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NEPAL CONTRACEPTIVE RETAIL SALES CO. PVT. LTD.

CRS

MARKETING PLAN, 1985
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NEPAL CRS COMPANY PVT. LTD.

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1. OVERVIEW

The Nepal Contraceptive Retail Sales (CRS) Company is a non-profit social marketing organization which is primarily concerned with the distribution and promotion of contraceptive products in the Kingdom of Nepal. The Basic objective of this Company is to supplement and compliment the national population and family planning programme through the application of effective marketing principles and practices in the sale of contraceptives.

The majority of the products presently being marketed by CRS are heavily subsidized. The principle of social marketing is basically concerned with achieving social goals rather than for profits.

Since the launching of its products in 1978, the Company has achieved a significant share of the contraceptive market with approximately 43% and 20% shares in the Condom and Pills market. Very recently, it has also started to market ORS which is locally manufactured. Contraceptives as well as ORS products are distributed in 71 of the total 75 districts of the Kingdom through more than 8,000 general and medical outlets. Vaginal foaming tablets are sold through CRS outlets alone.

The Nepal CRS Company, formerly known as the Nepal CRS Project, was registered as a non profit social marketing Company in August 1983, after Westinghouse Health Systems a USAID contractor, which

initiated and managed the CRS Program in Nepal since 1977, terminated its contract with USAID/Washington. The CRS Program is currently funded by USAID Mission to Nepal.

The Company aims to achieve a significant level of economic independence by generating revenues from its trade and a high degree of self sufficiency by the Year 1990.

The Company is presently working towards business expansion and product diversification with a team of professionally trained and experienced staff. In the next few years, the Company aims at becoming a major force in marketing, in the area of family planning and health, thereby, lending strong support to Nepal's health and family planning programme.

2. OBJECTIVES

2.1 Long Term Objectives

Long Term Objectives to be met by the end of 1990 are:

- A. Achievement of the following sales target has been projected by the end of 1990.

Nepal CRS Company Pvt. Ltd.
Sales Target for 1985 - 1990

Products	1985	1986	1987	1988	1989	1990
Dhaal (In Unit)	3200000	3520000	3872000	4259000	4684000	5152000
Gulaf (In Cycle)	90000	99000	108000	118000	129000	141000
Nilocon (In Cycle)	30000	33000	36000	39000	42000	46000
Kamal (In Tablet)	180000	198000	217000	238000	261000	287000
Panther (In Unit)	700000	770000	847000	931000	1024000	1126000
Total (In CYP)	50031	55034	60437	66357	72844	80035

Note: One CYP = 100 Condoms or 100 Tablets or 13 Cycles of Pills.
Annual increase at the rate of 15% in 1985 and at the rate of 10% onward 1985 over preceeding year sales.

- B. Reduction of cost per one CYP to less than US \$ 6.00 or Rs. 115.00
- C. Product diversification on an active scale in order to generate additional revenue, so that, programme costs are well met and allow for future programme planning.
- D. Construction of a Central Warehouse somewhere at/around Kathmandu to facilitate storage, efficient movement and distribution of goods by 1990.

2.2 Short Term Objective

Short Term Objectives to be met by the end of 1985 are

- A. Increase in CYP sales by 15% over the year 1984.
- B. Launching of a new Condom brand.
- C. Expansion of ORS market from 6 zones to all 14 zones of the Kingdom.
- D. Maintenance of the cost per CYP to less than US \$ 10.00 for the year 1985.
- E. Introduction of a CBD Programme for market testing in one of the potential districts of the Kingdom, during the first half of 1985. The objective of such a test is to expand the distribution system and to complement FP/MCH and ICHDP Programmes.
- F. Introduction of a supplementary CBD Program in four village panchayats of either Kathmandu, Bhaktapur or Patan region, in order to test the viability of the CBD Programme.

3. DISTRIBUTION

3.1 Distribution Objective

A. As sales is the line function of this Company, special attention will be paid to market expansion and increased sales of all products during 1985.

Projection of the following sales figures by product is consistent with the Company's short range objective for 1985.

<u>Product</u>	<u>Sales in Unit</u>	<u>CYP</u>
i. Colored condoms (Dhaal)	3,200,000	32,000
ii. High quality condom (Panther)	700,000	7,000
iii. Medium dose pills (Gulaf)	90,000	6,900
iv. Low dose pills (Nilocon)	30,000	2,300
v. Foaming tablets (Kamal)	180,000	1,800
Total CYP		50,000
vi. Jeevan Jal	600,000	NA

