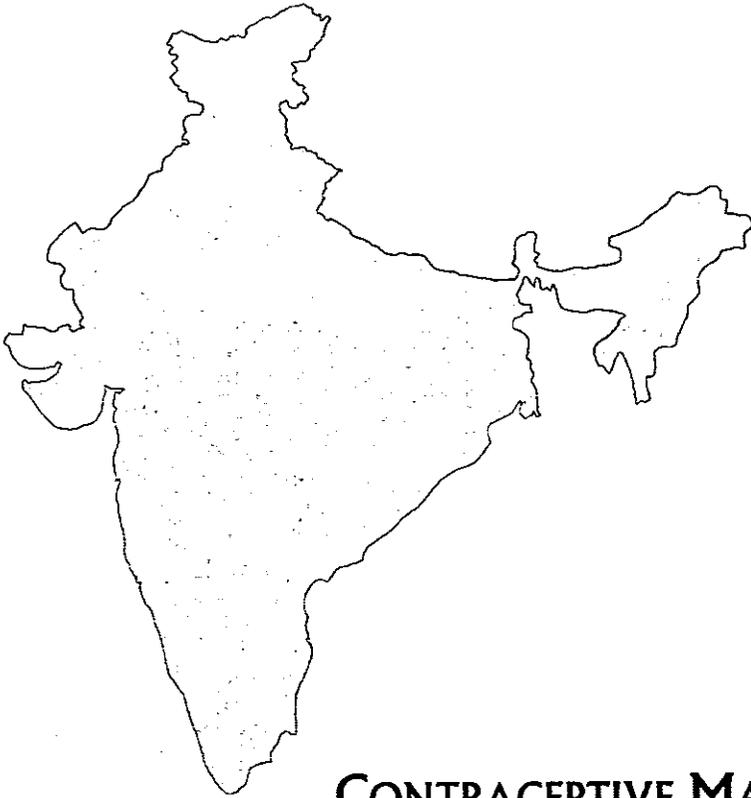


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**CONTRACEPTIVE MARKET ANALYSIS IN
UTTAR PRADESH:**

**A SYNTHESIS AND SUMMARY OF RECENT
RESEARCH**



POLICY

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RESEARCH**

June 1998

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EXECUTIVE SUMMARY

The purpose of this volume is to bring together a series of analyses based on several key studies of the contraceptive market in the state of Uttar Pradesh, India. The contents are examples of the kinds of data and analysis that are required to develop effective marketing plans that take into account the entire market for contraceptives. The volume combines a variety of survey and census data, retail audits, qualitative studies, and secondary analysis such as market segmentation, to provide a complete picture of the contraceptive market and to map out strategies and plans for effective programs.

CONTEXT

Uttar Pradesh is India's largest state in terms of population and currently has an estimated 165 million inhabitants. If Uttar Pradesh were a country, it would be the fifth largest in the world in terms of population size. With high fertility and poor reproductive health indicators, the state has huge unmet need for family planning and perinatal services and education.

The U.S. Agency for International Development (USAID) has sponsored family planning and population programs at modest levels in India since the mid-1960s. In 1992, USAID and the government of India signed a 10-year, \$325 million bilateral agreement to strengthen and expand family planning services and use in the state of Uttar Pradesh. The bilateral is implemented through a mechanism called the Innovations in Family Planning Services Project, or IFPS Project. The IFPS Project is implemented by an autonomous society called the State Innovations in Family Planning Services Agency, or SIFPSA. Within the bilateral, there is a social marketing component with \$42 million in funding assigned to it over the 10 years. Besides the IFPS Project, the USAID Mission in Delhi also supports a private sector initiative called the PAC-CRH Project, which provides loans and start-up grants to Indian firms wishing to expand sales of contraceptives.

Despite several years of efforts on all sides, the social marketing component of the IFPS Project did not get off the ground at the same pace as the other project components. In order to provide a common ground for decision making and the foundation for a strategy to implement a social marketing plan, the Mission requested that the POLICY Project undertake a series of three studies. They also requested that the SOMARC and the POLICY Projects form a team along with SIFPSA and USAID staff to prepare a contraceptive marketing plan for the IFPS Project in Uttar Pradesh.

The team completed the marketing plan in February 1998. By May 1998, the plan had been approved by SIFPSA's Governing Body and by the government of India. Since the IFPS Project is performance-based, USAID, SIFPSA and the government subsequently agreed on initial performance benchmarks and approximately \$16 million in funding for implementing the plan. For the first time in USAID's history in India, it was able to reach formal agreement with the government on a major contraceptive social marketing effort.

CONTENTS

This volume is comprised of seven chapters based on the three POLICY studies, surveys and census data, and the resultant marketing plan. These are:

PERFORM (Project Evaluation Review for Organization Resource Management) Survey, 1995, Chapel Hill, N.C., and Hyderabad, India, 1996, carried out by the University of North Carolina and the Centre for Population and Development Studies, Hyderabad.

Census of India, 1991, various publications, 1992-1993, New Delhi, Ministry of Home Affairs, Office of the Registrar General and Census Commissioner of India.

Segmentation of the Family Planning Market in Uttar Pradesh, carried out by A.C. Nielsen, Pvt. Ltd, New Delhi, January 1998, under the technical direction of Gadde Narayana and Volkan Cakir, POLICY Project.

Market Movement Study on Condoms and Contraceptives, carried out by the Operations Research Group, New Delhi, January 1998, under the technical direction of Gadde Narayana.

Understanding the Contraceptives Market, carried out by the Social and Rural Research Institute, New Delhi, February 1998, under the technical direction of Gadde Narayana.

Market Plan for the Innovations in Family Planning Services (IFPS) Project, New Delhi, February 1998, by Sheila Maher, Gadde Narayana, Rita Leavell, and Harry Cross.

The first chapter in this volume is the analysis drawn from the marketing plan. The subsequent chapters provide summary analyses of different topics that were central to the preparation of the marketing plan.

Some of the principal findings of the research reveal the following:

- An estimated 2.1 million women say that they intend to adopt a spacing method of family planning (either oral pills or condoms) within the next two years. Eighty percent of these women say they intend to use the pill.
- When subsidized condoms were not available in rural areas in 1996-97, not all users switched to commercial sources, and the volume of overall sales declined by 31 percent.
- Any social marketing program, therefore, should aim in the near term to substantially bolster the sales of subsidized Nirodh Deluxe in rural areas.
- Condom use is at the saturation point in urban areas with about 10 percent of all urban couples using them.
- One of every six pill cycles sold in India is purchased in Uttar Pradesh. Two-thirds of pill sales in Uttar Pradesh are subsidized products — mainly Mala-D.
- The largest potential market for spacing methods in Uttar Pradesh is with pill intenders in rural areas — 1.6 million women. A total of 662,000 say they will use a commercial source to obtain oral contraceptives.
- An effective social marketing program for oral pills in Uttar Pradesh would devote a major effort to demand generation and the increase of outlets in rural areas.
- Finally, if all spacing intenders converted to either condom or pill use, the prevalence rate in Uttar Pradesh would double from about 24 percent to nearly 50 percent.

CHAPTER 1

MARKET ANALYSIS FOR IFPS MARKET PLAN

CHAPTER 1

MARKET ANALYSIS FOR IFPS MARKET PLAN¹

I. BACKGROUND

In Uttar Pradesh, the total fertility rate (TFR) was 4.8 in 1992-93. By 1995, it had declined to 4.6 but was still 40 percent higher than the national TFR. According to the 1995 PERFORM survey (a sample of more than 40,000 married women), the average number of children desired was just over four. Desired family size in urban areas (3.8) was less than in rural areas (4.4). Of the total number of currently married women of reproductive age, 25 percent practice a family planning method.

The PERFORM results also showed that contraceptive prevalence was higher in urban areas (45 percent) than in rural areas (22 percent). Sixty percent of all current users of any family planning method were sterilized. The IUD accounted for five percent of users. The pill and condom were used by six percent and 12 percent of married women, respectively. Interestingly, nearly one in six family planning users (17 percent) employed traditional methods. Use of spacing methods, particularly in rural Uttar Pradesh, is very low. Only 4.2 percent of rural women were current users of spacing methods. Nearly half of current users of any modern method in urban areas relied on the private sector for services, while 82 percent of rural users depended on the public sector for services.

Nearly one-third of noncontracepting women would like to use a family planning method in the near future according to the PERFORM respondents. Forty-one percent of urban women said that they intended to use some form of contraception in the next two years, while 34 percent of women in rural areas said they intend to use contraception. Almost all women in urban areas and 77 percent in rural areas knew at least one source to obtain family planning services. Knowledge of family planning methods and sources and intention to use in the future is high in Uttar Pradesh. Yet the number of couples using family planning methods is exceptionally low.

A. IFPS Project

The government of India and the United States Agency for International Development (USAID) signed a 10-year, \$325 million agreement to undertake the Innovations in Family Planning Services (IFPS) Project in 1992. The purpose of the project is to improve the health and well-being of couples and their children in the state of Uttar Pradesh by enabling them to determine the number and timing of their children. The IFPS Project has three main objectives: (1) to increase access to family planning services by strengthening service delivery

¹ This chapter was extracted from the *Market Plan for the IFPS Project* written by Sheila Maher, Rita Leavell, Gadde Narayana, and Harry Cross (SOMARC/POLICY: February 6, 1998), which included a strategy to segment the contraceptive market in India. The document was intended to guide current planning to expand the private sector market for supply methods in both urban and rural areas. Here we have included the first two sections of the market plan, in which the background for the plan and the market situation are presented.

in the public sector and developing or expanding the capacity for service delivery in the nongovernmental sector; (2) to improve the quality of family planning services by expanding the choice of contraceptive methods and by improving quality of services; and (3) to promote family planning by broadening support among current and potential users.

Although the IFPS Project was signed in late 1992, activities did not get off the ground until 1994, due primarily to the complex tasks involved in establishing such a large effort, including having to organize and staff the implementing agency (State Innovations in Family Planning Services Project Agency, otherwise known as SIFPSA). In the past three years, the project has scaled up dramatically. Whereas the amount sanctioned in 1994 was \$1.0 million, that amount increased to \$12 million by 1996. A comprehensive midterm evaluation in 1997 showed that the IFPS Project has a substantial impact on family planning and reproductive health in Uttar Pradesh. If current trends continue, the project will achieve its objectives of increasing family planning users from four million in 1992 to 10 million in 2004. Promotion of family planning through marketing of contraceptives is one of the important strategies identified to achieve these objectives.

B. Marketing Action Plan Objective

To meet the overall project objectives of achieving a TFR of 3.9 by 2004, the modern contraceptive prevalence rate will need to increase to 40 percent. The number of users in Uttar Pradesh will need to increase by millions over the next seven years. Given the youth of the population, there will need to be a major increase in the number of users of temporary methods such as pills and condoms. Project activities will need to reach clients statewide and address essential barriers to the use of these products. The original IFPS Project design included expanded marketing activities, which are essential to meet IFPS objectives.

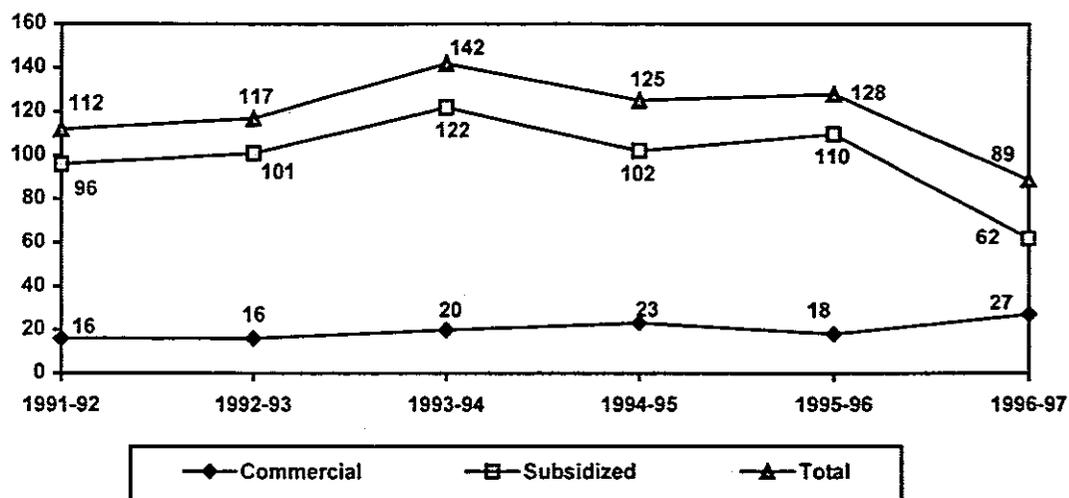
II. THE MARKET FOR FAMILY PLANNING METHODS

A. Condoms

A.1 Current Condom Market

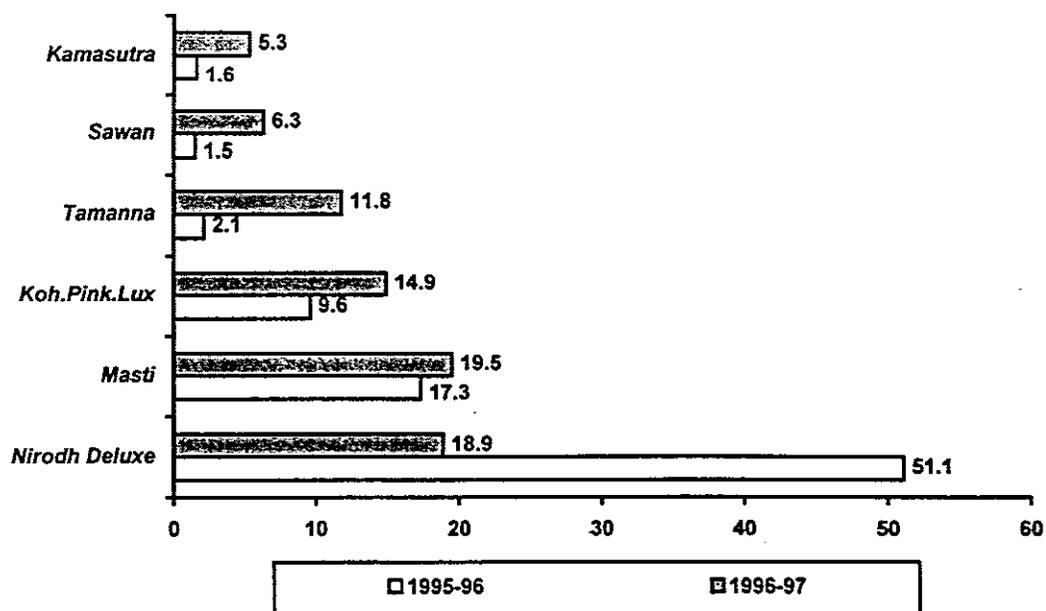
In 1995, one of four condoms sold in India was sold in Uttar Pradesh. From 1991 to 1996, trend lines show that the condom market experienced moderate growth until 1993-94, followed by two years of general decline. In 1995-96, the condom market stood at 128 million pieces, which was about 15 percent higher than the level witnessed in 1991-92. In 1996-97, however, the market experienced a sharp decline in sales for two main reasons. First, Nirodh Deluxe, the subsidized government brand and the market leader, disappeared from retail outlets for several months. Second, some of the major distributors of Nirodh Deluxe, such as Hindustan Lever and ITC, with extensive sales networks in both rural and urban areas, withdrew or were in the process of withdrawing their support to public sector social marketing efforts. Through 1995-96, Nirodh Deluxe was the clear market leader with a share of approximately 50 percent. However, its sales in 1996-97 fell from over 65 million pieces in the previous year to less than 17 million in 1996-97.

Figure 1.1: Volume of Condom Sales in Uttar Pradesh (Millions of Pieces)



The commercial sector gained from the precipitous decline in Nirodh Deluxe sales, doubling its share from just over 14 percent in 1995-96 to 30 percent in 1996-97. However, the total market itself shrank by 31 percent, implying that subsidized or commercial brands could not replace Nirodh Deluxe or compensate for the volume sales lost due to its lack of availability. In terms of actual sales, volumes fell by about 40 million pieces. The brands that gained in market share in 1996-97 were Tamanna, Sawan, and Masti in the subsidized sector, and Kohinoor Pink Luxury and Kamasutra in the commercial sector.

