



Events such as road shows and business-to-business meetings provide a chance to demonstrate WASH products to potential distributors, retailers, and customers down the supply chain. Photo credit: Hassan Litama

Lessons from Tanzania: Maximizing Market-Based Sanitation's Potential

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Businesses and social enterprises are providing essential, low-cost water, sanitation, and hygiene (WASH) products in rural and peri-urban areas of Tanzania. Consumers not only need access to appropriate household latrines, but they also need trained professionals to install them in their communities. It seems simple enough, however, sanitation product companies face numerous barriers that prevent them from expanding into these markets — one of them is the high cost of creating and managing distribution networks.

To address this issue, USAID/Tanzania's Water Resources Integration Development Initiative (WARIDI) began working with LIXIL, the maker of SATO (Safe Toilet) products, to hold marketing and supply chain development events connecting them with potential distribution partners down the supply chain. Tanzania's National Sanitation Campaign has been instrumental in driving demand for improved latrines across the

country, and this partnership was intended to reduce transaction costs and encourage LIXIL's expansion into underserved areas.

LIXIL's SATO products — including both a squatting and a sitting pan — are designed to improve sanitation for consumers. These products have a counter-weighted trap door that allows waste to flow through, then seals shut to keep out flies and prevent odors for an improved, safer user experience. SATO toilets can cost as little as one quarter of the price of ceramic toilets available in the Tanzanian market and are easier to install. They are ideal for the improvement of traditional pit latrines because the installation is a simple process of extending the pit latrine hole to fit the SATO and applying mortar to the edges and sides of the latrine after putting it in place. This can take as little as one hour of work.

Finding the Right Formula to Strengthen the Supply Chain

To expand LIXIL's reach into rural and peri-urban markets, WARIDI facilitated the company's involvement in 60 roadshow events in 20 Local Government Authorities (LGAs). LIXIL and other WASH product companies sent representatives to promote their products to consumers and local shopkeepers, ultimately reaching nearly 30,000 attendees.

However, the roadshow exposure did not end up driving SATO sales as expected, and in fact, LIXIL found it challenging to meet the many small orders it received from retailers through their existing supply chains. In response, WARIDI co-organized eight business-to-business meetings to link LIXIL directly to local wholesalers, retailers, and masons in eight LGAs. This included dozens of WARIDI-trained microenterprises — small pharmacies, building supply, and hardware shops operating in underserved communities. These events gave LIXIL a chance to demonstrate its products to potential supply chain partners and to negotiate pricing and distribution agreements in areas where the company did not have business connections.

Additionally, WARIDI and LIXIL collaborated to organize trainings on the installation of SATO latrine pans for 76 masons working in 10 LGAs to ensure customers could easily find a professional in their areas to help them set up their new SATO latrines. "Working with USAID/WARIDI helped LIXIL reach many peri-urban and rural areas to establish a SATO distribution network and this has reduced transaction costs for expanding our market," says Justine Mbowe, LIXIL's country manager.

Developing a network of regional SATO distributors who can supply retailers in their area has helped simplify LIXIL's distribution network and allows for joint ordering to reduce transaction costs, and ultimately to keep the price of SATO products low. WARIDI trained microenterprises, regional distributors, and local wholesalers who have sold nearly 5,000 of LIXIL's improved latrine pan products. These sales resulted in improved access to sanitation for an estimated 25,000 people.

Reaching Customers Where They Are

WARIDI found sales per retailer to be highest in Mufindi, Mbarali, Njombe, and

Iringa. Here, retailers achieved substantially higher volumes of SATO latrine pan sales than retailers in other LGAs. For example, retailers in Mbarali more than doubled the average sales of SATO reported by LIXIL's small retailers across other WARIDI-monitored LGAs. Eager to learn from this example, WARIDI followed up with retailers in the area, who said they reached this volume of sales through proactive sales and marketing efforts. This included taking advantage of weekly village markets to sell products and, notably, actively coordinating efforts with local government during and after National Sanitation Campaign events to promote SATO latrines.

Government leaders in Mbarali took a very active role in sanitation activities, using a social media group to ensure engagement from the district commissioner and executive director down to ward-level executives and health officers. Participants exchanged feedback on sanitation activities, collaborated to troubleshoot challenges, and provided updates on the availability of SATO latrine products, which they saw as a key factor in achieving wider access to improved sanitation.

"I am glad to be part of the SATO supply chain in my area of Kinyanambo," explains Musa Mgeni, owner of a microenterprise located in Mbarali. "This has helped me to increase [my] income through SATO sales. Thanks to WARIDI for connecting me to LIXIL through business-to-business meetings and the mason training."

WARIDI's collaboration with LIXIL demonstrates the need for market-based sanitation efforts to coordinate demand for SATO pans with product availability. While the road show provided good publicity for SATO products, LIXIL's supply chains weren't yet structured appropriately to meet demand in rural and peri-urban communities at that time. If supply chain strengthening activities had taken place first, the road show may have driven stronger sales results. In contrast, when WARIDI-trained microenterprises coordinated their marketing efforts with local government partners in Mbarali, they saw substantial sales of SATO products from consumers primed by the messages of the National Sanitation Campaign. This shows not only the importance of aligning supply and demand in market-based sanitation, but also the impact that can be achieved when the public and private sector are able to collaborate effectively as partners.

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Additional Resources:

- [USAID and LIXIL Announce New Global Partnership to Expand Access to Sanitation](#)
- [Globalwaters.org: Tanzania Country Page](#)
- [Tanzania Water for the World Country Plan](#)
- [LIXIL](#)

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