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SOCIAL MARKETING PROJECT COMPONENT:
BANGLADESH FAMILY PLANNING SERVICES
PROJECT: SUMMARY EVALUATION AND
RECOMMENDATIONS

by

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GLOSSARY

BDG	Government of Bangladesh
CPR	Contraceptive prevalence rate
FPSMP	Family Planning Social Marketing Project (same as SMP)
FPSP	Family Planning Services Project
ISTI	International Science and Technology Institute, Inc.
MFU	Mobile film unit
MIS	Management information system
MOHFP	Ministry of Health and Family Planning (formerly MOHPC)
MOHPC	Ministry of Health and Population Control
NGO	Non-government organization
ORS	Oral rehydration solution
POPTECH	Population Technical Assistance Project
PSI	Population Services International
SMP	Social Marketing Project (same as FPSMP)
UNFPA	United Nations Fund for Population Activities
USAID	United States Agency for International Development

I. BACKGROUND

I. BACKGROUND¹

I.1 The Project

The Family Planning Social Marketing Project (FPSMP) was established in November 1973 under an agreement between the Government of Bangladesh (BDG) and Population Services International (PSI), a U.S. based non-profit organization. AID funding began in 1974 under a contract negotiated with PSI and continued until, in 1981, the FPSMP was subsumed under the Family Planning Services Project (FPSP) and became a major component of that project. In 1984, the AID-PSI contract was discontinued but AID continued to assist the FPSMP through a Cooperative Agreement with PSI. That relationship continues at the present time.

Thus, under one legal arrangement^s or another, AID has assisted the FPSMP for 11 years to date, including five years under FPSP. From FY 1981 through 1985, AID obligations for technical assistance and operating costs through FY 1987 amounted to \$16,852,617. Obligations for supply of condoms and pills to the FPSMP amounted to \$28,538,892. The total obligations to the FPSMP for this period was \$45,391,509. The total FPSP budget for this period was \$118,260,975. Thus, obligations to the FPSMP accounted for 38 percent of the total FPSP. In FY 1985, FPSMP

¹ With the exception of some of the headings, this Background statement was taken verbatim from the consultants' assignment scope of work, prepared by the USAID mission in Bangladesh.

also received \$5 million in Child Survival Funds for an ORS project.

I.2 Project Objectives

I.2.1 Family Planning Services Project Goals

The Family Planning Services Project was designated as part of the national program to reduce fertility by increasing the prevalence rate of modern birth control methods. During 1981-1983, prevalence of contraceptive use was expected to increase to 25 percent (modern methods) as part of a larger goal to reduce population growth as a critical element in Bangladesh development. This was later modified slightly in a project amendment to a CPR target of 28 percent (modern methods) by the end of CY 1987.

The project purpose was to be achieved by concentrating resources on improving and expanding the delivery of family planning services through the existing Ministry of Health and Population Control (MOHPC) system, non-government^{al} organization (NGO) efforts, and the FPSMP.

I.2.2 FPSMP Goals and Objectives

The objectives of the FPSMP are presented in the BDG-PSI agreement signed in 1982 and in the FPSP Project Paper (amended in 1984). A major objective is to increase availability and use of conventional non-clinical contraceptives by distributing them widely in private sector sales outlets throughout the country, particularly at the retail level. Achievement of that

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objective would contribute to attainment of a CPR of 28 percent (modern methods), the goal of the FPSMP Project. The FPSMP has several other objectives emphasizing family planning, product promotion, and product diversification, as well.

The FPSMP has been in full operation in Bangladesh since 1975. An external evaluation of the FPSMP in 1983 concluded that the tremendous growth in the national distribution of non-clinical contraceptives since 1976 could be largely attributed to SMP sales and that SMP accounted for more than half of the distribution of all non-clinical contraceptives in Bangladesh.

I.3 Issues

However, questions have been raised about the extent of distribution of FPSMP contraceptives in Bangladesh based on sales data . . . about the extent of use of condoms and pills in general by the Bangladesh population, and about the extent of use of FPSMP condoms and pills in particular.

There is a discrepancy between reported condom and pill use according to the 1981 and 1983 Contraceptive Prevalence Surveys (CPS) and condom and pill use "estimated" from FPSMP distribution data. While there are a number of plausible hypothesized explanations for these data discrepancies--and some data substantiating, rejecting, or to some extent quantifying each--in the face of increasing costs for FPSMP commodities, USAID must get a better grip on the real contribution of the

FPSMP to contraceptive prevalence in Bangladesh.

In this respect, USAID and FPSMP have initiated a number of studies. If FPSMP continues to operate with USAID assistance in such significant proportion to other FPSP components, FPSMP management and USAID may need to take some actions to increase the impact of FPSMP activities.

Promotion, pricing, and distribution strategies and systems transferred from the private sector were factors which contributed to a growth rate of about 25 percent per year in FPSMP sales; a rate sustained until 1985, when overall sales experienced a decline of 11.6 percent. PSI/SMP has stated that marketing and promotional strategies require re-thinking and revision in 1986.

II. RESPONSE TO SCOPE OF WORK

II. RESPONSE TO SCOPE OF WORK

The following report is a summary of the findings, conclusions and recommendations of a four-person consultant team which spent the month of December 1986 on assignment in Bangladesh under contract with the Population Technical Assistance Project/International Science and Technology Institute (POPTECH/ISTI). The report is presented as a series of responses to questions prepared by the USAID mission in Bangladesh.

A. ACHIEVEMENTS OF PROJECT OBJECTIVES

Has the project increased availability and use of conventional, non-clinical contraceptives among targeted socioeconomic and geographic segments of the population (i.e., poor and rural), to what extent, and has it done so effectively and efficiently?

A.1 Availability and Use: Level of Achievement

The project has increased availability of condoms and pills, but the evidence is less clear regarding the level of increase in their use. The project's success in increasing availability is demonstrated through sales data: SMP has performed well against sales objectives over the past five years, consistently meeting or exceeding goals in both pill and condom sales, with the sole exception of condom sales during 1985. The SMP condom Raja is the condom market leader and the SMP pill Maya has a significant share of the pill market. To achieve these increases in sales, SMP has done a good job in developing accessible outlets. The 1983 CPS indicates a significant shift away from Government/NGO outlets toward SMP outlets as the source

this team did not figure out what Lang-Walker subsequent did that / there were only about 25000 outlets where repeat sales have been made

W

of supply. Further, SMP outlets are more likely to be seen as easy to get to than Government/NGO outlets. Thus, although the current manner of reporting distribution outlets has some drawbacks (see Section E), it is probable that SMP has either met, or at least come reasonably close to the FPSP objective of 130,000 outlets.

No!
but at the
time, the
Team
felt this

The project has done an equally effective job in regard to prices. A couple of year of protection (CYP) for either of the two leading SMP brands--Raja condoms or Maya pills--is roughly equivalent to one day's wages for the average rural worker.

The issue of use is more complicated, since it is not possible to establish an agreed upon figure for use, particularly for condoms, which are SMP's major product (see Section L). The predominance of SMP condoms and pills would suggest that the Project has performed well in regard to use, particularly, given the limited accessibility of SMP outlets to the female population and SMP's emphasis on rural areas (as opposed to the ability of Organon, a highly-priced manufactured product, to concentrate sales in the urban areas where use is higher). Overall, however, USAID has been disappointed by the level of use that appears to have been achieved.

Recommendation

- (1) The dramatic dip of 1985 condom sales should be examined. Issues to be reviewed would include whether the drop might have been part of an overall downward trend in acceptance

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of family planning that year and if so, how condoms performed compared with other temporary methods. The 1985 CPS should shed some light on this question and should be reviewed along with other relevant data.

A.2 Issue of Efficiency: The Distribution System

The question has been raised by SMP, PSI and USAID Mission personnel of whether the distribution system of SMP could be improved or streamlined. The SMP sales force has been built over the years to accommodate the unique distribution constraints of a product line that essentially has no profit margin. This constraint has essentially eliminated the traditional role of the wholesaler, with the SMP sales force executing 95 percent of the deliveries through the system and both retailers and stockist selling directly to the consumer. The sales force of SMP may appear cumbersome, but it may actually be quite efficient given the variety of limiting factors (i.e., minimal profit margins, difficulty of detailing, the need for monitoring the manual reporting system).

Recommendations

(2) A consultant with distribution system expertise should be retained to determine what, if any, changes should be made in SMP's distribution system to enhance overall performance and cost-effectiveness.

(3) SMP should continue to monitor efficiencies of internal versus external warehousing. The overall strategy of USAID

*SMP
is
changing
going for
elimination of
"wholesale"
inlets with
warehouses
they never were*

toward the eventual structure of SMP is a key factor in determining whether the distribution network ultimately should or should not include independent wholesalers.

