

Rinnai



#1 IN TANKLESS WATER HEATERS IN NORTH AMERICA

Plumbing contractor rides the tankless technology wave in North Dakota

The demand for residential tankless water heaters is heating up. Driven by increasing federal and state regulations and decarbonization policies, homeowners are becoming more interested in energy efficient appliances and their potential savings as prices on materials, goods, and services continue to rise. According to a report from Grandview Research, the tankless water heater market is projected to reach USD 6.8 billion by 2030, with a compound annual growth rate (CAGR) of 8.7% during the next seven years.

This presents an opportunity for plumbing contractors, such as Fargo, North Dakota-based Laney's Inc., which provides plumbing, HVAC, and electrical services to a 25-mile area radius of about 225,000 people.

"We're not in a huge population area, but we've maximized our exposure," notes Kevin Wolf, President of Laney's. "We hit an all-time revenue record in 2022."

Craig Williams, National Accounts Manager for Rinnai America Corp., explains that all new technologies have a steep adoption curve – think cell phones and the internet. "We are still in the early innings of mass adoption for tankless in North America as tank installs are declining and tankless penetration is increasing. Industry forecasts see equilibrium (installed base of tanks and tankless being the same) by the end of the decade whereas today, tankless is only about 20% of the total residential heating market. So the forecasted growth estimates about 2.5 times more tankless units will be installed by 2030."

"The lower cost of ownership combined with the longer life expectancy of tankless products are attractive to homeowners. There are several contributing factors at play here, including advancements that have led to streamlined installation as well as enhanced training to expertly install tankless products. There are also more financing and leasing options available and substantial energy savings, some of which is driven by high-energy efficiency regulations."

~ Craig Williams, National Accounts Manager for Rinnai

He also agrees that education is a key driver to market adoption, as Rinnai has heavily focused on its Tankless Truths campaign over the past year. The social media campaign features influencer/homebuilder Matt Risinger and master plumber Roger Wakefield as they debunk the myths of tankless versus tank and share the latest developments in tankless technology.

Product evolution

Laney's actually started selling Rinnai tankless water heaters back when the technology was still very new. However, the issues with venting the product made it very costly for contractors and homeowners alike, and the contractor eventually stepped away from the product, returning to selling tank-style water heaters until around 2019.

"We were invited to visit Rinnai in Atlanta for a big event – they were rolling out a new tankless water heater that did not require polypropylene venting,"

Wolf explains. "We didn't realize they were doing this, having been out of the loop. We liked Rinnai, but were waiting for a venting solution, so when this came out, we jumped back on board. We had a meeting internally and said our goal was to become the tankless water heater experts in our market."

At that point, Laney's sat down with Rinnai and determined they didn't want to be just a Rinnai dealer, but instead, a partner.

CATEGORY: PLUMBING

SUBCATEGORY:
TANKLESS WATER HEATERS,
HOME HEATING

SERVICES/PRODUCTS PROVIDED:

- TANKLESS WATER HEATERS
- CONDENSING BOILERS
- DIRECT VENT WALL FURNACES
- VENT-FREE FAN CONVECTORS
- AIR HANDLERS

YEARS AT NEXSTAR: 7



LANEY'S
8 TO 8 AT THE REGULAR RATE



“That first year, we set a goal of selling 40 tankless water heaters, and I think we had 40 sold within the first six to eight months,” Wolf says. “We brought Rinnai in for training and really educated our staff. Once you get a couple of guys on your team that believe in it, they start to offer it on every service call, and that can make a huge difference.”

Rinnai recently launched the first and only non-condensing tankless water heater with a built-in pump featuring Smart-Circ™ Intelligent Recirculation™ which “learns” hot water usage patterns and then schedules recirculation accordingly, saving consumers energy, water, and money, Williams adds. Additionally, the manufacturer will be addressing the decarbonization/ electrification trend by expanding its product lines to meet the electric-driven needs over the next few years.

“This will begin with the launch of an electric water heat pump system in the near future,” Williams says.



Simplifying business

According to Williams, contractors choose to partner with Rinnai because they are easy to do business with and they help contractors grow their businesses.



SCAN ME

“We are easy to do business with – we have a direct salesforce that is 100% focused on Rinnai products, resources, and programs. Acting as a partner, we help PROs grow their business with programs that enable them to run their enterprise more efficiently while meeting their own growth expectations.”

~ Craig Williams, National Accounts Manager for Rinnai America Corp.

Rinnai’s sales and marketing programs, like the PRO Network, manage and distribute leads while offering Rinnai Reward points and help to enable registrations. Its PRO 360 advertising platform offers integrated ad templates and campaigns – both online and print – at a fraction of the cost if they were to do it alone, Williams notes. The manufacturer also offers financing and leasing programs, providing flexible payment options for customers. “Our rebate program through Nexstar gives them incentives to be part of the network,” he adds.

The thing Wolf likes most about working with Rinnai is how they truly partner with contractors. “I’ve worked with a lot of different vendors through the years, and some of them have very strict co-op advertising rules about how you can use their name – it’s more about them than it is about us,” he explains. “Our customers call us because we’re Laney’s. They don’t know Rinnai from any other water heater company unless they’ve done their homework. Rinnai is one of those vendors that will work with us. Yes, there are advertising rules, but they will sit down with us and ask, ‘What do you want to do? Maybe we can make this work within what you want to do and what we can have you do.’ They’ve been very flexible to work with – we will throw them a promotion idea, and they will get back to us immediately. We’re very spontaneous about bringing ideas to the table on how to market their product, and they are always willing to partner with us on the things we come up with. A lot of companies are very rigid in their approach.”

Wolf networks with a lot of Nexstar members and has definitely recommended partnering with Rinnai.

“Rinnai is one of those products that I am always willing to go up on the bandstand and talk about. When we bought our new home, I removed the two new electric tank water heaters that were there and donated them to Habitat for Humanity. I believe in it so much that I removed two brand new water heaters and replaced them with a Rinnai tankless water heater.”

~ Kevin Wolf, President of Laney’s Inc.

“There’s a big difference between somebody just selling you a product with their program and somebody partnering with you,” Wolf adds. “Partnership is huge – it means you’re willing to get together, brainstorm, and try to figure out a way that both sides benefit. I noticed this right away when we re-hooked up with Rinnai.”

#1

Voted Best Consumer Brand of 2021

By 2030, the tankless water heater market is projected to reach

\$6.8 Billion

Products have a commitment to quality for

100 years

Why Rinnai



100-year commitment to quality, backed by the industry’s best warranty



Financing options and rebates available



National network of trained installers and the first to be assembled in the U.S.