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August 2017

Bloom Programme: Micro-distribution of Mars Products in Manila

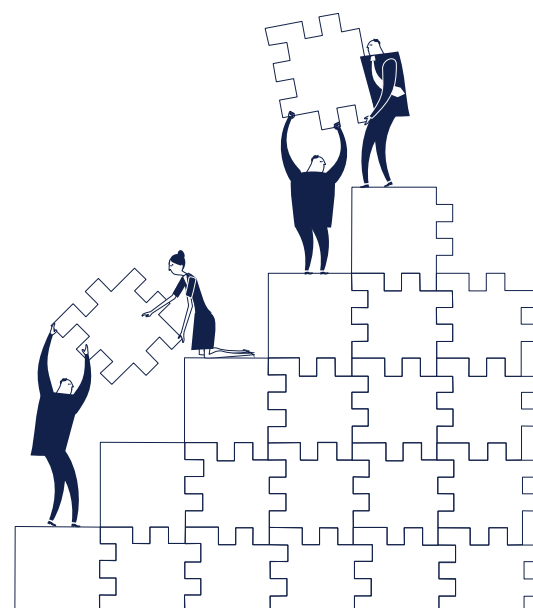
Leland Dela Cruz
Ateneo de Manila University

With contributions from:

Clara Shen
Mars Catalyst, Mars, Incorporated

Kate Roll
Saïd Business School, University of Oxford

Helen Campbell Pickford
Saïd Business School, University of Oxford



Saïd Business School RP 2017-13

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Bloom Programme: Micro-distribution of Mars Products in Manila

Mutuality in Business | Working Paper No. 3
August 2016



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About the Authors



Leland Dela Cruz

Director, Office for Social Concern

Dr. Leland Joseph R. Dela Cruz is Assistant Professor of the Development Studies Programme and served as its Director from January 1999 to May 2014. He currently serves as Director of the Office for Social Concern and Involvement where he oversees various social formation programmes for all undergraduates of the Ateneo de Manila University. His research interests include social change management and social innovation, social entrepreneurship, service-learning and social formation strategies, and institutional analyses.



Clara Shen

Director, Emerging Markets, Mars Catalyst

Clara oversees business model innovation in the Mutuality Lab, working with business segments and leaders to conceptualise and implement breakthrough business models, including testing new innovative economic development approaches, e.g., the micro-entrepreneurship models in Kenya (MAUA) and the Philippines (BLOOM).



Helen Campbell Pickford

Post-doctoral Researcher

Helen Campbell Pickford is a Post-Doctoral Researcher on the Mutuality in Business project. Helen's background is in development and education. She has an interest in learning in organisations and the creation and distribution of knowledge in policy making. Her work on the Mutuality in Business project focuses on learning and leadership, ownership, relationships between MNCs and local communities in developing countries, and the impact of business-led social interventions.



Kate Roll

Senior Research Fellow

Kate leads research for the Mutuality in business project and also lectures in politics at Oxford. Bringing a background in international development, she is particularly interested in inclusive business and the politics of emergent, private sector approaches to poverty reduction. Her work focuses on the diverse ramifications of corporate engagement with those living in poverty.

Abstract

This paper provides an overview of the Bloom micro-distribution programme, an initiative spearheaded by Mars Catalyst and Mars Wrigley Confectionery Philippines that engages female sellers in Manilla, Philippines, as distributors of Mars Wrigley confectionery products. The case includes assessment of the multi-dimensional impact of Bloom on the 300+ sellers as well as the challenges the project faces. Data for this paper were drawn from documents provided by Bloom staff, key informant interviews, and surveys of sellers conducted by Bloom in 2016; the programme remains active.

1. Introduction

Mars, Incorporated emphasizes mutuality as one of its five core principles.¹ Mars believes that “a mutual benefit is a shared benefit; a shared benefit will endure” (Mars, undated). In order to explore new business models that will maximise mutuality, Mars has established projects in Kenya and the Philippines that explicitly target mutual benefits between the company and sellers drawn from marginalized communities. The Philippine project is called Project Bloom and is the subject of this case study.

Project Bloom is a route-to-market initiative that allows Mars to reach underserved markets by recruiting sellers from marginalized communities to sell Mars and Wrigley products to retail outlets in their communities. Project Bloom seeks to increase the income of these sellers and enhance their human and social capital. While Bloom is not principally concerned about the financial performance of the endeavor, sales, revenue, and profit measures are regularly tracked; to date, the programme has yet to break even. As part of their interest in a hybrid value system model,² Mars decided to partner with two organisations, Life Project for Youth, a non-government organisation in the Philippines that helps disadvantaged youth, and Tulay sa Pag-unlad, Inc³, a microfinance organisation, to help them identify sellers in their communities.

This paper provides an overview of Bloom as well as an assessment of the impact of Bloom on the sellers and the challenges the project faces. Data for this paper were drawn from documents provided by Bloom staff, key informant interviews, and data from surveys of sellers conducted in 2016.

The paper first provides a brief history of Mars’ initiatives for Mutuality in Business and an overview of Project Bloom, in particular. Beyond a description of the model as designed, this paper looks into the lived experiences of the sellers and other stakeholders and discusses some of the social and technical challenges that they face. It points out the importance of

¹ The other core principles of Mars are Quality, Responsibility, Efficiency, and Freedom.

² A hybrid value system entails a partnership between a private corporation and a civil society or NGO actor to achieve social impact; this model is adapted from a hybrid value chain model, as put forward by the Ashoka Foundation (see Budinich et al., 2006; Drayton and Budinich, 2010).

³ Literally translated as ‘Bridge to Progress.’

social capital to the project, but also describes how social capital can get in the way of the project's success especially given the cultural importance given by Filipinos to smooth interpersonal relationships.

The paper also looks at the impact of the project on the sellers in terms of financial, human, and social capital. All these capitals are reported to have increased although the Bloom staff and the sellers differ in their assessment of whether or not the gains, particularly in terms of financial capital, are sufficient. In particular, it highlights the concern that participants have low levels of selling activity, and perhaps are not strongly financially motivated to participate in the programme. The last section of the paper looks at factors that create shocks in the Bloom route to market including logistical difficulties, failure of various stakeholders to pay their debt, conflicts with parallel programmes within the company, and the effects of the December 2015 price increase.

Overall, the paper shows that Bloom is a young project that has evolved and continues to evolve in response to emergent situations that the various stakeholders have faced since it was first initiated.

2. History and Programme Background

Project Bloom has to be understood in the broader context of the initiatives and priorities of Mars, Incorporated. Over the last decade, Mars has committed to make itself the leader in terms of business practices that are mutually beneficial to all stakeholders. To support this initiative, Mars created the Economics of Mutuality (EoM) Programme in 2009, a multi-year interdisciplinary research programme that would help conceptualise, develop, and pilot breakthrough business solutions to help position Mars as a thought-leader in this field. This programme was directed by Catalyst, Mars' internal think-tank. One of the biggest initiatives of EoM Programme was the establishment of Project Maua in 2014, a pioneering route to market pilot with Wrigley in Kenya. By March 2015, Project Maua had 311 participants and accounted for a fifth of the total business of Wrigley Kenya.

The success of Project Maua in Kenya led to a search for another country in Asia where the project could be adopted. Asia was targeted because of its large, young, and growing population. Michael Yeung, then the General Manager of Wrigley in Asia, suggested that the Philippines was an ideal candidate because of the long history of Mars and Wrigley and their brands in the country, and the presence of a Wrigley factory near the capital city. The Philippines had also been experiencing sustained economic growth for over a decade and, according to Catalyst, had a growing 'middle of the diamond' market accounting for 80% of the population.⁴ The country also had a poverty rate of 25.2% which made an increase in human, social, and financial capital potentially beneficial for a large number of people (Philippine Statistical Authority, undated).

Because both Mars and Wrigley Philippines needed a route to market to reach the 'middle of the diamond' segment that was underserved by their business, Project Bloom was designed

⁴ Catalyst defines the Middle of the Diamond market as people with income levels above those in poverty but less than those of the middle class. They are those earning between US\$2 a day to less than US\$45 a day. They are differentiated from those who are middle income earners (earning US\$45 a day to less than US\$100 a day) and from the affluent (earning at least US\$100 a day) on the one hand and those in poverty (earning less than US\$2 a day) on the other. (Shen, et. al., 2012)

to include both Mars Chocolate and Wrigley products⁵ unlike Project Maua which only involved Wrigley products. The inclusion of Mars Chocolate products was in line with the objective of Mars, Inc to promote corporate synergy under a 'One Mars' banner.

