Final Report

Commercial Qualitative Market Research

June 1, 2015

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Funded By:

Energy Trust of Oregon

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Table of Contents

List of Tables

Executive Summary

This report describes the results of a qualitative research study that Research Into Action conducted for Energy Trust of Oregon (Energy Trust) that explored contractor and customer relationships and communications within their commercial and industrial (C&I) programs. The emphasis was on commercial projects but to a smaller degree captured some feedback from lighting contractors about their work in the industrial sector. Energy Trust sponsored this research to provide insights and guidance to help prepare for and effectively manage, with the help of contractors, an expected increase in the number of smaller projects in 2015 and beyond.

This research addresses the following research questions:

- What is the nature and structure of customer/contractor interactions?
- What is the value of being an affiliated Energy Trust trade ally?
- What opportunities does Energy Trust have to participate in the contractor/customer transaction that will increase the energy savings associated with smaller commercial projects?

This study included two data collection activities: telephone interviews with 20 contractors and with 41 customers. All respondents had completed a project with Energy Trust in 2014.

When we use the term "contractor" in this report, it references the full sample of 20 contractors. However, we also reference these two sub-categories of contractors:

- Trade allies (n =11) -- contractors that are listed on Energy Trust's trade ally network list, and
- Non-trade allies (n=9) -- contractors that are not listed on Energy Trust's network list.[1]

All 41 customers had completed a project with an interviewed contractor.

In this summary we first present key findings for each research question. We then present our overall conclusions and recommendations.

Key Findings

What is the nature and structure of customer/contractor interactions?

Customers primarily seek project guidance from knowledgeable people, not websites or other sources. Of the 13 (of 41) customers who sought information about their project prior to engaging a contractor, 10 sought information from knowledgeable ***people*** in the field rather than

1 Please note that six of the nine non-trade allies identified themselves as Energy Trust trade allies

relying on websites or program information. Examples of knowledgeable people included Energy Trust staff, trusted colleagues, and experienced family members.

Contractors rely heavily on their reputations to generate future work. Sixty percent (12) of the 20 contractors reported they relied exclusively on their positive reputation and experience from past jobs to acquire new work, while 25% (5) said they relied exclusively on outreach efforts such as cold calls. The remaining 15% (3) relied on a combination of outreach efforts and their good reputations.

Customers said their past experience with a contractor, or the contractor's reputation, strongly influences who they choose and that these factors may override price. Customers underscored the importance of a contractor's reputation, saying contractor attributes, such as trustworthiness and credibility, often convinced them to proceed with a project. Only two of 41 customers said they decided which contractor to use based exclusively on price.

Both customers and contractors reported that projects primarily happen to solve non-energy problems. Eighty percent of customers gave non-energy reasons to initiate projects, including improving operations and maintenance (O&M) or lighting quality, or replacing broken or outdated equipment. Energy efficiency is often cited as a secondary benefit that occurs as part of addressing the primary problem.

Contractors who did cold calls rely more on energy savings in their messaging than contractors that did not do cold calls. Six of the eight cold-call contractors use energy savings as their primary sales pitch. The remaining 12 contractors, who did not use cold-calling, present energy efficiency as one of several factors that customers should consider in undertaking a project.

What is the value of being an Energy Trust trade ally?

Customers do not report seeking Energy Trust trade allies nor do they know if their contractors are trade allies. Customers widely reported that their contractor had some connection with Energy Trust. This connection was often defined as having a contractor who could complete Energy Trust incentive paperwork. Actual trade ally affiliation was not important to customers.

Registered Energy Trust trade allies value their status much more highly than the non-trade allies who mistakenly reported themselves as allies. Of the 10 registered trade allies, nine said the status added to their credibility and their ability to attract and complete jobs. They valued the educational, networking, and marketing support the network provides. The six of nine non-trade allies who identified themselves as trade allies did not see these or other benefits of being in the network.

What opportunities does Energy Trust have to participate in the contractor/customer transactions?

Customers had limited contact with Energy Trust staff but those that did had positive interactions. Of the 13 of 41customers who said they had contact with Energy Trust representatives, only two had regular communication with them. Otherwise, their contact was limited to project inspections (6) or general communication (4). All 13 were satisfied with their interactions with Energy Trust representatives.

Contractors and customers suggested the greatest opportunity for Energy Trust to drive projects and savings is to maintain, refresh, and increase their outreach efforts. Trade allies wanted more technical and marketing assistance, while customers wanted Energy Trust to maintain and increase their presence in front of customers.

Many contractors offer financing but most customers do not seem interested in it. Two-thirds of contractors report offering financing but said customers rarely use it. Customers said they did not receive financing offers; at the same time all customers said they were not interested in financing.

Conclusions and Recommendations

Conclusion #1

The value of trade ally status should be reinforced and enhanced among current allies. The value of being a trade ally also needs to be more visible for non-trade allies.

While trade allies interviewed for this project value their status, the shift to more but smaller projects may change how trade allies operate. Thus, this is a good time to reinforce current benefits, offer further benefits, and ensure streamlined program processes.

Many non-trade allies interviewed for this project believe they are trade allies but do not know or appreciate the benefits of being an ally.

While the interviews offered few specific suggestions to improve trade ally services, we list some avenues to consider below.

- **Recommendation:** Remind current trade allies of their benefits, congratulate them on their achievements, and thank them for their loyalty. Review program processes and paperwork to make sure they are as streamlined as possible. Find methods to distinguish trade allies from non-trade allies. Approaches could include specific program offerings or rewards, increased visibility for their companies, and additional access to services from Energy Trust.
- **Recommendation:** Promote sales training as an exclusive benefit of trade ally membership, showcasing how such training can enhance sales and customer relationships. As part of sales training, teach how to couch efficiency within the context of a customer’s primary problem (which is usually not related to energy use). Ensure that other program materials support key sales tips.
- **Recommendation:** Develop a targeted campaign to reach out to non-trade allies who submit projects. This campaign should explain the benefits of trade ally status, provide testimonials, and clearly specify enrollment steps. Assuming that trade allies get deeper

savings than non-trade allies,[2] bringing non-trade allies to trade ally status has the potential to result in additional savings.

Conclusion #2

The value of using trade allies needs to be more apparent to customers.

Customers do not know about or appreciate the potential benefits of working with a trade ally and assume they have a loose connection with Energy Trust.

- **Recommendation:** Create outreach that increases customer awareness and promotes the value and use of trade allies. One channel for this effort could be to communicate with customers who have already completed a project with Energy Trust. Develop easy ways for customers to distinguish between trade allies and non-trade allies. This could include making trade allies more recognizable to customers through marketing, providing higher incentives for using trade allies, or providing some other distinguishing characteristic.

2 There is some data that suggests trade allies get more savings per project than non-trade allies. We suggest Energy Trust do additional analysis to determine if trade allies do get more savings.

MEMO

Date: June 1, 2015
To: Board of Directors
From: Susan Jowaiszas, Sr. Marketing Manager, Commercial + Industry|Ag
Phil Degens, Evaluation Manager
Erika Kociolek, Evaluation Project Manager
Subject: Staff Response to the 2015 Business Qualitative Market Research Study

In early 2015, the business sectors completed a qualitative research study that explored contractor and customer relationships and communications. The purpose of this research was to gain insights and guidance to help prepare for and effectively manage an expanded base of trade ally contractors to facilitate an expected increase in the volume of smaller commercial and industrial (C&I) projects to meet yearly energy savings goals.

Both commercial and industrial sectors are seeing an increase in smaller projects, although the drivers are somewhat different. In the commercial sector, savings per project are declining while project volume is rising in order to deliver savings commensurate with past performance. This is putting pressure on delivery costs for commercial lighting and non-lighting projects. In the industrial sector, smaller projects are happening because the program design has expanded to serve smaller manufacturers rather than focusing primarily on the larger industrial customers, as was the practice in the past.

Research Into Action completed in-depth interviews with 20 lighting and non-lighting contractors and 41 customers in late 2014 and early 2015. The sample of completed customer interviews were primarily commercial customers. The sample of lighting contractors was more evenly distributed and included those who serve both commercial and industrial sites. All non-lighting contractors and projects were connected to Existing Buildings, a commercial program. These interviews revealed that energy decisions are typically person-to-person transactions, with contractor experience and reputation trumping cost and sales strategies. Customers reported that they do not specifically seek out Energy Trust trade allies when selecting a contractor and do not know if they contractors are, in fact, trade allies. In contrast, trade ally contractors reported seeing a strong benefit to their status as a trade ally. Finally, trade allies feel that additional outreach, including marketing about Energy Trust programs and in support of trade allies (through training and marketing assistance), would be the most helpful to bring in more projects to Energy Trust programs.

