

Commercial Kitchens Market Segments Program Guide



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1 Background and Purpose

CEE launched the Commercial Kitchens Initiative in 2005 to provide clear and credible definitions in the marketplace as to what constitutes highly efficient energy and water performance in cooking, refrigeration and sanitation equipment and to help streamline the selection of products through a targeted market strategy based upon the unique features of each particular foodservice market segment.

Since 2005, CEE has developed a suite of specifications to identify energy and water efficient commercial kitchen equipment, tracked availability of commercial kitchen efficiency programs, and documented the approaches and impacts of existing programs. All of the resources associated with these activities can be found on the [CEE website](#). Additional resources and specifications have been developed by the [ENERGY STAR](#) program, including specifications and guidance for operators and efficiency program administrators.

This document intends to add to these existing resources by centrally capturing the experiences of efficiency program managers administering commercial kitchens programs in different markets and for different market segments. The objective of this document is to provide general committee guidance to commercial kitchens energy and water efficiency program administrators as they consider program design and delivery strategies for the range of market actors owning or operating commercial kitchens.

This document was created by representatives from organizations participating in the CEE Commercial Kitchens Committee based on their working knowledge and unique program experiences. This document does not provide CEE recommendations on program design, strategies or delivery approaches. Rather, the guidance is intended as a committee reference tool. It includes general program design and delivery considerations that CEE members may find helpful as they develop new program services for one or more foodservice industry market segments. The market segments discussed are presented in order of familiarity, and the information included is not intended to be comprehensive. The document represents the combined knowledge of the CEE Commercial Kitchens Committee participants to date and will be updated as appropriate as this committee gains more program experience and knowledge.

This document assumes that the reader has some familiarity with the foodservice equipment industry and market. For background information on the industry, market, and program approaches, see the CEE Commercial Kitchens Initiative Description and *Cooking Up a New Approach for Commercial Program Design I and II* on the [CEE website](#) and [ENERGY STAR for Commercial Kitchens: Helping Customers Manage Costs](#) on the [ENERGY STAR website](#).

2 Market Overview

The foodservice market is made up of a number of different market segments, including restaurants, education, healthcare, business and industry, hotels and motels, retail,

supermarkets, and many other smaller segments. While restaurants are by far the largest market segment by sales¹, the energy consumption related to water heating, cooking, and refrigeration for the range of market segments is significant, as shown in Table 1.

Table 1. Commercial kitchens market segments.

Market Segment	Annual Energy Consumption for Water Heating, Cooking, and Refrigeration (trillion Btu) ²
Restaurants	242
Education	81
Healthcare	107
Business and Industry	63
Hotels and Motels	188
Retail	132
Supermarkets	134
Other	varies

Each of these market segments provides opportunities for promoting commercial kitchen efficiency programs. However, each segment differs in terms of how purchasing decisions are made, the value they place on energy and other sustainability-related priorities, and where and how to reach potential purchasers. Following a brief overview of typical commercial kitchen efficiency program delivery approaches, this document will examine the market segments most commonly targeted by efficiency programs, including how decisions are made within each segment, common barriers, and avenues for program promotion. The market segments identified are defined very broadly and the organization of this document is not intended to convey a preferred market characterization approach.

3 Program Delivery Approach Overview

The best program approach for a given market will depend on many local and regional factors, including the program regulatory environment, program objectives and

¹ U.S. Department of Agriculture Economic Research Service. U.S. Food Marketing System 2002 (AER-811). <http://www.ers.usda.gov/publications/aer811/aer811f.pdf>

² Energy Information Administration, Commercial Building Energy Consumption Survey, 2003.

timelines, existing resources, target audience, synergy with existing programs, industry relationships, and others. This section is intended to outline and differentiate some of the current, general program approaches to build understanding of potential program pathways related to different market segments. The section describes four typical approaches program administrators use to reach the foodservice industry: industry partner focused, end-user focused, market segment focused, and intra-program focused. Other approaches may be more appropriate or preferred depending on the program objectives and unique program environment of a given CEE member.