B. PRODUCT LINES

Are product lines appropriate and are products priced properly? Should additional health products be marketed? What is the likely effect of ORS sales on contraceptive sales?

B.1 Current Contraceptive Products

B.1.1 Panther Condoms

On the whole, product lines for pills and condoms are appropriate and properly priced. The only exception is the Panther condom, which was introduced in 1983 to attract a slightly more upscale clientele than the Raja condom (up till then the only SMP condom on the market). Panther has not done as well as hoped. With the introduction of Majestic, also higher priced than Raja, the rationale for Panther may have disappeared.

Recommendation

(4) Because of its weak position in the market, consideration should be given to phasing out the Panther line. A further possibility may exist to repackage and reintroduce Panther with a new positioning and price, with the aim of testing whether a product positioned with a high price-value image and commensurate price can, in fact, expand the market.

B.1.2 Joy Vaginal Foam Tablets

The small market for vaginal foam tablets appears to be appropriately filled by the product Joy, although repeatedly out-

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of-stock situations have made for checkered sales growth. Joy is currently sold through pharmaceutical outlets although a slow expansion to non-pharmaceutical outlets is being evaluated. At present, there is some question whether Joy's Japanese suppliers will continue to make this product available. Because vaginal foams are a less reliable form than pills or condoms, there is a question whether another brand should be substituted.

Recommendations

(5) In deciding whether SMP should continue to market a vaginal foam tablet, USAID should consider whether the need for a variety of products, regardless of their use effectiveness, justifies the cost. If USAID decides a vaginal foam tablet should be marketed, SMP should market such a product in a limited way.

(6) If a substitute for Joy is needed, the following issues should be addressed before any action is taken: is it worth a major new product introduction effort, including research on the target audience, to determine product positioning, packaging, and pricing, including advertising and marketing support, for a relatively ineffective product? Would the funds for such an effort be more effectively allocated to a motivational effort? Is the marketing of a vaginal foam tablet necessary to fulfill the responsibility of offering alternative methods of family planning?

(7) It is recommended that these decisions be made after an overall program policy has been determined (see Section K).

(8) If plans are carried out to sell Joy through non-pharmaceutical outlets, great care should be taken to ensure proper instruction of shopkeepers so they can properly instruct their customers in its use.

B.2 New Contraceptive Products

Noristerate injectables have been introduced in a limited SMP test market since 1984. The proper use of an injectable product, however, requires an extensive product-use monitoring system, which does not seem feasible within the existing SMP distribution return.

Recommendations

(9) Products such a Noristerate that require detailed monitoring should not be included in the SMP line at this time.

(10) The current injectable tests should be considered for discontinuation.

B.3 Health Products

B.3.1 Safe Delivery Kits

Safe Delivery Kits have been marketed on a test basis by SMP since 1982. The product apparently has its greatest appeal among women with no access to medical attention, and a drop in price appears to be improving sales.

The current issue is whether SMP should undertake a major marketing effort for Safe Delivery Kits once it has completed the positioning work.

Recommendations

(11) A medical consultant familiar with the use-effectiveness of Safe Delivery Kits should be retained to decide whether to pursue a major marketing effort of this product. This would be preferable to the alternative of conducting market research to determine their effectiveness, followed by educational efforts and development of a marketing plan. The recommendation is based on giving priority to SMP's social goals. If this were strictly a business decision, the recommendation might be low-level support for product promotion, since costs would be extremely high for the substantial education effort that would be needed to promote effective product use among the poor and probably illiterate target audience.

B.3.2 Oral Rehydration Solution

The marketing of the oral rehydration salt (ORS) Orsaline in 1985 represents SMP's first major effort to distribute health-related products. SMP has an excellent marketing plan for ORS and a sound strategy for fulfilling its contractual obligations in this area. It is likely, however, that sales of the ORS may have a negative effect on contraceptive sales; the same sales force will be attempting to market both products and its efforts may be diluted in the process.

is this still so?

Recommendations

(12) SMP should pursue its plans to distribute ORS.

B.4 Other Activities

SMP's involvement in two other activities is also under discussion: manufacturing of condoms and establishing and/or promoting health clinics. SMP has decided to defer action on the health clinics, and the possibility of condom manufacturing is yet more remote, particularly since the possibility of self-sufficiency appears very unlikely.

Healthy clinics not brought up ever since w. USAID by anyone about the eval.

Recommendations

(13) SMP should continue to concentrate on bringing its existing businesses (including ORS) to mature market positions before diverting its attention to other activities.

What are "mature market positions" for each existing product? - Wellbutin?

C. STAFFING AND ORGANIZATION

Are PSI and SMP adequately staffed?

C.1 Staffing and Structure

Both SMP and PSI appear to be adequately staffed, although currently there is a need for a permanent PSI Country Representative and for an individual to take responsibility for SMP's advertising, promotion and motivation activities. Currently efforts are being made to identify a Bangladeshi national with a background in marketing to fill the latter role.

The existing structure is adequately staffed in the areas of distribution and sales, warehousing and packaging, and administration and finance. SMP has made considerable efforts, through technical assistance and training, to improve the organization's marketing activities. The management structure is

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basically sound, although lack of job descriptions sometimes results in blurred lines of responsibility. Plans are being made to improve the structure, with particular stress on aligning management responsibility with management expertise as well as adding staff responsible for advertising and promotion.

Recommendations

(14) Every effort should be made to fill the two existing vacancies as quickly as possible so that the proposed reorganization can be implemented.

(15) PSI and SMP should create specific job descriptions. Current managers should be involved in the process.

(16) Consideration should also be given to seeking the advice of a consultant with expertise in management structure to determine what, if any, additional structural changes might enhance SMP's overall performance. It would be particularly valuable if the consultant had experience both in the private sector and with other social marketing projects.

C.2 Project Council

A nine-member Project Council, which includes representatives from the Government, USAID, the United Nations Fund for Population Activities (UNFPA), PSI and the project director, sets policy for SMP. There has been some difficulty in regard to holding meetings on a regular basis, since the group includes the Secretary of MOHFP, whose schedule is extremely busy. Another

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problem is that there is no executive committee to execute Council decisions or to act as a liaison between the Council and the SMP.

Recommendations

(17) Formation of an executive committee of the Project Council should be considered. The committee should be kept small and might be comprised of the SMP General Manager, the PSI Country Representative, and possibly the SMP Marketing and Sales Managers. The advantage to including these two managers would be to formalize a channel of communication between these functions, each of which depends on the other for its success in reaching objectives. Consideration should also be given to including the USAID Health and Population Chief, or his designated USAID representative, if USAID policy would allow this type of operational participation.

D. TECHNICAL ASSISTANCE

Does PSI provide appropriate and timely technical assistance?

PSI has done a good job in providing appropriate and timely technical assistance. It helped set up the distribution system and made a concerted effort to develop the skills of SMP management in four areas: management information systems (MIS); marketing, planning, advertising and communications; marketing research; and management development. Certainly, much remains to be done, but there is a limit on how much any organization can do when the first priority is to run a business effectively.

BS
*what does this mean?
this is a social marketing project, not a business*

Furthermore, Bangladeshi staff members need time in which to absorb the many concepts involved.

Recommendations

(18) A key short-term goal should be to develop a streamlined MIS that could carry out the data analysis needed for the development of strategic plans. The consultant (or consulting firm) now being sought for MIS development should be given responsibility for conducting a full analysis of the real informational needs of SMP, USAID, and BDG (or the Project Council) before making any recommendations on MIS design. The recommendations should include the ways in which the data should be organized and analyzed to enable their use as a tool in developing strategic business plans.

(19) Formal consultancies in the areas of management training, marketing planning (advertising and communications), strategic data analysis, and strategic business planning should also be considered. A single consultant might be retained who would design a course in these skills tailored to SMP personnel information needs, and to address the specific situation faced by SMP. Manoff International, which has provided considerable expertise in this area in the past, should be considered. In addition, seminars and conferences could be particularly productive for SMP management in these areas.

*Manoff
rec*

(20) Serious consideration should also be given to continuing to provide technical assistance (in the form of workshops or training sessions in addition to actual study design, implementa-

tion, and analysis) that would strengthen the capabilities of local marketing research firms.

E. MANAGEMENT INFORMATION: ADEQUACY FOR COMMERCIAL VS. SOCIAL MARKETING

What information is required to manage a social marketing project effectively as distinct from any commercial product marketing operation? Has PSI-FPSMP established an effective management information system (MIS) for marketing purposes? For social marketing purposes?

