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**EVALUATION OF THE PAKISTAN
SOCIAL MARKETING OF
CONTRACEPTIVES PROJECT (391-0484)**

by

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Fieldwork
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Glossary

A.I.D.	Agency for International Development
CBR	Crude birth rate
CPS	Contraceptive Prevalence Survey
CSM	Contraceptive Social Marketing
CYP	Couple year of protection
DRB	Domestic Research Bureau
FPAP	Family Planning Association of Pakistan
GOP	Government of Pakistan
IEC	Information, education and communication
KAP	Knowledge, attitudes and practice
MIS	Management information system
NDFC	National Development Finance Corporation
NGO	Non-governmental organization
NRIFC	National Research Institute of Fertility Control
NWFP	North-West Frontier Province
OC	Oral contraceptive
PCS	Pakistan Consultancy Service
POS	Point of sale
PSIMA	Population Services International Marketing Associates
PWD	Population Welfare Division
R	Rupee (Rs 18.31/- = U.S. \$1.00)
SMC	Social Marketing of Contraceptives

SO

Sales Officer

TFR

Total fertility rate

Acknowledgments

The Team is grateful for the assistance it received from USAID staff in Islamabad, Karachi, Lahore and Peshawar. We also appreciate the support provided by Woodward, the Population Welfare Division, the National Development Finance Corporation, Population Services International Marketing Associates, Domestic Research Bureau, Insight Inc. and Interflow Communications. A list of the people who shared their expertise and facilitated the team's work in additional ways is included in Annex A.

The team also would like to thank Mr. Shafqat Ali (USAID) for his constant assistance throughout the assignment.

Executive Summary

1. Overview

"Indeed, the Pakistan SMC project appears to have the potential to be one of the most effective social marketing projects in the world."

The Social Marketing of Contraceptives (SMC) project has made excellent progress towards achieving its objectives. With only two years of activities completed, sales goals have been met and exceeded. The product, the Sathi condom, has achieved such a high level of distribution and is so visible in the market place throughout the country that it has become an everyday consumer product.

Indeed, the Pakistan SMC project appears to have the potential to be one of the most effective social marketing projects in the world. Its product presentation is unparalleled among CSM programs worldwide, and sales are second only to the India and Bangladesh CSM programs (both of which have been in operation for over ten years).

2. Purpose of the Evaluation

The purpose of this assignment was to carry out an interim process evaluation of the Pakistan SMC project. A multi-disciplinary team of four specialists studied the project in Pakistan from October 16 to November 11, 1988 and prepared this report.

The team members spent the first three days in Islamabad interviewing officials of the Population Welfare Division (PWD) and the U.S. Agency for International Development (USAID), studying supporting documents, and identifying their specific roles. Their meetings with the Secretary of the PWD and the USAID Mission Director were very constructive and helped them to focus on important issues in the project.

Field visits were made to trade sites in Karachi, Rawalpindi, Lahore, Thatta, and Peshawar. One hundred urban and semi-urban retail centers were visited, including pharmacies (49); groceries (14); general stores (29); kiriyana shops (6); pan shops (10); and others (4). These retail outlets were located in diverse settings ranging from urban slums to affluent semi-urban areas.

3. Management

The organizational structure of the project is well suited to sustain project activities. W. Woodward Pakistan (PVT) Ltd., the local manufacturing and marketing firm that has been contracted to carry out condom distribution for the project, is given considerable discretion in conducting the on-going management. Its links with

the PWD are handled effectively by Pakistan Consultancy Services (PCS). USAID provides technical assistance through Population Services International Marketing Associates (PSIMA), whose resident advisor's experience and talents provide an important asset to the continued success of the project. Roles and operating procedures are not entirely clear, however, and this confusion has begun to erode the spirit of cooperation that has contributed substantially to the success of the project to date.

A problem among project principals has been disagreement over what sort of sales data should be yielded from the management information system (MIS). The MIS issue was resolved during the evaluation, with the agreement that Woodward will implement the same sales reporting format that is used by Lever Brothers, the largest and most experienced marketer of consumer products in Pakistan. The time and effort expended in developing the MIS has been very cost-effective.

4. Marketing Objectives and Strategies

For the most part, the initial project strategies have been oriented toward distribution and sales. In these areas, the project has succeeded in achieving all of its stated goals. According to retailers, extensive distribution and effective displays of the product are resulting in strong consumer sales.

Product and Distribution

"According to retailers, extensive distribution and effective displays of the product are resulting in strong consumer sales."

The packaging of the project condom, Sathi, and consistent use of high quality graphics and design elements in both point of sale and communications materials represent perhaps the highest quality product presentation observed in an SMC project anywhere. Woodward has also done a superb job in achieving product distribution within its 161-town sales universe. The present network of distributors is a good base from which to achieve the next stages of expansion. Logically, this expansion should include another 150 smaller towns, allowing Woodward to cover approximately the same number of towns (300) that are available to other major marketers of consumer products.

Promotion and Advertising

The strategy for product promotion and advertising has consisted of developing a consistent message and a phased plan for its introduction. This two-pronged approach has proved extremely effective. When plans for TV and radio advertising were

"The strategy for product promotion and advertising...has proved extremely effective."

temporarily cancelled, it was decided to increase the emphasis on promotional efforts among distributors and retailers. The success of these efforts points up the value of regular promotional involvement of the retail trade through display and incentive programs. Advertising through channels other than TV and radio (in particular, cinema) has also been commendable, but in principle, it is important that TV and radio be included within a full mix of all available media. The problems with respect to TV and radio advertising have now largely been resolved.

Sales results to date suggest that the copy and media strategies for the launch of Sathi were appropriate. Very little is known, however, about whether the program is reaching its intended target audience--low-income urban and semi-urban populations--or what kind of impact the advertising and promotional campaigns are having on the consumers' attitudes and usage. Thus, the next step is to gain the insights needed to refine the communications strategy and expand the appeal across the full range of target consumers.

5. Research

A number of research projects have been completed and a few others are currently under way. The primary focus of these projects has been on distribution issues rather than on consumer identification and attitudes. The problems that were identified in the research already carried out were generally ascribed to lack of appropriate experience of local research companies, coupled with failure to take advantage of PSIMA's and PCS's insight in this area. No overall plan for research has been drawn up.

6. Price and Sustainability

Although sustainability may be a long-term project goal, up to now the product price has been set purposely very low to aid the effort to increase distribution, particularly among low-income people. The general opinion was that this decision was correct and that it should not be tampered with until sales have at least tripled from their current annual level. At that time, some fixed expenditures will also have stabilized relative to sales, allowing larger per unit profits.

7. Other Issues

Quality Control

Anecdotal evidence from retailers and a quality test completed by the National Research Institute of Fertility Control (NRIFC) indicate that there may be a problem with old Sathi inventory (manufacture dates from 1984) or ineffective use of the product

by the consumer.

Oral Contraceptives

Although orals do not appear to be popular in Pakistan at this time, it is possible that with proper training and detailing provided to the medical profession, and well-implemented consumer advertising, acceptance of orals could be increased significantly. More research is needed to answer questions related to the knowledge, attitudes, and practices of the target population and the medical community with regard to this method.

8. Future Strategy

Although the project is off to a very good start, there remains much to be done to expand on the accomplishments made to date and to establish the Sathi brand for the longer term.

The progress to date, however, and the potential for future successes, are convincing evidence that the project should be extended for at least another four years. With most marketing goals achieved, emphasis should now be placed on the following activities:

"The progress to date, however, and the potential for future successes, are convincing evidence that the project should be extended for at least another four years."

- Expansion of the condom distribution network into another 150 towns and investigation of ways to develop demand in rural areas;
- More extensive research regarding consumer attitudes and usage, and the impact of Sathi advertising on consumers, in order to refine advertising strategies and promotional activities; and
- Addition of an oral contraceptive component as soon as possible.

Recommendations

Twelve major recommendations are contained in the report to support implementation of this overall strategy. These are

Management

- 1) An Operating Group comprised of Woodward, PCS and PSIMA should be formed to maintain regular, frequent

communication on project activities.

- 2) An analysis of ex-distributor sales by trade class can and should be maintained by Woodward to fulfill the information requirements of the PWD.
- 3) PSIMA should play a greater role in the planning and execution of consumer-oriented marketing and research activities.

Expansion of Distribution Network

- 4) Woodward should increase the number of major towns covered through its distributors from the current base of 160 to the roughly 300 towns covered by other major marketers of consumer products.
- 5) An investigation should be carried out to identify a strategy for developing consumer demand in the rural areas.

Promotional and Advertising Activities for the Current and Expanded Distribution Network

- 6) Woodward and PSIMA should define the target market more precisely in order to refine and expand the current communication and promotional strategies.
- 7) Research should be undertaken to measure consumers' awareness of current advertising and their attitudes toward it.
- 8) Based on the identification of the different segments of the target audience, specific advertising executions should be developed for distinct groups, e.g., for lower urban economic levels and rural populations. The advertising message and theme should remain consistent across the executions.
- 9) Attempts should be continued to remove the restrictions on the use of television and radio advertising.

Research

- 10) A research plan should be made on an annual basis to parallel the marketing plan. PSIMA and PCS should work with Woodward and the PWD in developing this plan.

"Woodward should increase the number of major towns covered through its distributors from the current base of 160 to...roughly 300 towns..."

"Research should be undertaken to measure consumers' awareness of current advertising and their attitudes toward it."

Pricing

- 11) The larger count consumer package should be developed and tested, but caution should be exercised in the introduction of a premium priced brand. No price increase for the current Sathi condom should be considered until sales volume reaches 100 million condoms per annum.

Orals

- 12) An oral contraceptive component should be added to the project as soon as possible.

Additional Actions

These recommendations imply several concrete actions that will need to be taken, as follows:

- 1) Another 10 salesmen and 2 area sales managers will need to be added in 1989 to cover the recommended expanded sales distribution territories.
- 2) PSIMA's contract should be extended for another four years.
- 3) The Operating Group should start to draw up a revised operating budget for 1989 and onwards, including funding for the new sales staff and for increases in the advertising and research budgets.
- 4) Once sales reach 100 million condoms annually, a detailed study should be undertaken with the overall goal of finding ways to increase program sustainability. The study should analyze all costs and revenues, explore possible ways of reducing costs and increasing revenues, and develop models that show varying levels of cost recovery.

I. INTRODUCTION

I.1 Purpose of the Evaluation

The purpose of this assignment was to carry out an interim process evaluation of the Pakistan Social Marketing of Contraceptives (SMC) project funded by the U.S. Agency for International Development (USAID). The evaluation was to assess the experience of the project to date, the performance of the agencies involved, and the results obtained. The findings and recommendations were to be used to decide what changes, if any, were needed for the remainder of the project. The team was also asked to review various plans for introducing the oral contraceptive. (Refer to the Scope of Work in Annex B.)

I.2 Team Composition

A multi-disciplinary team of specialists worked together from October 16 to November 11. The team included:

Carl Allen	-	marketing specialist (team leader)
Matthew Friedman	-	family planning specialist
Nadim Shafiqullah	-	marketing specialist
John Trost	-	market research specialist

I.3 Methodology

The team members spent the first three days in Islamabad interviewing Population Welfare Division (PWD) and USAID officials, studying supporting documents, and identifying specific roles. Following these activities, the team traveled to Karachi for in-depth discussions with W. Woodward Pakistan (PVT) Ltd., Population Services International Marketing Associates (PSIMA), the National Development Finance Corporation (NDFC), Domestic Research Bureau (DRB), Interflow Communications, and Insight Incorporated. As part of these meetings, performance and financial materials on file were reviewed.

Field visits were made to trade sites in Karachi, Lahore, Rawalpindi, Thatta, and Peshawar to observe the project activities first hand. To collect consistent information during these field visits, the team developed a standardized questionnaire which was filled out at every retail site (see Annex C). This helped the team to focus on specific issues related to the scope of work. The team visited over one hundred urban and semi-urban retail centers including: pharmacies (49); groceries (14); general stores (29); kiriyana shops (6); pan shops (10) and others (4). These retail outlets were located in diverse settings ranging from urban slums to affluent semi-urban areas.

During the assignment, the team met with the Secretary of the PWD and the USAID Mission Director on several occasions. These meetings were very constructive, and helped the team to focus on important issues in the project.

After completing the fieldwork, the market research specialist submitted the market research section and departed on October 31. The other three members of the team remained to complete the report. Prior to departure, the team briefed USAID, PWD, PSIMA and Woodward. The assignment was completed on Friday, November 11.

II. BACKGROUND

II.1 Demographic and Contraceptive Prevalence

II.1.1 Overview

Pakistan's population is estimated to be 103.5 million, making it the 10th most populous country in the world today. The estimated crude birth rate (CBR) and total fertility rate (TFR) in Pakistan for the period 1981 to 1986 were about 37.0 and 5.8, respectively. Estimates for rate of natural increase range from 2.7 to over 3 percent per year. The proportion of children under the age of 15 years has reached 44.6 percent, which represents one of the highest proportions of young people in Asia.

The Pakistan Contraceptive Prevalence Survey (CPS), the most recent official count, reported that the contraceptive prevalence rate was 9.1 percent in 1984/85. Female sterilization was the most used method (2.6 percent), followed by condoms (2.1 percent), and orals (1.4 percent). Despite this low contraceptive prevalence rate, 58.6 percent of the women indicated that they wanted to postpone their next pregnancy or wanted no more births.

II.1.2 Government of Pakistan Population Goals

The Government of Pakistan set ambitious goals for reducing population growth in its Sixth Five-Year Plan (1983-1988) as follows:

- Reduce the crude birth rate from 40.3 per 1000 population to 36.2 per 1000
- Reduce the total fertility rate from 5.9 to 5.4
- Prevent 2 million births
- Increase the contraceptive prevalence rate from 9.5 to 19.6 percent.

Although no official figures were available for 1988, the GOP assumed progress had been slow in all areas and set considerably more ambitious goals for the Seventh Five-Year Plan (1989-1993). These were based on population projections using low variant predictions and were as follows:

- Reduce the crude birth rate from 37.0 to 25.0
- Reduce the total fertility rate from 5.7 to 5.0
- Prevent 5.4 million births
- Increase contraceptive prevalence from 12 percent to 35.8 percent.

II.2 Program Strategy

The GOP has been supporting a variety of population programs since the early 1950s. At the outset, it provided funding for volunteer efforts by the Family Planning Association of Pakistan (FPAP). Between 1965 and 1970, a nationwide family planning program was launched, which included the use of village midwives (dais) to promote IUDs. Because of disappointing results, a program entitled the Continuous Motivation Scheme was established in 1972 to promote condoms and orals through outreach activities. The first effort to provide contraceptives commercially began with the Inundation Plan, which involved distribution of contraceptives through all available commercial and non-commercial channels. By 1975, the system had 40,000 outlets in full operation.

