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A PRELIMINARY ASSESSMENT OF THE FEASIBILITY
OF A SUBSIDIZED CONTRACEPTIVE MARKETING
PROGRAM FOR MOROCCO

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SUMMARY AND RECOMMENDATIONS

This report presents results of a preliminary investigation of the feasibility of a subsidized contraceptive marketing program in the private sector in Morocco. Since there is now no agreement from the Moroccan government for such a program, the report is explicitly meant to provide a basis for discussion between the Government of Morocco and USAID about further steps required and parameters to be established for a request for proposals from candidate contractors. Should an RFP be issued, contract bidders would respond with a proposed specific design for the project.

ORGANIZATION OF THE REPORT

The report consists of four sections:

I. THE ENVIRONMENT FOR A COMMERCIAL DISTRIBUTION PROJECT

This section summarizes the socio-economic situation, policy and legal considerations from the point of view of the government, availability of resources in the private sector needed to mount such a program and the relationships between the proposed program and other existing family planning activities. On balance, these factors are favorable to implementation of such a project.

II. FEASIBILITY OF A COMMERCIAL DISTRIBUTION PROJECT

This section makes preliminary estimates of the potential market for and the potential impact of such a program. A rough estimate of the impact of a less restrictive marketing environment for contraceptives is that it could reduce the growth of the Moroccan population by one half of one percentage point.

III. PROJECT DEVELOPMENT

The third section contains a preliminary scope of marketing work necessary to implement such a project.

IV. APPENDICES

This section contains a list of questions submitted to the Moroccan MOH, a summary report to the MOH, Government of Morocco regulations and sources of information.

RECOMMENDATIONS

We recommend that USAID go forward with the Government of Morocco in developing agreements required to move

toward development of a Request for Proposals for a program of commercial distribution and promotion of contraceptive products. The goal of such a program is to utilize marketing skills of the Moroccan private sector that have successfully sold a broad variety of products to consumers throughout Morocco and have also succeeded in developing a significant market for contraceptive products even at relatively high prices. The program requires agreement on modest prices for consumers, distribution of at least condoms and spermicides outside of pharmacies and media advertising of products.

The program should be approached through a test market in an urban area which contains a sizeable number of families in the labor force with modest incomes and appropriate advertising capabilities. It should take approximately four to six months to manage the launch in the test market. The test itself should run from four to six months. If the test is successful, a nationwide program can be launched in approximately four months and can reach its full level of operation within six to eight months. The total time frame for development is thus approximately two years.

I. THE ENVIRONMENT FOR A COMMERCIAL DISTRIBUTION PROJECT

There are four sets of factors in the environment which govern the decision to establish a subsidized commercial contraceptive distribution program in Morocco. The first involves socio-economic considerations, which are not totally favorable but which indicate possibilities for a program aimed at least initially at urban non-users of contraceptives. The second involves political and religious considerations, which indicate the need for caution and the possibility that a test market strategy should be followed. The third involves questions of availability of organizations in the Moroccan private sector which can provide the necessary services to support such a program; these are present. In addition, the program must be developed in the context of relationships between proposed activities and other ongoing activities in family planning.

A. Socio-economic Considerations

This section provides a brief comparison (across six countries) of economic indicators particularly relevant to the decision to embark on a program involving subsidized private sector distribution of contraceptives (Table 1). Comparisons are with Jamaica (the first AID-financed program featuring sales of both condoms and pills in non-pharmaceutical outlets), Ghana, Bangladesh and Nepal (other AID-financed programs involving various combinations of promotion and distribution methods for pills and condoms) and Sri Lanka (an IPPF-financed program involving condoms in stores and a later phase of mail-order pills).

Morocco lies in the middle in terms of most key indicators such as per capita income, fraction of the labor force engaged in manufacturing, size of the population and hence implied size of the program required, and indicators of the state of communications and health systems. All of these factors should have positive impact on the success of a commercial distribution program. The negative indicators are a very high birth rate, a high infant mortality rate, high measured unemployment and a surprisingly low level of literacy, given the other indicators. Based on our earlier work,* we have predicted that countries like Morocco have promise for commercial distribution programs in terms of being well into the demographic transition (high birth rate, low death rate), relatively high per capita income and relatively restrictive distribution systems. In our classification, Morocco is grouped with Sri Lanka, Ghana and Thailand (where programs of the same sort exist). We estimate conservatively that a marketing program which would be mounted in an atmosphere of relaxed restrictions on advertising and distribution would reduce the population growth rate by one half of one percentage point.

*J.U. Farley and S.J. Samuel, "Predicting the Impact on Birth Rates of Reforms in Law Governing Contraceptive Marketing," working paper, Columbia University and Tufts University, 1977.

Table 1

Economic and Social Indicators for Morocco and for Other Countries
with Subsidized Commercial Distribution Systems

	Morocco	Sri Lanka	Bangladesh	Jamaica	Ghana	Nepal
Population (millions)	18.9	14.2	85.0	2.10	10.9	15.4
Percent economically active	26.3%	35.4%	35.2%	42.6%	38.9%	42.0%
Percent agriculture forestry	50.0%	40.6%	N.A.	29.5%	N.A.	94.4%
Percent of labor force in manufacturing	9.3%	7.6%	N.A.	10.8%	N.A.	1.1%
Wages in manufacturing (hourly, 1975)	2.21 dirham	12.83 r/day	12.81 taka/day	N.A.	77.5/mo	N.A.
Price Index 1977 (1970=100)	131.4	147.5	276.4	237.5	724.3	151.0
Motor vehicles in use (1975)	320,000	91,700	31,000(72)	86,100(72)	85,000(74)	4,000(1968)
Telephones per 100	1.0	0.5	0.1	5.0	0.6	2.1(1973)
Population per hospital bed	732 (1976)	333 (1973)	946 (1972)	257 (1974)	649 (1973)	6530 (1974)
Population per physician (1000)	13.8 (1974)	4.0 (1972)	9.3 (1973)	3.5 (1974)	11.2 (1974)	36.5 (1974)
Radio receivers per 1000	77 (1974)	37 (1974)	N.A.	320 (1973)	110 (1974)	6 (1975)
TV sets per 1000	23	--	N.A.	49	3	--
Newspaper circulation per 1000	14 (1974)	N.A.	N.A.	90 (1974)	41 (1973)	6 (1973)

Table 1 (continued)

	Morocco	Sri Lanka	Bangladesh	Jamaica	Ghana	Nepal
Birth rate	45	26	47	30	49	44
Death rate	14	9	20	7	20	20
Rate of national increase	3.1%	1.7%	2.7%	2.3%	2.9%	2.3%
Infant mortality	133	47	153	20	115	152
Urban population	38%	22%	9%	41%	31%	4%
GNP per capita (US\$)	540	200	110	1070	580	120
Percent unemployed (1970)	9.0%	11.0%	N.A.	14.0%	6.0%	N.A.
Adult literacy rate (1970)	24%	85%	N.A.	86%	N.A.	14%

Sources: World Bank, World Tables, 1976, Johns Hopkins University Press; World Population Reference Sheet, 1978; United Nations Yearbook of Labor Statistics, I.L.O., 1977; and, United Nations Statistical Yearbook, 1977.

