Quarter 3 Report Notes –

**Objective 1: Design and execute a market feasibility and technical test across Kenya**

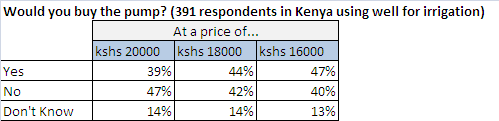
* A full document outlining the market test objectives and strategy was developed in this quarter to facilitate planning; the document can be found in the DLP shared folder (see Mudit)
* The primary objective of the market test will be to test the self installation of the pump as well as the customers’ willingness to pay for installation. Specifically, the objectives of the test are:
  + Test the customers’ ability to self install the pump and their preference for pump installation
  + Gather dealer, sales rep, and customer feedback on the pump’s unique set of features and benefits
  + Ensure the DLP provides adequate impact on farmer livelihoods
* The test will be tested in with four dealers in two locations. A third location will be brought online if initial sales of the pumps are slow. All locations were selected based on the water level research data suggesting high likelihood of strong DLP sales as well as an analysis of hot prospect data.

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|  | Cell 1: Self installation instructions | Cell 2: Self Installation instructions with option to pay |
| Number of Pumps | 15 | 15 |
| Province | Rift Valley/Central | Eastern |
| District | Nyandura/Laikipia | Kitui |
| Dealers | Nyahururu – Hekima Hardware  Ol Kalau – Mwangaza Agrovet | At Your Service  Kithimani Agrovet |
| Sales Reps |  |  |
| Rationale | High potential for DLP based on wells and water levels; strong interest in DLP according to sales team and hot prospect data | High potential for DLP based on wells and water levels; strong interest in DLP according to sales team and hot prospect data |

* The market test is scheduled to start in October and the sales will take place over three months. An initial customer survey and data on the installation test will be collected in December and January

**Objective 2: Conduct a survey of potential customers in high potential regions for the DLP such as in arid /semi-arid areas with low water tables and existing deep wells**

* Synovate survey was completed in April 2011 - called 1,156 farmers from the KickStart hot prospect database that did not have a MoneyMaker pump
  + 1,004 Kenyan hot prospects and 152 Tanzanian hot prospects were called and answered a short series of questions to identify sources of water, well depth, and potential prices for a DLP
  + Water source – 39% of Kenyan respondents use a well for irrigation while 37% use a river; 29% of Tanzanian respondents use a well for irrigation while 39% use a river
  + Well depth – Unfortunately, the question was asked in a confusing manner and there were answers in meters and in feet, rendering the data collected around well depth to be not actionable. We expect to get much more accurate and useable data through our water level research (see Objective 3)
  + DLP Pricing – The % of potential buyers increases as the price of the pump declines, but further study will have to be done to confirm the pricing data and that the respondents were indeed potential DLP customers (had a well depth deeper than 7 meters)

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* Hot prospect calls completed in April 2011 – called 183 farmers from KickStart hot prospect database that indicated their water level was too deep for current KickStart pumps
  + 183 customers called and 64 surveys completed to understand pricing, likelihood of buying a pump, and desired features of pump
  + Pricing – 48% indicated they would purchase the pump at kshs 20,000 and an additional 11% would buy it for kshs 16,000-18,000
  + Likelihood of buying pump – nearly 87% of respondents were rated as likely to purchase the pump based on their answers and general attitude during questioning
  + Features of pump – security of the pump is a concern for roughly 50% of respondents, many of them indicating they would take the pump home each day for storage. On average, wells are 700 meters away from the home, so portability of pump will also be a consideration
* We continue to gather customer information and data at all possible points, which will allow us to reinforce the data points already gathered and confirm or deny our assumptions

**Objective 3: Compile pre-existing data on water table levels and deep well availability in Kenya**

* The water level research was concluded in August and an analysis of results took place in September
* Full results are outlined in the 9.13.11..DLP update meeting draft 2.pptx file in slides 4-11 (see Mudit)
* In summary, 636 surveys were conducted with well owners in 35 districts. 636 wells were measured and on average the wells had a depth to water measurement of 10.91 meters, well within the range of the DLP pump (7-18m depth to water range). Although the enumerator was specifically looking for deep wells, we calculated that 65% of the wells measured were appropriate for the DLP
* Initial market size estimates are being calculated with the data
* High potential areas identified include Central and Western Provinces where 38% and 33%, respectively, of the wells measured are suitable for the DLP
* In addition to measuring the wells, the respondents were asked if they were interested in the DLP and would like to be contacted by KickStart when the product was available. 88% of the respondents were interested in the pump and a list of 544 potential buyers has been shared with the Kenyan sales team

**Objective 4: Accelerate DLP design and testing with funding for dedicated staff time, equipment, and materials**

* The manufacturing of 30 pumps was completed in preparation of the market test which will initiate in October
* Practical tests on a number of DLP components were completed in this quarter in order to finalize the design of the locally manufactured pumps
* An incentive scheme for production workers was developed and used in order to motivate the team to complete the assembly of the thirty pumps by the September 30 deadline

**Objective 5: Incorporate user-informed features into the final design of the DLP**

**Lessons**

* Alan might have some good comments here about manufacturing the pumps at Tech Dev. I know he and his team have been very strapped to complete this objective and it’d be good to get his feedback on whether he thinks it was a worthwhile exercise or not. My personal opinion is that it probably didn’t make complete sense to use up all that time and TechDev resources but I don’t know the complete history of the decision to produce locally.

**Pictures**

* Fred Juma took a lot of pictures of wells while he was out in the field. These pictures can be found on the small computer in my old office but are mainly just pictures of tops of wells. If you need shots, though, may be a good place to look.
* Here’s a Picasa album that Alan has of product development:

<https://picasaweb.google.com/alan.spybey/DLP4Development?authkey=Gv1sRgCIDhtd-FzMOw4gE&feat=email>

* And a few pictures we have from the pumps being tested in the field now: