



HUYS ADVIES

# MARKETING OF HOUSE IMPROVEMENTS

A Training Outline on Product Marketing  
for Small Entrepreneurs



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## **Abstract**

Training guideline for small or village-based entrepreneurs on marketing new and unique house improvements having great sales potential. Guidelines follow general principles of product marketing and entrepreneur attitude, including social and selfish sales methods. Model making, mini models, hand-outs, demonstrations, road shows and fact sheets are means to support explanations and to convince clients of the benefits of the products. Product diversification provides choice, but good client relationship and word of mouth are the best advertisements.

## **Key Words**

Entrepreneur, marketing, mini models, road shows, client relationship, product diversification, training, marketing plan.

## **Cover Page Photo**

*Demonstration of several models of house improvements during a show. Further explanation with posters and fact sheets available as hand-outs. Without a three dimensional model and explanation, the concept of how it works or looks would be difficult to comprehend. New articles need very illustrative methods for communication to convince potential clients.*

# Foreword

This paper has been prepared to assist NGOs and training institutes in the development of training programmes for small entrepreneurs so they can better market their products and improve their business in general.

Although the house improvements that were developed over the years have proven their usefulness, they are still not widespread applied. Many reasons account for this situation and improving the ability of the local manufacturers to promote their products will help dissemination.

Local and international NGOs equally have been involved in the subsidised promotion of house improvements, but in order to create a sustainable production and dissemination structure, the products need to be sold against cost price to the consumer, be it villagers or people living in larger towns. The price should include all entrepreneurial costs and not be based on continuous subsidies and financial or technical support from NGOs.

The methodologies explained in this paper are a combination of earlier work of the author when he was involved in Small Enterprise Development and Microfinance with ToolConsult<sup>1</sup>, documentation by Robert Middleton<sup>2</sup>, and practical information from field operations in the Pakistan and Tajikistan Himalaya regions by the author.

Other suitable training materials for small enterprises are the "Improve Your Business" (IYB) training modules from ILO, which have been translated into many languages. The Building and Construction Improvement Programme (BACIP) translated these modules into Urdu.<sup>3</sup>

## **Reading is Not Enough**

Reading these texts alone will not adequately help to improve the business or marketing. One needs to relate the text to his/her own situation. The observations in the documents should be studied along with artisan colleagues; examples from the artisans' own situation should be thought of and then reflected upon on how to improve that situation. *Some suggestions are presented in cursive.*

This awareness raising and training can best be done in small groups of about 10 persons and under guidance from a trainer. The local or INGO can organise such training courses and eventually base the course in a local training institute.

Training programmes should not be long as most entrepreneurs would not be able to dedicate much time to theory. A fixed day and time (morning or afternoon) per week would probably appeal to most entrepreneurs as the time period away from the business should be kept minimal. In addition, the training sessions should be animated and fun to follow in order to captivate the attention of the entrepreneurs. The more practical and real life examples presented during the course, the livelier the training will be.

## **Also for NGOs**

Marketing the products or services is not limited to the entrepreneurs, but also applies to the NGOs and INGOs. Better marketing will create more attention and interaction with the population, municipalities, government and external financial institutes.

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<sup>1</sup> From 1993-1998, ToolConsult in Amsterdam, The Netherlands, developed and promoted, along with ISEP of the International Labour Office (ILO), the FIT programme with more than 12 innovative MSE business support mechanisms and business development services.

<sup>2</sup> <http://actionplan.com/free-stuff>

<sup>3</sup> *Improve Your Business: IYB Workbook (for entrepreneurs)*, Geneva International Labour Office (ILO) 1986. English version by Dickson D.E.N, 1981, ISBN 92-2-105340-7. Textbook for small enterprise management training and development. Translation into Urdu by the BACIP Programme, August 2000, 57 pages. "In-Page" Urdu software required.

*Improve Your Business: IYB Handbook (for trainers)*, Geneva International Labour Office (ILO) 1986. English version by Dickson D.E.N, 1981, ISBN 92-2-105341-5. Guidebook for small enterprise guidance, management and development in combination with IYB Workbook. Translation into Urdu by the BACIP Programme, July 2000, 112 pages. "In-Page" Urdu software required.

# 1. Introduction

The development of house improvements such as thermal insulation, better stoves and improved sanitation are based on the general need for energy conservation, improved health and a better finance management of the household expenditures, among others. The marketing by the manufacturers and traders of the house improvements depends on at least six levels of understanding and communication:

- (1) Understanding by the manufacturers and traders of **the working and benefits of the products**. *For example: why does one technology insulate better than another?* When the makers do not understand the product, they cannot advise the house owner on the best product. Best product in this sense is the product that most suits the needs of the consumer, not the product that gives the highest profit yield to the trader.



*Expanded Polystyrene (EPS) and glass wool insulate twice as good as straw for the same thickness. Low quality and compressed glass wool has a lower insulation value than EPS per same thickness. Straw is usually much cheaper than EPS, but can be affected by moisture and insects. The entrepreneur should be able to explain the cost and use differences to their clients.*

- (2) Ability of the manufacturers to design and **make the right products for the house owners**, considering the physical situation of their houses and family budgets. *For example: a dry composting toilet cannot freeze in the winter and it provides compost in the spring.* This means that different technologies, sizes and qualities of products must be available. If a house owner only is provided one choice, he/she is often reluctant to make a decision.

"We have three models: **X** is for a small, two person kitchen, **Y** is for a family kitchen and **Z** is for larger restaurants. Which one do you choose?"

- (3) Ability of the manufacturers and traders to **communicate the right information** about the **advantages and disadvantages** of the house improvement products to the intended consumer groups in towns and remote villages. *For example: when buying a knock-down product, it is cheaper and has lower transport cost, but local assistance to assemble it might be required.* Communication can be realised in person, through leaflets, advertising, by showing demonstration models in shops or with building material traders, or demonstration in real house situations.
- (4) **Motivation of the house owners to invest in house improvements** in order to improve their comfort or reduce their annual expenses for fuel. *For example: A new model space-heating stove may save 20% fuel and lasts 5 years. Wall insulation saves 30% fuel and lasts 50 years. What is the best option?* Even if the house owner may understand the working of a product, it does not mean that he/she is motivated to make the investment. Such will depend on what other family members think, the perceived comfort or status improvement after

installing the improvement, the time of the year and other urgent priorities. When it is cold, people are more inclined to install house insulation than in the spring when it gets warmer.

- (5) **Capacity of the house owners to purchase the house improvements** directly, on credit, as a community group, against the annual savings or by self-installation. *For example: a new Heat Retention Box will save 50% cooking fuel and 20% time, but costs Euro 20. With community financing, the buyer can dedicate the saved time to a special community service as payment for the HRB.* The type of financing can make an important contribution to the motivation and decision making of the purchase. Since deforestation and soil erosion are communal and environmental problems, it is possible to create community finance solutions, especially for low-income households who usually depend heavily on free scavenging of fuel for space heating and cooking.
- (6) The actual **effect of the house improvements on their comfort, life and budget** after being correctly installed. *For example: after installing double windows, the household saved 20% heating fuel and Euro 100 on medical bills.* When the real fuel savings are realised and registered by the house owner, he/she will communicate this to other family members, neighbours and acquaintances; thus helping to generate understanding and motivation among other people. Successful or effective products are often sold without much advertising as word of mouth advertisement of satisfied customers is one of the best promotion techniques.

The training group should try to formulate other examples for each of the six above-mentioned topics. The examples should relate to their products and stories the villagers told them after using the products.

The marketing of these important house improvements, such as thermal insulation, depends on the house owners being able to understand the short-term and long-term benefits and their ability to purchase them within their existing budget. The willingness to allocate money for the purchase of such items will depend on understanding the consequences with priority given to those items providing the largest benefit. The manufacturer or trader, however, plays a key role in awareness raising and product promotion; the trader who manages this issue best will have the largest business turnover.