As of 1980, a new strategy for the population program was established. It relied on an integrated approach, using a range of channels including its own family welfare centers and health outlets of governmental and nongovernmental agencies. Emphasis was placed on non-clinical methods such as orals and condoms. The social marketing of contraceptives was included as part of the national strategy when it became part of the Sixth Five-Year Plan.

The family planning strategy aimed at bringing about a behavioral change favoring the small family norm, developing a program based on local needs, and involving non-governmental organizations (NGO) and commercial enterprises in the distribution of condoms and pills to complement existing public sector efforts.

According to the GOP, the strategy for the Seventh Five-Year Plan (1988-1993) will attempt to elicit greater and more active participation from relevant government departments, public institutions and the private sector in providing services and promotional programs. Emphasis in the public sector program will be gradually shifted from nonclinical methods such as condoms and orals, to clinical methods such as contraceptive surgery, IUD insertion and injectables. (See Annex D for a more detailed summary of the family planning context within Pakistan, including a summary of past population programs.)

II.3 The SMC Project

II.3.1 Project Development

The Pakistan Social Marketing of Contraceptives (SMC) project was authorized and the Project Agreement signed in March 1984, after roughly 10 years of exploration and study. GOP approval for the project came in April 1985, following several delays resulting from a referendum election and extensive debate over the government's own authorization document (the PC1). The agreement with the private sector implementing agency--W. Woodward Pakistan (PVT), Ltd.--was signed in December 1985, and the implementation of the project commenced in the same month.

As part of the agreement, USAID provided a \$20 million grant to the GOP for this project. The GOP agreed to provide no less than Rs 18.5 million (\$1.075 million equivalent). The length of project was to extend from 1984 to 1989, with a project end date of 9/30/89.

II.3.2 Project Goals and Objectives

As an important component of the GOP's overall strategy for providing family planning services, the SMC project has as its major goal to use the existing commercial network to make condoms and orals available to low income acceptors at affordable prices. To achieve this goal, the following objectives have been set for the project:

- To increase the number of retail outlets that stock condoms or oral contraceptives from 27,000 to at least 54,000.
- To distribute from the firm at least 192 million condoms and 9 million cycles of orals.
- To provide at least 1.9 million couple years of protection (CYP).
- To avert about 450,000 births.
- To increase revenues to the extent that a substantial proportion of the operating cost is covered until such time as the project becomes economically self-sustaining.
- To undertake market research that would utilize the resources, talent and expertise of the private sector in the launching, sustaining and fruitful completion of this project.

It is evident from this list of objectives that, in this project, the tension between social and revenue-producing goals, typical of social marketing of contraceptives programs worldwide, has been resolved in favor of the social goals. The project design places primary emphasis on increasing availability of contraceptives, with program self-sustainability as a secondary concern.

II.3.3 Marketing Plans

Two marketing plans have been developed, the first for 1987-88 and the second for 1988-89. Their objectives were essentially the same:

- To sustain the current availability of condoms to fertile married couples:
 - at convenient locations frequented by them,
 - at prices affordable for lower income levels, while retaining a quality image.
- To offer a reasonable return to trade so as to ensure active support for the product.
- To sustain the current display levels of the product and point of sale (POS) material at directly covered retail outlets.
- To inform married fertile couples of widespread availability of condoms as safe, simple and effective contraceptives.

- To motivate and persuade married fertile couples to use condoms through the use of all available media.

These plans have served to provide general guidance for project activities throughout the project life to date.

II.3.4 Summary of Project Progress to Date

During the first year of project implementation (December 1985-December 1986), preparations were made for launching the SMC project condom--the Sathi (the term means "companion")--on the national market. A series of research activities was undertaken and the first marketing plan developed and approved (December 1985-August 1986). A test market was initiated in two districts (Tharparkar and Sargodha) (September-December 1986). Thanks primarily to the close working relationship of the program principals (see Section III.1, page 6), the groundwork was laid for the launch well ahead of the original timetable.

By the end of the second year, following a successful product launch, sales had exceeded project targets, with 30 million condoms sold compared with a goal of 27 million. Major activities during this second year included the launch itself, which took place over a four-month period and included 150 trade seminars, and vigorous advertising efforts including use of cinema advertising, POS materials, and display week contests. Because of unexpected GOP restrictions on radio and TV advertising (see Section VI.1.3, page 21), some of these tactics received greater emphasis than originally anticipated.

The second marketing plan, while sharing the goals of the first, focuses on sustaining distribution levels and developing alternative field marketing programs to ensure customer pull in the absence of mass media.

With the approval in July 1988 of the use of TV advertising, and, more recently, of radio ads, the need to develop additional alternative field marketing programs may have diminished. Two major advertising blitzes have occurred since July.

Overall, this project has been a great success to date, and indeed may have the potential to be one of the most effective contraceptive social marketing projects in the world.

III. MANAGEMENT

III.1 Project Structure and Operating Procedures

III.1.1 Overview

The SMC project in Pakistan is implemented through a private manufacturing and marketing firm, W. Woodward Pakistan (PVT) Ltd., under a contract with the GOP. Woodward's major product is the medicinal product Gripewater, used primarily for babies and children. Its distribution network includes 25,000 shops in 160 towns and cities. This is about half the network covered by the country's largest marketer of consumer products, Lever Brothers.

Woodward maintains direct contracts for advertising (with Interflow Advertising Agency) and for market research services (with a variety of local firms).

Woodward also has close working relationships with both the GOP and USAID. In the GOP, the Population Welfare Division (PWD) of the Ministry of Planning and Development is responsible for overseeing project activities. Communications between PWD and Woodward are funneled through the National Development Finance Corporation (NDFC) through its Pakistan Consultancy Services (PCS) division under a contract with the GOP. PCS also provides consulting and auditing services. Additional marketing consultancy services are provided by PSI Marketing Associates (PSIMA) through a technical services contract with USAID.

Overall project activities are directed by an Advisory Board chaired by the Minister of Planning and comprised of representatives of the PWD, NDFC, Woodward, and USAID. The Advisory Board met frequently (five times) during the planning and start-up phase of the project. In late 1987, the Board formed an Executive Committee chaired by the Secretary of PWD and including representatives of Woodward, PCS, PSIMA, USAID and others from PWD. This committee has met twice (see Figure 1).

III.1.2 Strengths and Weaknesses

The program's organizational structure is well suited to implementing the project. Woodward is given considerable discretion in day-to-day operations. PCS provides operating support in its audit function and is a useful consultant in the area of market research. The PSIMA resident adviser brings to the project considerable experience in social marketing and a strong background in marketing consumer products from the commercial sector. As a result, all contractual agreements are being fulfilled and excellent progress is being made in the achievement of GOP goals.

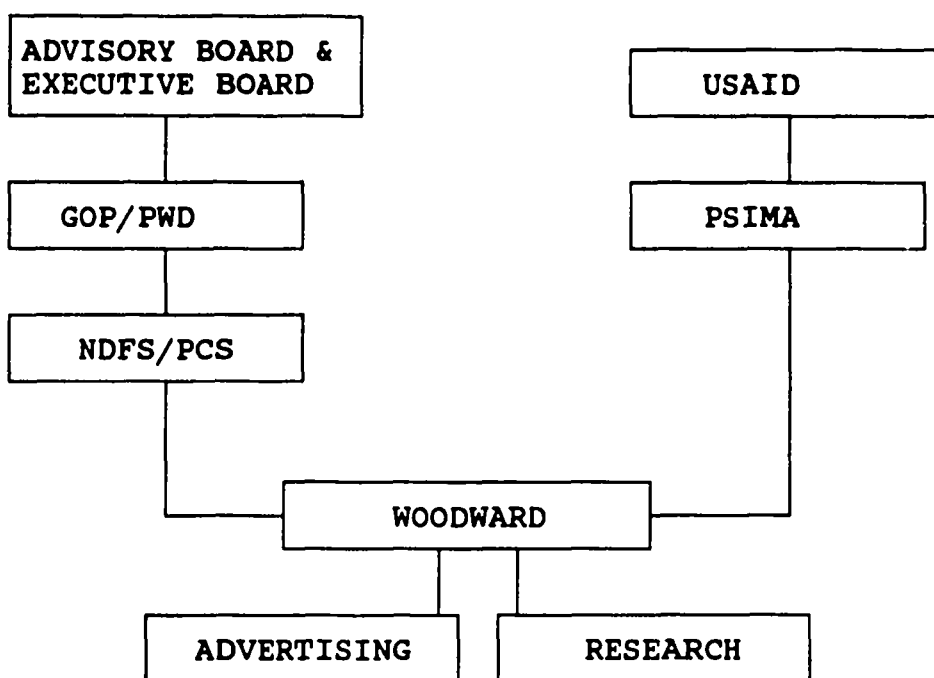
What is lacking in this structure is a formal mechanism for regular meetings among the project principals (Woodward, PCS, and PSIMA), who manage the project on a day-to-day basis. These individuals tend to meet on an ad hoc basis, but not necessarily when problems need to be discussed. It is not always clear which group should be responsible for taking action on a specific issue. Regular meetings would provide a more reliable forum for problem-solving. In addition, the Project Manager is not always given the authority to carry out regular, routine

communications with PCS and PSIMA.

A major misunderstanding to date has revolved around the management information system (MIS) (see Section III.2.2 page 8). Although this problem has strained working relations among the project principals, particularly Woodward and PWD, an agreement was reached in the course of the evaluation.

Figure 1

ORGANIZATIONAL STRUCTURE OF SMC PROGRAM



III.2 Management Information System (MIS)

III.2.1 Overview

Considerable effort has gone into developing an MIS reporting package. The current monthly MIS output includes sales data inventory reports and financial information. The only problem relates to the sales data at the retail level. Otherwise, the MIS is proving to be a useful management tool.

III.2.2 Sales Data

With respect to sales data, PWD had hoped that Woodward would be able to provide sales records from all 25,000 retail shops to enable it to track actual Sathi sales to

customers. Due to its involvement in developing new marketing strategies to circumvent the unforeseen restrictions on TV and radio advertising (see Section II.3.4, page 5), however, Woodward was unable to respond quickly to requests for data. The company also believed that it would be impractical to attempt to extract data from such a large universe, preferring instead to use data from its 160 distributors.

A provisional solution to this problem was worked out as part of the evaluation--specifically that Woodward employ the system used by Lever Brothers: It would provide data on ex-factory sales to PWD, but these would be analyzed by trade class, including pharmacies, grocery stores and other outlets (see Annex E). It was also agreed that Woodward itself would continue to track retail sales data for internal purposes.

This solution reflects the conventional approach in developing countries to tracking product performance. The level of data yielded by the distributors is considered adequate by most consumer products companies operating in countries such as Pakistan, including Colgate-Palmolive and Reckitt and Colman. The breakdown of sales by trade class is a refinement used by some larger companies such as Lever Brothers.

It is true that in developed countries, data can be tracked from retail outlets. In the United States, for instance, the A. C. Nielsen organization provides market share data obtained from a sample of such outlets. This service requires a large staff of store auditors, a statistically accurate sample of stores and a high level of cooperation by the store managers. Even with this level of sophistication, however, the Nielsen data are not 100 percent accurate since some large retailers, such as K-Mart, do not allow Nielsen auditors to examine their records.

This approach is not feasible in Pakistan. Even if it were, it is unlikely that it would yield the type of information needed by PWD. Analyzing the retail shop records of a total universe of over 25,000 outlets would be an extraordinarily time consuming task, far beyond the scope of any commercial operation in Pakistan. Moreover, due to the difficulties of reconciling shop purchases from both the appointed distributor and from wholesalers, the data would be of doubtful validity.

In developing countries, marketers may use other methods, some quite ingenious, to estimate the sales of their products to consumers. Currently in Pakistan, for example, Lever Brothers uses a "dust bin" procedure to estimate market shares and household consumption of its products. As the name implies, a sample of households is provided with a dust bin and instructed to use it when discarding all packaging material for a variety of product categories such as soap and detergent. The contents of the dust bin are recorded monthly, and the data are analyzed to produce an indication of trends in market shares and household consumption. Information collected in ways like this is useful only in determining trends in market share and consumption patterns, however. No attempt is made to reconcile the data with ex-factory sales figures.

Periodic audits of retail shops are also useful in providing information on share trends and in tracking the effectiveness of promotional activities. Several research agencies in Pakistan either currently provide this service or are developing capabilities in this area (see Section VII.1, page 27).

III.3 Financial Management

III.3.1 Budgeting and Expenditures

The current financial management and control systems ensure that all expenditure plans are approved on a line item annual basis by the SMC Advisory Board. No mechanism exists, however, for PCS and PSIMA to preview short-term expenditure plans. It is therefore quite common that, as the year progresses, marketing, promotion and media plans are adjusted and expenditures reapportioned, without these changes being communicated to PCS.

Overall project expenditures are in line with the original appropriations approved between the GOP and Woodward, with about half the funds having been spent just past the mid-point in the project implementation period (see Table 1). Expenditures on advertising, market research and seminars have exceeded the allocations through September 1988, however. Quite likely, these overruns can be compensated for by savings against original line item allocations in accounts such as personnel compensation, packaging and printing material, vehicles, and freight. Expenditures in all of these accounts are lower than anticipated.

Table 1

TOTAL PROJECT EXPENDITURES
(R 000s)

Woodward 4-Year Budget	Utilized Up To 9/88	Committed Up To 9/88	Balance Available	As percent of 4- Year Budget
80,313	37,167	3,057	40,089	49.9

III.3.2 Monitoring and Auditing

PCS monitors Woodward's expenditures against the annual budget that was authorized by the Advisory Board. It also audits the financial and inventory reports provided through the MIS from distributors and summarizes them for PWD. PCS tends to submit the data in its raw form, with little analysis, and sometimes PWD misunderstands some of the information it receives.

PCS also audits actual expenditures for corrections before reimbursement is made by USAID.

Recommendations

Management Structure and Operating Procedures

Overall, roles and procedures need to be clarified in order to continue the spirit of cooperation that has resulted in the success of the project to date. Specifically,

1. **An Operating Group comprised of Woodward, PCS and PSIMA should be formed to maintain regular, frequent communication on project activities.¹**
2. The Woodward Project Manager should handle regular, routine communications with PCS and PSIMA.

Management Information System

Efforts are needed to ensure that the agreement between PWD and Woodward regarding the MIS is carried out. Specifically,

3. **An analysis of ex-distributor sales by trade class can and should be maintained by Woodward to fulfill the information requirements of the PWD.**
4. The PWD and PCS should clarify the information requirements of the project. Information provided by the implementing agency to any of the project principals should be user specific, that is, recipients of the information should have a definite need for the information and a plan to use it.
5. Action standards and the use of the data should be agreed to in advance by all parties.

