

A new distribution channel for Nestlé

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By [TechnoServe](#)

The Program [Women IN Business](#) - WIN supported Nestlé in Mozambique to design and pilot a new distribution channel led by women micro-entrepreneurs for the brand's best-selling products in sachet format to reach customers at the base of the pyramid.

The objective of this intervention is to promote product access to women to start or develop as micro-retailers and increase their income within a structured distribution system, and these women have been named magwevas.

In Mozambique a large part of the informal micro-retailers face difficulties in accessing products, due to factors such as long distances, the cost of transportation, and the availability of products, which make acquisition costs more expensive. With WIN's intervention, magwevas now have the products closer to their areas of residence, through the support of distribution vans to replenish stock on a regular basis.



“The provision of transportation that makes it easy for me to receive and replace the products helps me, because instead of thinking about where to find the products, I start thinking about the best ways to reach more clients”
Varsóvia, one of the Magwevas recruited by Nestlé with support from WIN to pilot the new sachet distribution model.

WIN supports Nestlé in developing the "market route" - an inclusive sales channel

WIN supported Nestlé and its distributor to develop a "market route" model to structure an inclusive sales channel for single consumption products (sachets) through street vendors in the cities of Maputo, Matola and Beira respectively. The WIN team provided support in recruiting the magwevas and in developing training tools for those selected on best business practices. The selection was based on criteria such as age, entrepreneur profile, business experience, being in business with daily income from 200,00 to 2,000, 00 Mts, and above all proactive.



Magwevas training sessions

Partnerships and shared responsibilities with companies

For the success of the pilot, market route, WIN and its partners, Nestlé and Nelt, distributor of Nestlé products in the South and Central region of Mozambique shared responsibilities: Nestlé designed the Magweva Project model, and committed initial stock, merchandising, training material for the *magwevas*. Nelt took responsibility for implementing the pilot project with the magwevas on the ground and providing ongoing improvement and follow-up grants. The WIN program supported the design of the recruitment approach and selection of the magwevas, adaptation of the training content to ensure its relevance to women, and providing support during the pilot phase.

Implementation of the pilot and the process of selection, training, distribution of kits and mentoring of magwevas

With the support of the local authorities, municipal council, block leaders and administrative posts, 215 women were selected to be part of the Magweva project. Based on a mobilization strategy based on door-to-door visits by the field teams. From the total of 215, 70 candidates were selected to be *magwevas*; 23 in Beira city and 47 in Maputo province, in the cities of Matola and Maputo. This group was submitted to a training that lasted three weeks, and during

this period, they were trained in business and product management, savings, and the fact that 65% of the *magwevas* who participated in this training had previous business experience determined the success of this phase.

After the training, the *magwevas* received a starter kit of Nestlé products. These were used for them to apply the new business practices in the field, with the accompaniment of the WIN field team and a Nelt field supervisor, the person responsible for accompanying the *magwevas*.

The distribution van would supply the *magwevas* near their homes, so as to avoid additional



costs, twice a week, and all the *magwevas* would receive field follow-up twice a week, as a way to reinforce the training obtained and establish them as micro-retailers.

"The financial situation of my family and my business has positively changed..." Lidia Mucatxeria

The best performing *magwevas*, both in regular purchases and participation in the mentoring sessions, were elected to receive the second part of the product kit. From 70 *magwevas*, 44 met the requirements and were contemplated in the offer of the products of the second kit. And as a way to ensure sustainability, was developed a sustainability strategy which consisted of: the best *magwevas* supporting the weaker ones, with motivation sessions, sharing of experiences, outings to joint sales, with the objective of improving their performance.



Delivery of the first kit in Beira

WIN and partners' intervention impacts the lives of magwevas women in Maputo and Sofala Province

Through mentoring actions was noted 64% of retention rate of *magwevas*, representing 48 women in business; and they saw an increase in their profits, earning on average 500 - 1,000 Mts per week, in addition they gained new business management practices and skills, 13% of this group started new businesses, 20% of them became financially independent and 39% assume to have stabilized their source of income.

"Being magweva helped my other business a lot, I sell a lot when I'm on the street with Nestlé products" Palmira João