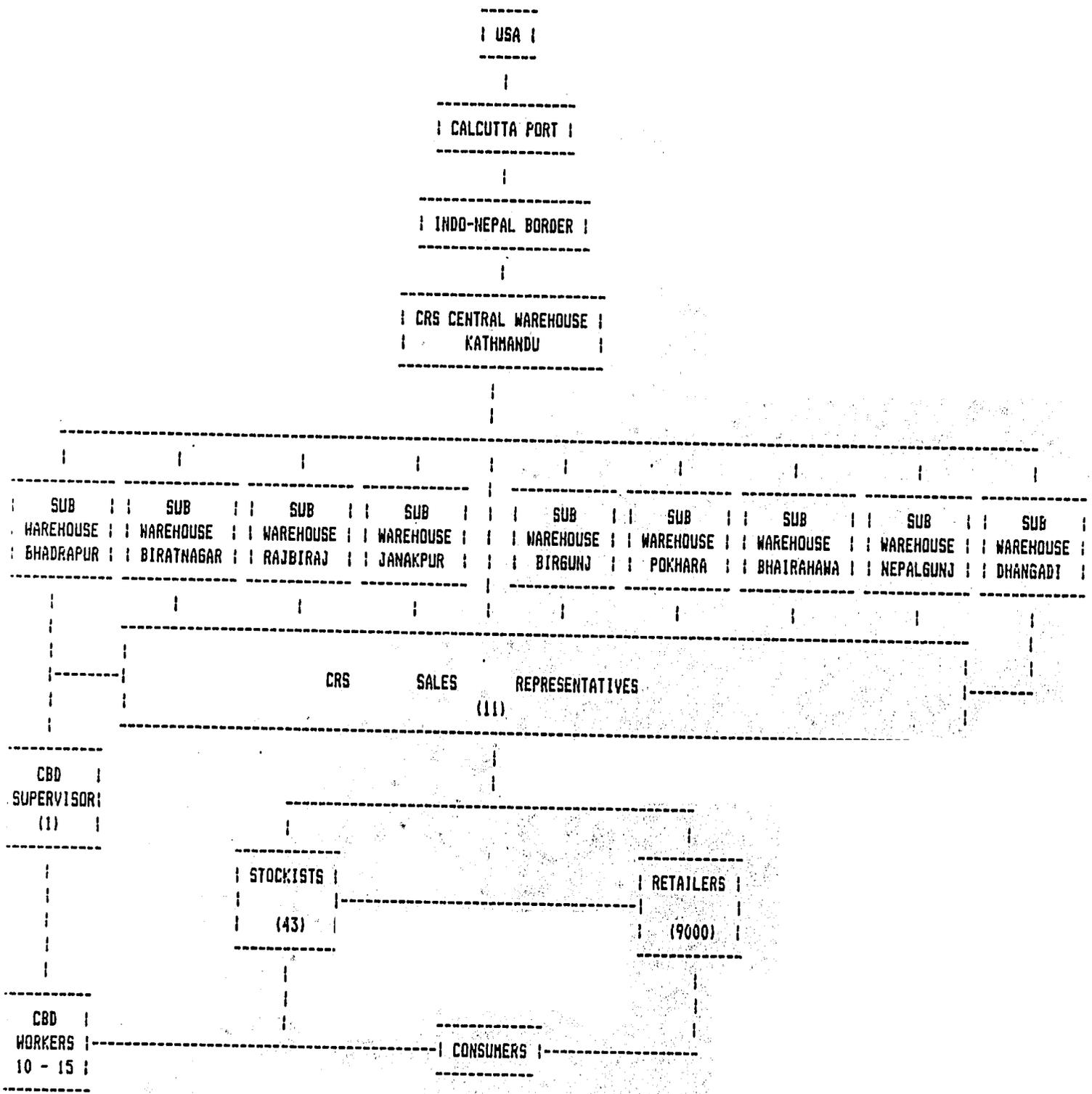
B. In this plan period the Company will cover four more districts so as to make its products available in all of the 75 districts of Nepal.

C. Emphasis will be paid on strengthening and promoting the Company's existing store promotion during this marketing plan period, rather than on increasing retail outlets.

D. With a view to compliment the national FP Program, the Company will test CBD Program in one of the appropriate district of Nepal in the first half of 1985.

3.2 Distribution Channel

NEPAL CRS COMPANY PVT. LTD.
CHANNELS OF DISTRIBUTION



3.3 Sales Incentive Policies

In early 1981, the CRS Program felt the need to motivate its sales staff through an incentive scheme for superior sales performance. After discussing and exploring different possibilities, a system was developed and implemented in July, 1981. Since introduction of the incentive scheme, CRS product sales have increased considerably despite various problems, as a result of which overall sales performance have been successful.

In 1982, net increase in sales was 60 percent over 1981. The incentive scheme is basically performance oriented and has fixed minimum sales performance standards for each staff member at 15% over the previous year. Presently, the system works as follows:

A minimum monthly and annual sales target on a product-wise basis is provided to each sales staff in advance. The award of an incentive depends upon how much an individual exceeds the minimum sales target which should not be less than 15 per cent. This monetary incentive provide Rs. 800 per month for each Sales Representative/Sales Supervisor and Medical Representative, Rs. 267 per month for Drivers/Promoters and Rs. 1,000 for the Sales Manager. The total incentive amount for each category has been split in two parts:

- i. Monthly 50%, contingent upon meeting monthly target.
- ii. Annual 50%, contingent upon meeting annual target.

(Please see Table I for details).

Incentive to Staff Other Than Sales

Since, all CRS Staff members are equally responsible for the success of the program, their support and co-operation is vital in maximizing sales performance and output. Consequently in 1984 the management decided to grant an annual incentive to staff members, other than of the Sales Division. Sales incentive in this case, is also computed on the basis of total increase in sales, calculated in terms of Couple Years of Protection (CYP). Presently, the system works as shown in tabel II.

Nepal CRS Company Pvt. Ltd.

Table of Sales Incentive

Payable to CRS Staff

TABLE I

Sales Range	17-15.99%		16%-20.99%		21%-25.99%		26%-30.99%		31%-35.99%		36% - Over	
Designation	Mon- thly Rs.	An- nual Rs.	Mon- thly Rs.	An- nual Rs.	Mon- thly Rs.	An- nual Rs.	Mon- thly Rs.	An- nual Rs.	Mon- thly Rs.	An- nual Rs.	Mon- thly Rs.	An- nual Rs.
Sales Manager	Nil	Nil	60	600	150	1800	275	3300	425	5100	500	6000
Sales Supervisor	Nil	Nil	40	400	120	1440	220	2640	340	4080	400	4800
Medical Reps	Nil	Nil	40	400	120	1440	220	2640	340	4080	400	4800
Sales Reps	Nil	Nil	40	400	120	1440	220	2640	340	4080	400	4800
Drivers/ Promoters	This category is subject to a monthly incentive scheme on the basis of 35 paisa per CYP but not exceeding Rs. 267.00 per month											

TABLE II

Annual Sales Achievement
Over Immediate Past Year

Annual Sales Incentive
Allocation

Annual Sales Achievement Over Immediate Past Year	Annual Sales Incentive Allocation
16 ⁰⁻¹⁴ to 19 per cent	None
20 to 24 per cent	30 per cent of 1 month salary
25 to 29 per cent	45 per cent of 1 month salary
30 to 34 per cent	60 per cent of 1 month salary
35 and Over	80 per cent of 1 month salary
	100 per cent of 1 month salary

Note: The incentive system will be reviewed in the Company's 8th Semi Annual Sales Conference scheduled to be held in February, 1985, and will be made part of this marketing plan as an appendix, if substancial policy changes are made.

3.4 CBD Objectives and Plan

A. Objectives

CRS products are now available in all major towns and minor bazars of the Kingdom. Experience has shown that mere increase of retail outlets does not substantially help in increasing sales. CBD has been chosen as an alternative channel for distribution of CRS products in order to reach remote villages located distantly from towns and bazars.

The basic objective of this plan is to test the CBD concept in one of the districts, possibly in Jhapa in Far Eastern Nepal, during this plan period.

