

# Modern Energy Cooking Services Programme

## ATEC's Cook to Earn Phase 2

15-Sep-2023 to 31 Mar-2024

Final Report - March 2024

# Background - Phase 1 to Phase 2 of C2E

Following a successful pilot & report in Phase 1 of Cook to Earn (C2E), ATEC proposed to investigate & test 3 further pathways in optimising eCook usage patterns through the use of carbon finance for further scale and international roll-out best practice. This was to be done across a minimum sample size of 200 customers. The testing areas included:

1. **Further test education and higher payment nudges** on existing C2E micropayment concept with a larger sample size. Includes further knowledge building and automated app integrations on savings, impact on electricity bill and time or usage-based app notification nudges to drive behaviour
2. **Tangible rewards** (e.g, pots, prize) rather than micropayments and see if this has a more significant impact on usage behaviour
3. **Test utilising C2E funding to offset hardware costs** rather than micropayments against electricity costs and if this is a more significant nudge on uptake and behaviour. This could be either through a reduction in upfront costs or offset ongoing against paygo payments.

Continuing the experimentation phase of the project as per above for a longer data collection period until March 2024 with a growing sample has provided a holistic validation of the concept to justify whether the ROI for larger investment, rollout and automation.

# Phase 2 - Workstream Summary

**Workstream 1 hypothesis: Nudging** a larger group of people in a resource-lean, mobile app-supported way and with cooking cost covering/exceeding regular payments will lead to an increase in usage compared to pilot phase 1 base case:

- Validation: average usage increase > 25% vs Phase 1 base case and higher than control group
- Method: comparative analysis of NUDGE sample vs. control group and phase 1 average base case

**Workstream 2 hypothesis:** Incentivising people with a physical **reward**/prize rather than paying them can be done in a larger scale cost-effectively and increase usage:

- Validation: reward system pilot documentation; average usage increase > 25% vs Phase 1 base case and higher than control group
- Method: comparative analysis of REWARD sample vs. control group and phase 1 average base case

**Workstream 3 hypothesis:** Providing people with indirect, non-monetary, non-reward types of **offsets** against their upfront purchase price or against monthly paygo costs will increase usage:

- Validation: reward system pilot documentation; average usage increase > 25% vs Phase 1 base case and higher than control group
- Method: comparative analysis of OFFSET sample vs. control group and phase 1 average base case

By testing these 3 hypotheses ATEC can now share further **evidence-based research** on best practice for scale and be able to provide tailored solutions for cook-to-earn settings in future countries of activities, directly or through other partners in the global clean cooking community.

In summary utilising a lean multi-workstream, data-driven approach we have tested multiple options and developed a scalable approach that **improved eCook usage adoption by 55% per household** within the testing period. This has provided the evidence base to attract important project financing to be deployed in the future.

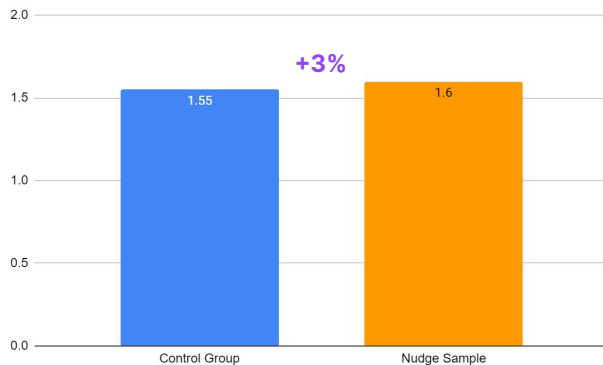
# Recap: Initial High-level project rollout plan

PROJECT DELIVERABLES & TIMEFRAME	2023			2024		
	Oct	Nov	Dec	Jan	Feb	Mar
<b>Customer Acquisitions</b>						
Lead generations						
Acquisitions & onboarding						
<b>Tech Infrastructure</b>						
Usage data into HS						
Schedule Placeholder Message in SMS portal						
Whatsapp Message Automations						
<b>Workstream 1: NUDGE</b>						
Develop different NUDGING method (sms, direct call)						
Set up sample and test approaches, then observe/analyse usage						
Usage analysis						
Summarize and document Nudging best practice to change behaviour						
<b>WORKSTREAM 2: REWARD &amp; OFFSET</b>						
Develop different REWARD method (pots, bonus point redemption)						
Set up sample and test approaches, then observe/analyse usage						
Usage analysis						
Summarize and document Nudging best practice to change behaviour						