Program staff are analyzing these findings and are integrating them into program activities, especially marketing. These activities include:

- Energy Trust is launching the first integrated marketing campaign, *My Business*, to communicate directly with business customers. In addition to a full media package including TV, print, radio and online advertising, the campaign is providing additional cooperative marketing materials, training and support to encourage trade allies to co-brand marketing materials with Energy Trust which will enable them to differentiate their services with potential customers. Ready-to-co-brand materials, significantly higher cooperative marketing funds, training materials, and on-call marketing support will provide a new and comprehensive menu of marketing support.
- Energy Trust teams are discussing opportunities to promote Energy Trust trade allies to customers and increase the value of trade ally status for contractors by differentiating trade allies from their competitors.

Program management staff will be investigating expanded technical and marketing training to provide greater support to interested trade allies. Results and feedback about the cooperative marketing support for *My Business* will help inform this process.

1. Introduction

In October 2014, Energy Trust of Oregon (Energy Trust) contracted with Research Into Action Inc. to conduct qualitative market research to explore contractor and customer communications for their commercial and industrial (C&I) projects. This report's emphasis is on commercial projects but to a smaller degree captures some feedback from lighting contractors about their work in the industrial sector. Energy Trust sponsored this research to provide insights and guidance to help prepare for and effectively manage, with the help of trade allies, an expected increase in the number of smaller projects in 2015 and beyond.

This research addresses the following research questions:

- What is the nature and structure of customer/contractor interactions?
- What is the value of being an affiliated Energy Trust trade ally?
- What opportunities does Energy Trust have to participate in the contractor/customer transaction that will increase the energy savings associated for smaller commercial projects?

To answer these questions, the Research Into Action team (team) conducted in-depth interviews with 20 contractors and 41 customers that received incentives for their projects from Energy Trust. These interviews investigated recent contractor/customer transactions, including what outreach to customers appears to work best, what is not working well, and best practices for successful commercial projects.

Subsequent sections in this report include:

- Section 2: Program Data, Targets, and Completed Interviews
- Section 3: Findings
- Section 4: Conclusions and Recommendations

2. Program Data, Targets, and Completed Interviews

The research plan called for the Research Into Action team to connect contractors to their customers, so that in-depth interviews could be completed with approximately two to three customers of each interviewed contractor. This also allowed us to ask customers about their experiences with a specific contractor. In addition, because contractors and customers addressed the same projects, responses would be associated with the same pool of project types, thus reducing the variation in project types. We met the research plan requirements by completing:

- Interviews with 20 contractors
    - 11 were lighting and nine were non-lighting contractors
    - 11 were trade allies and nine were non-trade allies
    - 14 completed commercial projects and six completed both commercial and industrial projects
- Interviews with 41 customers that completed projects with 16 contractors
    - 26 customers completed lighting projects
        - 25 were commercial customers and one was an industrial customer
    - 15 customers, all commercial, completed non-lighting projects[3]

2.1. Program Data

Using the installer IDs associated with the 737 projects in the eligible customer population list, we identified 264 contractor firms. Table 2-1 shows the distribution of contractors by the number of customer projects they completed, their trade ally status, and project type. We considered a contractor to be a "non-lighting" firm if they completed at least one non-lighting project. Of the 264 trade allies in our population, many completed only one or two projects. Almost half (48%) of lighting allies and almost two-thirds (63%) of non-lighting allies were barely active in the program, completing only one or two projects between January 2013 and November 2014. The very active group (11 or more projects) has very few non-lighting representatives with only four contractors meeting our definition of very active.

[3] We included commercial participants only for our non-lighting sample and included commercial and industrial projects in our lighting sample.

Table 2-1: Contractor Population by Number of Projects, Trade Ally Status, and Project Type

Number Projects Completed by Installer	Contractor Status				Contractor Type				Total	
	Trade Ally		Non-Trade Ally		Lighting		Non-lighting			
	Ct.	%	Ct.	%	Ct.	%	Ct.	%	Ct.	%
Less Active (1-2 projects)	31	34%	107	62%	92	48%	46	63%	138	52%
Somewhat Active (3-10 projects)	41	45%	42	24%	60	31%	23	32%	83	31%
Very Active (11 or more projects)	20	22%	23	13%	39	20%	4	5%	43	16%
TOTAL	92	100%	172	100%	191	100%	73	100%	264	100%

From the list of 264, we identified 93 records with phone numbers that formed our sample frame. Sixty-seven did lighting exclusively, and 26 did at least one non-lighting project (Table 2-2).

Table 2-2: Contractor Sample Frame by Number of Projects

Number of Projects Completed by Installer	Contractor Status				Contractor Type				Total	
	Trade Ally		Non-Trade Ally		Lighting		Non-lighting			
	Ct.	%	Ct.	%	Ct.	%	Ct.	%	Ct.	%
Less Active (1-2 projects)	12	29%	27	53%	24	36%	15	58%	39	42%
Somewhat Active (3-10 projects)	17	40%	15	29%	23	34%	9	35%	32	34%
Very Active (11 or more projects)	13	31%	9	18%	20	30%	2	8%	22	24%
TOTAL	42	100%	51	100%	67	100%	26	100%	93	100%

2.1.1. Lighting and Non-Lighting Targets

Because of the limited number of non-lighting contractors in the sampling frame (26), it was difficult to achieve the target number of ten non-lighting completed interviews. Furthermore, the low number (11) of somewhat or very active non-lighting contractors affected the number of possible customers we could reach. In turn, this affected our ability to achieve the target for customers of non-lighting contractors. Overall, we came close to our targets, achieving one fewer non-lighting contractor interview than targeted and five fewer customers of non-lighting contractors than targeted (Table 2-3).

Table 2-3: Targeted and Actual Number of Complete Interviews

Characteristic	Target	Complete
	Contractors	
Lighting	10	11

Non-lighting	10	9
Total	20	20
CUSTOMERS		
Lighting	20	26
Non-lighting	20	15
Total	40	41

2.1.2. Natural Gas Target

To ensure we got some feedback about ways to increase small and medium gas saving projects, Energy Trust also asked us to interview at least three contractors that installed gas measures. While we did not have explicit questions of contractors about gas measures, we exceeded the target by speaking with four HVAC contractors, two building shell contractors, and one energy efficiency service provider that all could have work related to gas efficiency.

2.1.3. Regional Target

To ensure we received feedback from across Energy Trust territory we selected contractors both inside and outside the Portland Metro region. Ultimately we interviewed 13 contractors located in the metro region (Multnomah, Clackamas, Washington Counties) and seven outside the region.

2.2. Methods

The sections below describe when we fielded interviews, the typical length of the interviews and our disposition summaries for both contractors and customers.

2.2.1. Contractors

We conducted contractor interviews in December 2014 and January 2015. Contractor interviews ranged from 30 to 60 minutes, averaging about 40 minutes. When allowed by the respondent, we recorded the interviews, and interviewers took notes. In order to get close to our target number of 10 completes for non-lighting respondents we contacted all 26 non-lighting allies on our list and completed interviews with nine. We called each potential respondent up to five times varying the days and times we attempted contact. We exceeded our target of lighting contractors using only about half the list of lighting trade allies in the frame and overall we achieved a response rate of 33% (20 out of 61) (Table 2-4).

Table 2-4: Disposition Summary of Contractors

	LIGHTING	NON-LIGHTING	TOTAL
Complete	11	9	20
Refusal	5	2	6

Attempted, but no contact	14	12	26
Bad number	2	1	3
Did not pass screening	1	1	2
Duplicate	2	0	2
Contact no longer with company	0	1	1
SUBTOTAL	35	26	61
No contact, reached target	32	0	32
TOTAL	67	26	93

We entered all interview notes into a database for export into *MS Excel* and *Nvivo* for analysis. We content coded interviews for analysis.

2.2.2. Customers

We interviewed customers of the 20 interviewed contractors in January and February 2015. On average interviews lasted 20 to 25 minutes with the interviewer taking notes throughout the call. When allowed by the respondent we recorded the interviews.

