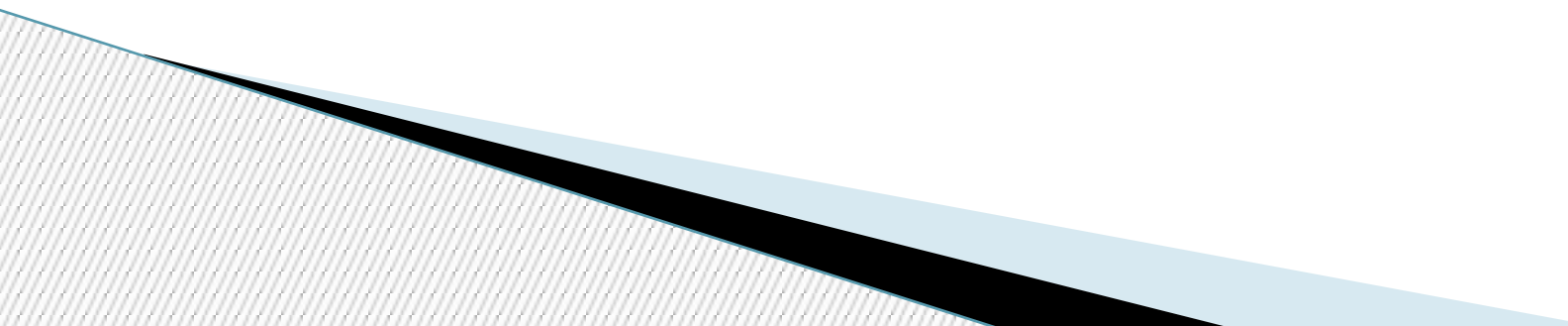


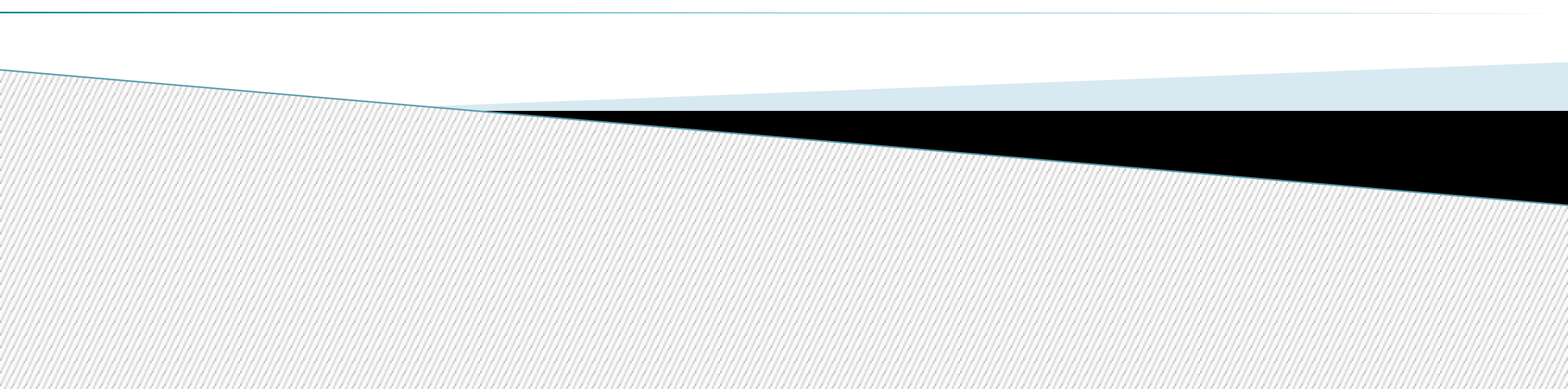
# Block 3: Rolle des Privatsektors

Praxisprojekt EZA  
Urs Heierli / Karin Imoberdorf  
6. März 2017

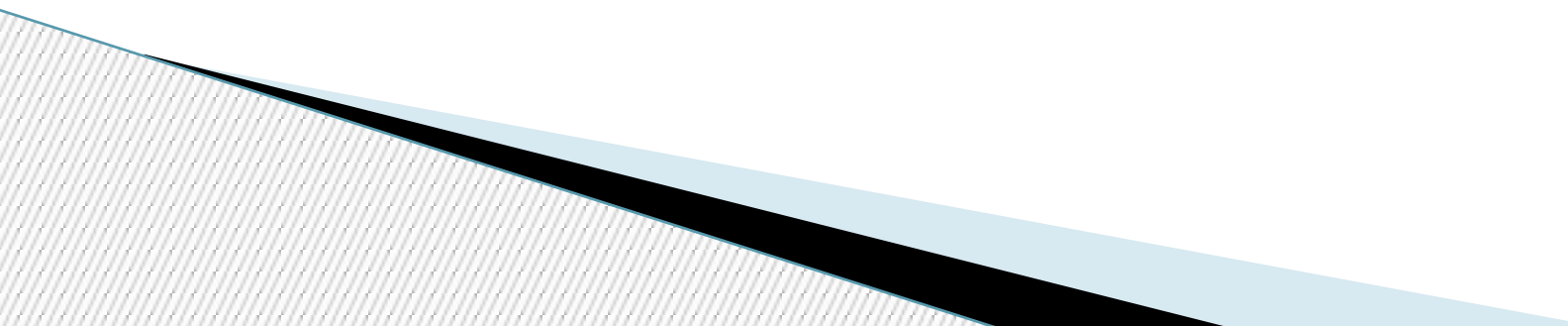
# Paradigmenwechsel zur Rolle des Staates