B. Plan and List of Activities in the CBD Program

- i. Feasibility assesement of the district
- ii. Selection of CBD Workers in 10 to 15 villages
- iii. Appointment of CBD Supervisors
- iv. Training of CBD Workers and Supervisors
- v. Launching of CBD Program
- vi. Final evaluation of CBD Program at the end of the year 1985.

C. All CRS products will be sold under CBD Program. According to a proposed plan, CBD Workers will be reasonably, but partially paid by CRS Company and will be entitled to incentives on the same basis as those applicable to stockists in general.

Provision will also be made to provide training to two central level staff members in either South East Asia or the West. This will provide an essential back up to the Programme in terms of trained manpower and help generate additional trained personnel through the "Multiplier effect" as trainers.

All training expenses including local costs will be negotiated with the U.S. based Program for International Training in Health. Other costs will be charged to the CRS Company including commodity supplies and operating expenses.

3.5. Pricing Objective

The basic pricing objective of all CRS products is to obtain optimum growth in sales. The Company's pricing policy is based on systematic market research update so as to maintain prices at a level that is affordable to the common man. There is therefore, a deliberate attempt to keep prices low.

Prices of some of the Company's products have necessarily been subject to revision in the past and in 1985, the price of Dhaal condoms will be reviewed. The consumer price of Dhaal is proposed to be raised by 50 paise, from 6 for Rs. 1.00 to 6 for Rs. 1.50 at the next package printing run which is scheduled for early 1985. The price for other existing products will not be changed during this year.

A pricing research for all products will be conducted in 1985, which will determine the changes in the pricing required in the future.

3.6 Price Structure

Price Structure for Dhaal, Gulaf, Kamal and Nilocon

Product	Unit per Pack	Price to Consumer Rs.	Price to Retailer Rs.	Retailer Margin Rs.	Retailer Percent	Price to Dealer Rs.	Dealer Margin Rs.	Dealer Percent
DHAL colored condom (proposed)	6 condoms	1.00	0.84	0.16	19.0%	0.72	0.12	16.6%
Gulaf oral Pill	1 monthly cycle	2.00	1.70	0.30	17.6%	1.50	0.20	13.3%
KAMAL ginal aming blet	9 tablets	3.00	2.50	0.50	20.0%	2.20	0.30	14.0%
NILOCON low dose oral Pill	1 monthly cycle	5.00	4.25	0.75	17.6%	3.75	0.50	13.3%

4. PROMOTION

4.1 Advertising Strategy

Advertising and Promotion strategy for 1985 is based on four interrelated set of objectives, namely:

1. To develop a highly segmented set of advertising themes specially tailored to reach groups of users with different characteristics.
2. To rationalise the use of media in order to ensure utilization of the most cost effective media for Product advertising.
3. To develop advertising materials that will actively support sales promotion of new Products
4. To focus on local market promotion in order to stimulate both consumer interest and sales entry into local retail shops.

Objectives 1 and 2 set forth above, will be determined subsequently by a proposed market research study on message and media strategy to be undertaken in 1985. In the meanwhile, however, the advertising strategy for CRS products will be as follows:

Dhaal

1. Appeal to child spacing.
2. Education of children as the benefit of family planning.
3. Stress on availability, price and simplicity of the products.

Theme

The theme will be built around a family setting.

Gulaf

1. Anti-discontinuance (Keep taking Gulaf everyday and most side effects disappear).
2. Education of children.
3. Use of Gulaf in keeping children and user healthy.
4. Appeal to child spacing.

Theme

The theme will be built around responsible mothers who are concerned about their children's education, household and health.

Nilocon

Women who have had difficulty taking higher dose of the pill and discontinued its use as well as new users will be the primary target.

Theme

The theme of the campaign will be built around:

1. Its newness i.e. as a new brand of family planning pill.
2. Low dose/high quality. Recommended as lowest dose amongst oral contraceptives.
3. Its recommendation as high quality product of "Pharmaceutical" value by World Health Organization and Physicians.
4. Contains very low but clinically effective quantities of estrogen and progestin agents.
5. Its foreign image as mark of quality (Made in USA).

Kamal

The primary target group will be female 17 to 35 years old. The theme of the campaign will be along these lines.

1. Easy and safe product which is used only needed.
2. A warm foaming vaginal contraceptive for women.
3. A new brand or temporary Family Planning method for women. Easily likeable after use.

The rationale is to promote Kamal as an alternate contraceptive that is easier to use than the Pill, with an additional advantage of the warm sensation it provides.

4.2 Public Relations

As part of its public relation efforts, CRS will continue to implement the following activities:

1. Publication of CRS News, a quarterly newsletter of CRS Company
2. Publishing articles and news release on the Company, its activities, and Products in Newspapers and Newsletters.
3. Printing and distribution of Brochures, and reports.
4. Organizing local seminars for retailers.
5. Producing and distributing Promotional Materials e.g., Keyrings, T-shirts, Calenders.

4.3 Retailers' Education

Retailers' education has been an on-going concern for CRS, and the Company has been educating its retailers about Family Planning and CRS Products. With the introduction of two new products in 1985, the education Program needs to be further refined and strengthened to enable retailers (in both general and medicine stores) to have adequate understanding of CRS products.

Twenty five local Seminars for Pharmacists will be held in about 20 Local areas in 1985. Written materials on products and education materials tailored to the needs of retailers will be produced and handed over to the shopkeepers.

5. MARKET RESEARCH

5.1 Market Research Objective and Plan

In 1985, it is proposed to conduct market research on the following areas:

A. Message Strategy and Media Research

A considerable sum of money and effort is being spent for CRS Advertising and Promotion. It is therefore necessary to have periodic feedback on whether media and messages have had their desired effect on the intended consumer. A regular monitoring of Consumers' attitude and practise of CRS Contraceptives is also necessary in order to ascertain the soundness and realibility of the Company's marketing strategy.

Most recent research of this kind was undertaken by the Company in 1981. The promotion and advertising campaign, based on the research outcome was developed in early 1982 and had been running till the end of 1984 with slight modification and addition in advertising tasks; but there has been no feedback on which to evaluate effectiveness of messages or medium.

The Company will now concentrate its advertising messages on the most persuasive strategies and channel these messages for each CRS product through only the

most effective media, rather than orienting its messages in a more general framework. The questions to be asked them, for each CRS products are:

1. Which message strategy and media used by the Company was most effective in increasing Contraceptive aptitude and use ?
2. What primary message/messages should CRS use to create product awareness amongst its target audience, to motivate purchase of the product and to ensure effective use ?
3. Which specific media are the most vital to Company in getting it's product messages through most effectively ?

