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NEPAL VILLAGE MARKETING STUDY

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SUMMARY: Developing successful marketing strategies in areas inaccessible to motor transport poses many challenges. This paper reviews research methodologies and results of a study designed to assess market opportunities and constraints in a rural area of Nepal.

INTRODUCTION

From January through June 1986, SOMARC consultant Katharine A. Coon visited Nepal to conduct anthropological field research for the Nepal Contraceptive Retail Sales Co. Pvt LTD (CRS). The purpose of the research was to evaluate the commercial situation regarding temporary (reversible) contraceptives and simple medicines in remote areas.

The Nepal CRS Co. was founded in 1978 to market family planning products through retail shops. Initially, it distributed its products through national wholesale companies. CRS later revised this strategy by building a more "active" sales system, whereby trained sales representatives would travel from shop to shop educating shopkeepers and distributing products in urban and road-linked areas. This strategy, combined with an active promotional campaign, was highly successful. Outlets expanded from approximately 100 in five districts in 1978 to 11,000 in all 75 districts in 1986.

Recently, CRS has begun addressing the issue of penetrating markets in parts of the country inaccessible by motor transport. Since 93.6 percent of Nepal's population is classified as rural, much of it in areas beyond the easy reach of roads, this situation presents a major constraint to CRS' goal of increasing contraceptive access for the majority of childbearing couples. Research into possible distribution and promotional strategies for these areas was undertaken in response to this need.

This paper is a summary of research that is reported in full in Katharine A. Coon, Final Report of Findings and Recommendations: Nepal Village Marketing Study--SOMARC Research Visit, SOMARC/The Futures Group, January-June 1986.

The objective of this research was to investigate the effectiveness and reach of private-sector marketing strategies, particularly distribution and promotional strategies, for contraceptives and simple medicines in a rural district in Nepal. Specific research objectives were:

- To describe the types of products and methods of distribution for contraceptive and pharmaceutical products found in village shops.
- To examine the scope of free distribution of contraceptives and its potential impact on sales.
- To document media habits of villagers and awareness and knowledge of CRS brands and messages.
- To investigate shopkeepers' and villagers' knowledge of and attitudes toward different types of family planning methods.

METHODOLOGY

Research Site

Research was conducted in Baglung, a mid-hill district in west central Nepal. The district was chosen as research site for three reasons. First, its boundaries are a minimum of one day unloaded or two to five days loaded walk from the nearest motor transport. Second, the district contains two important mid-hill wholesale markets--Baglung Bazaar and Burtibang Bazaar. Baglung Bazaar, the larger of the two, serves a wealthy, densely populated area, while Burtibang Bazaar serves a poorer, sparsely populated one. Third, Baglung Bazaar is the terminus of CRS' direct sales network for the district. This provided an opportunity to track the movement of CRS products into small subsidiary bazaars.

Eight panchayats (counties) in the district, ranging from one-half to two days' walk from a direct CRS sales terminus, were chosen for intensive study. They were chosen because they straddle the main transport routes through the area where small subsidiary bazaars served by the hub are located.

Research Methods

Three anthropological techniques--open-ended interviews, group discussions, and structured interviews--comprised the research methods used in this study. Topic guides were used to facilitate the open-ended interviews and group discussions. A pretested questionnaire was used for the structured interviews. In total, 36 open-ended interviews with village consumers, 26 group discussions (13 male and 13 female groups with 7-15 participants per group) and 213 structured interviews (115 male, 98 female) were conducted.

Since the objective of this study was to gain a qualitative assessment of the rural distribution system, rigorous sampling procedures for selecting informants were not followed. The only criterion used in screening informants was that they be of reproductive age. Therefore, these findings should not be projected to the population at large. Instead, useful patterns and insights can be gleaned and used to help provide a background for policy development and to help design more systematic follow-up studies.

For each of the four major areas of investigation, the above-mentioned techniques were used in the following ways.

Private-Sector Distribution

To document the density and types of commercial activity, all shops encountered along the main trail were counted. Trips were made to two panchayats located on lesser trails to document the presence of shops and medical products in more remote regions.

If shops carried contraceptives or medicines, inventories were taken. This provided information on the content, reach, and volume of contraceptives and pharmaceuticals in the system.

In addition, all medical shopowners in Baglung and Burtibang Bazaars (who act as regional wholesalers) as well as in the eight panchayats targeted for intensive study were interviewed. A sample of nonmedical shopowners also was interviewed. Both sets of shopkeepers were asked questions related to wholesaling and retailing

activities and the flow of CRS products. These respondents were the main source of information on the commercial distribution system in the hills.