Both Wrigley and Mars Chocolate were interested in exploring informal routes to markets, which would constitute their last mile distribution in underserved areas. Mars and Wrigley traditionally sells its products through supermarkets, groceries, wholesalers, and distributors but they sought to reach underserved markets that purchase their goods from wet markets, roadside vendors, and sari-sari stores⁶. Sari-sari literally means "various" which reflects the fact that they sell various fast moving consumer goods. These are small neighborhood stores which usually source their products from wholesale supermarkets and wholesale distributors. In the Philippines, there are over a million sari-sari stores which account for 36% of retail sales of fast moving consumer goods. (Nielsen, Inc., 2014).

Mars initially attempted to reach this market segment through its Feet on the Street Programme which sent distributors to underserved areas through sales agents. These agents had to meet a sales quota, received a regular salary, and received incentives for good performance. They were supposed to target the upper income segment. But Mars decided to complement this initiative with Project Bloom to target the lower income markets. As will be seen later, the Feet on the Streets Programme and Project Bloom have occasionally come into conflict when the sellers from each programme ventured into the market of the other programme.

This goal of market penetration and social impact is reflected in the fact that Project Bloom does not have sales, revenue, or profit targets but instead has targets for the number of sellers. While Bloom does not have financial performance targets, these figures are regularly monitored by the project team, Mars, and Wrigley. Aside from this business goal, and in line with the aim of promoting mutuality, Project Bloom also has targets for the sustainable income of participants. At the onset, it sought to ensure that sellers were able to earn the equivalent of minimum wage which at the time of writing was Php450 (7.11 GBP) per day. It is also developing survey tools to measure the impact of the project on the human and social capital of the sellers.

2.1 Partnerships and the Hybrid Value System Model

In order to implement Bloom in the Philippines, Catalyst looked for civil society organisation partners who would work with them on the project. One of the critical aspects of the Economics of Mutuality is the hybrid value systems model. In this model, Catalyst deliberately seeks partner organisations that will complement Mars and Wrigley by helping with various aspects of the project using their own comparative strengths.

The first partner of Project Bloom in the Philippines was Life Project for Youth (LP4Y). LP4Y's mission is to assist in the social and professional integration of young adults aged 17 to 24 living in extreme poverty and victims of exclusion. These include ex-prisoners, abuse sufferers, and the disabled and street youth. LP4Y Foundation Inc., founded in the Philippines in September 2009, creates and manages Life Project Centers in and around slum areas. LP4Y has set up seven centers located in the Philippines, Indonesia and Vietnam, which together take on approximately 100 Young Adults for insertion programmes

⁵ These products included Snickers (20g) and M&M's (14g) that are Mars Chocolates and DoubleMint, Juicy Fruit, Sugus, and Skittles, that are Wrigley products.

⁶ According to data presented in 2014, 51% of Wrigley sales were made by supermarkets, 8% by groceries, 7% by wholesalers and 6% by drugstores. 12% of sales were made by sari-sari stores.

lasting 9 to 18 months. LP4Y in the Philippines takes in 13 young adults at a time for a period of one year.

These young adults go through a programme where they learn to manage various business activities. They also receive a fixed income from LP4Y (between P160 to P250 (2.56 GBP to 4 GBP)), regardless of sales; in addition, participants receive additional incentives that are tied to selling performance. They are also coached to identify their needs, further their skills and build their Life Project. LP4Y follows and assists the trainees' progress until they either create their own small business, or join a company, or embark on further studies. Some of these young adults, however, are not able to finish the programme for various reasons including lack of interest, and some of them prioritize other activities.

Project Bloom is only one of several economic activities that the young adults participate in. Other activities include production of dolls and wallets, and renting out solar-powered lights. One interviewee estimates that the young adults dedicate about two hours a day to Bloom. Up to this day, LP4Y continues to be a partner of Project Bloom accounting for 13 sellers every year. The sales accounted for by LP4Y are stable; however, entrepreneur turnover remains high.

Seeking to further expand the project, Catalyst was referred by one of its partners, Opportunity International (OI), to Tulay sa Pag-unlad Inc. (TSPI) one of the country's biggest microfinance organisations. TSPI is a Christian microenterprise development NGO, and their mission is to provide individuals, families, and communities the opportunities to experience fullness of life in Christ through Christian microenterprise development (Tulay Sa Pag-unlad, Inc., undated). In 2014, Mixmarket reported that TSPI has 158,416 active borrowers and a gross loan portfolio of US\$36.5 million (Mixmarket, Inc., undated).

At first, TSPI was hesitant to take on the project and partner with Project Bloom because of two previous failed attempts of other transnational corporations in the fast moving consumer goods market to deploy a similar model with TSPI. The first attempt failed because the distributor allowed the TSPI members who acted as wholesalers to sell on a consignment basis. When a few TSPI members failed to pay the distributor, it sought payment from TSPI even though they did not inform TSPI about the consignment arrangement. TSPI decided to shut down that project. A second attempt failed because the company wanted exclusivity in sales from the TSPI members, but the members said their customers were also looking for other brands. TSPI also had difficulty dealing with the logistical aspects of that partnership.

TSPI decided to consult with its branches and some of its members on the feasibility of selling chocolates, candies, and gum with Project Bloom. To TSPI's surprise, their members said that those items would sell in their communities. When asked about it during the interviews for this research, the sellers said that the products were well-known, high quality, and were sold at cheaper than grocery prices. They even had product-specific feedback: most sari-sari stores sell DoubleMint and Juicy Fruit along with cigarettes which, according to Nielsen (undated), are among the top selling products sold by sari-sari stores. They said Snickers was tasty and not too sweet. One seller also pointed out that Snickers is "imported," which is generally understood in the Philippines as high quality, and projects a high-end image for those eating Snickers. One seller said that as compared to DoubleMint, VFresh, a competing local brand, sticks to false teeth. Only a few mentioned product-specific criticisms such as Snickers leading to sugar-rush, rising diabetes levels, and that the gum might be swallowed by children.

After consulting their clients and further discussion, TSPI agreed to the partnership when a different design for Bloom was agreed upon with Catalyst to avoid the mistakes of the past. First, Catalyst created a team dedicated to Project Bloom. This team is paid for by Mars and Wrigley and includes a Project Manager, who reports directly to the GM of Mars and Wrigley.

It also now includes three Field Officers who deal directly with the sellers and other stakeholders.

In turn, TSPI agreed to recommend sites for the project which the Bloom project staff would vet in terms of market density. After identifying the site, TSPI would help identify stockpoints and uplifters (the project's name for sellers) for the projects. The TSPI office also served as the venue for monthly share-out meetings with sellers that were facilitated by Bloom project officers. TSPI officers would address the sellers during those sessions to give advice on enhancing their business.

TSPI and the project team also hold monthly meetings to assess the project. For one TSPI executive, this set-up made a "big difference" compared to the two previously failed attempts and added that the Project is a "dialogue between TSPI and Mars."

2.2 Site Selection and Distribution Model

TSPI then suggested that the project be launched in Taguig, a city that is part of the National Capital Region. Taguig was chosen because it is where the Mars and Wrigley headquarters is located, it is near the TSPI central office and according to the TSPI executive, and the Taguig branch is very open to experiments.

Project Bloom personnel briefed the Taguig branch about the project and the account officers of the branch then invited TSPI members to attend a briefing about the project. From among those who attended the meeting, TSPI recommended stockpoints who would serve as wholesalers in the area and these were then screened by Bloom personnel. The criteria for screening stockpoints were as follows:

- TSPI Member
- Trustworthy
- Experience in managing trading business or has a current sari-sari store/variety store business
- With available space for product stocks
- Willing to invest an initial capital of amount of Php 12,336 (195 GBP⁷)
- Willing and able to attend trainings and shareouts/meetings
- Able to recruit at least two (2) uplifters to work with in developing the programme and business