In terms of development of advertising as measured by the proportion of sales of manufactured goods spent on advertising, Morocco has been shown to rank twenty-fifth in a sample of forty-four developing countries.**

On balance then, Morocco looks attractive for such a program in terms of environmental factors. The situation is probably not as attractive as Jamaica in terms of economic development or Sri Lanka in terms of literacy or infrastructure development. It is probably more attractive than Ghana, Bangladesh, Nepal and Sri Lanka in terms of various economic indicators.

B. Government Considerations

1. Policy Issues

Short-term visitors to an environment such as the one in Morocco cannot assess in definitive detail the position of the government toward the general concept of a subsidized program for promotion and distribution of contraceptives. Our initial exploration of the issues evolved through a process of informal discussions and submission of written questions (See Appendix I) to appropriate government officials. As has been our experience in other potential sites for such projects, the government's position will probably be clarified only as project proposals become more detailed and definitive. Section II of this report is a first step in the process of program development and provides both USAID and the Moroccan government with a clearer picture of the project for purposes of formulation of policy.

At this point, it is possible to report our general perception of the government's thinking in this area. The subject of family planning and specific details about specific contraceptives are highly sensitive issues in Morocco for a variety of cultural reasons. Official public discussion of the general subject is recent, and it was only in November of 1978 that high-level positive statements about family planning were made, leading to a national conference chaired by King Hassan II. The pressure on the public sector to provide health services has prompted the government to search for acceptable alternative means to deliver services such as family planning.

In terms of specifics of both program structure and program organization, we believe that the government needs a clearer understanding of exactly what such a program would involve. Should the Government of Morocco decide to proceed further in considering a commercial distribution project, an RFP might appropriately provide even more specific project proposals for government review.

The apparent lack of negative reaction to the Marrakech household distribution project has clearly had a positive impact on government thinking about a commercial distribution program. In terms of specifics,

**N.E. Leff and J.U. Farley, "Advertising in the Developing World," working paper, Columbia University, 1978.

Moroccan government officials clearly expressed their willingness to allow the following types of activities, particularly in terms of a test project in an urban area: 1) distribution of condoms and foams outside of pharmacies; 2) point-of-purchase promotion and display; 3) the general concept of the use of and payment of margins to distributors, wholesalers and retailers; 4) charging a price to consumers; and 5) use of a Moroccan advertising agency.

There is considerable concern about advertising. While there is the understanding that the program requires advertising, TV advertising is almost certainly unacceptable initially, although there seemed to be less concern with other media, including press and cinema. Their position appears flexible and may depend on public reaction to copy testing or a market test, as well as on their reaction to actual advertising materials presented to them.

There is also considerable concern about who is going to pay for the program, particularly over the long term. Also, the notion of heavy promotion of pills distributed outside pharmacies does not appear feasible at this point, although it was not ruled out permanently.

On balance, the process called for in this situation is step-by-step evolution. A useful first step would be discussion of this paper. This could be followed by an RFP which calls for a marketing plan for a nationwide program and a test of that program's feasibility.

2. Legal Issues

In addition to the policy considerations discussed above, specific commercial sector activities are also affected by legal regulations. We were able to explore these only informally during our brief visit so that confirmation of exact details by legal experts is required in the future. The following activities are subject to regulation:

a. Import of Oral Contraceptives

A "Visa" (roughly equivalent to F.D.A. approval) is required for import of ethical products or materials for them. This consists of presentation of drug performance characteristics and foreign registration history. This process normally takes three to six months. In addition, during the last ten years, the government has acted to discourage the import of finished ethical products. This takes the form of unequal tariffs on the import of finished and semi-finished products. Finished products carry a duty of 31.72% C.I.F. (cost, insurance, freight), while semi-finished goods carry a duty of between 20-25%. Import of condoms also requires a government license.

b. Distribution of Contraceptives

The pharmaceutical distribution system is strictly controlled. For example, drug store chains are prohibited since only one pharmacy may be owned per pharmacist. In addition, oral contraceptive sales are restricted to pharmacies.

c. Prices and Margins of Pharmaceuticals

Market price is set on the basis of a ratio of 2.196 times F.O.B. (free-on-board) price in source country, and importers also pay an 8% tax on sales to wholesalers. Wholesalers and retail margins are 10% and 30% respectively.

d. Advertising

Regulation B.3369 does not explicitly prohibit advertising of ethical pharmaceuticals. It does, however, require that prior approval be obtained and to date no application for consumer advertising of contraceptives has been submitted. In practice, we were told that the Ministry of Health has blocked advertising of drugs recently.

C. Commercial Considerations

Analysis of commercial considerations reveals both good and bad indications. There are five significant advertising agencies, and a market research agency has opened recently. Producers of relatively sophisticated packaging and promotional material exist. About a dozen pharmaceutical laboratories exist, and general wholesalers number 300 to 400. Facilities are thus present to support a subsidized commercial sector program.

Another set of important commercial considerations involves traditions of marketing in general and pharmaceutical marketing in particular. A combination of tight control of entry into the market and of prices and margins, along with relatively modest use of advertising, sometimes leads to situations in which associations of producers, distributors and retailers adopt relatively non-innovative marketing postures. For example, it is unlikely that activities of the sort visualized in the preliminary commercial program format will occur without some outside impetus, such as that offered by the program. Also it will be mandatory to deal with potential objections of manufacturers and physicians to the advertising of pills, and of retailers to broader distribution of condoms and foaming pills in design of such a program.

1. Advertising and Promotion

The environment for advertising and promotion is sufficient for purposes of a subsidized distribution program. Among the five significant advertising agencies, one has done substantial work for four government ministries, including health, tourism, agriculture and the PTT (Post, Telephone and Telegraph) system. Among the programs are those encouraging the use of seat belts, eating more oranges and using granulated sugar instead of sugar loafs. The larger agencies have considerable experience with domestic and international clients.

a. Advertising Budgets

The range of the size of advertising budgets used to support the marketing of various consumer products in 1978 was as follows:

Product Categories	Approximate Number of Brands Studied	Range of Annual Advertising Budgets	
		Smallest (in Dirham)	Largest
Soaps and detergents	15	20,000	500,000
Food products	20	50,000	350,000
Toiletries	40	10,000	260,000
Durables	25	20,000	110,000
Services	15	75,000	1,110,000*

*Special budget for a major marketing launch

b. Advertising Media

The media are, in terms of importance: television, commercial radio (limited to Tangiers), press and cinema.

Television provides the possibility of national coverage. Commercials are broadcast in groups of 5-10 minutes, five times daily with each commercial generally lasting 15 to 30 seconds. There are about 750,000 commercial sets in use, of which 1 percent are in color. The exposure cost per 1000 of audience is estimated at 1 dirham. A 30-second transmission costs 2500 dirham per showing during prime time -- 8:00 p.m. to 10:30 p.m. A 50% discount is available for government and public service commercials. Production costs for a 30-second black and white commercial range from 30,000 to 50,000 dirham under normal circumstances, with animation possible. TV commercials are on 16 mm. film but may be made compatible with the 35 mm. film used in cinemas. Estimates are that approximately 30 brands of various products are advertised each day.

We viewed tapes of commercials broadcast during a single day, including ads for Tide, toothpaste, Nida powdered milk, Minora blades, Silvetta shampoo, Camay, an animated ad about Wonder batteries, Coca Cola and Omo. With the exception of the Coca Cola ad, all were produced in Morocco. Most were at least partially in Arabic and some used music.

