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A REASSESSMENT OF THE BANGLADESH USAID SOCIAL MARKETING PROJECT'S OBJECTIVES AND INFORMATION NEEDS

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GLOSSARY

AID/W	United States Agency for International Development/Washington
BDG	Government of Bangladesh
CY	Calendar Year
CPS	Contraceptive Prevalence Survey
CYP	Couple year of protection
DCR	Daily call record
DHS	Deloitte, Haskins and Sells
FPSP	Family Planning Services Project
IEC	Information, education and communication
MIS	Management information system
NGO	Non-governmental organization
PIACT	Program for the Introduction and Adaptation of Contraceptive Technology
PSI	Population Services International
ORT	Oral rehydration therapy
OTS	Opportunity to see/listen
MRP	Manufacturers' Recommended Price
SMP	Social Marketing Program
SR	Sales representative
USAID	United States Agency for International Development (mission)

EXECUTIVE SUMMARY

I. BACKGROUND

The Family Planning Social Marketing Program (SMP) has been providing subsidized, non-clinical contraceptive products through commercial retail outlets in Bangladesh since late 1975. It was supported financially by AID/Washington from 1975 to 1981; since 1981 it has been supported by USAID/Bangladesh through cooperative agreements with Population Services International (PSI). From 1976 through 1984, the array of SMP contraceptive products offered increased from two to six, the number of condoms sold increased from 10.1 million to 115 million, and the number of pill cycles sold increased from .54 to 2.22 million.

Since 1984, however, USAID has become increasingly skeptical of SMP performance in light of findings from the 1981, 1983, and 1985 Contraceptive Prevalence Surveys (CPS), which reported considerably lower levels of condom use attributable to SMP sales than SMP and PSI sales statistics indicated. Moreover, even in terms of more limited targets specified in the 1984 Cooperative Agreement, SMP performance has been mixed at best. Sales of condoms peaked in calendar year (CY) 1984, but returned in CY 1985 to the CY 1983 level. In the first half of 1986, they rose sharply once again. Sales of pills rose by 29 percent in 1984 but by only 9 percent in 1985 and by even less in the first half of 1986.

As a result primarily of the CPS findings and SMP sales trends, PSI/SMP and USAID have concluded that SMP goals, objectives, and strategies should be reexamined and restated in terms of verifiable indicators that more accurately reflect SMP's impact on contraceptive prevalence. This report is intended to contribute to the reassessment in two ways: by reviewing data already available on SMP effectiveness, efficiency, and marketing and reviewing SMP management issues; and by identifying issues that need to be addressed, suggesting provisional objectives to deal with the issues, and where appropriate, indicating the information needed to monitor success in achieving the objectives.

II. SMP IMPACT, USE-EFFECTIVENESS, AND COST-EFFECTIVENESS

Major findings from research bearing on SMP's effectiveness and from the evaluation team's reanalysis of the

data available are highlighted below. Details and additional findings not presented here are provided in Section II of the report.

Reanalysis of the Condom Gap

Considerable attention has been given to the "condom gap", i.e, the discrepancy between estimates of condom use levels based on SMP sales data and estimates based on CPS data. In 1983 the gap originally appeared to be between 854,000 CYP (SMP data) and 181,000 CYP (CPS data from wives' survey). Reexamination of research on factors that might contribute to the gap (Section II.1.3) indicates that the gap is clearly at a more acceptable level than first appeared to be the case (21 percent of the original 1983 estimate and 18 percent of the original 1985 estimate). The factors that explain much of the original gap appear to be underreporting by wives, failure to adjust for the pipeline effect (the lag between sale to stockist/retail outlet and sale to the user), and SMP's assumption that 100 condoms provide one CYP.

We recommend that PSI/SMP calculate CYPs on the basis of 180 condoms per couple and allow for a time lag to take the pipeline effect into account. SMP's use of a 180-condom factor and a time lag in 1985 would have yielded a CYP estimate of 562,000, only 1 percent more than the CPS-based estimate of 555,000 CYPs.

Use-Effectiveness

The only data currently available on pill and condom use-effectiveness in Bangladesh suggest that SMP pills and condoms may be fairly effectively used and have at least moderately high continuation rates (Section II.1.4).

Cost-Benefit and Cost-Effectiveness

From the standpoint of cost considerations, it appears that SMP has been and continues to be a relatively efficient way to provide non-clinical contraceptives in Bangladesh (Section II.1.5).

III. MARKET RESEARCH

Target Groups

SMP is looking selectively at particular target groups in terms of brand positioning and targeting. SMP also has a new goal of maximizing sales of SMP products. This goal could be accomplished, however, without actually increasing prevalence because of method or brand switching. The main focus of SMP targeting must therefore be current nonusers(Section II.2.1).

Measuring Attitudes

SMP research indicates that the attitudes of males and females toward family planning tend to be similar, but that the differences in attitudes in rural and urban areas are sufficiently marked to warrant separate promotional strategies. Those who desire additional children should be an important focus of attention (Section II.2.2).

Brand Image

SMP currently lacks data on who is buying what brand and where, why they buy it, and how often they buy it. The planned market segmentation survey should provide some of the required information. Clearly, the need for data is paramount (Section II.2.3).

Creating Awareness and Knowledge

Overall levels of methods awareness are high, but there are important demographic variations, particularly for condoms. Thus, while SMP is achieving its objectives generally, it needs to direct attention to the least accessible groups. As for brand awareness, SMP's brand promotional activity has had some success in stimulating advertising recall (Section II.2.4).

IV. MANAGEMENT ISSUES AND REVISED GOALS AND OBJECTIVES

The overriding goals and objectives for SMP have been set out in the Cooperative Agreement, Amendment 2, dated 1986. In general, they are nonspecific and should be expressed in operational terms. Thus, the outcome of this assessment has not

been to change the goals or objectives, but rather to articulate them in detail so that they become a series of verifiable, and in some cases quantifiable, indicators.

Major operational objectives are listed below. The statement of each objective is preceded by a brief statement of the issue (the problem or option) addressed by the objective. This section is based on the detailed reviews reported in Sections II and III of the report and must be read in conjunction with them. In addition, some recommendations that cannot be expressed as objectives are to be found in Sections II and III. Section IV includes a complete list of objectives and the information needs associated with the objectives.

Distribution

o The current system of reporting the total number of stockists/retailers by the cumulative-ever-stocked method serves no real purpose and is misleading.

OBJECTIVE: To provide management with an accurate and up-to-date count of the number of outlets currently supplied by SMP to permit an accurate tracking of trends in the overall distribution and an appropriate response.

o An overriding issue is how to bring contraceptives within reach of the greatest possible number of people in urban and rural Bangladesh.

OBJECTIVE: To maximize retail outreach, at least one stockist will be established in each market identified as a commercial center serving the surrounding rural area. Many of these markets will be located at the union headquarters, although some unions will not have such a market and other unions will have more than one.

o SMP must also decide whether to continue to utilize the private wholesalers, who currently provide warehousing only.

OBJECTIVE: To ensure that the primary channels are serviced in the most efficient and cost-effective manner and in such a way as to give management more effective control.

o SMP lacks information on distribution, particularly current in-stock levels, and on actual consumer sales (purchases) as differentiated from sales to the trade (consumer off-take).

OBJECTIVE: To provide management with reliable retailer in-stock cover data and consumer off-take at all levels of distribution.

Sales Force

o Sales management finds it difficult to exert effective control over the expansion of the retail base. The base is currently governed primarily by the sales representative (SR), who is motivated by his sales commission rather than by an interest in increasing the availability of contraceptives.

OBJECTIVE: To provide each individual SR with a detailed work plan so that management has more effective control over its distribution-level objectives.

o There is no or limited feedback from the field regarding such issues as retailer drop-outs, lack of effective calls (i.e., culminating in a sale), or local issues that might affect sales (e.g., a local religious leader opposed to contraception, competitive activity, and so on).

OBJECTIVE: To provide management with qualitative sales intelligence to enable it to take effective action or to anticipate problems.

Advertising and Promotion

o SMP must continue to monitor the Motivation Campaign to ensure that it achieves its objectives.

OBJECTIVE: Continue with the Motivation Campaign but relaunch it with a focus on revised issues or messages.

o The current promotional activity is not specific enough about the target audience.

OBJECTIVE: To direct promotional activities for each brand to a particular target group so that the message can have greater impact.

Internal Management

o The level of communication between PSI/SMP and USAID has failed to provide USAID with an understanding of decisions and innovations being made.

OBJECTIVE: To formalize the communication process by instituting a scheduled quarterly meeting between PSI/SMP and USAID.

o The revised MIS system will generate much sales data at a micro level. Management needs to be able to assimilate the information in a speedy and action-oriented manner.

OBJECTIVE: To appoint a sales analyst with the specific task of identifying and summarizing areas of concern to enable management to take effective action.

o Management currently lacks information regarding the competitive situation, particularly in respect to private sector marketing of oral contraceptives.

OBJECTIVE: To ensure that systematic market intelligence reporting is instituted that will alert management to changes in prices, promotional activity, and dealer incentives.

Market Expansion

o The approach to market expansion has been too simplistic and nonselective, based as it is solely on the overriding objective of increasing availability through increasing total outlets.

OBJECTIVE: To focus market expansion also on gaps in the system, especially geographic.

o The strategy for achieving distribution has never included consideration of the cost-effectiveness of individual outlets.

OBJECTIVE: To define the circumstances in which a retail outlet becomes an eligible target. This may be in terms of order volume or of accessibility.

Sales Growth

o SMP must provide a benchmark by which performance can be assessed.

OBJECTIVE: To set realistic and achievable sales targets for individual brands and to base market-share targets on the total market, not just on the internal SMP share.

o Since the relationship between stockist and retailer sales is a policy/strategic issue, it is necessary to monitor it.

OBJECTIVE: To set sales targets for each type of outlet and within each geographic territory.

Product Line Expansion

o A determination must be made regarding whether the current product line, either in terms of method or method variants, is adequate to achieve overall objectives.

OBJECTIVE: To identify a demand potential that is not satisfied by the current supply and, thereafter, to ascertain the feasibility of satisfying that demand.

Contraceptive Practice

o SMP data on condom sales should be translated into more accurate estimates of implied use.

OBJECTIVE: To base inferences about condom prevalence on the assumption that 180 condoms are required per CYP.

o Delays between sales to retailers and stockists on the one hand and actual use on the other (the pipeline effect) create a disparity between sales trends and contraceptive prevalence.

OBJECTIVE: To incorporate a lag approximately equal to the average time required for passage through the pipeline in efforts to estimate the effect of sales on contraceptive use. (Currently the delay appears to be about nine months, meaning that CYP figures based on sales in FY 1987 [10/86 to 9/87] will refer to the year beginning July 1988 and center on the end of CY 1988.)

o The relationship between reported sales and contraceptive practice is not sufficiently precise to serve as the sole basis for monitoring SMP's contribution to the prevalence rate.

OBJECTIVE: To continue relying on husbands' responses in CPSs as the chief basis for verifying the CYP estimates based on SMP sales data.

o SMP is expected to play a unique role in initiating family planning use among previous nonusers of contraceptive methods in underserved (especially remote rural) areas.

OBJECTIVE: To pay more attention in future evaluations of SMP performance to changes in use of SMP methods in rural areas and in other subpopulations of potential users who are underserved by other sources and for whom SMP methods are appropriate.

I. INTRODUCTION

The Family Planning Social Marketing Program (SMP) has been providing subsidized, non-clinical contraceptive products through commercial retail outlets since late 1975. It was supported financially by AID/W from 1975 to 1981. Since 1981 it has been supported by USAID/Bangladesh through cooperative agreements with Population Services International (PSI), most recently updated through Cooperative Agreement Amendment 2, dated 1986. The chief goal of the SMP has been to increase the availability of contraceptive supplies by offering them for sale through a wide variety of outlets, including pharmacies, grocers, pan shops, private physicians, and rural medical practitioners in both urban and rural Bangladesh. During SMP's first nine years of operation, sales to stockists and retailers grew rapidly and the array of contraceptive products increased from two (Raja condoms and Maya pills) to six (Panther and Majestic condoms, Ovacon low-dose pills, and Joy foam tablets were added). By 1984, the number of condoms sold had increased from 10.1 million (in 1976) to 115 million, and the number of pill cycles sold had grown from .54 million to 2.22 million.

For most of its existence, SMP has been very highly regarded by USAID. The 1984 Project Paper for the Family Planning Services Project (FPSP), under which SMP falls, noted that SMP had a "growth rate exceeding 25 percent per year for the past seven years" and asserted that SMP condoms were "the single most widely used non-clinical contraceptive method in Bangladesh." It went on to characterize SMP as "a dynamic organization that has continued to demonstrate that an effective retail marketing effort can have a major impact in low-income rural areas at a low unit cost."

The current Cooperative Agreement between USAID and PSI, dated August 20, 1984, stated that "SMP's primary purpose is to use commercial techniques and systems to maximize distribution; promotion, pricing and distribution policies will all point to bringing contraceptives within the reach of the greatest possible number of people in urban and rural Bangladesh." This goal was to be reached by a variety of means (distribution, sales, advertising and promotion, product line expansion, marketing innovations, and sales incentives), but few details were specified and quantitative targets against which performance could be evaluated were limited to only two: (1) to increase the number of outlets from 107,000 to 120,000 and (2) to increase sales by 20 to 30 percent annually.

Since 1984 USAID has become increasingly skeptical of its earlier assessment of SMP performance in light of findings from the 1981, 1983, and 1985 Contraceptive Prevalence Surveys (CPS), which have indicated considerably lower levels of condom use attributable to SMP sales than estimates of condom use made by SMP and PSI on the basis of sales statistics. Moreover, even in terms of the more limited targets specified in the 1984 Cooperative Agreement, SMP performance has been mixed at best. The number of outlets reported by SMP is now 126,800, but that number is of questionable validity. Sales of condoms peaked in calendar year (CY) 1984 but returned in CY 1985 to the 1983 level. In the first half of 1986, they rose sharply once again. Sales of pills rose by 29 percent in 1984 but by only 9 percent in 1985 and by even less in the first half of 1986.