Figure 1.2: Shares of Leading Condom Brands in Uttar Pradesh



There are about 140 condom brands in Uttar Pradesh. There were six leading condom brands with a total market share of 77 percent in 1996-97. Among brand leaders, four were subsidized brands with market shares of 72 percent in 1995-96 and 56 percent in 1996-97. The two leading commercial brands had market shares of 11 percent in 1995-96 and 20 percent in 1996-97.

Urban Uttar Pradesh: The urban condom market stands at almost 48 million pieces in 1996-97, which is 54 percent of the total Uttar Pradesh market. The per capita consumption of condoms in urban areas is nearly five times that in rural areas. The volume of sales of condoms in urban areas in absolute terms has been declining. Only in 1996-97 did the volume of sales increase. The stock-out of Nirodh Deluxe, which was so severely felt in rural Uttar Pradesh, did not make much of a difference in the total volume of sales of condoms in urban areas.

In Uttar Pradesh, the urban condom market was dominated by three subsidized and two commercial brands. The three subsidized brand leaders accounted for 59 percent of share in total market in 1995-96 and 41 percent in 1996-97. The two commercial brand leaders increased their market share from 21 percent in 1995-96 to 28 percent in 1996-97. Nirodh Deluxe, a subsidized brand, was the market leader in 1995-96, but it was replaced by another subsidized brand, Masti, in 1996-97. The major beneficiaries of the decline in the availability of Nirodh Deluxe were the commercial brands. Kohinoor Deluxe improved its market share by 2 percentage points and Kamasutra increased its share by 4 percentage points.

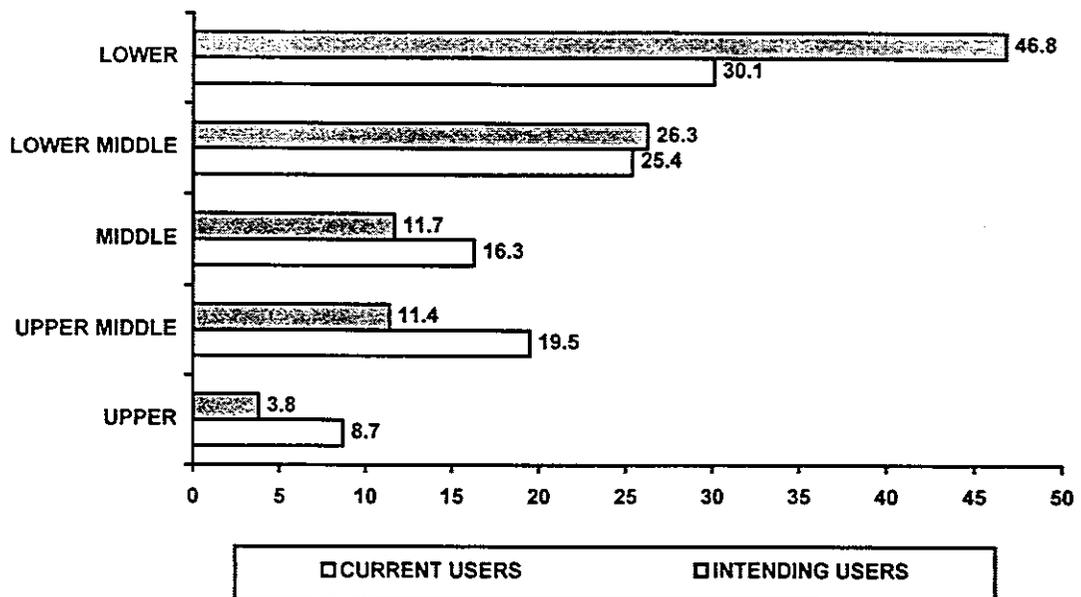
Rural Uttar Pradesh: Condom sales in rural Uttar Pradesh increased from 58 million pieces in 1992-93 to 89 million pieces in 1993-94. The volume of condom sales remained at this level for the next two years. In 1996-97, the absence of Nirodh Deluxe had a major impact on condom sales in rural Uttar Pradesh. Nirodh Deluxe's market share, which was 63 percent in 1995-96, plummeted to 26 percent in 1996-97. Total rural sales for Nirodh Deluxe dropped by 40 million pieces.

Despite the precipitous decline in sales, Nirodh Deluxe continued to be the market leader. Tamanna, another subsidized brand, experienced a large gain. Its market share rose from two percent in 1995-96 to over 22 percent in 1996-97. However, no brand has filled the vacuum left by Nirodh Deluxe and the result has been a massive shrinking of the rural condom market, resulting in loss of condom users.

A.2 Profile of Current and Intending Users of Condoms

The mean age of current users of condoms in rural areas (28) was less than that of users in urban areas (30). However, the mean number of births per current user was less in urban areas (3) than in rural areas (3.3). On average, the current user of condoms had 12 years of schooling in urban areas and eight years of schooling in rural areas.

Figure 1.3: SES of Current and Intending Users of Condoms in Uttar Pradesh



According to the PERFORM survey, the majority of current users of condoms were from the upper-middle, lower-middle, and lower socioeconomic status (SES) groups. In rural areas, the SES groups were more differentiated. Nearly two-thirds of current users in rural Uttar Pradesh belonged to the lower-middle and lower SES groups. The proportion of current users belonging to the middle and the upper-middle SES rural groups was comparatively less and almost negligible in the upper SES group. The majority of current users among the upper, the upper-middle, and the middle SES groups depended on the private sector for supplies, whereas the majority of current users among the lower SES group relied on the public sector. The percentage of those intending to use condoms belonging to the lower and the lower-middle SES groups was much higher compared to the upper and the upper-middle SES groups.

Of the total current users of condoms in urban areas, 77 percent owned a radio while 88 percent possessed a television. Exposure to family planning messages on radio one month prior to the survey among current urban users was 49 percent and on television, 94 percent. In rural areas, 58 percent owned a radio and 36 percent had a television. While 66 percent were exposed to family planning messages on radio in rural areas in the month prior to the survey, 52 percent were exposed to messages on television. Among intending users, 65 percent owned a radio and 75 percent owned a television in urban areas. In rural areas, ownership of radio and television was 42 percent and 27 percent, respectively. Nearly half of intending users in urban areas were exposed to family planning messages on the radio one month prior to the survey, while 75 percent were exposed to messages on television. In rural areas, exposure was less likely: 49 percent heard a message on radio, while 43 percent saw a message on television.

In summary, the typical married woman whose husband uses condoms in Uttar Pradesh is 29 years old, has three children, and has had 11 years of schooling. Urban and rural differences in this regard are minimal. Intending users of condoms in urban areas were younger (25 years), had two children and 10 years of schooling. Rural married women intending to use condoms have an average age of 25 years, two to three children, and nine

years of schooling. A large proportion of intending users of condoms are from lower socioeconomic groups. Television has maximum reach in urban areas and radio has the deepest reach in rural areas among both current and intending users of condoms.

A.3 Potential Condom Market

In the PERFORM survey, all currently married women who were not using any family planning method were asked about their future intentions to use family planning. Those respondents who said they intended to use family planning were asked to specify the method and source they intended to use. In 1995, 763,364 couples were using condoms and 354,508 couples intended to use condoms. Of the total current users of condoms, 72 percent depended on private sector sources and the remaining 28 percent depended on government sources. In case of intending condom users, 165,014 would like to depend on public sector and 189,494 on private sector for supplies.

In urban Uttar Pradesh, 336,720 couples were using condoms, of which 91 percent were dependent on the private sector and 9 percent relied on public sector sources to obtain condoms. Of the total 79,259 intending condom users, 91 percent would like to get services from private sources and 9 percent said they wanted to use a government source.

Table 1.1: Current and Intending Users of Condoms in Uttar Pradesh, 1997

	Current Users			Intending Users		
	Public	Private	Total	Public	Private	Total
Urban	29,976	306,744	336,720	6,983	72,276	79,259
Rural	187,793	238,851	426,644	157,257	113,425	270,682
Total	217,770	545,594	763,364	165,014	189,494	354,508

In rural areas, 426,644 couples were using condoms. Of the total users, 56 percent depended on private sector sources and 44 percent relied on the public sector as the source for their condoms. Intended use in rural areas was very high. Of the total 270,682 couples intending to use condoms, 42 percent would like to obtain services from the public sector, while 58 percent would prefer to use private sector sources.

Intended use of condoms in urban Uttar Pradesh was very low mainly due to high current use of condoms. According to the PERFORM survey, 9.5 percent of eligible women in urban areas were currently using condoms. Any further increase in condom use in urban areas would be difficult, and increased efforts would probably not pay off in achieving project results. In addition, urban users indicated that they do not have access problems and enjoy a wide choice of condom brands. Given this, the urban condom market is well developed and requires little attention. Intended use in rural areas was high in comparison to urban areas, whereas current use was proportionately low in comparison to urban areas. Thus the rural condom market needs major attention.

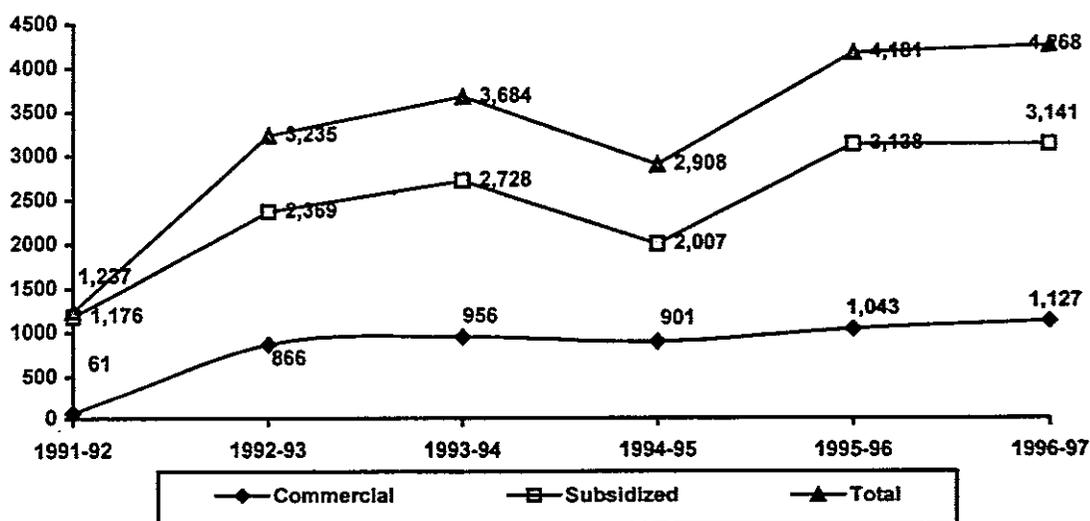
B. Oral Contraceptives

B.1 Current Oral Contraceptive Market

Uttar Pradesh accounts for 16 percent of the total volume of oral contraceptive sales in India. Out of every six cycles of oral contraceptives (OCs) sold in India, one was sold in Uttar Pradesh. There was a major dip in OC sales in 1994-95, probably due to problems associated with procurement and distribution of oral pills. However, the sales volume in 1995-96 exceeded the 1993-94 level, indicating that the overall trend for OC sales was slowly increasing.

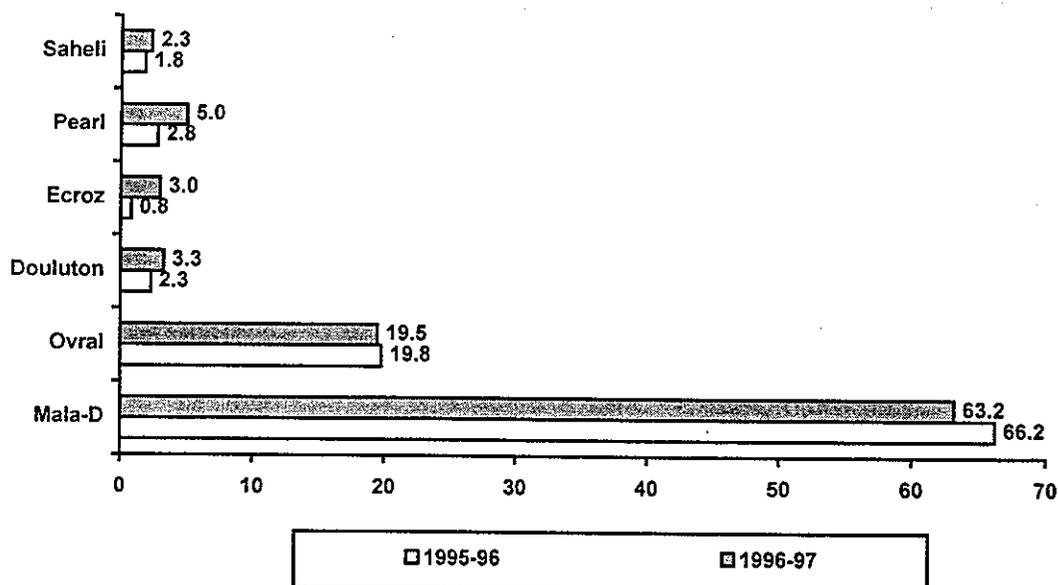
Commercial pill sales formed only 5 percent of oral pill sales in 1992 but increased to 25 percent of market share in 1993. With improved access to subsidized products and stepped-up promotional activities by the national Ministry of Health and Family Welfare, the market favorably responded to subsidized brands. Out of every four cycles of OCs sold in Uttar Pradesh in 1996-97, one was sold in the commercial sector and three in the subsidized sector.

Figure 1.4: Volume of Oral Pill Sales in Uttar Pradesh ('000s)



While the commercial sector has grown steadily in the last six years, fluctuations in volume sales were experienced in the subsidized sector. Mala-D, the principal subsidized brand, was the undisputed market leader. During 1992-93, the entire retail market expanded from 1.2 million units the previous year to 3.2 million units, and the volume of sales of Mala-D increased from 1.2 million units to 2.3 million units. However, its market share fell from 95 percent to 73 percent during the same period thanks to the introduction of commercial products and other subsidized brands. By 1996-97, the other top-five brands were Ovrал, Ovrал-L, Ovrал-G, and Pearl. Ovrал brands are commercial products, while Pearl is a subsidized brand.

Figure 1.5: Shares of Leading Oral Pill Brands in Uttar Pradesh



Urban Uttar Pradesh: The urban market for oral pills was 2.3 million units in 1996-97, which was 54 percent of the total sales volume. The commercial sector served only eight percent of the urban market in 1992, which increased to 39 percent in 1997.

Mala-D is the market leader in the urban market with a market share of 53 percent in 1996 and 46 percent in 1997. All three Ovral brands put together had a market share of 25 percent in 1994, which increased to 28 percent in 1997. The market share of Pearl, a subsidized brand, remained at 3.6 percent until 1995 and then increased to a 4.7 percent share in 1996, and a seven percent share in 1997. The market shares of all other brands remained more or less the same.

Rural Uttar Pradesh: In rural areas, there has been a steady increase of oral pill sales. The increase in sales volume in rural areas was largely due to the increase in the sale of subsidized products. Out of every 10 oral pill cycles sold in rural Uttar Pradesh in 1997, one was a commercial product and nine were subsidized products.

Unlike the urban market which has a significant presence of commercial brands, the rural oral pill market is entirely dominated by subsidized products. The market share of Mala-D, the market leader, increased from 77 percent in 1995 to 84 percent in 1997. Ovral brands, which commanded a market share of 18 percent in 1993, ended the year 1997 with only a 9 percent market share. The market share of all subsidized brands was 81 percent in 1994, which gradually increased to almost 90 percent in 1997.

