

Executive Summary
PATH Uniform Protocol for
Energy-Efficient Remodeling of Existing Housing
Focus Groups

Approach. Focus groups provide unbiased, unfiltered feedback that can be extremely useful to guide product development efforts and issue investigation. A total of three focus groups were held on March 14, 2006 in Rockville, Maryland. One focus group was held each with residential remodeling trade contractors, remodelers, and home owners. The sessions were conducted in professional marketing research facilities with client observation via a one-way mirror. The sessions were audio and video recorded.¹

Respondent Characteristics. Remodelers and trade contractor were screened to ensure they had at least two years of experience in existing residential construction. Quotas were used to provide a mix of firm sizes and trade contractor specialties. At least 50% of each firms' revenue had to come from residential remodeling. Homeowner recruiting criteria included at least one year of home ownership in their present single-family home, remodeling activity within the past year, and household income within a target range.

Current Remodeling Practices

Sales Leads. There was strong agreement across groups that referrals and "*warm leads*" were by far the most common way that remodelers and trade contractors were introduced to their customers. Beyond that, marketing efforts were basically limited to networking with Realtors, placing fliers in neighboring homes, and just being seen on the job site in a nice truck while neatly attired.

Decision Making. Through referrals, contractors were perceived as credible, proven, and competent. They began their customer relationship as trusted experts. Though cost was of great importance, none of the groups felt that the decision making process to select a contractor was driven primarily by money. Trust and perceived competence were the key decision making attributes.

Determining Project Scope. Across focus groups, respondents felt that homeowners generally knew what they wanted in their home remodeling projects. Remodelers and trade contractors said they react to homeowner requests. Homeowners were sometimes skeptical if contractors suggested home improvements that were not on the homeowners' "*list.*" These suggestions were sometimes negatively described as "*upselling.*"

Energy Efficiency Importance. Homeowners and remodelers stated that energy efficiency benefits are rarely incorporated into the sales process. Across groups, respondents felt that energy efficiency was becoming more important as gasoline and home heating energy prices rise.

¹ Note: Italicized text represents a respondent quotation. Whenever possible, an exact, direct quote rather than a paraphrased quote is provided.

Homeowner Benefits. The initial benefit of energy efficiency to homeowners was “*saving money*” via lower utility bills, tax incentives, and equipment rebates. Very quickly the conversation in each group moved to “*comfort*” and “*piece of mind*” as a key homeowner benefits. Energy efficient construction was equated with quality, durability, and reliability. Homeowners also described enhanced resale value, sound attenuation, and the convenience of not changing compact fluorescent lighting as beneficial.

Remodeler and Trade Contractor Benefits. Remodelers and trade contractors identified their number one benefit of energy efficient construction as fewer “*comfort callback headaches*” from customers. Remodelers and trade contractors described increased personal satisfaction from “*a job well done*” and financial benefits of selling larger and more expensive jobs that included energy efficiency.

Learning. There were many similarities in the way that trade contractors, remodelers, and homeowners learn about new residential remodeling construction practices and building products including periodicals, home improvement television programs, and trade shows. Home Depot provides an educational forum that is frequently used by remodelers and homeowners.

Internet Usage. Trade contractors and remodelers primarily use the Internet for building product research; sometimes in response to homeowners describing a new product with which they are not familiar. Homeowners use the Internet to find specific products and to price check in comparison to contractor estimates. They would rather see things in person than use the Internet to create the overall vision for the remodeling project or to make final product selections.

Information Technology Usage. Few remodelers or trade contractors use PDA’s or laptops on the job site. Some respondents felt that something as high-tech as a PDA would be perceived favorably by potential clients and would differentiate them from less sophisticated competition.

Energy Efficiency Protocols

Protocols were described to each focus group as a set of best practices, instructions, and requirements for a wide range of energy efficiency topics. Level 1 protocols are simple to understand and easy to do. Level 2 protocols are more difficult and may require some special equipment and testing. Level 3 protocols are technically complex and require special tools, know how, equipment, and testing. Protocols address construction issues and business practices. Each focus group was shown a PowerPoint presentation to help them visualize how energy efficient remodeling protocols might look and function.

Initial Reactions. Overall top-of-mind response to the energy efficiency protocol was very positive. Most respondents felt the protocols provided a flexible, easy to use platform that could be adapted to their interests.

Trade contractors were open to the concept of using an information tool like this because it addressed their needs for credibility, knowledge, reliable information, and sales and marketing assistance. The reactions from younger and less experienced trade contractors were more positive than from the more senior participants. (See respondent quotes in Table 1 following the Executive Summary.)

Pro's and Con's. The concept of making energy efficiency a central part of their businesses resonated strongly with some trade contractors and remodelers and not at all with others. Respondents that reacted less favorably held to the view that the growth of energy efficiency in the residential remodeling market will depend market pull from consumers. Liability reduction was very important to remodelers. They felt that an independent, non-biased source of information such as the protocols would raise their comfort level enough to encourage them to expand their scope of services. That being said, large remodeling firms were less reluctant to expand the scope of their business than small firms. (See respondent quotes Table 2)

Questions and Suggestions. Suggested providing a link to manufacturers and their products. Homeowners felt very strongly that they want to have the protocol tool customized to provide only information that is relevant to their house in their location. They don't want to see the technical information targeted at remodelers and trade contractors. (See respondent quotes Table 3)

Protocol Access. Trade contractors and remodelers saw both advantages and disadvantages to homeowners accessing the protocol tool. Overall, they thought homeowners should have access to the same information as the trades do to keep the less competent trades on their toes.

