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Warming Up to HPWHs: Innovative Training Techniques to Gain Awareness & Buy-In

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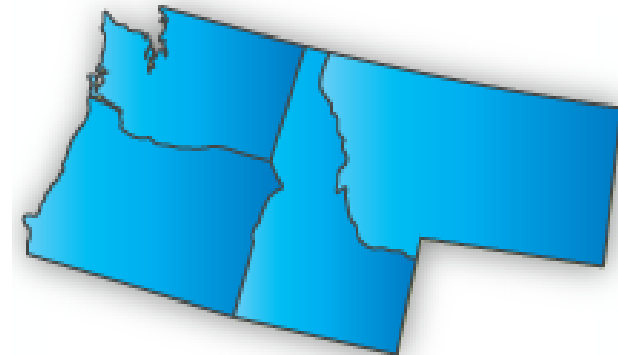
Selling HPWHs

- Northwest Overview
- Installer Buy-In
- Omission of Commission
- Consumer Awareness



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?

Reliable energy savings

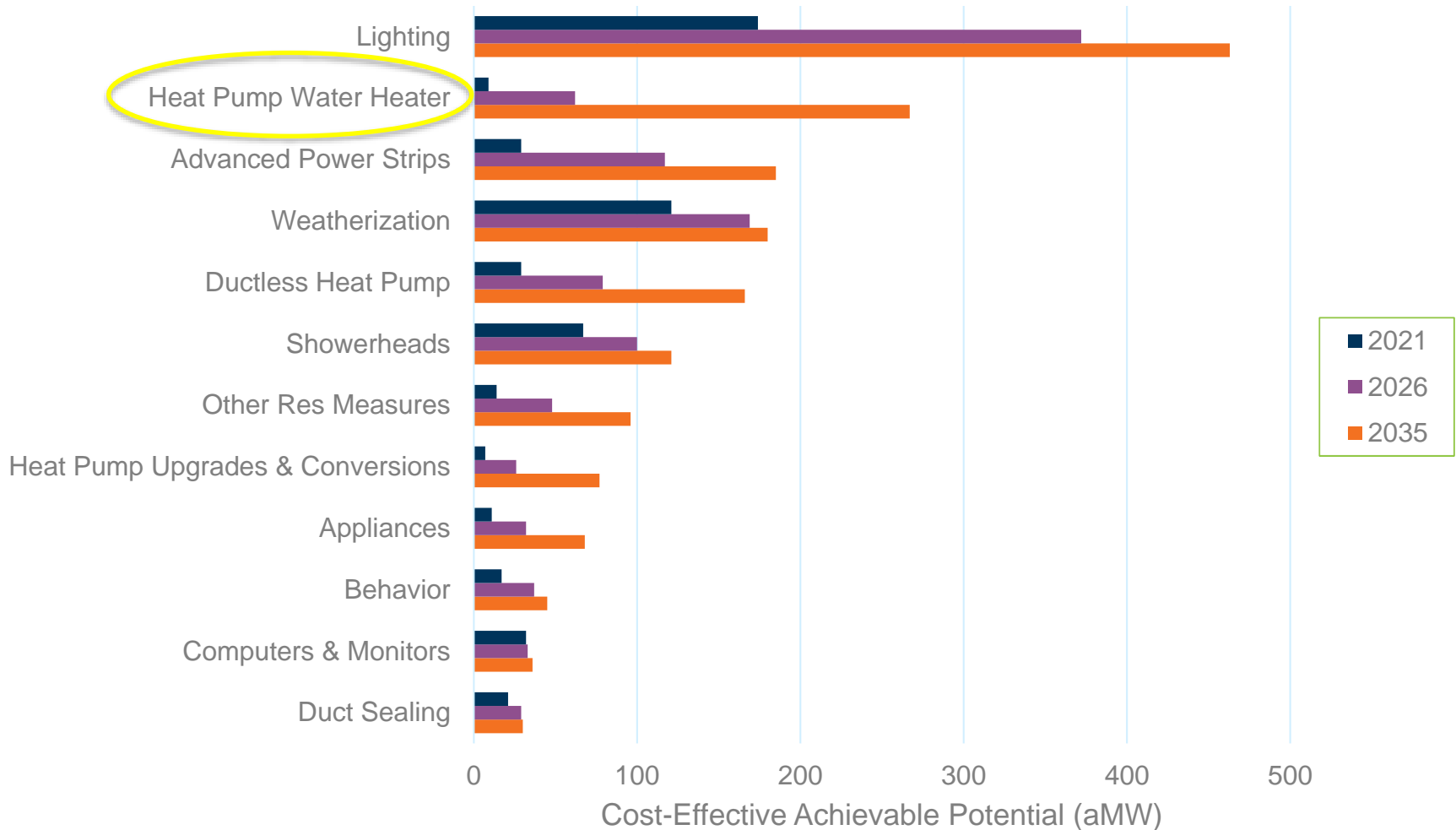
93% customer satisfaction

Over 100 qualified HPWHs



NW Measure Savings Potential

Residential Measure Categories



Northwest Accomplishments

- Nearly **40,000** sales in the NW
- **87** NW HPWH utility programs
- Over **500** trained installers
- Partnerships with all **major water heater manufacturers** and distributors

Current Market Barriers



**Engaged
installer base**



**Consumer
familiarity**



Upfront cost

Building an Engaged Installer Base

Installer Feedback

- Held an installer workgroup early 2018
- Goal: have installers inform program design and provide input on materials
- Collaborative session with 11 installers



Installer Feedback – Challenges

- Top challenges from contactor 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

Installer Feedback – Training

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

SAMPLE TRAINING SLIDE

EXPLAINING THE BENEFITS



60% reduction in electric water heating costs
Immediate \$ savings with rebates



Peace of mind through **10 yr. warranty**



Same **reliable hot water** delivery
Avoids water damage through leak detection

HOW WOULD YOU RESPOND?



I'm not sure these are Reliable... 10 year warranty

It's too expensive...

60% savings and incentives

The technology is too new...

Heat pump technology has been around for over 60 years

I don't want to run out of hot water...

Same delivery as a standard tank



Installer 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

Installer 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

ProDeal & Training Program



ProDeal Recruitment

Step 1: Select high potential companies

Step 2: Interview owner

