

MARKET TRANSFORMATION IN THE NORTHWEST: THE IMPORTANCE OF LOOKING AT RESULTS FROM SEVERAL ANGLES

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Introduction

This paper discusses research findings gathered in a 2005 evaluation of the Northwest Energy Efficiency Alliance's (Alliance) ENERGY STAR® Consumer Products Project. The Project is a continuation of ongoing successful regional efforts to promote ENERGY STAR-qualified lighting and appliances to Northwest consumers. Currently, the project focuses on improving the quality and consumer acceptance of compact florescent lighting (CFL) products and increasing awareness of ultra-high-efficiency (UHE) clothes washers.

The Project has several specific goals, or market progress indicators. For lighting, the market progress indicators include increasing CFL sales by 750,000 to 1 million units per year from 2003 through 2008 and increasing the availability, selection, and affordability of lighting products in the region. For clothes washers, the market progress indicators include increasing the regional share of UHE clothes washers such that they exceed national shares by 10 percentage points and working towards a goal of 50 percent market share by 2007.

In order to evaluate progress toward achieving these goals, it was necessary to assess the residential lighting and clothes washer markets from several perspectives. The evaluation had access to information developed from multiple sources, including program tracking data, supply-side sales estimates, a consumer survey, a retailer survey, a lighting shelf survey, and utility staff interviews. This paper provides a summary of the key findings from this evaluation, and also illustrates how combining information from multiple sources can help to lead to a more comprehensive understanding of the market and the Project's interactions with the market.

Alliance's Project Overview

The Alliance seeks to make affordable, energy-efficient products and services available in the Northwest market place. To that end, it supports projects targeted at the residential, commercial, industrial, and agricultural sectors in the region. This paper describes an evaluation of the Alliance's ENERGY STAR Consumer Products project, which, along with the ENERGY STAR Homes Northwest project, comprises their Residential Sector Initiative.

The Consumer Products Project is a market transformation based approach whose objective is to help foster change in the marketplace. Market transformation projects target a series of market actors and they work to reduce market barriers by raising consumer or retailer awareness, helping offset initial product costs through direct or manufacturer rebates, or otherwise influencing the market through a host of market-based activities.

Because market transformation programs intervene at different places in the market, evaluations need to assess the effectiveness of these interventions by using multiple types of research. Each program evaluation must look at the market from several angles to not only insure that progress continues, but also to identify how the market has adjusted and what steps might best help the program move forward in the future. The focus of evaluations should be not only on actual progress, but also include a review of the ongoing market barriers affecting the given technology or product.

The Consumer Products project reflects the culmination of over 5 years of market interventions and market intelligence. As energy-efficient consumer products have moved through the various stages of the adoption process, the project has evolved accordingly to ensure its strategies are cost effective.

Consumer Products Project Current Objectives

The Alliance's multi-pronged approach for targeting consumer products has a current focus on CFL products and high efficiency clothes washers. The overall objectives are to improve the quality and consumer acceptance of CFLs and to generate increased awareness of higher efficiency clothes washers overall, as well as UHE units.

The project provides cooperative marketing opportunities and field services to retailers to leverage the impact of promoting higher sales of ENERGY STAR products to consumers. It also coordinates the availability of financial incentives for qualifying products. The project is coordinated with national efforts, such as ENERGY STAR's Change a Light and Double Your Savings marketing programs, the lighting quality research conducted by the Program for Evaluation and Analysis of Residential Lighting (PEARL), and the work by the Consortium for Energy Efficiency (CEE) to encourage higher ENERGY STAR efficiency levels. Finally, the project supports the advancement of new lighting technologies (e.g., dimmable, reflector CFLs) and supports efforts to encourage the proper disposal of burned-out CFL lamps.

Evaluation Objectives and Approach

Because the market progress indicators involve reviewing information from a variety of market actors, the evaluation was designed to capture findings from numerous angles using seven different surveys along with an overall assessment of secondary product sales and market share data.

