

IDE Cambodia

Ceramic Water Purifier Promotional Plan

“The objective of a marketing plan is to attract and keep customers who are willing to and able to pay for goods sourced or manufactured by the organisation.

To do this the organisation must be able to locate prospective customers, where they live, work and play – and then understand their needs, wants and desires; create products and services to satisfy those desires; and finally communicate that information to them”

W.F. Arens

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1. IDE MISSION STATEMENT

IDE seeks to:

- Alleviate rural poverty in the world's least developed countries
- Enable small holders to increase production, generate income, and improve their quality of life
- Develop market environments that serve the interests of the rural poor
- Equip local private enterprises to meet the needs of the rural poor
- Promote gender equality in our programs

2. ORGANISATION OBJECTIVES

1. Develop appropriate technologies, especially water-related technologies since water is a critical livelihood constraint for most of the rural poor.
2. Disseminate these technologies through market channels at prices that are unsubsidised, sustainable and yet affordable for large numbers of poor households.
3. Strengthen the capacity of local small-scale enterprises so that they can better respond to the unique demands of the rural poor.

3. THE CAMBODIAN MARKET

Geographic

Cambodia, a small country, extends 580 km East to West and 450 km north to south. Bound by Thailand on the west, north by Laos and Thailand, to the east by Vietnam and to the south by the Gulf of Thailand.

An area of 181,035 sq km Cambodia's two dominant topographical features are the Mekong River running the full length of the country through the eastern side and the Tonle Sap lake and river on the western side. In the centre of Cambodia, around the Tonle Sap lake and the upper Mekong Delta is a low lying alluvial plain (central plains) where the vast majority of Cambodians live. Extending outwards from the plains are forested plains no more than 100m above sea level (basin periphery).

Climate

The climate is governed by two monsoons that set the rhythm of rural life – the cool dry north eastern monsoon which carries little rain (November to April) and the south western monsoon (May to October) which brings strong winds, high humidity and heavy rains. Daily temperatures vary between 30 and 40 degrees C with the coolest in January.

Economy

Cambodia's economy is in terrible shape following decades of internal conflict. Tourism now outshines rubber production and a rapidly growing garment manufacture sector accounts for up to 80% of exports – thanks to cheap labour and relatively relaxed investment codes. Many international brands are manufactured around Phnom Penh and Sihanoukville.

Tourism is possibly Cambodia's biggest industry with visitor numbers increasing by 30% in recent years.

Cambodia is one of the poorest countries in Asia with per capita GDP US\$260 a year and approximately 36% of the population classified as poor. Foreign aid has a far reaching effect and contributes to more than half the government's annual budget. 85% of the population live in the countryside where their livelihoods are primarily agriculturally based. Most of the rural population is engaged in the growing of rice and other basic crops or fishing.

Little or no tax is paid in most of the country, although a 10% sales tax was introduced in 1999 but most people don't pay. The international community has supported Cambodia with a disbursement of approximately US\$500 million each year since 1999. This subsidises almost half of Cambodia's government spending. Membership of Asean is a political and economic advantage. With a vested interest in peace and stability the community should be in a position to focus on social welfare, health care, and infrastructure projects. The challenge for Cambodia is to create an environment where sustainable economic development can take place and corruption is the exception rather than the rule (particularly of the politicians).

People

Approximately 11.8 million people with an annual growth of 2.4% the country is predicted to exceed 20 million by 2020.

Phnom Penh is the largest city with about 1 million people with other major centres being Sihanouville, Siem Reap, and Battambang. Kompong Cham (Mekong River) is the most populated province with a share of 14% of population.

Infant mortality is the highest in SE Asia with 73/1000. Due to poor sanitation, disease and poverty it is estimated that more than one child in 10 dies before reaching the age of 5 years. Diarrhoea is the biggest killer of young children. Life expectancy is low with the average of 53.6 years for men and 58.6 for women and about 50% of the population are under the age of 15.

Education

Adult literacy rates are around 65% but vary widely between provinces. Only 1 in every 20 boys goes beyond primary to high school. Girls are disadvantaged as boys education is favoured on a limited income. Families rely heavily on the Wat system to educate their young boys for a period of 2 years.

Society

Cambodia is a very traditional society that values family structure in regulating life. Fiercely independent Cambodian village life is less structured and less hieratical than neighbouring Vietnam. There is little respect for the government and younger people have lost faith in the role of royalty. It's a country operated by men rather than rules.

Transport

Cambodia has some of the worst roads in the world, but at last, thanks to foreign aid, roads are being repaired and bridges built. The Japanese built bridge at Kompong Cham now crosses the Mekong River allowing transport to cut across the country towards the Vietnam border. Communities, generally speaking, migrate to river and road and there are limited bus facilities and train is unpredictable and unreliable. Multiple booking taxis/trucks and buses move people between towns to conduct business or visit families. More than 50% of families have motor bike transport but few have motor vehicles making their movement somewhat limited – although it's surprising what you can carry on a motorbike!

For this project we have segmented the market geographically by nominating communities that are viable in number and accessible by road.

Communication

Khmer television has several channels including state-run TVK and private channels Apsara and Bayon with a programme focus on singing and Chinese movies. Additionally they carry political propaganda showing politicians engaging in good deeds across the country (paid coverage). The BBC, Voice of America and Radio France International broadcast on FM radio relay.

Satellite TV is available extending the range of channels. They include BBC World, CNN, Star TV, MTV, Cartoon Network, TV5 and ABC.

Daily and weekly newspapers are published through out the country featuring international and local news with political updates.

Most families in Cambodia own a radio and approximately 75% have a television.

4. IDE STRENGTHS AND WEAKNESSES, OPPORTUNITIES AND THREATS

Opportunities are gathered from strengths, problems derive from situations of weakness,

Internal Strengths

Strong organisation vision and direction

A professional and realistic approach to requirements/needs within the country

A professional and responsible organisation mission

Committed and capable staff members

Professional and commercial approach to product sustainability in developing country

Internal Weaknesses

Limited funding

Funding (and project) dependency on grants from donor agencies

Pressured by the needs to continually seek donor funding

CWP Focus on bottom end of market restricts margins in commercial markets

Current CWP product design dictates bottom end of market

Insufficiently trained staff to deal in commercial and sales environments

Little real life experience in management of commercial retailing

Beneficiary mission focus

Little or no sales and marketing processes and practices in place

No sales or performance reviews in management structure

External Opportunities

Few government restrictions on NGO activities

No threatening competitor

Desirable product at affordable price

External Threats

No patent protection through government regulations, registrations and registration

Low cost to enter

Commercial opportunities in Cambodia, difficult to get under way

Communities slow to change attitudes and behaviour and adopt new products

Low income throughout majority of country

Laissez-faire attitude by people and majority of retailers – innovation not encouraged

Country run by men not rules

Systemic and pervasive corruption

Limited manufacturing prospects

Low margins on product

No regulatory manufacturing standards or quality control specifications by government
 Government's heavy reliance on foreign aid
 Possible withdrawal of foreign aid which supports 50% of government budget

5. ASSUMPTIONS

No immediate threats by competitor products
 Political environment within the country remains stable
 No major floods, droughts or other disasters
 Economy remains constant with minimum inflation

Slow adoption of product by market
 IDE/CWP attracts donor funding for marketing expenditure
 IDE commits to commercial orientation in the operation and management of CWP

6. CURRENT SITUATION

6.1 Product

The Ceramic Water Purifier is a porous pot-shaped filter made of kiln-fired clay and impregnated with colloidal silver. The filter element is set in a plastic receptacle tank with a plastic lid and a spigot. Well, pond or river contaminated water is poured into the top of the clay pot allowing natural filtration into the plastic holding receptacle at a rate of 2 – 3 litres per hour. The pot has the capacity to deliver 10 litres of water at each fill allowing a family to produce 20 – 30 litres of water per day with two or three fillings.

The filtering effect of the clay eliminates a large proportion of water-borne pathogens but laboratory tests indicate that the colloidal silver is necessary to achieve complete disinfection. The filter component and plastic tank require cleaning every month and it is expected that the pot should be replaced every three years.

The CWP product is highly regarded by current users with high value perception.

Table 1. Value perception (RPS, July 2004)¹

	Kam Cham %	Pursat %	Poipet %
Good Value	97	100	100
No	3		
Undecided (too new)			
Sample size	40	24	33

Current CWP purchasers and users report a noticeable increase in family health – CWP meets customer needs and expectations.

Table 2. Reduction in the incidence of diarrhoea (RPS, July 2004)

	Kam Cham	Pursat	Poipet
Yes	40	24	30
Some			
None			3
Sample size	40/40	24/24	33/33

Primary benefits of the CWP are those of better health with little or no diarrhoea resulting from drinking purified clear, clean water. Secondary benefits are time savings for up to 70% of users in the eliminating the need to boil water, purchase or collecting wood. This accounts

¹ RPS refers to the CWP Rural Purchaser Survey conducted by IDE in July, 2002

for a monthly saving of approximately \$1.40. Where users purchased bottled water the savings increase significantly to an average of \$2.11 per month (CFT, Oct 2003)².

