

***The Development of an 18 month Sales and Marketing Plan for “Solar
Made Simple”***

By:

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Declaration

I hereby certify that this material, which I now submit for assessment on the programme of study leading to the award of Master of Business Studies in Strategy and Innovation Management is entirely my own work and has not been taken from the work of others save to the extent that such work has been cited and acknowledged within the text of my work.

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Table Of Contents

Title.....	i
Declaration.....	ii
Acknowledgements.....	iii
List of Abbreviations.....	vii
Executive Summary.....	viii
1 Chapter One: Introduction	1
1.1 General Introduction	1
1.2 Background to the Research.....	1
1.3 The Company – Solar Made Simple.....	2
1.4 Focus of the Research	2
1.5 Research Objectives.....	2
1.5.1 Primary Objectives.....	2
1.5.2 Secondary Objectives	3
1.5.2.1 <i>Competition in the industry</i>	3
1.5.2.2 <i>Level of demand & target market</i>	3
1.5.2.3 <i>Development of a SWOT and PEST analysis</i>	3
1.5.2.4 <i>Identification of marketing strategies</i>	3
1.6 Summary of Findings.....	4
1.7 Structure of Thesis	4
1.8 Summary and Conclusions	4
2 Chapter Two: Literature Review.....	6
2.1 Introduction	6
2.2 Renewable energy	6
2.3 Definitions of Solar Energy.....	7
2.3.1 History of Solar Energy	8
2.3.2 Solar Panels.....	9
2.3.2.1 <i>How Solar Thermal Systems Work</i>	10
2.3.2.2 <i>Benefits and Threats of Solar Thermal Systems</i>	11
2.4 Sales & Marketing	13
2.4.1 Sales Definition.....	14
2.4.2 Definition of Marketing.....	15
2.4.3 Sales V Marketing.....	16
2.4.4 Sales and marketing plan.....	17
2.4.4.1 <i>Types of Marketing Plans</i>	18
2.4.4.1.1 The new product plan	18
2.4.4.1.2 Annual Marketing Plan.....	18
3 Chapter Three: Research Methodology.....	20
3.1 Introduction	20
3.2 Research Objectives.....	20
3.3 Qualitative V Quantitative.....	21
3.4 Research Methodology.....	21
3.4.1 Layer One – Research Philosophy	22
3.4.1.1 <i>Positivism, Interpretivism and Realism</i>	22
3.4.2 Layer Two- Research Approach	23
3.4.3 Layer Three – Research Strategies.....	23

3.4.4	Layer Four – Time Horizons	24
3.4.5	Layer Five – Data Collection Methods	24
3.4.5.1	<i>Secondary data</i>	25
3.4.5.2	<i>Observation</i>	25
3.4.5.3	<i>Interviews</i>	26
3.5	Limitations.....	27
4	Chapter Four: Marketing Plan (I).....	28
4.1	Introduction	28
4.1.1	Solar Made Simple Interviewees	28
4.1.2	County Council Interviewee	28
4.1.3	Solar Company email correspondences	28
4.2	Situational Analysis	28
	The situational environs.....	28
	Pest Analysis	29
	<i>Political/Legislative</i>	29
	<i>Economical</i>	30
	<i>Social</i>	30
	<i>Technological</i>	31
	The Neutral Environs.....	31
	Financial.....	31
	Government.....	32
	Competitor Environs	32
	Company Environs	34
	SWOT Analysis.....	34
	Strengths	34
	Weaknesses	36
	Opportunities.....	37
	Threats	37
5	Chapter Five: Marketing Plan (II).....	39
5.1	Target Market	39
	New Dwellings	39
	Existing Dwellings	40
	Local County Councils	40
	Launderettes/GAA Centres/Swimming Pools.....	41
5.1.1	Evaluation of Target Markets	41
5.2	Opportunities and Problems	41
5.3	Marketing Objective and Goals.....	42
5.4	Marketing Strategies	43
5.5	Marketing Tactics	43
5.6	Implementation	48
6	Chapter Six: Evaluation	54
6.1	Introduction	54
6.2	Sales Unit Projections	55
6.3	Advertising Budget	56

7	Chapter Seven: Conclusion	57
7.1	Introduction	57
7.2	Competition in the industry	57
7.3	Level of Demand and Target Market.....	57
7.4	Development of PEST and SWOT analysis.....	58
7.5	Identification of Marketing Strategies	58
7.6	Overall Findings	59
8	Bibliography	61
8.1	Articles:	61
8.2	Books:	61
8.3	Web-sites:	63
8.4	Databases:.....	64
8.5	Dissertations:	64
9	Appendices	65
	Appendix A: Interview with Westmeath County Councillor: Joseph Flanagan	65
	Appendix B: Criteria for which quotations were based	66
	Appendix C: Applications Approved by County	66
	Appendix D: Systems Installed by County	67
	Appendix E: Advertising Costing	67

Table of Figures

Figure 2.1: Renewable V Non-Renewable Energy	7
Figure 2.2: How Solar Panels Work	11
Figure 2.3: Residential Gas Energy Savings Potential by Measure	12
Figure 2.4: Importance of Promotional Tool	15
Figure 2.5: Marketing Mix	16
Figure 3.1: The Research Process 'Onion'	21
Figure 3.2: Data Collection Methods	25
Figure 5.1: Employment	53

Pictures

Picture 2.1: Evacuated Tube System

Picture 2.2: Flat Plate Solar Panel.. 10

List of Tables

Table 2.1: Sales V Marketing	17
Table 4.1: Comparison of Competitors	33
Table 5.1: Planning Permission Granted for New Housing	39
Table 5.2: Approximations for Q3 and Q4 2010	40
Table 5.3: Statistics for Launderettes/Gaa Clubs/Swimming Pools in Ireland	41
Table 5.4: Features and Benefits of Product	44
Table 5.5: Financial Projections	Error! Bookmark not defined.
Table 5.6: Marketing Development Schedule	48
Table 6.1: Sales Units Projections	55
Table 6.2: Advertising Budget	56

List of Abbreviations

SMS	Solar Made Simple
SMP	Sales and Marketing Plan
SEAI	Sustainable Energy Authority of Ireland
ISP	Institute Sales Promotion
PV	Photovoltaic Energy
DHW	Domestic Hot Water
S&P	Selling and Promotion
D2D	Door to Door
AEI	Alternative Energy Ireland
PEST	Political/Economical/Social/Technological
SWOT	Strengths/Weaknesses/Opportunities/Threats

Executive Summary

Solar Made Simple is a newly formed company specialising in the solar thermal system, within the renewable energy industry. The renewable energy industry is an ever increasing industry with the technologies changing at a fast pace. It is for this reason that the researcher chose to undertake the development of an eighteen month sales and marketing plan for the company with the attempt to increase sales and gain an overall nationwide customer base. Due to the increasing pace of technological advancements in the renewable sector it is a necessity to acquire market share percentage from an early stage, if the company wish to succeed.

The research required for the development of this eighteen month marketing plan undertakes a qualitative investigation into the renewable energy sector, the various technologies within the sector and in particular focusing on the solar thermal industry. There were numerous methods of research undertaken which were that of observation, the utilisation of secondary data and also the use of structured, semi-structured and non structured interviews with directors of the company and member of Westmeath County Council.

In an attempt to develop the marketing plan the researcher had three objectives: to identify competition in the industry; attempt to identify the target markets and level of demand; develop a PEST and SWOT analysis and identify a marketing strategy that the company could utilise. The completion of theses objectives resulted in the researcher suggesting methods to reduce the impact of the threats and utilising opportunities to the highest standard a new company of this size could achieve. The overall findings of this research resulted in the completion of an eighteen month sales and marketing plan for SMS, complete with estimated sales projections for the next eighteen months and also an estimated budget for advertising and promotion of the company brand and image.

1 Chapter One: Introduction

1.1 General Introduction

According to Scheer (2005) today across the world, most nations are economically dependent on fossil fuels. However he also states that the populations have begun to realise the consequences of this dependency and so public awareness of the affects are increasing.

As cited by Hassan et al (1999, p.2) “the increasing levels of global warming, depleting sources of fossil fuels and increasing energy costs are all having a large detrimental effect on today’s society. Many efforts are being made to try and increase energy efficiency all over the world.”

It is for these reasons that the energy efficiency awareness among the populations worldwide has increased and that the technology developments in the renewable energy industry are increasing at a fast pace.

1.2 Background to the Research

The researcher has had a keen interest in the entire area of energy efficiency and the effects that the use of fossil fuels is having on our environment in particular into the longer term effects. Also throughout the researchers academic years they furthered their interest in this area by undertaking a project which involved the conversion of a house to be energy efficient, thus improving the researchers knowledge and know how of the different technologies and methods that one could use to help improve energy efficiency.

The researcher then took the opportunity when it was presented to undertake work placement with the solar company Solar Made Simple. The researcher took a keen interest into the necessity in the current climate for solar powered technologies. However through the researchers’ time at the placement and having conducted research for the company, one realised the fierce competition that was in the industry. The opportunity then arose to develop a sales and development plan for the company in an attempt to help them compete to the best of their ability in the industry.

1.3 The Company – Solar Made Simple

Solar Made Simple is a new and developing company which commenced operations in 2009, designing innovative solar powered solutions for the domestic and commercial market.

The company was founded by Niall Campbell and Kieran Herron and both remain existing directors of the company which is located at the GMIT Innovation Centre. It is at this location that the design and development of the product is undertaken.

To date the company specialises in two forms of solar thermal heating systems, solar panels and solar tubes. These systems are been sold at affordable prices and are also availing of the maximum regional grant available within Ireland.

The company pride themselves at been the most efficient and affordable in delivering the product. They offer the service of making the entire process of installing the solar system completely simple. They undertake every step of the process from enquiry to installation.

The company originally targeted the north west of Ireland with the product; however the company is seizing opportunities to expand its operations nationwide through the development of contacts with installers and county councils.

1.4 Focus of the Research

Concerned with the current trends in the renewable energy industry and to develop a marketing plan for Solar Made Simple, the researcher undertook a qualitative and observational investigation to identify where the company is positioned now and how they can increase their competitiveness and improve their brand awareness.

1.5 Research Objectives

1.5.1 Primary Objectives

The primary objective of this research is to develop a sales and marketing strategy for the company Solar Made Simple. The objective aims at developing the company's brand and producing a sales forecast that will profit the company.

1.5.2 Secondary Objectives

1.5.2.1 *Competition in the industry*

To investigate the company's positioning in relation to competitors in the industry. In an attempt to develop a marketing plan and increase revenue for the company, one must identify where the company is positioned in relation to its competitors. This entails identifying who are the competitors and what is their unique selling point and advantages compared with Solar Made Simple.

By assessing the competitors, this increase ones ability to promote the advantages that Solar Made Simple offers to the end consumer.

1.5.2.2 *Level of demand & target market*

To investigate the estimated level of demand for the product and the size of the potential market, one must identify potential consumers and key market segments that should be targeted. This can be achieved by identifying the different government rules and regulations that will affect the energy efficiency industry. By investigating the level of demand that the company may be subject to, this gives an insight and estimation into the percentage of the market the company will be able to obtain. It also helps to identify the other forms of consumers other than domestic dwellings that could benefit from the use of solar energy.

1.5.2.3 *Development of a SWOT and PEST analysis*

In order to complete a marketing plan one must develop on many different elements. These elements include the development and completion of a SWOT and PEST analysis of the company and of the solar thermal industry. The development of these two methods helps to identify how attractive the industry is and the strengths, weaknesses, opportunities and strengths of Solar Made Simple.

1.5.2.4 *Identification of marketing strategies*

To complete the marketing plan and to increase brand awareness the researcher had to identify different strategies that could be used. The strategy undertaken by the researcher was the 4P's marketing mix and focused particularly on the promotion strategy. The researcher identifies the different methods of advertising and promotions available and decided which would benefit a company in this industry the most.

1.6 Summary of Findings

The completion of this research resulted in the completion of an eighteen month sales and marketing plan for Solar Made Simple, aside with projected revenue and advertising budget for the company. It also consists of recommendations that the company could undertake in an attempt to increase their brand awareness and revenues.

1.7 Structure of Thesis

Throughout the thesis the researcher has identified literature that has been written in the area of renewable energies and explanation of the workings of the solar system. The researcher has given details on the contents of sales and development plan and what it contains and its benefits. There is also a detailed description of the research methods that were undertaken in an attempt to create the Sales and Marketing Plan. This is followed on by the marketing plan itself and is concluded with recommendations for the company.

1.8 Summary and Conclusions

SMS offer a high tech system at a quality price and offer a high quality “all in” service. Through the completion of research into competitors and the renewable energy sector, it can be noted however that the technological advances in this sector are moving at an ever increasing pace which poses as a threat to SMS and their system. This also increases the urgency to get the product to market nationwide as soon as is possible before more advanced technologies for solar thermal systems are introduced.