As a result primarily of the CPS findings and sales trends, both PSI/SMP and USAID have concluded that SMP goals, objectives, and strategies need to be reexamined and restated in terms of verifiable indicators that more accurately reflect SMP's impact on contraceptive practice. Measurement of performance in relation to such indicators will require new approaches to data gathering and analysis. In addition, plans for research and routine data gathering and analysis need to be reformulated; SMP managers need this information to identify and analyze problems and shortcomings and to develop strategies to deal with them effectively.

This report is intended to contribute to the current reassessment of SMP in two ways: by reviewing data already available on SMP effectiveness, efficiency, and marketing and reviewing SMP management issues (Sections II and III); and by identifying issues that need to be addressed, suggesting provisional objectives to deal with the issues, and where appropriate, indicating the information needs implied for monitoring success in achieving the objectives (Section IV). It is anticipated that the provisional goals, objectives, and strategies will be reassessed again in FY 1988 or FY 1989; the assessment of information needs in this report will focus on the information required for the reassessment.

II. RECENT RESEARCH

II.1. Impact, Use-Effectiveness, and Cost-Effectiveness

II.1.1. SMP Sales Data

SMP sales figures for CY 1981 through CY 1985 for condoms and pills are shown in Table II.1.1-1.

Table II.1.1-1

SMP SALES FIGURES - PILLS AND CONDOMS
(CY 1981-85)

Calendar (Year)	Condoms (million pieces)	Pills (million pieces)
1981	50.4	.85
1982	66.6	1.21
1983	85.4	1.72
1984	115.1	2.22
1985	87.2	2.43

Source: SMP.

In the first half of 1986, condom sales were close to the 1984 level, and pill sales continued at about the 1985 level.

In the past, SMP has estimated actual use levels by dividing the number of condoms sold by 100 and the number of pills sold by 13. The rationale for this procedure was that one couple year of protection (CYP) was assumed to require about 100 condoms or 13 cycles of pills. According to this procedure, the number of CYPs attributable to SMP condoms and pills would be as shown in Table II.1.1-2.

Table II.1.1-2

CYPs ATTRIBUTABLE TO SMP CONDOMS AND PILLS
(CY 1981-85)

Calendar Year	Condom CYP (thousands)	Pill CYP (thousands)
1981	504	65
1982	666	92
1983	854	132
1984	1,151	171
1985	872	187

Source: SMP.

In 1983 the total number of eligible couples (where the wife is under age 50) was estimated to be 18.1 million at midyear. The 854,000 CYPs estimated to be attributable to condom use would, therefore, be expected to contribute (854/18,100=) 4.7 percentage points to the national contraceptive prevalence rate. The estimated 132,000 pill CYP would be expected to contribute another .7 percentage points. In 1985, when the number of eligible couples had grown to about 19.2 million, the estimated SMP contribution to the contraceptive prevalence rate under the same assumptions would have been 4.5 and 1.0 percentage points, respectively.

II.1.2 CPS Prevalence Data

Doubts began to be raised about the validity of using SMP sales data to estimate condom use levels attributable to SMP when the findings from the 1981 CPS [13] became available.* These indicated that only 1.6 percent of the eligible couples were

* Numbers in brackets correspond to the numbers of the documents listed in Appendix A.

using condoms from any source. By contrast, CYP estimates based on SMP sales data indicated that three percentage points of prevalence were attributable to SMP condoms alone. Several hypotheses were suggested to account for this discrepancy (Section II.1.3), one of which was that the wives who were interviewed in the CPS might have underreported use of condoms, largely because it is a male method but also for other reasons such as its association with illicit sex. To test this hypothesis, the 1983 CPS [14] was extended to include a special additional sample in which only husbands were interviewed and another in which both husbands and wives were interviewed simultaneously but separately (the "couple sample").

Findings from the 1983 CPS supported the hypothesis of underreporting by wives. The main (wives) sample reported only 1.5 percent condom prevalence, but the husbands in both the husband-only and couple samples reported 2.7 percent prevalence. (In the couple sample, counting all cases in which either husband or wife reported condom use implied a condom prevalence rate of 3.4 percent. The 2.7 percent estimate based on husbands' responses will be used here because the higher estimate is very likely to be upwardly biased, given the low degree of reliability associated with reporting of condom use. (See Laing's December 1985 memorandum [12] for a more detailed discussion of this point.)

With a total eligible population of 18.3 million couples at the time of the 1983 CPS, the 2.7 percent rate translates into 494,000 condom users. Not all condom use reported in the 1983 CPS, however, could be attributed to SMP condoms. According to the wives who reported condom use, only 65.1 percent of the condoms they were using were SMP condoms, indicating that 322,000 couples were using SMP condoms. By contrast, the CYP estimate based on SMP condom sales in 1983 was 854,000. The latter estimate exceeds the CPS-based estimate (which seems likely to be more accurate) by 163 percent.

The 1985 CPS [16]continued to point to a substantial (though much lower) "condom gap." The condom prevalence rate reported by wives was 1.8 percent, but the husbands in the couple sample (interviewed about five months later) reported a 3.95 percent prevalence rate (indicating a growing disparity between husbands and wives with regard to willingness to report condom use), which implies a total of 750,500 condom users in 1985. Among the CPS respondents (wives) in 1985 who reported condom use, 73.2 percent reported use of SMP brands, indicating a total of 549,000 SMP condom users. By contrast, SMP sales figures, together with the assumption of 100 condoms per CYP, indicated a total of 872,000 SMP condom users. Thus, the SMP estimate exceeds the CPS estimate by about 59 percent.

Information on pill use from the 1983 CPS and distribution data from the SMP program reveal no evidence of a comparable SMP "pill gap." According to analysis of CPS data on pill use by brand, SMP pills were being used by .64 percent of eligible women; the corresponding estimate based on sales data is .73 percent, a relative difference of only 13 percent, which is well within the expected range for inconsistency between two such disparately derived estimates. The corresponding analysis for 1985 reveals even less evidence of an SMP pill gap. CPS data indicate a pill prevalence rate of 5.1 percent, which, assuming 19.0 million eligible couples, implies 969,000 pill users, of which 19.3 percent reported SMP pill use, indicating that 187,000 couples were using SMP pills at the time of the survey. SMP pill sales in 1985 amounted to a total of 2.43 million cycles, which translates, at 13 cycles per CYP, to 186,900 pill users, almost identical to the survey-based estimate.

For both pills and condoms there is a great difference between urban and rural prevalence levels. In 1985 for instance, urban CPS respondents (wives) reported nearly four times the pill prevalence reported by rural respondents (15.7 percent vs. 3.9 percent). Urban husbands in the 1985 couple sample reported 8.0 percent condom prevalence, but the corresponding figure for rural husbands was only 3.5 percent. It is likely that urban levels of pill and condom use are nearing the saturation point, in which case raising them still further will be increasingly difficult and costly. The likelihood that SMP can substantially increase prevalence in rural areas may now be greater than its likelihood of achieving comparable gains in urban areas.

II.1.3 Analysis of the Condom Gap

In an early exploration of the 1981 condom gap, Nancy Williamson [30] proposed 11 factors that she hypothesized might help explain it. Of the 11 factors she proposed, the following 10 (rearranged for present purposes) were relevant to the SMP gap in particular:

1. Underreporting of condom use by wives
2. Irregular condom use underreported in the CPS
3. Overstocking of condoms by stockists and retailers
4. Delay between retail sale and actual use
5. More than 100 condoms required per CYP
6. Nonuse of purchased condoms
7. Non-contraceptive use of condoms (e.g., as balloons)
8. Use of condoms outside marriage
9. Smuggling of condoms to neighboring countries
10. Inaccurate SMP sales figures

Since the time Williamson proposed these factors, a number of studies have been undertaken to determine whether and to what extent several of them contribute to the condom gap. What is known about each of them is reviewed below, following which we present a reanalysis of the condom gap.

1) The first problem, underreporting of condom use by wives, has already been discussed, but there is a special aspect that has not yet been taken into account. Though total condom use has been estimated on the basis of husbands' responses, the number of condom users relying on SMP brands has been derived from the wives' responses. Since husbands are nearly always the purchasers of SMP condoms and wives are most often the recipients of government program condoms, it is reasonable to expect that the additional condom use reported by husbands would be disproportionately weighted toward use of SMP condoms. To test this hypothesis, we requested and obtained previously unavailable data on the husbands' responses from the 1983 CPS regarding brand of condom used. The responses for both the "husband only" sample and the husband portion of the couple sample showed consistent results: 73.9 and 74.5 percent, respectively, of the condom users relied on SMP condoms. As hypothesized, this percentage was appreciably greater than the 65.1 percent obtained from the wives who reported condom use in 1983. Data from husbands on condom brands are not yet available. Since the SMP's share of total condoms distributed was also 74 percent in 1983 and in 1985 as well, however, we shall assume that the husbands' responses in the 1985 CPS would also have indicated about the same proportion.

2) The second hypothesized factor was that even men may underreport irregular use of condoms or use of condoms in conjunction with other methods. Various studies indicate that condoms are often used as a back-up method by users of the "safe period" or "rhythm" method. The extent to which condoms are used together with other methods is unknown, as is the number of condoms used each month in such cases. Six percent of the husbands in 1983 reported rhythm use. If it is assumed that only one-sixth of them also used condoms but failed to report it since they were asked to report only one current method and that each such couple used an average of four condoms a month (i.e., just during the unsafe portion of the menstrual cycle), such use would account for an additional 728,000 condoms. It seems doubtful that other unreported irregular use of condoms would account for such a large number of additional condoms since irregular use would require, by definition, very few condoms per user per year.

3 & 4) The third and fourth factors are linked and refer to the "pipeline" between the sales to stockists and retailers that are reported in SMP statistics and the actual use of the condoms by purchasers. We estimate that the pipeline contains about a nine-month supply at the stockist and retail

levels. Following retail sales to users, there is probably little additional delay since most purchasers buy only three or four condoms at a time. We will take account of this time lag in our reanalysis by comparing average annual sales figures for 1982 and 1984 combined (i.e., centering on the beginning of 1983) with the 1983 CPS data, since the CPS was conducted in the fourth quarter of the year (on the average about 11 months later). Similarly, we will also compare 1984 and 1985 average SMP sales data with the 1985 CPS.

5) Regarding the fifth factor--that more than 100 condoms may be needed for one CYP--we will utilize data available from the 1986 Program for the Introduction and Adaptation of Contraceptive Technology (PIACT) survey [31] of non-governmental organization (NGO) pill and condom acceptors (see Section II.1.4), in which all condom acceptors were asked about coital frequency and the number of condoms they require each month. For both the urban and rural samples, reported coital frequency of condom acceptors averaged between 10 and 11 times per month, and the average number of condoms needed each month was reported to be 12. These findings indicate that the number of condoms assumed per CYP should be increased at least to 144.

6) Regarding the sixth factor--that not all condoms purchased by married men for contraception are in fact used--there are no hard research data to report, but it seems reasonable to assume some degree of wastage, especially among first-time purchasers and dropouts. Some first-time purchasers are bound to change their minds, to encounter resistance from their wives, or to use only part of the first supply and discontinue use. Some dropouts are likely to terminate condom use while they still have some supplies on hand. In addition, some condoms of current users are likely to be misplaced, lost, damaged, or remain unused for other reasons. To compensate for these possibilities in our reanalysis, we will arbitrarily increase the assumed number of condoms per CYP from 144 to 150.

7) Non-contraceptive use of condoms (the seventh factor) has been explored most thoroughly by the 1985 Retailer Survey conducted by Mitra and Associates [27], in which a sample of SMP retailers was asked about the composition of their condom clientele and their perception of the uses for which condoms were purchased. The main purposes reported were for contraception by married couples and for balloons for children. In rural areas, retailers' responses suggested that 37 percent of their condom customers were children and that 24 percent of the condoms sold were believed by the retailers to be used for balloons. The corresponding figures for the urban areas were that 16 percent of the condom customers were children and that 8 percent of the condoms sold were for balloons. The findings are

highly speculative, based as they are on retrospective reports by retailers and retailers' inferences about the intentions of their customers. There is no question, however, that a large proportion of condom purchases are made by children and it is plausible that most of the condoms they purchased were used for balloons. (Raja condoms are less expensive than real balloons and would therefore be attractive substitutes.) Taken at face value, the percentages of condoms estimated in the Retailer Survey report to be sold for balloons translates into about 12 million condoms sold in 1982-83 or 16 million in 1984-85 (assuming that the national percentage would be close to the arithmetic average of the urban and rural percentages, or 16 percent). This amounts to about one condom per year for each child in the ages 6-10, which seems high but is not entirely implausible.

8) Regarding the eighth factor, the Retailer Survey report also estimated the proportion of condoms purchased by unmarried men, presumably for premarital sex: 1.7 percent from rural outlets and 2.8 percent from urban outlets. In contrast with the data on sales for balloons, these estimates are likely to be unrealistically low, but to be conservative we could assume that 2 percent of the total (urban plus rural) condom sales are for premarital use. The survey provides no data on the use of condoms by married men for extramarital sex, but it seems reasonable to assume that another 2 percent of the condom sales are for this purpose.

9) Considerable attention has been paid in the past to the smuggling of Raja condoms to Burma and India (the ninth factor). Raja condoms have been found in both places, but the quantities involved have not been known. The consultancy of Deloitte, Haskins and Sells (DHS) in late 1985 included a visit to Rangoon to look into the availability of Raja condoms there. In the one-day visit, a search of the four main markets uncovered very small quantities of Raja, most of them two to four years old. The team concluded that availability of smuggled condoms in Burma had declined substantially since 1983. A 1983 report cited in the DHS report [20] had estimated a total of 3 million condoms in Burma at that time. It seems doubtful that smuggling of SMP condoms to India could have amounted to much more than this per year since it would require collusion among a large number of small stockists and a great deal of secrecy to avoid detection by PSI/SMP or USAID. Internal and external audits of SMP wholesale stocks and sales records (above the stockist level) reveal no evidence of smuggling organized within the SMP area of control.

