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4.2.2 Building Markets for Sanitation



Caption: Creating an affordable solution to sanitation starts with the consumer.

Every family deserves a toilet

You use one every day, and likely never realize just what a difference a toilet can have in people's lives.

For the 40 percent of the people on the planet who do not have a toilet, acquiring one would mean keeping your one-year-old child from developing diarrhea and possibly dying from it. For your fourteen-year-old daughter, it would mean being able to defecate close to home rather than going out alone to the woods or a field, where she could be attacked. For you and your family, it would provide basic human dignity and reduce the number of days you are sick, so that you can continue to work and your children can be successful in school.

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Extended Caption: Buying a toilet is an investment, and Porm Sorm and his wife are happy they made it. Before having a toilet, it was difficult, especially during the rainy season, because the family had to walk a long way to find a private, safe place to use the bathroom. Today, they only have to go five meters to use the restroom.

*[[SIDEBAR: **The Facts***

- *Improved sanitation alone can reduce child diarrhea morbidity by 37.5 percent.*
- *There is a direct connection between sanitation, malnutrition, and stunting.*
- *Anemia, caused by poor sanitation, contributes to 20 percent of maternal deaths and severely impairs development of the fetus.]]*

Tapping into the psychology of customers

Giving away toilets is not the answer. There are not enough donors to give everyone a toilet, and evidence shows people have a low sense of ownership for something they did not choose to invest in. However, if a customer decides to buy a latrine as a solution to issues in their lives, then they are likely to be more satisfied with the product and use the it properly and consistently. They will also recommend that their friends and family buy one. And, if the toilet is one that they can be proud of, they are willing to pay a higher price for it.

A human-centered approach to product design

Creating a toilet a poor family wants to buy and own requires that we start with an understanding of the customer's cultural background, barriers, motivators, and influences. We optimize the customer's entire journey, from creating awareness, to the purchase experience, to usage and maintenance. Then we design a business model that is profitable enough to attract entrepreneurs to fill this market need. And we build the capacity of these businesses by helping them improve their production and sales capabilities.

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A strategy for selling toilets

At iDE, we use a human-centered sales approach that teaches sales agents to focus on selling to a customer's problem, rather than selling on product features or price. Through a personalized conversation with the customer, the sales agent helps the customer identify all the issues he or she is encountering as a result of not having a latrine. Raising self-awareness about these problems intensifies the urgency and importance of resolving the problem(s) and helps the customer recognize the latrine as a viable solution to their problems.

Making it affordable with microfinance

Of course, part of the customer's problem is poverty. For example, nearly 20 percent of the population in Cambodia is below the national poverty line, and this number is even higher in some countries in Africa. Under certain conditions, enabling households to finance the purchase of a latrine has the potential to increase sales fourfold at a market price of $50, decreasing operating costs (e.g., marketing, transportation) by 70 percent at the same time. However, setting up partnerships with microfinance institutions is a long, iterative process that requires a lot of hands-on management. Sanitation financing is still a nascent field, and microfinance institutions may be waiting for more proof of positive business impact. iDE is exploring alternative methods of finance that overcome these operational and financial challenges.

[INSERT SANITATION KPIs]

Weave these links throughout text:

Page Link: WASH Overview

Page Link: WASH Results

Document Link: iDE_Overview of WASH Programs

Document Link: iDE_Disabled Latrine Shelter

Document Link: iDE_SMSU1_Summary Report

Website Link: SanitationMarkets@ideglobal.org

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~~[deleted text]~~

~~We know how to prevent diarrhea: provide better sanitation, increase knowledge about hygiene, and ensure that water is safe to drink.~~

The Power of Customers

Giving away toilets is not the answer. There is not enough money to give everyone a toilet, and evidence shows people have low sense of ownership for something they did not choose to invest in. However, if a customer has bought into the latrine as a solution, then they are likely to be more satisfied with the product and use the product properly and consistently, recommend their friends and family to buy, and be willing to pay a higher price.

At iDE, we use a Human-Centered Sales approach that helps sales agents focus on selling to a customer's problem, rather than selling on product features or price. Through a personalized conversation with the customer, the sales agent helps the customer identify all the problems he or she is encountering as a result of not having a latrine. Raising self-awareness about the problems of not owning a latrine intensifies the urgency and importance of resolving the problem(s) and helps the customer recognize the latrine as a viable solution to their problems.

Making It Affordable with Microfinance

Part of the problem is poverty. For example, nearly 20% of the population in Cambodia is below the national poverty line, and this number is even higher in some countries in Africa. Under certain conditions, financing has the potential to increase latrine uptake fourfold at a market price of $50, while decreasing iDE's operating costs by 70% at the same time. However, setting up partnerships with microfinance institutions is a long, iterative process that requires a lot of hands-on management. Sanitation financing is still a nascent field, and microfinance institutions may be waiting for more proof of positive business impact. iDE is exploring alternative methods of finance that overcome these operational and financial challenges.