- ▶ Debatte Staat – Markt
  - ▶ Was kann der Staat und was nicht
  - ▶ Emotionale Debatte: Privatisierung des Wassers, PPP Wasserversorgungen
  - ▶ Rolle des Privatsektors neu entdeckt
  - ▶ Man ist noch am Suchen
  - ▶ WEF ist heute voll von der Armutsdebatte
  - ▶ Gruppenarbeit Marketing Sunlight Pump und BOP
- 

**BOP: the fortune at the  
bottom / base of the pyramid**



# Kernthesen BOP

- ▶ Es gibt 5 Mrd arme Leute gegenüber 2 Mrd reichen
  - ▶ Diese Armen wurden bisher „underserved“ als Markt, obwohl sie viele Bedürfnisse haben
  - ▶ Wie kann man diesen Markt erschliessen?
  - ▶ Hauptproblem ist die „affordability“
  - ▶ „Sachet revolution“ – was heisst das?
- 

# Gegenthesen

- ▶ Markt der Armen ist in der Tat viel kleiner
- ▶ Sie können sich nichts leisten und wenn, geben sie es für unnütze Dinge aus (Shampoo, „Fair&Lovely-Creme“) TVs
- ▶ Man kann sehr leicht eine Verschuldung schaffen, wenn man einfach Konsumkredite gibt
- ▶ Konsumptive Ausgaben sind nicht produktiv
- ▶ Es wäre besser, die Multis würden von den Armen kaufen statt ihnen zu verkaufen

# Die Wahrheit liegt in der Mitte

- ▶ Sinnvolles Marketing kann etwas bringen, etwa Wasserfilter, Sanitation, Housing, Malnutrition, Solar lights
- ▶ Neue Business Modelle sind hoch-interessant, aber sehr schwierig umzusetzen, etwa housing
- ▶ Es ist immer noch die „upper crust“ von BOP, die attraktiv ist
- ▶ BOP 2.0: next generation theory. Statt einfach an die Armen zu verkaufen, Zusammenarbeit mit Gemeinschaften, NGOs

## Next Generation BoP Strategy

### BoP 1.0

- BoP as consumer
- Deep listening
- Reduce price points
- Redesign packaging, extend distribution
- Arm's length relationships mediated by NGOs

**“Selling to the Poor”**

### BoP 2.0

- BoP as business partner
- Deep dialogue
- Expand imagination
- Marry capabilities, build shared commitment
- Direct, personal relationships facilitated by NGOs

**“Business Co-Venturing”**

**Business models to deliver safe  
water to the BOP**

**-**

**What works**



# Businesses and products

## **Centralised Chlorine production**

Development Alternatives TARA - India

PakoSwiss- Pakistan

ECCA- Nepal

Tinkisso Antenna- Guinea



## **Centralised production for chlorinated water.**

- working in slums, villages
- through local doctors, shops, door to door sales
- through social enterprise/entrepreneurs
- strong business structures
- Women's groups & community water supply systems
- Social marketing (School and Health Centers)

## **Water Kiosk (home delivery)**

SpringHealth – India



## **Sale of treated water stored in bottles at existing kiosks**

- 10 L bottles delivered by bicycle
- Highly convenient and desirable
- “Water melas” + high reliance on company brand
- Enterprise: salaries, profit seeking, venture capital...

