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Metadata Record: https://dspace.lboro.ac.uk/2134/31213

Version: Published

Publisher: © WEDC, Loughborough University

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Please cite the published version.
38th WEDC International Conference, Loughborough University, UK, 2015

WATER, SANITATION AND HYGIENE SERVICES BEYOND 2015: IMPROVING ACCESS AND SUSTAINABILITY

Disruptive design in sanitation marketing: lessons from product and process innovations in Bangladesh

J. MacArthur, F. C. Riggs & R. Chowdhury (Bangladesh)

BRIEFING PAPER 2176

Based in Dhaka, the Sanitation Marketing (SanMark) team at iDE – Bangladesh, is harnessing principles of disruptive innovation to change the landscape of how latrines are produced and sold to rural households. iDE’s Bangladesh SanMark Pilot (BSMP) project (2012-2014) aimed to develop a proof of concept around private-sector led delivery of customer-oriented improved sanitation technologies through three phases: i) identification of existing disruptee conditions, ii) support of an “entry point” innovation that generated key “disruptive design principles”, and iii) robust ideation and prototyping of a disruptor system grounded in the design principles. Through these phases, the project experienced an initial ”entry point innovation” through the plastic SaTo® Pan. The resulting design principles then informed development of the disruptor system of the plastic “Sanitation in a Box” (SanBox) offset plastic latrine, a promising sanitation product grounded in a scalable business model connecting grassroots latrine producers to a national supply chain.

Introduction

Based in Dhaka, the Sanitation Marketing (SanMark) team at iDE – Bangladesh, is harnessing principles of disruptive innovation to change the landscape of how latrines are produced and sold to rural households. The team is seeking to leverage investment and existing values chains from more traditional industries, which have built their capacity on less risky product categories. In a country where over 30% of the population is under the poverty line (WSP, 2012), the authors have yet to see a household without a plastic bodna (the bucket that is used to take water to the latrine). By leveraging this existing plastic supply chain, access to the remotest parts of the country through pre-existing service and delivery modalities becomes possible, at a scale that would not be feasible otherwise. The team has set out to see the commercial disrupt the noncommercial, while encouraging existing public and donor funding to be used for the ultra-poor at the end of the value chain. Disruptive innovation in both product and market system design for private-sector-led sanitation services offers a means to achieve sustainable hygienization at scale across Bangladesh.

Disruptive design

When Clayton M. Christensen coined the phrase “disruptive innovation” in the mid 1990s, the term was primarily poised to describe technology innovation that overtakes an existing market, by applying a different set of values (Christensen, 1997). Nearly two decades later, innovation continues to overtake existing markets, but innovation for Bottom of Pyramid (BoP) consumers (Prahalad 2004), is moving beyond simply product design. Markides (2006) defines disruptive design as being in two distinct categories: process (business-model innovation) and product (technical innovation). Paap and Katz (2004) state that “change – not technology – creates value” and that leveraging both internal process operations and an external customer base is critical to productive change. The SanMark team would further defend that it is the combination of both process and product innovations, leveraging existing market systems that moves a system to being disruptive. Here innovation is seeking to disrupt market modalities in product delivery, supply chain, services and manufacturing. While these innovations could be seen as evolutionary
developments to existing paradigms, they are ultimately disruptive as they aim to overtake markets sustainably and at scale.

Sanitation in rural Bangladesh

Globally, 2.5 billion people do not have access to improved sanitation facilities and access in South Asia has increased by 19% since 1990 (JMP, 2014). Nonetheless, rural access to latrines has improved markedly in Bangladesh and the practice of open defecation has been greatly reduced in rural areas from 38% in 1990 to only 5% in 2011 (JMP, 2014). It has been widely accepted that the main force behind the shift in the number of latrines installed has been motivational campaigns rather than subsidized hardware. Yet evidence suggests that the level of ‘hygienic’ coverage remains low at approximately 48-53% of all rural households. Health-related losses in Bangladesh are estimated at over 4 billion US dollars, equal to 5% of GDP (WSP 2012).

