



How to expand your product basket in a strategic way

From our [GDC how-to-guide series](#)

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About the GDC

The Global Distributors Collective (GDC) is a collective of over 170 last mile distribution companies operating in more than 50 countries around the world, that reach millions of underserved customers with beneficial products. The GDC is dedicated to helping distributors improve business performance and grow, and to building a collective voice for the sector. The GDC is hosted by Practical Action, alongside strategic and implementing partner Bopinc.

www.globaldistributorscollective.org



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www.solarsister.org | www.eepafrica.org

What is the opportunity for product basket expansion?

Snapshot of this how-to-guide

Benefits of a more diverse product offering

For last mile distributors (LMDs), selling multiple different products or product categories can be a means to accelerate the path to profitability. It allows the business to generate more revenue; often from the same customer base. For example, a household buying a solar home system could subsequently be sold another (related) product, such as a smartphone.

By not “putting all your eggs in one basket”, LMDs also mitigate the impact of external threats like demand fluctuation and supply chain disturbances. Portfolio expansion has become easier due to the improved availability of reputable supplier information, and the rise of digital technologies that help streamline operations like ordering, inventory management and credit sales.

Expanding your portfolio, however, requires various strategic considerations:

1. Is there an existing demand for the new product and do customers see a relationship with what you currently offer?
2. Can you tap into your company’s existing strengths and assets?
3. Can you manage the complexity involved in selling multiple products?
4. Is there a reliable supply chain whereby you can get products to market within a reasonable amount of time?
5. Can your suppliers ensure they will have the products in stock?
6. Do your suppliers have a local presence and can they support with warranty, repair or replacement issues (and are they willing to front the costs for this)?

What is the opportunity for product basket expansion?

Snapshot of this how-to-guide

Product versus category expansion

Most LMDs in the GDC membership sell more than one product within a product category. In the off-grid solar category, for instance, products can include lanterns, home systems, appliances (fans, TVs, radios) and productive use technologies (water pumps, egg incubators, sewing machines).

This can be a safer expansion strategy than adding entirely new product categories, such as selling water filters next to energy access solutions. This is particularly true when the LMD has not built sufficient trust in the communities they operate. [Selling multiple categories from the get-go may lead to confusion and hesitation to buy.](#) It can be better to first build your reputation in one or two product categories, to already offer customers greater choice, while maintaining a coherent offer that ensures efficiency with your existing processes.



Credit: Empower Generation / Pollinate Group

What can you expect?

Snapshot of this how-to-guide

Who is this guide for?

This guide is for last mile distributors (LMDs) interested in extending their current product basket with additional product and/or service offerings.



Credit: Bopinc

What will you find in it?

In part 1 you will learn about four different LMD models and their implications for product diversification. This list is non-exhaustive but will help you clarify which model best represents your organisation and therefore how you should go about diversifying your product offering.

In part 2 you will learn about six considerations to help guide you in expanding your basket, and practical tips to do so.

Finally, we investigate case studies from three GDC members that have integrated new products into their baskets, including key learnings and recommendations for other LMDs to build on.

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Additional resources

GDC product expansion tool

This tool, from the GDC training programme [Upskilling the Last Mile](#), will allow you to score any product you would like to add to your basket based on the six criteria in this guide.

Criteria	Organisations					Score	Definition
	Product 1	Product 2	Product 3	Product 4	Product 5		
Market Fit	2.0	2.0	2.0	2.0	2.0	100	Very poor
Agent Capability Fit	4.0	4.0	4.0	4.0	4.0	100	Poor
Margin Fit	4.0	4.0	4.0	4.0	4.0	100	Good
Impact Fit	2.0	2.0	2.0	2.0	2.0	100	Very good
Logistics Fit	2.0	2.0	2.0	2.0	2.0	100	Very good
Organisational Fit	4.0	4.0	4.0	4.0	4.0	100	Very good
Average score	3.0	3.0	3.0	3.0	3.0	100	Very good

[Click here to access the tool](#)

1

Four LMD models and implications for expansion

Four LMD models and implications for expansion

Below are four models commonly practiced by LMDs and implications for basket expansion. Which of these models do you practice? Refer to the next pages for more information.



