


## Subject: Market Usage Analysis Report

### CONTROL SHEET FOR APPROVAL

#### Prepared for submission: Research and Development

*(The Preparer agrees to the content of the submission made)*

Preparer	Role	Signed	Submission Date
Anela Magwaza	R&D Specialist		13/06/2024

#### Recommended: Executive Manager: Technical Services (EM: TS)

*(By signing below, EM: TS approves the content of the submission made.)*

Approver	Role	Signed	Date
Simangaliso Hlengwa	EM:TS		13/06/2024

#### Recommended: Executive Committee (ExCo)

*(By signing below, ExCo recommends the content of the submission made to TeCo for approval)*

Recommender	Role	Signed	Approval Date
ExCo	ACEO: Agrément South Africa		19/06/2024

#### Approval: Technical Committee (TeCo)

*(By signing below, TeCo note and approve the content of the submission made for approval)*

Approver	Role	Signed	Approval Date
Technical Committee	Chairperson:		

#### Ratification: Board

*(By signing below, the Board ratifies the content of the submission made)*

Ratification	Role	Signed	Approval Date
Board of Agrément South Africa	Chairperson: Board of Agrément		

Name of meeting : EXCO Meeting  
Addressed to : Agrément South Africa EXCO  
Date : 13/06/2024  
From : Research & Development Department

## 1. Purpose:

The purpose of this submission is to request approval of the Market Usage Analysis Report by EXCO

## 2. Background:

As enacted by the Agrément South Africa Act no. 11 of 2015, Agrément South Africa (ASA) has the duty to encourage the research and development of non-standardised construction-related products or systems. The organisation does this by providing an enabling environment in the pursuit of applied research, assessing the impact of certified products, and collaborating with other organisations in the built environments, promoting the green building policy and training of small, medium and micro enterprises.

## 3. Deliberation:

The Market Usage Analysis Report aims to analyse the market and usage trends of Agrément certified materials, products, and systems by establishing their acceptance in the built environment.

## 4. Financial Implications:

ASA will implement effective internal controls to mitigate identified risks within the Technical Services and Supply Chain Management Departments.

## 5. Operational Implications:

This report directly affects the operational activities of the Research & Development Department as well as other internal supporting departments, as it is an APP Target.

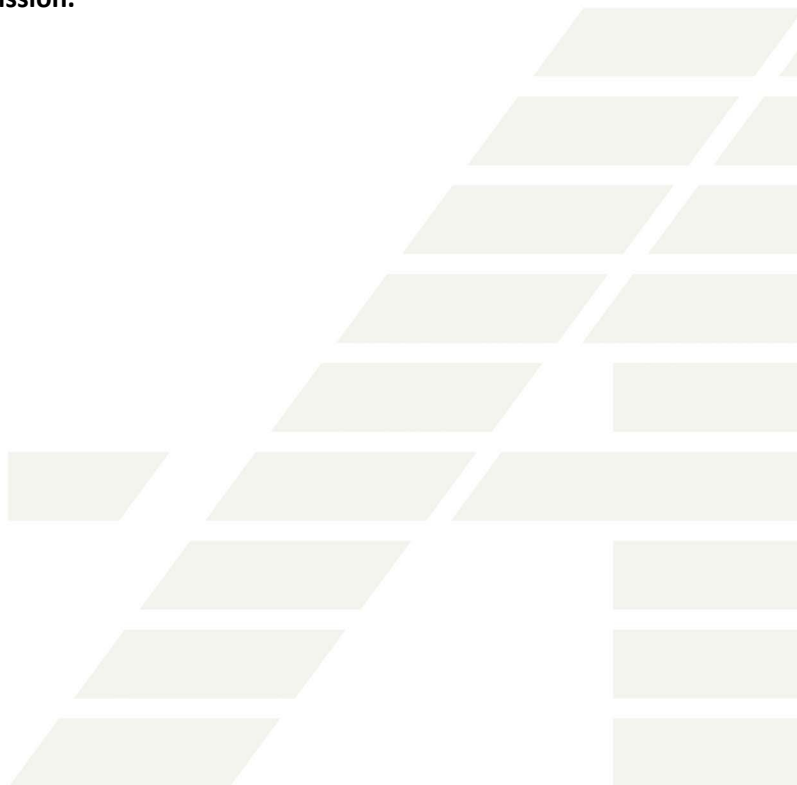
**6. Legal Implications:**

None.

