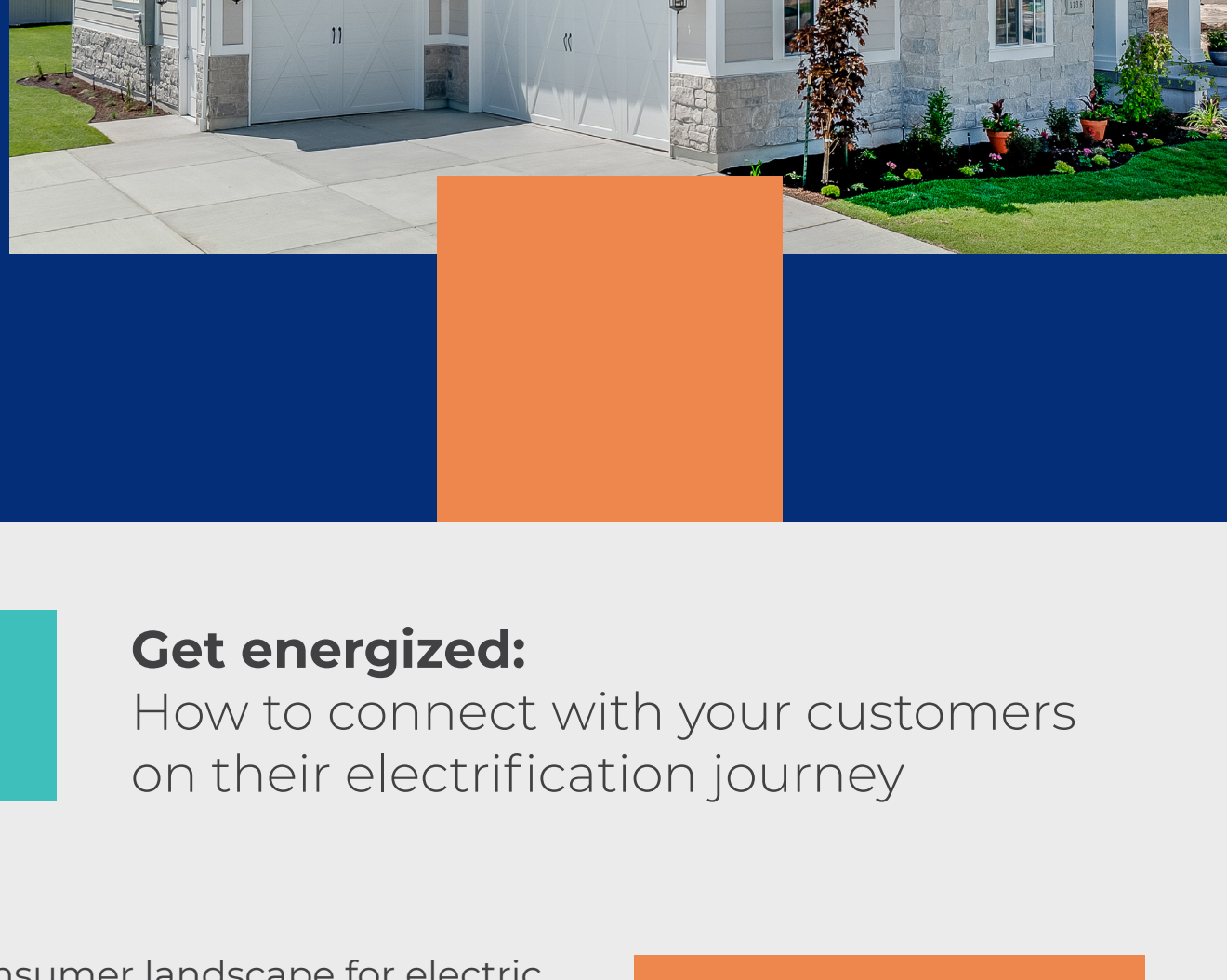


# Sustainable Home Improvement: Understanding the Homeowner Journey to Electrification



## Get energized: How to connect with your customers on their electrification journey

The consumer landscape for electric products is changing in the U.S. As homeowners across the country embrace home electrification, more and more people are looking for ways to acquire, replace or upgrade electrification products across multiple product categories.