For the implementation of the schedule to be a success it is necessary for the directors of SMS to seek out installers of the system nationwide, this will also help with the promotion of the system and raise brand awareness. SMS offer a quality system however through researching their competitors; this showed that they offer a wider range of renewable energy products and systems. This may pose as a threat for SMS if they do not expand their product range in the near future.

However with the economic downturn and the ever increasing emphasis on the green environment, SMS offer the perfect system at the perfect price and through the promotion of the advantages and benefits of the SMS system via the SMP this should

result in the development of the company and increase the brand awareness to a nationwide extent.

2 Chapter Two: Literature Review

2.1 Introduction

For the purpose of this research, the researcher will investigate literature in the areas of renewable energy, sales and marketing techniques and entrepreneurship.

However the literature for the renewable energy sector is broad and varied regarding many different aspects of renewable energies. It is for this reason that the researcher has focused on the area of solar energy and on the method of solar energy that Solar Made Simple specialise in, which is that of the active solar systems. However, the reader will gain an insight into the alternative system that one could utilize.

2.2 Renewable energy

Renewable energy as defined by Sustainable Energy Ireland (www.seai.ie) “comes from energy resources that are continuously replenished through the cycles of nature. Unlike fossil fuels, their supply will never become exhausted.” Renewable Energy Ireland (www.reneableenergy101.info) states that “renewable energy is any form of energy generated from natural resources”. As can be noted both definitions have the same conclusion that renewable energy is formed from natural resources. These natural resources as stated by the above two sources are as follows:

- The Sun
- The Wind
- Underground
- Moving Water
- Biomass

The above definitions are confirmed by the Axender (2008:15) who states that “renewable energy summarises all energy derived from regenerative resources, which can not be depleted. Therefore all renewable energy sources are reproducible non fossil fuel energy sources, such as wind, solar, biomass, hydropower and geothermal”

As can be concluded from the above definitions that the world will never be exhausted of renewable energy sources.

Renewable Energy



Non-Renewable Energy

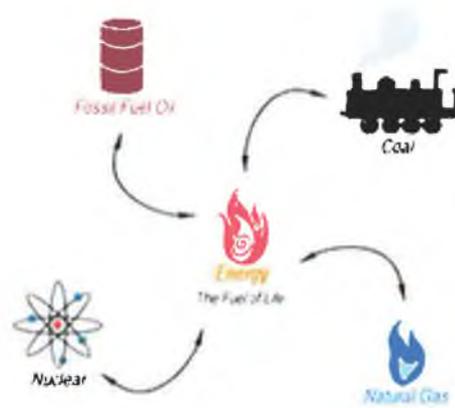


Figure 2.1: Renewable V Non-Renewable Energy

(Source: Google images, URL: <http://www.sonic.net/~lilith/EnviralFuels/Images/renewable-vs-non.gif> [2.7.2010])

Figure 1 above shows the two different forms of energy: renewable and non-renewable. Non-renewable energies up until recent times was the method of energy used Worldwide. However, Duncan Stewart at the BMW assembly conference explains how the impacts and consequences of using these fossil fuels and also the effects it is having on our atmosphere and global warming. Stewart further goes on to explain that the demand for the diminishing products of gas, oil and electricity is resulting in inflation in their prices. With the current economic downturn Stewart explains that “the possibilities are enormous for the development of new business enterprises that will enhance the self sufficiency, economic viability and social vibrancy of the region’s rural and town communities in a sustainable and ethical manner”. This statement by Stewart explains that there are major possibilities for renewable energy businesses.

2.3 Definitions of Solar Energy

There is an inundated amount of information available in relation to the definition of solar energy and the different types of solar energy systems that are available.

Solar Energy as defined by clean energy ideas (www.clean-energy-ideas.com) is “...the energy received by the earth from the sun. This energy is in the form of solar radiation, which makes the production of solar electricity possible.” The new

dictionary of cultural literacy (2002) defines solar energy as “the process that uses the energy the earth receives from the sun to generate heat or electricity for human use”. In addition to providing electricity Ramsey, D (2003:9) further explains that the solar energy can provide electricity for the heating of water and the heating of air within domestic and commercial buildings. The conversion of sunlight into heat is known as solar thermal energy and the conversion of sunlight directly into electricity is referred to as photovoltaic energy, this is according to research which was undertaken by Comtex for Zacks Investment Research (2009). However the SEAI states that there are three basic approaches that buildings use today to create the maximum benefit from the solar energy and these are passive solar, active solar heating and solar PV system. The two most common systems used according to are passive and active systems. Chase, V (1977:80) defines the passive system as the system that “...gains the maximum use of the sun as it strikes the building. Passive measures include the positioning of the buildings on the site, the material used, design insulation and placement of glazing” He describes the active solar system as the one that “convert and transport heat”. He also noted that the active system does require some of the passive systems techniques in order for it to work. Ramlow, B & Nusz, B (2006:60) noted the workings of the passive system that “circulates either domestic water or a heat transfer fluid through the system without the use of pumps”. The active systems however require pumps to “circulate the fluids throughout the system” (Ramlow, B & Nusz, B 2006:60).The active systems can be either direct or indirect systems. The direct system is simple as “water travels to the solar collector...use pumps in their operation”(Ramlow, B & Nusz, B 2006:60) the indirect system consists of “the sun heating some type of solar fluid and the heat is transferred to the domestic water through a liquid to liquid heat exchanger” (Ramlow, B & Nusz, B 2006:60)

2.3.1 History of Solar Energy

Though Solar Energy was identified by the Native Americans and the Greeks in 400BC it was about one hundred years ago in the Industrial revolution. According to solar expert (www.solarexpert.com) “Several pioneering solar power plants were constructed to produce steam from the heat of the sun, which was used to drive the machinery of the time.” These developments were further developed by the Henri Becquerel who discovered the photovoltaic effect. This research was investigated by other researchers such as Werner Siemens and in the early developments of the PV

solar energy was seen as inefficient. However, according to solar expert “with the advent of the transistor and accompanying semiconductor technology, the efficiency of photovoltaic power increased dramatically” with the development in technologies PV power has now become more practical with many companies constantly working and investigating new methods to improve its efficiency. The most common form of PV power used today is that of the solar panels which are “12% efficient, this is four time greater than only a few years ago” according to solar expert.

There are two forms of solar power used today as mentioned in 2.3.1; solar thermal and solar PV. The usages of these two forms of solar power are increasing in remote dwellings due to the low maintenance that is required for them.

2.3.2 Solar Panels

According to solarpanelinfo.com “Solar Panels use arrays of solar photovoltaic cells to convert photons into usable electricity. With solar panels, we are provided with clean, renewable energy from the sun. Solar Cells, or photovoltaic cells, are arranged in a grid-like pattern on the surface of the solar panel. These solar voltaic cells collect sunlight during the daylight hours and covert it into electricity.” However a more simple explanation as stated by Siemens (www.siemenssolar.com) is “Solar panels are designed to convert light into electricity. The process of extracting electricity from light is called Photovoltaic (PV) and the PV process converts solar energy directly into electricity.”

There are two forms of solar panels available for domestic use and these are the flat plate panels and the solar evacuated tube systems. Images of these can be seen in picture 2.1 and picture 2.2.



Picture 2.1: Evacuated Tube System
Source: http://www.solarguys.com.au/graphics/esteem/kenmore_22_1_450px.jpg



Picture 2.2: Flat Plate Solar Panel
Source: <http://www.uksolarenergy.org.uk/images/fpc.jpg>

2.3.2.1 How Solar Thermal Systems Work

The workings of the solar panel thermal system according to Chiras, D (2002: 146) is as follows “With an interior black surface, a pane of glass over the front surface to let light in and well insulated sides and bottom, the solar panels gathers up the sunlight and converts it into heat. Heat created inside the panel is drawn off by a fluid transported through pipes located in the interior of the box. These pipes lead to a water storage tank....Pipes connecting the collectors and storage tank serve as conduits for circulation of a heat exchange fluid from the water storage tank to the collectors and back again. The heat exchanger allows heat to be transferred into the water storage tank.” Heated water is then transferred to taps, showers and any other sources that require hot water. Chiras also states that the system for heating water for a domestic dwelling requires a tank that can capacitate 80 to 120 gallons. However a system for heating an entire home would require a 1500 gallon tank.

This process however is given in simpler terms by SMS (www.solarmadesimple.ie) which describes the process in four simple steps:

1. “Solar radiation raises the temperature of the Solar Panel
2. A pump circulates household water through the collectors and into the cylinder in your home.
3. This supplies you with free hot water every day every day.

4. A simple "Drain down" system allows the collector to drain automatically preventing freezing of pipes in the winter."

See figure 2.2 below for images of the above processes.

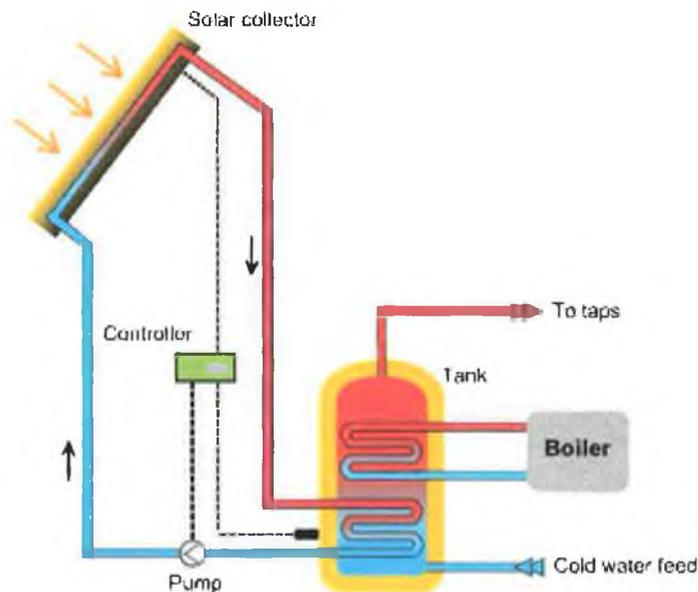


Figure 2.2: How Solar Panels Work

Source: Google Images, URL

http://www.solarage.co.uk/spaw/plugins/imgpopup/img_popup.php?img_url=/spaw/./res/embedded/sw_hsystem.gif

2.3.2.2 Benefits and Threats of Solar Thermal Systems

There has been endless research and articles written on the pros and cons of the solar thermal systems. According to an article by Boreham, Ray "Solar thermal energy systems provide a relatively inexpensive way to reduce our dependence on fossil fuel derived energies and, as a result, the size of the energy bills we receive each month." Lyster, R & Bradbrook, A (2006:19) noted that "the major advantage of solar cells are that they have no moving parts, require little maintenance, require no fuel and do not create any pollution". They also include that the material (silicon) which is required to manufacture the panels and the systems are found in abundance throughout the earth. However Lyster & Bradbrook also explain that due to the inefficiency of the system that large arrays of cells are required to produce the useful quantities of electricity. Another disadvantage to the system is that of the supply of the solar cells which require a monocrystalline form which is expensive to manufacture. However the

reliability and low maintenance of the system compensates for the cost of construction according to Lyster and Bradbrook. Elliot, D (1997:143) also states that although the fuel from the solar energy is “essentially free...there are nevertheless significant costs associated with constructing the necessary energy conversion technology” Elliott also noted that although there are the long term benefits of the installation of such systems that it may take longer to see the benefits than some people are willing to accept.

A report issued in 2005 by Green Markets International as stated by Solar Roof Company (www.solarroof.com) “found that solar water heating can be more cost-effective at reducing greenhouse gases than solar electric. They also found that solar thermal is comparable to wind farms and hydro electric facilities in terms of reduction in greenhouse gas emissions.” Therefore, stating that the use of solar power has great benefits to the environment specifically in the long run. Figure 2.3 shows that PG&E found that the greatest potential to reduce natural gas consumption came from solar water heating in comparison to other methods of renewable energy or energy efficiencies.

