U.S. DEPARTMENT OF ENERGY | Energy Efficiency & Renewable Energy

DOE Zero Energy Ready Home

Innovation Partner Roundtable Summary

February 2018

ZERO ENERGY READY HOME
U.S. DEPARTMENT OF ENERGY

Building AMERICA SM
U.S. Department of Energy

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DOE Zero Energy Ready Home

Leading Innovation Partner Roundtable Summary

January
Orlando, Florida

Prepared for

DOE Zero Energy Ready Home Program

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February 2018

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1 Roundtable Meeting Information

1.1 Participants

- Mike Fischer, Kellen Company
- Paul Springer, Aerobarrier
- Kurt Koch, Huber Engineered Woods
- Brandon Franks, Goodman Manufacturing
- Mark Lessans, Ingersoll Rand
- Jaclyn Toole, National Association of Home Builders
- Jim Boldt, Home Ventilating Institute
- Jack Armstrong, Structural Insulated Panel Association
- Kurt Riesenberg, Spray Polyurethane Foam Alliance
- Nikki Krueger, Ultra-Aire
- Nancy Bakeman, Energy & Environmental Building Alliance
- Rob Howard, Mitsubishi Electric
- Ryan Pierce, Mitsubishi Electric
- Nick Agopian, RenewAire
- Gene Myers, Thrive Home Builders
- Amit Gupta, Aerobarrier
- Damian Pataluna, FischerSIPS
- George Phelps, Knauf Insulation
- Colby Swanson, Momentum Innovation
- David Treleven, Ultra-Aire
- Chris Gibson, Owens Corning
- Jordan Critl, Aerobarrier

1.2 Zero Energy Ready Home Staff

- Sam Rashkin, U.S. Department of Energy
- Jamie Lyons, Newport Partners
- Joe Nebbia, Newport Partners
- Sam Bowles, Newport Partners
- Alex Krowka, Energetics

1.3 Purpose

High-performance home innovations can truly transform the consumer experience, but their value is barely recognized in the transaction process (e.g., buying, appraising, lending, and insuring homes). The Zero Energy Ready Home Innovation Partnership was created to help diverse organizations work together so the value of high-performance homes, products, and services is more widely recognized. The initial focus has been on promoting consumers to visit the DOE 'Tour of Zero" and a short consumer video about the value of zero. We won't, however, achieve meaningful impact without a continual improvement process from this humble beginning, which begins with this meeting.

1.4 Desired Outcomes

- List Lessons-Learned Engaging Consumers on the Value of High-Performance
- High-impact Actions for Improving Innovation Partnership
- Prioritized Short List of Innovation Partner Actions for DOE Moving Forward

1.5 Roundtable Agenda

Leading Innovation Partner Roundtable Agenda January 11th, 2018 - Orlando, Florida Hyatt Regency Hotel, Manatee Springs Room 2		
Time	**What**	**Who/How**
7:00 – 7:30 am	Breakfast Hosted by Owens Corning	
7:30 – 7:45 am	Welcome & Introductions	Sam Rashkin, Round-the-Room
7:45 – 8:00 am	ZERH Innovation Partnership in Review	Sam Rashkin, DOE
8:00 – 8:30 am	Lessons-Learned Engaging Consumers on the Value of High-Performance	Cards/Sorting
8:30 – 9:00 pm	High-Impact Actions for Improving the Innovation Partnership that Build on Lessons-Learned	Cards/Sorting
9:00 – 9:20 am	Prioritized Actions for DOE to Improve Innovation Partnership	Group Ranking
9:20 – 9:30 am	Wrap-Up/Summary	Sam Rashkin, +/-
9:30 am	Adjourn	

2 Summary

It appears almost every opportunity to make the builder business case for Zero Energy Ready Home (ZERH) includes the question, "what are you doing to engage homebuyers?" Builders need support communicating the value of 'zero' to the American Homebuyer. Now we're doing something about it and it begins with the ZERH Innovation Partnership, where the U.S. Department of Energy (DOE) is inviting the depth and breadth of manufacturers and associations vested in high-performance homes to join forces educating homebuyers. To initiate the process, DOE held its first Innovation Partner Roundtable meeting at the 2018 International Builder Show on January 11, 2018. Twenty participants were asked to address three questions:

1. What lessons have we learned communicating the value of high-performance;
2. What high-impact actions would build on these lessons-learned; and
3. Which of these high-impact actions should DOE undertake with Innovation Partners?

