



## Business Case Study:

# *Lowe's Home Improvement Warehouse*

## Background

- Type of Business: Home improvement retailer
- Location: Irvine, Calif.
- Size: 44 stores in California, each store roughly 100,000+ square feet
- Contact: Shana Cockerham, Environmental Specialist  
P.O. Box 1000, Mooresville, NC 28115  
Phone: (704) 758-2340  
E-mail: shana.w.cockerham@lowes.com  
Website: www.lowes.com/energy

## Summary

In 2001, Lowe's Companies Inc. initiated an aggressive energy program with the goal of becoming the Energy Solutions Center – the preferred consumer destination for energy-related products and solutions. Lowe's outreached to customers through partner-developed print, TV and Internet media. Lowe's had already reached more than 37 million homes with energy messaging. The company also targeted sales associates with several training tools and ongoing educational programming. Lowe's gauged the success of its efforts through the increase in sales of ENERGY STAR® products throughout 2001.

Referenced in Business Guides:

- #4, "Promote Energy Conservation and Efficiency Through a Public Outreach Campaign"

## Plan

Through consumer polls and surveys, Lowe's found that customers wanted to learn how to save money with energy-efficient products. Consumers became more conscious of energy consumption as a result of California's energy crisis and growing energy costs. Studies showed that nationwide, 66 percent of consumers said that saving energy was very important to them, and 72 percent said they made a special effort to look for products that were energy efficient.<sup>2</sup> The growing recognition of ENERGY STAR® enabled Lowe's to build a program with one central message.

2. The studies were proprietary consumer studies through Lowe's sponsored surveys.

The goals of Lowe's energy program were to:

- Increase consumer and sales associate awareness of ENERGY STAR® and energy-efficient products and solutions available at Lowe's, and
- Become the preferred consumer destination for energy-related products and solutions.

## Programs: Public Outreach

### ✓ **Circulars:**

- Featured ENERGY STAR® items and messaging in circulars.
- Featured an Energy Solutions Center on front page of October 2001 circular.

✓ **Direct mail:** Featured ENERGY STAR® credit-card stuffers in direct mail items sent in January and August 2001 and a fall circular in November 2001.

✓ **Newspapers:** Ran a three-quarter-page newspaper ad in top markets across the nation in November 2001.

✓ **Brochures:** Distributed ENERGY STAR® Solutions Guide free of charge in stores. The guide provided solutions on how to have a more energy-efficient home, details on several weekend projects and lists of ENERGY STAR® How-to Clinics and other resources for more energy solutions.

✓ **Point-of-purchase signage:** Used point-of-purchase signage to call out ENERGY STAR® items. Lighting and lamp items have hang tags with the ENERGY STAR® logo, and many appliances have static clings that list ENERGY STAR®. The ENERGY STAR® logo is prominently displayed on qualifying window models, and on overhead signage in insulation bays.

✓ **Press releases:** Wrote several press releases containing ENERGY STAR® messaging.

✓ **Television:** Produced an ENERGY STAR® TV ad that aired on HGTV between October 26 and December 31, 2001.

### ✓ **Internet:**

- Distributed ENERGY STAR® Solutions Guide free of charge on the Internet.
- Launched an energy-focused website, www.lowes.com/energy. Lowe's received a "Spe-

cial Recognition Award for Online Information” at the ENERGY STAR® banquet held in March 2002. Throughout 2001, the website provided room-by-room energy conservation tips, ENERGY STAR® How-to Clinics and the ENERGY STAR® Solution Guide. Additional upgrades were made to the website in 2002.

✓ **Regional programs:**

- Participated in many regional programs throughout 2001, including 11 Torchiere Turn-In Events through Southern California Edison (SCE) and other utilities, regional programs in the Northeast, Northwest and California, regional training and regional ads.
- Participated in utility-funded markdown and coupon programs.

✓ **Clinics:** ENERGY STAR® How-to Clinics were held on Saturdays throughout October. Customers were taught

projects such as “How to install a programmable thermostat.” The clinics were popular and well attended.

✓ **Employees:** Lowe’s trained its sales associates on ENERGY STAR® messages and products. The ENERGY STAR® How-to Clinics were run by sales associates. Vendors provided energy training during their product knowledge sessions.

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**Budget and Finance**

Information was not available.

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**Results**

Lowe’s gauged the success of its programs through the increase in sales of ENERGY STAR® products – the store saw an increase in sales in 2001 compared with 2000. The company estimated that it reached more than 37 million homes with its outreach campaign.