Table 1 shows the indicators of lighting market progress that were tracked by the evaluation and their linkages to the project's goals. Also shown is the research component that was used to track the market indicator. Table 2 shows the same overview for appliances.

The project staff and utility in-depth interviews, along with the retailer surveys, were used to document the project's progress to-date and to assess the effectiveness of the project's implementation approach. Table 3 shows the design of the process evaluation. The first column identifies the major research areas that were explored by the evaluation. The second column lists some specific research questions (not all inclusive) that were addressed. The final three columns link the research activities that supported the process evaluation to the research areas and questions they helped to address.

Table 1 – Lighting Project Goals, Market Indicators, and Research Tasks

Lighting Project Goal	Lighting Market Indicator	Research Task			
		CFL sales assessment	CFL purchaser survey	Retailer survey	Shelf survey
Increase CFL Sales	Estimated annual sales in 4 states	●			
Increase customer product knowledge and adoption	Percentage of customers who are aware of CFLs		●		
	Percentage of customers who have purchased CFLs		●		
	Future CFL purchase intentions		●		
	Barriers to CFL sales		●	●	
Improve product quality and performance and customer perception of product quality	Customer satisfaction with CFLs		●		
	Incidence of CFL removals due to dissatisfaction		●		
Improve product availability	Total and share of space dedicated to energy efficient lighting products				●
Improve product selection	Number of CFL styles and wattage categories stocked				●
	Number of CFL brands for sale by style and wattage categories				●
	Trends in retail stocking			●	
Improve affordability	Prices of CFLs by style and wattage category				●
Strengthen ENERGY STAR branding	Effectiveness of energy efficient lighting displays				●
	Influence of ENERGY STAR on CFL purchases		●		

Table 2 – Appliance Project Goals, Market Indicators, and Research Tasks

Appliance Project Goal	Appliance Market Indicator	Research Task				
		Appliance market share assessment	UHE purchaser survey	Retailer survey	Mystery shop survey	Utility In-depth interviews
Maintain ENERGY STAR clothes washer market share	Market share of ENERGY STAR appliances sold in the 4 state region of ENERGY STAR partner retailers	●				
Increase UHE clothes washer market share	Share of UHE units as a percent of all ENERGY STAR qualified units sold	●				
Enlist retail channels in promoting UHE clothes washers	Percentage of UHE purchasers reporting familiarity with that product range		●			
	Percent of UHE units shown to purchaser				●	
	Pricing of UHE units v. other qualifying units				●	
	Initiative of sales staff in promoting UHEs				●	

Appliance Project Goal (continued)	Appliance Market Indicator (continued)	Research Task				
		Appliance market share assessment	UHE purchaser survey	Retailer survey	Mystery shop survey	Utility In-depth interviews
Strengthen ENERGY STAR Brand	Percentage of recent purchasers who report ENERGY STAR influence on selection		•			
Support retailer promotion of ENERGY STAR products	Retailer assessment of effect of project on promotional practices, quality of project design and delivery			•		
	Participating utility assessment of project usefulness and effect on retailers and customers					•
	Barriers to sales of ENERGY STAR products			•		

Table 3 – Process Evaluation Focus, Research Questions, and Data Sources

Process Evaluation Research Area	Process Evaluation Research Questions	Research Task		
		Lighting Retailer Survey	Appliance Retailer Survey	Utility In-depth interviews
Awareness and use of the project's services	What fraction of utilities is aware of the project and does awareness differ by utility size? What are usage rates for the various project services? Does usage vary by utility size? How has awareness and usage changed over time?			•
Overall satisfaction with the project	How satisfied are utilities and retailers with the project in general? How has satisfaction changed over time? Does satisfaction differ by utility size? By retailer store type (chain v. independent) or retailer location (East v. West, e.g.,)	•	•	•
Valuation of the project's services	How do utilities and retailers value the specific project's services? Are certain services valued more than others? Does valuation of certain services depend on utility size and retailer characteristics?	•	•	•
Overall valuation of the project	How do utilities value the project overall? How has this valuation changed over time? How does this valuation differ by utility size? What kind of feedback do the utilities have regarding improving the value of the project in the future?			•

Overall Project Findings

Overall, the evaluation results confirmed that the ENERGY STAR Consumer Products project has met its key lighting and clothes washer goals for 2004, including achieving sales in 2004 of 4.8 million CFLs, and maintaining the Northwest's lead over national average market shares for ENERGY STAR clothes washers by 10 percentage points. The project has made progress in improving CFL availability,

selection, and affordability and may have mitigated a decline in consumer opinion of CFL quality. The project has also made progress towards achieving 50 percent market share for UHE clothes washers.

