



MARKETERS

Energy Efficiency Delivers the Value that Customers Demand

By selling homes you bind your company to its customers. Your work enables the company to capitalize on the benefits of its investments, including those made in energy efficiency. And you are the ones who help homeowners understand the quality, value, and economy represented by your product.

ENERGY STAR Qualified Homes: Telling Your Story

An easy way to sell energy-efficient homes is to become an ENERGY STAR® partner. Even if you build or sell great houses, if they aren't ENERGY STAR qualified, it's hard for your customers to know how much efficiency they are getting. ENERGY STAR helps you to tell your story. The ENERGY STAR logo makes it easy to tell consumers you are selling a superior product. And the ENERGY STAR program offers much in the way of advice and examples of how to use the logo. Differentiate yourself by offering a home that is certified to be more efficient—and better for the environment—than standard models.

To find out more about marketing with the ENERGY STAR logo visit the program's Web site at www.energystar.gov. You'll find information about before-sales marketing, point-of-sale techniques, and building ongoing relationships with your customers. Much of the information comes from successful techniques used to sell ENERGY STAR homes across the nation. Tools on the Web site will help you instantly craft your message and prepare sales materials.



ENERGY STAR offers a marketing platform that home builders can use to recognize that you offer truly energy efficient homes.

QUICK TIPS | MARKETERS

- Energy efficiency, and the quality that comes with it, gives you a competitive advantage.
- ENERGY STAR can help you capitalize on your competitive advantage, produce marketing materials, and connect with buyers.
- Your customers see energy efficiency as a sign of value.
- Some of the biggest builders in the country have learned that energy efficiency can turn existing customers into new sales leads through customer satisfaction.
- Learn how industry leaders sell new energy-efficient homes.

INTRODUCTION

Taking action in your community



HOMEOWNERS

Shopping for value, comfort, and quality



MANAGERS

Putting building science to work for your bottom line



MARKETERS

Energy efficiency delivers the value that customers demand



SITE PLANNERS & DEVELOPERS

Properly situated houses pay big dividends



DESIGNERS

Well-crafted designs capture benefits for builders, buyers, and business



SITE SUPERVISORS

Tools to help with project management

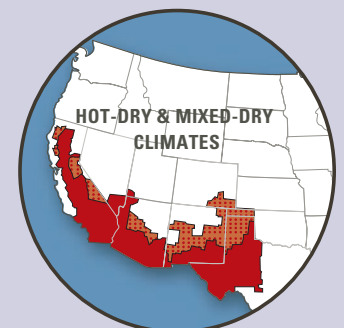


TRADES

Professional tips for fast and easy installation

CASE STUDIES

Bringing it all together



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Increase Customer Satisfaction and Let Your Customers Sell Your Product


Wouldn't it be great if, for every home you sold, you could add a new sales associate to your staff to sell even more?

That's what energy efficiency can do for you. Happy customers will sell your products for you. And energy-efficient homes make happy customers. Compared to standard homes, energy-efficient homes cost less to own, are more comfortable to live in, and require less maintenance.

The builder with the top customer satisfaction rating in the nation in 2003, Pulte Homes of Phoenix, is a Building America partner offering ENERGY STAR qualified homes. Pulte's Phoenix division has had one or more positive referrals from 93% of its homebuyers. The conversion rate for shoppers referred in this way is twice that of non-referred shoppers. Homeowners talk, and word of mouth is a powerful selling tool. Some experts, in fact, say word-of-mouth is the most effective selling tool because



Shoppers love to peer into the attic through this viewing window in a Building America model house by Cambridge Homes. Shoppers can see the special insulation, and the thermometer tells them how cool the attic stays.

it carries with it the credibility of a trusted third party, such as a friend or relative. Add to that the fact that many potential buyers are skeptical of traditional advertising, and it's no surprise that 10% to 30%, and sometimes more, of builders' sales come from referrals (Farnsworth 2003). The best way to sell homes is to let your customers do it for you. See the *Managers*  chapter for information on the great customer satisfaction ratings received by builders selling ENERGY STAR homes.

