Participant Handout

MODULE THREE: Market Research

Overview of Methodologies for Market Research for Sanitation

This module provides an overview of ways to do market research for sanitation, i.e., how to gather information critical to developing an MBS strategy. Market research includes a market assessment that looks at demand, supply, and enabling environment. The module describes three steps for conducting market research and introduces two broad categories of research approaches: qualitative and quantitative.

Module 3 Objectives

As participants in this module, you will:

- Discuss the components of a market assessment
- Discuss research methods
- Define human-centered design (HCD)
- Practice the key principles of HCD and apply them to a market assessment
- Practice stakeholder mapping
- Practice market mapping

Market Research

Market research is a way to gather information about potential customers, businesses, and the enabling environment, which is critical to developing an MBS strategy. Good market research helps the design of a program by providing information on the current state of the market and market opportunities, as well as on different market players, people, enterprises, and organizations. Market research is the first phase of the program design and typically requires between four and six months from design through implementation to report writing. There are three steps for conducting market research for MBS:

STEP	DESCRIPTION
Desk Review	During a desk review, assigned staff or consultants scan existing and relevant information on a topic, analyze secondary data, and create a shared folder and reference list for easy access by all team members. Not all grey literature is easily available on the internet so participants should reach out to NGOs and other stakeholders to see if they can share information. When analyzing the data, look for trends, gaps, and opportunities for the private sector to contribute to improving hygiene and sanitation outcomes. It is important to take the time to do some higher-level thinking about the findings from the desk review and document learning, gaps, and opportunities.
Primary Research	Primary research, otherwise known as field research, is only required when a desk review has not been able to answer all questions and provide data needed to understand the current state (why things are the way they are now). Research gaps are more likely to be seen at the level of supply and demand or with very specific questions such as those related to financing mechanisms and policies. Different research methods can be used, and product teams will likely have to consult a research/M&E team to determine which methods are most appropriat The module covers three methods but focuses mostly on qualitative research and human-centered design (HCD).
Data-to-Decision-Making Workshop	A data-to-decision-making workshop gathers key project team members to discuss how the market research results can feed into their market development strategy. It is important to carefully consider who should participate in the workshop and how to ensure that key decisions made during the workshop are based on the data.

Qualitative Research Methods: Focus on HCD

Qualitative research can help us understand *the desires and preferences of consumers and entrepreneurs.* An example of a qualitative approach methodology applicable and discussed in this module is *human-centered design (HCD).*

Human-Centered Design (HCD) engages users along the supply chain to design a product or service, using repeated rounds of testing and incorporating feedback. HCD considers all users' values and opinions—regardless of their education, income level, and beliefs—to be rational and important for the design of a successful solution that keeps their needs at front and center. HCD includes three major phases that repeat or iterate throughout the project cycle. The phases are*: HEAR, CREATE, and DELIVER.*

HEAR	The research phase (it can be used for the market assessment). This may also be referred to as the DISCOVER phase.
CREATE	Generate and test ideas
DELIVER	Implement these ideas in the real world—during this phase, researchers are still "hearing" what users think about a solution, then creating new ideas to test.

Quantitative Research Methods: Surveys and GIS

Surveys are questionnaires given to a representative sample of the population you want to research. The sample can be people in the target market (the population targeted) or key market actors such as entrepreneurs. Surveys are usually used to measure large populations with relative ease. Despite a widespread perception that surveys are easy to conduct, they need extensive planning, time, and effort to yield meaningful results. Surveys also can be used to understand key characteristics of the actors in the supply side of the sanitation market system.

Geographic Information Systems (GIS) can be used as part of market research to help identify areas that are more densely populated and accessible and have more dynamic economic activity. These areas are more amenable to the development of a market that, to date, has little or no existence. GIS allows partners to better target and prioritize their interventions. GIS modeling consists of compiling various types of georeferenced data (associated with GPS coordinates) in the form of GIS layers that can be visualized cartographically and analyzed spatially. GIS can also be used to map the sales zones and villages to be visited by sales.

Additional Key Terms

- **Market Assessment:** Provides insights into market characteristics and relationships and actors across demand, supply, and the enabling environment
- **Market Data:** Used to understand the market and how it performs, how goods are exchanged, what the prices are, how prices are changing, where goods are sold, what types of products are available, how many are available, etc.
- **Stakeholder Map:** A tool for quickly visualizing the different actors within a market system. This is also a useful tool to see how actors may or may not interact with each other, in a way that captures the web-like nature of a market.
- **Empathy Map:** Helps product designers achieve a deeper understanding of customers (target audience) and other actors in a market, so they can better design for customer needs and wants.

For more information and resources on MBS, visit:
https://www.fsnnetwork.org/PRO-WASH/Market-Based-Sanitation.

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