

SureChill.

Off Grid Domestic Fridge (OGDF)

Solar Home System Sales Pilot Report

June 2021

Shell Foundation | 



Learning Objectives

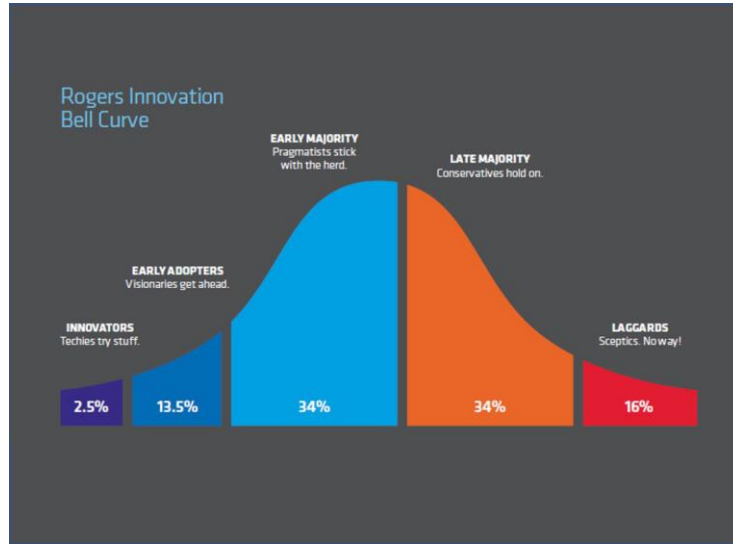
- Understand the key triggers and barriers to purchase of the off-grid refrigerator
- Map the customer journey from awareness to purchase
- Monitor and understand customer satisfaction post-purchase and measure whether willingness to recommend to friends & neighbours changes with familiarity
- Develop an understand of the price / value equation and the role that PAYG financing plays in helping or hindering purchase (*the deposit, daily repayments and the duration of the payment plan*)

Background

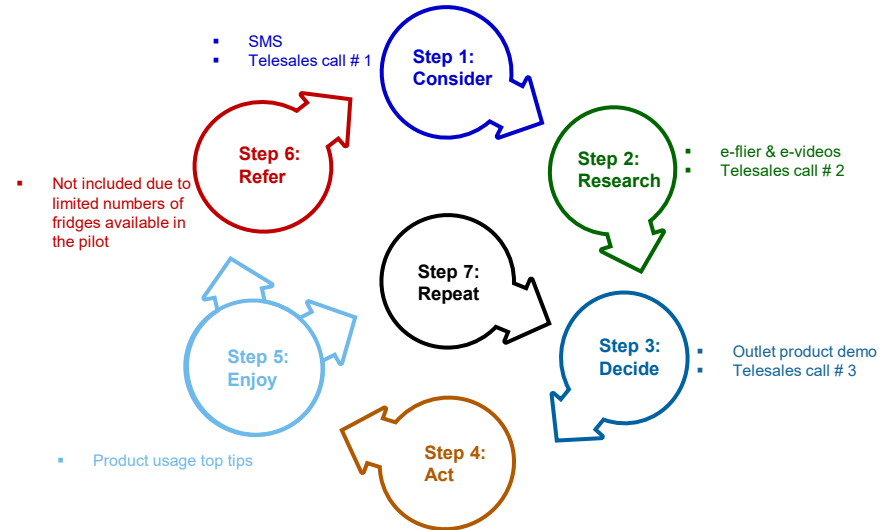
- The sales pilot was run in partnership with a leading SHS company in Kenya between Nov 2020 and Mar 2021 (by when all available fridges had been sold)
- The pilot was run from 7 retail outlets in two geographically /economically distinct regions (Coast & Nyanza). See slide 5.
- The sales & marketing model was based on a hypothetical demand curve & customer journey (slide 4). Marketing initiatives were designed to be driven by the SHS company telesales teams; backed-up by field demonstrations at the selected retail outlets .
- SureChill engaged an independent market research company to collect, analyze and interpret end-user feedback (qualitative and quantitative). All interviews were conducted telephonically due to Covid.
- In addition, SureChill management conducted field visits (within Covid restrictions), obtaining further insights via face-to-face engagement with the SHS company regional sales teams, telesales, installers, outlet owners and end-users

Demand Bell Curve & Customer Journey Hypotheses

The finite quantity of refrigerators available meant that most pilot customers were expected to be early adopters...



