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**SUMMARY PROCEEDINGS
OF THE
CONTRACEPTIVE SOCIAL MARKETING
ASIA REGIONAL CONFERENCE**

**20 - 24 June 1981
Dacca, Bangladesh**

Sponsored by the
international Contraceptive Social Marketing Project
The Futures Group
Washington, D.C.

With Organizational Assistance From:
The Centre for Population Activities
Washington, D.C.

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INTRODUCTION

The International Contraceptive Social Marketing Project (ICSMP) is a program of the Futures Group in Washington, D.C. It is funded by the Agency for International Development, (AID) Office of Population, Family Planning Services Division and was established in 1980 to respond to inquiries and requests for assistance in planning the development of new contraceptive social marketing (CSM) projects as well as to provide technical assistance to ongoing programs.

From June 20 to 24, 1981, the ICSMP sponsored a regional conference on CSM in Dacca, Bangladesh.

The appropriateness of regional conferences was first recognized during the November 1979 Contraceptive Retail Sales Conference in Manila when follow-up training in CSM operations and management on a regional basis was recommended.

Twenty-seven individuals attended the Dacca conference, including CSM program managers and administrators from Bangladesh, Egypt, and Nepal along with the U.S. technical advisors assigned to these projects; CSM program managers from Sri Lanka and Thailand; representatives from Pakistan and the Philippines, where social marketing is under consideration; USAID officers from Nepal, Bangladesh, Pakistan and Washington, D.C.; and consultants and representatives of U.S. organizations sponsoring CSM projects.¹ See the Appendix for a complete list of participants.

Dacca is the capital of one of the most densely populated areas in the world. At the time of the conference The Bangladesh Social Marketing Project was projecting 1981 sales estimates at 50 million condoms, 1 million cycles of oral contraceptives and 5 million foaming spermicidal tablets, providing 550,000 to 600,000 couples with contraceptive protection. Approximately one-fourth of all

¹Invitees from the Nirodh program (India) were unable to attend. Mechai Viravaidya of Thailand was represented by one of his senior staff members.

couples practicing contraception in Bangladesh were using products obtained through the social marketing project.² Only India, the site of the first CSM program, exceeds this coverage.

Objectives for the conference were set in consultation with CSM program managers and consultants, AID personnel, and representatives of U.S. intermediary organizations sponsoring CSM projects.³ Conference resource specialists reviewed session outlines and recommended materials appropriate to the needs and interests of CSM administrators in Washington, D.C., and in the field.

Program managers were interested in such areas as how to (1) add new products to an existing product line, (2) determine the optimal organization structure of a CSM project, (3) plan for the continuation of a project after termination of AID support and (4) design distribution strategies in order to reach remote areas. CSM consultants and representatives of AID and U.S. intermediary organizations expressed their preferences for sessions that addressed "supply-side" problems of delivering health and family planning services instead of focusing on considerations of demand.⁴ Consideration of topics to be covered included managerial and organizational concerns such as

- organizational structure and corresponding legal status,
- import regulations,
- salaries,
- organizational capability in terms of actual staff availability versus ideal requirements,

²Professor Matin, Minister of Health and Population Control noted: "51 percent of total condom distribution is through the social marketing project and 8.5 percent of pill distribution."

³Westinghouse Health Systems (Jamaica and Nepal); Population Services International (Bangladesh and formerly Sri Lanka and Kenya); Development Associates (formerly El Salvador); Triton Corporation (Egypt and Guatemala) and Porter, Noevelli and Associates consultants.

⁴John Farley of Columbia University observed at the December 2-3, 1980 meeting at CEFPA that the United Nations listed some 100-150 countries in which a CSM program could work, that is, where per capita income is sufficient, where there are sufficient retail outlets and distributors, and where there is sufficient advertising. The problem, he said, was not in demand but in the supply of products and services.

- commodity procurement issues,
- long-term funding prospects,

together with technical concerns of marketing subsidized contraceptive products such as

- marketing strategies and marketing research,
- distribution and pricing strategies,
- problems of marketing oral contraceptives.

Because CSM projects often fail to achieve fully their projected program results because of national political considerations, upgrading the image of social marketing as a politically and socially acceptable strategy was seen as extremely important.⁵ Concerns such as advertising a private matter like family planning and making a profit on family planning services were regarded as issues that if poorly explained could offend key individuals and groups and thus jeopardize the continuation of a CSM program. Therefore, properly promoting the concept of social marketing was seen as an important issue.

Overall, the conference was organized to provide an opportunity for CSM practitioners to discuss common problems, share common experiences, raise critical questions, suggest needed improvements to CSM management and help further define the concept of social marketing.

Highlights of the conference are presented in this publication and are grouped by the following areas of interest: (1) an overview of marketing, (2) marketing research, (3) distribution strategies, (4) issues in procuring commodities through USAID, (5) government relations, (6) new product introductions, and (7) special considerations in oral contraceptive marketing.

⁵Malcolm Potts, Executive Director of The International Fertility Research Program, suggested a good first step might be a review article reminding people that right now about 40 percent of all contraceptives are commercially obtained. (CEFPA, December 2-3, 1980 meeting, notes.) Dr. Potts was also concerned with the lack of political support in Washington, D.C., for population programs and warned of future shortfalls in commodities. The key to supply, he noted, is a "homegrown constituency."

THE MARKETING PROCESS: AN OVERVIEW

Saturday, June 20, 14:00-16:00

This first working session of the conference laid the groundwork for the discussions which would take place over the five full days of activities. The need to devise a marketing strategy which "leaves no stone unturned" in the identification, examination, planning, implementation and evaluation of essential marketing components was the main topic of this session. The marketing process presented in this session is applicable not only to new CSM project development, but also to the introduction of new products in an established social marketing program.

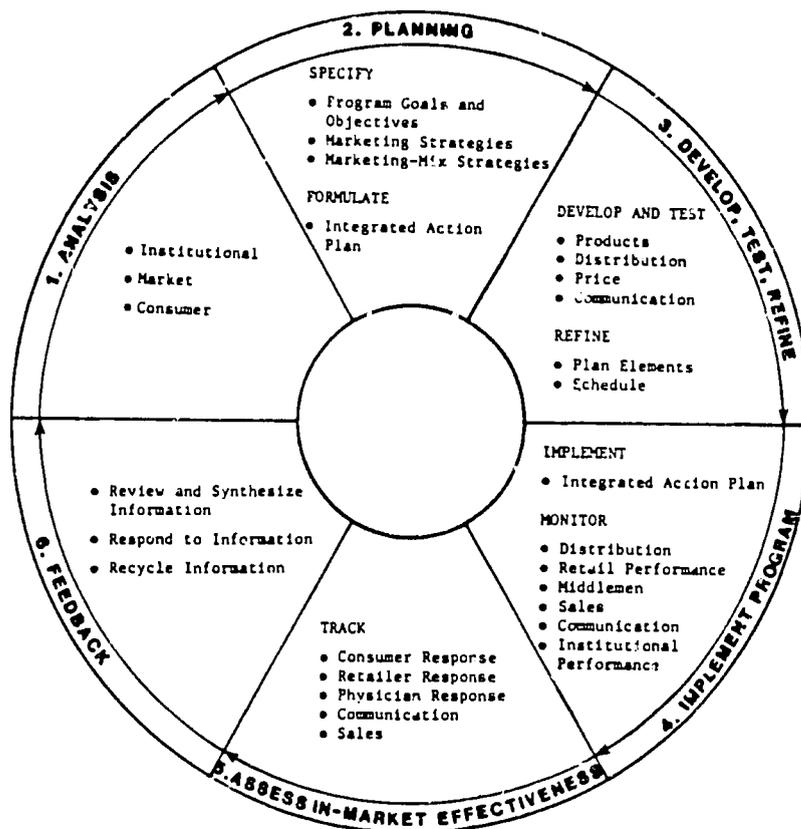
The session was moderated by William Novelli of Porter, Novelli and Associates and Betty Butler Howell of The Futures Group.

THE MARKETING PROCESS: AN OVERVIEW

Marketing can be thought of as a six-stage, iterative, managerial process. The last stage feeds back to the first, resulting in a continuous process of replanning and improvement.

By moving consistently through the six stages (see illustration) of the marketing process, CSM managers can systematically and effectively operate programs to achieve organizational goals. The six stages are designed to

- develop a solid base for program development
- formulate program objectives
- respond to consumer wants, needs and expectations
- utilize an integrated marketing approach and marketing mix
- continuously track consumer and market response to improve program operations.



Six-Stage Marketing Process

I. Analysis

Reliable and relevant information is the basis for good planning and for establishing realistic goals and objectives. The first step in the marketing cycle is to collect and analyze information to determine the most appropriate organizational structure and to define the market and the consumer.

Institutional Analysis

"The most important consideration in selecting the organizational structure is that it be one which will allow the CSM program to operate within the current political, social and marketing environments of the country."

...Betty Butler Howell, ICSMP

Political considerations

- What is required to implement a CSM project?
- Is approval needed to authorize the activity?

- Whose support is required?
- How is the approval process conducted?
- What restraints must a CSM program be aware of?
- Will one project be government-based? FPA-based? or autonomous?

Legal requirements

- What is required to function on a tax-free basis?
- What restraints exist regarding advertising, distribution and selling of contraceptive products? (e.g., drug controls, price controls, import regulations)
- What are contractual requirements? What agency (or agencies) is the CSM project responsible to?

Resource availability

- Commodity resources: What products are available to the program? How are they to be obtained? Who will pay for them?

- Support resources: Are there advertising agencies available to plan promotional campaigns and packaging? Are there existing distribution agencies that can incorporate the CSM products into a functioning and effective system? Is market research expertise readily available?
- Financial resources: What financial resources are available? (e.g., government support? private-sector support? donor support?) How long is support available?
- Management resources: Who will manage the program? What understanding of the program exists? How effective is the available management?

A comparison of CSM programs indicates there is no universally "best" organizational structure to achieve an effective balance between the private and public sectors. Each country has unique questions to consider as the decision to establish an autonomous, semi-autonomous (e.g., part of a Family Planning Association) or a government-based structure is made.

Egypt, for example, initiated CSM as part of the Ministry of Social Affairs, which was determined to be the best option available. However, as the program developed, it became clear that CSM could be more effective in a more autonomous structure, and the Family of the Future (FOF) was organized to conduct the CSM program. FOF is technically part of the Egyptian FPA but has its own Board of Management to which it reports.

India, in contrast, has a government-operated CSM program. Private companies are contracted with to distribute and advertise CSM products, but the government subsidizes the purchase of contraceptive commodities and directs the activities.

CSM PRACTITIONER SUGGESTIONS

- Solicit and develop support from top-level government officials whether or not any actual government support will be provided or needed.
- Become familiar with drug controls. If they exist, they can affect pricing, import of commodities, advertising, distribution (over-the-counter versus prescription) and consumer perceptions of a product.

- Find out what salary and incentive options are available. Salary restrictions, especially if the CSM program is within a government structure, may make it difficult to establish salary levels that will attract the personnel needed.
- Learn if there are pre-existing opinions about the safety or acceptability of the products available for the CSM program.
- Know ahead of time if the products for the CSM program are the same used in government distribution programs. Pricing and packaging may be affected.
- Ascertain that the organizational structures being considered have management capabilities appropriate to CSM before making commitments.

Market Analysis

- Distribution
- Advertising
- Packaging
- Market research capabilities

The above are infrastructure requirements for CSM program operation. Quantified estimates of current and future market sizes are important to develop accurate sales projections and to avoid understocking or unnecessary overstocking of commodities.

"The lack of appropriate market infrastructure can set a program off course."

...Betty Butler Howell, ICSMP

- Infrastructure: The necessary components of the infrastructure include advertising and public relations agencies, distribution firms, market research companies and firms to handle printing and packaging. Several questions to ask are: How many organizations are there? Where are they located? What areas do they serve? Who do they serve (products and people)? What is the organizational capability? How much do they cost?
- Market definition: What products are currently for sale? What products and how many (level of distribution) are currently distributed through other family planning programs? What are existing retail prices? How do the

products perform in the marketplace (e.g., annual sales figures from pharmacies and other outlets)? How many couples are there in the reproductive age group and how many of them currently use a contraceptive product (market coverage)?

The infrastructure resources and available market information can vary greatly from country to country. The quality and quantity of those available can affect product introduction, time schedules and projections of commodity needs.

The Nepal program found that market-size information was available only from the records of the government's free distribution program; estimating the approximate number and location of outlets and shops, and population distribution records. Initial sales projections were based on a national distribution time schedule, but the lack of a single nationwide distributor required a "mid-course" correction. Regional distributors had to be found and product introduction was phased in by areas; initial sales projections were off by huge numbers.

Consumer Analysis

"Market research is very important. We found that condoms were not acceptable simply because people did not know about them."

...Effat Ramadan, FOF

Demographic, geographic and behavioral analysis will help program managers define the target market, make final and realistic sales projections, develop consumer-responsive advertising and promotional campaigns, select appropriate brand names and packaging, plan product position, assess the impact of advertising on sales, determine appropriate distribution strategies and establish appropriate pricing policies.

- Demographic/geographic analysis: Sources of demographic data include KAP studies, CPS studies, census surveys and fertility studies. They can help answer questions such as:

Where does the population of the target market live (rural/urban)? What is the average income level? What percentage of the population is considered rich, poor, middle class (socioeconomic data)? What is the predominant religion and how does it influence family planning efforts? What percentage of the fertile-age population currently uses

contraception? Why or why not? How many current and potential contraceptive users are there? How old are they? What is their sex? What is the average level of education? What is the average and the desired family size? What is the status of women?

- Behavioral analysis: Market tests, existing and new market research, and interviews with retailers, other family planning distributors and consumers help define the needs, wants and expectations of the consumer as the consumer defines them.

What do consumers expect from a contraceptive? Where do consumers generally shop? How frequently do consumers change brands? Why? What are the consumers' contraceptive purchasing habits (who buys, where do they buy, what do they buy, what do they pay)? How do consumers feel about contraceptives currently available (are they effective, do they like them)? What advertisements do consumers like and why? How long has the consumer been using a contraceptive?

CSM PRACTITIONER SUGGESTIONS

- Ascertain anew attitudes about consumer needs, wants and desires regarding contraceptive products. Existing information on consumer attitudes is often fabricated.
- Rely on outside marketing research firms to collect and analyze data.
- Confirm that the data already available are accurate.
- Develop a customer base using available data before collecting consumer information for long-range planning.

2. Planning

Using information obtained during the analysis stage, CSM program managers can decide how the program will proceed. During the planning stage, managers will establish marketing objectives and marketing mix strategies and formulate an integrated action plan.

Objectives

Objectives define the basic program. They

- specify structure and organization
- identify program goals
- set specific plans for action (what products will be distributed by whom, to whom, at what price, with what promotion, at what location? What revenue is expected, what expenditures will be made, what staff must be hired and trained?)

Objectives specify the actions required to achieve long-range program goals.

Marketing strategies and marketing mix strategies define how the marketing program will function to accomplish the objectives.

Marketing Mix Strategies

- **Products:** Identify quality, performance features (e.g., dosage), perception features (e.g., color, texture), brand name, package design and size, instructions, and the product line.
- **Distribution:** Define the distribution firm(s), the sales staff and their geographic coverage. Identify the number, location and type of retail outlets, the warehouses, the transportation carriers, and inventory plans. Describe the sales-force size and structure (product structured or customer structured), and who is responsible for sales-force management (recruiting, training, supervising, motivating and evaluating performance).
- **Pricing:** Are prices set to maximize sales, maximize profit, match competition, recover costs, or some combination? What incentives will facilitate the marketing purchase/exchange via price "reductions" (monetary effort, time)?
- **Promotion:** Will promotional campaigns stress benefits, cover side effects and explain results? What action is advocated? What image/tone is to be conveyed? What advertising and publicity will be employed? What inter-personal channels will be used (community organizations, community leaders, sales promotion and point-of-purchase materials, rallies)?

