



HEAT PUMP WATER HEATER MARKETING

**How to Influence Both the
Planners and the Procrastinators**

ACEEE – Hot Water Forum
February 2016

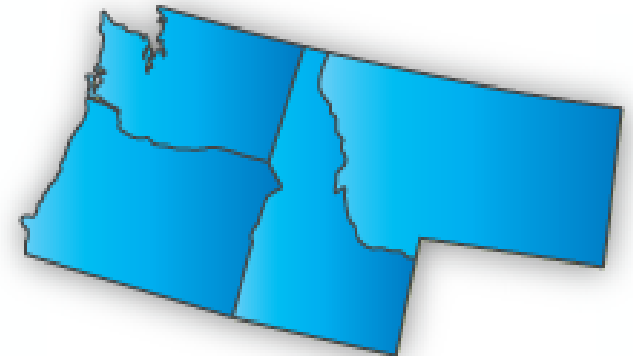
HOT
WATER
SOLUTIONS

AGENDA

- Overview
- Characterization of the Northwest market
- NEEA 2015 activities
 - Results and future focus
- ENERGY STAR® 2015 Campaign
 - Results and future focus
- Q&A

CHARACTERIZATION OF THE NW MARKET

- Northwest Energy Efficiency Alliance (NEEA) is a nonprofit organization using **market transformation** to maximize energy efficiency and meet future energy needs.
- Funded by:
 - Bonneville Power Administration
 - Energy Trust of Oregon
 - More than 100 Northwest utilities
- Covers Idaho, Montana, Oregon and Washington.



CHARACTERIZATION OF THE NW MARKET

- **55** percent of all water heaters in the NW are electrically fueled.
- Water heaters are replaced roughly every **10** years.
- Slightly more water heaters are sold through the retail channel than through installers.
- Most HPWH sales to date were planned purchases (86 percent), as opposed to emergency replacements (14 percent).



PRIMARY MARKET BARRIERS



Upfront cost



Consumer familiarity



Limited product availability



Engaged installer base

PURCHASERS OF PLANNED REPLACEMENTS

- Higher income earners
- Predominantly men
- Consumers interested in exploring energy-efficient options
- Planning for new construction
- Are more open to newer technology but still want a reliable product



PURCHASERS OF EMERGENCY REPLACEMENTS

- Typically will wait only 1-3 days to get a new water heater
- Few will be open to researching new technology (HPWHs) in emergency situations.
- Need to make a quick decision to ensure hot water for everyday needs.
- Typically look to installers to provide immediate guidance and solutions.



The screenshot displays the website's interface. At the top left is the logo "HOT WATER SOLUTIONS". The top navigation bar includes links for "WHAT IS A HEAT PUMP WATER HEATER?", "FIND AN INSTALLER", "RETAILERS", "PROMOTIONS", and "PARTICIPATING UTILITIES", along with a "GET STARTED" button and a search icon. A dropdown menu for "Your Electric Utility" is open. Below this is a dark navigation bar with a lightning bolt icon, a "Zip Code" input field, a "FIND UTILITIES" button, and a "Use Current Location" option. The main content area features a teal background with the heading "HEAT PUMP WATER HEATER RETAILERS" and a sub-heading "HEAT PUMP WATER HEATER RETAILERS". Below the heading is a paragraph: "Visit a retailer to buy a heat pump water heater. Enter your location for retailers near you." This is followed by a "Location" input field, a "SEARCH" button, and two options: "Use Current Location" and "View on Map". On the right side of the main content area is a photograph of a baby in a bathtub.

2015 MARKETING APPROACH

- Refine product positioning and messaging
- Support product influencers and retail channel marketing
- Amplify market partner promotion efforts
- Create infrastructure to begin consumer awareness efforts

Key product influencers (in order of influence)

- Utilities
- Peers
- Contractors/plumbers

Motivating messaging

- Saving money on energy bills
- Saving energy
- Durability of equipment

Key consumer insights

- Consumers want known, reliable products
- Advanced tech is scary
- When in emergency replacement scenarios, consumers are not open to researching or considering new technology.

MARKET INFLUENCER SUPPORT

- Segmentation
- Program refresh and new marketing toolkit for supply chain and utilities to leverage in ongoing marketing

The image shows two water heaters side-by-side. The one on the left is a standard electric water heater, and the one on the right is a heat pump water heater. Below each heater is a list of features and benefits. The heat pump water heater is highlighted with a blue checkmark for its energy efficiency.

STANDARD ELECTRIC WATER HEATER	HEAT PUMP WATER HEATER
<input checked="" type="checkbox"/> Heats Water	<input checked="" type="checkbox"/> Heats Water
<input checked="" type="checkbox"/> Built To Last	<input checked="" type="checkbox"/> Built To Last
<input checked="" type="checkbox"/> High Quality	<input checked="" type="checkbox"/> High Quality
<input type="checkbox"/> Uses Up To 50% Less Energy	<input checked="" type="checkbox"/> Uses Up To 50% Less Energy

JUST BECAUSE THEY LOOK THE SAME DOESN'T MEAN THEY WORK THE SAME.
That's because *heat pump* water heaters work much more efficiently than their standard electric counterparts. And that means you can save up to 50% on your monthly electric water heating costs for years to come.

