

Once an unknown quantity, Kenya's nascent onsite sanitation market is now seen as a major market opportunity. The market for latrine slabs alone is projected to achieve 1.6 billion KES (USD 19 million) in sales in 2014. The World Bank Group's Selling Sanitation initiative is supporting the private sector to understand this opportunity and identify viable market entry strategies. This brief shares market intelligence to encourage industry participation and investment in Kenya's emerging onsite sanitation market.



## Key Statistics<sup>1</sup> (Sanitation slab market estimates)

**PROJECTED TOTAL REVENUE, 2014**  
USD 19 million =

**1.6 billion (KES)**

**PROJECTED SALES, 2014**  
(Households, HHs)

**626,800**

**PROJECTED PLASTIC PRODUCT REVENUE, 2017**  
USD 8.2 million =

**698 million (KES)**

<sup>1</sup>Estimates based on available current market research surveys and industry trend data

## Current Market Drivers

**↑ Consumer intentions to improve state of their sanitation facilities.**  
Consumers are interested in latrine construction and upgrades, if costs are reasonable.

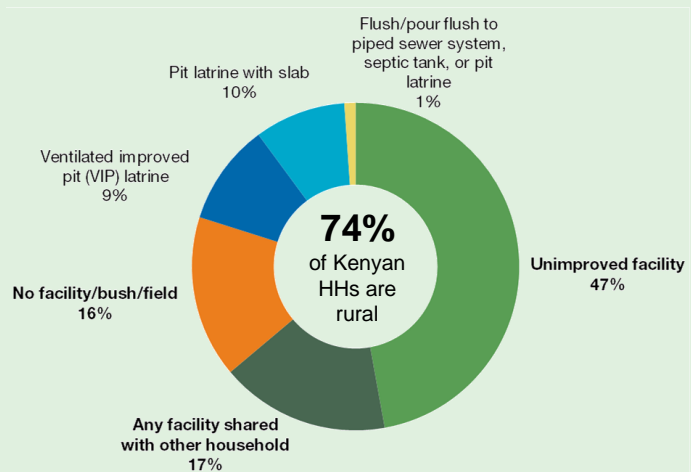
**↑ Customer dissatisfaction with current sanitation options.**  
Customers want alternatives to open defecation and traditional mud or wood floor latrines. Few options exist between low-quality traditional latrines and 'high-end' concrete constructions.

**↑ Households moving up sanitation ladder towards improved sanitation.**  
Consumer demand is expected to rise due to the Ministry of Health's Community Led Total Sanitation (CLTS) and improved sanitation campaigns.

**↑ Sanitation product innovation opening the market.**  
Sanitation products are evolving, with emphasis on improving features to meet low-income consumer preferences and offer more value for money.

### Sanitation Facilities in Rural and Peri-Urban Households

Households currently using unimproved sanitation facilities, sharing facilities with other households, or openly defecating represent 80% of the rural and peri-urban sanitation market.



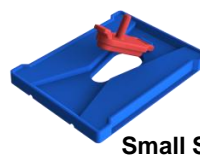
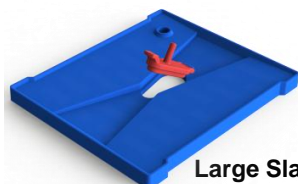
Source: Kenya Demographics & Health Survey, 2010

### Improved Sanitation Coverage

While improved sanitation coverage has experienced a modest 5% gain in the last 20 years, current market trends suggest an uptick in coverage increase over the short-term.

Source: Joint Monitoring Programme, 2013

## Plastic Product Examples



These new plastic slab products designs are based on in-depth consumer research and address the features that consumers want most – affordability, durability, cleanliness, and ease of use. By offering a range of products, manufacturers and retailers can capture a larger segment of the market.

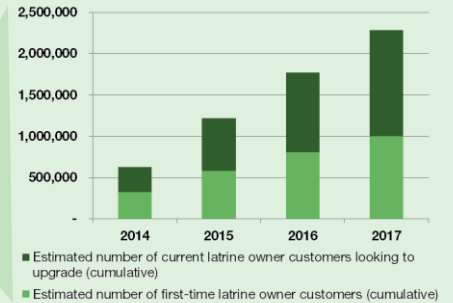


# Projected Sanitation Market Performance

## Latrine slab market is estimated at 1.6 billion KES in 2014

Cumulative Estimates	2014 E	2017 E
Latrine Slab Market Size (expected sales, KES)	1.6 billion	5.8 billion
New Latrine Owner Slab Customers (HH)	317,300	999,800
Latrine Upgrade Slab Customers (HH)	309,500	1,286,400

<sup>1</sup> "market capture" refers to overall single-year market capture



## Drivers

### Intentions to Improve Sanitation

- The poorest across Kenya's rural and peri-urban areas are least satisfied with their current place of defecation
- Over 40% of onsite latrine owners have latrines with wooden or packed mud/earth slabs
- For households with a latrine, improving their slab is a priority (second only to building a deeper pit)