The major press media are newspapers which carry relatively little advertising of consumer products largely because of the cost per 1000 (80 dirham, according to one estimate). A quarter of a page in one of the large circulation papers costs 3000 dirham. The largest in terms of circulation are:

<u>In French</u>	<u>In Arabic</u>
L'Opinion-daily 35,000 copies -weekend 70,000	E1 Allam-daily 40,000 -weekend 60,000
Maroc Soir-daily 35,000 -weekend 70,000	E1 Moharir-daily 40,000 -weekend 60,000

Press ads are mainly in black and white, but some color is available. Coverage is limited by the literacy rate. Soche press distributes newspapers throughout the country.

Cinema advertising is available in 200 theaters, thus providing the possibility of a local test which might later be expanded to television. Cinema advertising is concentrated in the large cities (there are 30 theaters in Casablanca with advertising) but it is available in about fifty urban locations. For deluxe theaters, price of entry is 4 dirham or more, but smaller cinemas (showing mainly films in Arabic) charge entry of 1½ to 2 dirham. Cost per 1000 exposures is estimated at 37.5 dirham, and the same films can be used as on television except that they must be reproduced in 35 mm. versions. A one-minute film can be shown three times a day for a week in an average cinema for 600 dirham. Cinema viewers are members of higher and middle income families, although cinema penetrates well into modest income groups in the cities.

Billboards are practically limited by policy to Casablanca and special locations such as roads near airports and ferries, although there are also substantial numbers advertising hotels and restaurants locally.

Pharmaceutical products are promoted by medical representatives hired by the pharmaceutical manufacturers. Some consumer and pharmacist-oriented promotional material is also available.

Point-of-purchase techniques are not heavily exploited, although signs for soft drinks and petroleum products can be seen in even the smallest stores. Store display of particularly striking packages is common, and some use of in-store dispensers is evident by such firms as Gillette. Window stickers and sophisticated in-store display posters are common in pharmacies as well as in other sorts of outlets, such as local auto parts stores. Point-of-purchase material in French and Arabic was observed for Knorr soups, Maggi bouillon, Minora and Gillette blades, Camay, Tide, Nivea, Schweppes, Crush, Fanta, Coca Cola, Rennie digestive products, Youki lemonade, Theibone veterinary products, Bayogon insecticides, Aspro, and various tobacco products.

Other promotional practices that may be useful to the program, particularly at the introductory stage, are traveling film units and traveling demonstration units that are available from some advertising agencies and also are operated by some firms privately. These are particularly appropriate for the weekly or permanent markets. Another example is a promotion by Lessiur cooking oil, in which a representative travels about and is announced to be in a city engaging in some activity. A consumer recognizing him and giving him a coupon or label will receive a prize.

It is highly desirable to use local advertising specialists who have the experience and cultural outlook to use the extremely rich set of symbols common in the culture to develop advertising copy.

2. Distribution

The commercial distribution system involves 450 pharmacies concentrated in major urban areas, with an estimated 50,000 retail outlets of all kinds. Of these, perhaps 20 percent are large enough to be considered as potential outlets for this program. Included are a variety of stores dealing in a range of cosmetic and personal products (drogueries) and larger stores dealing in a range of food and household goods. In addition, weekly markets in many smaller urban areas might provide outreach into population segments not easily reached through larger retail outlets.

Of importance are the following estimates provided by a marketing firm:

Pharmacies	450
Parfumeries	70
Drogueries-parfumeries	260
Libre services	50
Large food stores	3000
Smaller stores	40,000 to 50,000

Stores are concentrated in urban areas, especially Casablanca (with nearly 20,000 in the greater metropolitan area).

There are about six pharmaceutical wholesalers and 300 general wholesalers also concentrated in the cities. They provide physical distribution and many also provide storage facilities.

Margins vary over products and are set by law for pharmaceuticals. Based on cost, the margins are:

	<u>Pharmaceutical</u>	<u>Low-volume consumer products</u>	<u>High-volume products</u>
Wholesaler pays	63	80	85
Retailer pays	70	85	90
Consumer pays	100	100	100

Some perspective on depth of penetration is provided by the fact that relatively expensive soaps and Gillette razors are distributed through approximately 20,000 retail outlets throughout the country.

Volume discounts are also provided to large retailers (who often act as their own wholesalers) in the form of price discounts or free products. These may range up to 5 percent for a purchase of 4000 dirham.

Terms of trade vary but are normally 30 days for retailers and 45 days for wholesalers without cash discounts. Wholesalers are expected to keep about a month's supply and retailers a quarter to half of that.

Salesmen working for firms selling consumer products through commercial outlets often have vans, and many also use common carriers to deliver to wholesalers and their retail salesman. One such organization has 35 salesmen, two of whom operate only with wholesalers. They estimate that 20% to 40% of their sales flow through wholesalers.

3. The Current Commercial Market for Contraceptives

The commercial market for oral contraceptives in 1978 was 1.2 million cycles, valued at U.S.\$880,000 at wholesale prices. Among the importers, Schering (65%) and Organon (22%) dominate the market. Of the nine oral contraceptive brands available, Gynovlar is the largest seller, accounting for about 40% of sales. Prices range from a low of about 4 dirham to 6.5 dirham per cycle. Sales are apparently growing very rapidly.

Condoms, chiefly of French origin, are available in pharmacies for a price of about 1 dirham per piece. No precise estimate of volume is available, although projection of data gathered in a local survey of pharmacies provides a rough estimate of 250,000 pieces annually.

D. Relationship Between the Proposed Program and Other Family Planning Activities

The proposed program must be seen in relationship with other family planning activities. The most intimate no doubt is with commercial sales of contraceptives. As is the case in many parts of the developing world, private sector sales at relatively high prices with distribution limited to pharmacies and promotion provided through conventional pharmaceutical methods have succeeded in developing a market about equal to the size of the output in the public sector. It is very likely that these sales are primarily to upper-income urban dwellers.

In terms of relationship to current commercial sales of contraceptives, the combination of lower price and promotional activities can be expected to lead to a significant expansion. While some current commercial buyers may switch from the higher-priced brands to lower-priced brands, it is reasonable to predict that the promotions should on balance expand commercial sales as well. This has been the experience in each of the half-dozen commercial distribution projects already implemented.

In terms of public sector activities, the program provides a flexible and economical approach to developing a set of activities in response to the visibly increased government support of family planning activities. A commercial distribution program of the type envisioned here could take advantage of private sector distribution plus advertising and could effectively complement the range of current family planning activities in Morocco. Ready access to economically priced contraceptives will help relieve the 820 clinics which now serve as distribution points of some of the burden of acting as resupply points for the rapidly expanding population of users. Similarly, such a system provides an economical and accessible supply follow-up for intensive household

level communications programs such as that currently under way in Marrakech.

Similar benefits can be expected in terms of complementarity with the activities of the 11 clinics operated by the Association Marocaine de Planification Familiale (AMPF). In addition, commercial sector advertising may be tailored to be complementary to the extensive IEC activities undertaken by the AMPF. The experience of the Director of the Association as a pharmacist can be very helpful in developing the subsidized commercial distribution program, which can also relieve the Association of some of the burden of acting as resupply points and allow them to emphasize recruiting new users and activities in information, education and communication.