Market research strategies and media selection for message content needs to be done individually for each product, i.e.

Dhaal condom

Gulaf medium-dose pill

Nilocon low-dose pill

Kamal foaming vaginal tablet

CRS Product Pricing Study

CRS pricing objectives have always focussed on sales maximization rather than on profit maximization, self sufficiency, market penetration or break even.

The importance of self-sufficiency however, has not altogether been overlooked. It is very much a part of the Company's long term objectives, though, indeed, in the short term too, CRS will need to keep a keen eye on self-sufficiency upon which to build its pricing policy structure.

This element of uncertainty in CRS pricing objective has been mentioned in the USAID evaluation report of the CRS Project of May 1982, in which it questions this basic objective as one for optimum growth in sales; or political acceptability for a social programme.

The Company therefore, needs to re-define its pricing objective in more specific terms. While annual and periodic reviews of its pricing policies need to be made for feedback on positive pricing decisions, like price positioning, use of incentives, price fluctuations etc. for overall achievement of programme objectives.

It would appear quite appropriate therefore, to mention that the above report makes the following recommendation:

"CRS should study the Consumer Pricing of all Products", and in doing so, highlights the need for a scientific pricing study. Hence, the need for a pricing study.

A New Brand of Condom

A new brand of condom is to be introduced in to the market in 1985. Marketing research information will therefore be vital for designing a Marketing Plan for the new brand of condoms. Such a marketing research programme will need to focus on the following areas:

1. Price
2. Package size
3. Package design
4. Target market identification
5. Brand name and logo testing
6. Advertising strategy
7. Production and testing instructions for use
8. Distribution strategy

Survey of CRS Retailers and Consumers

CRS Contraceptives are sold through 10,000 retail outlets including approximately 1000 medical stores in Nepal. Little is known about the extent of knowledge, attitude, and use of these methods amongst retailers or whether the retailers desire additional information and training concerning likely contradictions among potential pills users, counselling and referral service for women reporting side effects. At the same time, very little knowledge on patterns of use behaviours and side effects experienced from CRS products are known.

In order to find answers to the above, a research study has been proposed to survey a sample of retailers and consumers keeping the following objectives in mind:

1. To survey CRS retailers' and consumers' knowledge, attitude, and use of CRS products sold at medical stores (i.e., Gulaf and Nilocon oral Contraceptives, and Kamal foaming vaginal tablets).
2. To assess retailers' previous training in family planning, their desire and need for more information and training skills for screening of potential pills users for complications, and for counselling and making referrals of CRS consumers that require information or register complaints of side effects associated with pill use.

3. To estimate the prevalence of contraceptive use among CRS retailers and the methods adopted by them.
4. To determine reasons for use or non-use of CRS products amongst retailers and consumers and why they may have switched to using CRS products from other sources or methods. To determine the preferences and basis that exist amongst this category about use of CRS methods.
5. To obtain a socio-demographic profile of CRS retailers and consumers.
6. To examine use behaviour pattern amongst retailers and consumers that use Gulaf, Nilocon, and Kamal contraceptives and to determine the relationship between incorrect use, side effects and past contraceptive failures.
7. To establish a panel of CRS consumers for follow up at a later date, to determine over time, their experience with side effects, continuation rates, and use-effectiveness. And to determine whether method switch or discontinuation is a result of problems encountered during use of a particular method.
8. To identify sources of information and advice on family planning among consumers, and determine the extent of information they would prefer to obtain on correct use required by them regarding CRS methods, side effects, contradictions, and method effectiveness.

A survey of CRS retailers and consumers is planned for implementation by CRS Company, with technical and financial assistance from Family Health International, USA.

6. PACKAGING AND REPACKAGING

6.1 Packaging Needs and Plan

Dhaal : A total of 1,200,000 Consumer Packages and 100,000 Retail Dispensers will be printed in 1985. The Dhaal Packages will be slightly redesigned. Changes are required in Typography and Logo. A total of 1000 Dhaal shipping cartoons will be required in 1985.

Gulaf : Current supplies of Gulaf consumer package, dispenser packages and instruction sheets are sufficient for 1985 sales.

Nilocon : 1,00,000 Nilocon consumer packages and 8,500 retail dispensers were received towards the end of 1984. These packages are sufficient for 1985 sales. A total of 15,000 instruction shets are required for printing in 1985.

Kamal : Current supplies of consumer packages, retail dispensers and instruction sheets adequate for 1985 sales. A total of 125 shipping cartoons will be required during 1985.

7. NEW PRODUCT LAUNCH

A new condom product is scheduled to be launched in 1985. The assumption to date is to position the new product at a higher price level and towards a slightly higher economic group. Under this assumption, to be confirmed later through market research and test marketing, the new condom will be targeted towards a smaller, higher income population at a higher price than Dhaal, by employing advertising media and message appeals directed towards a higher socio-economic group.

The new condom will be sold through limited areas and outlets. It is proposed that sales will be limited to the 29 Town Panchayat areas in Nepal, during the first year of sale.

Distribution Plan

1985	Market Areas
June	Kathmandu and Patan
July	Biratnagar, Janakpur, Birgunj and Pokhara
August	Dharan, Rajbiraj, Hetauda, Bharatpur, Bhairahawa, Butwal, Nepalgunj and Bhaktapur
September	Bhadrapur, Ilam, Dhankuta, Lahan, Tansen, Siddarthanagar, Tribhuvan Nagar and Birendranagar
October	Dhangadi, Mahendranagar, Kalaiya, Jaleswor, Damak, Taulihawa and Dipayal.

8. ORS PRODUCT LAUNCH

Oral Rehydration Salts (ORS) were marketed in six zones of the country during July 1984, on a test market basis. Following this, a decision was made to launch the sale of this product throughout the kingdom during 1985.

Jeevan Jal which is the brand name for ORS is being manufactured by Royal Drugs Ltd. with technical and material assistance from UNICEF. The production capacity of Royal Drugs Ltd. is understood to be 3.4 million packets a year. However, in 1984 only about 700,000 were manufactured and distributed, out of which the Nepal CRS Company has marketed about 100,000 packets since July 1984. The Company has set a target to distribute about 600,000 packets of Jeevan Jal during the year 1985.