Industry Partner Approach

The most common program delivery approach is to work through industry partners like dealers and distributors to communicate program offerings to end customers. This approach is discussed in detail in [*ENERGY STAR for Commercial Kitchens: Helping Customers Reduce Costs*](#). Using this approach, programs educate dealers, manufacturer representatives, foodservice consultants, and other industry partners on program offerings, who in turn promote programs to end customers. In this approach, program administrators leverage the interest of industry partners who wish to increase sales of efficient equipment and gain a competitive advantage over companies that do not promote energy efficiency incentives or products. This approach can provide an effective way to reach many market segments at once because these industry partners often reach most purchasers of commercial foodservice equipment within a given territory. It is important to note that industry relationships take time to develop, and ongoing efforts to keep partners up to date and involved in the program are key to the success of this type of program delivery approach.

End-User Approach

Some programs have opted to focus program delivery activities more on end users than on upstream partners. These programs deliver programs through service technicians and account representatives directly to end use customers (e.g., a restaurant owner). This approach can be effective for programs with account representatives that have the ability to fill this role or in areas where industry partners resist participating in programs. This approach can also work in conjunction with an industry partner approach, as end users will help to create a “pull” effect for efficient equipment or services that can stimulate industry partners to more actively participate in marketing the programs.

Market Segment Approach

For some market segments, such as the chain (multi-unit) restaurant segment, some programs use a segment focused approach that is delivered through an account representative or market manager. With this approach, customers have a dedicated account representative or staff person to help them identify and take advantage of program opportunities that apply across many locations. This approach may be costly for certain market segments, such as independent restaurants or bars, as the energy

savings potential for a single location may not justify the cost of a dedicated program account representative or staff person.

Intra-Program Approach

Finally, some program administrators deliver broader program offerings for customers that may own or operate commercial kitchens but that have a larger portfolio of efficiency opportunities. For example, many program administrators offer segmented programs for schools, healthcare markets, and other market segments. Commercial kitchens program managers may reach these segments through an industry partner program approach; however, many have also found it effective to collaborate with their program manager counterparts for related segments on commercial kitchen program offerings.

Regardless of which overall program approach is selected, many programs have found targeted outreach to specific market segments to be an effective way to increase program participation.³ The next sections are compilations of program knowledge regarding the decision making process, external resources, events, stakeholders, and marketing activities for a range of market segments containing commercial kitchens. These market segments are presented in order by the segment with the most amassed body of program knowledge to the segment with the most limited accumulated knowledge base.

4 Independent Restaurants

Independent restaurants are single-unit establishments primarily engaged in the retail sale of prepared food and drinks for on-premise or immediate consumption.

The Decision Making Process

Independent restaurant purchasing decisions can be made and influenced by a number of people, including owners, chefs, managers, and partners such as dealer sales representatives and consultants and service technicians. The most common barrier to improving energy efficiency for this group is upfront (first) cost. Many independent restaurant owners prefer to repair equipment until the useful life is expended rather than replace it.

³ For case studies and statistics related to how participation in programs increased through targeted outreach to specific market segments, see [“Cooking Up a New Approach for Program Design II: A Recipe for Success”](#) and “ENERGY STAR for Commercial Kitchens: Helping Customers Manage Costs”.

Messaging

Messages that resonate with independent restaurants address their main concern with upfront costs by showing good return on their investment in the form of reduced utility bills. Secondary benefits to high efficiency equipment, such as improved food quality and reduced labor costs, are also important to mention, though these messages are typically deal sweeteners as opposed to deal makers. In cases where programs have partnered together to offer programs, highlighting all of the organizations participating in the program can increase the credibility of the program and the program's claims with end users.

It is important to note that in many cases dealer sales representatives and consultants will be the ones actually delivering efficiency messages to restaurant owners and decision makers. For this reason, teaching dealer staff how to use lifecycle cost as a selling tool and make the case for energy efficiency is equally important as developing messaging for the end user. Additional materials, such as point of sale materials highlighting efficient equipment and program offerings, can help dealer staff begin this conversation and deliver appropriate messages. Examples of program messages in point of sale materials are shown in Figure 1.

Figure 1.

Clockwise from left: Wisconsin Focus on Energy hangtag offered to dealers to promote qualified equipment; collaborative cling tag provided by programs in parts of Washington highlighting program offerings and partner organizations; Pacific Gas and Electric rebate booklet provided to industry partners, used in dealer point of sale displays, and shipped by some manufacturers with qualifying equipment.



In addition to program promotional materials, cooperative advertising with local dealers and distributors, including publications in which these organizations advertise and their direct advertising to customers, is another avenue to reach end users and support dealers that promote programs (see Figure 2).

