

PN-ABB-912

Best available copy -- page 11 missing

PN-ABB-912
60084

SOCIAL MARKETING AUDIT
OF FAMILY OF THE FUTURE
CAIRO, EGYPT

April, 1985

Alan R. Andreasen, Ph.D.

TRITON 

Table of Contents

	<u>Page</u>
Introduction	1
Methodology	2
Current Status	3
Changes since 1981-22	
External Changes	8
Internal Changes	
Objective Qualitative Changes	12
Quantitative Changes	14
Evaluation	
Quality of Marketing Personnel	24
Marketing Planning Systems	26
Advertising	27
Research	28
Public Relations	28
Distribution and Medical Detailing	29
Management Information System	29
Consulting Help	30
Other Comments	31
Overview	33
Recommendations	34
Appendices	39

List of Tables

<u>Table</u>	<u>Title</u>	<u>Page</u>
1	Sales and Couple Years-of-Protection by Product, 1984	4
2	Average Monthly Couple-Years-of-Protection by Marketing Company, January 1985	5
3	Estimated Average Market Share by Product, 1984	7
4	Unit Disposals by Year and Product Line	15
5	Couple-Years-of-Protection by Year and Product Line	16
6	Size of FOF Operations 1979 to 1984	19
7	Unit Disposals by Region, 1983 and 1984	21
8	Couple-Years-of-Protection by Region, 1983 and 1984	22
9	Number of Rallies by Region 2nd Year	25

INTRODUCTION

This social marketing audit represents an outside evaluation of the Family of the Future (FOF) contraceptive social marketing project. It repeats an identical evaluation made during the summer of 1982. As with any social marketing audit, the focus of the evaluation has been both on the external environment in which FOF operates and on the internal operations of FOF itself. In general, the present evaluation seeks to evaluate changes that have taken place in both the external and internal situation since 1982.

The audit is in six sections. The first section describes the methodology of the study. The second briefly outlines FOF status at the time of the audit. The next section analyzes the external environment and significant changes that have taken place there since 1982. The fourth and major section contains an evaluation of progress in FOF's programs since 1982, noting separately those changes that are qualitative in character and those that are quantitative. The fifth section contains the major conclusion of the audit and the final section presents recommendations for the future.

METHODOLOGY

In preparation of this report, interviews were held with the following:

A. FOF Staff

1. Effat Ramadan, Executive Director
2. Moshira El Kady, Associate Director
3. Elham Fateem, Research Director
4. Dr. Nehad Hassouma, Product Manager, IUD's
5. Raafa Abdel Messih, Program and Training Manager
6. Rawya Hegazi, Manager, Packaging and Quality Control
7. Mohamed Barakat, Manager Distribution Field Force
8. Saana Saad Eldin, Manager, Awareness and Volunteers
9. Seeham El Said, Manager, Medical Promotion Field Forces
10. Abd El Fattah Abd El Bary, Manager, Advertising and _____
11. Dr. Hamdy M. El Naggan, Product Manager, Condoms, Foaming Tablets
12. Hoda Mahmoud, Manager, Management Information System
13. Maggi Stino, Public Relations department
14. Salwa Rizk, Product Manager, Oral Pills

B. U.S. Agency for International Development - Cairo

1. Timothy S. Seims, Project Officer
2. Lenni Kanga, Population Officer
3. Bernard Wilder, Assistant Director
4. Mohammed Torhan Nourey, Project Staff

C. Others

1. Dr. Mohamed S. Khalil, Assistant Professor Psychology, Ain Shams University (FOF Research Consultant)
2. Dr. Mohamed Mouselny, Professor of Obstetrics and Gynecology Suez Canal University
3. Dr. Adel Sabry, Chairman, Dept. of Obstetrics and Gynecology, Suez Canal University
4. Dr. Fathy Mohamed Ibrahim, Dept. of Obstetrics and Gynecology, Minister of Health
5. Dr. Mamdouh El-Miniawi, Sales Coordinator, Schering Co.
6. Dr. Moheb Mosilhy Osman, Head Dept. of Obstetrics and Gynecology, Ismailia General Hospital
7. Dr. Mohammed Hassan Ismaiel, Dept. of Obstetrics and Gynecology
8. Dr. Mamdouh Wahba, Consultant, National Population Council
9. Ahmed Abdel-Fattah, Supervisor, Population and Development Project, National Project for Family Planning.
10. Professor Maher Maharan, Secretary General, National Population Council

Other (cont)

11. Dr. Badrawy M. Fahmy, Executive Director, Egyptian Family Planning Association
12. General Practitioner, Ismailia
13. Dr. Nadia Zaki-Fouad, Cairo Gynecologist
14. Dr. Mohamed Anous, Cairo gynecologist
15. Dr. Sadah Zaky, Cairo physician
16. Dr. Ahmed M. Ali, Cairo Obstetrician
17. Dr. Mohsen Mohamed, Al Tahhrer Hospital, Cairo
18. Dr. Mamdouh Azab, gynocologist, Imbaba Hospital
19. Dr. Ahmed Mahmoud, Imbaba Hospital
20. Mohamed Abd-El Salem, Director General, Population Development Project
21. Dr. Ahmed Salaam Hafez, Head of Technical Affairs and Planning Centers, The Egyptian Pharmaceutical Company.
22. Paul Richardson, Consultant
23. Mario Jaramillo, Consultant
24. Mohammed Abdul Salem, Former Director National Population Program
25. Richard Burke, Consultant to State Information Service

In addition, a field trip was made to Ismailia where nine pharmacies were visited and pharmacists interviewed. A meeting was also held with Prof. Maher Maharan and his planning staff on future organization on Egypt's family planning programming.

Two conferences given by Schering to introduce Triovular to Obstretricians and Gynecologists were briefly attended in Ismailia and Cairo.

