iDE’s Approach to Sanitation Marketing: Principles and Practices

iDE pioneered market-based approaches in the WASH sector that incorporate private businesses, NGOs, and government stakeholders. Since iDE Vietnam launched the world’s first market-based sanitation program in 2003, this model has been successfully replicated across iDE’s global portfolio and by other organizations. iDE currently works in six countries to improve sanitation coverage using an approach called Sanitation Marketing, or “SanMark.” This overview of the principles that guide iDE’s approach to Sanitation Marketing addresses common questions expressed by sector stakeholders. The goal of the paper is to inform the conversation taking place regarding the potential for Sanitation Marketing strategies to work in concert with other approaches in improving sanitation, especially for the poor.

iDE’s SanMark model

iDE uses the SanMark approach to identify and fill market gaps by influencing both supply and demand for sanitation products. iDE applies Human-Centered Design (HCD) methodology to understand the needs and motivations of key stakeholders, including end users, private sector actors, and enabling environment professionals. HCD research informs iDE’s intervention in three areas:

Product and service design. Stakeholders provide input on product prototypes, directly influencing the final design of the sanitation product or service and business model. The result is an affordable, desirable product that can be manufactured locally to meet the needs of rural households.

Demand creation. To generate demand for sanitation, iDE coaches independent sales agents to speak with households about their sanitation needs. These agents receive professional sales training from iDE and their commissions are built into the selling price of the product. Commissions are fully paid by the latrine producer, making the model sustainable for businesses and sales agents alike.

Supply chain strengthening. iDE identifies and trains local entrepreneurs to meet this new demand for sanitation products. Training focuses on production techniques and key business practices such as inventory and sales tracking. iDE staff provides ongoing support and coaching to both sales agents and businesses to accelerate sanitation uptake.

Achieving ODF: The SanMark-CLTS nexus

Another common approach to improving sanitation is Community-Led Total Sanitation, or CLTS. The main metric of success for CLTS is Open Defecation Free (ODF) status, whereby everyone in a community uses hygienic methods to dispose of excrement. SanMark complements CLTS as a strategy for achieving ODF in two important ways:
• First, SanMark accelerates the pace of increase in coverage by stoking demand for sanitation and simultaneously developing supply chain capacity. For example, prior to iDE’s Sanitation Marketing Scale-up program in Cambodia, the increase in latrine coverage had stagnated at 1.5 percent per year. Under the program, coverage in project areas increased by 6.4 percent annually.

• Second, SanMark develops high-quality products that are aspirational, not just functional, encouraging a sense of ownership and promoting sustained usage. This ensures that customers who are willing and able to pay are motivated to invest in a high-quality latrine option, whether they have been “triggered” through a CLTS intervention or have decided to purchase a latrine after interacting with a SanMark sales agent.

Targeting the poorest of the poor

Approaches such as CLTS aim to reach everyone in a community, including the poorest of the poor, who are often encouraged to build their own latrine out of locally available materials if they are unable to purchase a latrine product. iDE strives to be pro-poor using a market-based approach, but recognizes that market actors are not necessarily incentivized to reach the poorest. Therefore, iDE programs are at a minimum, poor-inclusive; that is, the percentage of poor households reached is reflective of the distribution of poor households across the general population. To achieve this, iDE thinks about implementing SanMark in three “sweeps.” While this approach does not target the poorest at the outset, it is designed to efficiently allocate resources by first targeting those who are most willing and able to purchase a WASH solution, and then ensuring that financial resources such as loans and subsidies go to the people who really need them—the poorest of the poor. The following is an overview of the sweeps model:

• The first sweep targets those who are willing and able to pay cash — “early adopters” and some of the “early majority” market segment. This primarily includes households that have enough available cash and are willing to invest in a relatively new and unfamiliar product.

• The second sweep focuses on reaching the early and “late majority” households, including poorer households, through targeted marketing, professionalized sales, product innovations, and the use of sanitation financing. This wave of purchasers includes households that have less cash on hand and/or a desire to see their neighbors using a product before they are willing to invest themselves.