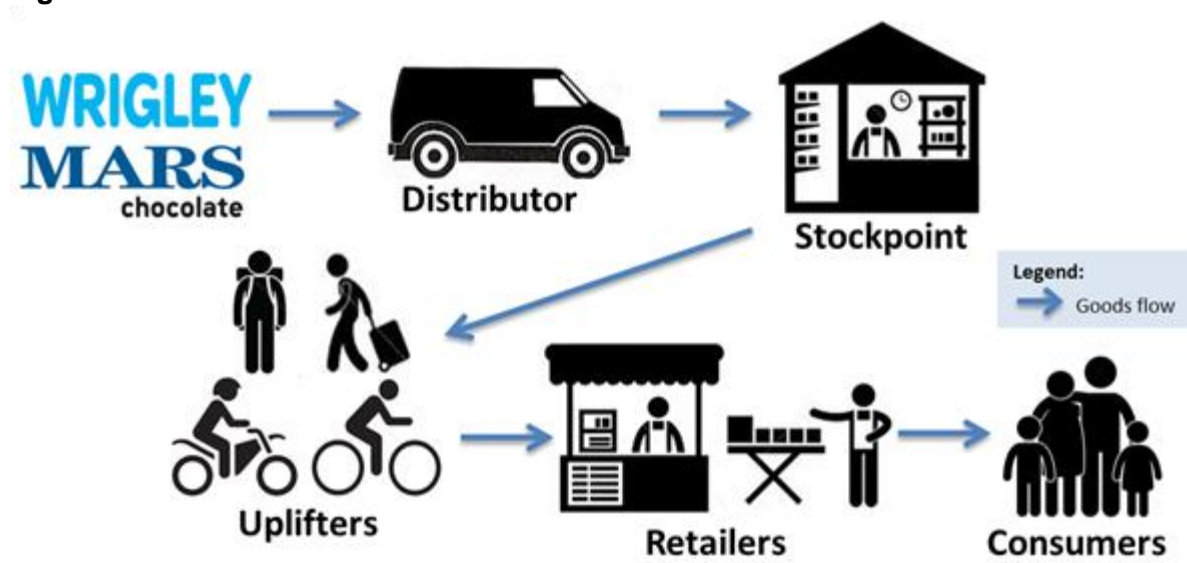
The willingness to share margins with uplifters is particularly important because the margins of the uplifters are larger than those of the stockpoint, although uplifters do not necessarily have to put up capital. Across the different products, uplifters earn 3.7 times more than stockpoints. As discussed below, the Project Bloom team also introduced performance-based bonuses for uplifters from September 2015 to December 2015. These bonuses were not available to the stockpoints. When asked why stockpoints were not given bonuses, one interviewee said that aside from the margins already earned by stockpoints, it might have been that the Project team regarded the role of the stockpoint as a form of assistance to uplifters. Stockpoints were understood to have the role of supporting uplifters.

The stockpoints then recruited their own uplifters who would sell Mars and Wrigley products to sari-sari stores and other micro-retailers (Figure 1). At the programme's inception, in order to grow quickly, Project Bloom relied heavily on TSPI identifying the stockpoints, who have often been TSPI centre chiefs or in charge of TSPI clusters; these stockpoints generally brought in uplifters from their TSPI clusters. Currently, approximately 40% of uplifters are

⁷ PhP 1: 0.016 GBP

TSPI members, although this was likely higher at the start of the programme. In addition through drawing upon TSPI networks, recruitment posters were also displayed in key locations around the community. Sales and merchandising seminars were then conducted with the sellers prior to the commencement of sales.

Figure 1: Route-to-Market

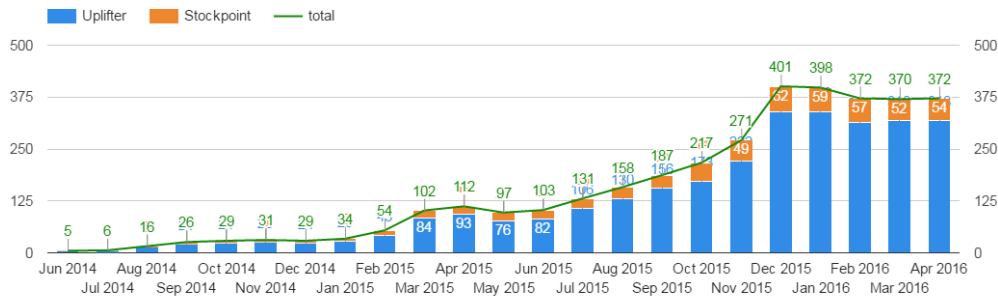


Stockpoints and Uplifters meet once a month at share-out sessions where discussions on the project are facilitated by Bloom field officers, and Bloom personnel give out incentives to top sellers and TSPI personnel provide input on enhancing business performance. Attendance at shareout sessions varies from one area to another, from 40 – 50% at the lower level to 100% in some areas. One field officer reports that the level of attendance depends on the ability of field officers and TSPI personnel in the area to motivate sellers to attend.

The success of the stockpoints and uplifters in Taguig encouraged Bloom and TSPI to expand the project to other cities in the National Capital Region as well as the peri-urban city of Antipolo in Rizal Province, Region IV. TSPI and Bloom sought interest in Project Bloom from branch managers. The branches that were interested were assessed by the Project Bloom team and, if the areas scouted were found to be feasible, targets in terms of number of stockholders and uplifters were set for that branch.

As of April 2016, Project Bloom is currently located in 11 cities within the National Capital Region, with 54 stockpoints and 318 uplifters. This is shown in Figure 2. TSPI and Project Bloom are now looking to expand the project beyond the National Capital Region and Antipolo City. Overall, 60% of sales are accounted for by Mars products and 40% are accounted for by Wrigley products. The project team is encouraging sellers to push Wrigley products more aggressively. However, as of writing, the programme has not been able to break even, which reflects the low sales volume of the sellers.

Figure 2: Project Bloom Sellers



3. Methodology

This assessment of Project Bloom explores the successes and challenges involved in the efforts for the project to improve financial, social, and human capital of stakeholders and to ensure that those benefits are mutual. The distributive and procedural practices of the project and their impact on mutual benefits are also assessed.

Regarding methodology, interviews were conducted with various stakeholders at all levels of the value chain. Project Bloom staff, including the project manager and a field officer, were interviewed as a group. A separate interview was conducted with two field officers. The executive of TSPI, who oversees Project Bloom for the microfinance institution, was also interviewed.

Visits were made to three TSPI areas, representing five TSPI branches:

1. Taguig City branch 1 (Taguig proper) and 2 (Pateros) were chosen as the first branches to adopt Project Bloom.
2. The Quezon City branch, and in particular, Payatas, was chosen because Payatas, which is known for being the capital’s dumpsite, is often regarded as one of the poorest areas in the capital. Quezon City is also the largest city in the Philippines.
3. Antipolo 1 (Antipolo City) and Antipolo 2 (Cogeo) were chosen because they were peri-urban sites.

For each area, at least two stockpoints were chosen. The Project Bloom Field Officer in charge of the area was asked to refer more and less successful stockpoints. This design in selecting stockpoints (and uplifters) was chosen to try to see if explanations could be posited as to why some stockpoints (and uplifters) sold more than others. The Field Officer made the choice of stockpoints.

For each stockpoint, the Field Officer was asked to nominate at least three uplifters for interview, with very successful, average, and lower sales. There were a few limitations to this design. First, some stockholders only had one or two stockpoints. Secondly, not all uplifters were available for interview. In each area, uplifters or stockpoints were asked for at least three sari-sari stores to interview. The uplifter or stockpoint selected the sari-sari stores. Two TSPI branch managers were interviewed as well as eight stockpoints, 16 uplifters, and 9 sari-sari store owners. Two share-out sessions were also observed. These sessions were attended by stockpoints and uplifters.

There were 40 interviewees in total. All the interviewees were female, with the exception of the four Project Bloom staff and one uplifter. Attempts were made to interview an additional male uplifter, but the schedule did not fit. The predominantly female set of interviewees reflects the proportion of Project Bloom members and TSPI branch staff who are female. The survey of Project Bloom members in 2016, for example, was composed of a sample of 91% females and 9% males. The interviews with various stakeholders and the observation of two shareout sessions served as an effective way to triangulate responses. Interviews with various stakeholders helped to clarify inputs provided by other interviewees. In at least one instance, a repeat interview was conducted to ask additional questions.

In the Philippines, interviews with only the interviewer and the interviewee present are rare. Of the 40 interviews, only seven had only the interviewer and the interviewee present. In many of these instances, this situation could not be avoided given the physical lay-out of the space available. There were also a few group interviews (with three uplifters for one group interview, with a stockpoint and an uplifter for another, and with a stockpoint and two uplifters for a third). This did not, however, prevent interviewees from being quite frank in their statements. One stockpoint was critical of her uplifter while the uplifter was in the area (but to some extent the background noise of many people in a crowded space drowned out whatever the stockpoint was saying). In another instance, a stockpoint was critical of her husband while the husband was resting an arm's length away from her.

All interviews were informed that their interview was being recorded and would be transcribed. Verbal consent was secured for the recording. The transcripts of the interviews were scrubbed of individual identities.

In addition to these interviews, data from a survey of 59 stockpoints and 178 uplifters that was conducted in 2016 by Project Bloom are also included to supplement the qualitative research. The survey included items on household demographics, including data on household income sources, items on well-being at work (both for Bloom and other income-generating activities), and items on social capital that included questions on feelings of inclusion/ exclusion, community cohesiveness and support, and questions on inequality within the community.

It must be noted that Project Bloom is in a constant state of evolution and what is described here may have evolved in a different direction since the time this was written. Four months after a draft of this case study was submitted in May 2016, an interview to fill in some gaps revealed that Bloom had already made (and plan to make more) product, logistical, personnel, and structural changes that are not described in this case study.

4. View from Below: Sales Experience, Challenges, and Operational Recommendations

This section briefly looks at sales strategies of stockpoints and uplifters, challenges they encounter, and operational recommendations from the interviewees. The discussion in section one above describes Project Bloom as it was originally designed but this section discusses Project Bloom as it has been operationalized on the ground.

