Title: Kloge Valg (Danish for "Smart Choices")

Team members: Adrian Camilleri, Siegfried King, Chebet Lesan, Leroy Mwasaru

Theme: Energy

Executive Summary

27% of US GHG emissions comes from transport. We will build a novel online car selection and aggregator tool that will ask users questions and identifies appropriate nearby cars for sale. Insights from behavioural economics will be used to nudge users away from fuel inefficient cars. Users will be attracted to our tool by providing unique opinion information. By our 3rd year, we will be nudging 5% of US car choices, eliminating 800,000 metric tonnes of CO2e, and generating $2.7M in revenue.

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Problem
What is the global challenge that you are addressing? What unique, actionable insights led you to this specific problem framing?

In 2016, 88 million cars were purchased worldwide with more than 18 million in the United States alone. About 29% of US energy consumption in 2016 was used in transport and responsible for 27% of US total greenhouse emissions. On the list of the 10 most important factors when buying a car, fuel efficiency comes in a distant 8th. Worse still, environmental impact doesn't even make the list. There needs to be a shift in consumption behaviour towards more fuel efficient cars. Unfortunately, due to the widespread disinterest in the environmental implication, previous solutions such as information labelling have had limited impact on car buyers. Rather, consumers are concerned with things like the aesthetics of the car, as well as the opinions and perceptions of others. From this insight, we realize that to reduce carbon emissions from gasoline consumption we cannot simply provide information. Rather, we must design a tool that actively nudges consumers away from fuel inefficient cars.

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Solution
What is your solution and how does it address the problem framing?

Given that (A) over 50% of consumers go online to look for car information before going to a car dealer, (B) 71% of consumers desire tools for comparing different cars and, (C) 88% of consumers trust online reviews as much as personal recommendations, we propose to build a novel online car selector and aggregation tool. This tool will help users figure out which car they want, direct them to buying options, and allow them to easily share their considerations set with friends in the form of a survey. Unlike other search tools, our tool will ask users about their preferences regarding the car's aesthetic appeal and prestige, and user's preference regarding running costs and environmental impact. Finally, our solution will use techniques from behavioral economics to nudge users towards selecting a more fuel efficient set of cars to consider purchasing. The consequence of this free choice is that all of the inefficient car option possibilities will be filtered out of the results page.

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User / customer
Who are your users or customers? What are their needs? What is the value proposition that your solution offers? How big is the market?

Our target users are the 75.4 million American millennials (born 1981 to 1997) who are looking to buy a car (new or second hand). These tech-savvy consumers are looking for an online tool that will simplify the process of identifying an appropriate car for them to buy. When buying a car, two of the most important factors for these consumers are the aesthetics of the vehicle and the prestige level. These consumers are also heavy social media users and want to be able to easily gather the opinion of their friends. Our tool allows users to quickly identify an appropriate car for their needs, and then directs them to the place where they can make the purchase. Our tool provides data about cars that cannot be found anywhere else: other people's perceptions of each car's degree of aesthetics appeal and prestige. Our tool also allows users to easily send an email to friends to complete a quick survey on cars that they are considering to purchase.

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Innovation
What makes your solution unique? Who are your competitors? Why hasn't your solution been done or successfully implemented before?

Our solution is to use behavioral economics techniques to nudge people toward fuel efficient cars. We provide our clients with a platform to make energy conscious choices while enabling car manufacturers to become more aware of what people prefer. This solution hasn't been implemented by anybody else. The US government provides information about car's fuel-efficiency, but it's not a purchasing tool.

To date, most online car-selling websites have only focused on selling as much as possible, not paying attention to sustainability metrics. The few that have done so, add fuel efficiency as an optional filter. However, our research shows that fuel efficiency is ranked 8th in the list of attributes that users look in a car.

Other car selection tools exist but they do not include opinion data about attributes that consumers are interested in (e.g., car aesthetic appeal), nor the opportunity to quickly and easily survey friends about a consideration set.

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Traction
What is your progress to date? How many users / customers have you spoken to or have adopted your solution? What is your implementation strategy?

