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**TRIP REPORT**

**Tegucigalpa, Honduras**

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## I. INTRODUCTION/PURPOSE OF TRIP

During the period January 28-February 6, 1981, Mr. Steven J. Samuel visited Tegucigalpa, Honduras, as a consultant on a proposed CRS project, and invited three local advertising agencies to prepare and present speculative presentations of their approach to and advertising campaign for the project under consideration.

Each of the agencies was briefed verbally on the products, aims, and objectives of the CRS Project, and received a written invitation to make such a presentation. One of the agencies -Calderon Publicidad - declined to present for the reason that such speculative presentations were contrary to their usual business practices. (Consultant Samuel arranged with the agencies that the one not chosen would be reimbursed for the cost of materials used.)

Dates were set for the presentations of the other two agencies - McCann Erickson Centroamericana, and APCU de Honduras, S.A. The purpose of this trip was to review the agencies' work, and recommend selection of one of them as the eventual advertising agency of record for the CRS Project.

## II. GENERAL BACKGROUND

Contraceptive advertising in all media is permitted in Honduras, although none has apparently appeared for some years. None of the advertising agency personnel present was able to recall having seen any, although Mr. Alijandro Flores of ASHONPLAFA remembered seeing press advertising for PROTEX condoms "some years ago."

Contraceptives are traditionally sold primarily in pharmacies - probably because little or no effort has been made to market them through other outlets. Visits to five pharmacies in Tegulcigalpa (Saturday, March 28) found condoms and orals in all of them. Two to five brands of condoms were offered, a box of three units selling for one lempira, fifty centavos (US\$ 0.75). Some Japanese condoms and Akwell Tahiti were offered at higher prices, and discussion with shopkeepers indicated that they were smuggled.

Orals (Nordette, Noral, Neogynon) were quoted at four to five lempiras (US\$ 2.00 - \$ 2.50) for a 21 day cycle. Any prescription requirement seems to be ignored, possibly because I was obviously a foreigner.

### III. THE ADVERTISING AGENCIES

APCU DE HONDURAS, S.A. (Agencias Publicitarias Centroamericanas Unidas), Edificio Las Cumbres, Apartado Postal 1616, Tegulcigalpa, Honduras

APCU is part of a network of advertising agencies in the Central American Common Market. The agency, and its associates in the other countries, are 50 percent owned by the J. Walter Thompson Company, and 50 percent locally owned. As of the end of 1980, J. Walter Thompson was the second-largest advertising agency in the world, from the standpoint of total gross billing. In common with other major agency networks, Thompson brings branch office management and senior personnel to headquarters or regional meetings and seminars for training and indoctrination. Usually one or more senior staff in branch offices has some fluency in English.

McCANN ERICKSON CENTROAMERICANA, Edificio Banco Atlantida, Apartado Postal 1161, San Pedro Sula, Honduras

This agency is a subsidiary of McCann Erickson, New York, which in turn is part of the INTERPUBLIC GROUP, a major international agency network. The INTERPUBLIC Group was the third largest agency in the world in 1980. They carry on similar training and indoctrination programs for their overseas personnel.

#### IV. THE PRESENTATIONS - GENERAL BACKGROUND

Advertising agencies are frequently hesitant, or refuse, to undertake presentations which they consider to be speculative in the sense that they are asked to prepare and submit proposed advertising campaigns for products with which they are unfamiliar, usually in circumstances where they are given little time in which to gain the necessary familiarity. Thus both of the agencies who agreed to present are to be commended for their courage.

In preparing an advertising campaign for any product, an agency must go through a series of steps or activities. Their competence and thoroughness in carrying out these activities will determine whether or not they will produce a successful advertising campaign, i.e., one that will sell the product to as many consumers as possible. These activities are basically:

- a) Investigative - What is the product? Who are we trying to sell it to? Why would they buy it? Where would they expect to buy it? How much would they be willing to pay? What is our competition? What are the product's advantages? Disadvantages?
- b) Creative - How can we package, display, and advertise this product in such a way that the potential consumer is motivated by our message to buy and use it?
- c) Communicative - How can we be sure that the message we have developed actually reaches, and is understood by, our prospective customer?
- d) Financial - Can we do all of the above with the funds allotted to us? Are the funds excessive, so that there will be waste? Are they too small, so the job won't be properly done?