The discussion goal of this paper is to focus on the design and implementation of the research and point out examples that demonstrate the importance of designing research studies in a comprehensive fashion to analyze information from a range of sources.

Lighting Market Findings

The Alliance lighting goals include increasing CFL sales in the Northwest from 750,000 to 1 million annually from the 2003 level of 3.8 million, reaching total sales of 9 million per year by 2010 and increasing availability, selection, and affordability of lighting products in the region. In order to gauge progress towards this goal, the evaluation team performed each of the following:

- Consumer survey of recent CFL purchasers to identify their motivations, satisfaction levels, future purchase intentions, and CFL removal behaviors;
- Lighting shelf survey to characterize the retailers stocking patterns of CFLs currently available to the region's consumers;
- Retailer survey of store-level representatives to assess how retailers are using the project services, retailer reaction to previous year sales and projections for future sales;
- Review of monthly bulb shipment data for the region; and
- Discussions with utilities about their ongoing lighting programs.

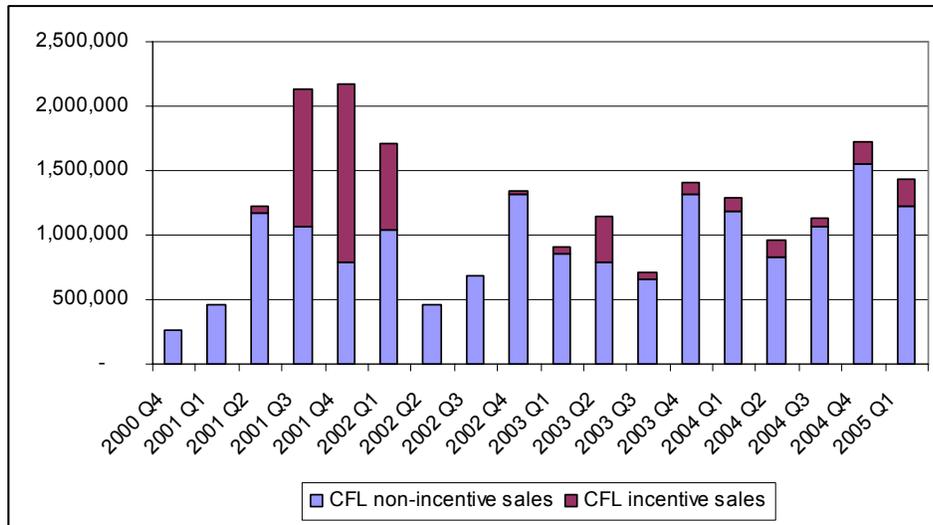
Lighting Findings – The Overlaps

This section describes lighting research findings that were important to view from several perspectives including: sales projections, stocking trends, ENERGY STAR labeling, and barriers to CFL purchases.

Sales Projections: Supply Data and Consumer Survey

In order to assess sales projections, the study includes both supplier and consumer results. From both perspectives, the Alliance met the 2004 project sales goal of 4.8 million bulbs. The supply numbers came from the Alliance's implementation contractor, ECOS Consulting, who collect quarterly CFL supply side sales data. Figure 1 provides quarterly data which for 2004 sums to a supply side sales total of 5.1 million units. While the supply side estimates are developed for the region by leveraging information from manufacturers, distributors, retailers, and utilities, there are numerous challenges with collecting comprehensive supply side data such as limited data availability from some store types and no data from others such as groceries and drug stores.