Entrepreneurs can be trained or educated on the subject to improve their marketing ability. Not only is technical training necessary (how to make a product or use new tools), but the software or the management side of the business needs attention as well. The entrepreneur needs to ask himself:

- How can I make myself and my products more visible to the general public?  
*Do I need advertising along the road? Painting an outside wall? Make hand-out leaflets? Show a model construction in my workshop? etc.*
- How can I better attract potential customers?  
*When I see a new foundation of a house, can I leave a folder about wall reinforcement or wall insulation? Can I ask who the builder or owner is and arrange for a meeting?*

*Compare and discuss the following two advertisements.*

<p style="text-align: center;"><b>Is Your House Cold? Make It Warm with Insulation</b></p> <p>Our business can give you free technical advice and cost quotation on the most economical insulation solution. Thermal insulation saves heating energy for future years.</p> <p>Our address: Side street no. 14 Open hours: 8:00 – 16:00 Telephone: 0123456789</p> <p style="text-align: center;"><b>Realise house insulation before the coming winter.</b></p>	
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**Is Your House Cold?**

**Do You Want to Save  
So Much Firewood?**

Our business can give you free technical advice and cost quotation on the most economical insulation solution. Thermal insulation saves heating energy for future years.

Our address: Side street no. 14  
Open hours: 8:00 – 16:00  
Telephone: 0123456789

**Realise house insulation before the coming winter.**



- How can I better explain to my clients what I do or deliver, and what services can be provided by my company?  
*Do I have mini-models that explain the working of the product? Do I have testimonials of satisfied clients who have used my product? Do I have a hand-out to remind the client that I am always available for further explanations?*
- How can I develop a good marketing strategy for my company?  
*What do I know about my potential clients? Does my product answer their most urgent needs? What clients would see my advertisement? Can they read or should there be pictures? How do I stimulate the promotion of my product by my happy clients (word of mouth)?*

A training programme needs to include practical exercises in addition to theoretical information. The training programme should produce with the trainees **real case studies** and implementation examples of the recommendations. These can be later assessed on their effectiveness and used again as examples for other trainees. Constant adjustment of these communication products is necessary, given the particular socio-economic situation in each region. The following table provides a sampling of expected results of the training.

Knowledge Learned	Examples
How to develop the right attitude to become a successful actor in the market.	<i>Personal action points to change past behaviour into better communication.</i>
How to address the market or individual clients.	<i>Preparation of mini-models, posters, leaflets, a lively and interesting speech during a road show, referral to satisfied clients.</i>
The best arguments to convince the client to contract you or buy your product.	<i>Understand your clients. Learn to listen first and then ask: "What are your problems?" Does being cold make the children often sick? Do they spend all their money on firewood?</i>
The best methods of financing agreements with or for the client so the client will be able to purchase your product.	<i>Spreading the payment of the product with the savings. Making agreements with the village Saving &amp; Loan Fund.</i>
Developing good relationships so the client becomes a promoter of your product to his/her neighbours.	<i>The client is always right from his/her own perspective. Inquire after some time whether he/she has any remarks, complaints or realised savings. Ask for their reference. Monitor the effect of the insulation or new stove in their house.</i>
How to sustain your business success for extended periods.	<i>Build business relations with other manufacturers or suppliers of source materials. Sharing of expensive tools. Combining transports. Briefing village-base dealers.</i>

## 2. Marketing Attitude of the Entrepreneur

The main issue as to what is lacking with many entrepreneurs is a good marketing attitude. Marketing attitude is part of entrepreneurial attitude and needs to either exist or be developed. Without the correct attitude and push for change, those changes will not occur.

The following are some attitude problems. The training group needs to come up with other reasons; personal reasons never expressed out loud or those heard from others. Discuss these issues during a brainstorming session; it should not be negatively challenging for the participants, but rather a fun exercise to come up with as many reasons as possible.

- ❖ Fear of rejection by possible clients who do not like my products.
- ❖ Fear that my product is considered to be too expensive by many clients.
- ❖ Not enough time to focus on marketing.
- ❖ Lacking creativity to undertake interesting marketing actions.
- ❖ Cannot make the decision or take initiative to market the product.
- ❖ I do not want to run the risk of being looked at as being stupid.
- ❖ I do not think I am qualified or educated enough to do marketing.
- ❖ I do not want to impose myself on other people.
- ❖ When I ask for reference of previous work, I am afraid people will think that I am begging.
- ❖ I do not want to do anything before I know exactly what I need to do.

Review with the group if some of these attitudes, or the tendency towards such attitudes, exist within themselves. Are the above statements really true? If such ways of thinking or attitudes are neutralizing your ability to action, the question is: "What is needed to change or overcome those attitudes?"

People with experience in marketing training believe that by changing the general thinking attitude of the entrepreneur, changes in behaviour and action can be easily achieved. Attending the training programme and really trying to understand the issues at hand is a first step towards changing one's attitude.

In reality, the strategies and techniques for better marketing are rather simple. These are neither difficult to understand or to apply in practice, while some of the changes do not involve any costs at all. Making leaflets can be shared by several entrepreneurs.

External influences are often far less important obstructions to marketing development than the personal attitudes of the entrepreneur.

Let us look at the attitude problems listed above:

- ❖ Fear of rejection by possible clients who do not like my products.

*This seems to be only in the mind of the entrepreneur. Although the product is good, it may not suit each individual because of particular circumstances. For example, the client may not be interested in double windows. In such a case, it might be interesting to find out why not, without trying to push the product. Perhaps the client already has double windows. If he/she wants to save more firewood, recommend other options, such as applying roll curtains for even better insulation available from a colleague manufacturer. The client might be grateful for this information and thus good client relationship is established. Later he/she may refer other people to your (work)shop. **Change fear into a marketing opportunity.***

- ❖ Fear that my product is considered to be too expensive by many clients.

*Naturally not all clients can pay immediately cash for the product; some may need to save money, others might have to sell their harvest first, etc. For a pressure cooker, a down payment can be made and the rest paid off in monthly instalments. Some people may take a loan from a family member or from the village Savings & Loan Fund. Offer to supply all the materials and a picture manual for a DIY package to reduce the cost. In all cases, the client first needs to understand the product and how it works. Once there is interest shown in the product, the various financing options can be discussed with the client. Important in this case is that the entrepreneur knows the possible annual savings when the product is used properly.*

*For clients who do not pay for firewood, other costs such as health and comfort are also important. If you can resolve the financing difficulties for your client without the client coming into financial trouble, you will have a local promoter for your products for a long time.*

Nearly all products in the market have different qualities and costs. Related to each variety of the product are advantages (durability) and disadvantages (costs). The entrepreneur needs to find out from the client the proposed use of the product before he can assist with a recommendation. By providing different options, together with a proper explanation of the advantages and disadvantages, the client can make an informed choice.



*For example, a plastic tap is not suitable for very hot water.*

- ❖ Not enough time to focus on marketing.

*Marketing does not have to be very time consuming. There are very simple marketing methods available which can have substantial impact. Having a sample model at the entrance of the workshop allows quick explanation to a client on how it works. Participating in a one-day road show will reach many potential clients in a short period. Making sure your existing clients are satisfied provides automatic advertisement to his/her neighbours.*

A road show attracts many interested people. This is a low-cost and good opportunity to show examples of your product and explain their function or effect.



Pooling resources of several entrepreneurs gives each a great marketing potential.

- ❖ Lacking creativity to undertake interesting marketing actions.

*The first step is to try to understand what type of marketing works best. A vegetable seller who displays the (fresh looking) products on the street side has more business than a seller in a dark alley. Having a small metal label on your products with name and address will direct possible clients to your workshop. Think of simple methods first and do them one by one.*

- ❖ Cannot make the decision or take initiative to market the product.