The Integrated Action Plan

"It is possible, in some countries to eat the commercial market; this is not always in the best interest of social marketing."

...Timothy Seims, AID

CSM is a method to improve contraceptive distribution and availability within a country. As the integrated action plan is formulated, care should be taken to plan product positioning so as not to damage existing commercial activities. Good consumer analysis and marketing mix strategies will be helpful in this effort.

- Incorporate objectives and strategies: Develop a total marketing budget to represent each element in the marketing mix and/or each product.
- Develop a specific time schedule: Specify when each activity in the marketing mix strategy will occur to achieve objectives.

3. Development, Testing and Refinement

"Before the working hypothesis of the integrated action plan is implemented, we want to be as sure as possible that it will work."

...Betty Butler Howell, ICSMP

Since most CSM programs function in an environment where products are specified, prices are often established by factors other than production/distribution costs or supply and demand. Motivations to distributors and retailers may not be ideal from a profit standpoint, and the concept of advertising contraceptive products may be new. The challenge is to be as sure as possible that the plan will work. This third stage allows a second look at the marketing strategies and provides an opportunity to change tactics before launching a program or a new product.

Development and Testing

- Product concepts: Will the individual products respond to the needs and desires of the target market?
- Product components: What is the likely response to the package design, instructions, brand names, color, dosage, textures, shapes?
- Retail distribution: Will customers buy from the planned outlets?
- Retail prices: What is the anticipated consumer response to price levels and ranges?
- Promotional concepts: What is the anticipated response to the promotional concepts?
- Promotional messages: How do consumers or potential consumers respond to planned messages and materials?

The development and testing stage may point to specific areas that need to be changed in the integrated action plan. It may also point to needed changes in overall program goals and objectives.

Refinement Plan Elements

"We are never dealing with a situation where there isn't an opportunity to change plans."

...William Novelli, Porter, Novelli and Associates

- Evaluate prototypes: Make necessary revisions and final decisions.
- Train the sales staff, the distribution firm and all other personnel.

In some countries test marketing may be desirable or possible during the program testing and refinement stage. In others, where products and media cannot be regional- or target-specific, test marketing may be difficult or impossible. Once all the development testing and refinement is completed, the integrated plan of action is ready for implementation.

4. Program Implementation and Monitoring

Program implementation will follow the integrated action plan, allowing for adjustments as necessary. Monitoring the progress of the marketing process and the performance of organizations and persons involved in the effort will help identify parts of the plan that need to be adjusted or reinforced.

"It is important to know how people are reacting to the program whether it is positive or negative."

...Jagdish Ghimire
Nepal CRS Project

Program Implementation

- Roll-out: Introduce the products, establish retail distribution, supply the distribution pipelines.
- Promotion: Place advertising in the media, initiate promotional activities and activate interpersonal communication plans.
- Schedule: Make necessary adjustments to the action plan time frame.

Program Monitoring

- Distribution: Are wholesale and retail distribution levels close to projections? Are individual product inventories reflective of the projections?
- Retail functions: Are the products selling at the right price? Are the in-store displays and other point-of-purchase materials in place? What is the competitive reaction (e.g., are the prices of other products dropping or is there an increased promotion of other products)?
- Middlemen: Are the distribution firms and sales force selling according to projections? Are sales reports being submitted in the right format according to schedule?
- Sales: Is the level of sales on target? Are program revenues at the expected level? Do sales reflect market share projections? Has there been a gain in the market share?

- Promotion: Are the paid and/or public service advertisements being run according to agreements? Is publicity from media coverage on the air? Are volunteers or other interpersonal promotional personnel performing according to agreements?
- Institutional/organizational performance: Are funds being managed properly? Are commodity orders being planned to respond to marketing plan needs? Are there appropriate relations with the government? Is the government supportive? Are advisory committees fully informed of the progress of the program? Is committee reaction supportive? Is the staff performing according to expectations? Is the staff supportive of the program?

5. Assess In-Market Effectiveness

Response from consumers, retailers and health care professionals needs to be measured and tracked over time to assess CSM effectiveness.

- Consumer response: What are consumer trial rates, buying patterns, user status (e.g., nonuser, potential user, occasional user, regular user, former user), usage rates, brand loyalty status, readiness stages (e.g., awareness of products, knowledgeable, interested, ready to buy/use contraceptives), satisfaction and dissatisfaction levels (by product, by consumer segment, by geographic segment)?

As the consumer base grows, this information will prove useful in revising product concepts, packaging, advertising, distribution and prices to meet program objectives.

- Retailer response: Where do retailers keep the products (on shelf, behind the counter, in view)? What are the retailers' re-order rates? What is retailers' reaction to incentives and consumer purchasing behavior? What are the retailers' inventory levels? What role do retailers play in screening and counseling consumers?

Social marketers may find it useful to establish regular retail audits and panels to assess these issues.

- Physician and health professional responses: What are physicians' re-order rates, product inventories, and reactions to consumer behavior? What roles do they play in screening and counseling consumers?
- Promotion: What impact has promotion had on consumer awareness, brand-name recognition and comprehension of

product use? Do consumers remember advertising slogans? Do they like the advertising slogans? What effect has CSM promotion had on general contraceptive awareness?

Sales and revenue: What are actual sales and the market share? What are sales-to-expense ratios? What are the profit levels by product, territory, consumer segment, trade outlets? What are the order sizes by product, territory, consumer segment, trade outlets?

6. Feedback

"Marketing is an ongoing, rapidly adjusting process of information gathering and response."

...Betty Butler Howell, ICSMP

During this stage, all the information gained during the first five stages can be assessed to

- review and synthesize the information to uncover problems, identify program weaknesses and strengths, and make suggestions for program adjustment
- respond to the information by making immediate changes to the current action plan
- recycle all the new information into the analysis phase for future program planning and implementation.

MARKETING RESEARCH IN CONTRACEPTIVE SOCIAL MARKETING

Saturday, June 20, 17:15-18:00, and
Sunday, June 21, 9:00-11:00

Securing reliable answers to the myriad of questions which are raised in the process of developing and implementing a marketing plan was the subject of this conference session facilitated by William Novelli. Individual methods of qualitative and quantitative research as well as their appropriate uses and limitations for specific elements of marketing were identified and defined. Afterwards participants met in small groups to design a research strategy for a hypothetical CSM project case study.

MARKETING RESEARCH IN CONTRACEPTIVE SOCIAL MARKETING

"Effective marketing requires a steady stream of information from research that is reliable, useful and affordable."

...William Novelli, Porter Novelli & Associates

The function of marketing research in CSM is to gather data that help program managers make informed decisions about consumer preferences, target markets, strategies for marketing and promoting products and the overall objectives of the CSM program. After the initial research has been conducted and sufficient data have been gathered, the CSM program manager can plan an effective program that includes ongoing research to measure the effects and progress of the program; to track consumer response to products, promotion and distribution; and to indicate when adjustments are necessary in strategies and/or objectives. Marketing research fits into all six stages of the marketing process (see "The Marketing Process: An Overview") by helping to refine each stage and by identifying specific cultural concerns regarding products and their acceptance by consumers. To be useful, research must be:

- **Affordable:** The amount and type of research should be scaled to the size of the program.
- **Useful:** Research results should be useful to the program rather than just providing information for the donor agency or government.
- **Planned:** Research should be planned to answer specific questions and gain specific information.
- **Reliable:** Information that is not valid is not useful. It is often difficult to conduct research and obtain reliable information in developing countries because of rural and/or mobile populations and societal traditions that may be contrary to research objectives.

MARKETING ELEMENTS AND CORRESPONDING MARKETING RESEARCH

STEPS	RESEARCH
<u>The Consumer</u>	
Define/Segment Target Groups: e.g. Age Sex Residence Literacy and media patterns Buying patterns, usage patterns Identify Needs, Benefits, Expectations, Dissatisfactions	Qualitative: Groups Sessions/In-Depth Interviews ↓ KAP Studies Contraceptive Prevalence Surveys Diary Panel Data
<u>The Market</u>	
Identify Market Potential: e.g. Size Trends Geographic factors Establish Channel Strategies: e.g. Distribution Outlets Competitive Analysis	KAP Studies Contraceptive Prevalence Studies Commodity Distribution Data (wholesale) Retail Audits/Panels Consumer Diary Panel Data
<u>The Products</u>	
Product Name Package Other PI Product <i>GROUP SESSIONS to test product components for in-home EVALUATIONS? Sounds pretty kinky</i>	1. Concepts: Group sessions 2. Test Product Components: Name Package Instructions Price 3. In-Home Prototype Evaluation 4. Test Market 5. Regional Distribution: User satisfaction Initial reaction Extended use Price Package
<u>Communication</u>	
Establish: Benefits Consumer Action Reasons Why Image/Tone Media Plan Interpersonal Channels Plan Key Selling Ideas Communication Concepts Execute Messages, Materials: Advertising Publicity/public relations Sales promotion Interpersonal instruction Trade/professional	KAP Studies Contraceptive Prevalence Studies Qualitative Concept Testing: Group Sessions/In-Depth Interviews ↓ Message Testing: Central Location "Normal" Exposure
<u>The CRS Organization</u>	
Problems/Opportunities Short-Term Objectives Long-Range Objectives Commodity Considerations: Availability Profitability Financial Considerations: Budgets Revenues	Data Analysis: Share Volume Revenues Profits Discussions Position Papers Forecasting

Requirements for Conducting Useful Marketing Research

Although research can answer many questions and point to new directions, it must be accepted as a legitimate part of the total CSM program before it can be of value. To conduct reliable marketing research, there must be:

- **Management Support:** Program managers must be committed to utilizing the data.
- **A Plan:** Unless objectives and priorities are set to provide an indication of the information needed, the results will be haphazard and unreliable.
- **Expertise:** Professional. Program managers do not need to be researchers, but they do need access to statisticians, and professional interviewers and moderators. An assessment of resources within the country should be made, with plans to use additional outside help as necessary.
- **A Budget:** To be effective, marketing research must be part of the total program. Budgeting for the function helps achieve this.

Marketing is a practical art. Marketing research, therefore, should respond to the practical needs of a marketing program. Good research is essential during the development process to identify when adjustments and refinements are necessary. "What if" is a useful question to ask when research is being designed. "What if we get this kind of data?" "What if we get this kind of answer?" "Will it help our decision making?" "Will this answer make a difference in our plans?" If the answer is "no," the question shouldn't be asked. If the answer is "I don't know what difference the answer will make," reconsider the questions and the objectives of the research. The "what if" question helps keep the research relevant and practical.

Marketing is also an experimental art. Results of marketing research can provide new ideas and approaches. Planning ahead for experimental changes and allocating part of the research budget to confirm a "hunch" can often result in unexpected success.

Three techniques are well suited to CSM programs for conducting marketing research. They represent processes that are universally applicable to any kind of marketing research question.

1. Qualitative Research
2. Quantitative Research
3. Non-Projective Quantitative Research

Qualitative Research

Qualitative research is an exploratory and diagnostic tool. Its purpose is to gather information on a small scale to determine consumer reaction to CSM issues, advertising, product concepts, prices, distribution channels and all other aspects of marketing. It can be used in all potential markets--consumers, retailers, physicians and pharmacists--to identify trends and to indicate if a product or message responds to consumer needs and desires.

Qualitative research is not definitive. It is hazardous to draw firm conclusions from small-scale research whose purpose is to guide. It can, however, be used to touch base with the consumer, to identify new areas for study or existing areas that need further study, and to stimulate thought.

Uses of Qualitative Research

- To generate hypotheses about what should be studied further when quantitative research is conducted.
- To guide the development of questionnaires to be used in quantitative research. Qualitative research can indicate the best sequence for questions and the appropriate language.
- To provide general background information: How does the consumer, retailer or physician feel about the product, potential names, packages and instructions?
- To generate ideas for new products.
- To help evaluate and interpret results of quantitative research.

Techniques

- Focus group sessions: Several small groups ranging from 8 to 12 or 14 participants respond to various questions and stimuli in a group discussion.
- Mini-groups: These are similar to focus groups but usually consist of only 4 or 5 participants. They function in the same manner as focus groups and offer some of the advantages of focus groups (group discussion) as well as allowing one-to-one interviews, thereby providing more interaction with the participants.
- One-to-one interviews: Typically these are qualitative studies where interviewers act as moderators rather than using a strict survey instrument and have an in-depth discussion with one person at a time.

Advantages of Qualitative Research

- Allows direct contact with consumers, retailers, influential persons and health professionals.
- Offers quick execution and immediate feedback.
- Makes possible exploration of a wide variety of subjects with a variety of stimuli. For example, it is possible to explore reactions to 12 posters instead of 2, or to a new poster, a new price and a new message.
- Provides flexibility: The direction of exploration can be changed at any time to meet research objectives. Respondents can roam off the subject without hurting the results and it is possible that something important will arise from free discussions.
- Has a low cost: Qualitative research is generally less expensive than quantitative research.

Disadvantages of Qualitative Research

- Requires a restricted sample: Because the sample size is small, the results cannot be projected to a larger population.
- Encourages rational, analytic responses: People tend to behave more rationally in a controlled interview than they do in every-day living. Responses may not reflect spontaneous reactions to the issues being explored.

- Depends on skill of the moderator: Respondents may look for "clues" for desired responses. Effective moderating requires the skill not to suggest words or ideas to respondents.
- May lack credibility of results: Interpretation of qualitative research is subjective. It is mistrusted by those who are oriented to clinical or quantitative research because it cannot be used to make projections.
- Contains potential for misuse: Bad management decisions result when interpretations are projected to a larger population. Qualitative research is not intended to represent a universal response.

Quantitative Research

Quantitative research is a verification tool. It involves large-scale studies of a randomly selected sample and can quantify the intensity of consumer responses to CSM issues, messages, concepts, products, prices and all other aspects of marketing.

Quantitative research is definitive. The results may be used, for example, to say that 80 percent of the respondents have this attitude or report this behavior. Reliable conclusions about the total population as they relate to program plans can be drawn from data gathered through quantitative search.

Uses of Quantitative Research

- To provide baseline data for planning for and measuring progress of programs
- To track consumer response and confirm testing of product concepts
- To verify consumer attitudes and perceptions

Techniques

- Knowledge, Attitude and Perception (KAP) studies
- Contraceptive Prevalence Surveys (CPS)
- Fertility Surveys (e.g., the World Fertility Survey)

Advantages of Quantitative Research

- Results in a stronger data base: Because the sample is randomly selected and larger, the results can be projected to a larger population and can confirm small-scale studies.
- Encourages spontaneous responses: Responses are more likely to reflect actual feelings and perceptions.
- Depends less on the interviewer: The questions are carefully prepared ahead of time and are not changed, ensuring less likelihood that the interviewer can or will influence responses.
- Has more credibility: Interpretation is less subjective than qualitative research. The quantity is the proof and results are more acceptable to non-marketers.
- Provides a good basis for decision making: Because the data base is stronger, results can be projected to a larger population and provide a sound basis for making decisions.

Disadvantages of Quantitative Research

- Requires long lead times: Quantitative research requires time to plan, implement, analyze and apply the results.
- Allows only limited coverage: areas of study need to be restricted to one or two major issues.
- Is restrictive: The format or questions cannot change without voiding all response up to the point of change.
- Has a high cost: Generally, more resources and time are required for quantitative research than for qualitative research.

Non-Projective Quantitative Research

For occasions when an in-depth quantitative study is not necessary, but when more definitive information is required to make a decision, there is a "middle ground" to test such issues as pill colors, packages, messages and overall comprehension of the CSM program.

Small, non-quantitative samples can be especially useful during the development and testing phase of the marketing process. The sample sizes can range from 30 to 100. The forum may be a consumer panel, a retailer panel, or

responses from the sales staff. Many CSM programs already use these panels to make a final choice about package colors or designs. For example, if 38 out of 50 people indicate they prefer a blue pill to a white pill, then opting for the blue pill is generally safe.

