

# Frequently Asked Questions

BY GARRY UPTON

*Over the course of 2007, 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.*

This year has been difficult for homeowners, builders, distributors, contractors, and manufacturers. Sales returning to mid 90s levels may be more real than anyone realized when the year began.

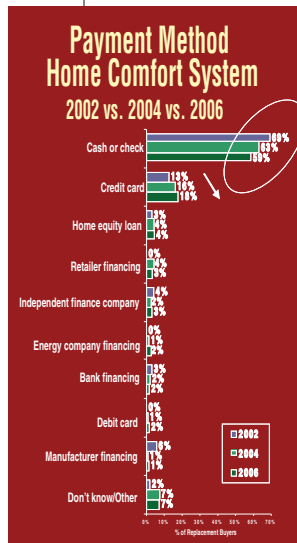
In a study we completed with contractors before the 2006 13 SEER mandate, we found many felt their customers would not be able to pay the price increases the 13 SEER would require. A number felt they would have to eat some of the cost increase.

It appears that many did. When looking at last season's replacement system costs, we found homeowners paid 26% more for super high-efficiency products, 20% more for high-efficiency products and only 8% more for standard efficiency products than they had in our study 24 months earlier. The limited increase in standard equipment price

paid could be one of two things; a lot of 10 SEER that was still available, or a real practice of contractors not passing along the price increase. In fact, customers replacing broken equipment spent \$1,000 dollars less than customers buying a planned replacement product.


Consumers are still not offered a viable payment option to "CASH and/or CREDIT CARD when presented their bid/proposal. An acceptable payment program can dismiss a lot of the customer's cost concerns.

You and your competitors are becoming more and more often the sole contractor consideration. In other words, if you are typical, more than half of the time you are in a home, there is no one bidding against you. Since 2002, the percent of homeowners making the decision to buy



with one bid has risen from 38% to 55%. That simply means you're leaving money your business needs on the table when you shouldn't be.

Consider building and offering loan plans that the customer will want to use. Then sell the plan with as much conviction as

you do your company's services and the product you will place in the home. 

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

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