We started this project at the UNLEASH innovation lab. We went through the UNLEASH innovation process and are ready to start designing the surveys to build our database that will power our tool. The implementation strategy is as follows:
- Fundraising
- Perform surveys and build database.
- Build website, followed by mobile application.
- Marketing campaign to get the word out about our website.
- Negotiate with main US online car-selling portals, so that they pay a fee each time a customer buys from their website after finding the car through our search engine.
- Grow within the US market.
- Replicate model in other countries, starting with the UK.

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Impact
What is the impact that you are creating? What SDG indicators can be used to measure if your solution is successful?

Our tool focuses on three SDGs: Responsible Consumption and Production (SDG 11), Climate Action (SDG 12), and Clean and Affordable Access to Energy (SDG 07). Our tool will use techniques from behavioural economics to nudge users towards selecting a more fuel efficient set of cars to consider purchasing. As a consequence, many fuel inefficient cars will not be purchased. By the third year of our operations, we expect to influence 5% of American's car choices. Annually, this will save about 90 million gallons of gasoline and 800,000 metric tonnes of CO2e.

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Financials
How are you going to fund your solution? What is your financial model? What is your financial ask?

We require US$200,000. This will allow us to build our website, perform the market research surveys, and make potential customers aware of our website through marketing campaigns.

We will have four revenue streams:

1. A fee per transaction: We will re-direct users from our search engine to other portals, and charge a fee each time the customer buys with our assistance. We could either charge a % fee or a fixed fee. If we are able to capture 5% of the market, a fee of $3 US dollars will be enough to generate annual revenue of $2.7 million.

2. Advertisements: Banners listing car-related product and services.

3. Display preference: Opportunities for car manufacturers and car-selling websites to ensure their offerings are displayed first on our website search results page.

4. Data: Information collected from our customers and through our opinion surveys, which provide insights about market trends and what customers care about.

5. Services: Insurance and financing alternatives.

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Team
Who is on your team and what are their skills? What skills are you missing on your team?

Adrian R. Camilleri: PhD in psychology. 5 years experience researching how consumers car choices are influenced by fuel economy labels. Currently a lecturer in marketing at RMIT University. Expert in behavioural economics and consumer behaviour.

Siegfried W. King: Mechanical Engineer with 5+ years work experience in energy efficiency. Recently got a Master at Yale, attending lectures about behavioral economics and focusing on sustainability.

Leroy H. Mwasaru: Social Entrepreneur, 2 years experience running Greenpact, a social for-profit enterprise distributing renewable solutions (Biogas) in Kenya.

Chebet Lesan: Product Designer and Social Entrepreneur, 3 years experience in Sustainable Energy Product adoption and Clean Energy Technology in East Africa.

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Next steps
What is your plan of action after UNLEASH?

If not funded at UNLEASH, we will approach neo-classic economics think tanks - such as American Enterprise Institute and the Manhattan Institute for Policy Research - for funding. These organizations are appropriate because they hold a perspective that consumers should be provided with all relevant information and then allowed to freely buy according to their preferences. Our tool satisfies this objective.

Once funding is secured, we will have two priorities. First, to collect the opinion data on all car models from a representative sample of Americans. This will require working with the experience management company Qualtrics. They will host the survey and also source the participants.

Second, to build the website that will host our search tool and aggregator. This will require working with a skill web design company that we will recruit via the global freelancing platform, Upwork.com.

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Request to UNLEASH: What can UNLEASH help you with to take the next steps?
Please rank your top 3 requests from the below list.

1. Help with fundraising or investment

2. Advice / feedback - technical advice

3. Advice / feedback - business plan

If you selected Other, please provide more details:

In what geography will you be located after UNLEASH?
What city and country do the majority of your teammates plan to be based out of?
This will help us connect you with local relevant resources.

Adrian R. Camilleri: Melbourne and Sydney, Australia

Siegfried W. King: Valparaiso, Chile

Leroy H. Mwasaru: Kenya, United States and South Africa.

Chebet Lesan: Kenya

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Submission
You can add any appendices to the end of the document that provide additional information. This includes, for example:
- User / customer profiles
- Images or photos of prototypes
- Results of user / customer feedback and testing
- Financial model
- Link to a 60 second video pitch

Please PDF this document and submit it to <u>submit@unleash.org</u> no later than <u>Saturday August 19 at 11:59pm</u>. Should your team move forward in the judging process, this written submission will be provided to your Track Judges and the Top Jury.