Enjoy Endless Savings When You Replace Your Old Electric Water Heater.



Discover GE® GeoSpring™ . . . A Smart Investment

- Water heaters are the second-largest energy drain in the average home*
- 67% more efficient than a standard electric water heater**
- Exceeds ENERGY STAR® standards
- Built-in GE® heat-pump technology saves electricity
- May qualify for state tax credits and utility rebates



*energy.star.gov/index.cfm?c=products.pr_save_energy_at_home
**Based on DOE test procedure and comparison of a 2015 standard electric water heater using 4647 kWh per year vs. the GE® Hybrid Water Heater using 1514 kWh per year.

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GE APPLIANCES

AMPLIFYING MARKET PROMOTIONS

- GE EDDM and utility direct mail
- Online media
- Print media and radio
- Smart target lists leveraged

.com/life/

Menu The Seattle Times Life Log In | Subscribe

FOOD & DRINK PACIFIC NW MAGAZINE TRAVEL OUTDOORS WELLNESS HOME & DECOR RANT & RAVE

105TH ANNIVERSARY BENEFIT
OCTOBER 9 AT 7:30
BENAROYA HALL
FEATURING Kirk Whalum Eric Benet
BUY TICKETS NOW

BREAKING NEWS New York Stock Exchange suspends all trading

67% MORE EFFICIENT
The GE GeoSpring heat pump water heater can save you up to 67% per year on electric water-heating costs.
*Based on DOE test procedures and national electric rate averages.

100% TRUE
Save \$300 instantly ▶
GE imagination at work

Skinny cookie
Don't twist that Oreo: Cookie gets skinny, 'sophisticated'
Oreos are getting a skinny new look with "Oreo Thins," which have a similar cookie-to-filling ratio, except that they're slimmer. That means four of the cookies contain 140 calories, compared with 160 calories for three regular Oreos.

Top Stories
As Seattle sweats, few air conditioners cool us down
Paul Allen unveils sustainable seafood program for restaurants
The Pacific Northwest's better (and native) blackberry
An inspiring journey, with recipes | Books for Cooks
Guess what they serve at BRGR Bar?
Updated 8:51 am
Rant & Rave: Thanks for cleaning the beach
Breaking sister-in-law's confidence could cause havoc
Preserve pure, clean flavors: from farmers markets to chefs' freezers

For the 1 in 6 with a disability and the 5 in 6 without
Join the Revolution.
Northwest Center
Celebrating 50 Years

STOP WASTING ENERGY AND LOCK IN BIG, LONG-TERM SAVINGS.

Save Now & Save Later

Save hundreds with rebates from Lowe's® and your local electric utility. Then keep saving every year on your electric bill when you switch to the 67% more efficient* GeoSpring™ Hybrid Electric Water Heater.



GE APPLIANCES

*Based on DOE test procedure and comparison of a 2016 standard electric water heater using 4047 kWh per year vs. the GE® Hybrid Water Heater using 1214 kWh per year.



87001-018-7

GE PROMOTION EDDM

Save hundreds with rebates from Lowe's® and your local electric utility.



Lowe's® limited-time offers good until July 31, 2015

GE® GeoSpring™ 50-gallon model GEH50DFEJSR
 Regular price **\$1,199**
 After Lowe's® instant savings **\$699**

GE® GeoSpring™ 80-gallon model GEH80DFEJSR
 Regular price **\$1,899**
 After Lowe's® instant savings **\$1,599**

ADDITIONAL UTILITY MAIL-IN REBATES*

	50-gal	80-gal
Idaho County Light and Power.....	\$500	\$500
Kootenai Electric Coop.....	\$500	\$500
Rocky Mountain Power.....	\$350	\$350

To learn more, visit GeoSpring.com

*****ECRMSS8EDDM*****
 LOCAL
 POSTAL CUSTOMER

PERMIT STD
 US POSTAGE
 PAID
 LOUISVILLE, KY
 PERMIT #1326



GE APPLIANCES

PARTICIPATING UTILITIES



**Rebate amounts and eligibility requirements vary by electric utility and installation conditions; contact your local electric utility to confirm the rebate amount and eligibility. Some utilities require professional installation by an approved contractor. Some utilities require units installed in conditioned space to be ducted out of conditioned space to be eligible.

LOWE'S®, Gable House® Design, and Never Stop Improving are registered trademarks of U.S. LLC. All are used with permission. Lowe's® shall not be responsible for the fulfillment of the electric utility rebates.

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STANDARD WATER HEATERS CAN'T COMPARE

YOUR STANDARD ELECTRIC WATER HEATER gives you hot water. Unfortunately, it also drains your wallet. Heat pump water heaters give you the same reliable hot water, but they can reduce your electric water-heating costs by up to 50%. It's like comparing apples to apples, except one of the apples is costing you a lot of money.

INSTALLER MEDIA SUPPORT

HOT
WATER
SOLUTIONS

We've Teamed Up To Help You
STOP WASTING MONEY!



