

BRIEFING NOTE SERIES: TOWARDS A THRIVING ECOOK MARKET IN TANZANIA



3/7: Supporting the eCooking Market Chain: Support Centres, Distribution Agents, After-Sales Services



This briefing note describes three of the main interventions to develop and support the market chain for electric pressure cookers (EPCs) carried out by TaTEDO and SESCOM as part of the Thriving Market project. These include: establishing Sustainable Energy Service Support Centres in Dar es Salaam, Dodoma and Kilimanjaro; developing a network of sales agents/dealers to distribute the EPCs; developing after-sales services by training technicians and establishing stocks of spare parts. The three interventions were directly designed to address the challenges and capacity gaps described and discussed in Briefing Note 2.

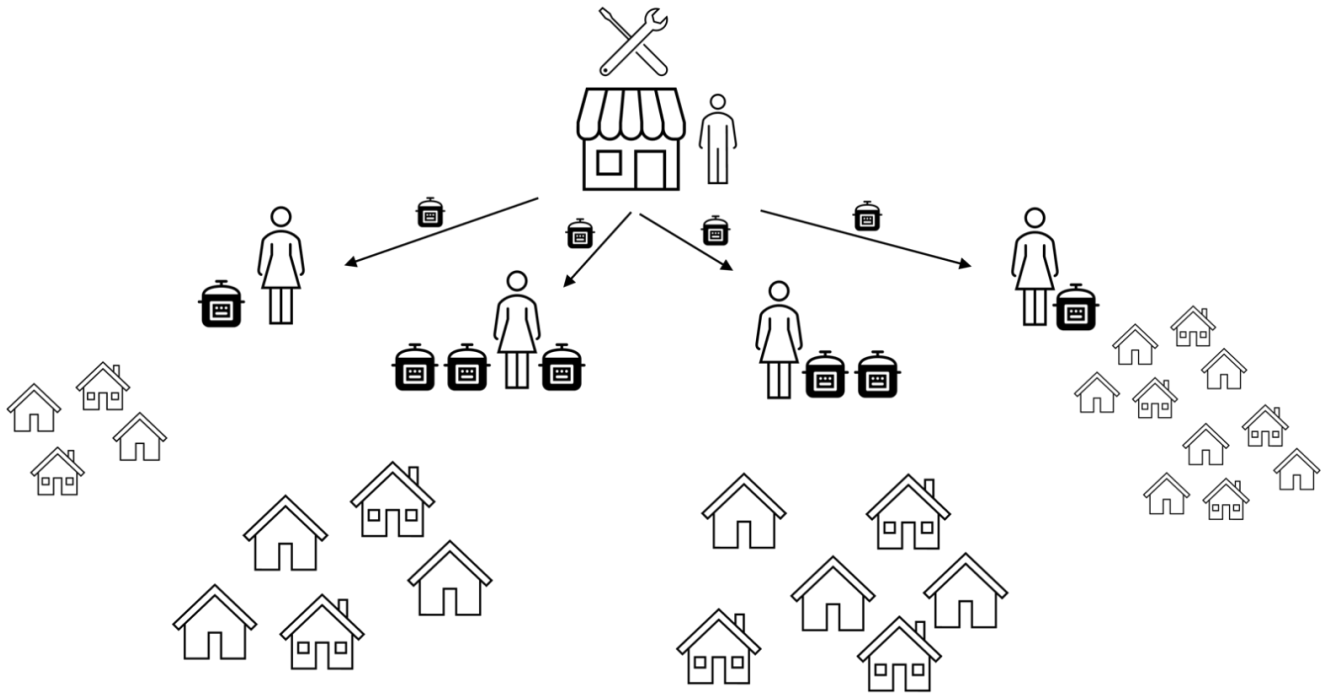


Figure 1: The interventions designed and implemented as part of the Thriving Market project - support centres from which EPCs are distributed, and where a repair person is available with spare parts. Agents collect EPCs and sell to their local areas.

SALES AGENTS

The model of the sales agents was designed by TaTEDO and SESCOM to be part of a system that would address some of the challenges identified in Briefing Note 2, such as the profit-driven approach, lack of after-sales support, and limited availability of EPCs to end users.

Who are the agents?

