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papers

PROGRAM FOR THE INTRODUCTION AND ADAPTATION OF CONTRACEPTIVE TECHNOLOGY

Program for the Introduction and Adaptation of Contraceptive Technology (PIACT)

Established in 1976, PIACT is a nonprofit organization that seeks to increase the availability, acceptance, and use of contraceptives by adapting the products and accompanying informational materials to the cultural and physical characteristics of the people using them. Under the direction of a Coordinating Committee of population researchers and administrators from eight developing countries, PIACT assists countries in developing the capacity to adapt contraceptive products to local needs and customs. Priorities for PIACT activities are set by each of the member country programs. While one country may be studying which of several IUDs is most appropriate for anemic women, others are studying the design and user acceptability of new barrier contraceptives or developing support materials to explain correct contraceptive use to illiterate rural women. A Technical Services Unit, the coordinating, administrative and technical backstopping arm of PIACT, is headquartered in Seattle, Washington. PIACT has set up a Product Reference Service to provide information about specific contraceptive products. It also issues the *Product Newsletter*, a periodic bulletin describing new trends and advances in contraceptive technology. PIACT also collaborates with agencies developing new contraceptive technology, with manufacturers of contraceptive products, and with leaders of family planning programs to help introduce contraceptives most appropriate to national and local needs.

PIACT Papers present views on contraceptive-related topics and report on recent research on products and their support materials used in developing world family planning programs.

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Commercial Retail Sales of Contraceptives

by
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Commercial retail sales (CRS) programs were first attempted in developing countries in the early 1960s; the first large-scale program was launched in India in 1969. Reports on the performance of these programs have appeared throughout the years, but until recently there had not been an international conference on the subject of commercial retail sales of contraceptives.

This PIACT Paper is based on such a conference, held in Manila, The Philippines, November 5-7, 1979. It was the first ever to bring together individuals from throughout the world—65 participants from some 23 countries—to focus specifically on commercial distribution programs for contraceptives. It was sponsored by the U.S. Agency for International Development, and organized and coordinated by PIACT. Manuel Ylanan, Associate Director of PIACT, was the conference chairman. He was assisted by Ms. Cecilia Verzosa, Program Officer of PIACT/Philippines.

The objectives of the conference were necessarily quite fundamental:

- to provide a forum for managers of CRS programs to exchange information on their different programs and benefit from each others' experiences;
- to inform government decision makers, who were also invited to the conference, about CRS programs, thereby encouraging their support for expanded or new programs; and
- to provide staff members of donor agencies with an overview of commercial retail sales, which would permit them to design funding program strategies and to set priorities on the basis of more complete information and understanding.

To achieve these objectives, the conference was directed toward generating recommendations for future action that either program managers, government decision makers, or donor agency staff could undertake.

The first section of the paper examines the background of CRS programs in terms of their potential contribution to fertility reduction in developing countries. This is followed by a discussion of the salient issues raised by five authors whose papers, prepared especially for this conference, provide background to the roles of market research, packaging, advertising, distribution, and logistics and financing in CRS programs. The third section, addressed particularly to those considering a CRS program, presents, in the form of a series of recommendations, the results of deliberation by conference participants on major issues related to the implementation of such programs.

It is PIACT's hope that the conference on commercial retail sales will have a lasting impact on the delivery of family planning services. From it should emerge efforts that will result in a better understanding of the potential contribution that CRS programs can make, and in this way assist in the appropriate allocation and economic development in developing countries.

PIACT Paper Six

Introduction

Background

The decade of the 1970s has been one of great change in terms of efforts to limit population growth. While the momentum has built up in the late 1960s, it was not until the early 1970s that the attitudes held by government leaders toward the need for population limitation programs began to change dramatically. More and more countries adopted either explicit or unwritten but actively implemented policies to reduce population growth. These countries either began or enlarged family planning programs as funds available for such programs from bilateral and international donors increased rapidly. A large number of innovative schemes to provide family planning services to individuals were tried. Clinic-based systems were given heavy emphasis initially, followed by community-based systems, mobile medical teams, and, in a few countries, commercial retail sales programs.

The changes of the 1970s resulted from the realization by governments that their efforts to accelerate socioeconomic development and thereby improve the quality of life for their citizens were being hampered by rapid population growth. Furthermore, these governments realized that their populations were expanding rapidly—exponentially—and that efforts to solve the problem would have to be mobilized rapidly and given substantial resources. Most family planning programs were initiated with speed but frequently there was no allocation of the needed resources. The competition for limited resources was and remains intense.

It is important to note that governments have accepted the responsibility for establishing population programs. Unlike a decade ago, governments now almost universally view family planning as they do health services, education, police, and fire protection. Family planning has become one of the social services that most governments feel is their obligation to provide for their citizens.

The Role of the Private Sector

Governments charge individual users for some social services and not for others. In most countries, for instance, university education is not free; we know of no country in which mass transportation is free; and the individual usually bears at least a portion of the cost of health services. The rule seems to be that, if a necessary social service particularly benefits a distinct group, those benefiting should bear a part of the cost. Thus, individual charges are never made for police or fire protection, but university students pay fees, bus riders pay fares, and ill people are charged for medicines. The charges for social services are calibrated in many cases to the ability of the user to pay. Destitute individuals are not charged at all for medical services (although they may find it difficult, if not impossible, to obtain medical treatment), and talented but poor youth can sometimes obtain scholarships for university training.

Family planning is one of those social services for which governments often levy charges, selling pills and condoms at subsidized prices.

In providing social services, governments usually mobilize the private, profit-making sector. Publishers produce university text books, pharmaceutical companies manufacture the drugs used in medical services, and advertising agencies develop motivational campaigns for government-sponsored programs. Although governments normally try to control the amount of profit that private companies can make from government contracts, it is certainly true that profits are made.