What car conditions are you interested in?

New

Used

I don't care about this factor

What body types are you interested in?

Sedan

Roadster

SUV

Minivan

Crossover

Hatchback

Coupe

Wagon

I don't care about this factor

What transmission are you interested in?

Automatic

Manual

I don't care about this factor

What brands are you interested in?

GM | Ford | Chrysler | Toyota | Honda

Nissan | Hyundai | Mazda | Mitsubishi | Kia

I want to be more specific

I don't care about this factor

What is your maximum price?

$5,000	$10,000	$15,000	$20,000	$25,000
$30,000	$35,000	$40,000	$45,000	$50,000

I want to be more specific

I don't care about this factor

How important is aesthetic beauty?

High

Moderate

I don't care about this factor

How important is prestige?

High

Moderate

I don't care about this factor

How important is running cost?

High

Moderate

I don't care about this factor

How important is environmental impact?
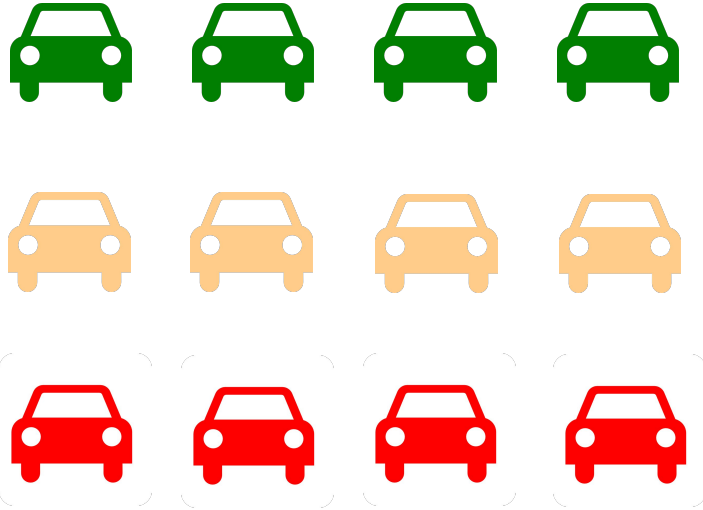
High

Moderate

I don't care about this factor

Question Screen

How important is running cost?

| High | Moderate |

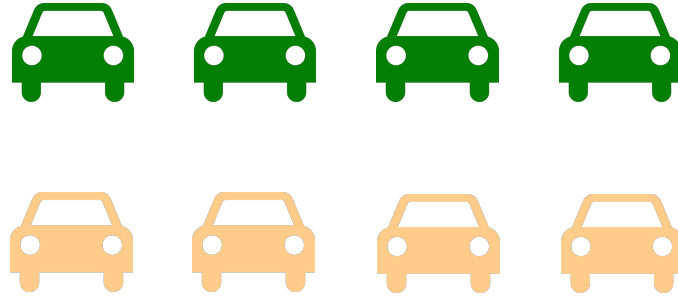I don't care about this factor

Search Results Screen

Question Screen

How important is running cost?

High

Moderate

I don't care about this factor

Search Results Screen

Question Screen

How important is running cost?

High

Moderate

I don't care about this factor

Search Results Screen

Results Screen

	cars.com	Autotrader	CarsDirect	oodle
2015 Mazda 3	13 cars available between $19,900 and $21,000. Click here for details.	9 cars available between $20,100 and $25,300. Click here for details.	4 cars available between $19,700 and $22,000. Click here for details.	3 cars available between $17,400 and $22,200. Click here for details.
2014 Ford Focus	11 cars available between $18,500 and $22,400. Click here for details.	4 cars available between $19,500 and $22,600. Click here for details.	6 cars available between $19,900 and $23,200. Click here for details.	1 cars available between $18,200 and $21,300. Click here for details.
2015 Toyota Camry	16 cars available between $17,400 and $21,500. Click here for details.	3 cars available between $18,400 and $23,400. Click here for details.	7 cars available between $19,900 and $21,500. Click here for details.	4 cars available between $19,800 and $20,900. Click here for details.

Email Inbox

Dear Adrian,

Your friend, Leroy, would really like to get your opinion on the following cars that he is considering buying:

Please click the following link to let him know what you think:

Click here to tell Leroy what you think