Subsidy-driven demand creation activities have mobilized communities to eliminate open defecation and extensive groundwork has been laid by donors and NGOs over the last twenty years in Bangladesh to develop more than 5,000 Latrine Producers (LPS). Currently investments in sanitation service delivery are estimated to be up to 96% private and 96% of rural households pay for their own sanitation services with as little as 11% receiving public assistance.

However, the long-term results are often marginal scale, depressed consumer demand, discouraged private sector interest, and widespread dependency mentalities amongst program beneficiaries and the private, public and development actors aiming to improve sanitation services and conditions throughout the country. The decentralized LPS remain unconnected into a larger commercial network and few are offered incentives to ensure hygienic latrines. Further, public funds appear insufficient to meet overall demand for hygienic latrine products and subsidized latrine distribution is not always targeted according to objective criteria of need.

The lack of linkages in the current sanitation market in Bangladesh continues to create barriers for consumers, LPS and the wider private sector to engage with a well-managed sanitation market system and with quality controlled products.

Moving towards disruption

Figure 1 elaborates on the iDE Bangladesh’s experience utilising a Human Centred Design (HCD) process (IDEO, 2013) to learn from existing offerings characterised by variable products (the current ring/slab designs) and unmanaged processes (disconnected ring/slab makers) to a disruptive solution with quality controlled product and managed process. This system points towards sustainability and scale and is based on consumer and supply chain insights through ideation and prototyping. The disruptor system includes a bespoke latrine design: the SanBox, which is a mass manufactured, bundled and standardised plastic mid-structure that leverages existing manufacturing and supply chain infrastructure to connect traditionally isolated grassroots latrine producers into an established retail system across the country.

![Figure 1. Disruptees to disruptors in sanitation marketing](image-url)
The development of this disruptor system was the primary achievement of iDE’s Bangladesh SanMark Pilot (BSMP) project (2012-2014). BSMP aimed to develop a proof of concept around private-sector led delivery of customer-oriented improved sanitation technologies. In practice, the project’s journey toward a disruptive product and process occurred in three broad phases: i) identification of existing disruptee conditions, ii) support of an “entry point” innovation that generated key “disruptive design principles”, and iii) robust ideation and prototyping of a disruptor system grounded in the design principles.

Identification of existing disruptee conditions emerged from BSMP’s HCD research at the onset of the project in early 2012. During these activities, BSMP was able to leverage global ties between iDE and American Standard Brands (ASB), a US-based kitchen and bath multinational enterprise, to support an ASB initiative to develop innovative new products in sanitation through funding from the Bill and Melinda Gates Foundation (BMGF). As a result, ASB experts joined iDE’s BSMP team in field-based deep dives to identify key weaknesses and opportunities across consumers’ desires for improved sanitation solutions in their lives, technical feasibility constraints in existing latrine technologies, and the commercial viability of existing business models at the grassroots and within wider market systems in Bangladesh. The resulting consumer and supply chain insights are summarized in Table 1 (product) and Table 2 (process).

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<th>Table 1. Disruptees (variable)</th>
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<td><strong>Product</strong></td>
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<td>Unpredictable</td>
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<td>Unhygienic</td>
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These insights immediately guided the development of an initial product innovation that ultimately informed BSMP’s development of a full disruptor system. The results of BSMP’s field research enabled ASB, with further support from iDE/BSMP, to develop the plastic SaTo® Pan, an innovative new “user interface” for consumers that emphasizes affordability while reducing water usage for flushing and discouraging breakage of hygienic water seals observed in pre-existing pan offerings. By March 2013, the SaTo® Pan had been tested and put into production by RFL Plastics, Ltd. (RFL), a Bangladeshi plastics
manufacturer within PRAN-RFL Group Ltd. Within several months mass production and distribution of the SaTo® Pan began through both commercial and NGO channels, resulting in over 300,000 SaTo® pans produced and distributed from April 2013 to August 2014.