We identified 201 customers of our 20 interviewed contractors. Of those 201, we contacted 138 customers up to five times before recording a terminal disposition. In an attempt to reach as many non-lighting customer respondents as possible, we called all non-lighting customers available (Table 2-5). Overall we achieved a response rate of 30% (41 out of 138).

Table 2-5: Disposition Summary of Customers

	LIGHTING	NON-LIGHTING	TOTAL
Complete	26	15	41
Refusal	4	2	6
Attempted, but no contact	44	24	68
Duplicate record	12	1	13
Language barrier	0	5	5
Did not pass screening	4	0	4
Bad number	0	1	1
SUBTOTAL	90	48	138
No contact, reached target	63	0	63
TOTAL	153	48	201

We entered all interview notes into a database for export into *MS Excel* and *Nvivo* for analysis. We content coded interviews for analysis.

3. Findings

This section briefly summarizes respondent characteristics to show ‘who is speaking’ in this report. It then organizes results from our interviews around the three key research objectives:

- The contractor/customer interaction
- The value of being an Energy Trust trade ally
- The opportunities for Energy Trust to provide information and support projects to achieve greater savings.

3.1. Respondent Characteristics

During the interviews we asked both contractors and customers to provide more information about their businesses.

3.1.1. Contractors

As shown in Table 3-1, all but three of the 20 contractors interviewed said they were very familiar with Energy Trust and its programs. Of the three that were not as familiar, one non-trade ally was new to the Portland area but expected to become more familiar with Energy Trust, one electrician outside the Portland area had recently started his own business and had not had time to become familiar, and the third was an insulation provider outside the metro area doing mostly residential work. This respondent said he relied on a local Earth Advantage rater to keep him up to date with Energy Trust programs and services.

Otherwise, the contractors included in this research were diverse in terms of their work type, trade ally status, location, and activity level. Over one-half of contractors focused exclusively on providing lighting services, with the remainder spread across other specialty areas. Two-thirds were from the Portland area. About one-quarter of the contractors were very active in Energy Trust programs, having done 11 projects, but the bulk (60%) had completed 3-10 projects.

During the course of the interviews, we learned that Energy Trust may not always capture the contractor that installed the equipment because of how the market does referrals and handles program paperwork. One trade ally electrician located outside the Portland area described this arrangement with wholesalers:

> *“The wholesalers give me a lot of this work. They want the business... if they get their foot in the door I will do the install and the distributor does the paperwork for the program. The wholesalers...they say ‘I know a guy’… [the respondent] gives an install price....90% [of lighting customers] come from wholesalers].”) (Contractor 10)*

This respondent noted he was very familiar with Energy Trust projects but he did not know who received credit for the job in Energy Trust's database. In addition, two of the most active respondents we interviewed were wholesalers/distributors that reported they completed paperwork for many Energy Trust projects but did not do installations. They either sold equipment to customers who installed it themselves, or connected the customer with a contractor.

Table 3-1: Contractor Characteristics*

Characteristic	Count	Percent
Reported Familiarity with Energy Trust		
Very familiar	17	85%
Limited	3	15%
Portion of Projects Qualified for Energy Trust Incentives in Last 12 Months		
Few (1 – 33%)	7	35%
Some (34 – 66%)	2	10%
Most (67 – 100%)	9	45%
Don't know	2	10%
Service Type		
Lighting	11	55%
HVAC	4	20%
Shell	2	10%
Electric	2	10%
ESCO	1	5%
Actual Trade Ally Status		
Trade ally	11	55%
Non-Trade ally	9	45%
Location		
Portland Metro	13	65%
Non- Portland Metro	7	35%
Number of Projects in Program Data		
Very (11 or more)	5	25%
Somewhat (3-10)	12	60%
Limited (1-2)	3	15%

* Please see Appendix C for a list of individual trade allies (without names) and their characteristics.

3.1.2. Customers

Table 3-2 shows several key characteristics of the 41 customers interviewed. About three-quarters of these customers had done lighting projects. About one-half offered office, retail, automotive shop, and school services, with the rest spread across a variety of other business and institutional types. Most were smaller businesses: three-quarters occupied less than 50,000 square feet and two-thirds had less than 50 employees. Not quite one-half reported they had received incentives for past Energy Trust projects. Past projects ranged from large capital upgrades like boilers and chillers to smaller measures such as a variable frequency drive or lighting a small area.

Table 3-2: Customer Characteristic Summary (*n*=41)

Characteristics	Count	Percent
Reported Project Type		
Lighting	30	73%
HVAC	5	12%
Building Controls	3	7%
Audit	1	2%
Boiler	1	2%
Multiple measures	1	2%
Business/Institutional Type		
Retail	8	20%
Office	6	15%
Auto/Truck Service	4	10%
School	4	10%
Church	3	7%
Warehouse	3	7%
Manufacturer	3	7%
Restaurant	2	5%
Grocery	2	5%
Parking	2	5%
Fitness/Recreation Center	2	5%
Camp	1	2%
College	1	2%
Square Footage		
Less than or equal to 10,000	13	32%
10,001 to 50,000	10	24%
50,001 to 100,000	7	17%
100,000 or more	6	15%
Don't know	5	12%

CHARACTERISTICS	COUNT	PERCENT
NUMBER OF EMPLOYEES		
25 or fewer employees	19	46%
26 to 50	10	24%
51 to 100	3	7%
More than 100	9	22%
PAST EXPERIENCE WITH ENERGY TRUST		
Previously received an incentive	18	44%
Never received an incentive	19	46%
Not sure	4	9%

3.2. Contractor/Customer Interactions

This section describes how contractors and customers obtain relevant information and interact with each other throughout the project development process. It also examines tools that contractors use to encourage project sales, differences between small and large projects, and barriers to sales.

3.2.1. Information Sources Customers Use

We asked customers if they sought out information prior to starting on a project, and, if so, where they obtained such information. The 13 customers (eight lighting, five non-lighting) who sought out information said they most often relied on advice from experienced people, rather than using websites, published information, or other sources. Five of the 13 obtained information from Energy Trust, both through an Energy Trust representative (4) and using the Energy Trust website (3).

Of the eight lighting customers, five said they spoke with a knowledgeable person about their lighting needs prior to contacting a contractor. Two customers spoke with colleagues, one with a family member, one with a lighting retailer, and one with an Energy Trust representative at a local wholesaler. The remaining three lighting customers reported doing online research about LEDs for their business.

The five non-lighting customers that did research prior to projects more often used multiple sources of information. One contacted multiple contractors informally to gather information about possible HVAC upgrades, another hired a consultant, and a third conducted a review of similar work done at other properties under his management. Two other non-lighting customers spoke with Energy Trust staff about a possible project. One of these two conducted online research and the other spoke with Oregon Department of Energy representatives.

Once the project was underway, more respondents (13 compared to 5 prior to the project) said they interacted with Energy Trust representatives in the following ways:

- Six noted that an Energy Trust representative conducted their pre- or post-project inspections.
- Four said they had general communication with Energy Trust representatives with one specifying they interacted with a Lighting Specialist from the program.
- Two said they had regular communication with Energy Trust about their project status throughout the project.
- One mentioned she contacted an Energy Trust representative to resolve an issue with her delayed incentive.

All thirteen customers that interacted with Energy Trust representatives were positive about their interactions with representatives, making statements like *"I have had very good experiences with Energy Trust staff"* and *"[The Energy Trust representative] dealt with my frustration [over my delayed incentive] well."*

3.2.2. How Contractors Market Their Services

As shown in Table 3-3, the majority of contractors (12 of 20) interviewed for this study report they exclusively rely on repeat customers and referrals from past customers to get new jobs. One-quarter (5) said they relied exclusively on cold calls, trade shows, and their websites to get new business. Three contractors said they use a mix of marketing approaches, both based on reputation and direct selling.

Table 3-3: How Contractors Market Services

	COUNT	PERCENT
REPUTATION/PAST EXPERIENCE		
Exclusively Relies on Reputation/Past Experience	12	60%
Repeat Customers	*11*	*55%*
Referrals from Past Customers	*6*	*30%*
Referrals From Others	*3*	*15%*
Referrals from Utilities	*1*	*5%*
OUTREACH EFFORTS		
Exclusively Relies on Outreach Efforts	5	25%
Cold Calls	*8*	*40%*
Trade Shows	*2*	*10%*
Trade Allies' Website	*1*	*5%*

Customer responses largely mimicked those of the contractors when asked how they generally selected trade allies. As shown in Table 3-4, customers primarily said they relied on their past experience with that contractor (26 mentions) and the firm's reputation (15 mentions). Of particular importance to over one-half of the customers (51%) was how efficiently contractors completed past projects.