*Perhaps you already unknowingly do some marketing. For example, your clients are satisfied and tell their neighbours or because your workshop is on the roadside, people see what you are doing. If you do no marketing at all, it is highly likely that your business will not grow and others will soon outperform you.*

*Business in an open market system will fail without marketing. If you want to stay in business, you need to improve marketing. This applies to all businesses.*



The stove maker in the photo had at least four good working marketing mechanisms.

- (1) Very satisfied customers, saving fuel.
- (2) Working outside his shop so people could see what he was doing.
- (3) Had a signboard outside the workshop.
- (4) Made small modifications according to the wishes of his clients.

- ❖ I do not want to run the risk of being looked at as being stupid.

*Such thinking is mainly in the mind of the entrepreneur alone. The house improvement products are all functioning very well. Of course there are far more expensive and better solutions possible, but these need to be specially imported at high cost. If you offer what works well and is affordable; nobody will think this is stupid. If the product is good, only people who do not understand the product may think nothing much of it. People who reject a product without being informed are not very smart themselves.*



- ❖ I do not think I am qualified or educated enough to do marketing.

*Marketing is not difficult or a new science. The pottery man of 3000 years ago also did marketing to sell his baked clay pots. The smoke from the baking fire was for the clients the signal that a new load of pots would soon be ready. Having a variety of pots outside his workshop, or telling clients that he can make other models if they like, are excellent marketing tools. Think of how other people in the village do marketing and why people buy from their stores. Translate this to your situation.*

This metalworker does marketing by only having a stand with products outside his workshop ready for sale.



- ❖ I do not want to impose myself on other people.

*Regarding most house improvements, people may not know what is available. People are usually interested in new technology or products. Actually, most people like it when you tell them something new about a product, especially when it can improve their life or reduce their expenses. You need to find the right approach to get their attention without telling complicated stories. Think of what your family likes to know about the product. See how they react when you approach them. Learn from those test cases and apply it to other clients.*

People are very interested to know how something works, how it is constructed or what is needed to apply the house improvement. Using models to show the construction and explaining the various steps, generates understanding and reduces resistance to application. Some people may think: "I can do that myself".



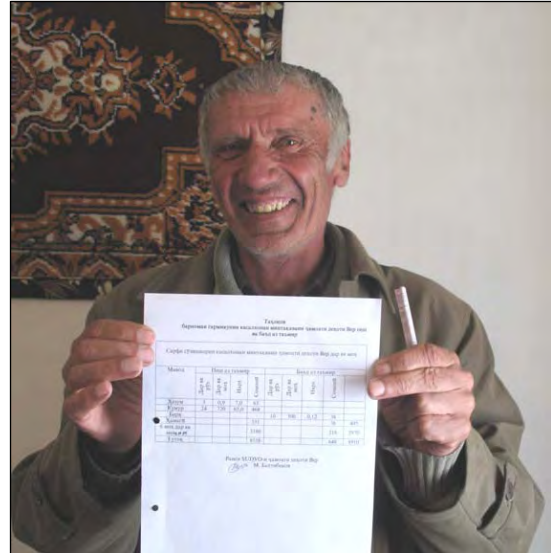
- ❖ When I ask for reference of previous work, I am afraid people will think that I am begging.

*Satisfied clients will be happy to supply references about your products. The key word here is "satisfied". They are actually proud themselves that they have made a good choice with your product, given the performance and cost aspects. Naturally there could have been other options, but they may have been too expensive or impossible to construct. Getting references from other clients is one of the most powerful promotion tools, especially when those other people have influence in the village or are the more intelligent villagers. This also means that you need to pay good attention to providing a good service to these villagers and maintain a good relationship. After installation of your product, others will want the same for their houses.*

This building owner was very happy with the thermal insulation. He had calculated his large annual savings in heating fuel and showed the results proudly to all his visitors.

Such a person is the best advertisement for your business and he will be happy to show interested parties his insulated walls.

The opposite is also true: bad references from unsatisfied clients can be very damaging because that person will talk negatively to all his/her neighbours. Each client must therefore understand what he/she receives, how it works and what it does not do to avoid unfulfilled expectations.



- ❖ I do not want to do anything before I know exactly what I need to do.

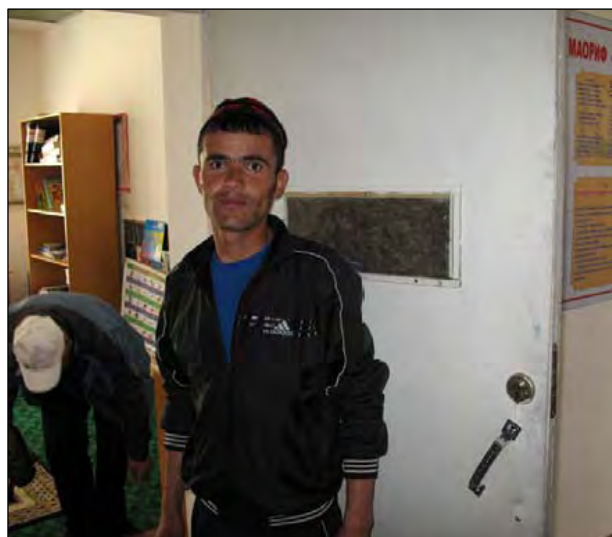
*An entrepreneur needs to take initiatives and perhaps some risks; that is the essence of the entrepreneurial attitude. You know more about your business and your products than most clients. It is unnecessary to develop a complex marketing scheme; take one step at the time. This course will help you to make decisions.*

This carpenter applied thermal insulation in a classroom.

On his own initiative, he also insulated the door to the corridor and made a small window to show the insulation material inside.

Every student using the door sees at eye level the thermal insulation material and realises why that classroom was comfortably warm during the winter. They will tell their parents about the good effect of insulation, and this will possibly result in work for this carpenter.

All the students will be repeatedly reminded of the lesson on insulation and apply thermal insulation in their future houses.



### 3. Selfish and Social Sales Methods

The difference between selfish and social sales methods determines to a large extent whether or not the client will be satisfied with the product and promote it to one's neighbours or will never come back for another article.

When a client has a good feeling about the relationship with the entrepreneur or salesperson, he/she is more inclined to accept the advice or recommendations from that person. Creating a good feeling depends on the attitude of the salesperson; a selfish attitude will work negatively, while a positive or socially engaged attitude will create an atmosphere of trust.

The article sold needs to be beneficial for the buyer. It should improve one's comfort, save money, enhance a person's status or otherwise feel good about it. The salesperson, on the basis of the communication with the client, needs to determine what possible benefit the buyer will get from the article or product. When it is unclear what the benefits would be, the entrepreneur should be very careful to avoid pushing the article because if the client is unhappy with the purchase, he/she might spread negative advertisement to all the neighbours.

In going through the list below, the trainees should try to come up with examples from their experience. These examples can be related to the products they make, be it windows, floor insulation, stoves, cooking equipment, etc. For each of the issues, they need to place themselves in the position of the client and ask themselves whether the client would obtain a good feeling about the communication with the salesperson. The following list compares the two attitudes:

Negative and Selfish Attitude	Positive and Socially Engaged Attitude
<p>1. Focussed on realising a sale.</p> <p><i>Naturally the entrepreneur wants to make a sale because that is his business. However, business can only be realised through a good relationship with the client; to help the client. By helping the client, the entrepreneur also helps himself.</i></p>	<p>Focussed on <b>helping the client</b> with solving a possible problem the client might have.</p> <p>Properly <b>identifying the client's problem</b> first is therefore important.</p> <p>Determine the type of client you usually deal with and who will <b>profit the most from your products</b>.</p> <p><i>In some cases the entrepreneur can address the client directly; for example, through home visits. In such a case, the entrepreneur needs to assess first what the needs are of the potential client.</i></p>
<p>2. Manipulating the client.</p> <p>Trying to say things in a complicated way rather than simple language.</p> <p>Introducing several problems or issues in one sentence.</p> <p>Using difficult words that the client may not understand and makes the client feel uneducated.</p> <p>Refers to examples or documents the client cannot verify, or to some Internet websites when he/she does not have access to the Internet.</p> <p>Talking about services, rather than solutions.</p>	<p>After identifying the problem of the client, give some good technical advice that <b>resolves the problem of the client</b> in the best way.</p> <p><i>If the entrepreneur understands the technology behind thermal insulation, he will be able to advise the client on the most appropriate solution. For example, a house has fungus on the wall caused by condensation. This can often be resolved by better insulation and improved room ventilation. By explaining the various options and their effect, the client will feel that he/she is being properly advised.</i></p> <p>Tackle <b>one problem at the time</b>.</p> <p>The best way is always a combination of <b>comparing cost and effectiveness</b>. In comparing costs the short- and long-term costs need to be considered.</p> <p>The differences of the various options should be explained and, if possible, presented by <b>showing the different products</b>.</p> <p>The entrepreneur must be able to provide a <b>suitable solution</b> for the benefit of the client.</p>

