

The USAID logo consists of the letters "USAID" in a large, bold, serif font, centered within a rectangular field of fine vertical lines.

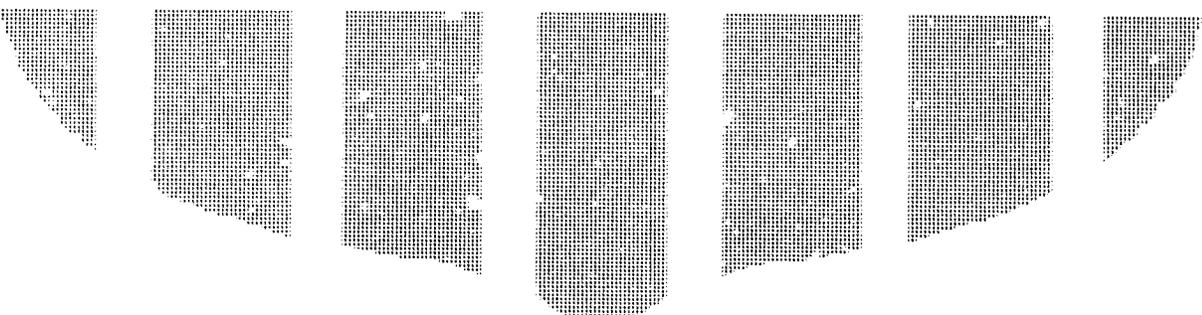
**USAID**

**MISSION TO PAKISTAN AND AFGHANISTAN**

A stylized map of Pakistan and Afghanistan is shown in the background, rendered in a halftone dot pattern. The map is centered and occupies the middle section of the cover.

**PROJECT ASSISTANCE COMPLETION  
REPORT**

**Social Marketing of Contraceptives  
(391-0484)**

The bottom portion of the USAID logo, featuring a series of vertical stripes of varying widths, set against a background of fine vertical lines.

*Submitted by Social Sector Programs Division  
March 1995*

# TABLE OF CONTENTS

	<b>Page</b>
<b>List of Acronyms</b>	
<b>I. Basic Project Data</b>	<b>1</b>
<b>II. Project Goal and Purpose</b>	<b>2</b>
<b>III. Background</b>	<b>2</b>
<b>IV. Project Components</b>	<b>5</b>
<b>A. Marketing and Distribution of Condoms</b>	<b>5</b>
<b>B. Oral Contraceptives</b>	<b>6</b>
<b>C. Research</b>	<b>6</b>
<b>D. Technical Assistance</b>	<b>7</b>
<b>E. Training</b>	<b>7</b>
<b>F. Evaluation</b>	<b>7</b>
<b>V. Inputs</b>	<b>8</b>
<b>VI. Project Accomplishments</b>	<b>10</b>
<b>A. De-sensitization of Condom on a National Basis</b>	<b>10</b>
<b>B. Sathi became a generic name for a condom in Pakistan</b>	<b>11</b>
<b>C. Sathi Distribution Coverage</b>	<b>11</b>
<b>D. High Sathi Sales Volume</b>	<b>12</b>
<b>E. Increase in Condom Usage</b>	<b>13</b>
<b>VII. Lessons Learned</b>	<b>14</b>
<b>VIII. Sustainability</b>	<b>15</b>

**Appendix A - List of Research Studies**

## **LIST OF ACRONYMS**

<b>CPR</b>	<b>Contraceptive prevalence rate</b>
<b>CYP</b>	<b>Couple-year-of-protection</b>
<b>GOP</b>	<b>Government of Pakistan</b>
<b>IUD</b>	<b>Intra-uterine device</b>
<b>KfW</b>	<b>A German donor agency</b>
<b>LOP</b>	<b>Life of Project</b>
<b>MIS</b>	<b>Management Information System</b>
<b>MPW</b>	<b>Ministry of Population Welfare</b>
<b>OC</b>	<b>Oral Contraceptive</b>
<b>PACD</b>	<b>Project Assistance Completion Date</b>
<b>PC-1</b>	<b>GOP's project document (equivalent to USAID's Project Paper)</b>
<b>PDHS</b>	<b>Pakistan Demographic Health Survey</b>
<b>POS</b>	<b>Point-of-sale</b>
<b>PP</b>	<b>Project Paper</b>
<b>PSI</b>	<b>Population Services International</b>
<b>PTA</b>	<b>Perpetual Trade Audit</b>
<b>SMC</b>	<b>Social Marketing of Contraceptives</b>
<b>TA</b>	<b>Technical Assistance</b>
<b>USAID</b>	<b>United States Agency for International Development</b>

< /

**PROJECT ASSISTANCE COMPLETION REPORT**  
**SOCIAL MARKETING OF CONTRACEPTIVES (SMC)**

**March, 1995**

**I. BASIC PROJECT DATA**

<b>Project Title and No.</b>	<b>Social Marketing of Contraceptives (SMC)</b> <b>391-0484</b>
<b>Date of Authorization:</b>	<b>March 28, 1984</b>
<b>Date of Original Agreement:</b>	<b>March 31, 1984</b>
<b>Original PACD:</b>	<b>September 30, 1989</b>
<b>Revised PACD:</b>	<b>March 31, 1994</b>
<b>Amount Authorized:</b>	<b>\$45,000,000</b>
<b>Amount Obligated:</b>	<b>\$28,000,000</b>
<b>Amount De-obligated:</b>	<b>\$ 2,992,989</b>
<b>Net Obligation (as of 12/31/94):</b>	<b>\$16,586,459 - DA</b> <b>\$ 8,420,552 - ESF</b> <b>\$25,007,011 - Total</b>
<b>Amount expended:</b> <b>(as of 12/31/94)</b>	<b>\$24,895,937</b>
<b>GOP Implementing Agency:</b>	<b>Ministry of Population Welfare</b>
<b>Contractors:</b>	<b>Woodward Pakistan (Pvt) Limited</b> <b>Population Services International (PSI)</b>
<b>USAID Project Officer:</b>	<b>Altaf Ahmad</b>

## **II. PROJECT GOAL AND PURPOSE**

### **A. Goal**

To reduce the rate of natural population increase as part of the goal of achieving national, social and economic development.

