Deliverable D2.5 marketing the tailored demand drivers

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Summary

Renovation in the residential sector towards increased energy efficiency is seriously lagging behind the political targets for energy renovation. As more than sufficient technological solutions are available, focus must be on removing non-technological barriers and introducing effective drivers to bridge the gap between the demand and supply side for dwelling renovations to NZEB.

In the REFURB project a market segmentation of the demand side that is relevant for NZEB-renovation and demand aggregation schemes was developed (report D2.1). These customer segments are linked with drivers and barriers homeowners face when becoming aware and deciding on a renovation (report D2.2). These drivers and barriers are also shaped and supported by local conditions which need to be taken into account (report D2.4). Insights in successful demand aggregation schemes to organise the demand side in the REFURB regions is made through in-depth analysis of such schemes (report D2.3).

This report (D2.5) focusses on how to market the tailored demand side drivers. The report describes how the homeowners should be approached with the information they need to make them able to make a decision and to encourage them to invest in an NZEB-renovation. It takes into account that specific customer segments require specific communication both for content as for the vehicles used.

The **customer journey concept** appears to be a powerful tool to base a marketing strategy upon. A customer journey is the process that a homeowner who 'potentially wants' (this can be a latent desire) to have a NZEB-renovation goes through (the 'journey'). The customer journey is a model-based description of the reality. The customer journey model is highlighted, based on the insight from other deliverables of REFURB, because it is the homeowner that needs to be convinced of an NZEB-renovation. More homeowners need to go through this journey to create a bigger market for NZEB-renovations, thus to stimulate market demand for NZEB-renovations. Insight in this customer journey is important to constitute the compelling offer, in which also the demand side and governmental bodies tailor their offer to the needs of the homeowner.

Each homeowner who has applied energy saving has completed a customer journey. It is very likely that a homeowner whose needs are not met during the customer journey, is quitting prematurely. The **understanding of the drop-out moments and the reduction of the drop-out moments** is a key reason to apply the customer journey concept. The value of understanding this journey is that the information, often provided through marketing tools, will vary at every step or stage. Tailoring the right information through the right channel at the right moment to the stage at which a customer is, will help the customer continue to the next stage, and therefore closer to a purchase.

The customer journey-model of VNG, "*klantenreis energiebesparing woningeigenaren*", is considered to be a good basis to develop marketing strategies upon. This particular customer journey describes 11 stages homeowners go through in the purchase process of energy conservation. The 11 stages are linked with positive and negative experiences during the journey. The 11 stages are: (1) Awareness, (2) Getting interested, (3) Become active, (4) Consider the options, (5) Financing, (6) Selecting a service provider, (7) Installing and payment, (8) Experience, (9) Search for service, (10) Share experiences, (11) Want to have more.

It is clear that the customer journey has implications for a marketing strategy. The customer journey is not a marketing strategy as such, but rather a part of it. The journey concept adds an additional focus to

marketing based upon the stage in which a customer is. A marketing strategy needs a target group, a value proposition (products and services) and a way to deliver the value to the target group. An adapted marketing strategy should acknowledge that no one size fits all (segment distinction) and neither does it at any time (stage in the customer journey). Two dimensions have to be taken into account.

From the analysis of the demand aggregation schemes, a set of recommendations is drawn and a set of critical success and fail factors (report D2.3). Based on these, a set of lessons learned for marketing NZEB-renovation to homeowners is described, based on 6 essential questions in marketing:

- Who is the target group?
- Why do we communicate more?
- What do we communicate?
- How do we communicate? (means of communication)
- Who needs to give the message?
- When do we communicate?

Finally, some critical success and fail factors in applying the customer journey are given.