Financial Management

6. PCS should assume greater authority as the conduit for communications between Woodward and the PWD. It should be permitted an opportunity to clarify and interpret financial data before submitting them to the PWD in periodic summary form.
7. Woodward and PCS need to develop a procedure for communicating changes in plans for marketing, promotion and media activities, perhaps through the Operating Group.
8. The Operating Group should draw up a revised Operating Budget for 1989 onwards. The Advisory Board should review and approve these changes soon to avoid funding

¹Recommendations that are in bold typeface are the principal recommendations in this report. See Chapter XI for complete list of principal recommendations.

gaps, particularly for the 1989 advertising and research plans (see Chapters VII and VIII for additional information).

9. All approved line item annual appropriations should be detailed on a monthly basis.

10. The Operating Group should review expenditure plans every three months.

IV. THE PRODUCT

IV.1 Background

Although the project plans eventually to distribute both condoms and oral contraceptives, the decision to start by marketing condoms was made on the basis of two considerations. First, since condoms are not viewed as a medical intervention, they generally do not arouse opposition from doctors, midwives or pharmacists. Second, because they require male participation, they tend to reduce the male opposition to family planning that is common in male dominated societies. For example, in Bangladesh, a reduction in male opposition was observed following the launch of the program for social marketing of condoms.

Condoms have long been available through Pakistan's well-developed and sophisticated commercial sector. According to a survey taken in 1982, there were approximately 43 different brands of condoms available at retail outlets throughout Pakistan.

Despite the plethora of brands, however, condoms were perceived not to be widely available in the early 1980s, and the price was found to be relatively high, putting most condoms out of the reach of the majority of potential users. Moreover, storekeepers tended to hide the condoms under counters to enable customers to be discreet when buying them. It was felt that if a new high quality product at subsidized prices were to be provided and promoted vigorously, a considerable number of new condom customers would be attracted. Overall, the huge volume of sales during the first year confirms that the project rationale was correct.

IV.2 Sathi Packaging

The condom used for the Pakistan SMC program has the brand name Sathi and is currently purchased by A.I.D. from the Ansell Company for worldwide distribution. Once received, a strip of four condoms is packaged in an attractively designed, orange colored Sathi box and sold for one Rupee (price printed on box). Until recently, the protective material in which the condom was packaged on arrival in-country was plain white. New shipments received after February 1988, however, bear the Sathi logo and distinctive orange color on the inner wrap. These condoms will be distributed in December 1988, after the older condoms have been sold.

IV.3 Current Market Position

IV.3.1 Summary

The Sathi brand remains one of several options available to Pakistan customers, but it is clearly more widely available than any of the existing commercial brands. Sathi was found in a majority of the 100 retail outlets visited during the evaluation, whereas other brands were seen in only about half the outlets. Moreover, Sathi was available in a wide variety of outlets, some very unconventional, such as bakeries, grain shops, and pan shops (see Section I.3, page 1), whereas the 12 other brands that were available were seen almost exclusively in pharmacies.

In addition to commercial brands, the USAID-supplied Sultan condom is sold both through the public sector program and in retail stores. An estimated 120,000 million Sultan condoms were sold during the year July 1987 to June 1988 compared with 30 million for a comparable period for Sathi. Sathi sales appear to be replacing Sultan in some cases, however (see Section IV.3.3, page 14).

IV.3.2 The Commercial Brands

The types of condoms sold commercially ranged from brands that bear sexually explicit photographs to generic government-supplied strips (Sultan). Nearly all of the condoms sold were manufactured in the United States; the two exceptions are "Non-A-Stops" made in Germany and a counterfeit "Rough Rider" pack produced in Korea.

Although several of the commercial condoms were packaged in boxes similar to that of Sathi, others were offered in envelope packs that contained three "pinched" condoms packed in foil, which offers good product protection against ultraviolet light. This packaging took up less space and was easier to store than the Sathi packaging.

With regard to cost, the prices ranged from Rs 3/- for lesser brands to Rs 15/- for specialty packs, with the average price being around Rs 5/- for three condoms. Since prices are seldom printed on the package, retailers often sell the product for what they can get. With one or two exceptions, nearly all of the commercial brands remained under the counter or in some other storage area out of sight of the customer.

The imported commercial brands are often perceived as being higher quality than Sathi. "Imported" appears to be synonymous with better quality. Although the Sathi package says that it is made in the USA, many storekeepers indicated that their customers thought that Sathi was a Pakistan product. Sathi's lower price also contributed to this perception, but its quality packaging and POS materials are helping to overcome it.

Table 2 provides a summary of some of the most common brands found.

Table 2

CONDOM BRANDS COMMONLY AVAILABLE IN PAKISTAN

<u>Brand Name</u>	<u>Number of Condoms per Package</u>	<u>Price</u>
Sathi	4	Rs 1/-
Sultan	3 or 4	Rs 3-5/-
Rough Rider (US)	4	Rs 4-5/-
Durex	4	Rs 4-5/-
Ansell (Erotic Photos)	3	Rs 5/-
Non-A-Stop	3	Rs 5/-
Stud	3	Rs 10/-
Lifestyles	3	Rs 15/-

IV.3.3 Sultan Condoms

The government-supplied condom, Sultan, is made by Ansell and donated by A.I.D. for the public sector program. They are sold through Family Welfare Centers, Reproductive Health Service Outlets, Provincial Line Departments, the Family Planning Association of Pakistan, and other non-governmental organizations. In addition to these outlets, Family Welfare Center field staff are required to supply Sultan to retail stores. Although Sultan sells for Rs 1 for 10 condoms through the public sector outlets, retailers generally charge Rs 3-5 for a strip or box of four Sultan condoms.

According to retailers, Sultan sales have dropped since Sathi has been in the market. Concurrently, PWD has lowered targets for the public sector program. Since the Seventh Plan states that the emphasis of the public sector program is to be shifted from temporary methods to more use of clinical methods, it appears that Sathi is expected to fill this gap in the urban areas.

V. DISTRIBUTION

V.1 Coverage

The Woodward distributor network includes 25,870 retailers in 161 towns (see Table 3). In addition, according to Woodward estimates, an equal number of outlets is covered indirectly by large wholesalers in the bigger cities. The resulting 52,000 outlets would appear to assure mass coverage in the urban and semi-urban towns in which Woodward is operating.

Table 3 shows Sathi sales for the 16 months since the product became available nationally (December 1986 - March 1988). Having exceeded its first year goal by December 1987 (see Section II.3.4, page 5), Woodward proceeded to distribute another 14 million condoms over the next three months, thus continuing its superb job in achieving product distribution within its sales universe. After only two years, the project's sales are second only to the India and Bangladesh CSM programs, which have been in operation for over ten years.

Table 3

WOODWARD'S SALES OF SATHI CONDOMS December 1986 - March 1988

	No. Of Towns	% Of Towns	No. Of Outlets	% Of Outlets	Sales Up To End Mar'88 000 Packs	% Of Sales	No. Of Sales Officers
Punjab	82	51	12935	50	5177	47	17
Sind	48	30	9904	38	4011	36	16
NWFP	16	10	2256	9	1477	13	6
Baluchistan	11	7	485	2	317	3	1
Azad Kashmir	4	2	290	1	109	1	---
TOT Pakistan	161	100	25870	100	11091*	100	40**

*Ex-factory sales or Woodward's sales to their distributors in each town. Each pack contains four condoms.

**A few of the Sales Officers based in Sind and NWFP towns cover towns in Baluchistan and Azad Kashmir.
Source: Woodward

A comparison with Lever Brothers, the largest consumer company in Pakistan, suggests that Woodward could expand its distribution universe. In contrast to Woodward's 161 towns, Lever Brothers has outlets in 384 towns (see Table 4). Overall, Lever's universe includes 153 large and mid-sized urban towns (ranging from Karachi and Lahore to towns of 25,000-49,000) and 231 smaller towns (5,000-24,999 population). Lever's coverage of larger towns (153) is roughly comparable to the 160 figure for coverage of Woodward (see Table I), and thus, it can be surmised that the towns in which Woodward is not operating are the smaller ones.

As seen in Table 4, operations in the larger towns and cities would appear to be the most cost-effective. One outlet in the largest cities can provide coverage for more than twice as many people as does an outlet in the smaller towns (one outlet for 1,120-1,110 persons in the two

higher strata compared with one outlet for 539 persons in the lower strata). Therefore, relatively fewer outlets are needed in the larger urban areas than in the smaller towns (in Karachi and Lahore, which include 34 percent of the urban population, there are 9,834 outlets whereas in the smaller towns, 6,345 outlets cover only 11 percent of the urban population).

Table 4
LEVER BROTHERS COVERAGE OF
POPULATION IN URBAN TOWNS
1983

Stratum Population	No. of Towns	% of Towns	POP (000s)	% of Urban POP	Lever's Outlets	% of Outlets	Avg. Outlets Per Town	No. of Persons Per Outlet	Avg. POP Per Town (000s)
I. Karachi+Lahore	2	0.5	11017	34	9834	27	4917	1120	5509
II. ABV 500,000	6	1.6	6394	20	5759	16	960	1110	1066
III. 100,000-499,999	23	6.0	4824	15	4572	13	199	1055	210
IV. 50,000-49,999	38	9.9	3226	10	4301	12	113	750	85
V. 25,000-49,999	84	21.9	3306	10	5143	14	61	643	39
VI. 5,0000-24,999	231	60.1	3421	11	6345	18	28	539	15
Totals/Averages	384	100.0	32188	100	35954	100	94	895	84

Source: Lever Brothers

V.2 Distribution Network

The distribution network is made up of distributors and their sales forces, Woodward's sales officers (SO), wholesalers, and retailers (see Figure 2). At the pinnacle of the network are 161 independent distributors, one in each town where Woodward's products are sold. Each employs a distributor sales force which deals mainly with Woodward products. The sales force may sell directly to retailers, or it may provide products to wholesalers, who in turn supply the storekeepers. About 60 percent of the total sales are to wholesalers. This is considered the more cost-effective distribution channel. Wholesaler sales are directly related to consumer demand; small shopkeepers must go to the wholesalers for their stock and normally purchase only items that their customers request. Sathi appears to be a popular item that is moving well through the wholesale channels.

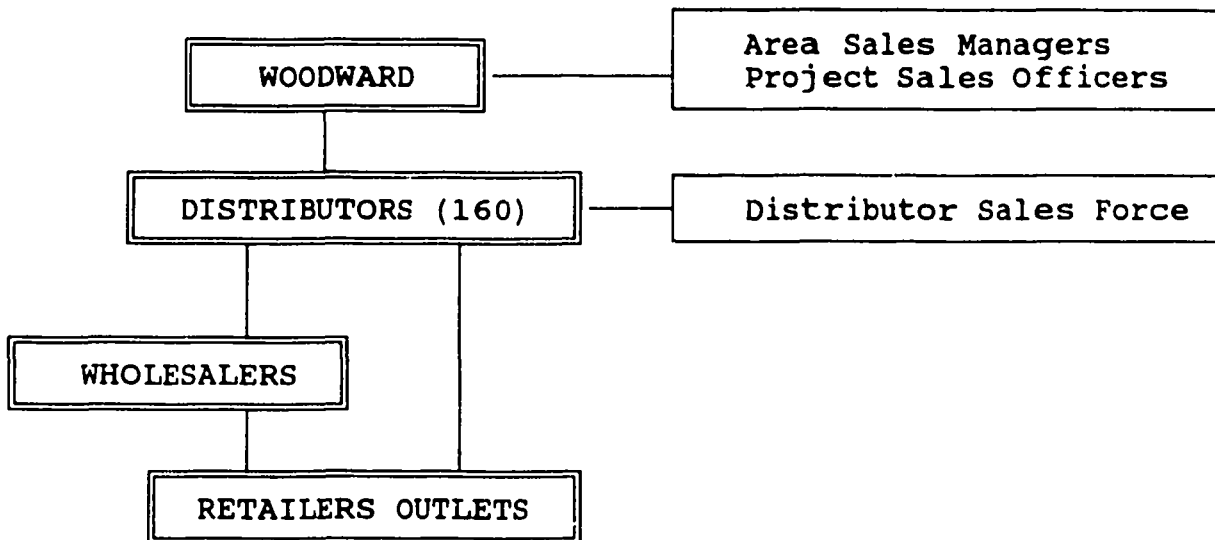
Woodward has developed an impressive training manual for its distributors' sales representatives. Subjects covered include how to

- list trade outlets,
- examine product availability in nearby semi-rural towns,
- ensure trade displays, and
- ensure proper retail trade servicing.

To enhance the performance of the distribution network, Woodward also employs a sales force of 40 sales officers (SO) who are responsible for visiting retail outlets to check stock supplies and displays, to answer any shopkeeper questions, and to take orders for resupply, which are then passed on to the distributor. Two area sales managers oversee the day-to-day activities of these workers. As the distributors' sales representatives become more functionally independent, more fieldwork time will become available to the SOs, which can be used for coverage expansion, promotions, and other trade activities.

Figure 2

WOODWARD DISTRIBUTION NETWORK



Very little is known about the retailers themselves. A common core of the best retail outlets with substantial consumer sales is present in every urban center. This core of important outlets is serviced regularly by most consumer products marketing companies. Very little reliable, independent information is available, however, regarding the buying, stocking, and consumer sales patterns through these outlets.

V.3 Expansion

Woodward's strategy of concentrating on urban and semi-urban markets is appropriate for the immediate future. The PWD, however, has urged Woodward to expand distribution to small towns and to develop an effort to increase activities and consumer demand in the rural areas. The purpose would be to expand condom coverage to a larger proportion of the country's population. Sathi's distribution network represents an excellent base on which any expansion efforts might build.

Even without expanding to rural areas, which is probably not financially feasible at present, good possibilities exist for increasing sales, both by including additional small towns and also by intensifying activities in areas of dense urban concentration.

With respect to intensifying existing efforts, the main urban towns, which currently represent a strong base for Sathi sales, are considered to be the areas of greatest potential growth. Many characteristics of urban consumers encourage the desire for a smaller, more prosperous family and the acceptance of family planning, including:

- better educational levels
- more progressive social attitudes
- urban lifestyle aspirations
- frequent exposure to mass media.

The urbanization rate in Pakistan is high, about 5.5 percent per annum, and the rate is thought to be higher for the bigger, industrially and commercially developed towns. Because these populations face growing economic pressures, it is felt that they might be particularly receptive to the Sathi project.