4.1 Sales Strategies, Social Capital, and Satisfaction with the Experience

Stockpoints generally recruit uplifters whom they know personally, often through the TSPI network. This includes knowing where they live so that if they have receivables, they can easily go to the uplifter's house. Recruits include husbands, sisters, neighbors, friends, and co-parents in school. The 2016 survey of Project Bloom sellers shows that the sellers have lived in their neighborhoods for an average of more than 19 years, a long time to develop social capital.

Recruiting uplifters they know personally becomes critical when products are given to the uplifter on a consignment basis – the original design for Project Bloom. Uplifters are expected to get their products from the stockpoint on a consignment basis and return excess products and repay the stockpoint at the end of the day. As will be discussed later, recruiting friends as uplifters can also be a disadvantage because stockpoints find it more difficult to force their friends to pay up when they have receivables. There was only one reported case where an uplifter was recommended to a stockpoint by Project Bloom. In another case, an uplifter was recommended by a fellow uplifter but this succeeded because the stockpoint and the uplifter operated on a cash, rather than credit, basis.

Social capital can also play a part in the choice uplifters (and stockpoints) make regarding stores to sell to. Uplifters usually sell to stores if they know the owners. This of course will give an advantage to those who have extensive contacts in the area. This is particularly true for those who have previous experience selling products house-to-house in the neighborhood. Some sari-sari stores acknowledged that they knew the uplifters even before Project Bloom started. Even when the uplifter was unable to supply the sari-sari stores, the sari-sari store owners do not buy from other suppliers out of loyalty to their friends. Other sari-sari store owners continued to buy from their uplifters despite a price increase because these uplifters were their friends. One uplifter suggested the advantages of selling to family members, such as godparents, because they will feel compelled to buy.

Reliance on social capital also means that stockpoints and uplifters do not only rely on the pre-designed Bloom route to market. Some stockpoints and uplifters sell to secondary agents who sell Bloom products, almost exclusively Snickers, to offices. Those who sell to offices usually charge a premium for their sales. For example, a box of Snickers sold by uplifters to sari-sari stores is sold to the secondary agent at a 15 per cent mark up. One stockpoint said she derived a lot of her income from these agents. She gives them the product and then they remit to her after salaries have been received by their customers.

This reliance on social capital to identify customers can be a double-edged sword, because some uplifters only sell to stores whose owners they know. This is especially true in the Philippines context, where smooth interpersonal relationships are important (Lynch, 2004⁸). Social capital may help a person get in the door, but when debt accrues and sellers cannot bring themselves to demand repayment from the buyer these ties become disadvantageous. To some extent, this heavy reliance on social capital could be countered through group selling and productivity routes initiated by Project Bloom.

⁸ The Lynch's assertion that Smooth Interpersonal Relationships are important is disputed by social scientists like F. Landa Jocano (1966). Landa Jocano criticizes the methods by which Lynch arrives at his conclusions; the fact that Landa Jocano's own field work as an anthropologist shows that communities are rife with conflict; and that Filipinos may not be unique in terms of the relative value placed on Smooth Interpersonal Relationships. This is the so-called Filipino Values debate. Helen: clarify that an article written in 1966 disputes one written in 2004 – not only in terms of the order, but also whether there has been significant social change in nearly 40 years that would explain the difference in findings.

Being a TSPI member can also be an indirect form of social capital which allows sellers to approach people they do not know. One strategy that has worked for some uplifters is to sell Bloom products while wearing their TSPI ID and to introduce themselves as part of a TSPI livelihood programme. This works in areas where TSPI has a strong presence. One uplifter reported that when she introduces herself this way, the customer visibly relaxes and is more open to talking to her.

Sari-sari stores cite multiple reasons why they buy from Project Bloom sellers. More than half say that uplifters sell products that are cheaper than those bought at groceries. In fact since the products are cheaper, some uplifters report that sari-sari stores think that the products are fake. One sari-sari store even thought that the products were poisoned. Sari-sari stores also buy from Bloom because it allows them to gauge popularity before they extend the range of products they are able to sell. Buying from Bloom also helps them save on transportation costs as the uplifter deliveries directly to them. Some uplifters report that the primary objective of sari-sari store owners is to maximise their profits, and they ask the uplifters how much the store can earn from the products as well as how many other stores the uplifters supply in the area.

Aside from relying on social capital and leveraging the interests of the sari-sari store, there are other strategies used by stockpoints and uplifters to generate additional income. Some uplifters provide various incentives to sari-sari stores; one uplifter lowers prices for sari-sari store owners who order in bulk; another uplifter gives containers to those who buy a lot from her. Uplifters say the promotional containers provided to sari-sari stores help them sell Bloom products. To maximise their route, some stockpoints and uplifters sell other products along with the Bloom products, or while doing other chores for TSPI. A number of stockpoints and uplifters asked that Bloom add more products so that they can maximise their route.

Things become easier for uplifters when they already have sari-sari stores who are their regular customers. They either have to check whether the sari-sari store still has products, or wait for the sari-sari store to contact them for a refill. Some stockpoints and uplifters sell directly to customers on top of their sales to sari-sari stores. One stockpoint suggests that Bloom give stockpoints freebies during Christmas, so that they can give these in turn to client stores. She received freebies from groceries and gave them away to her clients.

All the interviewees and a majority of those surveyed expressed satisfaction with their sales experience with Project Bloom. The difference may be accounted for by the fact that the sampling for the qualitative research was determined by Field Officers and Stockpoints. Table 1 show that a majority of those surveyed by Project Bloom in 2016 were satisfied with various aspects of their Bloom sales experience.

Table 1: Satisfaction with the Bloom Sales Experience

	Satisfied	Dissatisfied
Working time	69%	31%
Work flexibility	75%	25%
Job demands	84%	16%
Workload	73%	27%

4.2 Challenges

The stockpoints and uplifters cite some challenges in terms of sales:

- Some uplifters say that they feel some places are not safe to go to. They only go there when they can go with a companion. One goes around with her stockpoint and another goes around with her husband.
- Some uplifters say the work is tiring, explaining that the goods are heavy, especially when they are not provided with a trolley. A field officer says that they deliberately do not give merchandising tools for the first sale so that the sellers learn to appreciate the tools given to them for their second sale. The officer also admits that they did not have enough budget for the trolleys which may account for the fact that some sellers who were interviewed did not have trolleys.
- Other uplifters complain that it can get hot especially since the uniform is long-sleeved. Some also ask for allowance to buy drinking water and snacks. They request umbrellas or umbrella hats for wet weather.
- One of their main challenges is convincing the buyer to buy Bloom products. They say that some customers are difficult to talk to or ignore them. Uplifters say group selling and productivity routes help them to learn how to handle these situations. One seller was asked by a village official for a permit to sell to show that her activity was legal. Another seller was asked for an official receipt by a retail store so that they could deduct it from their taxes. The uplifters ignore those who make these kinds of requests and do not return to these potential customers.
- One Stockpoint has difficulty with recording. Project Bloom documents suggest 17 out of 31 stockpoints have difficulty recording their transactions.

Based on the 2016 survey, of the sellers who were interviewed for the qualitative research 70% were satisfied with the materials and equipment provided while 30% were dissatisfied.

Other challenges include non-delivery, incomplete delivery, or wrong delivery of Bloom products to the stockpoints. This will be extensively discussed in section 6, but briefly, Project Bloom tried to address this problem by having only one logistics company deliver Mars and Wrigley products instead of having separate logistics providers for each company. Bloom also shifted from having weekly deliveries to stockpoints to deliveries-on-demand. They also tried to improve communications between stockpoints and the logistics company.

From the point of view of the Bloom staff, another challenge was the low income per hour worked on the part of the uplifters and the low number of hours worked by these uplifters. A lot of uplifters are what they call buy-and-sell (who sell when they have orders or when they feel like it) or part-time uplifters (maximum three days a week)

The Bloom team tried to address this in three ways. The first was the provision of incentives starting in September 2015 to uplifters who were productive. Those who earned at least P1,680 (26.62 GBP) worth of net income per month were given a 25% cash incentive. P1,680 represents 28 hours of work per month at P60 (0.95 GBP) earned per hour.⁹ According to a field officer, this incentive system did not work because only five sellers were able to avail of the incentive while the rest still did not earn as much. The seeming lack of motivation of sellers, despite the provision of incentives, will be discussed in the section on the financial impact of the project. After the experimental run from September to December 2015, the team decided not to renew the incentive.

⁹ Bloom personnel computed the average income per hour at P60 (0.95 GBP) per hour worked. They then got the figure for what they considered part-time work of 28 hours of work per month to arrive at the figure of P1,680.