Almost a third of respondents (12) said price was a factor in selecting contractors. Ten of this group said price was one of several considerations, with only two saying price was the most important factor. For example, one of the auto/truck service respondents noted that both receiving tailored services and staying within his budget were important:

> *"I like that they are willing to custom make certain lights that we need, and have been willing to work within my budget."(Customer 5)*

Table 3-4: How Customers Choose Contractors (n=41)

	COUNT	PERCENT
Past experience with contractor	26	63%
Demonstrated contractor efficiency	*21*	*51%*
Demonstrated experience of contractor	*14*	*34%*
Demonstrated reliability of contractor	*6*	*15%*
Reputation	15	37%
Referrals from past customers	*7*	*17%*
Relative/friend involved in transaction	*6*	*15%*
Referral from utility	*2*	*5%*
Price	12	29%
Receptive to cold call approach	5	12%
Don't know	1	2%

3.2.2.1. Rationale for Completing Projects

When asked about their reasons to do projects, just over two-thirds of customers cited energy savings as a reason (29 of 41). However, saving energy was rarely the driving or exclusive force behind the projects, with only 8 overall reporting it was their only reason. As suggested in Table 3-5, other reasons may often trump energy savings, with four-fifths citing other key reasons for projects, including improving O&M and aesthetics and replacing equipment and increasing safety.

Customers often mentioned savings as one of several considerations and said things like the following when describing why they elected to do a project.

> *"[I wanted an] energy efficient, habitable, comfortable space. This is a problem I have battled for 15 years [improving comfort of space], and I finally feel like I've got a solution." (Customer 23)*

While not asked directly about customer reasons to do projects, contractor comments suggest that customers often do not have energy savings as a top priority. Instead, customers contact contractors to solve a problem such as improving operations and maintenance issues, aesthetics, or comfort, as illustrated in this comment from a Portland based trade ally:

> *"We focus on gauging [customer] needs…addressing their…challenges, and if an EE [option] can help address the underlying reasons for the challenge, then we make sure and explain that. 90% of EE work is not sold on the estimated energy saved, I can tell you that. It is sold on things like equipment reliability, asset life, [and] property value." (Contractor 6)*

Table 3-5: Customers Rationale for Pursuing Energy Trust Projects (*n*=41)

	COUNT	PERCENT
Energy savings	29	71%
Rationale other than savings	33	80%
Improve O&M	*15*	*37%*
Improve aesthetics	*8*	*20%*
Replace broken/outdated equipment	*8*	*20%*
Improve safety	*3*	*7%*
Improve comfort	*3*	*7%*
Maintain tenants in property	*2*	*5%*
Use landlord allowance provided for upgrade	*1*	*2%*

Below are some examples of how customers improved O&M, improved aesthetics, and replaced broken/outdated equipment respectively.

> *"About half of the current lights were out. I am scared to go up that high, so I would hire someone to change them on a ladder… so too many [lights] were out and [hiring person to replace broken lights] was expensive."(Customer 17)*

> *"We wanted even distribution of lighting and temperature... We were having issues with store bought lighting... Home Depot and Lowes lighting were not working for us. The light around the store was different colors based on different light bulbs purchased at different times [resulting in uneven distribution]. (Customer 30)*

> *"System was…. very antiquated… no longer able to buy parts for system. Contractor had to go look for parts on Ebay last time it broke." (Customer 24)*

3.2.2.2. Cold Calls

We asked the eight contractors that conducted cold calls to talk about their reasons for using this approach. One contractor depended upon cold calls to establish a new business, and a second was struggling to maintain an existing business. The remaining six contractors targeted specific businesses through cold calling, such as those with extensive lighting (e.g., car lots and greenhouses) or those that have multiple buildings (e.g., municipalities). About one-half of the lighting contractors (6 of 11) used cold calling, compared to about one-fifth of the non-lighting contractors (2 of 9).

To look at how contractors position energy efficiency in marketing and sales, we compared the responses of those that conduct cold calls with those that did not. All cold call contractors said they tend to pitch the highest energy efficiency option front and center, with one Portland based lighting ally emphasizing *"Energy efficiency is what we pitch."*

Among the 12 contractors that did not use cold calling as a marketing and sales technique, energy efficiency may be less prominent. All these respondents noted they include efficiency in marketing but more often offered a range of efficiency options, as the following quotes illustrate:

- *"Always provide options.... I typically offer two options. It is LED or fluorescent." (Contractor 10)*
- *"When I tell them the Oregon code, say, is R-38, I may suggest… there are new recommendations to go as high R-49, and that while they are having insulation done it makes sense even without the Energy Trust incentive for that little bit extra cost [to go to R-49]. Then they ask what would I do, and I say I [would go to R-49]."(Contractor 14)*
- *"Typically, [I offer] about two options, a very efficient [option] and another different brand, still good quality, slightly less energy efficient…still incentive eligible..."(Contractor 20)*

3.2.2.3. Closing the Sale

When we asked contractors to describe specific elements they thought helped them close deals, eight provided insights. Consistent with other customer and contractor responses, four mentioned it was important to fully understand a customer's needs and wants and to *"provide the solution"* (Contractor 1) to the customer's problem, whether it is lighting quality, comfort, or energy savings. Another noted he broke large projects into smaller pieces so that customers can see the good results of a smaller investment, adding that this strategy can result in future projects:

> *"I can help the customer choose the area in the building where there is the biggest bang for their buck, do that work and they will call me back in 6 months and do other areas of the building because they are so happy with the first project." (Contractor 3)*

Three trade allies noted they had to be good at educating customers about the equipment they were buying, including non-energy benefits, with one Portland based trade ally providing this example:

> *"I can replace a 2-4 troffer 4 lamp T-12 and Energy Trust allows us to put in a T8 lamp with 2 bulbs. But I can go to a volumetric with 2 lamp that is more expensive but will save the customer more money [through energy savings]... This requires educating the customer." (Contractor 3)*

A Portland based HVAC trade ally noted the importance of getting involved early in a customer's decision making process and reinforcing the benefits of the project to the customer throughout the decision making process:

> *"The most effective tool is the earlier we bring [energy efficiency] up, the earlier we give a whole bunch of ourselves, the earlier we get involved, the more likely the deal for the EE project becomes. The more we give of ourselves, the more the potential customer develops momentum and interest. When we don't get an order, it is not that they choose another competitor, they just internally decided NOT to go forward. Competing priorities inside the customer, not a competitor, gets the business." (Contractor 6)*

Two of the eight contractors noted their strategies were to be responsive (*"get the bid out quickly", "trustworthy" - Contractor 17*) and demonstrate *"credibility*" (Contractor 14).

Incentives also play an important role in closing deals. More than four-fifths of customers (35) said incentives helped drive their decision to proceed with the project, noting that incentives made them do the project sooner or convinced them to complete the project. Of the six remaining respondents one did not know how incentives influenced final decisions, and five reported the following reasons the incentives were not critical to their project:

- Two customers said failing equipment required replacement (Customer 3, Customer 23).
- One customer said he was doing a project in phases and had done the first phase without incentives. He then learned of the incentives and elected to put the additional project phases through the program (Customer 5).
- One customer reported the project was small enough ($1,000) that incentives were not a big factor in his decisions (Customer 35).
- One customer, representing a public recreation center, reported her project would have been likely without the incentives, but noted that the incentives may have helped convince voters to pass the bond measure that funded the project (Customer 37).

3.2.3. Effectiveness of Sales Tools

To assess the impact of two sales tools, financing and long-term contracts, might have on the uptake of Energy Trust projects, we asked contractors and customers about their value.

3.2.3.1. Financing

Many contractors offer financing options, but said few customers pursue it. In addition, a notable minority of contractors are not interested in offering it.

Almost two-thirds (13) of the contractors offer financing through various means, including nine that offer third party financing, four that offer company financing, and two that offer manufacturer supported financing. Except for an ESCO that said all their customers use third party financing, contractors said very few of their customers use it. Of the four willing to estimate the percent of customers that used financing, the range was from 5% to 30%. One contractor expressed interest in possibly offering financing in the future, but said he had not researched enough to know if he should provide it to his customers.