With respect to adding to its network of urban towns, one appropriate yardstick might be the sales universes of other main marketers of consumer products, which typically include about 300 towns and cities (see Section V.1, page 15 for discussion of the Lever Brothers network). Another standard might be the government program, which provides the Sultan condom in about 150 urban towns that are not currently provided with the Sathi condom. This level of expansion would virtually double Woodward's total number of outlets (from 161 to 300), but Woodward's existing field organization should be able to handle the increased workload. Most of the smaller towns can be effectively serviced by a sales officer in one day or less, and therefore it would be possible for a single sales officer to cover or service over 20 small towns in a month. Overall, this would mean an addition of 10 salesmen and two additional sales managers, if all new outlets were to be visited on a monthly basis.

With respect to rural distribution, very little is known about the market distribution channels that regularly reach into the rural areas. In Pakistan today, the more remote villages are not only economically isolated, but are operating through a semi-barter economy. Agricultural incomes are highly seasonal and savings rates negligible. Only the most fundamental needs (clothing, etc.) are met by purchasing manufactured goods. Although it may be possible to publicize the Sathi condom in rural areas, a better understanding is needed about the rural population before a viable, effective distribution strategy can be developed.

Recommendations

11. Woodward should ensure that priority is given to maintaining active promotional activities in the larger urban towns. Such activities should be integrated with the mass media support programs.²

²Recommendations are numbered consecutively throughout the report.

12. **Woodward should increase the number of major towns covered directly through distributors from the current base of 161 to the roughly 300 towns covered by other major marketers of consumer products.**
13. **An investigation should be carried out to identify a strategy for developing consumer demand in rural areas.**

To collect this information, a study is needed to survey the different types of rural population clusters or villages. Such a study might attempt to define the current distribution characteristics of consumer goods and stratify them into types by common features. It may be, for example, that villages that have been electrified are significantly different from villages not electrified. This could be an important criterion when determining mass media reach and expansion to rural distribution by the commercial sector.

This study also needs to investigate the rural market so that an effective distribution strategy can be developed for the future. The strategy may be in stages, beginning first with the bigger, electrified, rural clusters and then focusing on the other villages. An effective communication strategy to reach and persuade the rural consumer target groups also needs to be considered. Instead of traditional survey teams, perhaps mobile film units could be used to investigate the rural distribution potential and to test the entertainment value and customer receptivity of mobile film unit promotions. The rural probe should aim at obtaining feasibility information on how availability, accessibility and IEC can be accomplished for Sathi in rural areas.

VI. PROMOTION AND ADVERTISING

VI.1 Target Market

VI.1.1 Size

The Project Paper estimated that the total potential market for project condoms and orals would be in the vicinity of 13.6 million couples. This figure was arrived at by calculating that, out of a total population of 95 million, there would be 20.7 million fertile-aged couples, of whom 7.0 would be ineligible for family planning (because the wife was either pregnant or desiring to be pregnant), leaving 13.6 million "eligible" couples. This figure was broken down into potential condom users (9.5 million couples) and orals users (4.1 million).

In actuality, the market for condoms is much smaller. As long as the potential market is governed by the urban-based distribution network of Woodward, it will only be able to reach inhabitants of cities or towns, who represent approximately 30 percent of the country's total population. Thus, the potential market in reality is under 3 million. Moreover, by its nature, the SMC project aims at lower income persons who tend also to be poorly educated, to have only a nominal knowledge of family planning and low use of contraceptive methods. Targeting these groups effectively eliminates the well-to-do, reducing the potential market size further still.

VI.1.2 Identification

Woodward has not made a major effort to define its target market precisely. Rather, it has relied on generalities typical of SMC programs in describing couples to whom it is targeting its marketing activities.

In both of its Marketing Plans, Woodward defined the target market as married couples of child-bearing age, residing in urban as well as semi-urban areas, belonging to upper-middle, middle and lower income groups. It was agreed that special emphasis should be given to low income groups within the urban and slum areas. The market was further defined as consumers who are either

- already aware of spacing as a concept, but unaware of condoms
- already aware of spacing as a concept, and aware of condoms, but use other unreliable methods
- aware of condoms as an alternative but cannot afford the full price of other commercially available condoms
- not ready to commit themselves to more permanent methods of family planning; wanting to delay the first pregnancy.

VL13 Implications for Advertising and Promotion Message

Without research to define the potential target group, Woodward and its advertising subcontractor, Interflow Advertising Agency, have relied primarily on their intuition in developing the marketing message for Sathi condoms.

It was agreed that the message was to be basically the same for all media: Elsewhere, a consistent message across media has been shown to carry maximum impact. In developing the copy, Woodward and Interflow Advertising carefully considered past communications efforts by the GOP, as well as reviewing experience in other countries such as Bangladesh, and determined that in place of the previous campaigns, which had stressed "small family" or specific limitations to family size, a more positive and consumer oriented approach was needed.

The specific copy objectives were as follows:

- Make condoms an "ordinary" product of everyday use with a high quality image.
- Provide a channel for the expression of manhood in portraying a responsibly planned family as an important accomplishment for any man.
- Focus on immediate benefits for the consumer.
- Present all communications to the consumer in a positive manner.

The only marketing research that took place was with reference to the reaction of TV audiences to the planned message (see Annex F, Sections A.2.3 and A.2.4). Nonetheless, when the time came to launch the campaign on TV and radio, the Pakistan Television Authority (PTV) unexpectedly withdrew its previous agreement to use both TV and radio. The decision may have been due in part to Woodward's failure to communicate to Pakistan authorities the lack of consumer objections during testing. In Mexico, for example, government authorities had last minute apprehensions about authorizing radio advertising, despite a prior agreement to do so. In that case, the results of focus group testing, which indicated no strong consumer objections to the material, were communicated to the government and were successful in overcoming its reluctance. Thereupon, the campaign was aired without incident.

VL1.4 Conclusion

The campaign strategy appears to have achieved its objectives with respect to reaching its target audience, implying that the intuition used by Woodward and Interflow about the market was probably good and that their supporting logic remains sound.

VL2 Marketing Strategy

VL2.2 Overall

Having developed a message that they deemed appropriate in the sensitive cultural and religious context of Pakistan, Woodward and Interflow developed a careful marketing strategy

for introduction of the message. It was to be a step-by-step process that was to start with vigorous point of sale (POS) promotion, followed sequentially, at three-month intervals by introduction of advertising in cinemas, through radio and television, and in the press. The combination of promotion and advertising turned out to be a particularly felicitous decision. When TV and radio advertising was prohibited, promotional activities designed to involve distributors and retailers in the Sathi project were intensified and can be credited with having played a major role in the success of the project. A second major strength in promotion and advertising has been the consistent use of high quality graphics and design elements. Starting with the eye-catching packaging (see Section IV.2, page 12), the Sathi promotional materials, both POS and communication, rank with the highest quality and most effective of any observed in CSM programs worldwide.

VI.2.2 Promotion

Woodward's promotional activities have been targeted at its distributors and at retailers.

With respect to the distributors, Woodward's efforts have succeeded in making these key personnel both aware of and knowledgeable about the Sathi condom. Woodward held special get-acquainted seminars with distributors to introduce them to the product. These were followed by the special training for their sales representatives (see Section V.2, page 16). In addition, Woodward arranged for distributors to hold special trade seminars for the retail trade which were designed to generate booking orders for the condoms. Holding these seminars served both to develop enthusiasm and to foster a competitive spirit among distributors and to give them a vested interest in Sathi sales.

Likewise, Woodward's innovative approaches at the retailer level succeeded in achieving a high level of involvement of storeowners. Specifically, Woodward arranged for trade display weeks in every town. These involved a jury composed of local trade members judging their peers regarding the best Sathi shop displays. These took place some time after the initial launch, further establishing Woodward as a company with good promotional capabilities.

In addition to these activities, Woodward and its distributors have done an excellent job of promoting Sathi through the use of an adequate supply of well-conceived materials. Numerous Sathi table displays were developed, including calendars, stickers, clocks, and metal signs. Combined with the prominent place of display of Sathi condoms, these materials have helped desensitize the public to condoms and contributed to the acceptance of Sathi as an everyday household item.

In the future, Woodward plans to develop special promotions targeted to special trade segments. "Pan Shop Weeks" in the bigger towns are planned for 1989. (Pan shops are very small retail outlets which sell a non-narcotic preparation wrapped in a leaf, which is consumed much like chewing tobacco.) Since the local pan shop is a meeting point and community center for exchanging news and gossip among its almost exclusively male customers, this approach should increase trade interest and awareness in the Sathi condoms in these outlets. As a result, a large number of potential consumers should be exposed to the promotional activity in a direct manner.

VI.2.3 Advertising

As with their promotional activities, Woodward and Interflow responded in their advertising with flexibility and imagination to the disruption in the original TV advertising strategy. As planned, cinema advertising was begun upon achievement of full distribution. When TV and radio ads were banned, however, Woodward moved to intensify its efforts in POS efforts and in the use of cinema. The trade contests to improve POS promotion (see Section VI.2.2, page 22) succeeded in keeping market interest alive in the absence of advertising. Another new use of cinema is being planned, which also will hinge largely on retailer participation. Here, the approach is to provide major retailers in 200 towns with free tickets to movies in which the Sathi condom ad will be shown. The retailers will decide to whom to distribute the tickets, although target groups would include potential customers (newlyweds) as well as opinion leaders and prominent community figures. At the time of the evaluation, this effort had just begun, but plans are that invitations will be issued six times over the course of the coming year.

At the same time, persistent lobbying efforts by the project principals have led to an agreement that ads of a very general nature would be allowed on TV. The agreement enabled PTV to launch two short-term blitz advertising campaigns, including one that was aired during the summer Olympics. The long-term constraint remained, however, namely that the ads could not mention either the brand name or what the product was for. The ad carried only an edited version of the Sathi commercial, omitting both the package illustration and mention of the brand name. The situation has now been resolved with respect to radio and both Woodward and Interflow Advertising are confident that PTV will be persuaded to phase in the package shot and brand name copy over time.

In anticipation of the final resolution of the television and radio advertising issues, Interflow is preparing recommendations for expansion of the campaign to include mobile film units, outdoor advertising and the use of car cards in rail transport.

VI.3 Marketing Research

Just as little effort was made at the outset to identify the potential Sathi customer universe, so little research has been undertaken to learn who is actually buying the Sathi condom.

Anecdotal evidence from the field suggested that the average customer is male and between the ages of 25 and 45, although about 10 percent of the stores indicated that they had some female customers. The shopkeepers also stated that their regular customers were usually from the mid- to lower socio-economic groups (more affluent customers tended to buy more expensive commercial brands). Many users would ask for Sathi by name, but it is not known from whom they learned of the brand. It can be assumed that the retail purchases that are now taking place are an indication of initial trial by consumers and some level of repeat purchasing, but again, there has been no research to ascertain the precise levels of either.

In short, very little is known about the attitudes and awareness of consumers regarding the advertising, i.e., how they are relating to the concept of spacing and to the actors used in the specific family setting.

Marketing research to identify consumer attitudes toward advertising is typically carried out at this point. The current Pakistan SMC research agenda, however, contains no plan for such a survey. If plans go forward to increase sales to new groups (see Section V.3, page 17), it is very likely that a series of different commercials will be required and that consequently, research will become increasingly important.

VI.4 Conclusions

The lack of concentration on the consumer until now reflects the decision at the project's start to focus all energies toward distribution and sales. This was a good decision, fully justified in light of the impressive performance of the project to date. Excellent distribution and effective display of the product has been achieved, and consumer purchases have been very strong.

Now that stated project goals are well on the way to being achieved, it is time to identify the Sathi client with greater precision and to learn about his or her attitudes and practices with respect to the product. This will enable project planners both to refine the marketing, advertising and promotional activities and to expand the appeal across a range of prospective purchasers.

Recommendations

General Strategy

14. **Woodward and PSIMA should define the target market more precisely in order to refine and expand the current communication and promotional strategies.**
15. **Marketing research should be conducted to identify Sathi consumers (see Recommendations in Chapter VII).**
16. **The program should continue its judicious mix of the full range of available media.**

Promotion

17. **In the absence of full advertising support, Woodward should continue to experiment with innovative promotional strategies that have an impact on both retailers and consumers.**
18. **Woodward should develop retailer and distributor promotions as tactical activities tied to specific objectives.**

Advertising

19. **Information should be gathered on consumers' perceptions of the benefits of family planning and specifically how the concept of "spacing" is perceived. Given that all of the advertising and supporting promotional material are based on a number of assumptions about the concept and the target market, this research is critical.**

20. **Research should be undertaken to measure consumers' awareness of the current advertising campaign and their attitudes towards it.**
21. **Based on the identification of the different segments of the target audience, specific advertising executions should be developed for distinct groups, e.g., for lower urban economic levels and rural populations. Rather than relying solely on research findings, the approach here might involve the consistent application of the campaign theme to a variety of family situations and socio-economic settings. The advertising message and theme should remain consistent across the executions.**
22. **Copy testing should be used both to refine advertising and to illustrate to GOP officials the acceptability of the copy.**
23. **Attempts should be continued to remove the restrictions on the use of television and radio advertising.**

VII. RESEARCH

VII.1 Research Completed and Proposed

The project carried out seven research activities during the pre-launch period (Jan. 1986 to April 1987). This research included image and communication testing (focus groups and individual interviews), a consumer profile (KAP) survey, a store audit, and a trade survey. Following the launch, a second trade survey was carried out in March 1988, and, at present, another consumer profile is under way. In addition, three research activities have been proposed including a consumer intercept study, a comprehensive store audit, and a Nielsen-type audit (see Annex F for more detail).

Four research companies have either been used or are scheduled to be involved in SMC research activities. Most active has been the Domestic Research Bureau (DRB), a subsidiary of Lever Brothers. Although DRB exists primarily to carry out Lever's research requirements, it does take on outside research projects when its (DRB's) scheduling permits. Overall, DRB is considered to be very experienced. In some areas, such as store audits, its research methods are tailored to Lever Brothers requirements (specific store types stocking Lever Brothers products) and may not be fully appropriate for other clients. As regards the KAP study and the package development testing undertaken for Woodward, greater insight into the specific information needs of the project would have been helpful. The second organization, NDFC, has undertaken two studies in line with its overall project responsibilities. The results were considered satisfactory, particularly with respect to the timely presentation of the findings.

Two new research companies have been identified for forthcoming studies: Insight Inc., which is associated with the Interflow Advertising Agency, and Aftab Associates, a research company located in Lahore. Both companies are developing methodologies for store audits--Insight, with PSIMA's resident advisor, and Aftab, with Reckitt and Colman. Aftab contracted for technical assistance from a consultant formerly associated with the Nielsen organization in the United States, and, as a result, its audit methodology is similar in design to a Nielsen-type audit. An initial overview suggests that, like the DRB association with Lever Brothers, the Aftab proposals may be geared primarily to the requirements of Reckitt and Colman.

