



GUIDANCE NOTE 1

Situation Analysis: How do I know if Sanitation Marketing will work in my country?

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In this Guidance Note you will learn:

- How Sanitation Marketing (SanMark) and CATS complement each other, and some important operational differences between the two approaches
- How to identify favorable market conditions where Sanitation Marketing has the highest likelihood of success
- Some key roles for local government in the early planning stages for Sanitation Marketing
- Three steps for deciding whether and where to start your Sanitation Marketing initiative

1. SanMark Can Build on the Strengths of CATS Approaches

In over 50 countries, UNICEF is engaged in Community Approaches to Total Sanitation (CATS) to eliminate open defecation. CATS has dramatically increased community awareness of sanitation and triggered new demand for building and using a latrine. As people become motivated to change their sanitation behaviors, they must have access to durable, affordable sanitation solutions. Sanitation Marketing uses market-based approaches to stimulate market demand and private sector supply that can, under the right conditions, address this need for sustained local supply of affordable, desirable sanitation products and services.

2. SanMark Helps Link Demand and Supply

Sanitation Marketing aims to increase sustained access to and use of improved sanitation among low-income populations. SanMark increases **consumer** demand for improved sanitation (see GN2: Consumer behavior) and encourages household investment in durable, hygienic latrines. At the same time, the approach catalyzes the market by helping local businesses to expand the private supply of affordable, desirable sanitation products and services (see GN 3 Supply Chain and Business Models and GN4 Private Sector Development).

SanMark focuses on households as consumers. It takes a user-focused or user-centered approach to designing latrine products (see GN5: Getting the product 'right') that people want and can afford, and helps local businesses to **profitably** produce and sell them (see GN4: Business models for supplying latrines). SanMark promotes local demand for new sanitation products using commercial and social marketing techniques to address the 4Ps of marketing – product, price, place and promotion (see GN7: Demand promotion and marketing). The SanMark approach ensures that local governments play key roles in facilitating, regulating and monitoring the new sanitation market (see GN6: Enabling environment) so that suppliers can continue to grow their businesses and reach more consumers long after initial market facilitation activities are finished.

3. SanMark and CATS Can Work Together Where Conditions are Right

Working together, CATS and SanMark can sustain ODF status by achieving 100% access to **improved** sanitation. The CATS approach has demonstrated strong success in mobilizing community-wide action to end open defecation, but SanMark can help fill an important gap of CATS on the supply side. At the same time, by introducing new social norms and increasing community expectations on all households to install a good latrine, CATS can help SanMark initiatives by increasing the number of household customers for local suppliers and businesses. Both approaches have demonstrated success on their own. Combining them can make good sense where conditions are right.

The goals and many of the principles of SanMark are compatible with those of CATS (Table 1). Both approaches are demand-driven and encourage communities and households to decide how to solve their own sanitation problems, so both need mobilization and good community leadership to work. Both approaches need local government to take an active role in order to reach scale and sustainability. Critically, both approaches view programs that supply subsidized or free hardware directly to households as problematic because they often ignore the need for behavior change and limit the numbers of households that can be reached. While SanMark’s goal is access for all households, the approach recognizes that the poorest may need financial assistance or financing options to purchase through the market. Pro-poor financing options can be included in a package of SanMark activities (see GN8: Equity in Sanitation Marketing), but this component usually happens in later phases of expansion and scale-up.

TABLE 1: Comparing Goals and Principles of CATS and Sanitation Marketing

ASPECT	CATS	SANITATION MARKETING
GOAL	<ul style="list-style-type: none"> Eliminate all open defecation 	<ul style="list-style-type: none"> Uptake and sustained use of improved sanitation (a hygienic latrine) by all Increased availability of improved sanitation products and services
KEY PRINCIPLES	<ul style="list-style-type: none"> Demand-driven Households choose what they want to build No direct hardware subsidies to households Intervenes at the community scale Get people on first step of the ‘sanitation ladder’ Attention to equity Includes all households in changing open defecation behavior and social norms Engages government as key partner Builds local community capacities to ensure sustainability 	<ul style="list-style-type: none"> Demand-driven Households choose what they want to build No direct hardware subsidies to households Intervenes at both the community AND individual household scale Get people on “improved” and “hygienic” step of the ‘sanitation ladder’ Attention to equity Additional financing interventions to reach very poor households, and sustained social subsidies required for the poorest of the poor Engages government AND private sector as key partners Builds market capacities and household investment to ensure sustainability

CATS and SanMark can complement each other to achieve improved sanitation within the same geographic area. However, attempting to integrate the two approaches into a single program can pose operational challenges.

In terms of practical implementation, SanMark and CATS differ in important ways regarding start-up, required skills, techniques, partnerships, spatial scale, and results timeframes (Table 2).