Of the six that did not offer financing, five were not interested in offering financing and four of those five gave the reasons listed below:

- According to one non-lighting non-trade ally respondent it was not part of their core business said one
    - *"I am not a bank" (Contractor 15)*
- It sounded too complex, according to one electrician that does lighting projects largely in small retail shops in the Portland area.
    - *"[I'm] aware of a financing company… from Energy Trust, but [have] not taken advantage of it because it seemed complicated. (Contractor 20)*
- Customers do not demand financing, according to one non-Portland based ally and one non-lighting Portland based non-ally, respectively.
    - *"Customers don't ask about financing." (Customer 10)*
    - *"Most building owners have sufficient cash or credit before they call us." (Contractor 17)*

Customers appear to have limited concern about financing options. Two-thirds of customers said they did not receive financing offers for their projects and the remainder did not know. We reviewed the 32 responses of customers of contractors that reported offering financing. Of those 32, only three stated their contractor offered them financing, and in all three cases the customer did not take the financing option.

3.2.3.2. Long-term Contracts

To understand if long-term service contracts between contractors and customers were a help or a hindrance to generating Energy Trust projects, we examined what all respondents had to say about using long-term contracts. Overall, few have service contracts, but of those who do, these contracts seem neither to promote nor hinder Energy Trust projects.

Four contractors (two lighting and two HVAC) said they offered long-term service contracts. Of those four, only two said that over 50% of their customers were on such contracts. The two contractors with less than 50% of their customers on service contracts said customers are reluctant to sign contracts, as the following quote from a Portland based lighting ally shows:

> *"Less than 10%....a small percentage... most [customers] are on an as needed basis and we have just a few contracts. Most people don't like service contracts." (Contractor 2)*

Two customers of one contractor were the only customers that had a service contract. One of these customers noted their contractor alerted them to the need to replace a piece of equipment with a more energy efficient option but it was not clear the service contract spurred the customer to take an energy efficient action any earlier than if the contract had not existed.

3.2.4. Differences between Small and Large Customers

Of contractors that work on small and large projects,[4] respondents saw both benefits and challenges in working on both sizes of projects, and did not note an obvious preference for one over the other. Of the 20 contractors, 4 generally worked on small projects and 2 prioritized large projects.

The four small project specialists reported doing smaller projects for the following reasons.

- A Portland area trade ally reported small warehouses and offices are the customers that most benefit from Energy Trust projects. *"LEDs have enabled us to cut energy use in half for these customers."* (Contractor 2)
- A non-Portland area insulation provider that primarily works in the residential sector reported the one commercial project he did was for a small gathering hall. His responses suggested any other future commercial projects would also be small. (Contractor 14)
- A Portland based insulation provider and trade ally suggested that his firm was expanding into the commercial market after offering residential services for the past few years. His firm was doing small commercial projects as a foray into the commercial market and he hoped to offer a broader range of energy efficiency services including mini-split installations. (Contractor 17)

[4] The differences between small and large customers and small and large projects was relative to the respondent. We asked contractors about differences between small and large projects and their preferences for working with each type. Respondents self-defined small and large projects with an ESCO reporting $100,000 as a small project and a lighting contractor reporting $50,000 was a large project.

- A Portland based electrician worked almost exclusively with non-native English speaking store owners. This electrician developed a niche by reaching this specific population, none of which owned large properties. (Contractor 20)

The two large project specialists reported doing larger projects for the following reasons.

- A lighting distributor with offices around the state reported going after larger customers because *"those guys are probably going to be around longer and have larger project than [a] tenant leased storefront."* (Contractor 9)

- An ESCO respondent that typically reaches out to municipalities and large property owners reported not doing any project under $100,000. (Contractor 18)

Of the remaining 14 contractors that work on both small and large projects, five reported no differences between small and large projects, while nine provided insights about the benefits and challenges of each project type as shown in Table 3-6.

Table 3-6: Contractors' View of Small and Large Project Benefits and Challenges (*n*=9)

Project Size		Benefits and Challenges	Count
Small projects	Benefit	Fewer decision makers required, quickening process	2
		Customer is more personally invested	1
		Customer tends to be more flexible	1
	Challenge	Customer has less money available to do projects	2
		Customer can be harder to convince	2
Large projects	Benefit	Tends to be easier to identify savings	4
		Customer tends to have more money available	1
		Customer engaged in project	1
	Challenge	Many decision makers required, which slows process	1
		More paperwork required to receive incentives	1

Smaller projects benefit from a quicker process with fewer decision-makers, but typically small project customers have less money to spend on a project making them harder to convince to proceed with a project. For large projects, the savings are easier to identify and customers tend to have more money available. However, large projects require more paperwork and involve more decision-makers which can derail or delay a project.

3.2.5. Barriers to Sales

In addition to the barrier of up-front costs to installing efficient equipment that almost all contractors mentioned (19), five respondents mentioned the barriers listed below. However, not all these suggestions are relevant to all contractors, nor do they reflect the experiences of a large percentage of contractors.

- A Portland based lighting trade ally stated older buildings can require too much re-wiring to make a project feasible. (This is partially an up-front cost issue.) (Contractor 1)
- Another Portland based lighting trade ally stated the wait time on getting some efficient equipment delivered can occasionally derail a customer's efficiency project.(Contractor 2)
- The one contractor, a non-trade ally, that was enthusiastic about financing as a tool to entice customers into lighting projects stated that customers do not understand the benefits of using financing to overcome the cost hurdle. This suggestion did not match what other contractors said about financing (see Section 3.2.3.1) (Contractor 4).
- A non-trade ally lighting contractor located outside the Portland region stated some customers try to get too many people involved in a project, making it unwieldy. The respondent gave the example of one property owner that tried to get all tenants in a building to agree on the lighting project which ultimately derailed the project. (Contractor 7)
- A Portland based ESCO trade ally respondent stated that very long sales cycles for projects can be problematic because staff will turn over and project momentum gets lost. (Contractor 18)

3.3. The Value of Being an Energy Trust Trade Ally

The next sections summarize the value of being an Energy Trust Trade Ally.

3.3.1. Value of Being an Energy Trust Trade Ally

We asked all those that reported being Energy Trust trade allies about the value of this affiliation.[5] The level and type of value trade allies place on their association with Energy Trust seems to relate to whether or not they are actually a trade ally (according to Energy Trust's records). The ten "official" trade allies valued the benefits of being a trade ally more than the six contractors that reported being a trade ally, but are not officially a trade ally.

Table 3-7 shows that actual trade allies say Energy Trust, and the trade ally network, increases their credibility and helps attract and sell work. They find value in being on the trade ally list, taking advantage of Roundtables and other educational/networking opportunities, and marketing

5 Please note that six of these 17 contractors reported they were trade allies when they were not listed as such in Energy Trust's records. In addition, we excluded one of the 17 from our analysis because this contractor (Contractor 14) is located in southern Oregon, and reported he was a trade ally only because his firm's Portland office was a trade ally. He reported limited knowledge of Energy Trust and noted that most of his work was residential, not commercial.

support. Those who are not actually trade allies, but reported themselves as allies, do not experience the same services and benefits and thus see less value in the Energy Trust network. They tend to say being a trade ally does not add credibility or influence to their ability to attract and get jobs.