VII.2 Assessment of Research Component

Although a considerable amount of effort has been expended in conducting research, various weaknesses in this component have been identified. These include 1) that the primary focus has been on issues relating to distribution at the retail level, rather than on customer identification and attitudes; 2) that there have been deficiencies in the research carried out; and 3) that most research has been undertaken on an ad hoc basis, rather than in accordance with an overall plan.

In general, the focus of the marketing research has been on the supply side of the market, which is in line with the project's overall emphasis. Good work has also been done in the gathering of general consumer data as a baseline for the project. The market research efforts have been primarily directed toward distribution issues, with only secondary emphasis on the current

and potential users of condoms (see Section VI.1.2, page 23). In the project planning stage, insufficient consideration was given to identifying the need for this information and its uses. Moreover, all proposed activities were directed toward exploring the various aspects of consumer purchases rather than on consumer attitudes.

Secondly, the research that has been undertaken has not been completely satisfactory. Standardized definitions and standard measurement techniques are not always used. Several specific problems have been identified, including

- a need for samples that are more representative
- a need for more substance and depth in questionnaires
- more timely reporting of research results.

Finally, current research is often undertaken on an ad hoc basis, rather than as part of an overall plan. Research activities tend to reflect the requests of various project principals rather than an overall concept of information needs. For example, no consensus has been reached on the main purpose of the store audits. Hence, a variety of proposals have been considered including studies on 1) all stores currently stocking condoms; 2) all stores within given categories, such as grocery stores or pharmacies; and 3) all outlets carrying products of a specific company (Lever Brothers or Reckitt and Colman). Likewise, project principals have not agreed on whether the research should focus on condom users only, as in the original KAP study, or whether it should also include non-users and triers who have rejected the product.

Several factors account for the weaknesses in marketing research. First, Woodward has had limited experience in the use of formal marketing research. Therefore, it has not fully realized the opportunities to use research in its marketing and sales of condoms. It tends to take a reactive approach to research planning and execution rather than anticipating and proposing research activities. Secondly, the PSIMA advisor, despite his wide experience and broad perspective, has been underutilized in both the planning and overseeing of the research. This may have occurred because his role in the research was unclear or because he has not previously been directly involved in designing research projects. He has much to offer, however, and it would be advantageous to use his talents if research activities are increased. Finally, local researchers do not have a great deal of experience in dealing with some of the research requirements of the Sathi project, particularly with research relating to family planning such as KAP studies.

VII.3 Evaluation

The operational success of the project has been judged largely on the sales statistics supplied by Woodward. This data base, however, is severely limited (see Section III.2.2, page 7). A better method for measuring consumer sales trends would be an independent store audit, but as yet, no methodology or supplier has been identified for such an activity.

Recommendations

24. A formal research plan should be developed on an annual basis to parallel the

marketing plan. It should contain provisions on research objectives, methodologies, and time tables necessary to meet information requirements. **PSIMA and PCS should work with Woodward and the PWD in creating this plan.**

25. **PSIMA should play a greater role in the planning and execution of consumer-oriented marketing and research activities.**
26. The project should encourage Woodward personnel to undergo training in planning and using marketing research through seminars and/or workshops. The objective would be to encourage an appreciation of the use of market research, not to develop technical expertise in research.
27. Project principals should continue working with all of the available research resources.
28. Technical assistance should be employed for training in research design and the analysis of results. PSIMA/Washington might be called upon to recruit and provide this assistance.
29. Specifically, encouragement should be given in the following areas:
 - Experiments such as the store audit proposals by Aftab and Insight should be encouraged.
 - Research methodologies and questionnaires should be designed to allow for the tracking of trends over time. Experimentation may be required to determine the best approach.
 - Information should be obtained on both users and non-users of condoms. It may be possible to obtain this information by recontacting the individuals who did not qualify for the current KAP study.

VIII. PRICING AND SUSTAINABILITY

VIII.1 Pricing Strategy

VIII.1.1 Pricing Criteria

A low price was set for Sathi condoms--Rs 1/- (approximately US\$0.06) for a pack of four. This price conforms to one of the major objectives of social marketing programs: that contraceptives should be affordable for low income customers. The exact amount was determined by application of the basic benchmarks adopted by most social marketing programs:

- The cost of a year's supply of contraceptives should not exceed the daily wage of a laborer.
- Price levels of convenience goods such as matches, tea, cigarettes, etc., are also good indicators of acceptable price levels.
- Prices of SMC products should be no more than half the price of other commercially available contraceptives.

In addition to these criteria, Woodward felt that the product should be set at a convenient unit price that would eliminate exchange of coins. It was also felt that the price set should allow for a reasonable return to trade for its active support.

VIII.1.2 Performance: Criteria of Comparability and Convenience

Sathi's price appears to be in line with most of the criteria used. With the standard couple years of protection (CYP) figure for condoms at 100 condoms per year, the annual cost for Sathi works out to be approximately Rs 25/. This amount is consistent with the average daily wage of a laborer, which is approximately 20 to 40 Rupees. It is also consistent with other household products such as soap (Rs 2/-), cigarettes (Rs4/-) and Pepsi Cola (Rs 3.5) and is considerably less than the price of other commercial brands (see Section IV.3.2, page 13). Many of the storekeepers indicated that the 1 Rupee price is convenient for those persons who are embarrassed and prefer not to take the time to wait for change.

Although some retailers complained that the product was perceived as low quality because of the price (see Section IV.3.2, page 13), when asked whether they thought the price should be increased, most retailers said no. Many felt that a price increase would significantly lower sales.

VIII.1.3 Performance: Trade Margins

The goal of allowing a reasonable return to trade for its active support was specifically factored into the calculation of price as set forth in the original marketing plan. Both trade margins and incentives were included to tap maximum distributor and retailer participation.

Incentives were to be given in the form of prizes, bonuses, trips and cash. Overall, it was anticipated that the final Rs 1/- consumer price for a strip of condoms would include the following breakdown (see Table 5):

Table 5

PROPOSED MARGINS AND INCENTIVES

	<u>Rs per pack</u>
Retailer Margin	Rs 0.45
Wholesaler Margin	Rs 0.10
Distributor Margin	Rs 0.15
Distributor Incentive	Rs 0.20
Woodward Sales Officer Incentive	Rs 0.06
Return to Program	<u>Rs 0.04</u>
Total Price	Rs 1/-

If the distributor were to sell directly to the retailer, presumably his margin would increase from Rs.15 to Rs.25 per pack (as it would include the Rs.10 otherwise taken by the wholesaler).

Table 6

ACTUAL DISTRIBUTOR INCENTIVES

(R 000s)

Province	<u>Average Per Town</u>		No. Of Towns	<u>Total District</u>		Incent. as % of Tr. Margin
	Trade Margins	Incentives		Trade Margins	Incentives	
Punjab	9.5	2.4	82	777	199	25.6
Sind	12.5	2.9	48	602	139	23.1
NWFP	13.9	2.1	16	222	34	15.3
Baluchistan	4.4	1.1	11	48	12	25.0
Azad Kashmir	4.0	1.0	4	16	4	25.0
Total Pakistan	10.3	2.4	161	1665	388	23.3

In practice, whereas the margins for distributors have been at the level anticipated, incentives actually paid have been considerably lower (see Table 6). The original scheme had envisioned distributors' incentives as conceivably higher than their margin (Rs.20 per pack vs Rs .15). Instead, incentives have averaged less than one-quarter of the margin, and the absolute cost has been very modest--only about Rs 2,400 per town. The savings have been returned to the program, bringing the return to considerably above the anticipated per-pack level of Rs.04.

VIII.1.4 Conclusions

The current pricing structure has been successful in achieving a strong level of dealer support. Even though the retail margin on many of the higher priced condoms is greater, the significantly greater unit sales of Sathi offer the retailers a higher overall level of earnings.

VII.2 Sustainability

VIII.2.1 Strategy

The low price of the Sathi condom reflects the strategic decision not to attempt to achieve sustainability or even recovery of all operating costs. When the project achieves an annual sales volume of 100 million condoms, the expectation is that it may be able to cover about one third of its operating expenses, not including commodities. The 100 million condom level was chosen because it represents the one per capita level. This level is often used as a benchmark for commercial products in countries such as Pakistan.

Increased volume would allow decreases in cost, specifically in certain items charged as a fixed amount against the selling price, i.e., trade and sales promotions and distributor incentives. Similarly, many operational expenses such as management overheads, advertising and consumer promotions are likely to stabilize at fixed expenditure levels. These expenses could be financed substantially through sales revenue. With respect to increasing revenues, although increasing the unit price is not at present considered a prudent step (see Section VIII.1.2, page 29), two other options are under consideration to increase revenues: producing a larger pack and introduction of a higher-priced brand.

VIII.2.2 Larger Count Package

The project is working on the introduction of a Sathi consumer package containing 8 or 12 condoms. Although this package would be sold at the same price per condom as the current 4-pack, it should increase revenues because

- The retailer would make a larger sale and earn a greater margin in absolute terms.
- Packaging costs would decrease proportionately and allow for a greater return to the project.

In addition, brand loyalty and product use would be encouraged. The introduction of a larger size of a successful consumer product is a tactic used by consumer product marketers around the world and offers the above advantages at very little risk. One important aspect of this launch that must be tested, however, is the willingness of the trade to carry an additional stock item and the feasibility of maintaining the appropriate stock rotation.

VIII.2.3 Premium SMC Brand

Many SMC projects consider following the successful introduction of a popular priced product, with the introduction of a premium priced entry. The operational strategy is to

compete directly with the higher priced commercial entries and enhance the potential sustainability of the project. The success of this strategy depends upon the degree of real or perceived product differentiation that can be established and the economies of direct product cost and advertising that can be achieved.

In condom markets in developed countries, a premium priced line extension to a successful condom brand often consists of a "natural" product made from the intestinal material of lambs which is presented as providing greater sensitivity and a more natural feel. In general, a premium-priced line extension should offer the consumer some tangible benefit. Projects that depend upon only a packaging or positioning differentiation with no real consumer rationale for the premium price are usually less successful.

An alternative to the premium-priced line extension strategy is the introduction of a completely new brand. This strategy would involve a separate marketing effort parallel to the Sathi project including separate advertising and promotional campaigns. As such, the potential increase in revenue to the project is reduced.

Recommendations

30. No price increase should be considered until sale volume reaches 100 million condoms per annum.
31. At that point a detailed study should be undertaken by the SMC Operating Group to analyze all costs and revenues, possibilities of reducing costs and increasing revenues, and models that show varying levels of cost recovery.

Issues that need to be examined for future sustainability should include the following:

- a price increase
 - a reduction in trade margins
 - the introduction of a premium brand
 - reductions in operating costs.
32. The larger count consumer package should be developed and tested.
 33. Caution should be exercised in the introduction of a premium priced entry. Work on this should be seen as a secondary priority to expanding distribution and sales of the existing Sathi brand.

IX. QUALITY CONTROL

IX.1 Introduction

IX.1.1 Commodity Supply and Logistics

A.I.D. condom shipments are based on an international ordering system based in of the U.S. Condom deliveries are made on a worldwide priority basis. Therefore, there are sometimes variations in delivery schedules. For example, during one month PWD might receive two Sathi consignments, while during another month no consignment might be received. In order to ensure that sufficient stocks are on hand, PWD keeps approximately eight to ten months of stock in-country at a given time. Woodward tries to maintain two months of stock at its warehouse, and an additional two months stock in the trade.

At present stock levels are higher than usual because Woodward is in the process of "drying out" the old stock, (or allowing it to become depleted at the retail level in preparation for the introduction of the new wrapping material [see Section IV.2 page 12]). This is a standard procedure employed to minimize the level of obsolete inventory and to reduce product returns from retailers. The new stock will be used to fill the pipeline, which is now nearly empty.

Overall, the commodity supply and logistics systems appear to be running smoothly. The only problem reported was that the project condoms were initially ordered in 1984, nearly two years before the Sathi launch, and some of these are still in the pipeline.

IX.1.2 General Issues of Quality Control

Questions of product quality have been brought up with regard to Sathi, in particular the problem of condom bursting. Condom breakage can result from faulty manufacture; from product deterioration due to age or to exposure to external conditions such as light and heat; or from incorrect usage. With respect to the Sathi condom, the initial quality of the product does not seem to be a problem: Defective condoms are usually identified during careful initial tests, and, consequently, only those of acceptable quality are distributed to the central warehouse. On the other hand, a small proportion of condoms appear to deteriorate while stored at the PWD or distribution warehouses or at retailer outlets. It is also possible that consumers may not be using condoms correctly: Retailers do not have a sound understanding of how to instruct customers on use of condoms, and therefore consumers must rely solely on written instructions. This is a problem, since instructions are not as detailed as they might be and some consumers are illiterate.

IX.2 Condom Testing

Woodward's quality control unit tests every shipment of condoms it receives prior to packaging, according to a standard international pharmaceutical protocol. Condoms are randomly selected from each shipment and submitted to visual inspection and a water test to check for pinholes. According to the quality control coordinator, one to two percent of the condoms are rejected upon arrival. The major problems identified are crushed cartons and insect damage. Pinhole problems are reported to be rare. A review of the records suggests that the present in-

house testing is being carried out in an effective manner.

In April 1988, the government began a second set of quality control tests for the Sathi condom after reports of bursting reached PWD. The tests were carried out by the National Research Institute of Fertility Control (NRIFC), which routinely tests all shipments of condoms coming into the country for the public sector program and also runs tests for condom brands that have been reported to be defective. Unlike Woodward's in-house tests on condoms upon their arrival in-country, this effort focused on condoms that had reached the distributors and retailers. Four percent of the 456 condoms from 76 towns sent to NRIFC were found to be defective (12 from retailers and 6 from distributors). Significantly, all but one of the defective condoms had manufacturing dates of 1984.

This particular problem should soon be solved. Only a few condoms observed in retail stores had manufacturing dates as early as 1984. Most stock was dated 1985 or 1986 and some had dates as recent as 1987.

Some questions exist with respect to the scientific validity of the first NRIFC tests. Specifically, the condoms were collected by the Woodward field staff, who were instructed to pick up old, bad-looking stock rather than to follow a more statistically accurate, but time-consuming, procedure. Second, Sathi was being tested according to international standards rather than in the context of conditions found in the Pakistan market. To provide a realistic perspective, an overall market test of a variety of condom brands being sold under similar conditions needs to be undertaken. Such a test would determine a quality standard for condoms being handled in retail outlets, provide a benchmark for deterioration of condoms in the market place, and help to determine how Sathi compares with similar condoms.