8.1 Target Market

Diarrhoea is one of the major causes of infant mortality and child death in Nepal. It may be caused by any one amongst a great variety of bacteria, virus, and fungi. Recent advances in the technology of rehydration have made possible early treatment through drinking solutions made of balanced electrolytes and sugars. Packaged as Jeevan Jal, this mixture enables early rehydration and prevention of dehydration and death. The sale of this product is therefore targeted amongst (i) all mothers of children under five and (ii) pharmacists, general retailers, health personnel and opinion leaders.

8.2 Distribution Plan

A total of 600,000 packets of Jeevan Jal are to be marketed during 1985. The geographic market coverage in 1985 will increase from 6 zones to all 14 zones of the country to cover approximately 50 of Nepal's 75 districts.

8.3 Packaging

The existing permanent wooden retailer dispenser will be used to market Jeevan Jal in 1985. A total of 4,000 wooden dispensers with coloured stickers affixed, will be produced in 1985.

Efforts will be made to redesign the existing consumer packages. While the current packaging material for Jeevan Jal is expected to be adequate for the year, finalization of new packaging designs will be finalised during this year with the agreement of UNICEF.

8.4 Promotion

The prime objective of the promotional - educational campaign for Jeevan Jal is to teach specific target groups the effective use of this product as a treatment for diarrhoea. These groups consists mainly of mothers of young children as well as health personnel, pharmacists and public opinion leaders. Ensuring communication of these messages to this user group is vital in meeting the objectives of such a promotional campaign.

The treatment of an infant with diarrhoea consists of a set of behaviours all of which are essential for its success. The promotion - educational campaign will focus on the following set of behaviours: acceptance of why and when Jeevan Jal should be used, procurement, mixing, administration and recovery behaviour.

8.5 Pricing

The pricing structure of Jeevan Jal will not be changed in 1985. Consumer Price has been kept at the lowest feasible scale, so as to render it affordable to the people who need it the most.

Price Structure for Jeevan Jal

Unit	Price to Consumer	Price to Retailer	Re-tailer margin	Price to Stockist	Stockist margin	Price to CRS	CRS Margin
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
One Packet	1.00	0.82	0.18	0.75	0.76 0.67	0.60	0.15

8.6 Projected Cost and Revenue

Projected Revenue from Jeevan Jal is estimated at Rs.90,000. Projected costs for distribution, packaging and advertising will be estimated later.

9. MANPOWER DEVELOPMENT

9.1 Objectives

- i. The objective of the Manpower Development Program is to develop professional skills and knowledge amongst CRS Management staff, in order to improve performance output.
- ii. To encourage the technical development of staff for high standard performance.
- iii. To help the promote the morale of potential staff.

9.2 Manpower Training

During this marketing plan period, a total of four management staff will participate either in observation tour or a structured training program for a period of three weeks or less in countries like B'desh, Sri Lanka, Bangkok or countries of South East Asia.

10. BUSINESS ASPECTS

Till date the Company's program cost has been borne by USAID/N. However, cost effectiveness is what the Company shall strive for during the next few years. It will work towards this by attempting to meet part of the Company's expenses through revenue generation.

10.1 Revenue Projection

Projected revenue for the year 1985, to be generated from Dhaal, Gulaf, Nilocon, Kamal and

Panther sales :Rs. 713,488

Projected commission to be generated through the sale of Jeevan Jal :Rs. 90,000

Total Estimated Revenue Rs. 803,488

10.2 Program Cost

Total projected program cost for the year 1985 Rs. 6,304,687

Deficit to be met by the company is thus, Rs. 5,501,399

(Projected Program cost-total Estimated Revenue)

It is estimated that the Company will meet 13% of the projected cost through its revenue and commissions.

A. Revenue and Commission	:Rs. 803,488	13%
B. Deficit to be met through grants	:Rs. 5,501,399	87%
Total	:Rs. 6,304,887	100%

Projected Cost Per CYP for 1985

Nepal CRS Company Pvt. Ltd.

Program Sales (including Bonus)		Jan 1985 in N.C.Rs.	Dec 1985 in U.S.\$
	Units (CYP)	50,000	50,000
	Sales (Rs.)	1,056,667	1,056,667
	Sales (US\$)		59,032
Total Cost of Goods		4,377,143	244,533
Commodity Cost Landed		4,018,013	224,470
Packaging and Repackaging		359,130	20,063
Total Cost Associated With Distribution		249,833	13,957
Margin :	Retailers	169,833	9,488
	Wholesalers	3,000	168
Warehouse		77,000	4,302
Total Cost Associated With Sales		833,000	46,536
	Salaries	348,000	19,441
	Transportation	460,000	25,698
	Training	25,000	1,397
Total Cost Associated With Promotion		1,842,527	102,934
Advertisement and Promotion		1,640,000	91,620
Market Research		169,000	9,441
Sample		33,527	1,873
Total Cost Associated With Administration		1,549,005	86,537
Administration Cost		1,549,005	86,537
Total Programme Cost		8,851,508	494,498
Subsidy		7,794,842	435,466
Subsidy / CYP		155.90	8.71

DISTRIBUTION WORK SHEET

FEBRUARY 4, 1985

YEAR	DHAAL & SUKI DHAAL (IN UNITS)	GULAF & NILOCON (IN CYCLES)	KAMAL (IN TAB)	TOTAL CYP	PERCENT CHANGE	TOTAL CYI
1978						14953
TOTAL DISTRIBUTION	160540	9370				
COUPLE YEARS PROTECT	1605	721		2326		
NO OF RETAIL OUTLETS	751					
1979						
TOTAL DISTRIBUTION	953372	20104				
COUPLE YEARS PROTECT	9534	1546		11080	178%	
NO OF RETAIL OUTLETS	2194					
1980						
TOTAL DISTRIBUTION	1036919	27261				
COUPLE YEARS PROTECT	10369	2097		12466	13%	
NO OF RETAIL OUTLETS	3581					
1981						
TOTAL DISTRIBUTION	1115000	75682				
COUPLE YEARS PROTECT	11150	5822		16972	36%	
NO OF RETAIL OUTLETS	5217					
1982						
TOTAL DISTRIBUTION	2110326	78102	11808			
COUPLE YEARS PROTECT	21103	6008	118	27229	60%	
NO OF RETAIL OUTLETS	7300					
1983						
TOTAL DISTRIBUTION	2621160	105464	161784			
COUPLE YEARS PROTECT	26212	8112	1618	35942	32%	
NO OF RETAIL OUTLETS	8500					
1984						
TOTAL DISTRIBUTION	3327840	111576	165312			
COUPLE YEARS PROTECT	33278	8583	1653	43514	21%	
NO OF RETAIL OUTLETS	9000					

1. 1978 FIGURES REPRESENT ONLY 7 MONTHS OF SALES AS CRS PROGRAM BEGAN FROM JUNE 1, 1978.
2. NILOCON WAS LAUNCHED ON 22 AUGUST 1982 AND KAMAL ON DECEMBER 21, 1982.
3. 1 COUPLE YEAR OF PROTECTION (CYP) = 100 CONDOMS OR 13 CYCLES OF PILLS OR 100 FOAMING TABLETS.