10) The tenth hypothesis--error in SMP sales figures--is unlikely to explain much of the gap, considering the checks in the SMP reporting and accounting system and the audits to which it has been subjected. SMP sales figures, however, refer only to

sales to stockists and some retailers. Even if these figures are accurate, they may not accurately reflect sales from retailers to users. Part of this discrepancy is the lag factor in the pipeline discussed above: a rapid build-up in the pipeline, for instance, may not be reflected in a similarly rapid build-up in retail sales. Moreover, some condoms that enter the pipeline probably never emerge: some probably sit on innumerable shelves of small retailers awaiting customers who do not materialize, others become destroyed through poor handling, and so forth. The quantities involved cannot be easily estimated. Therefore, the tenth hypothesis might be restated as follows: Sales from retailers to users may not reflect the level of SMP sales to stockists and retailers.

The preceding paragraphs form the basis for a reanalysis of the magnitude of the condom gap. The reanalysis is summarized in Table II.1.3. In Panel A, the numbers of condom users in late 1983 and late 1985 are calculated on the basis of condom use reported by husbands in the couple samples and multiplied by the 74 percent respective share assumed to be attributable to SMP condoms in both 1983 and 1985 (see discussion of factor 1). In Panel B, the SMP average sales for 1982-83 and 1984-85 are converted into CYP assuming 150 condoms per CYP (see discussion of factors 5 and 6). The numbers of users estimated in Panels A and B are compared in Panel C, which shows the remaining gap in absolute terms (numbers of users, condoms, and percentage points of prevalence) and in relative terms (the magnitude of the gap divided by the CPS-based estimate and expressed as a percentage). With just the first, third, and fifth hypothesized factors thus taken into account, the gap has been reduced to 140,000 condom users in 1983 and 119,000 in 1985. In relative terms, the 1983 condom gap amounts to 38 percent of the CPS estimate of SMP condom use and the 1985 gap amounts to just 21 percent. Another way of looking at the relative difference is to divide the numbers of condoms still unaccounted for by the average sold by SMP during the past two years. For 1983, 18 percent of the condoms remain unaccounted for; for 1985 the corresponding figure is only 6 percent. (The 1985 gap may be somewhat understated, however, because the survey data from husbands were not obtained until early 1986, by which time condom use may have increased. Even so, the gap is clearly at a much more acceptable level than at first appeared to be the case.)

The reduction of the gap described in the preceding paragraph and Table II.1.3 is illustrated in Figure 1 as well. All figures given in Table II.1.3 are in terms of CYP (assuming that one current user at the time of the CPS translates into one CYP). In 1983 the gap originally appeared to be between 854,000 CYP, according to SMP sales (assuming 100 condoms per CYP), and only 181,000 CYP, according to the CPS wives' responses. The use

Table II.1.3

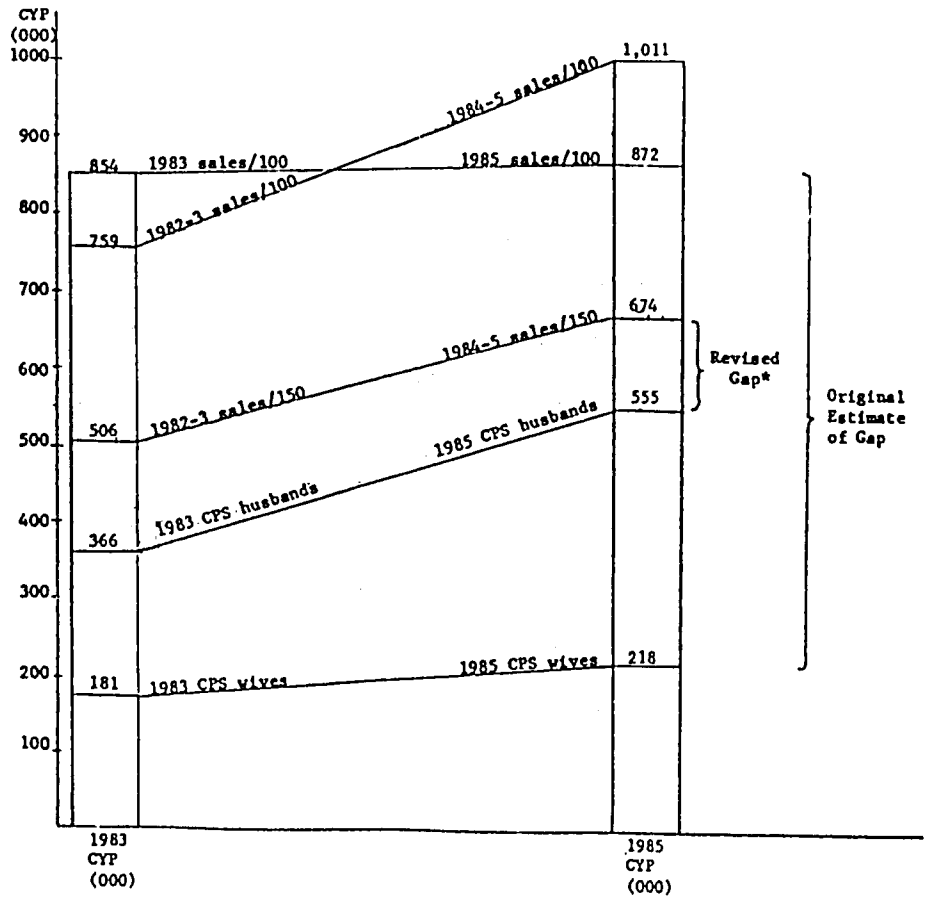
REANALYSIS OF THE CONDOM GAP, 1983 AND 1985

		1983	1985
A.	CPS Data		
	1. Condom prevalence	2.7%	3.95%
	2. Condom users (000)	494	750
	3. SMP share	74%	74%
	4. SMP condom users (000)	366	555
B.	SMP Sales Data		
	1. Current year (millions)	85.4	87.2
	2. Previous year (millions)	66.6	115.1
	3. Average of #1 and #2	75.9	101.1
	4. CYP (@150) (000)	506	674
C.	Remaining Gap		
	1. No. of users (000)	140	119
	2. No. of condoms (millions)	21.1	17.8
	3. Percentage points of prevalence	0.8	0.6
	4. Relative differences		
	a. (gap/CPS estimate)	38%	21%
	b. (gap/SMP distribution)	28%	18%

of husbands' responses raises the CPS estimate to 366,000. The averaging of 1982-83 sales data the better to take the pipeline into account, reduces the SMP-based estimate to 759,000. The most dramatic change results from changing the assumed number of condoms per CYP from 100 to 150, which brings down the SMP-based estimate to 506,000. Thus the remaining gap (140,000 users), while still substantial, is only 21 percent of the original estimate of the gap. In 1985, the effect is similar, reducing the gap to 18 percent of the original estimate. The 1985 reduction is especially striking considering that taking into account the pipeline increased the SMP-based estimate by 16 percent. The shift from wives' to husbands' CPS responses and the change in assumed number of condoms per CYP both had very large effects on the gap.

As noted above, if the 1985 Retailer Survey findings regarding the use of condoms as balloons are taken at face value, the number of condoms used as balloons would be 12 million in

FIGURE 1 . Reduction of the Condom Gap, 1983 and 1985



*Revised gap takes three factors into account:

- the time lag required for supplies to flow through the pipeline
- an increase in the assumed condom/CYP ratio from 100 to 150
- reliance on husbands vs. wives CPS responses

1983 and 16 million in 1985, which would account for more than half of the gap each year. It is likely that such misuse of condoms was overstated in the Retailer Survey, but it seems reasonable to conclude that use as balloons accounted for at least a few million condoms each year. A similar number of condoms (perhaps 6 million or so in 1983 and probably considerably less in 1985) may be lost through smuggling. Assuming that 2 percent of SMP condoms were used each year for premarital sex and a similar number for extramarital sex would add another 3-4 million. Another million or so each year probably never get sold. These remaining factors, then, could plausibly account for about two-thirds or more of the gap found for each year. In addition, if the husbands underreported condom use, especially use in conjunction with other methods, even a small percentage point error in the prevalence rate could readily explain the remaining portion of the gap. An underestimate of SMP condom prevalence by only one-tenth of a percentage point in 1985 translates into 19,000 condom users or nearly 3 million condoms.

In sum, enough factors have been identified to explain plausibly the observed magnitude of the condom gap and then some. The most important factors, which explain much of the very large gaps originally estimated, appear to be underreporting of use by wives, failure to adjust for the pipeline, and the assumption that 100 condoms provide one CYP. Though we have used a 150-condom factor, we recommend that PSI/SMP employ a more conservative 180-condom factor (which allows for the approximate proportion of SMP condoms still unaccounted for in 1985) as well as a time lag to account for the pipeline effect in future efforts to estimate contraceptive protection on the basis of condom sales. (Use of a 180-condom factor in 1985, together with the time lag, would have yielded a CYP estimate of 562,000, only 1 percent more than the CPS-based estimate of 555,000 users.) Such a conversion factor might penalize SMP somewhat by implicitly treating some actual use (underreported in the CPS, even by husbands) as nonuse, but a conservative factor will be preferable for realistic planning and evaluation than one that ignores the remaining gap.

II.1.4 Use-Effectiveness of Pills and Condoms

In 1985, USAID commissioned PIACT to undertake a survey of pill and condom acceptors to determine for the first time the continuation and failure rates associated with these methods. Because of the unavailability of a sampling frame for acceptors from either the government program (clinics and field workers do not keep systematic records on acceptors) or SMP outlets (retailers do not keep written records on sales of contraceptives), the survey was conducted among about 2,000 pill

and 2,000 condom acceptors in USAID-funded NGO projects. The findings from this survey are therefore not necessarily applicable to users of SMP pills and condoms. NGO supplies are provided free and are in most cases delivered to the home by workers who are trained to instruct users in the correct use of the methods. Thus, the NGO continuation rates are likely to be higher and the failure rates lower than the SMP rates. Since the NGO survey data, however, provide the only information currently available on pill and condom use-effectiveness in Bangladesh, they are presented here.

The key 12-month use-effectiveness rates are summarized in Table II.1.4. The "first-method continuation" rate in the table refers to the proportion of acceptors of a method who are still using the first method a given number of months (in this case 12) after acceptance. The urban condom rates are unusually high, and even the rural rates are high for condom use by international standards (though not in comparison with the usual rates for some other methods, notably the IUD). The pill rates are similar to the condom rates and are fairly typical internationally.

Table II.1.4

USE-EFFECTIVENESS OF PILLS AND CONDOMS

Type of Rate	Condom Acceptors		Pill Acceptors	
	Urban	Rural	Urban	Rural
First-method continuation	72%	60%	67%	64%
First-method failure	4.6	5.8	2.2	1.7
All-method continuation	89	84	81	77
Overall pregnancy	8.7	10.2	12.3	15.0

Source: PIACT [31].

The "first-method failure" rate is the proportion of acceptors who become pregnant while using the first method within 12 months after acceptance. (Technically, the rates shown above are "gross" rates, meaning that they have been adjusted to eliminate the effects of competing risks.) The condom failure rates are unusually low, indicating that the NGO condom acceptors are highly motivated and regular condom users (since irregularity of use seems to be the main cause of the high failure rates usually found for condom users). The pill rates are more in line with expectations but still lower than might have been expected given

the frequently heard stories of women forgetting to take pills or misunderstanding the instructions for taking them correctly.

The "all-method continuation" rate is the proportion of acceptors who continue using any method of contraception by the twelfth month following acceptance. Comparison with the first-method rate indicates the proportion of acceptors who have switched methods. It can be seen that condom dropouts, especially in rural areas, are more likely to change methods than to discontinue use altogether. As a result, both urban and rural all-method condom rates exceed the corresponding pill rates.

The "overall pregnancy" rate is the proportion of acceptors who become pregnant within 12 months, regardless of whether the pregnancy occurred while a contraceptive method was being used or not. Comparison with the failure rate indicates the proportion of acceptors who become pregnant after terminating the first method. For the condom acceptors, this is approximately equal to the proportion who become pregnant while using the first method. In the case of pill acceptors, pregnancies following termination exceed accidental pregnancies by several times. Because pill dropouts are less likely than condom dropouts to switch methods, the overall pregnancy rate among pill acceptors is greater than that among condom acceptors despite the lower pill failure rate.

Though the NGO rates are almost surely not representative of the SMP rates, they do suggest that SMP pills and condoms may be fairly effectively used and have at least moderately high continuation rates, owing to the apparent motivation of acceptors of these methods in Bangladesh. Moreover, as Davies [34] found in his study of SMP users, many SMP users have had contact with NGO or government program workers or with qualified doctors, medical practitioners, or pharmacists who can provide them with the information needed to practice effectively. In addition, low price and easy access to SMP condoms probably keep continuation rates from being much lower among SMP users than among NGO users.

II.1.5. Cost-Benefit and Cost-Effectiveness

In 1985, George Simmons and Associates did a cost-benefit and cost-effectiveness analysis of family planning in Bangladesh in 1982 and 1983 [6], in which they compared SMP, other USAID-funded NGOs, and the "residual"--mostly the government family planning program but also NGO activities funded by donors other than USAID. In their analysis, they used a conversion factor for all condoms (not just SMP condoms) of 300 condoms per CYP, which they obtained by dividing the total condom distribution and sales in 1983 by their estimate of the number of condom users implied by the 2.7 percent condom use estimate from the husbands' responses in

the 1983 CPS. Their estimate of the number of condom users implied by the CPS data was obtained by calculating 2.7 percent of 15.465 million "eligible women," a figure obtained from the Planning Commission's projections based on the 1981 census. The derivation of this figure is not clear, but S. N. Mitra, the principal investigator for the CPS, reports that the population represented by the 1983 CPS sample of currently married women under age 50, which was the denominator of the CPS prevalence rates, was 18.3 million at the end of the year (when the survey was conducted). As a result, the estimate in the cost-effectiveness study of the number of condom users based on the CPS was too low (418,000 instead of 494,000), and the conversion factor therefore too high (306 instead of 259 condoms per CYP). Moreover, the calculation of the conversion factor related 1983 sales and distribution figures to 1983 prevalence and therefore did not take account of the full time lag between SMP sales and actual retail sales. Use of a longer lag period would have resulted in a further reduction in the conversion factor for SMP condoms in particular.

