



**International
Contraceptive
Social
Marketing
Project**

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TRIP REPORT

Guatemala City, Guatemala

March 30 - April 2, 1981

Submitted to:

AID/Office of Population
Family Planning Services Division

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I. SUMMARY

Both APROFAM* and AID/Guatemala appear interested in and committed to the development of a contraceptive retail sales program for the country.

There are no legal restrictions on the sale, advertising or display of contraceptives. A prescription requirement reportedly exists for orals, but it is apparently universally ignored and not enforced.

Available consumer contraceptive studies and socioeconomic and demographic data suggest that a market exists for a subsidized commercial program. However, this market potential is far greater among the urban and rural Ladino population (about 60% of the total population of Guatemala) than among the largely rural Indian culture.

The requesting organization, APROFAM, does not possess the technical or commercial expertise required to operate a CRS program. Technical assistance will be required via a contractor and/or consultants.

APROFAM's ability to set up a functional, legally viable CRS operating entity is a primary requirement for program implementation.

The planning and implementation of an immediate consumer research study by Guatemalan nationals appears viable and also desirable. A research design and approach are recommended in this report.

*Asociacion Pro-Bienestar de la Familia

II. BACKGROUND

During the period March 30 - April 2, 1981, marketing consultation was provided on contraceptive retail sales (CRS) in Guatemala.

The workscope for this consultation included:

- A. An assessment of the level of interest and resource capability of APROFAM in regard to the initiation and maintenance of a CRS program.
- B. An assessment of the capabilities of MARPLAN, a marketing research organization which is part of the Interpublic network of advertising agencies and related services to determine MARPLAN's potential in conducting a consumer research study as a first step in CRS program development.
- C. A preliminary design for the consumer research study which would serve as a request for proposal (RFP) to MARPLAN and other qualified research organizations.
- D. Follow-up activities: a review of research proposals in response to the RFP; and possible return trips to Guatemala to assess the implementation and analysis of the research study and to assist with a CRS program proposal.

In addition, assistance was requested by APROFAM and AID/Guatemala in conceiving a viable organizational approach and structure for the CRS program which can be consistent with political, legal, and economic conditions in Guatemala.

This report covers each of these workscope areas, and includes recommendations. Prior to the consulting trip to Guatemala, a briefing was held with Mr. Arthur Danart of AID and Dr. Robert Smith, Ms. Betty Howell, and

Ms. Gail Washchuck of The Futures Group. It is expected that a debriefing will be held in Washington with these same individuals and with Dr. Roberto Santiso, Executive Director of APROFAM in early April.

In the course of the consultation in Guatemala, discussions were held with Mr. Paul Cohn, who will replace Mr. Scott Edmonds as Population Officer, AID/Guatemala*, and Mr. Neil Woodruff of the AID Office of Public Health and Population. Discussions also took place with Dr. Roberto Santiso, Mr. Victor Hugo Fernandez, Mr. Roberto Sanchez, and others of APROFAM, and Mr. Juan Esperon of MARPLAN.

A number of documents were reviewed, including consultant reports, research studies, and socioeconomic and demographic data. These are listed in section VII of this report and are available at The Futures Group.

III. CRS PROGRAM POTENTIAL

A. INDICATIONS FROM RESEARCH STUDIES

Existing studies**, which have become available since the Farley/Samuel consultant report of March, 1978, tend to support their conclusion that the potential exists for a subsidized commercial marketing program for contraceptive products in Guatemala .

*Mr. Edmonds was out of the country during the period of this consultancy.

**1. Guatemala Contraceptive Prevalence Survey - 1978, conducted by the Center for Disease Control with APROFAM.

2. "Ethnic differences in the Acceptance of Family Planning in Rural Guatemala," Bertrand and Pineda, a report of a 1976 pre-survey and a 1978 post survey of rural Ladino and Indian populations. In the two-year period between the surveys, advertising and community-based distribution (CBD) activities were implemented. These studies were undertaken by APROFAM and the Community and Family Study Center

family planning is likely to be far greater among the urban and rural Ladino populations of Guatemala than among the largely rural Indian population of the country. Any CRS program, as with other family planning efforts in Guatemala, must be prepared to expect and accept extremely slow progress among the Indians, who represent an introverted culture which is distrustful of outsiders and highly resistant to change.

The following tables are constructed of data from the two 1978 studies. Although sampling design and sample sizes differ, the data suggest a similar pattern of family planning usage: highest among urban Ladinos, next highest among rural Ladinos, and lowest among Indians.