Governments use the private sector because commercial companies can provide services and products that governments cannot either provide efficiently or economically. The private sector can often respond quickly with minimum bureaucratic tangle and generally high-quality personnel. In national family planning programs, the private sector has been used for the furnishing of vehicles, for the construction of clinics, for provision of sterilization services through private physicians, and for conducting mass media information campaigns. The private sector has also been used to implement contraceptive CRS programs.

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There is proof that private commercial business resources and expertise can contribute to the attainment of a public social goal. While retail sales can mark the beginning for government and private sector working relationships, it can also expand to other related areas like quality control or quality assessment, local manufacture or development of modified contraceptives to meet local needs.

The Role of Commercial Retail Sales Programs

The fact that most people in the chain of service delivery make, or have the opportunity to make, a profit, differentiates CRS programs from other ways in which governments use the private sector. In these other circumstances, the private sector provided some product or service which the government, in turn, distributed to its citizens; no one in the chain of service delivery makes a profit. In a CRS program, however, the contraceptives are sold to the user by a retailer who normally makes a profit from the sale, and this situation has led to a serious misunderstanding. The perception has arisen that CRS programs *as a whole* are striving to make a profit. This is not the case. CRS programs are either run directly by the government, as in the case of India, or more commonly by a nongovernmental, nonprofit organization. The program itself is sponsored jointly by government and international donors; and financial supervision assures that "profits" are not made by the implementing organization.

The primary objective of commercial retail sales programs is to achieve a social benefit. A secondary objective is to recover a portion of the costs of the program so as to minimize government or donor cost.

If we accept that the implementation of CRS programs under government supervision is a legitimate and appropriate way to deliver family planning services, then the question arises, "What is the most appropriate role for CRS programs in relationship to noncommercial governmental programs?" The simplest answer seems to be that CRS programs can provide services to individuals who otherwise would not be reached effectively by the government programs. Retail networks are well-known for their ability to extend the distribution of consumer products to even the most re-

mote parts of a country. They are successful in getting such products as soft drinks and soaps to every village and hamlet. These same networks, under the appropriate conditions, can be used to achieve the same coverage of distribution of certain contraceptives. Thus one role of CRS programs is to reach individuals who are geographically far from the government service points.

Another group that government outlets do not serve effectively are those individuals who are reluctant to use government-provided or free services. It is common knowledge that free services are frequently perceived to be inferior. Even products or services that are highly subsidized are held in suspicion by some. In many CRS programs, the product with the highest price is the largest seller, even though it differs only in name or outer package from the other products available to the purchaser. This suggests that CRS programs do not effectively reach the very poor. Some program managers argue that, if a person can afford one pack of cigarettes per month, that same person can afford either a cycle of oral contraceptives or nine condoms. This implies that CRS programs could potentially reach all economic levels, with the notable exception of those people not participating in the cash economy.

If we now accept the proposition that it is both proper and legitimate for governments to sponsor CRS programs, and that these programs can effectively reach individuals whom government finds it difficult to reach, we need to next ask, "What demographic impact can commercial distribution programs have?" Unfortunately, this question cannot at present be answered with precision.

It would be desirable to be able to state,

In national family planning programs, CRS programs can reach X% of the married couples of reproductive age. These programs are best at providing products that will reduce fertility Y% among acceptors. If other government programs are reaching A% of the population, and reducing fertility by B%, then the relative contribution of commercial distribution programs to fertility reduction is represented by the ratio:

$$\frac{XY}{XY + AB}$$

If we could calculate this formula, then it would be possible for us to know the demographic impact of a CRS program in a country. Furthermore, by factoring in the costs of both the CRS program and the noncommercial programs of the government, it would be possible to compare cost effectiveness. Unfortunately, adequate data does not yet exist to calculate either the demographic impact of CRS programs or their relative cost effectiveness.

The need to evaluate the demographic impact and the cost effectiveness in achieving that demographic impact by CRS programs is of overriding importance. The objective in establishing and continuing to support CRS programs is to contribute to the reduction of rapid population growth, which contributes in turn to an important social objective — improved socioeconomic development and human welfare. It may be satisfying to show that CRS programs can be self-supporting, but this alone will not justify their existence if they do not contribute to the goals of fertility reduction.

CRS Program Components

Relevant to any CRS program are issues related to the role of market research, packaging, advertising, distribution, and logistics and financing. Background papers in each of these topical areas prepared especially for the conference were:

- *The Many Roles of Market Research in Subsidized Commercial Contraceptive Retail Sales Programs*, by John U. Farley
- *Choose Me*, by Jake Obetsebi-Lamprey
- *Advertising*, by Tennyson Levy
- *Distribution and Logistics*, by Mechai Viravaidya
- *Management Systems for Social Marketing Programs*, by Luis de la Macorra

The salient issues raised by each of these authors follows. The full text of the papers may be obtained by writing either to the authors or to PIACT.

How these components can be integrated into an effective CRS program was described by S. Anwar Ali. His paper, *Social Marketing Contraceptives in Bangladesh: General Review of Program Directions Incorporating Additional Product Expansion* is reproduced in full as Appendix I of this paper.

Market Research (Farley)

Market research data have proven useful to support a number of key decisions as well as for overall program design and evaluation. The research techniques have ranged from those of qualitative motivational research to formal model building. Subjects have included buyers, potential buyers, and retailers. Samples have ranged from small-scale, convenience sampling for such specific problems as choice of color and package to large-scale scientific sampling in surveys of consumer behavior. Market research also cuts across decision areas, including pricing, advertising, promotion, and distribution. Of course, research has not necessarily been the dominant factor in these decisions, but it is possible to identify the contribution that market research has made in terms of both corroborating experienced managers' collective judgment and in reducing uncertainty in resolving important marketing problems.

Market research can make important contributions to each of the three phases of a CRS program—**pre-launch**, **program roll-out**, and **on-going activities**. What has distinguished market research in these particular applications from the large volume of existing social science research related to family planning has been context: market research questions are posed in the form of problems to be solved; and the outcome of market research is recommendation of action.