They are a self-employed sales team authorized by SESCOM to sell EPCs. TaTEDO and SESCOM are developing networks of agents who purchase EPCs from SESCOM at wholesale price and sell on at controlled retail price. These are individual people acting as SMEs, or groups (commonly women's groups), who are trained and contracted to sell EPCs. They are often people who have tried an EPC, like it, and cook with it regularly, and see the opportunity to market and sell it to their networks.

How are they recruited?

Anyone who is interested can be an agent. Information is normally disseminated through various ways, including during awareness-raising sessions, demonstrations, exhibitions and through word of mouth. Those who are interested can then fill the collaboration consent form, where they are assessed through due diligence and referees. They sign a contract and thereafter provide a copy of their identities and contacts for easy tracking and follow up.

AGENTS WHO HAVE SIGNED CONTRACTS ARE TRAINED AND PROVIDED WITH MARKETING MATERIALS TO SUPPORT THEM TO BUILD THEIR NEW AREA OF BUSINESS.

Agents who have signed contracts are trained and provided with marketing materials to support them to build their new area of business. Trainings are organized and undertaken mostly at the Sustainable Energy Service Support Centres. These trainings are offered for one or two days and a facilitator should have technical knowledge of EPCs and should be proficient cooks with it. The trainings aim to impart knowledge on how to safely handle an EPC, how to use it, troubleshooting and how to perform simple upkeep. They are also trained on entrepreneurship and business skills including how to prepare simple

business plans to enable them to manage their business formally. Some SESCO sales agents already have small existing businesses selling different products with established purchasing channels, and so have experience managing stock and cash, but have no business plan for growth, marketing and reinvestment in their business. This is why the business training is important.

After this recruitment process, an agent is now allowed to purchase EPCs, whereby the minimum number of EPCs which they can buy at wholesale price is 4.



Figure 2: Training sales agents in Dar es Salaam.

Why are sales agents needed?

Sales agents are from different areas and can reach into rural and urban areas. This helps to strengthen the distribution of EPCs and cover a larger number of customers.

Another advantage of having this system of trained sales agents is that agents are closer to end users than the importer, and they can provide assistance and support after the sale more easily, particularly on how to use the EPC or any common fears or problems that a new user might run into. Also, as they sign a contract and agree to collaborate, there is a way to closely follow-up with customers, and customers' information

is obtained, creating a database which can be used to track market growth.

Where are the agents?

There are about 46 sales agents; most of them are in the three project regions but as activities have grown and more people have become interested, agents have sprung up in 6 other areas too:

- **Dar es Salaam Sales Agents:** There are 12 sales agents in Dar es Salaam city who are individuals already operating as SMEs in other business activities related to retailing.
- **Kilimanjaro Sale Agents:** The Kilimanjaro Region has 17 sales agents, most of them are also individuals operating as SMEs in other business activities. Two of the 17 are actually groups - the Nronga Women Milk Cooperative and Nawari Women group.
- **Dodoma Sales Agents:** Dodoma city has 9 sales agents, some of them are previous government employees who have decided to sign up as sales agents.
- Morogoro and Pwani regions have two sales agents each.
- The Regions of Arusha, Tabora, Mwanza and Lindi each have one sales agent.

THE SUPPORT CENTRES IN DAR ES SALAAM, DODOMA AND KILIMANJARO WERE SET UP STRATEGICALLY TO SERVE THE GRADUALLY INCREASING DEMAND FOR MODERN ENERGY COOKING TECHNOLOGIES AND SERVICES.

SUSTAINABLE ENERGY SERVICE SUPPORT CENTRES

The support centres in Dar es Salaam, Dodoma and Kilimanjaro were set up strategically to serve the gradually increasing demand for modern energy cooking technologies and services. The demand was a result of awareness-raising efforts, marketing and implementation of previous projects. The significance of implementing MECS projects in these regions were as follows;



Figure 3: Sustainable Energy Service Support Centre (Dodoma)

Dar es Salaam Region: A commercial city of Tanzania with many medium and high-income people. According to TaTEDO Annual Report 2020, despite most of the households being electrified, charcoal consumption in Dar es Salam accounts for about 50% of Tanzania’s annual consumption.

