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# ***Selling HPWHs – The Final Frontier***

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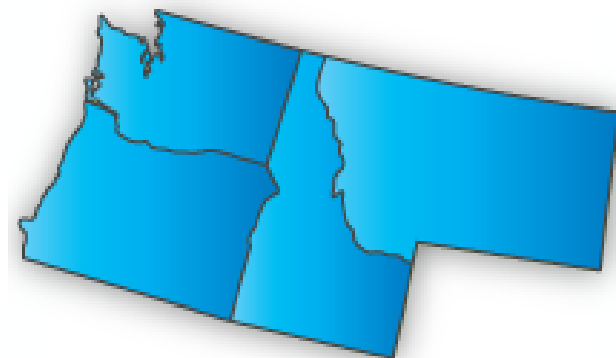
# Agenda

- Why HPWHs?
- Midstream Key Ingredients
- Installer Buy-In
- Lessons Learned
- Questions



# NEEA Overview

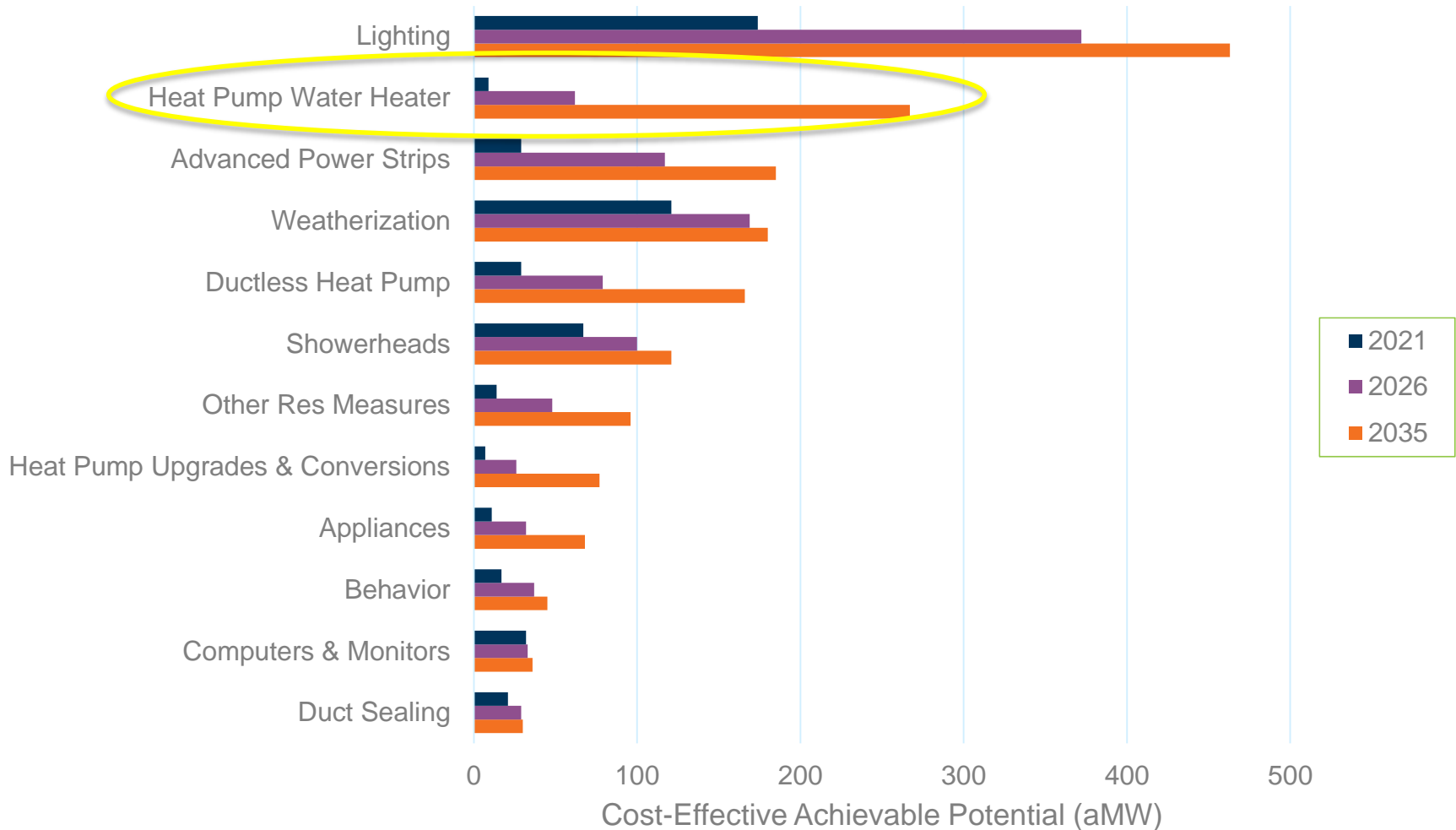
- Northwest Energy Efficiency Alliance (NEEA) - Nonprofit organization using **market transformation** to maximize energy efficiency and meet future energy needs
- Funded by:
  - » Bonneville Power Administration (BPA)
  - » Energy Trust of Oregon
  - » More than 100 Northwest utilities
- Covers Idaho, Montana, Oregon and Washington
- Energy efficiency is now the region's second largest power resource