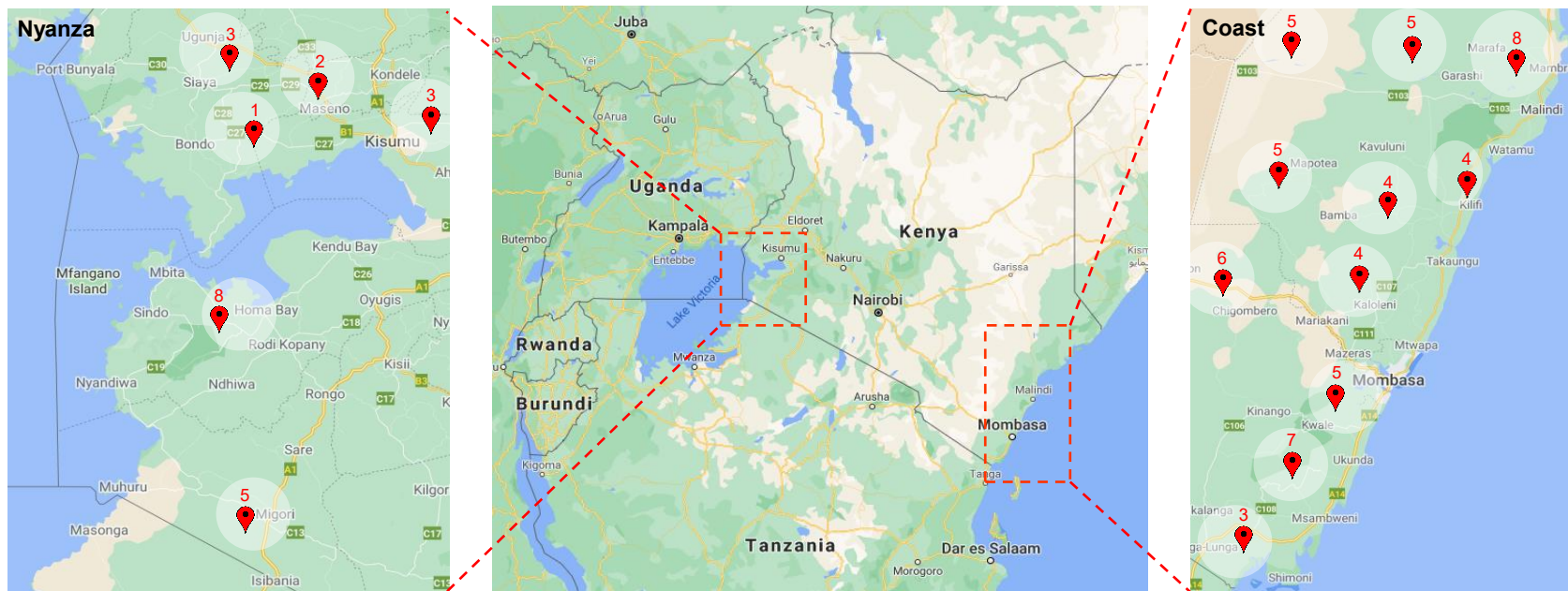
For high ticket-price items (like refrigerators) the customer journey is multi-step, requiring time and multiple interventions from start to finish. For the pilot the customer journey is unlikely to complete for groups other than early adopters....



Target Audience & Customer Location

Target Audience: The SHS company's existing PAYG customers (top-tier only to mitigate risk whilst learning).