PERCENT CURRENTLY USING CONTRACEPTION

	<u>APROFAM CFSC (1976)</u>	<u>APROFAM CFSC (1978)</u>	<u>CPS (1978)</u>
TOTAL	7.2	11.5	18.2
DEPT. OF GUATEMALA (incl. Guatemala City)	-	-	40.5
LADINO INTERIOR	-	-	21.6
South Coast	11.0	16.5	
Eastern	8.7	16.6	
INDIGENIA INTERIOR	-	-	4.0
Quiche	4.3	2.4	
Kekchi	0.0	0.0	

NO KNOWLEDGE OF CONTRACEPTION/FAMILY PLANNING
(percent)

	APROFAM CFSC <u>(1976)</u>	APROFAM CFSC <u>(1978)</u>	CPS <u>(1978)</u>
TOTAL	26.7	21.3	20.2
DEPT. OF GUATEMALA (incl. Guatemala City)	-	-	5.3
LADINO INTERIOR	-	-	8.6
South Coast	7.0	2.7	
Eastern	6.5	7.3	
INDIGENIA INTERIOR	-	-	35.6
Quiche	59.6	58.9	
Kekchi	73.1	49.2	

This lack of knowledge is the most frequent reason given by Indian women for not currently using contraception. The second and third most common reasons in the CPS survey are not defined or articulated ("personal reasons", "other reasons"), perhaps reflect the introverted nature of the Indian population and the difficulty of conducting interviews within this culture. APROFAM is now collecting data (1980-1982) among Indian women on reasons for not contracepting. These data are being cumulated monthly and the latest report will be made available soon.

While current and prospective acceptance of family planning among Guatemalan Indians must be considered to be minimal, there are a few indications which suggest change is possible. The 1976-1978 APROFAM-CFSC studies show that a few intermediate indicators were affected by the advertising and CBD activities (e.g., an increase in knowledge and a decrease in opposition to family planning). Also Bertrand/Pineda and Annis* both speculate that one reason for the low levels of contraceptive usage among Indians may be the lack of availability and promotion of affordable

*Sheldon Annis, "Improving Family Planning Programs in the Highlands of Guatemala", Aug.-Nov., 1978.

methods/products, rather than innate resistance alone. Annis also makes two other claims which may suggest CRS opportunities among Indians:

1. While none of the non-commercial family planning efforts (i.e. MOH clinics, APROFAM's CBD, PVO's) seemed to be having a significant impact, commercial products sold in pharmacies, albeit at high prices, were available and purchased.
2. Indians do frequent pharmacies and rural tiendas and thus these outlets should be useful for CRS distribution.

To alleviate misconceptions and lack of understanding regarding proper use and potential side effects of oral contraceptives, advertising/promotion strategies should address the need for retailer and consumer education.

B. DEMOGRAPHIC TRENDS

The population of Guatemala is estimated to have increased by about 1.25 million or approximately 21% from 1978 to 1980 (based on data provided by MARPLAN). The size of this increase seems questionably large. However, regardless of possible mis-estimates and census errors, it appears that the country's population is growing significantly.

MARPLAN estimates suggest that the country is becoming somewhat more urban and that Ladinos are increasing as a proportion of the total population. The tables below are constructed from 1980 MARPLAN estimates:

	<u>URBAN</u>	<u>RURAL</u>	<u>TOTAL</u>
<u>Total Population</u>			
millions	2.7	4.6	7.3
percentage	37	63	100
<u>Ladino Population</u> (59.6% of total population)			
millions	2.1	2.2	4.3*
percentage	49	51	100
<u>Indian Population</u>			
millions	0.6	2.5	3.1
percentage	19	81	100

C. IMPLICATIONS FOR CRS MARKETING

The contraceptive research and the demographic data described above suggest several implications for CRS marketing development.

1. Although the country's urban population is increasing as a percentage of the total, Guatemala remains largely rural. This has both budget and planning implications. CRS distribution systems, interpersonal communication and mass media (including "local" radio) will have to be designed, and resources allocated, to these sizable rural, mostly hard-to-reach populations.
2. The cultural and behavioral differences between the Ladino and Indian populations are enormous. Farley and Samuel recommend consideration of a "two-tier price/product mix and the possibility of developing different brands for the Indian and Ladino markets." However, the challenge to the CRS program managers will be to seek common elements which both cultures will accept so as to minimize, to the extent possible, the cost and logistical difficulties inherent in shaping

*Note: The estimates for the Ladino and Indian populations, when added by departamento, sum to a figure slightly greater than the estimates for the total population of Guatemala. Either the MARPLAN estimates or the above calculations will require slight revision.

two totally different marketing programs for Guatemala. Some elements must be tailored to the culture (e.g., local radio messages in appropriate languages). However, every effort should be made to avoid separate brand names and separate packaging. Unlike other CRS programs where brand names and packaging are selected to evoke favorable national images and product benefits, brand names in Guatemala should probably be chosen to:

- be pronounceable, but have no meaning in Spanish or the many Indian languages
- have no negative associations.

