

# Marketing of Solar Products: an overview

Rachana Rai and Neeta D Sharma

Department of Management Studies, Sikkim Manipal Institute of Technology, East Sikkim, Gangtok- 737 102

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## Abstract

Solar energy is extensively perceived as a promising technology for electricity generation in remote locations in developing countries. This paper attempts to understand the way solar products are marketed and its influence in the demand of the solar products. Though customers have a vague idea on the availability of solar products yet it has not accelerated the growth of solar industry. An understanding is reached and probable suggestions for marketing strategies are suggested in order to increase the awareness and demand of solar products.

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**Key Words:** *Solar energy, holistic approach, marketing strategy, technical development, distribution.*

## Introduction

Solar energy is one of the sources of energy which is abundantly and freely available energy source for all the nations around the globe. During pre-historic time solar energy was used in the most primitive manner. However, some research and development was carried out in order to exploit solar energy more efficiently but the work remained mainly academic. After the dramatic rise in oil prices in the 1970's several countries began to formulate policies for solar energy. Private Households and small businesses can largely contribute in focused policy initiation. One such initiative can be taken at the micro level where an individual can contribute for a sustainable energy path by consumption of Non-conventional Energy resources like solar energy, the freely available energy source for all the nations across the globe.

In November 2009, Government of India approved JNNSM, whose sole aim is to establish India as a global leader in Solar Energy by

creating the policy conditions for its diffusion across the country. IREDA and Ministry of New & Renewable Energy have identified the development of Solar Energy technologies in the country as a NATIONAL MISSION. Such initiation will be a success only if citizen of India takes initiative in such programs. One of the important ways for successful implementation of such initiatives is by creating an environment for mass consumption.

It has been found that many Indian households still rely on inefficient and polluting energy sources such as kerosene, which produces negative health, environmental and social impacts.

## Understanding of Marketing

Marketing is about identifying and meeting human and social needs. Marketing is a societal process by which individuals and groups obtain what they need and want through creating offering and freely exchanging products and services of

value with others. Marketing is not only a responsibility of a marketing department, there should be a holistic approach to it. In practice, marketing follows a logical process. It consists of analyzing marketing opportunities, selecting target markets, designing marketing strategies, developing marketing programs and managing marketing efforts. Companies must always be moving forward with marketing programs, innovating products and services, staying in touch with customer needs and seeking new advantages rather than relying on past strengths.

## **Literature Review**

The purpose of the study is to analyze how providers' online marketing in one of the most developed markets for green energy can be improved. Providers could improve the effectiveness of their visual messages by using more pictures related to renewable energy. Further, self-expressive benefits of buying green energy could be created by offering merchandise articles symbolizing the contribution a consumer makes by choosing a green tariff (Carsten Herbes, Iris Ramme, 2014).

A certain amount of pure brand-building marketing is important, the goal of all marketing activities is to generate leads that will result in closed deals. Discontinue any marketing activities that aren't bringing you the right people. Only through market research and planning ahead will you know and save your precious time and money to spend on more effective marketing. Also add to your calendar recurring events, fairs, festivals, and seminars that you have chosen to attend or put on yourself. Have stock ads, e-news blasts, or blog content ready to go with space for you to fill in the special message of the last minute campaign (Pamela Cargill, 2011).

A group of 'early adopters', and a group of assumed 'early majority' adopters of solar power were surveyed and the results show that overall, although the 'early majority' demonstrate a positive perception of the environmental characteristics of solar power, its financial, economic and aesthetic characteristics are limiting adoption. However, if consumers cannot identify the relative advantage of solar power over their

current sources of power, which is supplied readily and cheaply through a mains system, it is unlikely that adoption will follow (Adam Faiers *et al*, 2006).

The degree of development of market does not depend on climate conditions or on different technological developments. The recent growth in the European solar market stems from growing environmental consciousness. People are prepared to pay the price of a solar water heater if the systems are comfortable and technically on high standards (Tsoutsos, 2002).

Stimulating the market is an important challenge for solar-based technologies. Their penetration and contribution will depend on technology development and dissemination. The crucial factors for a broader diffusion of PV systems are: financial incentives, government led initiatives, reduction of investment costs, and increase in reliability, dissemination of information and environmental awareness. A persuaded individual can make an adoption decision that a person with inadequate knowledge cannot (Raja Peter *et al*, 2001).