Despite these shortcomings, which placed SMP at a disadvantage relative to other programs, the analysis by Simmons et al. indicated a cost-benefit ratio of about 1:2, comparable to that of the rest of the family planning program, and cost-effectiveness ratios competitive with the "residual" program (but higher than for USAID-funded NGOs). Even with the disadvantageous conversion factors, Simmons et al. concluded that SMP provided non-clinical methods more cost-effectively than the other NGOs or the residual program. The lower cost-effectiveness ratios for NGOs were due to their provision of more effective clinical methods, especially sterilization.

From the standpoint of cost considerations, then, it appears that SMP has been and continues to be a relatively efficient way to provide non-clinical contraceptives in Bangladesh.

II.2. Market Research

II.2.1 Target Groups

The Cooperative Agreement of 1984 directs SMP toward "bringing contraceptives within the reach of the greatest possible number of people in urban and rural Bangladesh." Thus in the past, SMP has been motivated by increasing availability and as such has not concentrated on any particular group. It has been said that social marketing should "identify potential customers, learn about them and then tailor a marketing strategy to their particular needs and habits." SMP has recently been moving in this direction; its 1987 Marketing Plan [17] calls for a market segmentation survey to identify and quantify user characteristics. This poses a dilemma,

however, regarding whether the target group should be those in greatest need or those among whom SMP could be most successful. This situation represents the contrast between the "greatest possible number" objective and the Oot recommendation that "SMP should begin to shift focus to those sub-groups of the population where sales and effective use of SMP products is apt to be the greatest" [11].

The draft 1987 Marketing Plan contains clear indications that SMP is looking selectively at particular target groups in terms of brand positioning and targeting. From a pure marketing point of view, that is clearly the route to take. This strategy may run counter to the stated objective of "distribution to the greatest possible number," however. Interpretation of "possible" may imply that it must be within reason, as clearly any extension of a distribution system must have limits in terms of cost-effectiveness. Similarly, overemphasis on cost-effectiveness, which is the literal interpretation of the Oot recommendation, can work against the objective of a social marketing program.

Irrespective of resolving the target group question, there is no doubt that a program objective should be to maximize the efficiency of the marketing effort within the overall constraints imposed by the social marketing philosophy. Inevitably, in terms of marketing mix, if not necessarily distribution, this objective will lead to a strategy based on specific targeting. In the past there has been no specific research on the subject, though the proposed market segmentation survey would begin to provide some data. Other research can also be utilized to identify the demographic nature of certain target groups.

An overall goal of the FPSP is to increase prevalence. For SMP, a new goal is to maximize sales of SMP products (Cooperative Agreement Amendment 2 [9]). Between these two broad objectives is a possible conflict, since SMP could maximize sales without increasing prevalence through method or brand substitution. We therefore assume that SMP's main priorities are as follows:

- To convert current nonusers to use
- To convert users of traditional methods to modern methods
- Not to convert users of one modern method to another
- Not to convert private sector users to SMP.

Of course, none of these assumptions is totally within the control of SMP. Thus, if in SMP's promotion of, for instance, Ovacon, one result is a switch of some Ovostat users to Ovacon, clearly SMP cannot prevent it. The very essence of marketing and sales activity is to generate sales and such unintended impacts are unavoidable. From the point of view of prevalence, however, these

sales are ineffective. By the same token, sales of private or public sector methods generated as a spin-off from SMP activity should be accorded the status of an SMP success. Hearsay evidence indicates that the manufacturers of Ovostat believe this to be the case. All the evidence points to the need for a research methodology that can measure effective sales as opposed to method/brand switching. This would not be easy and would require exploratory work.

The main focus of SMP targeting must therefore be current nonusers. The real question is whether SMP should target all nonusers or whether it should be more selective. The CPS clearly points the way to identifying particular groups that show a very low prevalence. The proportion of nonusers among possible target groups is shown in Table II.2.1-1.

Table II.2.1-1

POSSIBLE SMP TARGET GROUPS

Possible target group	% of Nonusers
Rural	77
24 or under	87
2 children or less	87
Limited/no education	83

Source: CPS.

Temporary or reversible methods of contraception, in principle, are more appropriate in the first 10 years of marriage. In Bangladesh, where early marriages are the norm, this would imply that the main target group for temporary methods are those under 30 and possibly, those under 25. Based on special analysis of the 1983 CPS data, Harbison and Mitra [15] reported:

> "individual preferences" are a function of age and location within the reproductive cycle. Younger couples may be interested only in methods that are suitable for postponing birth and increasing subsequent intervals (p.119).

Another more specific issue to which the 1987 Marketing Plan addresses itself is that of brand or product targeting.

Clearly SMP has within its product range an offering that, because of pricing, should be directed at a particular target group within the overall framework of the primary target group. Again further work is needed to clarify the situation, but strategies should segment the total market along the lines shown in Table II.2.1-2.

Table II.2.1-2

POSSIBLE MARKET SEGMENTATION STRATEGY

Brand*	Major Target Group	Sub-Target Group	Prime Function
Maya	Nonuser under 30	Low income	Space/limit
Ovacon	Nonuser under 30	Mid/high income	" "
Raja	Nonuser under 30	Low income	Space
Majestic*	Nonuser under 30	Mid/high income	Space
Joy	Nonuser under 25	Mid/high income	Delay first child

Assumes Panther being phased out.

Clearly, there are limits to the effectiveness of media planning in selectively reaching different target groups. The media options are wider, however, for the relatively up-market products, e.g., TV (pill only), radio, press, billboards and cinema, than for down-market products, for which media efforts will be limited primarily to radio and direct promotional activity. Despite the media reach beyond the particular target group, the main significance of targeting lies in the concepts, messages, and so on of the promotional materials.

Since SMP products are sold through retail outlets, it is most often the man who purchases SMP contraceptives. Thus in targeting particular groups, it is essential that promotions be aimed at males as the decision makers. This fact is already well understood and practiced within SMP.

II.2.2 Measuring Attitudes

There have been no definitive studies, either qualitative or quantitative, on attitudes toward contraceptives. The most useful data are those from the Family Planning Motivation Campaign, which focused on "resistance points"; some of its key results are reported in Section II.2.5. There have also been two qualitative studies related to particular brands: the Raja Condom Exploratory Study [23] and the Joy Contraceptive Foam Users Survey [36]. In addition, the 1983 and 1985 CPSs provide some insights into attitudes toward various contraceptives.

In general, the First Evaluation of the Motivation Campaign [25] indicates that males and females tend to agree on how the use of family planning would affect other aspects of their lives (Table II.2.2-1). In contrast, the differences between attitudes in rural and urban areas are sufficiently marked to warrant a separate promotional strategy. Thus in rural areas it is appropriate to stress the economic benefits of family planning, especially its role in enabling families to satisfy such basic human needs as food and clothing. In urban areas, where per capita incomes are higher, the stress should be on family welfare and especially the increased capability to provide better education for children.

Table II.2.2-1

PERCEPTIONS OF FAMILY PLANNING'S RELATIONSHIP TO OTHER FACTORS

	Rural		Urban	
	Male	Female	Male	Female
Fertility regulation	94.1%	98.7%	99.1%	98.2%
Economic benefits	80.3	67.1	64.4	65.2
Family welfare	56.4	51.7	71.6	72.2
Health benefits	28.7	26.9	36.4	40.1

Source: Motivation Campaign [25].

Although there is a high level of agreement that family planning is a "good thing," prevalence (around 26 percent) indicates that a common attitude is that what is good for others may not necessarily be good for oneself. Thus this issue may involve less of coping with rigid constraints, such as religion

and health issues, and more of providing the environment in which contraception is seen as good for the individual decision maker. This of course is precisely what the Motivation Campaign is all about.

The "conversion" of nonusers to users involves a thorough understanding of attitudes. Some attitudes are convertible, others are not, and some are temporary. Analysis of the 1983 CPS on reasons for nonuse has been used to classify the constraints towards use (Table II.2.2-2).

Table II.2.2-2

REASONS FOR NONUSE OF CONTRACEPTION
(percents)

Reasons	Frequency of Response
Convertible Attitudes:	
Objections by husband	4.7
Health reasons	4.1
Fear of side effects	4.4
Non-availability of methods	2.2
Non-Convertible Attitudes:	
Religious reasons	8.4
Unable to have children	14.4
Temporary Attitudes:	
Desire for additional children	36.2
Currently breastfeeding	1.4
Post-partum amenorrhea	12.5

Source: 1983 CPS [14].

Some attitudes are convertible through information, education and communication (IEC) activity, but there is insufficient understanding of the situation. These attitudes need to be explored more fully using qualitative techniques. For example, why do husbands object? In-depth sessions with wives may not adequately answer this question because they may only know that their husbands object but not why they object. Clearly the man is in the best position to explain his attitude. It is recommended that these issues be explored through focus groups

among male nonusers (excluding those in the "temporary" nonuser category) and in-depth interviews with women.

Those who desire additional children should be an important focus of attention. Ultimately, the objective would be to bring the desired family size down to the point that those currently desiring additional children would be limited to those who currently have none, one, or at the most, two. Again this is an objective of the Motivation Campaign. Assuming that in time attitudes toward family size change, then the SMP program should focus on spacing so that temporary methods are available until such a time as the desired family size is achieved. This view is shared by Harbison and Mitra [15]:

> Unless efforts are made to minimize the strength of this constraint [desire for additional children], not much can be achieved in raising the use rate . . . [however], there is a supply constraint involved in this finding since even couples who desire more children should be provided with information concerning methods appropriate to spacing of births (pg. 78).

The 1986 Exploratory Study on Raja [23] included a preliminary section on attitudes toward family planning. The views reported are, of course, related to the survey target group--urban males 18-45 with current and past experience of condoms. The following attitudes were evident:

- Family planning is not seriously considered before the couple has at least two children.
- The early days of marriage are happy and carefree and without the responsibility of parenthood. There is less demand on income.
- Little awareness of the effect of continued child-bearing on the wife's health.
- Social pressures to have children quickly.
- Need for son or need for both sons and daughters.

II.2.3 Brand Image and Performance

II.2.3.1 Brand Image. Any marketing strategy for a particular brand requires a thorough understanding of the framework within which the strategy operates. It is necessary to know who is buying the brand, why they buy it, how often they buy it, and where they buy it. SMP currently has none of these data and this inhibits what can be done in the planning of brand strategies. One of the basic problems is that low incidence levels means that users are hard to find and a random probability sample generates very small numbers. The planned market segmentation survey to measure user characteristics should

provide some of the information needed. Clearly, the need is paramount and the technical difficulties have to be surmounted.

The exploratory Raja study was commissioned by SMP to investigate qualitatively the image and perceptions of Raja among Raja users, other condom users, and past condom users. In-depth techniques were employed and the target group was defined as married males aged 20-45 in urban areas. This was a valuable piece of research and, though exploratory in nature, should be a considered input into Raja strategy. It is of great significance that such extremely delicate issues as coital satisfaction and condom disposal were discussed with seemingly little difficulty. Among the general issues coming to light through the interviews were the following:

- Children's curiosity--related to balloons
- Embarrassment related to children
- Short storage life in home due to heat
- No suitable disposal
- Problems associated with opening the pack
- Importance of durability (will not burst)
- Importance of lubrication
- Importance of sexual pleasure
- The practice of interchanging between condoms and pills
- Condoms not used during the "safe" period.

The exploratory research on Raja provides an overview of brand image and identifies those issues that should be investigated at a quantitative level. Clearly it is important to look at image both from the specific brand user's (Raja) point of view and from the point of view of non-Raja condom users. Some of the more interesting findings among Raja users are listed below:

- Raja is on the thick side
- Mixed views on level of lubrication
- Prone to bursting
- Mostly did not interfere with pleasure
- Mixed views on the smell
- Size and fit mostly satisfactory
- Generally no problem with irritation
- Attractive packaging
- Liking for red color
- Very cheap
- Widely available

A major result of the study was to alert management to what could be a major marketing problem--that of incidence of bursting. The tolerance levels of condoms vary considerably with

storage conditions, and SMP is looking closely at the age of condoms on display, at a replacement system, and at the interactions of the distribution system as a whole. From a marketing point of view, perceived problems are as important as real problems, since they have a negative effect on propensity to purchase. Thus if further studies indicate either, then appropriate measures must be taken.

The 1982 survey of Joy users revealed that Joy is a method-switching product; only 15 percent of those surveyed reported a previous non-contracepting situation. A high proportion (39 percent) switched because of the side effects of the pill. Thus, though the product is unimportant in terms of prevalence, it provides the user with an alternative until another method is adopted. This study also reported a problem of a burning sensation, which clearly has to be resolved. The instruction leaflet indicates a "little warmth," but that may not be explicit enough. An alternative strategy described in the Marketing Plan would be to capitalize on this "warm feeling" as a product benefit.

The 1985 CPS sample of users of each brand is clearly inadequate (only 71 Maya users in the complete sample of 10,305 women) for establishing a brand profile. It might be useful, however, to get a "qualitative" idea of brand profiles by running some secondary analyses for each brand on such demographic characteristics as age, occupation, number of children, income, and so on. This may help to ensure that the functional market segmentation survey does not omit any obvious variables.

II.2.3.2 Performance. In 1985, SMP's share of the pill market had risen to 25.6 percent, up from 19.3 percent in 1983 (Table II.2.3-1). Despite the small sample size involved, this result is statistically significant at the 90 percent level. Ovacon is moving closer to Maya in market position. The market share of private brands has also improved, while that of Government of Bangladesh (BDG) brands has declined. During this two-year period, total pill volume increased from 7.8 to 12.6 million cycles, an average increase of 60.5 percent (Table II.2.3-2). All sectors have shared in this growth and thus SMP has not gained at the expense of other sources of supply.

The incidence (consumption) figures shown in Table II.2.3-3 correlate closely with SMP sales figures.