Figure 1 – CFL Sales Estimates for the Northwest



Source: ECOS CFL Sales Data Report for 2005 Q1

Another method for assessing CFL sales is to collect consumer self-reported purchase data.¹ The lighting purchaser survey had consumers self-reporting an average of 2 CFLs per household. This yields a much higher sales total of 23 million CFLs for the region. Previous studies in California have found that self-reported CFL numbers were overstated by a factor of at least 2.² By combining these results, the apparent range of 2004 CFL sales in the Northwest fall between 5 million and 11 million units. While consumer self-reported results are typically overstated, they provide a balance to the limitations of the supply side data and serve as a gauge of consumer purchase perceptions.

Another important factor in predicting future sales is market potential. Supply side sales estimated did not include data from grocery and drug stores. While these store types have had minimal sales, in other regions these store types have shown increasing sales volume.³ The Alliance consumer survey resulted in 7 percent of sales through grocery or drug stores. While still relatively low, such sales volumes show that other markets have additional potential which could significantly impact overall sales estimates.

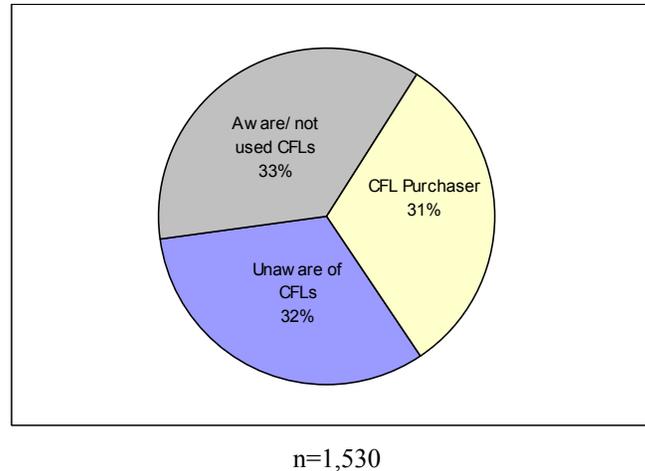
From the consumer side, issues such as overall product awareness drive market potential. While the program met its 2004 goals, there is still a large percentage of the population that is unaware of CFLs at all. This implies that in order for the market to expand, some key market barriers still need to be addressed and that unless these are overcome, expanding market penetration may be limited. Figure 2 divides the population into mutually exclusive groups based on their experience with CFLs. There are roughly three equal proportions of consumers who are unaware of CFLs, aware but have not yet used them, and those who have purchased CFLs. While the CFL project has met 2004 targets, there remains a large market of unaware consumers and another large group that is aware of the technology but has not used it to date. In order to achieve consistently increasing sales, the project will need to address the market barriers in each of the segments.

¹ Respondents were instructed to report on the number of CFLs they had purchased in the past year, counting each bulb within a package separately. Since the survey was conducted in November 2004, the resulting purchases roughly cover 2004.

² Phase 4 California Residential Lighting and Appliance Program Market Effects Study (KEMA 2002) including sales estimates from Itron’s 2001 Market Share Tracking Study.

³ In California, where the utilities have offered large-scale statewide POS rebates, grocery and drug stores have sold a significant volume of CFLs.

Figure 2 – Consumer CFL Awareness and Purchaser Segments



Stocking Trends: Shelf Surveys and Retailer Surveys

The study included a shelf survey as a balance to sales data in order to assess the availability, selection, and affordability of CFLs. Because the shelf survey is not a sales weighted analysis, the results need to be interpreted with this in mind. The shelf survey helped to identify that one-quarter of all bulb shelf space (among stores that sell CFLs) is dedicated to CFLs in the region. National and regional chains and franchises account for most (86 percent) of the bulb shelf space, with independent stores accounting for 10 percent and club membership chain stores such as Costco the relatively small remainder (4 percent).