Protocol Sponsor. None of the focus groups were clear about who should offer the protocol tool. Several suggested HUD or DOE but all agreed that it should be sponsored by a government or non-profit organization.

Links. Respondents in each group wanted the protocol to provide links to manufacturers' websites, Home Depot, and Lowe's. They are accustomed to using the Internet to find specific products. Homeowners suggested that in addition to products, the protocols should provide links to qualified trade contractors to do the work.

Likelihood of Use. All three groups indicated favorable likelihood of trial use. They emphasized that the tool established trade contractor and remodeler credibility. Homeowners felt the protocols would be particularly useful as a way to ask contractors informed questions about their remodeling projects and to evaluate the completed work.

Concept Names. Respondents were each asked to develop a name for the energy efficiency protocol tool. The names generally were based around acronyms for energy efficiency themes. Almost all of the names included the words *home* and *energy efficiency*. Several suggestions incorporated a website address in the names.

Table 1 Initial Reactions to Protocols

Trade Contractors	<i>More information is better.</i>
	<i>After you leave the customer, they have a resource to go to.</i>
	<i>Easy to use to find your problem and to fix it.</i>
	<i>Takes the BS out of it. Can be a differentiating factor.</i>
	<i>Could be boring for the customer.</i>
	<i>It's not a tool for the customer.</i>
	<i>It allows you to be identified as the expert.</i>
	<i>Could be a selling tool, but could also hurt you.</i>
	<i>Sometimes people don't think I'm old enough to do this stuff. The tool could help that.</i>
<i>Might be very valuable to the person that is brand new. The new guy might be able to identify that the house needs a pressure test.</i>	
Remodelers	<i>Can do a better diagnosis of the home with it. You'll know what you're talking about.</i>
	<i>You'll starve.</i>
	<i>Must be market driven.</i>
	<i>Great concept. Gives product knowledge. Turn a screen porch into a room.</i>
	<i>It's a resource in the office not on the job site.</i>
	<i>Great – Where should it be on the Internet?</i>
	<i>Provides the checkpoints needed to get to the next level.</i>
	<i>I'd go to other trades for help.</i>
<i>Might make me look unsure of myself.</i>	
Homeowners	<i>Provide links to Home Depot and Lowe's.</i>
	<i>Not sure. I'm lost – can't find my mind.</i>
	<i>There should be a separate section for homeowners. Level 1 and 2 even seem like they should be for the trades.</i>
	<i>Potentially it is useful for homeowner decisions.</i>
	<i>It's got to be easy to find the site.</i>
	<i>It's ok to show the Level 2 information to the homeowners.</i>
	<i>It reminds me of a free CD at Home Depot that lists how to do home improvements. Why would a contractor need it?</i>
	<i>It would be more useful to print the checklist as a PDF.</i>
	<i>I want it to be interactive. It should be about my house. The sample looked like an encyclopedia.</i>

Table 2 Pro's and Con's of Protocols

	Pro's	Con's
Trade Contractors	<i>Selling tool - Could increase closing rate</i>	<i>Don't want to bring up non-expert subjects</i>
	<i>Variety of subjects</i>	<i>Could distract the homeowner</i>
	<i>Based on science, not personal opinion</i>	<i>Could hurt you as a selling tool if they think you need it because you don't already know everything</i>
	<i>Resource for the homeowner</i>	
	<i>Easy and free</i>	
	<i>Takes the BS out of it</i>	
	<i>Identifies you as an expert</i>	
Remodelers	<i>CYA – liability control</i>	<i>Don't show it to the homeowner</i>
	<i>Remodeler can expand their scope</i>	<i>Changes the "expert" dynamic</i>
	<i>Educate your own trade contractors – refer them to it</i>	<i>Homeowners expect you to know it already</i>
	<i>Keep up with technology changes</i>	
	<i>Help with initial job costing— reminder to include all the important pieces</i>	<i>"If I tell the homeowner, 'Hold on I need to check the Internet', they will tell me to go away."</i>
	<i>Job estimates will be higher</i>	
Homeowners	<i>Good resource if marketed well</i>	<i>Flexibility</i>
	<i>Provides a range of choices</i>	<i>If HUD is doing this it makes me think of lead paint and low income housing</i>
		<i>HUD's website is overwhelming. That's not where I would look for this information</i>

Table 3 Questions and Suggestions for Protocol Improvement

	Questions	Suggestions
Trade Contractors	<i>Is it technical enough? It will only be as good as the data in it.</i>	<i>Use it on a PDA just like doing data entry for energy load calculations</i>
	<i>"Would it include product information? I'd like to get all the way through to products I use."</i>	<i>Use it on a PDA just like doing data entry for energy load calculations</i>
	<i>Who is it available to?</i>	<i>Make sure it is available for everyone</i>
Remodelers	<i>Is it local?</i>	<i>Should have requirements to access it.</i>
	<i>Are manufacturers tied into it?</i>	<i>Provide links to building product manufacturer websites</i>
		<i>Need to know what you don't know</i>
Homeowners	<i>Is it relevant to my house?</i>	<i>HUD or some other non-profit firm should be behind it</i>
	<i>Can you already do all of this?</i>	<i>It should have information only and not be sales oriented</i>
		<i>Provide links to contractors that can do this kind of work</i>
		<i>Must be more interactive and emphasize the benefits</i>