The current MIS is not very effective in analyzing either a commercial or social marketing operation. It is currently a slow, manual operation, with all sales data tabulated by hand and minutely reported by the sales and medical representatives daily and by district monthly. SMP is in the process of converting from a manual to a computerized operation. Personal computers have been ordered, a full-time programmer hired, and plans are under way for technical assistance to design the system.

12 years old project

In addition to the problems stemming from the sheer volume of data, the current system is not really effective in analyzing SMP's performance against its distribution goals, since it includes all stockists and retailers ever called on. Furthermore, it does not differentiate between stocking of new and repeat outlets, and thus there is also no way to identify condoms in the pipeline: i.e., those that have been sold to stockists and retailers but not yet purchased by users. (The part played by the so-called pipeline effect in making an accurate count of

perhaps how can the team say that SMP has achieved anything by merely selling out 1/10 a major proportion of 130,000 outlets

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users based on the distribution system is discussed further in Section L.)

Recommendations

(21) The new MIS (see Recommendation 18) should permit identification among stockists and retailers of new versus repeat outlets as well as of initial stocking versus repeat stocking of a new brand. Not only would this give a clearer picture of on-going activity at the retail and stockist level, but it would also be an effective tool in gaining a clearer understanding of consumer pull through the system, as indicated by repeat rather than total sales figures.

Other
own
and
SMP
ducts

F. RESEARCH: MARKETING AND ADVERTISING STRATEGIES

What issues should a social marketing project be expected to research? Can the MIS and research/evaluation activities of FPSMP be improved, and if so, how? What research and evaluation studies will be required in the next 2-3 years?

The most critical question raised by SMP condom and pill line sales data is whether there is actual consumer preference for condoms or pills based on some demographic or psychographic factor, or whether the differences in share of pills and condoms by district is driven by the efforts of the sales force. If consumer demand is identified as the predominant factor and if the nature of that demand were known, SMP could emphasize its product lines accordingly, in both development and positioning.

There is some indication that some of SMP's product-specific advertising may be off-target in terms of motivations toward family planning. Ads that use such terms as "unwanted

pregnancies" and "a carefree and exuberant married life" may not be appropriate in a conservative society. Although it has been demonstrated that an advertising approach that is inappropriate for one group may be suitable for another, more research is needed on factors that influence consumer purchases.

Another issue is whether there is an upscale market for higher priced condoms and pills. The importance of this issue depends on whether and to what degree USAID is interested in having the SMP move towards self-sufficiency (see Paragraph K).

Considerable progress has been made, particularly with the technical assistance of Manoff International, in developing locally available skills in the areas of sample and questionnaire design and data compilation. Nonetheless, much remains to be done in the area of strategic analysis of survey findings.

Recommendations

(22) The main area to be researched at present is the audience for family planning, its motivations and its resistance points. Market research should be undertaken to gain insight into factors influencing consumer preferences in selecting family planning alternatives among users and into factors influencing consumer rejection patterns of specific family planning alternatives among those who have rejected one or more. This effort should determine the factors that convert people to committed use of family planning methods by method, along with restraining factors that have kept non-users from use by method, as well as in general. By nature of the informational objectives, such

Schiro's phenomena
but is the upscale group the group that SMP - as opposed to commercial brands should serve?

are interested - effective - and act on use etc. (information) his way project established suff. had not an object this change

research would probably take the form of in-depth individual interviews or focus group discussions among men and women separately.

(23) If the recommended market research in consumer motivations for, and against family planning acceptance is implemented, the results of this type of research should then be used to develop an advertising strategy targeting product advertising and positioning against the most likely potential user groups, against their motivations for non-use, and against their motivations for use.

(24) SMP should continue to develop its in-house skill in the area of media planning.

(25) In addition, consideration might be given to using the information obtained through research for (1) design and implementation of training programs in media strategy and plan development for the SMP advertising agencies--by Manoff International, for example, or a similar organization--and (2) encouragement of the development, either by Government or a consortium of advertising agencies, of media audience information.

(26) Consideration should be also given to testing a higher-priced product in the condom line to see if a high-quality, high-priced, ultra-thin product would expand the market by appealing to a more upscale audience. This would be an opportune time to undertake such research; currently, there is no local production to restrict SMP's ability to introduce such a product, whereas, within a couple of years there may be. An additional advantage

of pursuing a high-priced condom line would be to allow SMP to track sales of such a product. This would provide guidance in regard to the eventual possibility of local manufacture of an equivalent product, assuming the market carries enough volume to make this a viable option.

G. SMP'S EFFECT ON OTHER PROJECT COMPONENTS

What effect has the FPSMP had on other Bangladesh National Population Program components: on NGO, BDG and on other commercial activities?

While it was difficult to gather any hard data on this question, it is likely that all pill sales have benefited from the SMP motivational campaign. Furthermore, at least one NGO looks to the SMP as a source of stock, if other sources are out.

H. URBAN VS. RURAL STRATEGIES

What is the relative effectiveness of rural and urban FPSMP activities? Do rural and urban strategies need improvement and, if so, how?

SMP's strategy is to emphasize rural areas. There is not, however, a high level of sophistication delineating urban versus rural strategies, mainly because of the lack of information on consumers on which such strategies would be based (see Paragraph F). It is known that rural sales of pills are greater than urban sales in five out of eight sales districts, but little is known about why people make contraceptive choices in either area.

*why,
after 12
years.*

I. ADVERTISING CAMPAIGNS

Has the contribution of the Manoff International and other FPSMP demand-creation campaigns for family planning services in general and for FPSMP products specifically been adequately measured? If these advertising campaigns have been adequately measured, how effective are they and should they be continued assuming USAID continues its support of the overall project? If they have not been adequately measured, what type of evaluation should be designed to determine the effectiveness of a product-related and "idea-related" advertising campaign?

I.1 The Motivational Campaign

The 1984 first wave evaluation of the Motivational Campaign indicates that campaign strategies had the desired effects: rural men showed the greatest increases in awareness; fewer men and women considered modern methods unsafe; people were listening more frequently to family planning programming; more men indicated they had discussed family planning with their wives; more men were relating to the concept that family planning has economic advantages; and family planning was seen as the right thing to do by all target groups. It was not possible to judge whether this evaluation itself was adequate. Nonetheless, all these results seem to indicate the Motivational Campaign has effectively communicated its intended messages.

Recommendations

(27) Consideration should be given to increasing funding for both the overall Motivational Campaign and the SMP mobile film units (MFU), because these may present the most efficient way to deliver messages to rural audiences.

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(28) If this recommendation is pursued, PSI and SMP personnel should be consulted to determine how much incremental work they believe they could absorb without overloading the system, specifically in regard to the actual number of MFUs that SMP can manage.

(29) The research on MFU effectiveness recommended by a SOMARC consultant should be carried out.

(30) If the recommendation to increase MFU activity is pursued, serious consideration must be given to increasing the breadth of films shown. The same audience cannot be continuously exposed to the same materials without causing a negative reaction. Thus, if MFU activity is substantially increased, it is recommended that additional motivational materials be created to increase the impact of this vehicle of the Motivational Campaign.

(31) SMP should seek ways to increase its impact on rural women. Given the SMP structure, one alternative might be to add a woman (or several) to MFUs to speak to village women about family planning and family planning products and to answer their questions. These discussions might be held just before the showings (the women generally gather at the front of the crowd), or on the morning after (more complicated to execute).

J. RELEVANCY OF SMP GOALS TO FPSMP

Which objectives of the FPSMP, as listed in the BDG-PSI Agreement, are relevant to the success of the Family Planning Services Project? Will FPSMP progress on other objectives help/hinder progress toward achievement of family planning services project goals?

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The most relevant objectives of those listed in the BDG-PSI Agreement are in the areas of operations (distribution system, management, packaging, etc.) and marketing (advertising, education, etc.), because emphasis in these areas is essential to the base business of SMP. These objectives have historically and should continue to receive priority attention within SMP. Secondary objectives focus on business expansion opportunities.

Recommendations

(30) Business objectives should not be allowed to be emphasized to the detriment of SMP's core business. *i.e. social marketing*

K. INSTITUTIONALIZATION

What are the implications of "institutionalization" of FPSMP in the Bangladesh context and at this stage of the project--for PSI-FPSMP, for the BDG and for USAID?

PSI is under obligation to both the GOB and to USAID to consider how SMP might be given independent legal status. Considerable research has already gone into this issue with proposals that it be established as a society, trust or a corporation. For logistical reasons, none of these proposals has been found viable. The real issue, however, has not been properly addressed, namely: will it be possible to create a organization that can at the same time be self-sustaining and also satisfy USAID's social goals of creation of a revenue stream that aids thousands of individual shopkeepers and which also continues to distribute socially valuable products.

first question why?