**7. Recommendation:**

It is recommended that EXCO approves the Market Usage Analysis Report.

**End of Submission.**



2024/2025 Quarter 1

## Market Usage Analysis Report

The Technical Committee (TeCo) of Agrèment South Africa

What Are the Barriers That Prevent Agrèment Certified Products From Being  
Adopted By the End-Users From A Certificate Holder's Perspective?

Date: **30 May 2023**

Compiled by Research and Development Specialist: **Anela Magwaza**

Reviewed by TGL: Research and Development: **Dominique Geszler**

## Executive Summary

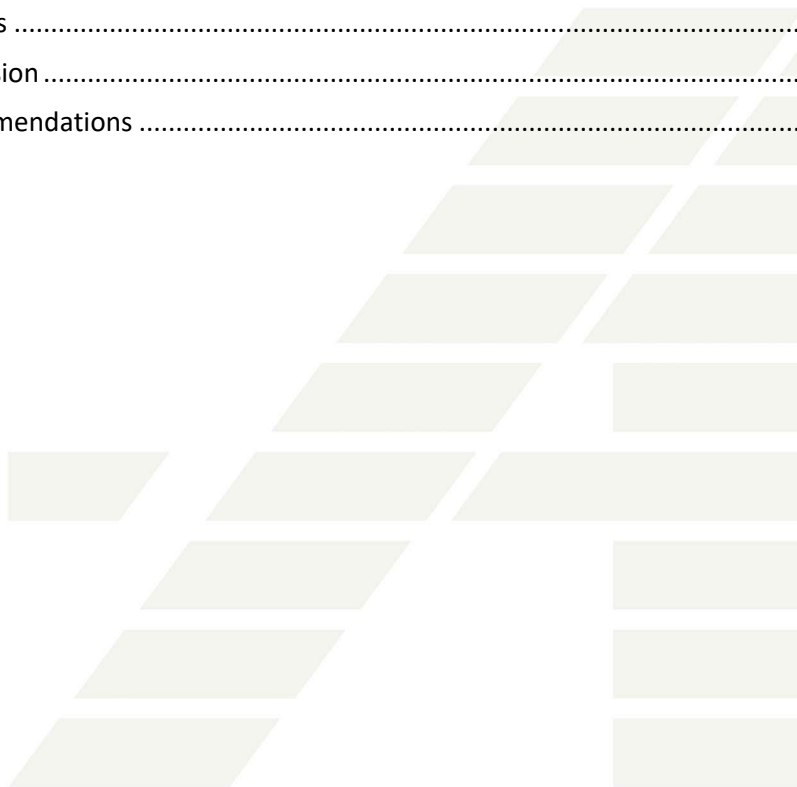
Agrément South Africa (ASA) is mandated to assess innovative construction materials, products and systems where no South African National Standards are available. Part of fulfilling the organisation's mandate is facilitating the safe introduction of innovative technologies in the construction sector. This is done by assessing a product or system against performance criteria to determine its fitness for purpose.

The Research and Development department undertook a market usage analysis for Agrément certified products and systems. The main aim is to analyse the market and usage trends of Agrément certified materials, products, and systems by establishing their acceptance in the built environment. As such, the research question under investigation was: What are the key barriers that prevent Agrément Certified products from being adopted by the end-users from a certificate holders' perspective?

The analysis was undertaken in the form of an online survey that was disseminated to ASA certificate holders from the Johannesburg group. The participants illustrated challenges in end-users adoption of their Agrément Certified products. The main key barriers noted from the analysis were lack of government and institutional support, lack of understanding of the costs of their products, lack of awareness or knowledge of their products by the end-users and lack of acceptance by built environment professionals.