Figure 2.

Pacific Gas and Electric and East Bay Municipal Utility District cooperative advertising with East Bay Restaurant Supply Inc.

The advertisement is for an annual expo sale by East Bay Restaurant Supply Inc. It features a central theme of 'GO GREEN & SAVE ANNUAL EXPO SALE' with a green leaf icon. The event is scheduled for '3 DAYS ONLY · APRIL 7 · 8 · 9' and includes 'FREE LIVE DEMOS'. A starburst graphic in the top right corner states 'HUGE SAVINGS ON THOUSANDS OF ITEMS'. A blue banner below the main title reads 'PG&E & EBMUD WILL BE ON HAND TO ANSWER QUESTIONS'. The advertisement displays four pieces of kitchen equipment, each with a green starburst indicating a rebate amount: a beverage cooler (up to \$500), a 3-foot refrigerator (up to \$500), a Vulcan oven (up to \$1000), and a Scotsman ice maker (up to \$500). Each piece of equipment also has a small 'Energy Star' logo. The website 'WWW.EASTBAYRESTAURANTSUPPLY.COM' is listed at the bottom.

Industry Stakeholders

There are a number of industry stakeholders that can help to promote programs to independent restaurants. These include:

National Restaurant Association local chapter. Local chapters of the National Restaurant Association often organize educational seminars, networking events, and distribute local newsletters. Find state and local chapters through the [National Restaurant Association](#).

The New York State Energy Research and Development Authority (NYSERDA) Collaborates with the NY State Restaurant Association (NYSRA)

NYSERDA has been collaborating with NYSRA since 2006, starting with the Small Commercial Kitchens Pilot and extending to the present day Focus on Hospitality. The association has an interest in bringing beneficial, value-added services to their members and recognizes that helping to promote the energy efficiency services and incentives available through NYSEDA contributes to their mission. In this collaborative relationship, NYSEDA has provided a specialized contractor to work with NYSRA to provide presentations to member workshops and monthly meetings on efficient building measures and equipment. In turn, NYSRA created and maintains a page within their [website](#) about NYSEDA offerings.

Equipment Dealers and Distributors. Local dealers and distributors are a key source of information about equipment options and equipment availability for independent restaurants. Find local dealers and distributors in the local telephone directory or through the [Foodservice Equipment Distributors Association](#) (FEDA).

Wisconsin Focus on Energy Partners with Local Dealers

At the launch of Focus on Energy's foodservice offering, Kessenich's Ltd. saw the opportunity for increased profit by leveraging the new efficiency program offering. From day one, they worked to train their sales staff, promoted Focus on Energy and ENERGY STAR in their marketing materials, and sought out opportunities to present at industry events, such as the School Nutrition Association and their local FEDA organization. For more details, see the ENERGY STAR [case study](#).

Food purveyors. In addition to food supplies, many food purveyors, such as Sysco and US Foodservice, provide educational opportunities for their customers and sell commercial kitchen equipment. These organizations are often also known as "broadliners," and may sell equipment directly or as a third party vendor of national equipment distributors. Food purveyors may be willing to help organize educational seminars and promote programs in newsletters as well as stock and sell energy efficient equipment.

PG&E Works with Food Purveyors

Pacific Gas and Electric Company has participated in many food events over the past several years to engage foodservice professionals, including those sponsored by Sysco, US Foodservice, Ledyards, and Ritz Foodservice. Says Program Manager Andy Doeschot, “Our Service and Sales representatives are typically assigned to large commercial and industrial account customers. This limits our ability to reach the 38,000 foodservice customers in our service area one on one. Attending Food Distributor shows has proven to be a great way to communicate with a large number of food service customers at one time.” Typical information provided at these events includes rebate materials as well as information on free site audits and seminars conducted by the Food Service Technology Center.

Manufacturer representatives. Manufacturer representatives often work directly with end users to select and specify equipment. They also educate dealers and consultants. Educate this group on efficiency program incentives and they can, in turn, help educate end users, dealers, and consultants as part of their sales pitch. Find local manufacturer representatives through the [Manufacturers’ Agents Association for the Foodservice Industry](#).