Product Pricing and Free Distribution

The potential impact of product prices and free distribution on sales was explored during open-ended interviews with all categories of informants including shopkeepers, government health workers, and village consumers. These interviews included questions on the potential impact of free distribution on sales, consumer expenditures on medicines, and potential consumer responses to CRS product prices.

Additional information was obtained from price and volume data of CRS and other medical products found in the village distribution pipeline.

Media and Communications

Media access, comprehension, and impact in rural areas were explored through structured interviews with villagers. A structured questionnaire was pretested and used. Topics covered included: demographic and socioeconomic background, radio ownership and use, CRS radio advertisement recall and recognition, CRS brand recognition, and printed media comprehension. These interviews were conducted in seven of the eight primary focus panchayats.

Consumer Attitudes

Consumer attitudes were explored in group discussions and in follow-up open-ended interviews with select individuals. Topics covered included: attitudes toward family planning methods, barriers to use, access to and comprehension of advertisements and products, and gender differences in willingness to purchase products. Group discussions were held in seven of the eight primary focus panchayats.

FINDINGS

Private-Sector Distribution

The district's distribution system revolves around two marketing hubs--Baglung and Burtibang Bazaars. From these it radiates out along easy-access trade routes, with secondary trails leading to remote panchayats branching off of the main ones. Basically, the system follows the contour of the hills, with the main routes flowing along river valleys.

Every panchayat has at least one shop, but those on main trails are characterized by a greater frequency and variety of commercial establishments than those located on remote trails. Commercial density is also conditioned by population density and income, with more densely populated, wealthier areas carrying more shops than poorer ones.

The distribution system contains three levels of wholesale movement. National wholesalers located in the major urban centers serve regional wholesale/retail merchants located in district centers in the hills. These regional merchants sell to local shopkeepers operating along the main trails and in the centers of the remote panchayats. Finally, both regional and local merchants sell to small retail outlets located in panchayat wards (villages) off the trails.

Most village merchants restock their inventories on a cyclic basis, with the length of the cycle varying according to the item. Cigarettes are bought every one to two weeks from one of the district's three cigarette distribution points. Trips are made to regional marketing hubs approximately once per month for dry goods, including drugs. Finally, cloth is purchased once or twice a year from major urban centers in India or the terai. If a shopkeeper is too poor to carry cloth or a large inventory, he will limit his wholesale purchases to the regional marketing hub.

Pharmaceuticals

Although basic drugs can be bought throughout the district, in the wealthier eastern half consumer demand for allopathic medicine has led to the development of specialized medical shops that provide a wide range of therapeutic services in

addition to drug sales. According to medical shopowners, demand began to surface eight to ten years ago, and most shops were established since then.

Demand for medicine was stimulated by the interaction of two factors: the development of the government's primary health care system, and the rising numbers of men going to India to work. The first provided a trained cadre of local medical experts, most of whom also operate private shops and practices with the help of their relatives. The second exposed a critical mass of the population to Western drug therapies, which they want to continue using upon return to their homes in the hills.

Almost half of the dry goods and cloth shops in the eastern side of the district carried a limited inventory of basic drugs, while the proportion was 20 percent in the poorer western half. The most frequently carried drugs were analgesics, antacids, antibiotic capsules, antihelmitics, and a variety of remedies for diarrhea and dysentery. Oral rehydration salts were sold almost as frequently as other diarrhea and dysentery medicines, but were far from saturating potential sales outlets.

Shopkeepers who sell a limited number of basic drugs usually purchase them on trips for buying other commodities, and will never make a special trip when out of stock. They are untrained and rely heavily on medical suppliers in regional hubs for information on how to dispense and use the different drugs they sell.

In general, the marketing system for pharmaceuticals is demand activated. Shopkeepers repeatedly said that they decide which categories of drugs to sell on the basis of customer requests. For example, if customers ask for something to treat bloody stools, the shopkeeper will go to a medical supplier and ask for a drug that treats that condition. Shopkeepers will not carry drugs for which there is no overt demand, and since they are wary of being perceived as pushing drugs for personal profit they will not actively promote a product in which customers have not expressed an interest.

Contraceptives

Temporary contraceptives are sold in the medical shops in eastern Baglung, but not at all in the poorer western half of the district. They tend to be thought of as a

specialty product for "educated people," or members of local professional and economic elites.

Although condoms and pills are considered part of a medical shop's standard inventory, seven of the eight medical shops in the panchayats surveyed had no point-of-purchase advertising and kept the products hidden on the shelves. Store-bought condoms are widely associated with extramarital sex, which may explain reticence toward displaying them.

Medical shopowners, like most hill people, have a low opinion of the pill as a birth control method. Nevertheless, they frequently sell the drug to women who want to postpone the onset of their monthly menses for ritual reasons.