CURRENT STATUS

In April 1985, Family of the Future marketed a line of six products. These products, their starting date in FOF's product line, and their 1984 sales and equivalent couple-years-of-protection (CYP) are reported in Table 1. As can be seen in this Table, although TOPS condoms are the major volume item for FOF, in terms of couple-of-years-of-protection its major products are the two IUD's which together contribute 63.6 percent of total FOF CYP's. In terms of marketing, according to data available from the recently inagurated

Table 1
Sales and Couple-Years-of-Protection
by Product, 1984

Product	First Sales	1984			
		Unit Sales	%	CYP	%
TOPS Condoms	June 1979	8364855	69.1	83649	14.9
Amaan Tablets	July 1979	2265012	18.7	22650	4.0
Copper-T (IUD)	June 1979	124772	1.0	237067	42.1
Copper-7 (IUD)	August 1981	63772	.5	121167	21.5
Norminest-fe (Oral)	January 1984	1281194	10.6	98652	17.5
Depo-Provera	January 1985	--	--	--	--
TOTAL		12099605	100.0	563185	100.0

Source: Family of the Future MIS department

Table 2
 Average Monthly Couple-Years-of-Protection
 Marketing Company, January 1985

Marketing Company	January 1985	12 Month Average		Percent Change	Percent of 1984 total
		1985	1984		
Egyptian Pharmaceutical (Govt.)	60838	88849	102486	(13)	58
Domestic Manufacturers	19726	18827	20513	(8)	12
FOF	46609	43628	32303	35	29
Other importers	1913	626	0	0	0

Source: Contraceptive Inventory and Information System.

Contraceptive Inventory and Information System (CIIS), in January 1985 FOF produced about 29 percent of all Egyptian CYP's. Further, as shown Table 2, although presently dwarfed by the government system, FOF's average monthly contribution to total Egyptian CYP is the only one growing in the last year among the major suppliers.

FOF's market share by product line (Table 3) varies significantly. Not surprisingly, its share of market for oral pills is low given that it has just begun sales of Norminest in January of 1984. However, FOF is dominant in the IUD market with sixty percent market share. It has one third of the total condom market and one fifth of the foaming tablet market. However, market shares for tablets will clearly decline in the near term as FOF for the moment has no AID-based supply of product and must scabble for supplies from other sources including the Egyptian Ministry of Health. On the other hand, FOF's share of "other products" will grow as it begins to market Depo-Provera nationally.

As will be indicated in further detail below, FOF's current organization has reached the point where all of its major systems and personnel are in place and running. The research department now has three years of experience. The Management Information system has been put in place and is ready to produce its first reports. Three product manager positions have been created and filled. The product managers themselves have had nine months in their positions and are currently producing their first set of marketing plans. The promotion and distribution system now covers all parts of Egypt, although not all pharmacies or rural areas in upper Egypt. Four regional branches have been opened and a program for distributing contraceptives through midwives in rural areas has been tested and is about to be launched. Advertising has now been tried for all major products in all media.

Table 3
 Estimated Average Market Share by Product, 1984

Product	Average monthly sales		FOF Market Share
	Total market	FOF	
Oral Contraceptives	71983	8272	11.5%
IUD's	49476	29960	60.6%
Condoms	20805	6961	33.5%
Foaming Tablets	8649	1879	21.7%
Other	<u>1031</u>	<u>0</u>	<u>0 %</u>
Total	151944	47072	30.9%

Source: Contraceptive Inventory and Information System.

Major items of uncertainty are present. A new National Population Council (NPC) has just been formed to develop, among other things, a new family planning policy. FOF's role therein has still to be defined. In March 1985 FOF's executive director, Effat Ramadan, agreed to direct the NPC's Family Planning subprogram. The extent to which he will be able to continue directing FOF is unclear.

CHANGES SINCE 1981-82

Since the last marketing audit of FOF, there have been significant changes in both the external environment and in FOF's own structure and operations. We shall discuss the external factors first.

A. External Changes

Changes in the external environment involve the diverse publics who can influence FOF's near and long-term opportunities. Evaluations of available data and discussions with members of the various public indicate that some of the changes simply represent continuations of long term trends. Other changes appear to be important reorientations or new developments. Each of the major publics will be considered in turn.

a. Consuming Publics

It is generally agreed that today there are more households practicing family planning and more women and men aware of more different family planning methods and how to use them. Whether this growth has kept pace with overall population growth in Egypt is not clear. Egypt's population growth rate has been reported to have declined marginally from 2.82 percent per year in 1981 to 2.76 percent in 1983. However, the latter rate is still higher than it was in 1973.

It apparently is still the case that there is no wide agreement on the seriousness of the family planning problem. Further, FOF is still not widely

recognized as an institution. On the other hand, there has been some concern over FOF's recent television advertising for TOPS condoms and some consumers (apparently in the middle and upper classes) have been "offended" by bus placards and street signs promoting TOPS. Other FOF ads have not disturbed any one and no one has been so upset with the TOPS posters to deface them.

b. Competitors

Since 1982 several new private sector products have come on the market. A line of "Personal" brand of condoms has been introduced as have EMKO and Delfin contraceptive foams. Organanon Pharmaceutical brought in Multiload IUD in 1982. A slightly different competitive impact was Schering's move in November of 1984 to threaten legal action against FOF for advertising Norminest oral contraceptives on television. They claimed that FOF was doing brand advertising which is not permitted. FOF countered that its ads were directed only at physicians. Schering also sought to bring pressure at AID. Both efforts have ceased.

c. Knowledgeable Outside Observers

Several major changes in the perceptions of knowledgeable opinion leaders have taken place since 1982. First there is now agreement that progress in achieving Egypt's family planning goals has not been great. FOF is much more active and there is more advertising and general promotion of the family planning idea by FOF and the State Information Service. There are new brands in the market. But many knowledgeable observers see this as a whirlwind of activity that has (in general, not FOF's case) lead to relatively little progress.

Second, there is a greater willingness now among physicians and leaders in family planning to admit that the Ministry of Health program, the major force in the contraceptive market up to the present, has been a failure. Comparisons of results of the MOH program with the success of FOF has undoubtedly contributed

to this perception. It is likely that the recent abandonment of the old coordinating system in place since 1966 (the Supreme Council for Family Planning) and the removal of its leader has freed observers to admit this failure.

