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

Jill Reynolds
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

- Lighting
- Heat Pump Water Heater
- Advanced Power Strips
- Weatherization
- Ductless Heat Pump
- Showerheads
- Other Res Measures
- Heat Pump Upgrades & Conversions
- Appliances
- Behavior
- Computers & Monitors
- Duct Sealing

Cost: Effective Achievable Potential (aMW)

- 2021
- 2026
- 2035
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
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

I don’t want to run out of hot water...
Same delivery as a standard tank

It’s too expensive...
60% savings and incentives

The technology is too new...
Heat pump technology has been around for over 60 years
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:

- 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

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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
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
Thank You.