B.2 Profile of Current and Intending Users of Oral Pills

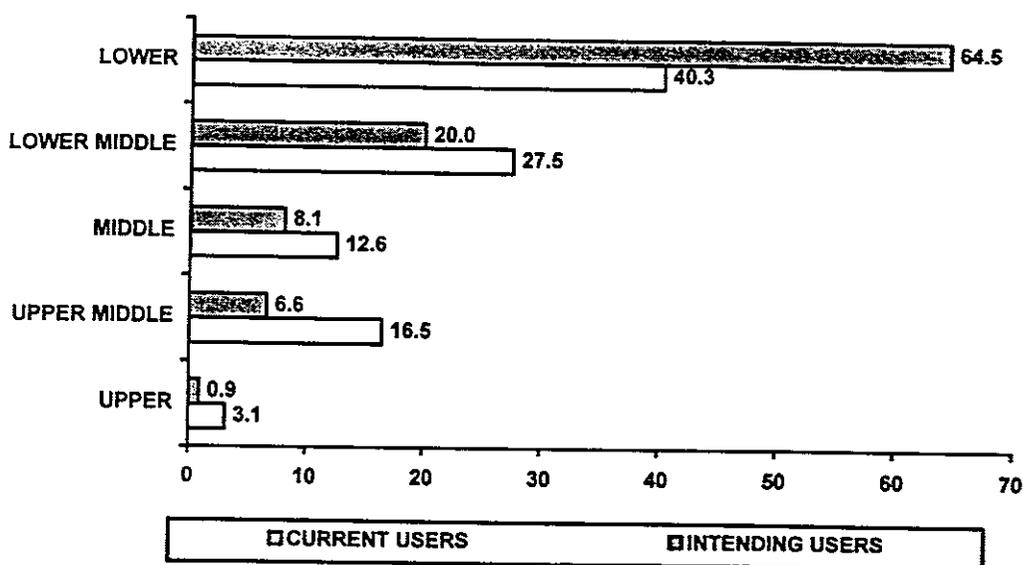
The average age of women using oral pills in Uttar Pradesh was 29 years. The typical woman had 3.6 births and nine years of schooling on average. The average age of current users in rural areas (28) was slightly lower than that of users in urban areas (31). However,

there were no differences between urban and rural oral pill users in regard to the average number of births (3.6). Urban users were slightly more educated than rural women.

Two-thirds of current users of oral pills were from the lower and the lower-middle SES groups in Uttar Pradesh. In urban areas, 50 percent of current users were from the upper, the upper-middle, and the middle SES groups, and the remaining half belonged to the lower and the lower-middle SES groups. In contrast to urban areas, rural pill users were mostly from the lower and lower-middle categories (74 percent). A very small proportion of current users was from the middle and upper SES groups.

Of the total intending users of oral pills, 85 percent were from the lower and the lower-middle SES groups and only 16 percent were from the middle and upper SES groups. Intention to use oral pills in Uttar Pradesh was very high in lower SES groups with lower amounts of disposable income. Even in urban areas, nearly two-thirds of intending users were from the lower and the lower-middle categories. In rural areas, an overwhelming proportion of intending users (87 percent) was from the lower SES groups.

Figure 1.6: SES Status of Current and Intending Users of Oral Pills in Uttar Pradesh



Of the total current pill users in urban areas, 64 percent owned a radio and 78 percent owned a television. Slightly more than half of current users (53 percent) were exposed to family planning messages on radio in the month prior to the survey in urban areas, while 91 percent were exposed to television messages. In rural Uttar Pradesh, 52 percent of current pill users owned a radio and 27 percent owned a television. Nearly one-third of current users were exposed to family planning messages on the radio in the month prior to the survey and 40 percent were exposed to messages on television.

Among intending users, one-third owned a radio and only 16 percent owned a television. However, 60 percent were exposed to messages on radio and 35 percent were

exposed to family planning messages on television in the month prior to the survey. In urban areas, half of intending users owned a radio and an equal proportion owned a television. Exposure to family planning messages on television (75 percent) was much higher compared to radio (46 percent) in urban areas. In contrast, only 32 percent of intending users owned a radio and 12 percent owned a television in rural areas. Nearly two-thirds had heard a family planning message on radio, however, while only 29 percent saw a family planning message on television in the month prior to the survey.

B.3 Potential Oral Contraceptive Market

All currently married women who were not using a family planning method were asked about their future intentions to use family planning methods. Those who were intending to use were asked to specify the method they intended to use. At the time of the PERFORM survey in 1995, 394,282 women were current users of oral pills. Nearly 60 percent of women depended on private sector sources for supplies and the remaining 40 percent relied on public sector sources. The potential market for oral pills in Uttar Pradesh is huge, almost five times the number of current users. Approximately 1.7 million women intended to use pills in the future. Of the total intending users, 55 percent preferred to use pills obtained from the public sector, and 45 percent would like to purchase products in the private sector. In terms of the total number of cycles, the potential annual market is 22.7 million cycles (for current users plus intending users), of which 12.5 million cycles would come from the public sector and 10.2 million cycles would come from the private sector.

Table 1.2: Current and Intending Users of Oral Pills in Uttar Pradesh, 1997

	Current Users			Intending Users		
	Public	Private	Total	Public	Private	Total
Urban	13,642	87,578	101,220	42,154	126,946	169,100
Rural	147,900	145,161	293,061	917,959	662,429	1,580,388
Total	161,542	232,739	394,282	960,112	789,376	1,749,488

In urban Uttar Pradesh, only 101,220 women in the reproductive age group were currently using oral pills. Of these, 87 percent were dependent on the private sector. Of the intending users of family planning methods, 169,100 would like to use oral pills. The total potential urban market would be 3.5 million cycles of pills. Of the total urban intending users, 75 percent would like to depend on private sector sources and 25 percent would use public sector products. The total potential private sector market in urban areas is 2.8 million cycles.

In rural areas, 293,061 women were current users of oral pills and 1,580,388 women would like to use pills in the future. The total potential rural market (current users plus intending users) is 24 million cycles of pills. Of the total intending users, 58 percent preferred public sector sources for free products and the remaining 42 percent would like to use private sector sources. The potential private sector market in rural areas is 10.5 million cycles while the public sector market is 13.4 million cycles.

III. CONCLUSIONS OF MARKET ANALYSIS

A. *Condoms*

The average age and parity levels of condom users in Uttar Pradesh is higher than for intending users. Intending users in both rural and urban areas are from younger age groups and had lower parity. This provides an opportunity to influence fertility behavior by encouraging use of condoms. Of the total number of eligible couples in urban areas, nearly 10 percent are condom users. The number of intending condom users is low. Both subsidized and commercial brands of condoms are available in urban areas. Urban clients using subsidized condoms, when faced with stock-out situations, switch to commercial brands. This market is, therefore, well-served. Demand promotion is being handled by commercial brands, which will not be a focus of IFPS activities.

The number of intending condom users is high in rural areas. Stock-outs of subsidized brands, mainly due to procurement and distribution problems, have an adverse impact on condom users in rural areas. Unlike urban clients, rural users do not have access to multiple supply points or to commercial products. The potential condom market is more widespread among different SES segments in urban areas. By contrast, the intender market in rural areas is largely drawn from the lowest SES groups, which include the majority of the rural population.

The condom market in Uttar Pradesh is crowded with different brands. Nearly 15 subsidized brands and about 125 commercial brands compete with each other in the market. There has been inadequate attention to demand-generation activities for condoms in rural areas. In addition, access to products is a major problem. Uttar Pradesh has about 500,000 commercial outlets, of which only 120,000 stock condoms. The leading commercial brand, Kohinoor Pink Luxury, reaches only 50,000 outlets. It is both difficult and expensive to stock rural outlets with low demand. Given this, the commercial sector is not willing to invest resources to expand its distribution networks into rural areas.

B. *Oral Pills*

Development of the market for oral contraceptives provides an large opportunity for SIFPSA. Based on the reported number of pill intenders, this market is poised for expansion. However, converting those intenders requires substantial effort and support to potential consumers as well as substantial effort to improve access to products in rural areas. The ability to market low-dose pills as an over-the-counter purchase is another opportunity that has not been capitalized upon. Current users of oral pills have three to four children and an average age of 29. There are no major differences between users in urban and rural areas. The differences between intending users and current users particularly in rural areas are minimal. The challenge is to increase sales by attracting younger and lower parity women into the market for oral pills.

The potential market for oral pills is huge both in rural and urban areas. Most of the intending users are from the lower and the lower-middle SES groups. These groups face problems of access to information and supplies. Of the total intending users, nearly 55 percent

opted for private sector supplies, and the remaining 45 percent would prefer to use public sector supplies. To reach the lower SES groups, public sector distribution systems have to be streamlined and private sector marketing efforts should be stepped up.

Both commercial and subsidized sectors largely depend on chemists for distribution of pills. A minimal number of non-chemists stock oral pills; therefore, distribution of pills through non-chemists would improve the access to products considerably.

The leading oral pill brand in Uttar Pradesh is Mala-D, a subsidized product. In urban areas, commercial brands have some presence with a 24 percent market share. But in rural areas, Mala-D is just about the only brand available. It is useful, therefore, to strengthen the brand image and the distribution of Mala-D to make it attractive to the intending users in rural areas.

C. *Spacing Method Potential*

Current prevalence of modern spacing methods is very low in Uttar Pradesh; however, there is strong evidence of an opportunity to improve that situation. There are substantial numbers of intending users of pills, condoms, and other family planning methods that have not chosen a method. These women can serve as a primary target audience for marketing efforts for spacing products. Converting only these "intenders" would double current prevalence and dramatically increase the proportion of women using pills—a more reliable spacing method than the condom.

Beyond this intender market, there is also a large segment of women who wish to limit or space their families but who at this point have no intention of using a family planning method within the next two years. Though more difficult to convert, these women with an unmet need constitute a potentially huge opportunity for future family planning use. By showing that modern contraceptive methods can help them to achieve their stated fertility objectives, many of these women may be converted to intenders and then to users. Thus, the potential market for spacing methods is enormous.

CHAPTER 2

Market Segments in Rural and Urban Uttar Pradesh

CHAPTER 2

MARKET SEGMENTS IN RURAL AND URBAN UTTAR PRADESH²

I. METHODOLOGY

Market segmentation helps divide consumer groups into clusters and segments with shared psychological and social needs and expenditure patterns. There are various ways of segmenting the market; the commercial sector usually works around socioeconomic status variables to identify market segments. In addition to socioeconomic status variables, this study also takes demographic variables such as women's age, education, parity, number of living children and ideal number of desired children into consideration. Current users of modern contraceptive methods, women with unmet need for both spacing and limiting methods, women with unwanted pregnancies, and women who became pregnant due to method failure constituted the total set of consumers or the "market." The PERFORM survey data collected in 28 districts of Uttar Pradesh in 1995 formed the basis for analysis. A total of 48,022 married women in the reproductive age group were interviewed for the PERFORM survey. Of these women, 38,259 women were considered as part of the potential market following the above definition. In rural areas, 36,526 women were interviewed of which 80 percent were considered as part of the potential market. In urban areas, 11,496 women were interviewed of which 86 percent were considered as part of the potential market.

A cluster analysis technique was used to identify market segments. Cluster analysis uses observed differences between women in the total sample to assign each woman to a particular cluster based on her characteristics. Cluster analysis was implemented separately for respondents from rural and urban areas.

II. MARKET SEGMENTS IN RURAL UTTAR PRADESH

Based on the cluster analysis, the following consumer segments were identified in rural areas of Uttar Pradesh. Each consumer segment was given a label for easy identification as follows:

High income group, late childbearing age (30-34), educated women (5+ years of schooling), and medium parity (3-4)	Premium
Middle income group, young (20-29), educated women (5+ years of schooling), and low parity	Prestige
Low income group, late childbearing age (35-49), illiterate, and high parity	Popular I
Low income group, young (20-29), illiterate, and medium parity	Popular II
Low income group, very young (13-24), illiterate, and low parity	Popular III

² This chapter, written by Gadde Narayana with input from Volkan Cakir, is based on a market segmentation study of Uttar Pradesh carried out by A.C. Nielsen, Private Limited, New Delhi, for the POLICY Project (January 1998). The full report, *Segmentation of the Family Planning Market in Uttar Pradesh* is available upon request.

A. Size of Rural Market Segments

Of the total potential rural market of 16 million women in Uttar Pradesh, the Premium segment constituted 13 percent of the total market; the Prestige segment, 11 percent; Popular I, 32 percent; Popular II, 27 percent; and Popular III, 17 percent. Translated into numbers, the Premium segment consists of 2 million people; the Prestige segment, 1.7 million; Popular I segment, 5.2 million; Popular II segment, 4.4 million; and Popular III segment, 2.7 million.

Table 2.1: Potential Market for Family Planning Method Use in Rural Areas, 1997

Market Segments	Population Size	Percent Market Share
Premium	2,005,584	13
Prestige	1,716,780	11
Popular I	5,198,473	32
Popular II	4,396,240	27
Popular III	2,727,594	17
All Segments	16,044,669	100

B. Current Contraceptive Use in the Potential Rural Market

The percent of current users of any contraceptive method in each segment was determined in order to know the extent of acceptance of contraception. The Premium segment, with its population of high-income, literate, middle-aged women, leads the list with 49 percent current users, followed by the Popular I segment, with its population of low income, illiterate, older women, which had 38 percent current users. The lowest proportion of users (6 percent) was found in the Popular III segment, which consisted of young, low-income, illiterate women. From the point of view of family planning method use, the Prestige, Popular II, and Popular III segments were the least served and, therefore, most in need of attention.

Table 2.2: Percentage of Users of Any Family Planning Method in Rural Market Segments

	Premium	Prestige	Popular I	Popular II	Popular III	Total
Market Share	13	11	32	27	17	100
Current users	49	27	38	21	6	28
Non-users	51	73	62	79	94	72
Total	100	100	100	100	100	100

C. Use of Family Methods in Rural Market Segments

Use of specific family planning methods in each segment was calculated. The Premium and Popular I market segments, with a large proportion of current users of any family planning method, relied primarily on sterilization methods. Of total users, 73 percent in the Premium and 78 percent in the Popular I segments were users of sterilization methods. Use of spacing methods in both these segments was very low. This was mainly because both segments are represented by middle-aged (30-34) or older (35-49) women with high parity levels. Since sterilization is a very effective method for these groups of women, they need less attention in the promotion of oral pills and condoms.

Figure 2.1

PERCENTAGE USE OF SPECIFIC METHODS IN PREMIUM SEGMENT

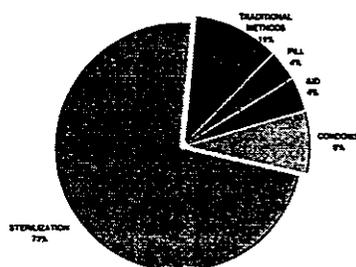


Figure 2.2

PERCENTAGE USE OF FP METHODS IN POPULAR III SEGMENT

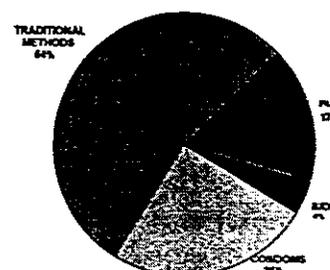


Table 2.3: Percentage Users of Specific Family Planning Methods Among Current Users in Each Rural Market Segment

	Premium	Prestige	Popular I	Popular II	Popular III	Total
Market share	13	11	17	32	27	100
Pill	4	13	3	9	17	6
IUD	4	12	2	6	4	4
Condoms	8	25	4	11	25	9
Sterilization	73	32	78	55	—	66
Traditional Methods	11	18	13	19	54	15
Total	100	100	100	100	100	100

The percentage of spacing method use was highest in the Prestige market segment, which consisted of young, literate women with middle income levels. Of the total number of current users of family planning methods, nearly half were users of spacing methods and another 18 percent were users of traditional methods. Though the current use rate was very low in the Popular III segment (6 percent), all current users were users of spacing or traditional methods, indicating a strong inclination in this group to space births. In fact, 54 percent of total users were traditional method users. This, however, is not getting translated into use of modern spacing methods.

D. *Source of Services Among Current Users of Spacing Methods in Rural Areas*

Sources for obtaining condom, oral pill, and IUD services among current users of each market segment were examined. In all segments except for the Prestige group, a majority of couples depended on the public sector to supply oral pills and condoms. Even the Premium segment, with high income levels, depended on the public sector for oral pill supplies. In rural areas, it looks more like a problem of accessibility to private sector products rather than price factors. A majority of couples in the Premium and Prestige segments relied on private sector condom brands. As expected, a majority of women in all market segment groups in the Popular segment depended on public sector sources for supply of condoms and pills. More than two-thirds of all women depended on the public sector for IUD services.