Third, there are still many criticisms of FOF's "commercial" or "marketing" orientation now more often accompanied by (albeit grudgingly offered) favorable comments on its efficiency and effectiveness.

Fourth, FOF's advertising campaign has raised the organization's profile among opinion leaders dramatically. The campaign has also seemed to serve as a lightning rod for many other critics of its operations and status. The TOPS television advertising for a time was the subject of severe newspaper criticism and relative comments by members of the government. Norminest advertising has not been criticized.

d. Other Family Planning Organizations

There appears to be a certain amount of envy on the part of some other family planning organizations over the extent of financial support AID has given FOF (and not them). In part, the substantial funds FOF has spent on advertising has also permitted others to talk about "all that advertising waste".

On the other hand, these other organizations apparently are feeling pressure to include FOF brands (particularly Norminest) in their product lines. This clearly is the direct result of FOF's advertising.

Finally, it is clear that other organizations are quite aware of FOF's success. It may be that in future, FOF's example may spur others to try harder, including trying some of the tactics that FOF has pioneered.

e. Political Environment

FOF's TOPS advertising program raised its profile in the various ministries and outside pressure groups with which it deals. TV advertising for TOPS has now been forbidden by the Minister of Information and these may lead to closer

g. Others

A range of other comments by informants to the auditor of greater and lesser seriousness are reproduced in Appendix A.

B. Internal Changes

Changes in the operations of Family of the Future since 1982 have been qualitative and quantitative. That is, more is being done but it is also being done in different ways. The latter differences are both objective and easily observable and subjective and less visibly obvious. We shall consider objective qualitative changes first, followed by quantitative trends. We shall then turn to the less concrete but equally important changes in style, mood and method that have taken place since the 1982 audit.

1. Objective Qualitative Changes

a. Organization

1. New offices were opened outside Cairo as follows:

a. Western Delta (Alexandria) - August, 1981

b. Eastern Delta (Zagazig) - April, 1982

c. Upper Egypt (Assuit) - October, 1983.

FOF is now theoretically able to cover all of Egypt. At the time of the last audit, FOF was only in Greater Cairo and the City of Alexandria (not elsewhere in the Western Delta).

2. Third and fourth family planning clinics have been opened in Alexandria and Imbaba.

3. A new layer of management was added in the marketing area in the summer of 1984 in the form of three product managers:

- a. Barrier products (condoms and foams)
 - b. Systemics (oral pills)
 - c. IUD's (Copper T, Copper 7)
4. Three advertising agencies were aquired:
- a. Pyramid - for TOPS, other oral contraceptives and all outdoor advertising
 - b. AMA-Leo Burnett for female products
 - c. Publigraphic - for IUD's (This agency may be dropped in future and its work shifted possibly to AMA - Leo Burnett)

b. Products

- a. Copper 7 IUD (Gravigard) was added in September of 1981
- b. Norminest-Fe, a low dose 28-day oral contraceptive with iron was added in January of 1984.
- c. While not strictly a new product; TOPS was repackaged and introduced as a higher priced "Golden Tops" in January of 1983.
- d. The three-month injectible, Depo-Provera, was introduced in January of 1985.

c. Management Information System

The MIS system using IBM-PC's was started up in January 1985 and began keeping track of data on:

1. Sales by product by outlet
2. Inventories
3. Pharmacy and physician visits
4. Rally attendance by location
5. Accounting data

2. Quantitative Changes

By a wide range of measures, FOF's level of activities has increased dramatically since the earlier audit. Figures on unit disposals and CYP per year and product line are shown in Tables 4 and 5.

a. Sales and CYP

Disposals (i.e. sales plus bonuses and free goods) and corresponding couple-years-of-protection have seen the following rates of growth in just three years:

	<u>Change 1981 to 1984</u>	
	<u>Disposals</u>	<u>CYP</u>
Tops Condoms	342%	342%
Amaan Tablets	11%	11%
Copper T	116%	116%
Copper 7	192%	192%
Total	97%	112%
Total + Norminest	98%	157%

These figures, however, underreport FOF's real growth. As noted above there were severe shortages of Amaan tablets in 1984. As a result, Amaan sales declined from 1983 to 1984 by 55 percent. If Amaan supplies had been at a level simply to repeat 1983 sales in 1984, then FOF's projected unit sales growth would have been significantly greater although CYP growth would only slightly differnt.

	<u>Disposals</u>	<u>CYP</u>
Total	122%	119%
Total + Norminest	143%	164%

Table 4
Unit Disposals
by Year and Product Line

Year	TOPS Condoms	Anaan Tablets	Copper T	Copper 7	Orals	Total
1979	637179	447330	18257	-		1,102,766
1980	1460784	604474	40353	-	-	2,105,611
1981	1892334	2032992	57888	21808*	-	6,110,633
1982	4475856	2291484	82969	54870	-	6,905,179
1983	5831973**	5041104	102823	59912	-	10,835,812
1984	8364855***	2265012	124712	63773	1281194	12,099,546

*4 months only

**Golden Tops

***7.3% of condom sales in 1984 were regular TOPS

Source: Family of the Future

Table 5
CoupleYears-of-Protection By Year and
Product Line

Year	TOPS Condoms	Amaan Tablets	Copper T	Copper 7	Orals	Total
1979	6372	4473	34688	-		45533
1980	12004	5498	68957	-	-	86459
1981	18850	20330	138487	41435	-	219102
1982	36947	30095	139299	91913	-	298254
1983	60169	38209	195193	113823	-	406854
1984	83649	22650	237067	121167	98651	563185
% Growth 1982-84	223%	(25%)	170%	134%	-	

*4 months only

** Golden Tops

***7.3% of condom sales in 1984 were regular TOPS.

Source: Family of the Future

	<u>CYP (1981)</u>	<u>CYP (1984)</u>
TOPS Condoms	8.6%	14.9%
Amaan Tablets	9.3	4.0
Copper T	63.2	42.0
Copper 7	18.9	21.5
Orals	-	17.5
	<hr/>	<hr/>
	100.0%	100.0%

TOPS condoms still remain the fastest growing of all of FOF's product lines since 1981 followed by Copper 7. Both are now more important contributors to FOF's total CYP's.

