



By 2017, the Kenyan onsite sanitation market can reach an additional 2.3 million customers.

Consumer demand in this nascent market is expected to grow due to a combination of public-sector campaigns and **strategic marketing techniques** by the private sector that cater to the preferences of Kenya's poor households (HH).

Key Statistics¹ (2013)

50%
HOUSEHOLDS INTENDING TO INVEST IN IMPROVED SANITATION

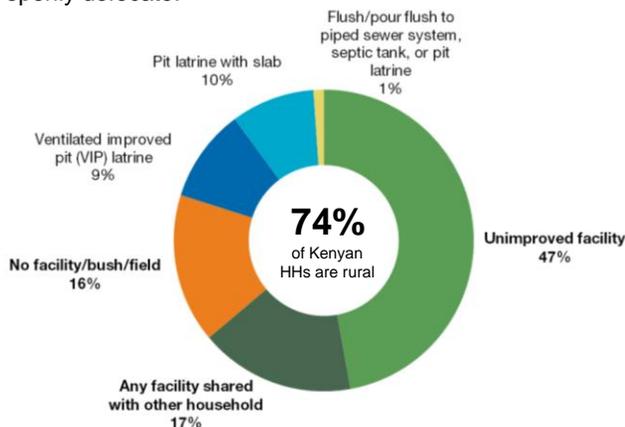
120,000
HOUSEHOLDS IN OPEN DEFECATION-FREE (ODF) COMMUNITIES

165,000
HOUSEHOLDS IN "TRIGGERED" COMMUNITIES

¹Estimates and projections based on available market research surveys, industry trend data, and Ministry of Health CLTS status reports

Onsite Household Sanitation Facilities

Eighty percent of the onsite sanitation market consists of households that currently (1) use unimproved sanitation facilities, (2) share facilities with other households, or (3) openly defecate.

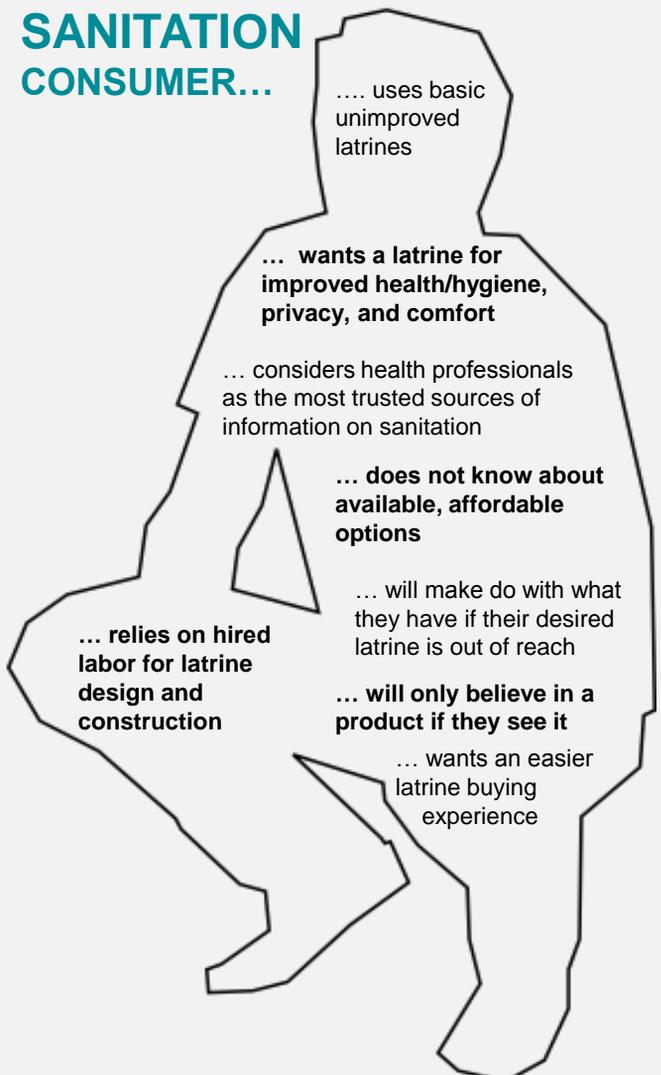


Source: Kenya Demographics & Health Survey, 2010

Market Penetration Strategies

Effective marketing campaigns use consumer profiles to understand the expectations and challenges faced by target market segments. For poor households, strategies that lower up-front costs, leverage community social pressure, and build consumer awareness of the options have proven successful in the sanitation sector and beyond.

THE TYPICAL SANITATION CONSUMER...





Consumer Profiles

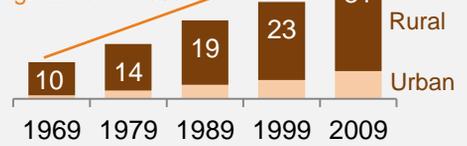
74% of Kenyan households are rural and peri-urban, representing a large nascent market for onsite sanitation providers

Kenya's rural and peri-urban population grows an average 3% each year. Today, of 7 million households, **49% live under the poverty line**.