Table 2.4: Sources of Services for Current Users of Contraceptive Methods in Rural Uttar Pradesh

		Premium	Prestige	Popular I	Popular II	Popular III	Total
	Market Share	13	11	32	27	17	100
Pills	Public	52	44	53	56	58	53
	Private	48	56	47	44	42	48
Condoms	Public	35	38	55	52	56	46
	Private	65	62	45	48	44	54
IUD	Public	66	71	80	85	82	76
	Private	34	29	20	15	18	24

E. *Method Preferences of Intending Users in Rural Areas*

An analysis was performed of those intending to use a specific contraceptive method in the future. Sterilization was the most preferred method in all market segments, followed by oral pills. Though the current use of condoms was higher, only a small percent of intending users preferred this method. This information should be taken with a bit of caution because women were respondents to the PERFORM survey.

Table 2.5. Method Preference Among Intending Users in Rural Areas

	Premium	Prestige	Popular I	Popular II	Popular III	Total
Market Share	13	11	32	27	17	100
Pill	21	14	26	29	40	27
IUD	7	7	7	4	6	6
Condoms	5	6	5	5	3	5
Sterilization	52	57	47	39	39	46
Others	3	1	2	2	3	2
Unsure	12	14	13	21	9	14
Total	100	100	100	100	100	100

F. Source Preferences of Intending Users in Rural Markets

Women intending to use the oral pill and condom methods were asked to identify the source they would like to use for services. An analysis of preferred source for services was done for each market segment.

For both condoms and oral pills, women preferred the public sector as a source, irrespective of the market segment they represented. This was in variance with actual source of services among current users of family planning services. There could be two reasons for this: (1) the public sector was probably the first source that came to survey respondents' minds; and (2) most new users probably try a public source first before switching to private sources. As expected, a slightly higher proportion of women cited private sector sources in the Premium and Prestige segments as compared to the Popular segments.

Table 2.6: Preferred Source of Supplies Among Intending Users of Oral Pills and Condoms

	Premium	Prestige	Popular I	Popular II	Popular III
Market Share	13	11	32	27	17
Oral Pills					
Public	62	59	59	61	63
Private	31	35	27	26	26
Don't know	7	6	14	14	11
Total	100	100	100	100	100
Condoms					
Public	59	49	63	59	54
Private	35	46	29	37	38
Don't know	7	5	8	4	8
Total	100	100	100	100	100

G. Exposure to Media in Rural Uttar Pradesh

Exposure to family planning messages in each market segment was analyzed. A small number of women were exposed to family planning messages through the cinema, print media, and advertising. Radio and television provided the maximum exposure for family planning messages. In general, a slightly higher number of current users compared to non-users were exposed to family planning messages on television and radio. Exposure to family planning messages on television and radio was much higher among the Premium and Prestige market segments compared to other market segments for both oral pills and condoms. Differences between market segments regarding exposure to family planning messages on the radio were minimal. Only one-third of all women were exposed to messages on television in the Popular segments compared to two-thirds of women in the Premium and Prestige segments. Lack of access to media is a major constraint for any promotional activity.

Table 2.7: Percentage of Women in Different Market Segments Exposed to Family Planning Messages on Radio and Television

		Premium	Prestige	Popular I	Popular II	Popular III	Total
Market Share		13	11	27	32	17	100
Radio	All women	61	65	60	61	63	62
	Users	59	63	60	63	65	61
	Non-users	63	66	58	60	63	62
TV	All women	54	64	33	31	30	41
	Users	60	68	37	37	23	47
	Non-users	47	62	29	28	31	38

H. Summary Findings about Rural Market Segments

- Contraceptive prevalence in the Prestige, Popular II, and Popular III segments is very low. The three segments, which constitute 55 percent of the total market, require more attention, particularly in promotion of spacing methods.
- One of the main reasons for the low prevalence rates in these segments is low acceptance of sterilization methods as compared to the Premium and Popular I segments. Since women in these segments are young, have low parity, and belong to lower-middle and lower income groups, emphasis should be on the promotion of spacing methods.
- A significant proportion of current users of pills and condoms in rural areas of Uttar Pradesh, irrespective of the market segment to which they belong, obtain services from private sector sources. This clearly indicates that access, not price, is a constraint. The more access to private sector sources there is, the more users will obtain services from the private sector.

- Nearly 38 percent of intending users in the rural market of Uttar Pradesh would like to use spacing methods. Of the total intending users of spacing methods, 71 percent would like to use oral pills. Preference for oral pills compared to condoms and IUDs is very high in all rural market segments. Major increases in the contraceptive prevalence rate should, therefore, come from oral pill use.
- Lack of exposure to media is a major constraint in rural areas. While two-thirds of women in all market segments are exposed to family planning messages on the radio, only 41 percent are exposed to messages on television. Other media play an insignificant role. The potential of radio to reach the maximum number of people in rural areas should be put to effective use.

III. MARKET SEGMENTS IN URBAN UTTAR PRADESH

Cluster analysis was done for urban areas using the same methodology as for rural areas. The identified segments for the urban market are, however, different. The market segments are identified as follows:

High income group, late childbearing age (30-39), educated women (5+ years), medium parity (3-4)	PREMIUM
Middle income group, young (20-29), educated (10+ years), low parity	PRESTIGE
Middle to lower income group, mid childbearing age (25-34), illiterate, medium parity (3-4)	DELUXE-YOUNG
Lower middle and low income group, late childbearing age (35-49), illiterate, high parity (5+)	DELUXE OLD
Low income group, early childbearing age (13-24), illiterate women, low parity (0-2 children)	POPULAR

A. *Size of Urban Market Segments*

The total size of the consumer market in Uttar Pradesh is 4.6 million women. Of these women, 1.1 million belong to the Premium segment, 0.9 million to the Prestige segment, 1.2 million to the Deluxe Young segment, 0.9 million to the Deluxe Old segment, and the remaining 0.6 million to the Popular segment. In terms of percentage of market share, the Premium segment has a 24 percent share; Prestige, 19 percent; Deluxe Young, 25 percent; Deluxe Old, 19 percent; and Popular, 13 percent.

Table 2.8: Potential Market for Family Planning Method Use in Urban Areas, 1997

Market Segments	Population Size	Percent Market Share
Premium	1,094,236	24
Prestige	861,711	19
Deluxe Young	1,148,947	25
Deluxe Old	879,948	19
Popular	579,033	13
Total	4,563,874	100

B. Current Contraceptive Use in Potential Urban Market

The extent of use of any type of contraceptive method in each market segment was analyzed. In the Premium segment, which consists of literate women with high income levels and medium parity with late childbearing age, 71 percent were current users of contraceptive methods. Only 43 percent of women in the Prestige, Deluxe Young, and Deluxe Old segments were current users. Contraceptive use was lowest (9 percent) in the Popular segment. More attention should be paid to women in the Popular segment.

Table 2.9: Percentage Users of Any Family Planning Method in Urban Market Segments

	Premium	Prestige	Deluxe Young	Deluxe Old	Popular	Total
Market Share	24	19	25	19	13	100
Current Users	71	43	45	43	9	46
Non-users	29	57	57	57	91	54
Total	100	100	100	100	100	100

C. Use of Specific Family Planning Method in Urban Segments

Use of family planning methods in each urban market segment was analyzed. In the Premium segment, 57 percent were users of sterilization methods and 21 percent used condoms. An insignificant proportion of women in this segment used the IUD and pills. In the Prestige segment, the IUD and condoms were the most preferred methods. Sterilization users formed 57 percent of current users in the Deluxe Young segment. Sterilization method acceptance was highest among women in the Deluxe Old segment. The Popular segment to a large extent depended on pills and condoms. Nearly one-third of current users in the Popular segment were also traditional method users. The urban market is more differentiated than the rural market, with each segment using different types of methods.

Table 2.10: Percentage Users of Specific Family Planning Methods Among Current Users in Each Market Segment

	Premium	Prestige	Deluxe Young	Deluxe Old	Popular	Total
Market Share	24	19	25	19	13	100
Pill	4	10	8	5	17	6
IUD	8	20	4	2	6	8
Condoms	21	42	17	10	42	22
Sterilization	57	14	57	70	—	50
Traditional Methods	11	15	14	13	35	13
Total	100	100	100	100	100	100

Figure 2.3

PERCENTAGE USE OF FP METHODS IN POPULAR SEGMENT

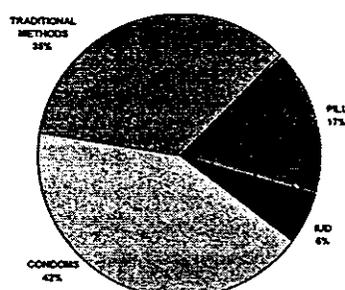
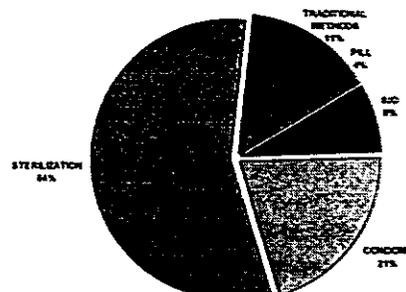


Figure 2.4

PERCENTAGE USE OF SPECIFIC METHODS IN PREMIUM SEGMENT



D. Source of Services Among Current Users of Spacing Methods in Urban Areas

Most current users of pills and condoms depend on the private sector. This is true for all market segments. The public sector plays an insignificant role as a source of services for oral pill and condom users in urban areas. In contrast to this, nearly half of IUD users in the Premium, Prestige, Deluxe Old, and Popular segments depend on the public sector. The proportion of the Deluxe Young segment who depend on the public sector for IUD services is very high (74 percent). In the urban areas of Uttar Pradesh, the private sector is generally the main source of services for all spacing methods for all market segments.

Table 2.11: Sources of Services for Current Users of Contraceptive Methods

		Premium	Prestige	Deluxe Young	Deluxe Old	Popular	Total
Market Share		24	19	25	19	13	100
Pill	Public	13	16	15	20	20	20
	Private	87	84	85	80	80	80
Condoms	Public	9	9	9	9	9	9
	Private	91	91	91	91	91	91
IUD	Public	53	50	74	58	57	58
	Private	47	50	26	42	43	42

E. Method Preferences of Intending Users in Urban Uttar Pradesh

Of the total number of women who intend to use family planning methods in the Premium segment, 62 percent preferred sterilization methods, 10 percent opted for pills, and another 11 percent for the IUD. A very small proportion of women mentioned the condom as the preferred method. In contrast to this, women in the Prestige segment showed equal preference for both spacing and limiting methods. While 43 percent opted for limiting methods, 41 percent preferred spacing methods. Interestingly, an equal proportion of women in the Prestige segment (12 to 14 percent for each method) would like to use condoms, oral pills, and the IUD. In both the Deluxe Young and Deluxe Old market segments, an equal proportion of women opted for spacing and limiting methods. However, the preference for oral pills far outstripped other methods, such as the condom and IUD, in both market segments. Sixty-two percent of those who intend to use spacing methods in the Deluxe Young and 72 percent of those in the Deluxe Old category would like to use oral pills. Of the total intending users in the Popular segment, 34 percent prefer sterilization; 31 percent, oral pills; 10 percent, condoms; and 7 percent, the IUD. After sterilization methods, the oral pill is the most preferred method among intending users in almost all market segments.

Table 2.12: Method Preference Among Intending Users in Urban Uttar Pradesh

	Premium	Prestige	Deluxe Young	Deluxe Old	Popular	Total
Market Share	24	19	25	19	13	100
Pill	10	14	26	34	31	23
IUD	11	12	7	6	7	9
Condoms	7	13	9	7	10	10
Sterilization	62	43	46	41	34	43
Others	1	1	2	3	1	1
Unsure	9	17	11	10	17	14
Total	100	100	100	100	100	100

F. Source Preferences of Intending Users in Urban Markets

Nearly two-thirds of intending users would like to use private sources to obtain oral pills. The preference for private sources was very high in the Premium (88 percent) and Prestige segments (78 percent). A majority of women in the Deluxe Young (52 percent), Deluxe Old (58 percent), and Popular (57 percent) segments opted for private sources. The majority of intending users of condoms (84 percent) would like to depend on private sources for supplies. In the Premium segment, which has high income levels, all would like to depend on private sources for condoms. Only a small proportion of intending users in urban market segments opted for the public sector as a source for supplies. Easy accessibility to private sector products could be the main reason for this overwhelming preference for private sector products.

Table 2.13: Preferred Source of Supplies Among Intending Users of Oral Pills and Condoms

	Premium	Prestige	Deluxe Young	Deluxe Old	Popular	Total
Market Share	24	19	25	19	13	100
Oral Pills						
Public	12	16	39	35	36	32
Private	88	78	52	58	57	61
Don't know		6	9	7	7	7
Total	100	100	100	100	100	100
Condoms						
Public	--	14	11	29	13	13
Private	100	85	89	64	80	84
Don't know	--	1	--	7	8	3
Total	100	100	100	100	100	100

G. Exposure to Media in Urban Uttar Pradesh

A small proportion of women was exposed to family planning messages through cinema, the print media, and advertisements. Almost all women in the Premium and Prestige segments and three-fourths of women in the Deluxe Young, Deluxe Old, and Popular segments were exposed to family planning messages on television. This was true for both users and non-users of family planning methods. Half of all women among both users and non-users of family planning methods in all market segments were exposed to family planning messages on the radio. Television has the maximum reach in urban areas compared to any other medium.

Table 2.14: Percentage of Women in Different Market Segments Exposed to Family Planning Messages on Radio and Television in Urban Uttar Pradesh

	Premium	Prestige	Deluxe Young	Deluxe Old	Popular	Total
Market Share	24	19	25	19	13	100
Radio						
All women	50	49	48	48	51	49
Users	51	50	44	46	40	48
Non-users	47	49	52	50	53	50
Television						
All women	95	93	75	80	73	86
Users	96	95	79	83	81	90
Non-users	94	91	71	75	72	81

H. Summary Findings about Urban Market Segments

- Contraceptive prevalence is low in the Prestige, Deluxe Young, and Deluxe Old segments and very low in the Popular segment. The Premium segment has a very high contraceptive prevalence rate and requires no special attention.
- Half of the total intending users preferred spacing methods. Of the total intending users of spacing methods, 55 percent would like to use oral pills, 23 percent would prefer condoms, and the remaining 22 percent would use the IUD.
- There is considerable demand for the oral pill and the IUD in the Premium segment; for all spacing methods in the Prestige segment; for pills and condoms in the Popular segment; and for pills in the Deluxe Young and Deluxe Old segments. Each segment, therefore, needs a different strategy for the promotion of methods based on client choice.
- An overwhelming number of current users depend on private sector sources for condom and oral pill services. Even the intending users would like to use private sources. Access to private sources is not a problem in urban areas, though it could be improved.
- Television can play a major role in urban Uttar Pradesh. Exposure to family planning messages on television is very high in all market segments.

IV. CONCLUSION

The potential to increase spacing method use in each market segment in both rural and urban areas is very high. Generic campaigns to promote family planning method use have less relevance in areas like Uttar Pradesh that have differentiated markets, method preferences, and source preferences. Each market segment requires a special approach, and brands have to be identified or developed that will cater to the needs of each segment. In addition, specific promotional campaigns addressing rural and urban segments separately would be useful in converting intending users to actual users.

CHAPTER 3

PROFILE OF CURRENT AND INTENDING USERS OF CONDOMS

CHAPTER 3

PROFILE OF CURRENT AND INTENDING USERS OF CONDOMS³

I. CHARACTERISTICS OF CURRENT AND INTENDING USERS

A. Demographic Characteristics

Demographic characteristics of currently married women in reproductive age groups were analyzed by actual and preferred source for their contraceptive method. Details are given in Table 3.1.