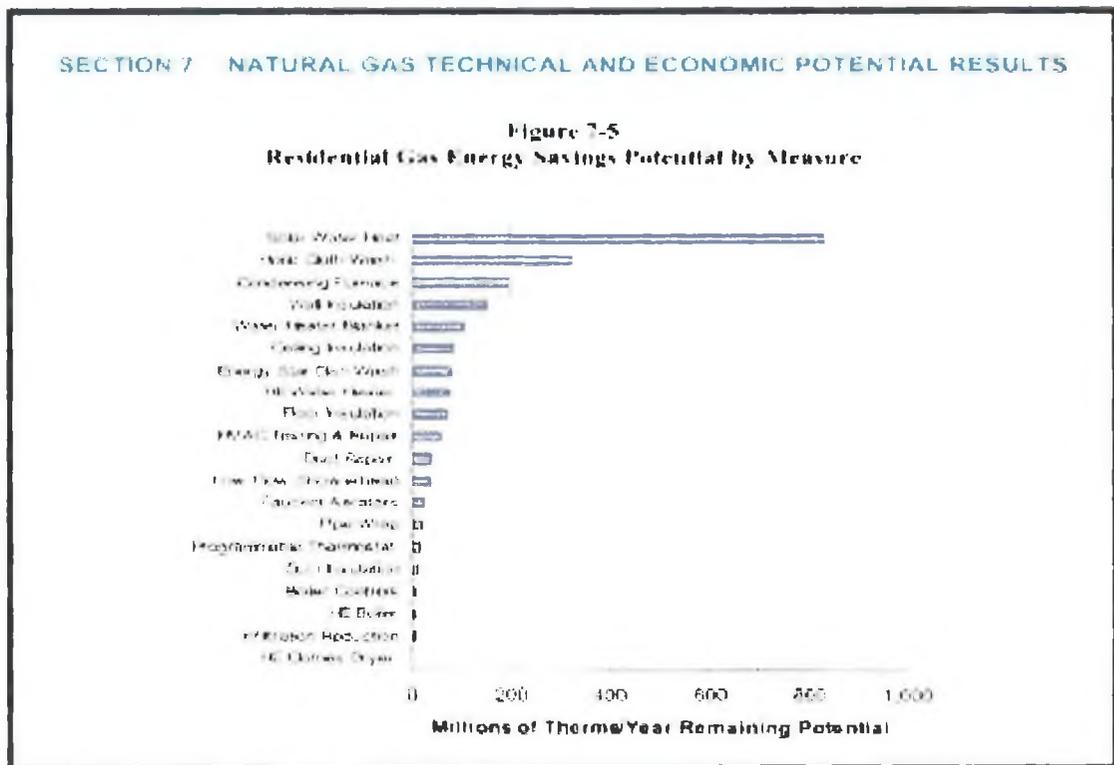


Figure 2.3: Residential Gas Energy Savings Potential by Measure

Source: Solar Roof URL: <http://www.solarroofs.com/solarthermal.html> retrieved 7.7.2010)

solarroof.com also showed the benefits of the solar water heating system in comparison to the PV power and stated the benefits as follows “Solar Water Heating has 4 to 5 times the power density of PV. An average 40 square foot Skyline Water Heater produces thermal energy in an amount equal to the energy of a 2kW Photovoltaic system at a fraction of the cost. Solar Water Heating is a perfect complement to a Photovoltaic system because it doubles the energy output of an average 2kW system, at a fraction of the cost!” This therefore proves that solar water heating systems are a more efficient method of heating water than the PV power system. The facts-about-solar-energy (www.facts-about-solar-energy.com) website however describes the advantage of solar thermal under three categories: it saves money, is environmentally friendly and is little or no maintenance. The website explains how the initial investment is the only cost and that prior to this the energy from the sun is free, with the payback from the system varying it could be short for some households. They also state about the government incentives which vary from country to country however they still reduce the cost required for the installation of the systems. Also it reduces the use of fuels required to heat the water in the home. Most of the systems are maintenance free and carry no additional costs for decades. In terms of the environment facts-about-solar-energy explain how the use of the solar energy is “clean, renewable and sustainable” and therefore it does not contribute to the pollution of the earth. It does not omit any carbon dioxide or any alternative pollutants and helps “decrease harmful greenhouse gas emissions”. As stated by Lyster and Bradbrook, facts-about-solar-energy.com also notes that the main disadvantage of the system is the initial cost for the installation. However they also note a disadvantage in that the location of the site could have an affect on the efficiency of the system however this can be overcome with the use of alternative or additional materials.

2.4 Sales & Marketing

Before one can clarify the definition and purpose of a marketing plan it is first important to define the aspects of both sales and marketing as individuals and to understand the differences of the functions of each aspect. Sales and marketing are separate unique functions which require unique actions that separate them from each other. For the purpose of the sales and development plan it is important to understand

the different functions required for each of the aspects of sales and marketing, if it is to be successful.

2.4.1 Sales Definition

A definition of sales by Theodore Levitt defines sales as “selling focuses on the needs of the seller and the need to convert product to cash”. Figure 2.4 shows the different methods of selling that can be utilised by an organisation and also shows the affect each of the promotional tools have on the different stages of the consumers’ decision process. The figure 2.4 shows how sales promotion has a much higher effect on the purchasing or sales of a product. In context with SMS there is no after sale purchase and so sales promotion is the best form of selling as opposed to advertising. Figure 2.4 also shows that personal selling proves most successful for the purchasing of product. This is an aspect that can be included in the SDP.

According to Brassington, F & Pettit, S (2006:720) the institute of sales promotion defines sales promotion as “...a range of tactical marketing techniques designed within a specific framework to add value to a product or service in order to achieve specific sales and marketing objectives”. Brassington & Pettit (2006:720) simplify this definition to “sales promotion should add value to a product or service. This is something over and above the normal product offering that might make buyers stop and think about whether to change their usual buyer behaviour, or revise their buying criteria.” However since 2006 the ISP has changed and has campaigned for wider recognition. According to Mullin, R & Cummins, J (2008: xiii) the definition of sales promotion has also been altered by the ISP to “sales promotion is any form of promoting sales where there is a call to action that results in a demonstrable benefit, whether tangible or not”. People however, get sales promotion mixed up with advertising, Egan, J (2007:223) however describes “sales promotion is the offering of incentives to make people act. By its nature it is a tool of urgency, designed to encourage buyers to act immediately before it is too late”. In contrast to advertising which is a long term tool which aims at amending consumers attitudes towards products, sales promotion is a short term method of influencing consumer behaviour as opposed to changing it. The difference between sales promotion and advertising will have to be noted during the development of the sales and marketing plan, so as that the researcher does not get the two intertwined. For SMS and their product the

use of sales promotion is a necessity due to the fact that the product will only be purchased once off by any one consumer.



Figure 2.4: Importance of Promotional Tool

Source: Google Images URL: www-rohan.sdsu.edu/.../chapt18/chap_18_04.gif retrieved 8th July 2010

2.4.2 Definition of Marketing

According to the business dictionary (www.businessdictionary.com) marketing is “the management process through which goods and services move from concept to the customer”. Silk, A(:vii) of the Harvard Business School defines marketing as “what an organization must do to create and exchange value with customers....successful marketing requires both a deep knowledge of customers, competitors, and collaborators and great skill in deploying an organizations capabilities so as to serve customers profitability”. When the firm has created value for the customer, it must continue to offer value and to achieve this they must “sustain the process of creating and capturing value over time.”(Silk, A, 2006:3) The maintaining of the value over time is achieved through the development of the organizations marketing strategy. Kotler, P & Armstrong (2010:72) describes the marketing strategy as “the marketing logic by which the company hopes to create this customer value and achieve profitable relationships”. This involves the company making decision on the category of customers it will serve and how it will position itself in the marketplace in relation to its competitors. “It identifies the total market, then divides it into smaller segments,

selects the most promising segments and focuses on serving and satisfying the customers in these segments.” (Kotler, P & Armstrong G, 2010:72) Directed by the marketing strategy the organization then engages in the marketing analysis, planning, implementation and control and from this the organization forms the “best strategy and marketing mix” (Kotler, P & Armstrong G, 2010:72) Figure 2.5 shows details of what exactly the marketing mix consists of.

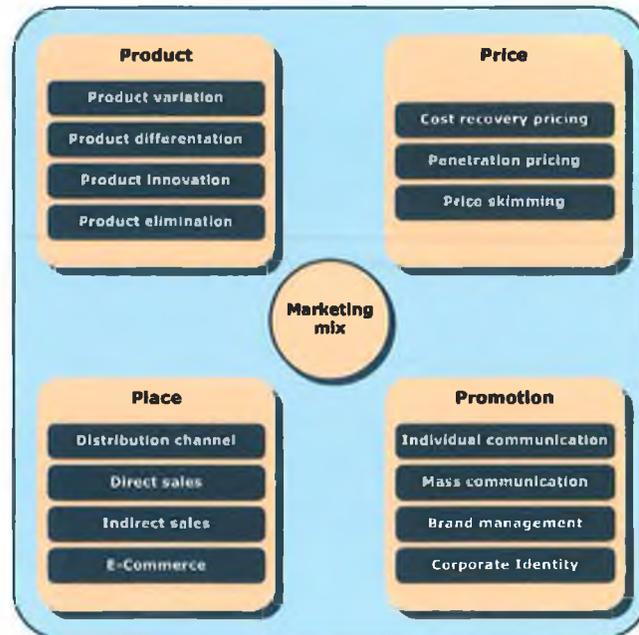


Figure 2.5: Marketing Mix

Source: Google Images Url: http://upload.wikimedia.org/wikipedia/commons/thumb/5/56/Marketing-Mix_%28en%29.png/600px-Marketing-Mix_%28en%29.png retrieved: 8th July 2010

2.4.3 Sales V Marketing

From the above two definitions one can observe how marketing and selling are different. Selling deals with the needs of the seller while marketing deals with the needs of the buyer

“sales job to influence the customer to buy what the company has produced. It's marketing's job to influence the company to produce what the customer wants. Both are concerned with the customer but, while sales talks, marketing listens”(York, M: 2006) Table 2.1 shows how sales and marketing differ from each other.

Table 2.1: Sales V Marketing

Sales	Marketing
Works to increase current volume and increase current sales quotas	Works to increase profitability through appropriate volumes, products and customer mixes
Interacts with the individual customer to focus on factors relating to current events	Is focused in developing strategies for the optimum mix of product and markets
Focuses on the short term concerns relating to today's products, today's customers and today's strategies	Is concerned with long-term issues that shape the business for the future
It is a tactical function using its skills and methods to gain immediate results as called for by a plan	Is a strategic focus, using planning and direction for the big picture
Consists of work in the field calling customers	Consists of office work, research and developing plans and methods of implementation

York, C. Merrill (2006)

2.4.4 Sales and marketing plan

“A sales and marketing plan is essential for every business operation and for the efficient and effective marketing of any product or service” (Cohen, W. 2006: XIV)

“A marketing plan should be a clear and simple summary of key market trends, key market segments, the value required by each of them, how we intend to create superior value, with a clear prioritization of marketing objectives and strategies, together with the financial consequences” (McDonald, M. 1999:XVI)

The purpose of the marketing plan according to Cohen, W allows an organisation to visualise where they are now, where they want to go and what they want to accomplish along the way. Cohen also notes that the marketing plan will act as a map and tell the organisation how to get from the beginning of the plan to the stage of achieving their objective and goals. “The marketing plan will describe the environment of the marketplace, including your competitors, politics, laws, Regulations, economic and business conditions, state of technology, forecast demand, social and cultural factors, and demographic of the target market, as well as your

company's available resources" (Cohen, W. 2006: XIV) For the purpose of the sales and marketing plan been developed the researcher will incorporate almost all of the these attributes, however there may be one or two irrelevant and so they will not be mentioned. Throughout the implementation of the plan Cohen states that an organisation recognise alternative problems that had not bee identified previously to the implementation. This then allows the organisation to do a more thorough analysis of the situation in order to rectify the problem. The use of the marketing plan for SMS will allow them to have a "vivid sense of what is going to happen and how to make it happen." (Cohen, W. 2006: XIV) This will give them a competitive advantage over their competitors.

2.4.4.1 Types of Marketing Plans

There are many different types of marketing plans however the type of marketing plan that a business may decide to develop depends on a few various attributes such as the size of the business, the stage of the product lifecycle and the purpose it is intended for. In terms of SMS, it is a small business "who do not have the resources to do as much market research as a large corporation. Its environmental and competitive analysis may be less developed" (Ehrlich. E & Fanelli, D. 2004:57) Cohen mentions two types of marketing plans, the new product plan and the annual marketing plan. The new product plan is for products and services that have not yet been introduced and the annual marketing plan is for those that are already available for purchase and are already on the company's product portfolio.

2.4.4.1.1 The new product plan

This is the plan that should be developed prior to starting the project. This allows the business to analyse and research alternative methods and ideas. It also gives a brief estimation of the overall costs and of the timing that may be required for the production of the project. For the production of this type of plan the business would usually have to make assumptions based on the sales performances achieved by other companies with similar products

2.4.4.1.2 Annual Marketing Plan

This plan is generally used "for product, services and brands that are already in the company's product line" (Cohen, W. 2006: XVII). This planning however is reviewed

periodically and may be adapted and modified to be consistent with the changes that are occurring in the environment or throughout the company. The construction of an annual marketing plan similar to that of the new product plan can facilitate the company in identifying emerging problems and opportunities that may be arising.

For the purpose of the sales and marketing plan developed for SMS, it is this type of marketing plan that will be constructed. The author chose to use the annual marketing plan as the SMS product is already available in the market and the company directors wanted to create a new marketing plan for the coming year.

