

Going with the flow: Understanding the nuances of the HWTS consumer market

Methodology

Potential consumers for household water treatment and safe storage (HWTS) products span a vast spectrum of diversity both across and within developing countries. Successful targeting of consumers requires a keen level of understanding of a population's key behaviors, beliefs, and practices. Too much or too little detail potentially can be misleading. Effective market segmentation seeks to delineate this boundary between identification and over-generalization by identifying subsets of people who display common needs or characteristics that lead them to demand similar products or services.

Well-balanced segmentation research will reveal recognizable (e.g., often through observational characteristics), differentiated, durable, and substantial consumer or user aggregations. It will also provide direction for targeting appropriate products, delivering effective messages, and triggering correct and consistent product usage.

Over- or under-analyzed segmentation, however, will result in either small pockets of consumers that do not allow for sustainable product efforts, or enormous consumer agglomerations that inhibit effective establishment of product awareness and adoption through a single approach.

Building upon early socioeconomic research in India, the Safe Water Project (SWP) embarked upon an iterative market segmentation process in Cambodia, Kenya, Tanzania, and Vietnam, and through qualitative focus group discussions and quantitative household surveys with potential consumers and users of HWTS products. The nationally representative studies were specifically customized to inform SWP pilot efforts in each country by addressing issues directly related to planned pilot products, messages, and distribution channels.

PATH's SWP research and implementation efforts in various global regions have provided a wealth of market and consumer information related to HWTS solutions. Qualitative and quantitative analysis across countries has revealed various levels of similar consumer awareness indicators and market factors related to HWTS products, pointing to a progression in market maturity from low (Tanzania) to more established (India).

Ranking of countries by market maturity:

- 1 India
- 2 Vietnam
- 3 Kenya
- 4 Cambodia
- 5 Tanzania



Viewing segments through contextual characteristics

Findings from the segmentation research in Cambodia revealed five distinct consumer segments that were relevant across both urban and rural settings. Of these, only one segment—the “not involved” segment, representing 12 percent of the population—was determined to be of low priority for reaching through HWTS efforts. The other four segments each displayed unique qualities that private- and public-sector players could target in marketing, distribution, and product development efforts.

Consumer segmentation



Segment	Base	Total	Rural	Urban
Aspirers	295	30%	83%	17%
Cautious Traditionals	249	25%	88%	12%
Comfortable Progressives	214	22%	59%	41%
Uninvolved	120	12%	78%	23%
Discriminating Pragmatics	109	11%	82%	18%
Total	987	100%	78%	22%

30% Aspirers

Strongly motivated by brand and high technology, for which they are willing to pay more; look for deals, discounts, extra accessories; trust advice from friends and recommendations from non governmental organizations (NGOs); are concerned with water clarity, taste, odor, and family health; and have easy access to shops selling water treatment products.

25% Cautious Traditionals

Have easy access to water treatment product vendors; influenced by the media and advertising; their friends treat water; confident they correctly treat water; find boiling inconvenient; and prefer easy-to-use products.

22% Comfortable Progressives

Highest income; most educated; most experienced consumers with most household durables; place priority on family health; and are especially concerned with bacteria in water.

12% Uninvolved

Tend to boil water, although less than the market average; less motivated to buy water treatment products compared to other segments.

11% Discriminating Pragmatics

Clean, clear, odorless, and good-tasting water is most important; family health is top priority; appreciate good-looking household items; and are among the lowest income.



The Discriminating Pragmatist segment in Cambodia appreciates a good-looking household product and also highly values family health.



A Cautious Traditional may be a good candidate for a water filter because he is looking for an alternative to boiling as a way to treat his water.