Table 3. Benefits of CWP (RPS, July 2004)

	Kam Cham %	Pursat %	Poipet %	Total %
Convenient/easy to use	15	58	30	31
Clean water	73	58	67	67
Prevents illness	48	33	52	45
Saves money	10	4	36	18
Saves time boiling water	43	38	42	41
Saves time collecting wood	15	25	24	21
Good taste	10		24	12
Do not have to buy water			21	7
Sample size	40	24	33	97

IDE CWP Baseline Survey, 2003

The product requires cleaning monthly to maintain effective operation of the filter through removal of collected soil particles. During this process, the cleaner must be careful to avoid contamination by not placing their hands on the outside surface of the filter or the inside surface of the receptacle. A brush is supplied to assist in the cleaning process of the clay filter. Fragility of the clay filter is of concern to the user. IDE research revealed that most purchasers are cleaning the product correctly as specified in the maintenance brochure or as instructed by the retailer (RPS, July 2004). This is encouraging from a product performance perspective.

The CWP should be placed in a secure situation, preferably tied down so it cannot be knocked over (usually by children, by a cow in one case). Most Cambodians store their CWP in the house where it is safe and conveniently accessed.

Table 4. Filter storage (RPS, Jul 2004)

	Kam Cham	Pursat	Poipet
Under house	10	8	1
In house	29	16	21
In cooking house			7
Another place	1		3
Sample size	40	24	32

The CWP is guaranteed to be fault free on purchase as rigorous testing takes place before the product leaves the factory. However during transport to retailer and then from point of purchase to the customer's home, the product may develop cracks, which affect the rate of filtration. Most purchasers return the product if it is flowing too fast. It is important to highlight the filtration rate so transport faults, that affect the product's performance, can be recognised by the purchaser.

CWP is a new product to the market and as such is in the early stage of introduction, and already 94% of purchasers are satisfied with the performance of CWP and would recommend it to someone else.

Table 5. Would you recommend CWP to others (RPS, Jul 2004)

	Kam Cham	Pursat	Poipet
Yes	38	23	30
No	2	1	3
Sample size	40	24	33

² CFT refers to the report *Ceramic Water Purifier Cambodia Field Tests*, IDE Working Paper No.1, October, 2003

The design of the product is judged as satisfactory with some buyer resistance to the porous and finish of the clay-fired pot, it's inconsistency in shape and the cheap appearance of the plastic receptacle.

Table 6. Least liked about CWP (RPS, Jul 2004)

	Kam Cham	Pursat	Poipet	Total
Not enough water storage	5	1	7	13
Not attractive		1	3	4
Slow filtering	3	2	9	14
Fragile	6	2	8	16
Expensive		1	1	2
Fast filtering		2	1	3
Clay filter does not fit bucket well	4	2	3	9
Bucket is poor quality	2	1		3
Slow flow from tap		1		1
Tap too high from bucket base		1		1
Cleaning it	1		1	2
Shedding of clay	1			1
Tap performance	6		5	11
Responses/Sample size	28/40	27/24	38/33	97

Product design aspects are now being addressed by IDE and it is expected that a new receptacle will be available in 2005 to overcome customer dissatisfaction. Unfortunately the fragility and inconsistency of the clay-fired pot is more difficult to rectify as it relates to the nature of the clay material and the labour-dependent production process.

6.2. Product Positioning

CWP has been positioned at the low end of the market with the intention of meeting needs of rural poor as stated in IDE's organisational mission.

Currently there is little branding of CWP but this is being corrected with the inclusion of an embossed logo on the plastic bucket. The "Rabbit" brand has been adopted from IDE agricultural services and is not particularly applicable to this product as it. Is there a valid reason why IDE not change the brand to something more relevant and complementary – Purest Water, Pure & Clear, Refresh, Vital Health etc? A brand name is with what customers associate the product.

6.3. Product Price

Price, in normal manufacturing businesses, is set to cover the total direct costs relating to the material costs of the product and it's manufacturer and the indirect costs proportioned to that product. Additionally the manufacturer's profit from all products produced contribute to the costs to cover head office finance, administration, distribution/storage, marketing expenses. Price is a basic regulator as it influences the factors of production. There are situations where product is manufactured for strategic reasons without the requirements of profit however this is not normally the case.

Currently, IDE has only one product in it's water filter range. To date three factories have been established specifically to manufacture the CWP. A retail price of US\$7.50 - US\$8 was set to cover production and transport costs and profits to manufacturers, distributors and retailers. In a Willingness to Pay study conducted in 2003, some 100 non-CWP users in villages were asked to nominate a figure that they would be prepared to pay for a product that would deliver clean drinking water in their homes. 10% of villagers nominated US\$8 while 27% nominated US\$4.50.

The current price covers the manufacturing and distribution costs, IDE's costs for overall project management and marketing expenses have been subsidised using donor funds. It is unlikely that IDE could lift the price in existing markets without visible product improvements – ie stainless steel tank, designer tap etc.

6.4. Product Promotion

As previously stated CWP was introduced to the market on a restricted budget with limited advertising over three provinces – Pursat, Kampong Cham and Kampong Chhnang. Exposure by radio and loud speaker trucks, billboards and fliers – no effective branding, no packaging design, no accreditation, no labelling and no endorsement. The campaign has been instructional and educational with a focus on health and time saving issues and to date it has been relatively successful.

Table 7. Where you learnt about CWP? (RPS, Jul 2004)

	Kam Cham	Pursat	Poipet*
Friend/neighbour has one	8	3	5
Health clinic	14	4	7
Nurse recommendation	9	7	1
Retailer			
Radio	7	19	
Loud speaker truck	1	1	
Poster/billboard	1	1	1
NGO	5	1	24
Responses/sample size	45/40	22/24	38/33

* No advertising in Poipet

6.5. Product Packaging

In line with a cost-contained product, the CWP packaging is basic to say the least. The ceramic filter is packed in a plain brown cardboard box with an instructional maintenance pamphlet inside and a small scrubbing brush and the tap. It carries no imaging, no branding, no benefits, no external instructions. The plastic receptacle is separate from the box and is designed to make it stackable (one inside the other).

6.6. Retailer Distribution (July 2004)

Currently retailers are located throughout 5 provinces:

Retailer type	Kampong Chhnang	Pursat	Kampong Cham	Siem Reap	Kampong Thom
Health Centre	0	17	7	1	1
Pharmacy	3	2	13		
General Household Retailer	2	3	10		
Households without safe water access	75,866	66,782	291,669	121,934	119,124

IDE Sales performance analysis, July

2004

Retailers were selected without formal criteria and without sales expectations. There appears to be no relationship between population and the number of retailers and no pattern in the retailer type. No formal presentations were made to retailers, no goals were established and most retailers appear to have agreed to be distributors from a sense of "doing good" for the poorer people.

7. PRODUCT LIFECYCLE AND ADOPTION

The concept of Product Lifecycle (nominated a ten-year timeframe) is one where the life of the product is divided into five stages: introduction, growth, maturity, decline and possible abandonment. IDE marketing efforts need to consider these stages and the Adoption

Process (by potential buyers) to successfully target prospects within the market at different times and stages.

1. During the **introductory phase** the product should be launched with a full-scale marketing programme aimed at creating awareness and motivating behavioural change. This is the stage where many products fail. It is also the stage of high costs, low sales volume, net loss and limited distribution - it is the most risky and most expensive period. Fortunately CWP has little or no direct competition. The promotional programme will be designed to initially stimulate primary, rather than secondary demand by focusing on health related product benefits, rather than the brand, employing an educational socially responsible approach convincing people that the product will provide health benefits (they seek). At this stage target prospects will be opinion leaders in the community and early adopters (see page 13).

This is a time when IDE has the opportunity to set prices as desired, to maximise profits at a higher price or to establish a lower price in an endeavour to obtain as many customers as possible. The organisation has the capacity to manufacture volume to meet a higher demand in the market. There is the opportunity to price at US\$9 targeting townspeople not the poorest in the community.

Distribution at the early stage is through specialised channels, rather than mass distribution. IDE has already established a chain of medical centres and pharmacies (except Kampong Chhnang) to facilitate consumer distribution. The down side of this specialised approach is that pharmacies/medical centres whilst recommending the product, thus giving it endorsement, are not sales trained nor motivated by making a sale.

2. The **growth or market-acceptance phase**, is the period where both sales and profits rise. It is the time when competitors are most likely to enter the market and it is the time when marketing focus changes to an aggressive branding and product differentiation campaign. This is also a good time to extend the product range or introduce product improvements. Trade and consumer incentives are often used to maintain market share and build retailer loyalty.

The number of retailers should expand from speciality stores to more mass distribution. Economies of scale are introduced and prices may come down a little if a competitor enters the market.