The Copper T is becoming relatively less important although it is still growing very significantly in total sales. Amaan has barely grown at all. From the standpoint of FOF's ultimate effects on the country's progress in family planning, these results are encouraging. TOPS' sales growth undoubtedly reflects the long term influence of FOF's attempts to advertise the item broadly and to achieve wide distribution. Although it is still not known with certainty whether FOF sales growth in all its product lines has produced a net gain in CYP for the country as a whole or simply a shifting of sales to FOF brands, the latter is least likely to be the case for the TOPS product line. TOPS dominates the market. In addition, those who now obtain FOF's lower priced competitor, Tahiti, from government clinics are not likely to switch to FOF because of FOF's advertising and promotion, nor are those preferring higher priced brands likely to switch down to TOPS for the same reason. Thus, it seems reasonable to say that TOPS' success allows for a conclusion that FOF probably has increased total male involvement in contraception in Egypt.

TOPS Advertising

A second positive aspect of TOPS sales performance is more recent. As noted earlier, there has been much criticism directed against TOPS advertising on television. While further comment on this issue will be offered below, one cannot deny that the advertising has been effective commercially. Advertising for TOPS on television began in September of 1984. Sales growth as compared to a year earlier for the periods before and after the initial TV ads are as follows:

	<u>Unit Sales</u>
6 months before September 1, 1984	7.5
5 months after September 1, 1984	+ 83.5%

Again, it is reasonable to assume that this growth represents very little brand switching and thus real growth in the male market. In just five months, condom sales have increased in an amount equal to 19000 CYP's. Since the total cost of the TV advertising spots was 53445 LE, this yields a cost-per-CYP after only five months of 2.80 LE. If all TOPS advertising in this period is included, the total cost was 164,510 or a respectable cost-per-CYP of 8.66 LE.

b. Revenues

As indicated in Table 6, FOF revenues from its product sales have increased faster than its growth in disposals. Since 1981, internally generated revenues have increased three-and-a-half times while unit sales and CYPs have increased two and two-and-a-half times respectively. The faster growth in revenues in part reflects the shift towards products such as Norminest and Copper 7 that yield higher revenues per unit sold.

c. Regional Performance

As noted earlier, a major change in FOF's operation has been the opening of branches in the three regions outside Cario since 1981. Sales have therefore

Table 6
Size of FOF Operations
1979 to 1984

Year	Number of Employees	Budget Sources					
		Revenue		(AID Support)		Total	
		Amt.(LE)	%	Amt.(LE)	%	Amt.(LE)	%
1979	25	46166	24.1	145789	75.9	191,955	100.0
1980	28	10430	29.5	239677	70.5	340,107	100.0
1981	92	202744	14.9	821589	85.1	364,440	100.0
1982	152	343770	22.4	11940139	77.6	1,537,909	100.0
1983	166	512957	10.7	4303284	89.3	4,816,241	100.0
1984	154	924363	27.0	2,500,000*	73.0	3,425,000*	100.0

*Estimates: Only 953,032 LE was actually paid in 1984 due to a problem with the Minister of Social Affairs.

Source: Accounting Department, Family of the Future.

been growing in these new areas causing a gradual shift in FOF's orientation. Sales and CYPs by region for 1983 and 1984 and reported in Tables 7 and 8. Drawing from these tables, we can see that between the last 9 months of 1983 and 1984, FOF's distribution of units and CYP's across regions have shifted even over this short period.

	<u>1983</u>		<u>1984</u>	
	<u>Units</u>	<u>CYP</u>	<u>Units</u>	<u>CYP</u>
Greater Cairo	50.3%	54.5%	48.1%	57.4%
Western Delta	25.3	25.8	27.0	20.9
Eastern Delta	22.0	18.3	21.6	16.8
Upper Egypt	<u>2.3</u>	<u>1.5</u>	<u>3.4</u>	<u>4.9</u>
Total	100.0%	100.0%	100.0%	100.0%

Unit disposals and CYP's are growing significantly in upper Egypt although they are still at a relatively low level as FOF does not yet have a village level program in place or wide product distribution. Overall unit sales in 1984 reflect a long term shift in effort away from Greater Cairo. The changes in CYP figures are more complex. Greater Cairo contributes fewer unit disposals in 1984 but more CYP than in 1983. As can be seen in Tables 7 and 8, this reflects proportionally lower contributions from Amaan and Tops to sales in Cairo in 1984 and much more from Copper 7 and Norminest. In the Western Delta, CYP's are proportionately less than in 1983 because of the relatively smaller contribution of IUD's. The faster growth in CYP contribution in Upper Egypt is due to a decline in TOPS sales, a relative decline for Amaan and much greater contribution from Norminest.

Table 7
Disposals by Region, 1983 and 1984

	Norminest		Tablets Amaan		Copper T		Copper 7		TOPS Condoms		Total	
	Units	%	Unit	%	Unit	%	Unit	%	Unit	%	Unit	%
<u>Greater Cairo</u>												
1983*	--	--	1277268	37.1	41309	1.2	18418	.5	2100185	61.1	3438180	100.0
1984	376855	7.6	891852	18.1	62722	1.3	22865	.5	3575799	72.5	4930093	100.0
<u>Western Delta</u>												
1983*	--	--	635964	36.8	15625	.9	12184	.7	1066606	61.6	1730379	100.0
1984	291790	10.5	547476	19.8	24569	.9	16670	.6	1886379	68.7	2766884	100.0
<u>Eastern Delta</u>												
1983*	--	--	625584	41.6	11606	.8	6559	.4	861078	57.2	1504827	100.0
1984	284312	12.8	459204	20.7	21479	1.0	9994	.5	1438800	65.0	2213739	100.0
<u>Upper Egypt</u>												
1983*	--	--	66480	42.4	270	.2	985	.6	88992	56.8	156727	100.0
1984	123635	35.5	153528	44.1	4344	1.2	4849	17.8	61856	17.8	348212	100.0

