

Public-Private Partnership Model

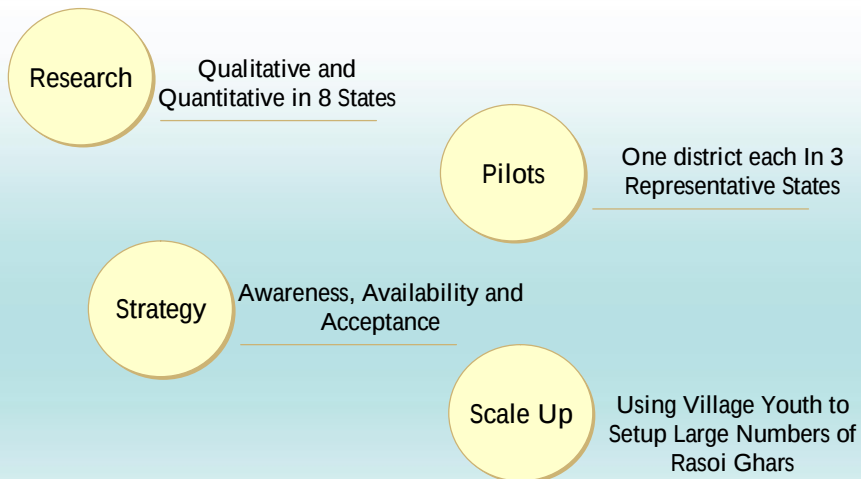
HPCL Rasoi Ghar



Challenges in LPG Marketing

- Rural penetration is only 15%, mainly among rich households
- MART research conducted in 8 states showed that non-users (primarily the poor) are quite aware about benefits of LPG,
 - 57% of them believed that it's convenient to cook on LPG
 - 63% felt that there is no smoke while cooking,
 - 69% were of the opinion that food cooks faster
 - 50% said that making tea for unscheduled guests on LPG is very handy.

Process Followed by MART



Marketing Issues

- Research Identified the following problems among non users of LPG
 - **Affordability**
 - High connection cost of Rs 1600 (73%)
 - High recurring cost for refill @ Rs. 270 (51%)
 - Options for cooking at low cost/zero cost e.g., firewood (93%), dung cake (27%)
 - **Availability**
 - Nearest place where LPG is available is town located 10 kms away or more (61%)

Marketing Issues

- Awareness
 - Extremely low awareness about actual cost of connection (20%), most believed wrongly it cost Rs 2,000 or more
- Acceptance barriers (myths)
 - Fear of cylinder burst
 - Gas leakage fire hazard
 - Cooking on gas results in gas in stomach.

Solution Suggested - Affordability

- Introduction of 5 Kg cylinder
- Initial connection cost Rs 800 (against Rs 1600 for 14.2 kg)
- Refill Rs 95 (against Rs 270 for 14.2 kg cylinder)



Solution Suggested - Availability

- Town dealers to open extension counters in larger villages (with population of 5, 000 to 10,000)
- Use HPCL's Petrol Pump outlet network in semi urban locations, highways/arterial roads for distributing LPG



Solution Suggested - Awareness

- Participate in Haats
 - communicate and demonstrate safe usage instructions
 - Communicate price structure of 5kg LPG cylinder (initial & recurring)
- Reminder message through wall paintings at haat boundary walls, bus stands



Solution Suggested - Awareness

- Conduct safety clinics during SHG meetings.
- Demonstrate procedure to use LPG gas and safety precautions
- Finance
 - Chit-fund concept where interested SHG members contribute Rs 100 each and draw lottery every month, money collected buys connection for one woman



Objective of Pilot

- How to influence poor women to move away from traditional cooking methods.
- Dispel myths associated with LPG
- Clean, convenient and safe
- To make women experience the benefits of LPG

Thus was conceived the concept of RASOI GHAR

Rasoi Ghar: The Model

- Rasoi Ghar is a community Kitchen set up in smaller villages where women come and cook
- Concept is shared among potential user community through visit to the village
- Local Panchayat contributes a room (10 x 10 or bigger) for the kitchen



Rasoi Ghar: The Model

- HPCL contributes cook stoves, LPG cylinders, utensils, cooking counter and water connection
- One SHG member is appointed as caretaker
- Women bring raw materials and take away cooked food home. They pay Rs 2 per half hour for gas usage
- Caretaker woman collects money which is used to order refill cylinders, keeps premises clean. Her monthly stipend also paid out of this collection.
- The model is self sustaining and scalable



Outcome

- Non users (BOP segment) experience the advantages of clean, convenient, safe and healthy LPG without having to buy a connection
- Once they are satisfied, many decide to buy individual connections
- It is a win-win model for all. Poor women cook food under clean, convenient and safe conditions, HPCL gets new consumers as these women decide to buy their own connections and the panchayat gets a good name in the community.



Evaluation

- NCAER evaluated the Rasoi Ghar initiative in UP
 - Acceptance of Rasoi Ghar by the people is quite high (82 %)
 - 82% users use Rasoi Ghar twice a day
 - 6 % of the drop outs have opted for individual connections
 - Those who continue to use, 20% are intending to take individual LPG connection in near future

Evaluation

- Marginal increase in expenditure on fuel (Rs 0.52 / day), but 1 ½ hours time saved per day on account of fuel collection and cooking with traditional fuels
- Saved time is utilized in productive activities, better child care, domestic chores and increased leisure time
- Rasoi Ghar established by SHG members are generally more successful and sustainable

Status

- 1500 Rasoi Ghars opened in 3 states– U P, M P & Orissa
- Another 10,000 planned

This model won the RMAAI Gold Medal and Special Jury Award, 2005 for best long term rural initiative in India

Successful Mantra in Rural
Business Mind, Social Heart

Thank You