Although standard commercial market research techniques can assist contraceptive CRS programs to develop strategies for working with retailers, for planning advertising campaigns, and for testing pricing and packaging concepts, market research usually has not served as a component of integrated, decision-oriented information systems for family planning programs. However, two recent developments may alter this situation: some investigators have developed models that are useful in making forecasts or in

SOME EXAMPLES OF APPLICATIONS OF MARKET RESEARCH IN STAGES OF A SUBSIDIZED CONTRACEPTIVE MARKET PROGRAM

Pre-launch activities

Establish specific of target market

- Socio demographic profiles
- Knowledge, attitude, and practice of family planning
- Fitting program into current commercial and public sector activities

Develop and test specific program elements

- Price
- Brand names
- Packaging
- Products
- Advertising copy and point of purchase material

Assess reaction of retailers and other potential program participants

Roll-out activities

Tracking of sales records and outlets secured against preestablished targets

Tracking impact on consumers of program in terms of

- awareness
- knowledge-trial
- use

Ongoing activities

Periodic studies of users and non-users to follow the effect of the program

In-depth assessments of particular sub-groups for segmentation purposes

In-store studies of distribution, displays, etc.

assessing the potential impact of alternative program designs; and efforts are under way to integrate market research and evaluation. In the past, the evaluation effort has often been mounted after the marketing program is well under way, and some opportunities for synergy have been lost.

Packaging (Obetsebi-Lamprey)

One critical component of the commercial approach is packaging development. The functions of packaging are to protect the product, to make it easy for both seller and user to handle the product, and to assure that the product can be used with ease; for example, the package must open and close easily. A package must protect the product, it must be appealing, and it must be economical. The package design should of course be appropriate to the product. It must also be legal, with appropriate printing and labeling, and safe (including information on the safe use of the product), and it must be convenient for the seller to display and the consumer to use.

Not only should the product name be legal, and have no negative connotations, it should be short, easy to pronounce, easy to remember, and descriptive. Further, it needs to have the right image, price, and value associations.

Although the application of known research techniques to package design and product naming can be useful, it is important to remember that some of the greatest brand names worldwide were never researched; in fact, they were never even discussed, but were the result of a manufacturer's attitude of 'I make it - I name it'.

Advertising (Levy)

The advertising of contraceptives necessitates consideration of factors which do not play such an important role for other consumer products. Contraceptive usage is a personal, private act, conditioned by preconceived attitudes, the environment, religion, and a host of other interrelated issues. The guiding philosophy for a CRS program's advertising must be that it is directed to encouraging responsible parenthood and not to the sales of any particular products. In Jamaica, for instance, the advertising campaign accepted the prevailing attitude that one has a right to the number of children one desires, and the advertising philosophy addressed this right by stressing that one should have the number of children that

one can afford to love and care for. With this as the philosophy of the campaign, the program managers realized that it was necessary to direct advertising not only to the potential users of the products, but also to important other elements of the community, including political and religious leaders, in order to obtain their understanding and support. Because contraceptive CRS programs can generate controversy, it is especially important that the advertising campaign provide accurate and clear information and that it be presented in the appropriate manner so as to achieve the intended results without generating backlash.

Distribution and Logistics (Mechai)

Community-Based Family Planning Services (CBFPS) is the major nonprofit agency operating a contraceptive distribution program in Thailand in close cooperation with the government and pharmaceutical companies. It distributes contraceptives mostly through a cadre of locally recruited village distributors in areas where contraceptives had not been available, and through supplementary programs in urban areas.

CBFPS distributes both pills and condoms to approximately one-third of the villages of Thailand. It does this by mobilizing village distributors who are responsible for a population of approximately 1,000 people, including an average of 25 oral contraceptive customers. Village distributors are resupplied and managed by local supervisors who are each responsible for approximately 70 village distributors. The local supervisors in turn report to a field officer who has responsibility for approximately 6 local supervisors. There are 25 field officers who report directly to CBFPS headquarters in Bangkok. Besides featuring an upward system of reporting, the management scheme includes a downward system of performance monitoring through personal visits and by collection of data through "mini-surveys." The performance of local supervisors, who are the key link in assuring that adequate supplies of commodities reach the village supervisors, is assured in that the village distributor can report directly to CBFPS headquarters when a local supervisor does not appear for his regularly scheduled resupply visit. In addition, local supervisors and field officers meet monthly to review problems and experiences.

A key element of the CBFPS information, education, and communication program (IE&C) is to inform potential acceptors of the "side effects" of pregnancy as well as of the positive attributes of contraception and family planning. Women are told that the hormonal changes and related effects during pregnancy are "the size of an elephant," while the changes and side effects of the pill are "the size of an ant."

In addition, the CBFPS system also provides a mechanism to deliver health-related products, such as oral rehydration salts, and it provides sterilization services through mobile vans. The program is now self-sufficient, in that the distribution system is completely supported by sales income, while commodities are still received free. Indeed, sufficient income is available to support the extension of the program into health services and to spread it to other areas of the country.

Financing (de la Macorra)

Since social marketing for contraceptive CRS programs is the same as marketing for consumer product, profit-making programs—except that the final objective is a social benefit rather than economic profit—sound management systems should be employed in CRS programs to make contraceptive products more accessible and more economical for the particular consumer who needs them to limit her family.

All of the characteristics of a manager in a for-profit, consumer product marketing organization can be translated directly into the CRS program context. There the program manager will involve himself in initiating the standard marketing activities of research, development, distribution, and promotion and advertising. He will investigate and evaluate all these systems and procedures, making whatever adjustments to them that experience indicates are likely to enhance the goals of the program. These adjustments could include such things as repackaging, opening up new and more appropriate channels of distribution, and developing culture-specific programs of education and orientation. Traditional marketing strategies have as their goal the generation of profit. These same strategies can be used in CRS programs as the manager plans for the self-sufficiency of his operation.

