

5.1.3 Market Penetration

Since Omega Energy began fabricating and selling fixtures with the coating material supplied by OCLI, its business has expanded rapidly. In 1986 it sold about 15,000 fixtures mainly in the Northern California area. In 1987 sales reached 50,000 and moved into other regions. In 1988 sales are expected to exceed 120,000 fixtures, with 17 distributors of the Omega product serving most major areas of the United States. Omega Energy expects their sales to double again in 1989, and to continue to expand in future years. Early sales were only for retrofit applications but new construction sales have become important since then. Fixtures are generally custom-designed for clients such as hospitals, office buildings, supermarkets, and industrial plants. Many of the distributors for Omega's fixtures work for energy management companies.

5.1.4 Facilitating Factors

The early use of dielectric coatings in roadside lighting fixtures provided a valuable base of experience for its later use in buildings. The economics are now very attractive, with a payback period between 1 and 2 years. Because more light is reflected by fixtures with dielectric coatings, 30-50% fewer lamps can be used for the same level of illumination, and the number of ballasts can be reduced, too. With the dollar savings from fewer lamps and ballasts, overall costs may decrease by as much as 40%. The dielectric coating is very durable and easy to clean and is backed up by a ten-year manufacturer's warranty. Some utilities offer rebates for the installation of the reflectors.

5.1.5 Barriers to Market Penetration

Although the coated fixtures have short payback times, initial costs are higher. The coated fixtures cost \$50-60 installed, while uncoated fixtures cost