Recommendations

(33) SMP should be allowed to continue as a project in the short term, despite the disadvantages of the temporary nature of project status. *what disadvantages?*

(34) The issue of institutionalization should be addressed with a view to creating the type of structure that would most likely be able to accomplish USAID's overall social goals. Once the appropriate structure is decided upon, USAID can work out a strategic plan to develop that structure.

(35) Government policy regarding ownership of private Bangladeshi and foreign corporations should be closely monitored by the USAID mission. Information obtained should be channeled to any personnel within USAID assigned to develop policy on the desired organizational status of the SMP.

L. MEASUREMENT OF SMP EFFECTIVENESS

Are there any more useful measures of FPSMP effectiveness and impact than distribution figures converted to CYP?

Together with availability, the level of use of SMP
contraceptives are the two prime indicators of whether the
Project is meeting its objectives. There has been considerable concern because use measured by SMP's distribution figures converted to couple years of protection (CYP) has appeared considerably higher than has the level of use reported by women in the 1983 Contraceptive Prevalence Surveys (CPS) (see Section I.3). The discrepancy has been researched repeatedly since the

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Project's start in 1981 and the issues are being monitored and reviewed on an on-going basis.

Because of the pipeline effect (see Paragraph E) and other reasons discussed below, distribution figures converted to CYP tend to create a falsely optimistic picture of program effectiveness. The CPSs, however, are equally misleading, erring seriously towards underreporting of contraceptive use. Studies have identified the following possible types of underreporting: (1) women/wives may underreport use; (2) there may be significant levels of use outside marriage which is not being reported; (3) non-contraceptive use may not be reported; (4) irregular use may not be reported. On the other hand, analyses suggest that distribution figures converted to CYP are providing an inflated picture of project effectiveness. Smuggling is certainly diverting supplies that are being reported as having been distributed through the SMP. The pipeline effect, however, is considered more important. At any given time, a considerable proportion of the contraceptives distributed may be in the pipeline, unsold, explaining why far fewer contraceptives are being reported as used than have been distributed. The conversion factor has also come under attack. Traditionally, this assumes 100 condoms provide one CYP. Demographer John Laing, however, has suggested that the figure should be increased to 144 condoms per CYP, with the result that the large number of condoms distributed would be translated into a much lower figure for CYP,

one that would be considerably closer to the CYP figure that is calculated based on the CPS.

*↑
This section is OK*

There is no question but that further research is needed on the discrepancy, both on methodology of converting distribution data to CYP and on the validity of the reporting in CPS. The following steps are recommended.

Recommendations

CPSs

(36) Every possible effort should be made to ascertain the extent to which use figures derived from the CPS are actually representative of "real use" within the population, so that the performance, not only of SMP but of all project components, can be measured against use objectives as accurately as possible.

(37) USAID should seek an expert consultant to evaluate the contribution of the following two factors:

- o Irregular Use of Condoms

This factor has not been thoroughly researched yet. Roughly four in 10 male condom users say they use condoms irregularly, primarily because they rely on the safe period (1983 Condom User Survey). It may be that these people are being reported in the CPS results either as users of the safe period or as non-users--hence they may not be reflected in measurements derived from CPS data.

we used a can use Laing again

- o Initial Trial

1981 and 1983 CPS data indicate that trial has increased; Laing has speculated that trial could account for around

47

50 condoms per trier. This converts to nearly a half CYP for each couple trying condoms in a given year. If figures were developed for past year trial among non-current users and added to stated CPS figures, they might reduce the size of the discrepancy by as much a fifth.

(38). In addition, to address the problem of underreporting by women, serious consideration should be given (1) adding a male sample to the 1985 CPS and (2) reviewing the manner in which the use question is presented to women in the CPS.

*Discuss
w/
AK*

Distribution Figures

o Repeat versus New Sales

(39) As recommended in Section E, SMP sales figures should be broken out into new outlet stocks, or initial stocking of specific brand, and repeat sales. Repeat sales should be used as the base figure for conversion of SMP sales figures to CYP. The difference between SMP repeat sales and total SMP sales would represent the actual pipeline volume.

M. RESEARCH: PRODUCT USE PATTERNS AND EFFECTIVENESS

What further investigations are needed for FPSMP management and for USAID decision-making to understand product use patterns and effectiveness?

According to the major study on this issue (George Simmons et al.), when sterilization services are included in cost-effectiveness analyses, SMP is the least cost-effective of the three components of the program. If the analysis is conducted on the basis of temporary methods alone, however, SMP is

(11)

the most cost effective of the three.

This study is helpful as a start, but it omits two crucial factors that would suggest SMP may appear less cost-effective than it actually is. These are (a) all costs for the Motivational Campaign--which was developed and executed by SMP but which benefits all program components--is expensed solely against SMP; and (b) if commodities are expensed on a cash expenditure basis (if this is so, then the approximately \$8 million in SMP commodities already landed in Bangladesh will make SMP look considerably more cost effective during the next year or two).

Recommendations

(40) The two accounting issues mentioned above should be considered further, and if appropriate, the formula for determining actual cost effectiveness for SMP should be revised.

(41) Since use effectiveness of both pills and condoms is highly dependent upon knowledge and education, USAID is urged to consider ways to increase knowledge, and use-effectiveness, of these products.

(42) The cost effectiveness and use effectiveness of condoms must be evaluated in the context of an overall strategy to provide a range of family planning methods for limitation and spacing appropriate to the needs of Bangladesh families. The value of SMP should then be weighed against alternative programs to provide birth spacing methods.

N. RECOMMENDATIONS FOR CONTINUED FUNDING AND OVERALL STRATEGIES

Should USAID continue its funding of the FPSMP? If not, why? If so, at what level, and should the present objectives and strategies remain the same? If not, what changes are recommended?

Recommendations

o Continuation of Funding

(43) There is considerable justification for continuation of the SMP. The data indicate that there is demand for modern temporary methods that the levels of continued use appear to be generally higher for pills and condoms than for other temporary methods, and that temporary methods may be a logical (and desirable) transitional step between non-use and acceptance of surgical methods. The data also indicate that there may be an emerging desire among women to have smaller families.

Since sterilization will not readily be accepted by the women (families) desiring more children, the only tactical option for reducing fertility that makes sense for this group is to reinforce the value of modern temporary methods in allowing these couples to space their families to achieve the end benefits of a smaller, healthier, more economically sound family with a commensurate reduction in mortality risk, and a concurrent reduction in total fertility rates.

A responsible family planning program must respond to the needs of all men and women who want to adopt family planning.

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Providing appropriate methods for those in a family spacing mode of family planning appears to be an important factor in gaining concept acceptance, hence a key to the ultimate goal of reduced fertility rates. In short, condoms and pills are essential to any national, socially concerned family planning program and SMP is the most efficient way to distribute condoms, which represent the levels of the program.

o Revision in Strategy: Focus on Women

(44) What appears to be needed now, and what is recommended, is a strategic plan to reinforce the emerging preference among younger women not having yet achieved their desired family size and those coming into their reproduction years (i.e., today's children under 15 years old) for a smaller family and to provide temporary modern methods conveniently.

O. OVERALL CONCLUSIONS

As stated repeatedly throughout this evaluation, most short-term strategic decisions regarding SMP depend on USAID's long-term goal for the project. Assuming that external funding must eventually be withdrawn, the long-term strategic question must be how to balance SMP's various social goals against the exigencies of cost-recovery and eventual self-sufficiency (see Section K). If the SMP's only social goal were creating economic improvement of the thousands of small retailers who handle its products, there would be no issue. Pricing and product lines could be determined on the basis of economics alone, and a number

of the SMP sales force could be replaced by a smaller number of internally controlled stock depots. Since SMP's mandate is far broader, however, other factors must be taken into account. Introduction of higher priced contraceptives must be justified in part on the basis of whether targeting an upscale consumer group is considered an appropriate social project goal. The distribution of foams depends, in part, on whether SMP wants to offer a full range of contraceptive choice regardless of use effectiveness. The distribution of Safe Delivery Kits, while perhaps not economically attractive, represents a clear-cut social benefit that must be taken into account.

The strategy for SMP recommended in this report is to focus on operations and marketing, the areas that will enable the project to carry out its social goals of increasing availability and use of contraceptives. The recommended studies, however, should also serve to put SMP on a firmer business footing. The development of discrete advertising strategies for the different geographic areas and social categories should contribute to the cost effectiveness of the project. The recommended increase in funding of properly targeted motivational campaigns should result in increasing overall sales and revenues. In short, the recommended studies should lay the basis for business development that will both enhance the chances for self-sufficiency and enable continuation of the focus on the Project's social goals.