Diary panels are another method used to obtain non-projective qualitative research. This technique involves 30 to 40 people who are willing to try a contraceptive they have never used before. The participants can either be asked to record their perceptions of the product over a specific period of time, or they can be interviewed at regular intervals--once a month, for 4 to 12 months would be acceptable. The objective of a diary panel is to quantify consumer behavior, user satisfactions and dissatisfactions, usage rates, repeat purchases and other related aspects. The resulting information is more specific than that which other qualitative research techniques can provide.

Applications of Marketing Research

- A little research is better than no research
- Bad research is worse than no research

Each CSM program will need to plan marketing research activities according to its specific budget, time frame, size and needs.

With adaptations to specific program needs and capabilities, the following chart can serve as a guide for formulating marketing research plans.

DISTRIBUTION OPTIONS IN CONTRACEPTIVE SOCIAL MARKETING

Sunday, June 21, 15:00-16:15

The conference session on distribution strategies was led by William Schellstede, the PSI resident advisor to the Bangladesh Family Planning Social Marketing Project. Like many of the CSM programs represented at the conference, the Bangladesh project, which has been distributing products since December 1975, had to devise a unique system for accomplishing contraceptive distribution to its 60,000 retail outlets nationwide.

To help explain the structure of the distribution system in place in Bangladesh, Schellstede began his session by reviewing basic distribution models and concluded his remarks by defining the hybrid system developed by the Bangladesh Family Planning Social Marketing Project.

DISTRIBUTION OPTIONS IN CONTRACEPTIVE SOCIAL MARKETING

"The small management team that typically initiates a CSM project will have a host of things to consider, but one of the most critical is to decide how the product will be made available to the consumers."

...William Schellstede, Bangladesh Social Marketing Project

If a product is not available at the right time and at the right place, the consumer cannot or may not want to buy it. Thus, effective distribution is basic to a successful marketing program. The entire marketing procedure can be viewed as two separate but related processes:

Process I: The search for and stimulation of consumers

Process II: The physical distribution of goods to the consumer

During Process I, CSM program managers must identify consumers and respond to consumer needs. Often, a good deal of time and money is spent in selecting the best products, designing the packages and testing advertising copy, packaging, and brand names. However, neither the best product in the world, the catchiest advertising copy, nor the slickest package will guarantee sales without effective distribution.

During Process II, program managers must use the information available about their potential market to determine the best way to present the product to the consumer. These decisions center on determining the best channels of distribution to get the products to the points the consumer expects or wants them to be.

Distribution Options

Although several alternative channels of distribution are available to CSM programs, there are two major categories that distribution systems fall into: (1) distribution directly to the consumer, and (2) distribution through existing retailers. Figure A diagrams distribution channels that have been or are being used in the Bangladesh Social Marketing Project.

The key to selecting the right channel of distribution is flexibility; there is not a perfect model that will fit the needs of every country. Factors to consider in determining best channels to develop include

- dynamics of the market
- product demand
- resources (time, people, money, capabilities)
- changing conditions.

Distribution Directly to the Consumer

The CSM program accepts prime responsibility for distribution in this model. Examples include establishment of clinical facilities by the CSM program through which clinical services and contraceptives are delivered directly to the client. Other channels used to distribute directly to consumers are vending machines supervised by the CSM program and the employment of staff whose responsibility is to sell contraceptives directly to the consumer. The advantages and disadvantages of distributing directly to the consumer are:

<u>Advantages</u>	<u>Disadvantages</u>
- CSM program retains direct control	- Need for greater resource allocation
- Distributors' goals are the same as the CSM program's goals	- Lacks advantage of contacts with and experience of retailers
- More direct consumer contact	- Requires more management time

Distribution Through Existing Retailers

"In many cases it is possible to contract with a local firm already engaged in distributing consumer goods. Such a contract would provide the firm with a suitably negotiated commission to have its salesmen begin selling the contraceptives during their normal rounds."

...William Schellstede, Bangladesh Social Marketing Project

Typically, distribution through a retailer involves the use of one or several middlemen. Results from studies indicate that retail systems serve most populations rather well, even in developing countries, with some kind of outlet serving 200-400 people.

Most CSM programs are developed to take advantage of these existing retail channels to reach a larger number of consumers than would otherwise be possible. Again, both advantages and disadvantages exist:

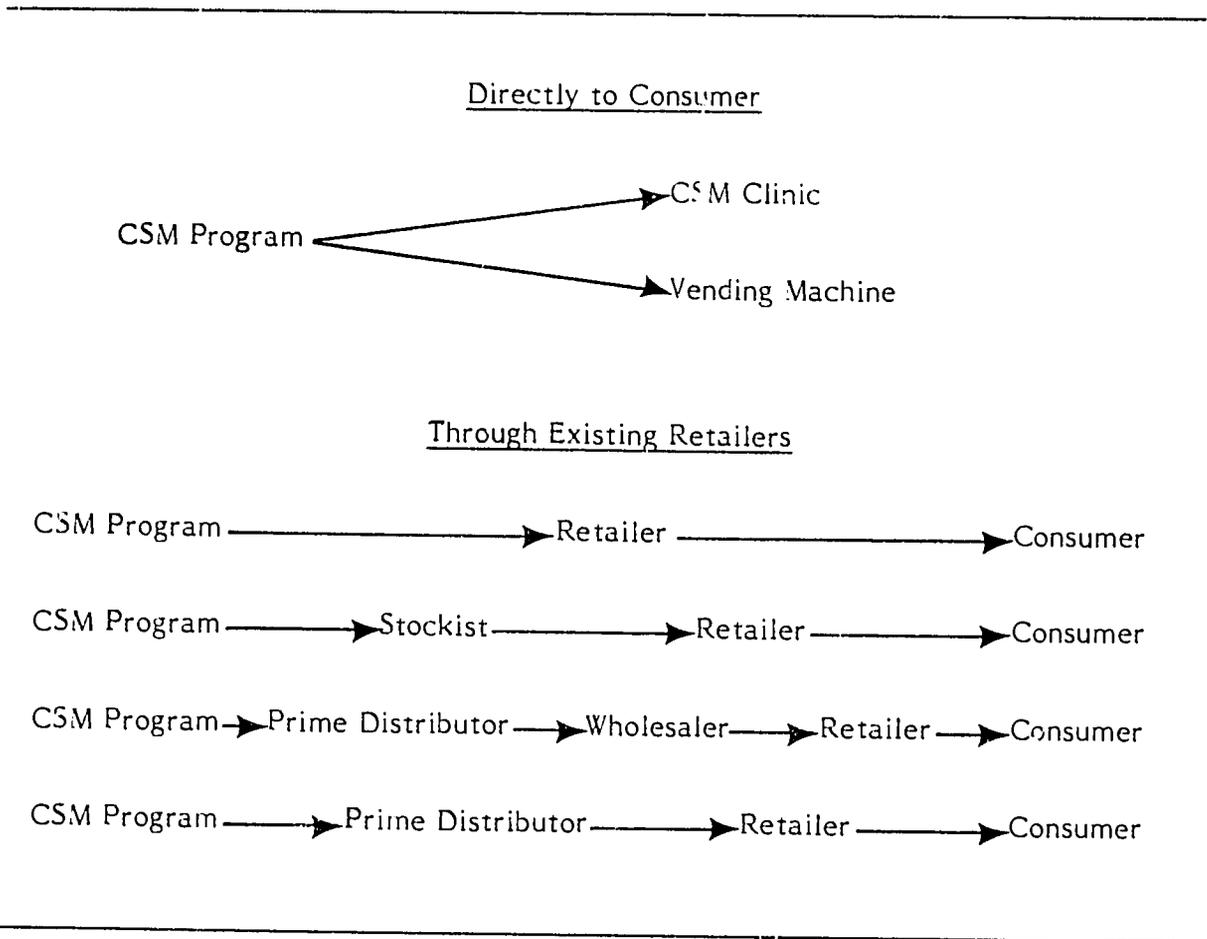
Advantages

- Substantial contacts with retailers already exist
- Sales, logistics and finance systems are in place
- Reduces the CSM program's administrative work, allowing staff to focus on promotion issues

Disadvantages

- Distribution management is outside the CSM program
- Goals of distributors are not always the CSM program's goals

Figure A
CHANNELS OF DISTRIBUTION IN BANGLADESH



The Bangladesh Experience

Initially, Population Services International (PSI), the CSM intermediary in Bangladesh, contracted with a multinational pharmaceutical house for distribution. The introduction of the brand-name condoms and pills, Raja and Maya, was greatly facilitated by this arrangement. The project staff included some sales personnel, but the contraceptives were primarily "piggybacked" with the firm's other products. Through this distribution channel, rapid penetration of the nationwide market was effected more quickly than would have been possible had the project attempted to move the products independently.

As the volume of the CSM program's sales began to grow, transportation difficulties developed. What originally was perceived as a minor addition to the distributor's transportation system now threatened to dominate and overwhelm it. Truck space for the contraceptives became scarce, and complaints from retailers indicated unsatisfactory distribution. Eventually, the distribution contract was terminated, and the CSM project undertook direct management of its distribution.

Objections that it might have been less expensive for the CSM program to renegotiate a distribution contract were addressed by the distributor's managing director, who commented that the company was not prepared to become a transportation company. The volume of contraceptives would have eventually required additional capital investment in scarce foreign exchange. The distributor was not disposed to make such a commitment because the continuation of the CSM program was viewed as dependent upon the sometimes tenuous sufferance of the governments of Bangladesh and the United States. According to the distributor, the projects' dependence on public funding did not ensure its continued existence, and additional investment was thought to be too risky. Local suppliers do not believe that the prospects for long-term funding are adequate to justify the commitment of their capital equipment.

The issue of a prime distributor is important to the results attained in social marketing and is key to the allocation of scarce resources. In Bangladesh, a CSM sales staff now sells and distributes the products. Twenty-six wholesalers warehouse the products and collect money from the retailers--in effect, the sales staff--with orders on the wholesalers' books. Commissions to the wholesalers

represent a high cost: in 1980 the commission fees were about TA. 660,000 (U.S.\$37,822). Regional warehousing could reduce costs, but a separate financial system to bill the 50,000-60,000 retailers currently served would be required to handle the flow of funds from the retailers. Until a secure, reliable financial system can be developed, Bangladesh will continue to use the wholesalers.

Stockists are important to the current distribution channel. In a country the size of Bangladesh, it is physically impossible to serve all the retail outlets, estimated (with a conservative definition of outlet) to be about 200,000. To include the smaller outlets in the distribution system, the larger, more active and more responsive retailers are encouraged to stock products for their smaller neighbors. The stockists sell both to consumers and to other retailers and are critical to efforts to penetrate the rural areas. Small, isolated rural stores commonly restock all their goods during periodic visits to the larger towns.

The above summary of the Bangladesh experience is intended to indicate some of the important issues in distribution. To reiterate the key to successful distribution, flexibility is everything. There are no final answers and no perfect distribution modes. The dynamics of the market, changing conditions, demand for the product and program resources all demand the open mind and the responsiveness that characterize the good marketing manager.

AID COMMODITY PROCUREMENT

Sunday, June 21, 16:30-17:30

Timothy Seims of AID's Family Planning Services Division directed the discussion of the AID central commodity procurement process.

Since most of the AID-assisted CSM projects represented at the Dacca conference reported substantial sales losses due to commodity shortfalls, understanding the AID procurement system was recognized to be an important part of CSM program management. With its unavoidably long lead times from ordering to delivery, the procedure is one that requires careful commodity needs projections from the field as well as careful coordination with AID/Washington.

AID COMMODITY PROCUREMENT

Logistics

Procuring commodities centrally through USAID/Washington is a deliberate and complex process, requiring careful coordination between the CSM projects, USAID Mission offices, USAID/Washington and manufacturers.

Normally a condom shipment will arrive 18 months after a CSM program confirms its order with the local Mission, while oral contraceptives will arrive after 22 months because of longer manufacturing times. Although the Commodity Logistics Flowchart in Figure A outlines all the steps involved for procuring condoms, the same steps apply to other commodities.

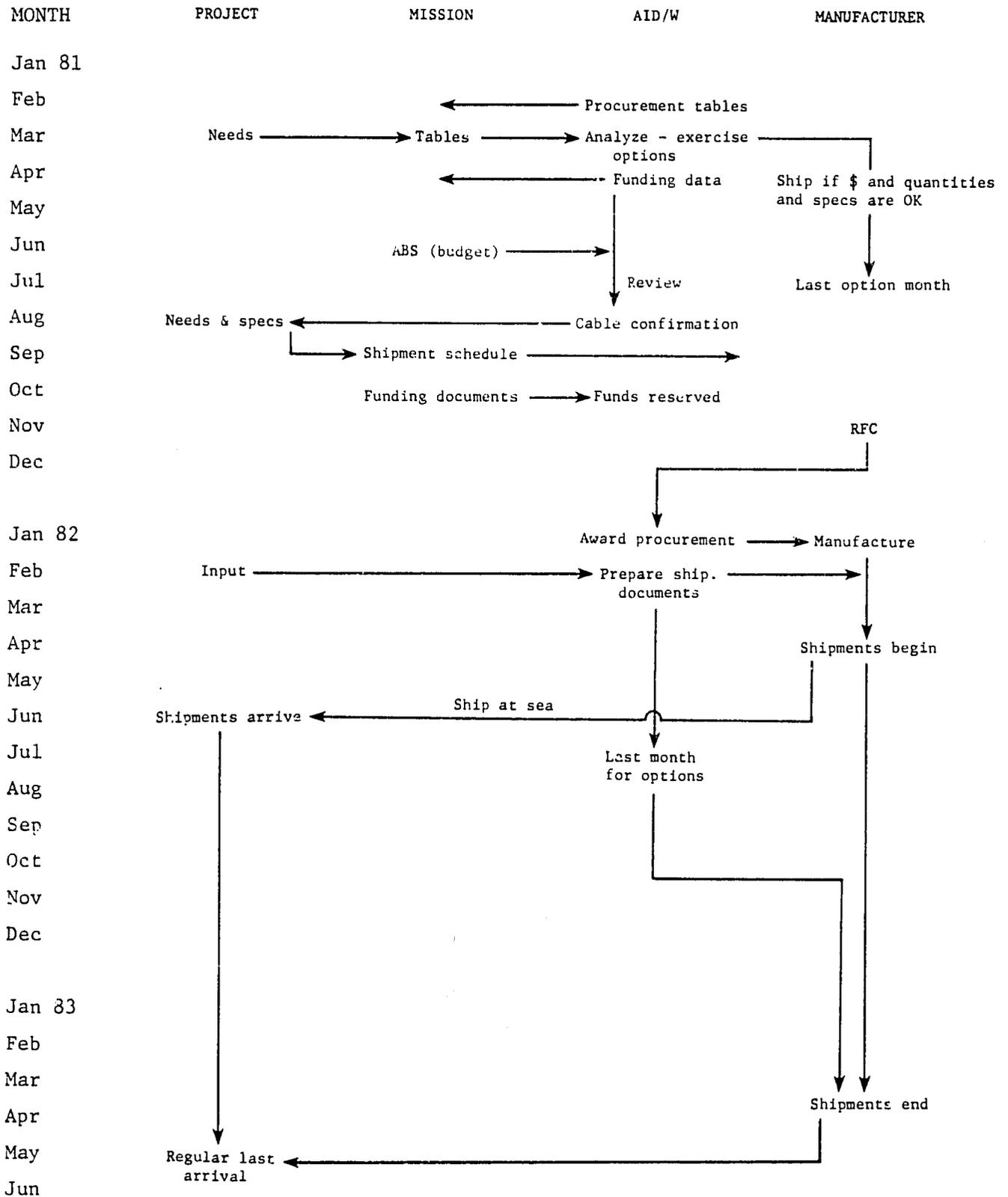
Planning

According to the current timetable, USAID/Washington requests estimates of commodity needs from all Missions every February. Personnel at each CSM project submit estimates of commodity needs based on sales projections. The Mission must then compile the total estimate for the country, prepare the forms shown in Illustrations 1, 2, 3, and 4, and then submit the completed forms to AID/Washington. (These forms are presented to help provide some understanding as to the reasons the Missions request certain information.) After AID/Washington receives all completed forms, the orders are combined to determine an estimate of cost. AID/Washington then notifies each mission of the estimated cost. Once the estimated cost has been determined, the Mission prepares its annual budget and submits it to AID/Washington for review. Next, AID/Washington requests a confirmation of the commodities to be ordered and the Mission then contacts the CSM project to confirm their estimate of commodity needs.

