4a Identifying costs to participation

Just because someone has the necessary characteristics or capabilities required to participate in a particular activity or service, doesn't mean they will. There are several other factors at play that may prevent someone from using a service, for example:

- Whether they feel sufficiently motivated to make the effort
- What they perceive to be the benefits of participation – and whether these outweigh the costs
- How easy it is to take part – and what barriers might prevent participation.

This section sets out how to help identify the potential costs associated with using a service.

Useful for
- Identifying the possible cost of participation in an activity, which needs to be considered alongside the benefits or value created, to understand if a participant is likely to consider the benefit offered by an opportunity outweigh the costs.
- Develop mitigation strategies to reduce costs and make participation more attractive.

How it works

Note: Example template in mural – also available in the template mural.

The template helps you consider the full cost – both financial and non-financial – associated with signing up to, and then continuing to use, a product or service.

Work your way down the template and identify what costs might be associated with signing up to, and then using, your service.

This enables you to then consider how these costs can be minimised or removed, through the design of the activity or service.

It's worth revising the exercise at various stages as you pilot and roll out the service and testing your assumptions about the costs against the views of potential and actual service users.

Costs

UP FRONT		ON GOING
Effort of finding out about an opportunity, researching and narrowing down options	**Search costs**	Effort of finding out about repeat or allied opportunities
Purchase price, cost of ancillary items required, training costs	**Financial**	Subscription or repeat purchase costs, operation and running costs, maintenance and repairs
Research, negotiating with provider and others, reading small print, sign up, training, participating	**Time**	On-going participation, keeping up to date with changes, feed back, monitoring
Upheaval & disruption at install, getting used to a new system, learning new behaviours or habits	**Inconvenience**	Re-activation effort, on-going operations and maintenance, need to maintain new behaviours and habits
Sign up process	**Administrative**	On going billing, monitoring and operations
Other opportunities you will have to forfeit due to chosing this option	**Opportunity**	Other opportunities you will have to forfiet due to conintuing with this option

Examples of costs for retrofit:

a. Domestic retrofit

Competing behaviours
- It can be easier to stick with what you know and what you are used to, e.g. hot radiators, gas boilers.
- Householders may find a 'quick win' action such as installing solar PV preferable to tackling fabric measures.

Competing benefits or motivation
- With limited spending power, other projects may win out e.g. a new kitchen or holiday.
- The opportunity to pay off a mortgage may be more attractive than taking out an additional loan or incurring debt.

Everyday life
- Addressing major retrofit measures needed to improve a home may be perceived as important but not sufficiently urgent in the face of other pressing domestic tasks.

Personal influence
- A single household may have a number of key decision makers all of whom need to buy-in.
- A householder may also receive conflicting advice from peers or others that they trust, such as the person servicing their gas boiler sounding sceptical about air source heat pumps.

Wider forces
- This could include a wide range of social, technical, environmental, economic, political, legal or ethical factors. For example: A householder's being unsure whether they should delay work in anticipation of the next generation plan existing technology, or a new technology (hydrogen boilers for example) or hold out for potential future government grants.

b. SME Retrofit

Competing behaviours
- Addressing "energy" has several sustainability competitors – such as waste, water, transport, and nature-based solutions. There are several engaging environmental initiatives and as one of the more technical issues, energy can prove a less engaging focus of SMEs wishing to demonstrate their Corporate Social Responsibility credentials.
- Perceived quick-win activities: For example, senior management may favour a quick win such as installing solar PV over a more holistic energy reduction strategy which is less visible and can take more time and effort.

Competing benefits or motivation
- May feel limited capital may be better spent elsewhere – in particular, spending directly relating to core business.

Hassle factors
- Information is fragmented and there is a lack of clarity in the sustainability space as to where to go for support.
- The ambiguous and overlapping use of terms such as energy, carbon, sustainability and environment can also hinder a clear sense of the right actions to take, and needs addressing.
- Energy reduction measures can be disruptive to the core business. For example, a complete lighting upgrade in a large office environment needs logistical planning to give the contractors access. Even if the work is carried out when staff are not in the building, there is mess and disruption. Contractors will usually charge a premium for weekend working. If the electrics have to be turned off, that can disrupt programmes running on machinery out of hours. It would be a similar story of disruption with other measures such as window replacement or internal wall insulation.
- Facilities managers speak about having trouble getting contractors to provide quotes and then finding the time to pour over the different quotes, which don't always reflect the specification they have issued.

Everyday life
- Addressing energy performance is usually a secondary task to other core business tasks which staff need to prioritise on their to do list.

Personal influence
- Resistance of a key decision maker or staff who then need to change their ways of working.

Wider forces
- This could include a wide range of social, technical, environmental, economic, political, legal or ethical factors.

What next?
Consider the barriers and competing behaviours that might prevent people from participating in your services.