II. TECHNICAL AND ECONOMIC FEASIBILITY OF A COMMERCIAL DISTRIBUTION PROJECT

On the basis of preliminary analysis, a commercial contraceptive distribution project in Morocco is both economically and technically feasible, although total project self-sufficiency is not anticipated in the near future. In addition, a market test in a limited geographic area rather than a nationwide initial launch seems appropriate.

This section presents the rationale for the above conclusions. Deciding whether a commercial distribution project is feasible in a particular situation requires answers to the following questions:

A. The Market

1. Is there a definable target population which can be provided physical, financial and psychological access to low priced contraceptive products?

2. Is the level of knowledge, attitude and practice of family planning of the target market sufficiently sophisticated to be influenced favorably by consumer advertising and commercial distribution?

B. Program Elements

Are the various marketing components necessary to a successful commercial distribution project present and within acceptable ranges; that is,

1. Can the price of contraceptive products be reduced to levels comparable with consumer goods regularly purchased by the target market?

2. Are sufficient wholesale and retail outlets available and usable for contraceptive products to be able to effectively reach and continuously supply the target market; and, can margins be established to motivate wholesalers and retailers and to produce revenue

for advertising and promotion while keeping the price to consumers at an acceptable level?

3. Are advertising and promotional skills and resources economically available locally?
4. Are packaging skills economically available locally?
5. Can program goals be achieved within an acceptable time frame?
6. Does the program have the potential to be at least partially self-sufficient?

C. Program Scope and Evaluation

1. Should the project be initiated on a nationwide or limited geographic basis?
2. How should the project be organized?

A. The Market

1. Market Potential

The primary market for such a program is the portion of the population in the reproductive age group with adequate income to be able to afford the subsidized price suggested below. Rough projections of the expected penetration of the target market at commercial prices indicate that it is reasonable to assume that a subsidized program will add 200,000 additional users of pills, condoms and foaming tablets. Currently, the private sector supplies approximately 200,000 persons, and the government programs an additional 175,000.

Some more insight is provided by a picture of the basic structure of the consumer market provided by a Moroccan marketing manager. Using 3 million families as a base, the table below presents income distribution by urban and rural areas:

<u>Group</u>	<u>Income</u>	<u>Urban</u>		<u>Rural</u>		<u>Total</u>	
		<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>
Higher Income	more than 3000dh/month	4.5	135,000	0.5	15,000	5.0	150,000
Middle Income	300-3000 dh/month	24.0	720,000	6.0	180,000	30.0	900,000
Lower Income	Less than 300 dh/month	13.0	390,000	52.0	1,560,000	65.0	1,950,000
TOTAL		41.5	1,245,000	58.5	1,755,000	100.0	3,000,000

Current contraceptive users being supplied through the private sector are no doubt concentrated in urban higher income groups. The proposed program, which is targeted to double current private sector usage, is likely to draw most heavily from the modest income urban consumers. Urban consumers with modest incomes number 720,000 or more than three times the projected target of 200,000 additional users. In addition, the target group contains a significant fraction who have recently made the transition from rural to urban life. Living in urban transitional communities, these persons may tend to be more open to change in behavior related to family planning.

2. Knowledge, Attitude and Practice of Family Planning

To the best of our knowledge, no current, systematic research results are available about various important aspects of consumer behavior related to family planning, including:

- male and female perception of family planning;
- knowledge about, attitude toward and experience with traditional and modern family planning methods;
- consumer preference in terms of characteristics of sources of information and sources of supply;
- anticipated reaction to the open display and promotion of contraceptives.

The Marrakech Household Distribution Project will produce information related to the above points, as will Morocco's participation in the World Fertility Survey. Nevertheless, a commercial distribution project should contain a major market research component, including focused group interviews and a knowledge, attitude and behavior study of representative sample of potential consumers.

B. Program Elements

In Section I, the Moroccan marketing infrastructure was shown to be well developed. Advertising, distribution and promotion skills, and market research capabilities are readily available. This section provides an initial assessment of decisions to be made as to price, distribution system, wholesale and retail margins, advertising and promotion, packaging and branding, and time frame. It also leads to the conclusion that a market test is appropriate before a nationwide program is launched.

1. Price

Some indication of the range of feasible prices is available from analysis of rough estimates of income figures, prices of some commonly purchased consumer goods and current prices of contraceptives in the commercial market.

a. Current Prices of Contraceptives in the Commercial Market

Currently, approximately 200,000 women are using imported oral contraceptives supplied by the private sector at prices ranging from 4 to 6.5 dirham per cycle. While locally packaged products are slightly cheaper, Schering and Organon supply a preponderance of current users.

Condoms range in price from .85 to 1.0 dirham, and are estimated to protect only a small fraction of the number of persons protected by pills.

b. Prices of Other Common Commercial Products

Local prices based on spot checks of relatively simple stores in Rabat and surrounding semi-urban communities are used as rough indices:

<u>Product</u>	<u>Cost in Dirham</u>
sugar (1 kilo granulated)	3.25
cup of coffee in simple cafe	1.0 to 1.4
matches (per box)	0.25
Omo (large box)	0.9
Tide (small box)	0.3
cigarettes	1.4
razor blades	
package of 5	1.0
per blade	0.20
Lafaucille laundry soap	0.8
battery (1½ volt)	0.8
toothpaste (small)	1.8

c. Minimum Urban Incomes

As of the beginning of 1977, the minimum wage per month for an adult was approximately U.S.\$75. (Daily maximum of approximately U.S.\$2.50 compared with agricultural minimum of approximately three quarters as much.) It is reasonable to expect that the price should be set so as to be affordable by households earning approximately the minimum wage. Currently, pills sell for about 2 to 3 percent of the minimum monthly wage and condoms (at one dozen per month) are even more expensive. A price of 1.5 to 2.5 dirham for one cycle of oral pills will be approximately less than 0.5% of the monthly minimum wage and should be consistent with the volume projections suggested above. Pricing condoms at 1.5 to 2.5 dirham per dozen and foaming tablets at 1.5 to 2.5 dirham per tube (in each case a month's supply) are similarly consistent with projections.

2. Distribution System and Wholesale and Retail Margins

a. Distribution

Distribution of consumer products in Morocco is achieved through an estimated 50,000 retail sales outlets. Companies with relatively strong distribution systems, like Gillette, reach as many as 20,000 of these outlets. By comparison, contraceptive distribution is currently restricted to the approximately 430 retail pharmacies, most of which are in urban areas. (A minor exception is some observed distribution of condoms in markets.)

Achievement of sales levels increases of the order of magnitude described earlier implies distribution of at least non-prescription contraceptives (condoms and foaming tablets) through non-pharmaceutical retail outlets. At a minimum, this implies use of the 430 pharmacies, 330 drogueries/parfumeries, 50 libre services (self-service stores) and 3,000 of the larger epicerie (food stores). A target of reaching 20,000 retail outlets (as do other products routinely purchased by the target population of modest income consumers) is desirable.