## **Suggestions**

A thorough SWOT analysis is required in order to identify and analyze an existing barriers to adoption of solar technology thereby accelerating awareness and acceptance.

### **The underlying activities can be conducted simultaneously**

- a) Motivation of the population: campaigning to raise public awareness, information on the economic benefits, increase of environmental awareness, subsidy programmes as incentives to install a solar plant. This will in parallel create demand of the product.
- b) Technical development of the product: increased reliability, adaptation to household technology related to hot water supply and solar cooling. The product must be user friendly and can be operated easily.
- c) Distribution and sales: adopting a creative marketing strategies, building a strong distribution networks, training of personnel in dis-

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tribution and sales. This will enable the availability of the product at the right place and at the right time for the potential customers.

- d) Analyzing various market segments and assigning priorities to those segment which is of utmost importance, such as, rural market, educational institution or any service industry.
- e) Focus on the message, such as, 'warm water' rather than solar system. Customers will be more attracted by the benefit of the product. The message should be appealing and matching the benefit that they are looking for.
- f) Manufacturing firms must identify its competitive advantage and make it as a strength of a firm and target the customers accordingly. They can even built the marketing strategy around it.
- g) Setup a marketing calendar so you can keep ahead of the game. Participant in events, fairs, festivals, and seminars will boost the advertising aspect of the firm and the product.

Apart from above mentioned points the firm or an organization can adopt strategy based on the various internal and external factors influencing its existence in the market.

### **Suggestions for rural areas**

According to a survey Royal Institutions of Chartered Surveyor RICS yet 59% of the rural peoples are unaware of Solar products and those who are aware of solar products only 13% of the them are having solar products. • This low share of the product is due to low distribution and low market communication.

Apart from solar equipment makers, rising diesel cost and awareness for solar power has compelled agri-input manufacturers to include solar in their portfolio. "Solar-based products have a huge market in the remote areas, where they can easily replace costly diesel and kerosene. Apart from irrigation, solar can also help in powering the villages," said Parag Shah, managing partner of Mahindra Partners and head of Mahindra Cleantech division.

### **The underlying tricks can be conducted**

- a. Jaipur-based Frontier Markets, or FM, founded by Ajaita Shah suggested that. "Reaching out to rural markets requires a bottom-up approach," she says. "We have to identify what rural people need, the price points they are comfortable with, demonstrate the use of the product we are selling, and show them why it is relevant to their lives."
- b. Ajaita Shah also suggested that solar products in bulk from different manufacturers and retails placed them under the brand name 'Saraal Jeevan'. Its trump card is the profile of its agents, whom it pays a commission. These are village-level community workers, who are already familiar faces in the region, since they also provide some other service. "People trust these village representatives as they are known to them." They include krishi mitras (farmers' friends) who are employed by the Krishi Vigyan Kendras, an Indian Council of Agricultural Research project, to keep farmers informed about latest agricultural technologies.
- c. Companies can try to rope in microfinance companies to help with the distribution of solar products in rural India.
- d. Now Company should also tagged up with each and every Panchayat so, they can directly came into contact with rural peoples. As Rural. Peoples are mostly influence by Panch's so this tagging up can be very much helpful. They can also do some communication through their own Van's mostly in season time because rural peoples are having their most of the income in a particular season.
- e. Hitesh Doshi CMD, Waaree Group said that state governments should subsidize solar powered equipments rather than giving free electricity to farmers.

### **Conclusion**

Renewable sources of energy are expected to play a crucial part and expanding role in meeting the energy needs of all the developing countries. The market penetration and espousal will depend on its technology development and dissemi-

nation which is backed by reliable marketing strategy. The potential for solar-based technology is large and expanding and cosmos in nature. It is attempting to establish itself as an institutional, a distinct market and an industry which is still largely governed by conventional types of energy technology. Stimulating the market is an important challenge for any solar-based technologies. Sustainable development urges that developing countries should not neglect modern high-tech renewable power generating options which provide clean and cost-effective energy solutions to its citizens. The crucial factors for a diffusion of Solar systems are: financial incentives, government led initiatives, reduction of investment costs, and increase in reliability,

dissemination of information and environmental awareness, imparting knowledge to the citizens.

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