At the time of the evaluation, NRIFC appeared to favor initiation of testing of condoms at the retail level on a semi-annual basis and had suggested a meeting with the project manager (SMC) to discuss a proper sampling process. If such tests were begun, they would make Sathi the first condom in Pakistan to be tested on a regular basis.

IX.3 Condom Storage

Condoms are stored at three stages en route to the consumer: in PWD warehouses, in distributor warehouses, and in retail outlets. To minimize the problem of overlong stays at any one stage, stocks are normally rotated according to the first-in-first-out principle, a practice understood among all concerned in this project. Nonetheless, problems in storage appeared to exist at every stage.

PWD currently has three warehouses, but the plan is to replace them with a new warehouse that is currently under construction. Conditions differed sharply in the two warehouses visited. In one warehouse, many of the cartons appeared to be damaged or crushed, problems that might have occurred during rotation. In addition, several boxes showed evidence of insect or water damage, the latter perhaps resulting from holes found in the ceiling. PWD indicated that damaged cartons were inspected at the warehouse and removed if necessary. In contrast, in the second warehouse, all condoms were from the new shipment that had arrived in February 1988 (see Section IV.2, page 12) and appeared to be orderly and well stacked, with little sign of wear and tear.

Together, these warehouses contained a total of 9,744 cartons (58.5 million condoms) representing over a year's supply. The plan is to clear out the 3,744 cartons (22.4 million condoms) of the older condoms found in the first warehouse before distributing the 6,000 cartons (36 million) of new condoms housed in the second warehouse.

As in the PWD warehouses, conditions in distributor warehouses vary from good to poor. Poor warehouse conditions and ineffective rotation practices may explain part of the reason for the condom failures at the distributor level.

In the retail outlets, the open display of condoms, one of the major achievements of the project, may also ironically be contributing to the bursting problem. For example, in many of the retail stores visited, the product was placed at the front of the counter, where it was exposed to sunlight and heat. Although Woodward has instructed its sales force to move the displays into a shaded area, apparently these instructions are not consistently followed.

IX.4 Information, Education and Communication

Knowledge of condom use is poor at all levels of the distribution chain--distributors, sales force, and retailers. Although other CSM programs provide some kind of detailed instruction on the use of the product, no training for retailers or distributors was included in this project.

Reasons for omitting training for the approximately 51,000 storekeepers include the following: 1) It would have been time-consuming and expensive; 2) Many shopkeepers appear to be reluctant to discuss condom use with their customers, even when they have this information; and 3) The presentation of an explicit description might be offensive to this group. Given these constraints, the decision was justifiable. The consequence, however, is that information on proper condom use appears to vary among retailers, with most having little knowledge.

Instead of training storekeepers, Woodward's strategy was to provide in-house instruction on condom use to its sale force on the assumption that they would be able to relay the information to shopkeepers. Most of the sales force, however, could not themselves describe the correct way to put on a condom.

In the absence of retailer training, educational materials are important to consumer education. Every package of Sathi includes a small instruction insert on the use of the condom, with text in both Urdu and English. The instructions provided are as follows: Do not unroll; check condom before use; avoid accidental grazing by nails or sharp objects as this can cause the condom to tear; use each condom only once; and do not rinse and re-use condom. This insert also states the advantages of using Sathi.

What is missing from the insert is a description of the precautions that should be taken to protect the condom from physical elements such as light and heat. In addition, the insert does not describe how the product is to be put on to avoid rupturing. The reason given for not including more explicit details was that this would be offensive to the user or to family members in the household who might accidentally read this information. Other brands, however, provided details on how to put on the condom and also pointed out that the withdrawal method is not safe for preventing pregnancy.

Recommendations

Testing

34. If periodic testing is initiated, NRIFC should itself collect the random samples, possibly using PWD personnel. This testing should be undertaken on an annual, not a semi-annual basis.
35. Before periodic testing is initiated, NRIFC should undertake a benchmark study to test the quality of major condom brands available in retail outlets to determine a commercial quality standard. Specifically, if Sathi were found to have a significantly higher failure rate, efforts would be needed to determine the reason for this finding. Once these reasons are established, a plan of action should be developed to deal with condoms that do not meet this standard. This might include removing stock dated before a given period, ensuring that inventory turnover is regular, or putting more emphasis on protecting the stock from sun or heat at the retail stores (see Sections IX.3 and IX.4, page 35).

Storage

36. PWD should undertake periodic checks to ensure that proper rotation of Sathi stock is taking place at its warehouses.
37. Woodward should work with its distributors to ensure that the Sathi stock is properly stored in its warehouses (not exposed to heat) and that rotation of old stock takes place on a regular basis.
38. Woodward should work with the retailers to ensure that inventory turnover is consistent to prevent stocks' being exposed to sunlight or excessive heat for prolonged periods.

Information, Education and Communication

39. An in-house workshop should be organized by Woodward's quality control coordinator to provide detailed information to the sales force on the proper use of condoms. In addition, a section describing the proper use of condoms should be included in Woodward's training program for distributors' sales representatives. The training should also emphasize the importance of ensuring that retailers protect the product from prolonged exposure to heat and light.
40. Since there appears to be apprehension about putting more explicit information on the insert, a detailed, easy-to-read brochure that describes the proper use of the condom in both English and Urdu should be developed. Because illiteracy is high in Pakistan, consideration should also be given to developing a pictorial version that would demonstrate this information in a modest manner. The brochures should be given out to customers who ask questions about the condom, complain of bursting, or who appear to be apprehensive about the product. Since the brochures would

be given out by the storekeeper on a selective basis only, this would reduce the chances of offending the purchaser or of the information being given accidentally to children.

X. ORAL CONTRACEPTIVES

X.1 Overview

In line with the project design, the time has come--now that the SMC project is well under way--to add a strategy for supporting orals. Orals are currently little used in Pakistan. The CPS determined that although 54.1 percent of the respondents were aware of them, this method is used by only 1.4 percent of the population. Approximately 600,000 orals are sold annually in commercial outlets and approximately 1.5 million distributed in the public sector.

Seven brands of orals are manufactured and marketed in Pakistan. The brand leader is Ovral (Wyeth), representing 66 percent of the sales. The public sector brand is Lo Feminal, also from Wyeth but manufactured in the U.S. Selling prices range from Rs 4.25 to Rs 38.0. Below is a summary of brands available (see Table 7).

Table 7

ORAL CONTRACEPTIVES MANUFACTURED AND DISTRIBUTED IN PAKISTAN

<u>Manufacturer</u>	<u>Brand</u>	<u>Cost</u>	<u>Type of OC</u>
1. Wyeth, Lahore	Ovral	Rs 6.25	Regular Dose
	Nordette	Rs 7.20	Low Dose
2. Shering A.G. Germany	Anovular	Rs 25.08	Low Dose
	Diane	Rs 38.00	Low Dose
3. Searle (Pak) Karachi	Ovulen 50	Rs 5.50	Regular Dose
4. Organon, Holland	Lyndiol	Rs 13.42	Low Dose
5. Lahore Chemical & Pharmaceutical Works	Minovlar	Rs 4.25	Low Dose

X.2 Constraints to Pill Use

The low level of pill usage appears to stem primarily from widespread misconceptions about this method. These arise in turn partly from GOP financial constraints on promotional efforts that might dispel these misunderstandings.

Although theoretically requiring a doctor's prescription, pills are often dispensed in Pakistan on request without precautionary advice or written materials to describe the use and side effects associated with the product. This lack of consumer support, which occurs at both public and private sector outlets, may result in improper use of the product and dismay and fear if side effects occur. In addition, doctors appear not to support the pill, perhaps because many do not have detailed information about it.

In the past, Wyeth actively promoted its oral contraceptives through product detailing to physicians and professional seminars. It stopped these efforts, however, when the GOP instituted new regulations that made promotional efforts financially unfeasible. Under a recent price control approval system, the profit margin earned by manufacturers is now strictly limited by the GOP. Furthermore, only five percent of profits from pharmaceutical products can be used for promotional efforts. The lack of promotion must inevitably cut into sales, which in turn would further reduce funding theoretically available for promotion. Manufacturers are aware of the counterproductive situation in which they must now operate. They believe it is important to conduct programs aimed at both physicians and consumers in order to promote the benefits of their products and to counter negative attitudes towards oral contraceptives. A further ironic twist exists with respect to advertising and physicians, however--namely, it appears that doctors may be disinclined to prescribe a product that is advertised to the general public.

X.3 Future Directions: Addition of An Oral Contraceptive Component to SMC Project

X.3.1 Rationale

At this time, there exists a clear need to expand oral sales, as they would provide more women in Pakistan with a safe, affordable, and effective means of family planning. Oral contraceptives have many advantages as a temporary, reversible method. Because of their ease of use and convenience, more than 50 million women around the world presently use this form of contraceptive. Research has shown that women using orals have a lower incidence of ovarian cancer, pelvic inflammatory disease and rheumatoid arthritis. In addition, orals help to regulate a woman's monthly cycle, while reducing cramping and menstrual flow. Finally, the use of oral contraceptives has been proven far safer than pregnancy.

Although some women experience minor side effects when they first start using orals (dizziness, headaches, spot bleeding, nausea), these often disappear after the second pill cycle. With proper instructions that explain that the side effects are temporary and not harmful, most pill users adjust well to the method. Without these instructions, however, users feel that these reactions are harmful to their health and they often discontinue use. This situation may lead to the pill's being branded as an unhealthy medicine. Throughout the world, this scenario has been a problem in countries in which the pill has been distributed indiscriminately without proper consumer education or the support of the medical profession.

X.3.2 Program Scope

The scope and emphasis of an oral contraceptive component should be governed by the following guidelines:

1. No need exists for the project to introduce a new oral contraceptive brand in Pakistan. The market is adequately served with locally manufactured, high quality orals, some of which are available to the consumer at affordable prices.
2. The target consumer for orals should be urban women, since this group has more access to appropriate medical support and mass media. Emphasis on rural users

should come later in the program. The program should also target low-income populations.

3. The project should develop a program with the private sector to support promotional activities for locally manufactured, affordable oral contraceptives.
4. The project should emphasize the use of low dose orals since they generally do not result in as many side effects as the regular dose.
5. Efforts should be initiated to help remove any limits on promotional spending and restrictions on the use of media advertising for orals.

X.3.3 Program Elements

In general, the program should be targeted directly to consumers and to family physicians, obstetricians and other health care providers such as homeopaths and hakeems. On the other hand, caution must be exercised in including pharmacies in the program. The practice of dispensing oral contraceptives without a prescription must not be encouraged, at least at the outset, in order to ensure that proper advice and follow-up are available for users.

The emphasis should be on medical detailing, which is a well-established practice in Pakistan. The major pharmaceutical manufacturers, as well as companies dealing in over-the-counter drugs, employ detail teams. The following elements should be considered in developing a detailing program:

- One or more existing medical detail organizations must be identified and a contract must be negotiated. The firm(s) selected must have high credibility with physicians.
- Training and education must be provided to physicians, hakeems, homeopaths, midwives, and other medical personnel on the advantages of orals as a temporary contraceptive method, their proper use, contraindications mitigating against use, and the recognition and treatment of minor side effects.
- A complete range of materials should be developed for use in detailing physicians and other health care providers (i.e., hakeems, homeopaths, midwives, etc.). These materials should include both information and training for the providers of health care as well as materials useful in educating their patients.
- A media campaign should be launched targeted to consumers and referring to physicians and others as the source of additional information and advice.
- Training programs should be conducted for the field staff conducting the detailing effort.
- POS material might be developed for use in pharmacies and training programs for pharmacy employees (optional).

It is possible that the use of mass media might follow, despite current constraints (see Section X.2, page 38). The progress that has been made in the Sathi project should offer encouragement to the project managers in overcoming this barrier in the case of oral contraceptives. A similar thoughtful approach should be useful in countering physicians' possible objections to advertising. In developed markets, advertising for ethical drugs is not extensive, but the copy invariably includes a reference to "see your doctor" for access to the product. A similar approach in Pakistan might be successful in overcoming the possible objections.

X.3.4 Project Organization and Management

Two options appear feasible for the management and organization of the project: 1) The appointment of one current manufacturer of oral contraceptives as the primary contractor, or 2) the appointment of an international consulting firm as the primary contractor to coordinate the work of a Steering Committee comprised of local manufacturers who meet criteria established by the project. The first model may or may not include a Steering Committee.

The choice between these options should be made by a person with experience in the social marketing of oral contraceptives. A technical assistance assignment could be organized and financed by the project resident advisor, using funds available under the PSIMA contract. The result of this work would provide the project with the basis for a Request for Proposals.

X.3.5 Additional Research Needs

To support the introduction of an orals component, a number of important questions related to the present use of orals need to be answered including:

- Do pills presently reach the target population, i.e., urban poor women?
- What are these women's present attitudes toward orals?
- Does the medical community in urban areas encourage the use of oral contraceptives?

Although some of the answers to these questions might be available through secondary research studies (i.e., the CPS), others will require new studies. These could include a KAP study of oral contraceptive use among poor, urban women, using focus groups, and a study on attitudes and practices of urban physicians, homeopaths, hakeems and other medical personnel with regard to the use of orals. The local manufacturers of oral contraceptives should be given the opportunity to contribute to the design of this research and should contribute to the cost of conducting the research, but the data should be collected by an experienced independent research organization or individual. To avoid delays, PSIMA and PCS should begin work immediately to develop a strategy, which should be implemented as soon as possible thereafter.

Recommendations

41. **An oral contraceptive component should be added to the project as soon as possible.**

42. A technical assistance assignment to review organizational models and program elements related to the introduction of orals should be arranged by the PSIMA resident advisor as soon as possible.
43. Additional research covering attitudes and practices of the medical community and the target population toward orals should be explored as soon as possible.

XI. FUTURE DIRECTIONS: LESSONS LEARNED AND MAJOR RECOMMENDATIONS

XI1 Overall Conclusions

The success of this project to date confirms the validity of the project design and purpose: namely, that the need exists for additional sources of readily available temporary methods of contraception and that the SMC approach is an appropriate way of making these methods available. Indeed, the project's impressive performance in the areas of distribution and promotion suggests that it has the potential to be one of the most effective contraceptive social marketing programs in the world.