Lastly, the Bloom team also tried group selling methods, where the field officer accompanies uplifters on their route and shows them how to sell to sari-sari stores. After observing the field officer for a while, the uplifters are given a chance to try selling the products themselves. This group selling eventually evolved into the productivity route where a field officer accompanies a single uplifter along a particular route. The performance of the uplifter is then shared at the shareout session to inspire other uplifters to ply their routes. The hope is that a more compelling profit story will motivate uplifters to sell more.

5. Project Impact

Based on the interviews, the project had positive effects on the stockpoints' and uplifters' financial, social, and human capital.

5.1 Financial Capital

Magnitude of Impact. All the stockpoints and uplifters interviewed acknowledged that Project Bloom increased their financial capital. The extent to which they say their financial capital increased, however, differed depending on the amount of effort exerted by the seller. Half of the interviewees said the increase in income was small. The other half said the increase in income was significant.

Among those who said their increase in income was small, the average reported amount was P100 (1.58 GBP) to P150 (2.38 GBP) per day and they usually went around only once a week or only when there were orders. One uplifter described her income from Bloom as "loose change." Those who said the increase in income was significant reported income of P300 (4.75 GBP) a day and three to seven trips a week. Whether or not their income from Bloom is sufficient for their need depends on whether or not there are others earning in their household and the size of their contribution to expenses.

Only one stockpoint wanted to quit Project Bloom because the income was not worth it, due to the large capital needed and the small margins. She was able to compare Bloom to her other business which had bigger margins relative to the same amount of capital. There were also stories told by the stockpoints and uplifters interviewed of uplifters who dropped out of the programme because they realized their take home pay was small. Others narrated that some uplifters dropped out because they found work. But the other stockpoints and uplifters interviewed who said their income from Project Bloom was small still wanted to sell for the Project. One said "You can't find money lying around" while another said, "At least there is income coming in."

The additional income, however much, was used for various purposes. Many used the money for household expenses. One woman said her husband lives near his place of work and only comes home with money every weekend. Her income from Bloom is used for the allowance of her child. Tuition payment and allowance for schoolchildren were also mentioned by other uplifters. One uplifter proudly showed her stockpoint the meal she bought from her daily earnings and thanked the stockpoint profusely for the opportunity. One stockpoint used her additional income to buy shelves for her store and another used it to give money to her adult children. One used her money to buy a TV and plans to buy a washing machine next to reduce time on household chores. Two uplifters said the additional income helped them avoid debt; one was hospitalized and did not have to borrow money to pay for treatment.

Factors Affecting Magnitude of Financial Impact. The stated magnitude of the impact of Bloom on financial capital depended on the effort exerted by the uplifter. In the case of the stockpoints, it depended on their recruitment of uplifters. The effort of the uplifter, in turn, is dependent on two things: the value they give to the activity and the time they can allot for Project Bloom.

Only three women sell every day and they have particular reasons why they are so motivated. One of them is separated from her husband and is a single mom. She only receives alimony from her husband and does not want to be too dependent on him for her needs. Another one was the sole breadwinner for a while and even when her husband found employment, they found themselves having to pay for a motorcycle their uncle sold to them. A third has a husband who lives near his workplace, which is a distance from the family home, and only sends money on weekends.

The other women seem to be content being part-time or buy-and-sell uplifters and are already happy with the extra income they receive through Project Bloom. Some are happy that they earn extra income for a minimal time investment. A number of them explicitly said they just wanted to 'try it out.' Some uplifters said they have nothing to lose because there's no capital requirement. One stock point even said she grabbed the opportunity and if she didn't like it, she can always back out. One uplifter said it's nice to have some income rather than no income. Some women say they sell because they'd rather do this than not do anything at home.

Three women mentioned that they sell so that they can have their own income independent of their husbands. Two of these women (plus one other woman) actually had husbands who did not want them to get involved in Project Bloom, but they convinced their husbands to allow them to do so.

The time the women allotted to Project Bloom seemed to be most affected by their child care responsibilities and their strategies for managing this responsibility. One woman said she only sells once a week and only around her neighborhood because she has to take care of her baby. Another woman manages this situation by bringing her baby along with her when she sells. She says that aside from bonding with her child, this is an effective strategy to get stores to buy. Some women sell while their children are in school. Others find someone to take care of the children like their grandmother, an auntie, or in one case, their father.

Based on the interviews with the women and conversations with the Bloom team, there seems to be differing perspectives on the women's time investment between the Bloom staff and the women themselves. As mentioned above, the women are already content with their income from Bloom, no matter how small, and are happy that it does not take up too much time.

The Bloom staff, on the other hand, seem to wonder why these women do not exert more effort to sell and increase their productivity. One of the reasons they consider this a problem partly because particular routes are reserved for particular uplifters and if the uplifter does not ply the route, the potential sales to the stores along that route go to waste. One hypothesis of Bloom personnel is that the women might not understand how to sell despite the shareout sessions which led to the idea of the productivity route.

But beyond these technical reasons, Bloom staff wonder if the lack of effort comes from what some of them call a poverty mindset or mentality. At the start of the project, they computed how much women could earn and this could come up to as high as P720 (11.52 GBP) a day. Even if the uplifter did work the whole day, the uplifter could earn P360 (5.76 GBP) for four

hours of work. They wonder why the women are content with earning say P200 (P3.2 GBP) or less in one day and just rest the next day.

Based on the findings of this study, for the most part, the women might not be selling because they are already content with whatever amount they are making. A number of these women may just be looking for something to do with their time and do not urgently need more money. One of the sources of discrepancies may be that the Bloom target is for the sellers to earn the minimum wage of P450 (7.13 GBP) while the sellers are content with amounts well below that because Bloom is not their only source of income and they have other household members who are earning money, such as their spouses or even their children.

Another factor is that women may not be that poor to begin with. According to the 2016 survey, involving 59 stockpoints and 178 uplifters, the average yearly family income of the women is P219,266 (3,473 GBP). This is well above the poverty threshold for the National Capital Region (where most of the women live) of P125,170 (1,983.01 GBP; based on statistics from the Philippine Statistical Authority, undated.)¹⁰ Even considering just the incomes of the women from their business alone and not counting the income of other household members, only 17% of the sellers had income below the poverty line. Reinforcing this finding, the proportion of sellers with various household appliances was also more than the proportion of women for the rest of the country (National Demographic and Health Survey, 2013). This is shown in Table 2. All this may account for the fact that a majority of those surveyed are already satisfied with various aspects of their life as shown in Table 3.

One reason that participants may have higher incomes is that the stockpoints have been recruited through TSPI, and they, in turn, drew in other TSPI members at uplifters. Those who are members of TSPI already have another business to begin with as they cannot become TSPI members if they do not have a business. In fact, among those surveyed, 62% did not consider Bloom their main business. The broader range of factors that drive sellers recruitment, motivation and retention are beyond the scope of this initial study.

Table 2: Appliance Ownership

	Proportion of Households in the Philippines	Proportion of Project Bloom Households
Personal Computer	23%	59%
Refrigerator	40%	65%
Gas Range	36%	89%
Washing Machine	34%	76%

Philippine data from the National Demographic and Health Survey (2013)

Table 3: Satisfaction with Various Aspects of Life

¹⁰ It must be noted that one prominent Philippine social scientist criticizes the Philippine government's method for measuring the poverty threshold. Mangahas (see Mangahas, 2011) claims that the poverty threshold is too low because it is based on the price of a menu that accounts nutritional requirements and the average proportion of income spent on food but that it does not fully take into account the cost of other basic needs. His survey outfit regularly measures self-rated poverty and their survey data show that the median self-reported poverty threshold in Metro Manila in the first half of 2015 is P20,000. (Social Weather Station, 2015). This is in contrast to the official figure of P10,430. This discrepancy accounts for the fact that 51% of Filipinos self-reported as being poor in the first half of 2015 while the government only reports a poverty incidence of 26.3% in the same period. Using the SWS measure, more of the households would be considered poor but with an average income of P219,266, they would not be that far from the poverty line. One must also note as shown in the subsequent discussion, that they have more appliances than the average Filipino household.

	Satisfied	Not Satisfied
Income	53%	47%
Health Care	66%	34%
Wealth, Material Possessions	58%	42%
Landholdings, housing	51%	49%
Ability to Finance Expenditures	67%	33%
Sufficiency of Food	96%	4%
Personal Life	58%	42%

It is evident that the perspectives of Bloom staff and the women sellers are very different. The Bloom staff see Bloom as an anti-poverty programme and assume that the women would grab the opportunity to earn P720 (11.52 GBP) or P360 (5.76 GBP) a day. The women on the other hand are satisfied with their earnings from Bloom even if half of those interviewed say they are earning very little from the project. These women see the project as giving them cash independent from their husband and regard the project as something to do during their spare time.