Likewise, the packaging should be devoid of imagery and designed to avoid negative associations. The program, therefore, would begin with "neutral" brand names and packaging and work to inscribe positive associations in consumers' minds over time for the products.

3. Excluding sterilization and rhythm methods, the most frequently reported method of contraception is the oral contraceptive. Condoms and IUD's are apparently only used in the Department of Guatemala (largely urban), and foaming tablets are so uncommon as to be combined with all other forms of contraceptives in the Contraceptive Prevalence Survey. The following table from the 1978 Contraceptive Prevalence Survey indicates the level of contracepting by method for currently married women aged 15-44.*

*The Guatemala CPS included only female respondents.

	TOTAL	DEPT OF GUATEMALA	INTERIOR LADINO INDIGENA	
<u>Currently not using</u>	81.8%	59.5%	80.1%	94.1%
<u>Currently using</u>	18.2	40.5	21.6	4.0
Sterilization	6.4	13.0	7.7	1.6
Orals	5.4	9.5	6.6	2.2
Rhythm	2.6	6.9	2.3	1.1
IUD	1.3	4.6	0.6	0.7
Condom	0.7	2.4	0.7	0.0
Other*	1.8	4.1	3.7	0.3

While method preference may be tied to availability, cost, and consumer education among other factors, it seems clear that oral contraceptives should be the first products developed for the CRS program in Guatemala. It is likely that a substantial continuity program of missionary advertising and promotion will be required to build trial and usage for condoms and foaming tablets.

4. Various investigators have reported the extreme difficulty and lack of success in developing instructions, directions, and educational materials of any kind for the mostly non-literate Indian population. In addition to availability and affordability of products, progress in motivating contraceptive behavior among Indians will likely require long-term, intensive levels of interpersonal/verbal instruction. APROFAM is engaged in this approach now, with free distribution of contraceptives, village-by-village instruction, and repeat visits after 30 days to determine reported usage and to respond to questions. The CRS program will have to dovetail with this CBD effort and will have to plan a measured step-by-step approach to the rural Indian market.

*Includes injection, foam, jelly, tablet, diaphragm, and withdrawal.

IV. INTEREST AND CAPABILITY FOR A CRS PROGRAM

Discussion with APROFAM management and staff (Dr. Roberto Santiso, Mr. V. H. Fernandez, and the APROFAM senior financial officer) indicated a definite interest in and commitment to the implementation of a CRS program in Guatemala, as a supplement to and expansion of APROFAM's current efforts and activities.

However there are certain legal and political constraints on APROFAM's capability to manage or operate a CRS program in Guatemala.

1. APROFAM is chartered and registered as a non-profit organization. Any overt involvement in commercial activities would lose for them this certification and place all of their income (including AID, IPPF, and other international donor funding) subject to Guatemalan income tax.
2. Family planning/contraception is a controversial subject in Guatemala, and APROFAM has deliberately maintained a low profile to avoid interference and conflict with certain government entities, the Church, and extreme left and right wing groups. Overt sponsorship or involvement in a CRS program might have serious effects on their organization and their ability to continue present activities and efforts.

For the above reasons, alternative structures for an operating entity for the program were discussed and evaluated. These are set forth in Section V, A, which follows.

Discussions with USAID Guatemala officers Mr. Neil Woodruff (Population Office Staff), Mr. Paul Cohn, designated to be Population Officer

beginning June/July 1981 with the departure of Mr. Scott Edmunds, and Mr. Carlos Andrino, (Population Office Staff) indicated that they are interested in and committed to a CRS program as an adjunct to and expansion of current APROFAM activities.

V. STEPS IN PROGRAM DEVELOPMENT

A. ORGANIZATION

A number of possible organizational structures for a CRS program were considered and evaluated. No Guatemalan attorney was present during these discussions, and as there are major legal implications in each of the possibilities considered, APROFAM was asked to have their attorneys investigate and report on the possibilities which appear viable. A clearly defined, legally acceptable structure for the operating entity must be created as the first step in initiating a CRS program with APROFAM. Possibilities considered include:

1. APROFAM would operate the CRS program as an addition to its other programs.

This is patently impossible, given the nature and terms of APROFAM's registration and charter. (See IV 1.)

2. APROFAM would set up a subsidiary company, with a different name, located on other premises; APROFAM management, and selected other individuals, would constitute the company's board of directors. As a subsidiary the company would receive its commodities as a donation from APROFAM, as well as its operating funds and capital. Funds generated by

community sales would be donated to APROFAM, and held in a special account for future program self-sufficiency.

Here again, the legal and political effects on APROFAM's charter, ability to continue to operate, and overall image, were considered potentially too hazardous, thus ruling out further consideration.

