Cost-Effectiveness of Private & Public Channels Used to Improve Access To
ROTO SEPTIC TANKS FOR IMPROVED RURAL SANITATION COVERAGE
in Tien Giang Province, Vietnam

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PROBLEM

Despite Vietnam’s recent macro-economic gains, WASH-related diseases continue to limit improvements in health and development. Approximately 71% of the rural population in Vietnam has access to hygienic sanitation—compared to 90% of the urban population (JMP, 2017). Achieving Vietnam’s SDG for rural sanitation will require hygienic sanitation installed for 2 million rural people every year until 2025. (MARD, 2010). Barriers to rural sanitation include accessibility and affordability of quality sanitation products/services as well as limited demand. (WSP, 2014 & PSI/Vietnam, 2016). In 2016, PSI partnered with ROTO—the manufacturer of a locally-produced, MOH-approved plastic septic tank to expand ROTO rural market coverage in Tien Giang province.

SOLUTION

To improve convenient access to and demand for appropriate, hygienic latrine models, the project has been working with:

RETAILERS & MASON REFERRALS

42 affiliated sanitation retailers to stock and sell ROTO tanks to rural households. There are 2 types of retailers: light-material retailers selling paint, tiles, latrine pans, and water pipe and heavy retailers selling bricks, sand, gravel, and cement. Support to these channel included: promotion of the retailer via wall mural; provision of trade marketing materials such as standee, sticker, plastic septic tank, Frequently Asked Question booklet; training for affiliated masons to install plastic septic tanks in compliance with gender and quality standards, organization of product show at their retailers, etc.

SALES BY COMMUNITY SALES AGENTS

22 Community Sales Agents, mostly female entrepreneurs with good communication skills, were selected and supported by the project to identify households without hygienic latrines in their community to discuss the benefits of a plastic septic tank and to conduct door-to-door ROTO sales in Tien Giang province. Project support included marketing materials, performance-based incentives, communication skills training, and onsite coaching.

COMMUNITY TOILET SALES SEMINAR

22 Sale Seminar meetings were organized in collaboration with Provincial Department of Health to offer targeted subsidies to poor rural families in need and to highlight the benefits of investing in sanitation. Costs to organize these events include: subaward with Provincial Department of Health to invite the right target audience, provision of marketing materials, targeted subsidy for some participants.

From January-December 2017, PSI-supported enterprises sold 1,799 ROTO tanks in Tien Giang through rural construction retailers and their associated Masons, toilet sales seminars and community sales agents. Assuming an average family size of 4, this translates into an estimated 15,246 people benefitting from improved sanitation.

CONCLUSION

PSI analyzed sales MIS data as well as field-level expenditure data during a 12-month period (January-December 2017) to assess the relative cost-effectiveness of ROTO sales (directly from manufacturer to rural retailers supported by the project) through i) retailers & mason referrals; iii) community toilet sales; iv) sales by community sales agents. Private retailers with trained masons generated 91% of the total ROTO tank sales. This analysis found that retailers and affiliated masons generated 91% of all rural ROTO sales and are the most cost-efficient sales channel with an estimated field-level expenditure per tank sold of $2.61 (excluding global or Hanoi-office based costs). In comparison, sales events organized in partnership with provincial DOH partners had an estimated field level expenditure of $135.20 per ROTO tank sold, and Community Champions yielded an estimated field-level expenditure of $54.68 per tank sold. The analysis of 2017 ROTO sales and local expenditure data by channel provides additional evidence of a key lesson emerging from the project: it is more cost-efficient to integrate sanitation sales into commercial channels already accessible to rural households than creating new channels to deliver sanitation sales. However, this analysis does not include data on the consumer profile, and it is possible that the most cost-efficient channel are serving wealthier consumers (households seeking materials and mason services to assist with larger, home renovation projects) whereas the less cost-efficient sanitation sales channels are reaching poorer households.

SUPPORTING PARTNERS

CONTACT

For more information about PSI’s engagement of the private sector to address priority health issues in Vietnam, visit www.psi.org.vn or email psi@psi.org.vn.