These differences should be carefully considered when planning and managing SanMark activities in a CATS context (see GN10: Sanitation Marketing and CATS).

TABLE 2. Comparing Operational Aspects of CATS and Sanitation Marketing

OPERATIONAL ASPECT	CATS / CLTS	SANITATION MARKETING
START-UP	<ul style="list-style-type: none"> Usually adapts the step-by-step manual of ODF behavior change and community mobilization tools Requires minimal preparation, budget to TEST 	<ul style="list-style-type: none"> Program strategies and activities must be designed to fit domestic market conditions Requires substantial lead time and up-front investment in market research, product design and business model design before TESTING begins.
TECHNOLOGY	<ul style="list-style-type: none"> Any latrine, shared okay No need for cash Encourages local 'Do-It-Yourself' innovations 	<ul style="list-style-type: none"> Durable improved latrine designs that people want, will use and sustain Requires a cash investment Emphasis on DESIGNING and prototyping to get the product(s) 'right' for consumers, profitable for local businesses Designs informed by local innovations
DEMAND CREATION	<ul style="list-style-type: none"> Uses PRA and PHAST tools at community level Depends on DISGUST, and community PRESSURE to change SOCIAL NORMS and TRIGGER open defecation behavior change 	<ul style="list-style-type: none"> Uses SOCIAL and COMMERCIAL MARKETING techniques, multiple communication channels to reach and PERSUADE individual HOUSEHOLDS to invest Depends on ASPIRATIONAL drivers and promotion of PRIVATE BENEFITS of latrine ownership to drive investment and use
SUPPLY-SIDE STRENGTHENING	<ul style="list-style-type: none"> No explicit strategy or activities 	<ul style="list-style-type: none"> Explicit strategy, activities to understand and remove supply-side barriers Trains, supports businesses to improve skills in business management, production, distribution, and sales Brokers new relationships between local suppliers, government, community leaders and households May link to finance institutions to relieve cash flow constraints
GEOGRAPHIC SCALE	<ul style="list-style-type: none"> Feasible in individual villages No need for geographical proximity of villages, although proximity helpful for institutionalization. 	<ul style="list-style-type: none"> From start, requires a geographical area with sufficient concentration and quantity of potential new customers close enough to local suppliers to be profitably serviced.
TIMEFRAME for RESULTS	<ul style="list-style-type: none"> Rapid results possible following 'triggering' 	<ul style="list-style-type: none"> Time is needed for awareness about new products to spread, consumers to save up, and new local markets to "take-off"

4. Start Your SanMark Program Where Conditions Are Favorable

SanMark is not a "silver bullet" solution. As with CATS, there are favorable conditions where SanMark is most likely to succeed and challenging conditions where the approach is likely to work poorly or not at all. Table 3 highlights favorable market conditions and challenging conditions to avoid, particularly when doing SanMark for the first time. It also highlights government policies and programs that can have positive or negative impacts on SanMark's success.

TABLE 3. Favorable and challenging conditions for doing Sanitation Marketing

FAVORABLE	CHALLENGING
DEMAND-SIDE MARKET CONDITIONS	
<p>National / Sub-national:</p> <ul style="list-style-type: none"> • Relative political stability • Economic growth and rising per capita incomes • Increasing access, exposure to outside information & media (e.g., radio/TV/mobile phone ownership, labor mobility) 	<p>National / Sub-national:</p> <ul style="list-style-type: none"> • Significant political instability affecting economic investment and growth • Economic contraction and stagnating or declining per capita incomes • Poor access and exposure to outside information and media
<p>Household-level:</p> <ul style="list-style-type: none"> • Evidence of investment in improved housing, i.e., use of commercial modern building materials and methods (e.g. cement, iron sheet) • Evidence of investment in consumer durables (e.g., furniture, TV, battery) • Access to private on-plot water supply or electricity • Non-farming sources of income (e.g., remittances, trading, wage labor) • Stable residence and secure land tenure • Large proportion of rural upper and middle wealth quintile households without improved sanitation (i.e., large potential new customer market) 	<p>Household-level:</p> <ul style="list-style-type: none"> • Know and use only traditional local materials and methods for home building • Fully nomadic households • No space to construct a latrine • No source of cash • Lack of property title or ownership • All but poorest wealth quintile rural households have improved (safe, hygienic) sanitation.
<p>Community-level:</p> <ul style="list-style-type: none"> • On or near major roads & market centers • Larger, denser rural communities • 'Bedroom' communities for nearby towns or industries (e.g. nearby Export processing zones, factories) • Evidence of "positive deviance", (e.g. 'early adopters' with self-financed improved latrines) • High proportion of households with favorable characteristics above 	<p>Community-level</p> <ul style="list-style-type: none"> • Far from roads and markets • Remote small and isolated • Dependent on subsistence agriculture only • Deep rooted culturally beliefs and practices against latrines • High proportion of households below the basic needs poverty line • Poor enforcement of sanitation building codes and high rates of tenancy • High proportion of households with challenging characteristics above
FAVORABLE	CHALLENGING
SUPPLY-SIDE MARKET CONDITIONS	
<p>Technology solutions:</p> <ul style="list-style-type: none"> • On-site sanitation systems are feasible public health solution • Hydro-geologic and soil conditions do not require excessively expensive or complex technologies 	<p>Technology solutions:</p> <ul style="list-style-type: none"> • Safe pit emptying and fecal sludge disposal are the critical sanitation public health problem • Difficult hydro-geologic or soil conditions (e.g. floating villages, year-round flooding, very high water tables) * • Where space to construct a new on-site sanitation facility is a major problem