1

Fast-moving, pull products

Sell products, including FMCG products, that are in high demand in your market and require limited agent or retailer training.

Expand by offering products with similar turnaround and pull from the community.



2

Specialised products or services

Offer specialised services and products which require a high-touch sales process. Financing might be provided through partners. For PUE products, both financing as well as education for end-users are needed to ensure adoption.

Expand by offering related services and products.



3

Catalogue of products including impact durables

Sell a wide range of products including impact durables, from solar lanterns to water filters, presented in a (digital) catalogue.

Expand your portfolio with products that require limited customer education.



4

Asset financing

Focus on customer financing capabilities, often PAYGO, to facilitate sales of many durable goods.

Expand by cross-selling related and complementary products.

1 Fast-moving, pull products

Expand to other fast-moving products with similar rotation and pull from the community

Some LMDs sell fast-moving consumer goods (FMCG) through their agents or retailers. Ideally, many of these products should be in high demand in the communities. LMDs can decide to conduct market research to identify missing products in the market. Sales agents can ask their customers for suggestions and test initial ideas for new FMCG products with customers, to add to their portfolio.

Given the fast-rotating nature of this business model, it's not recommended to expand the basket with durable products that require extensive awareness-raising/consumer education and demonstration.



Credit: Bopinc

Example

Unilever's Shakti program empowered thousands of rural sales women to sell FMCG products. To improve business and social impact, Unilever supported them to expand the basket with non-Unilever, non-competing FMCG like hygiene products. In Nigeria, a pilot was run to expand to solar home systems, which proved to be difficult due to financial and operational challenges. [Read more here.](#)

2 Specialised products and services

Expand to other, related services and products and leverage agents' legitimacy

LMDs with agents that have built strong, trusted bonds with the communities they serve have an opportunity to offer specialised services and niche products. Some LMDs work with high-touch, mobile sales agents; others choose to work with lower-touch (existing) shops. For this model, it is easiest to stay within the same category that customers already know the LMD for. It's important to look for the right fit, using the six criteria in this toolkit.

Examples of this include LMDs selling off-grid lighting solutions and expanding to clean cooking solutions, solar applications or productive use of energy products.



Example

Solar Sister has been selling solar lights and clean cookstoves through a high-touch network of rural sales women. They tested the inclusion of productive use of energy products into their portfolio and faced many challenges. [Read more here.](#)

Credit: Solar Sister

3 Catalogue of products including impact durables

Expand to products that require limited customer training and education

If a LMD already has experience selling a range of impact durables such as solar home systems and tabletop water filters, and has established reliable and lean supply chains, expansion to new categories becomes less risky. Nonetheless, we recommend starting with new categories that require limited end-user training because, when sales agents offer an increasingly wide range of products, their time to go in-depth into each product is limited. When exploring more complex products, consider developing a specialised sales team that is able to deliver proper consumer training.

LMDs can use product catalogues, either printed or digital, that help sales agents enlighten their customers on what is available.



Credit: Frontier Markets

Example

Frontier Markets in India grew to a network of more than 40,000 rural women sales agents. Starting with solar products, they now have a portfolio of 5+ categories including smartphones, (solar) agriproducts, and homecare essentials which require limited customer training.

4 Asset financing

Expand to products that complement your initial offering and leverage the same finance approach

LMDs increasingly choose to include PAYGO consumer financing as part of their offering. This becomes an enabler to cross sell or upsell products once the initial purchase has been paid back by the customer. The initial product purchased can be used as collateral for any new product sale.

However, managing financing in-house for high value products is complex, requiring strong credit management systems and ready access to working capital.



Credit: M-Kopa

Example

M-Kopa started as a PAYG solar product sales company, but moved to use financing as their key selling point. They now offer a connected asset financing platform that allows millions of customers with no bank account to access life-enhancing products and services.