Negative and Selfish Attitude	Positive and Socially Engaged Attitude
<p>3. Talks a lot about the products and the benefits and his own company or how good he is.</p> <p><i>The client does want to know something about the person and the company he/she is dealing with, such as how many people have been helped already, but do not talk excessively.</i></p>	<p><b>Listens to the problem of the client</b> and what the client originally thought on how to resolve the problem.</p> <p><b>Investigates what the client knows</b> already or who advised him to look for a particular product.</p> <p><i>Some clients know a lot about the subject, so be honest and tell only what you know for sure; otherwise, do some additional research to answer the questions in the future when posed.</i></p> <p>Find out <b>what will trigger the client</b> in decision making; is it the finances, the environment, own comfort, or maybe the health of his/her children?</p>
<p>4. Says too little.</p> <p>"I am a carpenter" does not clarify whether or not he can make double windows or insulate a floor.</p>	<p><b>Explains exactly what the entrepreneur can do</b>, such as making special double window designs, construct a roof window or make a wide staircase.</p> <p><i>The client is always interested in the total cost of the product. When a room needs some additional finishing after the installation of the product, those costs should also be estimated or a colleague should be approached to make an estimate.</i></p>
<p>5. Does not answer the questions directly.</p> <p>Avoids answering the questions.</p> <p>Gives an answer which does not relate to the question.</p> <p>Changes the discussion subject.</p>	<p>Tries to properly <b>understand the question</b>, possibly reformulating the question to verify exactly what the client means. <i>Ask: "Is this what you mean?"</i></p> <p><b>Precisely answering the questions</b> posed and as honest as possible. Do not provide uncertified information.</p> <p>Asks what the expectations are. Sometimes the client has unrealistic high expectations of the product and in this case the entrepreneur must <b>explain what it can and cannot do</b>.</p> <p><i>Clients can have special expectations because other people have informed them wrongly. In such a case, the entrepreneur should find out the source of those high expectations.</i></p>
<p>6. Is not very clear about the short- and long-term benefits for the client.</p> <p><i>This can be related to financial issues, comfort, illumination, operational issues, periodic maintenance, guarantees, etc.</i></p>	<p>Is able to <b>calculate what the financial benefits</b> are of the product in the short-term (each season) and in the long-term (several years).</p> <p>Able to explain when the product requires <b>maintenance</b>, what to do when it gets broken, what is the expected lifetime, etc. <u>All products</u> require some type of maintenance.</p> <p><i>Ordinary timber used outside needs a light colour paint protection for durability. Not painting the timber every five years will lead to deterioration of the product and its appearance. Painting is a recurrent maintenance cost.</i></p>
<p>7. Little technical knowledge of the product.</p> <p>Does not know how much it insulates or if it can be installed by self-help.</p> <p>Does not know about possible condensation issues or the need for ventilation and other aspects.</p>	<p>Is able to explain to the client <b>when the product works best</b> and when it should <u>not</u> be applied.</p> <p><i>Waterproofing of a roof is necessary, but damp proofing on the cold side will cause condensation (and wood rot) inside the construction when not well ventilated. For roofs, this means that they need to be insulated <u>and</u> with a sealed <u>damp proofing on the warm side</u>.</i></p> <p>Provides <b>advantages and disadvantages</b> of the product.</p> <p><i>There are <u>no products</u> having only advantages. In some cases, the accessibility (delivery time) or the cost are disadvantages.</i></p>

Negative and Selfish Attitude	Positive and Socially Engaged Attitude
<p>8. Only has choices between this product or nothing, and does not search for alternatives.</p> <p><i>Showing different options should not be used in a manipulative way to push for the middle option.</i></p>	<p>Provides <b>different options</b> for the client to suit his/her particular needs.</p> <p><i>All clients like to hear the different options – simple, luxury and in-between. Most clients will choose the in-between option after the advantages and disadvantages are explained. Usually clients will not choose a product without having studied alternative options.</i></p> <p>Explain that special <b>modifications can be made</b>, but also what the financial or operational consequences are of such a modification.</p>
<p>9. Provides promises that cannot be followed up.</p> <p>These can be related to delivery times, performance of the product, easy installation, service by himself or through other persons, guarantees, etc.</p> <p><i>The amount of firewood saved in a house depends on a number of factors; when the product does not influence all these factors, no promises should be given. For example, the house owner leaves the door or window open.</i></p>	<p><b>Complies with the promises</b> made during the contracting.</p> <p><i>Make sure that the client does not have unrealistic expectations, for example, about a firewood-saving stove when the cooking methods are not adjusted or when the improved cooking stove is to be used for space heating as well.</i></p> <p>Puts on paper <b>what has been agreed</b> and supplies a copy of the agreement to the client.</p> <p><i>When promises cannot be kept (such as delivery time), the client should be timely informed with an explanation and apologies, or possibly compensation.</i></p> <p>Explain how many solutions you have made already with other satisfied clients.</p> <p>Gives <b>examples of satisfied clients</b> and their addresses where they can be easily contacted.</p>
<p>10. Is pushing very hard to make a sale.</p>	<p>Is <b>agreeable when the client does not buy</b> a product.</p> <p>Expresses the hope that he has explained clearly the issues related to the product.</p> <p><i>A first priority of the entrepreneur is to establish a good understanding or relationship with the client. When the client is provided with new information about effects, results or cost options, he/she possibly needs to think this over or discuss it with other family members. That client may come back for purchase.</i></p>

The training group needs to discuss examples from their own practice and try to remember when things have gone wrong or when contacts were successful.

If the client did not purchase the product because he/she found it to be too expensive, did the entrepreneur provide a lower cost option or a different finance model? If at that moment a lower cost option was unknown to the entrepreneur, what did the entrepreneur do to investigate whether a lower cost option exists?

For most house improvements, the house owner and the family members can contribute materials and labour, or even do the whole construction themselves. In such cases, the entrepreneur only needs to supply the prepared materials. Can the house owner easily hire special tools, such as a staple machine, a long masons level or a large cement mortar mixing tub?

If the entrepreneur does not have a lower cost design available, did he go to a local NGO or other organisation to ask for alternative solutions (option 1) or did he make his own design (option 2)? What would be the advantage or disadvantage for each of the two options?

Suppose he does not know exactly why a new stove is more firewood efficient and he makes a modification, how does that modification affect the efficiency of the stove?

## 4. Demonstration Models

In rural areas or villages where there is a high illiteracy rate, demonstration models will have a large impact on the understanding of the house improvements and how they work. Information dissemination is based on word of mouth. A scale model, real-size model or a demonstration installation in a village building helps the villager to visualize how the improvement is applied. This way the villager can relate the shown model to his/her own situation.

### 4.1 Scale Model

The scale model has many advantages as compared to the real-size model.

- Low cost to make; a (mini) scale model at a quarter of the real height requires only  $\frac{1}{4} \times \frac{1}{4} \times \frac{1}{4} = 1/48$  of the amount of construction material as compared to a real-size model.
- Takes up little space in the shop.
- Can be picked up and studied by the customer.
- The same information can be provided as with a real-size model.
- Because it is low-cost, it can be given away.
- When a client takes the mini-model home, it will be a memory support. He/she will be reminded of the product every time he/she looks at the mini-model.