### **B. Purpose**

To increase contraceptive usage by promoting family planning and expanding the availability of contraceptives through the private sector.

## **III. BACKGROUND**

### **A. Overview of Pakistan's Population Program and the Development of the SMC Project**

Pakistan has a long and varied history of supporting and implementing population programs since the early 1950s. Concerns had been expressed in country's successive Five-Year Development Plans about rapid population growth and provisions were made to support a family planning program to deal with the problem. Different approaches and strategies were used during each plan to promote the concept of a small family norm and to encourage the use of modern methods of family planning. These strategies varied in design, coverage, outreach, supervision and guidance. However, the past decades have been characterized by a lack of consistent political support and commitment and frequent changes in the administrative set-up within the Government of Pakistan (GOP) which, coupled with social and cultural constraints rendered national population program in-effective in providing family planning services. The result was that contraceptive prevalence rate (CPR) remained lowest in subcontinent and far below the expectations and goals of Pakistan's population program.

It was for this reason that in 1980, in order to increase contraceptive prevalence, the GOP adopted a multi-faceted approach to revitalize its population program. This approach emphasized the need for multi-sectoral involvement, community participation, firm political commitment, improved administrative capabilities, more effective communication strategies and involvement of non-governmental organizations and the private sector in the delivery of family planning services. Consistent with this approach, the GOP in its Sixth Five-year Plan (1983-88) included a program to launch the social marketing of contraceptives project for promoting the use of family planning and expanding the availability and accessibility of modern methods of contraceptives through the private sector. This program was to complement and supplement the efforts of public sector population program in reducing population growth rate.

## **B. Details of the SMC Project**

The project was initially authorized in March 1984 for a five-year period with a life of project (LOP) funding of \$ 20 million. Specific objectives of the original project were to: (1) increase the number of retail outlets which stock condoms or oral contraceptives (orals) from the currently estimated 27,000 to at least 54,000; (2) distribute at least 209 million condoms and 10.6 million cycles of orals; (3) provide at least 2.1 million couple-year-of protection (CYP); and (4) avert about 450,000 births.

In 1985, the GOP's Ministry of Population Welfare (MPW) competitively awarded a 4-year contract to W. Woodward Pakistan (Private) Limited, a private-sector firm dealing in the manufacturing and marketing of child-care products, for condom marketing and distribution under the SMC Project. Likewise, at the same time, USAID directly contracted with Population Services International (PSI), a US-based non-profit organization dealing in social marketing projects around the world, for technical assistance. The organization and management of the project involved five entities: the MPW, USAID, PSI, Woodward and the National Development Finance Corporation (NDFC), a quasi-independent organization hired by the Ministry of Population Welfare to act as financial consultants on its behalf. In addition, an SMC Advisory Board, headed by a Federal Minister with members drawn from various ministries was constituted by the GOP to review project progress, approve marketing plans and provide policy guidelines. By 1989, however, this Board had proved so unworkable that it was replaced by an SMC Executive Committee headed by Secretary//MPW with members from USAID, PSI and Woodward.

Although major contracts were signed in late 1985, actual project implementation was delayed by one year as a result of protracted GOP approval of its project document called PC-1. During the first year of project implementation, preparations were made for launching SMC Project condom "Sathi" (meaning companion), on a nation-wide basis. A number of research activities were undertaken and the first marketing plan was developed and approved. The test marketing of Sathi was carried out in two selected districts (Tharparkar in Sind and Sargodha in the Punjab provinces) during September through December 1986. The test marketing experience was highly successful and the very encouraging results enabled the project to launch Sathi nationally in a swift manner.

Heavy trade promotion activities were carried out during the Sathi launch period. Included were point-of-sale advertising through Woodward's sales force (40 sales officers and 4 area sales managers) and use of mass media activities including radio spots, press ads, cinema film and a TV commercial during 1987-88. Except for TV commercial which was not brand-specific, all other media prominently carried Sathi brand-name and the logo.

A mid-term external evaluation of the project was conducted in 1988. It concluded that the project was making excellent progress towards achieving its objectives and the organizational

structure of the project was well suited to sustain project activities. The evaluators recommended to extend the project for a further period of four years. In September 1989, the project was amended to increase the LOP funding from \$20 million to \$45 million and extending the PACD from September 30, 1989 to September 30, 1993. The major focus during the extension period was placed on continued expansion in the sale of Sathi brand condoms and introduction of low dose oral contraceptives pills. The amended project included the following objectives: (1) establishment of an effective distribution system to move contraceptives from the port of entry into suitable packages and then through wholesale and retail outlets to consumers; (2) promotion activities; (3) establishment of over 70,000 retail outlets in approximately 300 urban and semi-urban areas; (4) distribution of approximately 420 million condoms and 1.8 million cycles of oral contraceptive pills; and, (5) provision of an estimated four million couple-years-of-protection and 452,000 births averted. In 1991, however, an additional objective was incorporated: to improve sustainability of project activities. This included increased attention to cost recovery through sales revenue and appropriate product pricing.

