. Retailers conducting "ENERGY STAR" in-store promotions are eligible for a \$500 incentive, including \$300 for co-op advertising and up to \$200 to buy-down existing old inventory and/or purchase stock of ENERGY STAR[®] products.
- **Publicity Campaign.** The 1998 program used print, transit, radio advertising, and educational POP materials to reach consumers. The 1999 program focused on educating consumers through retail establishments with co-op ads, in-store promotions and promotions for torchiere turn-ins.

- **POP Materials.** Promotional materials include hangtags, banners, and a Lighting Application Wheel, which helps consumers select the proper CFL for an application.
- **Special Events.** Events focus on small retail markets, and include promotions such as sweepstakes or giveaways; 10-12 torchiere turn-ins have been held to date.

A major success includes attracting the three major bulb manufacturers to participate. Another success, involves conducting torchiere turn-in events at retailers and involving fixture manufacturers who are offering more design choices, and creating very positive experiences with retailers regarding the value of ENERGY STAR[®]. With more manufacturers offering products and retailers gaining more confidence in ENERGY STAR[®] lighting, consumers are now given a better choice of products.

One challenge encountered is that program products have taken longer to reach smaller markets in the region. This is due in part to the fact that smaller retailers do not have the same relationship and buying power with manufacturers that large retailers enjoy. Smaller retailers then need options allowing them the pricing benefits of larger retailers. Because the residential lighting market is so large, the ability of a program with a modest budget to impact all supply channels was limited. The limited budget also impacted manufacturer engagement in the incentive. For some manufacturers, the program allocation was not enough to offset the costs for separate product processing and tracking.

A major lesson learned is that there are phases to market transformation, and program implementers need to know how to tackle each phase and which channel to work with during each phase (i.e., manufacturer, retailer, consumer). Alliance program implementers found it more beneficial to work with manufacturers early on, later moving the program down-stream to retailers. Furthermore, it is important to understand the difference between the large and small retailers, and smaller retailers sometimes require additional support. Recognizing retailer brand loyalty (e.g. Ace Hardware and other smaller stores) is also important. Lastly, program implementers found that working with ENERGY STAR[®]-qualified products, specs, and branding campaigns gave the consumer a way to identify products.

New York (state-wide): The New York Energy Smart Residential Energy Efficiency Programs: Appliances and Lighting Program

This program is sponsored and administered by the New York State Energy Research and Development Authority (NYSERDA). Launched in mid-1999, the program will operate through mid-2001. The goal of this program is to build awareness of the ENERGY STAR[®] brand among consumers so it becomes synonymous with energy efficiency and product value. Targeted at the home retrofit market, the program promotes CFLs and fixtures via mid-stream market players that promote and stock energy-efficient products. Elements and activities of this program include the following.

- **Retailer Participation.** Retailers sign the NYSERDA Retailer agreement. Participants are listed under the ENERGY STAR[®] web site store-finder and in advertisements placed by NYSERDA, including Yellow Page[®] ads, and are eligible for program support activities offered through field reps.
- **Incentives.** Financial incentives (up to \$3 million for lighting and appliances) are available to retailers for co-op advertising in print or Yellow Pages[®] ads, and are given as awards for the most sales of qualified products and most displayed products

(up to \$6000 is available per award). Cash incentives and co-op ads are also available for new homebuilders, remodelers/contractors and multifamily housing owners.

- **Field Representatives.** Field reps visit participating retailers every 4-6 weeks and provide sales-staff training, materials, POP placement, and labeling. In addition, field reps reach out to remodelers through training sessions.
- **Manufacturer Outreach.** Periodic newsletters inform manufacturers of program activities and successes. The co-op advertising incentive program extends to manufacturers' ads. The program also provides manufacturers media coverage during special and community events.
- **Publicity Campaign.** Paid and voluntary mass advertising campaign and special events promotions publicize program activities.
- **Special Events.** Special media events have been held in small communities including six upstate communities where Lieutenant Governor Mary Donahue conducted community efficiency "challenges." Four torchiere turn-ins are planned for 2000.

Successes of the program so far have been the support from the Lieutenant Governor and the enrollment of remodelers into the program. To date 41 remodelers have signed-on to the program and four training sessions have been conducted for this market.

A major challenge for the NYSERDA program is that many major retailers have already signed an EPA/DOE ENERGY STAR[®] MOU and are reluctant to undertake additional activities offered through the NYSERDA program. Big-box retailers also resist displaying program-sponsored POP due to regional or national company policy. Usually these chains operate on a top-down authority structure that demands uniformity across stores. Another challenge is dealing with the lack of fixture and bulb variety. NYSERDA's lighting retail partners generally carry only one or two qualified products. Furthermore, even if the stores have ample product, sales staff are not familiar with energy efficiency and do not promote the product. Lastly, retailers are reluctant to provide sales data, although required by the NYSERDA Retailer Agreement, for implementers to use in assessing program success.