Whether they're motivated by cost savings or a desire to help the planet, the trend is clear.

Electrification is not only the wave of the future, it's already changing the ways people heat and cool their homes, buy vehicles and power daily activities.

**Over 50%** of homeowners try to do basic things to help save the planet, such as recycling and minimizing waste.

**1 in 10** homeowners who plan to purchase electric products in the next year, plan to purchase solar first.

## The Stages of the Electrification Journey

### Product Replacements and Upgrades Kick-Start the Electrification Process

For most homeowners, the electrification journey begins when consumers seek to replace an existing electric version of a product that no longer works, or improve its performance and safety. Electric appliances, high-efficiency HVAC, an electric panel/breaker box or a heat pump are common products that are replaced or upgraded in this stage.

Nearly **1 in 3** homeowners purchase electric appliances, such as a stove or clothes dryer, as their first electric product in their home.

Nearly **1 out of 2** homeowners purchase an electric tankless water heater to replace another electric version of the product. Only one third replace a gas version of the product.

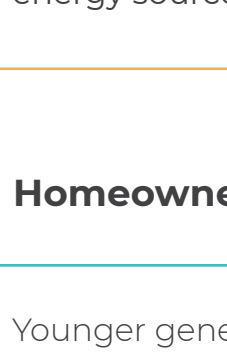
**Cost Savings Continue the Push to Electric**

Homeowners do not stop at electrical appliances. Instead, these products serve as a gateway that spurs consumers on to embrace new and diverse electrification options. As these customers realize the benefits of electrification, they seek to adopt more complex products — such as solar panels and electric tankless water heaters — to further reduce expenses, add value to their home and be more environmentally conscious.

**The Environmentally Conscious Homeowner**

At later stages in the product journey, homeowners are more aware of the direct, positive impact of electric products on the environment. To reduce their environmental footprint and promote social responsibility, many consumers will purchase electric vehicles (EVs). A smaller subset will then embrace even newer technology, such as electric storage/battery systems, EV chargers and geothermal systems.

Around **1/2** of homeowners that own an EV have made the purchase in the last 12 months.



To help homeowners take the next step when their electric products are "showing wear" or "broken," the industry should prioritize education, especially online, to illustrate the real-world benefits of electrification products.

## Homeowner Motivations by Age Group

Consumers display a wide range of motivations when choosing to invest in home electrical products, from enhancing cost savings and boosting their home's value to prioritizing self-sufficiency and a desire for cutting-edge technology. However, when examining the preferences of different generations, respondents' motivations fall on two ends of the spectrum: environmentally conscious and value conscious.

While opinions on climate change are diverse, a majority of homeowners believe that climate change is an issue and a concern. According to a 2023 Pew Research poll, two-thirds of U.S. adults say the country should prioritize developing renewable energy sources, such as wind and solar.

**Homeowners Under 45 Years**

Younger generations are more likely to have a defined belief system regarding climate change, are more likely to make efforts to minimize their impact on the climate, and have a greater desire to feel environmentally conscious after purchasing an electric product. Millennials – aged 27-42 – make up the largest segment of this group.

Most likely to be considering an EV as their next purchase.

Among those who own solar panels, homeowners under 45 were significantly more likely to cite being socially responsible as a top driver for purchase.

Most likely to be considering solar panels and an electric tankless water heater as their next purchase.

**Homeowners Between 45-55 Years**

Comprised largely of Gen X – aged 43-58 – homeowners in this group want to feel both value conscious and responsible after purchasing electric products. While this cohort is not as focused on climate change as Millennials, Gen X adopts eco-friendly practices and has a tendency to make environmentally conscious choices.