After all orders are confirmed, AID/Washington issues a "Request for Commodities," or an RFC, which is the bidding process for manufacturers, and is required to award manufacturing contracts to the lowest bidder. The total planning process requires about ten months.

FIGURE A

COMMODITY LOGISTICS FLOWCHART (CONDOMS)



COUNTRY: _____

WORKSHEET FOR CALCULATION OF ORAL CONTRACEPTIVE REQUIREMENTS 1982-1985
(000)

	<u>1982</u>	
1. Beginning of year stock (carried forward from end of year stock of previous year - 1981 - and includes both AID and non-AID commodities: see line A4 of Table 2).	_____	
plus		
2. Non-AID new supply for the year (see B4a of Table 1).	+ _____	
minus		
3. Total expected use - both bilateral and other programs (see contraceptive availability/use level, line A3a of Table 1).	- _____	
minus		
4. Desired end of year stock (equivalent to contraceptive availability/use level for subsequent year, line A3a of 1983 column of Table 1).	- _____	
equals		
5. Total AID bilateral requirement for 1982	= _____	

	<u>1983</u>	
1. Beginning of year stock (carried forward from end of year stock of previous year - 1982 - and includes both AID and non-AID commodities: see line A4 of Table 2).	_____	
plus		
2. Non-AID new supply for the year (see B4a of Table 1).	+ _____	
minus		
3. Total expected use - both bilateral and other programs (see contraceptive availability/use level, line A3a of Table 1).	- _____	
minus		
4. Desired end of year stock (equivalent to contraceptive availability/use level for subsequent year, line A3a of 1984 column of Table 1).	- _____	
equals		
5. Total AID bilateral requirement for 1983	= _____	

	<u>1984</u>	
1. Beginning of year stock (carried forward from end of year stock of previous year - 1983 - and includes both AID and non-AID commodities: see line A4 of Table 2).	_____	
plus		
2. Non-AID new supply for the year (see B4a of Table 1).	+ _____	
minus		
3. Total expected use - both bilateral and other programs (see contraceptive availability/use level, line A3a of Table 1).	- _____	
minus		
4. Desired end of year stock (equivalent to contraceptive availability/use level for subsequent year, line A3a of 1985 column of Table 1).	- _____	
equals		
5. Total AID bilateral requirement for 1984	= _____	

	<u>1985</u>	
1. Beginning of year stock (carried forward from end of year stock of previous year - 1984 - and includes both AID and non-AID commodities: see line A4 of Table 2).	_____	
plus		
2. Non-AID new supply for the year (see B4a of Table 1).	+ _____	
minus		
3. Total expected use - both bilateral and other programs (see contraceptive availability/use level, line A3a of Table 1).	- _____	
minus		
4. Desired end of year stock (equivalent to contraceptive availability/use level for subsequent year, line A3a of 1986 column of Table 1).	- _____	
equals		
5. Total AID bilateral requirement for 1985	= _____	

COUNTRY: _____

WORKSHEET FOR CALCULATION OF CONDOM REQUIREMENTS 1982-1985
(000)

1982

1. Beginning of year stock (carried forward from end of year stock of previous year - 1981 - and includes both AID and non-AID commodities: see line B4 of Table 2). _____

plus

2. Non-AID new supply for the year (see B4b of Table 1). + _____

minus

3. Total expected use - both bilateral and other programs (see contraceptive availability/use level, line A3b of Table 1). - _____

minus

4. Desired end of year stock (equivalent to contraceptive availability/use level for subsequent year, line A3b of 1983 column of Table 1). - _____

equals

5. Total AID bilateral requirement for 1982 = _____

1983

1. Beginning of year stock (carried forward from end of year stock of previous year - 1982 - and includes both AID and non-AID commodities: see line B4 of Table 2). _____

plus

2. Non-AID new supply for the year (see B4b of Table 1). + _____

minus

3. Total expected use - both bilateral and other programs (see contraceptive availability/use level, line A3b of Table 1). - _____

minus

4. Desired end of year stock (equivalent to contraceptive availability/use level for subsequent year, line A3b of 1984 column of Table 1). - _____

equals

5. Total AID bilateral requirement for 1983 = _____

1984

1. Beginning of year stock (carried forward from end of year stock of previous year - 1983 - and includes both AID and non-AID commodities: see line B4 of Table 2). _____

plus

2. Non-AID new supply for the year (see B4b of Table 1). + _____

minus

3. Total expected use - both bilateral and other programs (see contraceptive availability/use level, line A3b of Table 1). - _____

minus

4. Desired end of year stock (equivalent to contraceptive availability/use level for subsequent year, line A3b of 1985 column of Table 1). - _____

equals

5. Total AID bilateral requirement for 1984 = _____

1985

1. Beginning of year stock (carried forward from end of year stock of previous year - 1984 - and includes both AID and non-AID commodities: see line B4 of Table 2). _____

plus

2. Non-AID new supply for the year (see B4b of Table 1). + _____

minus

3. Total expected use - both bilateral and other programs (see contraceptive availability/use level, line A3b of Table 1). - _____

minus

4. Desired end of year stock (equivalent to contraceptive availability/use level for subsequent year, line A3b of 1986 column of Table 1). - _____

equals

5. Total AID bilateral requirement for 1985 = _____

ILLUSTRATION 2

COUNTRY: _____

Program Analysis of Oral Contraceptive and Condom Supplies
(in thousands)

	1980	1981	1982	1983	1984	1985	1986
A. Annual Stock Requirements							
1. Married Women of Reproductive Age - MWRA (See Annex A)							
2. Desired annual country contraceptive availability/use level as a percent of MWRA							
a. Orals							
b. Condoms							
3. Annual country stock requirement to satisfy desired contraceptive availability/use level							
a. Orals - line A2a x line A1 x 13 monthly cycles							
b. Condoms - line A2b x line A1 x 100 pieces							
B. Annual New Supply From Non-AID Bilateral Sources							
1. Private Commercial Sector							
a. Orals							
b. Condoms							
2. Other Donors							
a. Orals							
b. Condoms							
3. Host Country Government Procurement							
a. Orals							
b. Condoms							
4. Total New Supply							
a. Orals (B1a + B2a + B3a)							
b. Condoms (B1b + B2b + B3b)							

ILLUSTRATION 3

Logistics Analysis of Orals and Condoms

A. Inventory Analysis - ORALS (thousand M/C)

	CALENDAR YEAR				
	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
1. Beginning of Year Stock					
a. AID Bilateral Supply					
b. Other Sources of Supply					
2. Add: New Supply					
a. AID Bilateral Supply Requirement *	+	+	+	+	+
b. Other Sources of Supply (See B4a of Table 1)	+	+	+	+	+
3. Less: Contraceptive Availability/Use Level (See A3a of Table 1)	-	-	-	-	-
4. End of Year Stock					

B. Inventory Analysis - CONDOMS (thousand pieces)

	CALENDAR YEAR				
	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
1. Beginning of Year Stock					
a. AID Bilateral Supply					
b. Other Sources of Supply					
2. Add: New Supply					
a. AID Bilateral Supply Requirement*	+	+	+	+	+
b. Other Sources of Supply (See B4b of Table 1)	+	+	+	+	+
3. Less: Contraceptive Availability/Use Level (See A3b of Table 1)	-	-	-	-	-
4. End of Year Stock					

* See Annex B for AID bilateral shipments for 1981.

ILLUSTRATION 4

COMMODITY PLANNING SUMMARY

1. USAID/Washington requests total estimates of commodities from Mission offices.
 2. CSM projects provide estimates to Missions, including special packaging needs.
 3. Mission offices submit total estimates of needs for the country to USAID/Washington.
 4. USAID/Washington estimates total cost and sends this information to the Mission offices.
 5. Budgets are prepared by the Missions and funds are reserved.
 6. Budgets are sent to USAID/Washington for approval.
 7. CSM projects confirm commodity needs to USAID/Washington through the Mission offices.
 8. Manufacturing contracts are awarded by USAID/Washington after the bidding process.
 9. Final commodity orders are placed by USAID/Washington.
-

Manufacturing and Shipping Process

Once the total USAID order is confirmed with the manufacturers, the production and shipments of the commodities are scheduled. Because of production schedules, not all commodities can be shipped at one time. AID prepares the shipping documents according to the schedules that have been submitted by the CSM projects and other AID-supplied programs. Personnel at CSM programs should pay careful attention to the shipping schedules and must take shipping times into consideration when plans for receiving commodities are made. Shipments begin approximately eight months after orders are placed, and the total order for a project should be shipped within 12 months. (See Illustration 5 for an example of the shipment records maintained by AID/Washington.)

Shipments: Oral Contraceptives and Condoms

GRANT FUNDED	CALENDAR YEAR					
	1980		1981		1982	
	Actual Shipments		Scheduled for Shipment		Confirmed for Shipment	
	Orals (MC's)	Condoms (Pieces)	Orals (MC's)	Condoms (Pieces)	Thru 6/30 Orals (MC's)	Thru 3/31 Condoms (Pieces)
Bangladesh	6,882,600	37,236,000	11,419,200	24,000,000	4,392,000	13,296,000
	1,248,000*	40,606,000*	0	9,138,000*	0	0
	600,000**					
Cameroon	0	0	0	0	0	0
Costa Rica	0	0	0	1,002,000	0	1,188,000
El Salvador	0	0	0	0	433,200	0
Ghana	0	1,128,000*	760,800	1,152,000*	0	0
Haiti	0	4,026,000	150,000	14,582,300	202,200	0
Honduras	421,200	180,000	496,200	234,000	0	0
Jamaica	419,400***	4,182,000	930,000	5,410,100	0	996,000
Kenya	0	0	0	0	0	0
Liberia	0	0	0	0	0	0
Morocco	5,403,600	1,002,000	7,468,800	1,002,000	0	1,002,000
	508,200**					
Nepal	0	0	2,004,000	0	1,998,000	0
Nicaragua	600,000	0	398,400	0	1,167,000	0
Panama	121,800	330,000	150,600	864,000	49,200	0
	222,600**					
Paraguay	0	0	0	0	0	0
Peru	0	0	171,000	0	0	0
Philippines	0	0	0	0	0	0
Senegal	0	0	0	0	0	0
Tanzania	1,000,200	0	1,000,200	0	0	0
Thailand	3,193,200	0	4,992,600	0	0	0
Tunisia	0	0	0	0	0	0
<u>LOAN FUNDED</u>						
Indonesia	56,473,800	0	28,914,000	0	37,101,000	0

* Commercial Retail Sales Program.

** Low-Dose Oral Contraceptives.

*** Transshipped from Paraguay.

MANUFACTURING AND SHIPPING SUMMARY

1. Desired shipping schedules are provided to AID/Washington by the CSM program.
 2. Shipping documents are prepared by AID/Washington according to CSM program schedules.
 3. Commodities are shipped from the manufacturers.
 4. Shipments arrive, are cleared for warehousing, and are fed into the distribution system.
-

Special Orders

The logistics are so formidable that the logical question regarding special orders or new projects is, "How can they be handled?" When a manufacturing contract is awarded, "options" are included for 50-100 percent of a procurement. If special needs arise, AID/Washington can "invoke an option" and more commodities can be supplied. Options are not a fail-safe method, however, because they expire after 12 months and must be renegotiated with each new contract.

Commodity Issues

Several commodities are currently available through the central procurement system, and some manufacturers will prepare special packages if they receive a large order (approximately 2 million). The objectives of AID/Washington are to (1) reduce the proliferation of products, (2) reduce packaging costs and (3) respond to the needs of CSM programs.

Product Differentiation

A major concern of those working with CSM programs is the need to distinguish CSM-marketed products from those distributed for free by the government. AID/Washington is trying to help solve the problem of differentiation by developing new packaging for CSM programs and product-mix alternatives. Oral contraceptives, for example, will soon be available in a new plastic container, and low-dose pills will be more distinctive from regular-dose pills either by packaging or color.

Some countries order commodities in bulk and repackage them with their own brand names in a dispenser or in locally prepared packets. This is one way to help solve the problem of differentiating products and has been effective with condoms in Mexico.

Advantages and Limitations of Procuring Commodities Centrally

Although the logistics involved in procuring commodities through AID are cumbersome, central procurement does represent an impressive savings in cost. At the present time condoms cost AID approximately 3½¢ each, and oral contraceptives are purchased for 13¢ per cycle. If every Mission or every CSM project negotiated separate contracts for obtaining commodities, the prices would be much higher.

The limitations of the central procurement system are fairly obvious in terms of the variety of products available. Even with its large orders, AID purchases only 4 percent of the oral contraceptives manufactured by Syntex and only 15 percent of the condoms manufactured by Ackwell (the current contractors). The percentages include orders for all family planning programs supplied by AID. Total AID influence on the industry cannot dictate product preferences much beyond what is already available.

CSM PROGRAMS AND GOVERNMENT RELATIONS

Tuesday, June 23, 9:00-11:00

Timothy Seims, serving as an AID technical officer in the Family Planning Services Division for several CSM projects, led the discussion exploring the dynamics of the CSM program/host government relationship. In his role as representative of the donor organization in many CSM programs, Seims has the unique perspective of one who is both an active collaborator with CSM program managers to develop the most problem-free organizational structure and at the same time a U.S. government employee who understands and must be responsive to the host government requirements and desires.

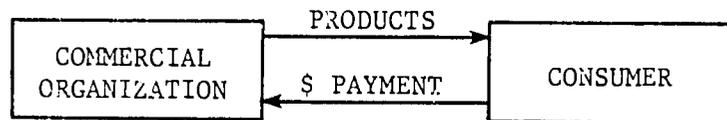
In this workshop, participants explored the three basic CSM/government relationship structures and how these models related to the various programs represented at the conference. Marketing complications that flow from the association of CSM programs with host governments were also discussed by participants during the session and a methodology which assists in devising strategies for overcoming identified management problems was proposed and tested in small group workshops. The results of one working group's hypothetical situation regarding management autonomy is included here.

CSM PROGRAMS AND GOVERNMENT RELATIONS

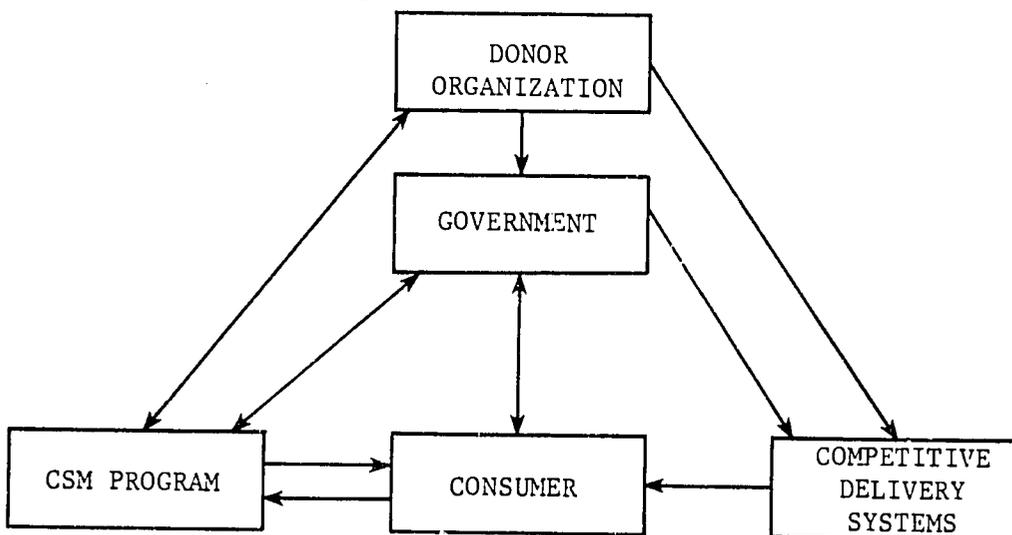
"A CSM program's organizational structure and legal status...are often more important than marketing decisions in affecting the operations of a program."