3. An existing non-profit organization in Guatemala which could serve as an umbrella or "shell" for the CRS program operating entity would be approached. This organization would be compensated for use of its name and possibly part of its premises by donation of a portion of the program's income from sales.

No-one was able to suggest such an organization (Women's groups, voluntary family planning organizations, Protestant church groups, etc.) presently active in Guatemala. Further, it is assumed that such an organization would operate under a non-profit charter similar to APROFAM's and would risk loss of its own charter if it engaged in commerce.

4. A free-standing non-profit company which would operate the program, receiving commodities and funds from APROFAM, and "donating" income from commodity sales to APROFAM, to be held by them for future program self-sufficiency would be created.

There are possible tax implications in this form of operation (discussed below). Also, and in the absence of any competent legal advice, it is not known if a free-standing non-profit company would be able to engage in commercial activities,

i.e., distribute and sell commodities in the open market.

5. A free-standing for-profit Guatemalan company which would package, promote, and market the program's commodities would be created. This company would receive un-packaged commodities as a donation from APROFAM and the operating funds as a donation from AID, depositing program income into a special AID-designated bank account.

Again, in the absence of competent legal counsel, it is not known if the company's gross income for tax purposes would be considered the value of the donated commodities plus the donated funding plus income from eventual commodity sales. Further, Guatemalan commercial legislation may contain anti-dumping laws, price-fixing provisions, etc. which would leave the company subject to attack and lawsuits from affected competitors already in the market. Such manufacturers as McKesson, Searle, and others are active in Guatemala. In fact, current commercial contraceptive distribution channels offer 23 different brands of pills, 19 brands of condoms, 3 brands of vaginal tablets, and 2 brands of creams.

6. An existing Guatemalan pharmaceutical manufacturer/distributor would be contracted with to include the proposed operating entity and program products in its present organization. The selected organization would house, pay, and otherwise service the CRS program operating unit, and would also, as much as possible, function as a sub-contractor for packaging, distribution, warehousing, etc. Compensation would be on the basis of a previously agreed fee, e.g.,

percentage of income from goods sold, payments for services rendered, or a combination of these.

This alternative offers several advantages:

- a) It assists in maintaining the low profile desired by APROFAM.
- b) It provides economies in staffing: in-place administrative, accounting, and maintenance staff can handle such things as payroll, payment of social security and payroll taxes, provision and maintenance of office space, supplies, facilities, and services.
- c) It provides the presence, required by law, of a licensed pharmacist, who certifies product quality, handling, and storage.
- d) It provides an in-place distribution system. CRS program commodities become another line of products handled by the company. When distribution beyond pharmacies (to small stores, supermarkets, kiosks, gas stations, etc.) becomes desirable, additional distributors serving these outlets can be sub-contracted.

There are few immediately discernible disadvantages. The major disadvantage is the possibility that an organization of the size and competence required is probably already handling one or more lines of contraceptives sold at current prices in Guatemala and would be hesitant to add a line of low-priced, subsidized competing products.

Tax Implications:

The Government of Guatemala imposes a sliding-scale tax on company

gross profits. This is a simple, clear-cut accounting operation, whereby gross profit is calculated by subtracting all operating costs, cost of goods sold, and certain allowable deductions from gross income from sales or operations.

Among the alternatives suggested, several (2, 4, 5) should be studied by accounting and legal experts to determine what might be considered "gross profit" by government tax authorities. As these alternatives include supply of free commodities plus funds for operating expenses, the tax authorities could well consider all or part of this as gross profit.

Secondly, although the commodities will enter Guatemala free of customs imposts or taxes, in accordance with AID requirements, the funds generated by their sale could be taxed.

B. PROGRAM STRUCTURE AND STAFFING

Final decision on this subject must await determination of the type of organization which will operate the program. However, immediately upon decision to implement the program, a program General Manager should be identified and recruited. Minimum qualifications for this individual are:

1. At least 10 years experience in marketing or advertising personal consumer goods (toiletries, cosmetics, OTC drugs, soap, toothpaste, etc.) sold in a variety of retail outlets including "tiendas" (small stores), supermarkets, chemist's shops, and pharmacies.
2. Guatemalan nationality.
3. Working knowledge of English.

Next, and with the involvement of the selected General Manager, two

Sales Managers should be recruited, one to function as Sales Manager -Ladino Markets, and the other to function as Sales Manager - Indigenous Markets. Minimum qualifications for these positions are:

- a) Sales Manager - Ladino Markets
 - 1. Five-plus years experience as a salesman/sales manager for small consumer packaged goods.
 - 2. Guatemalan nationality.
- b) Sales Manager - Indigenous Markets
 - 1. Package goods or related sales experience, a major part of which has been in the indigenous areas of Guatemala.
 - 2. Fluency in Spanish, and one of the two major indigenous languages - Quiche or Katcaiquel.
 - 3. In appearance and heritage more "indigenous" than Ladino.

