

# How to viably market and distribute beneficial products to the BoP

Choosing an appropriate marketing approach

The Webinar will start shortly



Webinar page: [bit.ly/BOPMarketing](http://bit.ly/BOPMarketing)

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# Welcome to our conversation

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## How to viably market and distribute beneficial products to the BoP

Choosing an appropriate marketing approach

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Willem Nolens, CEO, SolarNow

Caroline Ashley, Editor, The Practitioner Hub for Inclusive Business

Type your questions in 'Chat' at anytime

Join the discussion on Twitter [#marketing4BoP](https://twitter.com/marketing4BoP)



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## QUESTION 0: Which of these statements is true?

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Solving most of the world poor's basic needs (e.g., access to safe water, energy, sanitation, housing etc....):

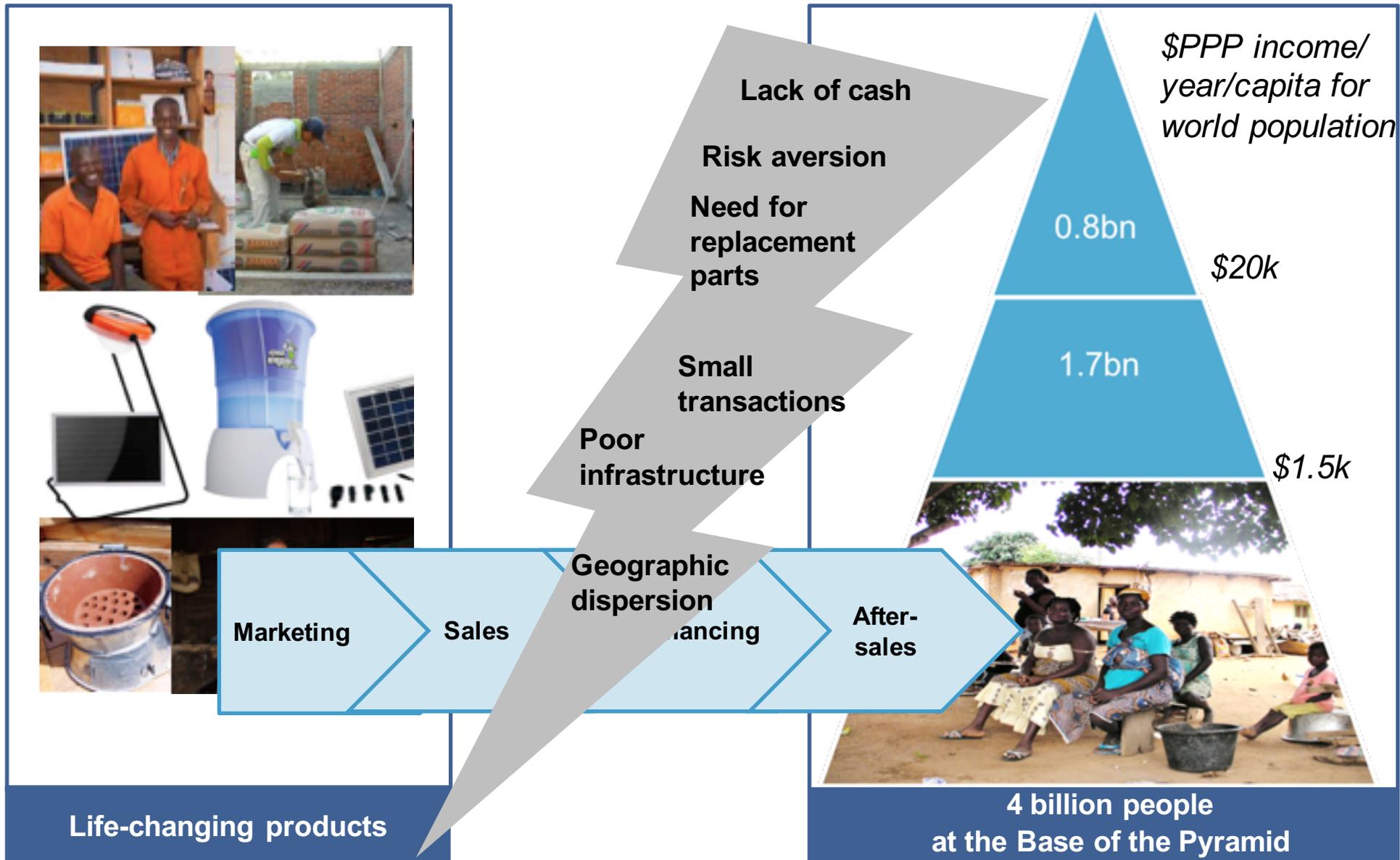
1. Will require much more technology and product innovation
2. Could largely be achieved by improving existing products' road-to-market, as life-changing goods exist but do not reach their intended beneficiaries