**50%**

of households are planning to improve their place of defecation in the next year (including slab installation)

### Awareness and Demand Generation Efforts

- The Ministry of Health (MoH) is leading a CLTS campaign to end open defecation in Kenya
- Building on CLTS, MoH will launch a national behavior change communication campaign to increase demand for improved sanitation
- As part of the campaign, MoH will raise consumer awareness of improved sanitation products such as plastic slabs
- MoH supports public-private cooperation to reach its sanitation goals, including promotion of market viable household sanitation products

**120,000**

households across Kenya now live in Open Defecation Free (ODF) communities since the launch of the CLTS campaign

## Challenges

### Product Availability

- Consumers are unaware of on-site latrine options (materials, construction, etc.), with 70% of households depending on a *fundu* (mason/artisan) to design and build their latrine
- Latrines with poured concrete slabs are the main alternative to traditional latrines, but the median cost to build a concrete latrine is 13,800 KES (USD 162), compared to wood or packed mud latrines that cost 2,500 KES (USD 29); consumers are unaware of other affordable options that meet their needs

### Pricing

- Among non-latrine owners, price is perceived as the biggest barrier to owning an improved latrine
- However, household ability to pay for improved sanitation facilities is the same as willingness to pay; for instance, 90% of surveyed households owned a radio, a household item that costs approximately the same as building a latrine

**86%**

of consumers surveyed do not spend any of their income on building or improving their toilets  
**Price barriers are causing consumers to spend their money elsewhere**

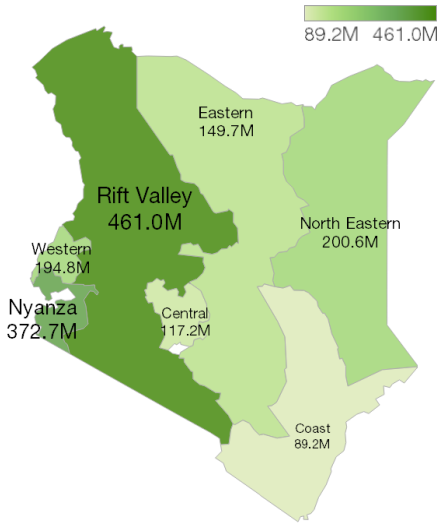


# Consumer Insights

## Geographic Segmentation

When segmented geographically, Kenya's onsite sanitation consumer base show clear differences in behaviour and sanitation preferences. Marketing and distribution strategies can be tailored to different regions to maximize sales potential.

2014 E Onsite Sanitation Slab Market Size (KES)



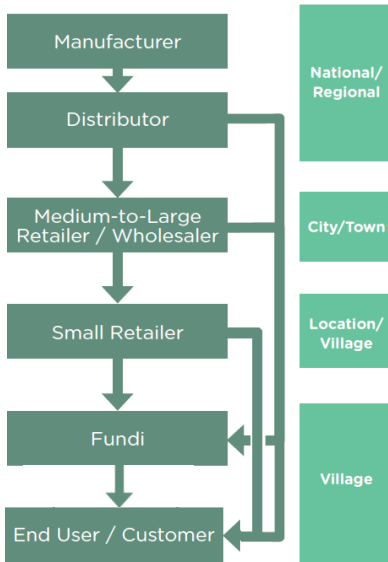
Province	2014 Market Potential <sup>1</sup>	2014 Customer Potential (HHs)	Peak Income Month(s) <sup>2</sup>	Current Median Slab Spend	Primary Sales Deterrant <sup>3</sup>
Central	17%	265,701	Dec	3900 KES (USD 46)	ALTERNATIVE ACCESS
Coast	13%	268,417	*	5000 KES (USD 59)	PRICE
Eastern	16%	365,800	Dec, *	3000 KES (USD 35)	VANDALISM; OWNERSHIP
North Eastern	33%	237,085	Nov, *	850 KES (USD 10)	PRICE
Nyanza	23%	654,967	Dec	1500 KES (USD 18)	PRICE
Rift Valley	19%	981,256	Dec, *	1500 KES (USD 18)	PRICE
Western	16%	490,578	Aug, Sept, Dec, *	500 KES (USD 6)	ALTERNATIVE ACCESS

Sources: 2009 census; Formative research studies, 2013

<sup>1</sup> Based on percent of study sample who indicated that in one year, there was a very high or high likelihood they would have improved / built a new latrine (both current latrine owners and non-owners)  
<sup>2</sup> Based on percent of respondents who indicated that in that month, their income was highest; listed if response rate was over 25%; \* indicates over 25% also reported equal income all year-round  
<sup>3</sup> Based on reported expenditures from households who currently own a latrine (both improved and unimproved)