3 Chapter Three: Research Methodology

3.1 Introduction

The methodology chapter intends to justify the choice of research methods employed during the course of this thesis. The chapter examines research strategies and methodologies, while developing the approaches used throughout this work. The researcher's task is to demonstrate an understanding of the various methodology options available for conducting the research and to justify the methods which have been selected. Firstly the research questions and objectives are stated. The consideration between qualitative methods and quantitative methods is then addressed before a research strategy is then chosen and justified.

3.2 Research Objectives

Following an extensive interview with the directors of the Solar Made Simple Company and on the position of their company at present and where they would like to be the researcher compiled four objectives. This dissertation has the following aim: *The development of a sales and marketing plan for Solar Made Simple*

The following objectives are answered throughout the course of the research:

- Identification of competition in the solar thermal industry
- The level of demand and the target market
- The development of a SWOT and Pest analysis
- The identification of different marketing strategies

The primary goal of the study has four objectives to develop a sales and marketing plan for the company SMS. The researcher aims to identify the above four objectives and to provide conclusions on each. The study is an applied study and consists of observational and exploratory research, carried out through the company SMS.

3.3 Qualitative V Quantitative

The consideration of the differences between qualitative and quantitative methods must be identified prior to the selection of a research strategy. Bryman and Bell (2007) describe quantitative research as research methods which adopt numbers and quantifications, utilized in the collection and analysis of data, while qualitative methods utilize words in the collection and analysis of data. "Qualitative techniques can give you a richness and depth that you are not likely to get through other methods" (Kane et al 2001:198). As can be noted from the research philosophy that has been selected for the purpose of this dissertation and the methods that have been undertaken, qualitative methods are the most appropriate type of methods for this study and therefore have been followed throughout.

3.4 Research Methodology

Saunders, Lewis and Thornhill (2003) compare research to an onion, it has several different layers. The majority of this chapter goes through in detail the approach of the "research process onion" and is supplemented by writings from various other authors from the fields of research methodology. Figure 3.1 is a demonstration of the research onion.

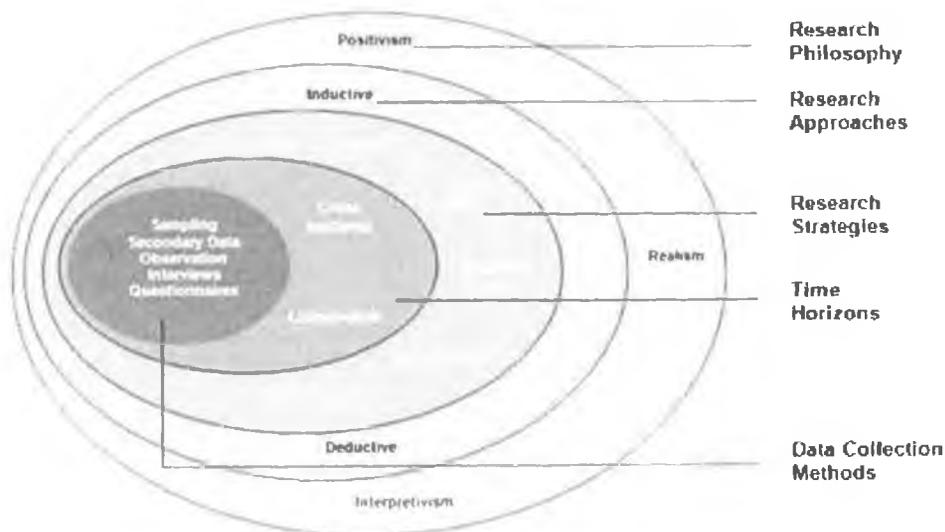


Figure 3.1: The Research Process 'Onion'
Source: Saunders et al, 2003, p83



3.4.1 Layer One – Research Philosophy

Saunders et al (2003) first layer of the ‘Research Onion’ describes the research philosophies. This philosophy’s can be broken into three types: Positivism, Interpretivism and Realism.

3.4.1.1 *Positivism, Interpretivism and Realism*

Positivism involves the researcher singling out and examining the relationship between variables. The research is designed in a scientific manner so that the same measurement techniques can be standardised and in an attempt to compare the results the procedures can be carried out several times. (Kane & O’Reilly, 2001)

Saunders et al (2003) propose that the world of business is far too complex for theorists to apply laws in the same way as the physical sciences, so interpretivism “requires the researcher to seek to understand the subjectivity reality and meanings of participants” (Saunders et al, 2003:480) Kadhi (cited in Saunders et al, 2003:84 & Veal, 2006:37) reported that “the interpretive model additionally relies on the studied objects to provide their own subjective explanations of their situations and actions, which enable the researcher to see the world from their perspective”

Realism however, they argue, is based on the idea that people experience stimuli that give them a shared interpretation of reality, whether they know it or not. It is based on the argument that reality exists independently of human thoughts and beliefs. Realism looks at the importance of understanding peoples interpretations of reality, whether they know it or not. It is based on the argument that reality exists independently of human thoughts and beliefs. Realism looks at the importance of understanding peoples interpretations of reality when seeking to understand broader social forces. The research undertaken in this dissertation could be described as the interpretivist view because it is examining the environment and social attributes that influences the consumers buying behaviour. These are aspects that are included in the sales and marketing plan and that are identified throughout the target market. Thus the type of research philosophy is that of epistemology which is the theory of the acquiring of knowledge and the belief that knowledge can be acquired by measuring hard facts, or knowledge needs to be experienced and interpreted.(Class Notes)

3.4.2 Layer Two- Research Approach

Layer two as can be identified from figure 3.1 is that of the research approach. The research approaches that are identified are that of the deductive and inductive approach and it is these types of approaches that can be used in a dissertation such as this. Hussey and Hussey (1997) note that a deductive approach involves the development of a theory or hypothesis which can be tested. It involves formulating a theory and then testing that theory using exact measurements in a way that the test can be carried out several times and the results can be generalised. It tries to find out why things happen and build a theory from there. Saunders et al (2003:479) states that the deductive approach “involves the development of a theory as a result of the observation of empirical data”. An inductive research approach is the opposite of the deductive approach and it revolves around formulating theory or building on an existing theory. Hussey and Hussey (1997) note that the inductive approach is a more flexible structure in which theory follows data and is concerned with the context in which events occur. The particular research approach undertaken in this work is predominantly deductive because significant research has been undertaken in the area of the solar energy industry for the development of the sales and marketing plan. However, in this case the theory will be tested in terms of improving the brand awareness and implanting new marketing strategies for SMS.

3.4.3 Layer Three – Research Strategies

The third layer of the process is that of the research strategies. The research strategies suggest how the research objectives will be answered. Figure 5.1 shows six different research strategies that could be implemented, surveys, grounded theory, ethnography, action research, case studies and experiments. For the purpose of this research and the development of a sales and development plan the researcher has used grounded theory.

Bailey (1982:55) describes grounded theory as “theory that is discovered or generated from data rather than being abstract or tentative”. Bailey further argues that grounded theory is developed by entering study without hypotheses, describing what happens and formulating explanations about why it happens based on the observations made. For the purpose of this research and the development of the SMP the researcher

identified the current environmental and social trends in the industry and formulated a SMP based on observations and assumptions made throughout their research.

3.4.4 Layer Four – Time Horizons

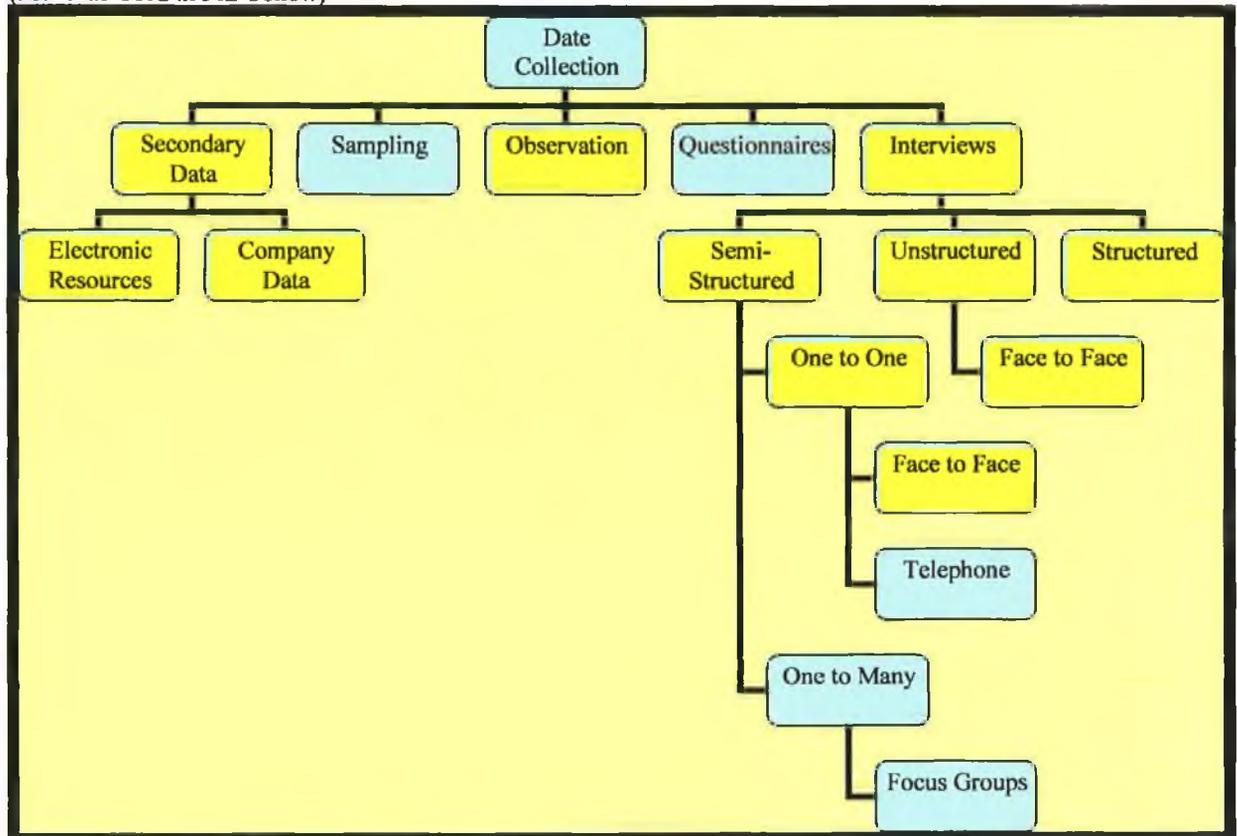
Saunders et al (2003) describes layer four of the study as the time horizons that one can undertake. These can be either cross sectional or longitudinal.

For the purpose of this dissertation the researcher undertook a cross-sectional research which is “the study of a particular phenomenon at a particular time” (Saunders et al 2003: 480). This type of research is used to research a particular area, in the case of this research the solar thermal industry over a short period of time. Due to the time constraints the researcher undertook a cross sectional research during the month of February when the prices, quotations enquiries, product offerings and interviews were undertaken.

3.4.5 Layer Five – Data Collection Methods

Saunders, et al (2003) proposes five different data collection methods. The five methods are as follows: Secondary data, sampling, observation, questionnaires and interviews. Figure 3.2 shows an illustration of the different five methods and also shows in yellow the data collection methods used. For the collection of the required qualitative data the following data collection methods were used: Secondary data, observational and interviews.

Figure 3.2: Data Collection Methods
(Methods Used are in Yellow)



Source: Adapted from Saunders, Lewis and Thornhill (2003)

3.4.5.1 *Secondary data*

Secondary data is “data used for a research project which was originally collected for some other purpose” (Sunders et al, 2003:489). For the purpose of my research data was collected from electronic resources, company data of SMS, articles and books. All secondary data that was obtained is used throughout many chapters of this study to build knowledge of the area being studied.

3.4.5.2 *Observation*

Observation according to Sunders et al (2003) is the systematic observation, recording, description, analysis and interpretation of people’s behaviour. Denzin and Lincoln (2000) believe that observation can be carried out either through a controlled experiment or in natural settings; however, it should not interfere with people or activities being studied. This approach was used throughout my research as it involves

examining the business and industry trends. Throughout my research I undertook a six week, one day a week work placement. This allowed me to observe the operations of the company and attempt to get an insight into the industry and social environmental trends.

3.4.5.3 *Interviews*

As can be seen in figure 3.2 there are three different types of interview techniques: structured, unstructured and semi-structured.