# Life-changing products exist...

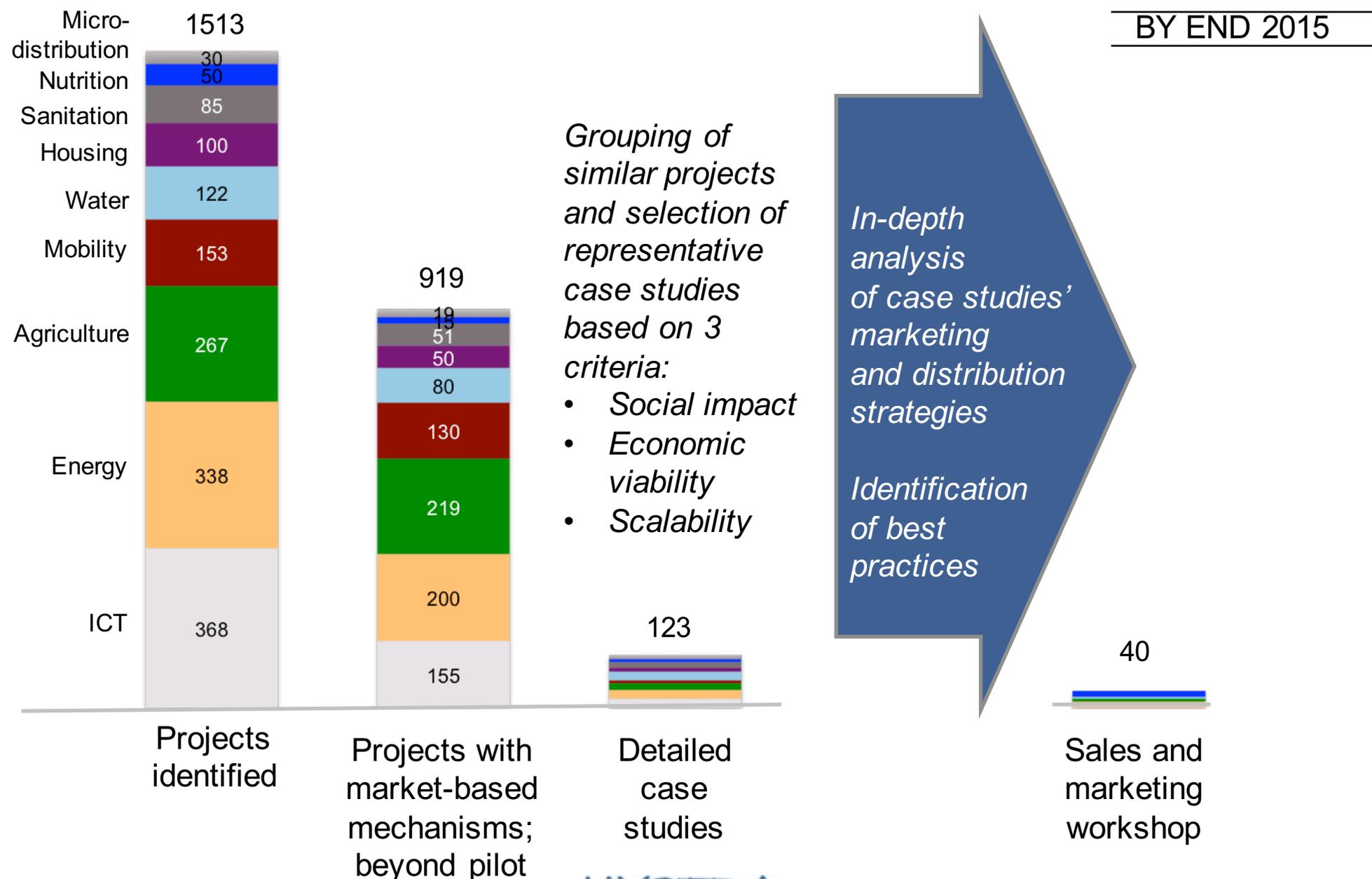
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# ...but struggle to reach families at the BoP



# Hystra has screened social businesses in a variety of sectors, learning from the best to help others progress



# 3 key lessons learned last week

It's about economics!

Value proposition

Risk-free solutions, not cheap products

Financing is best done in-house



## QUESTION 4: What marketing activities are more effective to trigger first sales among BoP clients?

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1. Awareness campaigns, so that clients understand the benefits of the products
2. Proximity marketing (below-the-line), to demonstrate the product and answer directly client concerns
3. TV or radio campaigns, to reach as many users as possible cost-efficiently



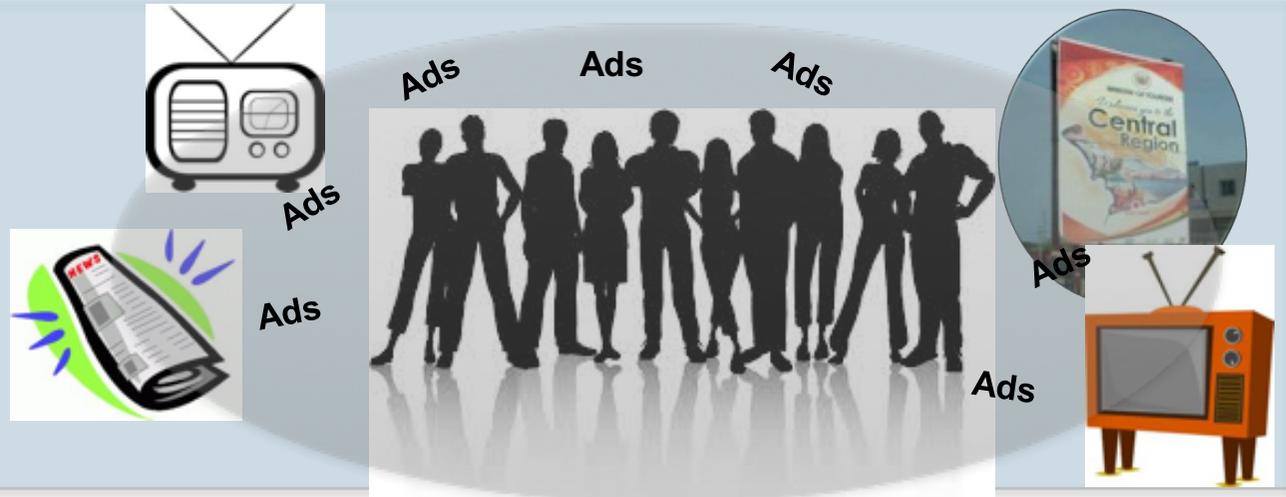
**#4** Below the line  
marketing works  
better

Effective marketers excel at village-level tactics and shy away from investing in expensive awareness-raising campaigns