## Sanitation Supply Chain Considerations

### Traditional Channels



### Reaching the Village Market

#### PULLING DISTRIBUTORS AND RETAILERS

- Retailers do not actively seek or push new products, but do respond to customer requests for a particular product
- Retailers do not spend time teaching customers how to use products or providing advice on construction, but they do connect customers with *fundis* (masons/artisans) for further support

#### ENGAGING FUNDIS (MASONS/ARTISANS)

- *Fundis* are local artisans hired by most households to build latrines
- Toilets make up just a fraction of a typical *fundi's* business; most *fundis* report building an average of just 5 latrines per year
- *Fundis* typically build latrines that are 'made-to-order' – there are no standard models. For latrine slabs, they often pour concrete directly onto wooden support beams, resulting in costly and over-engineered, but generally poor quality, designs.

#### UNDERSTANDING THE CONSUMER PURCHASE EXPERIENCE

- Households have limited construction knowledge and typically rely on a contracted *fundi* to navigate the latrine purchase and installation process
- Adult males make the final decision in building a latrine in 59% of households, regardless of income quintile
- 70% of households experience seasonal income, with income peaks in the post-harvest dry season (typically towards the end of the calendar year), during which most latrine constructions are completed

#### Most desired latrine features

1. Easy to Clean
2. No smell
3. Affordable
4. Modern/Good style
5. Easy to construct

#### Top motivations for building a latrine

1. Improved hygiene, health
2. More privacy
3. More comfort
4. Increased convenience/save time

### Alternative Channels

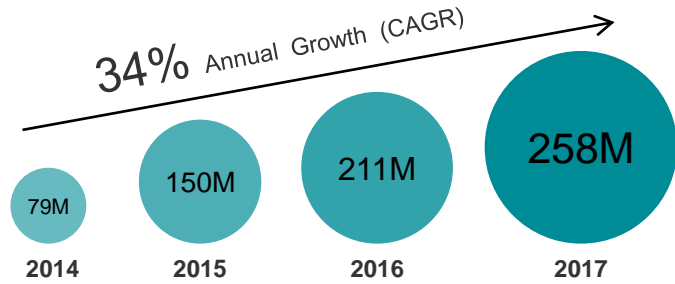
In rural and peri-urban Kenya, low-income households often do not have enough cash to make a full up-front latrine purchase. Niche distribution channels, such as working with microfinance institutions, may provide alternative financing options that lower the consumer's initial up-front investment.



# Onsite Plastic Slab Market Projections

## Plastic Slab Market

Newly designed plastic latrine slabs provide desirable, affordable alternatives to traditional or concrete latrines. They offer the option of a low-cost upgrade to existing unimproved latrines that can be reused when existing pits fill up. Initial projections on the growth of this nascent market indicates strong initial growth in the market for plastic slabs in Kenya.



<sup>1</sup> Estimates and projections based on recent market research surveys and industry trend data

Initial Projections on Plastic Latrine Slab Market Size (KES, millions)<sup>1</sup>

## Example Product Overview

A range of options at different price points makes improved plastic slabs attainable across income levels. A varied product line gives consumers flexibility to make price-to-size tradeoffs. These example products have undergone positive initial product testing with consumers. First-mover manufacturers are currently innovating on these designs and considering optimal production methods to achieve estimated sales volumes.

### Large Slab

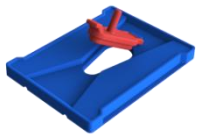


1.15m x 1.15m , 18 kg

**Ex-Factory Price:** 5,400 KES (USD 64)  
**Distributor Margin:** 15%      **Retailer Margin:** 10%  
**Estimated Retail Price:** 8,284 KES (USD 97)

**Details:** a full-scale stand-alone slab with lid that supports itself over a pit; offers a more cleanable, durable/re-usable, and affordable alternative to a concrete slab

### Small Slab



60cm x 80cm, 3.2 kg

**Ex-Factory Price:** 1,740 KES (USD 21)  
**Distributor Margin:** 15%      **Retailer Margin:** 10%  
**Estimated Retail Price:** 2,301 KES (USD 27)

**Details:** a medium-sized, self-supporting slab with lid that can be easily retrofit onto existing mud or timber slabs or integrated into a new installation; provides a durable/re-usable and cleanable floor with raised foot areas and self-draining surfaces.

### Small Collar



600g

**Ex-Factory Price:** 300 KES (USD 4)  
**Distributor Margin:** 8-15%      **Retailer Margin:** 10-15%  
**Estimated Retail Price:** 350 – 400 KES (USD 4- 5)

**Details:** a small-sized insert with lid that can be retrofitted into existing mud or timber slabs or integrated into a new installation; durable and cleanable surface around hole can prevent erosion and offer fly and smell control.

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