Pellet Boilers & Furnaces: Target Customer Research Results

Jenni Cathcart
Vermont Energy Investment Corporation
Manager, Consumer Insights
Research Objective

Develop a better understanding of the target customer for pellet boilers and furnaces including key drivers and barriers to adoption.
Methodology

Phone interviews with:

• 10 customers
• 3 installers
• 2 manufacturer representatives
• 1 manufacturer’s marketing rep
Market

• Wood stove: 75,000 Vermont homeowners

• Pellet boiler/Furnace
  – 60-70% residential customers
  – Light commercial
    • Churches
    • Municipal buildings
    • Offices

Purchase & Satisfaction

• Estimated 18-month purchase decision process
• Two selling peaks: Fall and late winter
• Significant research (WOM/Online/Manufacturers/Installers)
• Installers play important role – but “selling” may not be their strength

It’s as easy as having an oil furnace.
It’s the right thing to do...
I think it’s a great system. I’m very happy with it.
“We’re deeply stuck in the early adopter phase of the bell curve. We need to get outside of the echo chamber.”

--- Jeff Rubin, APM Marketing (Manages Pellergy Marketing)
Early Adopter: Demographics

• Male
• “Connected” to energy efficiency
• Own a large, older “forever” home
• Lives rurally
• Higher disposable income
• Likely to be older (55+)
• Well-educated
Early Adopter: Psychographics

• An “eye to the environment”
  – Desire to reduce carbon footprint/reliance on fossil fuel
  – Support the local economy
• Want to stabilize heating costs
• Wood heating experience common
  – Views as “natural” heat source

I would never put in a gas-fed or oil furnace again.

It makes me feel better that it’s [wood pellets] a local renewable.
Adoption Drivers

• Renewable, highly efficient energy source
  – Lower cost/ BTU than oil
• Supports the local forest-based economy
• Greater price stability than oil
• “Even” heating vs. wood stove
• Less work than cordwood
• Perceived increase in home resale value
Barriers to Adoption

- Low awareness of technology
- Price of oil is low currently
- Limited installer network; homeowners seeking support
- Significant upfront investment
- Space required for unit & hopper
- Initial learning curve
- Not visible like a Prius or solar panels
Potential Outreach Methods

• Word of mouth is powerful
  – Social media
  – “Basement” party with early adopters
• Traveling roadshow to educate homeowners
• Contractor education for continuing education credits? Contractor incentive?
• Market to GMP “renewable” customers