Table II.2.3-1

BRAND SHARE - PILLS

Brands	% of Market 1983	1985
SMP	19.3	25.6
Maya	12.8	15.3
Ovacon	6.5	10.3
BDG	39.0	28.4
Noriday	37.6	5.3
Combination-5	1.4	23.1
Private	40.6	44.5
Ovostat	33.5	31.4
Lyndiol	6.1	4.8
Ovral	1.0	8.3
Sample N	255	398

Source: CPS [14 and 16].

Table II.2.3-2

VOLUME SOLD - PILLS
(million cycles)

Brands	1983	1985	% Change
SMP	1.5	3.2	+113.3
BDG	3.1	3.6	+ 16.1
Private	3.2	5.7	+ 78.1
Total	7.8	12.6	+ 60.5

Source: SMP.

Table II.2.3-3

SMP SALES VS. CONSUMPTION - PILLS
(percent)

Brand	1983		1985	
	Sales	Consumption	Sales	Consumption
Maya	61.2	66.3	58.3	59.8
Ovacon	38.8	33.7	41.7	40.2

Sources: CPS [14 and 16] for consumption, percentaged to SMP brands only; and SMP for sales.

SMP's share of the condom market has also increased (Table II.2.3-4). Between 1983 and 1985, the total condom market increased by 51.8 percent; both SMP and BDG increased their sales volumes (Table II.2.3-5). Much of the increase has been due to the growth in Panther and the introduction of Majestic. Sultan has become the most used brand in the BDG distribution.

Table II.2.3-4

BRAND SHARE - CONDOMS

Brand	% Share of Market	
	1983	1985
SMP	64.0	73.2
Raja	55.6	51.5
Panther	8.4	13.0
Majestic	-	8.7
BDG	33.4	25.0
Tahiti	27.7	10.1
Circle Rubber	5.7	-
Sultan	-	15.2

Sources: CPS [14 and 16].

Table II.2.3-5

VOLUME SOLD - CONDOMS
(millions)

BRAND	1983	1985	% Change
SMP	548.3	832.5	+51.8
BDG	192.7	292.5	+51.8
Total	741.0	1,125.0	+51.8

Sources: CPS [14 and 16].

Comparisons between SMP condoms sales proportions and SMP consumption using the CPS, particularly in 1985, are widely divergent (Table II.2.3-6). For instance, while SMP's sales figures show Panther sales dropping from 4.7 percent of the market to 3.9 percent, the CPSs suggest consumption of Panther rose from 13.1 percent to 17.8 percent of the market between 1983 and 1985. This should not be confused with the condom gap since percentages rather than absolutes are involved. Moreover, if the previous year's sales as indicated in Section II.1.3 are used, the differences are even more pronounced. Part of the problem is explained in the sampling error of the 1985 CPS (on the sample size base, the estimate of 70.4 percent is in reality within the range 62.8-77.0 percent). Another possible explanation is the pipeline effect involving retailers--i.e., that Panther is being supplied out of the pipeline and that retailers or stockists are not re-stocking despite continued sales. What is really unusual is that in markets dominated by a single brand, sample surveys tend to overrepresent the brand.

Table II.2.3-6

SMP SALES VS. CONSUMPTION - CONDOMS
(brand percentages)

	1982	1983		1984	1985	
	Sales	Sales	Consumption	Sales	Sales	Consumption
Raja	100	95.3	86.9	95.8	91.5	70.4
Panther	-	4.7	13.1	4.2	3.9	17.8
Majestic	-	-	-	-	4.6	11.9

Sources: SMP and CPS [14 and 16].

II.2.4 Creating Awareness and Knowledge

The Cooperative Agreement requires SMP to "inform, educate, and persuade potential consumers to purchase and use contraceptives." Assessment of SMP's success to date should be examined at two levels: awareness and knowledge of the methods available and awareness and knowledge of brands. The changing level of awareness of methods between 1983 and 1985 is adequately covered by the CPSs, but as yet, no study shows the status of brand awareness. This incompleteness needs to be remedied, preferably on an annual basis.

According to the CPSs, method awareness has improved considerably since 1983 (Table II.2.4-1). While there is no way of attributing this growth entirely to SMP, SMP nevertheless is the only organization engaged in active promotion. Hence, SMP can claim quite reasonably that most, if not all, of this success is due to its efforts. Total awareness of condoms (from 59 percent in 1983 to 75 percent in 1985) has been particularly impressive and, of significance, most of the growth is in unprompted awareness. In commercial marketing this is a number one priority. Awareness of the pill was already at a high level, but there has also been a major shift in unprompted awareness.

Table II.2.4-1

METHOD AWARENESS

	Unprompted		Total Awareness	
	1983	1985	1983	1985
Pill	74.5	92.1	94.1	98.6
Condom	23.0	39.2	59.0	75.5
Vaginal methods	6.5	7.0	19.4	26.3

Source: CPS [14 and 16].

Although the overall levels of awareness are high, there are important demographic variations particularly for condoms. It is the never educated/less than primary educated women who are considerably less well informed. It is also these groups who have lower contraceptive prevalence. Thus, while SMP is achieving its objective generally, it needs to direct attention to the least accessible groups. In addition, it needs to measure its success not simply in toto but relative to specific target groups.

While there are no measures of brand awareness, the Motivation Campaign tracking study does look specifically at advertising and brand recall. Clearly, brand awareness and advertising awareness are not necessarily related but, in the absence of other data, advertising awareness will give some indication of the saliency of each brand, particularly as the promotional efforts for each are not too dissimilar. Since both SMP and the private sector are involved in brand promotion, the increased awareness of family planning advertising is not wholly attributable to SMP. Nevertheless, advertising recall was considerably higher in 1984 than in 1983 (Table II.2.4-2).

Table II.2.4-2

PERCENTAGE AWARENESS OF FAMILY PLANNING ADVERTISING

	Rural		Urban	
	1983	1984	1983	1984
Males	39.7	58.7	69.5	81.4
Females	31.0	42.7	58.3	69.2

Source: Motivation Campaign [24].

SMP's brand promotional activity clearly has had some success in stimulating advertising recall (Table II.2.4-3). Two changes in particular can be noted. First, recall of Raja/Panther among rural males has increased substantially and now represents 20 percent of the total target population. Second, also among males, recall of Maya/Ovacon has increased to 29 percent.

II.2.5 Motivation Campaign Evaluation

II.2.5.1 Background. The Motivation Campaign, begun in 1983 and more recently revised, is a general umbrella aimed at promoting family planning by focusing on "resistance points" identified by qualitative studies. The campaign strategies are as follows:

- Focus on rural males.
- Stress the safety of modern contraceptives.
- Urge the target audience to listen to SMP radio program.

- o Suggest that contraceptive choice be a joint husband - wife decision.
- o Translate the benefits into personal and especially economic terms.
- o Identify family planning as "the right thing to do" and "a wise man's decision."

Table II.2.4-3

SPONTANEOUS ADVERTISING RECALL - ALL RESPONDENT BASE

	Males				Females			
	Rural		Urban		Rural		Urban	
	1983	1984	1983	1984	1983	1984	1983	1984
Maya/Ovacon	10.3	29.1	30.5	31.7	7.5	13.2	24.3	30.3
Ovostat/Pill	2.5	7.6	9.5	23.1	5.6	18.8	8.9	19.9
Raja/Panther	4.4	20.3	20.0	28.6	6.6	11.1	15.7	26.9
Condom	3.9	14.0	10.0	18.1	1.4	13.2	8.5	11.9
Joy	1.5	4.7	15.8	14.1	1.9	6.0	9.4	13.9

Source: Motivation Campaign [24: Table 6.3].

Mitra and Associates were commissioned to conduct a pre-launch benchmark study and, subsequently, two tracking studies that would focus on these issues. Only the results of first tracking study are currently available. The second follow-up had not been published at the time of the consultancy, but a preview showed continued success. The campaign was officially launched on April 15, 1983. Since fieldwork for the benchmark study extended from April to May 1983, it was not possible to identify a precise pre-launch situation, and any impact of the campaign that could be discerned would be minor. This situation is to be regretted. It is recommended that future benchmark studies should be completed (field work at least) before a campaign is launched. The contamination of the benchmark data, however minor, has the effect of understating the real campaign impact.

II.2.5.2 Campaign Effectiveness re: the Safety Issue. Among rural males (the key target group), the proportion reporting that modern contraceptives were unsafe dropped from 15.2 percent in 1983 to 7.0 percent in 1984 (Table II.2.5-1). This result is statistically significant at the 95 percent level. A similar pattern emerges for urban males. Among

females, both rural and urban, the proportion reporting "not safe" declined (dramatically so in urban areas), but there is an unexplained phenomenon of an increasing proportion of "unsure."

Table II.2.5-1

OPINION ABOUT SAFETY OF MODERN CONTRACEPTIVES
(percents)

	Males				Females			
	Rural		Urban		Rural		Urban	
	1983	1984	1983	1984	1983	1984	1983	1984
Not safe	15.2	7.0	18.4	10.6	17.8	13.7	19.1	2.0
Unsure	23.5	16.9	16.8	11.1	16.4	22.6	8.1	15.1
Safe	61.3	76.2	64.7	78.4	65.7	63.7	72.8	82.9

Source: Motivation Campaign [25: Table 5-1].

II.2.5.3 Campaign Effectiveness re: Stimulating SMP Radio Program Listening. The frequency of listening to SMP programs increased considerably in each subgroup between 1983 and 1984 (Table 2.2.5-2). Among the key target group, rural males, those listening five or more times in the previous six months increased from 41.1 percent to 60.8 percent and among urban males the increase was from 52.1 percent to 67.5 percent. In addition, the campaign so far has made substantial inroads in providing opportunities to see/listen to programs (OTS). On average, rural males who claimed to have listened in the previous six months, listened to 5.2 programs in 1984 (the "5+" category in the tables assumes a value of 7). The overall OTS based on all rural males was 2.4 in 1984 compared with 2.0 pre-launch. All secondary target groups show creditable improvements in OTS (Table 2.2.5-3).

Table 2.2.5-2

PERCENTAGE LISTENING TO SMP RADIO

	Males				Females			
	Rural		Urban		Rural		Urban	
	1983	1984	1983	1984	1983	1984	1983	1984
Past 6 months listener	46.8	46.0	63.7	60.3	18.8	22.6	44.7	39.3
Ever listen but not 6 months	6.9	8.7	8.9	13.6	7.0	10.3	13.6	22.9
Never listened	46.3	45.3	27.4	26.1	74.2	67.1	41.7	37.8

Source: Motivation Campaign [25: Table 7-4].

Table 2.2.5-3

OPPORTUNITY TO SEE/LISTEN SMP RADIO
(in numbers of programs)

	Males				Females			
	Rural		Urban		Rural		Urban	
	1983	1984	1983	1984	1983	1984	1983	1984
Average OTS: 6 months listeners	4.3	5.2	4.9	5.6	4.1	6.2	4.7	6.5
Average OTS: overall	2.0	2.4	3.1	3.4	0.8	1.4	2.1	2.6

Source: Motivation Campaign [25: Table 7.5].

II.2.5.4 Campaign Effectiveness re: Joint Decision-making. Two issues were involved in the campaign objective: to stimulate discussion and to focus the discusion on methods. The survey shows that the campaign has provoked males into discussions with their wives, but the reverse appears to be the case with females (Table II.2.5-4). While the topic areas under discussion tend to be of a general nature, there is a clear move toward more method-related discussion. The use of condoms has

been most noticeably discussed with increasing frequency among rural males though the change is only statistically significant at the 90 percent level.

TABLE II.2.5-4

INTERSPOUSAL DISCUSSION OF FAMILY PLANNING METHODS
(percents)

	Males				Females			
	Rural		Urban		Rural		Urban	
	1983	1984	1983	1984	1983	1984	1983	1984
Discussed in general	33.8	44.2	48.4	57.8	31.5	29.1	50.6	45.3
Use of pill	4.9	5.8	9.5	13.1	6.1	9.8	16.3	15.9
Use of condom	1.5	4.6	3.1	4.0	0.5	1.7	3.4	6.5

Source: Motivation Campaign [25: Table 7.7, males; Table 7.8 females]; Table 7.8 percentaged to all-respondent base.

II.2.5.5 Campaign Effectiveness re: Benefits Derived. The campaign focused primarily on the economic benefits of family planning. Because this notion was well instilled before the campaign, it is difficult to judge the impact of the campaign. Nonetheless, among males at least, the campaign appears to have reinforced the idea (Table II.2.5-5). Among rural males, meanwhile, the issue of family welfare has become more prominent.

Table II.2.5-5

PERCEIVED BENEFITS OF FAMILY PLANNING
(frequency of response)

	Males				Female			
	Rural		Urban		Rural		Urban	
	1983	1984	1983	1984	1983	1984	1983	1984
Economic benefits	61.0	68.6	59.9	67.1	67.1	61.5	68.2	65.9
Family welfare	49.8	61.7	64.7	67.1	64.9	56.7	74.4	76.3
Health benefits	15.0	14.9	23.7	31.1	31.1	32.8	30.2	44.8

Source: Motivation Campaign [25: Table 3.4].

II.2.5.6 Campaign Effectiveness re: Main Messages. Current levels of awareness have been compared with pre-launch (rather than 1983), which is assumed to be zero. On its face, each campaign message has a high recall, especially among men (Table II.2.5-6). There is no evidence, however, to suggest that the messages may be relevant or credible to those who hear them. The questions about message recall come at the end of the interview and considerable conditioning effect is likely. Thus respondents appear to relate each theme to what it is supposed to mean. While prompting (i.e., showing the messages) produces high levels of awareness, spontaneous (i.e., without prompting) recall is low. This casts some doubt on the validity of the measurement.

Table II.2.5-6

RECOGNITION OF CAMPAIGN MESSAGE
(rate of recognition)

Message	Males		Females	
	Rural	Urban	Rural	Urban
"Ignorant tales from ignorant people"	47.7	65.8	32.5	61.2
"Do the right thing"	45.3	58.3	29.5	58.2
"I was a fool but now I am a wise man"	50.0	67.3	32.1	63.2

Source: Motivation Campaign [25: Tables 6.7, 6.8, 6.9].