## Contents

1. Introduction .....	7
2. Approach and Methodology .....	7
3. Findings .....	9
4. Conclusion .....	13
5. Recommendations .....	13



## 1. Introduction

Agrément South Africa (ASA) is mandated to assess innovative construction materials, products and systems where no South African National Standards are available. Part of fulfilling the organisation's mandate is facilitating the safe introduction of innovative technologies in the construction sector. In this regard, Agrément South Africa issues a certification of innovative technologies after determining if a material, product or system is fit for purpose by assessing the material, product or system against performance criteria, which includes a quality management system. Therefore, there was a growing concern regarding the lack of data and information about using ASA-certified systems and products in the built environment. As a result, research was needed to analyse the usage of Agrément certified products and systems. The main aim is to analyse the market and usage trends of Agrément certified materials, products, and systems by establishing their acceptance in the built environment. Adopting innovative building products in South Africa is slow, and the reasons for this need to be better understood.

Some of the reasons for end-users not adopting innovation are the lack of knowledge, financial support, and inadequate policies. This slow acceptance is preventing growth, sustainability and development. The ultimate aim is not only for ASA to improve the adoption and uptake of innovative products and systems, which will benefit the organisation, but to ensure that sustainable development goals are maintained in areas such as human health and happiness, environmental quality, and economic well-being. ASA is currently unaware of the key barriers to adoption in the market. Therefore, it needs to establish how to improve innovative building products and systems uptake. The Market Usage Analysis investigated known barriers to technology development, social acceptability, economic growth and environmental sustainability. The study also aims to assist decision-makers and stakeholders in formulating effective strategies for using and promoting innovative products and systems. Therefore, the study seeks to answer the following main research question: What are the key barriers that prevent Agrément Certified products from being adopted by the end-users from a certificate holders' perspective?

## 2. Approach and Methodology

The analysis utilised a mixed-method approach, using quantitative and qualitative research methods to gather primary data. Although a mixed-method approach was used, the study was a predominantly

quantitative study collected through primary data. The participants were asked to rank the identified questions on a 5-point Likert Scale ( 1= strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree). The survey contained 10 closed questions and one open question.

The Market Usage Analysis was conducted in Gauteng, and the participants were ASA certificate holders from the Johannesburg group. The Market Usage Analysis was carried out through an online questionnaire, which was conducted through an online survey form sent through email, and telephone was used for follow-up calls. The questionnaire was disseminated to ASA active certificate holders from the Johannesburg group. The analysis was done voluntarily, so the certificate holders were sent invitation letters to confirm their participation. The letters were sent to 24 certificate holders between 29 and 30 April 2024, and 17 confirmed their participation. The questionnaire was emailed to 17 certificate holders between 13 May 2024. Follow-up calls were conducted, and a total of 17 filled-in questionnaires were received.

The participants comprised of the following categories:

- Ten (10) Walling and Building Systems
- Five (6) Building Products and Materials
- One (1) Civils and Roads Product

To achieve our objective, the participants were required to rate the following questions on a Likert Scale of 1 to 5:

1. The adoption of our products will improve if the gross domestic product growth rate improves
2. The costs of products need to be understood better
3. There's a need for the government and financial institutions to provide more financial support
4. Becoming a supplier to the government, such as the Department of Human Settlements, will assist my business
5. Improved marketing will improve the adoption of our product
6. By enhancing knowledge of products, the adoption thereof will increase
7. We are aiming to advance our products to address issues of climate change, which will improve their adoption over the years
8. The most important benefit to the adoption of products is the speed of construction
9. The product design aesthetics improve users' perception to adopt the product