XI2 Lessons Learned

Four important lessons learned in the process of project implementation to date should be taken into account in planning for the future:

- The marketing and distribution skills of Woodward, the extensive experience of the supporting organizations (NDFC and PSIMA), and the high level of commitment from the GOP have all played an essential role in the successful development and implementation of the project.
- Effective communication between the implementing agency, the government, and the other players involved will remain essential to the long-term viability of the project.
- The activities that have kept the distributors and retailers actively involved in the Sathi project have played a major role in the success of the project. Through trade seminars, the DSR training, and display week contests, Woodward has made the trade feel that this was their project also.
- The extensive use of attractive, well-designed POS retail materials has helped to desensitize the public to condoms and has contributed to the acceptance of Sathi as an everyday household item.

XI3 Major Recommendations and Future Directions

XI3.1 Major Recommendations

Taking into account the potential for continued program accomplishments, the major overall recommendation is that the project should be extended for at least another four years from the project end date, now scheduled for September 1989. This extension would provide Woodward with the time to extend its distribution coverage into additional urban towns and also to allow for Sathi sales to level off.

To prepare for this extension, the following recommendations in this report should receive priority:

Management

- 1) An Operating Group comprised of Woodward, PCS and PSIMA should be formed to maintain regular, frequent communication on project activities (#1).³
- 2) An analysis of ex-distributor sales by trade class can and should be maintained by Woodward to fulfill the information requirements of the PWD (#3).
- 3) PSIMA should play a greater role in the planning and execution of consumer-oriented marketing and research activities (#25).

Expansion of the Distribution Network

- 4) Woodward should increase the number of major towns covered through its distributors from the current base of 160 to the roughly 300 towns covered by other major marketers of consumer products (#12).
- 5) An investigation should be carried out to identify a strategy for developing consumer demand in the rural areas (#13).

Promotional and Advertising Activities for the Current and Expanded Distribution Network

- 6) Woodward and PSIMA should define the target market more precisely in order to refine and expand the current communication and promotional strategies (#14).
- 7) Research should be undertaken to measure consumers' awareness of current advertising and their attitudes toward it (#20).
- 8) Based on the identification of the different segments of the target audience, specific advertising executions should be developed for distinct groups, for example, lower urban economic levels and rural populations. The advertising message and theme should remain consistent across the executions (#21).
- 9) Attempts should be continued to remove the restrictions on the use of television and radio advertising (#23).

Research

- 10) A research plan should be made on an annual basis to parallel the marketing plan. PSIMA and PCS should work with Woodward and the PWD in developing this plan (#24).

³Numbers at the end of each recommendation refer to the number given to the recommendation in the earlier chapters.

Pricing

11) The larger count consumer package should be developed and tested, but caution should be exercised in the introduction of a premium priced brand. No price increase for the current Sathi condom should be considered until the sales volume reaches 100 million condoms per annum (#'s 30, 32 and 33).

Orals

12) An oral contraceptive component should be added to the project as soon as possible (#41).

XI.3.2 Additional Steps

To facilitate implementation of these recommendations, several additional steps will need to be taken. In the areas of organization and management, another 10 salesmen and 2 area sales managers will need to be added in 1989 to cover the recommended expanded sales distribution territories. In addition, given the important role of PSIMA in planning consumer and operational research and overall marketing activities, this contract should be extended for another four years.

Since the operating costs of the program should begin to stabilize by September 1989, an assessment is needed now to project future costs. Consequently, the Operating Group should start to draw up a revised operating budget for 1989 and onwards. Funding would need to be included both for the new sales staff and for increases in the advertising and research budgets. Advertising will most likely play a critical role in future activities and, with the development of a long-term research plan, it is also anticipated that research expenditures will increase appreciably.

Once sales reach 100 million condoms annually, a detailed study should be undertaken with the overall goal of finding ways to increase program sustainability. The study should analyze all costs and revenues, explore possibilities of reducing costs and increasing revenues, and develop models that show varying levels of cost recovery.

Annex A

LIST OF PERSONS CONTACTED DURING THE EVALUATION

ANNEX A

LIST OF PERSONS CONTACTED DURING THE EVALUATION

A. United States Agency for International Development

- o Mr. James Norris USAID Mission Director
- o Mr. J. Paul Guedet Deputy Director
- o Mr. Ray Martin Chief HPN
- o Ms. Anne Aarnes Deputy Chief, HPN
- o Mr. M.A. Wasey Senior Project Officer, HPN
- o Mr. Robert Nachtrieb Chief, Project Development and Monitoring
- o Mr. Jonathon Addleton Assistant Program Officer
- o Mr. Altaf Ahmed Program Assistant
- o Mr. Ted Carter Regional Legal Advisor
- o Mr. Mohammad Ilyas Contract Specialist

B. Population Welfare Division

- o Mr. Masood Nabi Nur Secretary
- o Mr. Akhtar Zaidy Director General/Program
- o Mr. S.M. Hassan Joint Secretary, Planning
- o Mr. Saud Khan Director, SMC
- o Mr. Khalil Siddique Director General, Monitoring and Statistics
- o Mr. Safia Amin Director General, Technical
- o Mr. Saad Subhani Director, Foreign Assistance

C. Population Services International Marketing Associates

- o Frank Samaraweera Resident Advisor
- o Bonnie Derr Senior Associate

D. National Development Finance Corporation, Pakistan Consultancy Services

- o Mr. Agha Akhtar Ali Marketing Director

E. W. Woodward (Pvt) Ltd, Karachi

- o Mr. Brain Janjua General Manager
- o Mr. Samad Khalil Marketing Manager
- o Mr. Riaz Haqqi Project Manager
- o Mr. Fayazul Hussaini Asst. Prod. Manager
- o Mr. Saifullah Khan Reg. Sales Manager

F. Interflow Communication (Pvt) Ltd, Karachi

- o Mr. Tahir A. Khan Managing Director

- G. Insight (Pvt) Ltd, Karachi
- o Mr. Hamid Almaroof General Manager
- H. National Research Institute of Fertility Control, Karachi
- o Dr. Talat Khan Director
 - o Dr. Arjumand Robbani Asst. Director
 - o Dr. Razia Kazim Asst. Director
- I. Domestic Research Bureau, Karachi
- o Mr. M.A. Baqai Manager
- J. Wyeth Laboratories (Pak) Ltd, Karachi
- o Mr. Shahab Balki Marketing Director
- K. Reckitt & Colman of Pakistan Ltd, Karachi
- o Mr. Tariq Ikram Managing Director
 - o Mr. Fariq Mukhtar Prod. Manager
 - o Mr. Pervez Said Gen.Sales Manager
 - o Mr. Mushtaq A. Piracha Marketing Director
- L. Lever Brothers Pakistan Ltd
- o Mr. Alan Marshall Chairman
 - o Mr. Farid Ur Rehman Marketing Director
 - o Mr. Mujahid Hamid General Sales Manager
 - o Mr. Mushtaq A. Piracha Marketing Director
 - o Mr. Sarwar Yasin Bulk Sales Manager
- M. Aftab Associates (Pvt) Ltd
- o Mr. Aftab Ahmad Chief Executive
 - o Mr. Afzal Hassan General Manager
 - o Mr. Ejaz Ahmad Khan Sr.Marketing Executive
- N. Searle (Pvt) Ltd
- o Mr. Ahmed M. Bham General Manager
 - o Mr. Haider Karrar Deputy General Manager
 - o Mr. Aslam Hafiz Sr. Production Manager
 - o Mr. Ejaz Ul Islam Production Manager
- O. Sathi Distributors
- o Mr. S. A. Abbas
 - o Mr. Ali Riaz
 - o Mr. Noor Ahmad
 - o Mr. Ghulam Rasool

Annex B

SCOPE OF WORK FOR THE EVALUATION

SCOPE OF WORK

I. Activity to Be Evaluated:

- Project Title: Social Marketing of Contraceptives
- Project Number: 391-0484
- USAID Funding: \$20.0 million (Grant)
- GOP Funding: Not less than Rs. 18.5 million (\$1.075 million equivalent), including in-kind contribution
- LOP Dates: FY 84 - FY 89
- PACD: 9/30/89

Proposed dates for the evaluation are 22 May - 18 June, 1988.

II. Purpose of the Evaluation:

This is an interim process evaluation of the Social Marketing of Contraceptives (SMC) project, conducted when the project's Sathi brand condom will have been marketed nationally for just over one year. It will assess experience to date, performance of the agencies involved, and the results obtained. The findings and recommendations will form the basis for deciding what changes, if any, are needed in the remaining two years of the project. They will also be used in planning the introduction of an oral contraceptive pill about the beginning of 1989.

III. Background:

The Concept: In social marketing, commercial techniques and networks are employed to sell ideas and products in support of social goals. Social marketing is a consumer-oriented process that is increasingly being employed to further preventive health objectives, including family planning. These programs have developed management systems that go beyond profit-only motives and commonly feature public and private sector collaboration, in varying degrees and patterns. In the Pakistan model being evaluated, an unusual degree of reliance is placed on the private commercial sector to design and carry out the marketing strategy.

Relation to Mission Strategy: The SMC project is an integral part of the Mission's overall strategy for helping Pakistan to strengthen political stability and national integration through economic and social development programs. The country's high population growth rate is one of ten development problems to which the Mission is applying resources in pursuit of the strategy goals. This project directly addresses the need to increase the availability and accessibility of contraceptive

methods to the general population. It contributes in a practical way to greater involvement of the private sector in achieving public policy goals, and it works towards people's greater self-reliance in securing the fertility control supplies they need.

Organization and Operations: The SMC project was designed to market condoms first, at a subsidized price, and to add oral contraceptive pills at a later stage. Undergirding product marketing are the efforts to increase public understanding of the ways in which achieving control over their fertility can contribute to couples' and families' well-being. The SMC project was authorized by USAID on 3/28/84. The project grant agreement with the government of Pakistan (GOP) was signed 3/31/84. Debates within the GOP over the government's own project authorization document, the PC-1, delayed the start of the project for well over a year. The contracts with the commercial firm and the advisory agencies to begin operations were signed only in December, 1985.

The GOP has contracted with W. Woodward Pakistan (Pvt.), Ltd., a pharmaceutical manufacturing and marketing firm specializing in over-the-counter child health care products, to market the SMC contraceptives. USAID finances the costs of this contract.

Woodward has subcontracted with two firms: Interflow Communications, Ltd. for advertising and Domestic Research Bureau, a subsidiary of Levers Pakistan, Ltd. for market research.

The GOP has contracted with the National Development Finance Corporation, Pakistan Consultancy Services (NDFC/PCS), an autonomous public-sector body, to act as an advisor to the Population Welfare Division (PWD) on financial and programmatic aspects of the project. The NDFC serves as the PWD's agent to monitor day-to-day implementation and as the contact point between Woodward and the GOP.

PSI Marketing Associates (PSIMA), a private U.S. social marketing agency, through a contract with USAID, gives technical assistance to the project through a long-term resident advisor and occasional short-term consultants.

A SMC Advisory Board chaired by the Minister of Planning and Development and comprised of representatives of the GOP, USAID, Woodward and NDFC, is charged with determining general policy guidelines, approving marketing plans, defining permissible product-promotional parameters, and overall progress monitoring. An executive committee of the board, chaired by the Secretary of the PWD, was named in late 1987. It is expected to have its first meeting in early 1988. An SMC unit has been formed in the PWD to monitor the project and serve as secretariat for the board and its executive committee.

Individual Three (Pakistani) - Specialist in marketing household consumer products in Pakistan. Previous experience in such product marketing nationwide in Pakistan is required.

The Team Leader's focus will be on the respective roles of the several agencies involved, the way the firm has organized to do its task, and the appropriateness of the management decisions made -- in addition to ensuring that the team is organized to produce a timely report. Individual two, on the other hand, needs to assess the quantity and quality of the initial market research and the uses to which it was put, make a judgement on kinds of concurrent performance data that are feasible to collect and report, and identify additional research needs. The two individuals' subject matter areas are obviously interrelated, and the insights and judgements each arrives at will be enriched by the interactions and discussions among all three team members.

VII. Reporting Requirements:

A written draft report will be presented to USAID, O/HPN, at the beginning of the fourth week in country. The team will also make an oral presentation of its findings, conclusions and recommendations to the five concerned agencies at the beginning of the fourth week. The team will deliver the final report to USAID at the end of the fourth week before its departure from Pakistan. If necessary, the team leader should be prepared to stay up to one additional week to finalize the report.

The written report shall follow this format:

- Title page, Table of Contents, and Glossary,
- Basic project identification data sheet (this is a standard A.I.D. document; an outline will be provided.)
- Executive summary, not more than three, single-spaced pages. (A suggested outline will be provided.)

- Main body of the report. This will describe the project, the rationale for the project, and the environment in which the project operates. Based on the scope of work questions, the team will report its findings, interpretations of and judgments about those findings and, where indicated, recommendations for action by whom, when and how.

Annexes:

- The evaluation scope of work
- A description of the methodology used in this evaluation
- Logical framework summary annex from the project paper with comments on status
- List of persons consulted
- Other background or supplemental material useful for readers' fuller understanding of the report
- An annotated bibliography of all significant research reports/studies consulted for this evaluation.

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Following the December 1985 execution of the contracts, the Domestic Research Bureau conducted market research during the first half of 1986. The first annual marketing plan, based on the research findings, was approved by the SMC Advisory Board in August 1986. Woodward test marketed the Sathi Brand Condom during October-to-December 1986. The nationwide launch of Sathi, incorporated into Woodward's existing product line, was initiated in January 1987 and completed in March.

USAID contributes U.S.-manufactured condoms, which are packaged at the Woodward Karachi factory. Interflow has created and produced the overpacking, package inserts and point-of-sale and cinema advertising. Although the GOP and the SMC Advisory Board have approved advertising on mass media, the Ministry of Information has been reluctant to date to give its go-ahead for broadcast media advertising of Sathi. Over 29 million condoms have moved from the factory into the wholesale-retail network. They are available in an estimated 45,000 to 50,000 retail outlets throughout the country.

IV. Statement of Work:

The evaluation team shall assess five major aspects of the SMC project. Using observation and other appropriate evaluative techniques, the evaluation team shall make recommendations based on their judgment of the findings. Specifically, the team should answer the following questions:

A. On Organization:

Five agencies are principally involved in the project through agreements and contracts, plus two sub-contractors that have been engaged for specific tasks.

(1) Assess the extent to which the concerned agencies have met their respective contractual obligations. Identify the constraints and opportunities that either impede or enhance implementation. Assess movement toward project and GOP goal achievement.

(2) Assess the effectiveness of the agencies' interaction and the degree of coordination among the various implementing agencies. Indicate whether or not modifications are needed that would improve their relationships.

-B. On Market Research:

(1) To what extent does the current research in SMC meet the information needs of project managers? Is the quality and quantity of research appropriate, timely and useful?

(2) What kind and type of research is needed to achieve project's purpose and goal?