• Sweep three targets the remaining “late majority” and “laggard” households without latrines (presumed to include the poorest households) through smart subsidies. Subsidies are “smart” when they minimize the negative distortions on sanitation markets by effectively targeting only those households that are eligible to receive them. Voucher systems and effective targeting can all be components of a smart subsidy.

iDE’s experience using the sweeps approach shows that financing alone is not sufficient in reaching the poorest households, but that a smart subsidy can be used to effectively target the poor. In order to minimize market distortions, any smart subsidy system must incorporate a credible and transparent mechanism for establishing need and/or household poverty status.

A recent randomized controlled trial in iDE Cambodia demonstrated that the sweeps approach does in fact lead to poor-inclusive results when combined with smart subsidies. This assessment showed that poor households made up 44 percent of latrine purchasers in areas where smart subsidies were offered along with financing and cash payment options. In contrast, only about 17 percent of
customers were poor in areas where smart subsidies were not offered. This indicates that smart subsidies can be effective at achieving a pro-poor objective within a market-based approach.

**Gender and social inclusion**

When designing WASH products and services, iDE undertakes a systematic design process beginning at the intervention’s inception and continuing through the program lifespan. Moreover, while iDE focuses on designing market-based solutions, the market is considered as part of the larger ecosystem, including institutions of government and civil society; interactions across the public, private, and civil society sectors are carefully considered with a political economic lens. Throughout design and implementation, iDE gathers inputs from actors both in the mainstream and marginalized groups, including women, children, religious/ethnic minorities, and people with disabilities. These voices are captured at the individual level through the entirety of the market system to inform an inclusive design solution.

In addition to designing for women as end users, iDE strives to better understand the role that women play in the WASH supply chain. For example, in Bangladesh iDE has identified ways women are already working in WASH businesses and is piloting training programs to strengthen their technical and business skills. iDE Cambodia is training women to administer sanitation installment plans on behalf of the latrine businesses in which they work and plans to expand this pilot into additional provinces.

**Providing product options for the consumer**

iDE is often asked about the relative merits of developing multiple product options to target households at different income levels. While this can make sense in certain circumstances, iDE advocates starting with one “anchor” product and diversifying as the supply chain becomes more robust and customers become more familiar with the product category. iDE uses HCD to ensure that the anchor product appeals to the majority of households, meets customers’ needs and desires, is technically feasible for manufacturers and installers, and is offered in a financially sustainable manner.

On the demand side, iDE simplifies the purchase process for households to make it as easy as possible to buy. Some research has shown that having more choices often leads to fewer purchases, a result of the effect called paralysis by analysis. It can also lead to lower satisfaction by those who are uncertain of their choice. Thus, especially when introducing a new product category with which households have low levels of experience, it is important to simplify the decision-making process.
On the supply side, starting with one anchor product also minimizes unnecessary complications and production delays. iDE typically works in markets with weak, fragmented supply chains and small-scale producers who are accustomed to producing and selling very basic products. Thus, it often makes sense to focus on producing and selling a single product, especially in the early stages of a SanMark project. iDE equips these actors with the technical know-how and business skills to sell quality sanitation products and services to willing customers. Asking manufacturers and other supply chain actors to provide multiple products early on has the potential to cause confusion, quality control issues, or delays in manufacturing and installation.

This does not mean that all iDE programs promote only one product option. Different customer segments are likely to have different needs and desires, so product diversification happens over time. For example, in Bangladesh, where households are already familiar with latrine products following strong CLTS programming, iDE’s SanMark program promotes three different latrines: one with just the pan (SatoPan), another that comes with a slab for a direct pit, and a third with the pan and a slab for an offset pit. Because customers in Bangladesh have been exposed to latrine designs for many years, households can easily understand the different product options and choose one that suits their needs and income constraints. The bottom line is that product mix must match other components of the business model given the market context.

Another example of product diversification comes from iDE Cambodia. The program has designed unique latrine shelters aimed at three different customer segments: 1) an anchor product, called the Easy Shelter, that addresses the needs and aspirations of most households; 2) a simplified “Ring Shelter” targeted at poorer households who may not be able to afford all the features of the anchor product but still want to invest in a durable, private shelter; and 3) a modular shelter that can be easily modified for people with mobility issues.

