

6.0 DECIDE ON METHODS OF DISTRIBUTION

Tasks:

- Consider possible methods for distribution including systems or infrastructures that already exist
- Assess the possible distribution methods for the project
- Select the methods of distribution and plan them in more detail



The project will need to make water disinfectant and safe storage vessels available and easily accessible to target households. This will require procurement, storage and distribution of both products.

Factors to remember when planning for distribution are:

- What geographical area will be covered?
- What systems or infrastructures for distribution already exist?

The most common options for distribution are:

- A. government systems
- B. non-government systems

- C. commercial sector
- D. social marketing

These systems may be used singly or in combination. Whatever system or systems are selected, education and promotional activities are also necessary to create demand for the products and ensure that households know how to use them correctly. Planning a strategy for behavior change is described in section 7.0. The system of distribution and the behavior change methods must be planned to work together.

Similar steps are involved to plan and implement a project through any system:

- procure products
- establish price
- plan distribution through recognized, reputable and convenient sites
- work out logistics of transportation and distribution
- prepare educational materials
- train or inform staff at outlets
- manage flow of products and money
- plan for emergency response
- evaluate

6.1 Consider possible methods of distribution including existing systems or infrastructures

A. Government Systems

Distribution can be organized through government systems in one or more different ways:

- adding distribution of Safe Water System products onto a distribution infrastructure that is already in place, for example, for supplying government health centers
- an 'ad hoc' approach using government vehicles to deliver products from central government stores to more peripheral government offices, health centers or other outlets
- establishing a separate distribution system specifically for water vessels or disinfectant or both

Government distribution systems can usually distribute large volumes of supplies rapidly and into distant areas that are underserved. However, they require functioning vehicles and staff. Some governments may not have financial and management resources to maintain them. Using a government system for distribution of Safe Water System products may divert resources from other health service activities and may not be as sustainable as private sector distribution.

In Ecuador, a project was initiated by PAHO in response to flooding from El Nino with funding from the Embassy of the Netherlands. Sodium hypochlorite production sites were located in clinics run by the Ministry of Public Health.⁵ The disinfectant solution was distributed to local neighborhoods by Ministry of Public Health personnel. Additional funding was provided by USAID. This project was later incorporated into the Ministry of Public Health as a funded program. Now street vendors are receiving training in the use of this method and are preparing food and drinks with safe water, which enables them to be accredited by the Ministry of Health. This method was also used to provide safe water to victims of recent volcano eruptions.

B. Non-government Organization (NGO) Systems

Non-government organization (NGO) systems may approach distribution in one of two ways:

- NGOs implementing a Safe Water System project may organize their own distribution system.
- NGOs that focus on distribution activities, for example supply of essential drugs, may distribute Safe Water System products.

A distribution system organized by an NGO for its own project may work well but may be expensive and unsustainable when donor support is discontinued. If the NGO is small, it may be limited to a small geographical area.

Relying on a larger NGO, such as CARE or PSI, has the advantage of using existing distribution structures and may be more credible and sustainable. This approach requires obtaining permission from the appropriate authorities to distribute Safe Water System products and finding a way to cover distribution

costs. Sustainability of the project depends on the sustainability of the NGO. **In Western Kenya**, CARE used this approach. CARE distributed water disinfection products to villages in its Water and Sanitation for Health Project, using community volunteers as distribution agents. CARE also incorporated an element of social marketing into this project (see below).

Distribution through a **combination of government and NGO systems** is a common traditional approach for distribution of health products. Products are given away or sold through NGO clinics, government health centers and health posts, private or public pharmacies, etc.

The advantage of a traditional distribution system is that it may reach some individuals who may not be served by commercial channels. It also ensures lower initial costs than private sector approaches.

In Peru, the Panamerican Center for Sanitary Engineering and Environmental Sciences (CEPIS—an office of PAHO), ADRA (a 7th Day Adventist-supported NGO), and the Ministry of Health joined together in a GTZ –funded project to provide their unique version of the Safe Water System to communities in 5 regions of the country.⁷ Distribution was organized by committees elected by community members.