<p>Product options:</p> <ul style="list-style-type: none"> • Promising options for lowering costs and improving desirability of sanitation facilities can be found • Existing low-cost product options available in nearby countries with similar cultural practices and preferences 	<p>Product options:</p> <ul style="list-style-type: none"> • Common lower cost options have been heavily subsidized in the target area, and cannot be substantially re-designed to raise consumer interest
<p>Supply-chains:</p> <ul style="list-style-type: none"> • A sufficient number of importers, distributors and retailers of construction materials are operating in the country (even if they are not well-networked) • Sufficient number and scale of existing businesses that produce and distribute materials and components to some households in the area • Commercially viable transport options exist to get sanitation components to target markets and consumers • Some level of masonry or concrete casting skill in the area • Adequate formal or informal financial services for small enterprises 	<p>Supply-chains:</p> <ul style="list-style-type: none"> • Limited or absent supply of key inputs and equipment at country-level (e.g. molds for concrete components) • Monopoly conditions have resulted in price-fixing and excessive costs for sanitation construction materials and components • No existing businesses supplying latrine materials and services • No construction materials or concrete-related building services within commercially viable transport distance. • Very few or no masonry or concrete casting skill in the area • Development programs (e.g. government, NGOs) have severely disrupted and distorted local latrine supply chains and market prices
FAVORABLE	CHALLENGING
GOVERNMENT POLICIES AND PROGRAMS	
<ul style="list-style-type: none"> • Policy that encourages household investment in individual household latrines • Policy that discourages free or subsidized hardware, except in cases of extreme poverty • Flexible policies on designs of improved latrines. • Provincial or district government leadership that has prioritized improved sanitation access and is open to trying a market-based approach • Policies and institutions that support local private enterprise development (e.g. through technical support, reasonable taxation, etc.) • Favorable regulatory environment for imports 	<ul style="list-style-type: none"> • Large-scale direct hardware subsidy programs underway in target districts or provinces • National government budgets and policies prioritize widespread use of large hardware subsidies # • Regulations that impose strict criteria or require expensive latrine designs (e.g., on-site sanitation must be septic system) • Opposition from government or major donors to a market-based approach • Excessively high tariffs and duties on imported sanitation materials and components.
OTHER FAVORABLE FACTORS	
<ul style="list-style-type: none"> • Reputable microfinance institutions operating in the area and providing finance to small sanitation enterprises • Reputable microfinance institutions or well-functioning local savings groups operating in the area and willing to offer loans for latrines • Development partners and donors willing to collaborate and share costs of key up-front investment such as market research, product design, business model testing, or trialing consumer financing options. 	

* Such conditions greatly increase the cost of building an improved latrine. In such cases, government action and policies may be needed to finance market entry or fund investment in radically new technology innovations.

It may be possible to support government to consider re-programming these budget items as pro-poor consumer financing options or output-based aid (see GN8: Equity in Sanitation Marketing).

Three Steps to Decide Whether and Where to Start Sanitation Marketing

To assess opportunities for SanMark in your country, you should carefully consider the consumer demand and supply-side market conditions and government policy and program context. Here are three steps to decide whether and where to start Sanitation Marketing.

Step One – Make a GO/NO GO decision

The first step is to decide whether conditions are right to try SanMark at all. Consult available secondary data and informants to assess whether the market and government conditions for SanMark (Table 3) are generally favorable in the country or the particular region where you want to work.

Tips

- National census data, large-scale household sanitation and living standards surveys, poverty and socio-economic statistical data can provide good high-level sources for understanding general demand-side market conditions.
- Consult JMP and equity data to get a general understanding of the size and scope of potential target markets, including rates of open defecation, and of access to unimproved latrines, and improved latrines by household wealth or income quintile.
- Knowledge within your team can be an important source of demand and supply-side information. You can learn a lot about local markets for construction products by talking to your local WASH and procurement teams, who are often in direct contact with importers, distributors, and retailers of common materials used in latrine construction.
- Consult with relevant national and sub-national government and other development partners to assess the level of understanding and views on sanitation marketing and hardware subsidies. More advocacy and information sharing may be needed to build consensus for the approach.
- Economic and construction industry experts may have information on some of the supply and demand-side conditions, and the general enabling environment for markets and market investment.
- If you have time, conduct a rapid field-level market assessment to get a better picture of the demand and supply side conditions in the region you want to work in (see resources below for more guidance).