...Timothy Seims, AID

Since marketing basically involves exchange, it is useful to look at the relationship between governments and CSM programs in this context. Often CSM needs for freedom and flexibility cloud the fact that governments do have a legitimate role to play in CSM operations. In the commercial sector, the exchange pattern is one by which the company provides a product and/or service to the consumer for a price. This exchange of goods for money supports the commercial organization as marketing plans and products are developed in response to consumer needs.



In a social marketing program, the flow of money is not sufficient to support the activities of the organization. A third party is required for support, and the exchange pattern assumes more of a triangular configuration. The CSM program must market its concept to the supporting party as well as its products to the consumer. In CSM the exchange is further complicated by competitive delivery systems--perhaps a community-based distribution program or a free clinic program--and outside donor organizations.



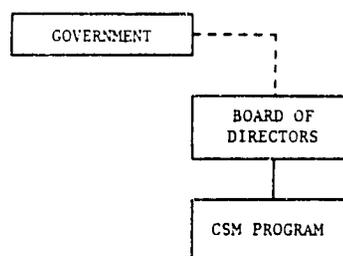
The relationship between a government and a CSM program usually involves support by the government (money, jobs, organizational support) in exchange for results by the CSM program (a delivery system consistent with government policies and programs).

CSM Organizational Models

There are no definite procedures to follow in establishing the best organizational structure to effect the exchange between the government and the CSM program. Nor is there a single, ideal structure that is universally applicable. However, three basic models do exist.

1. The Semi-Autonomous CSM Program

- General Characteristics
 - o Nongovernment representatives
- Source of Project Control
 - o Board of Directors

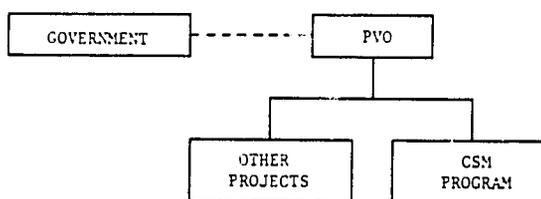


The CSM program is directed by the Board of Directors, which usually includes government and non-government representatives.

- o Government Relationships

The CSM program is not considered part of the government. There is an agreement with one government department that specifies: (1) the conditions under which the CSM program can continue operations and (2) project accountability.

2. The CSM Program Within a Private Voluntary Organization (PVO)



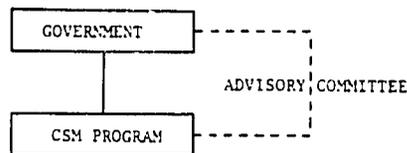
- General Characteristics
 - o Private Sector Accountability

Family Planning Associations (FPAs) or other private family planning organizations that provide services conduct CSM management.

- o Government Relationships

The CSM program must comply with government regulations regarding PVOs, including reporting practices.

3. The CSM Program Within the Government



- General Characteristics

o Direct Government Implementation

A ministry of the government is generally identified as responsible for supervising and implementing the CSM program. Although advisory committees may or may not be part of the administrative structure, they rarely have managerial control.

o Accountability

The CSM program is directly accountable to the government for all aspects of the project.

Each of these three models was represented at this conference. A brief review of the structures of each CSM program by country can help focus considerations of the advantages and disadvantages to anticipate in each model. It is important to note that organizations' structures do not have to be static; in fact, most CSM structures go through transitions appropriate to specific situations.

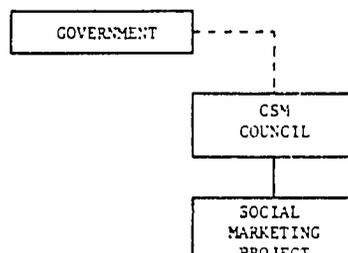
Models Applied

1. The Semi-Autonomous CSM Program

COUNTRY: BANGLADESH

CSM REPRESENTATIVE: Anwar Ali
Executive Director
Bangladesh Social Marketing Project (BSMP)

STRUCTURE:



Project Control: The BSMP is overseen by a seven-member council, chaired by the secretary of the Ministry of Health and made up of representatives from the government, the contractor, donor agencies and the private sector. The council oversees the project's plans and activities and indicates when government approval is necessary. The specific structure may not change, but the agreement with the government could transfer from the contractor, Population Service International (PSI), to another entity.

Government Relationships:

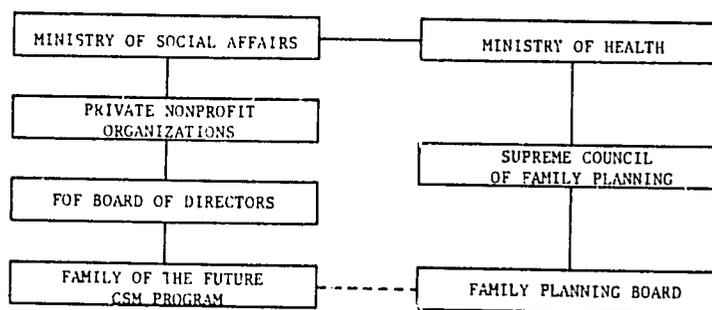
Currently, the legal relationship is an agreement between the Government of Bangladesh (GOB) and PSI, the contractor for the program. The agreement stipulates the structure and composition of the Council and identifies areas requiring specific government approval, including the appointment and terms of appointment of the Project Director and product prices. The agreement speaks very generally about advertising stating only that it should be culturally appropriate and consistent with existing advertising regulations. However, the GOB is very sensitive to advertising and in 1979 appointed a committee to review all of the projects's advertising campaigns before they could be released. The BSMP now takes the initiative in requesting advertising approval if a new idea is scheduled to be introduced.

Other Information: The social marketing project in Bangladesh is in an evolutionary process as the program is preparing to assume in-country management which should occur within the next three years. Discussions are under way with the government regarding ways to institutionalize the project as a society, association or nonprofit organization.

COUNTRY: EGYPT

CSM REPRESENTATIVE: Effat Ramadan
Director, Family of the Future Project

STRUCTURE:



Project Control: The Family of the Future (FOF) Program is a registered private association under the supervision of the Ministry of Social Affairs. A separate Board of Directors, elected by the funding members, approves the plans and activities of the FOF.

Government Relationships: The Ministry of Social Affairs supervises all voluntary (or nonprofit) activities in Egypt, and the Family Planning Board monitors all family planning activities. In its current status as an independent association, the FOF reports regularly to the Ministry of Social Affairs, which can review activities and expenditures of the FOF at anytime to assure the program is in accordance with its registration. As an organization involved in family planning service, FOF must also report to the Family Planning Board on the quantity of contraceptives sold.

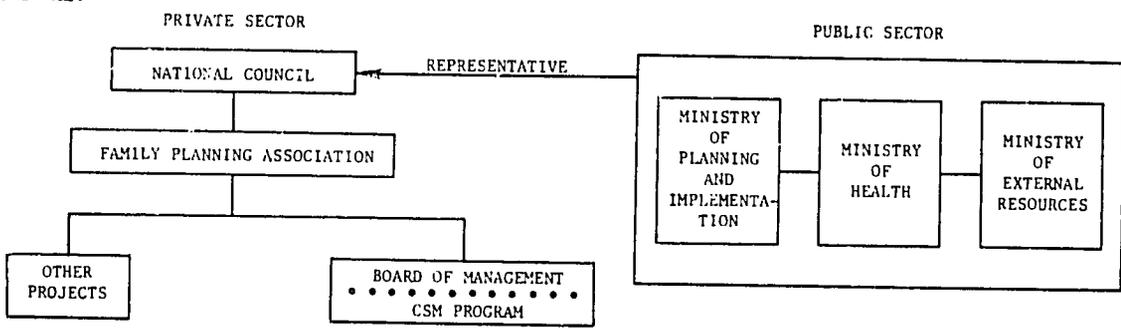
Other Information: The Egyptian program has evolved to its current organizational structure. CSM was initiated as part of the Family Planning Association, which is also responsible to the Ministry of Social Affairs. The option to become part of the Ministry of Health was not selected because all of their existing projects are clinical programs. Association instead with the Ministry of Social Affairs has facilitated the evolution of the FOF as an independent organization.

2. The CSM Program Within a Private Voluntary Organization

COUNTRY: SRI LANKA

CSM REPRESENTATIVE: Daya Abeywickrama
Director, Family Planning Association (FPA)

STRUCTURE:



Project Control: CSM activities are subject to approval by the National Council, which is the main administrative body of the FPA. Once approval of the basic program is received, the Board of Management has authority within the FPA to approve and

manage all CSM operations, including hiring, choice of products, pricing, and advertising. It is necessary to go back to the National Council only if something is desired that was not included in the original plans.

Government Relationships:

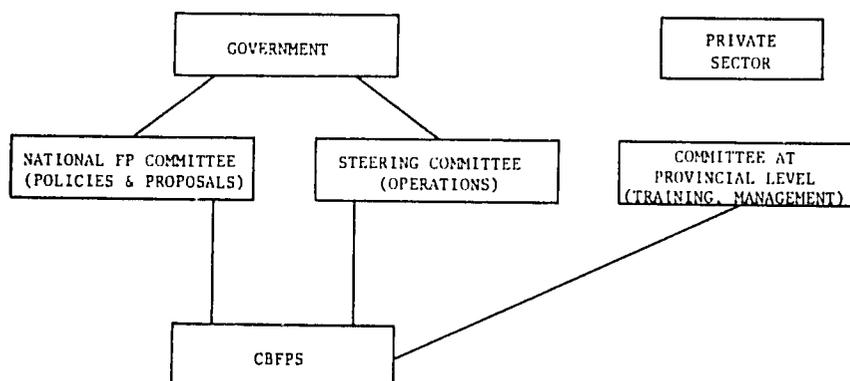
The government has a representative on the National Council, generally from the Ministry of Health, who can speak on behalf of the government to approve CSM project plans. Budgets must be submitted to the Ministry of Planning and Implementation, which monitors the country's family planning program; to the Ministry of Health, which implements the family planning program; and to the Ministry of External Resources, which monitors foreign funding to Sri Lanka. The budget is submitted after the National Council has approved it, and the three ministries operate on the premise that problems will have been identified before they receive any information. Formal approval is not required from the ministries, but occasionally they may request clarification or raise a question.

Other Information: The project was initiated by an agreement between Population Services International (PSI) and the International Planned Parenthood Federation (IPPF). The Sri Lanka FPA, the IPPF affiliate, approved of the agreement, and the government granted permission to proceed with the understanding that it was a joint effort between IPPF and PSI. The early involvement of the FPA was minimal as an advisory board, consisting primarily of private-sector representatives who assisted PSI staff in conducting the project.

COUNTRY: THAILAND

CSM REPRESENTATIVE: Somchit Tipprayaprapa
 Manager of Rural Operations,
 Community-Based Family Planning Services (CBFPS)

STRUCTURE:



Project Control: The CBFPS is a national family planning program overseen by three committees: two government and one private. Policies and proposals are approved by the National Family Planning Committee; day-to-day operations are monitored by a Steering

Committee associated with the Department of Technology and Economic Cooperation, a department within the Ministry of Health that is concerned with the daily operations of family planning programs; and general problems and constraints are resolved by a committee operating at the provincial level and composed of nongovernment representatives.

Government Relationships:

The National Family Planning Committee has about 18 members from various government departments and ministries and is chaired by the Minister of Public Health. All CBFPS proposals must be submitted to this committee for approval before implementation by CBFPS. The Steering Committee is made up of seven or eight representatives from both the government and private organizations and is responsible for the project's daily operations. The third committee, operating at the provincial level, is staffed by private-sector personnel who resolve problems in training and in overall management.

Other Information: Four private-sector family planning associations also operate in Thailand. The first, the Planned Parenthood Association of Thailand (PPAT), is funded by IPPF and concentrates on providing information, education and communication services. The second, Population Committee Development Association, was initially funded by IPPF for a pilot study and has since been expanded to 157 districts with nearly 10 projects and support from several donors. The SOC agency, which supports information for international family planning projects, is the third private-sector association, and the fourth is the Thai Association for Voluntary Sterilization.

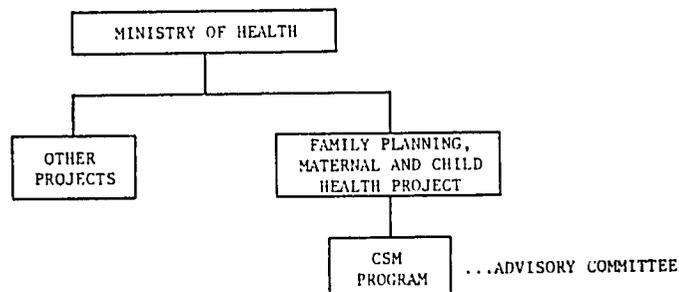
3. The CSM Program Within the Government

COUNTRY: NEPAL

CSM REPRESENTATIVES: Jagdish Ghimire
Director, Nepal CSM Project

James Messick
Resident Manager, Nepal CSM Project

STRUCTURE:



Project Control: The Chief of the Family Planning, Maternal and Child Health Project (FPMCH) supervises the activities of the CSM program, which must follow the policies of the Family Planning Board and the Population Commission. The advisory committee, which includes representatives from the government, commercial business, voluntary and private organizations, and associations such as the Chemists and Druggists Association, has no managerial authority, but does help guide the program.

Government

Relationships: The current agreement is between USAID and His Majesty's Government and Nepal, and the contractor, Westinghouse, is not directly involved in the agreement. Technically, since the project is part of the government, the FPMCH Project has authority over the project, but a certain level of autonomy has been attained as a result of performance and coordination activities. The slightly higher salary levels for CSM staff were approved by the government. The project reports on the program's activities, but management of advertising, choice of products, distribution and pricing is conducted by the staff. Revenue to the program is still an unresolved issue, but the overall relationship with the government is good.

Other Information: The Nepal project is currently in a transitional phase. During the next year, the mechanism to institutionalize the project should be determined. Thus far, five possibilities have been identified: (1) through the Family Planning Association, (2) as a semi-governmental company, (3) as a semi-governmental corporation, (4) through a subcontract from the government to a private firm and (5) through a structure very similar to the current one. There are advantages and disadvantages to each that will be studied and discussed with the government before final plans are made.

Government Relations and the Decision-Making Process

"Although there is a legitimate concern of governments in social marketing projects, CSM programs should have the flexibility to make key marketing decisions in response to market conditions."

...Timothy Seims, AID

In each model, whether the organizational structure is part of the private sector or the public sector, some parts of a CSM program must be cleared by the government prior to implementation. Areas of overlapping interest between the government and the CSM program that can be problematic include:

- Organizational structure
- Advertising
- Product pricing
- New product introduction
- Salary levels
- Staff appointments

"Good PR with the government is important. It helps to establish credibility and makes program management easier."

...Effat Ramadan, FOF

The method for obtaining government approval varies from country to country as the previous review of different programs indicates. The CSM decision-making process is more complicated than the private-sector decision-making process by the very nature of social marketing objectives: to contribute to the public welfare using commercial mechanisms. The social marketer must deal with the government at a level the commercial marketer does not. This type of relationship raises several critical questions.