Once identified and employed, these individuals would at first be housed at APROFAM, and be indoctrinated in and educated concerning the concept and operation of CRS programs, with material supplied by the AID technical assistance contractor. If funds and time permit, the selected Program General Manager might be brought to the U.S. for additional indoctrination, or sent to visit an on-going program.

At such time as a decision is reached as to the format of the program operating entity, the General Manager and two Sales Managers would relocate physically in the selected premises, and in coordination with the selected prime contractor, recruit and employ the remaining staff required by the program. As a minimum, and depending on program operating entity format, this staff would include:

- a) Department of Administration
 - 1. Manager - Administration. (Office management, office

systems, personnel, preparation of required reports)

2. Secretary to above.

3. Accountant. (Maintenance of accounting records required, preparation of required financial reports, payroll, taxes, etc.)

4. Bookkeeper/Typist. (Assistance to 3 above)

5. Necessary additional support staff, as needed. (e.g., secretary to general manager, office boy, receptionist/telephone operator, cleaners, driver, watchman)

b) Sales Department

1. Regional Sales Supervisors. (Number to be determined when sales territories, number of potential outlets, etc., have been defined)

2. Salesman/Pharmacy Detailers -Ladino Markets.

3. Salesman/Pharmacy Detailers - Indigenous Markets. (Numbers of both 2 and 3 above to be determined as in 1 above)

4. Necessary secretarial support staff.

c) Logistics/Warehousing Department

1. Manager. (Responsibility for receipt and warehousing of program commodities, movement to and from packaging contractor(s), movement to distributors or directly to certain retailers, maintenance and control of records pertaining to commodities, etc.)

2. Warehouse Manager.

3. Assistant Warehouse Manager.

4. Support staff as required. (Secretary, watchman, drivers, etc.)

Advertising, promotion, public relations, etc. will be the responsibility

of the General Manager, although he may delegate all or part of these to the Sales Manager, depending on the qualifications, experience, and personalities of the individuals involved.

Interpersonal contacts and related overall IEC efforts are not considered to be a part of the CRS program, but should continue to be implemented by APROFAM.

Timing for employment of this staff will be determined by program progress and needs. Those needing special training, such as salesmen, detailers, etc., should be employed one to three months before their services are actually required, and this time spent in structured training programs.

C. MARKETING RESEARCH STUDY

1. Purpose and Approach

The component of the consultants' workscope which concerned planning a consumer research study met with agreement among both AID/Guatemala and APROFAM. The recommended purposes of this study are:

- a. To update and build upon the existing studies available on family planning in Guatemala.
- b. To serve as the basis for the CRS marketing plan and program development.
- c. To provide a baseline for measuring progress over time. (The study should be repeated periodically, at approximate two-year intervals.)
- d. To assist in promoting CRS to Guatemalan institutions and organizations which will be important for the initiation and continuance of the program.

The proposed study would be implemented by a local research firm,

with input from The Futures Group, AID, and APROFAM. Two members of APROFAM should be particularly helpful:

- Maynardo Quexel - He is a Guatemalan Indian who directs APROFAM's "indigenous program". He can be helpful in preparing for, observing, and analyzing the qualitative phase of the study among Indian respondents. He may also be able to assist in the quantitative phase of the study.
- Maria Antonieta Pineda - She served as the survey director of the Guatemala Contraceptive Prevalence Study and also worked with Jane Bertrand on the study of "Ethnic Differences in the Acceptance of Family Planning in Rural Guatemala".

It is recommended that three local research firms be selected to receive a request for proposal (Section VI of this report); a cover letter indicating the sponsors of the study and where proposals are to be directed in response to the RFP; and appropriate background materials. One of these three firms should be MARPLAN. This organization, and its manager, Mr. Juan A. Esperon, are impressive and appear to be qualified and capable of implementing this study. MARPLAN has experience with conducting qualitative and quantitative studies among both Ladino and Indian respondents, in both urban and rural settings, and the ability to assist in generating test brand names for the study through its affiliate, McCann-Erickson.

While it was not possible to meet with additional research firms, the other two which will receive the RFP can be chosen with the assistance of APROFAM. Six firms selected from the Guatemala City phone book which claim appropriate service capabilities are listed in Appendix A of this report.

2. Proposed Study Design

It is recommended that the consumer study be carried out in two phases among three population segments: urban Ladinos, rural Ladinos, and rural Indians. A potential fourth segment, urban Indians, is not recommended for inclusion in the study for two reasons. First, the budget limits set for the project will not permit an adequate study among all four population segments. Second, urban Indians represent only about eight percent of the total population of Guatemala. It is further speculated that the urban Indian population may be somewhat transient, and difficult to measure or access with CRS program activities.