# Marketing techniques fall into two categories: Above the Line (ATL) and Below the Line (BTL)

## Above the line marketing

Using mass media  
to reach people

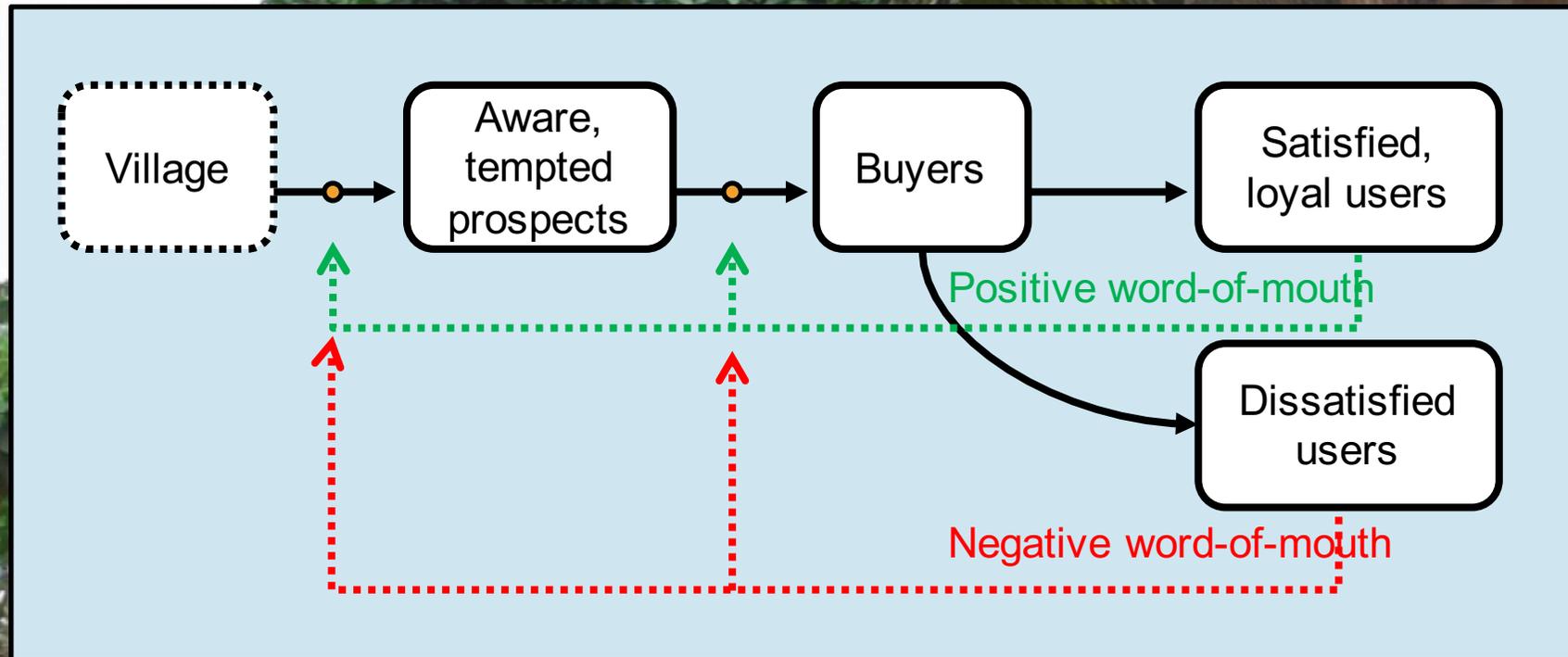


## Below the line marketing

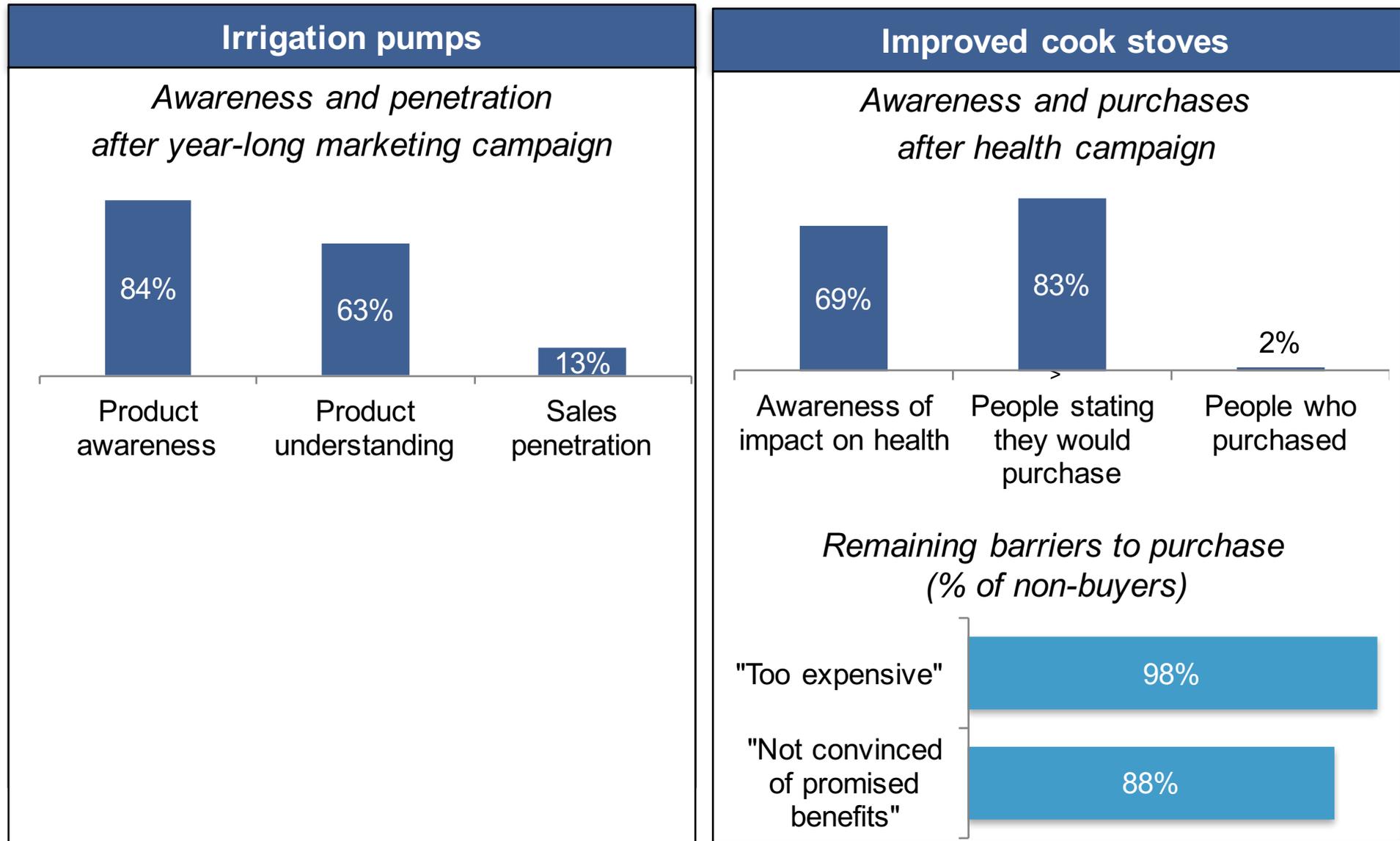
Engaging with customers in  
person or in small groups  
(e.g., village level  
or door to door  
demonstrations)



# Winning one village at a time



# High levels of awareness and understanding are not sufficient to trigger sales



## Leading practitioners concur

**“Despite marketing campaigns done for middle-high class, rural people would never buy without further Below-the-Line marketing.”**