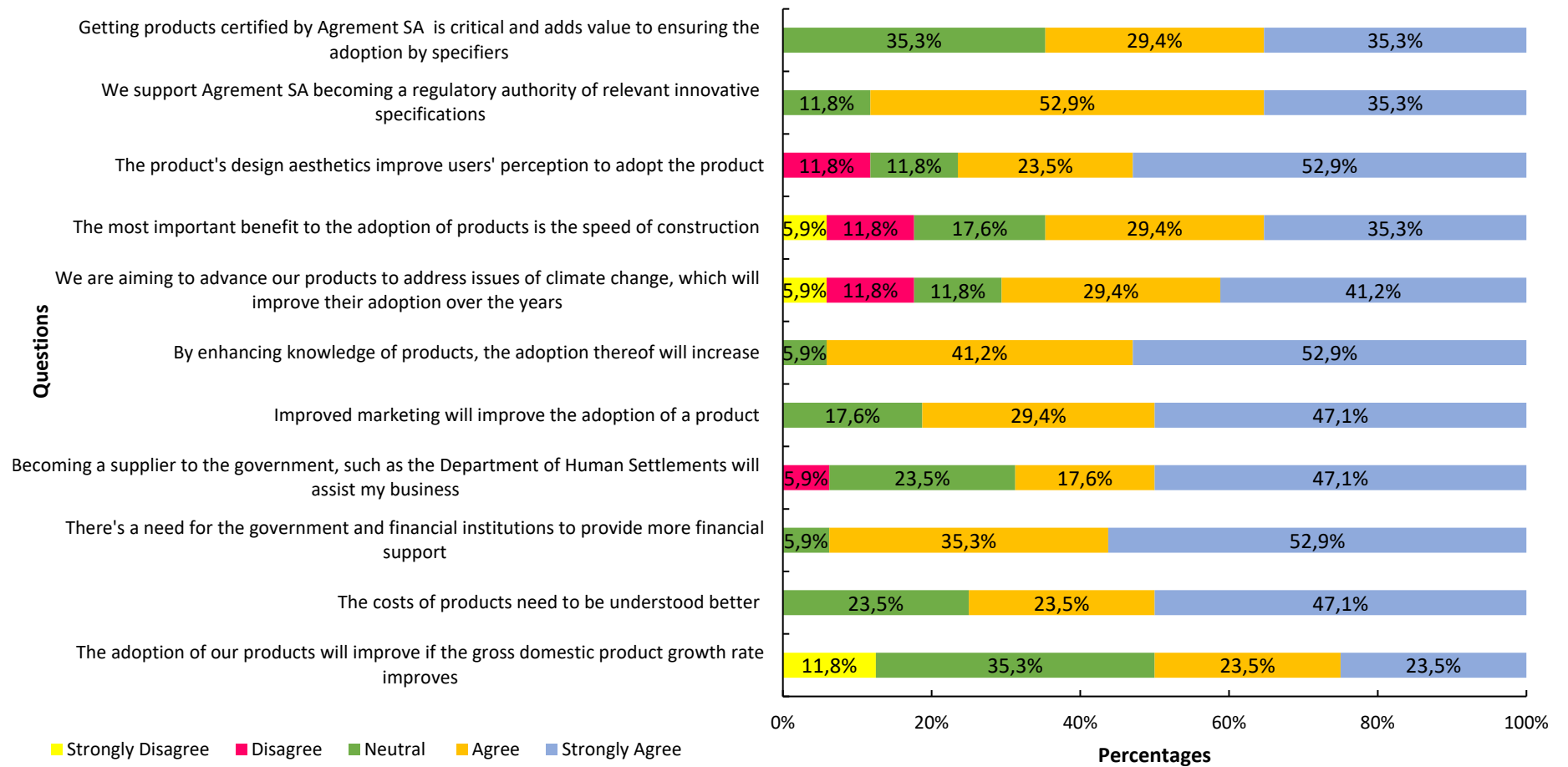


10. We support Agrèment SA becoming a regulatory authority of relevant, innovative specifications
11. Getting products certified by Agrèment SA is critical and adds value to ensuring the adoption by specifiers
12. In your opinion, what barriers affect the adoption of products? (Max. three sentences)

The results from the questionnaire were recorded in an Excel spreadsheet, and the data was analysed to give summaries of responses and identify trends and patterns to reach conclusions.