Foodservice consultants and designers. Consultants and designers are often responsible for large new construction and renovation projects. This group is often difficult to reach and may work on projects across geographic regions; however, they represent a significant opportunity as they often make equipment decisions for projects long before a program or other partners learn about the project. As more organizations have become interested in LEED certification, this group has become more interested in finding solutions to help achieve LEED certification. Referencing the benefits of energy efficiency as a core LEED element can be an effective way to spark the interest of consultants and designers. Find local consultants through the [Foodservice Consultants Society International](#).

Manufacturers. Manufacturers hold regular training meetings for maintenance and service technicians, which provides an opportunity to reach a large number of service providers. Service providers often pass along rebate information to their customers when equipment reaches a point where it can no longer be serviced. Manufacturers also exhibit at major trade shows (see Figure 3). Find manufacturers through their representatives or through the [North American Association of Food Equipment Manufacturers](#).

Chambers of Commerce. New restaurants often join the local Chambers of Commerce. Supplying these organizations with program information is another way to reach end customers. Find local Chambers of Commerce through the [U.S. Chamber of Commerce](#) or in the local telephone directory. Local Chambers of Commerce often offer higher levels of assistance to members, so leveraging a program administrator’s membership can be more effective.

Figure 3.

Accutemp promotes energy efficient equipment and programs in their displays at the Western Hospitality Expo.



Small Business Association. Much like the Chambers of Commerce, Small Business Associations are a common stop for new restaurants. Find local associations through the [U.S. Small Business Administration](http://www.sba.gov).

Downtown or Main Street Associations, Business Improvement Districts, and similar organizations. Many cities and towns have organizations dedicated to improving the downtown or main street area. This is another common organization type for restaurants to belong to, and these organizations have a strong, vested interest in helping their community members become aware of any programs, incentives, services, and offerings that reduce the cost of doing business.

Other Related Organizations Promoting “Green” and “Sustainability.” There are a variety of state and local sustainability initiatives to tap into to create more visibility for programs in the market. These organizations are often very happy to promote efficiency programs as part of their efforts.

Wisconsin Focus on Energy Works with Travel Green Wisconsin

[Travel Green Wisconsin](http://www.travelgreenwisconsin.com) is an organization that reviews, recognizes, and certifies tourism businesses in Wisconsin that have made a commitment to reducing their environmental impact. Travel Green Wisconsin encourages businesses to work with Focus on Energy to achieve the energy savings portion of their program.

Health Department. All foodservice establishments are required to meet both construction and renovation health requirements as well as requirements for ongoing

operations. Providing local health departments with promotional materials is another way to reach end customers.

Department of Alcoholic Beverage Control. Permits are typically required to serve alcohol at foodservice establishments. Stocking permitting departments with program promotional materials is another way to reach end customers.

Marketing Activities and Events

National Restaurant Association Show. Annual show each spring in Chicago. Exhibitors include equipment and food companies, and there is also a section dedicated to chains looking for franchisees. Attendees include manufacturers, dealers, distributors, manufacturer representatives, owners, operators, chefs, and students.

State Restaurant Association Shows. Most State Restaurant Associations hold annual trade shows. Exhibitors include equipment and food companies. Attendees include manufacturers, dealers, distributors, manufacturer representatives, owners, operators, chefs, and students.

Wisconsin Restaurant Association (WRA) and Focus on Energy Launch Go Green! Pavilion

Every March the WRA hosts the annual WRA Expo and Trade Show in downtown Milwaukee. Wisconsin Focus on Energy has been a WRA member for the last 6 years and typically purchases a trade show booth on the show floor. Focus on Energy worked with the WRA to create the first ever Go Green! Restaurant Pavilion at the Expo. A number of associations were invited to present in conjunction with Focus on Energy to provide educational information and training seminars to restaurateurs who wanted to learn more about energy and environmental aspects of their businesses. The EPA's ENERGY STAR program was one of the educational presenters and held a booth within the Go Green! Pavilion.



Figure 4.

Wisconsin Focus on Energy Go Green!
Pavilion

North American Food Equipment Manufacturers Show. Biennial show in Orlando. Exhibitors include equipment and food companies. Attendees include manufacturers, dealers, distributors, manufacturer representatives, owners, operators, chefs, and students.

International Hotel, Motel, and Restaurant Show. Annual show each winter in New York City. Exhibitors include equipment and food companies, and there is also a

section dedicated to chains looking for franchisees. Attendees include manufacturers, dealers, distributors, manufacturer representatives, owners, operators, chefs, and students.

