



SUCCEES AND FAIL FACTORS OF ORGANIZING DEMAND

REFURB DELIVERABLE REPORT 2.3

Overview and
one-stop shop solutions
for private homeowners



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Deliverable D2.3 Success and Fail Factors of Organizing Demand

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SUMMARY D2.3: SUCCESS & FAIL FACTORS OF ORGANIZING DEMAND

The REFURB project focuses on the complex interplay of barriers through coordinated process organization, innovation and optimization. This report is part of work package 2 (“demand side mapping”), and focuses on the options for organizing the demand, based on best practice experiences. The demand side of the REFURB project refers to private homeowners, which is a diverse group of decision makers in energy efficiency investments that is not well organised and has a limited capacity and ambition to inquire about technical details of energy efficiency solutions.

To gain understanding of the possible ways to improve the organisation of the fragmented demand side, this REFURB report (D2.3) focuses on available and working “demand aggregation schemes”. The observation is that improving the organisation of the demand side makes it easier for homeowners to be convinced of the best suitable renovation measures. In almost all regions participating in the REFURB project best practices on schemes to aggregate the demand side exist, e.g. energy collectives. This report analyses 10 demand aggregation schemes in all countries participating in the REFURB project:

- Better housing (DK)
- Buurkracht (NL)
- Green Business Growth (DK)
- Slim Wonen in Leeuwarden (NL)
- Stroomversnelling Koop (NL)
- Tartu apartment schemes (EE)
- Evening school for homeowners (DK)
- The ZEROhome program (DK)
- Pluimstraat Kortrijk (BE)
- Dampoort Gent (BE)
- COA Freiburg (DE)
- Ecofund (SL)

The term “*demand aggregation scheme*” is not widespread in the field of energy renovation of homes. A demand aggregation scheme refers to the ways the demand side can be organized. It is defined within the REFURB project as:

A method for cooperation of homeowners, or national / regional / local program to organize the demand side so the group of homeowners are assisted in their housing renovation process to overcome barriers, and to improve the position of the demand side, e.g. towards the supply side. Demand aggregation schemes target more renovations, and/or improve the renovation e.g. in term of energy efficiency.

This report results in a description of critical success factors and fail factors of demand aggregation schemes based upon the analysis of the above-listed schemes, potential drop-out moments and a set of recommendations of the best way to organize the demand side.

The main **critical success factors** are:

- Independent advice – averse to conflict of interest
- Unburdening – reducing the hassle and burdens of a renovation process

- Energy saving - a perspective on saving energy and money
- Governmental participation – involvement of a neutral player
- Independent decisions - homeowners are not forced into a certain solution
- Peer pressure & ambassadors – acquaintances and peers are involved to convince homeowners
- Financial incentives and solutions – to support homeowners with upfront investment costs
- Not only financial incentives – also other solutions to convince homeowners
- Personal and tailor-made approach - adapted to the particular situation of home, homeowner and family
- Targeted recruitment – focus on well-defined segments of the demand side

The critical **fail factors** are:

- Weak financial architecture of the scheme – no solid business plan to target high volumes of homeowners
- Only focussing on awareness schemes - taking homeowners into a customer journey for a renovation does not stop with awareness rising
- Fail to deal with NZEB - the complexity and added value of this standard should be recognized.
- Engagement of key stakeholders is missing - the right stakeholders on the field should be involved, not too top-down
- Too generic approach to convince homeowners – a non-personal approach increases the drop-out
- Weak links in the chain - all services provided, from all partners, must be of good quality
- Too dependent on volunteers – their commitment can be unpredictable
- Too dependent on external financial funding & subsidies – changes in this external funding can harm the demand aggregation scheme
- External fail factors – things you can't influence, but can influence you

The analysed demand aggregation schemes made use of several strategies to reduce the **drop-out moments**. Drop out moments relate to the moments homeowners decide not to go further in the renovation process, and leave the 'customer journey' (cfr. REFURB Report D2.5). These strategies to reduce the drop-out moments are considered to be effective:

- A personal approach – not limited to “generic” advice
- Creating a kind of “communities” with other participants – e.g. in a neighbourhood
- Offering homeowners a long-term perspective to start a renovation – being present for a longer period
- A toolkit of solutions and knowledge – to overcome all sorts of problems that pop up
- Integrated advice – non-contradictory expertise for all kinds of problems
- Performing communication – flexible and adapted to the context
- A meticulous planning of the renovation works – to avoid additional work and costs

Based on these lessons learned of all these schemes, a set of **10 recommendations to organize the demand side are presented**:

- Copy the success of other schemes – others paved the way

- Regard energy saving as a process, not a service or product – it is not a one-off action
- Respond to the heterogeneity of the demand side – every dwelling and homeowner is different
- Offer holistic and tailor-made solutions with a personal approach – homeowners expect more from their renovation than improving energy performance
- Gain the confidence of the homeowner – difficult but essential
- Make the scheme available for a longer period – the scheme must be available when the homeowner is ready, not the way around
- Trigger, don't push – seduce the homeowner to take the right decision
- Activate the homeowners with latent renovation intentions – this is a great potential
- Design a funding plan for the scheme, from pilot to upscaling – a solid business model makes it run over a longer period
- Enable supply side to connect with demand aggregation scheme – the supply side must be ready to deliver and meet the expectations created