

# Indonesia Consumer Behavior Assessment for ACs

CLASP is seeking a contractor to conduct consumer behavior research for advancing air conditioner policy in Indonesia.

**DUE: 8 July 2022 at 23:59 ET**    **QUESTIONS: [nrahmawati@clasp.ngo](mailto:nrahmawati@clasp.ngo)**

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## About CLASP

CLASP serves at the epicenter of collaborative, ambitious efforts to mitigate climate change and in the global movement for clean energy access, through appliance efficiency. Our mission is to improve the energy and environmental performance of the appliances & equipment we use every day, accelerating our transition to a more sustainable world. We work hand-in-hand with governments, experts, industry, consumers, donor organizations and others to propel policies and markets toward the highest quality, lowest resource-intensive appliances possible.

CLASP has worked in more than 100 countries since inception in 1999. CLASP is headquartered in Washington, DC, with teams in China, Europe and the United Kingdom, India, Indonesia, and Kenya. We are [mission-driven](#) and committed to a culture of diversity, transparency, collaboration, and impactful work. See our [Team Page](#) to learn more about us.

## Introduction

CLASP is seeking a contractor to conduct consumer research analysis for air conditioners in Indonesia. Objectives of the study:

1. Collect in-depth information on consumers behavior and attitude towards energy efficiency standards and labels, purchasing behavior and awareness on the benefits of the energy labels and consumer protection.
2. Develop baseline information on the role of various consumer organizations in the policy process for energy standards and labels, and on the consumer's perspective on how these organizations can advocate or provide services for consumers.

## Background

Indonesians are increasingly vulnerable to a warming climate, with a growing number of cooling degree days and high wet bulb temperatures throughout the year. However, only 6% of Indonesian households have access to air conditioning (AC).<sup>1</sup> Rapid AC market growth is projected over the coming decades, from around 12 million units installed in 2020 to 129 million in 2040, comprising nearly half of the projected installations in Southeast Asia.<sup>2</sup> Air conditioners also account for a large portion of energy used in households and buildings. Under a business-as-usual scenario, in 2030, the Indonesian's average peak demand is projected to reach 77.3 GW, with 64% driven by air conditioners used in the residential (21 GW), commercial (13.3 GW)

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<sup>1</sup> CLASP, 2019. [Residential End Use Survey](#).

<sup>2</sup> IEA, 2019. [The Future of Cooling in Southeast Asia](#).

and industrial sectors (14.8 WG).<sup>3</sup> The use of more efficient air conditioners will be crucial to reduce energy demand and related CO<sub>2</sub> emissions. The current challenges in promoting the use of more efficient air conditioners are associated with setting policies that will remove the least efficient products from the market and changing consumer behavior to booster investment in super-efficient products.

Indonesia's Ministry of Energy and Mineral Resources issued the regulation on Minimum Energy Performance Standard (MEPS) and energy labels for wall mounted single split air conditioners in 2015 and updated it twice - in 2017 and in 2021<sup>4</sup> – in order to raise efficiency levels. The regulation is aligned with the regional harmonized test standard (ISO 5151:2010), the evaluation method (ISO 16358-1)<sup>5</sup>, and with the regional MEPS in ASEAN. It also changed the energy efficiency calculation from an EER (Energy Efficiency Ratio) to a CSPF (Cooling Seasonal Performance Factor). However, further efforts are required to increase the MEPS level in order to meet ambitious national and regional targets under the RIKEN (National Energy Conservation Masterplan) that sets target up to 30% reduction of energy demand in the industrial, commercial and residential sectors<sup>6</sup>, Nationally Determined Contributions targeted to reduce 314 MtCO<sub>2</sub>eq by 2030 in the energy sectors, and 20% is expected to be contributed from the energy efficiency activities and commitments to SEAD (Super-Efficient Equipment and Appliances Deployment) to achieve doubling the efficiency of key products such as air conditioners, refrigerators, motors, and lightings towards 2030 and Net Zero Emission Roadmap to be achieved by 2060. Without any aggressive efforts to mitigate the energy consumption reduction of major energy consumed appliances, those ambitious target would hardly be achieved.

Policy development process for various products including air conditioners, fans, household refrigerators, and rice cookers have involved extensive engagement with industry stakeholders to discuss market readiness and feasibility in reaching out the proposed MEPS levels. However, these processes have not intensively involved consumer organizations or advocates yet in the past, leaving on the table opportunities to incorporate consumers interests that could result in better outcomes for households and businesses. In the other hand, the level of consumer awareness on the energy label and energy efficiency in Indonesia is still low. Based on the CLASP's Residential End Use Survey states that only 6.5% of total over 5,000 respondents are aware of the energy labels, although the survey also concluded that the consumers value and prioritize energy efficiency.