Operational Issues for CRS Programs

Some thirty-two CRS programs have been implemented over the past twelve years. They have employed a number of different formats and have had varying types of support. Their product lines have varied, as have their degrees of success. Nevertheless, the combined experience of all these programs proves to be of great value to future CRS programs.

The conference participants, many of whom brought with them years of experience in CRS programs, focussed their attention on three major issues that are essential considerations to those planning to implement a CRS program.

First of all, a CRS program functions in complex interrelationships with other entities. Obviously it functions in a relationship with its government and with donor agencies. But it also needs to establish relations with the commercial market and with other nonprofit CRS programs. To be successful, a CRS program, in its planning, must take into account a number of relevant government and donor policies, and it must consider the cultural and economic contexts in which the program is to operate. It needs to enter into appropriate interrelationships with government programs, commercial-sector sales programs, and other nonprofit CRS programs, all of which can assist a CRS program; in turn, the CRS program can complement these other services for mutual benefit.

The second and third major issues can be stated simply in question form: how can CRS programs best be managed? How can CRS programs best be financed?

Deliberation by conference participants on these three issues led to a series of conclusions and recommendations which are presented here for consideration by those who contemplate establishing a CRS program. An outline of some of these is presented on page 16.

Interrelationships with Other Entities

Governments should provide CRS programs with a maximum of assistance and a minimum of interference. This can be achieved by involving appropriate government entities, and other interested groups (such as doctors, pharmacists, nurses, etc.) in the CRS program by means of an advisory board or committee. This board or committee should be involved in program policy, but not in program implementation. The composition, functions, and activities of this board will necessarily vary from country to country, but it is essential that it support the CRS program: setting broad policy, coordinating CRS program activities with the activities of other family planning organizations in the market, and representing the CRS program to the government.

CRS programs can, as a kind of return for government assistance, complement government family planning programs in several ways. CRS programs can serve as an extension of government services by referring prospective oral contraceptive users and candidates for sterilization and for the IUD, to government clinics. CRS programs can also advertise and promote the government family planning program while advertising their own products. The two programs can share and exchange supplies when necessary, or when a saving in time or money is possible through such sharing. Finally, the CRS program distribution system can be used to get supplies to government distribution points.

It is clear that the private sector is better equipped and more capable than the government sector of developing a successful CRS program. The program should nevertheless coordinate with the national population program and have government support.

Many government policy areas critically affect CRS programs and need to be seriously considered. CRS planners must look at policy regarding population, first of all. There are policies regarding pricing, restrictions on advertising, and on the actual sale of contraceptives, as well as import duties and taxes, requirements for registration, and mandatory requirements for such things as labeling, all of which require careful consideration. Moreover, the government's attitude toward or willingness to approach donors and to accept donations of foreign funds must also be taken into account.

As a necessary precondition for implementing a CRS program, there needs to be government approval, either open or tacit, to the goals of the program and its existence. The program also needs to be in a marketing economy, as distinguished from a pure socialist economy; that is, the economy needs to have an entrepreneurial outlook if a CRS program is to function successfully within it. In general, a CRS program needs to be in a favorable cultural/social/religious/political environment for family planning.

In addition to considering government policies and how they affect CRS programs, there are several donor policies that those planning to implement a CRS program need to pay attention to. Donors have limitations in such areas as brands supplied; they have source-of-origin requirements, price restrictions, as well as time limitations regarding completion of contracts.

There are a number of elements which could assist in moving existing and new programs aggressively ahead, some of which involve relations with other contraceptive programs. These elements include:

- Exchange of experience, particularly by field trips and observation, but also by conferences and by exchange of literature. It is possible to secure donor money for field trips to existing project sites and training locations, for example.
- Concentration and updating of information on existing programs. More realistic reporting to include reporting of failures or unsolved problems.
- Exportation of technology and experience through use of consultants, and exchanges of visits.
- Inexpensive, frequent, small surveys.
- Comprehensive, ongoing and final evaluation.

OPERATIONAL ISSUES FOR CRS PROGRAMS

Policies Affecting CRS Programs

Government

- overall population policy
- price control policy
- regulations concerning advertising of contraceptives
- prescription, retailer, and display requirements
- import duties/taxes on contraceptives
- product regulatory requirements, names, packaging and labeling, drug formulation approvals
- willingness to approach international donors and accept foreign funds

Donors

- limitations on brands supplied
- source of origin requirements
- personnel restrictions
- price or distribution requirements
- policy towards bulk purchase
- contract completion time constraints
- limitations on local recipient possibilities

Components of Program Management

Pre-program market research

- the products • consumer needs
- retailers • prices
- distribution channels
- legalities
- other programs

Marketing

- product development
- branding • pricing
- product and brands mix
- package development and testing
- education of consumer and retailer
- advertising, promotion, public relations

Operations

- supply: repackaging, production, purchase
- warehousing and inventory control
- distribution
- sales management
- personnel training and development

Administration

- accounting • personnel
- statistics • financing

Alternatives for Program Financing

Attainment of self-sufficiency

- long-term goal attained in varying degrees over time
- dependent upon communities' ability to pay for contraceptives

Contribution of manufacturers

- low price of wholesale contraceptives in return for expansion of market for their products, promotion of brand names

Distribution of non-contraceptive products

- can provide additional financial support
- must not interfere with program objectives

The commercial private sector may be complemented and assisted by the CRS program, when CRS program advertising creates an awareness of, and demand for, contraceptive products in general. In addition, the CRS program's quasi-official status may make it possible to supply assistance to the commercial sector through its government contacts. The programs, which in most cases only handle condoms, pills, and foams, serve as suppliers for short-term acceptors who often are prompted to move to permanent methods. CRS programs reach people who prefer not to go to clinics — especially males and young people.