(5)

C. On Marketing:

(1) Assess the role, effectiveness and impact on Sathi condom sales of:

- the distribution system (delivery and resupply),
- advertising, and
- the price structure.

To what extent do these factors impede or enhance the availability, acceptability and cost-effectiveness of condom contraceptives?

(1a) What kind of incentive schemes are in place, and/or are needed and feasible to increase private sector participation by distributors, retailers and the sales force? Does the inventory management system function effectively?

(1b) To what extent could retailers be used as family planning educators in giving advice and instructions of proper use of contraceptives?

(1c) Explore the possibility of alternative methods of disseminating SMC, e.g., mobile film units that combine product delivery with information and education services.

(2) Assess the quality and effectiveness of point-of-sale product displays and cinema advertising.

(2a) Assess the impact of the lack of access to mass media for advertising and the marketing firm's response to this lack.

(3) Examine the margin structure of contraceptive sales from the perspective of the distributor and the retailer. Does the sale of contraceptives represent a source of revenue partially to defray operating costs? What are shopkeepers impressions on product affordability to consumers? Does product price positively relate to consumers' perception of product quality?

D. On the Management Information System:

(1) How useful are project monitoring and information systems in providing project managers with progress/problem feedback and in stimulating corrective actions? Does the Management Information System meet or fail to meet the information needs of management, in terms of kinds of data and timeliness of reports?

(2) What data are available or can/should be made available on volume and trend of sales to consumers and on effects of the project on condom sales in the public sector population program?

E. On General Operations:

Examine the kinds of inputs provided and whether or not an increase in certain types of inputs (commodities, training, etc.) would enhance project effectiveness?

(1) Identify actual or potential problems and recommend corrective actions in major operational aspects of the project, including:

- Commodity Supply and logistics
- Financial management and control
- Packaging and printed materials: supply and cost
- Training: staff, distributors, retailers.

(2) Are sales projections budgeted for in the Woodward Contract realistic? If not, what modifications are needed?

F. On the Future:

Based on the above analysis, make specific recommendations on continued implementation, including:

- details of planned introduction of oral contraceptives (timing, pricing, advertising, training of sellers);
- possible extension of project, and under what conditions;
- recommendations on possible new products, including budget estimates.

G. Additional Concerns:

Comment briefly on "cross-cutting" issues generic to all A.I.D. evaluations, including:

- Assess the prospects for the project's viability and sustainability beyond the PACD.
- What specific lessons learned can be derived that may have applicability to social marketing programs elsewhere?

V. Methods and Procedures:

The evaluation team will employ three principal methods of gathering data:

- Study of documents and periodic reports;
- Interviews of individuals involved with the project in the concerned agencies; and
- Site visits to interview sales force, wholesalers and retailers.

Team members will be supplied several background documents to

read before beginning their assignments in Pakistan, i.e., the SMC Project Paper, the GOP-USAID Project Agreement, and the GOP-Woodward contract.

The evaluation is scheduled for the third quarter FY 88. The team members will spend the first two or three days in Islamabad to interview the PWD and USAID officials concerned, to study the balance of the basic documents (GOP-NDFC contract, USAID-PSIMA contract, and Woodward subcontracts with Interflow Communications and Domestic Research Bureau), and to reach common agreement among themselves on specifics of the task and how to proceed.

The team will then proceed to Karachi for in-depth discussions with the marketing firm, its subcontractors and the two advisory contractors, and will study performance and financial reports and other materials on file.

Field trips will be made from Karachi to a representative sample of retail shops in various regions of the country for interviews with shopkeepers and with those who sell to them and resupply them.

The Mission will contract separately to provide the team with a temporary secretary who will travel with the team and assist in documenting findings and preparing the report.

USAID will provide travel services and ground transportation, as required. The team will be subject to USAID travel and per diem provisions.

The team will work six-day, Saturday-through-Thursday weeks. The weather is expected to be very hot and dry.

VI. Composition of Evaluation Team:

This external evaluation will be performed by two expatriates and one Pakistani with no prior involvement in the SMC project. An individual from the USAID Mission may be asked to join as a fourth member of the team. Their services as a team will be required for four weeks in country. The team leader may need to stay an additional week. Their respective qualifications are:

Individual One (Team Leader), (Expatriate) - Specialist in management and implementation of social marketing of contraceptives programs. Previous experience in Asia, preferably in South Asia, is required.

Individual Two (Expatriate) - Specialist in market research design and program evaluation for social marketing programs. Previous experience in Asia, preferably in South Asia, is required.

Annex C

**QUESTIONNAIRE FOR THE FIELD VISITS
AND SUMMARY SHEET OF FINDINGS**

SHOP QUESTIONNAIRE

- A. Store Location: _____
 Urban _____ Semi Urban _____ Rural _____
- B. Shop Type: Pharmacy _____ Grocery Store _____ General Store _____
 Utility Shop _____ Karyana Store _____ Pan Shop _____
- C. Does Shop Sell: Sathi? Yes _____ No _____ How long? _____ Yrs
 Other Condoms ? Yes _____ No _____ How long? _____ Yrs
 BCPs? Yes _____ No _____ How long? _____ Yrs
- D. Other Condoms: Number of other Brands _____

N A M E	Condoms	Price	Package	Approx	Inventory
	per package		sold per week	trade Margin	
1. Sathi	4	Rs.1/-		.45	
2.					
3.					

- E. Open display of "Sathi"? Yes _____ No _____
 Others Yes _____ No _____
- F. P.O.S. display material for Sathi ?
 Stickers _____; Mobiles _____; Dispansaries _____ Table top Dispansaries _____
 Loose Package _____, Shop Sign _____; Brochures _____ Medal Sign _____
 Others; _____
- G. Any problem associated with the product (Sathi) or the display of the product (sensitivities, quality)?

- H. General Profile of Sathi Customers?
 Male _____ Female _____ Mixed _____
 Age Range _____
 Repeat Users _____ Request by Name _____
- I. Notes: _____

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S U M M A R Y S H E E T

CITY _____

STORE LOCATION:

	PESH		R PINDI		KARACHI		LAHORE		TOTAL
1. URBAN:	27	+	27	+	26	+	21	=	101
2. SEMI URBAN:	_____								
3. RURAL:	_____								

STORE/SHOP TYPE

1. PHARAMACY:	12	+	16	+	12	+	09	=	49
2. GROCERY:	03	+	05	+	03	+	03	=	14
3. GENERAL:	10	+	03	+	11	+	05	=	29
4. UTILITY SHOP:	NIL								
5. KARIANA SHOP:	00	+	00	+	05	+	01	=	6
6. PAN SHOP:	02	+	02	+	05	+	01	=	10
7. OTHERS:	01	+	01	+	00	+	03	=	4

DOES SHOP SELL:

SATHI:	26	+	27	+	25	+	19	=	87
OTHER CONDOMS	14	+	21	+	12	+	10	=	57
B C P B	03	+	10	+	01	+	03	=	17

NUMBER OF OTHER (CONDOMS) BRANDS

FROM 1 TO 5 BRANDS (IN ALL CITIES)

OPEN DISPLAY:

SATHI	16	+	24	+	23	+	17	=	80
OTHERS	00	+	07	+	02	+	00	=	9

P O S DISPLAY MATERIAL SATHI

STICKERS	18	+	14	+	19	+	14	=	65
MOBILES	05	+	03	+	10	+	00	=	18
DISPANSARIES	11	+	16	+	17	+	09	=	53
TAPLE TOP DISPENSARIES	05	+	15	+	04	+	10	=	34
LOOSE PACKAGE	00	+	00	+	01	+	01	=	2
SHOP SIGN	05	+	02	+	01	+	01	=	9
BROCHURES	00	+	01	+	04	+	04	=	9
MEDAL SIGN	02	+	04	+	04	+	02	=	12
OTHERS	02	+	02	+	01	+	00	=	5

ANY PROBLEM RELATED WITH THE PRODUCT(SATHI) OR THE DISPLAY OF THE PRODUCT
 YES 5+2+5+4=16 (BRUST) NO 12+26+21+12=71

GENERAL PROFILE OF SATHI CUSTOMERS

MALE	13	+	22	+	21	+	14	=	60
FEMALE	03	+	03	+	03	+	02	=	11
MIXED	01	+	02	+	01	+	01	=	5
AGE RANGE	FROM 25 YEARS TO 45 YEAR MARRIED AND UNMARRIED								
REPEAT USERS	05	+	19	+	16	+	09	=	49
REQUEST BY NAME	02	+	10	+	10	+	02	=	24

Annex D

LEVER BROTHERS SALES REPORT FORMAT

Annex E

**SUMMARY OF PAST, PRESENT AND FUTURE
MARKET RESEARCH ACTIVITIES**

ANNEX E

SUMMARY OF PAST, PRESENT AND FUTURE
MARKET RESEARCH ACTIVITIES

A. **MARKETING RESEARCH PROJECTS CONDUCTED: PRE-NATIONAL INTRODUCTION**

A.1 **Concept development/positioning research**

None

A.2 **Image/communications research**

A.2.1 **Focus groups**

Research Organization: Domestic Research Bureau

Period undertaken: April/May, 1986

Purpose: To explore consumers' impressions of a number of alternative brand names.

Method: Four focus groups were conducted in Karachi. Two groups among males and two groups among females.

A.2.2 **Brand name and Logo**

Research Organization: Domestic Research Bureau

Period undertaken: April/May, 1986

Purpose: To evaluate the two alternative names for the condom brand.

Method: In-depth interviews were conducted in Karachi among 30 consumers considered to be representatives of the target market.

Comments: Given the diversity of the population within the country it is felt that the study should have incorporated additional geographic areas and employed a larger sample.

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A.2.3 Advertising Pre-testing

Research Organization: Domestic Research Bureau

Period undertaken: July, 1986

Purpose: To determine the immediate recall of a Sathi commercial when shown with a series of other commercials. In addition, to determine if there were any objections to airing this commercial on television.

Method: The study was conducted among TV viewers of the target population in Karachi. A total of 120 males and females participated in the test.

Comments: Aside from the concerns of wanting to obtain a more regionally disperse sample, and given the known sensitivities involved with showing a commercial regarding family planning on TV, this study should have been designed to be representative of a larger geographic area.

A.2.4 Advertising Pre-testing

Research Organization: Domestic Research Bureau

Period undertaken: September/November 1986

Purpose: To repeat the previous survey on a national basis to determine if there would be any problems showing the commercial on television.

Method: National study (excluding Karachi and Lahore). A total sample size of 1000 evenly divided between males and females as well as urban and rural.

Comments: This research should have been conducted instead of the previous advertising test in anticipation of the government's concern over airing family planning commercials on television.

A.3 Consumer profile

A.3.1 Knowledge, Attitude and Practice (KAP) Survey

Research Organization: Domestic Research Bureau

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Period undertaken: March/June, 1986

Purpose: To provide baseline data and information to assist in the development of marketing strategies.

Method: A national survey of 8730 participants.

Comments: Due to delays in the interviewing schedules and in the reporting of the information, only the top line results of this research were available for use in the initial marketing plan.

The study serves as a baseline of information for a number of market indicators.

It is felt that the questionnaire used in this research should have been better developed to yield greater insights into the market.

A.4 **Store audits**

A.4.1 **Retail panel audit**

Research Organization: National Development Finance Corporation

Period undertaken: First quarter 1987

Purpose: To evaluate the test market in terms of Sathi distribution, the use of POS material, indications of retail sales and elicit any comments from the trade or customers. Its use was to provide an indication if any major problems existed prior to the national introduction.

Method: A total of 137 stores in Sargodha, Mirpurkhas and Digri participated in the study.

Comments: This study, conducted by NDFC, is an example of an action oriented effort that was timely in the presentation of the information.

A.5 **Trade research**

A.5.1 **Distribution/Trade Study**

Research Organization: Domestic Research Bureau

Period undertaken: September/October, 1986

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Purpose: To serve as a benchmark to evaluate Sathi distribution.

Method: The sample was based on Lever Brothers urban outlets. The qualifications included: outlet type--grocery, general, and general outlets, and doing a minimum Rupee volume (200 per visit) with Lever Brothers. The sample was supplemented with pan stores which were not exclusive pan outlets. The method of obtaining the information was through interviews with store manager and observation.

Comments: The findings of this research have not been used. It was felt that the sample was not representative and there were problems reporting the data. Prior to the rejection of the report it was stated that the report had to be rewritten since "...the findings as presented in the report could give rise to various problems".

B. MARKETING RESEARCH PROJECTS CONDUCTED POST INTRODUCTION

B.1 Consumer Profile (in Progress)

B.1.1 **Knowledge, Attitude and Practice**

Research Organization: Domestic Research Bureau

Timing: Currently underway.

Purpose: The objectives of the study are to ascertain:
1) current and prior condom usage, 2) current users attitudes and purchase behavior of condoms in general and specifically Sathi.

Method: The study will be conducted in representative urban areas where Sathi is distributed. The sample will consist of married men 25-54 years of age with wives 15-49 years of age. The total sample size is 2000.

Comments: There are two concerns regarding this study. The first concern is the design. It excludes non-users so reasons for non-use and trail-rejection can not be determined. The second concern regards the questionnaire which could be improved considerable in terms of substance and method.

B.1.2 Aftab Associates Intercept Proposal

Research Organization: Aftab Associates

Timing: To be determined.

Purpose: To learn consumer's attitudes, opinions and preferences for various brands of condoms with particular emphasis on Sathi.

Method: Intercept interviews conducted among 200 men in the stores that are participating in the Aftab Associates Store audit. Two stores of each type will be selected in each city. The interviews will take place over the length of the store audit period--13 weeks.

Comments: Based upon the proposal this approach should generate useful information which is currently not available.

B.2 Retail Surveys

B.2.1 Trade Survey Pakistan Consultancy Services

Research Organization: NDFC

Timing: Conducted during the end of March, 1988.

Purpose: To determine distribution levels, retail inventories, and average weekly sales of condoms one year after the introduction of Sathi.

Method: A total of 228 retail shops and ten wholesalers in seven selected cities were included in the sample. Chemists and non-chemists were selected on a random basis. The audit was based on personal interviews. Only outlets stocking some type of contraceptive were surveyed.

Comments: This study does not give a true indication of distribution. It was limited to stores stocking contraceptives. However, the intent of the study was to get an indication of Sathi's performance. The project was designed and executed quickly, demonstrating the ability to gather information on short notice.

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B.3 **Store Audits**

B.3.1 **Insight Proposal**

Research Organization: Insight Inc.

Timing: The study had been planned to be undertaken earlier but has been delayed until November, 1988. The delay was due to the planned decline in the stocks associated with the introduction of the foil wrapped product. It is currently planned for November, 1988

Purpose: To measure the retail movement of Sathi condoms through various types of outlets.