

Marketing to Those Who Need It Most



Markets
for WASH

iDE's experience designing marketing strategies to reach rural customers in Bangladesh

BACKGROUND Marketing to customers at the base of the pyramid is a challenge, and even more so when trying to sell new products and services to impoverished people living in remote, rural areas. By investing in research to understand the customer base in each new area we work in, and developing tailored marketing strategies to reach different kinds of consumers, iDE has successfully marketed WASH and agricultural products to poor households for over 30 years.

CONTEXT iDE has been developing solutions to address poverty in Bangladesh since 1984. From the early days of rower pumps through today's drip

irrigation and WASH programs, designing effective marketing campaigns to reach channels in Bangladesh has changed, and so have iDE's marketing approaches, particularly in product and service message dissemination processes.

Approaches that were successful in the 1980s and 90s are no longer as effective, and programs need to adapt to target customers who are more literate and have better access to television, mobile phones, and social media.

Today, households—even those in remote villages—encounter more product promotions than ever before, making it critical to tailor each message to stand out from the rest. Simply promoting a new product or service no longer attracts the same interest, since the novelty of advertising has worn off.



Photo: Jess MacArthur / iDE 2014

Project Background

Almost 40 million individuals in rural Bangladesh use shared toilet facilities or only have access to unimproved, unhygienic latrines. **iDE's newest WASH project, Sanitation Market Systems (SanMarks), creates opportunities for the private sector to address this sanitation gap.** Through market research, product design, and targeted marketing strategies, iDE works with private sector actors in the sanitation sector to promote affordable, hygienic latrines. The project, which began in November 2015, is jointly funded by **SDC** and **UNICEF**. By 2019, iDE Bangladesh will have impacted 450,000 people by facilitating access to improved sanitation products and services and trained 500 local entrepreneurs to manufacture and sell hygienic latrines.

In this Deep Dive research activity, customers identify suitable sanitation options by using pictures to identify their understanding of improved latrines. However, the lack of access to affordable, improved sanitation products often pushes families towards unhygienic practices.



Photo: Jess MacArthur / iDE 2014

iDE's Evolution of Rural Marketing

There has always been a strong need to understand households at the base of the pyramid in Bangladesh in order to design appropriate, effective ways to connect them with products and markets. Initial marketing efforts for iDE's first product, a Rower Pump, included a billboard near the Dhaka airport introducing the pump to policy makers and business owners. At the same time, village demonstrations of the pump drove sales to reach over 1,000 per month.

In 1986, iDE introduced a cheaper, easier-to-use pump (the Treadle Pump) to allow small-scale farmers to irrigate crops and increase the amount of land under cultivation. This promising technology retailed for \$8 USD, and was promoted through test plots, village demonstrations, and marketing by local businesses. However, two years after introducing the new pump to the market, very few farmers outside the initial test areas were aware of the product. It was clear that more sophisticated marketing was needed. The challenge was how to design a strategy that would reach a market of rural, largely illiterate households in a cost-effective way.

The team tested many different ideas: leaflets and posters; village product demonstrations; test farm plots showcasing the pump; market demonstrations with troubadours and rickshaw processions featuring the Treadle Pump; and movies and theater productions. Of these, community theater proved to be a particularly effective marketing avenue.

For many years, iDE used theater as the main marketing activity to reach customers, due to its low per capita cost and ability to scale. With loudspeakers announcing each production, one show could attract 3,000-5,000 villagers, making it a powerful approach to reach rural households. Ensuring local dealers were on hand to discuss the pump and take orders after the show translated theater attendance into robust sales.



This village drama featured an ugly money lender who wanted to marry the beautiful daughter of a poor farmer. The Treadle Pump gave the story a happy ending by enabling the farmer to repay the money lender with his increased income, rather than having to marry off his daughter to resolve his debt.

However, contemporary Bangladesh is a much different country than it was in the 1990s. The literacy rate has almost doubled¹, 6 times more rural households have electricity access², over 130 million people use cell phones³, and there are over 60 million Internet subscribers in a country of 156 million⁴. Whereas a theater production would have drawn thousands of spectators in the 1990s, today it would only attract about 100 people, greatly increasing the per capita marketing cost.