Each of the two agencies presenting included package designs, product name recommendations, print advertising, radio and television advertising, and display and poster suggestions in their presentations. However, in view

of the brief time allotted them for preparation, and their unfamiliarity with the products, and with contraceptive advertising in general, evaluation and selection were based on how thoroughly they had carried out the steps mentioned above. The advertising campaigns were viewed as the results of these activities, not as final submissions of what will eventually be the campaign utilized by the program. The agency appointed will have more time and background information for reconsideration and re-evaluation of the ultimate campaign.

## V. PRESENTATIONS

### A. APCU DE HONDURAS, S.A.

The APCU agency made its presentation on Friday, March 27, in its offices in Tegucigalpa. Mr. Marco Coello, Managing Director, and several of his staff were present for the agency. Mr. Alejandro Flores (ASHONPLAFA), Mr. John A. Massey (USAID), and Mr. John Hayes attended.

INVESTIGATIVE: The J. Walter Thompson agencies employ a structured investigative process through which the agency asks and answers a number of questions about the proposed product(s) and their prospective purchasers. The results of this activity enable the agency to identify a "target group" for the product.

APCU determined that the "target group" for the CRS program's efforts was made up of some 70,000 to 100,000 couples, legally or consensually married, divided 40 percent urban and 60 percent rural. Members of this group were not currently using any contraceptive method due to lack of knowledge, or lack of financial resources, or a combination of the two. Median income for this group was 115 lempiras\* (\$57.50) per month, slightly higher in urban areas, and lower in rural areas. Literacy was found to be relatively high in urban areas and lower in rural areas.

CREATIVE: The agency's creative effort was designed to offer an attractively packaged product with a short, easily remembered name. The products would be promoted as a "family" - that is, the oral contraceptive, the condom, and the foaming tablet would be sold under one name, and in packages of identical design, with text on the package indicating which product was inside. The agency presented 5 brand name suggestions, each one a five or six letter constructed acronymic name. Their own preference was for the name PREBIEN, and the advertising suggestions they showed were built around this name. (The prefix "PRE" is the first part of such

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\*US\$ 1.00 = L 2 (2 Lempiras)

Spanish words as "prevencion" (prevention) and "prevision" (forethought), while the word "BIEN" signifies "well", "good", or "beneficial".) The theme of the print advertisements, radio spots, television commercial, and other materials shown was "PREBIEN for Family Planning - for Planned Happiness." Texts and illustrations presented situations in which a couple with three or less children enjoyed a better lifestyle for themselves and the children, and thus by planning their family had also planned their (and their children's) future happiness.

The material presented was aimed at young rural couples, young urban couples, middle-aged rural couples, doctor-patient relationships, opinion leaders, and single women of child-bearing age.

COMMUNICATIVE: The recommended media-mix included the use of local radio stations for messages aimed at specific audience segments; television for MWRA's during daytime "soap opera" listening hours; and press for messages aimed at opinion leaders, government, and possible opponents of the program.

Weights given the media, within the budget limits, were:

RADIO	39.6%
PRESS	30.7%
TV	29.6%

FINANCIAL: The agency budgeted L 55,000 (US\$27,500) for a five-month launch campaign, setting aside L 5,000 for production of advertising materials. The remaining L 50,000 were to be spent as follows:

<u>MONTH</u>	<u>EXPENDITURE</u>	<u>% OF TOTAL</u>
1	L 12,360	24.7
2	12,360	24.7
3	10,345	20.6
4	7,469	14.9
5	7,469	14.9

APCU stated that they felt that the budgeted amount was adequate for the launch of a product in a market where similar products did not currently advertize at all. Two interesting statements were made in this connection:

- a) The CRS Project's "competition" was not other similar products, but rather "couples who did not contracept through lack of knowledge or funds," and
- b) If the CRS Project advertising resulted in advertising by other contraceptive brands, this would work towards greater contraceptive usage, and the attainment of the aims of ASHON-PLAFA.