From the consumer perspective, almost half (48 percent) of consumers purchased their bulbs at large home improvement centers. Discount department stores and buying clubs were the second most popular purchase location with 24 percent of sales. Although club membership chains (i.e., Costco) have relatively little space allocated to bulbs in the region, they offer low price, little variety, and sell a large volume of bulbs. Consumers report first cost as a primary market barrier, demonstrating that product pricing significantly impacts purchase location.⁴ Shelf data thus is most valuable for tracking model types and less for identifying sales trends.

The shelf survey helped identify the fact that CFL bulb diversity is still limited. Twister-style bulbs are the most predominantly stocked CFL bulb type, accounting for 44 percent of all models observed. 92 percent of stores surveyed carry at least one twister model. The remaining styles account for 10 percent or fewer of models found in lighting retail stores, with less than half the stores carrying products from the remaining styles.

In addition to understanding purchase location and stocking trends, retailer results indicated that retailer store representatives perceive that 2005 sales may be higher than 2004 sales, continuing the trend in sales increases seen over the last few years. This suggests that retailers are still optimistic about increasing CFL sales and that there is no apparent imminent change in the market. Retailer representatives at the store level report that they expect that the diversity of their CFL bulb stock has leveled out. Although sales goals are up, the retailers may still be focused on a relatively limited selection of bulbs.

⁴ A promotion in late 2005 is reducing the price of bulbs at most retail locations. The second phase includes a follow-up shelf survey as well as additional consumer results and more information from that study will be available for the presentation.

Value of ENERGY STAR Labeling: Shelf, Retailer, and Consumer Surveys

The shelf survey indicated that almost all (88 percent) of the CFL bulbs on retailer shelves are ENERGY STAR labeled. Retailer representatives at the store level reported in the retail surveys that over half (57 percent) of all stores reported that they attempt to stock only ENERGY STAR CFLs. The ENERGY STAR versus Non-ENERGY STAR decision typically comes down to the products that are available through the manufacturers and/or distributors that serve the store.

From the consumer survey, 71 percent of CFL purchasers are aware of the ENERGY STAR label. Of those who have heard or seen the label, only 46 percent noticed that label on the CFL they had recently purchased. In terms of influence, only one-third of purchasers found the ENERGY STAR label to be very influential with another one-quarter stating that it was not influential at all. This illustrates the fact that ENERGY STAR bulbs are available in the market, retailers make an effort to buy ENERGY STAR products, but are primarily driven by the manufacturer they work with and the products that they believe will sell best from that manufacturer. Consumers value the ENERGY STAR label, but do not require it to make their decisions. With widespread CFL availability and the majority of products being ENERGY STAR labeled, consumers rely less on the ENERGY STAR label than other product features such as price and bulb size, when making their purchase.

Barriers to CLF Purchases: Retailer and Consumer Surveys

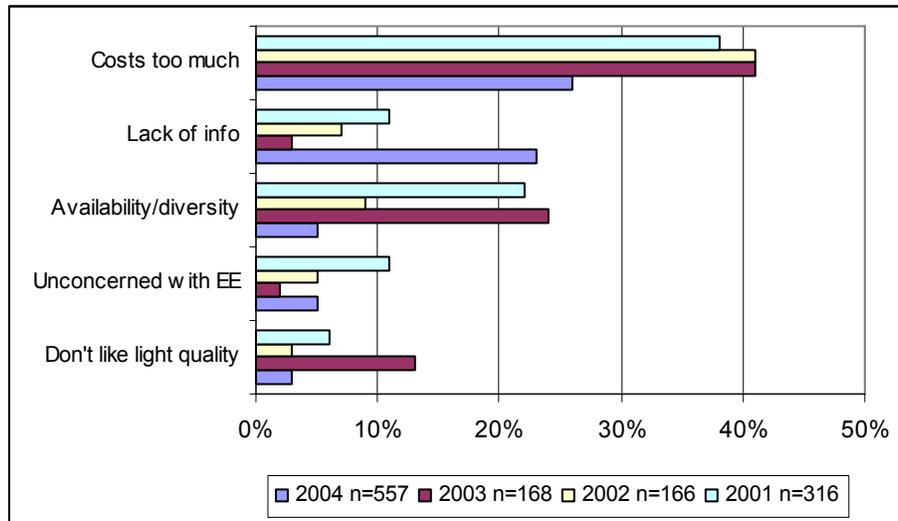
With two-thirds of consumers indicating that they are either unaware of CFLs or are aware, but have not purchased them, the barriers to increasing CFL sales are an important issue. According to retailer store representatives, CFL price is the most significant barrier to increasing CFL sales. Likewise, they report that saving energy and reducing the electricity bill is the most significant driver of CFL sales. Table 4 provides a side-by-side comparison of consumer and retailer’s top reported market barriers. In both cases, the key issues fall in the same respective order.