Early research from the SanMarkS project suggested a need to develop tailored marketing strategies based on customer proximity to cities and their access to electricity and phones. At the same time, many households still rely on the specialized knowledge of local sales agents, whom they know personally, when purchasing new or technical products such as latrines.

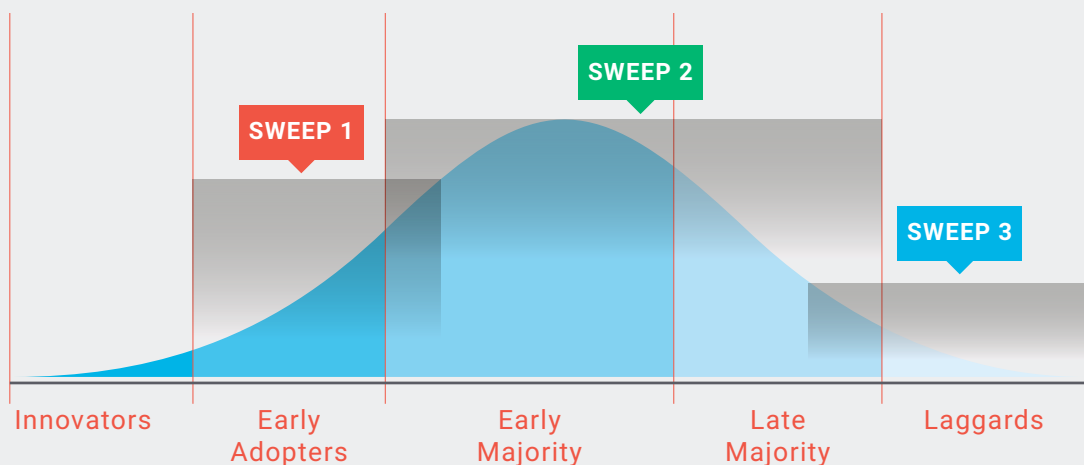
¹ The literacy rate for individuals over age 7 was 32.4 percent in 1991 and increased to 56.8 percent in 2010. Bangladesh Bureau of Statistics. (2010) Retrieved from http://www.bbs.gov.bd/Reports/PDFFiles/PageSVRS_Rpt_4_9.pdf Bangladesh Bureau of Statistics. (2011) Report on Sample Vital Registration System-2010. Retrieved from <http://www.bbs.gov.bd/WebTestApplication/userfiles/Image/LatestReports/SVRS-10.pdf>

² The 1991 census recorded that 7.2 percent of rural households had electricity, compared to 43.2 percent in 2010. Bangladesh Bureau of Statistics. (2011) Report on Sample Vital Registration System-2010. Retrieved from <http://www.bbs.gov.bd/WebTestApplication/userfiles/Image/LatestReports/SVRS-10.pdf>

³ Bangladesh Telecommunication Regulatory Commission. Mobile Phone Subscribers in Bangladesh July, 2016. Retrieved from <http://www.btrc.gov.bd/telco/mobile>

⁴ Bangladesh Telecommunication Regulatory Commission. Internet Subscribers in Bangladesh July, 2016. Retrieved from <http://www.btrc.gov.bd/telco/internet>

Technology Adoption Lifecycle



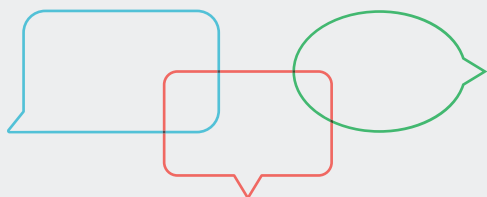
Market Segmentation

iDE Bangladesh continues to invest significant effort into understanding the customer base, beginning with a marketing strategy that segmented the market into three “sweeps,” based on a standard product adoption curve.

Sweep 1: Early adopters and some early majority customers — primarily those with cash on hand and a willingness to purchase unfamiliar products

Sweep 2: Early and late majority customers — including poorer households reached through targeted marketing, financing, professionalized sales, and product innovations

Sweep 3: Late majority and laggard customers — usually the poorest households who will be reached through targeted subsidies



Rural Marketing Today

Today, in place of community theater, the effective methods to draw crowds are group presentations, demonstrations at seasonal festivals, and engagements with Union Parishads. Broader electricity access also means iDE has been able to present messages on sanitation products and services through local cable networks and television commercials, in addition to videos used during sales presentations and product demonstrations. Posters have also become a more effective medium, as the literacy rate is higher than ever before. Although iDE has not yet tested marketing via smartphone ads or emails, their increasing popularity represents a new avenue for potential promotions as well.