**Deepak Saksena,**  
Pureit, Partnership Director



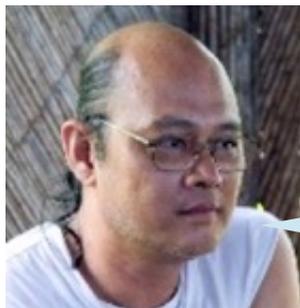
**Upamanyu Patil**  
Sakhi Retail, CEO

**“Most people in rural area need to see the product work long enough at their neighbor’s.”**

**“People need to see the product, touch it, and ask questions: an advertising campaign will not be sufficient.”**



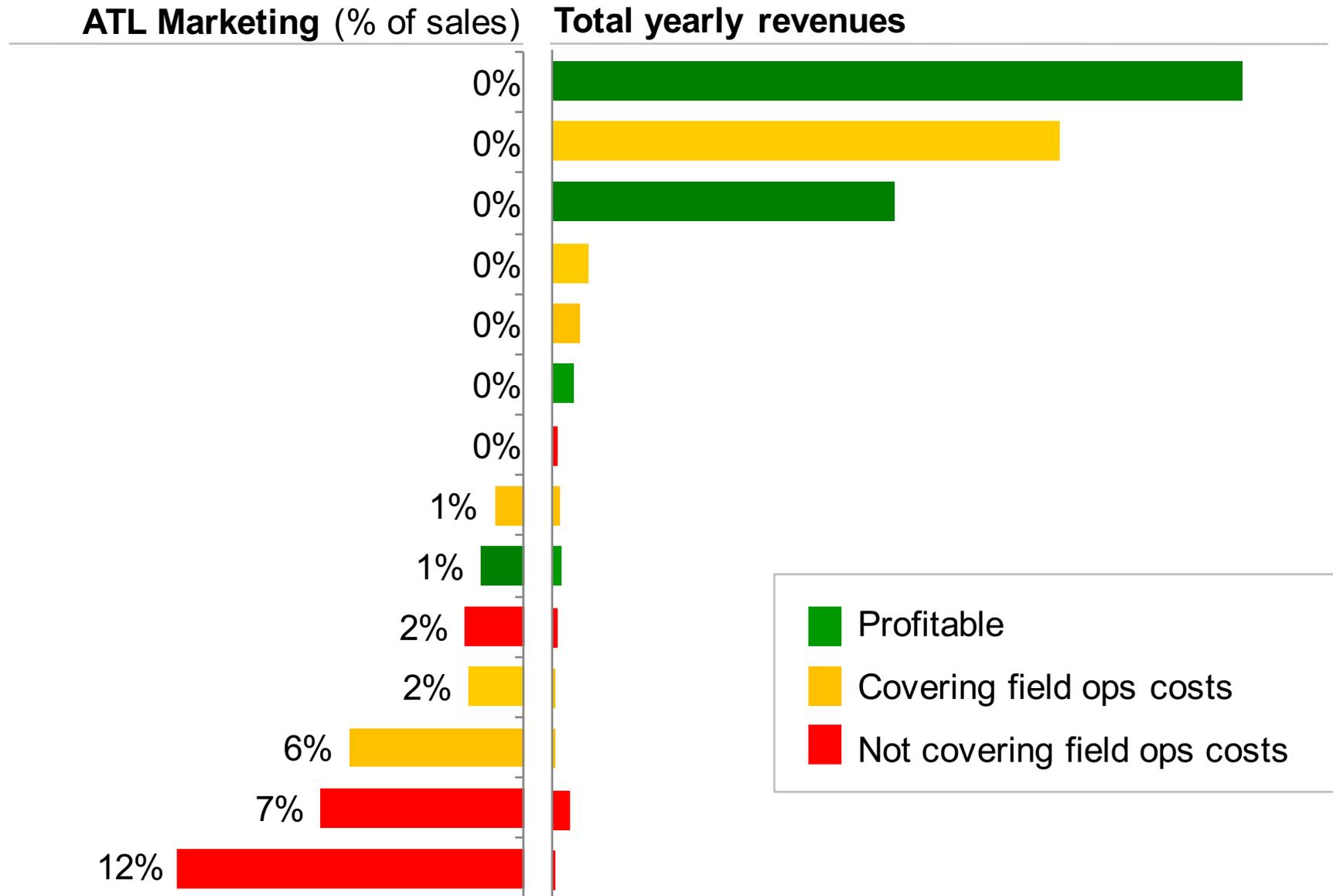
**Suraj Wahab,**  
Toyola, CEO



**Iwan Baskoro**  
GERES,  
ICS Program Director

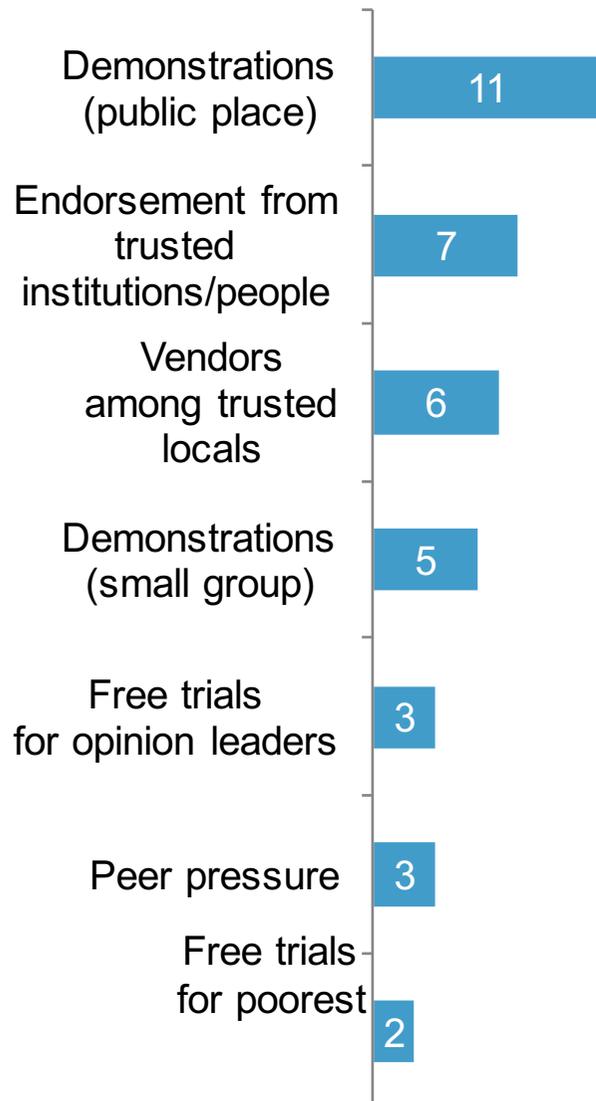
**“Only 20% customers bought based on our 3 marketing campaigns (posters, TV, and radio). Word-of-mouth was the main trigger.”**

# ATL spending does not correlate with commercial success



# Most organizations use similar village-level tactics, which can be different for early adopters and followers

All 15 best-in-class organizations use BTL marketing



greenlight  
planet

Agents ask prospects to pour water on solar panels to prove their durability



brac

Village WASH Committee looks over map of homes still without latrines

# Choosing early adopters: those well regarded and most likely to be highly successful

## Not the poorest



- Highly risk-averse
- Low level of trust in outsiders
- Agriculture as 'subsistence', not in a business mindset