In 1991, USAID directly contracted with PSI and Woodward to streamline project organization and management, and the NDFC ceased to have a role in project. The role of PSI was expanded substantially to include overall responsibility for project's market research activities (previously the responsibility of Woodward), financial and technical oversight of Woodward's activities on a day-to-day basis (previously carried out by NDFC), and technical services to Woodward, MPW and USAID on all aspects of project management and implementation. Woodward continued to undertake packaging, distribution and advertising of Sathi. In addition, Woodward was also responsible for all marketing activities for introducing two new products, an oral contraceptive pill and a premium brand condom. The intent was that both these products would be introduced so as to be commercially viable by project's completion date. However, in late 1991, a newly appointed Secretary of the Ministry of Population Welfare reversed an earlier decision which would have allowed private sector firms to retain rights to the brand names of these two products, a requirement for eventual commercial viability. Therefore the oral contraceptive pill and premium brand condom were not introduced. This required USAID to renegotiate its contract with Woodward for Sathi distribution in order to eliminate Woodward's sales force, since it was no longer required for Sathi distribution only. All efforts became focussed on Sathi i.e. maintaining Sathi in the market place while identifying alternate source(s) for continued supply of Sathi condoms.

The price of Sathi was established in 1986 at Rs. 1 for a pack of four and it remained at this price until it was raised to Rs. 1.50 in March 1991 and Rs. 2.00 in November 1991. The price of the 12-pack Sathi was also raised from Rs. 2.50 to Rs. 4 per pack in March 1991 and to Rs. 5.00 in November 1991. The increase in Sathi price was widely accepted among trade as well as consumers and there was no significant drop in sales due to the price increase.

With the suspension of all economic and military assistance to Pakistan in 1991 under the Pressler Amendment, funding for SMC Project was reduced to the already obligated amount of

U.S. \$28 million. Despite this major cut, 35 percent of its LOP funding (from \$45 million to \$28 million), this project made substantial progress. To ensure sustainability of its activities, Mission approved a six-month PACD extension, from September 30, 1993 to March 31, 1994. This extension brought the project up to its ten-year limit.

#### **IV. PROJECT COMPONENTS**

In the original project, authorized in March 1984, activities were supported under the following broad categories, classified as components: (a) organization and management; (b) contraceptives; (c) packaging and distribution; (d) product pricing; (e) advertising and promotion; (f) market research; and, (g) evaluation. In September 1989, the project was amended to expand the scope of USAID funding and to extend the completion date to September 30, 1993. The focus of the project during the extension period was on furthering its successful beginning by implementing activities under six main components: (a) marketing and distribution of condoms; (b) oral contraceptives; (c) research; (d) technical assistance; (e) training; and, (f) evaluation. A brief description of each of these components is given below:

##### **A. Marketing and Distribution of Condoms**

Approximately 61% of total project funding was used to procure Sathi condoms from the U.S. To further the objectives of the SMC project in terms of expanding the availability and accessibility of Sathi condoms at affordable prices, funding support was provided to contract with a competitively selected firm, Woodward. Woodward continued to work as project's marketing and distribution contractor throughout the project period. Woodward was responsible for market planning, product management, printing and packaging, product marketing and distribution, advertising and sales promotion. Woodward's major costs paid by USAID are listed below:

- (1) up to 1992, reimbursement of 100% costs associated with Woodward's sales force comprising forty sales officers, four area sales officers; two regional sales managers, and one project/product manager;
- (2) part-time salaries paid to senior management including company's managing director, marketing manager, quality control manager and financial controller;
- (3) packaging material, freight and forwarding;
- (4) advertising and promotion; and
- (5) vehicular transport provided to sales force.

## **B. Oral Contraceptives (OCs)**

In June 1990, the MPW approved project's plan for the introduction of OCs and a premium brand of condoms. This approval enabled USAID to intensify its efforts to: (1) finalize OCs and condoms marketing and distribution contract; (2) procure OCs from the U.S.; and, (3) develop and test logo and pack design.

The OCs market in Pakistan is very small. It was anticipated that SMC Project would greatly contribute toward expanding sales and use of OCs, as it did with condoms, thereby creating a considerable market size with a critical mass that will be worth serving by the private-sector OC producers over a long term. This component was designed to introduce OCs in order to provide more married women in Pakistan with a safe, affordable and effective method of family planning.

Regrettably, in November 1991, a newly appointed Secretary in the Ministry of Population Welfare withdrew an earlier approval for introduction of OCs and the premium condom on the grounds that the brand names for these two products could not be given to private sector firms but must remain with the MPW. This was a death blow to the OC component as private sector firms were not interested in marketing and distribution of an OC and premium condom brands which they would not own at the end of the project. As a result OCs and the premium condom brand were not introduced, and the component was dropped from the project.

## **C. Research**

Market research, designed to generate information that could be used by project managers in making informed decisions about all aspects of project implementation, was an important component of the SMC Project. A number of qualitative and quantitative research activities were undertaken to establish baseline data and assess changes over time. A complete listing of all such research studies is attached as appendix I to this report. Research was also conducted to monitor project activities such as distribution and sales of Sathi, sales of other condom brands and of oral contraceptives.

Until 1991, Woodward had the overall responsibility for market research for the project. However, PSI, technical assistance contractor, provided guidance and assistance to Woodward in identifying specific areas where research needed to be done and helped them in designing and implementing research activities. In 1991, when the contracts for technical assistance and marketing/distribution were re-negotiated, responsibility for market research was shifted from Woodward to PSI as the latter was better equipped in this area.

#### D. Technical Assistance

This component was designed to use the considerable experience and expertise of a U.S. based firm specializing in social marketing programs worldwide to assist in designing and implementing project activities. Such expertise is not available in Pakistan. Accordingly, USAID competitively contracted with PSI for technical services and PSI continued to perform its role in the project until September 30, 1993 when its contract was finished.