- How does a social marketer function to assure the best possible results will be realized in a combined decision process?
- How, can competitive salary levels be established to attract personnel with appropriate marketing experience?
- How can a CSM program be institutionalized with the autonomy needed to function effectively?
- How can CSM gain the level of support needed to achieve all goals and objectives?

Good information systems that flow from the CSM program to the government to the commercial sector will help establish good relations and contribute to effective management. An essential element in the resolution of any issue is a clear understanding of the strengths and perceived weaknesses of a plan and knowledge of the sources of support and opposition.

"Force Field Analysis" is a management technique used to analyze comprehensively the specific problem, to identify supporters and potential

opponents, and to develop a strategy to solve the problem. The steps for Force Field Analysis are:

1. Define the desired objective
2. Define the real obstacles to achieving the objective
3. List the "forces" supporting the objective
4. List the "forces" opposing the objective
5. Rank the forces according to their value
6. Develop a strategy to use the positive forces to achieve the objective

Because the "real obstacles" may or may not be the verbalized arguments against an objective, it is important to identify the real motivations to opposition. Forces can be individuals, organizations, cultural norms, systems, or other factors. The total value of the supporting forces should equal the total value of the opposing forces, even if there are more of one force than the other.

The advantage of Force Field Analysis is that it draws attention to the fact that movement is achieved either by strengthening the forces for, or by weakening the forces against, the defined objective. The strategy should be developed so that the forces supporting the objective are strengthened.

FORCE FIELD ANALYSIS

During workshops, participants conducted Force Field Analysis on specific problems encountered in CSM programs. Two issues that frequently arise are the desire for greater CSM autonomy in day-to-day management decisions and the possibility of a program ending if government or donor support ceases.

One workshop group dealt specifically with the reinstatement of a CSM program in Ghana. The results of the analysis are presented here to provide further insight on the application of the Force Field Analysis technique.

The participants first identified the desired objective: to reinstate the CSM program in Ghana. The following are the forces supporting and opposing the objective as determined by the participants:

Supporting Forces

- Availability of packaging materials
- Availability of 3 commodities
- Nationwide distribution potential
- Good, nationwide advertising potential
- Previous demand for products
- Existing brand awareness
- Minimal restrictions on advertising and promotion
- High population growth rate
- High infant mortality rate
- Substantial revenue on hand
- Support from AID/Washington

Opposing Forces

- Political instability
- No leadership in the National Family Planning Program
- Low commitment level from Ghanaian family planning officials
- High inflation
- Breakdown in market interest
- Lack of marketing experience among present Ghana Family Planning project directors

After the supporting and opposing forces were identified, the workshop participants developed a strategy to achieve the defined objective. The strategy consisted of the following three major steps:

1. They felt their greatest success would be to deal with the lack of strong commitment from high-level family planning officials and the lack of leadership in the National Family Planning Program. The development of a constituency of influential persons who could perhaps shift the balance more in favor of reinstating the program was identified as one way to counter the lack of support. The constituency would be cultivated from the foreign community and from the domestic community, possibly through contacts with university personnel and those in government positions who support the CSM program.
2. Supporters of reinstating the CSM program would attempt to obtain a strong commitment of support from USAID to use a leverage.
3. A formal or informal advisory committee would be established to serve as a liaison and to provide guidance.

The overall consensus reached by this group was that there was a real need to create strong support at a higher level to initiate the needed changes.

NEW PRODUCT INTRODUCTIONS

Tuesday, June 23, 15:00-16:00

David Wood, the Westinghouse Health System's Washington liaison to the Nepal CRS project, directed the workshop discussion on the topic of new product introductions. The subject was approached with more than simple academic interest by Wood since, at the time of the conference, he and his colleagues from Nepal were enmeshed in the development of a marketing plan to introduce low-dose oral contraceptives and foaming tablets in the Nepal CRS project.

Following a participatory discussion of the possible reasons for and modes of justification for the introduction of new products into a CSM program's product line, Wood divided the participants into four small groups with instructions to devise strategies for introducing a new product into a CSM program. The strategy of Group Three--the Nepal team's marketing plan for introducing foaming tablets--is presented here.

NEW PRODUCT INTRODUCTIONS

"The promotion of a new product is a way of providing new life to an already existing product line."

...Betty Butler Howell, ICSMP

One objective of most CSM programs is to introduce more contraceptive methods and different brands or types of the same method (e.g., regular-dose and low-dose pills) into their existing product line. The process of planning for the introduction of a new product draws heavily from information already available and parallels the marketing process described earlier (see "The Marketing Process: An Overview").

For purposes of this discussion, the initial strategy for introducing a new product can be viewed as a three-stage subprocess of the CSM program's overall marketing process and should include:

- Justification and Approval
- Planning for Funding and Procurement of Commodities
- Implementation and Feedback.

Justification and Approval

Addition of a new product may have been planned originally as part of the CSM program's specific objectives and schedule. However, the decision to add a new product is generally the result of previous marketing research or feedback from consumers, sales staff or retailers, suggesting either that a new product is desired by consumers, or that it would contribute to achieving program goals and/or would increase revenue.

When a CSM program decides to add a new contraceptive product, it is often necessary to approach other agencies and organizations for approval. For example, the CSM program's board of management, a branch of the government or the donor agency may need to approve the addition of the product before further steps are taken.

"The first thing we had to do was talk with the government. Government approval can take 10 months and complicates receiving commodities on time because delivery takes such a long time."

...Jagdish Ghimire, Nepal CRS Project

Before any necessary approval is granted, CSM program managers will have to answer questions such as "What new products are proposed and why?" The mode of justification for adding a new product can be critical to obtaining approval. Results of marketing research generally provide the best support for the needed justification. Even preliminary data can be very useful when approaching the appropriate sources for approval. Examples of justifications and modes of justification are presented in Figure A. Figure B presents justifications developed during one workshop session.

FIGURE A
NEW PRODUCT JUSTIFICATIONS

<u>Justification</u>	<u>Mode of Justification</u>
- Need for the product	- Consumer preference surveys, tracking studies, World Fertility Survey
- Source of additional revenue	- Sales projections with expense budgets
- Expand consumer market	- Market research, consumer preference surveys
- Expand outlets	- Consumer buying habits, trade data
- Decrease promotion and distribution costs	- Financial analysis on a per product basis
- New technology	- Proven quality of product(s)

Planning

Once approval is obtained for adding a new product, the CSM program manager can return to the marketing process wheel and proceed with the development of a specific marketing plan, which can include

- Additional financial and consumer analysis (more data may be required to set specific objectives for the product)
- Developing a budget and obtaining or reserving revenue
- Identifying commodity source and assuring commodity availability
- Recruiting and training additional staff
- Developing product packaging, brand name and price
- Specifying specific objectives for the new product
- Developing a schedule of activities for product introduction, promotion and distribution.

The flowchart shown in Illustration 1 is a hypothetical plan developed during the conference and may be useful in developing the plan and budget for introducing a new product.

FIGURE B

JUSTIFICATION AND IMPLEMENTATION PLAN FOR NEW PRODUCT INTRODUCTION IN NEPAL

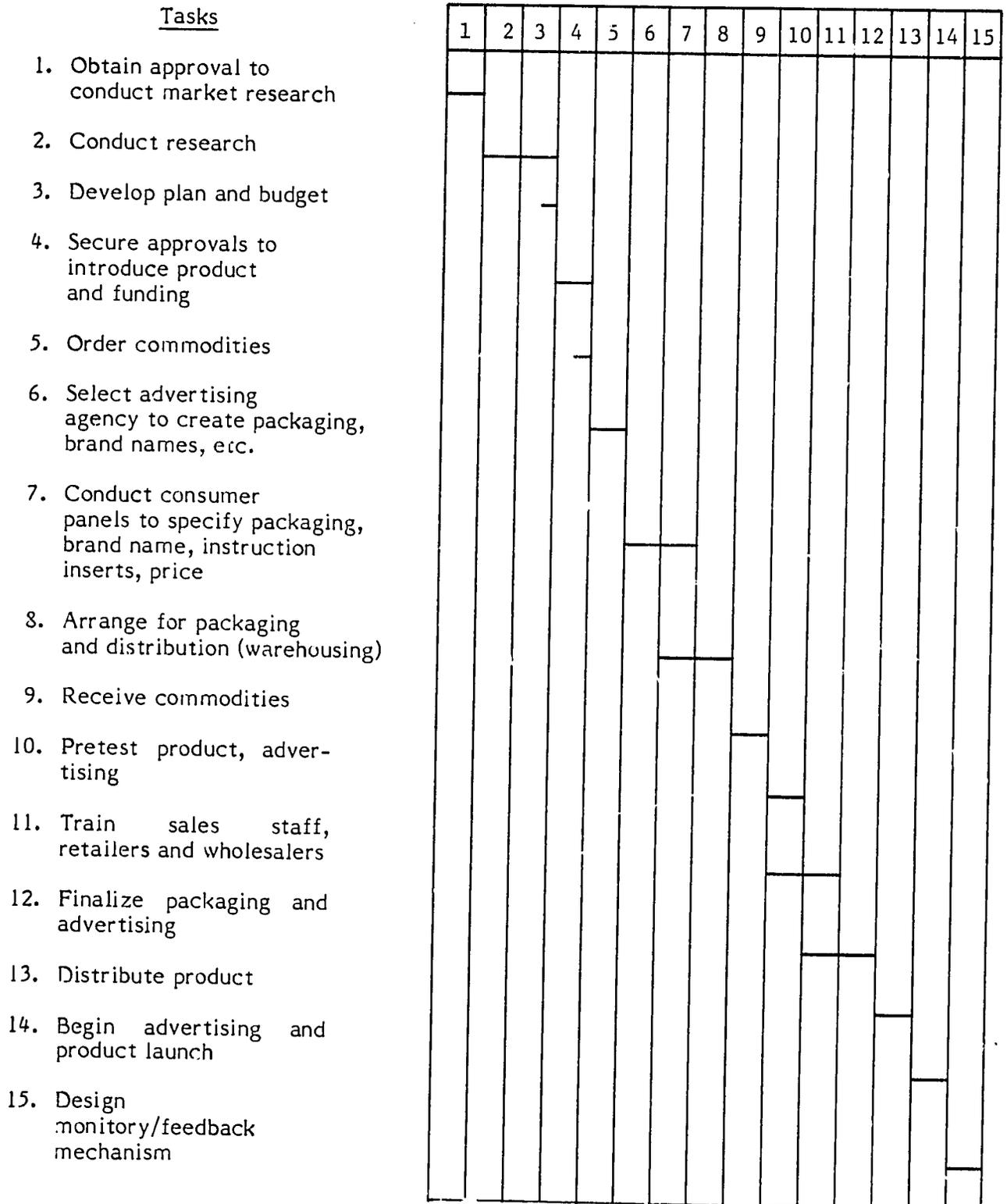
Country: Nepal

Product: Foaming Vaginal Tablet

<u>Justification</u>	<u>Mode of Justification</u>
1. Offers women an alternative contraceptive to the OC (which has yet to be well accepted in Nepal)	1. Consumer preference studies, tracking studies
2. Diversifies product lines, thereby strengthening the program	2. Consumer preference studies and financial analysis
3. Increases revenue to the program	3. Projected sales revenues
4. Decreases overall distribution as the product can "piggyback" on current distribution channels	4. Cost-effectiveness analysis

ILLUSTRATION I
PLANNING FLOWCHART

Months



Implementation and Feedback

Once the promotional campaign is launched and the product is distributed, it becomes part of the CSM program's total product line. At this time, it is necessary to monitor the sales of the new product at the distribution level as well as consumer acceptance to provide feedback as the product is incorporated into the ongoing marketing process.

Hypothetical Plans for Introducing a New Product

The conferees worked in four small groups to develop hypothetical plans for introducing new products in specific countries. Strategies were planned for implementation within a 12- to 15-month period. The results, in a condensed form, are presented below.

GROUP I

Country:	Sri Lanka
Product:	Oral Rehydration Solution (ORS)
Justifications:	<ul style="list-style-type: none">- Nearly 60 percent of the children in Sri Lanka suffer from diarrhea associated with malnutrition. ORS helps prevent complications and possible death from dehydration. ORS is currently available to populations served by government clinics and to those who can afford the often expensive price. CSM programs can increase distribution and lower the cost. A lower infant mortality rate could improve the acceptance of family planning in Sri Lanka.- CSM programs will realize additional income.
Justification Mode:	<ul style="list-style-type: none">- Malnutrition data- Consumer preference surveys- CSM market share data- Sales projections
Implementation:	<ul style="list-style-type: none">- Research (two months)

- . Obtain general health data to profile the status of children who suffer and die from malnutrition and dehydration from associated diarrhea
- . Conduct market research to identify the current availability of ORS potential users through a CSM program, consumer attitudes and needs, and market targets
- Planning
 - . Develop proposal to secure commodities and funds
 - . Design product packaging and testing (including instructional inserts appropriate for market target) (six weeks)
 - . Determine price of product
 - . Make distribution arrangements
 - . Plan advertising/promotion (design and pretest) (months 4 and 6)
 - . Train sales staff (by month 8)
 - . Receive product (month 10) (assumes product was ordered)
 - . Warehouse product and run market test
 - . Make adjustments
 - . Initiate promotional campaign (month 11)
 - . Visit physicians
 - . Distribute product and launch full advertising campaign (month 12)

GROUP II

Country: Bangladesh

Product: Injectables

Justifications:

- Expand product line
- Increase CYP by offering product more acceptable to some women because of reduced side effects
- Increase revenue
- Increase distribution base to rural areas

Justification Mode:

- Sales projections to new markets
- Consumer preference surveys

Planning and
Implementation

- Approach donor agency for funds and commodities (3-4 months)
- Conduct market research
- Plan distribution, promotion, packaging and price strategies
- Develop budget
- Develop plan to launch product (by month 7) (include testing product names, packaging, advertising)
- Conduct general market test
- Finalize decisions for advertisers and wholesalers (month 8)
- Dispatch products to wholesalers (month 9)
- Start advertising and distribution
- .. Monitor sales, consumer response and communication (month 10)

GROUP III

Country: Nepal

Product: Foaming Vaginal Tablets

Justifications:

- Diversify the product line
- Can piggyback on current distribution channels
- Offers an alternative to the pill, with fewer side effects
- Potential for increased revenue

Justification Mode:

- Sales data to demonstrate that consumers are more receptive to new family planning products because of success with other CSM products (pills and condoms)
- Cost-effectiveness projections
- Sales projections

Planning and
Implementation

- Conduct additional market research (approval plus research, 3 months)
- Obtain funds and approval from host government and USAID
- Order commodities (month 5)
- Conduct consumer panels to help specify packaging, brand name, instructions and price

GROUP III

- Develop brand names, advertising and packaging according to special qualities of foaming tablets (i.e., warm or burning sensation)
- Receive commodities (month 7)
- Pretest product components (month 8)
- Pretest advertising
- Employ and train new staff and sales representatives, and train wholesalers and retailers
- Launch advertising and distribution in urban areas

GROUP IV

Country:

Egypt

Product:

Low-dose Oral Contraceptives (OCs)

Justifications:

- OCs are the most popular family planning method
- Diversify product line (currently the CSM program does not offer OCs)
- Low-dose pills may be perceived to be safer
- Increase revenue

Justification Mode:

- Previous research studies
- CSM market data
- Sales projections

Planning and

Implementation:

- Develop a 12-month program for launching the product
- Develop budget and secure funds
- Order commodities
- Conduct market research for developing brand name, price and advertising strategies
- Train staff and retailers
- Finalize packaging design and advertising
- Pretest product components and advertising (month 11)
- Launch product and advertising (month 13)

THE CSM PROGRAM AND DONOR RELATIONS

Tuesday, June 23, 16:30-17:30

The subject of donor relations was raised through the medium of a panel discussion. Five representatives of the Agency for International Development comprised the panel: Gladys Gilbert, population officer, USAID/Kathmandu; Bill Miller, controller, USAID/Dacca; James Rogan, regional legal advisor, USAID/Dacca; Dallas Voran, Office of Population, AID/Washington; and Mohammed Wasey, USAID/Islamabad. Timothy Seims, Office of Population, AID/Washington served as moderator.