## Rajendra Hari Patil, JAIN early adopter



- Teacher with a BA, chose to go back to his land; had not too much to lose but enough to gain
- First adopter of JAIN banana seedlings, tripled his income in one year
- Spontaneously organized workshops to motivate others to follow his lead

## Not the richest



- Less incentive to change behavior
- Keen to protect acquired wealth and avoid risks
- Not necessarily easy to identify with for the other farmers
- Not those for whom it will make the largest difference

# Speeding up adoption: “Seeing is believing”

## Long term proof

- *Solar*: Followers wait a year to buy, to check that the system can withstand any weather event (including monsoon)



- *Agriculture*: BASF, Biopartenaire and JAIN (among other companies) all set up demonstration plots, at village level or within one farmers’ fields, to effectively convince farmers of the benefits of new agro-approaches



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## Quick proof of effectiveness

- *Solar*: Greenlight Planet agents throw the product on the floor or pour water on the panel to prove resistance

greenlight  
planet



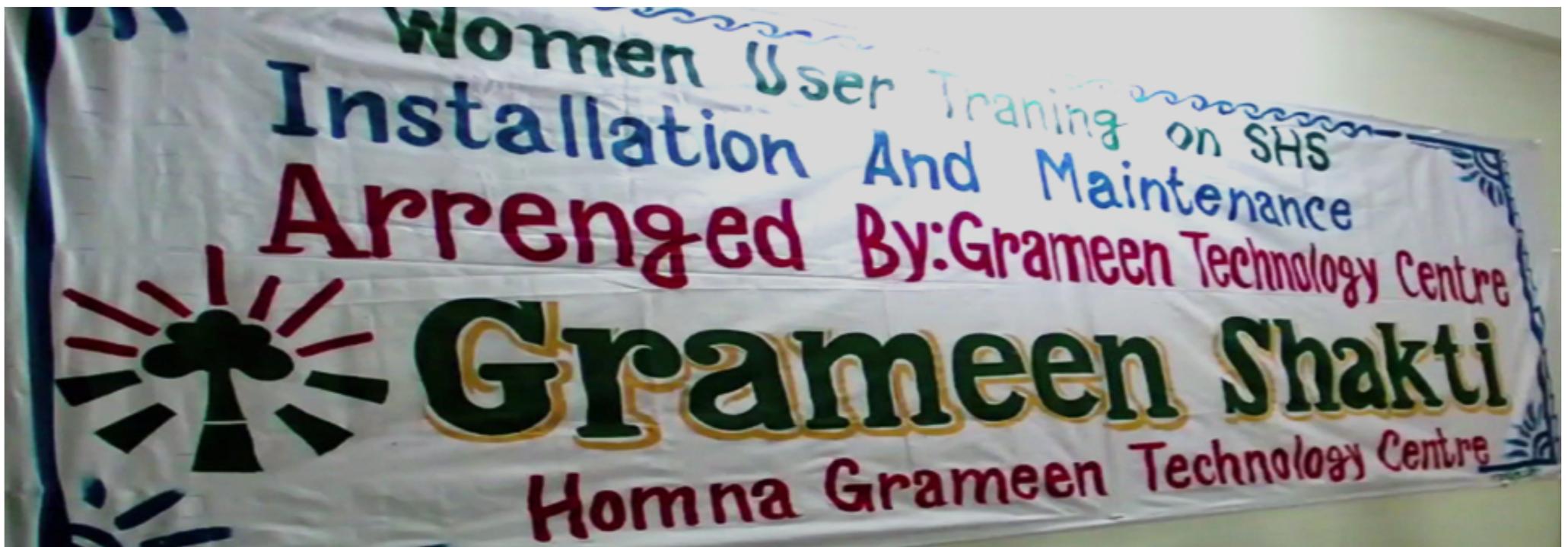
- *Agriculture*: BASF officers plant a tray of treated seeds next to untreated ones, showing better germination results within one week, convincing farmers to invest in treated seeds within the same season



## QUESTION 5: What is the most crucial moment of the sales cycle, to increase your sales durably?

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1. Convincing new clients to buy the product
2. Ensuring existing clients use the product and are satisfied with it