In the case of CWP, users will be buying replacement product.

3. On **maturity**, sales still increase, but at a declining rate. The product has now been accepted by the majority of consumers. Profit of both manufacturing and retailer are starting to decline. Price becomes an issue if there is competition in the market. The selling emphasis now changes to price and customer service. It is also the time when the manufacturer should be considering ways of "updating" or extending the life of the product through repackaging, new features, additional features or a fresh design.

The communication strategy shifts towards keeping and improving the brand name awareness and differentiating our product from the competitors.

This is the most challenging period during the life-cycle and it is the point where abandonment should be considered seriously by the organisation if competitors are apparent, costs exceed profit or the product has been made redundant.

Candle-filters, which are considered by many to more aesthetically attractive than CWPs could threaten the CWP if introduced from Vietnam. To date, the performance of the Vietnamese Candle-Filter product is less satisfactory and testing record results that fall short of those of CWP particularly in the elimination of bacteria.

Product Adoption Process is the recognition that people “take-up” a new product at different rates (over a differing timeframe) and marketing strategies and tactics change to accommodate differing prospects.

1. Initially IDE identifies leaders in the community and converses with advertising, face-to-face presentation and below the line activities to gain product endorsement and sponsorship from “**early adoptors**”. These people usually account for 16% of the market. The earlier adoptors tend to be an integrated part of the local social system. They are usually opinion leaders with respect within their social system. It is known that Sales people are more likely to be used by early adoptors than by any other category.

Pharmaceutical and medical businesses and organisations fulfil this leadership role, and the use of them as “retailers” will endorse our product as well as build trust in the community.

IDE Field staff should seek out opportunities to make presentations to the public in general, all health related committees such as the Sanitation Groups, and Water Management Groups, and to opinion leading committees in the community - School and Teacher, Village Development, CWCC, Friends Help Friends etc in an effort to reach these opinion leaders

2. A more deliberate group. the “**early majority**” represents about 34% of the market. The members of this group are a bit above the average in social and economic measures. People in this group rely quite a bit on advertisements, sales people and contact with “early adaptors”.

3. “**Late majority**” adaptors represent again about 34% of the market, and tend to be a more sceptical group. They rely on peers as a source of information and word of mouth is the most effective form of recommendation. They usually purchase after the peak in sales volume (on the downward curve) about 4 – 10 years in this case.

In time - (4 – 10 years) it is expected that referral by others, will become the dominant trigger to purchase.

8. TARGET MARKETS

8.1. Prospects, Lifestyle, Cultural and Social Influences

Khmer society is considered to be conservative. Trying something new is not encouraged. All Cambodian social relations are hierarchically ordered (primarily in terms of age). Age is not exclusive but is determined as a sum of – age, gender, wealth, knowledge, reputation of family, political position, employment, character and religious piety. The primary rule (Martin 1994) is “be discreet, unobtrusive, keep your station”. In general, men are regarded as superior to women.

Traditionally there is an unwillingness to change implying a function of the quest for order, for restoring and/or upholding ideal social and cosmological order. However there is an air of dissatisfaction amongst the young who challenge the wealth of politicians, the lack of interest by the King and of corruption being the mode of business.

Generally, Cambodians are backward looking people, ie., social conduct based on ideas, techniques and phrases passed along through time with the result that people are continually reliving, repeating or restoring what was past – in ceremonial terms, in adages and in the agricultural cycle.

Life is based on Karma – the basis tenets of life. If you are rich it is because you lived meritoriously in your previous incarnations. To gain merits in this lifetime is to observe 5 Buddhist precepts – 1. not killing any living thing 2. not stealing, 3. not committing

adultery, 4. not lying 5. Not drinking liquor and additionally becoming a monk, financing the construction of a temple, giving money for the repair of a temple, giving gifts to monks and giving food daily to monks. Having said that these principles form the basis of traditional customs, there is evidence of erosion of this societal framework.

Khmer social universe focuses on nuclear family and not to belonging to a whole nuclear family is to be socially incomplete, or even a socially disabled person. Even solidarity between parents and married children is not institutionally formalised and cannot be taken for granted in all situations.

Single women are generally misfits within society. They are usually depersonalised and made socially invisible, unless there is strong family unity.

Village and family organisation is extremely weak. Khmer villages are not cohesive units as much as in Vietnam; families are disintegrated beyond the nuclear family. Extended families do not exist and records of previous generations are not kept.

Reasons cited for individualism and independence are –

- Relative abundance of land
- Private land holdings
- Sacredness of private property
- Introduction of Napoleonic Code
- No communal land
- Small numbers of traders and craftsmen
- Lack of systematic division of labour
- Non-existent committees or organisations

At village level the Chief of a village is the only person employed by the state (a very minimal salary). The chief used to organise group activity, but little exists today. The commune chief's role is "to inform and implement new directions" but their instructions are often unheeded. Public projects remain undone unless paid for. There is little empowerment at village level, and people are reluctant to work for the common good without being paid. However there is some evidence that social cohesiveness and self help mechanisms in villages destroyed under Pol Pot, are slowly returning to normal, whatever that is.

Generally households are female headed, while many decisions are made jointly, the woman has the last word. Not just in the household and everyday expenditure, but with respect to decisions such as what fields to plant, what kind of rice and vegetables to grow and what price to sell them for.

The city of Phnom Penh advances towards a more cosmopolitan lifestyle with routines closely tied to trading rather than rural routines. People in the city are seen to be different from those in the country because of their life activities. Standards of living are generally higher, though there still exists a layer of poverty. People come to PP seeking work opportunities.

8.2. Buyer Behaviour

The primary target market for CWP is nominated as rural communities without access to safe water. Of the rural communities there exists two divisions – 1. rural poor (mainly rice growing) and 2. rural townfolk. Male and female, aged between 30 - 40 years, married, with families, who own their own home and have a modest monthly income of between US\$10 – US\$100 and have disposable incomes.

This plan targets rural townfolk who have the ability to buy.

The secondary market is the Phnom Penh market that is serviced by relatively safe water but where sales volume could be found from disposable income prospects who seek additional

security for their drinking water. Unfortunately this market segment does not match IDE business mission. No research has been undertaken by IDE in this market to date.

Among CWP purchasers (mainly townfolk) the decision to purchase the CWP was usually either a joint family decision (36%) or a decision made by the wife (31%) or husband (22%) individually. The wife therefore was involved in 67% of final purchase decisions and the husband in 53% of final decisions. Final decisions made by others inside or outside the family were rare.

Table 8. Final decision maker (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet	Total
Husband	5	4	12	21
Wife	14	6	10	30
Family	16	11	8	35
Child	2	1	1	4
Parents	1		1	2
Myself	4	2	2	8
Employer	1		1	2
NGO			2	2
Responses/sample size	43/40	24	37/33	104/97

Most CWP purchasers made the decision within a time frame of a few days, indicating that the product was affordable to them and that the families had a disposable income available. The majority of sales were made within a month of becoming aware of the product suggesting that the CWP was not a considered or major purchase so the decision making process was relatively short.

Table 9. Period of time from awareness to purchase (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet	Total
Immediate purchase				0
A few days	24	6	16	46
A few weeks	7	8		15
More than one month		10	13	23
More than two months				0
About three months	7		2	9
About 6 months	2		1	3
More than 6 months			1	1
Sample size	40	24	33	97

Table 10. Mode of payment (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet	Total
Had the money	15	14	23	62
Had to save the money	1	1	1	3
Received credit from seller	8	9	3	20
Borrowed the money			1	1
Gift			5	5
Responses/sample size	24/40	24	33	97

Table 11. Spare money in the family (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet	Total
Sometimes	14	8	11	33
Often	5	4	5	14
Always	15	9	8	32
After harvest	4	3		7
After selling product			4	4
Never	2		5	5
Sample size	40	24	33	95

As would be expected, little pre-purchase consultation took place by CWP purchasers outside the immediate family. This could be a factor of independence, but more likely the price of the product does not warrant major consideration and it was immediately affordable to most of the purchasers.

Table 12. Person consulted before purchasing (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet	Total
Spouse	11	6	11	28
Mother	2	2	3	7
Person who owns one	4	4	1	9
Friend/relative	2	1	2	5
Family discussion	8	11	3	22
Retailer	4	1		5
Health clinic	10	3	5	18
Village elder		1		1
Village council		1		1
Daughter/son			1	1
School teacher			5	5
No-one	4		1	5
Employer	2		2	4
NGO	1		8	9
Responses/sample size	48/40	30	42/33	120/103

Little is known at this stage of national consumer expenditure patterns but when our interviewers asked CWP purchasers what their expenditure priorities were they recorded the following answers:

Table 13. Urgent needs of the family (Priorities) (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet	Total
Food	18	12	19	49
Clothing	5	5	8	18
Education costs	8	5	15	28
Better house	4	9	8	21
Household goods	13	4	13	30
Machinery	1	1	2	5
Transport vehicle	3	2	5	10
Money for medical	5	2	3	10
Money	4	1	2	7
Electricity			2	2
Clean water	2		1	3
Cow	1	1		2
Pig	1	2		3
Fence	1			1
Latrine in house	2	3		5
Contribution to ceremonies	1	1		2
Responses/sample size	69/40	49/24	78/33	196/97

Straight count to responses recorded – most respondents gave two answers

So it can be gauged that our Cambodian purchasers is still at the bottom of Maslow's Hierarchy of Needs and daily basic needs are their priority. CWP purchasers typify the average income levels but have a higher educational level than statistical averages – 73% of CWP purchasers are in the US\$10 - US\$100/month earning bracket with 26% attending high school level.