The findings of the CLASP's Residential End Use Survey were also confirmed by the Communication for Change (C4C)'s qualitative research that showed the consumers initially have the intention for purchasing AC units with energy saving and price criteria, but consumers finally end up in buying the standards one or less energy saving. This behavior was mostly due to lack understanding of the consumer on the energy efficiency and energy label benefits, distracting information from the sellers related to criteria in selecting efficient AC and the sellers

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<sup>3</sup> McNeil, et. al., 2019. [Forecasting Indonesia's electricity load through 2030 and peak demand reduction from appliance and lighting efficiency.](#)

<sup>4</sup> Ministry of Energy and Mineral Resources Decision No. 103.K/EK.07/DJE/2021 regulates the maximum cooling capacity of 27,000 Btu/h for AC

<sup>5</sup> ASEAN-SHINE, 2015. [Promotion of Higher Efficiency Air Conditioners in ASEAN: A Regional Policy Roadmap.](#)

<sup>6</sup> RIKEN sets sectoral demand reduction targets: 15-30% reduction in industrial sector, 25% reduction in the commercial building, and 10-30% reduction in residential sector.

were also not familiar with energy efficiency logos. The sellers often persuade the purchasers to consider the “quick to cool down the room” as key determined criteria as the sellers have uneven understanding about the energy efficiency logos and its benefits.<sup>7</sup> In EBTKE has noted that awareness of the energy label and energy efficiency among consumers are still low, thus promotion and educational activities regarding energy labels are required.

Although there have been some efforts to assess consumers behaviors and preferences during appliance purchases, and their understanding of the energy label and energy efficiency overall, but these efforts had limited scope, and sometimes consume profiles have not been representative of average Indonesian consumers, resulting in inconclusive and sometimes conflicting outputs. Therefore, a comprehensive study on consumer behavior, preferences, and understanding of energy efficiency can fill in the data gaps identified above. The study will inform policy development processes, provide insights into consumer behavior, and will serve as a basis for designing programs to further create awareness and understanding of the energy label among consumers and sellers to support implementation of the regulation.

## Timeline

**Contract Timeframe:** July-November 2022

[INCLUDE ANY INFO ABOUT % OF FTE TIME THE CONTRACTOR WILL SPEND ETC.]

**Deadline for Application:** 8 July 2022 at 23:59 ET

Application includes registering as a Consulting Partner and submitting the technical and financial proposals per the instructions below.

**Deadline for Questions:** 24 June 2022 at 23:59 ET

All questions must be addressed to Nanik Rahmawati at [nrahmawati@clasp.ngo](mailto:nrahmawati@clasp.ngo). We request all inquiries be made to this e-mail address and not by phone.

## Scope of Work

The Contractor will be responsible for successfully executing the following activities and tasks as part of the study. Execution of all activities and tasks must be conducted in close consultation with CLASP and DJEBTKE. The aim of the research is to have a complete understanding of consumer behavior and preferences to purchase air conditioners and consumer understanding of energy labels as well as role of the various consumer organization in the development policy process for advancing policy in air conditioners in Indonesia.

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<sup>7</sup> C4C, 2022. The Road to Energy Inefficiency is Paved with Saving Intentions.

## Task 1: Desk Research and Preparation

Prior to the start of the data collection process, the Contractor shall perform an initial desk review of previous consumer surveys. The contractor will identify the type of information and data to be collected and the methodology for obtaining these data.

Therefore, the Contractor will:

- Conduct desk review and compile insights from published literatures regarding Indonesian consumers. A few examples are CLASP's end use survey, CLASP's Super-Efficient AC Marketing Campaign, and The Road to Energy Inefficiency is Paved with Savings Intentions by C4C
- Develop a strategy for data collection:
  1. Develop a mapping of consumer organizations, AC producers and retailers, to map out potential respondents for the study
  2. Develop questionnaire for conducting the interview with leaders of consumer organizations and the consumer survey (can be 1 questionnaire for all, or 2 separate questionnaires).