## **Ceramic Filters**

Hydrologics – Cambodia



## **Sales of ceramic filters**

- through retailers & NGOs
- direct sales (with micro-credit)
- Rely on innovative and fancy design

# Business Models Scales



**Small  
(Nepal)**



**Medium  
(India)**



**Large  
(Guinea Conakry)**

# Marketing Chlore-C in Guinea



# Marketing and...



# ...Social Marketing



# Lessons Guinea

- Very interesting story
- Regular cholera epidemics ... and often not enough chlorine available, because it was imported
- Small NGO in Tinkisso used WATAs for many years and produced successfully in the province of Tinkisso
- UNICEF bought 14 WATA devices to make chlorine from table salt but Ministry gave it to the Provinces to make chlore.
- Next cholera outbreak and still no chlore, except at the small factory of Tinkisso
- Then Government decided to designate Antenna Tinkisso to produce for 4 provinces
- Tinkisso has produced over 5 million bottles. Challenge to reach rural and remote areas
- Scaling-up to reach for 3 million people is planned

# Marketing Flasks

- Chlorine flasks are effective and cheap
- Cheaper than boiling
- Most expensive: doing nothing
- Price was raised to 42 Rs for one flask of Aqua+ in India (CHF 0.60 per month = 2 cents per day)

## Problems:

- Margins must pay last mile delivery.  
**Margins are the driver!!!!**
- Not so aspirational
- Regular consumption
- Social marketing crucial



**Aqua+**  
The Magic of Two Drops  
**Drink Safely, Stay Healthy!**  
Makes water safe to drink and keeps your family healthy

**What is Aqua+?**  
Aqua+ is a solution to purify water and make it safe to drink.

**Benefits of using Aqua+**

- Prevents water borne diseases such as diarrhea, cholera, dysentery, typhoid and Jaundice
- Prevents gas problems
- Does not change the taste of water
- Safe to use- does not have side-effects
- Affordable and easy to use

**Other Advantages**

- No need to use electricity or gas for purifying water
- Can be used anywhere
- Easily available

**INSTRUCTIONS**

Add half cap in 20 litre bucket or 2 drops per litre

Wait for 30 mins

Now water is safe to drink

**TARAlife**  
ANTENNA  
Research for progress

**TARAlife Sustainability Solutions Pvt. Ltd.**  
Village Ghitorni, Near NBCC Complex, M.G. Road, New Delhi - 110030 Tel-fax +91-11-32316145  
Email: taralife@devalt.org; Website: www.taralife.in

# Springhealth India

- Marketing chlorinated water
- Using existing Mom-and-pop stores
- Water was sold at 3 Rs for 10 liters (to be collected at shop) or 4 Rs for 10 liters with home delivery
- Pricing is very affordable: bottled water would be 18 Rs for 1 liter (Springhealth water 40 to 50 times cheaper)
- Almost all clients want home delivery
- Home delivery is convenient, aspirational, prestigious
- Especially designed jerry can is not only practical but also aspirational



# Springhealth India



# Aspirational and practical container



# Social marketing: Water testing “mela”





Delivery Boy: needs at least  
100 Rs per day



Challenge: Delivery boy needs 250 Rs / day















UTKAL





# Marketing filters



iDE did promotion



# Retailer who sells everything





# Mobile sales teams



# Marketing Hydrologic

3 lessons:

- Products must be **aspirational** and desirable, increase prestige of user
- Sales in shops are passive: no active persuasion of customers: **mobile sales teams** and sophisticated sales pitches with village leaders involved
- Products must contain **enough margins** to pay for last mile delivery, namely door-to-door sales
- Super Rabbit: nice design. It costs 36 \$ instead of 18 \$ for the “Rabbit” filter, but is available with micro-credit (1 year)

**Original Tunsai**

US\$18 retail price  
12 liter storage volume



**Super Tunsai**

US\$36 retail price  
14 liter storage volume  
Aspirational styling  
Convenience features (elevated stand,  
storage space under filter)