2

Six criteria to guide your decision making

Six criteria to check before expanding your basket

There is a risk behind each decision you make for your business, including the decision to diversify your product offering. In order to mitigate the risks as much as possible, use the following assessment tool and **reflect on the six key criteria** as you explore different products and categories to add to your portfolio.

1. Market fit	2. Impact fit	3. Agent fit	4. Margin fit	5. Logistical fit	6. Organisational fit
<p><input type="checkbox"/> To what extent does the product build on your existing portfolio?</p> <p><input type="checkbox"/> To what extent is there a real demand, and willingness to pay, for the product?</p> <p>Make sure this validation is based on the right questions in your needs assessment. If a customer has indicated interest in a product, it doesn't always mean they will buy it later.</p>	<p><input type="checkbox"/> To what extent will the product or service have a positive social impact on the communities you serve?</p>	<p><input type="checkbox"/> To what extent will your sales agents be able to sell the product, with limited training?</p> <p>It's important not to introduce too many products at once, as sales agents (and customers) might become overwhelmed.</p>	<p><input type="checkbox"/> To what extent will the supplier provide sufficient margin for your agents and your enterprise?</p> <p><input type="checkbox"/> To what extent will you be able to provide a consumer financing solution in-house or through partners?</p>	<p><input type="checkbox"/> To what extent will you be able to easily source and sync logistics of the various products?</p>	<p><input type="checkbox"/> To what extent are you and the supplier aligned in your values and ways of working, and will they be a trustworthy and sustainable partner?</p> <p>For complex products like PUE, it is important that the supplier has a local presence and is able to bear the costs of returning broken items.</p>

Desirability

Viability

Feasibility

Check on desirability

Is there a market fit?

To what extent does the product build on your existing portfolio?

- Put yourself in the shoes of your customers and sales agents, and ask yourself if the addition of certain products makes sense from their perspective. Does it align with your brand and existing portfolio? For example, if, to date, you have only offered solar lanterns to households, will it be credible if you start offering specialised agricultural products?

To what extent is there a demand for the product already?

- Before committing to a new product line, it is important to determine which products are in high demand. It is also important to investigate potential consumer acceptance barriers (e.g., perceived high price point) for your shortlisted products, and what possible solutions can be used to lower these barriers. Depending on the resources you have available for consumer research and the channels you typically use to interact, you can use various research methods.

- The following methods can be used to assess customer demand, depending on the time and money you have to invest: **SMS surveys, phone interviews, household level face-to-face interviews, focus groups or public product demos (e.g., at market places).**
- High interest or purchase intent doesn't automatically translate into sales. Investigate upfront your customers' willingness versus ability to pay. Our **market research templates** can help you to assess demand in new products.

[Click here to access the templates](#)

Verify desirability



Our product pilots have demonstrated the importance of a well-designed research phase. Rather than just deploying products blindly, in future we will invest more in understanding what communities want, and making sure women are at the centre, to be sure we're getting the right technologies for the target community. With our solar dryer project, for example, we underestimated what a big deal it was for women to manage this work. Even though 100 women said they were interested, in the end there were only three. The majority of women can't go out during the day because of household responsibilities or because their husbands won't allow them. So we found that one of the best ways to get across to the women is to talk to the husbands, to socialise the idea of them working.


- Sosai Renewable Energies Company



Credit: Sosai Renewable Energies Company / Kiva

Check on desirability

Is there an impact fit?

 **To what extent will the product or service have a positive social impact on the communities you serve?**

When expanding your offering to include new products and services, assess the fit with your organisational mission.

- For many LMDs and their investors, delivering social and environmental impact to communities is essential. It's important to test if new products and services truly support your mission and strategies for impact, for example by having transparent discussions with your team around new products.
- Be aware that there will often be trade-offs to be made; products that might be in high demand with good margins might not be the most impactful products. Ensure you have transparent and realistic discussions with your leadership team to make the best decisions.