Some objection from pharmacists or pharmaceutical laboratories to the project may be anticipated. It is important to keep this in context, since contraceptives constitute less than 1% of the roughly U.S. \$100 million annual sales in the Moroccan pharmaceutical market.

b. Wholesaler and Retailer Margins

The closer to indifferent the shopkeeper is to selling a subsidized unit of contraceptives as opposed to a unit at commercial prices, the more effective the subsidized program's distribution is likely to be. At current commercial prices, of approximately 6 dirham per cycle of pills, the retail margin of 30% gives the retailer 1.80 dirham per cycle, and at 10% it gives the wholesaler 0.42 dirham per cycle. It will not be possible to maintain the value of these margins, although there is no reason at this point to expect that the new program will eliminate the commercial market. It will be important to educate wholesalers and retailers to the growth of the total market expected as a result of the program.

Margins are needed at three points in the system:

- (1) For the firm repackaging and doing other semi-manufacturing activities deemed appropriate;
- (2) For the wholesaler for stocking and distributing; and,
- (3) For the retailer for selling the product.

In addition, we believe that some revenue to the program is desirable to make the marketing program self-sufficient after the contract is completed.

We suggest that pharmaceutical margins be adopted for wholesalers and retailers of all products. Thus, for a month's supply (a cycle of pills, a dozen condoms or a tube of foaming tablets), and using a price of 1.5 dirham as an example, the following may be anticipated:

Revenue to program	.50
Packaging, etc.	.445
Wholesaler (10% on prices to retailer)	.105
Retailer (30% on prices to consumer)	.45
Price to consumer	1.50 dirham

Provision of .445dh per cycle for packaging should make this activity attractive to laboratories or others providing this service. The margins to wholesalers and retailers other than pharmacies are very attractive -- in some cases nearly double what they receive for other products.

At a projected volume of 2.6 million (200,000 consumers times 13 purchases per year), the program could generate more than 1 million dirham annually for support of the advertising program and other program activities. It is not anticipated, however, that revenue generated by the program would be able to cover the cost of point-of-purchase materials initially.

3. Advertising and Promotion

It is clear at this point that the most sensitive element for this project is in the general area of advertising. A major problem is that, while the most cost-effective medium appears to be television, its nationwide coverage makes local testing difficult, if not impossible. Further, it is unlikely that the government would be interested in the use of television, at least initially.

While the process of requesting proposals from potential contractors will generate specific alternative approaches to this problem and to advertising in general, it is worthwhile to present some illustrative approaches here:

a. It is feasible and economical to concentrate advertising in cinema presentations. This has the advantage of visual presentation and provides a test of public reaction to commercials that could also be used on television.

b. It is feasible, although probably much less effective, to concentrate all efforts on point-of-purchase materials.

c. It is possible to develop a program heavily dependent on the use of other sorts of promotions.

Many marketing programs find it useful to use special promotional activities, particularly during the introduction of a new product or product concept. Characteristics of these promotional activities are varied but are generally aimed at either creating product awareness and discussion or maintaining them at acceptable levels. They tend to be outside of conventional advertising media and often focus on communications devices within the common framework of activities of the potential market. Examples of these might include:

- a. Placing family planning messages on matchbook covers;
- b. Posters at sports events;
- c. Having a booth or displays on trucks moving from market to market in different towns in the system of weekly markets;
- d. Creation of a promotional "character";
- e. Creation of a promotional symbol linking together the contraceptive brands with those in the national family planning program;
- f. Use of plastic bags carrying a family planning message;
- g. Possible use of posters on public vehicles connecting well known popular symbols to the project;
- h. Design of awnings used by some shop merchants to carry family planning messages;
- i. Bumper stickers;
- j. Simple brochures using cartoons.

4. Packaging and Branding

It is desirable to develop and test local brand names against international ones. In addition, repackaging under a local brand name is consistent with government policy to encourage local manufacture. For example, import duties on finished pharmaceuticals (about 30%) are higher than those on semi-finished goods (20%). Some thought may be given to allowing small local enterprises to do the packaging, thus complementing attempts to develop small enterprise.

5. Time Frame

From the point that the contractor's marketing manager arrives in the country, start-up work on brand development, copy testing and media production have generally required a minimum of nine months. A test market of four to six months followed (if it is successful) by a national launch should have the program operating nationally by the end of its second year.

6. Program Self-Sufficiency

There appears no possibility of a self-sustaining program (including all marketing and product costs) in this situation. It does appear feasible to develop a program which is self-sustaining in terms of marketing costs for products made available to the program at no cost by external sources.

Any effort to cover total product costs with program receipts would appear to push retail prices too close to present commercial prices.

C. Program Scope and Organization

1. Scope

In view of the considerations mentioned in Section I concerning both the lack of tradition of aggressive marketing in the commercial sector and the concerns in the public sector about open communications, there is good reason to consider the possibility of a regional test marketing program which would last approximately one year in one selected urban area.

The advantages of such an approach clearly touch every aspect of the program. Procedures can be developed and tested to deal effectively with distribution and retailers. Copy and media approaches can be tested both from point of view of consumer reaction and objections. Prices and packaging can be tested. Response in terms of trial and volume can be assessed to provide better forecasts of nationwide impact. In addition, such an approach provides the GCM and USAID with an opportunity to evaluate their own commitment to a national commercial marketing project. With this in mind, a decision point could be built into the test.

The major disadvantages simply have to do with certain practical features of the Moroccan marketing situation. The major program medium is likely to be the major medium for other products--TV. Unfortunately, TV broadcasting is national, and it would be inconvenient to broadcast messages to the entire country when products are available in only one city. Similarly, the distributor chosen is likely to have nationwide capability and may not be interested in participating in a relatively short, localized test of this sort. Finally, the overhead cost of developing and implementing such a test may not differ significantly from the costs of a nationwide program during the first year.

2. Organization

Based on our analysis of the nature of the marketing system (particularly of pharmaceuticals) and the government interest in seeing the program developed, the program is envisioned to require outside expertise for development and implementation of social marketing programs for a period of two to three years. The contractor should set up a small, independent local organization for the duration of the contract, although

the project must maintain close contact with both government and commercial organizations whose cooperation will be required for success of the program. The contractor should also hire and train a Moroccan counterpart to act as marketing manager of the program after the contract is completed. We anticipate that USAID would pay all costs of the project during the contract period, with revenue to the program used to offset costs of advertising, distribution and the Moroccan marketing manager's salary. It is also likely that the program will require a full-time salesman to help the distributor establish initial distribution and to maintain contacts with the wholesalers and larger retailers. Detailing to doctors will also be required during the introductory program for the pills.

After the contract period ends, it is anticipated that it can be maintained with a staff of the marketing manager and a salesman. At the margins mentioned earlier, the program should generate enough revenue to pay for advertising and distribution, as well as the salaries of the marketing manager and the salesman.

3. Relationship with the Private Sector

In design of the request for proposals, potential suppliers should be asked to develop alternative ways to deal with potential objections by pharmaceutical laboratories currently providing contraceptive pills in the commercial market. One potential problem involves the agreements between the government and the laboratories to encourage their investment in Morocco. They have been guaranteed profit margins and there is concern that the government subsidized program would put downward pressure on commercial prices and therefore be opposed by the laboratories. The second and perhaps more serious problem is the perception that lower priced subsidized products would force the prices of other commercial sector contraceptive products downward and that this would encourage undesirable brand switching among consumers. It is, of course, true that no net effect on the birth rate will occur if most of the sales of the new products are simply switches from the old, but experience elsewhere has been that both commercial sector sales and subsidized sales have grown in the time frame of a program such as the one here.

