



Southern California Edison

Business & Consumer Electronics Program

Marketing in the Retail Environment



SCE Strategic Alliances Management

January 27, 2011

Table of Contents

- Overview
- The Business & Consumer Electronics Program
- Entering the Retail Channel
- Marketing Initiative Development and Evolution
- Outcomes
 - Successes
 - Challenges
 - Lessons Learned
- Questions

Overview

- SCE's BCE Program has been a successful springboard for other programs, products and services
- SCE established a Strategic Alliances Management (SAM) organization to
 - Manage the overall relationship with retailers
 - Establish a foundation before executing marketing initiatives, messaging or programs
- SCE / SAM successfully engaged key retailers

The Business & Consumer Electronics Program (BCE)

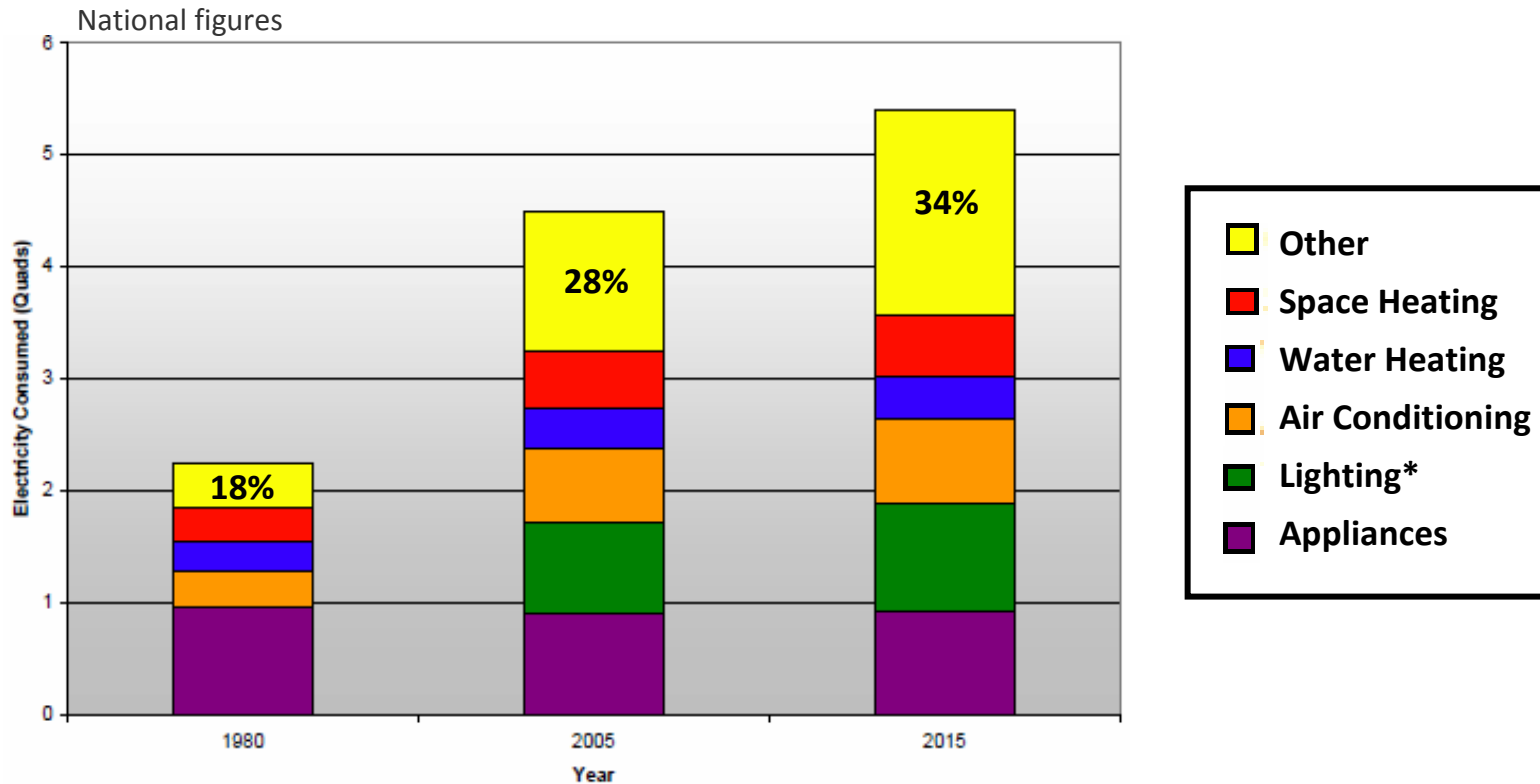
Why Consumer Electronics?

- Residential plug-load is an ongoing area of concern due to the increasing number of electronic devices consuming energy in the home
- Solutions are available for all customers to take action, depending on their needs
- By reducing standby energy waste, customers could save up to \$60 per year
- Simple messages are applicable to mass media and direct-to-consumer communications



Plug-Load Rising

Total residential electricity consumption for 1980, 2005 and projected for 2015



Other includes consumer electronics and small appliances including tvs, computers, mobile phones, small appliances, home security systems, etc.