How Can CRS Programs Best be Managed?

The five components of a CRS program are: pre-program market research activities, marketing, operations, administration, and evaluation research.

Pre-program market research is basic for the correct decision-making process. It should examine such aspects as products, consumer needs, retailers, distribution channels, legalities, prices, and other existing programs. Marketing components include product development, pricing, product and brands mix, an educational program, as well as advertising, promotion, and a public relations program. While all components are essential, it is most important to develop an integrated marketing strategy that is based on regular commercial practices and that keeps in mind the basic program objectives.

Techniques from the private sector can be applied very well to social development programs. As did The Philippines, many other countries are turning towards the adaptation of consumer-oriented commercial marketing techniques and distribution systems to improve the reach and the effectiveness of population programs.

Technical and professional skills in the areas of operational components, which include supply, warehousing, inventory control, distribution, sales management, and personnel training and development, must be available for a successful program. The administrative components of a CRS program, which are basically the same for all countries and all programs, can be summarized as follows: accounting, personnel, statistics, and financing.

To complete the cycle of CRS program components, market evaluation research should be employed to assess the results and the progress of the program.

It is essential that an implementing agency have certain capabilities or attributes. These are: basic expertise in family planning; strong professional, technical, and commercial skills; the capacity to coordinate activities with the national population program objectives and activities; and the capacity to be pioneers in the family planning field and the ability to take criticism while maintaining the basic spirit of dedication and commitment.

How Can CRS Programs Best Be Financed?

The attainment of the social benefit is the primary goal of the CRS program; self-sufficiency is only a secondary goal, which may be pursued as long as it does not detract from the attainment of the primary goal. Self-sufficiency should be sought over the long-term, attaining it in varying degrees over time. In the pursuit of self-sufficiency, the capacity of the community to pay for contraceptives should be an important consideration.

CRS programs have benefited manufacturers of contraceptives in the expansion of the markets for their products and, in those instances where the contraceptives carry the producer's brand names, the promotion of these brand names. The manufacturers of contraceptives have, in turn, provided contraceptives to most CRS programs at low prices, and should be encouraged to continue to do so.

Even non-contraceptive products can play a role in supporting CRS programs. CRS programs could distribute non-contraceptive products and services in order to obtain additional financial support—provided, of course, that this promotion does not interfere with the attainment of the social objective of the program.

Although sophisticated techniques are known, realistically, cost effectiveness could be appropriately measured in two ways: 1) the results of the CRS program could be measured against the objective

set in the initial plans of the program; and 2) the cost of delivery of contraceptives to retail outlets could be compared with that of the cost to clinical outlets or other delivery systems.

Concluding Remarks

- Commercial retail sales programs are unquestionably more relevant and effective now than they were as little as seven or eight years ago. Lessons being learned today in the operation of CRS programs will lead to even more effective and more pervasive programs in the future. A single most-efficient format for organization and implementation of CRS programs has not emerged, and, given the diverse cultural settings and policy environments in which they exist, it should not be expected that one will. The rich variety of approaches and the various experiences that programs have encountered to date provide for a wide choice of elements which can be used for the design of subsequent programs.
- It was apparent from the discussions among program managers at the conference, that exchanges of information about specific programs, their shortcomings and their accomplishments, was a productive experience. It would be well to build upon this initial opportunity and maintain these communication linkages among the programs in the future.
- It is significant that CRS programs are not as controversial from the standpoint of the buyer as they are from the standpoint of the implementing government institution. They have been well-assimilated into the community, and accepted by the users. They also function effectively in expanding social services to areas of the community that in some cases are not reached by other government programs.
- Any activity that makes a claim on funds for socioeconomic development must be able to demonstrate that it makes a positive contribution to the objectives of the development effort in proportion to the resources that the activity requires. Commercial retail sale of contraceptives is an activity that has been instituted in several developing countries to meet a need identified by the government, which is to reduce the rate of population growth. So it is essential

for these programs to demonstrate that the resources necessary to support them are in proportion to the relative impact they have on reducing population growth rates when compared with other delivery systems for family planning.

Without exception, in the thirteen countries, whose CRS programs were represented at the conference, increases in contraceptive use were documented. Thus it would appear that the conference was productive in bringing together for the first time, a body of individuals and knowledge demonstrating that CRS programs can have an impact on contraceptive prevalence. Decision makers may therefore have confidence that, by expanding or initiating CRS programs in their own countries, they can make a positive contribution to the objectives of their national population program.

On the other hand, the conference was not able to demonstrate the extent of the impact that can be obtained. It is not enough to show that a given number of condoms or cycles of pills were sold through commercial outlets. Methods need to be established and data need to be accumulated to show the extent to which CRS programs are contributing to the reduction of fertility in the countries in which they operate. Such an analysis, in addition, provides decision makers with country-wide sales information on all contraceptives—those from the private as well as the public sector. Otherwise, those responsible for the allocation of resources cannot make the appropriate distribution of limited funds among the various methods of distributing family planning services. This is a major challenge facing CRS program managers.

Therefore, it is our belief that a major effort needs to be initiated to increase both the amount and the quality of research on commercial retail sales programs. This research should be directed to providing facts about the performance and the impact on population of commercial retail sales programs.

Appendix 1

Social Marketing of Contraceptives in Bangladesh: A General Review of Program Directions Incorporating Additional Product Expansion

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Social Marketing

Among the various innovative programs on family planning tried in developing countries, one of the most effective has been social marketing of contraceptives.

Social marketing is not a new concept and has been used before for promoting the adoption of social ideas to achieve social objectives rather than financial gains. It involves the application of marketing techniques to develop and promote social objectives by the use of existing commercial channels of distribution. It contains the three essential components of any marketing system: sound management, effective distribution, and innovative demand creation through advertising and promotion.

