

Market Transformation by Energy Efficiency Indicator

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Market transformation is a holistic, market-based approach designed to promote the manufacture, purchase, and use of energy efficient products, services, and/or practices. At its core, it is an integrated and dynamic strategy that coordinates separate technology push and market pull policies and programs to produce a permanent shift in the target market.

Manufacturers have two important tasks for creating market. One is to develop the energy efficient appliances and sell them at reasonable prices. The other is providing and delivering accurate and simple information to present the environmental performance of their products for customers to understand it.

Indicators on energy efficiency should be effective in both of technology push and market pull. Manufacturers can measure the position of products with the indicator, so that they will develop better ones. Consumers can know the progress of products by the indicator, so that they will buy better ones.

World wide indicators must respect and reflect individual economy's background. If not, the indicators cannot give practical results and environmental problems will not be solved eventually. It is difficult to make absolute evaluation on energy consumption of each industry and product. Improvement of efficiency is easier to understand and more acceptable for each market.

"Eco Efficiency" can consider two significant aspects of products; their functional performance and environmental impact. "Factor X" is a specialized indicator which can show the improvement of each product's value or benefit and environmental friendliness at the same time.

Major electronics companies in Japan have voluntarily agreed to develop the guideline for "Common Factor X" by "Eco Efficiency" evaluation to provide meaningful indicators for the market as a new powerful communication tool between manufacturers and consumers. An evaluating methodology about four energy consuming products such as air-conditioners, refrigerators, lamps, and lighting apparatus was made with designating the GHG emissions as their environmental impact. At present this collaborative works are still actively going to expand the target products and alliance companies.

Combination of measures is making up for effect which a single measure lacks, and each measure is concurrently being a “catalyst” for acceleration of market transformation; the development and diffusion of energy efficient appliances.