The two phases of the study are:

1. Qualitative Phase. This will be small-scale guidance research in the form of focus groups conducted to:
 - a) Follow-up and probe further on data gathered from the earlier studies.
 - b) Develop hypotheses regarding products, names, distribution outlets, and communications which can be pursued and confirmed in the subsequent quantitative phase.
 - c) Provide guidance in terms of areas of inquiry, language, and questioning sequences for the quantitative survey instrument.
2. Quantitative Phase. This larger scale study would be as representative as possible - given budget, sampling design, and selection limitations - of the three population segments.

Based on rough cost estimates provided by MARPLAN*, the following tentative design is suggested:

	<u>Urban Ladino</u>	<u>Rural Ladino</u>	<u>Rural Indian</u>	<u>Total</u>
<u>Phase I - Qualitative</u>				
<u>Focus Groups</u>				
Men	2 groups	2 groups	2 groups	6 groups
Women	<u>2</u>	<u>2</u>	<u>2</u>	<u>6</u>
Total Groups	4	4	4	12
<u>Phase II - Quantitative</u>				
<u>Completed Interviews</u>				
Men	250	250	250	750
Women	<u>250</u>	<u>250</u>	<u>250</u>	<u>750</u>
Total Interviews	500	500	500	1,500

This design is likely to cost between \$25,000 and \$30,000, a somewhat higher budget than originally set. If this estimate is confirmed in the proposals received, and if additional funds are not available some reduction in the scope of the study may be necessary. This will be difficult to do and still retain the essential elements of the study, especially since the tentative numbers of groups and quantitative samples cited above are minimal. It is recommended that contingency discussions on reducing the scope of the study await the proposals in response to the RFP. Proposing firms may recommend and justify larger sample sizes.* If more funds are available, larger sample sizes would definitely be desirable and warranted to increase the overall utility of the initial study for planning purposes and future waves of this research for program tracking.

*These rough estimates are: focus groups among Indians -\$1,000 to \$2,000 per group; focus groups among Ladinos - \$800 to \$1,000 per group; quantitative survey in urban and rural settings - approximately \$10 per completed interview.

*Since this consulting trip was completed, and on the basis of this report, consideration has been given to increasing the budget to permit an expanded study design and sample sizes. Appendix C provides an indication of how the study may be expanded to provide greater representation among the subpopulations of Guatemala.

3. Proposed Areas of Inquiry

To maximize the utility of the proposed study for CRS planning, the following areas of inquiry are recommended:

- a. Knowledge of family planning/contraception per se, and by method and brand.
- b. Sources and nature of information about contraception, including method and brand information.
- c. Approval/disapproval of family planning and by method (for self and others).
- d. Reasons underlying approval/disapproval, including probes for each reason given, probes for reasons cited in contraceptive prevalence survey, and in current APROFAM probing among Indian women.
- e. Reported usage by method and by brand.
- f. Current prices reported paid by users by method/brand.
- g. Current sources of products reported by users by method/-brand.
- h. Reasons for usage/non-usage.
- i. Price perceptions among users and non-users by method (what is reasonable, affordable, and good value for the money).
- j. Brand name comprehension and reaction among users and non-users (free association, pronounceability, positives/negatives, product association, overall rating/appeal).

- k. Probes regarding the acceptability of advertising and promotion (including point-of-purchase materials and displays in pharmacies and tiendas) of contraceptives and of general and specific/explicit statements.*

D. NEXT STEPS

The specific steps to be taken in planning, implementing, and analyzing the proposed two-stage consumer study are recommended as follows:

1. Agreement on the tentative approach, design, and areas of inquiry as outlined in this report. (Note: These areas may be revised on the basis of the proposals from local marketing research firms whose experience of Guatemala may justify other designs or techniques, budget availability, and results from the qualitative phase from which the final survey will be drawn.)
2. Agreement on the RFP among The Futures Group, AID/Washington, APROFAM, and AID/Guatemala.
3. Issuance of the RFP to three in-country marketing research firms.
4. Assessment of the responding proposals and agreement on award of the sub-contract.

*Guatemala does not have prior media censorship. However, a group within the Ministry of Education is charged with upholding/protecting public decency. Anecdotal reports claim that two commercials were removed from television: a Protex condom spot that was "crude and too explicit" and a spot for blouses that displayed a woman's breasts as she put on her garment. As an example of a rather explicit advertisement carried in a Guatemalan newspaper during this consulting visit, see Appendix B.

5. Supervision of planning, implementation, and analysis of each phase of the study.
6. Interpretation of results for program planning and development.

It is estimated that these six steps will take approximately five to six months in total.