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POPULATION COUNCIL

U.S. POPULATION COUNCIL
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October 10, 1986

Ms. Sharon Epstein
USAID/Dhaka
c/o American Embassy
Dhaka
Bangladesh

JE
10/17/86
File 38/1
N

Dear Sharon,

Enclosed is a copy of the final report on the 9-23 October consultancy by David Walker and me. I am providing copies to David, Philip Hughes, Bill Schellstede, and ISTI. This report incorporates the revisions specified in David's September 30 memo to me. If you have any questions about it, please let me know.

Sincerely,



John E. Laing, Ph.D.
Senior Associate

JL/sc
Encl.

cc: Mr. David Walker
Mr. Philip Hughes
Mr. William Schellstede
Population Technical Assistance Project, ISTI

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A REASSESSMENT OF SMP OBJECTIVES
AND INFORMATION NEEDS

I. INTRODUCTION

1. The Family Planning Social Marketing Program (SMP) has been providing subsidized non-clinical contraceptive methods through commercial retail outlets since late 1975. It was supported financially by AID/W from 1975 to 1981. Since 1981 it has been supported by USAID/Bangladesh through cooperative agreements with Population Services International (PSI). The chief goal of the SMP has been to increase the availability of contraceptive supplies by offering them for the sale through a wide variety of outlets, including pharmacies, grocers, pan shops, private physicians, and rural medical practitioners in both urban and rural Bangladesh. During its first nine years of operation, sales to stockists and retailers grew rapidly and the array of contraceptive products increased from two (Raja condoms and Maya pills) to six (adding Panther and Majestic condoms, Ovacon low-dose pills, and Joy foam tablets). By 1984, the number of condoms sold had increased from 10.1 million (in 1976) to 115 million; the number of pill cycles sold had grown from .54 million to 2.22 million.
2. For most of its existence, SMP has been very highly regarded by USAID. The 1984 Project Paper for the Family Planning Services Project, under which SMP falls, noted SMP's "growth rate exceeding 25% per year for the past seven years" and asserted that SMP condoms were "the single most widely used non-clinical contraceptive method in Bangladesh." It went on to characterize SMP as "a dynamic organization that has continued to demonstrate that an effective retail marketing effort can have a major impact in low-income rural areas at a low unit cost."
3. The current Cooperative Agreement between USAID and PSI, dated 20 August 1984, stated that "SMP's primary purpose is to use commercial techniques and systems to maximize distribution; promotion, pricing and distribution policies will all point to bringing contraceptives within the reach of the greatest possible number of people in urban and rural Bangladesh." This goal was to be reached by a variety of means (distribution, sales, advertizing and promotion, product line expansion, marketing innovations, and sales incentives), but few details were specified and quantitative targets against which performance could be evaluated were limited to only two: (1) to increase the number of outlets from 107,000 to 200,000 and (2) to increase sales by 20 to 30 percent annually.

4. Since 1984 USAID has become increasingly skeptical of its earlier assessment of SMP performance in light of findings from the 1981, 1983, and 1985 Contraceptive Prevalence Surveys, (CPSs), which have indicated considerably lower levels of condom use attributable to SMP sales than estimates of condom use made by SMP and PSI on the basis of sales statistics. Furthermore, even in terms of the more limited targets specified in the 1984 Cooperative Agreement, SMP performance has been mixed at best. The number of outlets reported by SMP is now 126,800, but as will be discussed later, this measure is of questionable validity. Sales of condoms peaked in CY 1984 but returned in CY 1985 to the 1983 level. In the first half of 1986 they have risen sharply once again. Sales of pills rose 29 percent in 1984 but only nine percent in 1985 and even less in the first half of 1986.
5. As a result primarily of the CPS findings and sales trends, both PSI/SMP and USAID have concluded that SMP goals, objectives, and strategies need to be reexamined and restated in terms of verifiable indicators that more accurately reflect SMP impact on contraceptive practice. Measurement of performance in relation to such indicators will require new approaches to data gathering and analysis. Furthermore, plans for research and routine data gathering and analysis need to be reformulated to provide SMP managers with the information they will need to identify and analyze problems and shortcomings so as to deal with them effectively.
6. The present report is intended to contribute to the current reassessment of SMP by reviewing data already available on SMP effectiveness, efficiency, and marketing; reviewing SMP management issues; identifying issues that need to be addressed, and suggesting provisional objectives to deal with the issues; and, where appropriate, indicating information needs implied for monitoring success in achieving the objectives. It is anticipated that the provisional goals, objectives, and strategies will be reassessed again in FY 1988 or FY 1989; our assessment of information needs will pay particular attention to the information required for this reassessment.

II. RECENT RESEARCH

II.A. Impact, Use-Effectiveness, and Cost-Effectiveness

II.A.1. SMP Sales Data

1. SMP sales figures for CY 1981 to CY 1985 for condoms and pills are as follows:

<u>Calendar Year</u>	<u>Condoms (million pieces)</u>	<u>Pills (million pieces)</u>
1981	50.4	.85
1982	66.6	1.21
1983	85.4	1.72
1984	115.1	2.22
1985	87.2	2.43

In the first half of 1986, condom sales rose to a level similar to the 1984 level, and pill sales continued at about the 1985 level.

2. In the past, SMP has estimated actual use levels by dividing the number of condoms sold by 100 and the number of pills sold by 13. The rationale for this procedure was that one couple-year of protection (CYP) was assumed to require about 100 condoms or 13 cycles of pills. According to this procedure, the number of CYP attributable to SMP condoms and pills would be as follows:

<u>Calendar Year</u>	<u>Condom CYP (thousands)</u>	<u>Pill CYP (thousands)</u>
1981	504	65
1982	666	92
1983	854	132
1984	1,151	171
1985	872	187

3. In 1983 the total number of eligible couples (where the wife is under age 50) was estimated to be 18.1 million at midyear. The 854,000 condom CYP estimated to be attributable to condom use would therefore be expected to contribute $(854/18,100=)$ 4.7 percentage points to the national contraceptive prevalence rate. The estimated 132,000 pill CYP would be expected to contribute another .7 percentage points. In 1985, when the number of eligible couples had grown to about 19.2 million, the estimated SMP contribution to the contraceptive prevalence rate under the same assumptions would have been 4.5 percent and 1.0 percentage points.

II.A.2. CPS Prevalence Data

1. Doubts began to be raised about the validity of using SMP sales data to estimate condom use levels attributable to SMP when the findings from the 1981 CPS became available and indicated that only 1.6 percent of the eligible couples were using condoms from any source, whereas CYP estimates based on SMP sales data indicated that three percentage points of prevalence were attributable to SMP condoms alone. Several hypotheses were suggested to account for this discrepancy (see next section), one of which was that the wives who were interviewed in the CPS might have underreported use of condoms, largely because it is a male method but also for other reasons such as its association with illicit sex. To test this hypothesis, the 1983 CPS was extended to include a special additional sample where only husbands were interviewed and another where both husbands and wives were interviewed simultaneously but separately (the "couple sample").
2. Findings from the 1983 CPS supported the hypothesis of underreporting by wives. The main (wives) sample reported only 1.5 percent condom prevalence, but the husbands in both the husband-only and couple samples reported 2.7 percent prevalence. (In the couple sample, counting all cases where either husband or wife reported condom use implied a condoms prevalence rate of 3.4 percent, but we will use the 2.7 percent estimate based on husbands' responses since the higher estimate is very likely to be upwardly biased, given the low degree of reliability associated with reporting of condom use. See Laing's December 1985 Memorandum for a more detailed discussion of this point.)
3. With a total eligible population of 18.3 million couples at the time of the 1983 CPS, the 2.7 percent rate translates into 494,000 condom users. However, not all condom use reported in the 1983 CPS could be attributed to SMP condoms.

According to the wives who reported condom use, only 65.1 percent of the condoms they were using were SMP condoms, indicating that 322,000 couples were using SMP condoms. In contrast, the CYP estimate based on SMP condom sales in 1983 was 854,000. The latter estimate exceeds the CPS-based estimate (which seems likely to be more accurate) by 163 percent.