### 3. Findings

This section details the findings of the market usage analysis conducted in Quarter 1. The study's results outlined that the most critical barriers to adopting their products are lack of knowledge, lack of support from the government and institutions, and misconceptions about their products' costs.



**Figure 1: Johannesburg Certificate Holders-Market Usage Analysis**

Figure 1 depicts a stacked bar illustrating the overall percentages of responses received from the Johannesburg active certificate holders. The graph indicates the following five (5) main key barriers that prevent Agrèment certified products from being adopted by end-users;

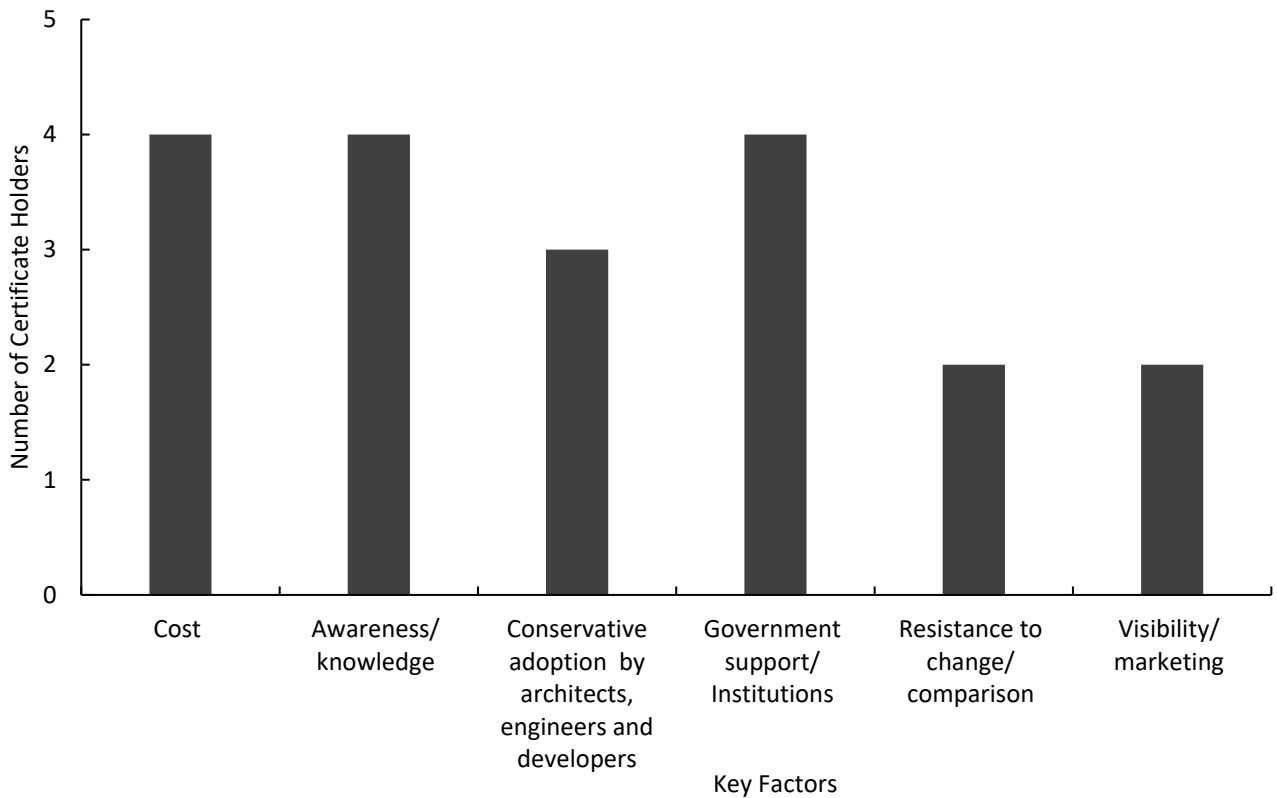
- ❖ 52,9% of certificate holders strongly agreed that there is a need for the government and financial institutions to provide more financial support
- ❖ 52,9% of certificate holders strongly agreed that by enhancing knowledge of products, the adoption will increase thereof
- ❖ 52,9% of certificate holders strongly agreed that the product design aesthetics improve users' perception to adopt the product
- ❖ 47,1% of certificate holders strongly agreed that improved marketing would improve the adoption of a product and
- ❖ 47,1% of certificate holders strongly agreed that the costs of products need to be understood better