Western Food Service and Hospitality Expo. Annual show every August in California. Exhibitors include equipment and food companies. Attendees include manufacturers, dealers, distributors, manufacturer representatives, owners, operators, chefs, and students. (See Figure 5 below.)



Figure 5
California utilities sponsor energy efficient booth space and educate attendees at the Western Food Service and Hospitality Expo.

Training classes. Offering training classes for dietitians, chefs, and other foodservice related professions can provide early awareness of the role of energy and energy efficiency in running commercial foodservice facilities. Training classes can be offered in partnership with local education programs and associations.

“Taste of” Events. “Taste of” events are usually local events featuring “tastes” of food from local restaurants. Exhibitors are local restaurants, attendees are from the general population.

5 Chain Restaurants

Chain restaurants are multi-unit establishments primarily engaged in the retail sale of prepared food and drinks for on-premise or immediate consumption.

The Decision Making Process

Each chain differs in exactly how equipment decisions are made and the distribution chain used. Chain restaurants often specify equipment at the corporate level, and local franchisees may have some latitude regarding when to replace equipment and a small number of options among chain-approved equipment. Some chains purchase direct from

Program Design Considerations: How Focus on Energy is Reaching Chains

With the unique chain decision making processes, effectively engaging chain restaurants in programs often takes a unique program approach. For restaurateurs with 4 or more restaurants, Focus proactively assigns an energy advisor to that account to act as a liaison between the restaurateur and the program. The energy advisor educates the restaurateur on new program promotions, their energy use, opportunities to reduce electric and gas use, and how to apply for financial incentives through Focus on Energy.

To reach the restaurateur, one approach is to first engage the company at the corporate level, and then reach out to operators with their approval and support. Says Program Manager Matt Matenaer, “Once you’ve made inroads with one or two of the operators, the rest usually follow suit because the franchisees communicate much more frequently with each other than with corporate contacts. Most corporate entities don’t have the time to make all of their national operators aware of energy rebate programs in different regions across the country, which makes it that much more important for local energy efficiency programs to reach out to local operators and educate them about available programs.”

manufacturers whereas others may have one or more distributors they partner with to support equipment procurement. Many chains work closely with manufacturers to develop custom equipment designed specifically for their operations. At the corporate level, chains employ in-house foodservice designers and scientists who focus on testing and improving equipment. They may also employ a corporate energy manager, who works with utilities and franchisees on all energy-related concerns. Regardless of exactly how equipment decisions get made, there are usually multiple layers of influencers and decision makers.

Messaging

Chains are built on the promise of consistency of product and service across multiple locations, and management actively tracks a variety of metrics for performance. Messages need to focus on the dimensions most important to specific chains. Different chains will be driven by different things, but in addition to utility costs some typical points of focus are: food consistency, food quality, table turnover, speed, labor costs, and public image. It is helpful to identify a chain's "choke point," which is the dimension of the operation that limits the performance of the whole operation. For example, a chain may have excessive wait times because they are constantly waiting for fried foods to finish cooking. Messaging that speaks to both efficiency and resolving performance concerns is an effective strategy for this market segment.

Industry Stakeholders

Engaging the same group of stakeholders as for independent restaurants may reach some franchisees, however, many programs have found direct involvement necessary to effectively work with chain restaurants.

Marketing Activities and Events

Chains often hold regional and national franchisee meetings. Work with your local chain contacts to obtain information about and invitations to these events.

Multiunit Foodservice Equipment Symposium. Biennial event organized by Foodservice Equipment Reports. Learn more on the [Foodservice Equipment Reports website](#).

Edison Electric Institute National Key Accounts Workshops. Semi-annual workshops focused on multi-site customers' energy needs. Learn more on the [EEI website](#).

6 Education – Elementary and Secondary Schools

Elementary and secondary schools primary purpose is furnishing academic courses, ordinarily for kindergarten through grade 12. Elementary and secondary schools often also operate cafeterias for their students to obtain and eat lunch.

The Decision Making Process

There are usually multiple layers of decision makers in schools. School foodservice directors often make decisions regarding replacement equipment and inform new construction and renovation processes. For new construction and renovation processes, foodservice consultants are generally involved along with traditional architects, designers, and engineering firms. Public school projects and equipment purchases usually go out for public bid, and are therefore often subject to substitutions of "equivalent" equipment by bidders. Projects are also subject to local funding authorization and associated budgetary processes.

