

ART VS. SCIENCE IN ESTABLISHING FINANCIAL INCENTIVES

ACEEE Market Transformation Symposium

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**Everyone Wants
Everyone *Else* to Be
Green**

The Retail Marketplace 2003

- Highly-competitive
- Prices declining—need more sales to stay even
- Many unassisted purchase opportunities—warehouse clubs, superstores, large chains
- Tough economic climate
- Low interest rates—strong home building

Consumer Rebates

- 10% of selling price
- Minimum of \$25
- The price differential between energy efficient product and traditional product
- Rebates equal to the amount of the local sales tax
- Appliance “roundup” \$100 reward

Sales Incentives

- 2 – 3% of selling price
- \$25 - \$75
- Find out where incentives are paid
- Increasing incentives as sale of energy efficient products improves

Educate Consumers and Sales Associates

- P. O. P. Telling how long the pay-back would be
- In-store training seminars and consumer clinics
- Make energy efficiency appear more newsworthy
- Bring the message to schools—kids have great influence over their parents!
- Public Service Announcements (PSAs)

Other Motivators

- Increase co-op advertising to promote energy star products.
- Coordinate consumer rebate and sales spiff programs with product selling cycles.
- Give retailers more lead time to buy products that will be eligible for the promotions.

Other Motivators

- Partner with finance company and offer free or extended financing
- National program like “*energy efficiency month*” with key market advertising and marketing campaign