Until 1991, the role of technical assistance advisor was that of an advisor to Woodward, MPW and USAID. However, in the follow-on contract that was again awarded to PSI through competitive procurement, their role was substantially expanded to include full responsibility for (1) planning, designing and implementation of all market research activities for the project, (2) strengthening of project's management information system (MIS) to ensure its maximum utility in terms of monitoring project performance, (3) development of annual marketing plan in close collaboration with Woodward, and (4) financial and field monitoring of Woodward activities on a day-to-day basis.

#### E. Training

There were two types of training included in the SMC Project. The first, orientation and training about the product(s), was for the contractor's distribution and promotion personnel. (These personnel included salesmen, wholesalers and retailers for the condoms program and physicians, pharmacists, and other health workers for the oral contraceptives component.) This training was provided by the marketing and distribution contractor.

The second type of training was intended for project leadership such as the contractors' key staff involved in project management and implementation and counterparts from the MPW. This training included short-term study and observational tours of ongoing social marketing programs in other countries. A number of such tours to Bangladesh, Egypt, Malaysia and Indonesia brought new ideas and a better understanding of effective social marketing techniques into Pakistan's condom marketing program.

#### F. Evaluation

The project financed an interim evaluation and the final evaluation. Both were carried out by external consultants engaged through USAID/Washington's Office of Population under Mission-funded buy-ins. The interim evaluation was conducted during October-November 1988 and focussed on project's progress to date, performance of agencies involved and the results obtained. The evaluation recommendations became the basis for modifying existing management and program activities as appropriate and for development of follow-on activities.

The final evaluation was undertaken during February-March 1993. The main purpose of the evaluation was to assess project's overall accomplishments against the targets set in the project paper in the light of useful units imposed under Pressler. More specifically, the evaluation was to assess the performance of technical assistance and marketing & distribution contractors and to consider options for improving financial sustainability of Sathi condoms through the project's PACD and afterward.

## V. INPUTS

### A. USAID

The SMC Project was authorized on March 28, 1984 involving planned obligations of \$20 million in grant funds over a period of five years. The project was amended on September 18, 1989, increasing the authorized obligation by \$25 million, bringing the total authorized amount to \$45 million and the PACD to September 30, 1993, which was later extended to March 31, 1994. However, owing to Pressler, the total obligation during the LOP was restricted to \$28 million. In addition, an amount of \$2,992,989 was deobligated from SMC Project under Pressler Amendment. The project which planned to obligate \$45 million, ended up with an obligation of \$25,007,011.

A summary of project obligation and expenditures over the LOP is set forth in the following table.

Project Line items	Obligation (\$) (as of 12/31/94)	Expenditures (\$) (as of 12/31/94)
Technical Assistance	2,921,476	2,909,506
Training	50,231	35,231
Commodities	15,288,329	15,288,329
Other Costs	6,746,975	6,662,871
<b>TOTAL:</b>	<b>25,007,011</b>	<b>24,895,937</b>

Technical Assistance included one long-term resident advisor of PSI who provided technical services to agencies involved in the implementation of SMC Project for the period from December 12, 1985 through September 30, 1993. In addition, a number of short-term consultants were also engaged throughout this period to provide supplemental technical services in specific areas significant to project implementation.

Training included observational trips made by representatives of Woodward, PSI and the Ministry of Population Welfare to study different social marketing programs in Bangladesh, Egypt, Indonesia and Malaysia.

Under the Commodities line item, the most significant input was the procurement of Sathi condoms for the SMC Project which accounts for almost 99% of total expenditure (\$ 15,288,329) under this line item. The remaining funds were used to buy office equipment including computers, typewriters and photocopiers.

The Other Costs line item included funding support for a marketing and distribution contract with Woodward, which accounts for 91% of total expenditure under this line item. Other inputs from this line-item included rental of a temporary warehouse facility to store Sathi condoms, the project's mid-term and final evaluations and financial audits of Woodward.

### B. GOP

A year-wise breakdown of the GOP's expenditure (in-kind) on the SMC Project is given in the following table:

<b>GOP Fiscal Year</b>	<b>Amount (in 000 Rupees)</b>
1983-84	670
1984-85	1,948
1985-86	2,000
1986-87	1,800
1987-88	1,500
1988-89	1,150
1989-90	894
1990-91	1,427
1991-92	139,621
1992-93	7,833
1993-94	95
<b>TOTAL:</b>	<b>158,938</b>

The above expenditures include operating costs of the SMC Cell which was created within the Ministry of Population Welfare to function as a secretariat for SMC Advisory Board and the Executive Committee. The SMC Cell was responsible for coordinating clearance and approval of all project implementation documents within the MPW. The above expenditures also include consultancy charges paid by MPW to NDFC through June 30, 1991 for financial and marketing monitoring activities.

## **VI. PROJECT ACCOMPLISHMENTS**

The SMC Project was designed to complement the efforts of the public sector population program to increase contraceptive usage by promoting family planning and expanding the availability of contraceptives through the private sector. The project made a tremendous contribution toward increasing the acceptance, availability and use of condoms in Pakistan. It is one of the most successful efforts that has ever been undertaken in this country in the field of family planning. Social and cultural taboos associated with family planning and condom usage have been overcome to a large extent as a result of the successful marketing strategy and effective advertising and promotional campaign which were designed specifically to overcome such taboos.

High volume of Sathi sales on a nation-wide basis represents a remarkable success in terms of expanding family planning use in Pakistan. In selling 346 million Sathi condoms to distributors, wholesalers and retailers throughout the country, the project met 82% of the distribution target despite imposition of "sales cap" and product rationing by the MPW. Encouraged by the success of Sathi marketing, Woodward has introduced its own brands of condoms called Durex Fetherlite in a packing of three and twelve. The 3-pack retails for Rs. 10 while the 12-pack retails for Rs. 30.

Although the project plan called for introduction of oral contraceptives (OCs) under the SMC Project, it was impossible. Lack of GOP approval to allow private sector firms to retain rights to use of the brand name made it an unattractive undertaking. This was a major setback for the project and resulted in its inability to offer other viable contraception options.