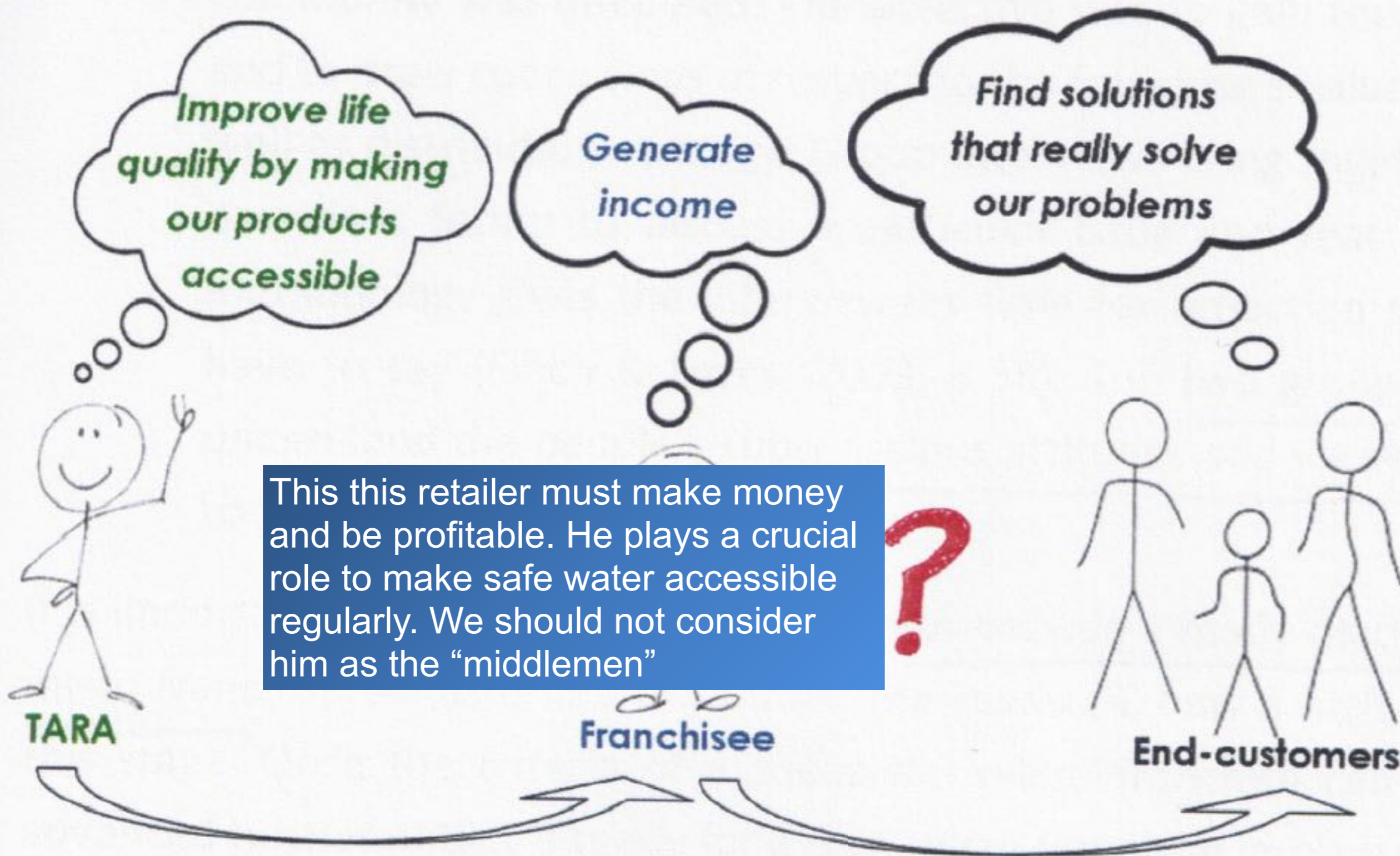
# New aspirational model



|                             |   |   |   |
|-----------------------------|---|---|---|
| <b>Abbreviated Timeline</b> | <b>2001</b><br>IDE introduces ceramic water filter technology to Cambodia | <b>2010</b><br>Hydrologic registers as a private limited company                      | <b>2012</b><br>Hydrologic becomes profitable                          |
| <b>Revenue</b>              | <b>400,000</b><br>Total filters sold since 2001                           | <b>\$18 and \$36</b><br>Retail cost of original Tunsai and Super Tunsai, respectively | <b>\$1.5 million</b><br>Annual turnover                               |
| <b>Customers</b>            | <b>65%</b><br>Customers earning less than \$2.50/person/day               | <b>66%</b><br>Proportion of customer sales on credit                                  | <b>72%</b><br>Filters still in use after four years                   |
| <b>Benefits</b>             | <b>US\$73</b><br>Annual financial benefit for a family using a filter     | <b>3.5 per year</b><br>Deaths averted for every 1,000 filters in use                  | <b>95,000 tonnes</b><br>Annual reduction in CO <sub>2</sub> emissions |
| <b>Other</b>                | <b>104</b><br>Number of Employees   | <b>13 out of 25</b><br>Number of provinces covered out of total in Cambodia           | <b>5,000</b><br>Pots pressed per month                                |

All data are the most recent available as of mid 2015.

# Discussion: What counts is the supply chain



# What works

- Business approach works and ensures sustainable supplies
- Products must be aspirational, not products for the poor
- A special basic product can also be available through NGOs but it should not de-value the aspirational version
- Allow for enough margins to make the supply chain profitable
- Governments and NGOs are needed: but not for subsidizing or delivery of free goods. Invest massively in social marketing, awareness creation and health education
- It can be a business: but still not for a fast buck. It needs lot of effort, dedication and patience.

# Old paradigm – new paradigm



























MNV / IGOMA  
GOSPEL TRUTH CHURCH  
CHRISTIANS CENTER  
KANISA LA INJILI YA  
KWELI YA YESU KRISTO



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SEPTEMBER 2011 LESSONS LEARNED FROM 15 CASE STUDIES



## MARKETING INNOVATIVE DEVICES FOR THE BASE OF THE PYRAMID

Lessons from 15 global pioneers that challenge conventional sales & marketing approaches to successfully serve the poorest



Final report – March 2013

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Next step  
application  
case study sunlight pump