Table 14. Level of Income/month (RPS Jul, 2004)

US\$	K Cham	Pursat	Poipet
10 – 50	15	8	15
51 – 100	16	7	10
101 – 150	3	3	4
151 – 200	2	3	1
201 – 250	2	1	
251 – 300		2	1
301 – 350			

351 – 400	1		
400 – 500	1		2
Sample size	40	24	33

Table 15. Respondents level of Education (Total Survey) (RPS Jul, 2004)

Level of Education		%
Elementary school	27	27.8
Secondary school	39	40.2
High school	26	26.8
University	5	5.2
Sample size	97	100

9. MARKETING OBJECTIVES

To fulfil the objectives of CWP roll-out strategy, the marketing objectives are:

- To develop a marketing approach that will “drive” an increased number of purchasers through existing and new retail outlets to inquiry about and purchase the CWP.
- To create adequate market demand to meet required production outputs that deliver a sustainable manufacturing industry.
- To identify the “persuasive” tools and messages best suited to engage an exchange with identified target prospects within selected geographic market segments.
- To develop a strong branding campaign to create both a desirable product and to endorse product quality and quality assurance.
- To use suitable aspects of “social marketing” and health benefit education to implement change behaviour among consumers.

10. CWP PROMOTIONAL OVERVIEW – promotional options

This plan is submitted without budgetary restraints.

At this point several issues should be reviewed – they are IDE Strengths and Opportunities, Weaknesses and Threats. IDE Business Objectives, Roll Out Plan and staged introduction. The Communication Plan addresses issues raised in these previous discussions.

10.1 CWP Strategies

Marketing Objectives	Strategies
1. To develop a marketing approach that will drive an increased number of purchasers through existing and new retail outlets to inquire about and purchase CWP.	Develop a health-related benefits focused advertising campaign/promotion, utilising on-strategy media channels supported by below-the-line activities.
2. To create adequate demand to meet production outputs that delivers a sustainable manufacturing industry (15 units/month/retailer).	1. Develop a cost-efficient and effective promotional plan that manages entry into each provincial market as timing necessitates. 2. Adjust promotional tactics in recognition that discerning buyers enter the market at different stages of the product cycle. 3. Change promotional focus to a branding campaign to keep competitors at bay, build equity and trust in the brand, endorse guarantee and warranty and reassure the replacement buyers.
3. To develop a strong branding campaign to create that endorses product warranty, quality and reliability, and product assurance and compliance.	Differentiate CWP so it is recognised as a unique, high quality, trustworthy product that performs what it claims.
4. To use suitable aspects of “social marketing” and health benefit education to implement change behaviour among customers.	Bring about behavioural change by the declaration that family health is the responsibility of parents - passing the responsibility of family health to consumers.

5. To identify the “persuasive” tools and messages best suited to engage an exchange with identified target prospects within selected geographic market segments.	Continue researching the market through interviews and discussion groups.
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10.2 CWP Positioning

Management’s ability to position a product appropriately in the market is a major determinant of company returns. IDE recognises that CWP is a product in a market priced so that it will not sustain viable profits so profitability is not the foremost consideration.

CWP is positioned to attract the lower end of the market, the negative effect of this being that it cannot move up the market and will not attract people in a higher socio-economic bracket without product improvements (smooth finish, receptacle tank, tap etc). Currently primary prospects have limited resources and will be affected by any down turn or change in the market.

And as CWP is a stand-alone product ie there is no product range to offset it’s positioning, the opportunity to trade it’s reputation against higher or lower priced branded products in the range does not exist.

IDE’s goal must be to build equity and trust in a low positioned product by developing interdependent, mutually satisfying relationships with customers and other stakeholders. To manage these relationships, IDE will manage marketing and communications activities such that the marketplace receives consistent image-building messages.

In an endeavour to lift the image of the product and change the perception of a coarse clay filter, for example, IDE could promote by using the messages - “natural filtering process” or “utilising nature’s own filtering process”, “water purified the natural way”, “a product of nature and science formulated to purify” - these statements add credibility and when the product sits at the bottom of the market every effort must be made the product credible.

10.3 CWP Price

The price of CWP is set at between US\$8 and US\$9 retail, and villagers report it to be an acceptable and affordable price.

This price was established after discussions with village people and not townspeople. If we target townspeople in mass marketing efforts, there is the possibility that the price could be raised to at least US\$9 without a noticeable difference in sales. It’s the health benefits that the customer is buying and the price difference is so small, a retailer should be able to talk his way around the issue. The higher price leaves room for the retailer to negotiate, it allows for higher remuneration for the distributor and it allows the lowering of price over time.

It would be a worthwhile exercise for IDE to test the market in a new province before introduction to see what the townspeople would be prepared to pay for the product -

1. As it is
2. Mocked up with an “upmarket” bucket and new tap.

In this way we could explore price elasticity in the new market with our target market prospects and determine the opportunity to increase the price.

10.4 CWP Branding

Branding is primarily, a fundamental device to differentiate a product from its competitors. Brand is a combination of name, words, symbols and design (and colour) that identifies the product. Without brands consumers would not be able to identify one product from another.

Brand offers the consumer instant recognition and identification. It also offers a guarantee, warranty, quality consistency, reliability, and in some case psychological satisfaction. A brand delivers a promise and gives confidence to the buyer.

The ultimate goal of brand advertising is to build greater brand equity – the feel and think of a brand by customers, retailers, wholesalers, distributors and the competitors.

Branding requires time and money. To be effective branding must maintain consistency in the message by integrating all marketing communications – from packaging and advertising to sales force and publicity.

IDE should review the CWP brand and consider whether “rabbit brand” is suitable for the Ceramic Water Purifier. Although the rabbit is a symbolic figure to Cambodians does it reflect pure, disease free water in any way? Does it say I’m guaranteed, I will not fail you, I keep my promise?

A brand incorporates a corporate colour, images designed, typefaces determined and usage specifications set.

10.5 Offer

A solution to good health through the guaranteed elimination of E coli and diarrhoea forming bacteria by the decontamination of collected water to clear, safe, drinking water. And it tastes good.

That is the promise and the warranty.

10.6 Advertising, Promotion and Communication (marketing mix)

Before making any changes in CWP promotional material it would be advisable that IDE employ a good strategic advertising agency. Advertising is their business and their area of expertise and a powerful creative and effective media placement can make a difference by delivering sought after responses and sales. Material should be pre-tested with rural town people representative of the target group before being placed into the market.

Communication channels used in more progressive countries such as Database management and mail, e-mail and text direct marketing are methods that are almost impossible to implement in Cambodian market (particularly to the bottom end) leaving the more traditional avenues for advertising and personal selling the two most certain methods.

Advertising is a marketing communications tool available to IDE to maintain contact with customers and prospects. A structured and composed non-personal communication of information, usually paid for and usually persuasive in nature. Advertising will relay key messages about CWP through selected media.

Paid advertising is typically directed to groups rather than individuals – therefore mass communication. It is intended to be persuasive to convince prospects to purchase, so creative presentation and key messages must match prospects and meet their needs - “speak their language”.

Advertising usually identifies the sponsor and although being an NGO in Cambodia can be a disadvantage, it can also add credibility. Advertising reaches out through many channels of

communication such as radio, television, newspapers, billboards, fliers, POS etc to connect with as many people as possible.

Personal selling (Sales) is the communication process by which the seller gauges and then satisfies the purchaser's need to the extent that an exchange takes place and both parties are satisfied. Nothing is more persuasive as personal communication – to both the retailer and the end-user consumer. Personal selling allows response, adjustment and if professionally applied, addresses the consumer needs. It is a necessary tool particularly at the product introductory stage.

One of the roles of advertising is to reduce the cost of sales by communicating information about the product and company by giving: relevant information (benefits), building equity in the brand, and generating interest. Sales people provide four functions: information gathering, information providing, order fulfilment and relationship building.

Sales promotion compliments advertising and personal selling by stimulating sales. While advertising creates market value for the brand; promotion creates market volume. Advertising has a positive effect on profits, where promotion can have a negative one. Combining both gives a *push* and *pull* effect on the market.