The project's notable accomplishments are summarized below:

### **A. De-sensitization of condom on a national basis**

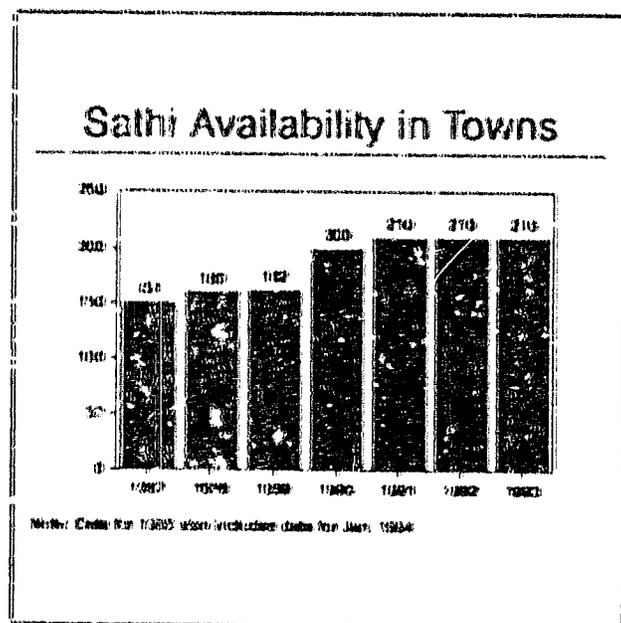
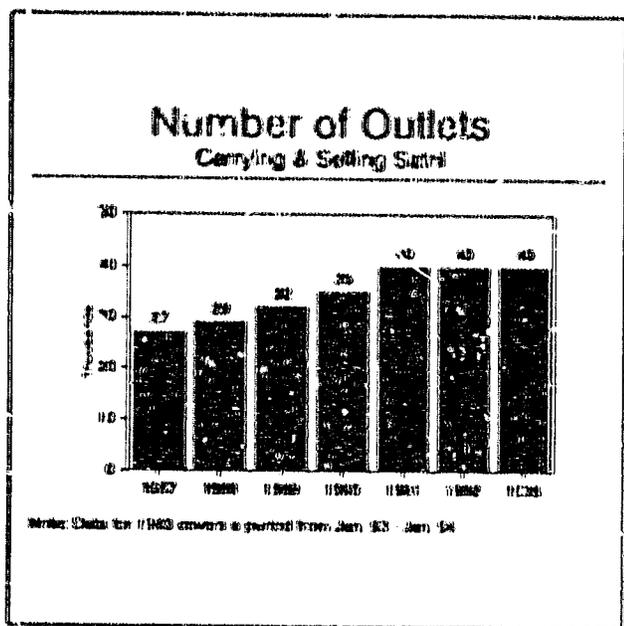
A major accomplishment has been the popular acceptance of Sathi. Sathi condoms now openly appear in a variety of retail and wholesale outlets throughout the country. Through heavy deployment of point-of-sale (POS) materials including posters, mobiles, multi-purpose stickers and dispensers, Sathi was prominently displayed in the shops and was seen and accepted by the general public. It is important to note that all of this was accomplished without backlash of any sort.

**B. Sathi became a generic name for a condom in Pakistan**

Sathi's two-bird logo including the orange color of the pack is now widely recognized. In fact, Sathi has become a generic name for a condom in Pakistan. Extensive efforts made by Woodward during the launch period when heavy advertisement of Sathi was carried out through the use of cinema, radio and promotional events such as Sathi display contests made this possible.

**C. Sathi distribution coverage**

The project achieved wide national urban distribution coverage of Sathi condoms. According to conservative estimates, Sathi availability spans over 40,000 outlets comprising medical stores, general stores, grocery stores and multi-purpose paan shops (tobacconists) in 210 urban and semi-urban towns throughout the country. A yearly progression in the number of Sathi outlets and towns is presented in the following two graphs:

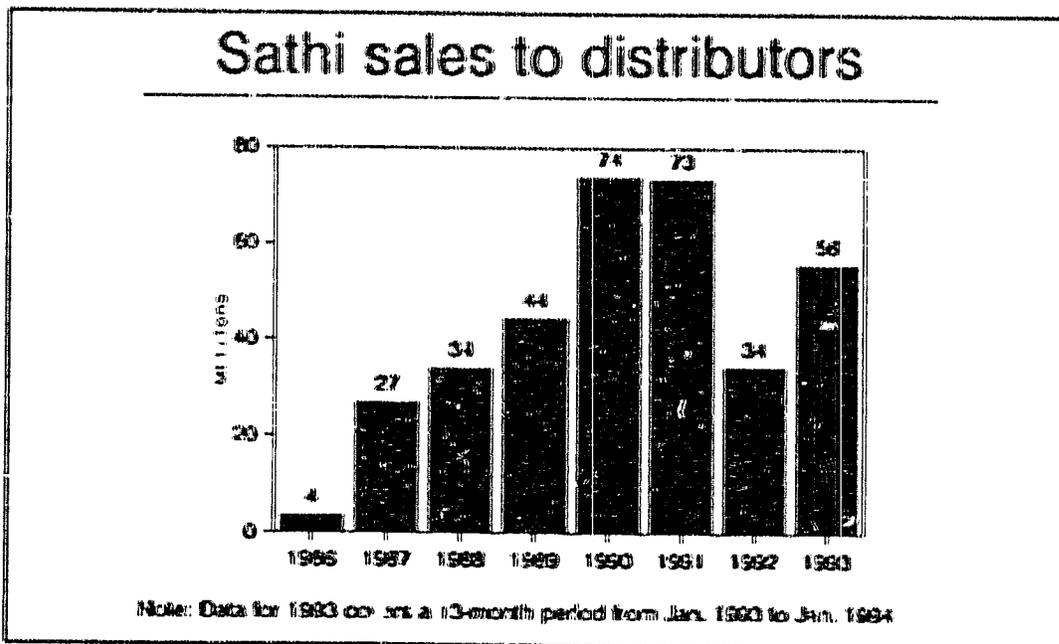


These graphs show a steady yearly increase until 1991 in the number of outlets and towns carrying and selling Sathi condoms in urban and semi-urban areas throughout the country. Further increase in the number of outlets and towns could not be achieved when program expansion into rural areas was abandoned with decreased funding under the Pressler phase-out plan. As a result, the geographic distribution target of 70,000 outlets in 300 towns could not be met.