The interviews undertaken were with the following interviewees:

- Niall Campbell- Director of Solar Made Simple
- Joseph Flanagan – Westmeath County Councillor
- Emails with the following solar energy companies:
 - Alternative Energy Ireland
 - Genersys Ireland
 - Solar Energy Ireland
 - Shamrock Solar Energies

Unstructured interviews are informal interviews of which according to Saunders et al (2003) are used to explore an area of interest in an in-depth manner. These interviews took place in the line of a conversation with the company director Niall Campbell of whom the researcher met with monthly from January until May. The basis for these interviews was to identify where the company was at and where they wanted to go and what had to be done to get them there. Throughout these unstructured interviews the researcher and the director discussed different methods of advertising and marketing that the company had undertaken to date and the results that they had achieved from this. Also discussed was the increase in the number of sales and the regions that SMS had accessed since the previous meeting. This allowed the researcher to eliminate or include the various marketing methods in the sales and marketing plan.

Saunders et al (2003) describes semi-structured interviews as interviews which use a variety of questions including open-ended, probing and closed style. This was deemed the most effective option for the interview with Westmeath County Councillor former chairman of Westmeath County Council, Joseph Flanagan. This allowed the

researcher to probe the interviewee for in-depth information and opinions regarding the research objectives. The researcher had a pre-composed interview schedule (Appendix A) The purpose of this interview was to identify what do county councils offer in relation to the installation of solar thermal heating systems into their housing schemes and funds available for the upgrade of social housing to be energy efficient. Structured interviews according to Saunders et al (2003) use questionnaires based on standardised questions. This type of interview was used by the researcher in an attempt to receive quotations from competitors of SMS. To achieve this, the researcher emailed each of the above four companies enquiring for quotations. Each email consisted of the same questions so as the researcher could achieve a reasonable and fair comparison. (See Appendix B)

3.5 Limitations

The limitations to this research were that of the timing in which the researcher had to complete the applied research, along with alternative college work and examinations that had to be undertaken throughout the academic year. Also the researcher does not have the time constraints to implement the plan and observe results. Also as the company is new the sales units are estimated projections for the future of the company, as there are no previous years sales it is merely an estimation.

As SMS is a new and small company there was also a limitation with the budget for the completion of the sales and marketing plan. The company would not have the resources to undertake certain methods of advertising which would lead to excess expense on the company such as national radio slots and television commercials.

Another limitation that may be approached throughout the implementation of the plan is that of the replication of the SMS system by a competitor, which may affect the overall successfulness of the sales and marketing plan. The company do not have the system design patented and so competitors prove as a threat for the future of the company sales. This puts a limitation on the successfulness of the eighteen month implementation plan, due to the fact that a competitor may improve the system and acquire the target market that SMS are hoping to target.

Also as the industry is well congested and the technologies are growing at an ever increasing pace, this also puts a limitation on the successfulness of the marketing plan, as there may be a better more improved product on the market within the eighteen months.

4 Chapter Four: Marketing Plan (I)

4.1 Introduction

This chapter will present the findings collected from the semi structured, structured and unstructured interviews. One interview was with one of the managing directors, one interview was with a county council member and four email correspondences from solar companies.(4.1.1, 4.1.2 & 4.1.3 below) These findings will be organized and will be presented in the form of a sales and marketing plan for SMS.

4.1.1 Solar Made Simple Interviewees

Niall Campbell, Managing Director

4.1.2 County Council Interviewee

Joseph Flanagan, Westmeath County Councillor, Former Mayor of Westmeath

4.1.3 Solar Company email correspondences

Alternative Energy Ireland

Genersys Ireland

Solar energy Ireland

Shamrock Solar Energy

4.2 Situational Analysis

The situational environs

According to the cork city social enterprise funding (www.open4socialenterprise.ie) the demand for Solar energy is on the increase throughout Ireland and globally. This increase in demand is due to the change in building regulations that will require builders to ensure that any buildings they construct will be 60% more efficient than under the current building regulations.

The increase in demand would also be due to the increase in the price of fossil fuels and the encouragement for the population to become more environmentally friendly

According to www.constructireland.ie there is a high interest from the Irish population in converting to clean energy. However the Irish government must offer

Economical

Due to the economic downturn and the banking crisis, this will have a fall on effect on the renewable energy industry. Achieving loans from the financial sector is a difficult task at present and so it will be difficult for people to acquire the finance required for the installation of a solar thermal system. In these economic times people are not purchasing items that they do not deem as a necessity at present.

According to an article in the Irish Times February 10th 2010 written by Laura Slattery the consumer spending patterns are predicted to continue falling for this year. This means that there will be less money available for the installation of such a system when it is not an immediate requirement in existing dwellings.

According to the CSO, due to the economic downturn, the rise in unemployment throughout Ireland has increased month on month. It has increased by 600 from February to March 2010. The increase in unemployment means that there is less disposable income available in houses for the installation of such a system at present. The lack of funds currently available could result in the unavailability of grants in the near future. If this occurs this will have a negative effect on the installation of any form of renewable energy in existing dwellings. This will affect the entire industry.

Social

The majority of the Irish population are now moving towards been more environmentally aware and friendly.

Also the increasing price of fossil fuels such as oil is making the populations more conscious to alternative energies that may be used.

In the current economic climate people are looking for cheaper methods of heating water and generating heat to their house and so this industry is one that will prove successful for the Solar Made Simple product and the fact that they offer the product at a cheaper price against their competitors.

As previously mentioned all new dwellings require energy efficient methods of heating. Therefore this aspect will have a positive effect for the company.

However, due to the fact that the working population is decreasing this limits the amount of people in existing dwellings that may consider the product at present.

According to an article by Duncan Stewart there is a major shift required in Ireland towards renewable energy. At present Ireland imports 90% of its energy and so there is a major market for a renewable energy company.

Technological

There are many alternative technologies that can be used in the renewable energy sector with many new technologies been developed over the past few years.

Alternative technologies include:

- Geothermal Energy
- Wind energy
- Water Power
- Biomass

There is a major focus on the development of technologies in this sector due to the increase in carbon omissions been released into the environment?

According to renewableenergydev.com solar energy is “still a developing energy with technological advances being made to make it more cost efficient and abundant” In relation to the installation of the system, all installers of any system in this industry must be SEI approved and have completed a Chevron energy installer course. By outsourcing the installation of the system this eliminates the cost of training for Solar Made Simple. However they must ensure that the company they outsource the installations to have the necessary qualifications for such an installation.

The Neutral Environs

Financial

The availability of funding and grants has a major influence on the number of sales for this particular company. The company’s competitive advantage is stemmed from the fact that it achieves the maximum grant of €1,800 from the SEAI Greener Homes Scheme. This leaves the product, system and service extremely good value. If this grant was to be abandoned or reduced it would affect the company’s competitive position.

Also the current recession had resulted in the lack of finance been received by patrons from the financial institutions, this combined with the loss of employment will have implications for the sale of the product.

Government

As explained previously in the PEST analysis, there is legislation in place in relation to the installation of environmentally friendly methods of heating on all new dwellings. There are no government legislations however that would affect the marketing of the product throughout Ireland. In any case the government would help with the promotion due to the fact that they are encouraging the installation of energy efficient methods. However the Government will have to improve the encouragement of installing energy efficient methods in existing dwellings and this in turn will favour the situation of the company's product and service.

Competitor Environs

There are many competitors in this industry and many different technologies that make the competition in this industry fierce. Table 4.1 shows a comparison of the competitors that I have chosen.

As can be seen from the table 4.1 Solar Made Simple offers the most valuable service and system to their consumers. This plays as a major competitive advantage in comparison to its competitors.

Solar Made Simple should enhance on this value and use it to gain percentage market share throughout the solar thermal industry.

However Solar Made Simple only install and offer one type of system and this in my opinion could stand as a competitive disadvantage, particularly in relation to trying to gain business from new dwellings.

As can be seen in table 4.1 their competitors all offer a more varied product offering which will prove beneficial when targeting new dwellings. All new dwellings today are required to have a form of renewable energy and the majority install solar thermal heating systems. By been able to install systems for heating the dwellings this gives the competitors in particular AEI and Shamrock Solar Energy an extreme competitive advantage over Solar Made Simple when new consumers are choosing contractors and systems for new dwellings. Also with the increase in oil prices and the change in regulation in relation to the cutting of turf, all new houses will therefore need a system for heating the building. This in my opinion is an area in which Solar Made Simple should try and expand into.

Table 4.1: Comparison of Competitors

	Alternative Energy Ireland	Genersy	Solar Energy Ireland	Shamrock Solar Energies	Solar Made Simple
Location		UK and exports To 50 countries	Ballymote, Co. Sligo	Doora, Ennis, Co. Clare	G.M.I.T
Product Offering	Solar panels	Solar Panels	Solar thermal systems	Solar Panel	Solar Panel
	Gas Boilers	Solar Flat Plates	Wood pellet systems	Wood Pellet Boilers	Solar tubes
	Oil Boilers		Boilers	Boilers	
	Heat Recovery Ventilation Systems			Geo thermal heat pumps	
Install to existing Cylinders	Yes (not recommended)		No	No	Yes
Installation incl	Yes	Yes	No	Yes (only panels)	Yes
Complete Grant Application	No	Yes	No	No	Yes
Max Grant Offering	€ 1,365	€ 1,500	€ 1,200	€ 1,500	€ 1,800
Cost	€5,845 (Incl Cylinder) €5,125 (Excl Cylinder)		€ 4,180.67 (incl cyl)	€4,540 (incl Cylinder)	Direct: €3,595 Indirect: €3,795
Total Cost	€4,480 (incl cylinder)		€ 2,980.67 (no installation)	€ 3,540	Direct: €1,795 Indirect: €1,995 (Excl cyl)
incl Grant	€3,760 (excl cylinder)				
Warranty	Free Life Time Technical Support	20 Years panel Warranty			5 years
Extras				Removal of Cylinder and installation €300 Replacement of slates €500	
Installation days	2	1 (in most cases)	N/A		1 day
Marketing Channels	Internet	Internet	Internet	Internet SEAI register of installers	Internet

Company Environs

Solar Made Simple' product offering consists of solar panels and solar tubes. It is an extremely attractive product as the company completes all aspects of the process from grant application to installation to five year aftercare warrantee. The company's product also receives the maximum grant of €1,800 due to the size of the apertures area that the 50 tube system covers.

The systems can be installed into existing dwellings and cylinders and also into new homes and commercial businesses that require hot water on a regular basis.

SWOT Analysis

Strengths

- Solar Made Simple is located in the Innovation Centre and has created strong links with the GMIT through this. The link with GMIT gives the company a secure base and assists in developing their brand awareness.
- Kieran Heron one of the business director had background in the industry prior to the development of the system. He worked as a lecturer and trainer in renewable energy solutions and so is a great asset to the company.
- Both founders of the company are SEI approved BER assessors.
- Through the connection with GMIT and its students the company have created a website and developed their corporate identity throughout this website. They have enhanced on their corporate identity and have developed their logo and brand statement through:
 - The development of a website
 - Business Cards
 - Promotion packs

These all state the Solar Made Simple brand and logo of "it couldn't be simpler" and incorporate the same colouring and branding.

- The system offered by Solar Made Simple is SEI approved.
- The Solar Made Simple solar thermal system receives the maximum grant of €1,800. Of the four competitors that I have analysed the next highest maximum grant receivership was €1,500. This results in Solar Made Simple having a competitive advantage over their competitors and the price of the system remains cheaper for the consumers. By achieving the maximum grant

available, the Solar Made Simple system is therefore cheaper for the consumer to purchase. Solar Made Simple product and service is the most valuable for the consumer in comparison to the competitors that I have analysed.

- Solar Made Simple can install Solar Panels into an existing cylinder which is of great benefit to the company and consumer as it reduces the cost of the installation of the entire system. Of the competitors that I have analysed only one other competitor installs into existing cylinders however they do not recommend it. By having to install a new cylinder this raises the cost of the installation by at least €720 (excl labouring extras)
- Solar Made Simple offers an all in service for the consumer. This service starts at the completion of the grant application form and finishes at the after care 5 year warranty for the solar panels. This means that they organise the assessment of the house, send the qualified installers and deal with any aftercare service.
- The free completion of the grant application proves as a strength as for any individual/group/company who enquires about their system benefits the company as by completing this application for the interested party, this could in the majority of cases result in them buying the system off the company if their grant application is successful, thus resulting in increased revenue. There was only one other competitor that offered this service
- The company focuses on supplying the production and service of only one product which is the Solar Thermal water system. This can be seen as strength for the company as they focus on the quality of the product and enhance the service they provide in this sector of the renewable energy industry. This is in comparison to their competitors who offer a wide variety of products such as Wood Pellet Systems, Geothermal Systems etc. By offering a variety of products this leaves the competitors open to the threat of loss of revenue from the discontinuity of a specific system due to change in regulations or lack of resources to operate the system. The solar panels do not require any additional resources as opposed to the wood pellet systems which require the purchasing of wood pellets for the system to be operational.
- The company has no extra costs such as warehousing or distribution as the systems are installed through independent plumbers.

- Solar Made Simple is the first company to install solar thermal system on the Aran Islands thus giving them the percentage market share in this area.
- Solar Made Simple has also developed their brand through the creation of partnerships with Connacht Gold and the Midwest radio station. This will help to increase the awareness of the system on offer and of the company brand.