While the success of the SaTo® Pan was encouraging, this initial product innovation proved to be a critical inspiration for wider design principles informing the development of a fully disruptive system. In terms of the product offering itself, the SaTo® Pan demonstrated that a mass producible concept could standardise product quality while significantly increasing the ability to diffuse the technology at scale, and could enable bundling of several mass produced components to expand these benefits to other elements of the offering. At the process level, the SaTo® Pan indicated that a product grounded in a robust manufacturing and distribution infrastructure could significantly increase the efficiency of diffusion at scale and increase the likelihood of sustainability by reducing the need to create new supply chains.

<table>
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<tr>
<th>Process</th>
<th>Current conditions</th>
<th>Implications</th>
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| Decentralized | • Production of existing solutions is highly decentralized  
• Passive marketing at LP level is unsupported by mass marketing propositions and promotional channels | • Lower returns on investment for scalable diffusion of improved sanitation solutions  
• Increased necessity for greater investments in building and maintaining producer capacity  
• Consumers have weak perceptions of value addition from adoption |
|Disconnected   | • There is low access to critical supporting services for consistent, scalable enterprise growth (e.g. marketing services)  
• There is low access to knowledge and market intelligence  
• Physically distant from both supply chain inputs and consumers  
• There is a low degree of communication between LPs | • Disconnected designers are unable to review designs through consumer lenses  
• Overemphasis on product-orientation over customer-oriented products and service models  
• Overemphasis on technical feasibility than in tandem with consumer desirability and socioeconomic viability  
• Genuine, sustained feedback loops between designers and producers are scarce |
| Inefficient    | • There is weak competition between technically sound solutions  
• Evolution of sector is fully dependent on donor-funded strategies and programming | • Relatively high barriers to entry outside of public and/or development sector programmatic support |

With these design principles in hand, the BSMP team set out to leverage the SaTo® Pan experience and develop a fully disruptive solution to use the SaTo® Pan in improved offset latrine systems. To address this challenge, the BSMP team utilized iDE’s global experience in sanitation marketing and product innovation to adapt functional elements of its successful Easy Latrine® developed by iDE in Cambodia. Additionally, the team aimed to build on the extensive local level concrete ring and slab manufacturing capacity and to start with the latrine mid-structure where the challenge of hygienization is focused and which is easily addressed in a centrally manufactured product. The team will aim to address the superstructure and substructure of the latrine in subsequent projects. The result was ideation around a mass-producible “flush funnel” that could house the pan and connect it to an outlet pipe to an offset pit. Further, iDE recognized that existing offset latrines typically do not provide space for upgrading from a single pit to twin-pit system, and conversion is an unsanitary and unpleasant process. The solution was inclusion of several PVC pipes connected by a 45° elbow bend, making switching from one pit to the other a simple matter of rotating the outlet pipe from a filled pit to an unfilled one. The result is a more hygienic and desirable process with minimal material costs. Finally, the SaTo® Pan experience suggested that standardizing the material of these components and bundling them together would embed functional effectiveness and hygienic standardization at scale.
Accordingly, the BSMP team worked closely with RFL to co-create the “Sanitation in a Box” (SanBox) product. The plastic SanBox enables households to purchase a standardized, hygienic latrine product that improves average quality, increases water use efficiency, and improves upgrading and conversion of single-to twin-pit offset systems. Included in the box is a squat slab and pan cast in plastic and made to look like stone; pipe and pipe joins for a twin pit offset system; glue for the piping; a gas pipe for the clay based areas of Bangladesh; and a scrub brush. It is estimated that the SanBox will retail in Bangladesh for under USD 25. The SanBox is installed with twin cement three ring pits, commonly found in Bangladesh to encourage rotational composting. Most importantly, this research and design process revealed the critical importance of grounding product innovation within a sustainable and scalable service model. The process-level design principles of Table 2 led iDE to pilot a fully-commercial supply chain model with leading national plastics firm that links small scale sanitation entrepreneurs to a large-scale marketing and distribution infrastructure with over 3,000 retail points across all sixty-four districts of Bangladesh, as illustrated in Figure 2. Under the model developed, the lead firm develops new linkages with sanitation entrepreneurs, treating them as semi-formal retailers in their existing national supply chain. Sanitation entrepreneurs will receive discounted prices for the SanBox from RFL, and will also receive vital supporting services such as production training and marketing through a sustainable commercial business model. These sanitation entrepreneurs have consequently become RFL Sanitation retailers, and a part of the formal supply chain of the firm. As pit emptying is a robust and extensive informal sector within Bangladesh and this project focused specifically on the latrine mid-structure, pit emptying has not been included in this discussion.