Medical shopowners gave several reasons for their unhappiness with the pill. Nepalese hill women are reluctant to go to male health practitioners for birth control, especially in crowded public places such as medical shops or clinics; therefore, their husbands purchase contraceptives. This precludes screening women for contraindications to use of the pill. As a result, women who should not have used the pill in the first place have taken it, with bad results. Furthermore, women, healthy or not, do not have access to first-hand information on correct use or side effects; therefore, they take the pill incorrectly, experience bad effects, and become frightened.

Condoms were only being sold in two out of approximately 200 of the cloth, dry goods, or tea shops surveyed. One of the two also sold pills, but primarily for menstrual postponement. Both shops were owned by young men who said they were selling condoms because they had been persuaded by friends that it was their social responsibility to promote alternative family planning methods. One of the two was the only other shop in the district (outside of Baglung Bazaar) with point-of-purchase advertising for condoms.

Product Pricing and Free Distribution

Contraceptives are distributed freely in 55 of Baglung's 62 panchayats by the government's panchayat-based health workers (PBHW). Two lines of evidence were used to assess the potential impact of free distribution on sales, the first direct and the second indirect.

Direct evidence comes from condom sales figures for the two shops with open point-of-purchase advertising and in-store displays. Both began carrying condoms approximately a year before the research date. Within 12 months, both shops had monthly sales of 300-400 units, and both shopkeepers claimed that demand was still increasing. Both these shops were located within a two-hour walk of a government clinic and were in panchayats served by PBHWs. Only one out of five PBHWs interviewed gave away as many condoms as these shops sold; most gave away considerably fewer (30-100 per month).

Additional evidence for similar medical products further indicates free distribution would not interfere with commercial sales. For example, analgesics are successfully sold for the same price as condoms, and they also are freely distributed by government clinics.

The most potent effect of free distribution on potential sales is the way it influences people's attitudes toward temporary contraceptives (TCs). Shopkeepers typically said they did not need to carry TCs because free distribution filled all the demand. This assumption contributes to inertia or lack of interest on the part of shopkeepers in selling them.

For the majority of village consumers, the PBHWs have been the main source of information on contraceptive methods. Thus, user attitudes toward family planning techniques are influenced by their judgments and preferences.

There seems to have been a tendency on the part of PBHWs to present sterilization through vasectomy or laparoscopy as the best method of contraception, with pills and condoms presented as something to be used only while a couple is making up their minds about the operation. For them, the temporary in temporary contraceptives implies temporary use in lieu of something more permanent and, hence, better, rather than used to create spacing between pregnancies.

Media and Communications

Radios are the only mass media instruments commonly found in Baglung District. The structured interviews conducted on radio listening habits revealed patterns of access and use that significantly differed for men and women. As objects

connecting the owner to the outside world, radios belong to the male domain. This basic fact pervaded villagers' attitudes toward radio, especially among high-caste Hindus.

To find out who had access, informants were asked how often they had listened to the radio in the past week. They were then asked questions concerning the location and time of day the radio had been heard. As these questions were answered, a picture emerged of purposeful or intentional listening on the part of men, as opposed to accidental and passive hearing on the part of women.

Only 8 percent of the male sample reported having heard the radio by chance or not at all in the prior week, as opposed to 79 percent of the female sample; 11 percent of the female sample had heard the radio one to three times, and 10 percent more than four times in the prior week. The corresponding figures for the male sample were 67 percent and 25 percent.

Men were likely to listen to the radio in their own or in a friend's house, whereas women were likely to report hearing the radio by chance as they passed a neighbor's house or a shop in the bazaar. Finally, women were more likely than men to report that there was no special time of day they heard the radio.

Issues of radio access and comprehension were raised during group discussions and in open-ended interviews. The following were the three explanations most frequently voiced by both sexes for women's failure to listen to radio:

- Women are too busy with domestic tasks to listen.
- Husband or other male relative controls the radio.
- Women do not understand radio programming and, therefore, lack interest in it.

Most radio programming is pitched to urban audiences, reflecting urban concerns and urban musical styles. This is a world that hill women, confined to their husbands' homes, have never known; therefore, they have no way of relating the content to their lives. Men, on the other hand, tend to be highly mobile. This

exposes them to the urban culture, which is radio's domain, and, by listening to the radio in the village, their links to the outside world are maintained.

Consumer Attitudes

Temporary contraceptives are neither well understood nor popular among villagers. Most villagers are confused by the mechanics of TC use, how to choose appropriate methods for a given life circumstance, and what constitutes normal or acceptable side effects for each method. Since there has never been an aggressive or successful communications education or information campaign on temporary family planning methods, people have used them incorrectly and had negative experiences. As a result, TCs have acquired a reputation as both unreliable and dangerous.