Table 3.1: Demographic Profile of Current and Intending Users of Condoms

	CURRENT USERS			INTENDING USERS		
	Public	Private	Total	Public	Private	Total
URBAN						
Mean Age of Women	30.2	30.5	30.4	24.8	25.2	25.2
Mean Number of Births	3.1	3.0	3.0	2.9	1.9	2.0
Mean Years of Education	9.9	11.9	11.8	7.8	10.3	10.2
RURAL						
Mean Age of Women	28.2	28.2	28.2	25.3	24.3	24.9
Mean Number of Births	3.4	3.4	3.3	2.9	2.4	2.7
Mean Years of Education	8.0	8.4	8.2	8.2	8.6	8.4
TOTAL						
Mean Age of Women	28.5	29.5	29.2	25.2	24.7	25.0
Mean Number of Births	3.4	3.1	3.2	2.9	2.2	2.6
Mean Years of Education	8.4	10.6	11.3	8.2	9.7	9.1

³ This chapter, written by Gadde Narayana with input from Volkan Cakir, is based on a market segmentation study of Uttar Pradesh carried out by A.C. Nielsen, Private Limited, New Delhi, for the POLICY Project (January 1998). The full report, *Segmentation of the Family Planning Market in Uttar Pradesh* is available upon request.

The mean age of current users of condoms in rural areas is slightly less than that of users in urban areas (see Figure 3.1). However, the mean number of births per current user is less in urban areas compared to rural areas (see Figure 3.2). This is largely due to the higher age of marriage among women in urban areas (see Figure 3.3). On average, current users of condoms in urban areas had 12 years of schooling while in rural areas, they had eight years of schooling. There were no major differences among women who used public or private sources to obtain condom services in both urban and rural areas. The typical woman who is using condoms is 29 years old, has three children, and has had approximately 11 years of schooling.

Intending users of condoms in urban areas are much younger (25 years age), with two children and 10 years of schooling. Those who intend to use condoms in urban areas belong to younger age groups and have lower parity than current users in urban areas (See Figure 3.1). The trend is similar in rural areas. The typical rural married woman intending to use condoms is 25 years old, with 2.7 living children and nine years of schooling. The differences are marginal between urban and rural women who intend to use condoms. Market strategies should aim to convert these women from potential users to users.

Figure 3.1

MEAN AGE OF CURRENT AND INTENDING USERS OF CONDOMS IN UP

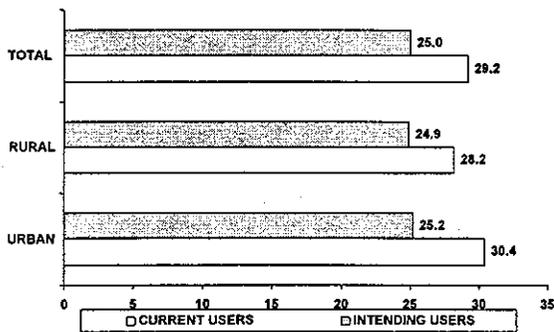


Figure 3.2

MEAN NUMBER OF BIRTHS AMONG CURRENT AND INTENDING USERS OF CONDOMS IN UP

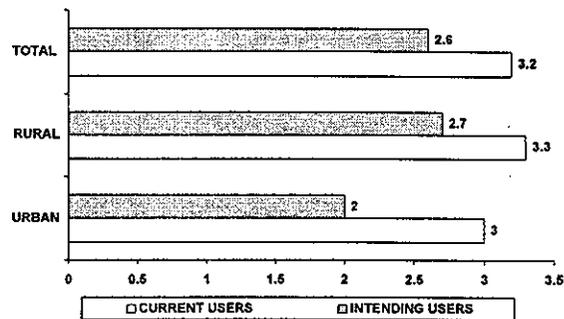
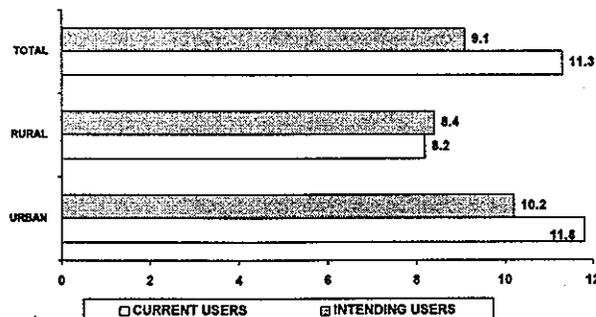


Figure 3.3

MEAN YEARS OF EDUCATION OF CURRENT AND INTENDING USERS OF CONDOMS IN UP



B. Socioeconomic Status (SES)

The socioeconomic status of current and intending users of condoms was analyzed in order to know more about segments that need to be addressed with different marketing strategies.

Table 3.2: SES of Current and Intending Users of Condoms by Source of Services

SES	CURRENT USERS			INTENDING USERS		
	Public	Private	Total	Public	Private	Total
Urban						
Upper SES	8.4	16.7	15.9	5.7	12.6	11.5
Upper middle SES	28.9	25.4	25.7	15.1	19.3	18.3
Middle SES	23.2	16.2	17.0	24.5	12.3	13.3
Lower middle SES	20.6	22.9	22.6	15.3	28.0	26.0
Lower SES	19.0	18.7	18.7	39.4	27.7	30.9
Rural						
Upper SES	0.8	4.6	2.9	0.0	3.1	1.4
Upper middle SES	13.6	15.6	14.7	8.0	12.4	9.3
Middle SES	12.4	18.3	15.7	10.3	13.0	11.2
Lower middle SES	27.5	27.5	27.5	29.4	22.8	26.3
Lower SES	45.7	33.9	39.1	52.2	48.7	51.8
Total						
Upper SES	1.8	11.4	8.7	0.3	7.2	3.8
Upper middle SES	15.7	21.1	19.5	8.4	15.4	11.4
Middle SES	13.9	17.1	16.3	10.9	12.7	11.7
Lower middle SES	26.5	24.9	25.4	28.8	25.0	26.3
Lower SES	42.0	25.4	30.1	51.6	39.7	46.8

Current users are typically from upper-middle and lower-middle SES groups. Lower proportions of users are from upper, middle, and lower SES groups in urban Uttar Pradesh (see Figure 3.4). In rural areas, the SES groups are more differentiated (see Figure 3.5). Nearly two-thirds of current users in rural Uttar Pradesh belong to lower-middle and lower SES groups. The proportion of current users belonging to middle and upper-middle SES groups was relatively smaller, and almost negligible in upper SES groups. The majority of current users among upper, upper-middle, and middle SES groups depended on the private sector for supplies, while the majority of current users among the lower SES group relied on the public sector. The percentage of those intending to use condoms belonging to the lower-middle and lower SES groups was much higher than the percentage of upper and upper-middle SES groups intending to use condoms. Probably a lower proportion of intending users is converted into current users.

Figure 3.4

SES OF CURRENT AND INTENDING USERS IN URBAN UP

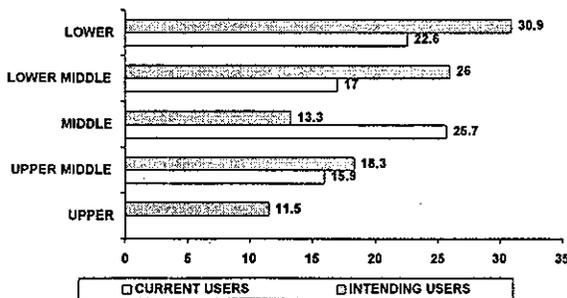
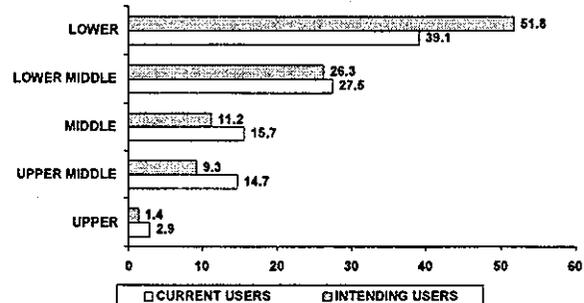


Figure 3.5

SES OF CURRENT AND INTENDING USERS IN RURAL UP



C. Occupation of Head of Household

Occupation of the head of household in families of current and intending users of condoms was analyzed. Major occupational categories such as cultivator, agricultural laborer, business, professionals, skilled and unskilled workers have been taken into consideration in urban and rural areas of Uttar Pradesh. The "other" category included administrators, the unemployed, and those too old to work. The results are given in Table 3.3 on the following page.

Nearly half of the total number of condom users in urban Uttar Pradesh were businessmen and professionals. Skilled workers formed another 18 percent of total users. Since agriculture laborers and cultivators do not have a major presence in urban areas, the proportion of users from these categories was low. Unskilled workers formed only a small proportion of current users. A significant number of current users of condoms dependent on the public sector were from business and professional communities.

In rural areas, 51 percent of the total current users were cultivators. Agricultural laborers, who constituted a large proportion of rural population, formed only seven percent of the total number of users. The other users were businessmen (11 percent), professionals (4 percent), and skilled workers (7 percent). Of the total current users dependent on the public sector, 48 percent were cultivators and 11 percent were agricultural laborers. In contrast, 58 percent of current users dependent on private sector were cultivators and another 4 percent were agricultural laborers. Cultivators who perhaps could afford to pay a large proportion of contraceptive costs depended on free distribution.

In urban areas of Uttar Pradesh, businessmen constitute 36 percent of the total intending users, followed by skilled workers (15 percent). Among urban intending users who would like to use public sector services, businessmen constitute 40 percent of the total; cultivators, 13 percent; and unskilled workers, 22 percent. For almost all major occupational categories except professionals and skilled workers, the public sector is the preferred source. The preferences in rural areas of Uttar Pradesh are similar.

Table 3.3: Occupation of Head of Household for Women Currently Using and Intending to Use Condoms by Preferred Sources

	CURRENT USERS			INTENDING USERS		
	Public	Private	Total	Public	Private	Total
Urban						
Cultivator	7.6	2.7	3.1	13.0	3.4	4.1
Ag. Laborer	0.7	0.0	0.1	0.0	0.7	0.6
Business	33.6	37.6	37.1	40.0	36.5	36.0
Professional	10.1	9.1	9.1	4.9	6.7	6.3
Skilled Worker	20.3	17.7	18.2	13.4	15.1	15.2
Unskilled Worker	14.5	9.7	10.1	22.5	12.8	14.1
Others	13.1	23.2	22.3	11.2	24.9	23.7
Rural						
Cultivator	48.1	54.0	51.4	52.5	45.1	48.8
Ag. Laborer	11.1	3.8	7.0	8.3	6.2	7.3
Business	8.2	12.3	10.5	7.9	11.9	9.0
Professional	3.4	4.8	4.2	3.4	5.4	3.9
Skilled Worker	7.5	5.7	6.5	10.9	9.1	9.9
Unskilled Worker	12.8	9.6	11.0	9.2	15.4	12.9
Others	8.9	10.6	9.6	7.7	6.9	8.2
Total						
Cultivator	42.8	25.7	30.6	50.8	27.7	38.7
Ag. Laborer	9.7	1.8	4.1	7.9	3.9	5.8
Business	11.5	26.2	21.9	9.3	22.1	15.1
Professional	4.3	7.1	6.3	3.4	6.0	4.4
Skilled Worker	9.2	12.3	11.5	11.0	11.6	11.1
Unskilled Worker	13.0	9.6	10.6	9.8	14.3	13.2
Others	9.5	17.1	15.9	7.8	11.7	10.6

D. Ownership of Radio and Television

Ownership of radio and television in the households of users and non-users of condoms provides information on the potential reach of these media in urban and rural areas. Exposure to family planning messages on radio and television is another indicator that helps to identify the extent of influence on current use and intended use. The results are given in Table 3.4.

Table 3.4: Ownership of and Exposure to Radio and Television Among Current and Intending Users of Condoms by Preferred Sources for Services

	CURRENT USERS			INTENDING USERS		
	Public	Private	Total	Public	Private	Total
Urban						
Ownership						
Radio	72.1	79.1	78.6	55.8	69.2	65.3
TV	74.8	89.0	87.8	62.4	79.7	75.1
Exposure to TV and radio one month prior to survey						
Radio	51.8	48.5	48.9	45.6	49.2	47.8
TV	87.2	94.9	94.3	77.8	88.8	86.5
Rural						
Ownership						
Radio	54.0	60.6	57.7	36.7	51.6	42.2
TV	22.9	45.5	35.5	20.8	29.3	23.6
Exposure to TV and radio one month prior to survey						
Radio	68.2	60.6	63.5	64.4	57.8	48.7
TV	42.7	60.1	52.7	37.4	51.8	43.1
Total						
Ownership						
Radio	56.4	70.8	66.6	37.5	58.9	47.4
TV	29.7	30.5	42.0	22.6	50.3	35.2
Exposure to TV and radio one month prior to survey						
Radio	65.5	52.9	56.1	63.3	53.3	57.3
TV	50.0	81.7	73.7	39.8	71.0	56.2

Of the total current users of condoms in urban areas, 79 percent owned radios and 88 percent owned a television. Ownership of radios and televisions was slightly higher among current users dependent on the private sector as a source of supply of condoms compared to those using public sector sources. Exposure to family planning messages on the radio in the month prior to the survey among current users of condoms in urban areas was low (49 percent) compared to those exposed to messages on television (94 percent). In rural areas, ownership of radios was much higher (58 percent) compared to ownership of television sets (36 percent). Exposure to family planning messages on the radio was much higher among current users dependent on the public sector for services, while exposure to messages on television was more or less equivalent to exposure to messages on the radio among current users dependent on the private sector for supplies.

Among intending users in urban areas, 65 percent owned radios and 75 percent owned televisions. Ownership of radios and televisions was lower among intending users than among current users mainly because of the higher proportion of intending users from lower SES categories. Exposure to family planning messages on television among intending users was much higher compared to exposure to messages on radio. The rural ownership pattern among intending users was more or less similar to urban areas. Ownership of radios and televisions was much lower among intending users who would like to depend on the public sector for supplies compared to those who preferred private sources.

II. CONCLUSIONS

- The typical woman using condoms is 29 years of age, with three children and approximately 11 years of schooling. Urban and rural differences in this regard are minimal.
- Intending users of condoms in urban areas are much younger (25 years age), with two children and 10 years of schooling. Rural married women intending to use condoms are 25 years old, with 2.7 living children and nine years of schooling.
- A large proportion of current users of condoms dependent on the public sector for supplies are businessmen, professionals, and skilled workers. Similarly, a significant number of cultivators in rural areas are dependent on free supplies. Price should not be a barrier for people from these occupational categories. They were either lured by the availability of free products or were constrained by the lack of private products in the market.
- Television provides the maximum exposure to family planning messages in urban areas both for current and intending users, while radio provides maximum exposure in rural areas.

CHAPTER 4

PROFILE OF CURRENT AND INTENDING USERS OF ORAL PILLS

CHAPTER 4

PROFILE OF CURRENT AND INTENDING USERS OF ORAL PILLS⁴

I. CHARACTERISTICS OF CURRENT AND INTENDING USERS

A. Demographic Characteristics

Demographic characteristics of currently married women in reproductive age groups were analyzed by actual and preferred source for their contraceptive methods. Details are given in Table 4.1.

Table 4.1: Demographic Profile of Current Users and Intending Users of Oral Pills

	CURRENT USERS			INTENDING USERS		
	Public	Private	Total	Public	Private	Total
Urban						
Mean age of women	30.3	30.5	30.5	26.3	26.0	26.1
Mean number of births	4.2	3.4	3.5	3.3	2.9	2.6
Mean years of education	9.9	9.9	9.9	6.9	9.2	8.9
Rural						
Mean age of women	28.4	28.3	28.3	26.5	26.5	27.1
Mean number of births	3.6	3.5	3.6	3.5	3.5	3.6
Mean years of education	7.8	8.0	7.9	7.0	7.7	7.2
Total						
Mean age of women	28.5	29.1	28.9	26.5	26.4	26.5
Mean number of births	3.7	3.5	3.6	3.5	3.4	3.5
Mean years of education	8.0	8.9	8.6	7.0	8.2	7.5

The mean age of women using oral pills in urban areas of Uttar Pradesh was almost 31 years; these women also had an average of 3.5 births and 10 years of schooling. There were no major differences among current users dependent on public and private sector sources for oral pills except in regard to parity. Those dependent on public sector sources had higher parity levels (4.2) compared to those dependent on private sector sources (3.4). The mean age of oral pill users in rural areas was 28, almost three years younger than the mean age of users

⁴ This chapter, written by Gadde Narayana with input from Volkan Cakir, is based on a market segmentation study of Uttar Pradesh carried out by A.C. Nielsen, Private Limited, New Delhi, for the POLICY Project (January 1998). The full report, *Segmentation of the Family Planning Market in Uttar Pradesh* is available upon request.

in urban areas. There was no difference in parity levels of current users of oral pills in urban and rural areas. Rural users have eight years of schooling, two years less than that of urban users. In all, the typical oral pill user in Uttar Pradesh was 29 years old with three to four children and nine years of schooling.

