

## Case Studies



### Case 6:

#### Large scale sales to private individuals/Utrecht

The objective here is to let private individual property owners get the advantage of overall project negotiation about the solar heating plant and installation. The idea is to stimulate and realise large scale sales to private property owners. Call for tender for 100 systems in a tender given for a mix of identical and individual systems in Leiden. The project in Leiden must be considered a success as approximately 10% of the contacted people answered a questionnaire and there were 115 solar systems sold (approximately 5% of the contacted people). The municipality will try to replicate the success on a yearly basis. The successful project has also been replicated with relative success in the Province of Utrecht where 400 systems were sold (17,000 received direct mail).

Advantage:

- Positive neighbour impact
- Good possibility for tender
- Price reduction for end users (30%)

Lessons learned:

- Difficult to ensure the tendering company a guaranteed bulk sale of, for instance, 100 or 200 systems at the same time.
- Needs good co-ordination.

### CASE STUDY 6

#### Solar Procurement Projects: Solar Water Heater Campaign, Utrecht

**Title:** 'Solar Water Heater Campaign, Province of Utrecht'.

**Location:** Province of Utrecht, the Netherlands.

**Time period:** Starting date: /03/1997. End date: /03/1998

## 1 Short description of the project:

The 'Solar Water Heater Campaign' is a specific project approach to promote and stimulate the sales of Solar Water Heaters (SWH) at a larger scale to private property owners with existing houses. A particular aspect of this approach is the overall project negotiation in system and installation pricing as performed by the project group, while individuals can use the offer. Other important characteristics of this project approach include:

*Provision of a completely installed SWH, possibly in combination with an auxiliary heater; Intensive sales action period (8 weeks) and publicity campaign informing the public on SWH and providing a special offer.*

Participants:	Role:
Organisation	Form of action taken:
Municipalities in region (27)	Initiator/Executor
Ecofys	Advisor/Consultant
Energy Companies (3)	Initiator/Executor
Atag/LZE, Rensa, Agpo/ZEN	Suppliers
Installation Companies (17)	Installer(s)

Time schedule:	
01/03/1997 to 01/09/1997	Preparation work: selection of systems and installer(s), preparation of the publicity campaign
01/09/1997 to 17/10/1997	Action period (publicity campaign, optional entry to the Campaign Solar Water Heater)
17/10/1997 to 31/03/1998	Installation of the systems and arrangement of the subsidies
31/03/1998 to 30/04/1998	Evaluation of the overall project



*Technical product information:*

*Supply of:* Drain-back and thermos-siphon systems with a flat plate collector (2,8 m<sup>2</sup>) and 100-240-litre storage.

*Offered forms:* Different types of collectors and vessels based on consumer preference and demand. Possibility to purchase an SWH in combination with a new auxiliary heater.

## 2 Project goals

**General objectives:**

- To stimulate and realize large scale sales of SWH's to provide property owners with existing houses;

**Specific objectives:**

- To promote SWH's to private property owners using selected sources of information and communication. To increase the experience of (more) installers with the installation of Solar Water Heaters by providing installation courses and many installations in a short period. To install multiple SWH's within a small area during a short term period to reach increased familiarity with Solar Water Heaters.

**Targets:**

- The realization of 500 Solar Water Heater systems installed within the district/region of Utrecht (Province).

## 3 Design characteristics

*Inspection/monitoring tests:* One out of seven systems was inspected by the system manufacturer.

*Most prevailing problems:* Low quality of installation, mainly on the constructional integration.

## 4 Financial characteristics

*Price setting:* The prices of the systems ranged from f 2000-3000 (ex. VAT), depending on the type of system. Reduction in end-user price was further reached through a subsidy. For a combination of a Solar Water Heater and an auxiliary heater prices ranged from f 3800-4900 (ex. VAT). Offers only included complete systems (total package deal).

*Bidding procedure:* A call-for-tenders for 500 systems was issued to suppliers of complete Solar Water Heaters. After assessment and final negotiations and agreement, three suppliers (manufacturers) were chosen by the project group to deliver the systems. In the next phase, local installation companies were invited to offer prices for standard installation work. A total of 17 installation companies were selected.

*Criteria:* The project group selected the bidding on the basis of size, proven quality, references, capacity and price.

## 5 Sales promotion



*Brief description of marketing and promotional aspects:*

For all sales promotion and information purposes a logo and a slogan were developed to increase recognition of the action. All 27 municipalities participated in marketing and sales promotion.

*The promotion campaign consisted of* advertisements and articles in the local newspapers; a telephone number for information/request brochures; a direct mailing to inhabitants with south-oriented houses of about 10-15 years old, and an information stand in a shopping centre (more detailed information) and the presentation of a demonstration model of a Solar Water Heater.

*The promotional materials consisted of* general information about Solar Water Heaters, information about the procedures in this project, name/address of the selected installers, consumer prices (including installation for standard situations) and an application form.

## 6 Ownership and responsibilities

*Owner solar heating unit:* the user/consumer or individual property owner owns the solar unit.

*Included in the sales contract:* The user and the installer are involved in the sales contract.

*Financiers of the units:* The systems are financed by the users by payment in one term. Another possibility was to rent or lease the system from the energy company.

*Supply and installation guarantee:* The guarantee comprises a 6-year warranty period for the system and a 2-year warranty period for the installation works. The supplier and the installer delivered this guarantee.

## Results

*Brief description of sales results and overall project achievements:*

In total 400 SDWH systems were installed (gross price cost reduction of more than 30%.) All 17 installers gained experience with the installation techniques for Solar Water Heaters during short courses and training-on-the-job. Over 17,000 persons in the region of Utrecht received detailed information about Solar Water Heaters by direct mail or on personal request.

Overview of number of sales promo/info. materials	Total Number
direct mailings	17,000
registration forms	1180
systems sold	400
% Solar Water Heater with new auxiliary heater	68%

### Project experiences and conclusions

Projects with the same approach have been realized in 10 municipalities of the Climate Alliance, the supply areas of the energy companies ENW and GGR-GAS, and the regions of Rotterdam, Flevoland and Achterhoek.

This type of large-scale project has shown the importance of good coordination of the project process and the contacts between the different parties.

May 1999