Communities face many competing priorities for household investment. As a result, **they are discerning consumers who make trade-offs between price and value**. Various factors – from social pressure to education level to land ownership - impact the way they make decisions on sanitation-related investments.

Kenya's Population Growth

Compound annual growth rate: 3%



Source: World Development Indicators

Demographic Trends

Population Density



Since 1999, Kenya's population density has increased **38%**, making sanitation trends easier to spread among households. A wide variance exists in household density by province.

Education



90% of rural Kenyans surveyed in 2013 completed at least some primary school - a key institutional vehicle for spreading sanitation practices.

Age Distribution



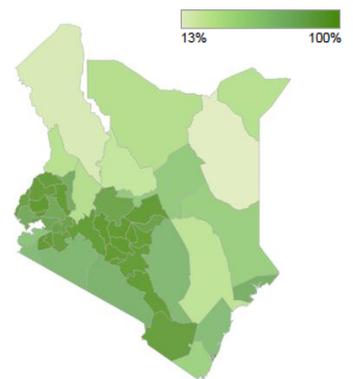
Nearly **50%** of Kenyans are below age 15, a demographic ripe for instilling good sanitation practices early.

Connectivity



86% of households surveyed in 2013 owned a mobile telephone, over 4 times the number of households with improved sanitation

Access to Improved Sanitation



Source: Kenya Census, 2009

Ownership and Occupation



84% of rural and peri-urban households own both their house and the land its on – giving them more control and space to improve their sanitation



Over **50%** of the rural population works in agriculture; their purchasing power and willingness to pay peak at the end of the calendar year (after harvest)

Sources: Formative research studies, 2013; Kenya National Bureau of Statistics

Current Sanitation Practices

Anatomy of Typical Basic Latrines



SHELTER

- **Median cost of HH investment:** 1,000 KES (USD 12) labor; 2,000 KES (USD 24) materials
- **Material:** typically matches composition of the home; commonly mud and stick, mud block, mud and stone, *mabati* (metal sheet), timber, concrete plaster, polythene or plastic sheet
- **Features:** concrete and stone walls with a *mabati* roof are perceived as the ideal, but mud and wood structures are most common



SLAB

- **Median cost of HH investment:** 700 KES (USD 8) labor; 1,500 KES (USD 18) materials
- **Material:** common options include packed mud, timber, concrete (poured and pre-cast)
- **Features:** mud and wood are considered inferior to poured concrete, but concrete slabs are typically poured directly over wooden support beams, which rot and buckle, leading to breakage and loss of investment; the vast majority of slabs have no lid or cover



PIT

- **Median cost of HH investment:** 2,000 KES (USD 24) labor
- **Types:** usually rectangular (average pit dimension 0.9m x 1.2m, 9.1m deep); reinforced pits are rare; although structurally stronger, round pits are also rare
- **Features:** deep pits are thought to increase lifespan of structure; however, pit collapse is common – causing consumers to pay recurrent costs to rebuild and replace their slab



Consumer Insights

Decision Factors

Toilet Aspiration

There is a connection between latrine ownership, cleanliness, and ultimately social inclusion amongst communities in rural and peri-urban areas. The desire to be clean – and consequently respected in one’s community - is a key motivator for investing in sanitation facilities.

Consumer Perceptions

Latrine owners are ...

- Energetic
- Clean
- Wealthier
- Confident



Non-Latrine Owner

- Lazy
- Unwelcoming
- Sickly
- Lacking confidence

Main sources of information on sanitation

- 53%** Radio
- 22%** TV
- 17%** Health Centers
- 13%** Community Health Worker

Gender Considerations

Males and females have differing concerns and levels of influence when considering sanitation investments. Gender considerations are important to identify target consumers and develop marketing strategies. For instance, in some villages, cultural norms dictate that male and female in-laws cannot share a latrine.

MEN

- **Make the final decision** on latrine purchase and construction
- **Purchase materials and organize construction**, indicating greater knowledge of latrine construction
- **Do not prioritize buying a latrine** over other consumer goods

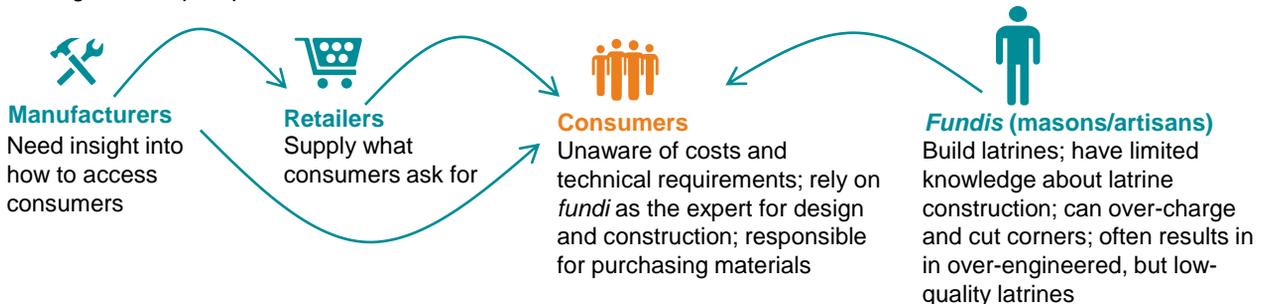


WOMEN

- In male-headed households, not ultimate decision maker, but **participates in decision** to construct latrine. In female-headed households (36% of HHs), ultimate decision-maker
- **Less involved** in purchase and construction process
- **Will prioritize spending on basic needs** when funds are available, and have a greater appreciation of private benefits of latrine ownership