In terms of ongoing operations, operating budgets, including utility bills, are often separated from the school foodservice budget.

Timing is of critical importance in engaging and informing school officials of program offerings. Many schools set up budget requests and specifications for submission in the early part of the calendar year, making this an important time to engage officials. Once these submittals are in place, the school district or similar administrators will review and approve the requests as allowed, and then purchases are made typically just before the school year starts, or in the fall after the school budget is approved.

Messaging

Schools are driven by a number of different factors that programs can use as a foundation for conversations about energy efficiency. First, most schools are public buildings whose primary purpose is education. Many schools are interested in using schools as demonstration “green” buildings. Second, as mentioned above, schools are often subject to public bid processes, and many school foodservice directors are well aware that this process often results in substituted equipment. Working with schools to develop solid specifications, including efficiency criteria, to deter substitutions may be appreciated. Finally, food safety is a primary concern at schools, so programs that can speak to both improved efficiency and food safety may find a more interested audience.

Industry Stakeholders

[School Nutrition Association](#). Plug in to meetings and member publications.

Health Department. All foodservice establishments are required to meet both construction and renovation health requirements as well as requirements for ongoing operations. Providing local health departments with promotional materials is another way to reach end customers.

Department of Education. Many local education departments run child nutrition programs. Find local departments of education at the [U.S. Dept. of Education](#).

Marketing Activities and Events

School Foodservice Shows. Most regions host shows specific to institutional and secondary school foodservice officials, which are ideal opportunities to promote programs.

School Nutrition Association Shows. The National School Nutrition Association has an annual national conference (ANC), which occurs in June or July every year. State School Nutrition Associations often hold semi-annual trade shows or annual conferences. Programs can increase visibility of their offerings at these shows directly and through industry partner efforts at the shows.

Training classes. Offering training classes for dietitians, chefs, and other foodservice related professions can provide early awareness of the role of energy and energy efficiency in running commercial foodservice facilities. Training classes can be offered in partnership with local programs and associations.

7 Education – College and University; Business and Industry

Colleges and universities are professional schools whose primary purpose is to furnish academic courses and grant academic degrees. Colleges and universities often own and operate cafeterias and other foodservice operations to serve the needs of students residing on-campus as well as off-campus students, faculty, other visitors, and university events.

Businesses and industry organizations are primarily concerned with the manufacture or provision of goods or services. Many larger organizations operate institutional foodservice establishments to serve the needs of employees, guests, and organization events.

The Decision Making Process

Colleges, universities, and private business often share similar decision making process and stakeholders for their foodservice operations. Many universities, colleges, and private businesses contract foodservice operations to third party vendors. As specified in their contracts, these vendors may have responsibility for all foodservice equipment purchases and operations, and they may therefore serve as the primary contact for program administrators. On the other hand, smaller institutions and companies may manage foodservice operations in-house. In these cases, decision making authority may lie with the foodservice director or central procurement office, or it may be a shared responsibility. A combination of these scenarios may also occur, with some institutions and companies using a third party vendor for daily operations and the institution or company retaining responsibility for equipment purchases through an administrator or procurement office. Most new facilities and major renovations are designed and specified by foodservice consultants.

Messaging

Different messages will resonate with different decision makers depending on the focus of their responsibilities. Administrators and procurement offices may be more interested in the financial impacts of equipment decisions, facility engineers and maintenance staff on energy and water savings, and foodservice staff on performance. “Going green” has also become a significant priority for higher education institutions and private companies over the last several years.

Industry Stakeholders

Foodservice management companies. Foodservice management companies (such as Aramark and Sodexo) often provide turnkey foodservice management services to colleges, universities, and businesses. These companies are often responsible for the design and construction of new foodservice facilities and renovations as well as equipment replacement and ongoing operating decisions. Because foodservice

management companies run multiple, large facilities, dedicated outreach can yield significant results across many organizations as program and efficiency information is shared throughout the company.

Foodservice consultants and designers. Consultants and designers are often responsible for large new construction and renovation projects. This group is often difficult to reach and may work on projects across geographic regions; however, they represent a significant opportunity as they often make equipment decisions for projects long before a program or other partners learn about the project. As more organizations have become interested in LEED certification, this group has become more interested in finding solutions to help achieve LEED certification. Referencing the benefits of energy efficiency as a core LEED element can be an effective way to spark the interest of consultants and designers. Find local consultants through the [Foodservice Consultants Society International](#).