The free-flowing discussion addressed five major areas of interest to CSM program managers; funding mechanisms, contracting procedures, funding regulations, commodity concerns and relationships/responsibilities of AID/Washington and USAID offices to CSM programs.

THE CSM PROGRAM AND DONOR RELATIONS

"I think the important thing is that each party would recognize the realities of the situation...each party should try to work together and not try to hold the club over the other one."

...James Rogan, USAID

Discussion of issues regarding donor relations and CSM programs provided a sense of the various perspectives and different situations that are encountered by managers of CSM programs in different countries. The topics covered are those that seem to create problems or raise questions most often between donor agencies and CSM programs.

Funding Mechanisms

Question

Schellstede: The contract mechanism is the most common way to finance CSM programs. Can you explain why this is so and what advantages contracts have over cooperative agreements and grants?

Discussion

Rogan: Basically the three funding instruments run along a continuum from a grant to a cooperative agreement to a contract. A contract has one underlying theme: the contractor is generally responsible for everything. I guess the idea is that you contract for a service and the real beneficiary is the contracting party. For example, with a host-country contract, the host country or an agency of the government would be the beneficiary. A contract also details all the rights and obligations of the parties involved.

A cooperative agreement spells out the rights and obligations of the parties involved but also recognizes that a project is experimental and specifies that both AID and the contractor will work together. This funding mechanism implies more cooperation between the involved parties.

A grant releases a certain amount of money to support a project. It is distinguishable from a contract in that the beneficiary is the grantee.

Miller: There is a further distinction between centrally funded grants and cooperative agreements. Grants are used to provide general budget support; the grantor does not take an active role in approving activities or expenditures. On the other hand, in a cooperative agreement, the grantor does play an active role; for example, a grantor can reserve the right to approve subgrants among intermediaries.

Rogan: I believe AID should explore broader use of cooperative agreements or grants because it is my feeling that development is highly experimental. Contracts imply performance responsibilities and legal remedies for failure to perform. However, CSM programs are essentially partnerships established to achieve a common goal, and, in fact, failure in a CSM program is not necessarily the fault of either party. Nor are legal remedies necessarily available when there is a failure.

Seims: I should add that I have recommended the use of contracts rather than grants because I feel that CSM functions in the commercial sector. A contract represents a form of discipline, a form of agreement that the commercial industry is more accustomed to. Philosophically, a grant in the commercial sector seems a contradiction in terms.

Gilbert: My understanding is that a contract calls for very specific output to be performed by the contractor and that a grant is more vague in terms of the level or standard of performance of the grantee.

Miller: A grant or a cooperative agreement does have requirements for standards of performance. However, a contract is more specific about performance requirements.

Rogan: I think the important thing is that each party needs to recognize the fact that CSM is a partnership and that cooperation and collaboration are essential.

Contracting Procedures

Question

Messick: In regard to new countries that may be interested in or considering a social marketing program, what is the policy regarding potential contractors in terms of sole source or unsolicited contract proposals versus competitive bids?

Discussion

Rogan: If a country expresses to AID an interest in initiating a CSM program and if the feasibility study is conducted with AID funds, a good working relationship can develop between the representatives of the organization doing the study and the country representatives. If the feasibility study says "go" on CSM, the country may want the same organization to work with them to implement CSM without other contractor bids. . . and that can't be done.

On the other hand, if an organization conducts a feasibility study and submits an "exclusive proposal" to AID, and investigation ensures that it is an unsolicited proposal, then it can be considered a "sole source" on a noncompetitive basis without having to solicit proposals or bids.

Seims: That means, of course, that you have to do the development work at your own expense. The other alternative is to do something under the cooperative agreement.

Howell: The cooperative agreement of the International Contraceptive Social Marketing Project (ICSMP) can provide the consultant and the money to do the initial feasibility studies and to design and implement the scope of work for the initial market research as a basis for the marketing plan. We can also support someone in or out of the country to set up the sponsoring organization or to work with the sponsoring organization in developing the program's plan.

However, if, for example, we use a Westinghouse employee as a consultant, or if Westinghouse itself sent someone paid by the cooperative agreement to go to a country and do the feasibility study, then, it is my understanding that Westinghouse would be precluded from bidding if it came to a request for proposal (RFP). If we paid to get it to the point of an RFP, then it wouldn't be an unsolicited project proposal.

ScheListede: Doesn't it seem ironic in the situation you just described Westinghouse would be the most desirable organization to supervise the contract?

Seims: Let me turn this over to the legal contract advisor. This is a problem that occurs, I think, in other sectors besides ours. If a corporation does the initial work, the design work, on a project, is there any escape from its being precluded from bidding on the project that results from that work?

Rogan: The corporation isn't precluded, but there is a fairness doctrine. The facts of each case would be examined to determine whether or not it's fair to allow the corporation to bid. Generally, competitive bidding would be the requirement. However, if the competitive procedure for letting the design contract publicizes the fact that there may be a follow-on contract, then you can use that same design organization to do the follow-on contract. For example, when you release the RFP, you can say, "This will be for design and there's a possibility of a follow-on." Very often the problem is that nobody thought to include the possibility of a follow-on contract in the RFP for design. That would help solve the problem. I agree that it's a lot more efficient to continue with your original team.

Seims: If you use your own finances, you avoid the problem altogether. It's rare that Westinghouse or Population Services International (PSI) would develop completely virgin territory. Usually, interest in a project comes first to AID. There aren't many opportunities for unsolicited proposals, but if one came in, that would be an obvious way to go.

Altman: But there have been cases in the past in which that exact scenario operated, and then the proposal was turned around and it did go out on a bid basis.

Seims: That was a decision somebody made to do it that way rather than go the unsolicited proposal route. The unsolicited proposal is relatively recent, I think.

Rogan: In my mind, an unsolicited proposal seems something more like a new idea on developing a food grain or something than with the services that are being discussed here.

Seims: They tend to be more common with research contracts and grants than with us. We've never done an unsolicited proposal, but that doesn't mean we wouldn't do it.

Funding Regulations

Question

Ramadan: A very important issue was raised earlier about CSM being commercial. Working in the commercial sector is different from working in the government sector. Practically, we cannot isolate ourselves and say, "Yes, my approach is commercial, but my method is governmental." Government funding does not allow some expenses that are imposed by the commercial sector, for example, travel and entertainment expenses. I know Congress sets the policy and that as taxpayers we're interested in protecting our dollars. However, functioning in the commercial sector ultimately saves the government money. My question is: Can something be done about funding restrictions to make it easier for us to function in the commercial sector? Entertainment expenses cannot be avoided.

Discussion

Miller: As far as AID is concerned, these restrictions are in our guidelines. We are boxed in.

Rogan: I think the reason for this policy is that Congress knows that people spend money differently when they're on an expense account than when they're spending their own money. I know when I worked for a law firm in the

private sector and traveled around the country, I probably ate a little bit better when I was on an expense account than when I was spending my own money. That's a legitimate concern of Congress. At the same time, I can see your argument. In any sales organization, entertainment is expected. The question is how to define "reasonable" entertainment expenses and what is "unreasonable." An administrative nightmare would exist if entertainment expenses were allowed. I don't see a solution. I don't see a loosening up of restrictions on entertainment expenses.

Miller: I think a corollary to this question is the problem we all have with trying to clear things through customs and what have you. It would be much nicer if we could use our funds to pay some of these duties and taxes, but since the use of money is for the commodity or for the service it would be a tough battle to fight.

Altman: Would any of the incompatibility that I hear being voiced here between operating in the business sector and being funded under an AID contract be alleviated under a grant situation? Would a grant provide more freedom with regard to deciding when travel was necessary and things like this?

Rogan: No, I wouldn't think so.

Commodity Concerns

Question

Ramadan: It seems to be that we get into the commercial business in name but not in movement, especially when you consider two factors that play a very important role in the commercial sector: the commodity supply mechanism and the flexibility of the system to adjust. It does not help us in the commercial world to work with a government structure that requires 18 months to supply condoms, two years for pills, and something next to impossible to obtain a special product. Is there any way to change the time factor to help us?

Discussion

Seims: I don't know whether I can give you a very optimistic answer. The purpose of describing the commodity procurement system was not to discourage everybody nor to persuade you that it took forever to get new commodities. The purpose was to encourage you to ask for them earlier in the process of introducing new products. I think that we can function with the AID procurement system if we understand what it is and adjust accordingly. We have to work both ways on it.

Ramadan: I would like to comment that with the AID system, six months is required at the Mission level for budget preparation and approval. It takes four months just to get the papers signed at USAID. I think this time needs to be reduced. What can be done to help reduce these six months to, say, two months?

Seims: I'll certainly report the consensus of this meeting that we ought to explore ways to speed commodity procurement. I think there may be methods for small orders of unusual commodities. Perhaps we could warehouse some of those products. Gigantic orders for new product introductions, say, to a place like Egypt, are a special consideration. I don't know if we can do much to speed up that process.

Ramadan: The commercial sector is able to put orders through for \$12, \$13 or \$20 million and get them cleared in a maximum of two or three days, and would be irritated if it took longer.

Schellstede: What responsibility do I have for smuggling?

Rogan: If you know about it, then you have a responsibility. I suppose you assume some fiduciary responsibilities as the agent for the government. Also, it's a general responsibility that a citizen or a legal resident of any country has an obligation to do what he can to make sure the laws are not breached. I'm not saying you must disclose every rumor you hear, but if you know a crime has been committed, you have some responsibility to the state.

Seims: Is it a crime in Bangladesh for a Raja condom to be taken out of Bangladesh?

Anwar: Yes, smuggling is illegal in Bangladesh.

Wasey: In partial response to that question, I would like to comment on bilateral agreements. When anything is brought into Pakistan under USAID agreement, the agreement generally has a standard clause specifying that the items being brought in are to be utilized for expressed purposes in the agreement. If they are used for other purposes, then USAID has a legal right to submit a claim for the amount of the cost of the equipment that has been misused. In Pakistan, where condoms have been misused, we have taken the attitude that the minor misuse has had a profitable side effect. People who are not familiar with the product are learning about it. The misuse is actually a benefit.

Schellstede: When I sell a shipping carton of condoms to a wholesaler, at that point I am using it properly. While I agree with Jim that my responsibilities don't end, my property rights in that thing end absolutely--if I ever had any, which I don't think I did.

Rogan: The way you described it I doubt if you did have property rights. The property rights of the government or the U.S. government, whoever had the rights, would cease when the goods were passed to the wholesaler.

Wasey: Auditing procedures require that the end use of a commodity be checked until it loses its identity. When something is brought in even if it is sold, the Mission is responsible for seeing that it is being used in the country and not re-exported. That is one thing that we are answerable to.

Miller: For example, auditors will check end use. If you sell commodities to a wholesaler, the odds are the auditor will go to the wholesaler and find out what he did with them.

Schellstede: The wholesaler conceivably at that point can say, "Who are you? I bought and paid for these!"

Miller: They're still U.S. government-financed commodities. If the wholesaler gives you a hard time, you then look to the host government. Let's assume there was a massive diversion; take our wheat as an example. The wheat supply in a country cannot be re-exported. If it is, we look to the host government.

Wasey: If your condoms are melted and the rubber is used for making rubber bands or something, that is misuse. The government is liable for collection from the U.S. government.

USAID Relationships with and Responsibilities to CSM Programs

Question

Daya: It seems that there are AID-supported projects and projects that are supported by agencies supported by AID. For example, there are CSM distribution programs and there are distribution programs supported by Family Planning International Assistance (FPIA) that affect the CSM program. What kind of protection does AID offer to CSM programs in cases like these?

Discussion

Gilbert: The primary source of protection is the USAID Mission Population Officer as the focal coordinating point for a country. What has to be kept in mind is the main constituency of the USAID Mission, which is not what we consider our intermediary projects such as CSM, no matter how successful they are, but our bilateral program, i.e., the government. Even though sometimes we do things that seem contrary to CSM interests, the primary focus is what is best in terms of our bilateral program with the government. In the case of another program, such as an FPIA program, in one country the projects are usually small and working in specific geographical regions so the Mission Officer can coordinate the various interests. Certainly this is the case in Nepal, even though Nepal is a relatively small country. In Sri Lanka I can see how it's a problem.

Rogan: If you were in the private sector and signed a franchise agreement with, say, McDonald's, you would make sure you had an exclusive distributorship. A contract with AID can have an exclusive distributorship clause. If AID starts dumping contraceptives outside of your organization, it's a breach of contract.

Daya: I agree there. If there were AID or a particular organization, that would be one case. But what about situations like Sri Lanka when there is no AID contract? It's supported by someone else. This is again funded to a great extent by AID through IPPF. The fact is that there is a second organization that is AID-supported that comes in and "dumps" contraceptives in that same market. I cannot use my contract to arrest it. In terms of utilizing the money to the greatest cost-effectiveness, this kind of activity is wasteful and interferes with the people of the program. What kind of action is taken by AID to prevent such situations?

Seims: Let me make a pitch for better communication. What happens is that we don't know about this thing until after the fact. If AID/Washington knows, for example, that the FPIA was doing something that was damaging your program, I, or someone, could talk to the FPIA project monitor. We might be able to come up with a solution to the problem.

Gilbert: If there is a problem coordinating with the FPIA project monitor in Washington, you could inform the USAID Mission Officer, who could take it up with the FPIA project monitor in Sri Lanka. In any case, maybe part of the assumption here is that just because there is one family planning project in an area means that there should not necessarily be a similar one providing similar services. I think AID's feelings about this is to try different things to see what works. Maybe this is what is happening in Sri Lanka.

Wasey: In respect to coordination, there is at least one mechanism whereby any assistance that comes directly through a bilateral agreement or through an intermediary, all actually passes through whoever is handling the USAID Mission desk. That person can always see if there is any overlapping. What generally happens is that sometimes the Mission desk knows what is being planned but the Mission does not get a detailed copy of the agreement or a

project. Therefore, the Mission does not know the details of the project and cannot determine whether these programs are detrimental to each other. Recently, there has been an effort to provide all project documents, centrally funded or bilateral projects, to the USAID Missions. I suppose that is not likely to happen again.

Messick: Do you happen to know if in that FPIA example they distribute contraceptives free or sell them?

Daya: In the example I used, they gave them to two other agencies who tried to distribute them for free and couldn't. They were kept in the warehouses and ultimately offered back to us by the particular agency. From what I've seen so far, even though there may be an attempt to monitor all the projects, it does not seem to happen. I gather from what has been said here that we could present the case to the USAID Mission, but even we don't know what is happening until it is done. We become aware only after the product is "dumped" in the market. Also it wasn't a regional situation; it was national. If it was a regional situation, I agree that if we are selling in one region we should not prevent someone else from selling in another region. But in this case, it was national and the Mission did not know that they had, in fact, brought contraceptives into the country. This points to the need for a central log for AID/Washington as well as for the Missions where information is available to the right channel at the right place to check on programs.

Messick: What strikes me is that in countries where the other organization might be supplying the free distribution market, there really isn't that much overlap. The clientele CSM aims for are the ones who can both pay and prefer to pay rather than obtain something free. There may not be that much overlap in some situations. That's the reason I asked about the FPIA.

Ramadan: In Egypt, an agreement was made between the FOF and USAID that we would supply IUDs, foaming tablets and condoms. All of a sudden another agreement was signed between USAID and the government. I understand your point that the government is important to USAID, but the agreement with the government provided the same IUDs that we were getting. The government supply was for rural areas and we are an urban program. Accordingly, the

USAID officer signed approval of the request. However, when the government received the IUDs, they distributed them in urban areas. The same thing happened with Neo-Sampon. The government started to put the tablets in the same places we had our products at a very, very low cost that was one-fourth of our price. So, another question is, "What kind of ethical responsibility does a government have to USAID?" They agreed to rural distribution, and rural means free, but they are for sale in our same outlets. What can USAID do about that?