Cambodia Shelter Options

[Images of the three shelter options: The standard Easy Shelter, The Ring Shelter, and The Interlocking Bricks Shelter]
iDE Ethiopia has also developed a range of latrine slabs taking into account different price points and transportation issues. The most popular is a one-piece circular slab, while other models are divided into sections for easier transport or are smaller in scale, keeping the price lower.

**Ethiopia Latrine Slab Options**

The split slab (top left) is most popular in remote villages because the design allows for easy and cheap transport. The smaller oval slab (lower left) is the least expensive, while the 1.2-meter circular slab (center) is our most popular because it is very stable and does not require any substructure. The rectangular slab in the upper right is our most aspirational product, as it includes an attractive and easy-to-clean ceramic pan, while the rectangular slab on the lower left represents a lower-cost option.

**Cost-effectiveness and scale**

When considering approaches to increase sanitation uptake, cost-effectiveness is often a concern. iDE tracks program cost and sales data over time to measure cost-effectiveness across the global portfolio. Program costs include all expenses incurred by iDE in developing a Sanitation Marketing program. The analysis shows that per-unit program costs decrease with scale, as investments in personnel, systems, and market research and design drive sales growth. For example, the per-unit cost “spikes” in Cambodia and Bangladesh represent program investments. In both cases, these investments quickly led to sales growth acceleration, which in turn led to per-unit cost reductions. Current per-latrine program costs range from $25 in Vietnam to $74 in Cambodia.
Moreover, it is important to understand that the Sanitation Marketing approach requires a front-loaded investment structure. Significant investment of time and resources is needed to develop new products and business models, to recruit and train sales agents, to train and coach local latrine producers and sales agents, and to promote buy-in among key stakeholders such as local government. However, iDE’s experience indicates that this investment pays dividends by accelerating sales growth.

**Sustainability and government engagement**

One criticism of SanMark is that it does not directly engage government actors in order to promote sustainability. However, in reality, SanMark programs engage government in different ways based on the local regulatory and market environment. iDE’s objective is to increase improved sanitation coverage as rapidly as possible, tailoring the approach to the local context. Depending on market conditions and the role of government in the country, it may make sense to promote government involvement in a range of areas like enacting market-supportive regulations, ensuring consumer protection, developing quality assurance standards, financing large-scale public services, or conducting research and development.

With that philosophy in mind, iDE’s approach to government engagement differs in each country, ranging from capacity building to coordination at the policy level. For example, in Vietnam, where public institutions have a strong presence at the national, regional, and local level, iDE uses a “train the trainer” approach to build the capacity of local government institutions to implement Sanitation Marketing, whereby government directly creates demand and facilitates supply. In Nepal, the government has a strong network of district-level WASH Coordination Committees, on which iDE staff serve as active members. These committees develop the strategy for achieving national and local sanitation goals and actively monitor sanitation coverage rates, so iDE’s involvement ensures that the program is kept abreast of changing priorities and can inform local governments’ planning. In Bangladesh, local governments heavily support demand creation and help channel smart subsidies to the ultra-poor; iDE engages with government to shape subsidy distribution policy and implementation. In contrast, in countries like Cambodia and Ghana where government is involved mostly in higher-level strategy and target-setting, iDE builds relationships with government representatives so they understand the market-based approach and how it complements other efforts such as CLTS.
What’s next?

Although Sanitation Marketing initially focused on latrines, iDE is now examining the problem of sanitation more holistically. To date, iDE’s Sanitation Marketing programs have facilitated the sale of over 650,000 improved latrines through the private sector. However, the lack of viable fecal sludge management (FSM) services in rural areas threatens to undermine the health benefits of household latrines. Building on the success of Sanitation Marketing programs, iDE has made it a priority to develop a sustainable, business-driven approach to rural FSM. iDE Cambodia is currently testing FSM products including a pit gauge (to indicate pit fill levels) and dual pit upgrades that would allow the initial pit to be safely composted while the second pit fills. In Vietnam, iDE has conducted market research on existing FSM services in rural areas and supply chain viability. iDE Bangladesh has tested commercially available composting toilets and is currently scaling up a latrine pit filter that reduces surface and groundwater contamination, extends pit fill time by drying sludge more quickly, and creates a safer environment during pit emptying.

iDE Global WASH Initiative

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