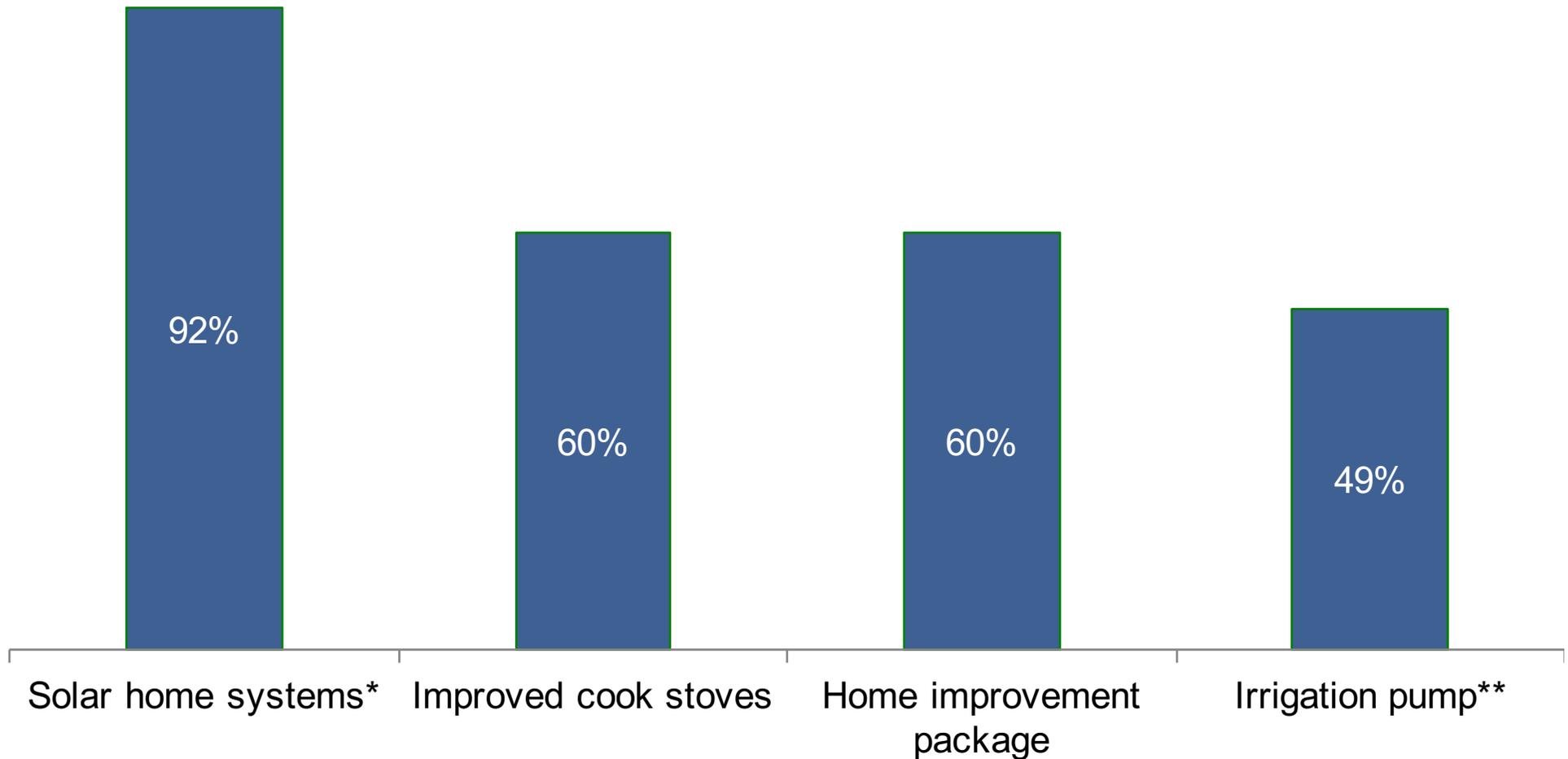


**#5** Responsible and effective marketing occurs *after* the sale

Despite the fact word-of-mouth is key, few systematically measure and manage customer satisfaction

# Word-of-mouth from satisfied customers is key

## Customers citing neighbors or relatives as trigger for purchase



\*Customers citing neighbors or relatives as first source of information about product

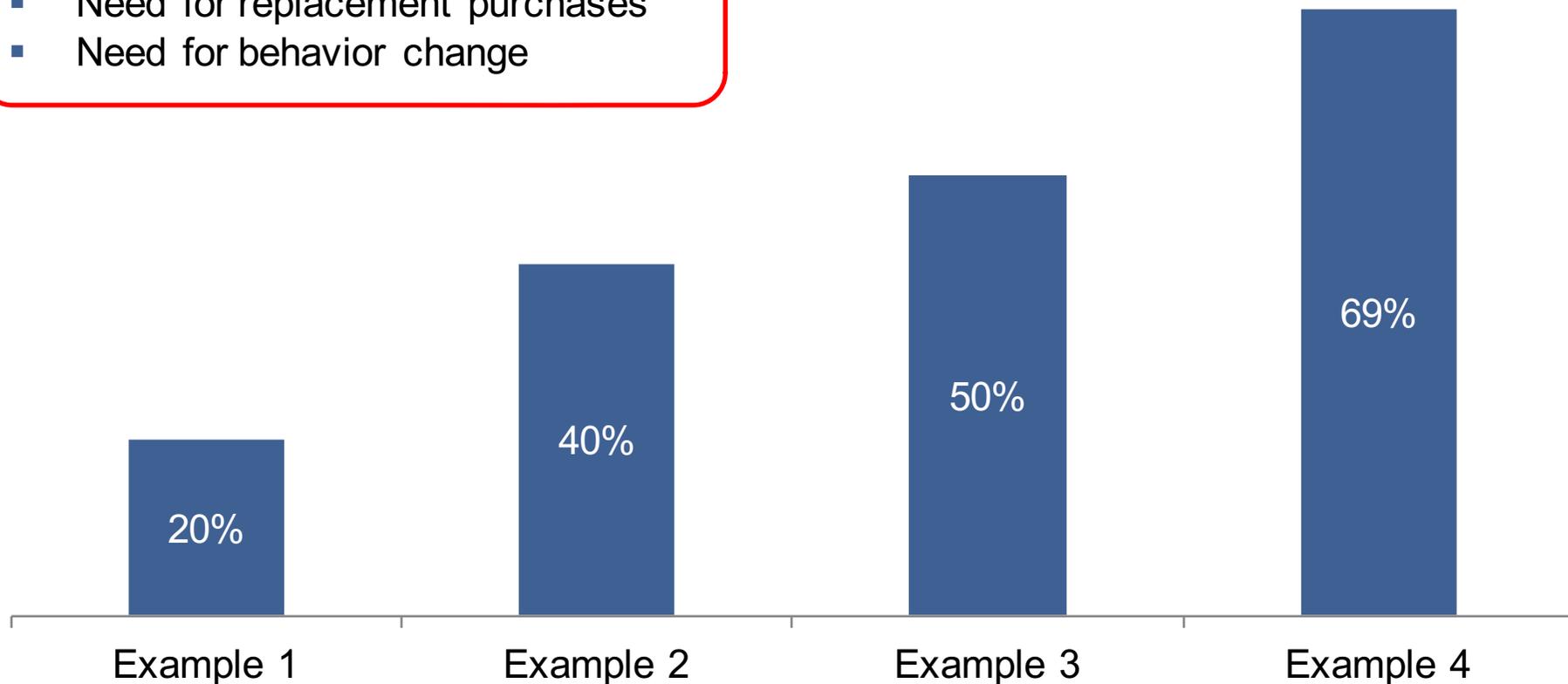
\*\*Customers may have cited more than one source

# And the number of dissatisfied customers can be significant

## Customers no longer using purchased product/service after 2 years

Drivers of non-compliance :

- Need for replacement purchases
- Need for behavior change

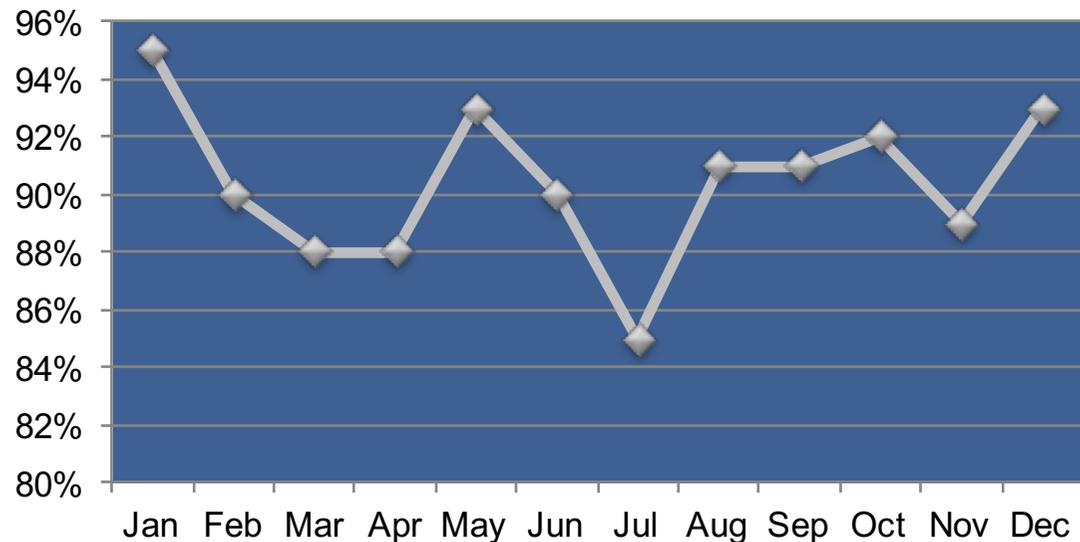


# Organizations can systematically measure and ensure customer satisfaction

## 1 Measure customer satisfaction

For each product and service **Patrimonio Hoy** tracks the **Net Promoter Score - NPS** (i.e. number of clients who say they will recommend it minus those who say they never will)