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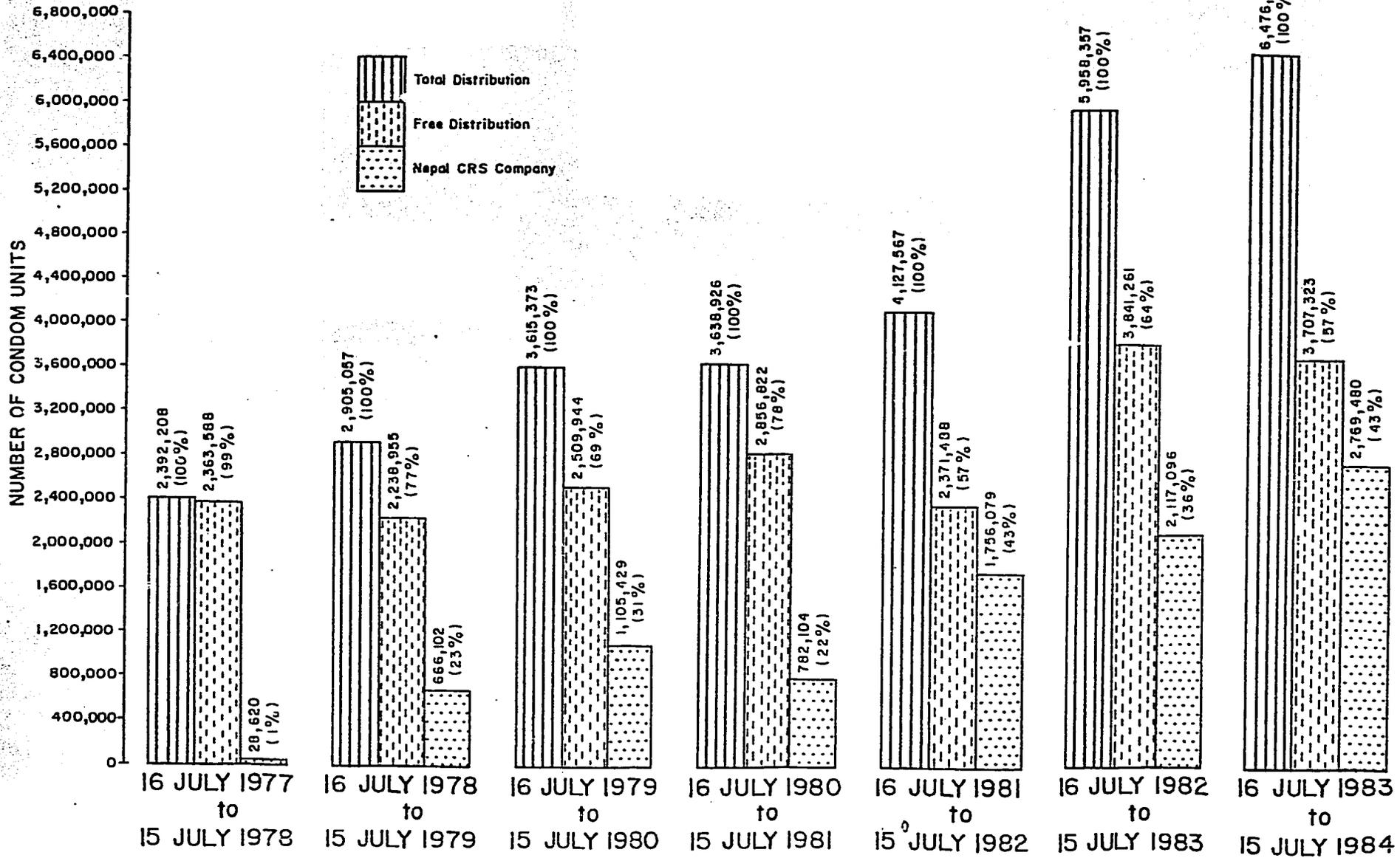
NEPAL CONTRACEPTIVE RETAIL SALES CO. PVT. LTD.