We are supporting the growth of a rural sales agent network which sells FMCG products in rural areas. We could easily grow our sales by including soft drinks into our portfolio. However, selling sugary drinks to low-income rural consumers would clash with the impact objectives of our partnership.



- Bopinc

Check on viability


Is there an agent fit?

To what extent will your sales agents be able to sell the product with limited training?

When expanding your offering to include new products and services, assess the fit with (a segment of) your sales agents' capabilities.

- When introducing new products, do not underestimate the training requirements for your sales agents. They need to fully understand the benefits of the product and ideally have used it themselves.
- When adding more complex products such as solar pumps, you might want to start with a smaller group of agents to assess potential challenges.
- Request support from your suppliers to provide appropriate and comprehensive training materials on particular products, and to deliver the training to your sales agents.



We learned that because of the complexity of productive use of energy (PUE) products, our agents needed ongoing training, mentorship, and support. We also wish we had piloted a more limited number of PUE products to begin with, as teaching entrepreneurs about too many things at once was overwhelming. 

- Solar Sister

Check on viability

Is there a margin fit?

To what extent will the supplier provide sufficient margin for your agents and your enterprise?

When expanding your offering to include new products and services, assess whether margins will be sufficient for your agents and your enterprise.

- Encourage staff to draw on their networks to gauge market prices and approximate demand for products.
- Request information from suppliers on margins and existing sales figures (and levels of demand if they can quantify this) in other similar regions, to understand the potential of their product.
- Contact existing, local users of selected products where possible to gather more insight into the price they paid, how much income they generate, and how they and their family or friends use the product.
- Factor in how financing/interest rates may make more expensive products not viable, for example because these factors could increase your risk margin or make the products less affordable.

- Remember that products with lower margins but higher sales volumes might still generate more income than products with higher margins yet lower demand. Meaning you should not only factor in margin percentage to your decision-making.
- Based on the above analysis and negotiations with your supplier, assess whether the forecasted additional revenues from the product will offset your additional costs for training, stocking, etc.



To what extent will you be able to provide a consumer financing solution in-house or through partners?

- Providing consumer financing has become a must for many distributors. If you don't have the in-house capital requirements, you will have to scope third party financing solutions. This can come from MFIs, VSLAs, local banks or other financial service providers.

Check on viability

Is there a margin fit?



We are working with an MFI partner that gives farmers loans to buy solar products from us. We think this is important not just because these products are costly and people can't afford to pay upfront, but also because we ourselves might not have enough in-house skills to educate farmers about the associated credit risk. We are a for-profit organisation, and have to manage credit risk and cushion ourselves, but impact matters. MFIs are in a better position to do rigorous customer vetting, education and follow up.



- Natfort Energy



Credit: Natfort Energy

Check on viability

Is there a logistical fit?

To what extent will you be able to easily source and sync logistics of the various products?

When expanding your offering to include new products and services, consider the implications on logistics and supply chains.

- Assess if the new products would fit your current supply chain in terms of warehousing and transportation, and align with your suppliers on delivery terms.
- Assess fit with the 'replenishment' cycle for your agents. Will the new products sync well with your current replenishment cycle?
- Assess your working capital requirements, especially if you plan to stock relatively expensive products.



Finding the right suppliers was very hard for us. Most of them are outside of Tanzania. It might take 3-4 months to get the product into our country.



- Solar Sister

Check on feasibility

Is there an organisational fit?



To what extent will the supplier be a trustworthy and sustainable partner?

After identifying the product(s) that you would like to add to your portfolio and researching potential suppliers, the next step is to select and negotiate with those suppliers.

- Working with in-country suppliers like wholesalers may be preferable, due to the convenience of working in both parties' first language and having in-person meetings to build trust.

- If in-country sourcing is not possible, due to the novelty of the product you want to start selling, you will need to source products internationally. This global scoping of suppliers can take more time, but can also lead to more choice.