To move products through the distribution channel from the point of manufacture to the point of consumption, marketers employ two types of strategies: Push and Pull. *Push* strategies are primarily defensive tactics designed to secure the cooperation of retailers, gain display space and protect against competitors. Trade promotions are the usual form of tactic.

Pull strategies, on the other hand are offensive tactics designed to attract customers and increase demand for the product. Consumer advertising and consumer sales promotions are examples of pull strategies because they are designed to induce consumers to seek out or ask for the product in effect pulling the product through the pipeline.

Some typical retail (trade) concentrated marketing/promotion (*push*) tactics suitable for CWP and the Cambodian market would be:

Trade Deals - short term discounts or other dollar inducements – easy to introduce for a short period of time to encourage increased purchase by retailers. A suitable tactic only if IDE changes its retailer purchasing practices.

Display Allowances - fees to make room for the set-up and display of a product – not normally practiced in Cambodia, so IDE may not to encourage this allowance.

Buyback Allowances - manufacturer buys back product if it has not sold – may be an attractive offer to the retailer if IDE chooses to have retailers “purchase” CWP rather than payment on sale.

Advertising Allowances - a percentage of purchases or a flat fee to display product in store with POS material, end of aisles, front of store, floor stands, special placement (fliers on counter) etc

Co-operative Advertising and Advertising Materials - the reimbursement to the retailers for the cost for their advertising. Usually a nominated amount with stated criteria, specified when retailer is selected or at annual review.

Dealer Premiums and Contests – gifts or prize promotions to encourage dealers and sales people to reach specific sales goals. Should be offered in conjunction with a consumer promotion or mass advertising.

Conventions and Retailer Meetings – where manufacturers introduce new products, announce sales promotion programmes, show new advertising campaigns, conduct sales and service training sessions etc.

Push strategies are virtually invisible to the consumer, but successful inducements can deliver extra interest and enthusiasm from salespeople.

Some typical consumer focused (*pull*) tactics suitable for the Cambodian market include:

Point-of-sale (POS) materials – display material and advertising-like devices designed to build traffic, exhibit and advertise the product, and promote impulse buying. POS works best when used with other forms of advertising. It is known (in Australia) that consumers make their decisions in the store 66% of the time and make unplanned (impulse) purchases 53% of the time – so POS can be a major factor in stimulating purchases. POS materials may include displays, counter displays, floor and wall racks, streamers and posters. Often the product's packaging doubles as display units when stacked within the retail store.

Coupons – a certificate with a stated value, when presented to the retail store gives a discount on a specified product. Distributed coupons offer a reason to promote – handing coupons out lets say on the street around the market, or door-to-door, remind people about the product (or introduce them to the product), offer an incentive to purchase within a timeframe, and promote the location of the retailer. Thousands of coupons can be handed out, but generally on a small percentage are actually redeemed (less than 2%).

Cents-off promotions, refunds and rebates – are short-term reductions in the price of a product in the form of cents-off packaging, free offers, box top refunds, stickers etc. In Cambodia this type of consumer incentive would have to be instantly redeemable and managed by the retailer.

Sampling – is the most costly of all sales promotions. It is also one of the most effective for new products because it offers consumers a free trial in hopes of converting them to habitual use. Sampling should be supported by advertising. It offers the greatest credibility and can turn a non-user into a loyal customer instantly – if the product lives up to its promise. CWP samples may be distributed in Health Centres, Pharmacies, Pagodas, public places, door-to-door or by the person in the store. Sampling is also very popular and is often tied to a coupon campaign.

Have a bottle of the water that was poured into the purifier ie “the before” sample and allow the consumer to see and taste the water that comes out.

Combination offers – two for the price of one, soap with filter, toothpaste with toothbrush. Sometimes tied to a successful established product, to introduce a new product.

Contests and sweepstakes – offer prize based stakes. A contest offers prizes based on the entrants' skill, and a sweepstake on a chance draw. This form of incentive encourages purchase of the product as the entry is tied to the packaging, or requires some form of proof of purchase. Contests and sweepstakes must be promoted with advertising and need dealer support.

10.7 Communication channels (Media)

Television

Television offers an immediacy that other forms of advertising cannot achieve, displaying and demonstrating the product with sound and full colour right before the customer's eyes. It is the media that despite the high initial costs brings a low exposure figure of just a couple of dollars/one thousand people. Since the public generally considers TV as the most authoritative and influential medium, it offers a prestigious image. Television is entertaining

and captures target prospects at a time when they are most relaxed and available to listen (receive messages).

The value of television is that over 75% of potential purchasers are available each night in their own homes.

Table 16. Do you watch television? (RPS Jul, 2004)

		Kam Cham	Pursat	Poipet
Father :	Yes	27	18	22
	No	11	3	11
Mother:	Yes	30	22	21
	No	9	2	10
	%	25.9 74	11 89	32.8 67.2
Children:	Yes	29	18	20
	No	8	4	7

These results (IDE Rural Purchaser Survey 2004) are higher than a survey conducted by PSI Cambodia 2003 (representative of the whole community) where their rural statistics recorded Television as the most widely accessed media (61.1%) followed by radio (42%) and 6.9% newspaper readership.

Table 17. Place of watching television (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet
Home	29	17	21
Friends Place	3	5	1
Community place			1
Sample size	32	21	23

Table 18. Father's watching habits (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet
Morning		3	5
mid day	1	1	3
Afternoon	1		1
Evening	24	17	20
All day	2		2
Sample size	28	28	31

Table 19. Mother's watching habits (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet
Morning		3	5
mid day	1	1	4
Afternoon	1		1
Evening	26	19	16
All day	3	1	5
Sample size	31	20	31

It wouldn't take a rocket scientist to draw conclusions from these statistics. And our customers like listening to advertising.

Table 20. Watching advertising on television (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet
Yes	24	22	16
No	8		7
Sample size	32	22	23

Radio

While TV is a passive medium (people simply watch) they get actively more involved in radio. They listen to their favourite personalities, they make requests, participate in contests, or comment on a discussion. Most people are faithful listeners – and smart advertising can use this intimate relationship with consumers.

Research shows that when advertisers run a schedule on television and then conduct the audio portion to radio commercials, a majority of people replay the video in their minds when they hear the radio spot. That extends the life and impact of the television campaign at a greatly reduced spot. On the other hand, radio alone is not as effective as when it combines with another medium.

Our CWP Purchaser survey shows that 68% of our current purchasers listen to radio primarily in the evening.

Table 21. Radio listening (male and female) (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet
Yes	25	23	18
No	15	1	15
Sample size	40	24	33

Table 22. Fathers listening habits (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet
Morning	5	3	13
mid day	2	4	4
Afternoon	1		1
Evening	19	13	11
All day	3	4	1
Sample size	30	17	30

Table 23. Mother's listening habits (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet
Morning	5	4	9
mid day	4	4	2
Afternoon			1
Evening	19	11	8
All day	2	7	3
Sample size	21	18	23

The majority of people interviewed listen everyday with little or no preference to weekends however they did appear to have favourite programmes.

Table 24. Father's favourite programmes (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet
News	10	12	9
Song/song request		5	3
Culture			1
Health		3	1
Social security	2		2
General knowledge			1
Religion			1
Human rights	1		
Darma teachings	1		
New technology	1		
Nothing in particular	1	1	
Sample size	16	21	18

Table 25. Mother's favourite programmes (RPS Jul, 2004)

	Kam Cham	Pursat	Poipet
News	4	11	4
Song/song request	8	9	7
Cooking			2
Health	1	2	3
Social security			1
General knowledge		1	

Youth friend	1		
Human rights	1		
Story/novel	1		
Astrology/fortune telling		1	
AIDS/HIV		1	
Nothing in particular	1		
Sample size	17	25	17

Every person interview said they had trust in what the radio announced.

CWPs could be donated for an "on radio" competitions. – It's very cheap publicity.

Print

91.4% of households we interviewed said they could read. Of CWP Rural Purchasers 27.8% finished school at elementary level, 40.2% finished at secondary level, 26.8% went through high school and 5.1% completed university.

37.9% of CWP purchasers read a newspaper regularly and 62% do not read the newspaper, however only 19.6% buy a newspaper regularly. There doesn't appear to be any pattern in their buying patterns except that the 19.6% that buy seem to buy everyday rather than a particular day.

11. PROMOTIONAL RECOMMENDATIONS

All creative concepts should be consumer pre-tested, and modified according to research indications.

11.1 INTRODUCTORY PHASE

A. Brand

Review/discuss/workshop the brand name, it's suitability, it's existing relationship with retailers and customers. Change or retain. Is there a water spirit in Cambodian tales?

If change, nominate corporate colours, typeface and symbol design.

B. The By-Line

Identify a key message or statement around which to build all CWP communication. eg "the key to good health," "the spirit of life," "eternal wellbeing", "taste the difference" "your guardian and protector" etc.

