

# Block 3: Rolle des Privatsektors

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# 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”**

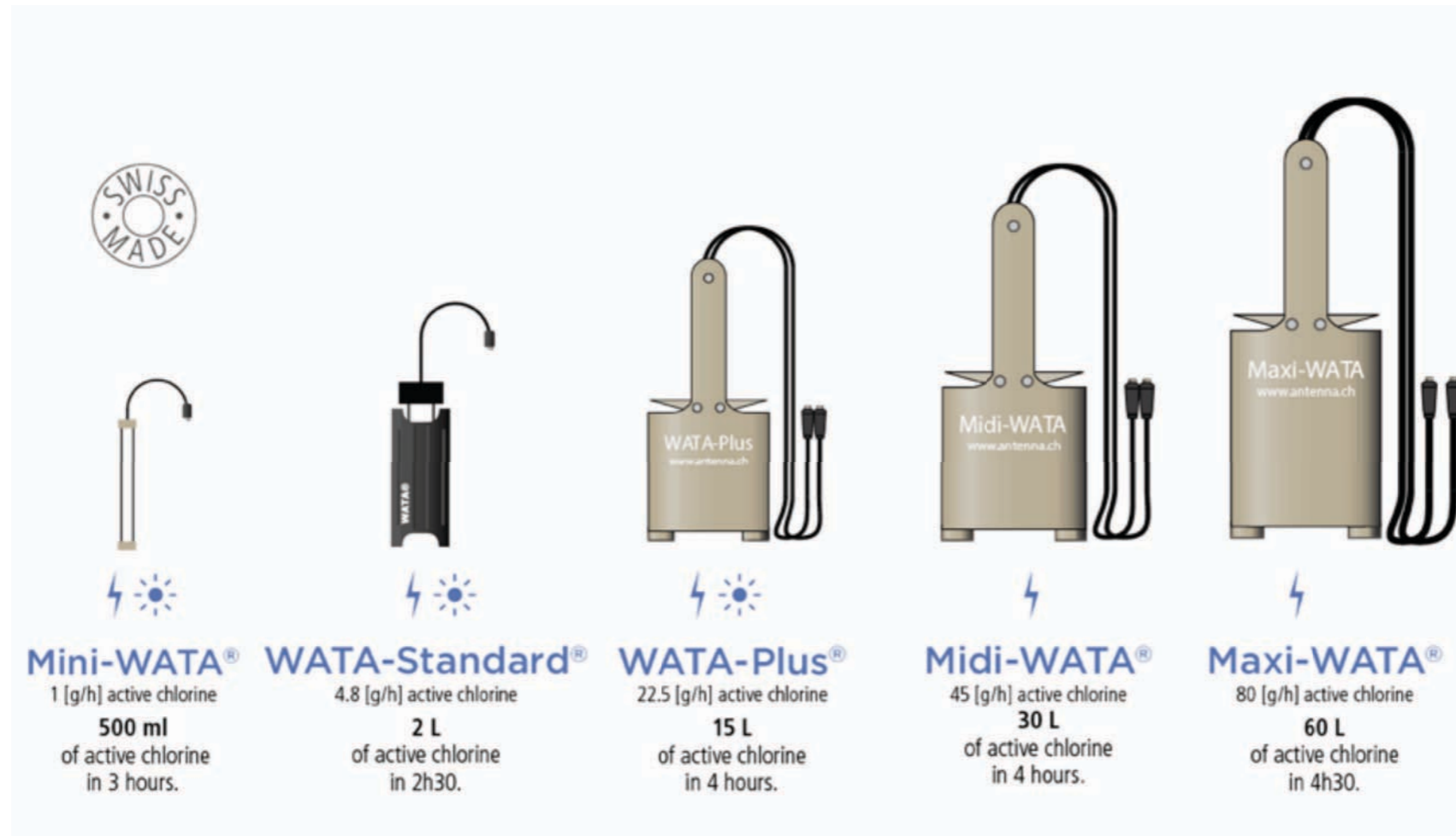
**Business models to deliver  
safe water to the BOP**

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**What works**



# Simple technology



- <https://www.antenna.ch/en/activities/water-hygiene/>



# 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

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# 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





# 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



































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Final report – March 2013



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by Harvey Koh, Ashish Karamchandani and Robert Katz  
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# Beyond the Pioneer

GETTING INCLUSIVE INDUSTRIES TO SCALE

by Harvey Koh, Nidhi Hegde and Ashish Karamchandani

April 2014





# Schlussfolgerungen??

- BOP Kunden haben wenig Geld, also kleine Mengen oder Kredite
- Um sie zu überzeugen ist viel marketing nötig: keine einfachen Kunden
- Um sie zu beliefern muss man hochgradig effizient sein, logistik ist oft sehr anspruchsvoll
- Um sie zu beliefern müssen Firmen oft am Anfang – und manchmal sogar permanent – Verluste tragen
- Gewinne sind oft sehr gering
- Blended finance ist nötig, um z.B. social marketing zu finanzieren



Next step

application

case study sunlight pump