When deciding which supplier(s) to move forward with, consider the following:

- Experience of the supplier
- Responsiveness of the supplier
- Quality standards of the supplier

Check on feasibility

What is the experience of the supplier?

Ask for a product catalogue and confirm how long they have been operating, how many products they have sold, how many clients they have and how long production and shipping will take. Ask some of their clients in nearby geographies for references.

Confirm if they have sales and service reps in your country. It is easier to communicate and troubleshoot with in-country staff in the event of an issue.

If they do not have in-country representatives, confirm whether they have supplied products to your country before and how they have managed required certification, import duties, etc.

What is their responsiveness?

Before committing to an order, spend time testing how quickly and effectively the supplier responds to your queries. This is a good indicator of how easy it will be to manage the relationship moving forwards.

If feasible, visit the supplier in person to start building the relationship and see their operations for yourself. Alternatively, ask when they are planning a visit near you.

Be wary of suppliers that do not want to meet or even speak on the phone. Make sure to speak to more people in the company than just one sales person.

What are their quality standards?

Ask suppliers to send product samples for testing, before signing a contract. You might have to sort out the financing for the samples, which could be on a cost-share basis for you and the supplier.

Confirm upfront the terms of their warranty, the cost of replacement and clarify how they address product issues. Ask for the precise after-sales process and ideally request that the supplier already includes replacement products or parts in your shipment at approx. 1-5% of your total order.

Confirm that they are familiar with and/or have already certified their products; for example through VeraSol, for off-grid lighting products.

Check on feasibility



We look at the quality of the product, and the brand reputation - how well known is it in the market? People feel safe working with brands they know rather than a new product. Then we look at the warranty and after-sales support. If we have someone returning a product that is imported and is defective, and it is a manufacturer defect, how quickly will the manufacturer respond to this? It matters how quickly a manufacturer responds to emails. We look for manufacturers that give a minimum 2% buffer for every stock consignment, that will serve as replacements for those products they can't help with promptly.

- Natfort Energy



Credit: Natfort Energy / SEED

3

Case studies

Case study - Easy Solar



Mission: Lighting up lives

Location: Sierra Leone and Liberia

Basket: Solar lanterns, SHS, energy efficient appliances, cookstoves

New products: Solar water pumps, solar freezers and mills
(explorative)



Recommendations

1. Make sure to **collect feedback from a representative number** of customers before adding new products to the basket.
2. **Communicate clearly the benefits and use cases of the new product** to avoid a mismatch with customer expectations.
3. Check directly with customers whether they are **able to pay** for the new products and make sure to validate the payment plan with them.
4. Conduct a **small scale pilot** with the new product prior to full roll-out.



Learnings

Establishing a market and impact fit

Instead of conducting a broad market study, Easy Solar chose only to contact farmers that had already asked for the new products. While these early adopters gave the Easy Solar team ideas about the products and pricing, the team realised that by focussing in on this specific group, rather than including a wider cross-section of potential customers, expectations around the products' functionality and pricing modality were poorly set. For example, the solar water pump selected turned out only to be affordable for bigger farms that required a larger capacity pump; de facto excluding other potential customers with smaller farms and different requirements.

As a consequence, uptake of the new products was far below Easy Solar's expectations. To address this, the team took a step back to explore activities to **improve the product-market fit**. This included piloting the products with a cross-section of customers to receive in-depth feedback, and figuring out the business case for smaller farmers, to enable sales agents to present a reasonable return on investment during their pitch to these customers.

Case study - Easy Solar

Establishing an agent and margin fit

Easy Solar has developed a standardised pilot methodology for any new product, which includes setting clear pilot objectives, and undertaking a pre-pilot survey and post-pilot survey with potential customers to gather product feedback and assess levels of customer satisfaction. This process informs a recommendation to the sales team regarding whether or not to commercialise the product.