4. The 1985 CPS continued to point to a substantial (though much lower) "condom gap." The condom prevalence rate reported by wives was 1.8 percent; but the husbands in the couple sample (interviewed about five months later) reported a 3.95 percent prevalence rate (indicating a growing disparity between husbands and wives with regard to willingness to report condom use), which implies a total of 750,500 condom users in 1985. Among the CPS respondents (wives) in 1985 who reported condom use, 73.2 percent reported use of SMP brands, indicating a total of 549,000 SMP condom users. In contrast, SMP sales figures, together with the assumption of 100 condoms per CYP, indicated a total of 872,00 SMP condom users. Thus the SMP estimate exceeds the CPS estimate by about 59 percent.
5. Information on pill use from the 1983 CPS and distribution data from the SMP program reveal no evidence of a comparable SMP "pill gap." According to analysis of CPS data on pill use by brand, SMP pills were being used by .64 percent of eligible women; the corresponding estimate based on sales data is .73 percent, a relative difference of only 13 percent, which is well within the expected range for inconsistency between two such disparately derived estimates. The corresponding analysis for 1985 reveals even less evidence of an SMP pill gap. CPS data indicate a pill prevalence rate of 5.1 percent, which, assuming 19.0 million eligible couples, implies 969,000 pill users, of which 19.3 percent reported SMP pill use, indicating that 187,000 couples were using SMP pills at the time of the survey. SMP pill sales in 1985 amounted to a total of 2.43 million cycles, which translates, at 13 cycles per CYP, to 186,900 pill users, almost identical to the survey-based estimate.
6. For both pills and condoms there is a great difference between urban and rural prevalence levels. In 1985 for instance, urban CPS respondents (wives) reported nearly four times the pill prevalence reported by rural respondents (15.7 percent is 3.9 percent). Urban husbands in the 1985 couple sample reported 8.0 percent condom prevalence, but the corresponding figure for rural husbands was only 3.5 percent. It is likely that urban levels of pill and condom use are nearing saturation levels, in which case raising them still further will be increasingly difficult and costly. The likelihood that SMP can substantially increase

prevalence in rural areas may now be greater than its likelihood of achieving comparable gains in urban areas.

II.A.3. Analysis of the Condom Gap

1. In an early exploration of the 1981 condom gap, Nancy Williamson (1982) proposed 11 factors that she hypothesized might help explain it. Of the 11 factors she proposed, the following 10 (rearranged for present purposes) were relevant to the SMP gap in particular:

1. Underreporting of condom use by wives
2. Irregular condom use underreported in the CPS
3. Overstocking of condoms by stockists and retailers
4. Delay between retail sale and actual use
5. More than 100 condoms required per CYP
6. Non-use of purchased condoms
7. Non-contraceptive use of condoms (e.g., as balloons)
8. Use of condoms outside marriage
9. Smuggling of condoms to neighboring countries
10. Inaccurate SMP sales figures

Since the time Williamson proposed these factors, several studies have been undertaken to determine whether and to what extent several of them contribute to the condom gap. We shall consider what is known about each of them in turn.

2. The first problem, underreporting of condom use by wives, has already been discussed, but there is a special aspect that has not yet been taken into account. Though we adopted the husbands' responses with regard to total condom use, we estimated the number of condom users relying on SMP brands on the basis of the wives' responses. Since husbands are nearly always the purchasers of SMP condoms and wives are most often the recipients of government program condoms, it is reasonable to expect that the additional condom use reported by husbands would be disproportionately weighted toward use of SMP condoms. To test this hypothesis, we requested and obtained previously unavailable data on the husbands' responses from the 1983 CPS regarding brand of condom used. The responses for both the "husband only" sample and the husband portion of the couple sample showed

consistent results: 73.9 and 74.5 percent, respectively, of the condom users relying on SMP condoms. As hypothesized, this percentage was appreciably greater than the 65.1 percent obtained from the wives who reported condom use in 1983. Data from husbands on condom brands are not yet available. However, since the SMP's share of total condoms distributed was also 24 percent in 1983 and in 1985 as well, we shall assume that the husbands' responses in the 1985 CPS would also have indicated about the same proportion.

3. The second hypothesized factor was that even men may underreport irregular use of condoms or use of condoms in conjunction with other methods. We know from various studies that condoms are often used as a back-up method by users of the "safe period" or "rhythm" method. The extent to which condoms are used together with other methods is unknown, as is the number of condoms used each month in such cases. Six percent of the husbands in 1983 reported rhythm use. If we were to assume that only one-sixth of them also used condoms but failed to report it since they were asked to report only one current method and that each such couple used an average of four condoms a month (i.e., just during the unsafe portion of the menstrual cycle), such use would account for an additional 728,000 condoms. It seems doubtful that other unreported irregular use of condoms would account for such a large number of additional condoms since irregular use would require by definition very few condoms per user per year.
4. The third and fourth factors go together and refer to the "pipeline" between the sales to stockists and retailers that are reported in SMP statistics and the actual use of the condoms by purchasers. We have estimated (see below) that the pipeline contains about a nine-month supply at the stockist and retail levels. Following retail sales to users, there is probably little additional delay since most purchasers buy only three or four condoms at a time. We will take account of this time lag by comparing average annual sales figures for 1982 and 1984 combined (i.e., centering on the beginning of 1983) with the 1983 CPS data, since the CPS was conducted in the fourth quarter of the year (on the average about 11 months later). Similarly, we will also compare 1984 and 1985 average SMP sales data with the 1985 CPS.
5. Regarding the fifth factor -- that more than 100 condoms may be needed for one CYP -- we will utilize data newly available from the 1986 PIACT survey of NGO pill and condom acceptors (see below), in which all condom acceptors were asked about coital frequency and the number of condoms they require each month. For both the urban and rural samples, reported coital frequency of condom acceptors, averaged

between 10 and 11 times per month, and the average number of condoms needed each month was reported to be 12. These findings indicate that the number of condoms assumed per CYP should be increased at least to 144. *increased*

6. Regarding the sixth factor -- that not all condoms purchased by married men for contraception are in fact used -- we have no hard research data to report, but it seems reasonable to assume some degree of wastage, especially among first-time purchasers and dropouts. Some first-time purchasers are bound to change their minds or encounter resistance from their wives or to use only part of the first supply and discontinue use. Some dropouts are likely to terminate condom use while they still have some supplies on hand. In addition, some condoms of current users are likely to be misplaced, lost, damaged, or remain unused for other reasons. To compensate for these possibilities, we will arbitrarily increase the assumed number of condoms per CYP from 144 to 150.

7. Non-contraceptive use of condoms (the seventh factor) has been explored most thoroughly by the 1985 Retailer Survey conducted by Mitra and Associates, in which a sample of SMP retailers was asked about the composition of their condom clientele and their perception of the uses for which condoms were purchased. The main purposes reported were for contraception by married couples and for balloons for children. In rural areas, retailers' responses suggested that 37 percent of their condom customers were children and that 24 percent of the condoms sold were believed by the retailers to be used for balloons. The corresponding figures for the urban areas were that 16 percent of the condom customers were children and that 8 percent of the condoms sold were for balloons. The findings are highly speculative, based as they are on retrospective reports by retailers and involving retailers' inferences about the intentions of their customers. However, it is unquestionable that a large proportion of condom purchases are made by children and it is plausible that most of the condoms they purchased were used for balloons. (Raja condoms are less expensive than real balloons and would therefore be attractive substitutes.) Taken at face value, the percentages of condoms estimated in the Retailer Survey report to be sold for balloons translates into about 12 million condoms sold in 1982-83 or 16 million in 1984-85 (assuming that the national percentage would be close to the arithmetic average of the urban and rural percentages, or 16 percent). This amounts to about one condom per year for each child in the ages 6-10, which seems high but is not entirely implausible).

8. Regarding the eighth factor, the Retailer Survey report also estimated the proportions of condoms purchased by unmarried men, presumably for premarital sex: 1.7 percent from rural outlets and 2.8 percent from urban outlets. In contrast with the data on sales for balloons, these estimates are likely to be unrealistically low, but to be conservative we could assume that two percent of the total (urban plus rural) condom sales are for premarital use. The survey provides no data on the use of condoms by married men for extramarital sex, but it seems reasonable to assume that another two percent of the condom sales are for this purpose.
9. Considerable attention has been paid in the past to the smuggling of Raja condoms to Burma and India (the ninth factor). Raja condoms have been found in both places, but the quantities involved have not been known. The consultancy of Deloitte, Haskins and Sells (DHS) in late 1985 included a visit to Rangoon to look into the availability of Raja condoms there. In the one-day visit, a search of the four main markets uncovered very small quantities of Raja, most of them two to four years old. The team concluded that availability of smuggled condoms in Burma had declined substantially since 1983. A 1983 report cited in the DHS report had estimated a total of three million condoms in Burma at that time. It seems doubtful that smuggling of SMP condoms to India could have amounted to much more than this amount per year since it would require collusion among a large number of small stockists and a great deal of secrecy to avoid detection by PSI/SMP or USAID. Internal and external audits of SMP wholesale stocks and sales records (above the stockist level) reveal no evidence of smuggling organized within the SMP area of control.
10. The tenth hypothesis -- error in SMP sales figures -- is unlikely to explain much of the gap, considering the checks in the SMP reporting and accounting system and the audits to which it has been subjected. However, considering that SMP sales figures refer only to sales to stockists and some retailers, it is worthwhile to restate the hypothesis. Even if sales to stockists and retailers may be accurate, they may not accurately reflect sales from retailers to users. Part of this discrepancy is the lag factor in the pipeline already discussed: a rapid build-up in the pipeline, for instance, may not be reflected in a similarly rapid build-up in retail sales. However, some condoms that enter the pipeline probably never emerge; some probably sit on innumerable shelves of small retailers awaiting customers that do not materialize, others become destroyed through poor handling, and so forth. The quantities involved cannot be easily estimated.