Kilimanjaro Region: This is one of the few regions in the country which is well electrified by the national grid in rural and urban areas, which means most businesses and the majority of households have an electricity connection. The region consists of the World Heritage forest, which needs to be protected. Most residents in this region are of high and medium income, but still depend on firewood from the Mount Kilimanjaro Forest ecosystem, thus negatively impacting the local environment through deforestation.



Figure 4: Sales Agents Training at the Sustainable Energy Service Support Centre

Dodoma Region: The people in urban areas of Dodoma have medium to high income, most being salaried civil servants, and are connected to grid electricity. It was important to have a centre in Dodoma since it is the capital and administrative city. This enhances lobbying and advocacy.

These three regions have many economic and administrative activities which provide income to residents there, so customers have relatively high purchasing power as well as business potential and viability. The location of these support centres enables easy distribution of EPCs to all regions in Tanzania and nearby countries, and also makes it possible to reach customers faster for after sales services compared to if everything was concentrated in just one place.

AFTER-SALES SERVICES

To support the sustained use of EPCs by customers, TaTEDO and SESCOM developed an EPC technical instruction manual which has been very useful in training and guiding technicians on EPC maintenance and repair. Technicians to be trained in EPC repair are selected from already existing technicians who are conversant on electrical devices and electronics. They usually have their own repair workshop in the city or town they are located and they can repair the EPC in their workshops, or they can attend to customers at the support centres. So far, 5 technicians have been trained and are located across the centres. Scaling up training to reach more technicians is going to be an important focus to support market development.

The trainings provide knowledge on the mechanical parts, electrical and electronic parts, how to identify EPC common problems/faults as well as EPC maintenance, troubleshooting and repair procedures. TaTEDO and SESCOM intend to provide the trained technicians with summarized technical manuals in Swahili.



Figure 5: Technical manual for EPC repair and maintenance

The availability of spare parts to the centres is another important factor that helped boost customer confidence in the SESCOM EPC. Whenever customers face any challenges, the issues are attended to quickly since the technicians are reachable and the spares are available on stock.

An EPC user manual, which includes contacts for assistance, is also provided to customers; hence they can easily reach TaTEDO/SESCOM in case of any challenge.

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THE RESULT

Before introducing this system there were very few EPC importers and distributors, awareness was low, and people perceived cooking with electricity and eCooking appliances as very expensive and difficult to adopt. EPCs could only be found in large markets like Kariakoo in Dar es Salaam and a few supermarkets.

Currently, more people are aware of clean cooking issues and the use of EPCs as the most efficient appliance in terms of energy, time and operational cost. The users of EPCs have reduced their consumption of LPG and charcoal. More than 3000 EPCs have been distributed and sold to different customers by SESCO. Efforts to create awareness have also increased the number of EPCs present in the market by different brands such as Nikai, Westpoint, VON, Philips, CODJEC, Electro Master, Aadre. Although there are more brands on the market, quality is still a problem that needs to be addressed – see Briefing Note 5 for more on this important issue.

Agents are now found in different urban and rural areas of Tanzania. These agents have seen that participating in the EPC market chain is a good opportunity, and they are now doing business and earning a profit. Substantial efforts are being undertaken by SESCO to extend distribution to nearby countries like Uganda and DRC where discussions are in progress.

Customers connected to the support centres and sales agents can now access the EPCs easily and after purchase, they can access after sales support. Positive feedback from users about time and cost savings is commonly received. Some customers who come to buy EPCs have heard about the devices from other users through word of mouth, which is a good indication that end users are happy with the performance of the EPC.

There have been suggestions on improvements to the device such as to have larger sizes, two pots, and BBQ and frying options, depending on the different cooking cultures of particular areas. Some end users have become cooking innovators, using the EPCs in ways not envisioned by TaTEDO. For a deeper dive into this, see Briefing Note 7 on Design and Use Case Insights.

AGENTS ARE NOW FOUND IN DIFFERENT URBAN AND RURAL AREAS OF TANZANIA. THESE AGENTS HAVE SEEN THAT PARTICIPATING IN THE EPC MARKET CHAIN IS A GOOD OPPORTUNITY, AND THEY ARE NOW DOING BUSINESS AND EARNING A PROFIT.

This briefing note is part of the ‘Towards a Thriving eCook Market in Tanzania’ series, published by TaTEDO and MECS as outputs of the ‘Thriving Markets’ project (2020-2022), funded by UKAid through MECS. Briefing note 3/7.