Homeowners Still Concerned About Energy Costs When Replacing HVAC Systems

By Frank Landwehr

*Emerson Climate Technologies’ market research suggests that over half of U.S. homeowners would consider paying more for a system that provides superior energy savings.*

Even though new housing starts in the U.S. remain at historically low levels, the market for replacement HVAC systems is now recovering from recessionary lows and is showing signs of sustained growth. The increased demand for replacement systems has also driven a higher mix of systems that provide energy savings, in part due to various government incentives and tax credits. However, in a survey of over 1,500 homeowners conducted by Emerson Climate Technologies, Inc. late last year, a high percentage of consumers showed continued interest in potential energy savings as a major purchase criterion when replacing an existing HVAC system.

Contrary to common industry perceptions, 57 percent of the consumers surveyed indicated that energy savings was the most important feature they would consider when buying a new system and only 30 percent of homeowners were focused mainly on the initial purchase price. The remaining 13 percent of the participants indicated they were mostly concerned with “comfort” factors such as achieving consistent temperature and humidity control within their home and were less concerned about either energy costs or the initial purchase costs. Even the 30 percent who were focused on purchase price listed energy savings as the second most important factor in their decision. Clearly, the study suggests consumers are willing to pay a premium for higher efficiency systems.

Taking a closer look at the homeowners (57 percent) who were focused on energy reveals further insight as to the various reasons for their concerns. Emerson research suggests that the largest sub-group (22 percent of total) is focused on achieving superior energy savings but this is followed closely by similar concerns about comfort in the home. If you combine this group with the 13 percent who are only focused on comfort (but wouldn’t mind having additional energy savings) you would see that roughly 35 percent of the market desires both superior comfort and energy savings and is much less concerned about the initial price points of premium systems. This would indicate a continuation of the trend toward growth of higher efficiency, modulated systems that also provide improved temperature and humidity control.

Another sub-group of surveyed homeowners (19 percent of total) were not only focused on energy savings but also the economic payback involved. They wanted assurance that they would be getting the savings they were paying for. This theme has shown up in similar studies over the past few years which indicate a significant group of HVAC consumers are skeptical of efficiency claims made by the industry and may not totally understand terms like “SEER” and “HSPF.” This group appears to accept longer payback periods but they want some proof to show up in their energy bills.
The remaining sub-group (16 percent of total) is an interesting group. Energy savings are a high priority for them but the second most important criterion is the safety and environmental aspects of the system they are purchasing. They appear to be very concerned about the environment – both their own domestic environment in the form of a clean, healthy living space but also the global environment which they would like to do their part to sustain.

Consumer concerns about energy costs and environmental concerns have been reflected in Emerson’s research for many years and that trend appears to be continuing. There is a general sense that homeowners believe their energy costs are not going to go down any time soon and will likely go up in the near future. Most consumers want to invest in efficient systems that will lower their energy bills in the long term and some consumers also want to use less energy due to either environmental concerns or concerns related to national energy policies.

One of the best ways to deliver superior system energy efficiency is through the modulation of the compressor. Emerson has historically provided the HVAC industry with a very broad array of modulated products which feature both stepped modulation methods like the Copeland Scroll UltraTech™ compressor and continuous modulation methods like Copeland Scroll Digital™ compressors. In addition, Emerson has recently launched its new Copeland Scroll® variable speed compressor, which offers unprecedented year round energy savings along with superior comfort benefits. Systems that use this technology can count on Emerson’s tradition for providing extremely reliable compressors along with excellent customer application and field support should any problems occur. This technology is designed to address the comfort and energy cost savings needs of U.S. homeowners who are looking for something more than just the government mandated, minimum efficiency offerings when they are replacing their HVAC system.

In cooperation with many OEM customers in the HVAC industry, Emerson is committed to providing industry leading compressor technology which can deliver the energy savings consumers want to purchase. In addition, Emerson is striving to develop ways to deliver new, energy efficient compressors that are relatively easy to apply in OEM systems and are easy to install and service in the field. Compressor-based solutions to address energy concerns will not be successful if they can only be installed by a few experts within the industry or require a lot of time to make modifications to the home in order to install them. Emerson is committed to providing solutions that address homeowner concerns about energy costs.

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