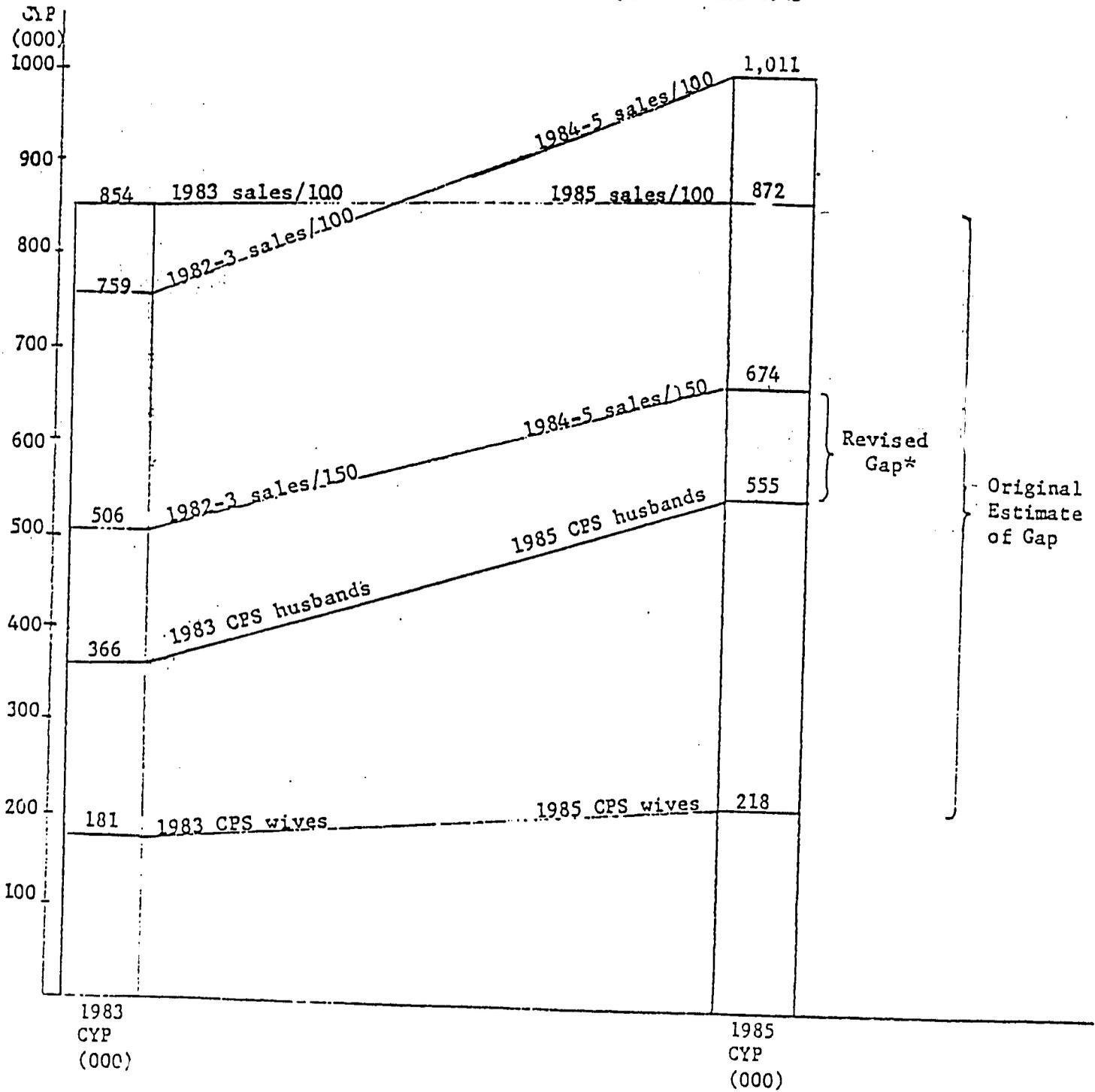
11. We are now ready to proceed to a reanalysis of the magnitude of the condom gap. The reanalysis is summarized in Table 1. In Panel A, the numbers of condom users in late 1983 and late 1985 are calculated on the basis of condom use reported by husbands in the couple samples and multiplied by the 74 percent respective share assumed to be attributable to SMP condoms in both 1983 and 1985 (see paragraph 2 above). In Panel B, the SMP average sales for 1982-83 and 1984-85 are converted into CYP assuming 150 condoms per CYP. The numbers of users estimated in Panels A and B are compared in Panel C, showing the remaining gap in absolute terms (numbers of users, condoms, and percentage points of prevalence) and in relative terms (the magnitude of the gap divided by the CPS based estimate and expressed as a percentage). With just the first, third, and fifth hypotheses thus taken into account, the gap has been reduced

TABLE 1
REANALYSIS OF THE CONDOM GAP, 1983 AND 1985

	<u>1983</u>	<u>1985</u>
A. <u>CPS Data</u>		
1. Condom prevalence	2.7%	3.95%
2. Condom users (000)	494	750
3. SMP share	74%	74%
4. SMP condom users (000)	366	555
B. <u>SMP Sales Data</u>		
1. Current year (millions)	85.4	87.2
2. Previous year (millions)	66.6	115.1
3. Average of #1 and #2	75.9	101.1
4. CYP (@150) (000)	506	674
C. <u>Remaining Gap</u>		
1. No. of users (000)	140	119
2. No. of condoms (millions)	21.1	17.8
3. Percentage points of prevalence	0.8	0.6
4. Relative differences		
a. (gap/CPS estimate)	38%	21%
b. (gap/SMP distribution)	28%	18%

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Figure 1. Reduction of the Condom Gap, 1983 and 1985



*Revised gap takes three factors into account:

- the time lag required for supplies to flow through the pipeline
- an increase in the assumed condom/CYP ratio from 100 to 150
- reliance on husbands vs. wives CPS responses

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to 140,000 condom users in 1983 and 119,000 in 1985. In relative terms, the 1983 condom gap amounts to 38 percent of the CPS estimate of SMP condom use and the 1985 gap amounts to just 21 percent. Another way of looking at the relative difference is to divide the numbers of condoms still unaccounted for by the average sold by SMP during the past two years. For 1983, 18 percent of the condoms remain unaccounted for; for 1985 the corresponding figure is only 6 percent. (The 1985 gap may be somewhat understated, however, owing to the fact that the survey data from husbands were not obtained until early 1986, by which time condom use may have increased. Even so, the gap is clearly at a much more acceptable level than at first appeared to be the case.)

12. The reduction of the gap described in the preceding paragraph and Table 1 is illustrated in Figure 1 as well. All figures given in Table 1 are in terms of CYP (assuming that one current user at the time of the CPS translates into one CYP). In 1983 the gap originally appeared to be between 854,000 CYP according to SMP sales (assuming 100 condoms per CYP) and only 181,000 CYP according to the CPS wives' responses. The use of husbands' responses raises the CPS estimate to 366,000. The averaging of 1982-83 sales data to better take the pipeline into account reduces the SMP-based estimate to 759,000. The most dramatic change results from changing the assumed number of condoms per CYP from 100 to 150, which brings down the SMP-based estimate to 506,000. Thus the remaining gap (140,000 users), while still substantial, is only 21 percent of the original estimate of the gap. In 1985, the effect is similar, reducing the gap to 18 percent of the original estimate. The 1985 reduction is especially striking in light of the fact that taking into account the pipeline increased the SMP-based estimate by 16 percent. The shift from wives' to husbands' CPS responses and the change in assumed number of condoms per CYP both had very large effects on the gap, the former having a somewhat greater effect than the latter.
13. As noted above, if we took the 1985 Retailer Survey findings regarding the use of condoms as balloons at face value, the number of condoms used as balloons would be 12 million in 1983 and 16 million in 1985, which would account for more than half of the gap each year. It is likely that such misuse of condoms was overstated in the Retailer survey, but it seems reasonable to conclude that use as balloons accounted for at least a few million condoms each year. A similar number of condoms (perhaps six million or so in 1983 and probably considerably less in 1985) may be lost through smuggling. Assuming that two percent of SMP condoms were used each year for premarital sex and a similar number for extramarital sex would add another 3-4 million. Another

million or so each year probably never get sold. These remaining factors, then, could plausibly account for about two thirds or more of the gap found for each year. In addition, if the husbands underreported condom use, especially use in conjunction with other methods, even a small percentage point error in the prevalence rate could readily explain the remaining portion of the gap. An underestimate of SMP condom prevalence by only one-tenth of a percentage point in 1985 translates into 19,000 condom users or nearly three million condoms.