*Lighting information unavailable for 1980

Source: EIA 1995; 2005 Sanchez et al, from article "How Small Devices are Having a Big Impact on U.S. Utility Bills--2006"

BCE Product Focus



Televisions

ENERGY STAR-qualified TVs use about 40% less energy than other TVs.* The most energy-efficient? LED-backlit LCD TVs. Of course, bigger screens use more power. For example, a 32" LCD uses about half as much power as a 52" one.

DVD Players

DVD players and combination units account for the greatest portion of standby power consumed in the home—approximately 35%. ENERGY STAR-qualified player use as little as one-fourth of the energy of standard models when they are turned off.



Computers

FACT: By choosing an ENERGY STAR-qualified desktop or laptop computer, you can reduce emissions by approximately 154 pounds of carbon dioxide a year—equivalent to not driving your car for 5 days! Plus, you'll save about \$4 a year in energy costs for a laptop, \$13 a year for a desktop.



Printers

ENERGY STAR-qualified printers and fax machines automatically enter a low-power mode of 15-45 watts of less after a period of inactivity. A combo printer/fax unit consumes half as much energy while idle as two stand-alone products.

Entering the Retail Channel

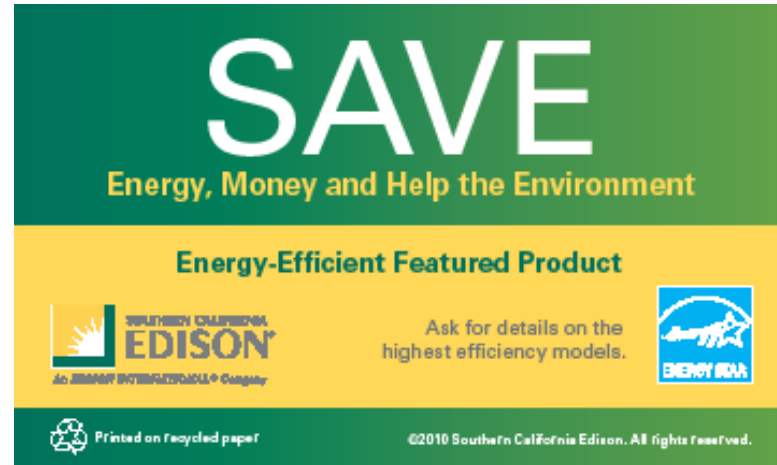
- Success of BCE led to rapid expansion of additional SCE programs and opportunities
- Retailers clamored for broader utility solutions to PEV and energy information management / home area network products enabled by Edison SmartConnectTM meters
- SCE management established an internal Strategic Alliances Management (SAM) organization offering:
 - Extensive non-utility retail channel experience, including planning and execution of marketing and merchandising initiatives
 - Broad experience with utility business, values, goals and regulatory environment

Marketing Initiative Development and Evolution

Retailer Initiatives

- Merchandising
- In store commercials
- Quarterly campaign tie ins

BCE Merchandising



In Store Wall of TV's



SCE Quarterly Campaign

- Reducing Plug Load (standby power usage)
- Objectives
 - Education on energy efficiency solutions to reduce residential plug-load
 - Buy the most energy efficient ENERGY STAR products
 - Use energy saving surge protectors
 - Power management features
 - Wattage meters to monitor use
 - Recycle inefficient electronics
 - Reduce residential plug-load
 - Demonstrate SCE's commitment to saving energy, money and have an impact on the environment

Stand By Energy Messages



- There are two costs to anything that uses electricity – usage and stand by plug load
- Look for the ENERGY STAR logo and ask about the highest efficiency models
- Right plug-load behavior—unplug when not using devices
- Instead of moving old electronics into another room, take it off the grid and recycle

2010 BCE Results

| Consumer Electronics | kWh | kW |
|-----------------------------|------------|-------|
| Annual Goal | 25,481,356 | 2,466 |
| Annual Actuals | 43,302,334 | 5,031 |
| YTD % of Annual Goal | 170%% | 204% |

| | |
|---------------------------------|----------------|
| Website Hits..... | 100,530 |
| Online Commitments..... | 38,615 |
| Online Conversion..... | 38% |
| Mail-In Commitments..... | 44,045 |
| TOTAL COMMITMENTS..... | 82,660 |

Successes

- Got management buy in and support early in process
- Retailer engagement with programs and marketing initiatives
 - Best Buy, Sears
- Internal cooperation and team work
- Engagement and issue resolution by SAM organization

Challenges

- Retailers do not understand utilities
 - We offer value beyond energy & meters
 - Level set on utility regulatory world and rate of change
 - See utility companies as another manufacturer at first or worse as “deep pockets”
- Utilities do not understand retailers
 - Do not have in-house skill set of direct retail experience
 - Utilities must have a retailer strategy to be effective

Lessons Learned

- Management support is critical to success
- You need to understand the retail environment from the inside out
 - Direct experience and know how
 - Retailers are aggressive for-profit organizations: WIIFM
- Know the value you bring to retailers
 - Balance value you give and value you get
 - SCE / EIX brand value – reliability, trust
- Establish a framework of your wants, needs and expectations
 - Includes quantitative metrics for measuring your results
 - Incremental sales volume (retailer view) = energy savings (utility view)