Table 3-7: Value of Being an Energy Trust Trade Ally by Actual Trade Ally Status (n=16)

Cont.	Actual Trade Ally Status	Region	Value of Trade Ally Status	Value	Limited Value
1	Trade ally	PDX	*"I would say being a trade ally helps us in the market." [Respondent implied program involvement helped establish credibility]*	✓	
2	Trade ally	PDX	*[Respondent implied value of trade ally status by noting the following: 1) company was a trade ally since Energy Trust inception; 2) regular participation in Roundtables, and 3) prominent use of trade ally status on his website and printed materials.]*	✓	
20	Trade ally	PDX	*"[Trade ally status] helps with credibility."*	✓	
9	Trade ally	PDX	*"I am a big fan of leveraging Energy Trust and Oregon Department of Energy to help us with credibility."*	✓	
10	Trade ally	Non-PDX	*"We get a lot of calls because we are a trade ally."*	✓	
13	Trade ally	PDX	*"[Trade ally status] does influence our clients. It does increase our credibility, especially with customers who looked into energy conservation before calling us."*	✓	
17	Trade ally	PDX	*"I think we would definitely get fewer jobs if we were not [an] Energy Trust Ally."*	✓	
6	Trade ally	PDX	*"We use the trade ally logos and stuff on our emails. My counterparts often put in on a business card, we don't go that far with our Energy Trust alliance. I don't think it hurts, but it is not central to our identity."*	✓	
18	Trade ally	PDX	*"We usually don't make a big deal [of our trade ally status] during marketing. It certainly provides value to us."*	✓	
3	Trade ally	PDX	*"I don't use the trade ally designation as promotion. I sell them on product and service. We have Energy Trust status listed as a partner on website."*		✓
5	Non-trade ally	Non-PDX	*[Trade ally status] does not affect customers or our credibility. I think there are very few customers who are aware that we are a trade ally. They know about the incentives but they do not go to the Energy Trust website list or ask for our bids because we are a trade ally."*		✓
7	Non- trade ally	Non-PDX	*Use trade ally status in outreach "very occasionally."*		✓
8	Non- trade ally	Non-PDX	*"No... Don't think [trade ally status] ever has [brought us projects]... no one asks and we don't bring it up."*		✓

CONT.	ACTUAL TRADE ALLY STATUS	REGION	VALUE OF TRADE ALLY STATUS	VALUE	LIMITED VALUE
12	Non- trade ally	PDX	*"I don't think [the trade ally status] impacts [our] credibility. The [status] makes us seem like an easier, single point of contact because we can do all the installation work and ensure they get the incentive… makes it simpler for the customer."*		✓
15	Non- trade ally	PDX	*"[Trade ally status] might affect our status for some people…if a customer has done research online and found out about Energy Trust before we came, then they might ask… but mostly it is not an influence."*		✓
19	Non- trade ally	PDX	*"I think most people know who the Energy Trust is so it helps. [Trade ally status] says this guy is legit."*	✓	

The three remaining non-trade allies were clear that they were not in the network for the following reasons:

- One lighting contractor located outside the Portland region said Energy Trust denied his trade ally application because he did not meet the insurance requirement. (Contractor 4)
- One lighting contractor in Portland stated she has never and will not pursue trade ally status because the meetings were too far away and typically happen when she needs to open her store. (Contractor 11).
- One electrician located outside the Portland region said he did not have the time to become a trade ally because he has "*been slammed and working seven days a week since starting business two and half years ago.*" However, this respondent said he was interested in becoming a trade ally due to his experience at a previous job. (Contractor 16)

3.3.2. Value of Trade Ally Status to Customers

Customers generally do not know about their contractor's trade ally status nor do they report seeking trade allies. However, customers do value the contractor's work in filing incentive paperwork on their behalf.

More than two-thirds reported either they did not know if their contractor was a trade ally (15) or they reported their contractor's trade ally status incorrectly (13), most often saying their contractor was a trade ally when in fact they were not (11). Customer respondents expressed disinterest in official designations like "trade ally." For example, a machine shop customer stated the following when asked if his contractor was affiliated with the Energy Trust.

> *"I don't know, that was part of the price quotation is what Energy Trust rebate or promotion took off the bottom line for me. I just presume that any trade ally that wants to sell energy efficiency light replacement systems has access to [Energy Trust]. It is just a matter of selling the right products to qualify." (Customer 2)*

Another customer with notable experience in property management in Oregon appeared oblivious to the trade ally network.

> *"I didn't know that [contractors] could be affiliated. So I guess Energy Trust keeps some kind of list? Being a property manager for the last 17 years in Portland, I just know the electricians for whom I like the turnaround time and the price, and now they have grown into handle[ing] Energy Trust incentives for me." (Customer 6)*

A third customer (Customer 26) representing a large property in Portland reported never asking about a contractors affiliation with Energy Trust because if never occurred to him to ask. This respondent did report that he will ask about a contractor's affiliation with Energy Trust for his next project but this may be an example of social desirability bias.

Customers widely reported that their contractor had some connection with Energy Trust; responses suggest that if a contractor completed incentive paperwork, that was enough for the customer to report a connection with Energy Trust. With the exception of two customers that did not know if their contractor filed incentive paperwork on their behalf, all customers reported their contractor filed all required incentive paperwork. Furthermore, all of these customer response examples above suggest an interest in contractors getting Energy Trust incentives on behalf of their customers.

3.4. Opportunities for Energy Trust

Contractors and customers identified three types of opportunities for Energy Trust to increase their influence in the marketplace: 1) outreach, 2) incentives, and 3) program administration. Overall, both groups saw the most opportunities in doing more program outreach, but had different perspectives on what type of outreach to do.

- Contractors wanted greater technical support and more marketing support for non-lighting opportunities.
- Customers thought outreach and education about program opportunities should increase, as well as more direct contact with customers, industry associations, and an even stronger trade ally network.

Contractors had many suggestions about incentives and program administration while customers had only a few. Contractors suggested ways to increase incentives (e.g., incenting high performing contractors) and wanted the program to be flexible and hands-off with customers. Customers had a few suggestions about ensuring customer protection. These suggestions are summarized in Table 3-8 below.

Table 3-8: Opportunities for Energy Trust to Explore

CATEGORY	SUGGESTIONS	CONTRACTOR COUNT (*N*=20)	CUSTOMER COUNT (*N*=41)	TOTAL (*N*=61)
Outreach	Maintain and increase education to market about program opportunities	2	15	17
	Continue offering technical support such as ATACs and lighting specialists	5	0	5
	Market more non-lighting opportunities	5	0	5
	Reach out to small business associations and other industry groups	1	3	4
	Reinforce stability of program in market – Energy Trust is here to stay	1	2	3
	Provide more direct contact with customers	0	3	3
	Maintain close connections between Energy Trust and trade allies	0	3	3
	Provide more face-to-face meetings with trade allies, site visits to offices	1	0	1
	Reach out to retailers that own their own properties more	0	1	1
	Direct outreach efforts to past customers	0	1	1
	TOTAL (*n*)	**11**	**27**	**38**
Incentives	Provide more incentives	3	1	4
	Incent high performing trade allies	2	0	2
	Provide different incentive structure for small business	2	0	2
	Encourage savings based incentives	1	0	1
	Improve financing options	1	0	1
	Incent simple LED replacement for fluorescent tubes	1	0	1
	TOTAL (*n*)	**10**	**1**	**11**
Program administ-ration	Maintain hands-off approach with customers	3	0	3
	Maintain program flexibility	2	0	2
	Maintain indifference to promoting specific trade allies	1	0	1
	Improve ESKs – add LEDs	1	0	1
	Work to improve simplicity of program for small business	1	0	1
	Better coordination with other agencies/organizations of energy saving programs aimed at schools	0	1	1
	Improve contracts between Energy Trust and pilot program implementer to hold implementers accountable	0	1	1
	Ensure consumers are protected from unscrupulous trade allies	0	1	1
	TOTAL (*n*)	**8**	**3**	**11**
No comments		**0**	**10**	**10**

The most popularly cited opportunity pertained to maintaining and increasing education to the market about program opportunities. More than one-quarter of all respondents (17), the majority being customers (15), stated there was an opportunity to improve awareness of Energy Trust programs. We provide a few examples of customer's comments about this topic here.

> *"I would potentially recommend more exposure to consumers. In other words how many people KNOW these things are available? I didn't know about the energy audit that they could do, until somebody unrelated told me. That possible audit became $90,000 on $700,000. At home I did not know about the hot water heat pump incentive of $600 either. If I didn't just happen to hear about stuff, I wouldn't know." (Customer 3)*

> *"There are a lot of different stuff out there that [Energy Trust is] offering, so just try to help people figure out what their options are." (Customer 28)*

> *"I was skeptical about where [incentive] money came from. The contractor explained that everybody pays into it on the energy bills. I can see why program is there, now I'm a strong believer in it. The only downside is not a lot of people know more. More and more people are learning about it. So if there can just be more advertising about it so more people know, I think that would be good." (Customer 13)*

4. Conclusions and Recommendations

This section summarizes our conclusions and recommendations.

4.1. Conclusion #1

The value of trade ally status should be reinforced and enhanced among current allies. The value of being a trade ally also needs to be more visible for non-trade allies.