The mean age of women intending to use oral pills in urban Uttar Pradesh was 26 years, almost five years younger than the mean age of current users. Parity levels of intended users were also lower (2.6) than parity levels of current users (3.5) (see Figures 4.1 and 4.2). The average years of schooling of intending users was one year less than current users (see Figure 4.3). Intending users in urban areas who would like to depend on public sector sources for supplies have more children (3.3) and less years of schooling (seven years) than women who would like to depend on the private sector. By contrast, there are no major differences among intended and current users of oral pills in rural areas of Uttar Pradesh. The characteristics of those who would like to depend on private and public sector sources were more or less the same. The typical intending user in Uttar Pradesh was 27 years old, with three to four children and eight years of schooling.

Figure 4.1

MEAN AGE OF CURRENT AND USERS OF ORAL PILLS IN

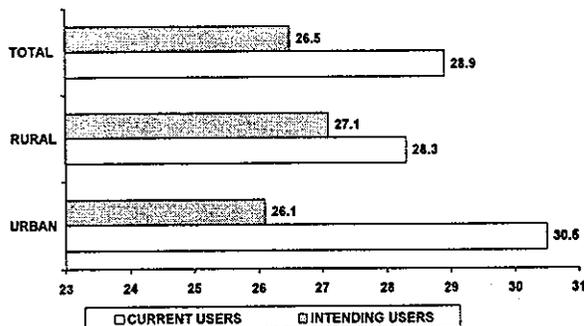


Figure 4.2

MEAN NUMBER OF BIRTHS AMONG CURRENT AND INTENDING ORAL PILL USERS

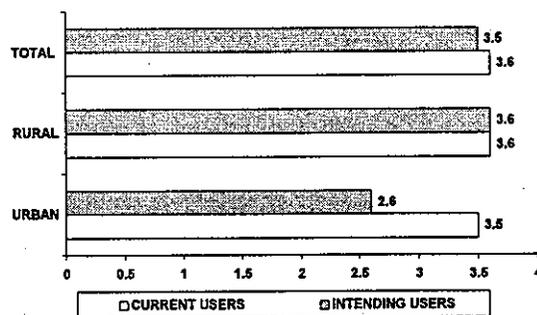
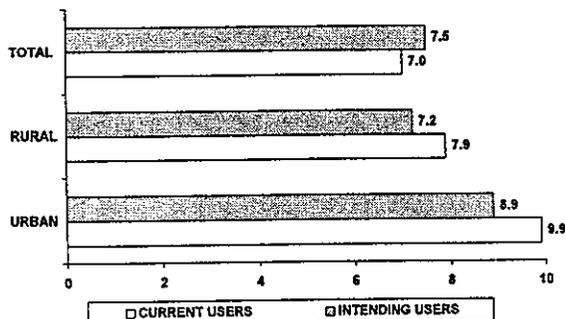


Figure 4.3

MEAN YEARS OF EDUCATION OF CURRENT AND INTENDING USERS OF ORAL PILLS



B. Socioeconomic Status (SES)

The socioeconomic status of families of users and intending users was examined to understand the strata they represented in urban and rural areas of Uttar Pradesh. Women were divided into five strata based on the household assets they possessed. The source of services used by current users was compared to the source used by intending users. Results are given in Table 4.2.

Table 4.2: SES of Current and Intending Users of Oral Pills by Source of Services

SES	CURRENT USERS			INTENDING USERS		
	Public	Private	Total	Public	Private	Total
Urban						
Upper SES	9.0	5.4	5.9	1.3	3.0	3.1
Upper middle SES	30.0	27.3	27.6	15.1	16.7	16.7
Middle SES	18.8	15.1	15.6	11.5	16.7	16.1
Lower middle SES	21.9	22.8	22.6	13.5	18.6	16.6
Lower SES	20.4	29.5	28.2	58.7	45.0	47.4
Rural						
Upper SES	1.6	2.7	2.1	0.5	0.9	0.6
Upper middle SES	11.4	14.1	12.7	5.3	7.3	5.5
Middle SES	10.3	12.8	11.5	7.3	7.6	7.3
Lower middle SES	28.5	29.5	29.2	19.7	20.1	20.3
Lower SES	48.2	41.0	44.5	67.1	64.0	66.3
Total						
Upper SES	2.2	3.7	3.1	0.6	1.4	0.9
Upper middle SES	12.9	19.1	16.5	5.8	9.4	6.6
Middle SES	11.1	13.7	12.6	7.5	9.6	8.1
Lower middle SES	27.9	26.9	27.5	19.4	19.8	20.0
Lower SES	45.9	36.6	40.3	66.8	59.9	64.5

Of the total number of current users, 50 percent were from the upper, upper-middle and middle SES groups while the remaining half were from the lower-middle and lower SES groups in urban Uttar Pradesh. Nearly 58 percent of current users who were dependent on public sector for supplies were from the middle and above-middle SES groups. Only 42 percent of public sector dependents were from lower SES groups. Of those who relied on the private sector, 52 percent were from lower SES and 48 percent were from middle and above categories.

In rural areas, a substantial proportion of current users (74 percent) is from lower middle and lower socioeconomic categories (see Figure 4.4). Nearly 77 percent of users dependent on the public sector and 71 percent of users dependent on the private sector were from lower-middle and lower SES groups. In general, dependence on public sector for services was very high in rural areas, while the private sector played a dominant role in urban areas.

Among intending users in urban areas, 64 percent were from the lower-middle and lower SES groups and 36 percent were from middle and above categories (see Figure 4.5). Nearly 75 percent of intending users in urban areas who would like to use public sector sources for oral pills and 64 percent of those who would like to use the private sector belonged to lower-middle and lower SES categories.

Figure 4.4

SES OF CURRENT AND INTENDING USERS IN RURAL UP

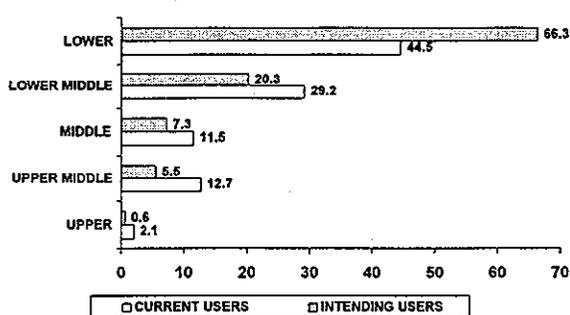
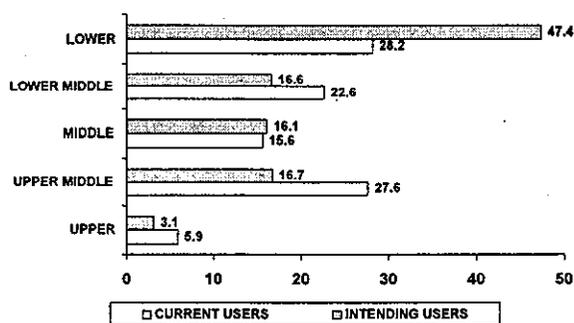


Figure 4.5

SES OF CURRENT AND INTENDING USERS OF ORAL PILLS IN URBAN UP



C. Occupation of Head of Household

Analysis was done of occupation of the head of household for women currently using oral contraceptives and for women who intend to use oral pills. The main occupational categories included cultivator, agricultural laborer, business, professional, skilled worker, unskilled worker, and others. Data were analyzed by place of residence and preferred sources for supplies.

For current users in urban areas, 34 percent of the household heads were from business and 21 percent were skilled workers. Women from unskilled worker families formed 17 percent of total users. Of those who were dependent on public sector sources, 36 percent were from business families, and 27 percent were from the skilled worker category. A large percentage of women from families with an unskilled worker as head of the household depended on the private sector instead of the public sector for services. In rural areas, 48 percent of current users were from families of cultivators, 11 percent from business and another 11 percent from the families of unskilled workers. Occupational affiliation of current users dependent on public and private sources for supplies in rural areas was more or less same.

Table 4.3: Occupation of Head of Household for Women Currently Using and Intending to Use Oral Pills by Preferred Sources

	CURRENT USERS			INTENDING USERS		
	Public	Private	Total	Public	Private	Total
Urban						
Cultivator	0.4	3.9	3.4	6.8	6.2	6.7
Ag. Laborer	0.0	0.7	0.6	5.2	1.6	2.9
Business	35.7	33.6	33.9	23.9	27.6	27.3
Professional	7.1	6.3	6.4	1.3	2.4	2.3
Skilled Worker	26.6	19.8	20.8	17.8	23.9	22.3
Unskilled Worker	13.5	17.5	16.9	37.8	20.2	23.6
Others	16.9	18.1	17.9	7.3	18.1	14.9
Rural						
Cultivator	49.9	47.0	48.3	51.9	46.5	50.4
Ag. Laborer	7.2	8.2	7.7	14.3	9.5	12.8
Business	9.4	12.2	11.1	5.2	8.2	6.3
Professional	3.2	6.0	4.6	1.2	2.0	1.4
Skilled Worker	11.1	7.8	9.4	6.7	11.9	8.5
Unskilled Worker	12.8	9.2	11.0	14.9	16.8	15.1
Others	6.5	9.7	7.9	5.9	5.2	5.4
Total						
Cultivator	45.8	31.4	37.3	50.0	38.1	46.4
Ag. Laborer	6.6	5.5	5.9	13.9	7.8	11.9
Business	11.6	20.0	16.7	6.0	12.2	8.2
Professional	3.5	6.1	5.0	1.2	2.1	1.5
Skilled Worker	12.4	12.1	12.2	7.2	14.4	9.8
Unskilled Worker	12.8	12.2	12.4	15.9	17.5	15.9
Others	7.7	12.6	10.4	5.9	4.7	5.2

Among intending users in urban areas of Uttar Pradesh, nearly 75 percent were from business, skilled, and unskilled worker families. For intending users who preferred public sector sources, 38 percent were from the unskilled worker category, 18 percent from the skilled worker category, and 24 percent from the business category. Of those who would like to depend on the private sector, 28 percent were from business, 24 percent from skilled workers, and 20 percent from unskilled workers categories.

In rural Uttar Pradesh, of the total intending users, 50 percent were from families of cultivators, 13 percent from agricultural workers, and 15 percent from other unskilled worker categories. More agriculture workers would like to depend on the public sector, while a higher proportion of skilled workers would prefer to depend on the private sector for sources of contraception. The differences in the public and private sectors were marginal for other occupational categories.

D. Ownership of Radio and Television

Ownership of radio and television and the level of exposure to family planning messages on radio and television one month prior to the survey was examined among current and intending users of oral pills. The results are given in Table 4.4 on the following page.

Of the total number of current users in urban areas of Uttar Pradesh, 64 percent owned radios and 78 percent owned televisions. While television ownership was higher among those who depended on private sources than among those who depended on public sources, exposure to messages on television was about the same. Ownership of radio was almost double that of ownership of television in rural areas. Sharp differences existed in rural areas in regard to exposure to messages on television and radio. The current users dependent on the public sector for supplies were largely exposed to messages on radio (69 percent), while a significant proportion of those dependent on the private sector were exposed to messages on television in addition to messages on the radio.

Ownership of radio and television was more or less same among intending users of oral pills. Nearly 51 percent of intending users in urban areas owned radios and 52 percent owned televisions. Exposure to family planning messages on television was very high (75 percent) compared to radio (46 percent). In rural areas, 32 percent of intending users owned radio and 12 percent owned televisions. A slightly higher percent (19 percent) of those who intended to use private sector sources owned televisions compared to the percentage of those who would like to use public sector sources (11 percent). Exposure to messages was much higher (63 percent) on radio among intending users compared to television (29 percent).

Table 4.4: Ownership of and Exposure to Radio and Television Among Current and Intending Users of Oral Pills by Preferred Sources for Services

	CURRENT USERS			INTENDING USERS		
	Public	Private	Total	Public	Private	Total
Urban						
Ownership						
Radio	70.7	62.9	64.0	44.3	53.6	50.6
TV	65.1	79.9	77.8	46.6	54.3	51.8
Exposure to TV and radio one month prior to survey						
Radio	53.6	53.2	53.3	54.4	43.9	45.6
TV	88.0	91.0	90.6	76.3	73.3	74.8
Rural						
Ownership						
Radio	51.9	53.0	52.3	30.8	37.7	31.6
TV	20.4	33.1	26.6	11.1	18.7	12.4
Exposure to TV and radio one month prior to survey						
Radio	69.1	62.9	66.0	63.8	62.8	62.7
TV	30.6	51.6	40.1	25.9	39.2	29.1
Total						
Ownership						
Radio	53.5	56.6	55.1	31.3	41.0	33.3
TV	24.1	50.0	39.2	12.6	26.1	16.0
Exposure to TV and radio one month prior to survey						
Radio	67.4	58.4	61.9	63.3	57.3	60.4
TV	37.0	70.0	56.3	28.5	49.3	35.4

II. CONCLUSIONS

- The typical user of oral pills in urban Uttar Pradesh is 31 years old, with four children and ten years of schooling. The typical user of oral pills in rural Uttar Pradesh is 29 years, with four children and eight years of education.
- Intending users belong to a much younger age group, particularly in urban areas. The typical intending user in an urban area is 26 years old, with three children and nine years of schooling. The typical intending rural user is 27 years old, with four children and seven years of schooling.

- A large proportion of current users of oral pills in urban areas who depend on the public sector for free supplies belong to upper, upper-middle and middle income categories. In rural areas, more lower-middle and lower SES groups are dependent on the public sector for free supplies than higher SES groups.
- Television ownership among current and intending users is very high in urban areas, while in rural areas radio ownership is high.

CHAPTER 5

CURRENT AND POTENTIAL MARKET FOR SPACING METHODS

CHAPTER 5

CURRENT AND POTENTIAL MARKET FOR SPACING METHODS⁵

I. NUMBER OF USERS

The potential market for spacing methods was determined by scaling up numbers of current and intending users in urban and rural Uttar Pradesh. The results are given in Table 5.1.

Table 5.1: Current and Intending Users of Spacing Methods in Uttar Pradesh, 1997

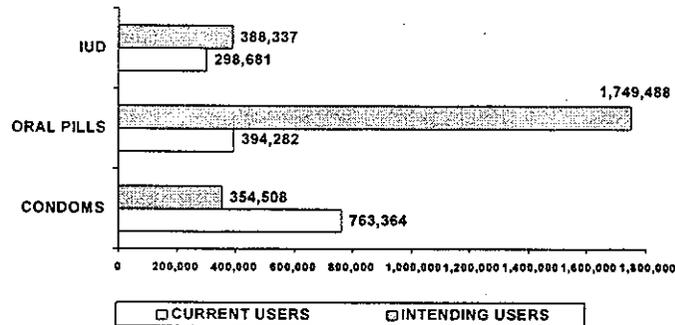
	CURRENT USERS			INTENDING USERS		
	Public	Private	Total	Public	Private	Total
Urban						
Condoms	29,976	306,744	336,720	6,983	72,276	79,259
Oral pills	13,642	87,578	101,220	42,154	126,946	169,100
IUD	55,554	63,184	118,738	35,632	32,399	68,031
Rural						
Condoms	187,793	238,851	426,644	157,257	113,425	270,682
Oral pills	147,900	145,161	293,061	917,959	662,429	1,580,388
IUD	134,080	45,863	179,943	251,246	69,060	320,306
Total						
Condoms	217,770	545,594	763,364	165,014	189,494	354,508
Oral pills	161,542	232,739	394,282	960,112	789,376	1,749,488
IUD	189,634	109,047	298,681	286,878	101,459	388,337

In both the oral pill and IUD market, intending users outnumber current users. In the oral pill market, the difference is especially notable: 1.7 million intending users versus 0.4 million current users. In the condom market, current users outnumber intending users by a ratio of 2:1. See Figure 5.1, next page.