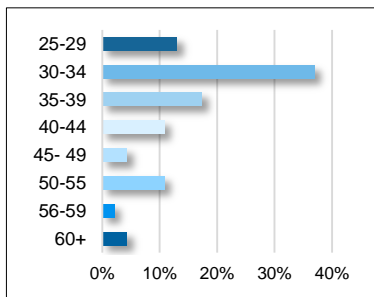
Customer Location: Indicated in red on the map. Numbers in red = number of units sold per location



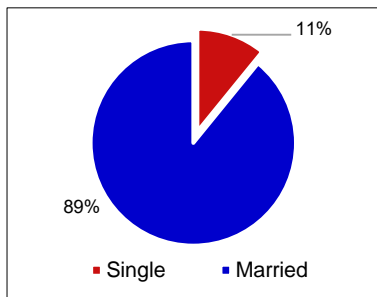
OGDF Customer Demographics

N.B. For the pilot the SHS company decided to limit sales to the top-tier of their existing customer base. Those that bought the fridge (see below) were representative of that top-tier

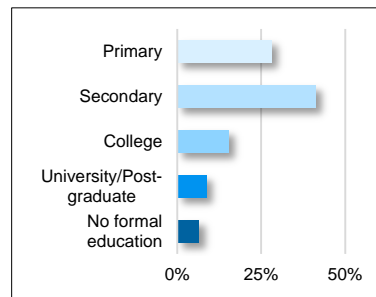
Age



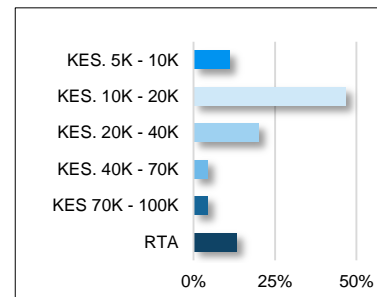
Marital Status



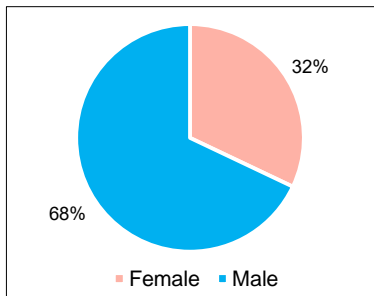
Education



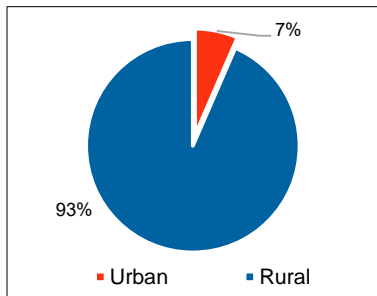
Monthly Household Income



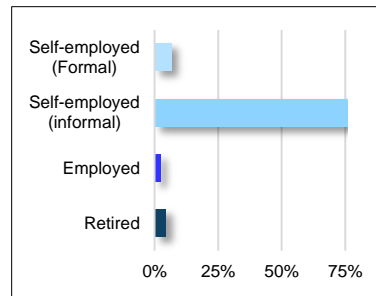
Gender



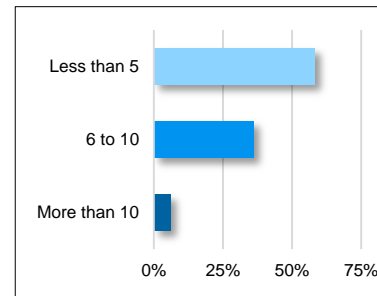
Location



Employment Status



Household Size



Main Findings

- i. Quantitative Analysis**
- ii. Qualitative Feedback**
- iii. Price & Value Equation**
- iv. Main Findings Summary & Recommendations**