Program implementers have learned that smaller, independent stores tend to align with the statewide campaign as a way of differentiating themselves from national chain big box retailers. NYSERDA hopes this will stimulate a competitive response from major chains to participate in the program. Now that retailer participation in the program is initiated and growing, program implementers feel the need to reach out to channels other than retailers, such as distributors and manufacturers. This may include providing technical assistance to manufacturers, with the hope that this activity will lead to more compliant and greater diversity of products manufactured. Lastly, another major lesson learned is that lighting and appliances markets are different targets and strategies should be developed to address each independently (initial NYSERDA lighting and appliance program strategies were identical).

Wisconsin: Wisconsin ENERGY STAR[®] Program

The current Wisconsin ENERGY STAR[®] Program is an integration of two MT programs: the Wisconsin ENERGY STAR[®] program which began in October 1998 and is sponsored by 32 utilities (three investor-owned utilities and 29 municipal utilities); and the Wisconsin Focus on Energy program, which began in March 1999 and is funded by the Wisconsin Energy Bureau. Both of these programs and the current program are implemented

by the Wisconsin Energy Conservation Corporation (WECC). The program promotes ENERGY STAR[®] appliances and lighting products to a target market of 1.5 million households encompassing two-thirds of the state of Wisconsin.

The goal of the Wisconsin ENERGY STAR[®] Program is to support and promote the ENERGY STAR[®] label to create a widely identifiable brand for a variety of energy-efficient products including CFLs, fixtures, and torchieres. The program primarily targets the home retrofit market through retailer outreach and direct-mail lighting catalogs to consumers. Specific program elements and activities include the following.

- **Retailer Participation.** Retailers sign up to participate through WECC's ENERGY STAR[®] MOU.
- **Incentives.** Mail-in and instant cash-back incentives aim to reduce first cost to consumers (\$5 for CFLs, \$15 for fixtures, and \$20 for torchieres).
- **Field Representatives.** Field reps visit retailer locations on a monthly basis to train staff, install POP, and assist in "instant events."
- **Manufacturer Outreach.** Program implementers work with manufacturers to increase product availability.
- **Publicity Campaigns.** Publicity campaigns are conducted via newspaper and radio.
- **POP Materials.** Materials include freestanding lighting displays with a "wattage equivalency chart," a lighting bar for product demonstration, stickers for qualified products and banners for special events.
- **Product Catalog.** Catalogs allow for direct consumer purchase of CFLs, torchieres, and fixtures at discounted prices. Catalogs are distributed by mail and through the program call center.
- **Special Events.** "Instant events" with retailers allow customers purchasing CFL products to receive cash-back incentives at the time of purchase. Torchiere turn-in events have been held to date, some in conjunction with Fire Departments during Fire Prevention Week.

These strategies have helped to establish the program with retailers and to educate customers on the benefits of energy-efficient lighting purchases. In particular, the mail-in catalogs have generated customer interest and have been a major factor in publicizing and providing qualified ENERGY STAR[®] products to consumers in the rural areas of Wisconsin.

A uniquely innovative practice that has enjoyed great success with both small and large retailers is the sponsoring of "instant day(s) events" with retailers. For these events, ENERGY STAR[®] field reps support retailers on-site, train store personnel, assist customers with product selection, and provide customers with instant cash-back coupons that are redeemed at the register. Product sales have ranged from 500 to 5,000 plus products for a weekend event at one or more stores. The events enhance program credibility and improve the working relationships with retailers. A major attraction for the retailers is the increased traffic in the stores for unrelated purchases. The program has encouraged smaller retailer participation by creating a risk-free opportunity, i.e., no penalty on returns; assisting with event set-up; educating and training staff; and providing co-op advertising. These relationships have contributed to smaller stores increasing their inventory of CFL products.

Torchiere turn-in events have also been popular with customers. The main draw is fire safety and secondarily, energy savings. Events have been held both in large and small communities. One event in the fall of 1999 had sales in excess of 2,500 torchieres.

The major challenge for WECC has been garnering retailer enthusiasm for the program. Because lighting is one of hundreds of product types in stores, and lighting sales margins do not greatly contribute to the overall bottom line of the store, program participation is not especially compelling to many retailers. Another difficulty stems from the program resources required to organize and implement retailer events. Finally, the dearth of attractive fixtures, the price points of products compared to incandescent alternatives, and the lingering customer perceptions of risk (given past quality of CFL products) present additional program challenges.

Customer education, retailer support, and no-risk purchase of CFL products by retailers are addressing some of the program barriers. Special events, instant events, and catalogs generate consumers' enthusiasm for CFL products and provide an opportunity for customer interaction and education. The program anticipates that this momentum will lead to additional purchases in the marketplace.