Figure 1 also indicates that the least agreeable question was whether the adoption of our products would improve if the gross domestic product rate improved, which received an 11,8% rating of strongly disagree and had most certificate holders rate it as neutral with a 35,3% rating. Even though the rest of the questions had ratings of strongly disagree, disagree and neutral, it should be noted that the majority of the participants rated the following questions with strongly agree and agree;

- ❖ Becoming a supplier to the government, such as the Department of Human Settlements, will assist my business
- ❖ We are aiming to advance our products to address issues of climate change, which will improve their adoption over the years
- ❖ We support Agrèment SA becoming a regulatory authority of relevant, innovative specifications and
- ❖ The most important benefit to the adoption of products is the speed of construction

Therefore, the certificate holders have identified the above barriers as contributing factors to end users' slow adoption of Agrèment certified products.

Additionally, from Figure 1, we note that most certificate holders strongly agree with the statement that getting products certified by ASA is critical and adds value to ensuring the adoption by specifiers. We can then say that the certificate holders benefit from Agrèment certification.



**Figure 2: Certificate holders opinions on the barriers that affect adoption of products**

Figure 2 depicts a bar graph illustrating the key factors the certificate holders have identified as barriers affecting the adoption of their products. The graph indicates that most certificate holders have noted that costs, awareness /knowledge, and government support and institutions are the main factors affecting the barriers to adopting their products, as they have the highest scores in Figure 2. Certificate holders have indicated that the understanding of the total costs of their products is lacking, there is a lack of knowledge and awareness on alternative products, and there is a lack of government support, which brings a need for reference projects for the government to monitor and evaluate. Figure 2 also indicates that architects, engineers, and developers are conservative in proceeding with alternative products, and the general public is resistant to change and compares alternative products to traditional products. Lastly, the certificate holders also indicated that there is a lack of visibility and marketing of IBTs to institutions.

## 4. Conclusion

In conclusion, the certificate holders have indicated that the most critical barriers that prevent Agrèment certified products from being adopted by end-users are the lack of support from government and financial institutions, lack of knowledge of their product, lack of marketing of their products, and misconception of their product costs. We also note that the certificate holders see resistance from architects, engineers, and developers in approving anything that deviates from known/established building practices and the general public comparing alternative products to traditional products. Moreover, the market usage analysis has indicated that the government can assist the adoption of IBTs in the market by having more projects for alternative products to monitor and evaluate and becoming a supplier to the government, such as the Department of Human Settlements. The certificate holders have also indicated that ASA should interact more with specifiers to educate them and ensure the adoption of IBTs by specifiers and approval from local authorities.

## 5. Recommendations

It is evident from the Market Usage Analysis that certificate holders are experiencing challenges in terms of their Agrèment certified products being adopted by the market. It, therefore, recommended that the government supports the use of ASA-certified products and systems by including the requirements of ASA certification for all innovative construction projects in their specifications. Certificate holders also recommended that ASA should educate specifiers and local authorities about IBTs to ensure that they are informed about them and assist with approval. It is also recommended that IBTs be more visible in the market to increase knowledge about them. Therefore, reference/pilot projects are needed so the general public can be aware of IBTs. Moreover, it is also important that ASA promotes itself as an entity in the industry so that the value of being ASA-certified can be known.