Step 3: Provide participating companies free product

Step 4: Staff meeting – increase product knowledge

Step 5: Stay in touch!

ProDeal Evaluation

- 17 ProDeal participants this year
- Preliminary results expected in Q4 2018
- Participant averaging \$40 per month savings over the same period 1 year earlier



ProDeal Lessons Learned

- Free isn't easy
- Participant business model influences ease of HPWH adoption
- Key attributes:
 - Commission structure
 - Telephone bids
 - Place in the supply chain
 - Employees vs. sub-contractors
 - Opportunity for two-person sale
- Providing actionable leads is highly valuable
- Increasing customer awareness of HPWHs valuable
- There is no 'one size fits all'

***The Omission of Commission:
Meshing with Existing
Business Models***

Sales Influencers

- Call center commission
- Installer commission
- Sales staff commission
- Employees vs sub-contractor
- Telephone bids
- Chance of two-person sale/install
- Place in supply chain



Commission Barriers

- Outside sales staff usually get paid sales commission
- Midstream incentive may be subtracted from HPWH price before commission applied
- So...they earn less commission on a HPWH than a standard tank or a gas water heater

Fast Water Heater:



- Call center commission ✓
- Installer commission: **Only on the “extras”**
- Sales staff commission ✗
- Employees vs sub-contractor: **Employee**
- Telephone bids ✓
- Chance of two-person sale/install ✗
- Place in supply chain: **Distributor/installer**

George Morlan:



**George Morlan
Plumbing Supply**

www.georgemorlan.com

- Call center commission: **✗**
- Installer commission: **✗** (*Union plumber*)
- Sales staff commission **✗**
- Employees vs sub-contractor: **Employee**
- Telephone bids **✓**
- Chance of two-person sale/install **✓**
- Place in supply chain: **Distributor; Retailer; Installer**

Kevin Cohen Plumbing:



- Call center commission: ❌
- Installer commission: ❌
- Sales staff commission: ✔️
- Employees vs sub-contractor: **Employee**
- Telephone bids: ❌
- Chance of two-person sale/install: ✔️
- Place in supply chain: **Installer**