A Holistic Process

We start with an understanding of the customer's cultural background, barriers, motivators and influences. We optimize the entire customer's journey, from creating awareness, to the purchase experience, to usage and maintenance. Then we design a business model that is profitable enough to attract entrepreneurs to fill this market need. And we build the capacity of businesses by helping them improve their production and sales capabilities.

--------- original text below ----------

~~4.2.2 Sanitation~~

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~~Building Markets for Sanitation~~



~~Every Family Deserves a Toilet~~

~~We believe we can make this the last generation to remember what it's like to live without an adequate toilet. Improving sanitation saves the lives of very young children, prevents malnutrition, and keeps girls in school.~~

~~The Challenge~~

- ~~40% of the planet does not have a toilet.~~
- ~~Giving toilets away has failed. There is not enough money to give everyone a toilet, and evidence shows people have low sense of ownership for something they did not choose to invest in.~~

~~The Facts~~

- ~~Improved sanitation alone can reduce child diarrhea morbidity by 37.5%.~~
- ~~There is a direct connection between Sanitation, Malnutrition and Stunting.~~
- ~~Anemia, caused by poor sanitation, contributes to 20% of maternal deaths and severely impairs development of the fetus.~~

~~What We're Doing~~

~~We're outsmarting diarrheal disease around the world.~~

~~In rural Africa and Asia, we're creating markets for sanitation that are thriving. We're making a significant dent in sanitation coverage with seven country programs operating at different levels of scale.~~

~~Cambodia:~~ ~~Contributing 50% to the government's SDG sanitation goals while pursuing innovations in shelters, hand hygiene, and sanitation finance~~

~~Bangladesh:~~ ~~Working with a national corporation to promote a mass produced latrine product, and exploring new directions in waste management.~~

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Vietnam: Training a Communist government on how to engage the private sector to improve sanitation.

Nepal: Contributing toward the government's goal of universal sanitation coverage by 2017.

Ethiopia: Setting the standard for developing sanitation markets in Africa at scale.

Burkina Faso: The team has completed early product design and some very promising sales tests, indicating there is strong latent demand in a country that has only ever experienced subsidy. At only 4% improved rural sanitation coverage, new approaches like sanitation marketing will be critical for achieving the SDGs by 2030.

Ghana: Embarking on a 4-year journey to sell over 60,000 improved latrines to rural households in Northern Ghana.

What's Working

Human-centered sales approach: sell to the problem, not on price or product.

We have learned that if a customer has bought into the latrine as a solution, then they are likely to be more satisfied with the product and use the product properly and consistently, recommend their friends and family to buy, and be willing to pay a higher price.

The Human-Centered Sales approach helps sales agents focus on selling to a customer's problem, rather than selling on product features or price. Through a personalized conversation with the customer, the sales agent helps the customer identify all the problems he or she is encountering as a result of not having a latrine. Raising self-awareness about the problems of not owning a latrine intensifies the urgency and importance of resolving the problem(s) and helps the customer recognize the latrine as a viable solution to their problems.

Drawing on the expertise of Whitten & Roy Partnership (WRP), iDE developed a sales approach that includes systematic sales training and sales management processes. We also developed a package of supporting sales tools in collaboration with 17 Triggers.

Sanitation Financing

Under certain conditions, financing has the potential to increase latrine uptake fourfold at a market price of $50, decreasing operating costs by 70%. However, setting up partnerships with microfinance institutions (MFIs) is a long, iterative process that requires a lot of hands-on management. Sanitation financing (SanFin) is still a nascent field, and MFIs may be waiting for more proof of SanFin's positive business impact. iDE is exploring alternative methods of finance that overcome these operational and financial challenges.

Learn More:

Include a one-sentence description of each:

Page Link: WASH Overview

Page Link: WASH Results

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Document Link: ID Insights Policy Brief: Understanding Willingness to Pay

Document Link: iDE_Overview of WASH Programs

Document Link: iDE_Disabled Latrine Shelter

Document Link: iDE_SMSU1_Summary Report

Website Link: SanitationMarkets@ideorg.org

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Webstie Link: wrpartnership.com

Website Link: 17 Triggers

Where We Work

In rural Africa and Asia, we're creating markets for sanitation that are thriving. We're making a significant dent in sanitation coverage with seven country programs operating at different levels of scale.

Cambodia: Contributing 50% to the government's SDG sanitation goals while pursuing innovations in shelters, hand hygiene, and sanitation finance

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