The discrepancy could be accounted for by a number of factors. First, as the statistics have shown, the sellers might not be poor to begin with. The fact that many are TSPI members already suggest that they have some capital to take the risk of incurring a loan and they are required to have a business. Thus these sellers see Bloom as a source of additional income or something to do during their idle time and are not motivated to sell for half a day everyday much less the whole day.

Bloom staff seem to be on the right track when they say they need to attract and have the stockpoints draw in 'better' uplifters, not just those with selling experience or social capital, but those who really need the money. In the view of the staff members, this will make investing in them worth the while of the Bloom staff. These are women who rely on Bloom as their primary source of income or those whose household income will fall precariously short without their income from Bloom. It would also be best if these uplifters did not have any other source of income, so that their capital will not get spent elsewhere. Thus, Bloom staff may also be on the right track when they say that it might be best if the uplifters are not from TSPI because TSPI members necessarily have a business otherwise they would not have received a TSPI loan in the first place. While the partnership with TSPI allows Project Bloom to tap into existing social networks, the typical TSPI member may not be the most motivated to maximise the potential benefits of the project.

It may be worth it to continue to tap stockpoints who are members of TSPI because they may have some level of business stability which is needed given the relatively thin margins enjoyed by stockpoints. However, the project could possibly tap uplifters who are not members of TSPI, particularly those who would consider the income from Bloom a significant boost to their household income. There might be some loss of social capital, because some uplifters leverage their TSPI membership to gain access to some sari-sari stores owned by TSPI members, or enter into areas with a lot of TSPI members. However, this could be offset by increased motivation to sell on the part of uplifters and also the fact that the stockpoint is a TSPI member. Productivity routes could also help offset the weaker social capital of these uplifters.

One stockpoint sees a need for more uplifters and suggests that Bloom staff conduct orientation sessions in communities so that potential uplifters need not go to the TSPI branch and pay for transportation. For her, this will only work if the recruited uplifters deal with her on a cash basis. This may, however, be a problem because those with capital, just

like the uplifters who are members of TSPI, may not be as motivated to sell a lot but those who may be motivated to sell a lot may not have a lot of capital. To some extent, this can be mitigated if the stockpoints recruit someone they trust, but this can also present problems, because smooth interpersonal relationships may get in the way of demanding payment.

Another factor which may account for the discrepancy in the perspective of Bloom staff and the sellers is that while Bloom does not have explicit sales, revenue, or profit targets, these are still closely monitored through the financial data collected on a monthly basis. The indicators for other variables such as human and social capital are still being developed and are only measured annually without a reliable baseline for the early adopters. Furthermore, the Bloom personnel come from a sales background and this might have influenced their perspective on the project. One field officer had a microfinance background, but microfinance operates in a very different way from business development. Microfinance institutions are primarily concerned about selling loans, provision of capital and repayment while business development projects like Bloom entails selling products, logistics, product packaging, and other matters related to sales of fast moving consumer goods. Bloom could hire a field officer or team member with a substantial background in community and business development for microenterprises.

A third aspect that Bloom might want to look at is that entire team is composed of Filipino men while most of the sellers are Filipino women. Since a lot of the findings here have a lot to do with gender in the Philippine context, for example, the women are motivated to sell to earn independent from husband and have something to do during leisure time, as well as child care considerations, the Bloom team might want to consider bringing in a married Filipino woman on board to provide a different perspective.

5.2 Human Capital

All the stockpoints and uplifters interviewed say that they have learned from the Project Bloom experience or the shareout sessions. While all the stockpoints and uplifters had experience selling before they joined Project Bloom, none of them had experience selling to businesses. A few of them cited this as what they learned from Project Bloom.

A good number of them said that they learned how to sell, how to deal with people and how to expand their business. Even though many of the uplifters are TSPI members, TSPI itself only provides a seminar on their lending policies (e.g. mandatory savings, repayment), but not on entrepreneurship. They gained the training on sales, marketing, and for stockpoints, record-keeping from Project Bloom. They also learn a lot from the shareouts and the experience of their fellow stockpoints and uplifters. They learned about strategies, possible problems they might encounter and how to deal with these problems.

Those who were able to join group selling activities or productivity routes learned a lot from these activities. They learned by watching the field officer first then trying it out for themselves. Two uplifters say they gained confidence from the experience. Two said they became thick-skinned because of Project Bloom. Overall, 69% of those surveyed said they were satisfied with the new skills they acquired. The difference between the survey results and the qualitative research may be accounted for by the fact that the interviewees for the qualitative research were selected by the field officer or the stockpoint.

A few women also said they felt more productive because they're now selling for Project Bloom. Without Bloom, they reported that they just be at home "doing nothing" or "lazing around." One stockpoint said she likes the fact that she's learning and her mind is active. Of course, there are also indirect benefits to human capital from Project Bloom, such as the money that goes into the tuition or school allowance of their children. There was also one

stockpoint who was very happy that her lifter was now able to buy her child better quality milk.

5.3 Social Capital

All stockpoints and lifters say that they got to know more people because of Project Bloom. These include other stockpoints and lifters, Project Bloom staff, and store owners. A number of these are not just new acquaintances/business connections, but have also become friends. At times, this accumulated social capital has been productive. Shareout sessions, for example, have become opportunities for sellers to sell products to each other. Some lifters are asked by customers to sell their products which could give them additional products to sell. It also becomes an occasion to share territories. When a particular area still does not have lifters, other lifters are informed and are encouraged to go into that area.

Project Bloom has also improved the social standing of at least two stockpoints and three lifters. One stockpoint says people are nicer to her since she became a stockpoint because she is able to help. Another stockpoint says, "In my own way, I'm able to share in that I'm able to give people employment. They are happy; I am recognized as a stockpoint in this place... I'm happy, because I'm able to share my blessings in a way, because Bloom gives to us, then we find lifters, then they'll have extra income."

Participation in Bloom has become a source of pride and status for some sellers. One lifter became well-known in her neighborhood because she used to go around taking illegal bets. Then she started working for Bloom and wore the Bloom uniform and the official Bloom ID. Her neighbors were surprised and were proud of her transformation. According to her field officer, this made her neighbors want to help her in this initiative. Two lifters were recognized for being top sellers of the month and they were proud of this accomplishment. One of them was notoriously shy, but after doing group selling with a field officer, she became a top seller. The other one was wondering why her name was on the PowerPoint presentation of the field officer and thought she had done something bad. It turned out that she was a top seller. The monetary incentives certainly were welcome but more importantly, these two lifters valued the recognition.

Project Bloom also had some positive effects on family relations. One lifter received a job offer, but decided to forego it because it meant spending time away from her baby. Bloom allows her to earn income without having to leave her baby behind. In fact, she brings her baby with her when she sells. Another lifter was forced to spend more time outside the household, so the other members of the household had to step up and help out. This is true for their children but also their husbands. One husband accompanied his wife on a route and realized how difficult her work was, but also saw the potential income she could make. Now he accompanies her on her routes when he can and actively helps out in household chores. He even tells his wife to rest and volunteers to take care of the chores and their children. There are also stories of husbands helping out by minding their store while the wife goes out selling to other stores; husbands who help their wives sell to other stores, and husbands who sell products to their office. One stockpoint says that she doesn't nag her husband as much anymore now that she is a stockpoint. She says that she used to pay attention to every little action of his and nag him but now she's too busy to pay attention to him.

There are also stories of negative effects on the family brought about by Project Bloom. One mother says that she was out selling one night and when she came home, she found out her child had been sick. Her husband got mad at her for not being around and for not even knowing her child was sick. One time, her child asked her, "Mama, why are you home late? Why am I always with auntie?" She says, "It's hard when your child approaches you like that as if you have no time. It hurts." Now she makes it a point to be home earlier.

There are other ways that Project Bloom can decrease human capital especially when social capital is leveraged for credit, this is discussed below.

6. Route to Market and Vulnerability

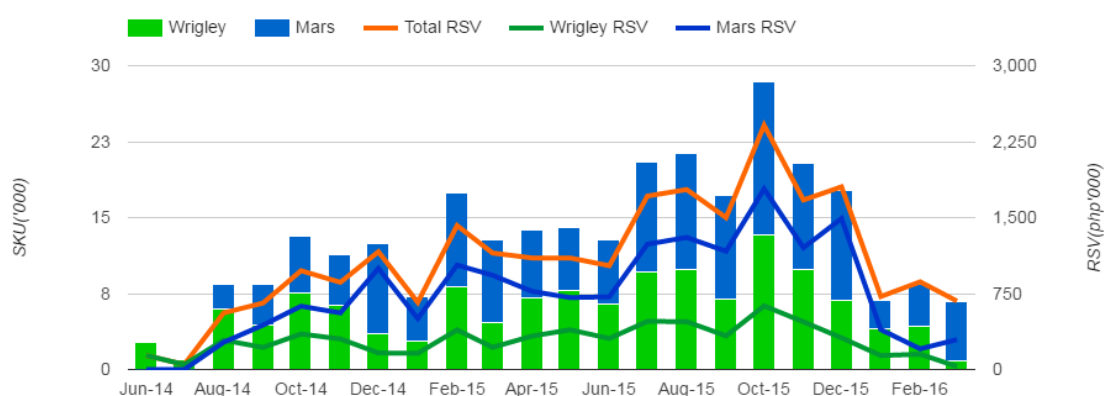
As was discussed in the last section, all stockpoints and uplifters interviewed report increased financial capital, social capital, and human capital. However, the sustainability of these increases, particularly on financial and social capital, is contingent on the stability and management of the programme. Seller performance depends on the steady flow of products between the distributor, stockpoint, and seller, as well as the flow of cash and, crucially, the availability of credit.