### 2011 NPS score



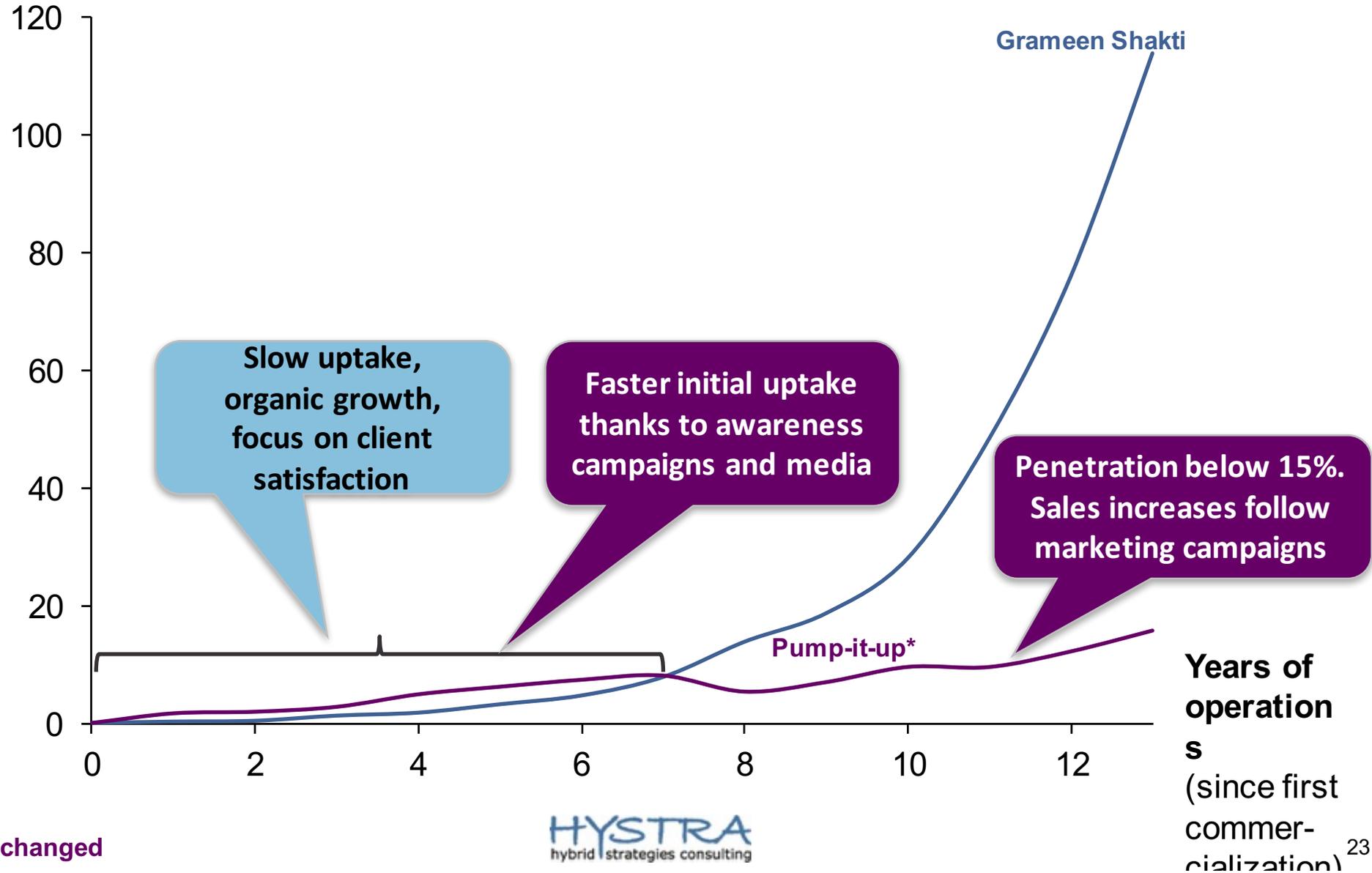
## 2 Act on dissatisfied customers

- Immediately identifies and follows-up with dissatisfied customers to prevent negative word-of-mouth
- Ties sales force compensation with personal NPS

# Mass media campaigns can increase short-term sales, but client satisfaction is the key to long-term success

## Number of clients served per year

('000 households)