Weaknesses

- Due to the fact that this is a new business there is a lack of brand awareness for Solar Made Simple.
- The marketing and advertising budget is minimal and so this in return minimises the amount and the extent of the advertising that can be implemented to improve customer awareness.
- There are two directors of the Solar Made Simple Company however only one member had background expertise in this industry prior to the launching of the product.
- This industry is not a new industry and so a lot of companies would have built brand loyalty and awareness, thus making it more difficult for a new company to achieve market share percentage.
- As this is not a new industry there is a numerous amount of competition already fighting for a percentage of this market share. This will leave gaining market share difficult for Solar Made Simple.
- The company only offers one product and that is one that heats the water for a dwelling or business. This can be seen as a weakness especially in trying to target the new dwellings, as consumers may rather employ a company that will install all systems that will heat water and provide heat for the building. This will decrease the amount of contractors that an individual or business will have to consult with for the installation of the system. However at present they are only building up a portfolio for this.
- The company is reliant on acquiring plumbers and installers throughout the country to install the system. However at present this is a slow process.
- There is a reliance on the accessibility of grants in the near future for the company to succeed.

Opportunities

- Solar Made Simple has the opportunity to launch into the installation of other solar systems that their competitors are installing.
- As they were the first to target the Aran Islands and this proved successful, the company should look into targeting other islands around Ireland. This could be a great opportunity to increase their brand awareness.
- The company needs to look at other various areas in which they could build up their business portfolio such as alternative heating methods.
- New dwellings are required to have renewable energy methods of heating and so there is the opportunity to target new dwellings.
- Appendix C shows the various statistics supplied by the SEAI on the various renewable energy systems that have been approved for installation. Solar energy is the most applied for system, and so this proves a major opportunity for SMS as this is the area they specialise in

Threats

- The company has not got it's system patented and so there is a major threat that other company's will assess the solar made simple system and improve it thus this will affect the possible sales of solar made simple.
- The fact that the system receives maximum grant from the SEI means that competing companies will assess the system to evaluate how it works and improve their own product to the standard required to achieve the maximum grant.
- Technological developments are forever moving at a fast pace and so this could result in a better and more efficient system been launched and could result in the solar thermal system becoming out of date and been replaced by alternative products.
- Due to the economic downturn there is the threat that people will not be able to receive the finance required for the installation of such systems as they are not deemed as a necessity for existing houses. Also the amount of houses been built is minimal and so this reduces the amount of custom for the system.

- Also if the grant for these systems are withdrawn this will have a negative effect on the company.

5 Chapter Five: Marketing Plan (II)

5.1 Target Market

According to Sustainable Energy Ireland the total market for solar energy is substantial with an estimated market size of 600,000 m² or €300 million.

The target population for SMS is that of:

- All new dwellings as these will require an energy efficient method of heating water
- Existing dwellings that have no form of environmentally friendly way of heating water
- Any business or centre that requires hot water on a regular basis e.g. GAA fields, launderettes, hotels.

New Dwellings

All new dwellings are required to install energy efficient methods in terms of renewable energy sources, thus making all new dwellings a potential client for SMS. Table 5.1 below shows the number of planning permissions that have been granted for new dwellings and developments by all local authorities from the first quarter in 2009 through to the first quarter in 2010. Based on the figures for the first quarter in 2010 which is that of 1675 planning permissions granted this is a drop of approximately fifty percent than that of the same time in 2009. It can also be noted from table 5.1 that there has been a major decrease in the amount of multi development housing been built. Based on these statistics provided by the central statistics office and approximation from quarter three in 2009 the researcher has reached an approximation for the amount of new housing dwellings been granted. These figures can be seen in table 5.2 and are based on percentage decreases from the 2009 statistics with the assumption that the economic downturn will continue to affect the construction industry for quarter three and quarter four of 2010.

Table 5.1: Planning Permission Granted for New Housing

		2009Q1	2009Q2	2009Q3	2009Q4	2010Q1
Multi development houses	Planning Permissions Granted (Number)	282	237	196	139	112
	Units for which Permission Granted (Number)	7513	5501	3254	1833	2033
One off houses	Planning Permissions Granted (Number)	2743	2238	2108	1624	1552
	Units for which Permission Granted (Number)	2743	2238	2108	1624	1552

Source: CSO statistics, URL: <http://www.cso.ie/px/pxeirestat/Dialog/Saveshow.asp> retrieved: 26.7.10

Table 5.2: Approximations for Q3 and Q4 2010

		2010 Q3	2010 Q4
Multi Development Housing	Planning Permissions Granted	117	84
	Units for which Planning Permission Granted	911	513
One off Houses	Planning Permission Granted	1201	925
Total		2112	1438

Calculations counted as estimation from same quarters in 2009

Existing Dwellings

Exact figures and statistics of existing dwellings without renewable energy systems could not be obtained. However through the extensive research done it has been noted that all current households in Ireland with no renewable energy methods will face the burden of carbon dioxide tax. Also solarenergyireland stated the facts that if current fossil fuel prices remain as they are, within thirty years the average household will spend over €40,000 on heating their home. It is these statistics that will increase the number of existing dwellings that will be installing renewable energy systems thus increasing the market for SMS. In an attempt to receive an overview of the market Appendices E & F show the increase in the amount of solar thermal systems that were installed from December 2009 to July 2010. These appendices also illustrate the counties that are slow in the installation of renewable energy systems and are counties that the researcher suggests that SMS should target with their system. However to identify the target market within this section the researcher identified the different segments of the population.

Local County Councils

Another area that SMS hopes to target is that of the local county councils. Through gaining communications with Longford Co. Co, the company have already installed into some of their social houses. An interview conducted with Councillor Joseph Flanagan also evidently proved that there is funding available for the retrofitting of council social houses for renewable energies. The council at present attain a certain amount of their funding for the retrofitting of houses and there is an opportunity there for SMS to submit a tender for this when advertised by local councils. Councillor Joseph Flanagan also stated that the installation with Longford Co. Co would benefit the company when they approach other local councils.

Launderettes/GAA Centres/Swimming Pools

Table 5.3 are the statistics for the number of launderettes, GAA Centres and Swimming pool facilities in Ireland. All of these target markets require hot water on a regular basis and are ideal markets for targeting.

Table 5.3: Statistics for Launderettes/Gaa Clubs/Swimming Pools in Ireland

In Ireland	
Launderettes	283
GAA clubs	2500
Swimming Pool/Leisure Centres	1225

Calculated via golden pages

5.1.1 Evaluation of Target Markets

As can be noted from the above statistics there is great sales potential for the solar thermal product.

At present the company has the ability to serve the markets for existing dwellings and new dwellings in the West of Ireland; however they are currently expanding their services nationwide. The expansion of their services and the increase in the number of listed installers will improve their competitive advantage and in return improve their ability to target the bigger projects i.e. launderettes and swimming pools nationwide. The increase in installers will also increase the efficiency of their distribution channels, which is through the listed installers themselves.

At present the firm does not have the resources required to target the nationwide market in terms of a sales and promotion teams which are required to sell in particular to businesses and to target the nationwide markets.

5.2 Opportunities and Problems

Opportunities

Target Islands: The installation of the SMS system achieves an extra 50% grant on top of the already €1,800 grant which is the equivalent of €2,700 grant. This leaves the cost of the installation of the system in the Aran Islands at only €995. This poses a major opportunity for the company as the payback for the system is only two years. The company can target this potential market through the hosting of exhibitions on the various islands in an attempt to promote the system and achieve sales.

Increase product portfolio to attract new dwellings: There are numerous alternative systems available that can be installed into houses. Therefore SMS could branch into some of these alternative products and help increase their revenues. This would increase the amount of new dwellings that may employ SMS for the installation of renewable energy resources and would help increase the competitive advantage of the company. Most plumbers are trained in the installation of most of the renewable energy systems and so the portfolio of plumbers that SMS has would be able to install new systems that SMS undertake to install.

Problems

Patenting: SMS does not have its system patented and due to the fact that it receives the maximum grant, this could result in competitors replicating the design, thus impacting on the competitive advantage of the SMS system. To eliminate this threat SMS will have to try and gain the percentage market share in the installation of such a system though increasing brand awareness among the population. This will be achieved through the implementation of the sales and marketing plan and the use of advertising and sales methods.

Economic Downturn: The economic downturn has a devastating effect for any business trying to sell in today's economy and in particular when the item been offered is not a necessity in existing dwellings. However, with the promotion of the high grant receivable for the system and the savings that will be achieved in the long run, this could help to overcome the monetary challenges.

5.3 Marketing Objective and Goals

Mission Statement

Solar made Simple's goal is to market and grow as a company specialising in solar panel installation, while continuously improving customer attractiveness and profitability. The goal is also to increase brand awareness of the company nationwide.

Objectives

- To increase the amount of units been installed.
- To inform the target audience about the features and benefits that the product has to offer and the competitive advantage, thus leading to an annual increase in sales unit.
- Achieve a nationwide brand awareness and nationwide sales of the SMS system

Goals

- To achieve installation of 400 units in 2011 and 500 units in 2012
- Long term goal is to create a strong financial structure and a strong image/position and brand awareness within the industry

5.4 Marketing Strategies

Product Differentiation

The system offered by SMS appeals to the existing householders, new housing population and any commercial business which requires hot water on a regular basis. It is differentiated to the solar thermal systems offered by its competitors as the system can be installed into existing cylinders and the system also receives the maximum grant. This results in it been financially eligible for most high, and middle income homes to install.

5.5 Marketing Tactics

Product strategy

Solar made Simple developed a "Thermal Solar Heating System which can be retrofitted to existing hose and does not require a cylinder change. It is a direct system and requires no servicing or maintenance. Figure 2.2 illustrates the working of the solar heating system.

The SMS direct solar panel system circulates water form the bottom of the cylinder to the solar collector on the roof where it is heated by sunlight. The water is then circulated back into the cylinder raising the overall water temperature. This heated water can then service all standard household water requirements.

The SMS direct solar system was designed by the company to maximise the potential and maximise the cost of current technology for the benefit of home owners. Direct evacuated tubes, can be retro fitted to an existing hot water cylinder and in most cases or added to a new build or renovation product.

The solar tubes heat the contents of the hot water tank directly unlike other systems which require the installation of a dual coil cylinder. The unique system supplied by SMS gives a better performance and is virtually maintenance free, unlike alternative systems which require services which costs €150.

The SMS standard direct solar panel system which consists of 50 tube system is adequate for a five person family or the standard 300 litre cylinder. Table 5.4 illustrates the features and benefits of the Solar Made Simple system

Table 5.4: Features and Benefits of Product

Features	Benefits
Sustainable Energy Ireland approved product	System produces 2,622 kw/h
Reliable, efficient, twin glass evacuated tube	An approximate saving of €450 per annum
Install into existing cylinders	Increases the value of the home
International Certified Product	Improves Building Energy Rating
Easy plug in installation	Reduces carbon footprint and greenhouse emissions
Ideal domestic and commercial solar water heating applications	System receives a grant of €1,800
	Comprehensive warranty

SMS offer the best value solar system in comparison to its competitors (see table 4.1). This is contributed to by the fact that they install into existing cylinders and receive the maximum grant for their system.

Price Strategy

The key selling point of the Solar Made Simple product is that of the value of the system to the end consumer. As can be noted previously in table 4.1 SMS offers the

best value system in comparison to the competitors that the researcher has analysed. This they have undertaken by applying a competitive pricing strategy. This should prove to be an advantage to the company during the economic downturn and serving in an industry which is competitive with similar products. The company has undertaken a low cost/high turnover approach. However though the company has a low cost approach, by offering a value product in the current climate this will benefit them to increase sales units in comparison to other companies in the industry. The low cost approach is achieved by the fact that the system receives a full grant of €1,800 from Sustainable Energy Ireland.

Place Strategy

SMS is based at the GMIT Innovation Centre of which they can be contacted and also via their web-site and telecommunication methods. Their distribution strategy is that of direct sales, in which they contact potential customers via the telephone. However the distribution of the system is through intermediaries whom are that of the installer who delivers and installs the system for the customer. The installer is also a method of promotion for the company as they advertise the “Solar Made Simple” logo on their vehicles. Currently SMS have six plumbers nationwide of who install their systems. These plumbers are SEAI approved and are trained installers, this is essential as for a house to receive the grant the installer must be SEAI approved. Other intermediaries that are used in the sales of the product are that of Connacht Gold who displays the “Solar Made Simple” stand in their store, in which potential customers can make enquiries through and be put into contact with company directors for further information. At present however, the current placements of promotional methods are the West and North West of Ireland and so the placement strategy is limited to this segment of the Irish population been targeted.