*April to December only

Source: Family of the Future

Table 8
Couple-Years-of Protection by
Region, 1983 and 1984

	Norminest		Tablets Amaan		Copper T		Copper 7		TOPS Condoms		Total	
	Units	%	Unit	%	Unit	%	Unit	%	Unit	%	Unit	%
<u>Greater Cairo</u>												
1983*	--	--	12773	8.7	78487	53.3	34994	23.8	210012	14.3	147266	100.0
1984	29018	8.4	8919	2.6	226426	65.9	43444	12.6	35758	10.4	343565	100.0
<u>Western Delta</u>												
1983*	--	--	6360	9.1	29688	42.5	23150	33.1	10666	15.3	698674	100.0
1984	22468	18.0	5475	4.4	46681	25.3	31673	25.3	18864	15.1	127161	100.0
<u>Eastern Delta</u>												
1983*	--	--	6256	12.7	22051	44.7	12462	25.2	8611	17.4	49380	100.0
1984	21892	21.7	4592	4.6	40810	40.5	18989	18.9	14388	14.3	100671	100.0
<u>Upper Egypt</u>												
1983*	--	--	665	16.9	513	13.0	1872	47.5	890	22.5	3940	100.0
1984	9520	32.7	1535	5.3	8254	28.4	9156	31.5	619	2.1	29084	100.0

*April to December only

Source: Family of the Future

Size of Organization

Table 6 indicates the overall growth in number of employees and in total budget. Since 1981, the number of employees has increased by two-thirds. The funds available to FOF have grown substantially also although the year-to-year figures in Table 6 are influenced by differences in AID's payment practices.

e. Market Coverage

According to FOF staff, they now have distribution in 3,240 of Egypt's 6,007 pharmacies, a figure they hope to raise to 4,500 in the 1985-86 budget year. These markets are now covered by 25 medical representatives, an increase from 6 in 1981-82 and by 7 distributor salesmen.

F. Rallies

A unique aspect of FOF's operation is its rallies. Table 9 reports data on rallies held and total attendance by region since 1979. A very impressive total of 11,735 rallies have been held over the six years attended by 58,528 people. Since 1981, the total number of rallies per year has grown eleven times and annual attendees 4.6 times. There has been a careful shift over time in the location of rallies out of Cairo and into the other regions as the figures below indicate:

In 1985-86, the volunteer department plans to hold 48 percent of its rallies in cities, the remainder in villages, particularly Upper Egypt.

g. Research

Since the marketing research department began in 1982, it has conducted 16 studies and has begun extensive preparations for a major panel study in 1985-86. Those studies (outlined briefly in Appendix B) have involved over 50 focus groups, interviews with 2300 consumers and over 1100 pharmacists and physicians.

EVALUATION

Clearly the above data indicate the considerably increased scope of FOF operations. They clearly have added to Egypt's CYP in sales of TOPS and probably have increased CYP due to other methods although further research is needed to establish this. Coverage of the whole country has increased and the use of research to back up management decisions is impressive.

1. Quality of Marketing Personnel

Discussions with the seven key marketing personnel the three product managers and the four staff members who manage the volunteers, medical representatives and distributors left a very favorable impression. The product managers are enthusiastic and planful in their thinking about their tasks. While they differ in their creativity and their degree of organization and attention to detail, they all appear to (a) use research results constantly in deciding what to do; (b) include a wide array of marketing mix elements aimed at the three key target groups, consumers, pharmacists and physicians, in their various programs and (c) see the need to coordinate these elements with each other. The product managers, descriptions of their efforts at developing the marketing plans due out in April suggest they clearly have a good appreciation of the essentials of strategic planning in marketing. (Whether they succeed in actually producing good plans remains to be seen.) They appear to have had very little formal training in marketing and apparently have learned much of what they do know on the job and through contacts with consultants. Given that none of the product managers began with marketing experience, this progress speaks well of their basic abilities and the quality of help they have been getting.

Dr. Nadia also seems very organized and uses research and experimentation effectively in her planning. I was particularly impressed by her experimentation for the proposed mid-wives program (to be discussed below).

Table 9
Number of Rallies by Region and Year

	<u>Number of Rallies by Region and Year</u>				
	<u>Greater Cairo</u>	<u>West Delta</u>	<u>East Delta</u>	<u>Upper Egypt</u>	<u>Total</u>
1981	98.1%	1.9%			100.0%
1982	81.4	14.2	4.4	-	100.0%
1983	48.6	48.6	36.5	-	100.0%
1984	35.2	20.4	41.1	3.4	100.0%

Source: Family of the Future

2. Marketing Planning Systems

The product manager form of organization appears to be working well. It assures that each product receives the attention it deserves. It takes a major burden off Effat Ramadan's shoulders and it is obviously providing good training to these individuals who can grow into skilled general managers eventually. The system is still new and needs further scrutiny after the next budget year. There may be problems (as there often are in product manager systems) as the manager compete with each other for advertising or research help or for the time and attention of distributors and medical representatives. This competition can be healthy and may spur the product managers to greater activity. But it should be recognized that they do not have authority over the field force that must carry out their programs and make them successful. In this sense, Dr. Nadio has a much more powerful role in determining the success of FOF programs where they count at the point of sale.

The system of cycle meetings seems sensibly designed and permits adjustments of the planned program over the year to respond to successes and failures in particular regions or governorates. However the follow-up system for checking on non-quantifiable aspects of the performance of distributors, volunteers and medical representatives appears to be significantly understaffed especially given FOF's recent expansion into the Easter Delta and Upper Eygpt.