Establishing an organisational and logistical fit

Easy Solar faced challenges to find a good solar mill product. There was a local manufacturer in Sierra Leone that manufactures rice mills and palm oil processors. However, Easy Solar didn't want to work with them: *“Last year there was a death as the mill wasn't working properly, and health and safety is a non-negotiable for us. We haven't been able to find an alternative”.*



Credit: Easy Solar

Case study - VITALITE Zambia



Mission: Make quality products and services accessible and affordable to all Zambian households

Location: Zambia

Basket: Solar and clean cooking products, agri and irrigation products

New products: Water pumps/drip irrigation and egg incubators (explorative)



Recommendations

1. **Clarify what the ideal customer experience is** for each product, and be intentional about how to support the customer to achieve this.
2. Fully understand the **technical complexity and customisation** required for each new product before rolling it out.

3. Be proactive in **monitoring customers' outcomes** and understanding why some customers 'overachieve' when it comes to realising the benefits of a product. **Share lessons** with agents, and with other customers to help them benefit from these insights.



Learnings

Establishing a market and impact fit

VITALITE Zambia did not comprehensively ascertain what the ideal customer experience was for each new product upfront, which meant that - with the egg incubator, for example - customers were not entirely clear what happens when they put fertilised eggs into the incubator; what experience will they have; and what actions they need to take. In future, the VITALITE team will develop a standard operating procedure for how to engage and support the customer to interact with the product. They will also consider why some customers 'overachieve' in terms of realising the productive benefits of a product, to understand what they are doing differently and enable learnings to be more widely shared and applied between customers.

Case study - VITALITE Zambia

Establishing an agent and margin fit

VITALITE works with a blend of permanent sales staff, based out of district centres, and commission-based agents, based in rural areas. Their customers are mostly off-grid farmers, for whom district centres are not very accessible. However, it is risky to leave a high value product like a solar water pump with an agent. Also a lot of work is needed to train an agent on the technicalities of the products, to ensure the product is well demonstrated. With 500+ agents, Vitalite could not make that viable at scale. Other LMDs suggest engaging a supervisor during demos or asking suppliers for support. VITALITE only offers layby or cash and carry for solar water pumps; although this severely limits the addressable market, they are nervous about taking on all the credit risk.

Establishing an organisational and logistical fit

VITALITE Zambia introduced a submersible solar powered water pump, but it was a failure: *“We did not appreciate how much customisation is involved; each borehole needs to be individually appraised and the pump matched to flow rates. We failed to assess our technical support gaps and find solutions for these gaps, and didn’t build our team’s capacity to specify and install the pumps and deliver post-installation maintenance.”*



Credit: VITALITE Zambia

Case study - Frontier Markets



Mission: Build rural consumer loyalty at scale with 40,000 entrepreneurs reaching 500K customers

Location: India

Basket: Clean energy solutions, appliances and smartphones, agriproducts, homecare and essentials

New products: Digital financial services and more



Recommendations

1. **Listening to what your customers actually want**, rather than telling them what they need, is a much safer way to introduce new products.
2. As the success of new products relies on the of reliability of their supply chain, **make sure to choose suppliers with a good track record**, proven ability to deliver and extensive after-sales support services (including product repair/replacement).

3. **Share customer feedback and your own learnings with suppliers**, to help them improve their products and explore new business opportunities. Moreover, it will strengthen your long-term relationship with them.



Learnings

Establishing a market and impact fit

Having an extensive salesforce network makes Frontier Markets an attractive partner for product suppliers and allows them to generate additional revenues by offering suppliers services such as direct to consumer (D2C) digital and physical marketing, sales of products, supply chain management, customer insights and data analytics. Having strong supplier relationships allowed Frontier Markers to successfully launch many products, with attractive margins, from different categories over the last 5 years.

Case study - Frontier Markets

Establishing an agent and margin fit

Frontier Market's women sales force uses an (in-house) e-commerce sales assistance app that is designed by and for rural women. Sales agents use this technology to collect data from customers living in their community, which is then used to curate new products that are responsive to consumer trends observed.