This situation has also occurred in other nations in which commercial sector contraceptive projects have been undertaken. In those locations, the same pharmaceutical laboratories doing business in Morocco have not reacted unfavorably and in fact have benefited from overall market growth once the programs matured. Since these laboratories are centrally controlled, the same favorable reaction may be expected in Morocco.

Further, USAID/Morocco has offered to provide data from the project in Marrakech to help in establishing forecasts of changes of both commercial prices and volumes in the private sector in response to an aggressive program of motivation and free household distribution.

It is also important to remember that a more extreme two-tiered price system already exists, with free contraceptives available from

the over approximately 1000 public health centers while approximately the same volume is moved through 430 pharmacies. The proposed program merely adds a third intermediate price level.

III. PROJECT DEVELOPMENT

This section outlines, in general terms, the areas of activity that will be specified by organizations submitting proposals for the project.

Based on this preliminary assessment USAID may prepare a formal Request for Proposals from organizations interested in providing project development and management services. Various organizations will submit competitive proposals which will contain a much more specific description of program activities than is included in this document and which usually involve a visit by each bidder to the country and consultation with the potential host government.

Activities to be addressed by these organizations in each of their technical proposals include:

A. Background Information

1. Statement of trends in socio-economic demographic status and key indicators related to the commercial market and to the national family planning program.
2. A review of all available material on knowledge about, attitude toward and practice of family planning by current and potential consumers.
3. Description of the role of culture, ethnic diversity, language, religion, education, literacy, and social organization in family planning in general and on marketing of consumer products.
4. A statement of laws and policies governing family planning activities and marketing of various contraceptives.
5. A description of the activity levels of various components of the medical delivery systems.
6. A description of social security and other insurance programs.
7. A list of all importers, distributors and manufacturers of contraceptive products.
8. Estimates of volumes and trends of movement of contraceptive products through commercial, government and voluntary organization channels. This should include all brands on the market along with their retail prices and margins and all brands available in non-commercial channels.

9. Background information on the current government and voluntary family planning programs including approaches to education and communication.

10. A clear statement of the specific reaction of all interested parties (including potential suppliers of services to the program and significant suppliers of contraceptives to the private sector, Government of Morocco, USAID/Morocco, Association Marocaine de Planification Familiale, and relevant commercial organizations whose participation or cooperation would be necessary) to the general concept of a commercial distribution program and to the specific proposed elements.

B. Analysis of the Elements of the Marketing System

1. Distribution

Distributors, wholesalers, retailers or a variety of consumer products, including pharmaceuticals. This should include conventional margins, terms of business, inventory practices and selling practices. It should also include numbers of outlets of various types and the number of outlets used for distribution by some representative consumer products.

2. Advertising

a. Importance of various media in the advertising mixes of relatively heavily advertised consumer products. This should include attention to media, message type, and language and geographic placement.

b. Advertising rates and estimates of costs of production and cost per exposure for each medium should be included.

3. Promotion

A general summary of promotional practices, including examples which might be used by the proposed program.

4. Prices

Retail prices of representative, frequently purchased consumer products.

5. Packaging

A statement and description of the quality of packaging and the importance of the role it plays in product promotion in Morocco.

C. Preparation of Plans for Nationwide and Test Marketing

The bidder will prepare a marketing plan for implementation at a nationwide level. It will include, at a minimum, the elements described in Section C.1. The bidder will also prepare a plan for test marketing relevant elements of the nationwide marketing plan. This should include, at a minimum, the elements described in Section C.2.

1. Proposed National Marketing Plan

a. Definition and Analysis of Target Market

This section should include an enumeration of the specific market segments, their size and potential, and socio-demographic characteristics to be served by the proposed program. It should also include the level of general knowledge, attitude and practice of family planning, and of specific contraceptives in the segment, or specification of means to determine this information before commencement of any marketing activities.

b. Volume Objective

Establish objectives in terms of volumes to be achieved during the program and including expected levels during the introductory phase and maintenance phase.

c. Elements of the Marketing Plan

- (1) Establish prices to consumers at a level which will make contraceptives available to the target market chosen.
- (2) Propose a specific distribution structure for the various contraceptive products including the number and type of retail outlets and their geographic coverage.
- (3) Establish margins for compensation of the various elements of the distribution system.
- (4) Lay out procedures for developing and testing packaging and point-of-purchase materials.
- (5) Propose a schedule of advertising and promotion, including media and expenditures.
- (6) Propose consumer instructional material in Arabic for each contraceptive product in the program and appropriate tests.
- (7) Propose methods for training retailers in sale of products and use of instructional materials.

d. Procedural Elements of the Program

- (1) Propose methods and criteria for choosing an advertising agency and identify candidates.
- (2) Propose methods and criteria for choosing a distributor or distributors and identify candidates.

- (3) Propose methods and criteria for choosing an organization to perform marketing research and identify candidates.
- (4) Propose methods and criteria for choosing an organization to provide packaging and preparation of point-of-purchase materials and identify candidates.
- (5) Establish a time schedule for developing and testing components of the marketing program; and for launching the products.
- (6) Establish procedures for measurement of program results against objectives.
- (7) Propose procedures for importing and warehousing of contraceptive products, including arrangements for exemption from duties and sales taxes.
- (8) Propose procedures for initial stocking of products.
- (9) Propose procedures for providing necessary information to physicians in the private sector.

2. Test Market

In addition to the proposed nationwide program the bidder will prepare a full marketing plan composed of the same elements listed above, for a test market of limited duration in a limited geographic area with advertising and promotion limited to the test area. This should include:

- a. Recommendation for a location for such a test and its duration supported by rationale for site selection and timing as well as by uses of information for government policy development and for the nationwide program.
- b. Prices, distribution, margins, brands and packaging, and advertising and promotion.
- c. Procedures for pre- and post-measurement for evaluation of the test, related to the nationwide program described earlier.

D. Measurement of Project Output for Nationwide Project

Establish measurement techniques in terms of the following program characteristics:

1. Movement of subsidized products relative to objectives;
2. A detectable increase in sale and use of contraceptives through commercial outlets;

3. Behavioral measurements of increased knowledge and awareness;

4. Inferred impact on the national and voluntary family planning activities.

E. Project Organization

The Contractor shall:

1. Provide alternative methods for program continuation after expiration of contract;

2. Propose means to establish and maintain continuous and open communications and relationships among the contractor, USAID, the national family planning program and Association Marocaine de Planification Familiale;

3. Propose a timetable for project activities including length of time before project is launched, reaches full expected level of activity, and can be expected to be self-sufficient;

4. Establish necessary procedures for accounting and control of project inventory, receipts and disbursements;

5. Establish reporting procedures for monthly, quarterly and annual reports of sales and distribution;

6. Establish procedures for hiring and training a counter-part marketing manager and salesman.

F. Post Contract Award Activities

Propose procedures and organizational framework to:

1. Establish relationship with national family planning program, voluntary organizations (AMPF) and representatives of the medical, pharmaceutical and business communities;

2. Train local administrative and operations staff;

3. Revise the marketing plan after consultation with firms in distribution, advertising and market research.

G. Cost Estimates

Bidder shall provide:

1. Initial and recurring costs for developing distribution;

2. Initial and recurring cost for developing the advertising program;

3. Cost of required market research;

4. Initial and recurring cost for packaging;
5. Costs for personnel and support required to develop and manage the program;
6. Total costs of the project by year.