E. PROGRAM INITIATION

Once APROFAM has demonstrated that a suitable in-country operating entity can be established which is capable of conducting the CRS program without excessive governmental and other restrictions or an excessive tax burden, timing for initiation of the program and the steps necessary for program initiation could be as follows:

3 Months Prior to Program Initiation

1. APROFAM - Complete all legal requirements and establish and register/charter the in-country program operating entity.
2. AID/TA Contractor/APROFAM - Identify and recruit CRS Program General Manager; Sales Manager - Ladino Sales; Sales Manager - Indigenous Sales.
3. AID/Washington - Issue RFP for selection of U.S. prime contractor.

2 Months Prior to Program Initiation

1. AID/TA Contractor/APROFAM - Begin indoctrination of General Manager and two Sales Managers.
2. AID/W - Receive Prime Contractor proposals and begin review.

1 Month Prior to Program Initiation

1. AID/W - Complete review of Prime Contractor proposals.
Announce selected contractor.
2. APROFAM - Locate possible available premises, warehouse space, etc., for the CRS program operating entity.
3. AID/TA Contractor - Begin briefing of selected Prime Contractor's field and back-up staff.

Program Initiation

Prime Contractor's Field Project Manager arrives in-country.

VI. OUTLINE OF RFP FOR RESEARCH STUDY

The following outline is suggested for the request for proposal (RFP). This outline can be expanded upon agreement with the recommendations made earlier (especially Section V. C) in this report. A cover letter would accompany the full RFP for delivery to the prospective suppliers.

A. Background Statement

1. Brief description of current family planning programs in Guatemala.
2. Brief overview of extant research.*
3. Description of CRS potential and prospects.
4. Statement of need for benchmark consumer study.

B. Purposes of Study

(see Section V. C)

*These studies will be provided as background material with the RFP.

C. Populations to be Studied

1. Urban Ladino
2. Rural Ladino
3. Rural Indian

D. Study Design

1. Tentative design (Section V. C)
2. Request for agreement with tentative design or proposed revisions, with justification for either.

E. Proposed Steps to be Followed in Study implementation to

Include:

1. Review of literature/extant research
2. Procedures for selecting, recruiting focus group respondents
3. Proposed moderators
4. Preliminary moderator's guidelines
5. Analysis/reporting of focus groups
6. Development of survey instruments for quantitative research
7. Sampling plan, design, sizes
8. Pretesting of survey instruments
9. Plan for data coding, tabulation, analysis, reporting
10. Data collection procedures, e.g., interviewer training, supervision, interview validation, etc.
11. Presentation of study findings, conclusions, indicated action.

F. Proposed Budget

G. Proposed Timetable/Schedule of Events

H. Personnel Proposed - Experience and Background

I. Organizational Experience and Capabilities

VII. SOURCES OF INFORMATION FOR THIS PROJECT

Publications

Annis, Sheldon, "Improving Family Planning Programs in the Highlands of Guatemala", August-November, 1978, for AID/Office of Population.

Bertrand, Jane T. and Pineda, Maria Antonieta, "Ethnic Differences in the Acceptance of Family Planning in Rural Guatemala", undated, by APROFAM and Community and Family Study Center, University of Chicago.

Farley, John U. and Samuel, Steven Joshua, "A Preliminary Assessment of the Feasibility of a Subsidized Contraceptive Marketing Program for Guatemala", March, 1979, for AID/Office of Population.

Informacion Sobre MARPLAN -capability statement on MARPLAN (undated).

Informacion Socio Economica - Index MARPLAN de Centroamerica - data for 1980 provided on Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama, (undated). Also, data sheets on Guatemala population and per capita income estimates by Departamento and by urban and rural -supplied by MARPLAN.

Pineda, Maria Antonieta, Santiso, Roberto, Morris, Leo, et al., Contraceptive Prevalence Survey, 1978

-Tables for Presentation to AID/POP/Washington, Sept. 1979 (English).

-Encuesta Nacional de Fecundidad Planificacion Familiar y Comunicacion de Guatemala, March, 1980 (Spanish).