No One Size Fits All

	Fast	George	Kevin
Call center commission	✗	✗	✗
Installer commission	✓	✓	✗
Sales staff commission	✗	✗	✓
Employee vs Sub	E	E	E
Telephone bids	✓	✓	✗
2 person install	✗	✓	✓
Supply chain	D; I	D; I; R	I

Mix & Match Solutions

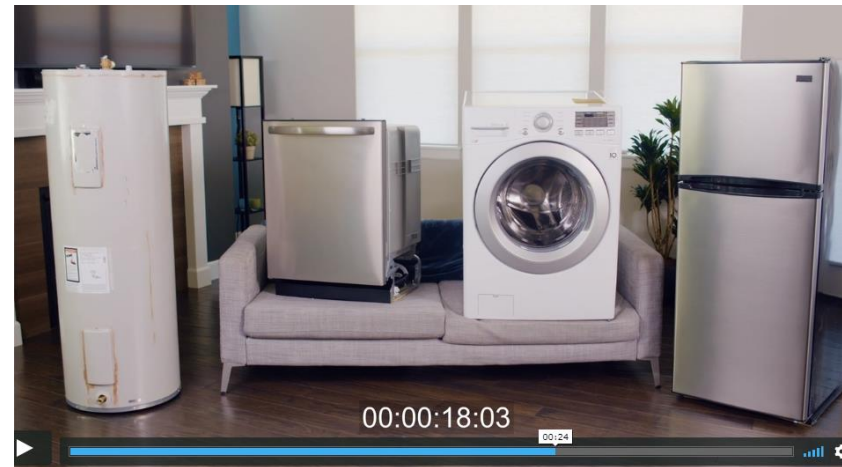
- Find appropriate triggers
- Commission the right people
- Encourage conventional shops to always add HPWH as option
- Work with distributors to base commission on gross not net
- Generate traceable leads to the “right” Installers
- Customize when possible

Raising Consumer Awareness

Summer Ad Campaign

- Appliance Family Meeting: time to have 'the talk' about the appliance in the home that uses the most energy - the water heater.
- Now's the time to upgrade to a more efficient Heat Pump Water Heater!
- Campaign in market July 30 – September 30

"I saw the commercial...it's great!
We've been sharing all over Social
Media because it was so well done."
KEVIN CLARK, RHEEM



Appliance Family Meeting



<https://www.youtube.com/watch?v=aHhRZ4vpN7U>

Digital Campaign



BOTH HEAT WATER. ONE DOES IT AT 1/3 THE COST.

UPGRADE NOW >>

HOT WATER SOLUTIONS

BOTH HEAT WATER. ONE DOES IT AT 1/3 THE COST.



UPGRADE to an Electric Heat Pump Water Heater >>

HOT WATER SOLUTIONS

MAKES HOT WATER. SAVES MONEY ON ELECTRICITY.

UPGRADE NOW >>

HOT WATER SOLUTIONS

BOTH HEAT WATER. ONE DOES IT AT 1/3 THE COST.



UPGRADE NOW

HOT WATER SOLUTIONS

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UPGRADE NOW

HOT WATER SOLUTIONS

This Old House Partnership

- Sponsored article: <https://www.thisoldhouse.com/ideas/take-edge-your-energy-bills-meet-heat-pump-water-heater>
- Social promotion linking back to article
- CTA: check with local electric utilities on available rebates

[Home > Ideas](#) | [More in HVAC](#)

Take the edge off your energy bills – meet the heat pump water heater

Your home's most forgettable appliance could be wasting hundreds of dollars per year



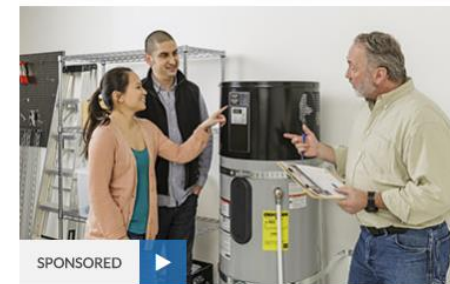
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