

Market Progress Evaluation Report

WashWise Program

prepared by

Pacific Energy Associates

report #E98-003

January 1998



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EXECUTIVE SUMMARY

This report presents an initial look at the market for resource-efficient clothes washers (RECWs), the progress and trends in that market, and the influence of the *Northwest Energy Efficiency Alliance's WashWise* program to date. There is a focus on the status of the market and the impact of *WashWise* on that market, and less emphasis on energy savings and detailed program operations. This initial report is designed to provide information and data that will help inform program design direction and serve as a base for understanding and measuring indicators of program induced market effects.

Summary of Research Activities

To develop this report Pacific Energy Associates, Inc. (PEA) reviewed secondary market research sources, reviewed and analyzed market research conducted by The Gilmore Research Group, and conducted interviews with PECE staff (the program implementors), appliance manufacturers and staff for the Consortium for Energy Efficiency (CEE). A reference list is attached to this document. The market research specifically conducted for this project included the following:

- ☐ A telephone survey of 419 participants/purchasers of RECWs as part of the *WashWise* program;
- ☐ An intercept survey of 42 consumers actively in the market for laundry equipment (i.e., shopping at an appliance dealer);
- ☐ A telephone survey of 205 appliance retailers; and,
- ☐ A telephone survey of qualified representatives of nine (9) major appliance manufacturers and importers of European products.

Key Findings

1. **The market share for RECWs has grown rapidly since the initiation of the *WashWise* Program and has substantially exceeded projections.** The most current numbers put the market share at 12.5 percent for the month of October, and this is likely to be a conservative estimate due to lagging data.
2. **While the *WashWise* program has clearly increased sales in the Northwest, sales of RECW are strong nationwide and manufacturers are pursuing national markets.** New products have been introduced nationally

and additional products are coming to market from several manufacturers over the next year. The largest clothes washer manufacturer, Whirlpool, still has not announced product introduction plans for a qualifying RECW.

- 3. Both purchasers and retailers are very impressed with the RECWs.** Purchasers rated the machines extremely high (95% to 99% very or somewhat satisfied) on a wide range of product attributes. A total of 91% would recommend their RECW to a friend. Retailers thought that RECWs cleaned clothes better (88%) and were worth the money (89%) at current incremental costs.
- 4. Generally, consumers remain unaware of the benefits of RECWs and unconvinced of the value.** A high percentage of the consumers shopping for conventional clothes washers that were interviewed as part of the intercept survey said they had not heard anything about the benefits of owning a tumble-action washer. Interviewed consumers shopping for clothes washers mentioned 'high cost' more than anything else as a reason for buying a top-loading washer rather than a tumble-action washing machine.
- 5. Retailers believe they can sell RECWs to almost one-third of all customers at an incremental cost of \$200.** In the very price sensitive appliance market, this constitutes an extremely strong endorsement of RECWs. At an incremental cost of \$100, retailers believe that they could sell a RECW to about half of all clothes washer customers.
- 6. Portland Energy Conservation Inc. (PECI), the program administrator, has done an admirable job of program start up, retailer orientation, and generally keeping up with the unexpectedly high flow of program activity.** Their detailed attention to program operational issues is a significant factor in the program's initial success.

Key Recommendations

Detailed recommendations and implications for program planning are presented in Section 9 of this report, however, most fall into two broad categories:

- 1. It's important to the national market and the Federal Appliance Standards process that *WashWise* continues to be a successful program.** The success of RECWs in the market and the likelihood of high-efficiency standards will be strongly influenced by incremental costs, which in turn will be strongly influenced by the product and marketing decisions made by Whirlpool and GE. *WashWise* is the leading indicator in the country of the market potential of RECWs. And,

- 2. Marketing and educational efforts should be expanded.** Even many purchasers of RECWs were not well aware of the product's benefits prior to entering retailer showrooms. Increasing consumer awareness should further increase sales; especially when the product information comes from a very credible third party, utilities.

Follow-up participant, consumer awareness/acceptance, appliance dealer, and manufacturers surveys will be conducted in the Spring of 1998 and an evaluation/marketing report will be published in the second quarter of 1998 to document program success in terms of market indicators and program accomplishments.

