Marketing Mix: Place

INTRODUCTORY GUIDE TO SANITATION MARKETING
The learning objectives for this module include understanding

-- the steps to develop a marketing strategy
-- what is meant by ‘marketing mix’
-- guiding principles behind developing a place strategy
-- challenges in applying these principles to sanitation, and
-- some strategic options
Once the results of the formative research are available, the next step is to identify goals and develop the *marketing strategy*.

Typically the marketing strategy has a three to five year horizon and is supported by annual marketing plans that include a detailed action plan and timeline, a budget, and monitoring plan.
The sanitation marketing strategy is based on the “Four Ps” of marketing, or *marketing mix*. The Four P’s are product, price, place, and promotion.
Place refers to the point-of-sale, supplier, or provider where the product is obtained. Place can also refer to where the behavior is practiced.
Suppliers must be easily accessible to customers. Distance, time, and cost needed to reach a supplier can be a barrier, especially in rural areas, where transportation is often limited and expensive.

One rule of thumb is that social marketing programs use is that consumers should not have to walk more than ten minutes to purchase a health product. While there is no equivalent for sanitation products, the principle remains.

Women in Mauritana © James Martone/ World Bank
Men carrying bamboo in Indonesia © Curt Carnemark / World Bank
Suppliers must know how to build safe sanitation that meet national standards.

Equally important, there must be some providers in the supply chain who know how to ensure long term maintenance and safely dispose of sludge and excreta.
Suppliers need to be courteous and customer-oriented. This seems obvious, but is often quite challenging in practice!

Ideally, suppliers should be able to discover customer needs and match these with products and services, including financial products.

In Cambodia, some suppliers offer a warranty to repair a latrine free of charge if it breaks due to faulty a component. The warranty enhances a supplier’s reputation and can lead to other work or services.
So where are some of the challenges?

Often the supply chain is highly fragmented and informal. For example, in East Java there are thousands of masons but most don’t have store fronts. Potential customers may not know where to find them.

And for most suppliers, sanitation is not their core business, which can limit their interest in capacity building efforts. In Vietnam, small business owners who were trained in sanitation promotion did not sustain sanitation promotion in following years. Instead, three years later, most were passive sellers who relied on their reputation and referrals to grow their business.

Despite these challenges, there are some options to consider when developing a distribution strategy. These options are not mutually exclusive-- consider a combination. Also note, that most of the distribution strategies described have capacity building and business development dimensions in addition to marketing considerations.
First, foster networks among suppliers. Networks provide referrals that help suppliers grow their sanitation business. Some networks are loose affiliations, others function as formal associations.
In Vietnam, informal networks helped sanitation suppliers grow their business and even expand into neighboring communes. Many suppliers have remained active in their networks years after the sanitation marketing pilot. In East Java, entrepreneurs have trained a cohort of masons and have preferred wholesalers who provide materials at better prices. In Uganda, the Private Pit Emptiers Association is a platform for business development.
Second, consider social franchising which is similar to commercial franchising. Not all components usually found in a franchise need to be included. The idea is to standardize key aspects of the business model—such as products, price, inventory management. In East Java, WSP is supporting the development of “one-stop shops” to replicate elements of a promising business model. Sixteen one-stop shops had been created by the end of 2010.
Variations on the franchising concept can be found in the water sector. Aquaya, for example, used this approach to launch the Water Business Kit™ in Java, creating an estimated 8,000 businesses. Vended water is now an industry in that province.
Accreditation is a useful strategy to build capacity and ensure that national standards are taught and used.

If housed within an organization, accreditation offers a potentially more cost-effective means of scaling up access to qualified suppliers than a training-of-trainers process that must be continuously managed. In East Java, the Institute of Technology of Surabaya has trained some 1,500 masons and other individuals. See Keep In Mind for lessons learned to date.

Accreditation also opens up marketing, branding, and other promotional opportunities. In East Java, suppliers trained at the Institute were encouraged to use the WC-ku sehat or ‘Safe Toilet’ logo on materials so that households can recognize qualified suppliers.
Depending on the results of the formative research, it may be possible to identify businesses with a vested interest in developing a sustainable market for sanitation.

These businesses could act as anchors or aggregators and organize the entire supply chain including masons, producers, and so on. We would focus on our technical assistance efforts on these business aggregators.
The Dutch technical assistance agency SNV uses this approach in its business development efforts in a variety of sectors. SNV focuses its capacity building in the middle of the supply chain.

A hypothetical application of using business aggregation in sanitation would be to award limited-time concessions to district-level hardware stores. These stores would receive technical assistance and market exclusivity and benefit from demand-creation campaigns for a fixed period. The aim is for them to ensure a sustainable supply of demand-responsive products. This approach may require contracting or partnering with consulting firms or other organizations that have experience in market transformation and sector development.

Image credit: SNV.
This completes the overview. To learn more, please explore the entire module. You’ll find the corresponding chapter, key terms and tips to keep in mind, and additional tools and resources.