APPENDIX I

**Questions Submitted to the Moroccan Ministry
of Health, January 11, 1979**

MARCHE POTENTIEL

Est-il possible de considérer un programme de distribution dans le secteur privé et promotion de produits contraceptifs subventionnés qui seront utilisés initialement par des familles urbaines au revenu modeste?

LES PRIX

1. Est-il acceptable d'imposer un prix aux consommateurs pour les produits qui sont donnés gratuitement aux distributeurs désignés par le programme?
2. Est-il acceptable d'imposer un prix subventionné qui est de moitié égal au prix commercial?

DISTRIBUTION

1. Est-il acceptable que les détaillants reçoivent une marge bénéficiaire pour la commercialisation des produits contraceptifs subventionnés?
2. Est-il acceptable que les distributeurs désignés reçoivent une marge bénéficiaire pour distribuer les produits contraceptifs subventionnés?
3. Est-il acceptable que le programme puisse imposer un prix en vue d'avoir un bénéfice pour subventionner la promotion?
4. Est-il acceptable de distribuer les condoms et les mousses spermicides dans les magasins sélectionnés (droguerie, grands magasins, magasins d'alimentation générale, etc)?
5. Les pilules, figurent-elles sur la liste des substances restructives?
6. Est-il acceptable de considérer la distribution des pilules dans les magasins sélectionnés autres que les pharmacies?

EMBALLAGE

1. Est-il permis de développer et tester une formule de marque pour les condoms, mousses et pilules qui ont une résonance Marocaine?

2. Est-il acceptable de désigner les étalages particuliers pour les condoms, pilules et mousses?

3. Serait-il envisageable d'exposer des emballages et les étalages au public dans des magasins?

INFORMATION SUR MEDIA

1. Peut-on développer et tester une provision d'information télévisuelle et dans la presse écrite des qualités spécifiques de ces nouvelles marques de:

a) condoms?

b) mousses?

c) pilules?

2. Peut-on considérer développement de telles promotions spécifiques sur radio là où c'est permis?

FOURNITURES DE PRODUITS

1. Le programme peut-il importer des produits sans taux ou droits de douane?

SUGGESTION D'ETABLIR UN TEST PILOTE PRELIMINAIRE

Est-il acceptable de formuler un test d'un an dans une petite ville et un village avec les caractéristiques suivantes:

1. création de nouvelles marques et emballages pour condoms, pilules et mousses.

2. prix subventionnés modérés aux consommateurs pour les produits.

3. marge~~s~~ bénéficiaires aux détaillants.
 4. marge~~s~~ bénéficiaires aux distributeurs désignés.
 5. distribution de tous les produits subventionnés dans les pharmacies.
 6. distribution de~~v~~ condoms et mousses dans les autres types de magasins sélectionnés.
 7. visites aux médecins et pharmacies par représentants médicaux pour mettre au courant sur la création de la nouvelle marque de pilules.
 8. promotion sur média des qualités spécifiques de nouvelles marques.
- Au futur Si ces objectifs du test pilote sont atteints et si les réactions négatives ne se manifestent pas, le gouvernement, peut-il envisager la généralisation du programme sur l'ensemble du pays?

APPENDIX II

**Summary Report Submitted to Moroccan Ministry
of Health, January 18, 1979**

Une évaluation préliminaire de la faisabilité d'un projet de marketing subventionné pour les contraceptifs au Maroc.

Nous présentons ici un sommaire préliminaire de notre investigation de la faisabilité de faire monter un programme subventionné de la distribution et la promotion des produits contraceptifs au Maroc. Ce sommaire peut donner une base pour les discussions entre le gouvernement Marocain et USAID qui peuvent mener à une requête formelle pour les propositions pour développement et gestion de tel projet. Les enchérisseurs doivent donner un dessein spécifique pour le projet.

Notre investigation a trois buts:

1) de faire une estimation de l'environnement pour un tel programme et de préparer une proposition préliminaire.

En total, les considérations socio-économiques et commerciales, et même les positions du gouvernement au sujet de planning familial, sont favorables. Un programme subventionné dans le secteur privé peut aussi aider l'avancement des autres activités de planning familial, même dans le secteur publique et les organisations volontaires, pendant les cinq prochaines années.

2) de faire une estimation de la faisabilité -- aux termes techniques et économiques -- d'un tel programme.

Nous avons conclu qu'un programme de la distribution des produits contraceptifs peut agrandir significativement le pratique du planning familial dans une partie de la population urbaine avec revenu modeste. Le programme peut gagner de l'argent, mais pas assez pour le faire suffisamment soi-même.

3) pour faire provision pour une base pour une proposition des éléments de marketing qui sont exigibles pour le succès d'un tel projet.

I. Sommaire des Eléments Majeurs du Rapport Final

Un rapport en détail qui explique les fonds pour les recommandations sera envoyé à USAID en dix jours. Ce rapport peut servir comme base pour discussion entre le gouvernement Marocain et le gouvernement Américain, même pour les discussions entre USAID et les offreurs potentiels pour le contrat.

1) L'Environnement pour un Projet de Distribution et Promotion des Contraceptifs dans le Secteur Privé.

A. Considérations socio-économiques

Les indicateurs socio-économiques, sur équilibre, comparés favorablement avec ceux des autres pays dans lesquels tels programmes ont été déjà lancés.

B. Considérations Gouvernementales

Nous percevons que le gouvernement est maintenant ouvert aux diverses idées qui peuvent supporter le développement des activités de planning familial. En même temps, le gouvernement accepte des idées spécifiques comme la publicité des produits à la TV et la distribution des pilules en dehors des pharmacies.

C. Considérations Commerciales.

On peut trouver les moyens dans le secteur privé pour supporter le développement d'un programme. Il existe les agences de publicité, une agence de recherche du marché, et plusieurs associations de grossistes et détaillants qui peuvent servir comme canaux de distribution.

D. Relations avec les autres Activités de Planning Familial

Le projet proposé peut servir un peu comme substitut pour la vente commerciale des contraceptifs mais le programme compléterait à celui des cliniques du gouvernement et des organisations volontaires.

II. Recommandations

Nous recommandons qu'un programme subventionné de distribution et promotion des produits contraceptifs soit entrepris au Maroc.

Le but d'un tel programme sera d'utiliser les possibilités du secteur privé qui a réussi à présenter au public Marocain toutes sortes de produits et qui a même réussi à établir un marché pour les produits contraceptifs au prix commercial.

Le programme doit inclure des prix modérés aux consommateurs, la distribution au moins de condoms et spermicides dans les magasins autres que les pharmacies, et la publicité utilisant les médias pour les produits.

Le programme serait sondé par un test de marché dans une ville où se trouve une population aux revenus modestes et possédant des cinémas pour la publicité.

Il exigerait à peu près six mois pour développer les éléments du programme, et le lancement du test exigerait deux mois. Le test durera à peu près de quatre à six mois. S'il réussit, un programme peut être lancé en quatre mois et exigerait six à huit mois pour arriver au niveau opérationnel complet. Le processus demande deux ans au total.

