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Better menstrual health: lessons from a market systems approach in Tanzania



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Can market systems deliver impact for women, at scale?

In Tanzania, over 80 per cent of women and girls have no choice but to use cloth rags (or worse) to manage their menstrual cycle, and so regularly face yet another burden to their basic mobility, dignity and access to education and livelihood opportunities. Access to safe menstrual products is a crucial concern for women and girls across the globe.

This sounds like a challenge where a systems change approach could deliver scaled impact for millions of women and girls by improving choice, affordability and access to menstrual products.

But **systems change** approaches are often overlooked as a way to deliver health or gender outcomes, and little understood beyond the world of **Market Systems Development (MSD)**.

In Tanzania, our programme's donors - UK aid and Irish Aid - were willing to be bold and let us experiment. Institutions for Inclusive Development (I4ID) is an adaptive governance programme, managed by Palladium, alongside SNV, BBC Media Action and ODI, to demonstrate how taking a systems approach could offer scaled and sustained solutions to complex challenges in public services, inclusive growth or gender equity.

Taking small bets on different constraints

We believe the very nature of complex systems requires several interventions to unlock multiple, inter-dependent constraints with creative problem solving and a little bit of entrepreneurialism, to test a few small bets on what might work.

Our team was reminded of this when we persuaded the government in Tanzania to drop the VAT 'tampon-tax' in 2018, only to see it reversed a year later when policy makers saw little impact on retail prices. Wholesalers and retailers were failing to pass on any cost reductions to consumers. As economists will tell you, prices can be very 'sticky' and difficult for manufacturers and suppliers to **monitor or enforce**. We learned that to have any sustained impact on retail prices, particularly in thin markets with long distribution chains and high transport costs, we needed to persuade suppliers to invest in managing their distribution network better.

Another important lesson was in political economy dynamics. In this case, local producers complained that the VAT reduction unfairly advantaged importers, and won the argument with policy makers who were keen to prioritise an industrialisation strategy. Fortunately, when the government reversed the VAT reduction, they found a way to leave incentives in place for local producers, and have kept the door open to discuss further reforms.

Luckily, we already had several interventions in play, looking for different ways to help firms invest in distribution to improve affordability and increase availability outside urban centres. We were also trying to encourage firms to invest in product innovation, new market entry and marketing to improve choice for consumers and increase trading volume. This would encourage price competition and drive down profit margins. Most firms supplying menstrual products hadn't really invested in distribution capability beyond urban centres and had little understanding of where their products were being sold and at what price. Without sales agents in the regions to support and provide feedback, suppliers were pushing out product blind, when they could have been motivating distributors and retailers to push more of their product for them, at more attractive prices.

Tailored support for different business model innovations

Identifying and co-creating successful business model innovations is the holy grail of good market systems development. But you can't impose your own ideas when it comes to taking risks with other people's businesses. We had to follow the lead of our partner firms and find a way to co-create, challenge and test ideas together, particularly when the scale, ambition and background of each market player was so different: We tested innovations with the distributor of the biggest brand in the world, but also with the biggest Tanzanian brand, the main domestic manufacturer,

and several start-ups, including the country's first licensed menstrual cup, **Hedhi Cup**.

We thought long and hard about using grants to subsidise partner firms, which is a **much contested issue**. We decided there was enough justification to co-invest resources with firms willing to try potentially catalytic business practices. We felt strongly that firms had to 'learn by doing', and the only way they were going to understand, identify and overcome growth constraints was by getting out into the market and trying things for themselves.

Gender impact vs environmental sustainability?

Our team carefully considered the environmental sustainability of disposable sanitary pads. We took the view that women's agency is undermined in so many ways, that the benefits of enabling greater choice and access to all types of menstrual products far outweighed the potential additional environmental impact of disposable pads.

Nevertheless, we invested considerable amounts in promoting reusable alternatives, because we believe choice for women is important. This included supporting retail distribution of the first menstrual cups in Tanzania, and human-centred design and research to improve understanding of menstrual cup adoption amongst rural women and girls.

Can market systems deliver impact for women, at scale?

Although the programme's funding was cut short in 2020, we think we have demonstrated the power of systems change through some fairly sustained and scaled outcomes, within only two years:

› **New product lines and more affordable pack sizes:**

The findings from our consumer perceptions survey persuaded a major global brand to introduce two new product lines into the country, to offer better quality and a lower price, and to invest heavily in advertising that is helping change social norms around menstrual health.

We also found many poor women and girls might prefer a smaller pack size, if they can only afford occasional pad use. We were excited to find the biggest domestic brand wanted to reach poorer customers and helped them launch Mzuri in 2019, which is now established as the most affordable pack of menstrual pads in the country. At USD 0.50 for a pack of five, it retails at approximately half the price of the next available brand.

As mentioned above, we also helped a Tanzanian entrepreneur launch a menstrual

cup completely new to the Tanzanian market, which is holding up sales remarkably well through pharmacies and specialist retailers.

> **Rural marketing at scale**

We managed to show a large-scale importer that rural distribution can be profitable and get to scale. By encouraging the importer to invest in stronger relationships with wholesalers and retailers, with regional sales staff, we helped them build a successful rural marketing strategy selling almost 1.5 million packs in the first six months. This included a social marketing campaign reaching over 25,000 school children with menstrual health education. Interestingly, this has influenced the company's marketing philosophy worldwide. Seeing the viability of rural markets, it is now investing in distribution beyond urban centres in other countries.

Not everything our team did worked, including a social media campaign that really failed to ignite. But for us, this only underscores the importance of a multi-pronged 'systems change' approach. The market systems achievements listed above are hugely rewarding. The policy work, despite its setbacks, supported our efforts by creating a huge storm of discussion and good-will amongst politicians, leaders and the media which continues today: challenging stigma, shifting social norms and accelerating product adoption and market growth - and ultimately, improving access for women and girls.