Building Operators Management Association (BOMA). Local BOMA chapters provide an opportunity to educate building operators on energy efficiency programs. When program representatives join a local BOMA chapter, program administrators can gain access to promote program offerings through a local newsletter, regional events, and informally through networking mixers and monthly meetings. Find local chapters through the [BOMA](#) website.

8 Healthcare

Healthcare facilities are establishments primarily engaged in providing diagnostic, treatment, and other medical services. Inpatient hospitals and skilled nursing facilities often conduct foodservice operations to meet the needs of patients, employees, visitors, and institutional events.

The Decision Making Process

Much like schools, healthcare facilities have multiple layers of decision makers, however, most kitchen equipment decisions will start with the foodservice manager or director. The foodservice manager or director is typically responsible for making decisions regarding replacement equipment and informing new construction and renovation processes, though as with other large facilities, foodservice consultants, architects, designers, and engineering firms are also heavily involved in new construction and major renovation decisions. The foodservice manager is often very isolated from facilities managers and operating costs, except during new kitchen construction or major renovation processes. Efficiency program marketing efforts aimed at the general foodservice industry generally do not reach this individual.

Messaging

Healthcare facilities generally respond well to messages related to food safety and quality.

Industry Stakeholders

Dietary Managers Association. A national, non-profit organization for foodservice managers that work in healthcare, schools, correctional facilities and other non-commercial foodservice settings. The association has chapters in every state that can be located on their [website](#).

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Marketing Activities and Events

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9 Hotels and Motels

Hotels and motels are commercial establishments primarily engaged in providing lodging, or lodging and meals, for the general public.

The Decision Making Process

The decision making process for hotels and motels varies widely depending on the type of facility and ownership and operating structure.

The lodging industry breaks down into two basic categories: full-service and limited service hotels. Full-service hotels include resorts and luxury, upscale, mid-scale, and extended-stay hotels that have food and beverage service, such as Hilton, Embassy Suites, and Courtyard by Marriott. These are typically large facilities with 200+ guest rooms, conference centers, and multiple ballrooms. Full-service properties receive 61 percent of their revenues from rooms and another 29 percent from food and beverages. Limited-service hotels include economy, budget, and extended stay hotels without food

service, such as Fairfield Inn, Motel 6, and Extended-Stay America. Limited-service hotels rely almost exclusively on room revenues (95 percent).⁴

The decision making process for hotels and motels varies by size and ownership type. Smaller motels may be individually or family-owned, and in these cases capital purchases are typically requested by the general manager of an individual property to the principal owners. Capital purchases are typically constrained by a preset capital purchase budget such that the general manager allocates the budget among property upgrades and equipment replacements.

Medium and larger hotels and resorts are often corporate owned. In fact, over 70 percent of U.S. hotels are owned, managed, or operated by a corporate chain, however, it is rare for a hotel property to be owned, managed, and operated all by the same corporate entity.⁵ Much more common is a complex structure in which a single property is owned by one firm, operated by a second, and carries the brand of a third. Accordingly, lodging corporations may operate one or more hotel brands while owning additional properties, including those operated or managed by franchisees or even competing lodging corporations.

In cases where a corporate hotel chain owns, operates, and manages a property, the corporate energy manager is typically the key decision maker. The corporate energy manager often plays an influential role in energy decisions for franchised properties as well. Motel 6, Sheraton, Hilton, and La Quinta are examples of hotel chains that own a substantial number of their properties.

In cases where ownership, management, and operation of a facility is fragmented, research to gain a solid understanding of who is empowered to make energy decisions for a specific property will be needed. Typically, the food and beverage manager, head chef, facility manager, and chief engineer all contribute to foodservice equipment decisions; however, the food and beverage manager and chef rarely take energy considerations into account, and the facility manager and chief engineer rarely have a good grasp of daily kitchen operations. Alternately, some property owners may lease their restaurant operations to an entirely separate independent owner or restaurant chain. The decision making process in these cases would fall into one of the previous categories on independent and chain restaurants.

Messaging

Hotels and motels respond best to messages related to improving guest comfort, good value, guest safety, and the importance of “going green.” These messages typically resonate more than discussion of energy cost savings among property owners and

⁴ E Source, “Large Commercial Snapshot: Hotels and Motels,” January 2003.