II.2.6 Product Development

The Cooperative Agreement calls for "if warranted, the further development of the products and services offered by SMP." This review has been limited to the currently provided family planning products. It is understood, however, that SMP is studying the desirability and feasibility of adding injectables to the products it distributes. At this juncture all that can be said is that the classic marketing approach is first to identify the need and then to provide the product to fulfil that need. In the context of the marketing of contraceptives, need is evidenced by low prevalence and frequently expressed dissatisfaction with available methods.

SMP is not involved in product development in the literal sense. The products it markets are provided by USAID. There appears to be some flexibility since Joy was sought out by SMP and it was able to incorporate its own labeling. Another example is an investigation aimed at buying an up-market condom on the open market and marketing it at viable prices.

For the most part, however, product development has been limited to packaging. In this respect, it appears that the appropriate pre-testing of the design has been undertaken. There have been some problems, however. For example, the current Maya pack has been on the market for four years, but prior to that it went through five revisions. Clearly, brand identity requires continuity, and thus the testing of packaging is a very important element.

One major problem with the pill packaging is that the blister pack is clearly identified as Noriday (Maya) or Norminest (Ovacon) and that the stick-on label is a very unprofessional manner of presentation. Clearly, a user who realizes that Noriday is provided free by the BDG program may feel she is being cheated or the product is being misrepresented. From a marketing point of view, efforts should be made to investigate receiving supplies from the United States that have are "properly" labeled Maya and Ovacon.

A further area for research is to look at Majestic packaging. The internal plastic wrap (designed by SMP) bears no relation to the external pack. The external pack was used primarily to exploit a marketing advantage derived from the image and perception of an earlier product (Gents). This short-term approach is unfortunate since the user will be looking for compatibility and could possibly think that the "incorrect" products have been put into the external pack.

III. THE MANAGEMENT FRAMEWORK

III.1. Distribution Policy

III.1.1 Issues

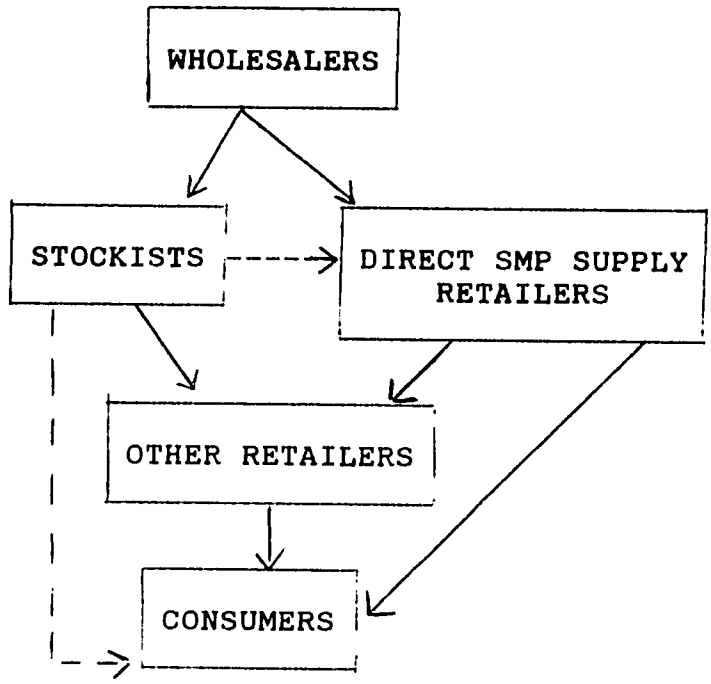
From the outset, expansion of the distribution system has been a cornerstone of SMP, and to some extent, this has created an environment in which distribution has become an end in itself rather than a means to an end (i.e., increasing prevalence, which of course, was the goal of the overall FPSP, not specifically that of SMP). The current discussion revolves around whether SMP has achieved its distribution objectives and, for future planning, whether the current distribution strategy is appropriate to the revised objective of increasing distribution and sales.

III.1.2 Distribution Network

It is often the case that the planned distribution network is far different from the actual network. Although any social marketing operation is by its very nature nonprofit, it must be remembered that the key links in the marketing chain have a decidedly profit-related orientation. For example, if a retailer normally supplied directly by the sales representative (SR) finds himself out of stock, he will get resupplies from a stockist or another retailer. The primary and secondary links are shown below, but even this graphic representation conceals a considerable amount of stock movement. For example, stockists supply stockists, direct retailers supply direct retailers, and other retailers supply other retailers.

Thus, SMP records of SRs' daily call records (DCR) give no real indication of the number of outlets retailing SMP products. In fact, the number of retail outlets reported by SMP (126,800) considerably overstates effective distribution. By way of illustration, it can be said that the 6,500 stockists (SMP's figure based on cumulative contacts) would each need only 20 retailers on their books to yield a total of a further 130,000 retailers. Preliminary discussions with stockists indicate that they find it impossible to give figures regarding their buyers. Even if they could, they could not distinguish between retailers who rely entirely on them and those who normally or even occasionally are supplied through the SRs. In addition, individual retailers may (and almost certainly do) deal with more than one stockist. Hence, stockist-derived figures would double-count the number of retailers.

DISTRIBUTION FLOWCHART



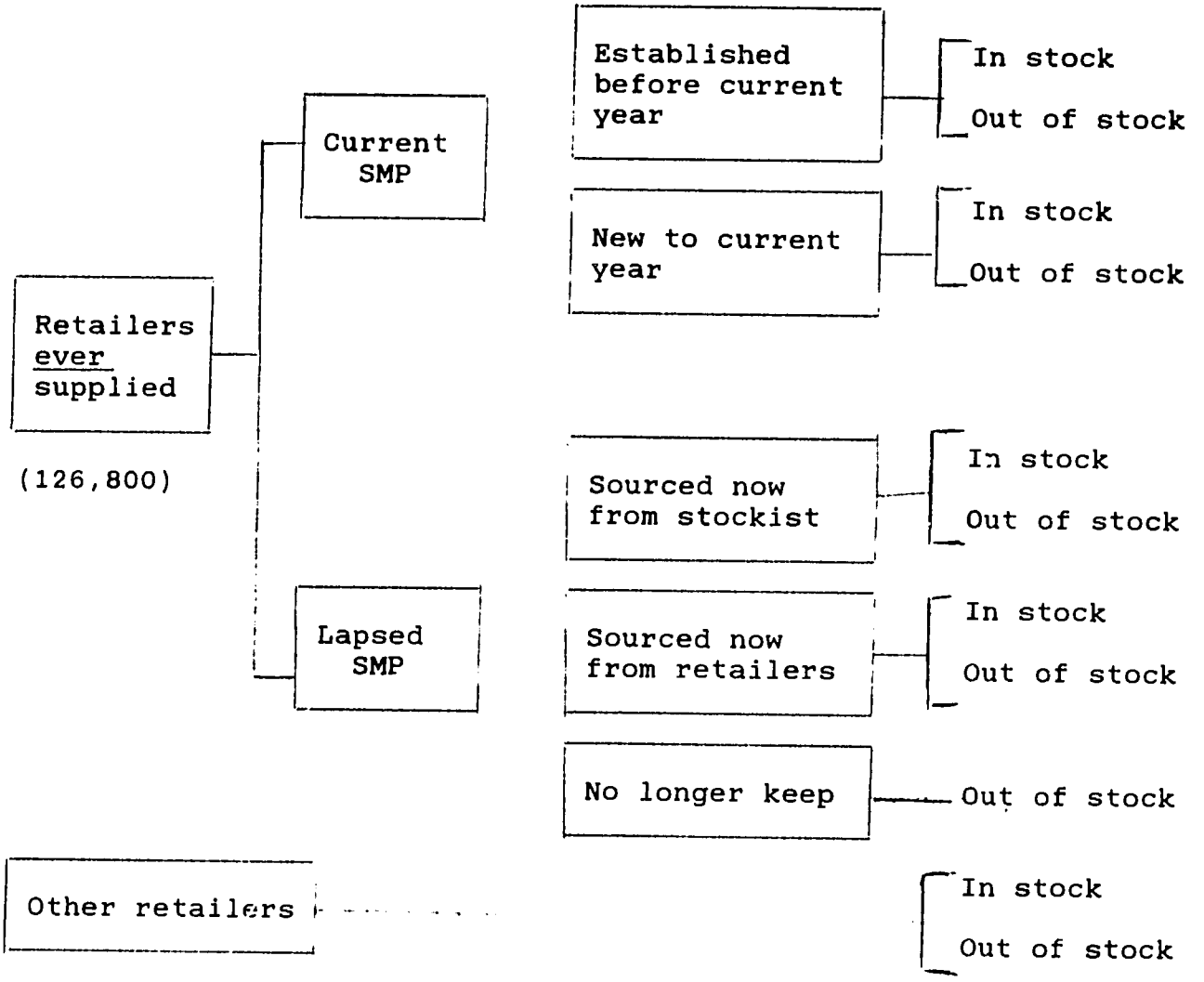
KEY:

_____ Primary route
---- Secondary route

The 1984 Cooperative Agreement set SMP an objective of increasing the retailer distribution network from 107,000 to 120,000 outlets, an increment of 13,000 new retailers. According to SMP monitoring procedures, this objective has been achieved. A close look, however, at the 126,800 published figure shows that it has little value. The figure is simply an historical accumulation of retailers ever stocked since 1976. Thus, it bears no relation whatsoever to those retailers who could currently be classified as SMP retailers. The situation is best illustrated graphically (see next page).

III.1.3 Proposed New Method for Counting Retailers and Stockists

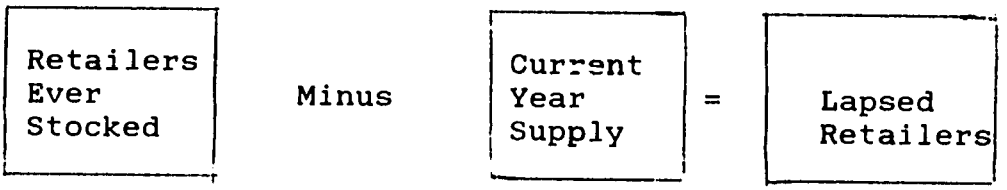
While it would be impossible to monitor activity within the designated groups shown above, it is very important that management be aware of the limitations of the information currently provided. The only accurate data are the number of new placements in a given year. This situation should be remedied as a matter of first priority. It is recommended that at the



beginning of each fiscal year, the number of current retailers should revert to zero and then be counted cumulatively for the year (ensuring that repeat-order retailers are not double-counted). The method is illustrated below.

October 1	Current SMP retailers = 0
End October	Retailers with effective calls (X_1)
End November	Retailers with effective calls (X_1) plus new retailers with effective calls (X_2)
End September	Total retailers with effective calls in year ($X_1 + X_2 + \ldots + X_{12}$)

At the same time, the current monitoring of retailer distribution would continue and thus it would be possible to maintain a record of lapsed users, as shown below.



Once this procedure has been implemented, at the start of the second year of operations, a system would have to be designed that further categorized retailers into those who had been established in the previous year and those who were completely new. By the end of the first year, management would have a reasonable picture of how many retailers (the same procedure also applies to stockists) are currently stocked by them. In usual marketing terminology, distribution means "in stock." Even the revised management information system (MIS) does not give a figure for the number of stockists currently with SMP products in stock. The only effective measure would be either a simple distribution check or a full-scale retail audit. It is recommended that if the retail audit proves to be non-viable, SMP should mount a twice yearly distribution check.

It should be noted that SMP is currently revising its MIS using a computerized system of sales record keeping. It is important that the new system provide accurate information about the distribution network supplied by SMP, utilizing a method similar to that described above.

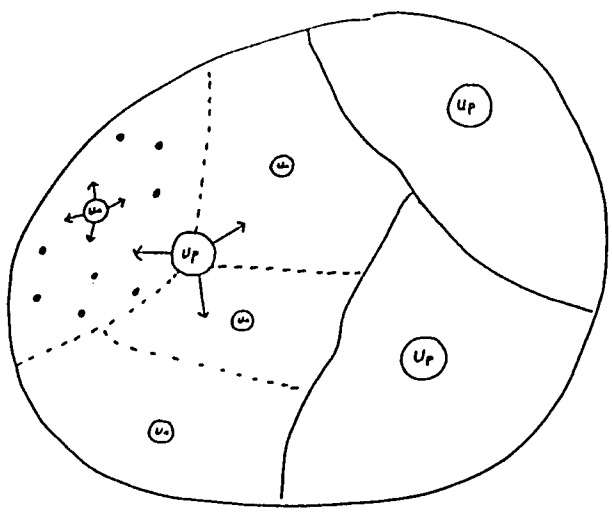
Assuming the system can identify lapsed users, it would be possible to investigate the reasons for dropping out. For example, are they obtaining supplies from elsewhere and, if so, why? Do they no longer stock SMP products and, if not, why not? This information can be critical to understanding poor performance in certain areas or to retailers' incentives and so on. Thus, simply showing figures relating to additional new retailers without similar information about drop-outs is misleading. They may in fact compensate for each other to the extent that the net change is zero. At the moment, SMP has no quantitative idea of the relationship between the two.

III.1.4 Effectiveness of Retail Outlets vs. Stockists

Another important consideration is gaining an understanding of the effectiveness of the retail outlet. This has never been attempted, although the cost-effectiveness of the small outlets is certainly at issue. For instance, is there a minimum level of sales below which the cost of servicing the outlet becomes prohibitive? Should SMP concentrate its resources on the most effective retailers (a possible interpretation of the Oot recommendation)? The way SMP products percolate through the trade tends to mean that demand will stimulate the supply even if SMP is not directly involved. Should in fact SMP rely on market forces, depending on outlying retailers to travel to supply points (stockists) and ensuring only that those supply points are covered (see Figure 2)?

FIGURE 2

SCHEMATIC REPRESENTATION OF SALES TERRITORY



Key = upazila (district)
Un = union (sub-district)
= village

Two studies (the SMP Retailer Study [27] and the Condom Distribution Channel Study [26]), while not primarily designed to measure sales per outlet, do nevertheless provide some valuable data (Table III.1.4). The fact that the Retailer Study was limited to retailers at the upazila level tends to give a higher-than-average reading for rural areas. What is particularly significant is that two-thirds of rural retailers sell less than 2,400 pieces per year (equivalent to less than two 4-pack Rajas per day).

