



RENEWABLE ENERGY
RESOURCE CENTER

Pellet Boilers & Furnaces: Target Customer Research Results

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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

Sources: 2013 American Community Survey, 1-Year Estimates, US Census Bureau. Updated 9/2014 AND Vermont Single Family Existing Homes Onsite Report, as of 2012

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 Pellerger 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