The Consumer Purchase Process

Households have limited knowledge of appropriate slab, pit, and shelter construction. They need to purchase and transport a variety of materials to construct a latrine. Many households rely on *fundi* (masons/artisans) to navigate what can be a confusing and complex process.



Complexities of Consumer Preferences

Low-income consumers are not a single group. They have different - sometimes contradictory - drivers and motivations.

- Strong intergenerational social practice of latrine ownership and usage in most communities
- Consumers want to invest in latrine structures that will last a long time, even if they cost more
- Hygiene is cited as top motivator for building a latrine; health professionals are the most trusted sources of sanitation advice
- Those who do not have a latrine are considered lazy and disrespectful
- Latrine usage is inconsistent: sharers and children practice open defecation regularly
- Consumers pay high re-current costs to rebuild the same type of latrine again and again
- Hygiene does not drive latrine design decisions; most households do not have lids or vent pipes
- No social stigma attached to owning poor quality latrines; unimproved latrines are the social norm



Market Penetration Strategies

Lower Upfront Costs

Cost is a powerful trigger or deterrent for investments in sanitation. To generate demand, consumers must feel products are affordable, desirable and easy to purchase.

Offer more value for money

Manufacturers can introduce lower cost materials that offer the value of preferred materials, such as the sturdiness and durability of concrete, without the high labor and material cost.

EXAMPLES IN ACTION

In Kenya Selling Sanitation is providing advisory support to first-mover manufacturers producing a new range of plastic latrine slabs. Using consumer preference data, the manufacturers designed products that consumers find affordable, clean, strong, and easy to use. Manufacturers are now exploring distribution channels that can lower final retail prices to reach a broader segment of low-income households.

Ease the burden of purchase

In rural and peri-urban Kenya, low-income households often do not have all the cash to make a full up-front purchase. Financing options that lower the consumer's initial up-front investment must be developed, e.g. through microfinance or installment pricing.

EXAMPLES IN ACTION

Guardian is an Indian microfinance institution that solely focuses on funding first water and sanitation loans for the poor. Recognizing that many poor Indian households are unable to pay latrine construction and maintenance costs up front, Guardian offers loans for various water and sanitation investments. They boast a 100% repayment rate and over 10,000 loans given out to date, with 60% of their loans are for sanitation investments.

Consider in-house financing

In a study of 15 companies selling durable goods to low-income target markets, the companies that chose not to "outsource" finance, but instead provided in-house consumer access to finance, experienced reduced operating costs, increased revenue, and broader market capture.

EXAMPLES IN ACTION

Grameen Shakti, the largest global company selling solar home systems to poor households, couples a 3-year installment payment scheme with their maintenance services. Each month, a technician provides a routine check-up while collecting a monthly installment, demonstrating a win-win model.

Increase Consumer Awareness and Interest

Many consumers are not aware of available, affordable options for improved sanitation. On-the-ground efforts to leverage community leaders and social norms are key approaches to connecting with the consumer.

Build on changing social norms

Local government and volunteers implementing Kenya's roadmap for Community Led Total Sanitation (CLTS) are agents of change for sanitation practices. Behaviour change communications (BCC) build on these new norms to sustain behaviour and encourage adoption of improved latrines.

EXAMPLES IN ACTION

In Tanzania, after a village is triggered through CLTS, the Government's *Choo Bora* key sanitation messaging and BCC efforts immediately follow. For example, road show edutainment events are held in popular public areas to showcase available products. In one district, after a road show, masons' sanitation product sales increased by 277 times.

Seeing is believing

A consumer's receptiveness to a given message is highly influenced by the message's source. Word-of-mouth marketing through trusted peer intermediaries who act as positive deviants and marketers can help facilitate behaviour change and encourage household investment.

EXAMPLES IN ACTION

Toyola, a Ghanaian business that has sold over 250,000 improved cook stoves across West Africa, encourages sales agents to enroll "evangelists" among their first clients. Since evangelists can generate and report on village demand, agents can prioritize visiting villages with guaranteed sales and avoid missing existing demand. Evangelists receive a commission for their work (e.g. around 5% cash commission or a free stove if they convince 10 friends to purchase).

Sources: Formative research studies, 2013; Consumer deep dive research study, 2013; Rapid market assessment, 2013; Ministry of Health; "Tapping the Market: Opportunities for Domestic Investments in Water and Sanitation for the Poor", World Bank, 2013; "Marketing Innovative Devices For The Base Of The Pyramid," Hystra, 2013

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