CRS

MARKETING PLAN, 1985
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CONDOM DISTRIBUTION IN NEPAL

JULY 1977 - JULY 1984

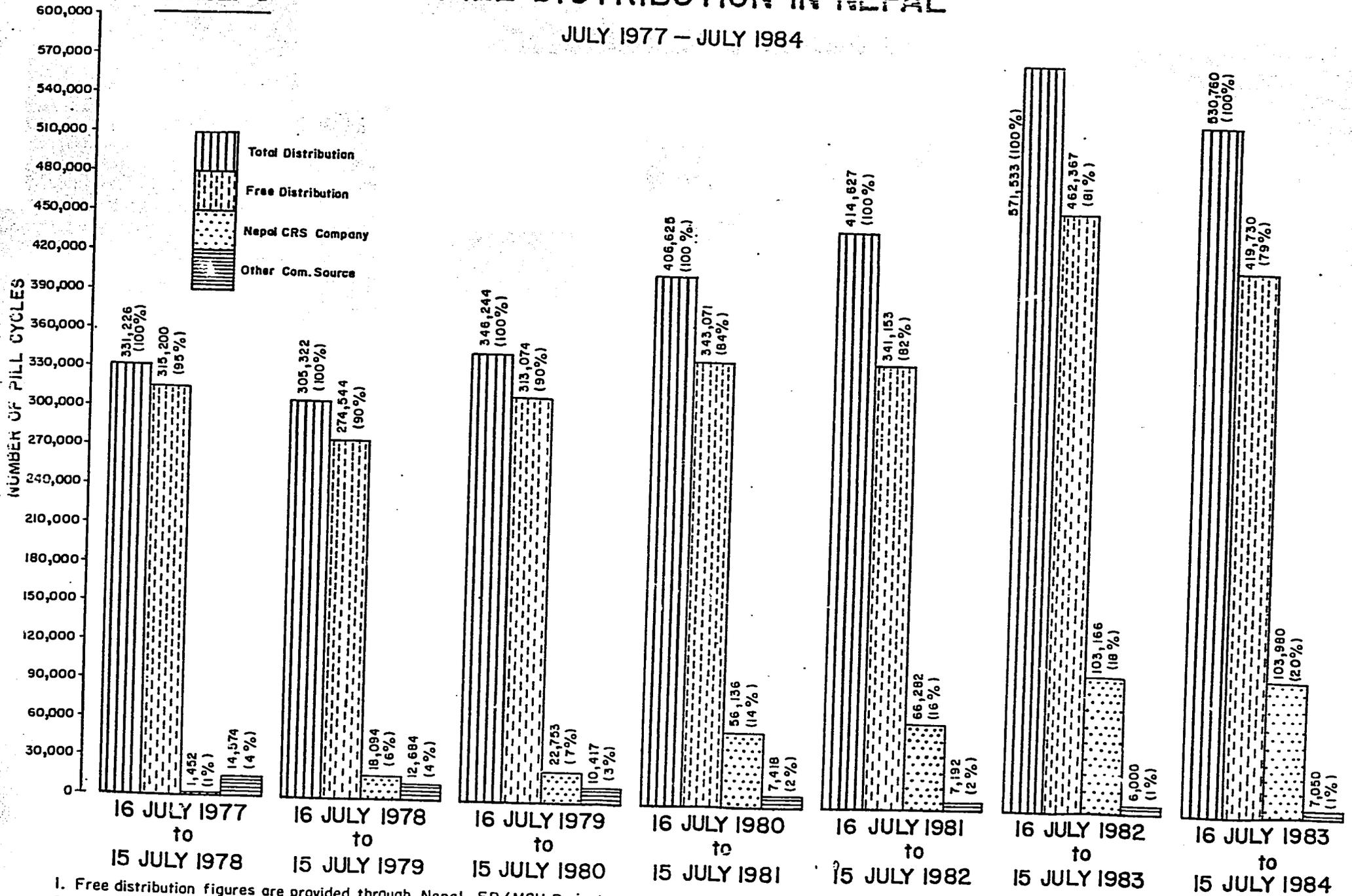


- Free distribution figures are provided through Nepal FP/ MCH Project.
- His Majesty's Government's fiscal year is approximately 16 July-15 July of the georgian calender which corresponds to their data recording system.
- Figures for Nepal CRS Company represent only one and a half months as CRS sales began from June 1, 1978.

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PILL DISTRIBUTION IN NEPAL

JULY 1977 - JULY 1984

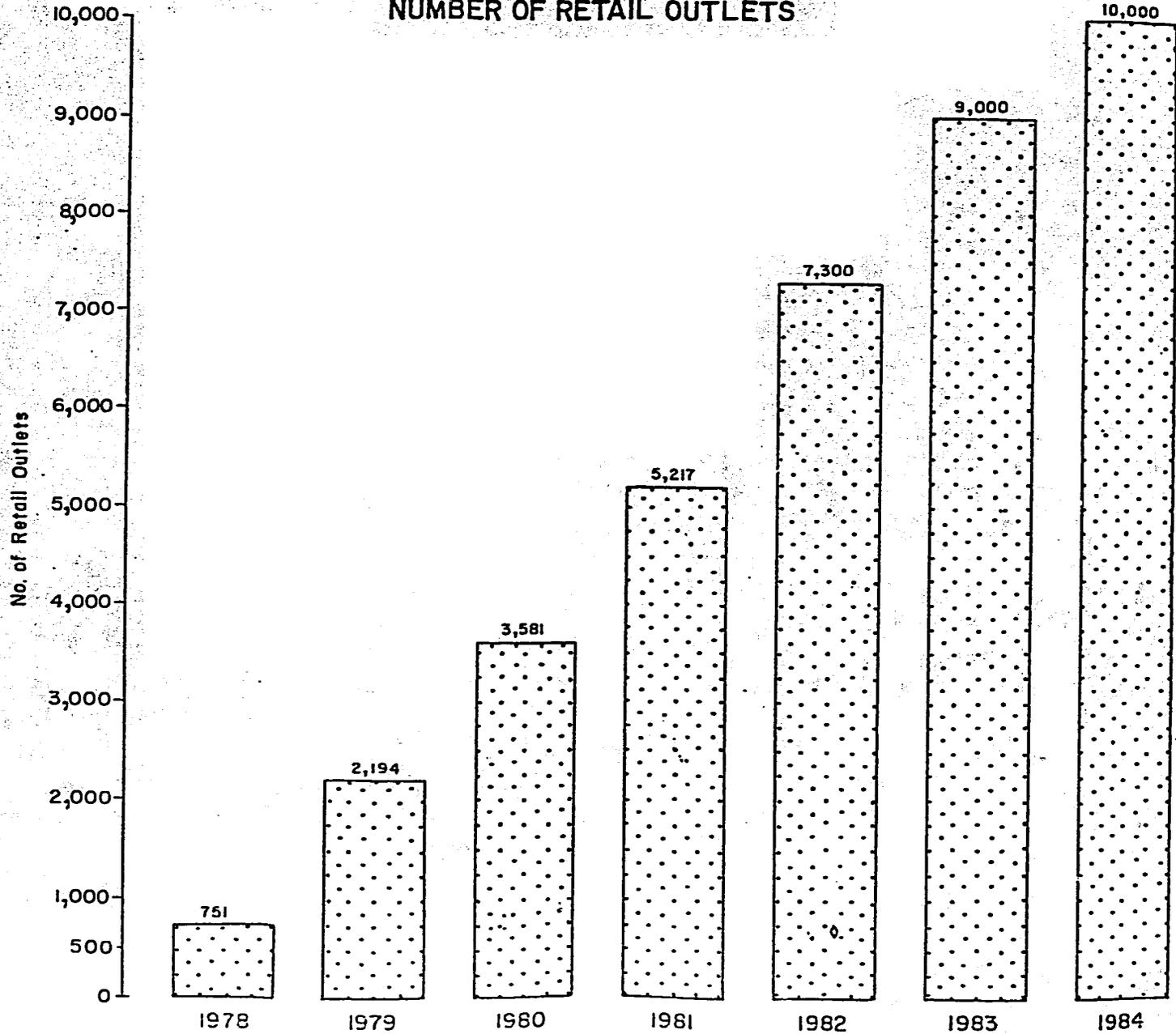


- Free distribution figures are provided through Nepal FP/MCH Project.
- His Majesty's Government's fiscal year is approximately 16 July-15 July of the gregorian calendar which corresponds to their data recording system.
- Figures for Nepal CRS Company represent only one and a half months as CRS sales began from June 1, 1978.
- Commercial distribution figures are provided through Alliance Enterprises & Kalpataru, Tribhuvan University.