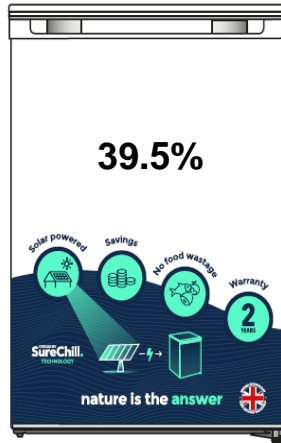


Quantitative Analysis

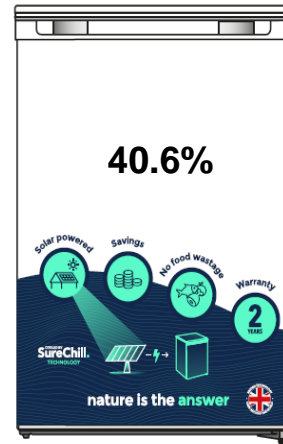


Quantitative Analysis – 1st Telesales Call Outcome

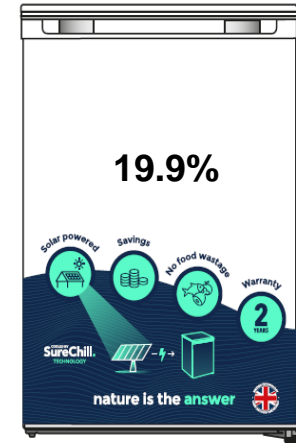
Interested



Not-Interested



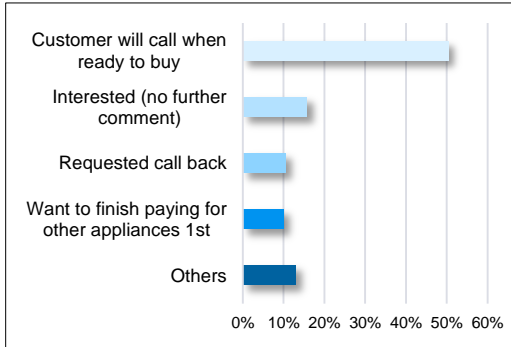
Undecided



- Observation :**
1. The immediate sales potential are the 60% who were either interested or undecided
 2. Not interested customers are assumed to be the “late majority”; hence interpreted to be not interested NOW (but might be interested LATER)
- Insight :** Customers need time & information to make a definitive purchase decision – however interest levels were higher than anticipated
- Inference :** For the sales pilot focus was placed on following up with those who expressed an interest on the 1st telesales call

Quantitative Analysis - Telesales Calls – Further Insight

Interested = 39.5%

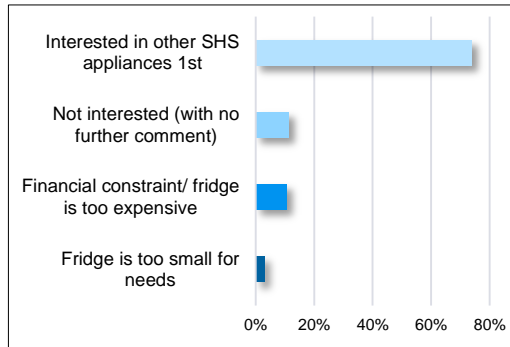


Observation: 87% invited call back once ready to purchase

Insight: As predicted, customers need **time** to complete their purchase journey

Inference : Telesales to diarize follow-up calls appropriately

Not-Interested = 40.6%

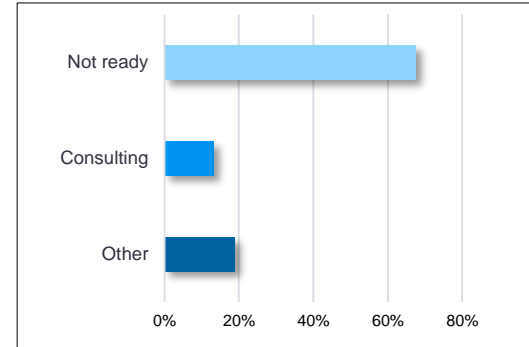


Observation : 74% indicated interest in buying other SHS appliances before buying the fridge

Insight : The SHS company had been marketing their other appliances to the same customers in the months before the fridge pilot. Some customers were saving towards the deposit on those other appliances.

Inference : Telesales to diarize follow-up appropriately

Undecided = 19.9%



Observation : 81% indicated that they were not decided as of now and wanted time to think / consult

Insight: This group are probably the early & late majority on the demand bell curve. They will follow once others lead.