The use of regional indexes (by governorates) apparently is growing as a marketing planing tool. This is excellent way to get staff to focus on more detailed market segments. Eventually some system of effort allocation by potential should be explored as should possibilities for narrower definitions of market targets.

3. Advertising

The advertising and other communications programs seem well managed. Careful use of research to guide the communication (for example, as in the case of the Norminest instruction booklet) seems adequate (although I have little basis for assessing communication in Arabic, nor did I speak with advertising agency representative). I was impressed by the proposed set of print advertisements that will attempt to stimulate word-of-mouth communication from more to less educated women. This campaign makes excellent use of good social science theory about opinion leadership and help reach illiterates. Formal evaluation of this campaign could potentially help other contraceptive marketing programs around the world.

There is also clear concern in developing the total communications program to discourage brand or method switching where this is not necessary. This is an approach that sets FOF apart from strictly commercial marketers in emphasizing the ultimate goal of growth in total CYP for Egypt not just FOF sales. This approach is highly commendable and should be central to all FOF communication strategies.

One advertising program is clearly successful. Not only have TOPS sales shown the clear effect of the television advertising, the Norminest ads also have been showing some effect in that both the Egyptian Pharmaceutical Trading Company and the Egyptian Family Planning Association feel pressure to carry the brand in their "method mixes." While FOF should not give ground in pointing out the commercial effectiveness of the TOPS TV ads, it should admit that politically it was a mistake at least to allow the TOPS ads to be shown before 9 or 10 p.m. However, it may turn out that in the long run bringing the topic of condoms into the open was a step that "Egypt" had to take if it is to become truly

serious about family planning. It may also be that press criticism served to heighten the advertisements' effect.

4. Research

The quality of the research staff and their consultants has resulted in some excellent studies. While criticism was offered outside FOF that there was "too much" research at FOF, the relationship between each of the studies and specific decisions that had to be made was clear. FOF and its individual staff members have a good appreciation for the fact that its research must be applied to decisions and not used as an excuse for delay. It may be that FOF's research critics have in mind the latter which, in my experience, may characterize much of the research done elsewhere in the family planning community.

5. Public Relations

This is one of the two weak departments at FOF in my judgment (the other being the follow-up department). Simply not enough is being done to promote FOF to the outside world. FOF has a good success story to tell and telling it can have at least five immediate benefits:

1. It should diffuse some of the criticism directed at FOF, its level of AID support, its advertising and its research;
2. By its example, FOF's story may spur other "competitors" in social marketing to become more active and communicate to them some of the details of how this can be done.
3. By telling the Egyptians people that at least one family planning program is successful, the publicity may help turn around any defeatist attitudes that exist in the society at large.
4. By making FOF's name better known throughout Egypt, the publicity may create a "brand" name that FOF can use on any clinics or new product lines it decides to develop.

5. By promoting the idea of social marketing, it may increase the chance that this approach will play a major role in the newly forming Egyptian Family Planning Program.

6. Distribution and Medical Detailing

If FOF plans to cover 4500 pharmacies rather than the present 3450, it has three possible strategies. First, it could try to work the present staff more actively. However, given that distributors now make as many as 30 visits to pharmacist a day, this does not seem feasible. The next possibility is to increase the number of distributors or medical representatives. Finally, efforts could be made to get the Egyptian Pharmaceutical Trading Company to carry FOF products to outlets not yet covered. Given that EPTC may already be feeling some pressure to add Norminest to its method mix (due in part to FOF's advertising pressure), this may be used as lever to implement the latter, preferred strategy.

There is some turnover among FOF medical representatives but informal conversations with staff at Schering indicates that there is no difference in this experience between the two organizations. Apparently, detail specialists from both organizations are evaluated and paid in the same way although Schering's pay scale is higher.

7. Management Information System

The MIS system is an important breakthrough. The fact that it will track rallies, medical representative activities and individual pharmacy sales permits a number of research possibilities:

1. The effectiveness of rallies could be studied by noting the code numbers of nearby pharmacies. The effect of rallies on sales in these outlets over succeeding months could then be analyzed.

2. The effectiveness of medical representative visits can be explored by, again, logging in pharmacies visited and watching subsequent sales;
3. In the same way, a series of experiments could be tried to test the effectiveness of such things as:
 - a. The use of counter displays or the proposed TOPs dispensers;
 - b. Frequency of medical representative visits;
 - c. Alternative mail pieces to pharmacists;

To the extent possible, data from the Price-Waterhouse Contraceptive Inventory System (CIIS) should be entered directly into the FOF MIS system to permit routine reports of FOF market share.

In future, as FOF moves farther and farther into outer regions of Egypt, it will be desirable that the MIS systems produce performance reports at the governorate level (including brand share data).

H. Consulting Help

The impacts of Triton's consulting help are seen in many places. The PERT chart for the "Flower" introduction is frequently referred to. The advertising is quite professional and well planned and pretested. The research is excellent and the product managers have a good start on producing excellent marketing plans. All of this reflects favorably on the work Triton and Needham Porter Novelli have been doing in Egypt.

In my judgment, further general help appears not to be needed. The FOF management system is now well in place and the staff seem to have a proper understanding of how to use it. I would recommend letting them stumble along for a year under this system before further major intervention. The only exceptions might be if there are special needs like a new product introduction or a new type of research (not a study they already know how to do) or if FOF

requests more basic marketing training for the product managers. The only other obvious circumstances requiring major assistance would be if a new director was brought in to temporarily assist Effat Ramadan or even replace him.

9. Other Comments

Various interested parties have asked my opinion on other proposed or programs for the future.

1. Clinics. In my opinion it would not be sound strategy to encourage FOF to divert much of its energies into this area to the extent it involves their practicing medicine. This is not FOF's strength. It is good at marketing, marketing research, distribution and management. To the extent they can offer these skills to clinics where medical services are run by others, I would have no objection. Indeed, if FOF is able to become better known as a successful family planning organization through increased public relations activity, it could lend its name to these clinics, creating in effect a visible chain of respected health care centers. FOF could also offer its services to others under an overall management contract or under a contract merely for marketing assistance. My contact with other agencies that now have clinics indicates that they are very weak in marketing. As with many non-marketers, they seem to believe in the "mousetrap" theory of marketing--build a better clinic and clients will beat a path to your door. While I grant that other clinics in Egypt are in most cases very poor, I do not believe that FOF should rush off to help solve this problem also. With Effat Ramadan occupied elsewhere, Depo-Provera being introduced, upper Egypt being penetrated and so on, FOF has enough else to which ought to committing its interests and energies.