⁵ Estimates of the current and potential market for spacing methods in Uttar Pradesh are derived from the PERFORM survey results in conjunction with population figures from the most recent census. Population-based estimates were obtained by multiplying the proportions of current and intending users obtained in the PERFORM survey by the number of women in urban and rural areas from the most recent census to obtain estimated population totals.

Figure 5.1

TOTAL CURRENT AND INTENDING USERS OF SPACING METHODS IN UP



A total of 394,282 women are current users of oral pills in Uttar Pradesh. Nearly 60 percent of women depend on private sector sources and the remaining 40 percent rely on public sector sources. The demand for oral pills in Uttar Pradesh is huge, almost five times the number of current users. Approximately 1.7 million women intend to use oral pills. Of these, 55 percent would like to use public sector (subsidized) products while 45 percent would prefer products from the private sector. In terms of the total number of cycles, the potential market is 22.7 million cycles, of which 12.5 million cycles would come from the public sector and 10.2 million cycles would be purchased in the private sector. The PERFORM survey respondents are women; as a result, we expect higher estimates for oral pills and lower estimates for condoms.

In Uttar Pradesh, there are a total of 298,861 current users of the IUD, and 388,337 intending users. Dependence on the public sector for IUD services is much higher compared to the private sector. Of the total current users, 63.5 percent of women obtained services from the public sector and 36.5 percent obtained services from the private sector. This is also true among intending users. Of the total intending users, 74 percent would like to depend on the public sector for services while 26 percent would rely on the private sector. The public sector has a major role to play in the provision of IUD services.

II. URBAN UTTAR PRADESH

In urban Uttar Pradesh, current users outnumber intending users of the IUD and condoms. In the condom market, the market of intending users is small relative to current users. In the oral pill market in urban Uttar Pradesh, intending users outnumber current users, suggesting that the oral pill market, both absolutely and relatively, has the greatest potential of all spacing methods. See Figure 5.2.

A. Condoms

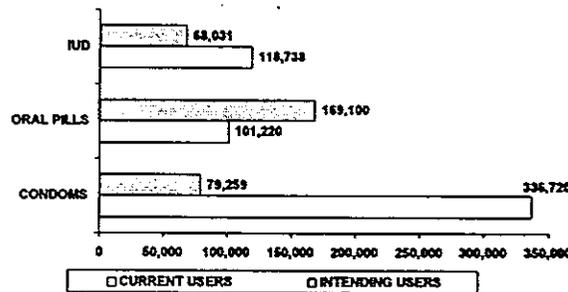
The total estimated number of current users of condoms in Uttar Pradesh is 763,364. Another 354,508 are currently not using condoms but intend to do so. If calculated on the basis

of 100 condoms per couple per year, the additional potential market for condoms is 35.4 million condoms. Of the total intending users of condoms, 165,014 preferred public sources, which distribute free condoms, and 189,494 opted for private sources, which sell both subsidized and commercial brands. The public sector has a market potential of 17 million condoms, while the private sector has a market potential of 19 million condoms.

Of the total current users of condoms, 336,720 reside in urban areas. Only 79,259 of urban residents would like to use condoms in the future. The condom market in urban areas is entirely dominated by the private sector. Of the total intending users, 72,276 would prefer private sources and only 6,983 would depend on free products distributed by public sector sources. With 8.8 percent of total married couples currently using condoms in urban Uttar Pradesh, any further increase in use would be difficult to achieve. This is reflected in the number of intending users. The total potential market in urban Uttar Pradesh is only 0.7 million condoms for priced products.

Figure 5.2

TOTAL CURRENT AND INTENDING USERS OF SPACING METHODS IN URBAN UP



B. Oral Pills

In urban areas only 101,220 women in the reproductive age group are currently using oral pills. Of these, 87 percent are dependent on the private sector. Of the intending users of family planning methods, 169,100 would like to use oral pills. The potential market, therefore, is 2 million cycles of pills. Of the total number of intended oral pill users, 126,946 would like to use private sector sources and 42,154 would use public sector sources to purchase pills. The potential private sector market is 1.6 million cycles of pills.

C. IUDs

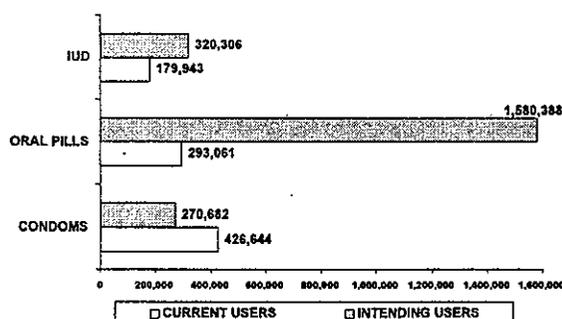
A total of 118,738 women are currently using the IUD in urban Uttar Pradesh. Of these, 55 percent obtained services from the public sector and the remaining 45 percent obtained them from the private sector. Approximately 68,000 women in urban Uttar Pradesh would like to use the IUD in the future. Of these, 48 percent would prefer private sector sources while 52 percent would prefer public sector sources.

III. RURAL UTTAR PRADESH

In rural Uttar Pradesh, current users outnumber intending users in the condom market. Intending users outnumber current users in the IUD and oral pill market. The gap between intending and current users is particularly large in the oral pill market, with 1.6 million intending users and 0.3 million actual users. See Figure 5.3.

Figure 5.3

TOTAL CURRENT AND INTENDING USERS OF SPACING METHODS IN RURAL UP



A. Condoms

An estimated 426,644 couples are current users of condoms in rural Uttar Pradesh. A total of 270,682 would like to use condoms in the future. The total potential additional market in Uttar Pradesh, therefore, is 27 million condoms. If these intending users are converted into actual users, the market size would increase by 50 percent. Of intending users, 58 percent would prefer to depend on the public sector for free products, while 42 percent would rely on the private sector for priced products.

The rural Uttar Pradesh private sector market share potential for condoms is 11.3 million condoms. The public sector preference expressed by rural women should be regarded with caution. The public sector is the first source that comes to mind, and it is strongly identified with the government. Nirodh, which is a government-promoted product, has a generic connotation. Earlier studies have shown that a majority of first-time condom users start with Nirodh before switching over to other brands. Given these reasons, the potential private sector market is expected to be more than what has been estimated through survey results.

B. Oral Pills

In rural areas, 293,061 women are current users of oral pills, but 1,580,388 women would like to use pills in the future. When translated into the number of cycles of pills, this works out to 20 million cycles. Of the total number of intending users, 58 percent preferred public sector sources for free products, while the remaining 42 percent preferred private sector

sources. The potential private sector market is 7.6 million cycles; the potential public sector market is 13.4 million cycles.

C. IUDs

In rural Uttar Pradesh, 179,943 women are current users of the IUD and another 320,306 intend to use the IUD. Only a negligible number of current users of the IUD depended on the private sector (25 percent) compared to those who obtained services from the public sector (75 percent). Even among intending users, 251,246 women would like to use public sector sources, compared to 69,060 women who cited private sector sources.

CHAPTER 6

SUMMARY FINDINGS OF CONDOM MARKET MOVEMENT STUDY

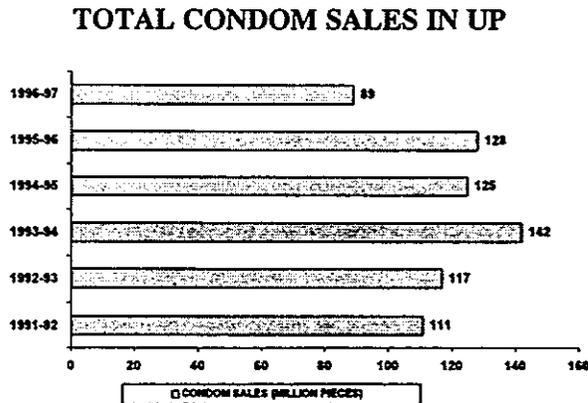
CHAPTER 6

SUMMARY FINDINGS OF CONDOM MARKET MOVEMENT STUDY⁶

I. VOLUME OF CONDOM SALES IN UTTAR PRADESH

The Uttar Pradesh condom market was almost stagnant for the past six years, and in fact witnessed a sharp decline in sales in 1996-97 for two major reasons: (1) Nirodh Deluxe, the brand leader in the subsidized sector, was out of the market for a long period of time; and (2) some of the major distributors of Nirodh Deluxe such as Hindustan Lever, which had an extensive sales network in both rural and urban areas, had withdrawn or were in the process of withdrawing their support to public sector social marketing efforts. As a result, the sale of condoms declined from 128 million in 1995-96 to 89 million in 1996-97. Until 1995-1996, eight out of every ten condoms sold in Uttar Pradesh were subsidized; the remaining two were commercial brands. In 1996-1997, commercial sales made up 30 percent of total sales due to the lack of availability of Nirodh Deluxe. See Figure 6.1.

Figure 6.1



One out every four condoms sold in the market in India was sold in Uttar Pradesh. This market proportion has remained constant for the last six years, further confirming the stagnancy in condom sales in Uttar Pradesh.

Between 1993-94 and 1995-96, slightly more than one-third of total condom sales in Uttar Pradesh were in urban areas. The sale of condoms in urban areas both in proportion to total sales and in absolute terms has declined. The only aberration to this general trend was in 1996-97, when urban condom sales marginally increased and made up 54 percent of total sales. The lack of availability of Nirodh Deluxe did not affect urban condom users. Nearly three-

⁶ This chapter is a summary of findings contained in the *Market Movement Study on Condoms and Oral Contraceptives* produced by the Operations Research Group (ORG-MARG) in January 1998 under subcontract to the POLICY Project.

fourths of all condom users in urban areas bought subsidized products until 1995-96. In 1996-97, nearly half of all condom users bought commercial products. During 1996-97, condom users either shifted to commercial brands, or urban retail outlets had enough stock from previous years to serve clients without interruption. See Figure 6.2.

Figure 6.2

TOTAL CONDOM SALES IN URBAN UP

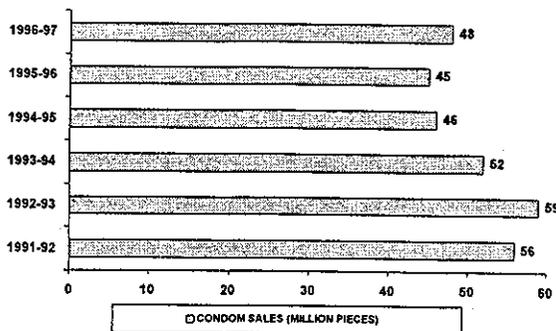
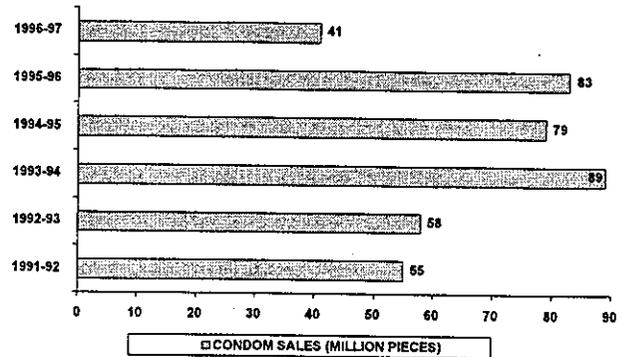


Figure 6.3

TOTAL CONDOM SALES IN RURAL UP

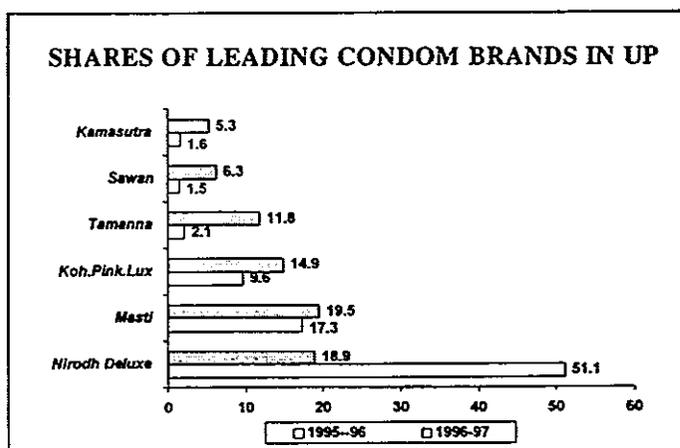


There was a major increase in condom sales in rural areas, from 58 million condoms in 1992-93 to 89 million condoms in 1993-94. The market stagnated at that level for the next two years. Sales of condoms in 1996-97 were half that of the previous year. The rural market suffered the most due to the lack of availability of subsidized brands like Nirodh. Out of every 10 buyers of condoms in rural Uttar Pradesh, nine depended on the subsidized sector and one on the commercial sector. Due to the lack of availability of Nirodh, commercial sales in rural Uttar Pradesh increased from seven percent of total sales in 1995-96 to 13 percent in 1996-97, though at drastically reduced total sales volumes. See Figure 6.3.

II. MARKET SHARES OF TOP BRANDS OF CONDOMS

In Uttar Pradesh, there are approximately 140 condom brands on the market. Of these, six brands held a market share of 77 percent in 1996-97. The market share of Nirodh Deluxe, which held nearly half of the market share in 1995-1996, shrank to 18.9 percent in 1996-97, while other subsidized and commercial brands gained market shares. Major subsidized brands such as Masti and Sawan had stagnated market shares until 1995-96. Tamanna, which was introduced in 1994-95, significantly improved its market share from 2 percent in 1995-96 to 12 percent in 1996-97. Commercial brands such as Kohinoor Pink Deluxe and Kamasutra, which were gradually improving their market share mostly at the cost of less well-known brands, received a boost from the lack of availability of Nirodh Deluxe. Among brand leaders, four were subsidized brands and two were commercial brands. The total market share of subsidized brand leaders was 71.9 percent in 1995-96, which declined to 56.4 percent in 1996-97. The commercial brand leaders had a market share of 11.1 percent in 1995-96, which increased to 20.3 percent in 1996-97. See Figure 6.4.

Figure 6.4



The five major condom brands in Uttar Pradesh's urban market had a combined market share of 79.7 percent in 1995-96 and 68.9 percent in 1996-97. Nirodh Deluxe, a subsidized brand, was the market leader until 1995-96, when it was replaced by another subsidized brand, Masti, in 1996-97. Interestingly, Masti became a market leader without increasing its market share, which has remained constant over the past six years. Commercial brands gained the most from this shift in market shares; Kohinoor Deluxe improved its market share by 2 percent and Kamasutra, by 4 percent. Sawan, a subsidized brand whose market share had been declining, also marked an increase in sales in 1996-1997. Three subsidized brands and two commercial brands dominated the urban condom market of Uttar Pradesh. Subsidized brand leaders accounted for 58.5 percent of the market share in 1995-96 and 41.1 percent of the market share in 1996-97. Commercial brand leaders increased their market share from 21.2 percent in 1995-96 to 27.8 percent in 1996-97. See Figure 6.5.