Miller: Was this brought to USAID's attention?

Ramadan: It was brought to USAID's attention, and the officer contacted the people in Egypt and it's very embarrassing. It's there, so we made a mistake. Too many mistakes happened this way. We tracked it and we found out that although they put it in the Egyptian Drug Company, which is a government company, the Egyptian Drug Company distributes only to pharmacies. If they put it there so they could distribute to government clinics, it doesn't make sense. The Egyptian Drug Company, according to Egyptian law, is a commercial firm. If a pharmacy goes there and tells them, "I need 1000 IUDs for 50 piestas," the Egyptian Drug Company cannot say no. If the manager says no, he will be put in jail. They issue instruction sheets saying: (1) give it to government clinics; (2) give it to private clinics; (3) if the pharmacy asks for it, give them a 30 percent discount. This is the situation. The Population Officers have no control over this.

Seims: He has no control, none of us does either.

ORAL CONTRACEPTIVE MARKETING CONSIDERATIONS IN CSM

Wednesday, June 24, 9:00-11:00

This session was led by ICSMP Director, Betty Butler Howell. Building on the analytic skills refined in earlier sessions and the collegial rapport that had developed among participants over the previous four days of the conference and taking advantage of the combined expertise represented by the CSM program managers, Howell used the session as a vehicle for illuminating in detail the state-of-the-art thinking on the unique characteristics of marketing oral contraceptives (OCs) in CSM programs.

The session focused primarily on oral contraceptive sales in Bangladesh, a country that has the longest history selling the product in Asia. OC marketing approaches used and results experienced in other programs were also shared in the discussion and led the participants to the conclusion that while OCs are essential products to CSM, the marketing of an ethical product in Asia could not be approached in the same manner as over-the-counter (OTC) products.

ORAL CONTRACEPTIVE MARKETING CONSIDERATIONS IN CSM

Oral contraceptives (OCs) are one of the most widely used methods of modern birth control throughout the world. However, the status of OCs as an "ethical product," a drug traditionally dispensed by medical practitioners because of its possible side effects and the necessity or desirability of screening potential users, poses specific problems to managers of CSM programs.

"During our discussion, we interpreted the basic 'medical/ethical' question to be: How can we demonstrate responsibility in CSM oral contraceptive marketing activities and how can we improve the medical aspects of that service delivery?"

...Timothy Seims, AID

Relevant marketing issues for CSM programs regarding oral contraceptives include:

- Products:** Do brand names and package design affect the product's image? Do package inserts influence product acceptance and continuation rates? Do product choices have an impact on CSM delivery systems?
- Price:** What effect does a higher price have on availability? Does a low price mean low quality to the consumer? Will retailers promote a product that has a lower profit return than other comparable products?
- Distribution:** What responsibility do CSM programs have to educate consumers about side effects? How important is medical detailing? Is training and education for retailers and distributors an effective way to help consumers understand the product and its use?
- Promotion:** Should promotional programs inform consumers of potential side effects? Can advertisements be useful in directing the consumer to a proper source of information? Should advertisements have the endorsement of local physicians?

Definitive answers to these questions are not immediately available. Nearly every CSM program has a different story to tell about what has been tried, what has worked, what problems have been encountered and what has failed.

A brief review of how managers of existing CSM programs have handled the introduction and marketing of OCs may be useful to others involved in developing a process to deal with these and similar issues.

Some Experiences in Asia

Bangladesh

"We have learned that the pill is a very different commodity from the condom or vaginal tablet. Our greatest shortcoming was that we did not seek alliances with doctors when we launched Maya."

...Anwar Ali, Social Marketing Project, Bangladesh

The Bangladesh Social Marketing Project (BSMP) launched promotion and distribution of the OC Maya in November 1976 along with the Raja condom. Earlier studies indicated that people were very aware of contraceptives and that women especially were motivated to limit their family size. According to the information available, the main obstacle to wider contraceptive use was a lack of knowledge about which contraceptive to use and where to purchase the products.

The marketing strategy for Maya was developed around the information from these earlier studies. Additional market research was conducted, and based on the results the following steps were implemented:

- The brand name Maya was selected because of its supposed appeal to the local rural people.
- The price for the original two-cycle pack was established on the basis of purchasing power and commonly purchased commodities: a two-cycle pack of Maya was priced slightly lower than a pack of cigarettes.
- A unified mass media campaign was planned to introduce and promote both Raja and Maya.
- To make the OCs as widely available as possible, Maya was distributed through pharmacies, panwalas (betel-nut shops), general stores and almost anywhere else a salesperson could reach consumers.

Although OCs traditionally were purchased through pharmacies and druggists on physician recommendation, data suggested that use of OCs would increase if they were readily available for purchase. The number of certified licensed physicians in Bangladesh is low, and the theory was that the BSMP could reach consumers without tying contraceptives directly to the medical profession. Experience has proved the theory false in Bangladesh. Records indicated the Maya was being sold by physicians, druggists and pharmacists but was not purchased in the general outlets. Consumers did not accept the pill as an over-the-counter (OTC) product because it was still perceived as a medicine.

As the CSM program worked to improve Maya sales, packaging was identified as a problem. The CSM product was the same as the one being distributed for free by the government, and in some instances retailers were replacing Maya OCs with the government-supplied pills. A change in packaging in 1977 made interchanging the products difficult but did not increase sales. In 1979 a third change in packaging design was implemented. Originally, a photograph of a woman's face appeared on the Maya package. Research revealed that the villagers thought the pill was responsible for the thinness of the woman in the photograph. The third change entailed replacing the photograph with a drawing of the outline of a woman's face to prevent incorrect interpretations. However, sales continued to stagnate.

The main problem identified in the BSMP's strategy was the attempt to sell Maya through general outlets. The pricing strategy also proved to be ineffective. Consumers interpreted the low price to be low quality; retailers would not promote the product because of the low profit margin; and physicians would not prescribe a product the consumer eyed with suspicion. In addition, the name Maya was perceived as too "local" and contributed to the pill's poor reception and low-quality image. Also the lack of support from the medical profession encouraged users to attribute any ailment to the pill and to discontinue using the product.

In 1980 Ovacon, a low-dose OC, was introduced and marketed according to a completely different strategy. The package was expensive looking and the price was higher. Distribution was channeled through pharmacies with medical detailing to physicians, and advertising was directed at the physician rather than the consumer. The goal of the Ovacon strategy was to improve acceptance of OCs

provided by CSM programs and thereby to revive confidence in Maya. It is too early to project results, but as physicians have learned about Ovacon, they have become more familiar with CSM objectives and have begun to accept Maya.

Thailand

"Retailers and distributors are carefully recruited and trained, not just in oral contraceptive use, but in all family planning methods."

...Somchit Tipprayaprapa, CBFPS

Community-Based Family Planning Services (CBFPS) is well established in Thailand. Knowledge and acceptance of oral contraceptives in Thailand are high, partly because of a persistent training program in which distributors learn to screen customers and inform them about the possible side effects of OCs. Nearly 25 percent of married couples at reproductive age use the pill for contraceptive protection. The CSM program distributes three oral contraceptives, Norinyl, Ovostat and Eugynon, on a limited basis through retailers and volunteers. Distributors are carefully recruited and after the initial training course continue to meet every year for additional training in the use and delivery of OCs as well as other methods of family planning. The small size of the average rural village, about 100 households, allows the distributor, who is a member of the community, ample time to screen potential users and to inform them in a neighborly fashion of possible side effects. Thus, the small number of customers per distributor and the annual training regimen ensures consideration of and response to consumer concerns as well as ample provision of consultation and advice on all family planning methods.

Nepal

"We have spent a lot of time and money training retailers and druggists to screen potential pill users and to explain side effects. Thus far, the effort has not paid off."

...James Messick, Nepal CRS Project

The pill is not well accepted in Nepal. A very small number of couples practicing contraception feel comfortable using the pill, and it continues to have a poor image.

The marketing strategy for Gulaf, launched in June 1978, was developed with this in mind. A major effort was made to overcome the poor image of oral contraceptives in Nepal by training druggists and retailers in the benefits of OCs as well as in procedures for screening and counseling patients. Follow-up studies have indicated that retailers will not and do not volunteer information about use of the pill or possible side effects.

Egypt

"I believe we are going to introduce oral contraceptives into FOF using a sampling program through doctors and clinics. Retailers will be trained to answer questions. I think the medical program should encourage consumers to ask questions. Retailers will be slow to volunteer information unless a specific question is asked."

...Effat Ramadan, FOF

The Family of the Future Project (FOF) in Egypt is planning to introduce a low-dose oral contraceptive. Although the Egyptian drug law restricts OC sales to pharmacies and clinics, the FOF project already has established good relationships with the medical community through its IUD program and plans to use its existing contacts to ease introduction of an oral contraceptive product.

The strategy used to market IUDs should be adaptable to OCs. Early attempts to educate the medical community about the FOF's products with printed material was replaced with face-to-face communication with medical representatives. Experience showed that the physicians did not have time to read the material and pass it along to someone else. The medical representatives have been able to explain the product and the program's objectives to the physician. After the medical representatives have explained the role of the physician in a CSM program as perceived by the FOF, physicians have responded with support and referrals.

Because the government determines the profit margin for all medical and pharmaceutical products, the FOF project provides high discount rates to retailers as an incentive for promoting the FOF's products. In addition, the FOF plans to launch a campaign of extensive detailing and promotion aimed at retailers as well as a promotional campaign through radio, television and printed material aimed at the consumer. A major point in the consumer promotion will be to encourage consumers to ask the pharmacist questions about proper use of the pill and what possible side effects to expect.

* * * *

These few experiences indicate that marketing OCs requires special treatment, at least in Asia. They suggest that CSM programs cannot go against societal traditions when they begin to provide an "ethical" product. Additional marketing research should help point the direction for future activities and perhaps resolve some of the problems.

Information from the CSM programs that currently provide OCs show that

- introduction of a low-dose pill gives the consumer a choice and provides the CSM program with a larger possible market.
- a low price may cause (1) the consumer to perceive the pills as a low-quality product, (2) the retailer to promote another product that will give him a higher profit and (3) the physician to prescribe a more expensive and better perceived pill.
- there is an apparent need to provide medical detailing to obtain physician support, while at the same time reaching as many consumers as possible by making the product available in general outlets.
- it may be desirable to launch two different promotional campaigns--one aimed at the retailer and the other at the consumer--highlighting the issues of concern for each group.

Managers of CSM programs have learned that sales of detailed "ethical" products seldom increase as fast as those of over-the-counter products for barrier and spermicidal methods and that personal selling with back-up clinical counseling and service is needed. At the same time, any program hoping to achieve a demographic impact must consider including the pill in its product line.

SUMMARY

SUMMARY

The Dacca conference served as a forum for those involved with the social marketing of contraceptives to exchange ideas and experiences and to raise questions about pertinent issues.

The following is a summary of the key points presented in each chapter as well as some critical questions that were raised by the participants.

The Marketing Process

Six basic stages are involved in effective marketing: (1) analyzing the institutional structure, the potential market and the consumer; (2) planning goals, objectives, strategies and tactics; (3) developing, testing and refining product concepts, packaging, brand names, promotion, pricing and distribution; (4) implementing and monitoring the scheduled marketing activities; (5) assessing in-market effectiveness through consumer, retailer and physician response and through sales; and (6) obtaining feedback and putting it back into the process.

Marketing Research

To be of value, marketing research must be affordable, useful, planned and reliable. This requires management support, a budget and professional expertise. Basically, qualitative research serves as a guide by providing general information and generating areas of study for quantitative research. Quantitative research is done on a large scale with a randomly selected sample, resulting in reliable data for use in making projections.

Questions that were raised about marketing research and its role in the CSM program include:

1. How can data on continuation rates be economically and quickly gathered?
2. How can numbers of users be estimated instead of estimates of couple-years protection?
3. How can program managers better use nationwide surveys to their advantage?
4. What information would be helpful in comparing CSM programs with other family planning efforts?

5. What progress is being made in contraceptive research, and how is this reflected in new products for CSM programs?

Commodity Procurement

The consensus was that central procurement represents an impressive savings in cost, but the process is usually complex and time-consuming. Also, the variety of products available is generally limited.

Critical questions included:

1. Why does commodity procurement take so long, and what can be done to expedite orders?
2. What responsibility does a program have for misuse of commodities and for the smuggling of commodities into other markets outside the country?
3. Who has legal title to commodities at different stages of the delivery process, and what are the legal implications of holding title?

Marketing Oral Contraceptives

In terms of the four traditional components of the marketing mix, the following points were made about marketing oral contraceptives (OCs):

- Product. Introducing a low-dose OC provides a choice for the consumer and an additional potential market for the CSM program.
- Price. Too low a price may cause a low-quality image with the consumer, not enough profit margin to motivate the retailer's promotion, and the physician to prescribe or recommend a more expensive pill with a better image.
- Distribution. There seems to exist a need to provide medical detailing, to obtain physician support, and to make OCs available in general outlets to ensure wider availability.
- Promotion. It may be advisable to launch two different promotional campaigns--one aimed at retailers and one at consumers--highlighting the issues of concern for each group.

Questions raised about marketing OCs included:

1. What training of retailers and distributors who provide OCs is necessary to ensure minimal screening of customers and adequate consultation regarding possible side effects?

2. What is the best way to gain physician support?
3. How safe are OCs, particularly for often smaller and less well-nourished Asian women?

Introducing New Products

Before a new product is introduced into the CSM's total product line, marketing research should be conducted to provide justification of introducing the product. Approval may be needed from the government or from the donor agency before further plans are made. Often, the new product may be unrelated to family planning but may be a health-care product needed by certain populations (e.g., oral rehydration salts). The CSM program can often benefit by providing a general health service along with its contraceptive products.

Questions that may be useful to consider include:

1. What are the current product-mix objectives of the CSM program?
2. What are the major impediments to introducing new products?
3. Whose approval is necessary before introducing a new product?

Distribution Options

Products may be distributed directly to the consumer or through a retailer. Distributing directly to the consumer offers the advantage of having direct control over the distribution process, but requires a substantial amount of time to manage. Distributing through retailers allows the CSM program to profit from the retailer's existing credibility, establish good contacts with several retail outlets and spend less time on managerial duties; however, direct control over distribution is lost.

Some questions asked were:

1. What models of distribution have proved most effective?
2. How can remote areas be reached without overpricing commodities to compensate for the added expenses required to reach these areas?
3. What discounts are expected to ensure the cooperation of middlemen, distributors and retailers?

Government Relations

CSM programs may be within the government, partly supervised by the government or in the private sector. Regardless of the situation certain areas of interest may overlap, namely, the introduction of new products, pricing, salary levels, employment of personnel and advertising.

Questions raised include:

1. What host government agreements are critical?
2. What organizational structures are best for a CSM program?
3. Over which decision-making areas should the government retain control? Which areas are best controlled by CSM management?

Donor Relations

The different funding mechanisms (grants, contracts and cooperative agreements), contracting procedures, funding regulations and commodity concerns were discussed.

Critical questions raised include:

1. What are the long-term funding prospects for CSM programs?
2. Could CSM programs acquire an exclusive distributorship under an AID contract?
3. Why is the AID contract mechanism most commonly used? Would a grant or cooperative agreement allow more flexibility?
4. Why doesn't AID provide projects with a wider range of contraceptive products to market?

Although definitive answers to the questions were seldom forthcoming, the questions focus on some critical issues faced by most people working in or with CSM programs. It is only through raising such questions that solutions can be determined and complex processes identified and simplified.

APPENDIX

PARTICIPANTS AND RESOURCE PERSONS

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