The Family Planning Social Marketing Project, as it is called today, was started in Bangladesh in 1975 by Population Services International (PSI), a worldwide private nonprofit organization, under an agreement with the Family Planning and Population Control Division of the government of Bangladesh. A council chaired by a senior government official sets the policy guidelines for its operation. PSI activities are rooted in the increasing realization that traditional delivery systems through clinics and medical health centers are not adequate to meet the widespread need and it provides convenient access to methods for planned parenthood. It is dedicated to the development of alternative means of distributing and promoting contraceptive usage, with gratifying results in Bangladesh.

Social marketing of contraceptives has been tried in other countries as well, with measurable success. Besides the large and well-known Nirodh condom distribution program in India, the IPPF-sponsored (and initially PSI-managed) Preethi and Mithuri marketing in Sri Lanka, it has dramatically improved availability and contributed to increased usage. One of the latest countries to add social marketing to its various delivery systems has been Mexico, which commenced last year in association with PSI.

Social Marketing in Bangladesh

The social marketing program in Bangladesh began when early PSI market research indicated a positive awareness and approval of family

planning, with a strong need for information on birth control methods and easier availability for consumers. At that time, contraceptives were mainly available through government clinics at urban centers. Very little was available in the big towns at pharmacies and commercial outlets, where a condom sold at Ta. 1.50 (10 cents) per piece and birth control pills at about Ta. 10.60 (66 cents) per cycle.

It was hypothesized that brand marketing of condoms and pills would lead to widespread knowledge, acceptance, and availability. The brand name selected for the condom was **Raja** meaning "king", which had the advantage of being easily identifiable even by illiterates, from playing cards, used widely in Bangladesh. For the AID-supplied Noriday pill, the brand name of **Maya** meaning "love" and "affection" was chosen.

Pricing in social marketing is as yet an unresolved issue insofar as a system based on costs and sales estimates has yet to be developed. In keeping with the philosophy of social marketing, it has to be high enough to signify value in the mind of the buyer and low enough to be within economic reach of the target groups. It also has to ensure an adequate trade margin to stimulate the commercial outlets' interest. Market tests have to be conducted to ascertain the best level of pricing. The Bangladesh experience has also shown that a very low price itself does not necessarily create the maximum demand.

Advertising and Promotion

Of the three legs of a tripod supporting the success of any social marketing program, management, advertising, and promotion are crucial. Not only has it to be beamed towards the target consumers, but it also has to be couched appropriately in terms acceptable to local cultural settings. One of the real problems in contraceptive promotional advertising is the acceptability of copy and visuals to the community in which it must become highly visible. Therefore, we have to be very careful not to offend public taste and morals, and at the same time be able to explain the benefits of our products. Fortunately, in Bangladesh the public at large, especially in rural areas, is quite tolerant concerning matters of reproduction and sex. The four mass media that have been used successfully are the press, TV, cinema, and radio. Of these, the reach of the first three is limited to the well-to-do urban people, while the last is known to have a wider, rural reach. But with the country now being fully covered by transmitting relay TV stations, and sets being supplied to villages through various government programs, TV will gradually assume an important role in media advertising to reach the lower-income groups.

Having tested and selected the brand name and prices, it was necessary to develop our advertising strategy to reach the target consumers. At the time, awareness and prevalence of family planning methods were so low that all income groups, except the top 10 percent in the socioeconomic strata, were considered potential consumers. In a country of over 15 million fertile couples, of which 10 percent were in the urban areas, and 90 percent were

rural, it was a vast market that had to be reached quickly.

Therefore, mass media, consisting of press, TV, radio, and cinema, were extensively used. Whereas most media accepted contraceptive advertisements, TV has accepted only the pill advertisements. Since large masses of the population are illiterate, radio was intensively used, especially to reach the rural areas, coupled with advertising spots in cinemas. The messages extolled product quality (e.g., "imported" in Bangladesh still connotes quality), safety, and effectiveness, while packaging displays were used to establish product image and identification.

The radio has made the **Maya** jingle the most well-known and popular advertising jingle in Bangladesh, so much so that children are often heard humming our **Maya** pill jingle.

Realizing the limitations of mass media in reaching rural areas, local promotion activities were extensively used. Sales promoters were employed who traveled with sales representatives and gave talks, through loudspeakers, in village **hats** (temporary market places) and bazaars, disseminating family planning information, creating local interest and sales. Billboards were set up in densely populated areas and at major travel points (highway intersections, town centers, steamer **ghats**) as silent reminders of our products' availability. Over 800 shopboards have been installed on retail outlets and more are planned for the future. A small retailer, stocking various items, like **pan**, cigarettes, tea, barley, soaps, biscuits, and other items of daily necessities is quite pleased to have a shopboard displaying his name and identifying his shop as a place where condoms or pills may be bought. POP (Point of Purchase) materials such as buntings, mobile hangings, stickers, and calendars were extensively used in rural outlets such as pharmacies, general stores, and small betel leaf and cigarette shops who stocked our products. Together with mass media advertising, such POP materials greatly helped in identifying stockists of our condoms and pills to potential consumers. The success of our advertising methods is evident from the fact that where previously condom and pill were hardly known outside the elite literates, **Raja** and **Maya** have now become household words synonymous with condom and pill.

Sales and Distribution

The third critical leg of the social marketing tripod is an efficient distribution system, which makes wide use of existing commercial channels as delivery systems to our potential consumers. In order to motivate this channel to take part in the program, an appropriate profit margin for them on the sales is essential, as is the usual practice in any country's commercial system of distribution. A margin of 7.5 percent of the consumer's price is allowed to wholesalers, and 20 percent is allowed to retailers for condoms, and about 10 percent to wholesalers and 24 percent to retailers for the pill. Twenty-eight wholesalers are dotted around the country, from whom our four Area Sales Managers obtain invoiced orders for the product. A total of twenty-one sales representatives serve the retailers of twenty districts of

Bangladesh, moving products from wholesalers to retailers. In the four years of operation, we have reached over 50,000 retailers in the country. Four to six field transports, depending on availability, are used by our sales staff for distributing goods to retailers against cash sales. In addition, Bangladesh being a riverine area, launches are hired periodically to reach the riverine rural areas, until we procure our own motor boats.