### D. High Sathi Sales Volume

The project accomplished high sales volumes over the project period. A total of 346 million Sathi condoms were sold by Woodward to distributors and wholesalers and retailers from the beginning of the program sales in 1986 through January 31, 1994. This translates into an achievement of 3.46 million CYPs against the target of 4 million, established in the PP. As stated earlier, the project could have far exceeded its sales and CYP targets since Sathi had become an established product and was in great demand by the trade. However, the imposition of sales cap and product ration by MPW in 1991 to conserve stocks greatly prevented sales from growing. Nonetheless, 82% achievement of distribution target and 87% achievement of CYP targets are an impressive accomplishment.

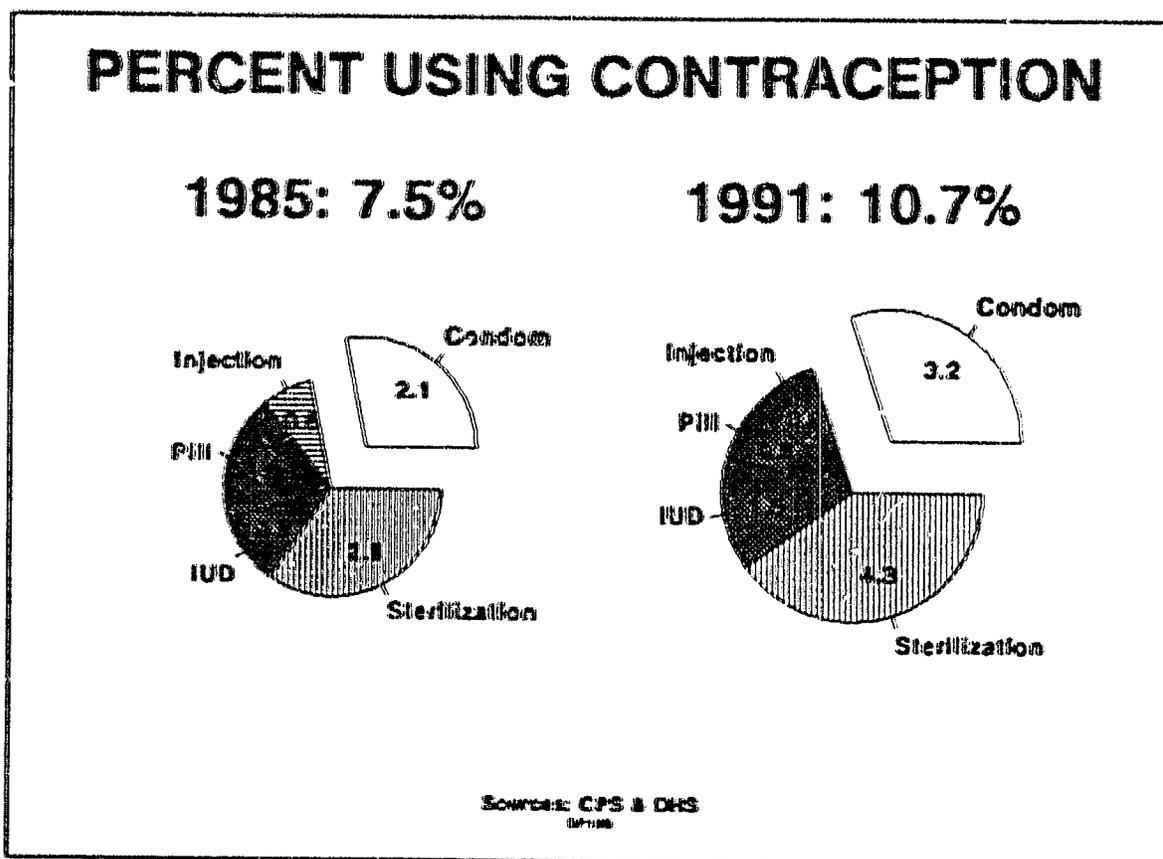
The Sathi sales progressed from 27 million in 1987 to 34 million in 1988, to 44 million in 1989, to 74 and 73 million in 1990 and 1991, respectively. The year 1992 faced a sharp decline in sales (34 million). The drop in sales can be attributed to Woodward's diminished distribution efforts due to elimination of their 40-men project-funded sales force and to the sales cap and product rationing imposed by MPW. Sales rose to 56 million in 1993. The following graphs depicts yearly sales of Sathi from Woodward factory to regional distributors throughout the country.



**E. Increase in Condom Usage**

According to the Pakistan Demographic Health Survey (PDHS) done in 1990-1991, the SMC Project has succeeded in making condoms the most popular spacing method in the country. Condoms were providing as much protection as IUDs, injections and pills combined. As shown in the chart below, condoms contributed 28% of all contraception in 1985 and 30% in 1991. Condom usage rate increased by 50% from 1985 to 1991, adding a full percentage point to contraceptive prevalence (2.1% in 1985 and 3.2% in 1991).

The PDHS report concludes that "The increase in condom use may be attributed at least partially to the active social marketing of this method."