C. Endorsement

Seek endorsement for CWP from the Pharmacy Guild, Doctors/Medical Association or Department of Health, Red Cross (or some other important body). An endorsement stamp can be designed and impressed on CWP boxes, over printed or stamped on DL fliers, featured in colour on the bottom or top corner of posters etc. Endorsement builds trust if the endorsee is credible and builds on a good reputation.

D. Retail Selection

IDE to workshop the retail distribution and establish a Selection Criteria for their selection.

Some questions to be asked are:

- Where do customers shop for products in this category of product?
- Is a retailer business the best way to distribute CWP to the customer? Is it the most efficient way to sell the product?
- What is the importance of the type of distributor/retailer?
- What retailers are competitors or similar product types using?
- Does expansion into this territory make sense? Is it better to concentrate attention to other areas?
- Who else is selling product in this store?
- Where are other successful products being sold? Is there a trend to watch or be aware of?
- How important is CWP to the retailers business? Does IDE need them more than they need CWP? How important is CWP in terms of contribution to the retailer's bottom line?

Included in the selection criteria should be:

- Type of retailer – speciality, mass or exclusive. What are the advantages and disadvantages of each?
- Location of retail business – preferably optimal trading areas with good and easy access, on or near high traffic counts and other thriving retail locations.
- Annual turnover - higher than average
- Is this retailer prepared to purchase the product in minimum lots? If the retailer purchases the product the more likely they are to move the product through to customers.
- Business profitability – usually indicates a progressive store owner

- Store traffic – increases exposure to customers
- Attitude of retailer – preferably pro-active and keen – will he/she “broker” the product in-store
- Location of product within store – will it be given good positioning
- Sufficient households in the area to warrant expenditure on marketing
- Number of other retailers carrying CWP – competing outlets and cannibalisation of customers
- Adequate outlets for penetration of product – efficient and effective
- Ability of store owner to conduct own marketing/promotion activities
- Amenability to sales targets, goal setting and performance expectations
- Annual culling of retailers where 10% of the lowest performers are dropped and replacements recruited

E. Referees

Identify leadership groups within each community and make presentations to them, seeking their involvement in “spreading the word”. Our research shows that most rural customers who purchased CWP to date are implicate in one or another community committee. Most important of these are committees like the Water Users Group, Community Development and of course the community chief. Start at the top on the structure with workshop/meetings with Central Province officials, District, Commune and village. It is imperative to follow the chain of command and seek endorsement and commitment at each level.

- Provincial level – Governor (Mike Roberts should attend this meeting) and appropriate department heads.
- District level - most important level for local administration. Identify persons responsible for health and sanitation, and for water. Go to the top of these departments.
- District Offices - meet regularly with provincial authorities and with commune and village leaders.
- The Commune Office - deals with the day-to-day affairs of the province.
- Village chief – the most important person to get the message out to localised communities.

F. Hard Copy Presentation

IDE to develop a professional, well designed A4 hard copy (in flip folder) presentation to support presentation appointments with dignitaries, retailers, committees, schools etc - covering aspects of manufacture, product features, users research, distribution (NGO and retail) and promotional activities. Computer generated and digital images are most suitable. Header each page with the organisation name, brand logo and CWP corporate typeface and colours.

Search for any opportunity to make a presentation or give demonstrations.

G. Advertising campaign (Health related benefits)

In Cambodia television coverage is national, which challenges differing market needs (and messages) in rural and city. Develop a 30 second national television commercial to suit rural and Phnom Penh markets and select cost effective and efficient national media schedule. Pre-test visual and audio components to gauge potential audience response (both rural and Phnom Penh). Alter or modify if research indicates the need to do so.

The concept of advertising is to move your targeted prospects through a series of steps until such time that they choose to act or reject. The stages are:

1. Unaware of your product
2. Aware of your product

3. Comprehend
4. Convinced
5. Act

Awareness requires the development of a strategic advertising campaign with effective and sufficient media selection and placement supported by other promotional activities. Consultation with advertising agency and selected media channels are advisable. As Cambodians are slow to adopt newness or make change, the process will take time and needs to be deliberate and constant. Additionally advertising must take into account the different requirements of differing prospects at different stages of the buying process.

The initial message for CWP is to meet the rural customer need of clean, clear drinking water (that tastes good). It will be one based on social responsibility with hard-hitting, "in-your-face" messages that drive the need to act i.e., "you are responsibility for your family's health" and drive change behaviour. Additionally it should carry the Brand, guarantees and quality statements.

As Phnom Penh has also been identified as a market to penetrate, the message needs to include a guarantee of "additional security" to meet this market need.

The focus does not relay technical or time saving issues but the health related benefits CWP brings. Retain a benefits focus until the market has taken up about 35% of the projected sales. Also acknowledge the brand and IDE as manufacturer to give credibility and authenticity. And do include any product endorsement from statutory organisations.

When sales are still on the increase and at a point when competitors are most likely to enter the market, change to a branding campaign when the message focuses on quality, authenticity, guarantee and reliability.

Sales forecasts dictate the requirement for a comprehensive campaign that achieves ambitious results. Television appears to be the most effect means of reaching the mass market and CWP target prospects. Ideally the campaign would be one aiming at high impact in a continuous campaign of four months with high reach and advertising message exposure (optimal frequency).

International studies indicate that only 20% of viewers pay attention when a commercial runs, suggesting that commercials should be placed with a minimum placement of 10 times during a campaign.

To optimise exposure during the initial four months (after harvest) build the advertising campaign to achieve 80% reach with a frequency of 15 i.e., GRP 1200. After 4 months continuous campaign change to a flighting campaign - one month on and one month off for the following 18 months - 2 years (depending on budget, sales and possible competitor activity).

Most particularly schedule placement at times when prospects have money to spend (December to April) and when their need is greatest - during the wet season (May to October).

Radio should be used in the initial stages, to "top up" in the months when television is not scheduled. On an ongoing basis, a strategy may be to be the sponsor of the news, so CWP gets a short mention/reminder before the news in the evening. Donations of CWP for radio give away prizes are cheap publicity.

In the end, it all comes down to the amount the organisation is prepared to pay and the most effective and cost efficient way of reaching the target prospect on the nominated budget.

H. Point-of-sale material (Health related benefits)

Develop POS material – big, and noticeable with the purpose of attracting attention in-store provoking customer inquiry.

Stands - tall fold-down cardboard boxes or tall cylinders, freestanding that allows the product to sit on a platform on top or within the display box. This type of display provides area (sides) on which to print advertising messages, allows the potential customer to see the product, allows them to trial (taste) the product. It looks professional and will stand out in the Cambodian retail environment. The stands should be strong enough to tolerate the Cambodian heat and humidity and last if placed outside on the street. They must also be sturdy so they don't knock over easily.

The stands should feature a pocket where DL sized fliers can be placed for the customer to take home.

If this is not affordable use product boxes stacked one on top of the other, 2 x 2 and place package stickers on the front of each box. Additionally, hang a poster overhead.

Posters - that can be installed either above the product on display (on top of stacked boxes or in cane stand) or elsewhere in the store. They should be at least 50cm wide x 80cm long, with reinforced punched holes at the top for hanging. They are not to be provided but rather installed by IDE staff in suitable positions. Hanging banner headers and rods are readily available but the Cambodian situation should be checked out. The board should be laminated or preferably made from a corflute type material. Ideally the boards will be changed every three/four months promoting new messages or offers or allow the temporary adhesion of "this months special offer" stickers when the product is in the growth phase.

Flags – retailers like the plastic triangular flags that they can string across the front of their stores to identify them as a retailer of CWP or one large flag on a pole placed in an umbrella stand outside the store.

Counter top stands – to house DL fliers on display at retailer's premises. Currently they are stacked away in some obscure place.

I. Promotional fliers (Health related benefits)

Develop DL sized fliers – a series of 4 each double sided featuring a strong related message eg. "Did you know more than 10% of children under 5 years of age die in Cambodia. Diarrhoea is a killer. Purify your drinking water now for just 1000 riel/month".

Fliers (and POS) work best when they reinforce a television campaign message.

Change these as you move through the adoption process – 1. Health benefits 2. Brand and guarantee 3. Testimonials and guarantees.

J. Product video

Develop 2 videos (or CDs) – one promotional and one for sales training. To keep costs down film footage at the same time as the television commercial and use sections of it in the VHS presentation.

The promotional video should firstly feature health benefits, branding issues and then product features. The sales video would include product manufacturing and quality assurance, product introduction, health benefits, future directions, interviews with successful retailers, product endorsement interviews etc.

A brief stating the objectives and goals of each video, is best written to clarify message direction.

The promotional VHS will be a handy tool for in-store promotions, at market demonstrations, committee presentations and schools etc and the sales VHS for new retailer training.

To play the VHS tapes purchase a portable screen/unit.