Additional cultural biases mitigating against the acceptance of TCs include shyness about sexuality and the absence of a strong positive motive to practice temporary contraception. The strongest motive would be the concept of child spacing, which is not widespread.

The positive outcomes of child spacing, better maternal and child health, nutritional status, and educational opportunities, are widely understood and desired, but they are linked in people's minds to the generic concept of family planning. When that generic concept is analyzed, it becomes apparent that people equate family planning with the termination of fertility, not with the purposeful regulation of one's fertility. Within this set of associations, people think of temporary contraceptives as inferior to sterilization, rather than as appropriate at a different point in a couple's life cycle. Because of these factors, sterilization is the most commonly adopted contraceptive technique and, in Baglung District, the overwhelming majority of operations are performed on men.

In the more socioeconomically advanced parts of the hills, education for one's children is increasingly perceived as the only avenue to future economic security, since employers in India are unwilling to hire illiterates. Because educating children is expensive, more couples want to limit their fertility at younger ages. However, couples choosing young sterilization face the risk of losing their children and being unable to replace them; since Nepal has one of the highest infant and child mortality rates in the world, this risk is more than academic.

In addition, many people believe the operation causes debilitating weakness which prevents them from working hard. Although the issue of whether this weakness is "real" or psychological is debated among villagers, there seems to be a consensus that the weakness is worse among people who have to engage in heavy labor. It is felt that doctors operate more carefully on rich people, and that only rich people can afford the regimen of rest, vitamins, and good food prescribed for those who have had the operation.

Fear of weakness and infant mortality generate real emotional conflict as young couples try to grapple with decisions about family size. Because people do not see condoms or pills as good alternatives to the operation, they feel trapped, and often have expressed feelings of conflict and helplessness in trying to decide what to do.

Dissatisfaction with the operation holds potential for temporary methods of contraception among hill people, but only if their poor image can be radically restructured and accurate information on use and side effects conveyed.

Women in the more socioeconomically advanced parts of the district often said they would be willing to try the pill again, but they needed someone to teach them how to use it properly and how to deal with side effects as they arise.

Because women do not have access to formal or public sources of information on family planning techniques, a marketing strategy that relies only on shops and mass media to convey information will not succeed in addressing many of the underlying barriers to widespread consumer acceptance of temporary contraceptives, especially the pill.

CONCLUSIONS AND RECOMMENDATIONS

A two-pronged marketing approach aimed at motivating the trade (wholesalers and shopowners) and at educating consumers should be developed. This combined marketing push/consumer pull would help increase demand and accelerate the flow of products through the system.

Distribution--Market Push

To motivate the trade and improve product distribution, two strategies might be considered. In areas where the commercial distribution system is well developed, key marketing sheds and major trade routes could be identified. Because shopkeepers are reluctant to take the initiative in promoting new products, CRS agents would initially have to motivate them and place products into village shops. Once products were introduced, wholesalers located in the regional hubs such as Baglung Bazaar could be motivated to help maintain these supplies and linkages.

To service more remote areas, indigenous health care workers could be recruited. Such an approach already has been successful in other parts of Nepal. It also has the potential of reaching women directly. Both these strategies have the advantage of changing the present passive distribution system for contraceptives into a more active one.

Finally, a mixed approach could be contemplated for areas where commercial density makes it cost effective to place products into shops. In these areas, field agents, such as indigenous health workers, who sold the products to their friends and neighbors, could be recruited to supplement the efforts of shopkeepers, especially in reaching women.

Promotion--Consumer Pull

Any efforts to activate consumer demand for contraceptives would greatly accelerate their flow into the distribution system. Given the lack of accurate information available to consumers, demand is weak. A social marketing strategy that incorporates a communications, education, and information (CEI) component, and designed to restructure the poor image of contraceptives among villagers, is needed.

Since villagers tend to base their opinions and behaviors regarding contraceptives on discussions with, and advise from, friends, a CEI component that includes personal, face-to-face interaction would be more effective than one based exclusively on mass media.

Mass media, especially radio, could become a much more effective change agent among rural populations if its programming were more relevant to their lives. A serious effort should be made to develop talk shows that address villagers' questions and fears about family planning techniques and health. Women would take more interest in radio if messages were couched in local folk music styles.

Product Line

CRS should consider expanding its product line into child health products--weaning formulas, children's vitamins, and oral rehydration salts--packaged and targeted for children. Such a product line would fill a perceived need in the hills while promoting a more balanced concept of family planning.

Model for Future Studies

A primary requirement in developing a marketing strategy for remote, off-road areas is to understand the area and the existing marketing system. This cannot be done through generalizable, abstract studies; it only can be accomplished through on-site visits.

This research yielded useful information for the formulation of a marketing strategy for Baglung District. Hopefully, it also will serve as a model for efforts to open up markets in other remote areas.