Table 4 – CFL Market Barriers

Consumer Survey Percent indicating barrier	Retailer Survey Barrier rank (1=not a barrier to 5=significant barrier)
Costs too much: 26%	CFL price: 3.5
Lack of information: 22%	Consumer awareness: 3.2
Attitudes: standard product works better, don’t like products, won’t save enough: Each 5% or less	Consumer attitude towards CFLs: 2.9
Product availability: 4%	Availability/diversity: 2.5

As the program has worked to reduce CFL cost and increase market awareness over time, the consumer reported barriers have changed. The fact that both retailers and consumers now perceive consistent current barriers provides insight into ongoing issues to tackle with the market.

Figure 4 – CFL Market Barriers over Time



Clothes Washer Market Findings

The Alliance clothes washer goals include increasing regional sales so that regional shares exceed national shares by 10 percentage points, making progress towards a 50 percent UHE market share goal in 2007, and facilitating the adoption of improved efficiency standards. The 2004 goals were achieved with regional market shares of 39 percent, which exceeded the national share by 12 percent, and made continued headway toward the 50 percent target. In addition, the project has worked to facilitate the adoption of a higher ENERGY STAR specification standard which is expected for 2007.

In order to evaluate the clothes washer success, the project included each of the following:

- Consumer survey of participants to the 2004 Double Your Savings Clothes Washer Promotion to identify their motivations, satisfaction levels, and future purchase intentions;
- Clothes washer mystery shopper survey to characterize the methods retail salespeople use to sell washers in general as well as their efforts to promote efficient units;
- Retailer survey of store-level representatives to assess how retailers are using the project services, retailer reaction to previous year sales and projections for future sales;
- Review of quarterly clothes washer sales data for the region; and
- Discussions with utilities about their ongoing clothes washer rebate programs.

Clothes Washer Findings – The Overlaps

This section describes clothes washer research findings that were important to view from several perspectives and includes: sales projections, retailer sales efforts, ENERGY STAR labeling, and a valuation of clothes washer features.

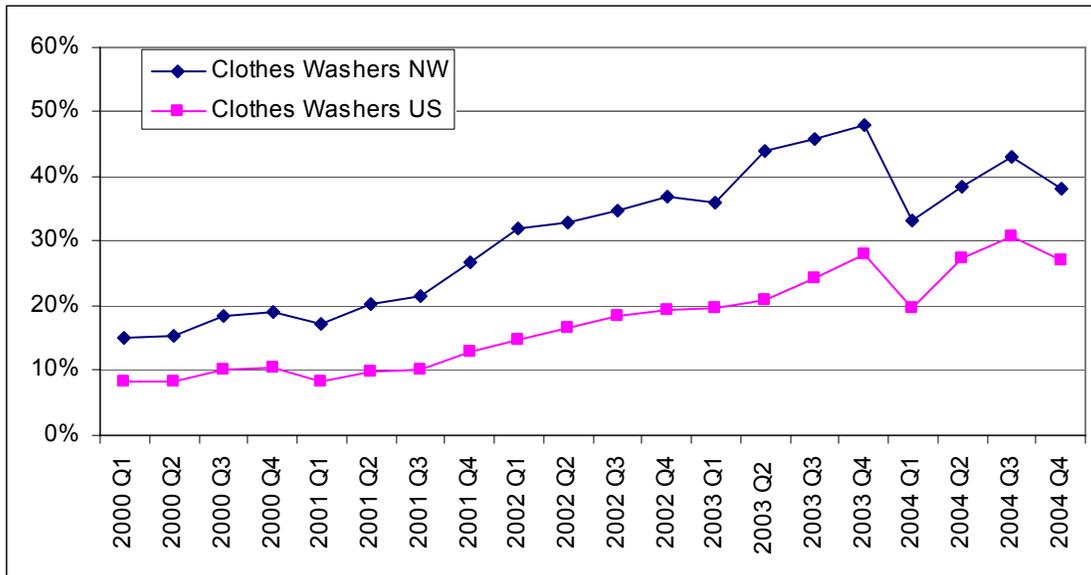
Sales Projections: Supply Data, Retailer Survey, and Utility Interviews