K. Packaging

Packaging is an ideal opportunity to advertise the product – particularly as it generally sits stacked in the store visible to in-store customers. A printed adhesive sticker with brand and list of benefits adhered to the front of the box would be beneficial. Retailers should be encouraged to use the stacked boxes as display material and put a CWP on top of the stack.

Review and modify current in-packaging flier and reprint.

L. Value Add

Find a soap, detergent, bleach, disposable glove or glass supplier who would be happy to value add to CWP. Limited offer of two weeks – it's a good reason to promote.

M. Household sticker

Develop large sticker that says something like "No sickness in this family. We use a *brand* water purifier". Include a poster or sticker in CWP boxes for home use – Cambodians love posters.

N. Spread the word

Approach NGO's and Micro-Finance Institutions working in rural areas, to promote product.

O. User Trial

It would be worthwhile IDE considering an offer to retailers of an "on loan" CWP to allow uncertain customers the opportunity to trial the product before making the commitment to purchase. The retailer would be responsible for monitoring this offer and keeping track of the product.

P. Retail Training

Retailer training (new and existing) – include both product and sales training. Ideally conducted in major towns in each province. One day minimum – say 9.30am to 4pm. IDE may have to offer monetary incentives to the retailer to encourage them to attend – it seems to be the way of doing business in Cambodia. If it pays dividends then it's worthwhile.

The training session would be educational as well as memorable ie entertaining and should include: company and product direction, product overview, health and selling benefits, marketing ideas (for retailers), sales expectations, advertising schedule, POS, consumer incentives, retailer incentives designed to stimulate their sales, and ask for their feedback. The goal is to get them involved and make them feel important by being part of a socially responsible group. "Excite and re-fire" and get them to work for you.

If a workshop is not possible (or where people cannot attend) – use the portable VCR with the use the produce training video (discussed earlier) and play it at the place of business. Take the time to show examples of future advertising, POS, literature etc. placed in a presentation folder.

Q. Retailer Support and Demonstrations

Work with retailers – set up displays and booths, on the street, on the edge of the market, at the pagodas during high traffic times, festivals, Health Clinics etc wherever prospect targets are likely to be. The objective is trial the product, increase awareness and to educate people about the benefits of CWP, the relatively small cost of good health, and to encourage them to take responsibility for their own wellbeing.

Schedule retailers on the stand with you so they have the opportunity to sell the product. IDE staff (in CWP “uniforms”) to work these opportunities to increase awareness of CWP and demonstrate.

Print out a sheet with all the addresses of all retailers in the province and attached to the CWP benefits DL flier.

Try to add interest to the stand by getting the endorsee (ie Dept. of Health, WATSAN???) or a TV or Radio personality, to be present. Attendance by such personalities makes the promotion more memorable - does not necessarily increase the sales.

Seek some pre-event publicity from the local newspaper and plaster posters around the town the day before to let everyone know. Invite the dignitaries around town to come along. Seek attention. Hand out fliers, CWP badges, glasses, matches, balloons or face tattoos (seem to all the rage at the moment) or some other suitable gift. Conduct these activities during “on” television months.

Use the speaker van to promote demonstration activity on the day before and the day of demonstrations. Decorate the van – give it some colour!!

Distribute DL fliers door-to-door notifying householders where and when demonstrations will take place. – there’s nothing more important than personal selling at the product introductory stage. Notify potential customers of your pending demonstration/trial.

Q. Billboards (health related benefits)

Big, bold and colourful – focus on health benefits (customer needs) and as many as you can where ever you can.

R. Phnom Penh Market

The Phnom Penh market has the potential to offer sales volume, providing retail distribution is reasonably extensive (ask the discussion groups where they would go to buy such a product).

Before entering the Phnom Penh market comprehensive qualitative research is required in an effort to identify triggers to purchase. Phnom Penh drinking water is said to be perfectly safe, yet few people drink it without boiling first. Bottled water sales are high. To enter this market IDE must understand the real psychological needs of Phnom Penh people and what promise will motivate their action and change in behaviour.

Just like Sydney tap water, which is perfectly safe, many people do not drink it, preferring instead to filter water to remove chemicals or drink bottled water. Why? They are concerned about the long term effect chemicals may have on their body and that they are “doing good” by drinking lots of water to “flush out”. All highly recommended actions by naturopaths and other medical authorities. Taste and health are the promoted product promise.

Phnom Penh market offers the chance to introduce an “up-market” product with a stainless steel receptacle and lever tap.

In the Phnom Penh segment, literature would change to communicate with a more discriminate market. Educational four colour fliers, newspaper coverage, business posting (to PO boxes), markets etc offer high other opportunities.

11.2 GROWTH PHASE – Early Majority adopters – Years 2 - 5

At the growth stage product sales should be increasing as Early Majority begin to adopt product. Beware competitors are now most likely to enter the market.

A. Television

Creative – while benefits are still the primary focus, IDE should consider a branding campaign if a competitor has entered the field or is pending. The campaign should focus more on building equity, credibility and reputation. Branding differentiates one product from another, assures the customer of quality, and establishes value.

Schedule – flighting campaign – one month on and one month off selected months. Prime time exposure. Heavy placement during first four months of the year. Pick up any scheduling deals.

During the growth phase, repeat purchases will commence. Brand credibility and quality assurance will re-assure the replacement buyer.

B. Radio

Radio can be placed during non-TV months to serve as a reminder. Ideal placement is just before the news so try to be the news sponsor – short advert before the evening news or place spots during sport programmes.

C. Retailer Incentives – three times yearly

To encourage retailers to push the sale of CWP develop incentives in the form of money, prizes, trips, holidays. These tactics are best conducted in conjunction with television promotion or a consumer incentive promotion. Research retailer responsiveness prior to launch. Make a noise about the incentive. Send weekly performance sheets to all retailers – beat up their competitiveness.

D. Consumer Incentives - Three times yearly

Used to encourage or shorten the consumer purchase decision time, Pull tactics add to the value of the product and give manufacturers a reason to communicate with/make an offer to the consumer. (see page 19)

Run three retailer offers per year preferably around special time of the year ie., New Year, Buddhist festivals, etc.

E. Retailer Newsletter

Publish a monthly newsletter to circulate to retailers. Fill it with sales tips, company announcements, CWP sales performance, government activity in the water industry, stories from other retailers etc. Builds relationships between manufacturer and retailer.

F. Presentations

Heaps of presentations – factory outlets during lunchtime, offices, Health Clinics, village centres, pagodas, village committees, parents and teachers at schools – organise a late afternoon supper at the school. Use the sales edition of CWP video and have it running at intervals through presentations. Make presentations lively, memorable but mostly persuasive and believable.

G. Schools - Students aged 11 – 12 years

As a longer term strategy, schools present the opportunity for children to make their parents aware of CWP, influence their decision to buy, and be concerned about their own health. A fun presentation with interactive tasks is best suited, with some learning through using sections of the CWP video. A take home comic would finally make the day – what about one especially designed – “is it a bird, is it a plane – no it’s Super CWP – fighting deadly bacteria enemies and contaminates”.

Donate a CWP to the school as a fund raiser/raffle ticket prize and provide the competition fliers to go home with the school kids. This allows you to reach each household at little cost, have the product on display (with POS material) and make the presentation to the winner. The competition/lottery/raffle ticket should run for two weeks maximum.

H. Sponsorship

Sponsor the Provincial high school soccer or basketball team. The involvement means providing playing shirts/jerseys, shorts, socks, shoes and maybe some equipment. Supporting sport teams works well in building relationships with the community and keeping the brand top-of-mind – but be selective.

I. Literature

Review literature and introduce new literature with emphasis on branding and product features as differing from competitor. CWP should highlight quality assurance, guarantee, warranty, endorsement, originality, process of quality ie each purifier tested before leaving factory etc.

Testimonials from users are a good form of advertising and build confidence and quality reassurance in the product. DL sized testimonials (a series is good) can be handed out at any opportunity – festivals, pagoda, markets, Health Clinics etc

J. Direct Mail/Mail out

Mail CWP brochure with covering letter to all businesses, government departments, retailers, service industry businesses, factories etc. in the region. Accompany letter with retailer and IDE addresses. Make an offer with the mail out.

K. Billboards

Time to add more billboards and freshen up or change the message. Research and market activity will best indicate appropriate creative - health related or brand focussed.

12.3 MATURE PHASE – Late Majority and Laggards Adopters - 5 years and beyond

It is at this phase that sales start to decline unless the manufacturing organisation introduces product improvements. The people buying at this stage are the slow adopters depending heavily on referral from others to make the purchase. Marketing expenditure is usually reduced and advertising normally takes on a "flighting" strategy - scheduling at times when most people are likely to buy.

It is important to retain advertising activities (branding), as it keeps the product of mind and it reassuring for those less likely to take risks. It also acts as confirmation to those buying replacement units. It is also the time children are likely to influence their parents by either recommending CWP or by buying CWP as a gift.

A. Advertising

Reduce television exposure to key times (seasonal). Previous purchasing patterns/sales will be the best indicators.