GE APPLIANCES



PUGET
SOUND
ENERGY



SAVE UP TO \$200/YEAR
in energy bills with GE GeoSpring.

Starting Price \$1899*

Utility Rebate: up to \$800
(depending on utility)

Manufacturers Discount \$300

Fast Special \$100

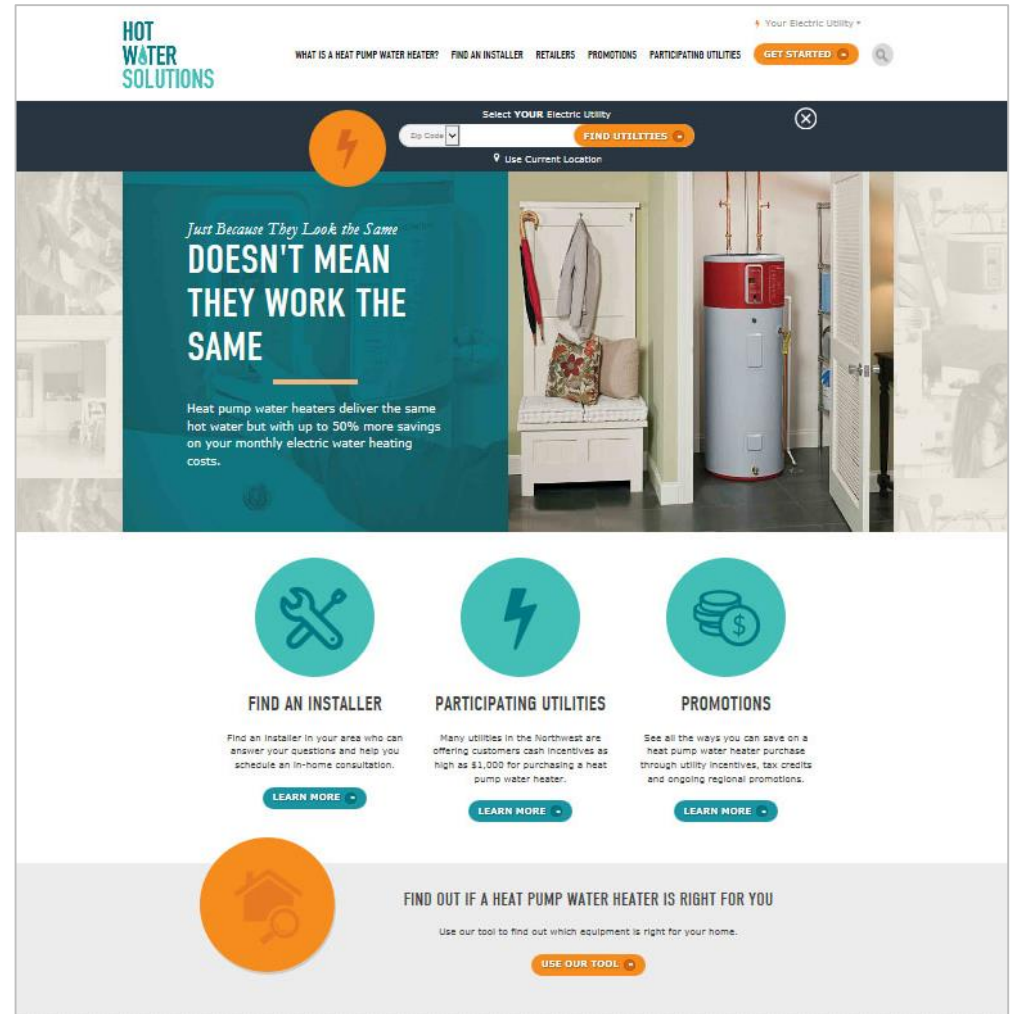
INSTALLED PRICE \$699**

UP TO \$1200 IN TOTAL SAVINGS NOW
Call for more info: 800-804-7861

* Pricing shown for 50-gallon unit. 80-gallon units as low as \$1,199 installed.

**Utility rebate cannot exceed purchase price.
· Must have an existing electric water heater.
· Unit must be located in an unheated space.

- New website focus offers
 - Stronger utility presence
 - Consumer experience customized by utility
 - Market promotions highlighted
 - Enhanced product information
 - Retail and contractor finder
- PSAs



2015 RESULTS

- Increased market share of small tanks to **3 percent**
- **84 percent** of units sold were within **20** miles of an EDDM ZIP Code.
- Successfully achieved over **9.1 million impressions** with an average click-through rate of **.18%**

- **Increase consumer awareness, familiarity and confidence**
 - Online peer and product review platform
 - Online tools to support consumer education
 - PSAs (radio and TV)
 - Regional consumer media campaign
 - Search Engine Marketing and Google AdWords
 - Leverage national ENERGY STAR awareness campaign
- **Amplified partner promotions**
 - Customizable promotion packets
 - Enhanced segmentation and consumer profiles
 - Marketing support to supply chain partners
- **Empower installer product champions**

QUESTIONS?



OVERVIEW

- ENERGY STAR

ENERGY STAR 2015 CAMPAIGN

ENERGY STAR 2016 FOCUS

QUESTIONS?

THANK YOU

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