⁵ E Source, “Large Commercial Snapshot: Hotels and Motels,” January 2003.

managers. Lifecycle costing and energy cost savings may appeal more to the financial decision makers.

Since general or operational managers work from a fixed budget, the incremental cost factor between “standard” and high efficiency equipment often becomes the largest issue to overcome when working with these decision makers.

Industry Stakeholders

State and Regional Innkeepers, Hotel, and Lodging Associations. Many associations publish periodic magazines for members.

Chambers of Commerce. Hotels and motels often join the local Chambers of Commerce. Supplying these organizations with program information is another way to reach end customers. Find local Chambers of Commerce through the [U.S. Chamber of Commerce](#) or in the local telephone directory. Local Chambers of Commerce often offer higher levels of assistance to members, so leveraging a program administrator’s membership can be more effective.

Small Business Association. Much like the Chambers of Commerce, Small Business Associations are a common stop for hotels and motels. Find local associations through the [U.S. Small Business Administration](#).

Downtown or Main Street Associations, Business Improvement Districts, and similar organizations. Many cities and towns have organizations dedicated to improving the downtown or main street area. This is another common organization type for hotels and motels to belong to, and these organizations have a strong, vested interest in helping their community members become aware of any programs, incentives, services, and offerings that reduce the cost of doing business.

Other Related Organizations Promoting “Green” and “Sustainability.” There are a variety of state and local sustainability initiatives to tap into to create more visibility for programs in the market. These organizations are often very happy to promote efficiency programs as part of their efforts.

Marketing Activities and Events

International Hotel, Motel, and Restaurant Show. The International Hotel, Motel, Restaurant Show in New York City each November is the premier event for hospitality owners and operators in the East Coast. Many foodservice equipment manufacturers and large distributors display their products at this show.

Western Food Service and Hospitality Expo. Annual show every August in California. Exhibitors include equipment and food companies. Attendees include manufacturers, dealers, distributors, manufacturer representatives, owners, operators, chefs, and students.

State and Regional Innkeepers, Hotel, Lodging, and Bed and Breakfast Associations. Associations typically hold annual conferences and trade shows with opportunities to attend, exhibit, and speak.

Training classes. Offering training classes for dietitians, chefs, and other foodservice related professions can provide early awareness of the role of energy and energy efficiency in running commercial foodservice facilities. Training classes can be offered in partnership with local programs and associations.

10 Supermarkets

Supermarkets, also known as grocery or food stores, are primarily engaged in the retail sale of canned foods, dry goods, fresh fruits and vegetables, and fresh and prepared meats, fish, and poultry. Many supermarkets prepare foods on-premises for sale, including bakery items, prepared lunch and dinner items, etc.

The Decision Making Process

There are three general types of grocery businesses: major supermarket chains, major convenience store chains, and independent and local chain grocers and convenience stores.

Many major supermarket chains are already seeking renewable energy and efficiency choices for existing buildings and new construction. Most chains are open to consideration of leading edge strategies and technologies that further reduce energy costs, increase shopper amenities, reduce environmental impacts, and develop public perceptions as a “green” supermarket. Supermarket chains often employ corporate energy managers.

National and large regional convenience stores have some parallels to chain restaurants in terms of their operations. These parallels include: closely adhering to building construction templates, similar operational procedures, and regional decision making. Some properties are franchise units owned and operated by property developers and portfolio owners. These entities may also employ corporate energy managers.

Independent grocers and convenience stores are single ownership sites generally located in rural towns or older urban areas. Statewide and local chains have localized, flatter management structures, and like independently owned grocery and convenience stores, can be flexible in payback desires and upfront investment costs. These stores typically have constrained capital and tight cash flows; efficiency measures generally require short paybacks, although owners or boards will plan for funding significant efficiency measures if they are within their financial means.

Messaging

Cost savings resonates with all grocery and convenience store types given the slim operating margins in this business segment. “Going green” may also resonate with corporate chains with environmental or sustainability goals.

Industry Stakeholders

Much like independent and chain restaurants, stakeholders to consider vary depending on the type of supermarket. Independent grocers may be more involved with county and state economic development agencies, state departments of agriculture, and state or regional trade associations, whereas major supermarket chains may be more likely to respond to direct engagement.