Local Management

Of course, for any organized system to be effective, it needs to be backed by good professional management. All tiers of our management are locally staffed and have relevant experience from the commercial world. Only the Project Director is an expatriate, and he is mandated to be replaced soon by a local national.

Results and Limitations

In 1976, our first full year of operation, we started off with a total sales to retailers of nearly 10 million condoms and 500,000 cycles of pills. Last year, after three years of operation, we achieved a total distribution of over 22 million condoms and one million cycles of pills. In terms of couple-year protection (CYP), where 96 condoms or 13 cycles of pills are equivalent to a year's protection for a couple, we have grown from providing about 95,000 couple-years of protection in 1976 to over 300,000 couple-years of protection in 1978. Since four couple-years of protection is assumed equivalent to averting one birth, we had reached the equivalent of avoiding 80,000 births last year.

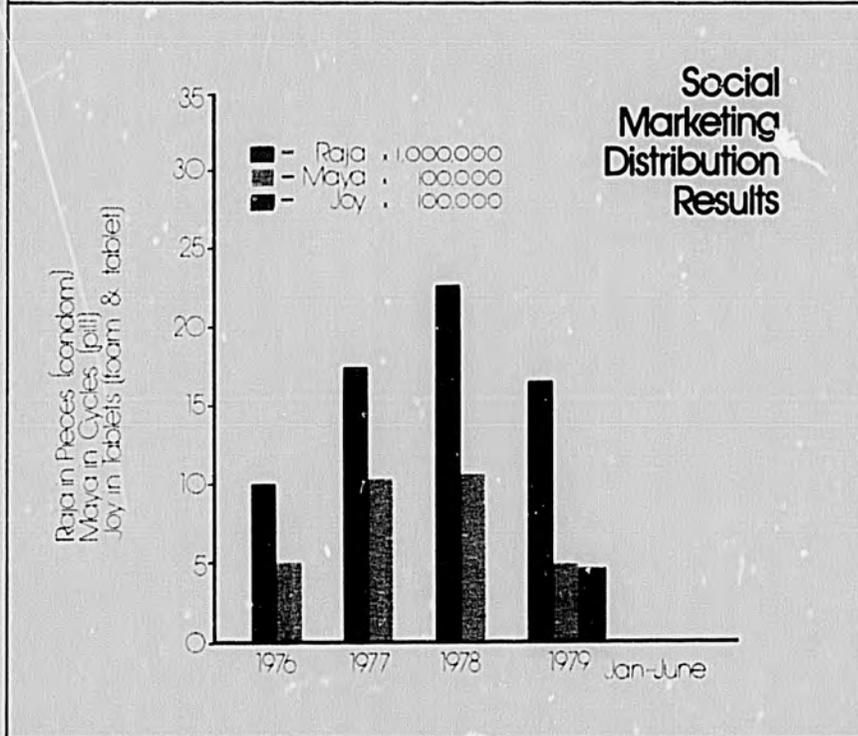
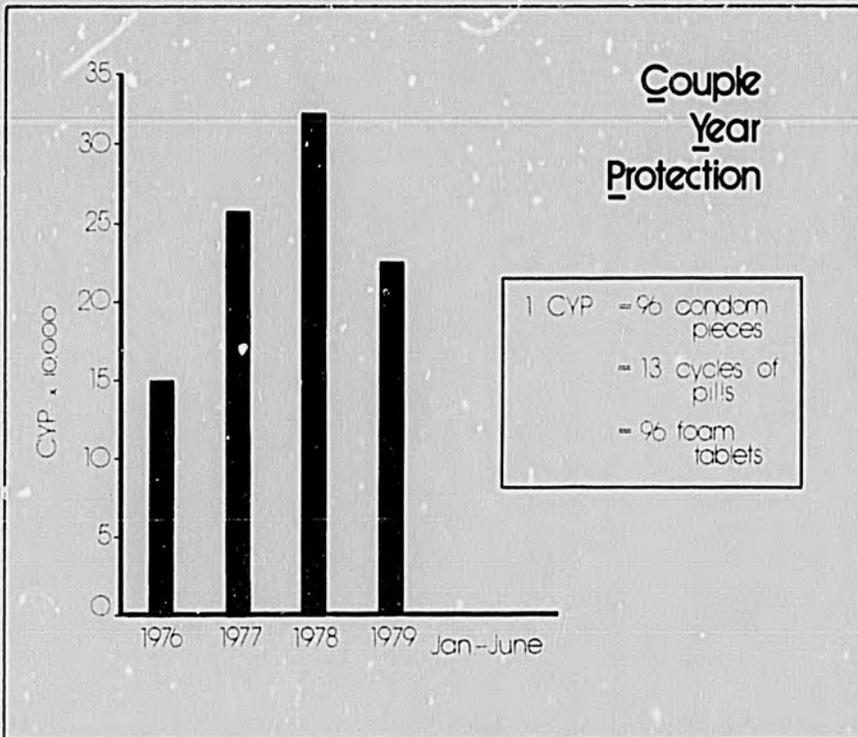
Further, as part of the total national program, our distribution share has reached 50 percent of the national total for condoms and 16 percent for pills. The growth trend in sales was maintained in 1979.

Along with the small size of our sales force, our principle limitation has been in the capacity to distribute our products more widely to retailers in more rural areas, and plans are afoot to expand our sales force and transport in the 1980s to attain deeper rural penetration of our products. Our present distribution split is about 60 percent in the urban areas and 40 percent in the rural areas, and we estimate that with deeper market penetration, the rural distribution share will continue to rise.

