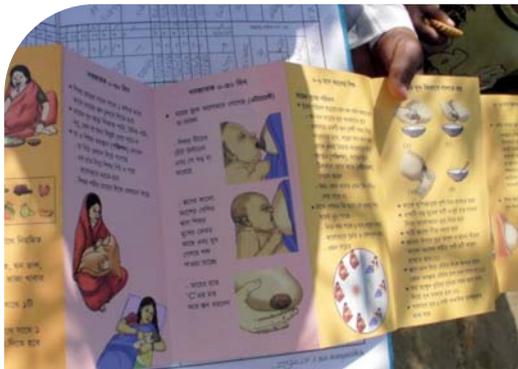


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MARKETING NUTRITION FOR THE BASE OF THE PYRAMID

Introducing successful practices
for improved access to nutritious
complementary foods: Key lessons
from case studies





The Global Alliance for Improved Nutrition (GAIN) provided funding for this report as part of its work to improve nutrition for low-income consumers and vulnerable groups. The report captures lessons from various market-based approaches that will help GAIN and others to improve global development programs. Each year malnutrition not only threatens billions of people's health, but it also kills 3.1 million children under age 5 and leaves some 165 million stunted. The global impact is incalculable, thwarting communities and entire economies. GAIN was founded in 2002 to combat this human suffering by improving access to a wide variety of affordable, nutritious foods for vulnerable populations. First among our priorities are adolescent girls, women, and children in their first 24 months of life, when poor nutrition may cause lifelong problems. The strategies we apply: 1. Introduce new models of delivery and improve delivery mechanisms to better meet global needs; 2. Test new models that are market-based in their approach, innovative, sustainable and scalable; 3. Catalyze results-based partnerships among those positioned to create impact – governments, civil society, businesses and humanitarian agencies.



The methodology used for this work follows that of previous Hystra studies. The 2013 report on Marketing Innovative Devices for the BoP¹ similarly benchmarked best practice market-based projects on a set of social and economic indicators; the same methodology was used to review micro-distribution networks for fast-moving consumer goods (in food and other sectors) at the BoP.

The lessons learnt highlighted here are based on extensive desk research, interviews with 32 experts on nutrition for the BoP as well as infant nutrition and health-related behaviour change, our previous experience in studying over 20 models of micro-distribution at the BoP, and the in-depth analysis of 7 case studies specifically for this work (including field visit for 6 of them): BRAC-Renata (Bangladesh), Danone Milkkuat (Indonesia), Econocom Foods (South Africa), Gret program Nutrifaso (Burkina Faso), Naandi Community Water Services (India), Nutri'zaza (Madagascar), and Protein Kissèe-La (Côte d'Ivoire). We would like to give special thanks to the teams without whom this study would not have been possible, who have welcomed us and given us their time and insights. We would also like to thank the experts who took the time to answer our questions and review this report, in particular Marti van Liere and Dominic Schofield from GAIN.

¹ For more details, see report "Marketing Innovative Devices for the BoP" (Hystra 2013) available at <http://hystra.com/marketing-devices>.



EXECUTIVE SUMMARY

AS OF 2014, MALNUTRITION REMAINS A WIDESPREAD ISSUE ACROSS THE GLOBE. FAMILIES LIVING AT THE BASE OF THE PYRAMID SPEND AN AVERAGE OF 60% OF THEIR INCOME ON FOOD,² AND YET, UNDERNUTRITION STILL ACCOUNTS FOR OVER 3 MILLION DEATHS PER YEAR AMONG INFANTS AND YOUNG CHILDREN. 26% OF ALL CHILDREN UNDER FIVE ARE STUNTED, IRREMIEDIABLY REDUCING THEIR CHANCES OF BECOMING SUCCESSFUL ADULTS.³

A range of solutions has been developed to improve the quality of nutrition during the critical first 1,000 days of life.⁴ Little is known however about the potential contribution of market-based solutions. This report learns from the successes and failures of best practice organizations that successfully sell nutritious complementary foods and supplements for 6-24 month old infants to BoP families in developing countries.

Readers should keep in mind that this report : (1) does not entail an endorsement of the nutritional value of the products presented, (2) is based on a limited set of examples and might have overlooked important nuances in both products and geographies, and (3) will probably need to be revised as the evidence base builds up.

With these caveats, the report proposes eight lessons drawn from the analysis of the innovative marketing, sales and distribution approaches of these successful organizations:

- #1** Marketing nutrition is not (only) about health: the value proposition should provide an immediate satisfaction to the child and convenience for the mother, while meeting local food habits
- #2** BoP consumers are ready to pay more for nutritious products that they value: mothers want to give their children the most expensive – seen as the best – food they can afford, not the cheapest product on the market
- #3** Effective promotion leverages trust and aspirations: this might include promotion or sampling through health professionals (when in line with local laws), aligning the entire caretaker environment to motivate behavior change, and using aspirational (rather than health) messages
- #4** Constant reminders and incentives drive compliance, which is key to simultaneously achieve social objectives and economic sustainability for the marketers of these products
- #5** When traditional retail exists, in rural and mature markets, it is the most cost efficient distribution channel: beyond marketing practices, daily product availability is necessary for regular use and must be achieved at the lowest possible costs
- #6** Door-to-door sales can create demand and build client loyalty in new urban markets, or in existing markets where consumers demand services which can only be provided by door-to-door
- #7** Optimizing salesforce productivity requires following private sector best practices for other types of fast moving consumer goods, and innovating “frugally” for distribution solutions
- #8** Broadening the customer base is key to building a sustainable business, i.e., by creating additional premium products, catering to a larger population than infants and young children, or carefully leveraging large-scale institutional orders.

2 WFI, *The Next 4 Billion*.

3 Black, Victoria, Walker, Bhutta, Christian, de Onis, Ezzati, Grantham-McGregor, Katz, Martorell, Uauy, and the Maternal and Child Nutrition Study Group (2013), *Maternal and child undernutrition and overweight in low-income and middle-income countries*, *The Lancet*, ISSN 0140-6736.

4 The UNICEF 2006 *Progress for Children Report* defines undernutrition as the outcome of insufficient food intake and repeated infectious diseases. It includes being underweight for one's age, too short for one's age (stunted), dangerously thin for one's height (wasted) and deficient in vitamins and minerals (micronutrient malnutrition).

Further research is needed to validate and deepen these findings. Yet we hope that they can already lead to more large-scale initiatives that leverage market-based mechanisms to bring the benefits of innovative products and services to more families at the BoP, and help solve the scourge of malnutrition.



About HYSTRA

Hystra is a global consulting firm that works with business and social sector pioneers to design and implement inclusive business approaches that are profitable, scalable and eradicate social and environmental problems. In order to “be the change we want to see in the world”, Hystra itself is a hybrid consulting firm – a for-profit tool for social change. Since its creation in 2009, Hystra has conducted in-depth sectorial studies on clean energy, safe water, affordable housing and ICT-based business models for development, analyzed winning marketing strategies in micro-distribution, designed new models to serve low-income communities with home improvement packages, irrigation pumps, solar lights, safe water, and improved nutrition products, prepared business plans for pioneering inclusive businesses and supported the creation of a social impact fund. In five years Hystra has worked in close to 20 countries serving over 35 clients, including large corporations, international aid agencies, foundations, and governments, to support business models that change the lives of low-income communities across the globe.

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For more information and to download this full report as well as Hystra reports on Marketing for the BoP, Energy for the BoP, Safe Water for the BoP and ICT for the BoP, visit www.hystra.com.

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