Establishing an organisational and logistical fit

Frontier Market's well-organised and tech-enabled operational model makes it easier to introduce new products. Once a customer places an order through the sales agent, the technology does the rest: the Logistics and Service Center supports a Delivery Field Manager who will deliver the product directly to the sales agent.



Credit: Frontier Markets

Case study - Frontier Markets

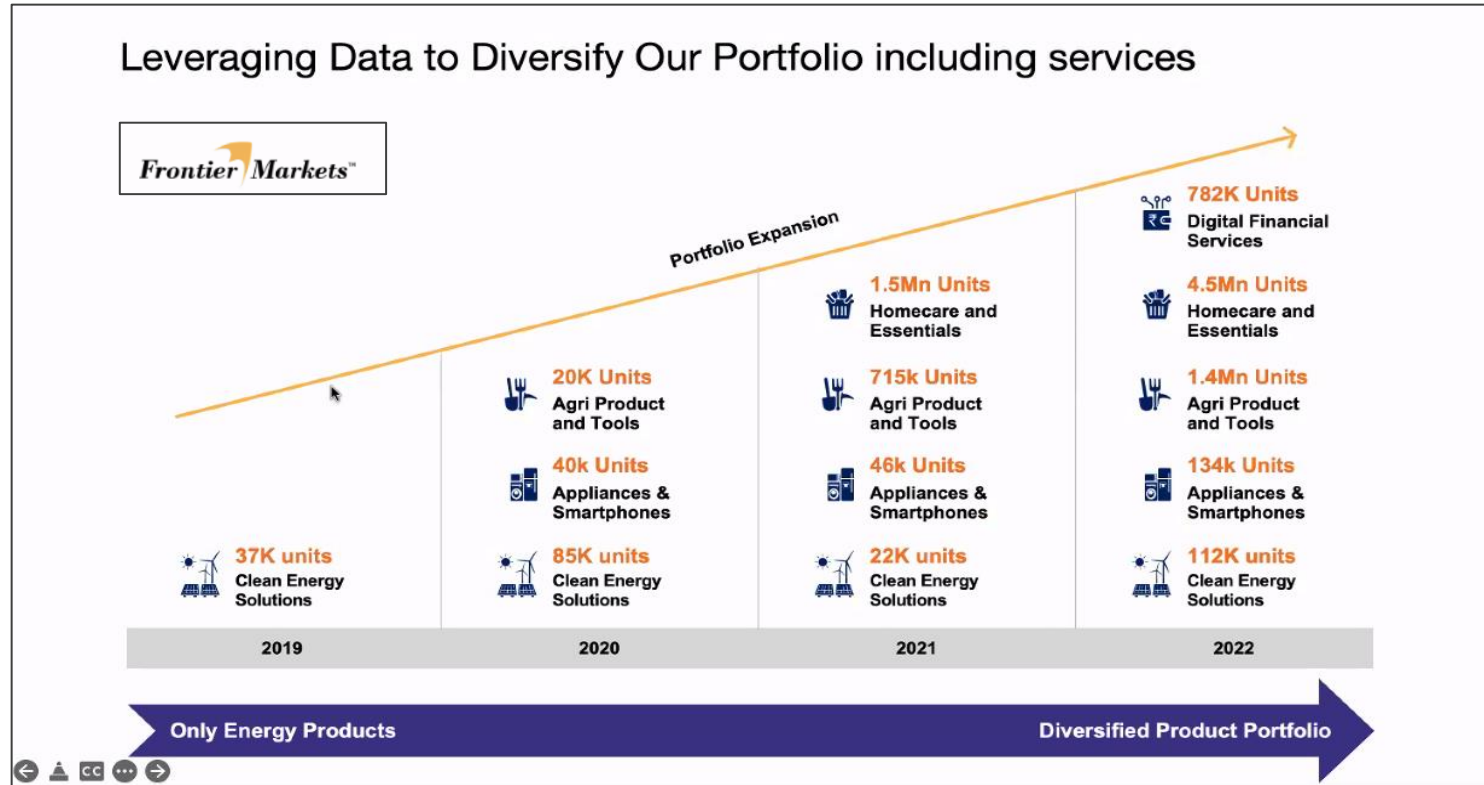


Figure 1: How Frontier Markets expanded their product basket over the years | Source: Frontier Markets