# ***Why HPWHs?***

# NW Measure Savings Potential

## Residential Measure Categories



# *HPWHs Equal*

Reliable energy savings

93% customer satisfaction

Over 100 qualified HPWHs



# *Northwest Accomplishments*

- Over **30,000** incented sales
- **87** NW HPWH utility programs
- Partnerships with all major water heater manufacturers and distributors
- Over 500 trained installers



# *Midstream Key Ingredients*



# *Go Midstream To...*

- Influence price, stocking and marketing
- Engage deeply with installers to increase product adoption
- Increase consumer awareness and demand
- Rebate breakage



# ***Market Actor Mix***

**Manufacturer Collaboration**

**Distributor Engagement**

**Utility Participation**

**Installer Buy-In**

# ***Key Ingredient: Distributor Buy-In***

## **Distributor Collaboration on SMIT framework:**

- Sales
- Marketing
- Inventory
- Training

## **Tactics include:**

- \$40 per unit administrative payment for sales reporting and stocking
- Monthly sales data collection
- Engaging at branch levels

# *Key Ingredient: Instant Utility Rebates*

- Utility rebates are key to overcoming first cost barrier
- Between \$300-\$500 in the region
- NEEA encourages instant delivery
  - » Energy Trust, Snohomish PUD and others embracing this design
  - » Identical program requirements
  - » Increases volume by 400-600%

# ***The Icing on the Cake: Installer Adoption***

# *Installer Pro Deal and Training*



# ***Installer Pro Deal and Training***

**Step 1:** Select high potential companies

**Step 2:** Interview company owner

**Step 3:** Provide participating companies free product

**Step 4:** Staff training – increase product knowledge

**Step 5:** Stay in touch!

# Contractor Feedback – Sneak Peak

- Held a contractor workgroup 2 weeks ago
- Intent is to have contractor stakeholders support and provide input on materials
- It was a collaborative session with 11 installers
- Early results and takeaways are...





# ***Contractor Feedback – Challenges***

- Top challenges from contractor perspective:
  - **Lack of consumer awareness**
    - » Makes it hard to sell in emergency replacement
  - **Lack of distributor support** and focus on the technology
    - » Need product influencers at distributor level
    - » Training, marketing. free trial product etc.
  - **Lack of product support from manufacturer**
    - » Need more technical support
    - » Easy access to parts and servicing info

# ***Contractor Feedback – Training***

- Top training content preferences
  - **Marketing**
  - **Selling the value of HPWHs**
  - Technology overview
  - Technology comparison
  - Installation training

# ***Contractor Feedback – Training***

- Top training delivery preferences
  - **Longer (over an hour), in person trainings with continuing education credits (CEUs)**
  - **Product direct-to-company mentoring with free product**
  - Longer (over an hour), online training with continuing education credits
  - 30 minute online training
  - 30 minute in person training

# ***Contractor Feedback – Marketing***

- Top marketing support preferences
  - **Direct mail postcard template**
  - **Social media videos**
  - **Product flyers**
  - Online ads
  - Customer testimonial videos
  - Newspaper ad
  - Radio ad
  - Sales sheet
  - Image library
  - Pocket card
  - Technical install video

# ***Lessons Learned***

# *Lessons Learned*

- Midstream program delivery most effectively addresses installer adoption and cost barriers and has great potential to increase sales volume
- Addressing cost barriers is not enough to transform the market
- It's imperative to get buy-in from local installers
- Consumer awareness is also a key ingredient

# *Questions?*

***Thank You.***