Table III.1.4

AVERAGE SALES PER OUTLET TYPE

	Retailer Study		Distribution Study	
	Urban	Rural	Retailers	Stockists
Mean number of condoms:				
Per month	358	263	452	1,460
Per year (rounded)	4,300	3,150	5,400	17,500
Percentage distribution:				
1,200 per annum	15.0		24.7	
1,200-2,400	34.3		43.5	
2,400-3,600	16.0		13.4	
3,600-4,800	8.3		6.3	
4,800-6,000	6.7		3.4	
6000+	19.7		8.6	

Sources: SMP and Condom Distribution Channel Study [26].

If it is assumed that most stockist sales ultimately are channeled through retailers and if the average annual sales per retail outlet are about 1,900 (rural median value derived from Table III.1.4), then the 101 million SMP sales are achieved by an estimated 53,150 outlets. On the assumption that SMP sales staff estimate that their current retailer level is 25,000 (out of 126,800 ever), then stockists are supplying some 28,150 retail outlets.

The situation, however, is not as simple as that shown above. SMP sales are heavily skewed toward stockists. Thus, in the period July 85 - June 86, 78 percent of SMP sales of Raja were to stockists and the remaining 22 percent to retailers. This statistic suggests that 78.7 million of 1985 condom sales were to stockists and 22.3 million to retailers. Assuming that stockists supply the widest network and on average smaller retailers (estimated roughly at 1,000 pieces each), it can be further estimated that the total retailer coverage is as follows:

Retailers supplied by SMP	22.3/1,900	11,736
Retailers supplied by stockists	78.7/1,100	71,545
		83,281

III.1.5 Sales Representatives

Problems such as the ratio of stockist to retailer sales and the low volume per shop are already recognized within SMP and plans exist to assist area sales managers by providing them with more quantified data to back up their own qualitative judgment. It is understood that the computerized MIS will give a unique identifier to each recorded sale, and hence, records of current customers will be accessible. This will not, however, solve everything. More control of and documentation from the SR may be needed. SMP recognizes that because of the special requirements in social marketing, the SR cannot be left entirely to his own devices simply to maximize sales (and thereby his own income). Moreover, the SR potentially has the information to assist sales and marketing management in identifying problems. For example, he should monitor all the stockists and retailers within his territory so that at any time he can classify his customers in terms of their purchase status and record reasons for nonstocking.

All sales efforts in both the commercial and the social marketing sectors require motivation of the sales force. SMP uses a selective sales commission and special annual awards (such as for highest percentage increase). The current commission schedule is shown below.

SMP Sales Commissions as of September 1, 1986

Raja/Panther	3.00 taka per 1,296 pieces sold
Majestic	No commission
Maya	21.70 taka per 500 cycles
Ovacon	0.13 taka per cycle beyond 500(Dhaka)
	0.13 taka per cycle beyond 200(outside)
Joy	4.00 taka per 1,800 packs

While the SR has only a limited ability to promote a product, he does have an impact in that he tends to concentrate on the large purchasers to maximize his sales (and commission). The 78:22 percent sales ratio in favor of stockists described above in regard to Raja condoms is evidence of this phenomenon. SMP has stated an objective of "getting closer to the consumer" and hence increasing dealings with the retailers. This objective may or may not be desirable but, if it is, it could be accomplished in three ways:

- o Exercise more control over salesmen's calls.
- o Restrict some product lines to retailers. This strategy is currently in operation for Raja 4s.
- o Devise a sales commission system that provides more per-unit return for retail sales.

Other sales and marketing techniques need to be explored. Some have already been tried and some are speculative, but they include the following:

- o Using unqualified, rural medical practitioners and doctors as sales promoters/persuaders. (Tried)
- o Providing free samples and special offers of coupons (Planned)
- o Creating female village depot holders (Considering)
- o Using of door-to-door saleswomen (the "Avon lady" system) (Suggested)
- o Using large employers as sales points (Suggested)

III.1.6 SMP Wholesalers

SMP is currently looking at the feasibility of replacing the wholesalers with their own depots (anticipated 12 in total). In fact, the wholesalers at present simply warehouse SMP products and have no role in the subsequent distribution. SMP wishes to have more control over distribution and believes that switching to its own depots would be an improvement. There would be numerous advantages to that change, including control over cash flow, inventory, MIS requirements, and so on. Of course, administering the proposed system would add to the management burden and involve heavy establishment costs. It is assumed that SMP's investigation will result in a detailed feasibility study on which the final decision would be based.

III.1.7 Relationship of Sales to Stocks Held

Another important issue for investigation is stock turn, that is, the relationship of sales to stocks held. This is particularly important in regard to shelf life, especially for condoms. Data from the Condom Distribution Channel Study can be used to extrapolate to a total stock of 74.2 million pieces,

giving an overall stock turn of 1.4 per annum or once every 260 days (Table III.1.7). This study has been found lacking in some respects, however, and the results need to be used with caution.

Table III.1.7

STOCK TURN

	Mean Stocks	Best Estimate of Outlets	Total Stocks (million)	Total Sales (million)	Stock Turn (p.a.)
Stockists	5,115	6,500	33.2	78.7	2.4
Retailers	492	83,281	41.0	22.3	0.5
			74.2	101.0	1.4

Source: Condom Distribution Channel Study [26].

III.2 Pricing Policy

The Cooperative Agreement states that "promotion, pricing and distribution will all point to bringing contraceptives within the reach of the greatest possible number of people." This means that they have to be affordable to all. Does it also mean, however, that the price should be dictated by the purchase capability of the poorest couples? Should in fact USAID subsidize all contraceptive users or should it provide a product range geared to users at each income level paying a price they can reasonably afford? It would, of course, be unacceptable to employ a means test, whereby prices were determined by the person's status. The only viable option is to have a range of product qualities, thereby enabling the more affluent to select a better product and to pay more for it. This does, of course, raise questions concerning the ethics of limiting the poorest families to the "inferior" products.

SMP does provide a range of products that have differential pricing. The actual prices are not determined by market forces, however, and hence, little can be said or done to determine the optimum price for each product. Thus the price is important solely in the area of product positioning, to the extent that any price differential must be sufficient to permit market segmentation.

The prices shown in Table III.2-1, on a piece basis, reveal that there is well-defined pricing segmentation. Majestic and Panther are the up-market products. The situation can be confusing to the consumer, however, since the Majestic 3s are about the same price per pack as the Raja 4s. It may be necessary to replace the 3-pack with a 4-pack. Since Majestic has already been identified as a product with a packaging problem (internal and external design not compatible), this may well be an opportunity to relaunch and reposition it, especially because sales appear to have reached a plateau. Joy is priced competitively with Raja condoms. Both Maya and Ovacon have a strong competitive edge on Ovostat and Marvelon.

A major consideration in pricing is the dealer mark-up. While retailers respond to demand, they may also be motivated by the level of mark-up. In this respect, SMP products are not as profitable as those of the private sector. SMP policy is to allow for a 20-25 percent retailer mark-up (Table III.2-2). It must be remembered, however, that the absolute return derived is very small. For example, the average retailer selling 1,900 pieces of Raja would make a net profit of only 76 taka per year.

Table III.2-1

MANUFACTURERS' RECOMMENDED PRICE (MRP) SEPTEMBER 1986

	MRP per pack	MRP per piece
Raja 4	1.00	0.25
Raja 100	-	0.20
Majestic 3	1.20	0.40
Panther 4	2.00	0.50
Joy 10	2.50	0.25
Maya	1.50	
Ovacon	4.00	
Ovostat	10.00	
Marvelon	14.00	

Table III.2-2

DEALER MARGINS

	Stockist Margin Tk.	Stockist Mark-up %	Retailer Margin %	Retailer Mark-up %
Raja 4 Dispenser	-	-	4.20	42.9
Raja 100 "	0.70	4.6	4.00	25.0
Majestic 3 "	0.63	3.7	3.83	21.6
Panther 4 "	1.00	2.6	8.00	20.0
Joy 10 "	-	-	5.40	22.0
Maya per cycle	0.04	3.4	0.30	25.0
Ovacon per cycle	-	-	0.80	25.0
Ovostat per cycle			2.00 (Est.)	
Marvelon per cycle			4.00 (Est.)	

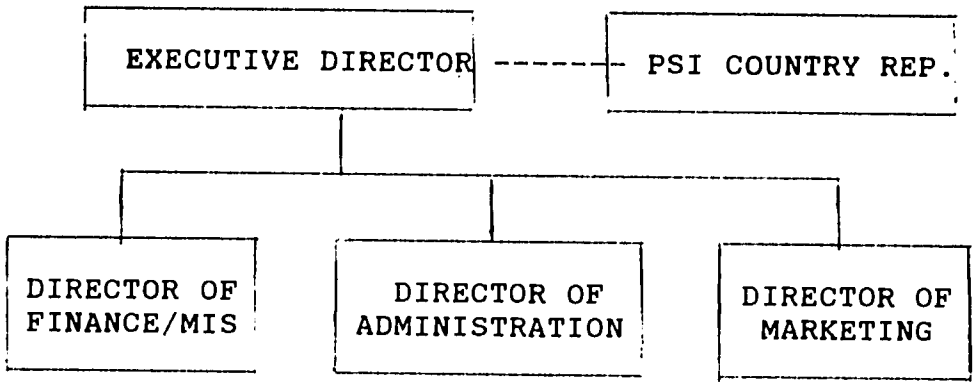
Even a cursory examination of the marketplace shows that retailers do not conform with the MRPs despite their being printed on the packet. Prices are dictated by what the market will bear and by upgrading retailer margins. Neither SMP nor the private sector has any control over the MRP, which is only enforceable at the manufacturer level. The extent of the price differentials is difficult to gauge, but some information would help in understanding more about retailer margins. No systematic investigation is needed, however.

III.3. Management Structure

According to the Cooperative Agreement, "it will be the responsibility of PSI to consult with SMP management where appropriate to see that the program is successfully executed (sic) to the goals." The interaction and effectiveness of PSI and SMP are key to success. The decision-making process is not overly clear, and the organizational chart does not entirely resolve the issue (see below). Most decisions are reached by consensus. This is a desirable objective, but circumstances arise when consensus cannot be reached and a single decision is needed. When a decision by consensus is not reached, the resolution takes one of two forms. First, on operational matters, the SMP executive director, supported by three senior

managerial staff, is responsible for the final decision. Second, because of PSI's contractual obligations, if the decision involves donor policy and/or requirements, PSI makes the decision.

SMP ORGANIZATIONAL CHART (SENIOR MANAGEMENT)



Since June 1986, an Executive Committee consisting of the PSI Country Representative, the SMP Executive Director and the three departmental directors has met on a regular basis. This group acts as a board of directors and reviews progress, research, problems, and so on. It is currently chaired by the PSI Representative. Decisions are reached by discussion, but it is assumed that the views of the PSI Representative and the SMP Executive Director prevail.

Although the system appears to be working fairly well, it should be formalized and regularized. The recommendations that follow would contribute to a more structured management arrangement. As a start, the Executive Committee meetings should be convened on a regularly scheduled basis (monthly?) and, when appropriate, on an extraordinary basis. An agenda should be established and include discussion of "any other business." The decisions reached and action required (naming the principal responsibility for that action) should be minuted. These minutes need not record all the issues or opinions raised but solely the decisions. One member of the committee should be nominated as the minute taker. The minutes should be circulated to each member within two days and a proper minute book maintained. Decisions that should be minuted would include price and acceptance of research bids, actions determined as a result of research, and decisions regarding progress monitoring. The Executive Committee acts primarily to ensure that project

objectives are achieved and, hence, the minutes should also include year-to-date and target information. Consideration should be given to providing the USAID Project Director with a copy of the minutes.

Another laudable innovation since June 1986 has been the convening of weekly departmental meetings that include the sales, planning, finance, and advertising managers. These ensure that both the Executive Director and PSI Country Representative are kept fully informed of progress and problems as they occur. Again, it is recommended that decisions and actions be minuted.

It is clear that the lines of communication between PSI/SMP and USAID need to be formalized. USAID has set objectives, and it should be kept informed of both progress and problems. Without a formal system, USAID is unable to keep in touch with the innovations and progress being made. It is recommended that quarterly meetings be convened of the PSI Country Representative, the Executive Director, and the USAID Project Director. Such meetings will help ensure that the program progresses in a spirit of cooperation and that all parties are able to express doubts and uncertainties in a congenial environment.

To ensure that SMP's specific objectives are achieved, the SMP management should formulate a monitoring and evaluation program, which would be incorporated in the Project Document. SMP must also be able to respond rapidly to the ever increasing amount of data from the MIS. To this end SMP should hire a sales analyst, whose function would be to scrutinize the detailed sales performance and produce a lucid account of activities and action-oriented recommendations for management consideration. In a similar vein, the newly appointed research manager should review all SMP research and produce a management summary that is not simply descriptive but that sets out <u>what the implications are</u> in terms of business development. The research manager should be alerted to the need to look for results that are unexplained and need more research. These innovations would give the management the concise data needed to enable it to function more effectively in its decision-making and business development capacity. Management must anticipate problems rather than only respond to them.

III.4. <u>Marketing Plan</u>

It is generally accepted that there are three key ingredients to successful marketing. Each is equally important;

weakness in one can never be entirely counterbalanced by strength in another. The three are

- o a product that is oriented to customer needs and wants,
- o a marketing organization that is effective in bringing together the product and the customer, and
- o a marketing plan that identifies strategies and responsibilities for implementing action programs to achieve desired results.

SMP's 1986 Marketing Plan addresses itself to the issues and is a significant improvement over earlier plans. It is not proposed in this review to comment on the specific components of the plan since the reassessment objective is to look at the organization at the macro rather than the micro level. It is assumed here that those recommendations ultimately incorporated in the Project Document will also be incorporated in the marketing plan.

There follow, however, some observations about the marketing plan:

1. **The distinction between overall and brand strategies is not always clear.**

2. **Sales targets are clearly defined by volume, but the market-share targets shown are inappropriate.** A market share is the brand share of the total market, not just the relative share of an SMP brand against all other SMP brands. Even in social marketing, the organization needs to have a clear understanding of changes in the competitive situation.