Different types of mini models can be made to explain the product. The carpenter in the photo above made many mini models of double glass windows and improved roof windows. Because he produced them in series, the cost was low. These models are used to explain the products to potential clients, being much more easy to handle (transport) than the real-size windows.

The stove maker in the photo right had a variety of mini models in his shop, including windows and chairs, although he only made stoves himself.

However, he could refer his visitors to the person who makes the other articles. This way the stove maker is engaged in marketing – building up good relations with clients and other entrepreneurs. The carpenter can do likewise for the stove maker by having mini models of the stoves as advertisement for the metalworker.





A three dimensional model can easily show the inside of the construction. In the above photo, the several layers of reflective foil and cavities are seen in the cross section of the wall. Real-size models (right-hand photo above) are more expensive and are not transportable.

Small-scale models of the old and new design can serve to easily explain the differences between the two designs. An information fact sheet would reinforce what the villagers have heard and seen during the explanation.



## 4.2 Fact Sheets

As support to the model of the design, a fact sheet can be made explaining the various aspects of the house improvement. A fact sheet can be made in many formats, from simple to very sophisticated.

The simplest format of a fact sheet is a small 5 cm x 9 cm business card with the name and address of the entrepreneur.

A detailed fact sheet for each design option should cover:

- Description of the article with picture.
- In what situation the application is most useful or most economic.
- Advantages (benefits) and disadvantages, such as when not applicable.
- Estimated cost of the intervention per room by DIY method and local craftsman.
- Firewood and energy savings over a given period of time.
- Cost recovery period of the article or intervention for people buying fuel.
- The number of people already having the improvement.

For such a fact sheet, a single A4 size sheet of paper is recommended – one side relating to facts about the product, comfort and health, the reverse side relating to the economic aspects. Black and white printing is recommended to keep reproduction costs low. For this reason, it is wise to use line drawings or photos that do not lose definition during the photocopying process.

A fact sheet should not include information the villager will not understand, such as the amount of CO<sub>2</sub> that will be saved per year or CERs.

Fact sheets are difficult to make. They require drawings, pictures, a computer for the text and printing equipment; skills or equipment the small entrepreneur usually do not possess. In some cases, small entrepreneurs are able to make a roadside advertisement, but these should have pictures of the product.

In an initial stage when the development is subsidised, a coordination organisation should deliver the items. Several phases in external production of the marketing software (fact sheets, business cards, product promotion, contract formats) can be distinguished.

### **Phase One – Internal NGO Production**

An NGO can develop fact sheets or other general advertisement, such as posters, on several topics and supply these to the various entrepreneurs who are manufacturing the product.

The delivery of the printed items can be linked to the entrepreneur following a technical or marketing training course, or when the new entrepreneur has followed an entrepreneur exchange training.

This way a functional format in local language explaining how the product operates is produced. As all entrepreneurs provide the same information, general awareness about the new product is created in the market.

### **Phase Two – External NGO Production**

The production of the software and printed material, and later videos or compact discs with DIY installation manuals, is a laborious job requiring specialized people. With a good outline on the requirements of the products, local entrepreneurs should be selected to make these under the guidance of the NGO. In such a case, communication should be established between the new producer and the entrepreneurs of the product on the presentation. This allows capacity building of the external producer. The NGO should concentrate on new items rather than production. This procedure allows the entrepreneurs to establish a working relation with the producer of the marketing materials and the artisans learn how to develop a common presentation method.

*On the fact sheet or advertisement, a box can be left blank in which the entrepreneur places his company stamp or attaches his business card.*

### **Phase Three – Organisation of Entrepreneurs**


The various entrepreneurs producing or selling the same article should organise together those activities they cannot realise themselves; thereby lowering the cost.

*A person selling a gas stove can have a general instruction leaflet on how a gas stove needs to be installed. In most cases, such a leaflet comes from the main factory along with the equipment.*

Every article requires user instructions and these can be centrally made at low cost by a specialised person in large quantities. Although very remote village artisans cannot always immediately be involved in the central production of such items, they will benefit from low-cost central production. Since the remote village entrepreneurs all need to go regularly to the larger villages, the organisation of entrepreneurs needs to communicate these production options to the artisans. Supplying information at the material supply stores is an option.

### **Phase Four – Sustainable Production**

With organised artisans and experienced producers, the group of artisans or association can place orders for marketing software or mini-models with those producers.

Habitat Improvement Catalogue	
THUNXE Plastic Roof-Hatch Window with top glass opening	Code P.BHW.01 Page 1/2
	
<b>Product Description</b>	
<p>Roof hatch window – The roof opening is one of the most important elements of the traditional Pamini house. It is a 1 to 1.5 m<sup>2</sup> square-shaped opening in the middle of the ceiling of the main living quarters. The purpose of the opening is twofold: to allow the smoke produced by the open cooking and heating fire to escape and to let sunlight and fresh air into the room. However, while the roof opening does allow for the smoke to escape, it takes along with it the heat (warmth) from the room and lets in cold drafts and rain.</p> <ul style="list-style-type: none"> <li>The roof hatch window helps keep warmth in the room, while allowing light and fresh air to enter. The full size roof hatch window has 4-6 glass panes (different sizes). It is four times as large as the traditional hole in the roof thus allows the same amount of light to enter while keeping heat in and water out.</li> </ul>	
<b>Benefits</b>	
<p>Villages with the first model found that the average temperature inside the room had improved by 6-8 ° Celsius, resulting in more comfort and considerable reduction in firewood consumption.</p>	



### 4.3 Hand-Out Sample

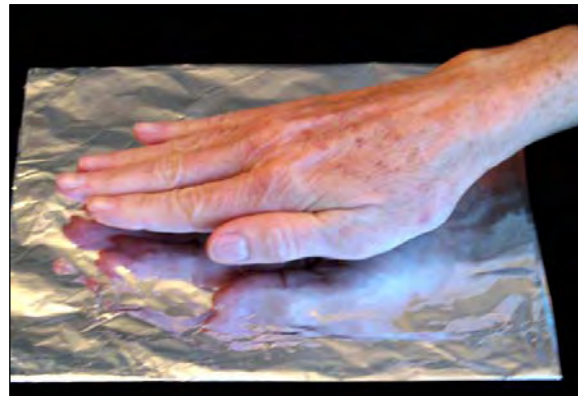
A client will better remember the product shown when he/she receives a hand-out sample.

Although a complete mini-model may be expensive, a small sample of the (insulation) material used in the construction can remind the client about the product and services provided. A label can be pasted on the sample with some technical details and address (picture).



Another example of a hand-out is to cut the left-over material into small pieces. This way the left-over material is not wasted.

In the case of the reflective foil, the small piece lets the client feel that it reflects the heat radiation from the hand (picture).



The client can take the small piece home and show it to other family members. In this way, the information is passed along to others as free advertisement.

### 4.4 Demonstration

For some house improvements, such as thermal insulation, once installed, it is no longer visible, being covered up by the finishing of the walls, floors and ceilings.



Demonstration of the insulating effect therefore can be done by measuring the firewood consumption and keeping good records of the differences between before and after the intervention. Testimonials from satisfied customers are very important. Again in these cases, the satisfied client is the best advertisement.

The insulation effect can also be shown through temperature measurements with an InfraRed measuring device, such as a heat sensitive IR camera, but these options require both the insulated and non-insulated construction, and sophisticated equipment.

A more practical demonstration is to show the inside of the insulation structure. In the photo on the right above, the two layers of reflective foil and support strips can be seen through an observation window, covered with a single sheet of glass.



In the workshop, thermal insulation demonstration walls can be made and finished in different ways, such as with board, gypsum panel, cement plaster or tiles, so potential clients can get ideas.

