HEAT PUMP WATER HEATER MARKETING

How to Influence Both the Planners and the Procrastinators

ACEEE – Hot Water Forum
February 2016
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).
CHARACTERIZATION OF THE NW MARKET

PRIMARY MARKET BARRIERS

- Upfront cost
- Consumer familiarity
- Limited product availability
- Engaged installer base
CHARACTERIZATION OF THE NW MARKET

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
CHARACTERIZATION OF THE NW MARKET

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.
HEAT PUMP WATER HEATER RETAILERS

Visit a retailer to buy a heat pump water heater. Enter your location for retailers near you.
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
UPDATED PRODUCT POSITIONING

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
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

*ner.gov/index.cfm?c=products.er_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 3514 kWh per year.

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MADE IN AMERICA

GE APPLIANCES
AMPLIFYING MARKET PROMOTIONS

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

*Based on DOE test procedure and comparison of a 2016 standard electric water heater using 404 kWh per year vs. the GE Hybrid Water Heater using 134 kWh per year.
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 GEHS05DEJSK**
- Regular price: $1,199
- After Lowe's® instant savings: $699

**GE® GeoSpring™ 80-gallon model GEHS08DEJSK**
- Regular price: $1,899
- After Lowe's® instant savings: $1,599

**ADDITIONAL UTILITY MAIL-IN REBATES***
- Idaho County Light and Power: $500
- Kootenai Electric Coop.: $500
- Rocky Mountain Power: $350

To learn more, visit GeoSpring.com

***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.
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.
We’ve Teamed Up To Help You
STOP WASTING MONEY!

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.
CONSUMER AWARENESS INFRASTRUCTURE

• 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%**
2016 FOCUS – EMERGENCY REPLACEMENTS

• 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
OVERVIEW

- ENERGY STAR
QUESTIONS?
THANK YOU

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