Table 3 presents the insights from the disruptor situation, which is quality controlled and managed. This system has moved through the three HCD lenses of desirability, viability and feasibility. Here the product is predictable, hygienic and simple and the process is expandable, connected and efficient. The process is not designed to be replicable in different nations around the world per se, but is developed to be expandable into new markets through natural market flows.

<table>
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<th>Table 3. Disruptor (quality controlled and managed)</th>
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<tr>
<td><strong>Product</strong></td>
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| Predictable | - Mass produced in a quality controlled setting  
- Standardised inputs ensure high fidelity  
- Product outputs that can be mass produced  
- Reduced price variations for LPs to inflate the market and reduce profit through unhealthy competition | - Product quality is predictable from manufacturing level to the household level |
Hygienic
• Bundled design ensures that components are designed to fit together hygienically
• Increased consumer incentives for future upgrading of latrines to twin pit models
• Design incorporates features that overcome hygienic concerns seen in existing systems

Simple
• Bundled and mass produced design (in a box) simplifies the procurement process for LPs for inputs in a clear procurement channels
• Reduces the technical capacity requirements for a LPs through components that are meant together

Process
Expandable
• Distributed leverages pre-existing national supply chains with reach to all areas of the country
• Centralized production
• Lead firm augmented marketing at a national level ensures further and deeper reach with effective value propositions

Connected
• Increased access to critical supporting services for consistent, scalable enterprise growth (e.g. financial services)
• Increased access to knowledge and market intelligence

Efficient
• Diffusion of solutions is less dependent on donor-funded strategies and programming

Conclusions
While Lepore (2014) warns that one should not be hasty to define a technology or concept as disruptive before there is sufficient evidence, the SanMark team at iDE – Bangladesh has created a system which seeks to build into existing systems for sustainable growth and scale. The plastic mould for SanBox is currently being manufactured in India and the team will be rolling out sales in three separate programs starting in May 2015. Over 60,000 latrines are expected to be sold in the first year (2014/2015) based on experience with the SaTo pan, a strong marketing campaign, and RFL’s robust brand power in Bangladesh. Capitalizing on a strong private sector for manufacturing and robust supply chains in Bangladesh, the team has created both a unique product and a unique business process while fully understanding the country context. This model reduces risk for the donor and private sectors by leveraging the capacities of both. It also views product innovation as an entry to process innovation grounded in HCD. The extensive work in Bangladesh over the last thirty years in building the foundation for such a model should not be understated and this disruption is predicated on this exceptional groundwork.

Acknowledgements
The authors would like to extend thanks to the Swiss Agency for Development and Cooperation (SDC), The Water and Sanitation Program (WSP), UNICEF, American Standard Brands and PRAN-RFL Group.

References
JMP (2014) *Progress on sanitation and drinking-water - 2014 update.* WHO and UNICEF.

**Notes**

1 BSMP was funded by the Swiss Agency for Development and Cooperation (SDC) and Water and Sanitation Program (WSP¹), supported by UNICEF, and implemented by International Development Enterprises (iDE) in Rajshahi District, Bangladesh from January 2012 through April 2014.
2 Developed by iDE in collaboration with a consultant from the design firm IDEO, the Easy Latrine consisted of a squat pan, slab, catchment box, pipe and offset storage rings, which made household decision-making easier with a relatively standardized product that was easy to produce and install.

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