While trade allies interviewed for this project value their status, the shift to more but smaller projects may change how trade allies operate. Thus, this is a good time to reinforce current benefits, offer further benefits, and ensure streamlined program processes.

Many non-trade allies interviewed for this project believe they are trade allies but do not know or appreciate the benefits of being an ally.

While the interviews offered few specific suggestions to improve trade ally services, we list some avenues to consider below.

- **Recommendation:** Remind current trade allies of their benefits, congratulate them on their achievements, and thank them for their loyalty. Review program processes and paperwork to make sure they are as streamlined as possible. Find methods to distinguish trade allies from non-trade allies. Approaches could include specific program offerings or rewards, increased visibility for their companies, and additional access to services from Energy Trust.
- **Recommendation:** Promote sales training as an exclusive benefit of trade ally membership, showcasing how such training can enhance sales and customer relationships. As part of sales training, teach how to couch efficiency within the context of a customer's primary problem (which is usually not related to energy use). Ensure that other program materials support key sales tips.
- **Recommendation:** Develop a targeted campaign to reach out to non-trade allies who submit projects. This campaign should explain the benefits of trade ally status, provide testimonials, and clearly specify enrollment steps. Assuming that trade allies get deeper savings than non-trade allies[6], bringing non-trade allies to trade ally status has the potential to result in additional savings.

[6] There is some data that suggests trade allies get more savings per project than non-trade allies. We suggest Energy Trust do additional analysis to determine if trade allies do get more savings.

4.2. Conclusion #2

The value of using trade allies needs to be more apparent to customers.

Customers do not know about or appreciate the potential benefits of working with a trade ally and assume they have a loose connection with Energy Trust.

- **Recommendation:** Create outreach that increases customer awareness and promotes the value and use of trade allies. One channel for this effort could be to communicate with customers who have already completed a project with Energy Trust. Develop easy ways for customers to distinguish between trade allies and non-trade allies. This could include making trade allies more recognizable to customers through marketing, providing higher incentives for using trade allies, or providing some other distinguishing characteristic.

Appendices

Appendix A. Contractor Interview Guide

A.1. Introduction

Hello, my name is _________, and I'm calling from Research Into Action on behalf of Energy Trust of Oregon. We are talking to contractors like you to help Energy Trust understand your experience promoting energy efficient solutions to small- and medium-sized [commercial/commercial and industrial] customers. The information you provide today will be provided to Energy Trust, unless you request that your responses remain confidential.

[CONFIDENTIAL YES/NO]

Is now a good time to talk? My questions should take between 20 and 30 minutes. [*If no, schedule a time*].

Thanks for taking the time to talk today.

I'll be typing notes as we talk and I would like to record our conversation to ensure the accuracy of my notes. Is it ok if I record our call? The recording will not be provided to anyone.

A.2. Background

Q1. Are you currently an Energy Trust trade ally? Y/N [IF NO: Have you *ever* been? Which program? Why did you stop?]

Q2. What is the dominant type of work you do for Energy Trust? [Choose all that apply]

a. HVAC
b. Building Shell (insulation, windows, air sealing, Weatherization)
c. Lighting
d. Building controls
e. Refrigeration
f. Other, please specify:

Q3. [IF NO TO Q1] How familiar are you with Energy Trust's incentive offerings for [COMMERCIAL/COMMERCIAL AND INDUSTRIAL] customers?

Q4. How familiar are you with Energy Trust's tools, trainings, and resources for contractors? [PROBE FOR: specific tool awareness and use, workshops, roundtables, Mark Jewell training]

Q5. Over the past 12 months, what portion of your jobs have qualified for Energy Trust incentives?

Q6. What types of projects seem to be the best candidates for Energy Trust programs?

Q7. Are there certain types of customers (by industry or other characteristics) that are most receptive to energy efficiency program incentives or services?

A.3. Sales Approach

Now I'd like to ask you a few questions about how you approach selling projects to your customers.

Q8. How do you typically approach a sales call for [LIGHTING/NON-LIGHTING (HVAC, controls, refrigeration, insulation] projects?

A. What portion are cold calls? In those cases, how do you choose who to contact (both which firms and then which person at a given firm)?

B. What portion of calls are initiated by customers?

C. What portion of these are emergency calls?

D. What portion of your total calls are part of a long-term service contract?

E. When thinking about the number of proposals or bids you write compared to the number of projects you win, what do you estimate is your success rate? Are you satisfied with this rate?

Now I'd like to learn more about how you present energy efficient options to your customers.

Q9. For those customers that contact you, how often do you present your customers with an efficient option for the products they request?

A. [IF "ALWAYS", ask why.]

B. [IF NOT "ALWAYS"] How do you decide when to present energy efficient options to a customer?

Q10. For those customers that *you* contact via an unsolicited sales call, how often do you present potential customers with energy efficiency as a sales feature?

A. [IF NOT "NEVER"] Does the way you frame efficiency differ between existing customers and potential customers? How so?

Q11. Can you describe how you position energy efficiency relative to the other product features of interest to a customer? [IF NEEDED: how important is energy efficiency relative to the other objectives or concerns your customers have?] For example, what types of information do you share about the differences between standard and efficient [LIGHTING/NON-LIGHTING (HVAC, controls, refrigeration, insulation)] products? [PROBES: up-front costs, estimated energy savings, incentives available, payback period, quality, reliability, other non-energy benefits and other items of interest.]

Q12. And *how* do you share information about energy efficient project options? For example, do you provide brochures or other materials from Energy Trust or manufacturers? Do you direct customers to Energy Trust's website? Do you send customers follow up e-mail, etc.?

Q13. Do you mention Energy Trust and Energy Trust incentives? At what point during the sales call do you typically bring up incentives, and in what context?

Q14. What is your personal opinion of the energy efficient products you sell vs. the more “conventional” products? Do you like them? Do you believe they provide added value to customers?

Q15. [IF ENERGY TRUST TRADE ALLY/Q1=Yes] In your experience, does your status as an Energy Trust trade ally influence customers or affect the level of credibility you have? [Probe for examples] Is it something customers mention and/or ask about? Is it something you mention – when and in what context?

Q16. In your experience selling efficient [LIGHTING/OTHER EQUIPMENT], what have you found to be the most effective tools and resources in closing the deal for efficient equipment over standard equipment?

Q17. In your experience selling efficient [LIGHTING/OTHER EQUIPMENT], what have you found to be the main reasons for customers deciding <u>against</u> the energy efficient option?

Q18. Do you offer any financing products to customers or provide them with information about financing? [IF YES: What do you offer/what types of information do you provide? How interested are your customers in financing?]

Q19. Are there any differences between working with small customers and larger-sized [COMMERCIAL/COMMERCIAL AND INDUSTRIAL] *customers*? [Please explain]

Q20. What about differences in working with small and large-sized *projects*? [PROBES: differences in customer willingness to invest in efficiency, profit margins, contractor willingness to go after projects]

A.4. Energy Trust Role & Resources

I have a just a few more questions to ask about how Energy Trust can be most helpful in encouraging customers to choose energy efficient options.

Q21. Is there any information about product efficiency that would be more effective coming directly from an entity like Energy Trust, rather than from a contractor? Please explain.

Q22. Thinking about a typical project in which a customer is considering energy efficient options; what could Energy Trust do to help tip that customer towards energy efficiency—think perfect world here. Are there any key pieces of information, assurance, inspection, or other services Energy Trust could provide to help these projects move forward? [PROBE FOR an example of a situation where a specific tool or piece of information would have helped close a sale]

Q23. [IF NOT A TRADE ALLY, NO TO Q1] Have you considered becoming an Energy Trust trade ally? What value do you think the trade ally Network could provide you? What has stopped you from enrolling? What types of tools, resources, or support would help you in closing more sales of energy efficiency projects?

Q24. What is the most effective way for you to receive information on these energy efficiency related issues?

Q25. Finally, what advice do you have for Energy Trust on how to most effectively work with small and medium sized customers, on smaller projects? What are the biggest challenges to small and medium-sized projects?

THANK YOU

Appendix B. Customer Interview Guide

B.1. Email or Letter Alert from Energy Trust Sent Prior to Call

Hello [CUSTOMER NAME],

That you for recently participating in Energy Trust's [EXISTING BUILDINGS or PRODUCTION EFFICIENCY] program. As part of Energy Trust's continual improvement process, we are conducting research about commercial and industrial customers experience with their recent project.