## **VII. LESSONS LEARNED**

- A. Social Marketing has played and will continue to play a major role in contributing significantly to achieving family planning objectives in Pakistan.**

The concept of applying social marketing techniques as a means for harnessing the commercial sector to address social issues such as family planning was experimented within Pakistan for the first time with the initiation of SMC Project in 1986. It has proven to be highly successful -- perhaps, the most successful effort that has ever been undertaken for promoting family planning use in this country. The SMC Project has played a significant role in increasing the condom usage in Pakistan by 50% between 1984/85 and 1990/91. There is, however, still a considerable unmet need for family planning services in Pakistan which can be met by expanding the scope of social marketing to include other contraceptives such as oral contraceptives, injectables and intra-uterine devices (IUDs). Undoubtedly, social marketing is one of the most efficient and cost-effective mechanisms for promoting family planning.

- B. A simplified management and organizational structure is highly important and essential for swift, smooth and effective implementation of project activities.**

The experience of contracting with two separate firms, particularly those having conflicting organizational objectives, did not work well. In the present case, PSI, a non-profit organization, had a contractual responsibility for providing day-to-day oversight and monitoring of Woodward activities under the project (Woodward being a profit-making firm). This kind of contractual arrangement is highly inadvisable and can lead to strained relationships for several reasons. For example, such oversight on a routine basis in a company's business is not a commercial norm. Furthermore, this type of oversight can easily lead to over-personalizing of relationships and thereby to the development of antagonism and distrust which are extremely harmful to effective implementation of project activities.

Therefore, if USAID was to develop a similar project in the future, it is important that it should contract with one entity who should be responsible for undertaking all activities, either independently or through sub-contracting. This kind of contracting mechanism would promote greater collaboration and cooperation among parties involved thereby enhancing the ability of project managers to implement project activities in a swift, smooth and effective manner.

- C. The highly bureaucratic approach and excessive GOP control is detrimental to social marketing programs.**

The bureaucratic approach and excessive GOP control, as was the situation under SMC Project, lead to considerable delays which prevent marketing decisions from being implemented in a timely manner. For example, the approval of project's marketing plan by the Secretary, MPW encountered serious delays resulting in project manager's inability to undertake full range

of marketing activities. Furthermore, the decision of the new Secretary//MPW to withdraw an earlier approval for the introduction of oral contraceptive pill and the premium condom became as a big blow to the project as these products could not be introduced for lack of GOP approval.

Therefore, in order to fully benefit from private sector efficiencies, this kind of project must adhere to a private sector marketing model and be free from all governmental controls so as to be able to quickly respond to field conditions and opportunities. Unless marketing decisions are taken, carefully monitored and quickly modified as needed, project implementation suffers a lot.

- D. The enormous financial resource in the shape of sales revenue generated from the sales of Sathi condoms in Pakistan remained grossly under-utilized for lack of an effective system.**

In social marketing programs, sales revenues generally cover a large percentage of project's operating costs such as product promotion, market research and staff salaries etc. With consistent increase in product sales and revision in their pricing structure over time, the sales revenue increases substantially which eventually becomes sufficient enough to cover all operating expenses while covering some contraceptive costs.

However, the SMC Project had an in-built flaw to deal with the sales revenue. It lacked an adequate mechanism for fully utilizing the sales revenue to off-set project's operating costs. If such a mechanism were in place, the project would not have to use its own resources to reimburse those costs which would otherwise be paid out of the sales revenue.

The SMC Project had generated Rs. 41,081,927.62 from the sales of Sathi condoms in Pakistan for the period from September 1986 through January 31, 1994 which were deposited into the GOP's account in the Federal Treasury, Islamabad. Out of these funds a small amount of Rs. 5,707,346.33 could only be used for project activities including payment of trade incentives and some advertising activities.

## **VIII. SUSTAINABILITY**

The project was not designed to specifically address the issue of sustainability at the outset. It was not until 1990 when the project managers began to address this issue as it was becoming obvious that further funding of project activities was not possible under the Pressler Law, implemented in July 1991. This posed an enormous challenge for project managers to find out ways and means for sustaining the success of Sathi after USAID support for this project was over. Accordingly, increased focus was placed on cost recovery through sales revenue and appropriate product pricing. Consequently, the price of Sathi which was set at Rs. 1 in 1986 for a Sathi 4-pack was increased for the first time in March 1991 to Rs. 1.50 and subsequently to Rs. 2.00 in November 1991. The price increase, however, was generally well accepted by

the trade and there was no significant drop in the sale of Sathi condoms on account of the price increase.

Efforts were made by USAID and its TA contractor, PSI to make presentations to the donors community for (a) educating them about social marketing concepts focussing on how those concepts could be used to increase contraceptive prevalence; and (b) arousing their interest in and soliciting their support for continuation of social marketing of Sathi. This strategy worked well and the British ODA responded positively. Since then a number of visits have been made by officials from ODA's head office in London which have enabled in the development of a national program to offer clinical methods for contraception i.e. injectables, orals and IUDs.

In addition, KfW (a German donor agency) is also in the process of signing an agreement with the Government of Pakistan which would allow continuation of Sathi marketing and distribution for a 5-year period.

Most importantly, the GOP has itself shown a solid commitment to continuing Sathi distribution, realizing the substantial contribution that has been made by Sathi condoms in increasing contraceptive prevalence in Pakistan. This commitment was demonstrated by the fact that the MPW took on the job of distributing Sathi condoms using the existing regional distributors of Woodward. Simultaneously, MPW negotiated and has now made some contractual arrangements with PSI for having PSI manage marketing and distribution for an interim period until such time the KfW project gets underway.

As such, the sustainability, which is defined as the capacity of an activity to continue once project support ends, has been fully achieved in the case of Sathi distribution, as is evident from the above actions.