3. **Achievement targets need to be set for each target group.** It is not sufficient simply to give the total size of the target audience. A clear statement of current penetration and target penetration is needed. It is accepted that, under current circumstances, details about the target groups are inadequate. This is a further justification for the market segmentation survey and the annual tracking survey.

4. **If greater promotional emphasis is to be placed on oral contraceptives (and there is some doubt about the validity of this), is it sufficient just to monitor sales?**

SMP has achieved an organizational size and product diversity that would justify a detailed consideration of brand management and corporate identity. In a large commercial operation, the Marketing Director is normally assisted by brand managers, whose roles are specific to the brand or brands under their domain. This arrangement is appropriate because each brand or product line has its own target groups, its own strategies, its own promotion, and so on. SMP now has seven product/brand variants in the market and, judging by the marketing plan, each has a wide diversity in approach. Consideration should be given to appointing product/brand managers for the following:

- Condoms: Raja, Majestic, Panther, and others
- Oral contraceptives: Maya, Ovacon
- Other contraceptive products: Joy, injectables
- Mother and child health: Birth kits and ORT

A second, longer term issue would be whether SMP shoul seek to develop its own corporate identity. This has been developed to some extent through SMP radio programs and the use of vehicles with brand logos. Increasingly, corporate image has become a major objective for businesses in general--and for a variety of reasons that also apply to the social marketing environment:

- the importance of public relations--establishing the right relationships with governments, pressure groups and local communities; this aspect is particularly important for social marketing;

- the realization of the importance of good relations with the channels of distribution;

- the importance of fostering consumer loyalty to the corporate range, e.g., to ensure that brand switching is within SMP brands and that method switching is within SMP methods; and

- the need to promote new ideas, services, and products linked to an established image.

In short, creation of a corporate image involves the development of packaging, promotion, motivation, and so on that conform to a corporate umbrella. The simplest method is to have a corporate logo common to all products offered. This may or may not be the most salient part of the visual display. Another method is consistency in packaging. For example, condom brands should be

in the same pack type, possibly with a common design feature (colored strip), and have the SMP logo (but also have the brand identification distinctive). Another innovation would be to ensure that all the company vehicles have identical colors and displays of the corporate logo as well as all of the brand logos.

IV. REVISED GOALS, OBJECTIVES, AND INFORMATION NEEDS

The overriding goals and objectives have been set out in the Cooperative Agreement Amendment 2, dated 1986. In general, they are nonspecific and should be translated into operational terms. Thus, the outcome of this assessment has not been to change the goals or objectives, but to articulate them in detail so that they become a series of verifiable, and in some cases quantifiable, indicators.

The operational objectives are categorized below, using the subsection headings used in the 1984 Cooperative Agreement Attachment 1, paragraphs B4 and B5. Each is treated under three headings:

* THE ISSUE: This identifies the problem or the option.
* THE OBJECTIVE: This defines the precise operational objective.
* THE INFORMATION NEEDS: This recommends, where applicable, the monitoring procedure either through the MIS or survey research.

This summarization is based on the detailed review reported in Sections II and III and must be read in conjunction with it. In addition, some recommendations, which are not translatable into objectives, are to be found in Sections II and III.

IV.1 Distribution

THE ISSUE: The current system of reporting the total number of stockists/retailers by the cumulative-ever-stocked method serves no real purpose and is misleading.

THE OBJECTIVE: To provide management with an accurate and up-to-date count of the number of outlets currently supplied by SMP to permit an accurate tracking of trends in the overall distribution and an appropriate response.

INFORMATION NEEDS: These data should be provided within the planned MIS system.

THE ISSUE: How to bring contraceptives within reach of the greatest possible number of people in urban and rural Bangladesh.

THE OBJECTIVE: To maximize retail outreach, at least one stockist will be established in each market identified as a commercial center serving the surrounding rural area. Many of these markets will be located at the union headquarters, although some unions will not have such a market and other unions will have more than one.

INFORMATION NEEDS: A preliminary listing of all such markets will be required. Performance against targets will then be monitored within the MIS.

THE ISSUE: Whether to continue to utilize the private wholesalers, who currently provide warehousing only.

THE OBJECTIVE: To ensure that the primary channels are serviced in the most efficient and cost-effective manner and in such a way as to give management more effective control.

INFORMATION NEEDS: The results of the feasibility study in regard to the viability of SMP-owned depots. It may be necessary to involve a management consultant in this in-house evaluation.

THE ISSUE: Lack of information on distribution, particularly current in-stock levels, and on actual consumer sales (purchases) as differentiated from sales to the trade (consumer off-take).

THE OBJECTIVE: To provide management with reliable retailer in-stock cover data and consumer off-take at all levels of distribution.

INFORMATION NEEDS: A retail audit (currently being pilot tested) can provide information on both distribution and sales. A distribution check is an alternative and less technically problematical.

IV.2. Sales Force

THE ISSUE: Sales management finds it difficult to have effective control of the expansion of the retail base. The base is currently governed primarily by the SR, who is motivated by his sales commission rather than by an interest in increasing the availability of contraceptives.

THE OBJECTIVE: To provide each individual SR with a detailed work plan so that management has more effective control over its distribution-level objectives.

INFORMATION NEEDS: Monitoring of performance through the MIS. To ensure that the objective is achieved to the best level of effectiveness, a consultant review is recommended.

THE ISSUE: There is no or limited feedback from the field regarding such issues as retailer drop-outs, lack of effective calls (i.e., culminating in a sale), or local issues that might affect sales (e.g., a local religious leader opposed to contraception, competitive activity, and so on).

THE OBJECTIVE: To provide management with qualitative sales intelligence to enable it to take effective action or to anticipate problems.

INFORMATION NEEDS: A standardized monthly SR report form, part of which may be quantitative (MIS) and part qualitative.

IV.3. Advertising and Promotion

THE ISSUE: Whether the Motivation Campaign is continuing to achieve its objectives.

THE OBJECTIVE: Continue with the Motivation Campaign but relaunch it with a focus on revised issues or messages.

INFORMATION NEEDS: The two follow-up studies give every indication that the campaign is successful. A further tracking study is required, possibly at the end of the revised campaign.

THE ISSUE: Whether SMP should seek to develop its own corporate identity or image.

THE OBJECTIVE: To ensure that the SMP image is salient enough to provide a backdrop from which the brand advertising can derive benefit.

INFORMATION NEEDS: This is a management decision. In the long term, growing awareness of the SMP name can be monitored in tracking studies.

THE ISSUE: According to SMP sales figures, Panther sales have been declining and action is needed.

THE OBJECTIVE: To reposition Panther so that it becomes an integral part of the SMP product mix.

INFORMATION NEEDS: A qualitative research study to identify the product pluses and negatives. This would involve a small sample of current Panther users, lapsed users, and other condom users. The study should include reference to the current pack design. Any decision on Panther needs to be based on reliable information.

THE ISSUE: The current promotional activity is not specific enough about the target audience.

THE OBJECTIVE: To direct promotional activities for each brand to a particular target group so that the message can have greater impact.

INFORMATION NEEDS: There is much scope for identifying target groups at the product level (see Section II.2.1) but a priority is the proposed market segmentation study, which will provide a much needed brand-user profile. This study would be sufficiently complex technically to require a consultant. Beyond this survey, an annual tracking survey on a quota basis is recommended. This would measure brand awareness, brand usage, and brand image and would precede the preparation of the annual marketing plan.

IV.4. Management

THE ISSUE: Inadequate documentation of decisions made and an informal approach to management and decision making.

THE OBJECTIVE: To formalize the newly instituted Executive Committee meetings and to minute decisions and action responsibility. It is recommended that the formal executive meeting be held monthly and that interim meetings be held informally. The formal meeting should also record any decisions reached at the interim meetings.

THE ISSUE: There are clear indications that the level of communication between PSI/SMP and USAID has failed to provide

USAID with an understanding of decisions and innovations being made.

THE OBJECTIVE: To formalize the communication process by instituting a scheduled quarterly meeting between PSI/SMP and USAID.

THE ISSUE: The revised MIS system will generate much sales data at a micro level. Management needs to be able to assimilate the information in a speedy and action-oriented manner.

THE OBJECTIVE: To appoint a sales analyst with the specific task of identifying and summarizing areas of concern to enable management to take effective action.

THE ISSUE: Whether the marketing management structure can be upgraded by the appointment of product/brand managers.

THE OBJECTIVE: To investigate whether the overall SMP objectives related to sales and prevalence can be improved by such an action.

THE ISSUE: Management currently lacks information regarding the competitive situation, particularly in respect to private sector marketing of oral contraceptives.

THE OBJECTIVE: To ensure that systematic market intelligence reporting is instituted that will alert management to changes in prices, promotional activity, and dealer incentives.

IV.5 Market Expansion

THE ISSUE: The approach to market expansion has been too simplistic and nonselective, based as it is solely on the overriding objective of increasing availability through increasing total outlets.

THE OBJECTIVE: To focus market expansion also on gaps in the system, especially geographic.

INFORMATION NEEDS: The objectives that SMP sets as its geographic strategy will be monitored within the MIS.

THE ISSUE: The strategy for achieving distribution has never included consideration of the cost-effectiveness of individual outlets.

THE OBJECTIVE: To define the circumstances in which a retail outlet becomes an eligible target. This may be in terms of order volume or of accessibility.

IV.6. Sales Growth

THE ISSUE: To provide a benchmark by which performance can be assessed.

THE OBJECTIVE: To set realistic and achievable sales targets for individual brands and to base market-share targets on the total market, not just on the internal SMP share.

INFORMATION NEEDS: Monthly monitoring through the MIS and the annual tracking survey.

THE ISSUE: Since the relationship between stockist and retailer sales is a policy/strategic issue, it is necessary to monitor it.

THE OBJECTIVE: To set sales targets for each type of outlet and within each geographic territory.

INFORMATION NEEDS: Monthly monitoring through the MIS.

IV.7 Product Line Expansion

THE ISSUE: Whether the current product line, either in terms of method or method variants, is adequate to achieve overall objectives.

THE OBJECTIVE: To identify a demand potential that is not satisfied by the current supply and, thereafter, to ascertain the feasibility of satisfying that demand.

INFORMATION NEEDS: Identifying unsatisfied demand is a subjective issue, but existing data sources can be used to identify particular target groups that appear to be unreceptive to current supply. When a product is made available, it should be test-marketed and thereafter rigorous post-launch testing should be conducted.

IV.8. Marketing Innovations

THE ISSUE: SMP has in the past looked at new marketing techniques that could improve awareness and usage levels. It is recommended that this exploratory research continue so long as each trial is objective and its impact measurable.

POSSIBLE INNOVATIONS

- Free promotions of both pills and condoms, followed by special-offer coupons. Impact is measured by the number of coupons received by the retailer.
- The use of female village depot holders. One option is to use retailers' wives in this capacity.
- The use of door-to-door saleswomen ("Avon lady" style).
- Collaboration with unqualified rural medical practitioners and physicians.

IV.9. Sales Incentives

THE ISSUE: The emphasis of SMP's sales is heavily weighted to stockists (nearly 80 percent), largely due to SR incentive schemes. This emphasis is not expected to remain, but when it is appropriate to sell directly to retailers, the SRs need to be controlled either by rigid call plans or by financial inducements.

THE OBJECTIVE: To ensure that SRs are motivated toward increased retailer sales, perhaps by means of differential commission rates between bulk stockist sales and small-volume retailer sales.

INFORMATION NEEDS: Through the MIS, to track the impact of any plan to increase SR sales to retailers.

THE ISSUE: Whether special incentive schemes during promotions are an effective stimulant to sales.

THE OBJECTIVE: To provide higher commission rates during the early launch/promotion period.

INFORMATION NEEDS: The effectiveness of such an approach cannot be monitored since there can be no control group (i.e., only some salesmen getting higher commissions). If the time period is limited, however, the MIS could track the change in sales.

IV.10 Contraceptive Practice

THE ISSUE: SMP data on condom sales should be translated into more accurate estimates of implied use.

THE OBJECTIVE: To base inferences about condom prevalence on the assumption that 180 condoms are required per CYP.

INFORMATION NEEDS: CYP calculations should continue to be based on sales data.

THE ISSUE: Delays caused by the pipeline between sales to retailers and stockists on the one hand and actual use on the other create a disparity between sales trends and contraceptive prevalence.

THE OBJECTIVE: To incorporate a lag approximately equal to the average time required for passage through the pipeline in efforts to estimate the effect of sales on contraceptive use. (Presently the delay appears to be about nine months, meaning that CYP figures based on sales in FY 1987 [10/86 to 9/87] will refer to the year beginning July 1988 and center on the end of CY 1988.)

THE ISSUE: The relationship between reported sales and contraceptive practice is not sufficiently precise to serve as the sole basis for monitoring SMP's contribution to the prevalence rate.

THE OBJECTIVE: To continue relying on husbands' responses in CPSs as the chief basis for verifying the CYP estimates based on SMP sales data.

INFORMATION NEEDS: Continued subsampling of husbands will be required to obtain accurate data on condom use. Further research is needed to determine whether couples should be interviewed or only husbands, since the 1983 condom user survey and 1983 CPS give conflicting evidence. If the couple sample

could be eliminated, the savings could be applied to increasing the husband sample size.

THE ISSUE: SMP is expected to play a unique role in initiating family planning use among previous nonusers of contraceptive methods in underserved (especially remote rural) areas.

THE OBJECTIVE: To pay more attention in future evaluations of SMP performance to changes in use of SMP methods in rural areas and in other subpopulations of potential users who are underserved by other sources and for whom SMP methods are appropriate.

INFORMATION NEEDS: Further analysis will be needed of urban-rural differences in the CPSs. Special questions should be added to future CPSs to determine timing and method of first contraceptive practice. Consideration should be given to following up a subsample of CPS respondents with special questions useful for SMP evaluation in particular (since the CPS is a general-purpose survey and cannot incorporate many SMP-specific questions).

APPENDIX A

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