We have contracted with Research Into Action, to conduct this research on our behalf. In the next few weeks you may receive a call from a Research Into Action staff person asking to schedule 20-30 minutes to speak with you about these topics.

If you have any questions or concerns about participating in this research, please contact [ENERGY TRUST CONTACT PERSON HERE] at [ENERGY TRUST CONTACT PHONE AND EMAIL].

Sincerely,

[Susan Jowaiszas]

B.2. Introduction and Recruitment Script

Hello, my name is ____________ and I am calling from Research Into Action on behalf of the Energy Trust of Oregon. We are speaking with commercial [FOR LIGHTING PROJECTS add "and industrial"] customers about their recent experience completing a project that qualified for Energy Trust incentives. We're gathering this information so that Energy Trust can improve outreach to customers like you. The information you provide today will be provided to Energy Trust, unless you request that your responses remain confidential.

[CONFIDENTIAL YES/NO]

Do you have 15-20 minutes now or can we schedule a time to speak about this later? [IF NEEDED: The interview will cover topics such as your expectations for your project, how you chose your contractor, and where you sought information about your project prior to installation.]

[IF SCHEDULED CALL]

Thanks for taking the time to talk today.

I'll be typing notes as we talk and I would like to record our conversation to ensure the accuracy of my notes. Is it ok if I record our call? The recording will not be provided to anyone.

Do you have any questions before we get started?

B.3. Introduction and Experience

Q1. The information you provide today will be provided to Energy Trust, unless you request that your responses remain confidential.

A. Keep responses confidential

B. Don't keep responses confidential

[IF NOT AVAILABLE FROM DATASET]
Q2. What is your name and title?

Q3. I understand you completed a [LIGHTING/NON-LIGHTING] project at [PROJECT LOCATION] with [CONTRACTOR NAME]? Is that correct?

[SINGLE RESPONSE]
A. Yes

B. No [Is there someone else that I should speak to about this project? _________ If not: THANK and TERMINATE]

C. Don't know [THANK and TERMINATE]

I'd like to learn a bit about you and your organization. These questions will help us understand the context for your project.

Q4. Can you describe your project to me? What was replaced and where within the property was it replaced?

Q5. What type of business is [PROJECT LOCATION]?

Q6. How many employees are located at [PROJECT LOCATION]?

Q7. What is the approximate square footage of [PROJECT LOCATION]?

Q8. Had your organization previously completed a project that received Energy Trust incentives? [If yes, what other projects have you done?]

B.4. Contractor Selection - General

I'd like to understand how you found your contractor and what types of things you consider when choosing a contractor.

Q9. Generally speaking, what do you look for when selecting a contractor? [IF NEEDED: For example, do you prioritize experience, price, customer service, or some other characteristic?] Are there specific credentials, training, or references you look for when using a new contractor?

Q10. WHAT is <u>most</u> important to you when selecting a contractor?

Q11. Do you consider whether a contractor is affiliated with Energy Trust?

B.5. Contractor Selection – Project Specific

Now I'd like to discuss the contractor you chose for you recent project at [PROJECT LOCATION].

Q12. How did you select your contractor for this project? [PROBES: Did you reach out to the contractor or did the contractor approach you or was it some other way? Did you have an existing relationship with your contractor?]

Q13. Did you get more than one bid for this project? [IF YES: how did you choose between the bids?]

Q14. Was your contractor for this project affiliated with Energy Trust?

Q15. Did your contractor help you complete forms to apply for Energy Trust incentives?

Q16. AT WHAT POINT IN THE PROCESS DID YOU AND YOUR CONTRACTOR DISCUSS THE ENERGY EFFICIENT OPTIONS YOU had for your project? [PROBES: Was this part of the first conversation? Did you bring it up, or did your contractor provide the options?]

Q17. Did your contractor encourage you to consider the most energy efficient option? How many options did you consider? [PROBE: How many choices were you given?]

Q18. How would you characterize your contractor's expertise in energy efficiency?

Q19. Did your contractor offer you financing, either a loan to pay for the project or payment terms to stretch out the expense over a few months? Did you take it? Why or why not? Is this the type of information you're looking for from a contractor?

Q20. Thinking about this experience, what, if anything, did your contractor provide in terms of information or services that was ***really*** helpful? Seamless _ try not to fill in word?

Q21. Were there any services or information they offered that was really ***not*** helpful, or not of interest to you?

Q22. How satisfied were you with your contractor? Did they provide the information you were looking for? Why were you satisfied/dissatisfied?

B.6. Information from Energy Trust

I have a few questions about sources you may have turned to for information before talking to a contractor….

Q23. Please describe the information you collected, if any, about your project before getting a contractor involved in your project. Did you seek information from Energy Trust and if so, what information were you looking for? [IF NEEDED: Were you looking for technical information or program – application and incentive - information?]

Q24. Did you look for other information about the energy and performance profile of the equipment you selected?

[ASK IF Q24= YES]

Q25. Where did you look? Were you able to find the information you were looking for?

Q26. Did you seek information from Energy Trust? Some other source? What were those sources?

Q27. Do you use the Energy Trust website? If so, what have you used it for? [PROBE FOR: use of fact sheets, case studies, success stories about other companies, or any other tools used]

Q28. During the course of your recent project, what consultations, if any, did you have with Energy Trust staff? What types of questions did you ask of Energy Trust?

[ASK IF Q28= Participant consulted with ETO staff]

Q29. How was your experience with Energy Trust staff? Did you get your questions answered? Did they answer your questions in a timely manner?

B.7. Project Motivation

Lastly, I have a couple of questions about why you completed this project and then we will be done.

Q30. [IF NOT PREVIOUSLY ANSWERED] What was your primary reason for doing this project? [IF NEEDED: Was it to replace/repair broken or failing equipment, to improve efficiency, improve comfort of facility, improve lighting of facility, etc.]

A. Did you have any other reasons?

Q31. How important were the incentives you received in convincing you to complete your project? Did the incentives encourage you to select the energy efficient option? Did the incentives encourage you to do the project sooner than you may have otherwise?

Q32. What advice, if any, do you have for Energy Trust on how best to help businesses like yours save energy?

Thank you again for your time and have a nice day.

Appendix C. Summary of Contractor Respondents

Table C-1: Summary of Contractor Respondent Characteristics

Contractor ID	Service Type	Actual Trade Ally	Location	Energy Trust Activity Level (# of Projects)	Familiarity with Energy Trust
Contractor 1	Lighting	Yes	PDX metro	Very (11 or more)	Very
Contractor 2 [a]	Lighting	Yes	PDX metro	Very (11 or more)	Very
Contractor 3	Lighting	Yes	PDX metro	Very (11 or more.)	Very
Contractor 4	Lighting	No	Non-PDX metro	Somewhat (3-10)	Very
Contractor 5	HVAC	No	Non-PDX metro	Somewhat (3-10)	Very
Contractor 6	HVAC	Yes	PDX metro	Somewhat (3-10)	Very
Contractor 7	Lighting	No	Non-PDX metro	Somewhat (3-10)	Very
Contractor 8	Lighting	No	Non-PDX metro	Somewhat (3-10)	Very
Contractor 9 [a]	Lighting	Yes	PDX metro	Very (11 or more)	Very
Contractor 10	Lighting	Yes	Non-PDX metro	Somewhat (3-10)	Very
Contractor 11	Lighting	No	PDX metro	Somewhat (3-10)	Very
Contractor 12	HVAC	No	PDX metro	Somewhat (3-10)	Limited
Contractor 13	HVAC	Yes	PDX metro	Somewhat (3-10)	Very
Contractor 14	Shell	Yes	Non-PDX metro	Less (1-2 pr.)	Limited
Contractor 15	Electrical	No	PDX metro	Somewhat (3-10)	Very
Contractor 16	Lighting	No	Non-PDX metro	Less (1-2 pr.)	Limited
Contractor 17	Shell	Yes	PDX metro	Less (1-2 pr.)	Very
Contractor 18	ESCO	Yes	PDX metro	Somewhat (3-10)	Very
Contractor 19	Lighting	No	PDX metro	Somewhat (3-10)	Very
Contractor 20	Electrical	Yes	PDX metro	Very (11 or more)	Very

[a] Wholesaler/Distributor