**Homeowners Over 56 Years**

Homeowners over the age of 56, a cohort comprising the Baby Boomer generation, demonstrate a preference for purchases grounded in value consciousness. Unlike Millennials and Gen X, this group is more likely to believe that their behaviors won't impact the environment and to think concerns are overblown.

Most likely to be considering electric appliances as their next purchase.

Homeowners over 45+ were significantly more likely than younger generations to cite saving money and lowering expenses as key reasons for purchasing solar panels.

To earn trust and build lasting customer relationships, it's important to consider each generation's unique needs and preferences. A customized sales and marketing approach that includes tailored product packages and relevant website content, including customer reviews and manufacturer website links, can improve your ability to connect with homeowners.

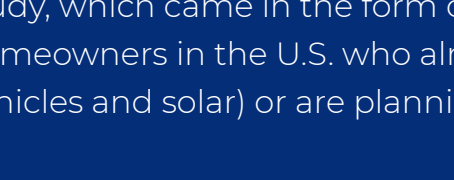
## The Sources Informing Consumers on their Electrification Journey

**Online Content Takes Center Stage**

Homeowners look to a variety of places to help them research and make decisions about electric product purchases. General internet searches and customer reviews are the top information sources homeowners consider, outweighing recommendations from friends and family by a narrow margin.

Approximately **1 out of 3** homeowners use a manufacturer website and recommendations from a contractor/installer as a source of information when considering electric products.

As homeowners increasingly cite a desire to adopt the latest technology as a driver for purchase, tech-savvy customers are turning to online content to find both performance data and customer reviews.



To demonstrate the success stories that accompany the move to electrification, contractors could consider creating a customer testimonial program that can be found in internet searches and customer reviews. Satisfied customers sharing authentic, positive stories around their electrification journey can serve as powerful examples at the start of the buying process.

## Homeowner Awareness of General Tax Incentives

**Raising Awareness of Incentive Benefits**

The number of electric products that have tax incentives for homeowners in the Inflation Reduction Act of 2022 provides significant upside to businesses and makes record investments in fighting climate change. The incentives are extensive and include benefits for the following items: solar panels, batteries, energy-efficient HVAC, heat pumps, geothermal systems, windpumps and doors, electric vehicles, EV chargers, breaker box upgrades, and energy-efficient appliances.

The first source of awareness of general tax incentives for a majority of homeowners are the news, word of mouth from family, friends and co-workers, and retailers. However, only 1 out of 10 homeowners aware of tax incentives first heard about them through a contractor or installer.

To enhance the appeal of electric products, contractors can educate homeowners on the opportunities available to them and the path to realize incentives. An opportunity exists to refer homeowners to online resources like *Rewiring America* that provide clear, reputable information.

## Are Homeowners Satisfied With their Electric Products?

**Electrification Exceeds Expectations**

Before purchasing electric products, homeowners are most concerned about the upfront costs and whether electrification will lower their expenses. After purchase, the data is clear — the overwhelming majority of homeowners are satisfied with their electrification products.

Around **9 in 10** homeowners report they are "very/somewhat satisfied" with their home electric products. A majority of homeowners would repurchase the identical home electric products again.

## Appendix: Methodology

To better understand the homeowner journey to adopting "electric" home products including renewable energy technology and electric vehicles, Mosaic embarked on a comprehensive survey in July 2023 with the help of a third-party research firm. The final study, which came in the form of a 15 minute online survey, was conducted with over 1,000 homeowners in the U.S. who already own an electric home product (including electric vehicles and solar) or are planning to invest in an electric home product in the next year.

The home electric product list includes the following items: solar panels, electric storage/batteries, electric tankless water heaters, high-efficiency HVAC, electric panel/breaker box upgrades, heat pumps (heating/cooling), electric vehicles, electric vehicle chargers, geothermal systems (heating/cooling) and electric appliances (stove or clothes dryer).

Mosaic Homeowner Journey to Electrification Study July 2023. Do not reproduce infographics or findings without written permission.

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