



Business Case Study:

## *Philips Lighting Company*

### **Background**

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- Type of Business: Provider of lighting products
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### **Summary**

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Philips Lighting has participated in a number of energy-efficient projects in the State of California. In the summer of 2001, Philips Lighting launched an education program called “Philips Lighting Formula – An Energy Blueprint for the Nation” in which the company relamped Berkeley, Calif., businesses and residences on Telegraph Ave. between Channing and Durant streets with energy-efficient light bulbs. The company viewed the “blueprint” as an opportunity to educate California residents and businesses on the importance of energy conservation, and for people nationwide to understand the steps they need to take to avoid an energy crisis.

Referenced in Business Guides:

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

### **Plan**

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A survey conducted by Opinion Research Corp. International found that:

- Approximately 65 percent of people agree that there is some degree of an energy crisis in the United States, and
- 57 percent believe this is a fairly serious crisis.
- But half of all residents do not fully understand the issues pertaining to the energy crisis.
- In addition, two-thirds of consumers felt that they could make a difference by making changes at

home, but less than half have taken steps to do so. Of the six most common energy conserving steps taken at home, changing to an energy-efficient light bulb ranked last.

Another survey conducted on behalf of Philips showed that:

- 43 percent of respondents thought the best solution to the power crisis was to build more plants, and
- 18 percent thought conservation was the best solution.

These facts proved the need for education, thereby providing the impetus for Philips to launch a national education program called “Philips Lighting Formula – An Energy Blueprint for the Nation.”

Philips’ objectives were to:

- Offer three day-long classes to Home Depot associates to train them to become Philips Lighting Certified Experts, whose job is to effectively evaluate and make educated decisions on lighting improvements, and
- Improve small-business energy usage.

Philips planned to launch the program in September 2001. Area utility companies such as SMUD, PG&E and SDG&E would provide money for rebates and/or loans. These utility companies would also provide training and technical assistance. The Blueprint for the Nation would be showcased to targeted local and national print and broadcast media outlets, as well as key lighting trade publications.

### **Programs: Public Outreach**

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✓ **Business-to-Business Energy Program:** Home Depot management picked two associates from each store in Sacramento, San Francisco, Los Angeles and San Diego for training by Philips representatives. In each area, one person was elected a team captain who was the “go to” person for information and follow-up training needs.

The first class was held in the training room at Home Depot store in Folsom, Calif., on Aug. 28, 2001. Nine area

stores were represented, and a game plan was established. Associates from Home Depot stores were trained by Philips on how to perform an energy evaluation with smaller sized local businesses and give recommendations on ways to save energy and money. Some reps from the local utility were available to clarify aspects of the program.

Philips developed and distributed a new training tool called "Take Five Cards." The tool consisted of 20 cards covering Philips' most important messages (upselling opportunities, energy savings, longer life products, basic lighting knowledge). The cards enabled Philips to reach out to and train more Home Depot associates.

Philips also developed an E-Newsletter for Philips and Home Depot employees highlighting the Business-to-Business energy survey program.

✓ **City of Berkeley relamping project:** In May and June 2001, Philips relamped Berkeley businesses (including offices and restaurants) and residences on Telegraph Ave. between Channing and Durant streets with energy-efficient light bulbs. Common household light bulbs and industrial fluorescent bulbs were changed to the most energy-efficient CFL bulbs and linear fluorescents. Mercury vapor fixtures were changed to high-pressure sodium, and incandescents to CFLs.

Philips chose to conduct a retrofit in Berkeley because it has the highest per-capita membership in environmental organizations of any city in the nation and because it is a national center for producing and selling leading-edge environmental products and services.

Philips Lighting and Amtech Lighting conducted an energy audit in 11 buildings to determine the best energy-efficient lighting options available for each location. The audit revealed that the buildings were consuming 45 kWh/year, which could be reduced to 25 kWh/year through a lighting retrofit.

Philips, Ketchum Public Relations and Lawrence Berkeley National Labs were instrumental in carrying out the program: Ketchum, Philips Lighting oversaw the program; Philips donated their products; Amtech Lighting Services provided installation services for the lighting retrofits; and Lawrence Berkeley National Labs helped analyze the numbers and co-authored the study.

The objectives of the relamping project was to:

- Educate business and retail consumers about how easy it is to install energy-efficient lighting and

the impact that lighting can have on energy conservation, and

- Utilize the energy blueprint as a case study for other communities and residences in California and the country to emulate.

The energy-savings goal was 45 percent annually. Other benefits of the project included providing sustainable lighting options and educating members of the community.

✓ **Low-income assistance:** Provided 750,000 CFLs to the State of California to distribute to low-income families under the Flex Your Power/California Conservation Corps Light Brigade initiative in July and August 2001.

✓ **Schools:** Co-wrote and sponsored the Energy Treasure Hunt pilot project with PG&E, Department of Energy and others that focused on energy efficiency for schools and fun learning projects for students. Philips coordinated with science teachers, administrative and superintendent/maintenance staff.

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## Budget and Finance

Information was not available.

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## Results

The City of Berkeley relamping project saved 20 kW, or 45 percent, on one block.

- Energy demand, consumption and cost prior to project: 45 kW; 147,854 kWh/year; \$20,692/year in avoided energy costs.
- Post retrofit demand, consumption and cost: 25 kW; 85,142 kWh/year; \$11,920/year in avoided energy costs.
- Projected savings: 20 kW or 45 percent; 62,712 kWh/year; \$8,772/year in avoided energy costs.

Results from the Philips/Home Depot training program were not available.

Winner: Flex Your Power Energy Conservation Award (2002)

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## Lessons Learned

Philips learned that the relamping project should have been executed over six months, not two. More time was needed to achieve optimum results, make the retrofit as seamless as possible for the participating tenants and make all possible lighting improvements in offices and retail operations.