Inference : These prospects are most likely to decide / act once they get positive referrals about the fridge from those they trust

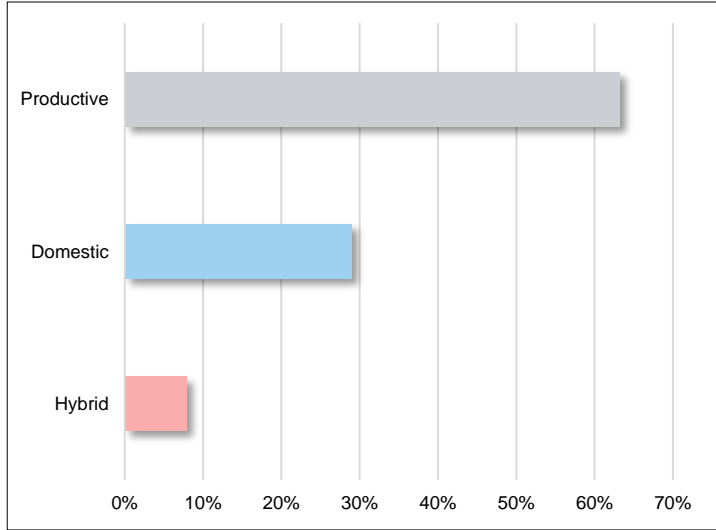


Qualitative Feedback



Qualitative - Customers Interviews (Product Usage over Time)

Usage @ 1st Call - After Fridge Installation

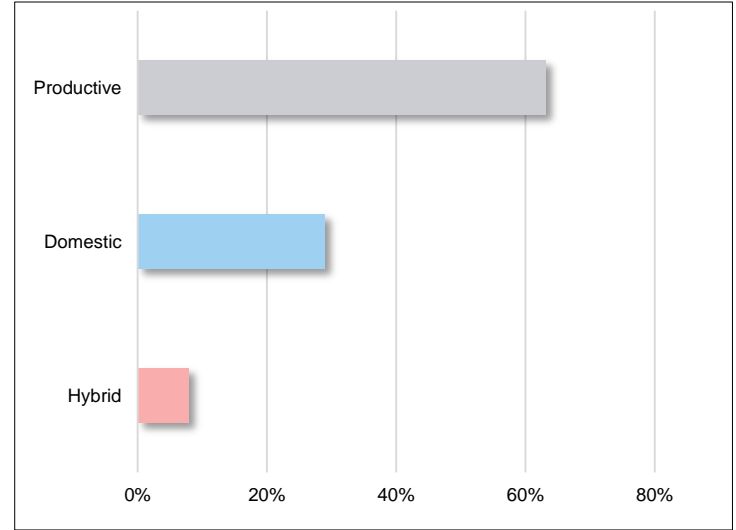


Observation: 63% of pilot customers bought the fridge for productive purposes (predominantly by dukkas, small restaurants and bars)

Insight: Productive-users have higher awareness, an immediate need and a financial justification for purchasing a fridge

Inference: At launch target micro-entrepreneurs to rapidly seed the fridge within communities, thereby create awareness, trust and ultimately demand through positive word-of-mouth and referrals

Usage @ 2nd Call - 4 Weeks Later



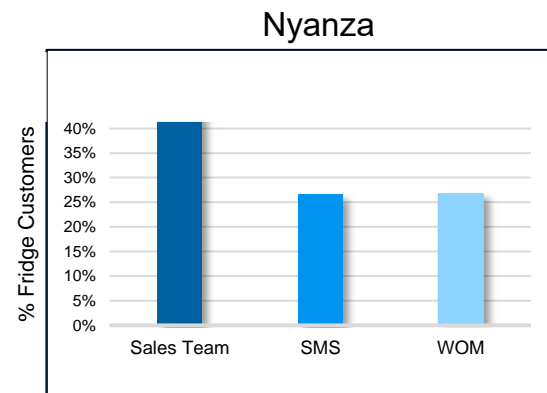
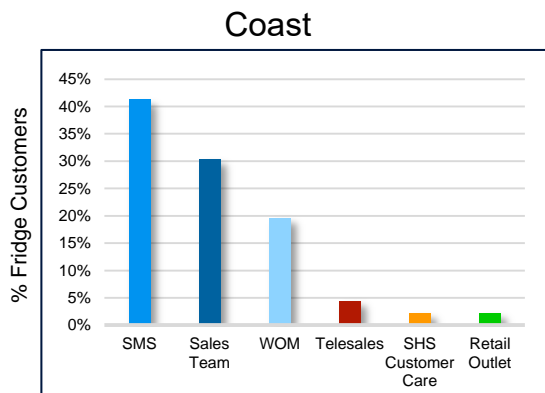
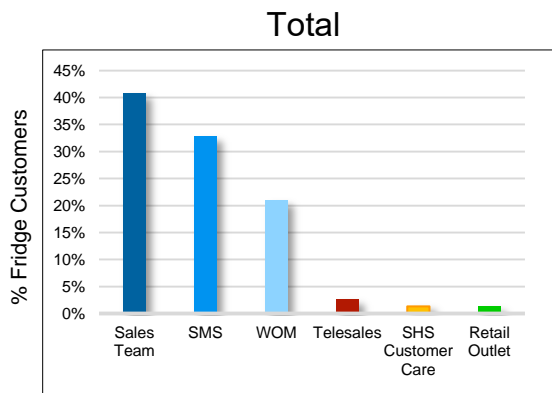
Observation : No significant shift after one month