Several recommendations for possible information to be gathered are customers behavior, preferences, and thoughts on energy efficiency and energy labels by segmentation of:

- a. Demographic – the survey shall provide a standards demographic data of the respondents that includes socioeconomic group (i.e gender, age, income, household size, education level, type of occupation, renter vs. owner, marital status),
- b. Consumer profile – the survey shall provide information on ownership of the AC, first buyer vs. more than first time, household electric service capacity limits and electricity subsidies
- c. Level of awareness and understanding on the energy efficiency and label
- d. Influencing factors in purchase behavior – how do they search for information, effectiveness of brand's promotions, price vs quality, experience of past purchase, AC size, brand, wattage, etc.
- e. Actual purchasing behavior: place of purchase, term of condition of purchase e.g include loyalty program, post maintenance vs no add-ons, willingness to pay for EE, power purchase vs. AC lifetimes and life cycle costs
- f. Consumer assistant and protection: where do consumer seek helps in relation to technical, complaint or any compliance disputes related to warranty and guarantee, incorrect information, level of awareness of the consumer on the role, and services of the consumer organization and expectation of services in the future.

*Note: The recommendations are for reference purpose only and not obliged to be used. The contractor is welcome to provide additional points of data collection to fulfill the target of the study.*

3. Identify the number of respondents for the interviews (potential reference to determine this: CLASP's end use survey which states that only 6% of the 5,000

respondents owns an air conditioner. The interviews could also be divided into online and offline interviews, e.g. 120 offline interviews spread out between cities with the highest ownership of air conditioners. As reference according to CLASP's end use survey, cities with higher number of PLN's customers are in West Java (Bandung), Jakarta, East Java (Surabaya), North Sumatera (Medan), Banten (Tangerang), and South Sulawesi (Makassar).

Once the strategy has been developed, the Contractor will present the strategy to CLASP and/or EBTKE. Upon receiving approval for the strategy, the Contractor will progress to Task 2.

## **Task 2: Data Collection & Analysis**

The Contractor will carry out the online and off-line interviews and analysis which will include:

- Perform online and offline interviews utilizing the approved strategy (sampling size, type of respondents, questionnaires, etc)
- Perform analysis of the results of the interviews and prior desk research
- Conduct data validation to ensure the quality of the survey results. If needed facilitate a focus group discussion with relevant key stakeholders
- Develop draft report of the study
- Present the preliminary findings and final approval on the results
- Develop a final report for the study

## **Task 3: Research Dissemination**

The contractor will carry out the dissemination of the research, which include present the findings – detail finding of the study to the multi stakeholders' meetings, that includes but not limited to:

- Develop a strategy to disseminate these results in a communication/engagement campaign for consumer organizations, MEMR, other Ministries, and any other stakeholders.
- Present the proposed dissemination strategy to EBTKE and CLASP for requiring inputs and feedbacks. CLASP will provide a final approval for the proposed strategy
- Conduct one national workshop / seminar that are attended by consumer organizations/advocates, policy makers, journalist, air conditioner's manufactures/companies and research institutions

## **Key Milestones and Deliverables**

1. Inception report – detailing results from desk review and proposed strategy for data collection (Task 1)
2. Inception presentation – detailing main findings from desk review and proposed strategy for data collection (Task 1)

3. Draft study report and presentation of preliminary findings (Task 2)
4. Final study report (Task 2)
5. Excel spreadsheet – detailing data collected from interviews (Task 2)
6. Presentation materials on the detail findings and proposed dissemination strategy (Task 2 and 3)
7. Event Report on the national workshop for disseminating the findings (Task 3)
8. Report on the agreed recommendations and action plans for implementing the recommended dissemination strategies proposal (Task 3)

Deliverable	Task	Timeline (2022)
Inception report	Detailing results from desk review and proposed strategy for data collection (Task 1)	July – Mid Aug
Inception presentation	Detailing main findings from desk review and proposed strategy for data collection, and final approval from CLASP & EBTKE (Task 1)	Mid Aug
Draft report & presentation materials	Present the preliminary findings and validate the results; and develop draft report (task 2)	End Oct
Final report	Finalizing the full report of the consumer research (Task 2)	End Oct – Mid Nov
Excel spreadsheet	Detailing data collected from interviews (Task 2)	End Oct – Mid Nov
Presentation materials	Present the detail findings and proposed dissemination strategy (Task 2 and 3)	End Oct – Mid Nov
Event Report	Conduct national dissemination workshop on research findings and develop report of the event	End Nov
Report on proposed dissemination strategies	Develop report on the agreed recommended dissemination strategies and action plans (Task 3)	End Nov

## Key Qualifications

The contractor is expected to have at least the following key qualifications:

- Experience in qualitative and quantitative research in the field of consumer research, organizational development, minimum energy performance standard, energy label, energy efficiency, and air conditioner industry
- Experience in conducting primary research in Indonesia using interviews and online survey

- Clear understanding on multiple research methodologies and experience in using social research tools and techniques,
- Familiar on the topic related to Minimum Energy Performance Standards and Energy Labeling is preferable,
- Familiar with MEMR's works on Energy Label and MEPS is preferable
- Having experience/knowledge related to air conditioners sector is preferable,
- Having experience and capability for managing data and analysis using ICT (Information and Communication Technology)
- Ability to write final report of the research in English that being proved from past-experience reports in English
- At least 3 years of progressive experience in market research with the focus of consumer's behavior

## Submittal

### Register as a Consulting Partner

Interested parties must [register as a CLASP Consulting Partner](#).