2. International Training Center. FOF certainly has developed formidable skills in MIS, advertising and marketing research that can and should be passed on to other programs. They also should soon have some useful advice on product management forms of organizations. Some thought should be given to establishing Cairo as a training center for other programs in the middle east and Africa. The Futures Group should be contacted to see if they would have an interest in funding this.
3. Non-Family Planning Products. I would not encourage much exploration in this area. FOF does not at the moment need the revenue. New products would probably not provide inroads to help sell contraceptives (unless volume could be high enough to support additional medical reps or distributors). And, there would be a diversion of managers energies from other activities. If it is decided to go in this direction, I would not add an item or two-- This would be only an annoyance. I would instead plan for an entire new line of products and add a fourth product manager to plan and manage its introduction.
4. Effat Ramadan's Future Role. I would predict that ethical, political, and work pressure will force Effat to devote less and less time to FOF. I feel reasonably secure that FOF now at last has all of the necessary basic systems in place to "fly" on its own -- provided no major environmental changes take place and the rest of the senior managers remain (e.g. are not moved over to support the National Family Planning Program). I urge strongly that a new deputy to Effat be brought in-- preferably someone from the private sector.

OVERVIEW

Many of the preceding sections contain detailed conclusions about various aspects of FOF operations. This section offers a general overview of the current situation.

1. The external environment facing FOF has changed in two major ways. First, the mood of those involved in various family planning programs reflect clear dissatisfaction with past efforts. This is a new mood and the creation of a new family planning agency with an aggressive director general sets the stage for a vigorous upsurge in activity. This can create much more freedom for FOF and make it possible for them to get more assistance from (one hopes) a more vigorous government sector. On the other hand, FOF's role in the new scheme of things is not clear and will undoubtedly require internal adjustments when the dust settles. The fact that Effat Ramadan has a key role in the new system insures that FOF's interests will not be neglected in the transition. There are, however, two risks in his new role. One is that FOF may be asked to do too much, that is, to do what is beyond its current capabilities. This will be a problem if Ramadan is not at FOF full time to guide any new efforts. The other danger is that Ramadan will take selected FOF staff members to the national program with him. FOF's staff is not deep enough to sacrifice any key people at the present time.

The other environmental change, is the extent to which FOF has come under open criticism for its advertising its "excessive" research and its high level of AID support. While before the recent restructuring of the Egyptian Family Planning Programs, this may have been a problem for FOF, I do not believe it will be now. FOF clearly has a

key role to play in the new Egyptian program. Critics will probably either not speak up or will be ignored.

2. At the same time as the environment is turning out to be more supportive of what FOF wants to do, FOF has put itself squarely in position to take advantage of these circumstances. FOF now has all of its major management systems now in place and staffed with personnel who seem competent in their positions and, in some cases, very good. In my opinion, FOF is probably now the best organized and best run of the five contraceptive social marketing organizations I have observed in some depth.
3. Assuming no major changes in either FOF management personnel or the environment in which it will operate, I believe that outside consultants and aid should be supportive but kept at a certain distance for the coming budget year. One reason for this is that it will take a while before the new National Family Planning Program is structured and FOF's role is known. More importantly, such a hands-off posture is desirable since FOF has more or less entered its organizational adolescence and deserves to stumble about for a time to develop a sense of self-confidence and identity. Triton and AID should review documents, offer advice as requested, and perhaps even conduct further basic training for the product managers. However, a desirable relationship for the next year is one that is totally encouraging of FOF's moves toward full managerial self-support but not unduly intrusive.

RECOMMENDATIONS

On the basis of the above evaluations I would propose the following recommendations for FOF and its future activities:

Research

1. Routine recording of information on rallies within the Management Information System should include information on all nearby pharmacies. After one year, a careful statistical analysis should also be made of the effect of rallies should be undertaken by a trained statistician.
2. After one year, a statistical study should also be made of the effect of medical representative visits to pharmacies. Again, this should be undertaken by a trained statistician using existing historical MIS records.
3. Data should be recorded into the MIS system for each physician indicating all nearby pharmacy outlets the physician's patients might use. After one year, a statistical analysis of the effect on sales of sales-force visits to physicians should be undertaken by a trained statistician using MIS data.
4. A program of experimentation should be undertaken to test the effects of various levels of FOF effort and various types of effort on pharmacy sales.
5. Data from the CIIS system should be incorporated into the MIS system and used to track FOF market share. The issue of whether FOF is increasing CYP or just switching sales will continue to be an important political and programatic controversy.
6. In the panel study, more attention should be paid to the potential of experimentation effects on panel members. I believe it could will be a serious source of bias.
7. In future studies, attempts should be made to explore characteristics of target consumers who may be more vulnerable than others to influence to begin contracepting. One possibility is that those undergoing some

major life style change would be excellent candidates. These would include families (a) just having their first or second child (or first male child) (b) just having their first grandchild (c) just moving to the city (d) just changing jobs or (e) just having the first or last child start school.

8. In the longer term, a careful evaluation should be undertaken of the program to recruit midwives. It is an innovative program that, if successful, could be copied elsewhere in other developing countries.

B. Product Management

1. To increase CYP at a faster rate, relatively more future emphasis should be placed on orals, injectibles and IUD's.
2. Depo-Provera should be used only selectively where medically safer and equally effective methods are not acceptable. One occasion on which it can have potentially great impact is in encouraging post-partum women to contracept.
3. Monitoring of the rural mid-wife program should insure that the incentive structure provides enough income that the women do not feel they would be better off economically just allowing the number of births to be unchanged.
4. AID should do all possible to help secure registratin of the Flower brand of foaming tables.
5. A program of further basic marketing educatin should be developed for the product managers. This educational program should include among other features, experience in using the MIS and the IBM-PC's for planning. Possibly Dr. Nadia should be included in such education.