The resilience of the Project, namely its ability of the system to handle external events or shocks, is also important when considering its long-term sustainability. In particular, it is important to point out the vulnerabilities of the system that may have an effect on the flow of products and cash. These can be classified as shocks along the Bloom route to market and shocks from outside the Bloom route to market. The vulnerabilities are clearly displayed in the fact that Project Bloom sales significantly dropped as shown in Figure 3. This section will provide some explanations for this significant drop.

6.1 Challenges and Shocks along the Bloom Route to Market

Company to Stockpoint. The first relationship that needs to be examined is the relationship between the logistics company and the stockpoint. There can be problems on both ends.

Figure 3: Project Bloom Sales Over Time



Three stockpoints report the failure of Mars and Wrigley to deliver for extended periods of time. One stockpoint said she did not receive a delivery for weeks so she would get in touch with the Bloom field officer every day to follow-up on the delivery. The uplifter of another stockpoint, who was his wife, told the TSPI branch manager that they wanted out because there was no delivery. Their last delivery was in December and they had no delivery as of late February. The branch manager just prevailed upon them to stay with the programme.

Sometimes, the delivery is incomplete. According to one lifter, there were no M&Ms and Snickers in one delivery which was unfortunate because Snickers was a top seller for her. Once a delivery came but the product delivered was the wrong size. There were even stories of one delivery where the product was near expiry. Another stockpoint complained that there was no delivery on holidays. Yet another complained that the time of delivery was unpredictable. She had difficulty with this because she has to fetch her children from school.

These problems with delivery create problems for stockpoints. One stockpoint says that she has capital to purchase products, but if delivery is delayed she ends up using her capital as payment for her TSPI loan. Another stockpoint says if there is no delivery, she ends up using her capital for Bloom to purchase other goods for her store. One stockpoint says she wants to give up sometimes because the delivery problems made her look incompetent to her lifters and their sari-sari stores. One stockpoint says her lifters tease her saying that she probably has no stock because she has no capital. To address the problem of lack of stocks, she sometimes gets supplies from someone else or even Mars' Feet on the Street programme, but ends up paying more.

If the stockpoint has no supplies, then the lifters also do not receive supplies. One lifter said she's embarrassed to pass by stores who expect her to deliver, and if she tries to sell to them again, they say, "I'll get from you now, then next time, you won't have supplies again." Of course, if there is no supply, the lifter also has no income. One lifter has been waiting for so long for supplies that she says she and her sari-sari stores have forgotten about Bloom. She has also found a different business opportunity.

There were instances in two areas where the absence of supplies led to sari-sari stores buying higher priced Mars products from the Feet on the Street (FOTS) programme of Mars. According to an interviewee, this problem has been recognized by Mars and Project Bloom. But they have found it difficult to solve the problem because the lifters have difficulty pinpointing which FOTS sellers are moving into Project Bloom areas and none of the FOTS sellers have admitted to venturing into Bloom markets. On the other hand, there have also been reports of lifters selling to the market of FOTS sellers. According to the interviewee, the compromise for now is that whoever gets to a retail store first or whoever is preferred by the store gets to keep the account.

One adjustment that has been made by Mars and Wrigley is that they have decided to have only one logistics company for both Mars and Wrigley products instead of the two logistics companies they used before. In the short term, however, this may have caused problems in the distribution of Mars products because it was the Wrigley distributor that was retained. Another change that was put into place was the establishment of better communication between Project Bloom, the logistics company, and the stockpoints. This is not just to prevent instances when the logistics company cannot make it. Sometimes it is the stockpoint who is not available to receive the products. Another adjustment made is that stockpoints are now served on an as-needed basis rather than weekly. This eases the pressure on stockpoints to have to sell their inventory on a weekly basis in order to have capital for a new round of purchases.

Problems in this relationship between the logistics company and the stockpoint are also caused by the stockpoints. There have been at least two instances encountered during the interviews when the stockpoints were given products on consignment basis and were not able to pay the logistics company. Consignment (what the Project calls One Up, One Down) is allowed for stockpoints who have good standing for one and a half months with Wrigley products and three months for Mars products. Prior to that, the stockpoints must pay the logistics company in cash. In both instances, the stockpoint had used their capital for other things and did not have enough to pay the logistics company. While other stockpoints thrive

under this One Up, One Down system, a TSPI interviewee thinks that consignment to stockpoints is not a good idea and that the practice should be stopped.

There are also instances when the stockpoint decides to stop being a stockpoint. The stockpoint of one lifter, who was interviewed, for example, went to work in another country. Another stockpoint who was interviewed was thinking of not continuing because her margins were small. The margins of this stockpoint became even smaller when she allowed her children, nephews, and nieces to eat the chocolates and when she gave away some chocolates as Christmas gifts.

When, for one reason or another, the stockpoint has no stocks, the lifters sometimes resort to sourcing their products from other stockpoints. As Bloom became aware of this practice, they helped lifters without stable stockpoints to find alternative stockpoints. In the two instances when this was done by interviewees, however, this practice proved to be unsustainable. One alternative stockpoint was too far (by design of the project) and couldn't bring supplies regularly, while another stockpoint also decided to stop her operations. When there are problems with the delivery or when the stockpoint has problems for one reason or another, it disrupts the entire the route to market.

Stockpoint to Lifter. There are various arrangements that exist between stockpoints and lifters. Some stockpoints enforce a cash-basis relationship in terms of products given to lifters. Others allow consignment but the terms of payment vary from daily (which is the original design) to weekly to monthly to whenever-you-have-sold-everything. Sometimes this arrangement varies for a single stockpoint in relation to various lifters.

Consignment arrangements sometimes create headaches for stockpoints. At least five stockpoints out of eight interviewed had encountered problems with lifters who did not remit on time or had not remitted their earnings. One stockpoint noticed that her lifter would give less than she should on a regular basis, and this amount has accumulated over the past few months. Now she only gives this lifter product on a cash basis. One stockpoint had difficulty collecting from an lifter Bloom had recommended to her. This made her worry that she wouldn't get her P3,000 (47.53 GBP) back. Since this lifter was a TSPI member, she complained to TSPI. Now this stockpoint only gets lifters on a cash basis. One stockpoint tried to collect from an lifter and each time she would do so, the lifter would become angry with her.

One stockpoint who had problems with the logistics companies had problems with lifters who failed to repay to her. Because of this and other personal problems, she stopped being a stockpoint and exited the programme.

Lifter to Sari-Sari Store. The arrangements between lifters and sari-sari stores run into similar problems. One lifter gave a lot of products to a sari-sari store, but the sari-sari owner's daughter gave birth and the owner never paid back. When she passed by the store, the sari-sari store owner ignored her. When she demanded payment, the sari-sari store owner became angry. In turn, this lifter had problems paying back her stockpoint.

Different lifters (and stockpoints) have different arrangements with sari-sari stores. Most ask for cash payments up front, a few allow consignment but only if these are people they trust. If the goods are given on consignment, the lifter (or stockpoint) usually returns for payment at the end of the day. One lifter adjusts by charging more for consignment than she does for cash payments.

Considerations Regarding Shocks Along the Value-Chain. There are a few common elements in these stories of shocks along the value-chain.

The first is the important role that credit plays in the relationships between various parties. As shown above, there are problems when various parties enter into consignment arrangements and are not able to pay back or return the products. In addition to those mentioned above, there was another case from the interviews of an uplifter getting P2,100 (33.27 GBP) worth of products from the house of another uplifter without consent. To this day, this debt has not been repaid. Some are lured into consignment arrangements because at the start, the consignee is a good payer. So trust develops and the consigner is more confident to give more products. But at some point, the consignee stops remitting.

What makes things worse is that the consigner sometimes takes pity on the consignee. One stockpoint is owed lots of money by her uplifter, but she takes pity on her because the uplifter is a single mom who is separated from her husband and is living off her alimony. She says, "I just always pray that she will be able to pay. As for me, I will trust in the Lord." To address this problem, she just converted her from consignment to cash basis. Another uplifter owes a stockpoint some money because a sari-sari store the uplifter sold to failed to remit earnings. Despite being familiar with and knowing the location of the debtor, the stockpoint reported that she does not like chasing after debtors and will just wait for them to come to her.