Figure 6.5

SHARES OF LEADING CONDOM BRANDS IN URBAN UP

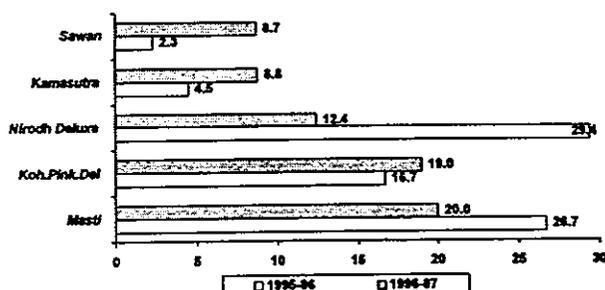
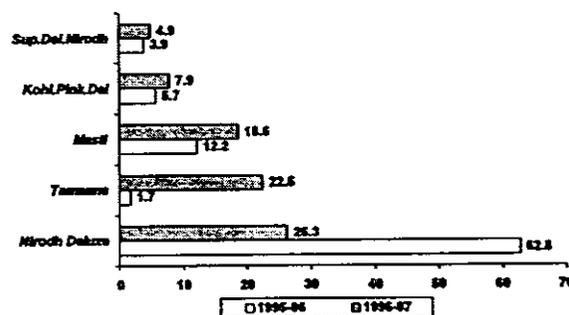


Figure 6.6

SHARES OF LEADING CONDOM BRANDS IN RURAL UP



In contrast to the urban market, subsidized brands completely dominated the rural market. Nirodh Deluxe remained the market leader until 1995-1996 with almost two-thirds of the total market. It remained a market leader with a reduced market share (26 percent) even

with its lack of availability for most of 1996-97. Tamanna, a brand introduced in 1995-96, made huge gains in the following year and captured 23 percent of the market. Masti and Nirodh Super Deluxe, other subsidized brands, had marginal gains. Kohinoor Pink Luxury, a commercial brand, has been gradually improving its position; its market share was 8 percent in 1996-97. No other commercial brand had a major presence in rural Uttar Pradesh. Four of the five leading brands in rural Uttar Pradesh were subsidized brands with a combined market share of 81 percent in 1995-96 and 72 percent in 1996-97. See Figure 6.6.

III. DISTRIBUTION ISSUES

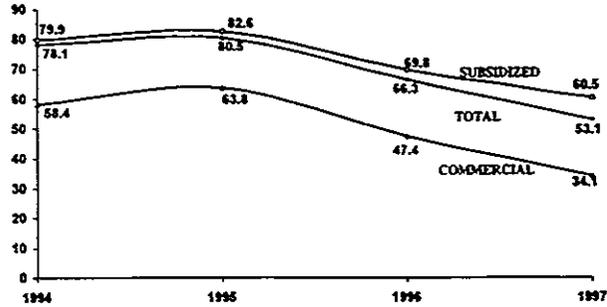
In the past, most condom sales occurred in retail outlets such as general merchants, groceries, and tobacco shops. For example, 78 percent of all outlets selling condoms in 1994 were retail outlets and 22 percent were pharmacies. The share of pharmacies increased considerably in 1995 to 34 percent with a corresponding decline in the share of retail outlets. This trend continued in 1997 with pharmacies having a share of 47 percent of total sales.

Traditionally, the commercial sector depended more on pharmacies for condom sales than did the subsidized sector. In 1994, nearly 42 percent of all commercial condom sales occurred in pharmacies. In 1997, sales by pharmacies increased to 47 percent of total sales. The subsidized sector, which largely sold its products through retail outlets, showed similar trends. In 1994, 80 percent of subsidized condom sales were by retail outlets; in 1997, this proportion was 61 percent. This could be due to a shift in the emphasis of marketing agencies selling both commercial and subsidized products to pharmacies. This shift has several implications. Since the number of retail outlets is far greater than the number of pharmacies, a decrease in the number of retail outlets will reduce access to products. Since most pharmacies are in urban areas, problems of access to priced products will be more pronounced in rural areas. One of the reasons for this shift could be the distribution cost cuts imposed by marketing agencies, which could also be one of the main reasons behind the stagnation of condom sales in Uttar Pradesh. The trend was similar in both urban and rural areas.

As a result of these shifts in condom sales by pharmacies and retail outlets, the total value of condoms sold by pharmacies has increased considerably. In Uttar Pradesh, 74 percent of the total value of condoms was sold by pharmacies in 1994; this declined to 55 percent in 1997. The decline was similar for both commercial and subsidized products. Retail outlets sold nearly 79 percent of the total value of subsidized condoms in 1994; in 1997, they sold 58 percent of sales by value. In the commercial sector, the value of condom sales by retail outlets declined from 57 percent in 1994 to 34 percent in 1997. See Figure 6.7.

Figure 6.7

PERCENT OF TOTAL OFF TAKE OF CONDOM
BY NON-CHEMIST OUTLETS IN UP



The total number of condom dealers declined sharply from 1,890 dealers in 1994 to 1,257 dealers in 1997. This decline was largely due to the decline in the number of dealers exclusively dealing with subsidized condom products. There were 1,287 dealers that dealt exclusively in subsidized products in 1994. This declined to 651 dealers in 1997. During the same period, the number of dealers exclusively dealing with commercial products increased threefold from 83 in 1994 to 240 in 1997. The number of dealers handling both commercial and subsidized products also registered a marginal decrease. However, the proportion of total exclusive dealers for subsidized and commercial condoms remained the same.

CHAPTER 7

SUMMARY FINDINGS OF ORAL PILL MARKET MOVEMENT STUDY

CHAPTER 7

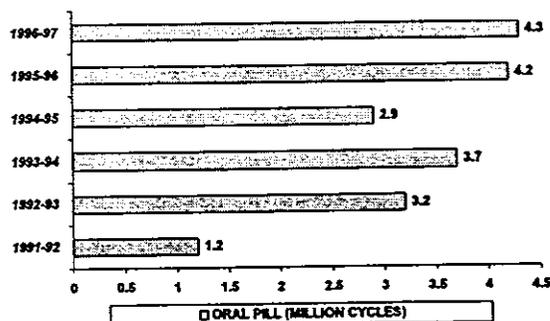
SUMMARY FINDINGS OF ORAL PILL MARKET MOVEMENT STUDY⁷

I. VOLUME OF ORAL PILL SALES IN UTTAR PRADESH

The oral pill market is very small in Uttar Pradesh, but it witnessed spectacular growth rates between 1992 and 1994. The following year, there was a major dip in sales volume, perhaps due to the lack of availability of foreign exchange to import raw material for production of oral pills. However, the sales volume in 1996 surpassed 1994 levels and remained more or less the same in 1997 (see Figure 7.1). Out of every six cycles of oral pills sold in India, one was sold in Uttar Pradesh.

Figure 7.1

TOTAL ORAL PILL SALES IN UP



Commercial oral pill sales formed only 5 percent of total oral pill sales in 1992, but increased to 25 percent in 1993. During this period, the oral pill was taken off the government's ethical product list and became an over-the-counter product. The government of India, which operated the oral pill market without brand names, introduced two brand names, Mala-D and Mala-N, and launched a campaign to popularize oral pill brand names. With improved access to subsidized products and increased promotional activities, the market favorably reacted to subsidized products; however, the sales volume of commercial products is steadily increasing while the subsidized sector stagnates.

Between 1996 and 1997, the commercial sector grew at the rate of 7.8 percent while the subsidized sector registered a growth rate of only 0.1 percent. Out of every four cycles of oral pills sold in Uttar Pradesh, one was sold in the commercial sector and the remaining three in the subsidized sector.

⁷ This chapter is a summary of findings obtained in the *Market Movement Study on Condoms and Oral Contraceptives* by the Operations Research Group (ORG-MARG) in January 1998 under subcontract to the POLICY Project.

One of every two cycles of oral pills sold in Uttar Pradesh is sold in an urban area. Only 8 percent of the urban market was served by the commercial sector in 1992. This increased to 39 percent in 1997. The total volume of sales of oral pills marginally declined during the period between 1994 and 1996. This decline was largely due to a fall in sales of subsidized products. The commercial sector during this period registered an increase in sales. See Figure 7.2.

Figure 7.2

TOTAL ORAL PILL SALES IN URBAN UP

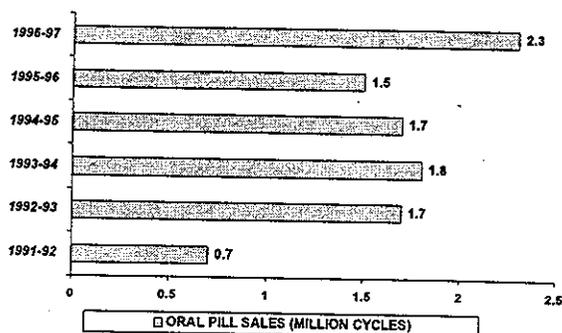
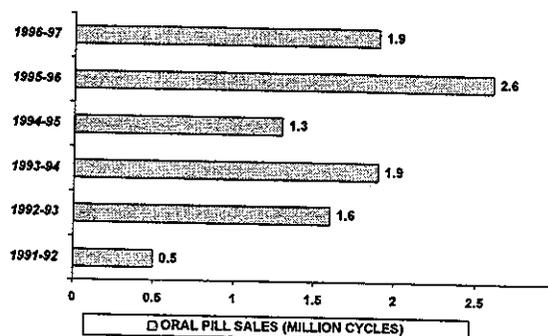


Figure 7.3

TOTAL ORAL PILL SALES IN RURAL UP



Cumbersome procurement procedures and inefficient distribution systems could be the main reasons for the fluctuating volume of sales of subsidized oral pill products. Whatever the reason, the subsidized sector, from the users' point of view, is not entirely reliable as a source of supplies. This could be the main reason for the increase in the share of commercial products sold in Uttar Pradesh.

In rural areas, oral pill sales steadily increased over time, except in 1995. The increase in the volume of sales in rural areas was largely due to the increase in the sale of subsidized products. Commercial products accounted for only 10 percent of total sales in 1997. One of every 10 cycles sold in rural Uttar Pradesh is a commercial product and nine are subsidized brands. See Figure 7.3.

II. MARKET SHARES OF TOP BRANDS OF ORAL PILLS

A total of 14 oral pill brands compete with each other in Uttar Pradesh. Mala-D, a subsidized product of the government, has nearly two-thirds of the market share. Ovrall, an umbrella brand that includes Ovrall, Ovrall-L, and Ovrall-G as specific brands that cater to different market segments, is second with 20 percent of the market share. Two commercial brands, Douluton-L and Traiquilar, have a 3 percent and 2 percent market share respectively. Subsidized brands such as Pearl, Ecroz, and Saheli have market shares of 3 to 5 percent. Since the overall market is not expanding, the volume of sales and the market share of various brands have remained fairly constant. Of the 14 brands available, nine are commercial brands with a combined market share of 27 percent. Five subsidized brands have a market share of 73 percent in 1997. See Figure 7.4.

Figure 7.4

SHARES OF LEADING ORAL PILL BRANDS IN UP

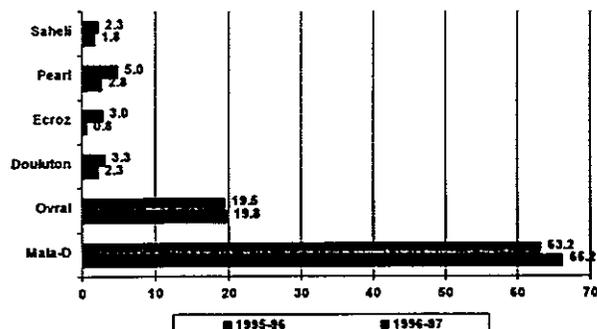
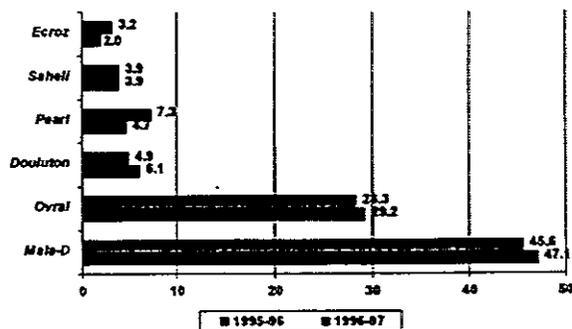


Figure 7.5

SHARES OF LEADING ORAL PILL BRANDS IN URBAN UP

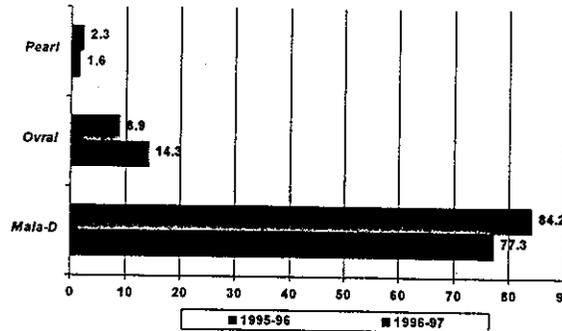


In the urban market, Mala-D is the market leader with a market share of 46 percent in 1997. The market share of Mala-D, which stood at 52.8 percent in 1995, is slowly declining. Ovral brands had a 25 percent market share in 1994 that increased to 28 percent in 1997. The market share of Pearl was constant at 3.6 percent through 1995, when it began an upward trend, increasing to a 4.7 percent share in 1996 and a 7 percent share in 1997. The Pearl and Ovral brands have gained the market share lost by Mala-D. The market shares of all other commercial and subsidized brands have not undergone any major changes. In all, the proportion of the aggregate market shares of commercial (40 percent) and subsidized brands (60 percent) has remained constant since 1995. See Figure 7.5.

Unlike the urban market, which has a significant commercial brand presence, the rural oral pill market is entirely dominated by subsidized products. The market share of Mala-D, the market leader, increased from 77 percent in 1995-96 to 84 percent in 1996-97. Ovral brands, which commanded a market share of 18 percent in 1993, ended the year 1997 with only 9 percent of the market share. One of the unique features of the rural market was the presence of Mala-N, which is usually a free product. Mala-N had a market share of 8 percent in 1995-96 and 6 percent in 1996-97. The total market share of subsidized products was 81 percent in 1994 but increased to about 90 percent in 1997. This corresponded with the decline in the total market share of commercial products. See Figure 7.6 on the following page.

Figure 7.6

SHARES OF LEADING ORAL PILL BRANDS IN RURAL UP



Given the low volume of sales, it is perhaps too expensive for commercial firms to penetrate rural markets. This to a large extent explains the limited and declining presence of the commercial sector in rural Uttar Pradesh.

III. DISTRIBUTION ISSUES

In 1994, a total of 212 dealers operated in the oral pill market in Uttar Pradesh. Of these, 8 percent exclusively dealt in subsidized products, 12 percent in commercial products, and the remaining 80 percent in both commercial and subsidized products. Stocking of both commercial and subsidized products was more a norm than an exception. Over a period of time, the number of dealers of oral pills increased in absolute terms from 212 in 1994 to 359 in 1997. A large part of this increase was due to an increase in the number of dealers exclusively stocking subsidized products, which increased from 16 in 1994 to 138 in 1997. Similarly, the number of dealers exclusively stocking commercial products also increased, but not substantially. In 1997, 21 percent of dealers in the oral pill market exclusively stocked subsidized products, 3 percent exclusively stocked commercial products, and 77 percent stocked both commercial and subsidized products.

In urban Uttar Pradesh, dealers stocking both subsidized and commercial products formed 87 percent of total dealers while 10 percent exclusively stocked subsidized products, and the remaining 3 percent stocked commercial products. Major changes have not occurred in the urban Uttar Pradesh market.

In rural Uttar Pradesh, the number of dealers that exclusively stocked subsidized products increased from 4 percent in 1994 to 52 percent in 1997. There was a corresponding decline in the number of dealers stocking both commercial and subsidized products, from 97 percent in 1994 to 47 percent in 1997. Social marketing firms actively promoted their products in rural areas, which changed the profiles of dealers in terms of type of products stocked.

Per dealer sales of oral contraceptives in Uttar Pradesh were high for pharmacies and almost negligible among other outlets. The average sale per dealer in pharmacies in 1994 was 25 cycles, which declined to 11 cycles in 1997. An increase in the number of dealers without a

concurrent increase in the number of users may have resulted in reduced sales per dealer. In urban Uttar Pradesh, sales per dealer remained constant between 1994 and 1997. In rural Uttar Pradesh, sales per dealer declined from 37 in 1994 to six in 1997, which confirms that the decline in average sales was a result of a substantial increase in the number of dealers in rural Uttar Pradesh.

Monthly opportunity loss was very high for subsidized products in rural and urban Uttar Pradesh. There were also more severe problems associated with the distribution of subsidized products than commercial products.