If things look favorable, proceed to the next steps. If a large hardware subsidy program is the stumbling block, develop the case and engage government for re-programming hardware subsidies to support market access and choice for the poor (see GN8: Equity in Sanitation Marketing).

Step Two – Select a few provinces or districts with the most favorable conditions

Although SanMark works at scale, it will be important to test market new products and get ‘proof of concept’ for the new business models you develop, before moving into a full-scale program. Start in an area with the most favorable conditions to get some ‘quick wins’ and early successes. Once the first businesses start selling and early consumers start buying, support and momentum will grow.

Tips

- If you are doing CATS, look carefully at your CATS communities to assess whether favorable market conditions exist there. Some CATS communities may not be the most suitable places to start if they lack favorable market conditions (Table 3). If this is the case, consider choosing other districts or selecting an area within your districts with the most favorable conditions. You can use these pilot areas to better understand the market and test and adjust business models, moving into areas with communities that may have more challenging market conditions over time.
- Don't forget to consider evidence of local government interest and leadership. Engage relevant government authorities early on to build interest, understanding and support.

Step Three – Narrow down further to identify the most favorable target area to start in

While you will need to work at province or district level to build government support, you may want to select a smaller concentrated target market area for piloting. Because of the nature of markets and marketing, working in ten or twenty villages is not enough. Depending on your country, a target area with a concentration of 200 to 500 villages, in close proximity of each other is adequate for an initial SanMark pilot.

Tips

- Remember - SanMark works best when you are thinking and working at scale. This means targeting an entire geographical area and all the communities within it, not just selecting a small number of geographically dispersed communities. Business should not be confined to working in pre-determined 'program' communities, and should be encouraged to service all communities and households they can feasibly reach within or even outside target areas.
- In the early SanMark stages, your work will focus on building supply chains and addressing barriers on the supply-side, so starting in areas that are on or close to main roads and near supply chains and market centers will help. As the program builds, the network of suppliers and distributors will grow and expand outwards from the main centers of commerce.

RESOURCES FOR FURTHER READING:

1. Cairncross, S (2004) The Case for Marketing Sanitation, Field Note, The World Bank Water and Sanitation Program (WSP) http://www.wsp.org/sites/wsp.org/files/publications/af_marketing.pdf
2. USAID HIP (2010) Sanitation Marketing for Managers: Guidance and Tools for Program Development <http://www.hip.watsan.net/page/5007>
3. WSP – Introductory Guide to Sanitation Marketing and Toolkit <http://www.wsp.org/sites/wsp.org/files/publications/WSP-Introductory-Guide-Sanitation-Marketing.pdf>
4. UNICEF 2010 “Sanitation Marketing in a CATS Context: A Discussion Paper” prepared by Ann Thomas http://www.unicef.org/wash/files/Sanitation_Marketing_in_a_CATS_Context.pdf
5. SanMark Community of Practice Website <http://www.sanitationmarketing.com/>

About the UNICEF Sanitation Marketing Learning Series

This Guidance Note is part of the UNICEF Sanitation Marketing Learning Series, a learning initiative designed by the University of California Davis (UCD) to improve Sanitation Marketing knowledge and practice within UNICEF. The Learning Series is delivered by Mimi Jenkins (UCD and London School of Hygiene and Tropical Medicine), Danielle Padi (Consultant, WASH Catalyst), Jeff Chapin (Consultant, IDEO), and Mike Rios (17 Triggers Behavior Change Lab).

The ten Guidance Notes in the Series are available for download here: <http://uni.cf/Xo2o2l>

1. *Situation Analysis – How do I know if SanMark will work in my country?*
2. *Consumer Behavior – How can we understand sanitation consumers in target markets?*
3. *Sanitation Supply Chains and Business Models – How can we improve market systems?*
4. *Private Sector development - How do we improve capacity of local sanitation businesses?*
5. *Getting the Product 'Right' – How do we design affordable, desirable latrines that businesses can profitably produce and sell?*
6. *Enabling Environment – What roles and functions are needed in the new market?*
7. *Demand Promotion and Marketing – How do we reach rural target markets in san mark?*
8. *Equity in Sanitation Marketing - How can we support the market to reach the poorest?*
9. *Monitoring and Evaluation – How do we measure sanitation marketing progress?*
10. *Sanitation Marketing and CATS – How do we link approaches?*