

## Incentivize the action you want your customer to take

Successful programs know that it is not enough to get customers interested in their services. They know that homeowners that receive assessments but don't undertake upgrades don't receive the benefits of energy efficiency—and programs don't get credit for energy savings. Instead of emphasizing interim steps, these programs make sure their messages and incentives encourage customers to take actions that save energy—whether it is a home energy upgrade, updating heating system, or purchasing energy efficient appliances.

- Early in the [Michigan Saves](#) [1] program, canvassers going door-to-door started their conversations with homeowners by emphasizing the “free stuff” that customers could get if they participated in the program (e.g., compact fluorescent light bulbs, sink aerators, and showerheads). When the canvassers passed leads on to contractors who then tried to market, other measures that customers would have to pay for (e.g., insulation, air sealing, duct work, furnace replacement), these customers felt like they had been signed up for something they didn't agree to. After that, the program modified its messages and incentive structure to reflect the ultimate goal—an energy upgrade. For more information on how Michigan modified the incentive structure of its program, see the case study [Experiment to Find the Right Mix of Incentives](#) [2].
- Recognizing that the concept of home performance was relatively new in Cincinnati, the [Greater Cincinnati Energy Alliance](#) [3] (GCEA) promoted low cost energy assessments through its contractors to generate interest for the program. GCEA found that a high percentage of homeowners took advantage of the low-cost assessments with no intention of proceeding to a home energy upgrade. This resulted in a lower-than-expected conversion rate of assessments to completed upgrade projects. In response, GCEA increased the cost of assessments, which excluded homeowners that were merely curious. As a result, the program's conversion rate increased. At the same time, the program realized that homeowners in the region were not prepared to pay the full market cost for an assessment. GCEA suggests that programs establish a price for home energy assessments that is high enough to reduce the number of homeowners pursuing assessments out of curiosity with little intention to upgrade their homes, but low enough to generate a demand sufficient enough to support a home performance industry. Multiple programs across the country have settled on an assessment price around \$100.
- The goal of [Enhabit](#) [4], formerly Clean Energy Works Oregon, was to achieve at least 15% energy savings in each home, but it designed its rebates to reward even greater energy savings. For example, when rebates for 15% energy savings were \$500, rebates were \$1,000 for 25% energy savings, and \$1,500 for 30% energy savings. These incentive levels contributed to the fact that 85% of those participating in Enhabit's program reduced their energy use by more than 30%. Enhabit's Executive Director reported that “our incentive structure gets customers excited about aiming high and gives contractors a lever to encourage a more comprehensive scope of work.” To learn more about Enhabit's experience, see the case study [Use Incentives to Get Attention and Encourage Deep Savings](#) [5]. [Austin Energy](#) [6] offered a similar tiered rebate system.

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**Source URL:** <https://rpssc.energy.gov/tips-for-success/incentivize-action-you-want-your-customer-take>

### Links

- [1] <http://michigansaves.org/program/bbfm>
- [2] [http://energy.gov/sites/prod/files/2014/01/f6/michigan\\_incentives\\_case\\_study.pdf](http://energy.gov/sites/prod/files/2014/01/f6/michigan_incentives_case_study.pdf)
- [3] <http://greatercea.org/>
- [4] <https://enhabit.org/>
- [5] [http://energy.gov/sites/prod/files/2013/12/f6/cewo\\_incentives\\_case\\_study.pdf](http://energy.gov/sites/prod/files/2013/12/f6/cewo_incentives_case_study.pdf)
- [6] <http://energy.gov/eere/better-buildings-neighborhood-program/austin-texas>