C. Volunteers and Distribution

1. The possibility should be explored of having the Egyptian Pharmaceutical Trading Company carry all of FOF's products and, particularly, to insure coverage of more of the 2600 pharmacies in which FOF has not yet secured distribution.
2. If the above is not possible, more distribution and medical representatives will have to be added to increase distribution with keeping up present levels of service. (The only reason for not doing this is if the MIS analysis and the program of experimentation proposed above determines that, by better organization of their time and energy, medical representatives can be freed to take on new accounts.)
3. Efforts should be made to develop measures of sales potential for governorates in general and eventually individual pharmacies as a guide to better allocating the efforts of volunteers, medical representatives and distributors.
4. More staff should be hired for "follow-up" to better assess performance features of the field force that do not show up in sales figures.

D. Advertising

1. Efforts should continue to insure that advertising (as well as other aspects of the program) attempts to actively discourage brand switching.
2. More thought should be given to ways in which message strategies could be differentiated for different market segments like factory workers or school mothers or newly married couples or those having their first child.

The advertising campaign to stimulate word-of-mouth from literates to non-literates should be formally evaluated, possibly with non-FOF funds (e.g. from SOMARC).

E. Public Relations

1. A major program for publicizing FOF's accomplishments and explaining its philosophy and mode of operations should be begun immediately.

F. Other

1. FOF should not add non-contraceptive products to its product line. However, if it does, a large number of items should be added and a separate brand manager assigned to the new line.
2. FOF senior management should not be loaned to the National Family Planning Program.
3. FOF should be very careful not to take on programs for the National Population Council (perhaps at Effat's urging) that are beyond its capabilities.
4. A careful search for a Deputy Director from the private sector should be quickly undertaken.
5. FOF should explore with The Futures Group whether it might play a role in social marketing training in the middle East/Africa region.
6. FOF should not extend staffing of its own clinics, although it could explore managing or performing the marketing function for others.
7. FOF, Triton and USAID should do all possible to encourage the new Egyptian National Population Council to integrate social marketing concepts into all of its new programs.

APPENDICES

APPENDIX A

OTHER INDIVIDUAL COMMENTS ABOUT FOF AND FAMILY PLANNING

- FOF should consider training physicians in post-partum IUD insertions?
- FOF advertising upsets some doctors of OB/GYN; it treats a serious subject too lightly?
- FOF advertising is breaking down barriers of ignorance?
- FOF criticizes oral pills of other companies?
- FOF is for itself not for the country?
- FOF doesn't increase CYP, just gets individuals to switch brands?
- FOF receives so much outside financial support it can afford to pay money to journalists to get favorable articles written.?
- FOF is spoiling lecturers and physicians who make presentations at its conferences by paying them too much.?
- FOF has no bureaucracy and so gets things done quickly?
- FOF has a good board of directors; high calibre people?
- FOF is a small but very efficient?
- FOF spends too much for social amenities at conferences and briefings?

APPENDIX B

RESEARCH STUDIES COMPLETED1982

- a. Pharmacy Intercept Study; 12 focus groups and quota sample of 394 personal interviews of users and non-users at 10 pharmacies and 3 family planning clinics in Cairo; data on brand awareness and usage, reaction to TOPS packaging and information sources.
- b. Physicians and Pharmacists Survey: probability sample of 300 pharmacists and 300 physicians in greater Cairo; data on attitude, perceptions and behavior
- c. IUD Insertion Study: random sample of physicians in five delta governorates, self-administered; data on general attitudes and behavior, knowledge and problems in IUD insertion.
- d. Message Testing Study Pretest: Quota sample of 100 respondents in Cairo; viewing TV advertisements in non-FOF sites.
- e. Advertising Message Evaluations: 13 focus groups in Cairo; data on advertising awareness, spokesperson preferences, product attitudes.

1983

- a. Upper Egypt Prelunch Study: 350 females and 350 males in low income areas of 6 cities in 3 upper Egypt governorates, plus 62 physicians and 75 pharmacists; data on knowledge, attitudes and practices, reactions to pricing.
- b. Norminest Pretest: 15 focus groups in Cairo, Zagazig, and Minia plus self-administered questionnaires filled out by 53 physicians and pharmacists; reactions to name, packaging, price and user instructions.
- c. IUD Evaluation: 100 pharmacists and 100 physicians in Greater Cairo; data on inventory and ordering behavior for IUD's, contacts with and reactions to FOF medical representatives.

- d. Evaluation of Rallies: 158 rally attenders and 162 non-attenders in 3 Cairo areas with the greatest number of rallies in 1982; data on direct and indirect effects of rallies.
- e. Message test for Amaan: focus groups of middle to lower level socio-economic groups; data on Amaan advertising.

1984

- a. Amaan Usage Study: Quota sample of 200 current or past users of Amaan in Cairo, Alexandria and Sharkaya; data on usage, effects of advertising for Amaan.
- b. Pretest of Norminest Instruction Booklet: Focus groups in Cairo; data on reactions to visual presentations of pill usage in structures in package insert.
- c. Pretest of Norminest Advertising: Focus groups of literates and illiterates in Cairo; data on acceptability and effectiveness of radio, newspaper, billboard and calendar advertising for Norminest.
- d. Pretest of TOPS Possible Repackaging: Focus groups of pharmacists and consumers; data on reaction to a possible change in TOPS packaging.
- e. Norminest Advertising Post-Test: 900 women 24 to 35 years of age in Cairo and other urban areas; data on reach and impact of Norminest advertising.
- f. Norminest Users Monitoring Study: Non-random sample of 81 users interviewed after each of 3 cycles; data on advertising effects, usage patterns, relations to pharmacists and MDs.