



## SEED Initiative

promoting entrepreneurship for sustainable development

Founding Partners



## LOW CARBON WINNER 2014

Frontier Markets (FM) is a sales and service distribution company that provides access to affordable clean energy products. By creating service and repair centres, focusing on education and following an end-to-end supply chain, FM improves energy access in rural India for low-income families.



## Frontier Markets, India

### BUSINESS MODEL

The enterprise provides solar energy products to rural low-income families by mapping the needs and demands of customers, educating customers through various marketing strategies, using a hub-and-spoke product distribution model, ensuring consumer trust through committed customer service and conducting follow ups with customers to evaluate product use, interest and future requirements.

The solar energy lanterns, torches and home lighting systems are distributed through local entrepreneurs under the Saral Jeevan brand. FM especially focuses on after-sales services to ensure all solar solutions have lasting impacts.

### ENTERPRISE FAST FACTS

Location	Rajasthan and Andhra Pradesh
Year founded	2011
Sector	Energy / Renewables
Product / Service	Clean solar energy products

### Social impacts:

- Improving access to safe lighting conditions increases productive work hours and, in turn, household earnings.
- Increasing income-generating opportunities for 500 rural saleswomen through commission from sales.
- Decreasing reliance on traditional fuels like kerosene, which reduces accidental fires and respiratory diseases caused by indoor smoke.

### Environmental impacts:

- Reducing heavily polluting traditional energy sources like kerosene, batteries and high energy consuming CFL bulbs
- Preventing 150,000 tonnes of carbon emissions from entering the atmosphere.

### Economic impacts:

- Increasing savings on energy costs: Households benefitting from the enterprise will save USD 300 per year.
- Promoting local ownership of branded retailing services.
- Increasing employment opportunities for 100 new staff by creating 15 new branch offices.

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” FM’s “customer advantage” is based on brand awareness, loyalty, long-term relationships with customers, effective product pull based on customer needs, and data analytics on customer purchasing behaviour.

### Scaling up activities:

- Awareness raising campaigns throughout Rajasthan, launching solar home systems and street lights in every village of Rajasthan.
- Launching FM's first own-manufactured solar product.
- Expanding the product base to include solar products such as street lights, garden lights, water heaters, power packs and other solar appliance solutions, and implementing a range of technology solutions to track the enterprise's sales at scale.
- Obtaining additional funding to cover the scale costs.
- Expanding the model into more states in India, and internationally by partnering with local entrepreneurs who are willing to adapt the model to respective rural communities abroad.

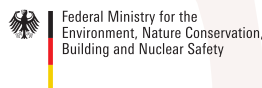


” No other company has such a marketing, distribution and servicing model that directly interfaces with the customer and uses customer data and analytics to serve the BOP low-income rural community.



### Partnership

- The **Centre for Microfinance** is a coalition of 16 microfinance institutions and non-profit organisations in Rajasthan. The Centre connects the enterprise with 400 women groups whose members are trained to be company representatives.
- The **Princess Diya Kumari Foundation** provides entrepreneurial skills training to women. These women are now members of FM's solar product distribution service. Additionally the foundation sponsors solar lantern kits.
- **GSVS**, a non-profit organisation, has a network of 400 self-help groups whose female members are currently being trained to market and sell FM's solar solutions in local communities. FM provides them with maintenance and after-sales training.



The 2014 SEED Low Carbon Awards are largely supported by the International Climate Initiative (ICI) of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB).

### About the SEED Initiative

The SEED Initiative identifies and supports promising small scale social and environmental entrepreneurs around the globe, entrepreneurs who while working towards a greener economy also tackle poverty, marginalisation and social exclusion. SEED provides these entrepreneurs with know-how and networks, taking the lessons learnt at local level up to decision-makers to promote evidence-based policy making. For more information please write to [info@seedinit.org](mailto:info@seedinit.org) or visit:

[www.seedinit.org](http://www.seedinit.org)

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