Discussion

Key Program Elements

While the preceding MT program snapshots demonstrate many common elements among the programs, two key components stand out as critical to the success of any lighting MT program—publicity and retailer outreach. Other important design and implementation elements are program coordination, use of incentives and product trends.

Publicity. Introducing new products to consumers requires substantial educational and promotional outreach. Although most programs are publicized to some degree, program designers often underestimate the importance of publicity campaigns and do not target audiences effectively. Publicity campaigns need to achieve the goal of informing *and* motivating the general public. In addition, campaigns must be customized for each regional program and further customized to account for varying demographics.

Retailer Outreach. MT programs also introduce new products and marketing strategies to retailers. Thus, implementers must work closely with retailers to effectively communicate program goals and demonstrate how these products can be a profit center for their businesses. Frequent interaction with retailers is crucial until the retailers' momentum is self-sustaining.

Everyone involved in the selling process must be educated about the technologies, the program and the ENERGY STAR[®] logo. Based on the extensive training efforts of CRLAP and other MT programs, it is apparent that many retailers are willing to integrate sales-staff training into their current training activities. The more the sales associates, managers, and manufacturers know, the more enthusiasm they have for promoting and selling the products. As the staff's comfort level with the products and the program grows, so does the probability of integration of new program elements and technologies into their stores. Sharing success stories with retailers helps demonstrate the potential of energy-efficient products.

In addition, program designers and implementers must coordinate with retailers' timelines and standard operations throughout the planning and implementation stages. Detailed knowledge of the lighting industry and retail business is necessary to properly time program activities to coincide with retailer events, such as the lighting season. This

understanding will also help to avoid disruptions in important retail seasons which could lead to program setbacks or missed opportunities. Furthermore, MT program designers should be familiar with the retailer's fiscal calendar and scheduling procedures, keeping in mind that events often take several months to plan, coordinate and implement.

Program Coordination. Many MT programs already coordinate some activities with other programs, but there is a need for *all* MT programs to coordinate with activities outside their region, such as with the national ENERGY STAR® program, regional energy-efficiency programs, and the Consortium for Energy Efficiency (CEE). Retailers and manufacturers develop standard operating procedures for their regions that extend across several states or the nation, far beyond the regional MT program boundaries. Coordination among MT programs could synchronize efforts with manufacturers' and retailers' "national" efforts.

Aligning a regional MT program with the established national ENERGY STAR® programs helps to quickly develop relationships with the key market players already involved in the national program, prevents confusion for the manufacturers and retailers, and lends credibility to the program. Regional programs should also consider training "account managers" to directly interact with the participants' prime contacts. Most market players have, or are a planning to have, a single "ENERGY STAR®" contact for all programs.

In an effort to further coordination between the national and regional programs, CEE is working towards a national initiative that is intended to create synergies among all MT programs. CEE's initiative aims to keep regional programs from inadvertently competing for manufacturer and retailer attention, distribution of products and general support.

Incentives. Although many programs use incentives (rebates, buy-downs, etc.), program administrators acknowledge that they must apply incentives carefully and cannot plan long-term activity if they are to achieve true market transformation. Incentives should only be used to introduce a new product to the market place, and place products in consumers' homes so they will experience the product's benefits. Consumers must also be knowledgeable about the "true" cost of the product so when incentives are discontinued they will not find the "true" cost a surprise – manufacturer buy-downs often lead to publicizing a "false" price.

Products. Advancements in CFL technology have led to new players and types of products in the industry. While product availability and quality continues to be a major concern for MT programs, it will likely become less of a concern as lighting programs gain momentum and manufacturers increase production of existing and new products. Product quality, however, is a more serious concern for the integrity of any program. It is critical that programs deliver high-quality products to avoid any "bad experiences" by consumers. Program designers should consider independent product testing prior to the inclusion of any product for a MT program.

Program implementers should recognize patience as the operative word in the evolving CFL lighting market. ENERGY STAR® efforts have spurred lighting manufacturers to produce a greater variety of products at lower price points (the national ENERGY STAR® fixtures and CFL programs have seen a remarkable increase in labeled products over the last few months), but the CFL fixture and torchiere technology is still in its infancy. Customer marketing and education about these products and their benefits will spur long-term sales. The ENERGY STAR® brand can have a major impact on sales if it becomes a brand that

consumers trust. All this will not occur overnight. As a result, consistency and longevity in the marketplace is a must if MT programs are to have a chance to succeed.

Concluding Comments

The regional programs should be commended for their efforts to transform the residential lighting market. While this paper could only provide a very brief snapshot of the activities undertaken by these programs, the authors hope to provide a basic understanding of regional activities and spur creative discussion among regional programs to efficiently transform the residential lighting market.

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