The details from the discussion are included in this report. Based on this content, ZERH staff were able to summarize the following findings:

- The key lessons-learned engaging consumers are that messaging needs to be easy to understand, include useful content, and most importantly, connect at an emotional level. Thus, it is important to focus on the consumer experience, whether it's impressive utility bill savings, better health, comfort taken to a whole new level, less maintenance worries, or other emotional triggers.
- The high-impact actions identified focus on the need for collaboration among all high-performance home stakeholders. Together, they can consistently repeat an emotional, consumer experience-based, message as part of a larger campaign that can capture the attention and imagination of consumers.
- The key actions moving forward with DOE are to develop a singular emotional message and then collectively push that message to consumers. A critical key to getting this message out will be a well-crafted social media strategy.

While sounding simple, it is anything but. The ZERH team anticipates a very busy year growing the Innovation Partnership to over 100 organizations, working with marketing executives from these organizations to hone a power message for sharing, and then convening the partnership to develop, own, and implement a national campaign. But more importantly, the ZERH team is excited about the opportunity to truly put zero on the minds of consumers…in a must-have way. We will continually update our stakeholders on the progress and invite them to be part of this important movement.

3 Lessons Learned Engaging Consumers on the Value of High-Performance

The first module of the meeting asked participants to identify and discuss lessons learned when engaging consumers on the value of high performance. Specifically, the attending manufacturers and associations were asked to draw upon their extensive relationships with a wide variety of stakeholder groups. A summary of the discussion is included in the table on the next page. Based on their feedback, it's clear that communicating value is a challenge confronting the entire high-performance building industry. The most widely recognized lesson-learned among participants was the need for simple and consistent messaging, when attempting to raise consumer awareness. As one participant stated, "people don't know what they don't know." Some of the key points include:

- The challenge of engaging consumers is getting them to understand why they should care about high performance building.
- It is essential to craft messages that are easy for the average consumer to understand. This includes providing them with the facts and information they need to make an informed decision, but also connect with them on an emotional level.
- One of the most significant opportunities for emotion is a message effectively targeting the consumer experience (comfort, health, savings, security, etc.).
- It is often effective to highlight the negative experience associated with not choosing a high performance home. This includes using visual tools such as IR cameras to show thermal and moisture defects, or educating consumers on the lower "True Cost" of high performance homes that help avoid tens of thousands of dollars of excessive utility bills.

Category	Lessons Learned
Innovation	• Technology is readily available
Facts/Info	• Need to visualize comfort • Infrared Camera App able to convey defects emotionally • Consumers/homebuyers are more informed • Not enough information is available to raise awareness • Total cost becoming less important than recurring costs (True Cost) • Need to educate buyers about true cost • Cognitive Dissonance - People do not know what they don't know • Data needs to be presented in a way that relates to consumers • Real time info is more impactful • Need to visualize benefits • Need facts to make good decisions
Message	• Show not tell • Justify and confirm emotions • Loss aversion is a strong emotion • Be wary of builders who will "un-sell" best features if not regularly in their portfolio • Connect with consumers • Minimize waste • Expect more • Use effective language • Keep the message about the buyer: - Comfort, safety & security, health, money • Engage consumers to care about high performance homes with better comfort, health, efficiency before they move into their new home • It's all about how you say it

4 High Impact Action Items for Improving the Innovation Partnership

Building on the lessons-learned identified in the first module, the participants were asked to identify high impact action items for promoting consumer preference for high performance homes. A summary of the discussion is included in the table on the next page. The most frequently cited opportunity was collaboration among all stakeholders of high performance homes towards developing a clear, consistent message and then committing to promote collectively. Consistently repeating this message across various public facing communication channels will build awareness and educate consumers, increase recognition with the ZERH label, and help eliminate consumer confusion in the marketplace regarding what we mean when we say "Zero Ready."

Participants discussed developing rating systems and/or informative marketing materials that focus on the day-to-day living experiences that matter most to homeowners (e.g., comfort, health, safety, cost, peace-of-mind, etc.) and then to compare the superior performance and experience associated with the products and systems in Zero Energy Ready Homes to those in other homes. Additionally, nearly all of the participants indicated that social media can and should play a major role in a consumer facing campaign promoting high performance homes. Using social media will allow all high performance home stakeholders to easily post, share, and significantly expand our reach instantly.