B. MCCANN - ERICKSON CENTROAMERICANA (HONDURAS) S. de R. L.

The McCann-Erickson agency was scheduled to make its presentation in Tegucigalpa on Friday, March 27, at 9:00 A.M. Agency management called Thursday afternoon to request a one-week extension, which was not possible. The presentation was made Monday morning, March 30, at the Maya Hotel in Tegucigalpa. Mr. Luis Alonso Lopez, Assistant Manager, and Mr. Ivan Rodriguez, Creative Director, were present for the agency. Mr. Alejandro Flores and Mr. Beltran of ASHONPLAFA, Mr. John A. Massey (USAID), and Mr. John Hayes attended.

INVESTIGATIVE: The agency neither presented nor referred to any investigative work, merely stating that the campaign's objectives were:

- 1) To present 3 new contraceptive products - male and female - to consumers in socio-economic classes C and D.
- 2) To convince these consumers that the products were safe, effective, and available at a low price.
- 3) To educate these consumers on the objectives and benefits of family planning
- 4) To promote the CRS product brand name.

CREATIVE: The creative material was similar to the APCU creative in that the agency recommended the promotion of the products under one brand name, with package designs and text indicating what the package contained.

Five suggested brand names were presented, and the agency preference was for the name "Control" spelled either with a "C" or a "K". ("Control" has the same meaning in Spanish as in English.)

Texts and art work were similar to those presented by APCU. Theme of the textual material was "From now on, Think about Family Planning -- It's Good Thinking!" Press advertising texts were possibly a bit too long for the limited literacy and attention-span of the audiences for whom they are intended.

COMMUNICATIVE: The media mix and timing were based on a 6-month campaign. Local radio was recommended for the major segment of the target group, along with posters and in-store display material. Full-page newspaper advertisements were aimed at the opinion-leaders and possible opponents of the program. The agency recommended utilization of funds for media purchase as follows:

<u>MEDIA</u>	<u>% OF BUDGET</u>
RADIO	66
PRESS	16
POSTERS/DISPLAY	18

No spend-rate per month was supplied.

FINANCIAL: McCann-Erickson included funds for advertising production, and for the printing of CRS Project packages. A total of L 70,000 was recommended for the six month program:

<u>MEDIA</u>	<u>EXPENDITURE</u>	<u>% OF TOTAL</u>
Radio	L 36,000	52
Press	9,000	13
Posters/Display	10,000	14
Advertising Production	5,000	7
Package Printing	<u>10,000</u>	<u>13</u>
<u>Total</u>	70,000	99*

The use of television was not recommended, as being too costly. The agency felt that the suggested budget was adequate for the launch of a new product where the competition did not currently advertise.

\*Does not equal 100 due to rounding.

## VI. CONCLUSIONS AND RECOMMENDATIONS

The APCU agency should be appointed as the advertising agency for the Honduras CRS Project.

Advertising strategies and proposed copy developed by APCU for the CRS project should be reviewed and approved by the cognizant AID Monitor prior to implementation. Included in all advertising/promotion should be relevant information on oral contraceptives (i.e., proper use and potential side effects of orals). The agency should be instructed to develop innovative ways of educating both retailers and consumers.

As stated previously in this report, neither agency was evaluated on the basis of the content or execution of the creative work shown. Actually, both did well in this area, although the APCU samples were more product and market-specific, doubtless as a result of the thorough investigative work they undertook. The absence of this type of activity was apparent in the McCann-Erickson effort, which was essentially a creative presentation with little back-up material.

In a brief discussion after the last presentation, Messrs. Flores and Massey concurred with this decision.