However, the SanMarkS project also targets customers in several remote, unelectrified areas. In these regions, theater surprisingly remains the most cost-effective way to reach customers. Drawing on the project’s market research makes it possible to understand different customers and use tailored marketing strategies to reach each segment of the market in an effective way.

THE
BANGLADESH
EQUATIONIDENTIFY AN
OPPORTUNITY FOR
PRIVATE SECTOR
PARTNERSHIP

+

DESIGN A PRODUCT
THAT RADICALLY
CHANGES WHO HAS
ACCESS TO HYGIENIC
SANITATION

X

BE A BUSINESS
ADVISOR TO
PRIVATE SECTOR
PARTNER

=

MASS-PRODUCED
SANITATION
INNOVATION

Lessons Learned

EFFECTIVE MARKETING STRATEGIES evolve as customer demographics change. What worked in the past may no longer be as relevant today.

A STRONG UNDERSTANDING of each segment of the customer base is critical to successful marketing. In some cases, it makes sense to use different approaches to different types of customers, segmenting the market based on demographics such as household size, poverty rate, and access to phones and electricity.

EVERY MARKETING ACTIVITY needs to include a strong link to the private sector. Once customers are interested in the benefits of a WASH product, make it easy for them to buy one by providing information on local dealers or taking orders directly at village demonstrations.

Impact

To date, iDE has used marketing strategies tailored to reach rural customers at the base of the pyramid to sell over 2.5 million pumps and 100,000 latrines in Bangladesh. Globally, the lives of 26 million people have been dramatically changed through iDE's work, and by applying expertise in market development, we plan to reach 20 million more by 2020.

Group presentations like this one are an effective way to engage customers and allow them the opportunity to ask detailed questions on the product or service.

Photo: Shaheen Hasan / iDE 2015



Sanitation Marketing — Sanitation Marketing is an approach that uses marketing to increase consumer demand for sanitation products and services, while building the capacity of local sanitation service providers to supply improved products and services.

Market segmentation — Market segmentation identifies differences among groups of potential customers to understand their motivations and develop appropriate strategies to reach segments of consumers within the market.

Deep Dive — During a 'Deep Dive,' iDE interviews potential customers, supply chain actors, and other stakeholders to identify key insights that can be used to design affordable, aspirational, and effective products and services.

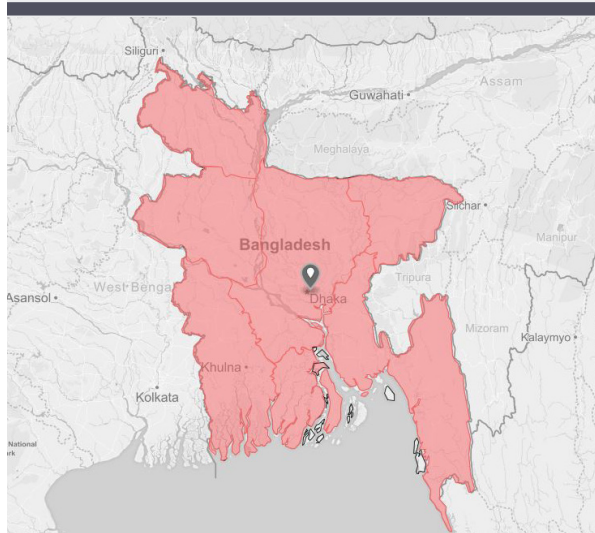


Read More: **iDE Bangladesh's work engaging private sector actors to address the sanitation gap for rural customers**

<https://www.ideglobal.org/country/bangladesh>



Photo: Jess MacArthur / iDE 2014



iDE Bangladesh

Phone: (+88 02) 9886548

E-mail: bangladesh@ideglobal.org

Deepak Dhoj Khadka

Country Director, iDE Bangladesh

Dhaka

iDE

iDE creates income and livelihood opportunities for poor rural households across Asia, Africa, and Latin America. iDE builds markets in a range of sectors, including agriculture, water, sanitation, hygiene, and access to finance.

Contact Us

iDE Global WASH Initiative

E-mail: WASH@ideglobal.org

ideglobal.org