Tracking of clothes washer sales and ENERGY STAR market shares are produced for the region by the Alliance’s implementation contractor, PECL.⁵ AHAM provides annual estimates of total appliance sales by state. PECL merges these data to create overall sales and shares.

⁵ The sources for the sales and market share data are D&R International and the Association of Home Appliance Manufacturers (AHAM). D&R provides quarterly market share estimates for ENERGY STAR-qualified appliances by state.

Figure 5 shows the ENERGY STAR clothes washer market share trends for the entire U.S. and for the Northwest. As shown, market shares of ENERGY STAR clothes washers have steadily increased over time. A sharp decline in Q1 2004 corresponds to a tightening of the ENERGY STAR modified energy factor specification. The Northwest market shares have consistently exceeded the national shares by about 10 percent.

Figure 5 – U.S. and Northwest ENERGY STAR Clothes Washer Market Shares



PECI also uses utility supplied rebate records to identify the rebated equipment. These records show that 39 percent of the rebated clothes washers sold in 2004 had an MEF of 1.8 or greater which is the UHE cut-off. During the retailer store interviews, we asked retailers to estimate the percentage of their ENERGY STAR clothes washer sales that are of UHE units. The retail survey results indicate that about 42 percent of rebated ENERGY STAR clothes washer sales are UHE units⁶. This result is very close to the project’s sales tracking market share estimate of 39 percent. Because store level staff plays such an important role in the sale of UHE washers, it is valuable to confirm that they have an accurate assessment of the sales success rate of UHE clothes washers.

Utility program manager interviews confirmed that many utilities offered tiered clothes washer rebates such that UHE washers provide consumers with a slightly higher incentive.

Value of the ENERGY STAR Brand: Retailer, Mystery Shopper, and Consumer Surveys

In the lighting results, the ENERGY STAR brand is so common (88 percent of all CFLs) that it does not significantly differentiate models in a customers mind. Only one-third of consumers in the lighting survey reported that the ENERGY STAR label was very influential. In the clothes washer market, the ENERGY STAR brand has a similar level of consumer reported value however, because of labeling and sales efforts in stores, the ENERGY STAR brand is a more meaningful designation in that it indicates units that meet a specific efficiency standard. The Alliance program has field services at its core that highlight the efficiency benefits and ENERGY STAR features and these services help educate the market.

⁶ Note that the retail survey was fielded in the spring after the clothes washer promotion, so these results may be more reflective of the promotional sales than annual sales.

Retailers unanimously value the ENERGY STAR brand in their efforts to market and sell appliances with 61 percent indicating that they found the brand to be very important and 37 percent found it somewhat important. However, retailers believe that the ENERGY STAR brand is less important to consumers than the core features of the product. As such, salespeople tend to promote the benefits of ENERGY STAR clothes washers, not necessarily the brand itself.

The fact that retailers are well aware of the brand came through as well in the mystery shopper survey. Most (81 percent) of the clothes washer units shown to mystery shoppers were ENERGY STAR units. Few (24 percent) of the units shown were UHE clothes washers. The UHE units tend to be the highest priced products with the most features. While the ENERGY STAR features are clear to the salespeople and they possess a high degree of knowledge regarding the energy and water savings attributes of the equipment, salespeople tend to promote the benefits of ENERGY STAR and UHE clothes washers, rather than promoting the ENERGY STAR brand itself.