### Submit Technical and Financial Proposals

Interested parties should submit separate technical and financial proposals electronically, in English, via this [form link](#) (preferably in PDF format). The files should be named as per the following example:

[CONTRACTOR\_NAME] \_Technical Proposal\_ RFP 2022-06-16

[CONTRACTOR\_NAME] \_Financial Proposal\_ RFP 2022-06-16

The length of the technical proposal should not exceed 20 pages and should include:

- Detailed approach and methodology for the design, implementation, and management of the project
- Detailed timeline for all project activities, tasks, milestones, and deliverables for the project within the time frame indicated above
- Background and experience of conducting similar activities
- A summary of qualifications and experience of key personnel that will execute the project

The financial proposal (in USD) should include a detailed budget with all direct and indirect cost estimates for executing the project, including a breakdown (in days) of the level of effort and costs associated with each team member that will be engaged in the project.



CVs and related summaries of experience and qualifications of proposed project team staff should be included in an Annex and should not exceed 10 pages.

### **Optional At This Stage – Fill Out Pre-Qualification Questionnaire (PQQ)**

All contractors must [fill out the PQQ](#) before working with CLASP. This can be voluntarily completed at the RFP stage but will be mandatory if a contract is awarded.

The PQQ is a thorough due diligence screening aimed at gathering legal and financial information on prospective partners/vendors. Contract awards are conditional upon passing the due diligence screening. Organizations that have already completed the PQQ do not need to complete it again unless the structure of the business has changed. If you are unsure, please email Andrea Testa ([atesta@clasp.ngo](mailto:atesta@clasp.ngo)) to determine next steps.

## Evaluation Procedure

A committee appointed by CLASP will evaluate proposals received. Selection of qualified companies or organizations will be based upon the following criteria:

- **Technical Evaluation Factors**
- **Financial Evaluation Factors**

All bids will be evaluated and ranked using Quality and Cost Based Selection (QCBS), with 80 percent of the score accorded to the technical proposal, and 20 percent to the financial proposal. The detailed evaluation criteria can be found in Annex A.

## ANNEX A: EVALUATION CRITERIA

**Technical Approach (35 points):** The technical approach described in the proposals will be evaluated on:

- The demonstrated understanding of the overall project context (15).
- The detailed work plan and approach clearly defining the target objectives and the strategy to achieve the objectives as outlined in the scope of work (20).

**Management Structure and Staff Qualification (25 points):** The proposed management structure and staff will be evaluated on:

- The professional qualifications and the extent to which the requisite expertise and experience of the key personnel will directly contribute to the completion of the tasks (25).

**Past Performance and Corporate Experience (20 points):** The experience and capacities of the contractor will be evaluated based on:

- The past performance, familiarity, and experience in understanding policies and program related to standards and labelling (10).



- Extent of local expertise including experience, qualifications, and track record in implementation of similar programs (10).

**Cost Evaluation Factors (20 points):** While the overall Technical Evaluation is the key factor in reviewing the proposal, the cost evaluation will be an essential factor in determining the final contract award and ability to remain in the competitive range and will be evaluated for feasibility, completeness, and practicality.

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CLASP looks forward to reviewing your responses and would like to thank you in advance for your participation in this Request for Proposals. CLASP will notify all respondents who submit proposals when a decision has been made.

*CLASP is an equal opportunity employer that celebrates diversity and are committed to creating an inclusive environment for all employees. CLASP's goal is to be a diverse workforce that is representative, at all job levels, of the citizens we serve. CLASP complies with all federal, state and local employment law in the countries we operate and is committed to providing equal opportunity for all employees and applicants without regard to race, color, religion, national origin, sex, age, marital status, sexual orientation, gender identity or expression, pregnancy, disability, political affiliation, personal appearance, family responsibilities, matriculation, genetic information, military or protected veteran status, credit information or any other characteristic protected under federal, state or local law.*

*Each person is evaluated based on personal skill and merit. CLASP's policy regarding equal employment opportunity applies to all aspects of employment, including recruitment, hiring, job assignments, promotions, working conditions, scheduling, benefits, wage and salary administration, disciplinary action, termination, and social, educational and recreational programs.*