

Insecticide treated nets make business sense

Working with private companies to expand the distribution and sales of insecticide treated nets

It is never easy paying off a loan, but getting malaria just makes it even harder.

When a group of rural women complained they could not pay back the money they borrowed because they had lost too many working days due to malaria, it was probably true. Malaria is endemic in Mozambique; it is the main cause of death for children and is responsible for many days of sick leave, as well as accounting for over 40 percent of all outpatient consultations¹.

A microfinance company, the former Menonite Economic Development Agency (MEDA), responded by issuing vouchers to the women to buy insecticide treated nets (ITNs) as part of their credit. That was the first direct contact with the private sector through Nelson Nkini the managing director of Proserv, a family-run private company. He sold the nets to the women, who were willing customers.

It was this experience that gave him the idea of expanding his company's distribution and sale of nets beyond the non-government organisations (NGOs) he was already supplying to shops. It has proved successful both for him, the retailers and undoubtedly the customers who have bought cost effective protection against malaria.

Yet, as with all successes, it has required persistence on Nkini's part. "It was not easy to convince retailers, as they always want products that they already know are fast moving and cheap."

He acknowledges the key role Malaria Consortium played in his success. The international NGO supported Proserv and other companies to distribute ITNs in the private sector as part of a five-year programme that ended in May 2010. The aim of the programme, which was funded by the UK Government is to develop a sustainable market for ITNs, as well distributing them free to pregnant women



One of the two shops run by Proserv, a family-run private company

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Neslon Nkini,
managing director of Proserv

¹ National survey on causes of mortality in Mozambique 2007-8 from the MDG Report for Mozambique 2010.

through the public health service. Malaria is especially dangerous for pregnant women, as it may cause fatal anaemia. It also increases the chance of a miscarriage or an under weight baby.

The private companies, Proserv, Agrifocus and Vestergaard Frandsen in collaboration with Moçambique Distribuição e Serviços Ltd, contributed to the programme's first phase aims to distribute over 220,000 ITNs through the private sector in Mozambique.

Malaria Consortium Country Director, Kate Brownlow, says the public and private distribution complement each other. "The public sector is very important, especially as a safety net for those who cannot afford to buy. The commercial sector has a role -the demand is there, and there are people who have the purchasing power."

The companies looked at reaching different markets. For example, Agrifocus, aimed to incorporate the nets in their agriculture products package, which is provided to farmers on credit until they harvest.

"Such healthy competition among the companies is good for the future now that Malaria Consortium has phased out its support," added Brownlow. "The aim has also been to develop the national structure sufficiently so there is not only a sustainable distribution, but organisations are even able to procure nets locally."

To kick-start the private sector development, Malaria Consortium advanced the companies money to buy the initial batch of nets. A

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Young students wear paper hats made from awareness raising materials on the importance of nets



second component of the support to the private sector was price support. This allowed a reduction in the retail price to consumers. The companies also received a marketing subsidy of 70 percent of an agreed fixed amount during the first year and 50 percent in the second, in addition to support for distribution costs.

Building up public demand

Nkini says the support for marketing was key. “We needed to change people’s mentality so they chose to spend money on a net instead of something else.”

Proserv used a range of marketing techniques, including radio spots and pamphlets, and it hired Ndyoko, a youth group, which put on cultural activities in schools and markets. “It is crucial that people know the importance of the bed net, so that they value them and use them,” says Nkini.

Proserv has 114 *barracas* (market stalls) and a shop in Maputo and Nampula, as well as a dynamic network of street vendors. The street vendors have received training on basic market skills and information about the importance of using nets to fight malaria.

“They were taught about what they were selling, so that they knew how to convince the buyer,” says Nkini. “At first the vendors were asking for five nets to sell in a day, but now they want 150 each day.”

The two Proserv shops offer more variety than the street vendors, selling nets of all sizes, and different materials and colours, ranging in price from 150 Meticaï to 1,200 Meticaï. “Tourists and the larger organisations like the expensive ones because they are made of pure cotton and are cooler,” explains Sarifa Badura, who sells at the shop in the capital Maputo.

The main challenge now is to reach the more remote rural areas. Roads are poor, most people live in sparsely populated homesteads and they only congregate for market days a couple of days a week in some areas. “Moreover,” adds Nkini, “There are no banks, so the people selling the nets have to travel with a lot of money. You need to trust them.” Yet the hard to reach people must remain a top priority.

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Training for net vendors on basic market skills and information on the importance of using malaria nets