The strategy however been put in place will aim to target the West and North West population and this will be followed by a roll-out nationwide approach. The nationwide approach is currently not viable instantaneously as the company do not have installers nationwide and so the company product is not readily available without a cost issue. However, with the marketing plan been developed the company will have targeted the Irish nation within the next eighteen months via the various promotional and selling methods that will be employed throughout the company.

Promotion Strategy

To date Solar Made Simple has undertaken the following methods of advertising:

- Radio Interviews
- In-store promotions with Connacht Gold: If Solar Made Simple get a referral from Connacht Gold, Connacht Gold then receive a €200 reward.
- Radio competition in conjunction with Connacht Gold and North West radio: This is a new competition that has been set up and entails the promotion of the company and the product by means of a text competition. If people text solar to the station number they were put in a draw to win a solar system and installation free of charge. The company hopes that this will increase the brand awareness of the product.
- Web-site: This is now up and running and incorporates the company logo and brand extremely well. The company has carried out the corporate identity of the company through all of its marketing utensils i.e. website, business cards and promotion packs.
- Referrals: the company offers a €100 referral for customers who have got the system installed if they refer the system to a friend. This is promoting the product via word of mouth advertising.

The budget advertising provided by SMS is that of a non fixed budget and is available for discussion depending on guaranteed results from the method of advertising undertaken and the results that could be achieved from the particular method.

The company will depend heavily on the **word of mouth referrals** as a promotional method as it is the cheapest form of advertising for the company.

Another method that the company could incorporate is a more hands on method of selling such as the **door to door selling** of the product. It is difficult to identify potential consumers over the phone and it is difficult to sell such a system over the phone. The fact that the company are willing to offer €200 to Connacht Gold per sale that they acquire for the company and a €100 for the referral of a friend, a good method of advertising and promotion would be via door to door personal selling. Throughout Ireland there are many door to door sales companies' of whom their employees work off commission only. If Solar Made Simple offered €200 per system sold to a door to door sales representative, this would benefit the company and cost

them no more than it does with the sale from Connacht Gold. This method of selling is also cost free if no sale is made as there are no extra costs such as wages.

Another method which has been identified is that of looking into the **planning permission databases** that those building houses information will be up on. Thus the company could do mail shots to these new potential clients in order to promote their valued service and product.

In an attempt to receive business from **local county councils**, SMS will have to organise a display of the working system to show the benefits and convenience that it offers to the domestic dwelling. The fact that the company have already installed with Longford Co. Co is an advantage and perhaps this is a system they could use to promote to the other county councils.

Another beneficial method of advertising as promoted by the Irish advertising website (www.advertising.ie) is that of **social networking websites** such as Twitter and Facebook. This is an area in which Solar Made Simple will get involved in as there are thousands of users daily looking for information.

In an attempt to get the brand known amongst the wider and larger construction industry a recommended method of promotion is via the various **trade shows** and exhibitions that take place nationwide and on an annual basis. Such trade shows and exhibitions act as a hub for new technologies and would be an ideal method of expanding the brand and company consumer base for SMS.

Also the implementation of hosting their own trade shows in major towns and cities would be of benefit. The company can exhibit its own systems and promote the cost benefits and savings to the end consumer. The promotion of these trade-shows will be further expanded via the door to door sales prior to the tradeshow.

For the promotion of the system in each main town it attacks, SMS should undertake the use of **local media** to promote the system. Such methods include that of local advertisers and also the county newspapers. Appendix E shows the different costing for such advertising. Also the use of local radio station in the various regions will help to raise awareness of the brand.

For the company to expand its sales nationwide the use of national methods of advertising will be a necessity. Due to the costing issues the method that the researcher promotes the company to undertake is that of national radio. From undertaking research in the pricing of the various **national** advertising methods the

researcher suggests that the use of radio one would be of the most benefit and be of the best value for SMS.

5.6 Implementation

Table 5.5: Marketing Development Schedule

Date	Action step	Affected
Sep 2010	Employ 2 employees for sales team	Directors
	Train Sales Members	Directors
	Distribute plan to marketing agencies to develop the brand	Administration
	Sustainable Energy Building Trade Show in RDS	Directors
	Investigate advertising tenders and employ agency	Administration/Directors
	Meet with advertising agency to discuss advertising and develop fliers	Advertising Agency
	Make Contacts in Galway via County Councils, Plumbing Contractors	Directors
Oct 2010	Do a Trade Show in Galway city	Member of Sales Team & Directors
	Distribute fliers door to door in housing estates throughout Galway	Door to Door Sales Team
	6 th & 7 th Southern Energy and Facilities Management Exhibition ARC Event Centre Cork	Directors
	View and identify potential clients in Galway via the County Council planning permission database on the website and send out mail shots. (Fortnightly/Monthly)	Administration
	2 nd -3 rd November Plan Expo Green Convention in the Convention Centre Dublin	Directors
Nov 2010	S&P in Galway City Suburbs	Door to Door Sales Team

Dec 2010	View and identify potential clients via the planning permission databases on the County Council websites and send out mail shots throughout Connacht (Fortnightly/Monthly)	Administration
	S&P in Co. Galway	Door to Door Sales Team
	Publish a Twitter and Facebook page	Administration
Jan 2011	S&P in Co. Donegal	Door to Door Sales Team
	Review current sales and advertising methods and adapt as necessary	Administration/Directors
	View and identify potential clients in Donegal via the planning permission databases on County Council websites and send out mail shots (Fortnightly/Monthly)	Administration
Feb 2011	Organise Exhibition on Achill Island to promote system for April	Administration
	Organise System display with midland county council members for March	Administration
	Investigate dates for tenders for County Councils and submit tenders punctually	Administration
	Radio & Newspaper advertising throughout Mayo	Advertising Agency
	National Radio Advertisement on Radio One	Advertising
	S&P in Co. Mayo	Door to Door Sales Team
March 2011	System display of installation in Longford Co.Co housing for Westmeath, Roscommon and Offaly County Council Engineers.	Directors
	30 th -31 st The Energy Show in Royal Dublin Society Main Hall Complex	Directors
	Advertising and promotion in Dublin	Advertising Agency

	S&P in Dublin City	Door to Door Sales Team
	View and identify potential clients via planning permission databases on the County Council websites and send out mail shots (Fortnightly/Monthly)	Administration
April 2011	Identify up coming relevant trade shows nationwide and book stands	Administration
	Exhibition on Achill Island	Directors
	S&P in Dublin County	D2D Sales Team
	Organise exhibition in Cork City for June	Administration
	View and identify potential clients via planning permission databases on the County Council websites and send out mail shots	Administration
May 2011	Organise Exhibition on Tory island for July	Administration
	Identify and employ potential installers in the South West	Directors and Administration
	Advertising in the Midlands(Longford/Westmeath/Offaly)	Advertising Agency
	Co. Westmeath (Mullingar and Athlone)	Door to Door Sales Team
	View and identify potential clients via planning permission databases on the County Council websites and send out mail shots	Administration
June 2011	Co. Longford (Longford, Ballymahon, Edgeworthstown, Granard)	Door to Door Sales Team)
	View and identify potential clients via	Administration

	planning permission databases on the County Council websites and send out mail shots	
	Organise Exhibition in Waterford City for August	Administration
	Advertise Exhibition in Cork	Advertising Agency
	Exhibition in Cork City	Directors
July 2011	Exhibition on Tory Island	Directors
	Identify and employ potential installers for the South East	Administration/Directors
	S&P in Co. Offaly (Tullamore & Birr)	D2D Sales Team
	Mail shot all launderettes	Administration
August 2011	S&P in Cork City	Door to Door Sales Team
	Review product and adapt or expand product range if necessary. Review Technological advances in the industry	Directors
	Advertise exhibition in Waterford City	Advertising Agency
	Exhibition in Waterford City	Directors
	Mail shot swimming pools and leisure centres	Administration
	View and identify potential clients via planning permission databases on the County Council websites and send out mail shot swimming pools and leisure centres	Administration
Sep 2011	S & P in Cork County	D2D sales team
	Employ and train Tele-Sales staff	Directors
	Stall in Ploughing Championships	Directors

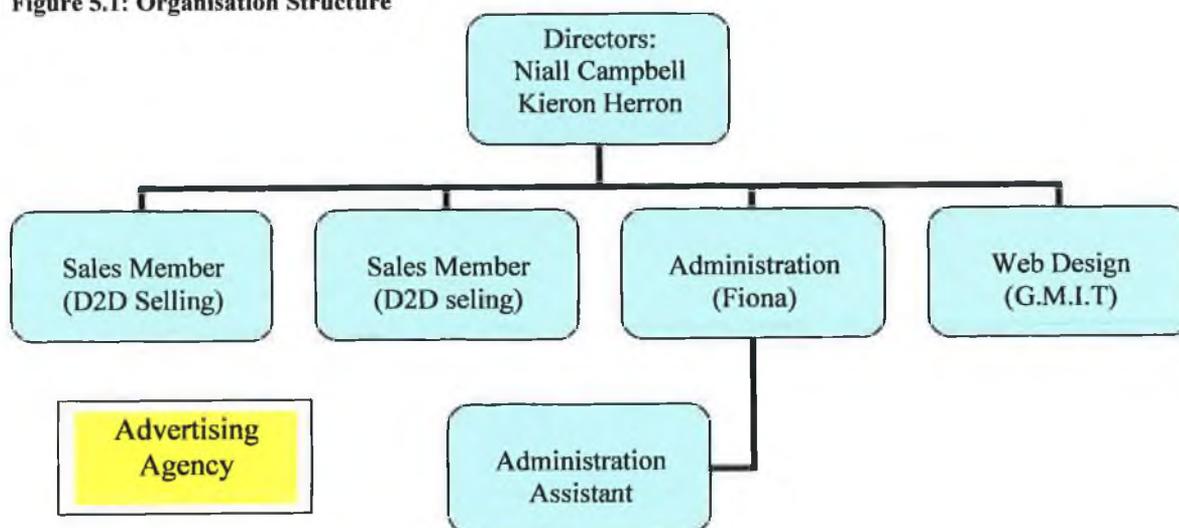
	Follow-up calls to launderettes	Administration
	Irish Sustainable building Show	Directors
Oct 2011	S&P in Waterford City	D2D sales team
	View and identify potential clients via planning permission databases on the County Council websites and send out mail shots	Administration
	National Radio Advertisement on Radio One	Advertising
	Follow up calls to leisure centre and swimming pools.	Administration/Tele-sales
Nov 2011	Investigate criteria for installations in Northern Ireland i.e. Grants available/Building Regulations	Administration
	S&P in Waterford (Dungarvan/Tramore)	D2D sales team
	Identify and employ Installers for Northern Ireland	Administration/Directors
	Follow-up Calls	Tele-Sales
	Organise Exhibition for the North	Administration
Dec 2011	Exhibition in the North	Directors
	Up-date website as necessary	GMIT Students
Jan 2012	Meet with advertising agency to discuss adjustments to fliers and other methods of advertisement.	Administration/Advertising Agency
	Review sales methods and the success rates, adapt as necessary.	Directors
	Contact Provincial GAA councils and promote the benefits of the system to GAA centres.	Directors

Feb 2012	Mail shots to Local GAA clubs nationwide	Administration
	Identify trade-shows for 2012	Administration
	Exhibition of system for GAA councils	Directors

The following is the structure the organisation will have at the end of the eighteen months. The employment of extra members for a sales team will be a necessity if the company desires to expand its client base nationwide in the near future. Due to the increase in workload as the company expands its customer base, this will require the employment of an assistant administration staff; this however could be on a part-time basis depending on the level of demand required from the administration staff.

The advertising agency will be responsible for the design of advertisements such as posters, fliers, newspaper advertisements and also the content of the radio slots. Expertise in this area is required in an attempt to acquire the listeners or readers attention to the advertisement.

Figure 5.1: Organisation Structure



6 Chapter Six: Evaluation

6.1 Introduction

This chapter attempts to show an evaluation of the proposed results for SMS from September 2010 to February 2010. This chapter also holds a costing for the advertising budget that the company will have to undertake. Expectant sales figures were extracted from the company business plan. The individual advertising costs were extracted from the various rate cards associated with the method of advertising and the researcher identified the relevant amount of adverts required per advertising method.

Due to the time limitations it was not possible for the researcher to undertake the implementation of the marketing plan and so the following figures are projections that the researcher hopes the company will achieve through the implementation of the schedule and the undertaking of the recommended promotional methods.

Such projections are on the assumption that there are no developments by competitors on the improvement of the solar thermal system technology used by SMS. The projections also assume that the company undertake the roll-out strategy as suggested by the researcher.

