

Frequently Asked Questions

BY GARRY UPTON

Over the course of 2008, this space will identify opportunities within customers' homes that you may not have observed in the past. The opportunities are based on a recent homeowner survey conducted by Decision Analyst, Inc.

Q What opportunities exist in the HVAC add-on and remodeling market?

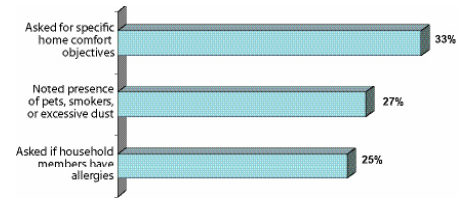
It's August, and the heart of the season may be behind many who are reading this issue. In talking with some, I've seen pockets of success, and pockets of tough times. Those of you with a strong service contract program seem to be doing the best, but are faced with increasing costs — especially fuel and travel related — which will force increased service agreement prices for next year. But for the many of you who are using service agreements, it still seems to be a great way to “own” your customer base.

There's another area that some are looking more closely into: the add-on and remodeling side of the business. Customers in this segment can be varied, and the way they go to market

can be as well. In the past, when new construction fell, remodeling expanded.

Here's information from the American Home Comfort study to give you a quick look at the add-on/remodeling side of the industry:

1. Buyers typically take longer to make a decision (9.3 days on average).
2. They get more bids, and you will have more competition.
3. Their average HVAC project ticket (before this year's escalating costs) was \$4,012.
4. Most contractors who are serving them today are doing it poorly:
 - two thirds don't ask the homeowners' objectives
 - most fail to ask about the presence of pets, asthmatics, smokers, or other comfort issues that should be addressed
 - only six in 10 homeowners reported



Many contractors in the remodel and add-on part of the residential HVAC market can play a consultative role in the homeowner's purchase decision.

that their contractor had the appropriate courteous manner, neat appearance, and/or professional manner they wanted in a professional that would be working in their home.

This may be another area for some of your expansion, in the year 2008. 📌

Garry Upton, of Decision Analyst, Inc., shares his interpretations of its American Home Comfort Study of homeowners, and explores what customers look for in HVAC contractors. To learn more about this study, or to purchase it, contact Garry at gupton@decisionanalyst.com.