This is a time for retailers to start offering their own incentive schemes to potential customers, using existing users to influence others. Value adding and Premium offers should work well. Use the child to parent gift giving concept as a creative approach.

B. Literature

Printer fliers could now use "Testimonials" by others as their approach to influence the slower adopters. Seek highly regarded Cambodians to act as referees who use the product and recommend it to others. Distribute literature in markets, Pagodas, Pharmacies and Health Centres.

C. POS and Store Identification

Pick up on the "testimonial" theme in-store posters and billboard messages.

12. IMPLEMENTATION SCHEDULE (SUGGESTED)

INTRODUCTORY PHASE

YEAR 1 (Early)

- Brand – review, accept or reject new brand name and visual representation
- CWP message concept – develop by-line
- Seek product endorsement from influential party or organisation
- Retail selection – set criteria, review current retailers, approach new retailers
- IDE sales/field training
- Retailer sales and marketing training
- Referee presentations to community leaders and other NGOs
- Develop hard copy flip folder presentation to support introductory sessions
- National Advertising campaign for primary target audience – develop health related creative concept and imagery and select media (TV, radio and print ie., brochures, POS).
- Develop promotional concept for Phnom Penh market
- Pre-test national advertising concept and modify is necessary (words, images, messages, feeling, brand).
- Produce POS – in-store posters, DL holders, exterior store identification consistent with CWP creative concept
- Fliers – develop DL fliers promoting health related benefits and social responsibility consistent with CWP creative concept
- Produce Video presentation for retailer education and other information sessions and presentations
- Develop simple packaging sticker/signage
- Seek complementary products to add value to CWP purchase – explore options of joint promotion to add credibility and perceived value
- Develop household Stickers – to promote social responsibility - “we are a health focused family”

YEAR 1 (mid to end)

- Implement primary consumer promotional campaign nationally. Four months continuous television campaign with Reach 80% and frequency 15 ie GRP 1200 then flighting campaign one month on and one month off for the following 18 months to 2 years. Use radio as a reminder during non-television months.
- Schedule CWP demonstrations in Pharmacies, Medical Centres, Markets, Pagodas, Streets etc. Complement with door-to-door delivery of fliers and loud speaker van to announce demonstrations and their venues. Try for three demonstrations each day in one township. Produce retailer address sheets.
- Install in-store POS and store identification.
- Research consumer advertising recall, evaluate advertising effectiveness and record sales statistics by retailer and province. Debrief marketing efforts.
- Trial product – retailer offer to consumers to trial product

YEAR 2 (early)

- More of the best (television, radio, demonstrations, POS)– ramp up nationwide CWP health-related and social marketing campaigns.

- Develop and introduce secondary consumer campaigns - schools campaign, sponsorships, retailer newsletter, business mailouts
- Heaps of presentations and demonstrations – additional to retailer and public place demonstrations – factories, office blocks, parent and teachers committees, sports clubs, horticulture groups, village development groups etc
- Develop consumer and retailer incentive programmes
- Correct, modify, improve campaign resulting from consumer research

Year 2 (mid to end)

- Implement secondary campaigns – schools, sponsorships etc
- Implement first consumer and retailer incentive programmes
- Conduct Annual CWP Retailer Conference
- Monitor results of secondary campaigns and incentive programmes
- More billboards?

Year 3

- More of what gives the best results – keep product “top of mind” – “the next item I want to purchase”
- Develop Brand focused campaign (if necessary) focus on brand, quality, reliability, guarantee to build value perception
- Implement consumer and retailer incentive campaigns
- Monitor all promotional activities results – reconsider current activities – change, modify, adjust, enhance

Year 4

- More of what gives the best results – continue with television placement during best purchase periods

Year 5

- Develop an ongoing reminder campaign using television selectively and those activities that have given the best results.
- Develop and introduce “Testimonial” campaign – fliers, billboards

13. BUDGETS

263 Retailers 17 Provinces Projected Total Sales/5 years 84,000 units

	Calculations \$	Year 1 \$	Year 2 \$	Year 3 \$	Year 4 \$	Year 5 \$
Projected Sales		4,800 units	8,400 units	13,200 units	25,000 units	32,400 units
Projected Household Reach		8,000	14,000	22,000	42,000	54,000
LITERATURE						
Introductory stage - (1000)						
4 x health related – 4 x DL double sided colour front/B&W back (20 cents each) 350 per retailer						
Production	400	200	200			
Printing	243 x 350 x 20c	8500	8500			
Phnom Penh Market (1000)						
extra security – 1 x DL double sided colour front/B&W back (20 cents each) 1000 x 20 retailers						
Production	200	100	100			
Printing	20x1000x20c	2000	2000			
Growth Phase						
Brand focus – DL double sided – colour front/B&W back 500 per retailer						
Production	400			200	200	
Printing	263x500x20c			13000	13000	
Mature Market						
Testimonial – DL double sided - colour front/B&W black 80 per retailer						
Production	400					400
Printing	263x300x.25					19725
Maintenance flyer 83,500 units						
Production	300	60	60	60	60	60
Printing	83,000 sales x 50c = \$41,500	2365	4150	6515	12325	15977
School Programme comic (2000)						
Production	400		200	200		
Printing	2000x60c		600	600		
Presentation Folders (5)						

Purchase and Production	100	100				
Printing	50	50				
Consumer Incentive Fliers						
Growth Phase 100/retailer x 3/yr						
Production	200 x 3/yr = 600			600	600	
Printing and prizes (\$300)	263x100x6x10c + 300x3x2yrs			17800	17800	
Retailer Incentive Promotion - 3/year Growth phase						
In-house printing	263x.50X6			789	789	
Prizes	6x300			1800	1800	
Retailer Newsletter (x 12/year)						
Production – inhouse	20x12	24	24	24	24	24
Printing and Posting	263x.20x.30	131	131	131	131	131
STORE POS (100)						
POS – health related posters Introductory Stage						
Production 2/store	100	100				
Printing, laminating and hangers	263x\$2.00x2	1052				
Brand related posters						
Production	100			100		
Printing and laminating	263x\$2.00x2			1052		
Testimonial related posters						
Production	100					100
Printing and Production	263x\$2.00x2					1052
Consumer Incentive Promotional Posters Growth Phase						
Production (3/year)	300/yr					
Printing	263x1.00x2x3					
In-store display stands						
Design and production (\$40 each)	263x40					
Plastic desk top holders for DL fliers						
	263x\$2	526				
Packaging Stickers						
Production	100					
Printing (84,000)	84000x.50c					
Take Home Stickers						

Production	100					
Printing (84,000)	84000x.50c					
Retailer Flag and post/flags						
Production	100	100				
Printing 263 retailers (\$20/store)	263x\$20	5300		5300		5300
Billboards						
Printing and installation (\$100 each)	17 provincesx5/prov			8,500		
Production	100			100		
MEDIA						
30 sec television commercial - health related – Introductory stage						
Production	4000	4000				
Editing, tapes etc	500	500				
Media placement (250 spots)	250 spotsx\$140	35000	42000			
30 second television commercial - brand related - Growth Phase						
Production	5000					
Editing, tapes etc	500					
Media Placement (250 spots)	250 spots x \$140			35000	35000	28000
Consumer Incentive promotions – television commercials						
Production	2000					
Editing, tapes etc	500					
Media Placement (3 times/yr/2 weeks)	14 days 3spots/dayx3times/yr					
30 sec Radio commercial						
Production	200			200		
Media placement (400 spots/yr)	2000	2000	2000	2000	2000	2000
VHS Promotional/Sales training video						
Production	2000	2000				
copies, battery	400	400				
Portable VHS machine and battery	500	500				
Loud Speaker Van						
Hire (200 days)	1000	1000	1000	1000	1000	1000
Advertising Agency Commission						
	6000	6000		6000		6000

Business mailout - health related fliers						
In-house creative, mail and post (200)	200		200	200	200	200
OTHER						
Staff Uniforms - 3 sets/field staff + additional shirts	4 staffx3 setsx\$20	300		300		300
Product-on-loan	263x\$5	263	263	263	263	263
Give-away items		400	400	400	400	400
Retailer Sales Training (info pack and sessions)	263x\$50	13000				
Annual Sales Conference (incl retailer incentive payments) estim. 100 retailers \$50 incentive each plus travel exp	100x50x20+1000		10000	10000	10000	10000
IDE staff training (Consultant/1day)	1500	1500	1500	1500	1500	1500
Portable display unit (3)	1500	1500				
Retailer allowances	263x\$50					
Sport Team sponsorship (17 Provinces x \$200) Equipment and uniforms	17x200		3400	3400	3400	3400
RURAL POOR PROMOTION						
Fliers – printing						
Vouchers						
Truck Hire						
Loud speaker truck hire						
TOTALS		88,971	76,728	117,034	100,492	95,832
BUDGET		75,000	100,000	75,000	50,000	25,000