Case study - Solar Sister



Mission: To provide women with economic opportunity, training, and support to distribute clean energy to underserved communities in Africa

Location: Tanzania

Basket: Solar lights, SHS, phone chargers, radios, and clean cookstoves

New products: Fishing lights, egg incubators, sewing machines, barber kits, entertainment packages, phone charging hubs, and security lights



Recommendations

1. Before introducing a new product line, **make sure that you have a reliable supply chain in place** with suppliers that you trust.
 - Ensure that you **understand manufacturing and delivery timelines** and that these will allow you to test products in the market and meet customer demand.
 - **If the supplier is not locally-based, consider how this will impact operations.** For example, who will train entrepreneurs/agents on the product? And how can these suppliers support marketing efforts?
2. When assessing demand for new products, **ask potential customers not only if they are interested in a particular product, but also whether they would be willing to pay for it at the price at which it is offered.** Otherwise, you may get an unrealistic picture of what will actually sell.
3. **It is especially important to understand the business case for products that claim to save customers time/money.** For example, will customers make enough money using them to justify the cost? Make sure that there is a clear value add for customers.
4. **Do not try to introduce too many products at once.** It is better to take the time to understand deeply where and how one product will sell before moving on to the next one. This will also give agents/entrepreneurs the chance to master selling each product, which will help build confidence.
5. For more expensive products, **consider supplier-based financing options.** Selling through referrals can be effective and also reduce the risk that LMDs are taking on.
 - **Agree on how after-sales service issues will be handled** - within what time frame, by whom, and who bears the cost for repair/replacement?

Case study - Solar Sister



Learnings

Establishing a market and impact fit

Solar Sister conducted a needs assessment to ascertain which productive use of energy (PUE) products customers were interested in. However, this data collection activity occurred before Solar Sister had suppliers and/or specific products identified, so they were not able to ask whether customers would be willing to pay a certain price (and take out loans) for that product. This resulted in a higher perceived customer demand than there was in reality. Additionally, the survey revealed demand for products that Solar Sister was not ultimately able to source, given the nascent nature of the PUE supply. The needs assessment was done with agents/entrepreneurs, which also may have biased results. In the future, Solar Sister plans to ask customers directly, to better assess market demand.

Establishing an agent/entrepreneur and margin fit

Solar Sister's model is traditionally an entrepreneurship model, whereby the clean energy entrepreneurs themselves set their own prices based on customer willingness to pay and their own assessment of the market. When selling PUE, Solar Sister Entrepreneurs operated instead on an agent-type model, whereby they would pass on customer information to suppliers, using a referral-based system, and then the supplier set the price and managed the credit process/loan disbursement and repayment. This proved to be a successful way of selling PUE.



Credit: Solar Sister

Case study - Solar Sister

Establishing an organisational and logistical fit

Logistics were one of the main barriers Solar Sister encountered in selling PUE products. Without locally-based suppliers (or suppliers with a local representative), it was difficult to get products in the country fast enough to evaluate and then meet market demand.

Solar Sister also found that PUE suppliers were not willing to bear the costs of local product repair (in the case of a warranty issue), and sending products out of the country to be repaired would have taken too long.

In the future, Solar Sister will ensure that the after-sales/warranty process is clearly agreed upon with suppliers and that it aligns with Solar Sister's commitment to repairing or replacing products in a timely manner.



Credit: Solar Sister

Global Distributors Collective

Global Distributors Collective
A network of independent distributors
working together to support
the growth of the UK
retail sector.

GDC@practicalaction.org.uk

www.globaldistributorscollective.org



The GDC is hosted by Practical Action, alongside strategic and implementing partner Bopinc.