Insight : Human behavior takes time to change

Inference : There might be potential to encourage domestic sales by highlighting the opportunity for domestic customers to create micro-businesses to help with their daily repayments

Qualitative – How Awareness was Created

Field sales teams understood their target audience and were able to accelerate sales by targeting those with a need



Observation : The initial SMS had high recall; however the regional field sales teams played a much bigger role in creating awareness than anticipated. Word-of-mouth also emerged earlier than anticipated

Insight : Field sales teams and retailers have relationships with their existing customers and immediately know who they can proactively (and personally) contact to create awareness & demand

Inference : Adjust the hypothetical customer journey to increase the role played by the SHS company field sales network to identify early adopters at launch. Telesales will still play an important role in reaching the wider audience.



Price & Value Equation



Price vs Value Equation

- On the first telesales call only 4% of targeted customers mentioned price as a reason why they were not interested in buying the fridge
- On the second telesales call (made to prospects who had signaled interest) price was not mentioned at all
- Net Promoter Score (NPS) measurements were taken immediately after fridge installation and again 4 weeks later. The NPS score increased with time indicating customer satisfaction and a growing willingness to recommend the fridge to family and friends.
- During field visits neither field sales team, regional telesales, retail outlet owners, installers nor customers mentioned price as a barrier
- Our interpretation is that the targeted (top tier) SHS customers are familiar with the PAYG model and are comfortable paying a deposit and daily amounts of that size over time
- Pricing (deposit and daily payment size) might be more of an issue for the early / late majority and for those SHS customers with a lower credit rating



Main Findings Summary & Recommendations



Main Findings Summary & Recommendations

Understand the key triggers and barriers to purchase of the off-grid refrigerator

- There is clearly latent awareness and demand; particularly amongst those with a productive-use need.
- Trust played an important role (and this was successfully employed by field sales operatives to generate early sales)
- Due to limited number of fridges available; pilot learning was mainly limited to the behavior of early adopters
- An extended study is needed in order to understand the triggers and barriers for the early/late majority

Map the customer journey from awareness to purchase

- Learning for the early/late majority incomplete for the reasons cited above
- The sales & marketing model can be enhanced by leveraging field sales networks at launch
- A separate customer journey should be developed for productive-use customers
- Targeting micro-entrepreneurs at launch is likely to accelerate seeding of the fridge within target communities, thereby creating positive word-of-mouth and referrals to domestic-users and the early/late majority

Continued on next slide

Main Findings Summary & Recommendations (continued)

Monitor & understand customer satisfaction post-purchase and measure whether willingness to recommend the fridge to family & friends changes with familiarity

- Customer satisfaction (NPS) increased with usage, as did willingness to recommend the product
- This emphasizes the important role that word-of-mouth and referrals can play in scaling sales
- Productive-use customers have higher expectations of after-sales service than domestic

Develop an in-depth understanding of the price / value equation and the role that the PAYG financing model plays in helping or hindering purchase (deposit, daily repayments, and plan duration)

- Price was not mentioned as a barrier by target customers
- This was probably aided by the fact that all fridge customers were familiar with the SHS PAYG model
- The early / late majority will probably adopt a “wait-and-see” stance, relying on positive WOM and referrals to judge value-for-money

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Thank you

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