C. Commercial Sector

Commercial sector distribution involves distributing vessels and disinfectant through existing commercial distribution systems and retail outlets. In most areas there are large or small established companies that can capably manufacture a product. They can also distribute the product through commercial channels that are appropriate for a locality. When the private sector makes a product widely available and prominent, people use it. This approach requires a market of consumers with sufficient demand for the products or a demand-creation campaign. Product prices must be low enough to be affordable and high enough to include sufficient profit margin to motivate distributors. Use of a commercial sector arrangement is generally sustainable.

If a project chooses to work with the private sector for distribution, it is important to arrange an agreement from the outset so that private companies do not price the product above the reach of the target population.

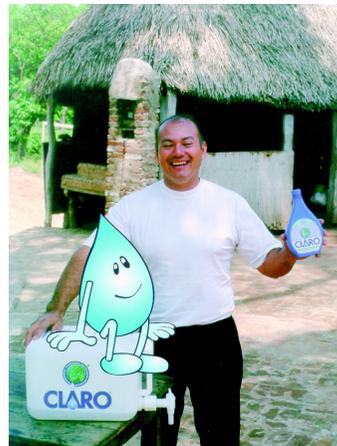
In Zambia and Madagascar, the commercial sector was used by PSI who sold the products to commercial wholesalers for distribution through retail outlets.^{11,12} PSI also used social-marketing methods (see below) to increase demand for and promote correct use of the Safe Water System products.

D. Social Marketing

Social marketing is a particular approach to distribution and promotion. It uses commercial marketing methods including the concepts of market segmentation, consumer research, and communication to create demand for a product or service. The main differences are:

- Social marketing aims to increase the acceptability of a product or idea to meet a social need, whereas commercial marketing aims to sell a product to maximize profit.
- Social marketing usually involves subsidy in pricing a product, or of its distribution or promotion, whereas commercial marketing involves no subsidy.

Social marketing is based on research into what potential users know, want and do, and makes use of the best mix of existing channels of communication to give simple, repeated and attractive messages. It means finding out about potential users, and considering “positioning”, in other words, what will motivate these potential users to buy a product or use a service. Developmental testing ensures that brand name, product images and educational messages are appropriate, understood and effective.



Social marketing may include aspects of commercial distribution combined with incentives, subsidies, management or advertising inputs from the public sector or an NGO. The aim is to support distribution systems in the short term while demand is created and until a market is well established. Subsidizing distribution costs and/or introducing price controls may ensure the price is kept as low as possible while providing distributors a reasonable profit. These approaches seek to enable shops or other outlets to sell to the community before a commercial system is established. Once people learn about and use the products successfully, the hope is that they will continue to want the products so significant demand will be created.

Social marketing, like traditional marketing, involves deciding on the best mix of four factors, sometimes called the four “P”s:

- Product – includes decisions about brand development, quality, packaging, logo, size and market positioning to interest the target population so they will use the products.
- Place – includes decisions about distribution channels and outlets for vessels and disinfectant, and coverage.
- Price – includes decisions about affordable prices, subsidies, credit terms and cost recovery goals.
- Promotion – includes decisions about communication channels, advertising, personal selling and sales promotion, promotional materials and events.

The four “P”s are interdependent. For example, distribution and outlets (“Place”) will be linked to advertising and sales promotion (“Promotion”). Demand is affected by “Price,” as well as by branding and advertising (“Product”), and by education on use and benefits (“Promotion”).

“Product” issues are discussed in sections 5.0 and 7.0, “Place” is discussed in this section, “Price” in section 8.0, and “Promotion” in section 7.0.

Social marketing:

- is expensive as it requires start-up funding, marketing expertise, and training for outlet managers and sales agents.
- may focus on urban and periurban populations and may miss rural or marginalized populations.
- can be very effective, combining the advantages of private sector marketing with knowledge and experience of traditional health care delivery.
- generates enthusiasm about a product.
- includes a system of distribution that ensures the product is accessible and sells at a low price (not free) so the product will be valued and used.

An important balance to achieve in social marketing projects is that between coverage (health impact) and cost recovery (financial sustainability).

Alternatively, if financial support is more limited, elements of the social marketing approach could be used in other types of distribution systems. For example, a project could use consumer research to develop a product brand and advertising for disinfectant that could be distributed and promoted through a government or NGO system of outlets.

In Homa Bay, Kenya, CARE hired a social marketing consultant to help market disinfectant and safe storage practices to populations in rural Western Kenya (social marketing). The products were distributed by community health workers (government system) and sold in local stores (commercial sector) as well as in clinics and hospitals run by the Ministry of Health.