All of this is also related to another common element in a lot of these cases which is the fungibility of money and products. Products are fungible as can be seen in the case of the stockpoint who allowed her children to eat chocolates and during Christmas time, she allowed her nephews and nieces to eat chocolates because she could not say no. She says it was Christmas after all. One uplifter eats her stock of chocolates to relieve stress. One uplifter, however, says she charges her husband every time she eats their chocolates. Money is also fungible especially in response to external shocks like childbirth which causes sellers to divert their capital away from their business. Sometimes, especially when delivery is delayed, money is diverted to other businesses. To a limited extent, the Bloom box given to stockpoints helps in this regard because stockpoints are able to keep the money for Bloom separate from their other business.

One of the recommendations of a Bloom field officer is that the stockpoints and uplifters should not be TSPI members because if they can only be TSPI members if they have a business on which they got a loan but it's sometimes hard to determine where the capital for one business ends and where the capital for another begins. This field officer also recommends that stockpoints should not have students in school so that the Bloom money will not be spent for education. There have been instances when stockpoints and uplifters have used their earnings for school expenses of their children. Both this field officer and the TSPI manager recommend that the stockpoint should have a stable business so that she would always have capital for Bloom.

6.2 Shocks Outside the Bloom Route-to-Market

Two other things affected the sellers of Project Bloom and these can be considered to be outside the Bloom route to market.

One was mentioned earlier, and that is the sales of Feet on the Street (or FOTS) in Bloom areas. Feet on the Street was an earlier programme of Mars to push their products to more customers. When Project Bloom was established, there was an agreement that FOTS and other distributors would stay away from Bloom areas. However, in at least two areas, FOTS entered into Bloom areas, particularly when there was no delivery to stockpoints in those areas. When deliveries were restored, uplifters were told by sari-sari stores that they had already bought products from other sellers, sometimes at lower prices, particularly after the price change in December 2015. Bloom has talked to Mars about this problem.

The second was the change in prices of Wrigley and Mars products. Wrigley had a +10 promotion where DoubleMint, which is usually packed in sets of 50, had 10 extra pieces. The +10 was removed, but the price remained the same so the margins went down. Because of this, some uplifters and stockpoints noticed a drop in sales of DoubleMint. A competitor product, VFresh is now more attractive to some because it's still sold at 60 pieces per P38 pack, at P1 per piece and the pieces are bigger. One full time uplifter saw a drop in revenues of about P1,000 (15.84 GBP). Some uplifters and stockpoints asked that the +10 be brought back.

A good number of sellers said they were not given adequate warning about these changes, particularly the price increase, and that their customers were also surprised with these changes. Some sari-sari store owners refused to believe prices really increased. One stockpoint suggests that Bloom create official looking signage announcing the price increase. Some uplifters were so surprised they refused to believe their stockpoints. The stockpoints asked their uplifters to go to shareouts to verify the increase for themselves. All those who mentioned this issue said the price increase could have been more gradual.

Some of them reported a drop in sales. One full-time uplifter would usually get 20 boxes of Snickers and be able to sell them all but now all she is able to sell is 1 or 2 boxes. Some sari-sari stores didn't get Bloom products anymore. Some sellers note that P12 (0.19 GBP) price point is a little off. She says that if she gives her child P10 (0.16 GBP) to buy a treat, she'll get mad if he runs back asking for P2 (0.03 GBP) more. Some stockpoints and uplifters asked that the prices be decreased. To address this price increase, some sellers asked their customers to try selling again and these customers notice that the products still get sold.

There were a few uplifters who did not notice any effect of the price increase. They said that the sari-sari store noted that their income per box increased. A few stockpoints and uplifters joined Bloom after the price increase so they did not even know the price increased. One stockpoint displayed her entrepreneurial skills by ordering a lot before the price increase then selling that order at increased prices.

7. Conclusion

The partnership between Project Bloom, TSPI, and LP4Y has evolved a route-to-market which relies on a hybrid value system or partnership model where the participation of civil society organisations is critical.

In this project, Mars and Wrigley have demonstrated their commitment to mutuality by investing resources in Bloom. The project currently employs four full-time personnel and the goal of the project is not primarily measured by sales, revenue, or profit targets, but by the number of sellers and the social impact the project has on these sellers. As one TSPI manager said, "But of course for you to enter (this kind of project), you have to have the heart for the poor, for communities... If you only think in terms of selling, I don't think you'll last. That's why I think Mars and Wrigley were able to expand this with us because they really have the heart for it."

Project Bloom's primary aim is to enhance the human and social capital of the sellers, but the indicators for these are still being deployed within the project. That is why this case study relied on self-reports to assess the impact of the project on human and social capital. It must

also be noted that while financial performance is not the primary goal of the project, sales, revenue, and profit are closely monitored by the project team on a regular basis.

The interviews suggest that the project has increased the financial, human, and social capital of stockpoints and uplifters. The sellers have learned from the experience of selling to businesses and have also learned from their fellow sellers through the shareout sessions. Some have grown in confidence because of Project Bloom. The sellers have also met new people and have formed new friendships. Some of the people they met have helped them with their business. There are also stories of improved family relationships because of Project Bloom.

The perceived increase in financial capital varies, but almost all of the sellers are appreciative of the additional income no matter how small. Due to the fixed margin, the additional income received is dependent on the amount of effort exerted by uplifters and this in turn is affected by the value they place on the additional income they receive and the amount of time they can devote to Project Bloom. Many the sellers are not really heavily dependent on Bloom for their income and choose to pursue their livelihoods with other ventures, so the majority do not exert a lot of effort to ply their routes.

The interviews suggest that there is a discrepancy between the project goals of Project Bloom staff and the sellers. Project Bloom staff are worried about this lack of effort on the part of the sellers and wonder if this might be caused by a poverty mentality or mindset. But this might only reflect the value placed by sellers on the activity and the time they have for the project. The productivity of the participants depends on their own views of the value that the programme creates for them, both financial and non-financial. Increasing productivity depends on providing more value to participants, which is a complex task that needs to take into account understandings of demand, seller motivations, and pricing structures.

The discrepancy between the outlooks of Project Bloom staff could be accounted for by three things. Firstly, the assumption that the sellers are poor and thus motivated to sell may not be entirely true, because only 17% of the sellers are poor by government standards, and they have more household appliances than the average Filipino household. The recruitment of both stockpoints and uplifters from within the TSPI network is a contributing factor to the socio-economic profile of the group. Overall, this greater financial security helps to explain why most of the sellers are satisfied with their income from Bloom, even if half of them report that their income is not significantly larger because of the project.

This issue might be resolved through better recruitment of uplifters who really need the extra income; however, the assumption that sales motivation is entirely financial merits further interrogation and more insight is needed into the broader market context. Secondly, while it is not the primary goal of the project, financial performance is regularly tracked and the Bloom personnel come from a sales background. Data on human capital and social capital have yet to be fully developed and are only beginning to be monitored. Finally, the Bloom team is composed entirely of men but the sellers are mostly married women. This gender dynamic in the project may have not been accounted for by the Bloom team.

Regarding performance, the gains, particularly in financial and social capital, are vulnerable to shocks along the Bloom route-to-market and from outside that route. Credit and consignment arrangements along the route can disrupt the flow of money and products and can cause strain on social relations. This is not helped by the fungibility of both money and products leading to a depletion of capital. This is also further exacerbated by the inability of sellers to enforce business discipline down the line because of the value given to smooth interpersonal relationships (Lynch, 2004).

Project Bloom is still very much a work-in-progress and is evolving. Various stakeholders are learning to work with each other and are innovating on the ground as well as at the level of the company. Part of what works for this project is the constant communication, monitoring, and assessment made by stakeholders to see how the project can be further improved and how benefits can be more mutually shared.

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The Partnership

Mutuality in Business is a multi-year joint research programme between Saïd Business School and the Catalyst think tank at Mars, Incorporated. Established in June 2014, the Mutuality in Business joint research partnership has focused on the development of a business management theory for the Economics of Mutuality with corresponding teaching curriculum, new management practices, and case study research. The research programme has combined the pursuit of normative questions – what is mutuality and how should it be enacted? – with grounded, ethnographic research on current thinking and practices. This has led to the development of field experiments and case studies examining how large corporate actors conceive of and pursue responsible business practices, and how these relate to their financial and social performance.

To date, this research has been undertaken with Mars Catalyst, but in 2016 it expanded to include work by Danone Ecosystem and it is envisaged that other companies will participate in the research programme in the future.

Mutuality in Business
Saïd Business School, Egrove Park, Oxford OX1 5NY
www.sbs.oxford.edu

T: +44(0)1865 422875
E: responsiblebusiness@sbs.ox.ac.uk
W: sbs.oxford.edu/mutuality



www.sbs.oxford.edu/mutuality