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NEPAL CONTRACEPTIVE RETAIL SALES (CRS) COMPANY

NUMBER OF RETAIL OUTLETS



APPENDIX - F

NEPAL CRS COMPANY (P) LTD.
 PROJECTED PRODUCTS SALES FOR 1985

PRODUCT	30TH JANUARY 1985												TOTAL CYP (APPROX)	
	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC		TOTAL
I DHAAL COLORED CONDOM (IN UNIT)	100000	125000	200000	250000	275000	250000	200000	250000	300000	350000	425000	475000	3200000	32000
II PANTHER HIGH PRICED CONDOM (IN UNIT)					50000	80000	120000	100000	70000	80000	100000	100000	700000	7000
III GULAF MEDIUM DOSE PILL (IN CYCLE)	1600	2000	2200	2500	3000	2700	12000	15000	10000	12000	12000	15000	90000	6900
IV NILOCON LOW DOSE PILL (IN CYCLE)	2000	1500	2200	2500	2200	2500	2200	2400	3000	2500	3000	4000	30000	2300
V KAMAL FOAMING TABLET (IN TABLET)	20000	15000	16000	12000	15000	13000	16000	12000	18000	15000	13000	15000	180000	1800
													TOTAL CYP	50000
VI JEEVAN JAL ORS (IN PACKET)	30000	60000	40000	50000	60000	70000	80000	70000	50000	40000	30000	20000	600000	

Financial Plan of The Co-operative Agreement

Between USAID and Nepal CRS Company

For the Period August 1, 1983 Through March 31, 1985

Items	Total Committed to Date	
	Rs.	US \$
Personnel		
Salaries	1,984,098	-
Bonus (Admin. Staff)	39,799	-
Medical Insurance	105,181	-
Sales		
National Travel/per diem (Sales Staff)	427,358	-
Commodity Distribution	58,646	-
Sales Conference	57,717	-
Field Office	50,998	-
Vehicle Running Costs (Sales Staff)	302,834	-
Bonus (Sales Staff)	223,418	-
Communication		
Consumer Advertising	3,654,760	-
Display Contest	336,827	-
Packaging/Repackaging	1,143,184	-
Market Research	332,729	-
Training		
International Training/Conference	-	21,000
Local Training	61,167	-
Retailer's Training	78,803	-
Administration		
Board/Advisor Meetings	83,763	-
Equipment and Furniture	218,473	-
Supplies	185,874	-
Head Office	337,076	-
Utilities/Telex	122,169	-
Vehicle Running Cost (Admin. Staff)	165,718	-
Travel/per diem (Admin. Staff)	233,803	-
Computer	93,767	-
Vehicle Insurance	39,451	-
Other Direct Costs	193,167	-
TOTAL	10,530,780	21,000

(The above financial plan incorporates amendment No. 1 to the co-operative agreement).

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APPENDIX - H

PROJECTED PROGRAMME COST BY BUDGET LINE ITEM
FOR 1985

ITEM	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
A. PERSONNEL													
SALARIES <i>Yearly 5% automatic</i>	92382	92382	92382	92382	92382	92382	92382	92382	277146	92382	92382	92382	1016202
BONUS	27715												27715
MEDICAL INSURANCE									42240				42240
B. SALES													
NATIONAL TRAVEL & PERDIEM	25600	25600	25600	25600	25600	25600	25600	25600	25600	25600	25600	25600	250400
COMMODITY DISTRIBUTION	3650	3650	3650	3650	3650	3650	3650	3650	3650	3650	3650	3650	32850
SALES TRAINING	16350					21300							37650
FIELD OFFICE	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	28800
VEHICLE RUNNING COST <i>(H)</i>	19200	19200	19200	19200	19200	19200	19200	19200	19200	19200	19200	19200	172800
BONUS	44000	11400	11400	11400	11400	11400	11400	11400	11400	11400	11400	11400	135200
C. COMMUNICATION													
CONSUMER ADVERTISING	800000	40000	700000	200000	200000	100000	200000	200000	40000				2480000
DISPLAY CONTEST <i>50% no bill books no staff</i>	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	90000
PACKAGING/REPACKAGING	4000	300000	200000	4000	300000	4000	4000	4000	4000	4000	4000	4000	824000
MARKET RESEARCH			283000										283000
D. TRAINING													
INTERNATIONAL TRAINING	60000		57500			57750							175250
LOCAL TRAINING			20000			14300							34300
RETAILER'S TRAINING	4000	5000	5000	5000	5000	5000	5000	4000	1500	5000	5000	5000	39500
E. ADMINISTRATION													
BOARD/ADVISORY MEETINGS	3000	5000	2000	4000	3000	5000	2000	5000.00	7000	2000	5000.00	5000	36000
EQUIPMENT & FURNITURE		170000			6000								176000
SUPPLIES	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	50400
HEAD OFFICE		43200			43200			43200			28800		129600
UTILITIES/TELEX	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	45900
VEHICLE RUNNING COST	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	43200
NATIONAL TRAVEL & PERDIEM	6400	6400	6400	6400	6400	6400	6400	6400	6400	6400	6400	6400	57600
COMPUTER EXPENSES	3000	5280	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	29280
VEHICLE INSURANCE							28000						28000
F. OTHER DIRECT COST													
	10000	4000	15000	5000	5000	5000	5000	5000	5000	5000	5000	5000	59000
TOTAL	1147977	759812	1472232	408332	752532	402682	434332	451532	474836	206332	238132	209332	6304887