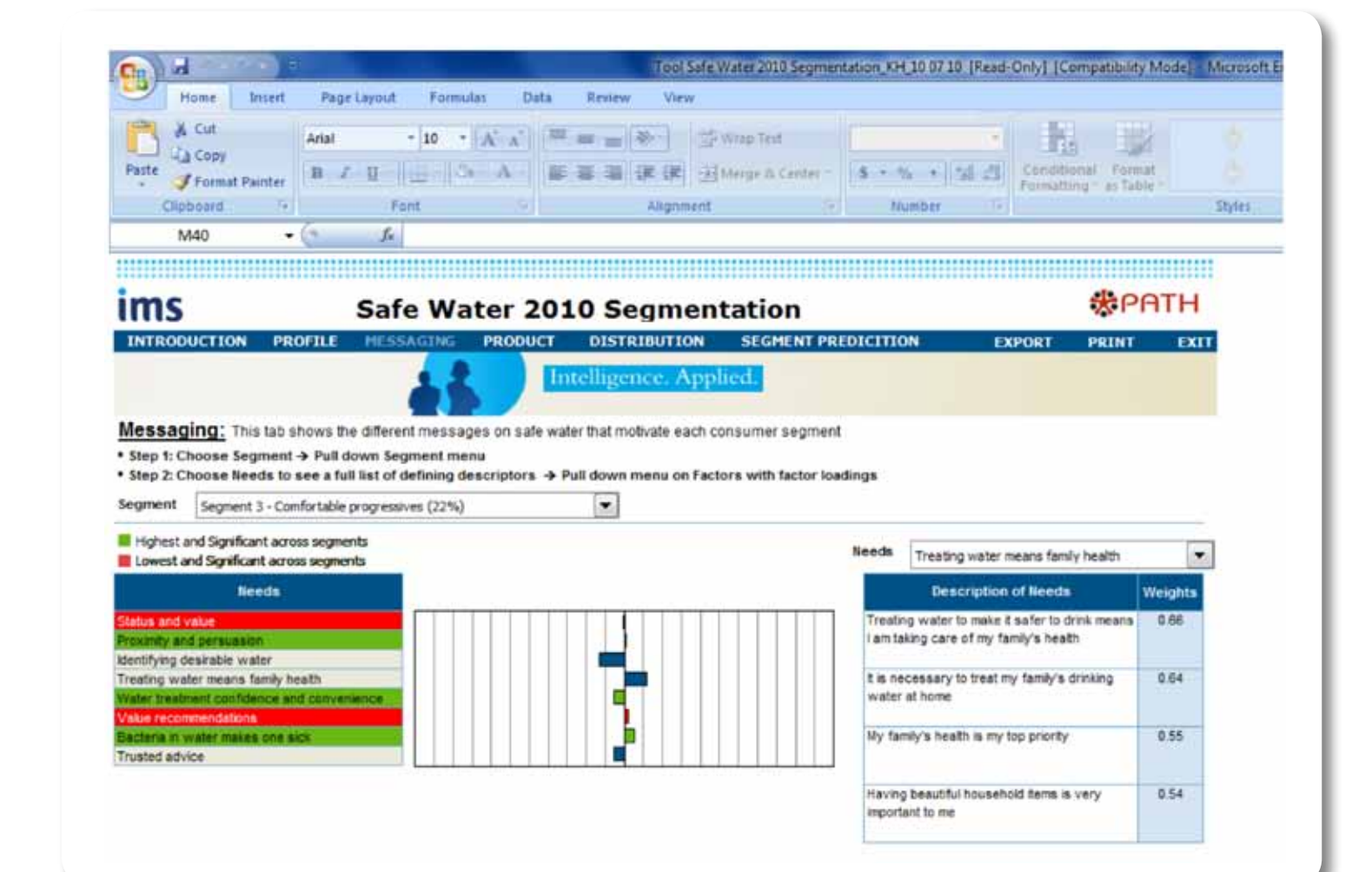
In Vietnam, a pilot program distributing a chlorine water treatment product was targeted to the Practical Nurturer segment, as they place a premium on family health but are not as picky about the smell and taste of their water (often a barrier to chlorine treatment).

From learning to action

The SWP has subsequently integrated the segmentation findings in SE Asia into its distribution pilots to concentrate efforts on segments with the highest potential via various approaches in pricing schemes, sales techniques, and product offerings. In Vietnam, PATH was able to tailor its marketing campaign specifically to the “Practical Nurturer” segment in order to attract greater uptake from mothers wanting to provide safe water for their families.

Sharing our knowledge

PATH has worked with market research firms in SE Asia and Africa to create a segmentation tool for partners and other stakeholders to utilize our segmentation findings in their HWTS efforts. The tool integrates the entire scope of our research data in each region with a user-friendly, customizable interface. Users can toggle various categories and characteristics of target consumers within the tool to gain a distinctive view of groups of households with high potential for HWTS initiatives.



Screenshot of how to target messaging to the Comfortable Progressives segment in Cambodia

Next steps

PATH plans to continue to build upon its consumer segmentation efforts in the future in order to shed new light on key considerations for improving HWTS practices and expanding access to improved household sanitation facilities across a range of countries in various global regions. In addition, PATH will seek to develop strategies for layering insights from consumer segmentation efforts into future implementation efforts with various partners and collaborators in both the public and private sectors.

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PATH's Safe Water Project is a five-year learning initiative funded by the Global Development division of the Bill & Melinda Gates Foundation. Its primary focus is to test market approaches for improving access to effective household water treatment and safe storage products for low-income households.