The consumer survey, which targeted program participants, also indicated broad awareness of ENERGY STAR as a brand with 81 percent of consumers either somewhat or very familiar with the brand prior to their clothes washer purchase. Because the clothes washer market depends so heavily on the salesperson, it was important to identify where customers receive their information about ENERGY STAR clothes washers. Overall, 40 percent of consumers reported the sales person as their initial resource and another 18 percent reported learning about the higher efficient equipment from signage in the store. This helps identify the fact that both the store based promotions as well as the salespeople have strong impacts. When asked how consumers learned about the multiple efficiency levels of clothes washers, the salesperson resource rate increased to 48 percent.

Valuation of Clothes Washer Features: Consumer, Retailer, and Mystery Shopper Surveys

Across the study, parties reported that the clothes washer purchase is largely based on product features and less on the actual ENERGY STAR brand. However, ENERGY STAR models tend to be the higher cost, more feature-laden models available. Just over 80 percent of consumers who came into the purchase indicated that were either very or somewhat aware of the ENERGY STAR brand. Half of all consumers who bought a clothes washer had previously purchased another ENERGY STAR piece of equipment.

The key clothes washer attributes that consumers indicated as being very important are listed in Table 5. Alongside the consumer responses, we have included the retailer responses to questions asked about consumers' perception of the value of the attributes. The final column is the frequency with which the salespeople promoted various features when making the sale to the mystery shopper.

In general, electricity and water savings are key attributes. Retailers assumed that the rebate played a stronger role in the consumer valuation than it actually did. Retailers placed a lower value on the features or ENERGY STAR label than consumers. The mystery shopper survey indicates that the energy saving, water saving, and equipment features are all strongly promoted by the sales people. The ENERGY STAR as a brand is not well publicized as noted earlier. In this case, the ENERGY STAR brand is valued more highly by consumers than by the other market actors.

Table 5 – Relative Value of Various Clothes Washer Attributes

Attribute	Consumer Valuation (Very Important)	Retailer Survey Perceived Customer Valuation (Very Important)	Mystery Shopper Survey Frequency Features are Promoted by Salespeople
Electricity Savings	***** 69%	*** 30%	***** 83%
Water Savings	***** 63%	**** 44%	***** 80%
Washer Features	***** 58%	** 21%	***** (62-66%)
ENERGY STAR Label	**** 49%	** 23%	* (7%)
Salesperson Support	**** 37%	--	--
Rebate	**** 36%	***** 45%	***** 50%

Conclusions

All seven of the surveys used in this analysis provide valuable insight into the market progress and ongoing project planning and evaluation issues. The key findings include:

- Consumer results, in particular reported purchases of CFLs, can be overstated and other sources such as retail data are important to bring in as a more reliable baseline.
- Consumers’ perceived market acceptance and barriers are real issues to address in program implementation and tracking in order to increase market penetration. When these barriers are recognized by all market actors, the various players have a good understanding of core issues.
- Retail results can help identify ways that the market is perceiving consumer actions and by correlating that with consumer behavior, a study can then determine if expectations are aligned.
- Stocking trends help to quantitatively identify product availability. However, stocking data alone may be limited because it may not correlate to actual product sales trends because of other factors such as product price or diversity.
- ENERGY STAR labeling is effective for retailers and as an educational tool for sales people. Consumers value the brand and are aware of its value but do not rely on the label in their decision making.

When performing market transformation studies in which markets shift as a result of changing actions, it is not only important to gather first hand results, but also to corroborate that data with other findings to insure consistency across market actors or identify differences in the ways that the various market players act.

In cases in which the market players agree on results, the market is more closely aligned and can either be a result of effective project results, a mature market, or a combination of the two. Larger deviations between the supply and demand results can result from various market actors having a less realistic version of the market or other more traditional means of exaggerated optimism. The critical next step in a market transformation evaluation is to leverage the findings to help shape the future project goals, project delivery strategies, and evaluation methods to incorporate the ongoing effects in the marketplace.