Nevertheless, if USAID was to design a similar project in the future, it is important that it should specifically address key issues such as sustainability and product pricing more systematically.

**LIST OF RESEARCH STUDIES CARRIED OUT UNDER  
SOCIAL MARKETING OF CONTRACEPTIVES PROJECT; 1986 - 1993**

<b>Year &amp; Topic</b>	<b>Conducted by</b>	<b>Topic/Utility</b>
<b>Primary Studies 1986</b>		
1. SMC - Brand name & Logo	DRB	Brand name "Sathi" and "two birds" were selected as best name and logo.
2. Pretest of Sathi advertising messages	DRB	Best understood and accepted ads used in media campaign.
3. Pretest of Sathi Television ad	DRB	Most acceptable, modified ad used.
4. Consumer KAP survey (KAP-1) a. Consumer Survey on family planning	DRB & Samaraweera	Established Sathi's planned image and position.
5. Survey of the Trade	DRB	Established in-store strategy
<b>1989</b>		
1. SM Advertising Campaign Effective Study	DRB	Film modified to include pack & brand name
2. Pilot Retail Audit	Insight	Led to improved design for audit
3. Pakistan user Condom survey	DRB	Profile of current users led to downscaling strategy.
<b>1990</b>		
1. Oral Contraceptive Pills Pilot	DRB	Retail price of Rs.7.50 appeared best for maximizing prevalence.
2. Why Sathi Sales Go Up and Down	PSI	Showed that supply factors explained most changes in Woodward's sales.
3. Pakistan's Condom Users: Who Are They?	PSI	Provided profile of condom users. Led to emphasis on downscaling.
4. Survey of Contraceptive Prices	Aftab	Assisted planning of pricing niches & structures
5. Perpetual Audit of Retailers (PTA)	AftabPSI	PSI analysis shows trends for sales, shares and coverage
6. The Contribution of SMC Studies to USAID's Population Activities	PSI	Used by USAID to describe Project impact.
7. Short run retail audit on Sathi 12 pack	Aftab	Showed sales volumes in test towns.

<b>Year &amp; Topic</b>	<b>Conducted by</b>	<b>Topic/Utility</b>
<b>8. Introduction of Sathi 12-pack</b>	<b>PSI</b>	<b>Provided implications for national roll-out</b>
<b>9. Studies of Oral Contraceptives Pills Consumers</b> a. Main Findings b. Sampling/Methodology c. Tables: Males/Females d. Medical Practitioners e. Chemists	<b>DRB</b>	<b>Assists design of communication materials, and marketing strategy. Also serves as baseline for later evaluation.</b>
<b>10. Survey of Oral Contraceptive Manufacturers</b>	<b>PSI</b>	<b>Provided basis for OC strategy</b>
<b>11. Finding of the Exploratory Trade Survey on Contraceptives Prices.</b>	<b>Aftab</b>	<b>Assisted development of marketing strategies.</b>
<b>12. Opportunity Analysis and Pricing Strategy for Social Marketing of Condoms</b>	<b>PSI</b>	<b>Provided basis for introducing premium-priced brand.</b>
<b>1991</b>		
<b>1. Who Pays of What? Cost Analysis of the SMC Project</b>	<b>PSI</b>	<b>Provides framework for analyzing Project costs. Has implications for projecting cost recovery.</b>
<b>2. Trade Census</b>	<b>Aftab</b>	<b>Provides listings of all retail shops in Pakistan (12 volumes)</b>
<b>3. Continuation of Perpetual Trade Audit (PTA)</b>	<b>Aftab-PSI</b>	<b>PSI analysis shows trends for sales, shares and coverage</b>
<b>4. Sathi Pricing Study</b>	<b>Aftab</b>	<b>Shows impact of price increases on consumption.</b>
<b>5. Report on Graphics test of Condoms Pack</b>	<b>Aftab</b>	<b>Determines understandability and acceptability of package.</b>
<b>6. Marketing Index Study</b> a. Report on Market index on Condoms, 1990 b. Marketing Index:Round 2		
<b>7. Pretesting of LO-Rondal Blister pack on Doctors, LHV and consumer</b>	<b>Aftab</b>	<b>Improved comprehension of pack design.</b>
<b>8. Pretesting OC Instruction</b>	<b>Aftab</b>	<b>Helped determine most understandable instructions</b>

<b>Year &amp; Topic</b>	<b>Conducted by</b>	<b>Topic/Utility</b>
<b>1992</b> 1. Relationships Between Sathi Supply, Demand & Sales	PSI	This brief analysis of Sathi's 1992 sales decline led to the larger report covering all brands of condoms.
3. Male Attitudes towards fertility Regulation in Rural Punjab, Pakistan	Sohail Agha	Identifies attitudinal obstacles to contraceptive use. Helped develop questionnaire for rural retain survey (see next item)
<b>1993</b> 1. Rural Availability of Condoms	Aftab	Can help design rural marketing strategy.
2. Testing of Sathi ads for radio, cinema, press & TV	Aftab	Helped select most understandable and acceptable messages
3. Media Habits of Working-class men	DRB	Will help design mass media plan for Sathi.
4. Project Evaluative Survey (KAP II)	DRB	Provides indicators of progress and pointers for the future.
5. New Perpetual Trade Audit	Aftab/PSI	Provides valid indicators of coverage of several types of shops, projections of national sales and market share for each brand. Good for evaluation and for modifying strategies.
<b>Second Studies 1988</b> 1. Contraceptive Social Marketing Assessment	ISTI	Assisted strategic planning
2. Evaluation of SMC Project	USAID	Assisted Strategic planning
<b>1991</b> 1. Pakistan Demographic and Health Survey	NIPS	Provides indication of impact of SMC Project, ie, prevalence, knowledge and practices among men and women.