Real-size and mini models both allow a clear demonstration of a product. They can be used by the entrepreneur to explain the advantages and disadvantages, and keep the client focussed on the subject. For elements that move, like the opening and closing of a window, the operation can be shown in practice explaining how the locking mechanism works (photo).

#### 4.5 Performance

House improvements promising to be strong or durable are more difficult to demonstrate.

The two beams in the photo right have a substantial difference in strength resistance, about ten-fold, but it does not show. Placing a fact sheet next to it will not raise much understanding or interest.

During shows, a performance test can be undertaken to attract the attention of the public. Such a demonstration should be entertaining and volunteers from the public can be asked to participate.



Although in a show the principle characteristic of a certain product can be shown, it depends very much on the entrepreneur to install the product correctly in the building. Before doing the marketing of a new product, such an entrepreneur should know precisely what the possibilities and impossibilities are of that product.

#### 4.6 Road Shows

Shows in general attract a large amount of interest and are an excellent marketing mechanism.

An entrepreneur by himself will seldom be able to organise a road show by himself. Moreover, people coming to a show like to see many different products and be entertained.

The organisation of road shows should be done by a large group of various entrepreneurs. Some of the costs of the show can be recovered from the selling of food and drink.

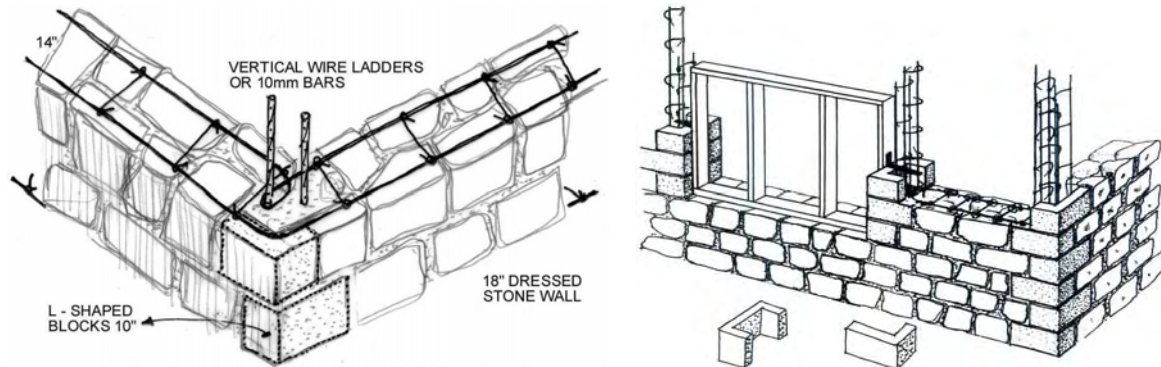


#### 4.7 New Technologies

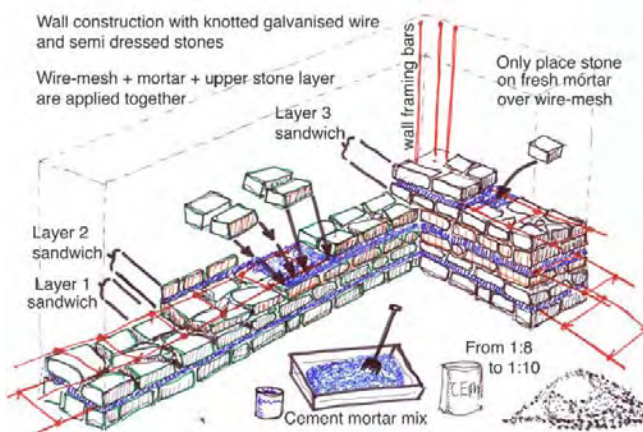
The introduction of new building technologies can be undertaken with any of the above-mentioned methods and combinations thereof. Usually building constructions are not visible after the building has been completed. Worked open models and drawings allow the client to obtain an idea about the technology used and the work involved in the application.

In the case of earthquake reinforcement, it is very costly to demonstrate the strength resistance of a completed construction. Simulating an earthquake at small scale is also costly since it requires down scaling all building components and after the simulation, all the work is destroyed.

Presenting new building technologies to the clients requires multiple inputs, such as models, drawings, calculations and real demonstrations.



Small wall sections with corners can be constructed where people can see how the reinforcement material is integrated into the structure. The presentation of such real-size demonstration models should be well maintained and presentable at all times.



#### 4.8 Training Professionals

New building and construction methods are required to make buildings stronger, more durable, better insulated, more comfortable and eventually cheaper in construction and maintenance. The building industry is in constant development with new materials and techniques.

An entrepreneur who wants to stay in the forefront of marketing and expand his business needs to keep himself inform on these options.



#### 4.9 Labelling Products

A simple promotion method is the labelling of the product with the name of the maker and a serial number. This can be done in many ways, such as by a stamp, seal, burning a picture in the wood, stapling a plate on the product (picture), etc. The owner will be reminded of who made the product. If the owner remains satisfied with the product, he/she will go back to the entrepreneur or refer other clients. However, when the product is not good, it will work counterproductive.



## 5. Marketing Action Plan

The former chapters described some ideas about different methods of marketing. All of the methods have been practised at the village and town level, as well as in remote mountain areas, attesting that the marketing techniques are feasible, even for low budget entrepreneurs.

### **Forming Associations**

In a training programme, all the options need to be reviewed with the trainees and discussed whether they want to do some actions together as an association or individually. Since several will produce similar products, working together in the manufacturing of mini models and fact sheets is economical. A diversified group of entrepreneurs can work together to organise an annual show, such as before the building season (main construction methods, earthquake reinforcement and cooking) or before the winter season (thermal insulation, stoves and cooking).

### **Role Playing**

The training programme can serve as a platform for practising entrepreneur-client behaviour. One person can act as the entrepreneur and another person (outsider or the trainer) can act as the client. In this way, the other group members can observe the behaviour of the entrepreneur and see what he/she does right or wrong. In a follow-up session, the observations can be discussed and behaviour corrected.

### **Marketing Action Plan**

With the earlier information and above experience, the trainees can make a simple marketing action plan for their own company, considering a step-by-step development. The following elements are preconditions for such a plan:

- (a) Be able to present yourself and your company in a relaxed way so that potential clients are happy to meet you or find you friendly.

*In many businesses, like in Pakistan, it is common to serve tea before undertaking serious negotiations. In another country, the shopkeeper only offered tea to the client when he/she already has one foot out the door. What is the difference? How should you greet a new client? How should you say goodbye to a client?*

- (b) Your shop and yourself must present what you can deliver to the client.

*The client must get a good impression as to what services or product can be provided. When your shop is stacked full of furniture, the client does not immediately think that you can do wall insulation in his/her house. If you want to address the large market of house insulation, part of the shop must show your product, models, posters or other advertisement.*

I once met a single entrepreneur who manufactured small cement articles. There was a very large sign in front of his shop advertising that he did building construction, bridges, roads, honey bee cultivation, solid waste recycling, water supply schemes and airport building. Naturally few clients believed that from what they saw in his yard.

- (c) Understanding the client and his/her problems.

*The client comes to an entrepreneur because a problem needs to be solved. Maybe it is not the right problem, but the entrepreneur must find out exactly what that problem is; otherwise, he cannot solve the problem or (worse) solves the wrong problem. The client will be happy when solving the problem is really easy and even happier when the client can resolve it himself.*

- (d) Make clear precisely what you can provide and how good it works.

*Maybe the client has some wrong expectations. When the entrepreneur is unclear whether or not those expectations can be met, the client will feel disappointed when those expectations are not realised. He may feel cheated by the entrepreneur and give a negative impression.*

The insulating effect of PE foam increases with the thickness, while air cavities more than 2 cm do not insulate better. When a house owner applied only 5 mm PE foam with a cavity on each side, he was unhappy with the insulation produced. Apparently it was unclear to him that he should have used 3 x 5 mm PE foam sheets with a total of five cavities to get sufficient insulation value, or a much thicker PE foam.