Le programme exigerait la présence d'un contractant étranger pendant 2 ou 3 ans. Ce contractant développerait une organisation locale et serait responsable :

1. du développement et du lancement du programme de marketing; il travaillerait de concert avec le gouvernement, les agences de publicité et les distributeurs;

2. de la formation d'un partenaire Marocain pour qu'il puisse devenir "marketing manager" à la fin du contrat.

L'USAID financerait toutes les dépenses du programme de marketing et offrirait les produits gratuitement.

A la fin du contrat, le programme serait capable de financer sa publicité et la distribution, ainsi que le salaire du "marketing manager". Par contre les produits devraient toujours être donnés gratuitement.

Nous recommandons que, avec l'accord du gouvernement Marocain, l'USAID prépare une demande officielle demandant l'établissement d'un projet de "marketing social" pour les pilules, les condoms et les mousses spermicides.

III. LE PROGRAMME

Le programme proposé combinera les possibilités du secteur privé qui a été capable de former un réseau de vente à travers le pays pour toutes sortes de produits, avec des coûts relativement bas.

Le système de santé publique distribue gratuitement des pilules à certains endroits et le secteur commercial en vend aussi.

Il faut toutefois remarquer que même si les produits sont donnés gratuitement , le consommateur devra néanmoins payer les contraceptifs pour rembourser les divers frais (voyage, etc.)

Le gouvernement a déjà expérimenté le recours à une agence de publicité à d'autres occasions -- par exemple avec le sucre en poudre, les ceintures de sécurité pour les voitures. Ce programme de distribution de contraceptifs est construit sur les mêmes bases mais il ajoute d'autres éléments d'un programme de marketing -- distribution dans des endroits familiers, publicité et promotion, emballage et étalage.

Faisabilité d'un projet subventionné de distribution et promotion des
Produits Contraceptifs

A. Le Marché

1. Le marché potentiel

Le marché potentiel pour ce programme sera la plupart des couples urbains, mariés, avec un revenu modeste (300DH par mois et plus). Un programme national dirigé vers ce groupe peut doubler le nombre de couples servis par les secteurs privés (200,000) après 18 mois.

2. Connaissance du comportement des consommateurs

Les informations manquent au sujet des attitudes envers la planification familiale, les connaissances spécifiques des modes et des produits et les préférences concernant les sources d'information et des produits. Il faut construire une base de cette information.

B. Elements du programme

1. Prix

Les prix seront en général entre 1.50 et 2.50 dirhams par mois (un cycle de pilules ou une douzaine de condoms ou de la mousse spermicide). Cela représente un niveau moyen de quelques produits achetés habituellement par les consommateurs urbains aux revenus modestes. Cela représente 1% du revenu mensuel, comparé aux 2 ou 3% demandés pour prix des pilules dans le commerce.

2. Distribution

La distribution devrait être aussi large que possible. Au minimum il faudrait distribuer les condoms et les mousses spermicides dans les 430 pharmacies, les drogueries et parfumeries (330), les services libres (50) et les plus grands magasins d'alimentation (3000). Il est souhaitable d'établir un but final comparable à celui de la distribution des savons de toilette et crèmes dentifrices.

Les prix recommandés laisseront une marge bénéficiaire suffisante aux grossistes et aux détaillants.

Il sera souhaitable d'envisager une plus large distribution des pilules dès que possible.

3. Publicité et promotion

Le support nécessaire à la publicité et la promotion peut être une combinaison englobant les cinémas et du matériel destiné aux points de vente. Plusieurs possibilités existent pour les promotions spéciales. Un budget de 250,000 à 500,000 dirhams serait suffisant pour assurer le lancement. Il est souhaitable de considérer au plus tôt des publicités à la télévision et à la radio.

4. Une stratégie de tests de marché

A cause de la sensibilité de certains aspects du projet proposé (en particulier publicité et paiement des distributeurs), nous suggérons une stratégie de dessin et l'établissement d'un test de marché dans une ville avant que le lancement national ne commence.

APPENDIX IV

Sources of Information

APPENDIX IV

Source of Information

A. Persons

1. William Trayfors, OSAID Morocco
2. Tom Harriman, OSAID Morocco
3. Abdelatif Benabdsalem, USAID Morocco
4. Harold Fleming, Director, USAID Morocco
5. Eric Griffel, Associate Director, USAID Morocco
6. Mr. Haj Mimoun Boukhrissi, Chief of F.P. Services, GOM
7. M. Stanislaus Wisniewski, Associate Director, Cinema Press, Casablanca
8. Patricia Mann, Chef de Budget, Cinema Presse, Casablanca
9. Mohamed Belghiti, Director General, Cinema Presse, Casablanca
10. Thomas Green, US Consulate, Casablanca
11. Peter Sebastian, US Councul General, Casablanca
12. Patricia Sebastian, Marrakech Project (Anthropologist), Casablanca
13. Patrick Villegoureix-Ritaud, Executive Director, American Chamber of Commerce
14. N. Ayouch, Director General, Shem's Publicity, Casablanca
15. M. Mortier, Commercial Director, Maphar Laboratories, Casablanca
16. John Watson, Marketing Director, Le Petit Pharmacie Laboratories, Casablanca
17. Professor Alaoui Tahar, GOM, Rabat
18. Dr. Claude Noger, Adviser to GOM, Rabat
19. Dr. Mechbal, GOM, Rabat
20. Jean-Pierre Bernex, General Manager, Colgate Polmolive Maroc, Casablanca
21. Charles Kumholm, Am Con, Casablanca
22. Mme. Lazzari, GOM, Rabat

B. Printed Materials

1. Factfinding Study by Business International Corp., 1978
2. Wood Pharmacy Survey, 1977
3. HEW Health Synthesis for Morocco, 1977
4. Project Paper for Family Planning Support, USAID, 1978
5. Grant Agreement, Project 0155, 1978
6. Law and Population in Morocco, 1978
7. Summary sheet on legal status of contraception and abortion, Law and Population Program
8. Summary description of Association Marocaine de Planification Familiale (AMPF)
9. Summary sheet: Target Population, Active Users, 1982 Projections
10. Family Planning Service Statistics, Morocco, 1978 (p. 68-70)
11. Annual Review of the American Chamber of Commerce in Morocco, 1978.

12. American Business Companies in Morocco, May 1978, American Chamber of Commerce of Morocco.
13. Morocco, Country Profiles, Population Council, Sept. 1973
14. KOMPASS, Morocco
15. US Department of State Retail Price Schedule, Rabat. 1978.
16. Catholic Relief Services, Annual Summary of Activities, Morocco, 1978.
17. Annuaire Statistique Du Maroc, 1976
18. Le Maroc en Chiffres, 1977
19. World Bank, World Tables, 1976.
20. World Population Reference Sheet.
21. United Nations Yearbook of Labor Statistics, ILO, 1977.
22. United Nations Statistical Yearbook, 1977.

C. Field Trips

1. Petite and Gran Marche and Medina, Rabat and Casablanca, January 10 and 17, 1979
2. Kenitra, Magrone, Sidi Kacem and other areas north and east of Rabat, January 11, 1979
3. Marakech and surrounding area January 13-14, 1979.