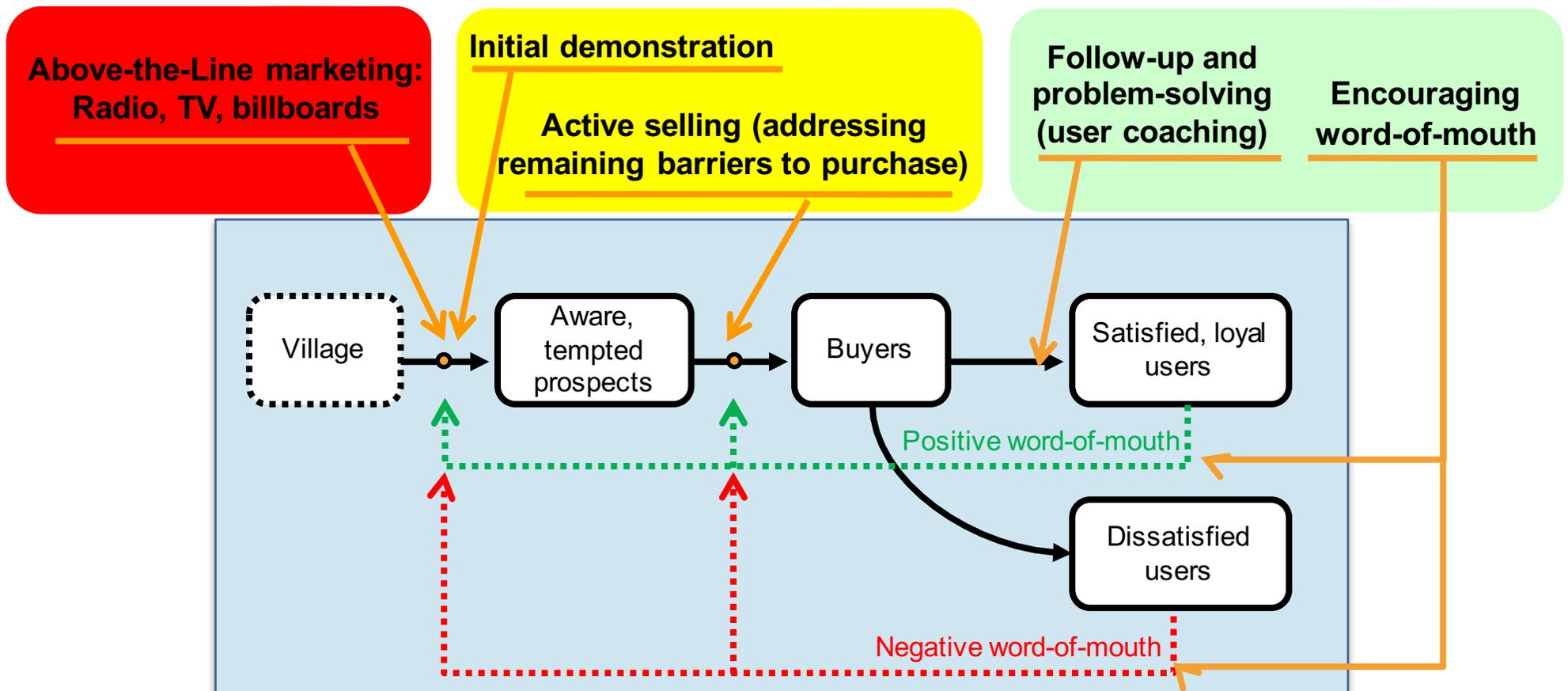
\*Name changed

# In a nutshell, marketing efforts should shift from raising awareness to ensuring customer satisfaction

**1.** Reassess levels of ATL spending in light of customer awareness

**2.** Implement systematic high-quality execution of marketing and sales practices at village level

**3.** Invest in “after the sale” activity to ensure and improve customer satisfaction



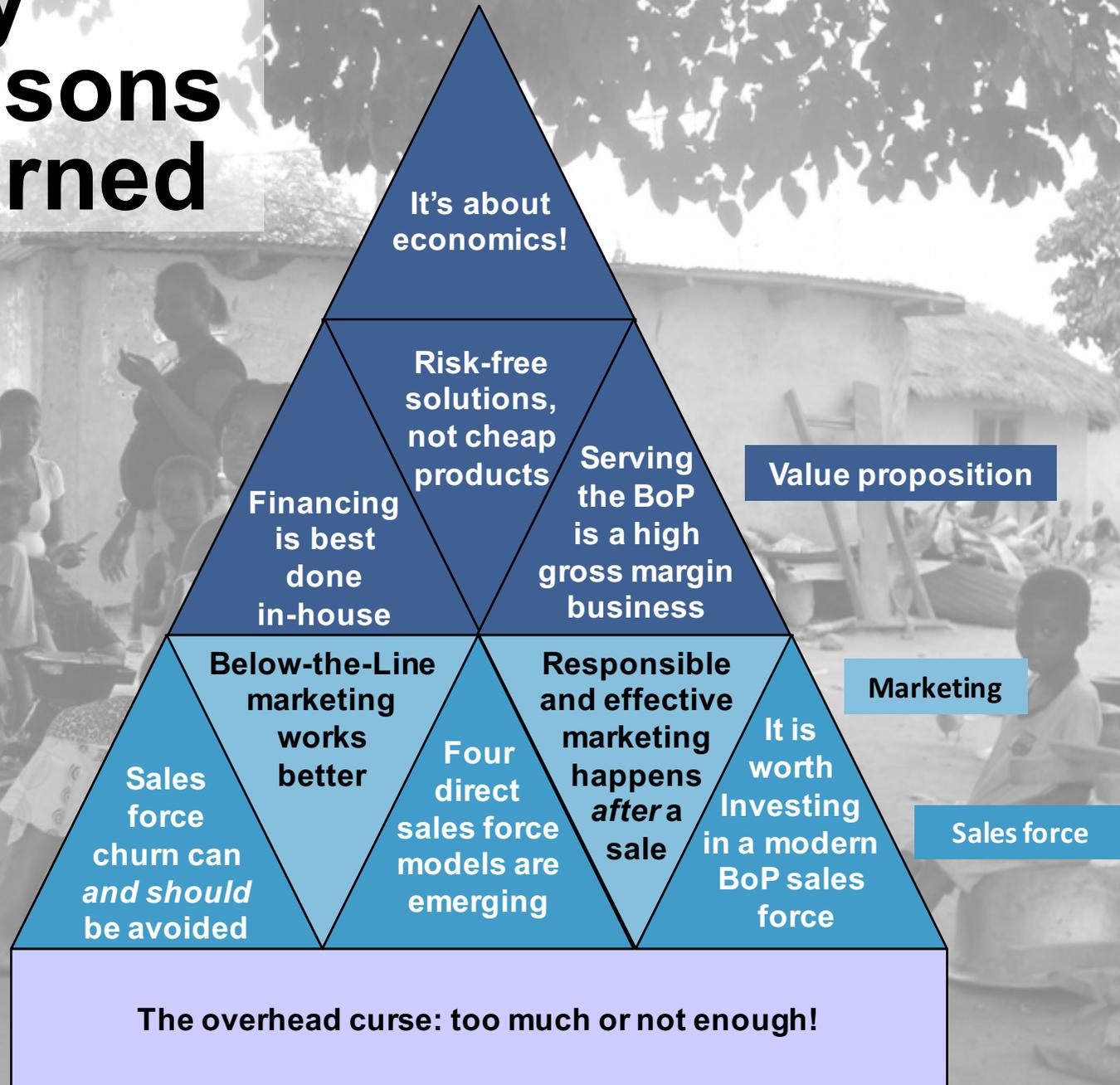
# 2 key lessons learned today

**Below-the-Line marketing works better**

**Responsible and effective marketing happens *after* a sale**

**Marketing**

# 10 key lessons learned



# Discussion

Any questions? Type them in 'chat'

For details and resources:

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**Join us next week for the final webinar in the series:  
setting up effective (last mile) distribution  
mechanisms**

**Wednesday 6th July**

*6:30pm Delhi | 4pm Nairobi | 2pm London | 9am New York*



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