- (e) Give detailed examples of where your product was applied and with what results.

*Do not overbear with many details, but be sure the references are accurate and true. The client will be happy to go and look where the product was installed, while the other (satisfied) client will be happy to explain the product to the new customer. Of course, the receiving client must agree to these visits and an appointment should be made.*

- (f) Provide a sample or information (fact sheet) about the product.

*Samples or fact sheets allows the client to study the subject at leisure and with other family members. Once a decision has been reached, the client will be reminded which entrepreneur can provide the required services.*



For inside wall insulation pegs can be used. The pegs are mass produced. A client who is interested in this technology can be supplied with a sample peg with the name and telephone number of the mason written on it. This way the client is reminded of that mason every time he sees the peg.

- (g) Go towards potential clients; do not wait until they come to your shop.

*Do not expect that everybody needing something will come to you. They look at the nearest options or base their choice on references from family and friends. If you are the producer and have no time, find out if someone else can do the marketing, even if it is very simple.*

A carpenter had a small workshop in a side street. He made one small cabinet each week, but he did not sell very many. His shop became so full of unsold cabinets that he hardly had any space to work.

I asked him why he did not put more effort into selling his products.

"When I go out to sell, I cannot make them; I only earn money by making cabinets."

I asked him whether he had an unemployed family member who could go out and sell the cabinets for him.

"Yes, I have a nephew, but then I will have to pay him a full-time salary and that I cannot afford."

"What if you only pay him a small commission for each cabinet he sells? That way he earns a little and you have more working space to produce more cabinets. Make a small leaflet with your address and a picture of a cabinet."

"I have no time to make such a leaflet and printing is very expensive."

"But your nephew does nothing; he only needs paper and a pen."

When your business is thermal insulation for floors, walls or roofs, double windows or earthquake reinforcement, every new house being built is linked to potential clients and construction workers.

Make a leaflet and give it to the builders on the building site.

Invite the contractor or the owner to have tea with you at your workshop.

Maybe not this house results in a contract, but possibly the next.



### **Training Activities**

The trainees and the trainer, or several trainees together, should now make a shortlist of actions that can be undertaken to implement some marketing activities. Define who does what and when.

The trainer needs to develop a table with the number of families or households per village, district and region. These quantities will give an indication about how many households will eventually want a certain house improvement. For wall, ceiling, floor and roof reconstruction, the approximate surface area per house can be estimated, giving an indication of the amount of work with the needed material supply or the number of working days.

The group should make an estimate of the number of artisans working in the same area and producing the same articles. Then an estimate needs to be made of the number of artisans that should be able to deliver the house improvements. This has to be done per village, per district and per region.

- Number of carpenters making double windows/doors, add-on windows, roof windows, etc.
- Number of carpenters and masons that can do wall/ceiling/floor insulation.
- Number of specialists that can do roof reconstruction with waterproofing and insulation.
- Number of contractors, plumbers and masons that can make compost toilets.
- Number of plastic window makers.
- Number of space-heating stove manufacturers.
- Number of ICS manufacturers.
- Number of hot water equipment producers, etc.
- Number of women groups that can produce insulation curtains and heat retention boxes.
- Number of contractors that can do wall reinforcement or retrofitting.

With the above figures, the group needs to estimate how many marketing products will be required for the first season. One needs to consider that regularly technology improvements become available, so making information sheets for more than one season is not useful.

For each type of marketing tool, the trainees now can try to get approximate cost quotations from the village entrepreneurs. Based on these cost estimates, the approximate cost per village artisan can be estimated. The trainees need to compare the quotations and define which ones are the best, thinking like a client who wants to buy a product from another specialist.

The above elements are inputs for a marketing plan.

## 6. Do Not Delay Action – Take Action

The resistance to undertake a marketing activity can be manifold, but needs to be overcome. It is only those entrepreneurs that manage their marketing well who will grow and can continuously improve their business, thus staying ahead of the competition. When organising a training course on the subject of marketing, the participants need to be asked whether they recognize any of the following resistances to undertaking action.<sup>4</sup>

The entrepreneur has excuses for not doing marketing and is waiting for:

1. Getting additional information from the consultant.
2. When it is less busy at the office.
3. When the documents have been translated into local language.
4. After the staff has obtained additional training.
5. Getting inspiration.
6. Obtaining permission from headquarters/director/administration.
7. Receiving confirmation of the need from the population.
8. Another period or season of the year.
9. When a family member has time to participate.
10. Someone else who takes the first steps.
11. Regulations from the local government (prohibits or obliges something).
12. When the general economy of the people improves.
13. Changing of personnel in the company.
14. More (financial, space) room in the company.
15. An outside NGO donates a large budget for the purpose.
16. When an international prize for the activity can be obtained.
17. Before the next visit of the president/consultant/evaluator.
18. More time for better preparation.
19. Another business partner who does something or does not do something.
20. Another disaster to happen so people are better motivated (earthquake, flood).

*This little grocery shop on the road was at the entrance of a small alley leading to the maker of wire-mesh wall reinforcement. Nobody could find his workshop and his product was not yet well known. "Zong" did not pay for the advertisement. The wire-mesh maker could have negotiated with this neighbour shopkeeper to use two walls for advertising his business.*



The participants should try to explain these waiting reasons, give practical examples and try to answer why these arguments are only excuses for not undertaking the action of marketing. After this review, the group needs to come up with suggestions on how to overcome them.

An entrepreneur is a person who takes initiatives and possibly some risks. These risks, however, are based on his/her professional knowledge of the subject (product) and his clients who need to be served with the product. The knowledge of his clients' needs is possible because the entrepreneur lives in the same environment as his clients. The combination of product and client knowledge places the entrepreneur at an advantage. The entrepreneur needs to have a positive attitude that facilitates the marketing of his products. Without such a positive attitude, adequate marketing will not be developed. In such a case, the person is actually only a manufacturer not an entrepreneur.

When, after the training session, the participant still considers it too much work or too complicated, he may not have the right entrepreneurial attitude and should associate with a real entrepreneur to undertake the marketing.

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<sup>4</sup> The trainer and participants go through the list. The trainees should be invited to add other real examples of excuses to the list. Involving the trainees in producing practical examples will make the training exercise more realistic. When upgrading the lecture notes, these other cases can be added.

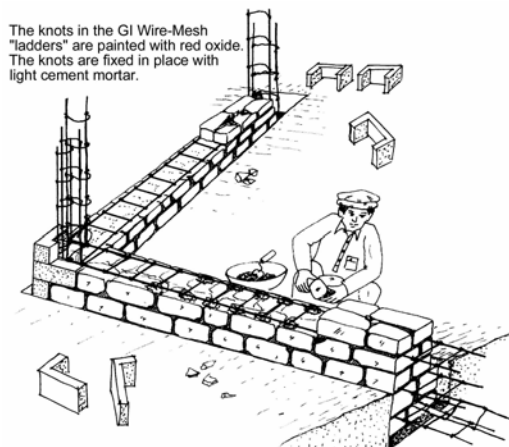
## 7. The Marketing Plan

The marketing plan consists of a few activities for the trainees to undertake, either individually, in groups or by their association. After completing the tasks, the results are to be presented to the group and commented upon.

- (A) Write a short statement of what your business stands for. The same statement will be required when developing a business plan.

*For example: "We make galvanised wire-mesh wall reinforcement for cement masoned walls in different widths. When used as framing, the wire-mesh will substantially reinforce the building to better withstand earthquakes."*

*A more extensive business statement can include the following: "We advise and train masons on how to apply the wire-mesh wall reinforcement, make L- and U-shaped cement blocks to facilitate masonry work, make door and window lintels from the wire-mesh reinforcement, and make anchoring for floor diaphragms. We can train masons and villagers how to make the galvanised wire-mesh reinforcement themselves. We can supply different types of galvanised wire and tools for the production."*



*Page from an instruction manual and cement block mould for making the L- and U-corner blocks.*



- (B) Make a list of your clients and where they live.