6.2 Sales Unit Projections

Table 6.1: Sales Units Projections

	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Units of Sales	25	15	10	10	20	20	20	30	40	50	50	50	50	30	20	20	25	25
	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€
Net Turnover	50,000	30,000	20,000	20,000	40,000	40,000	40,000	60,000	80,000	100,000	100,000	100,000	100,000	60,000	40,000	40,000	50,000	50,000
Cost of Sales	20,000	10,000	10,000	10,000	20,000	20,000	20,000	30,000	40,000	50,000	50,000	50,000	50,000	30,000	20,000	20,000	25,000	25,000
Gross Profit	30,000	20,000	10,000	10,000	20,000	20,000	20,000	30,000	40,000	50,000	50,000	50,000	50,000	30,000	20,000	20,000	25,000	25,000
Total Profit	520,000																	

Source: Projections from business plan

6.3 Advertising Budget

Table 6.2: Advertising Budget

	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Filers		48					48				48					48		
Outdoor Poster		240				240		240		240	160	240				240		
Regular Poster		100	100		100		100	100		100	100	100				100		100
Local Advertisers	60	60	60	60	90	90			300	90		60	90	300	1,000	1,000	1,100	1,100
County Newspapers	150	150	125	100	125	125		100	450	150	100	100	125	1000	1,200	1,200	1,200	1,300
Local Radio	695	695		695	695	695	240	480	750	450	480	450	450	960	800			
Trade Show	1600		1600				1600	1600		1600	1600	1600	1600			1600		1600
Brochures		1300								1300								1300
Business Cards		60								60								60
National Radio						4480								4840				
Total	€ 2,505	€ 2,653	€ 1,885	€ 855	€ 1,010	€ 5,630	€ 1,988	€ 1,520	€ 1,500	€ 3,990	€ 2,488	€ 1,550	€ 2,265	€ 7,100	€ 3,000	€ 4,188	€ 3,660	€ 4,100
Total Advertising:	€ 53,887																	

See appendix E for individual advertising costing.

7 Chapter Seven: Conclusion

7.1 Introduction

This chapter of the research states how the overall marketing plan meets with the primary objectives of the overall research. It also states whether all the objectives will be met through the implementation of the proposed marketing plan.

7.2 Competition in the industry

In chapter one of this literature, the researcher proposed to identify the competition in the industry, in an attempt to identify the benefits and advantages that the SMS system has with its competitors. Table 4.1 shows the comparison of SMS with four other companies that the researcher deemed as competitors. Within the industry however, there is strong competition among companies and the various systems that can be installed. The SMS system however was the most valuable system and was the only system that received the maximum €1,800 grant, thus giving it an advantage against its competitors. Also as seen from table 4.1 the SMS system is the only system that can be installed into an existing cylinder thus decreasing the cost of installation even further than its competitors. Thus the USP for SMS system is that of the value of the system. Their competitors however AEI and Shamrock Solar Energy Ireland offer a more varied product range which increases their competitive advantage as they can attract a wider target market.

7.3 Level of Demand and Target Market

The researcher proposed to identify the level of demand for the SMS system. However, due to time restraints and limitations on access to the relevant statistics and information it was not possible for the researcher to identify the level of demand. However, through information readily available on the SEAI website, it could be identified the number of systems that had received approval for installation and also the number of systems that had been installed as of July 2010 (see appendix D and appendix E). The researcher also identified alternative buildings and business that could avail of the benefits of the SMS solar thermal water system. Table 5.3 lists the

number of GAA clubs, launderettes and also swimming pools that are located nationwide, all of which could use and benefit from the system. Other markets that were identified by the researcher were that of the local county councils and new dwellings that will be constructed. Through the CSO website the researcher identified the number of planning permissions granted for new dwellings for 2009 and the first two quarters in 2010 and from there estimated the number that would be granted for the remainder of 2010 in an attempt to identify the size of the future target market. Though the numbers of planning permission been granted is decreasing there is still however a substantial market that can be targeted through the GAA club houses, launderettes and swimming pools, as well as the existing dwellings that do not contain any form of renewable energy sources.

7.4 Development of PEST and SWOT analysis

The third objective that the researcher was to achieve was the development of a PEST and SWOT analysis. The development of such analysis was necessary for the development of the marketing plan. It helped identify the strengths, weaknesses, opportunities and threats that the company had and also identified how the company could overcome such threats that may occur and also how to make the most of the opportunities. The PEST analysis identified the external factors that will affect the company and the system that it offers. There are many regulations that exist for the installation of the system in particular in older and traditional housing and it is a necessity that the company are aware of such regulations.

7.5 Identification of Marketing Strategies

To complete a marketing plan for the company the researcher had to undertake a fourth and final objective which was to chose a marketing strategy for SMS. The marketing strategy chosen by the researcher was that of the 4P's marketing mix (product, price, place and promotion) with the main emphasis been on the promotion of the system and the company brand "Solar Made Simple". The researcher proposed a roll-out plan for the company due to the fact that the company is only a new and small company and would not have the financial or physical means of undertaking an extensive nationwide campaign. The various marketing strategies that were proposed

for implementation by the researcher were: D2D selling, trade shows, national radio, increase the amount of installers nationwide and also local and county newspaper advertisements. These methods of promotion are financially achievable and though the national radio is more expensive it is a necessity for the company to increase the brand awareness nationwide.

7.6 Overall Findings

Through the completion of the above objectives the researcher then undertook the development of the marketing plan and developed an eighteen month schedule that the company should undertake in an attempt to increase the sales units and increase brand awareness of the company to a nationwide extent.

The schedule involved a roll-out strategy starting in the west and north-west and continuing throughout the main towns and cities throughout Ireland. The roll-out strategy also entailed acquiring nationwide qualified installers for the system, to reduce extra costs such as travel expenses.

Through the development of the SWOT and PEST analysis it was identified that many factors could affect the overall success of the company and the SMP. Such factors include:

- The risk of competitors making a replica of the SMS system and acquiring the maximum grant similar to that of SMS thus reducing the attractiveness of the SMS quality price.
- Technological advances in the industry, resulting in solar thermal system been outdated.
- Economic downturn: people can not acquire finance as readily as in previous times.
- The value of the SMS system is strongly reliant on the grant; if the grant is disposed of this will have devastating effects on the success of the company.
- The renewable industry is heavily populated with a lot of competition already existing. It may prove difficult for SMS to gain market share against companies who already have brand loyalty consumers.

However the factors that will improve the success of the company are that of the following:

- Compared with their competitors they offer the best value product and quality service. Along with installing into existing cylinders.
- The implementation of the marketing schedule and employment of extra staff will increase the company size and the d2d sales team will aid in the development of the nationwide roll-out plan and will explain in person to potential customers the exact workings, benefits and savings of the system to the consumer and the environment.
- The investigation into alternative potential target markets (see table 5.3) shows that there are many alternative markets and that the company is not just reliant on domestic dwellings which was noted in table 5.1 and table 5.2 that the number of new dwellings been built is decreasing. The reduction in new dwellings means that targeting alternative markets is a necessity. The targeting of these markets is included throughout the sales and marketing schedule.

Due to time limitations it is not possible for the researcher to implement the schedule and observe and report the results, therefore the evaluation of the sales projection units in table 6.2 and the approximation for the advertising budget in table 6.3 are estimated projections that the researcher expects the schedule to achieve, if implemented properly. These figures are minimum figures that are expected to achieve and the costing of the advertising were valid as of August 30th 2010 and are subject to change.

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9 Appendices

Appendix A: Interview with Westmeath County Councillor: Joseph Flanagan

Q.1 Is there money available for the upgrade of County Council houses for retrofitting?

Q.2 What is the process for a company to put in tenders for retrofitting?

Q.3 What is the process for decision making within County Council for choosing contracts?

Q.4 Do you think the County Council would consider employing this company for the installation of solar thermal systems in existing premises?

Q.5 Have you contacts from other council that the company could use?

Q.6 Solar Made Simple have already installed for Longford County Council is this any benefit?

Q.7 How would a company go about getting information for those who are applying for planning permissions?

Q.8 Have you any other information that would benefit a company applying for a contract of this sort?

Appendix B: Criteria for which quotations were based

Where is the house? Leinster

How many live at the house? 5

How many bedrooms in the house? 4

Is your house a bungalow, dormer or 2 story? Bungalow

Do you have a south facing roof? Yes

Is your attic converted? No

Is your hot press upstairs? No

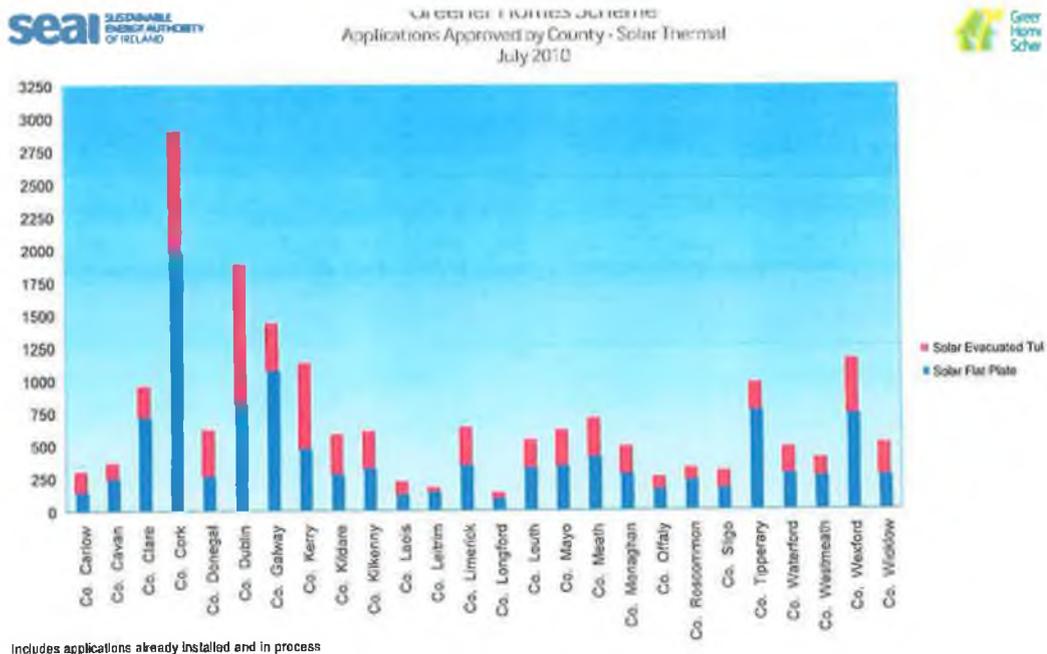
Do you have a back/solid fuel boiler also? Back

Is your house more than a year old? Yes

Is it for DHW? Yes

Do you use an electric shower? Yes

Appendix C: Applications Approved by County

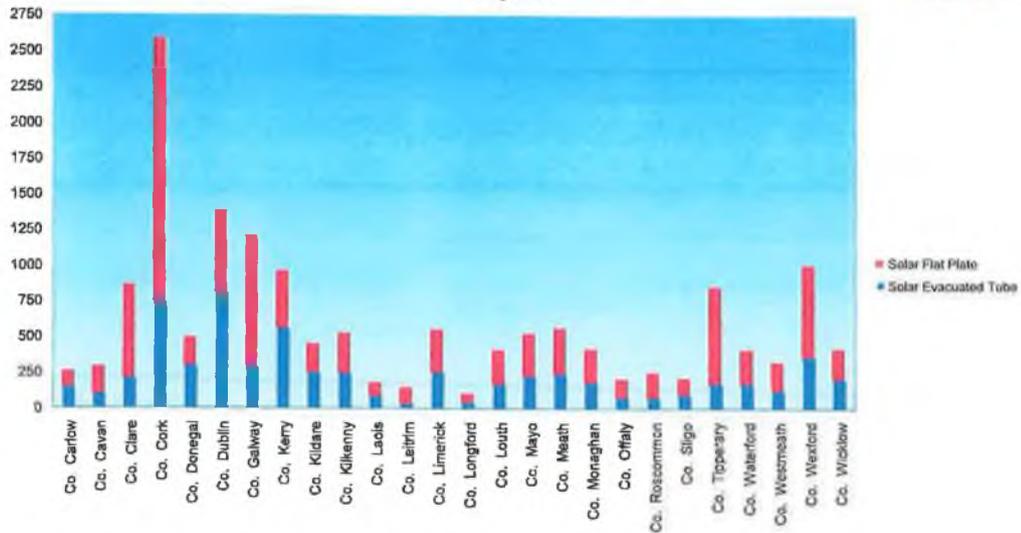


Source: www.seai.ie

Appendix D: Systems Installed by County



Greener Homes Scheme Systems Installed by County - Solar Thermal July 2010



Source: www.seai.ie

Appendix E: Advertising Costing

Brochures	10,000	€ 1,300	Regular Posters	25	€ 100
Business cards	1000	€ 60	Local Advert	per advert	€ 20
Trade Show		€ 1,600	County Newspaper	per advert	€ 30
Fliers	10,000	€ 48	Local Radio	15 Slots	€ 695
Outdoor Posters	1	€ 80	National radio	12 slots x 20 secs	€ 4,840