



Business Case Study:
Sears, Roebuck and Co.

Background

- Type of Business: Retailer
- Location: Illinois headquarters
- Size: 259,000 employees throughout country, 120 stores in California
- Contact: Susan M. Komornik, Project Operations Manager, Sears Home Appliances C2-248B, 3333 Beverly Road, Hoffman Estates, IL 60179
Phone: (847) 286-5768
E-mail: Skomorn@Sears.com
Website: www.sears.com

Summary

In 2001 Sears implemented a comprehensive plan to heighten public awareness about high-efficiency ENERGY STAR® products. The plan included extensive market research, a California media tour, conferences, product development and premier introductions in California, event sponsorship, associate and consumer education, product labeling and signing, rebates and aggressive reductions in Sears facilities. One successful project included a Sears-initiated partnership with Pacific Gas & Electric (PG&E) to enroll more low-income and fixed-income Bay Area consumers in the CARE (California Alternate Rate for Energy) program, which provided a 20 percent monthly discount on PG&E bills. The joint venture was spurred by a PG&E press release stating that more than 200,000 eligible Bay Area consumers still had not enrolled in CARE.

Referenced in Business Guides:

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

Plan

The joint venture was initiated and carried out by the Sears general manager in the San Francisco district and the Sears Manager of Strategy and Operations.

Participating Sears store locations were Hayward, Newark, Oakland, Richmond, San Bruno, San Jose at the Eastridge Mall, San Rafael and Santa Rosa. Sears chose these locations because demographics showed that the largest

amount of people could reach these stores. Sears associates and PG&E employees staffed the CARE booths.

Programs: Public Outreach

✓ **Low- and fixed-income assistance:** Worked with PG&E to enroll consumers in CARE program, through a one-day event, "CARE Day at Sears." Eight Sears stores in the Bay Area hosted CARE Day at Sears in December 2001. All PG&E customers who enrolled in CARE at participating store locations were entered into a free raffle for energy-efficient products. Sears also offered a \$50-off coupon toward the purchase of a new refrigerator to CARE applicants. Sears arranged for media coverage of the CARE Day at Sears event.

✓ **ENERGY STAR® promotions:**

- Played ENERGY STAR® public service announcements (PSAs) on Sears in-store "Wall of Eyes," continuous-loop videos on multiple in-store televisions. (January-September 2001)
- Used videotapes with U.S. Department of Energy (DOE) spokesperson in-store.
- Posted ENERGY STAR® program description on banner page of Sears.com
- Posted ENERGY STAR® logo on all qualifying products on Sears.com
- Provided ENERGY STAR® training in three publications of Sears' internal *Currents* magazine to more than 12,000 Sears Home Appliance sales associates.
- Design work to be completed January 2002 for interactive CD training of ENERGY STAR® products, required for all new appliance associates during orientation.

✓ **Media campaign:**

- Funded a one-week media tour in June 2001 with a spokesperson from the U.S. Department of Energy; conducted 25 interviews in California.

✓ **Showcased products:** Introduced new HE3t energy- and water-saving washing machine in California three months earlier than the rest of the country. Produced "PR in a Box" training kit on Kenmore Elite HE3t washer for all California stores to conduct interviews advancing the

cause of energy conservation and ENERGY STAR® programs.

Budget and Finance

Sears funding covered the cost of supplying space for CARE Day at Sears, ENERGY STAR® Appliance vignettes and in-store signing and press releases that appeared in several major papers. PG&E funding covered additional messaging to publicize the CARE program and the locations where CARE Day at Sears were held.

Results

Sears public outreach efforts were successful in many ways. Indicators include:

- Sears was cited as preferred destination for energy-efficient appliances by 50 percent of consumers polled in the Harris Interactive online survey in October 2001.
- Awareness of the ENERGY STAR® rating jumped from 28 percent prior to Sears' public outreach/

media campaign to more than 80 percent afterwards.

- Number of units of ENERGY STAR® products in California increased 79 percent; sales of ENERGY STAR® products increased 67 percent in California in 2001 over 2000.
- CARE Day at Sears stores enrolled more than 1,100 qualified customers in the PG&E program. Hundreds of other PG&E customers came to the stores, but did not qualify for the CARE discount. Other customers received additional information about ENERGY STAR® products and ways to reduce energy usage. The one-day event enabled Sears to showcase its wide range of ENERGY STAR® products and helped drive in-store traffic for other shopping.

Lessons Learned

Sears found that a hugely successful public energy outreach program, such as CARE Day at Sears, benefitted the community, the utility partner and the Sears stores.