Sell the Value that Home Buyers Expect

Market research shows:

- Energy efficiency is the number one upgrade sought by homebuyers of new homes (Johnston 2000)
- Nearly 90% of new homebuyers are willing to spend more for energy efficiency (Johnston 2000 and NAHB 2002)
- Buyers rate energy efficiency as a home builder's most important product-related reason for referring new customers (*Professional Builder Magazine* 2003)

How Industry Leaders Sell Energy-Efficient Homes

The NAHB Research Center sponsors an annual award competition called the Energy Value Housing Award. The Center has compiled the winning builder's

"If you don't tell your story, you give it away!"

Vern McKown, President,
Ideal Homes



"Building America has raised the bar, and it has actually paid off."

Jerry Wade, President of Artistic
Homes in Albuquerque, NM



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marketing techniques into a document that can be purchased on the Web at www.nahbrc.org/tertiaryR.asp?CategoryID=1705&DocumentID=3404 (Sikora 2002). Here are some of the best practices recommended by the NAHB Research Center and other sources:

- Educate customers and sales professionals. Show buyers how living in an energy-efficient home will benefit them with lower household costs. The ENERGY STAR Web site has an example as does the *Homeowners*  chapter. Vital to customer education is an informed sales staff and team of local sales professionals.
- Walk-throughs and model homes can be invaluable educational tools for both buyers and sales staff. Model homes with display cutaways of energy features such as insulated attics and wall sections help them understand the energy-efficient construction process. Use labels, flags, and banners to create a fun self-explanatory message to give buyers a focus while they drive or walk the development. Recent research suggests just how important model home, models of house features, and other educational tools are to shoppers (Farnsworth 2003).
- Training sessions can be an effective tool for educating sales staff and professionals. Use slides, sample products, and energy bills as aids.
- One way to educate consumers is to emphasize an energy-efficiency upgrade when signing the final papers. One builder has a wall of testimonials, photos, and utility billing history in his waiting room. All prospects are given an opportunity to view this “wall of fame” before the final sale is made. Another builder has the buyer meet with the building site supervisor after the sale is made. This person gives them one more chance to sign up noting, from a builders’ perspective, what a better house they will get (Rashkin 2002).
- Publications are an educational tool that customers and sales professionals can take home. Develop your own brochures or books or give away reprints of magazine articles, ENERGY STAR brochures, or Building America brochures. Don’t overlook vendors and trade associations. They can provide excellent materials, often at no charge. For example, excellent information on window performance is available at the Efficient Windows Collaborative Web site at www.efficientwindows.org/index.cfm. Also, give potential buyers a checklist so they can compare the energy saving measures in your homes with those of other builders. A sample is included in the *Homeowners*  chapter.
- Advertising can be used to explain the energy-efficiency advantages and distinguish builders from their competition. The ENERGY STAR Web site has useful information for designing advertising.
- The Internet and compact disk formats are another forum for presenting all of your education and advertising messages. Some marketers suggest that all builders should have a Web site, even if it is simple and offers only limited information. CDs with brochures or slide shows can be given to potential buyers to take home and replay your message.



“We offer ENERGY STAR as an upgrade, but everyone chooses it. We have 100% participation so all of our homes are ENERGY STAR.”

Lucian Kragiel, Co-owner of Atlantic Design and Construction

“It’s not hard to sell when you educate the buyer if you can show them (the buyer) that they will get lower utility bills. And they are also going to get a higher resale value on their house. ENERGY STAR is becoming increasingly well known. Builders who don’t do it will lag behind.”

Lucian Kragiel, Co-owner of Atlantic Design and Construction

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- Seek out free publicity. Nothing is more cost effective than sending a news release to local media to announce business news and other company activities. News releases can cover your company's involvement in educational activities, for example, teaching school children about energy efficiency or other charitable actions.
- Offer energy-efficiency guarantees. Energy performance guarantees can help convince buyers that energy savings are real. Partnerships with outside companies can help to establish guarantees. For example, some insulation manufacturers offer home inspections, tests, and cost guarantees.
- Make buyers aware of energy-efficient mortgages.
- Take advantage of the testing data available on your homes. If your company follows the best practices in this guide, you will have blower door and duct tightness test data and a HERS score to share with buyers. Use these data to inform your customers and differentiate your houses. If you can not provide testing, make it available as an option for homebuyer's purchase.

Participate in ENERGY STAR and other partnerships. ENERGY STAR and Building America can provide technical guidance through publications and their Web sites. Partnering with ENERGY STAR cements your company's commitment to energy efficiency and gives you access to the ENERGY STAR brand.

Sources and Additional Information

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