New Products

Having established social marketing in Bangladesh, we realized that with very little addition to infrastructural costs, the delivery system was capable of offering a choice of other nonclinical methods to consumers. To this end, it was decided to test market a foam tablet contraceptive in which UNFPA, as well as AID, was ready to assist.

The brand name of **Joy**, which is also a Bengali word meaning "victory" was chosen from a prepared list. The product was received in tubes of 20 and two prices were selected for test marketing in two geographically separated areas. A price of Ta. 2.60 (17 cents) per tube, (equivalent to the current price of 20 condoms) for one area, and an almost doubled price of Ta. 4.50 (30 cents) per tube was kept for the second area. No campaigns



were conducted, but a very limited amount of press advertising was done to inform the public of the product and the names of retailers from whom it was available. Within three months, the 5,000 tubes available to us for testing were sold out against cash in both areas. Some evidence of retail sales at a higher price than the marked price was also noticed. In other words, demand had exceeded supply.

Subsequent supplies of one million tablets in tubes of 20 and two million tablets in foil strips of single tablets were obtained from AID and UNFPA. The singles were repacked in packets of 10 tablets and the prices of Ta. 2.50 (16 cents) per packet of 10 tablets and Ta. 4.50 (30 cents) per tube of 20 tablets were maintained and the product released nationally. Advertising remained confined to the press, since with the limited quantity available, further demand stimulation was not necessary. To date, with distribution restricted by us to district towns only, the product has moved extremely well, and we expect the three million tablets received to be sold out by December 1979. We have requested UNFPA for further, increased supplies of 12 million tablets in 1980 to continue marketing this additional option.

A second oral contraceptive, Brevicon, a low-dose combination pill, is expected to be added to our range of products and would lead to the introduction of low-dose oral contraceptives on a wide scale in the country. Brand naming and price selection are being explored. An advertisement inviting a suitable brand name for the new pill was released and a few hundred suggested names were received. These will be processed before the final selection. The pill market profile in Bangladesh has shown a peculiar distortion in the fact that all commercially available pills are bracketed together above Ta. 9.75 (68 cents) up to Ta. 18.00 (\$1.20) per cycle, whereas at the bottom are the free government pills, **Volags**, and then our socially marketed pill at Ta. 0.70 (5 cents). Therefore, it is felt by our management and retailers that the next pill to be socially marketed should attack the blank middle price range of Ta. 4.00 (25 cents) per cycle, since there seems likely to be a psychological demand for a pill at that price.

Our **Raja** condom marketing experience suggested that a certain group of customers in the urban towns tend to buy two to three packets of condoms at a time. A retailer survey indeed showed the need for a larger package for **Raja**. Accordingly, the new package size of 12 condoms/packet was introduced in the market this year, and is expected to add at least 10 percent to our total condom sales.

Our latest interest, in addition to contraceptives, has been to explore the possibilities of including health products to our delivery system. To this end, we have been testing formulation and packaging efficacy of an oral rehydration salt, a much-needed dehydration therapy in a country where diarrhea and its dehydrat effects are the major cause of high rates (140/1,000) of infant mortality. As part of Mother and Child Health (MCH) adjunct, the availability of an oral rehydration salt should lead to motivational reinforcement of all existing family planning programs. If its availability can be

widely assured, like contraceptives, through our delivery system, we feel such an intervention would quickly show results. The government itself has large scale plans for its use through its clinics, but social marketing has the potential to become a complementary system of distribution through its 50,000 retail outlets. Having concluded our efficacy tests, we are planning to do a test market early next year, the results of which we expect to convince donors to come forth with supplies to add to our essential product lines for social marketing.

Further over the horizon, we have been studying test reports of injectables (Depo Provera, Noristerat) in Bangladesh and elsewhere, and feel that there is a potential demand for this method, particularly in the rural areas. We hope to plan our own test marketing and try to locate a donor for the product in the near future.

Apart from new products, we have now set up a Communication Cell in our organization, in association with PIACT. The activities in this cell include the development of pictorial/visual instruction insert for the pill, for the non-literate population. Flip charts for illustrating our sales promotions talk in village market places (**hats**) are also to be developed.

Prospects

Our experience in Bangladesh has undoubtedly established the social marketing method as a significant contributor in any family planning program, national or otherwise. The use of commercial methods in the local context not only ensures the widest possible distribution through an existing infrastructure of retail outlets, but its highly visible methods quickly disseminate information and elevate a dormant subject to an acceptable norm. Relying heavily on persuasive and motivating methods, without even a hint of coercion, the individual finally begins to feel the responsibility of the choices open to him or her — until it becomes the “done thing” or “with it” to practice family planning.

Just as our parents recall the days when there were no tea or cigarettes or soaps in the shops, within a decade we will be telling our children of the time when there were no condoms, or pills or foam tablets in the shop next door.

These beginnings have brought us only to the threshold of the vast potential among rural masses yet to be reached. But a start in the right direction has been made, and in Bangladesh, PSI's contribution to the national program through social marketing methods, has left an indelible mark not only for the benefit of its population planners but also for the benefit of the population itself.

Appendix 2

Conference on Commercial Retail Sales

The Manila Peninsula Hotel, Manila, The Philippines, November 5-7, 1979

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- PIACT Paper One **Demographic Requirements of Fertility Control Technology: 15 Propositions**
by Bernard Berelson
- PIACT Paper Two **Evaluation of the Safety of Modern Contraceptives in Developing Countries**
by Olivia Schieffelin Nordberg and Linda E. Atkinson
- PIACT Paper Three **Contraceptive Product Development in Public-Sector Programs**
by Richard G. Buckles
- PIACT Paper Four **Combined Low Dose Oral Contraceptives: A Review**
by Jacqueline Gardner
- PIACT Paper Five **Extending Contraceptive Use**
by Gordon Perkin and Lyle Saunders