

NW Ductless Heat Pump PROJECT



What We've Learned from the Marketplace

April Armstrong, Research Into Action

Key Players

Research Into Action:

- Evaluation research and market assessment firm working in the fields of energy efficiency, renewable energy, and natural resource management
- Performed market progress assessment of DHP pilot project and 2010 DHP initiative

Ecotope:

- A consulting and engineering services firm specializing in energy efficiency, sustainability, and building systems
- Performing site metering and analysis, lab testing, and billing analysis of DHPs

Customer Focus Groups

- Customers conduct extensive pre-purchase research
- Saving money and comfort are primary motivating factors for customers
- Cost is very important: only “known” in purchase decision

Contractor Focus Groups

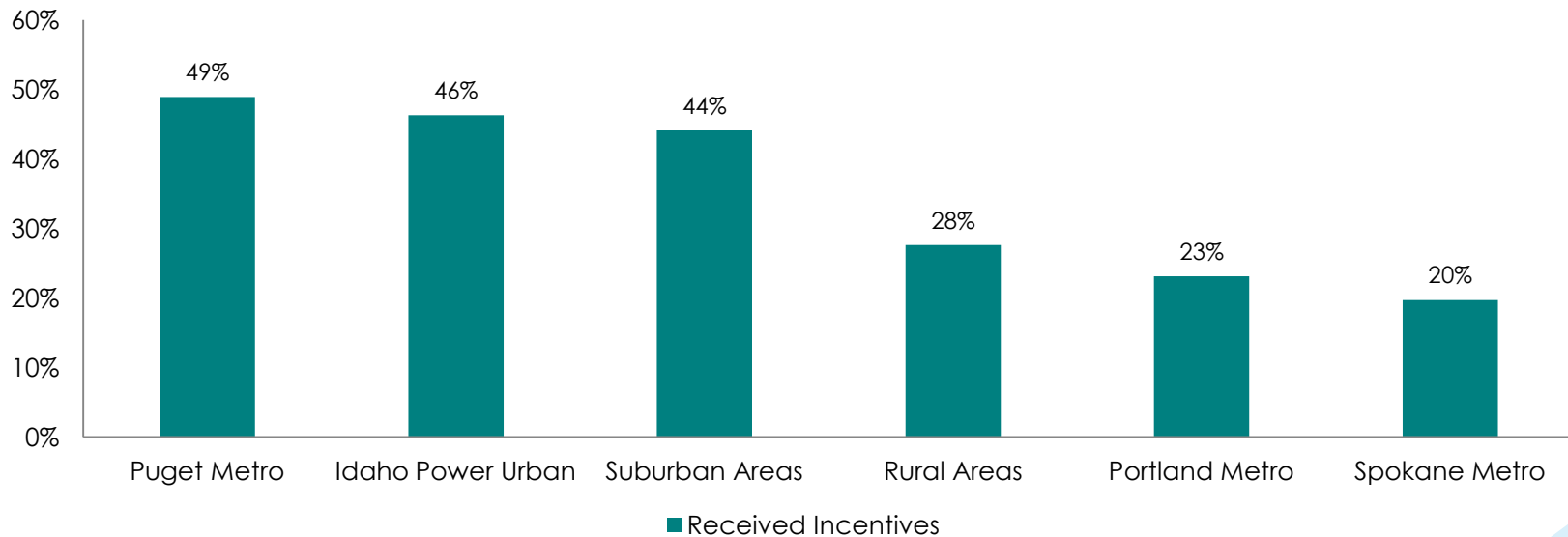
- **Contractors emphasize importance of truly understanding DHP technology**
 - Attend trainings
 - Read manuals
 - Consult manufacturer resources
 - Observe installs in person

Install Stats and Progress

Program has met all current DHP installation goals

- Total installations: Over 12,000

Contractor Participation by Area (n=152)



DHP Awareness

- **Over 90% of Northwest residential HVAC contractors are aware of ductless heat pumps-**
 - nearly 80% have installed them
- **DHP manufacturers and distributors are increasingly involved in the initiative**

Marketing and Awareness

- **89% of surveyed contractors reported distributing materials provided by manufacturers and/or distributors**
- **Contractors reported that customer response to utility marketing accounted for the highest percentage of their sales**
- **Participating contractors reported that 55% of their customers ask for DHPs specifically**

Marketing, cont.

- **Word-of-mouth continues to be a valuable marketing outlet**
 - Ranked as most influential source of information by DHP purchasers
- **Just under half (46%) of all DHP-installing contractors reported using various strategies to encourage customer referrals, including:**
 - Providing incentives
 - Suggesting customers refer others
 - Follow-up calls to prior customers

DHP Selling Points

Contractors identified specific attributes of DHPs they promote when selling DHPs:

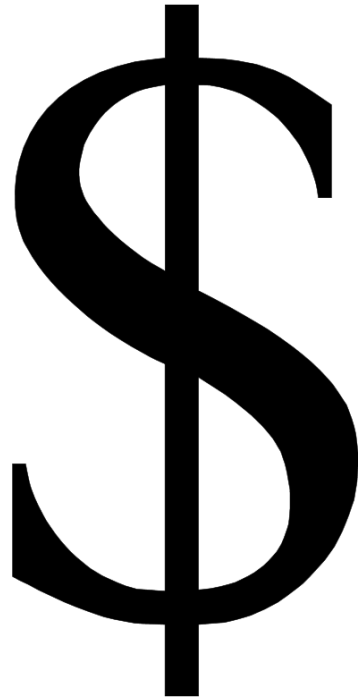
- Lower installation costs
- Lack of ducts
- Zonal controls
- Quiet operation
- Suitability to small homes

DHP Purchaser Motivations

- **43% want to reduce heating bill**
- **27% need additional or supplemental heating**
- **24% need space conditioning without ducts**
- **21% interested in added cooling**

Barriers

**The most commonly reported
barrier to DHP installation:**



The Future of DHPs

- **Most surveyed contractors anticipate selling more DHPs in the future**
- **Manufacturers agree that the DHP market in the Northwest will continue to grow**
- **Utility program administrators plan to continue DHP programs for as long as funding allows**