*For example: House owners, contractors and masons who are going to build a house for themselves or others, and people who are going to renovate or extend their house; these can live in towns and villages. Architects, engineers and municipal public works staff who advise house owners and other builders on house construction and are involved in designing houses.*

- (C) Write down where you can find your clients and how you promote your product.

*For example: Once a week I drive through the village and note down where new houses are being or going to be built. I leave a folder about my product with the building site watchman. I know all the building block makers and have supplied them with some technical information for the masons who buy blocks there. I inquire at the municipality who has applied for a building permit or bought some land and then visit these persons. I know the local architects and engineers and have supplied them with technical information so they can give this to the house builders.*

- (D) Make two lists: one of the materials you have available for promoting your product and another what you need to do to promote your product.

*For example: I have some short sections of wire-mesh reinforcement for demonstration. I have a long piece on a roll for showing how to place it in a wall. I have a one-page fact sheet. I need to make a more detailed picture manual for teaching villagers, and a price list of the materials or tools I can supply to villages. I need to have a contract form for renting out tools.*



- (E) Write down how much time and money it costs you to give a training in a village.

*For example: Going to a village with a roll of 50 kg galvanised wire and tools (one day, Euro xx). Produce the main basic tool, give a training to four villagers and a mason, and produce about 40 meters of wire-mesh (one day, Euro xx). Bringing a block mould and making 20 corner blocks (one day (Euro xx). Travel back home (one day, Euro xx). Returning three days for masonry a wall section with the corner blocks and wire-mesh reinforcement (three days, Euro xx)*

- (F) Write down the minimum amount of materials you need to have readily available to serve a client who wants to apply your product.

*Example for a mason or contractor: For building a small cement block house with wire-mesh reinforcement, 200 m length of 17 cm wide wire-mesh on rolls, 100 m of 3 mm anchoring wire, and a clean block making machine for hire. Total cost price Euro xx.*



*Plain wire and wire-mesh for a whole house.*



- (G) Write down in how much time you can produce all the materials for one house improvement.

*Example for a mason: 5 cement block houses with a floor plan of 100 m<sup>2</sup> each when the block making is contracted with another company.*

- (H) Write down whether you have standard contract agreements for: sub-contractor, village mason; sub-contractor to a large contractor, employing labour, etc.
- (I) Write down whether you have regular relationships or affiliations with suppliers, skilled and unskilled labour or contractors, and whether you need bank credit for making purchase or delivery of materials with them.
- (J) Write down what the benefits will be for your clients when they buy your products or obtain training to make the product.

*For example: One- and two-storey buildings masoned in the correct way with the wire-mesh reinforcement will much better withstand earthquakes than non-reinforced traditional buildings. The wire-mesh reinforcement provides good safety against rapid collapse of the building during an earthquake and has a much lower cost than conventional reinforced concrete construction. When the masons are being trained to manufacture the wire-mesh themselves, the building reinforcement cost will be even lower.*

- (K) Write down what makes your product unique as compared to others and what is your advantage.

*For example: The wire-mesh reinforcement is applicable in almost any kind of natural stone, dressed stone, brick, adobe or cement block masonry. The plain wire material can be easily transported to remote areas, while villagers can be involved in the local manufacturing. Sand-cement mortar for the masonry does not have to be high grade since the wire-mesh is*

*galvanised. For application in adobe block masonry, no cement mortar is required. For all these reasons, the methodology is substantially lower in cost than reinforced concrete.*

(L) List the qualities of the product.

*For example: The galvanised wire-mesh does not rust easily and enhances the strength of the walls, especially when walls are framed all around as shear walls. It avoids instant collapse of the building during an earthquake and with that loss of life of the occupants.*

(M) Write down where new clients can go and look at your product or where they can ask other clients how the product worked.

*For example: So-and-so masons use the wire-reinforcement. That house owner has constructed his new house extension with the reinforcement.*



*A house masoned with wire-mesh reinforcement and corner L- and U-shaped cement blocks used. The cement blocks allow fast construction of straight corners of the walls and straight sides along the windows. In a later phase, the house owner can plaster the walls.*

## 8. What are the Five Key Elements of Marketing?

The five P's of marketing give an overview of the main issues.

### 8.1 Positioning yourself in the market.

Do you do the same as everybody else or do you have a unique product? If you are doing exactly the same as many other entrepreneurs, you are probably playing it safe, but you will not gain much because of the large competition. The same applies when you are very general, meaning that you sell many products or services. It is important that you find yourself a niche in the market and have some products no other entrepreneurs have. The following list gives some advantages and disadvantages of specialization.

You do NOT have a specialization	You have a UNIQUE specialization
1. Your business message is difficult, especially if you offer many services or products. It means that you have to address everybody.	1. Your business message can be precise and focussed as there are no other entrepreneurs providing the same services or products.
2. You need to address a large audience, but few people will respond or be interested. Therefore a lot of energy and time is spent for each client.	2. You know the type of people who need to be addressed as potential clients, thus you do not waste too much time and materials on people who would not buy your services.
3. Most people will consider you as a generalist, without any specialization, but most people want a specialist to work for them.	3. You position yourself as an expert on your topic so people who want to know something will come to you first and become clients.
4. If many entrepreneurs provide the same services, the potential clients may ask for a special discount. The discount is the only aspect that is different from the others and therefore you have minimum gain.	4. You can establish fixed prices for your services without the need for special discounts as no other entrepreneurs can provide the same services. When your turnover increases, your net profit also increases.
5. Your references on good services will be of little value as many others provide the same services or products.	5. Your references on services or products provided are very specific as no other people have received the same type.
6. It will be difficult to make partnerships because all are providing similar or the same services.	6. It is easy to establish durable relationships and joint ventures with other suppliers because they understand your market.



*Different types of specialization. The client knows directly what the vendor offers. By placing the product on a cart, the article can be shown in different locations; thus reaching many clients. For a large number of house improvements, a model and mini models can also be placed on a vehicle and explanations provided to the gathering public.*

### 8.2 Packaging your message for your clients.

The packaging includes hand-outs, business card, fact sheet, brochure and manuals. It also includes what you can show in your workshop as real models, mini models, demonstrations, etc. Because you only have a limited number of activities, you can easily summarize the information and communicate that to your clients. You can set fixed prices.

8.3 **Promotion** to bring you in contact with your clients.

This includes the way you communicate with your potential clients (friendly, helpful and solution oriented), your visibility through advertisements, and your clients knowing your location and the times when you are available.

8.4 **Persuasion** in the way you can convince your client.

First finding out what the client is looking for and then trying to solve that problem; what does the client want to achieve? Provide options and explanations of the different options; how it works, what it does and what not. Explain how a house improvement will be installed and the sequence of your actions. What are the recommendations for the next step by the client?

8.5 **Performance** of yourself and the product in the short and long term.

Would you be able to make a proposal on paper, with precision of the end result? Are any guarantees possible? What will the product do in the short- and long-terms? How long will it last and what maintenance is required? Can you attend to special issues raised by the client or unforeseen problems? Are you or the client going to monitor the performance over a certain period?



The above two photos show two steps in a marketing exercise. The left photo is the introduction of an idea for several new pieces of equipment that will substantially reduce cooking energy and time. A selected group of potential clients have been asked to meet and discuss the issue. Questions were raised about what the clients wanted and what their interests were. As a result an organisational model for testing and financing of the product was proposed.

The right-hand photo (above) shows a small group of clients testing the functioning of the product by tasting.

During the test, the amount of firewood used and cooking time was measured and recorded. These amounts are related to what usually is needed for cooking the same dish, showing a 60% saving. Does the client feel it is an improvement, and if so, how much?

“The proof of the pudding is in the eating”. This saying also applies for other types of house improvements and the success of your marketing actions.



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