Individuals

Dr. Roberto Santiso, Executive Director, APROFAM

Victor Hugo Fernandez, Assistant Manager, APROFAM

Rolando Sanchez, Manager, Logistics, APROFAM

Paul Cohn, HPN Unit, USAID, Guatemala

Neil Woodruff, HPN Unit, USAID, Guatemala

Carlos Andrino, HPN Unit, USAID, Guatemala

Juan Angel Esperon, Managing Director, MARPLAN

APPENDIX AAdditional Marketing Research Firms In Guatemala

Aryon y Asociados, Ltda 1a Av. no 3-08 Zona 10	tel. 310436
Consultores de Mercadeo Asociados S.A. 7a Av. No 6-26 Zona 9	tel. 318742
<u>Imerca</u> 6a Av No 7-66 Zona 10	tel. 312797
Monsanto y Asociados 3a Calle 5-50 Zona 15 - Col. Trinidox	tel. 629718
Servicio de Investigacion de Mercados 13a Calle - 2-25 Zona 1	tel. 534464
Sistemus Ltda Via 5 No 2-01 Zona 4	tel. 323377

**UN MODERNO MEDICAMENTO
DA ALEGRÍA DE VIVIR**



APPENDIX B

**DEVUELVE EL VIGOR SEXUAL
RECONSTITUYENTE GENERAL**

Basándose en el hecho científicamente comprobado de que son las glándulas las que regulan el funcionamiento del organismo del hombre, la ciencia médica ha perfeccionado una fórmula a base de hormonas masculinas que estimula las glándulas restaurando no sólo el vigor sexual, sino también logrando que la persona se sienta optimista, eufórica, de buen carácter y con mayor claridad mental para afrontar sus problemas de trabajo, desapareciendo en su mayor parte el cansancio físico y mental. Esta fórmula se llama TONOSEX y proporciona nueva vitalidad y nuevos bríos juveniles.

Si usted siente total indiferencia o comienza a sentirse débil, tome enseguida TONOSEX y se sentirá un hombre nuevo. En los hombres prematuramente agotados la acción del TONOSEX es rápida, notándose casi de inmediato sus efectos.

TONOSEX RESTAURA LA VITALIDAD

A MODERN MEDICATION BRINGS HAPPINESS TO LIFE

RESTORES SEXUAL VIGOR

A GENERAL RECONSTITUENT

Based on the scientifically proven fact that it is the glands which regulate the functioning of man's organism, medical science has perfected a formula based on male hormones, which stimulates the glands, restoring not only sexual vigor, but also making it possible that the user feels optimistic, euphoric, of better character, and equipped with greater mental vigor, so as to better confront work problems, with the disappearance of the greater part of his mental and physical fatigue. This formula is called TONOSEX and it offers new vitality, and a new youthful outlook.

If you have reached a state of total indifference, or have begun to feel weak, take TONOSEX at once, and you'll feel like a new man. In men prematurely impotent, the action of TONOSEX is rapid, and its effects are immediately apparent

TONOSEX - RESTORES VITALITY

APPENDIX CProposed Expansion in Study Design

Should funding permit, and pending comment from in-country survey researchers, the following expansion is proposed as a means of increasing representation among the subpopulations of Guatemala.

	<u>Urban Ladino</u>	<u>Rural Ladino</u>	<u>Rural Indian</u>	<u>Total</u>
<u>Phase I - Qualitative</u>				
Focus Groups:				
Men	4 groups	4 groups	4 groups	12 groups
Women	<u>4 groups</u>	<u>4 groups</u>	<u>4 groups</u>	<u>12 groups</u>
Total Groups	8 groups	8 groups	8 groups	24 groups
<u>Phase II - Quantitative</u>				
Completed Interviews:				
Men	400	400	400	1,200
Women	<u>400</u>	<u>400</u>	<u>400</u>	<u>1,200</u>
Total Interviews	800	800	800	2,400

The reasons for increasing the number of focus groups in the qualitative phase and the sample sizes in the quantitative phase are as follows:

1. Assuming that the eventual sample frame will include other urban areas in addition to Guatemala City, some qualitative sessions should be conducted in these other areas. This will be useful in developing hypotheses regarding similarities and differences concerning contraception between Guatemala City and other urban areas. It will also be helpful, if differences emerge, in tailoring questions for the quantitative survey instrument.

2. The same point also applies to rural Ladino and rural Indian research:

Rural Ladino - Qualitative sessions should be done in several

disparate rural areas.

Rural Indian - It will not be possible to do adequate research among all, or even most, of the Indian subcultures. However, increasing the number of qualitative sessions will at least permit initial investigations among two major subcultures. This appears to have been the strategy pursued by Bertrand and Pineda in their 1976-1978 study of the Quiche and Kekchi.

3. The increased quantitative sample size will make it possible to have more data breaks in addition to male/female, hopefully including:

- Guatemala City vs. "all other" urban Ladino
- At least two breaks of rural Ladino
- At least two Indian subcultures
- Two or more age breaks (it is conceivable that knowledge, attitudes and reported behavior will differ among the younger end of the 15-49 age range)

Based on the MARPLAN rough cost estimates, this expanded study would cost approximately \$48,000.

Decisions will have to be made regarding the sampling frame for each of the three populations (Urban Ladino, Rural Ladino, and Rural Indian) in terms of representation. What will emerge, presumably, are sampling frames for three separate studies within the whole, rather than a "national survey" of Guatemala.