Category	High Impact Action Items
Awareness Campaign	• Pool resources to create awareness • Leverage organizations such as HVI with their websites to educate consumers • Develop a harmonized message from all manufacturers • Consumer will believe trusted 3rd party more than for-profit organizations • Convene a working group/think-tank of marketing directors/experts from participating companies and associations across various industries • Implement social media campaigns • Consider how to leverage tax credits and rebates • Partner with utilities to help promote the common message to consumers • Explore developing and implementing a PSA campaign • Continue to expand 'Green' labels/certification in MLS for new homes • Leverage social media and HGTV • Increase awareness with banners, pop-ups, radio/tv, NZR Homes • Focus on collaboration with all of our collective organizations and streamline messaging on health, safety, comfort, and savings • Ad campaign that compares wasteful practices to wasteful homes • Agree to support one message and maintain that message • Think big (e.g., Super Bowl ad) • Develop a coordinated message campaign
Message	• Focus on immediate personal need • Breakdown content to be specific to what matters to the homeowner and provide short high-performance homebuyer video testimonials • Develop specific links for manufacturers to include on their websites • Leverage harmony of a collectively repeated message - Comfort or air quality or cost • Link to ENERGY STAR (e.g., Zero Energy Star?) • Educate consumers about comfort by climate zone • What is comfort? • What is the cost of comfort? • Associate non-energy benefits with future avoided costs • Understand that we need complex solutions to solve simple problems • Collaboration! Work together to find a common message that we all use in consumer facing marketing • Harmonize and amplify core message to minimize consumer confusion • Make it sexy! • Public health, waste is a consequence of a choice
Rating System	• Clearly describe the destination with an icon or symbol • Pull all components together under one campaign • Universal platform to compare products/services in an apples to apples way • Simple message/metric similar to MPG • Rating system that can estimate monetary loss

5 Prioritized Actions for DOE to Improve Innovation Partnership

The last part of the meeting asked participants how the DOE ZERH program, manufacturers, and organizations within the building industry can work together to effectively develop and promote a consumer education and awareness campaign centered on high performance homes. A summary of the discussion is included in the table on the next page. Similar to the theme from earlier sections of the meeting, the group agreed the first and most important step is for the group to work together on crafting a message/icon that everyone can support and agreeing to push this message to consumers. The group showed a strong desire to gather members of the marketing experts from various Innovation Partners to help craft this message and discuss collaboration and sharing.

Again, social media was identified as an important channel that should be leveraged from all industry stakeholders. Participants discussed how impactful a social media campaign could be with ZERH posting consumer facing content that could then be immediately shared by all partners and exponentially expand the reach with no or minimal cost to partners. Similarly, partners would be able to share content related to high performance homes.

While the main discussion around collaboration focused on the development and rollout of a consistent, simple message, many in the group expressed a desire to get more companies involved and begin pooling resources to help fund this consumer facing campaign. The success of the campaign relies not only on the message being delivered, but how and where it's being delivered. With additional funding this consumer campaign could be boosted through Facebook and Google advertising, additional video content, and more engaging and dynamic resources.

Category	Prioritized Actions for DOE
Collaboration	• Association consortium of funding • Can EEBA be the place to pool our resources? Yes! • More companies represented
Icon/Campaign	• Social Media • Develop & distribute PSA • Immediate agreement between manufacturers to share ZERH content on social media regularly and each other's posts • Commitment from ZERH to post consumer content • Embed message in MLS/Realtor community systems & education (life cycle costing) • Create social media campaign • Create overall brand identity/icon for industry and define criteria to be a part of it • Create a message/icon or logo & develop roll out plan • Create icon & support with crystal clear message about "the goal"
Data/Evidence	• Create goal(s) and metrics • Generate messages around goal • Test message • Revisit first Zero Energy Ready Homes to get data and homeowner info
Marketing Group	• Finalize message • Marketing committee or roundtable with partners' marketing experts • Develop strategy to get campaign to market • Simplify a consistent message that all of us can use in our marketing, social media, etc. • Develop a network of participating companies to carry communications campaign • Consistent, constant messaging • Bring marketing experts into the mix to better understand the consumer mindset and translate technical jargon • Explore 'pull' marketing compared to 'push' marketing • Education via 3rd party • Translate today's value to tomorrow's value and the importance of lifetime value • Innovation partner marketing council to come up with common message • Identify key marketing decision makers for all innovation partners • Update innovation partner status • Do an inventory of website & social media campaign for energy efficiency manufacturers to see who is linked to net zero

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