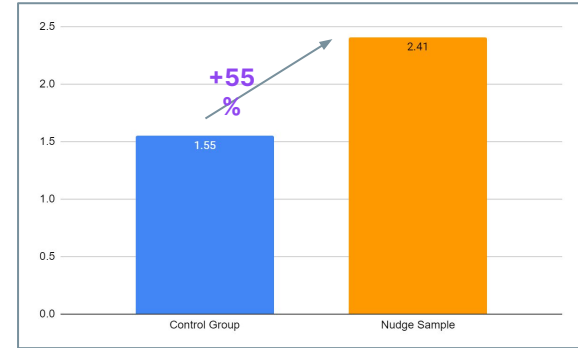
# Workstream 1: Nudging

- Nudging, while well received, didn't lead to a significant increase in usage with a result of 3% increase vs control group in the same period (Dec'23 - Feb'24).
- Key activities included:
  - Various educational content was produced by in-house as well as users and social media influencers that advocated for how to increase usage and functionality on the eCook stove. This was well received and seen as informative, but didn't lead to significant behaviour change.
  - A shift from weekly micropayments to monthly payment structure was implemented to increase the perception of a larger \$\$ size payment received. Reception to this was muted.
- A new SMS-based notification provider was onboarded as a way to cost-effectively scale an increase customer interactions. This was used in nudging and overall is a viable tool for mass adoption, particularly for non-smartphone households. ATEC will continue to utilise this along with further app improvements.



# Workstream 2 & 3: Offsets & Rewards

- Through internal discussions and customer interactions, it was decided to combine workstream's 2 & 3 into one package called **Cook-to-Own (C2O)**.
- C2O used a carbon pre-finance approach to **offset (2)** the upfront cost of the stove down from \$100 to \$40 - a cash price point attainable for the majority of target households.
- But the communication to households was that it was \$40 upfront but still a \$100 product - they then 'pay-off' the \$60 over 3 years by using it as their 'primary cooking device', defined as **>2 kWh per day**. In effect, a variation on a lease-to-own structure.
- If customers did not meet this 2kwh target, they would be liable to pay \$5 per month as an inverse incentive scheme.
- This was then combined with **rewards (3)** for achieving the 2kwh target minimum. Rewards included mobile money credit for hitting the target, then by hitting the target they would go in the draw to win a 'mega prize' of a new fridge for their household (seen as an aspirational item).
- This combination of Offset & Reward led to a **55% increase in usage** and a average daily usage of **2.41kwh**. This is by far the best results of all testing we've completed throughout the 2 phases of the C2E project.
- Further to these results, this also presents the most scalable solution to getting eCook into the hands of Base of Pyramid households where upfront cost is the most significant factor, combined with incentivisation to optimise usage per stove deployed



# Summary & Next steps

- Phase 2 was a highly critical step for C2E as we knew we had the right idea but didn't think the mechanism was quite right
- Through utilising our live data, we were able to lean-test a variety of options quickly and see the next day the impacts on usage behaviour.
- Through this we were able to iterate quickly to the optimum result - Offsetting the upfront cost of the stove under a lease-to-own structure, then combining this with Rewards to drive usage uptake
- The results here resolves one of the current largest issues in the cookstove sector highlighted by the [UC Berkeley report](#) - that distributing a stove is not enough to ensure usage adoption and 100% data-verifiable carbon credits.
- We have shown that this is indeed possible - that we can meet and exceed the 2kwh/day threshold by 20% to where a carbon project becomes viable
- With this data, ATEC has been able to pitch to various project finance stakeholders and validating the C2O model has led to developing blended-finance carbon instruments
- This is all only possible given MECS support in ATEC pushing the frontiers of what is possible in eCook tech and carbon markets. We thank MECS for their ongoing support

**Thank you**