As the examples in this section show, existing Safe Water System projects use more than one distribution system. Any project would be wise to explore all potential distribution options. Different options offer unique advantages, and the likelihood of project sustainability and success is enhanced by having many different types of distribution outlets.

6.2 Assess alternate distribution methods for the project

Consider the possible distribution systems (government, NGO, commercial and social marketing) and focus on those which seem most appropriate. Investigate community structures that could be involved in implementation. Then list some



possible methods in each system. For example, in the government system, specific methods could include distribution by health centers and health posts. In the NGO system, specific methods could include sale of products to consumers at the clinics of a particular NGO, or distribution of the products by an NGO that distributes food and agricultural goods to villages. In the commercial sector, the products could be distributed through an existing network of pharmacies, or a bleach manufacturer could market them in small retail shops. Another option would be for a commercial company or an NGO to establish a network of door-to-door sales persons who are paid a small incentive for sales of the product.

In reality, no one model will be used exclusively. A mix is typical, as exemplified in **Madagascar**, where the project used social marketing, government certification of the products, NGO-sponsored community mobilization, and commercial sector distribution. In both **Ecuador and Peru**, a combination of NGO and government distribution systems was used.

To assess possible distribution methods for the project, use a worksheet such as the one on the next page to help you make a systematic comparison of the options. There is a blank copy of this worksheet in Annex D. Possible criteria for assessing and comparing options are written across the top of the table.

In the left column, list possible distribution methods. Then assess each according to these criteria and any additional criteria that you want to add. The example on the next page shows how the worksheet was completed by some planners considering four particular options in their area.

Figure 7: Example Worksheet to Assess Possible Distribution Methods

Possible Distribution Methods	Project cost	Demand creation	Product recognition	Effectiveness of distribution	Accessibility of product for consumers	Product price	Control over product price	Potential for sustainability
Government & NGO combination – adding onto existing distribution system for NGO clinics, government health centers, health posts	Lower	Low	Low	Good – may reach underserved areas	High where government and NGOs work	Lowest	High	Moderate to low
NGO – establishing new NGO-sponsored network of outlets for distribution of vessels and disinfectant	High	Moderate	Moderate	Depends on number and placement of outlets	Depends on number and placement of outlets	Medium to high may be low if NGO subsidizes price	High	Low
Commercial Sector – using network of established pharmacies, shops for household items	High to moderate	High	High	Good but may not reach underserved	Low	High	Low	Moderate to high
Social Marketing -- health centers and shops provided with marketing materials; door-to-door sales	High	High	High	Good, but may not reach some populations, especially in rural areas	Will require special targeting to ensure that at-risk populations have access	Low	High	Moderate to High

Though the final choice will probably be a mix of systems, the worksheet will help make apparent the strengths and weaknesses of each method. An important consideration will be whether a method will use an established infrastructure (such as government health centers) or the system will need to be developed (such as door-to-door sales persons). Development of any new system requires considerable planning, resources and effort.

6.3 Select methods of distribution and plan them in more detail

Select a method or combination of methods that will be able to best achieve project objectives within the budget. Then plan the methods in more detail, that is, plan for actual distribution sites and persons who will sell vessels and disinfectant. For example, specify names of health centers, pharmacies and shops, and plan how to identify and train door-to-door sales people.

Lack of community support and poor communication between a project management committee and the community are common reasons for project failure. Careful planning with community representatives can help. Identify common goals and address issues where there are differences in views as early as possible. Identify key people who could be involved in the project and develop their roles with them.

It may be helpful for project planners to interview prospective distributors about characteristics of their system, such as:

- distribution area
- site of population covered
- type of outlets
- number of outlets
- other products distributed
- distribution costs
- frequency of distribution
- distribution capacity (i.e., number of vehicles, number of units of product they can carry in a given period of time)
- do they have issues with product exclusivity

Caution: The project must pay close attention to distribution. Insufficient follow-up after initial distribution in one project led to failures in some regions. Also, the project grew too large for the capacity of the implementing agency to fill demand. Households obtained initial supplies but when the disinfectant was used up, they were unable to replace it. The education campaign was too short to persuade the target population of the relationship between the consumption of contaminated water and diarrhea.