14. In sum, we can say that we have identified enough factors to plausibly explain the observed magnitude of the condom gap and then some. The most important factors which explain much of the very large gaps originally estimated appear to be underreporting of use by wives, failure to adjust for the pipeline, and the assumption that 100 condoms provide one CYP. Though we have used a 150-condom we recommend that PSI/SMP employ a more conservative 180-condom factor (which allows for the approximate proportion of SMP condoms still unaccounted for in 1985) as well as a time lag to account for the pipeline effect in future efforts to estimate contraceptive protection on the basis of condom sales. (Use of a 180-condom gap in 1985, together with the time lag would have yielded a CYP estimate of 562,000, only one percent more than the CPS-based estimate of 555,000 users.) Such a conversion factor might penalize SMP somewhat by implicitly treating some actual use (underreported in the CPS, even by husbands) as non-use, but a conservative factor will be preferable for realistic planning and evaluation than one that ignores the remaining gap.

II.A.4. Use-Effectiveness of Pills and Condoms

1. In 1985, USAID commissioned a survey of pill and condom acceptors to determine for the first time the continuation and failure rates associated with these methods. Because of the unavailability of a sampling frame for acceptors from either the government program (where clinics and field workers do not keep systematic records on acceptors) or SMP outlets (since retailers do not keep written records on sales of contraceptives), the survey was conducted among about 2000 pill and 2000 condom acceptors in USAID-funded NGO projects. The findings from this survey are therefore not necessarily applicable to users of SMP pills and condoms. NGO supplies are provided free and are in most cases delivered at home by workers who are trained to instruct users in the correct use of the methods. Therefore, the NGO continuation rates are likely to be higher and the failure rates lower than the SMP rates. However, since the NGO survey data provide the only

information presently available on pill and condom use-effectiveness in Bangladesh, they are presented here.

2. The key 12-month use effectiveness rates may be summarized as follows:

<u>Type of Rate</u>	<u>Condom Acceptors</u>		<u>Pill Acceptors</u>	
	<u>Urban</u>	<u>Rural</u>	<u>Urban</u>	<u>Rural</u>
First method continuation	72%	60%	67%	64%
First method failure	4.6%	5.8%	2.2%	1.7%
All-method continuation	89%	84%	81%	77%
Overall pregnancy	8.7%	10.2%	12.3%	15.0%

3. The first method continuation rate refers to the proportion of acceptors of a method who are still using the first method a given number of months (in this case 12) after acceptance. The urban condom rates are unusually high and even the rural rates are high for condom use by international standards (though not in comparison with the usual rates for some other methods, notably the IUD). The pill rates are similar to the condom rates and are fairly typical internationally.
4. The first method failure rate is the proportion of acceptors who become pregnant while using the first method within 12 months after acceptance. (Technically, the rates shown above are "gross" rates, meaning that they have been adjusted to eliminate the effects of competing risks.) The condom failure rates are unusually low, indicating that the NGO condom acceptors are highly motivated and regular condom users (since irregularity of use seems to be the main cause of the high failure rates usually found for condom users). The pill rates are more in line with expectations but still lower than might have been expected given the frequently heard stories of women forgetting to take pills or misunderstanding the instructions for taking them correctly.
5. The all-method continuation rate is the proportion of acceptors who continue using any method of contraception by the 12th month following acceptance. Comparison with the first-method rate indicates the proportion of acceptors who have switched methods. It can be seen that condom dropouts, especially in rural areas, are more likely to change methods than to discontinue use altogether. As a result, both urban and rural all-method condom rates exceed the corresponding pill rates.
6. The overall pregnancy rates is the proportion of acceptors who become pregnant within 12 months, regardless of whether the pregnancy occurred while a contraceptive method was in

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use or not. Comparison with the failure rate indicates the proportion of acceptors who become pregnant after terminating the first method. For the condom acceptors this is approximately equal to the proportion who become pregnant while using the first method. In the case of pill acceptors pregnancies following termination exceed accidental pregnancies by several times. Because pill dropouts are less likely than condom dropouts to switch methods, the pill overall pregnancy rate is greater than the condom overall pregnancy rate despite the lower pill failure rate.

7. Though the NGO rates are almost surely not representative of the SMP rates, they do suggest that SMP pills and condoms may be fairly effectively used and have at least moderately high continuation rates, owing to the apparent motivation of acceptors of these methods in Bangladesh. Furthermore, as Davies found in his study of SMP users, many SMP users have had contact with NGO or government program workers or with qualified doctors, medical practitioners, or pharmacists who can provide them with the information needed to practice effectively. Furthermore, low price and easy access to SMP condoms probably keep continuation rates from being much lower among SMP users than among NGO users.

II.A.5. Cost-Benefit and Cost-Effectiveness

1. In 1985, George Simmons and associates did a cost-benefit and cost-effectiveness analysis of family planning in Bangladesh in 1982 and 1983, in which they compared SMP, other USAID-funded NGOs, and the "residual" -- mostly the government family planning program but also NGO activities funded by donors other than USAID. In their analysis, they used a conversion factor for all condoms (not just SMP condoms) of 300 condoms per CYP, which they obtained by dividing the total condom distribution and sales in 1983 by their estimate of the number of condom users implied by the 2.7 percent condom use estimate from the husbands' responses in the 1983 CPS. Their estimate of the number of condom users implied by the CPS data was obtained by calculating 2.7 percent of 15.465 million "eligible women," a figure obtained from the Planning Commission's projections based on the 1981 census. We are not sure of the derivation of this figure, but S.N. Mitra, the principal investigator for the CPS, reports that the population represented by the 1983 CPS sample of currently married women under age 50, which was the denominator of the CPS prevalence rates, was 18.3 million at the end of the year. (when the survey was conducted). As a result, the estimate in the cost-effectiveness study of the number of condom users based on the CPS was too low (418,000 instead of 494,000), and the conversion factor therefore too high (306 instead of 259

condoms per CYP). Moreover, the calculation of the conversion factor related to 1983 sales and distribution figures to 1983 prevalence and therefore did not take account of the full time lag between SMP sales and actual retail sales). Use of a longer lag period would have resulted in a further reduction in the conversion factor for SMP condoms in particular.

2. Despite these shortcomings, which placed SMP at a disadvantage relative to other programs, the analysis by Simmons et. al. indicated a cost benefit ratio of about 1:2, comparable to that of the rest of the family planning program and cost effectiveness ratios competitive with the "residual" program (but higher than for USAID-funded NGOs). Even with the disadvantageous conversion factors, Simmons et al. concluded that SMP provided non-clinical methods more cost-effectively than the other NGOs or the residual program. The lower cost effectiveness ratios for NGOs was due to their provision of more effective clinical methods, especially sterilization.
3. From the standpoint of cost considerations, then, it appears that SMP has been and continues to be a relatively efficient way to provide non-clinical contraceptives in Bangladesh.

II.B. Market Research

II.B.1. Target Groups

1. The Co-operative agreement of 1984 directs SMP towards "bringing contraceptives within the reach of the greatest possible number of people in urban and rural Bangladesh." Thus in the past SMP has been motivated by increasing availability and as such has not concentrated on any particular group. It has been said that social marketing should "identify potential customers, learn about them and then tailor a marketing strategy to their particular needs and habits." SMP has recently been moving in this direction and the planned market segmentation survey features in this. There is, however, a dilemma based on whether the target group should be those in greatest need or those amongst whom SMP could be most successful. This situation represents the contrast between the "greatest possible number" objective and the Oot recommendation that "SMP should begin to shift focus to those sub-groups of the population where sales and effective use of SMP products is apt to be the greatest."
2. Based on the draft 1987 marketing plan there are clear indications that SMP are looking selectively at particular target groups in terms of brand positioning and targeting. From a pure marketing point of view this is clearly the route to take. But does this conflict with the broad objectives? Does "greatest possible" really mean greatest possible within reason? Clearly, extension of distribution systems must have some limits in terms of cost-effectiveness. Similarly, overemphasis on cost effectiveness, which is the literal interpretation of the Oot recommendation, can work against the objective of a social marketing program.
3. Irrespective of resolving the target group question, there is no doubt that a program objective should be to maximise the efficiency of the marketing effort within the overall constraints imposed by the social marketing philosophy. Inevitably, in terms of marketing mix, if not necessarily distribution, this will lead to a strategy based on specific targetting. In the past there has been no specific research on the subject though a market segmentation study has been recommended and has been proposed in the 1987 Marketing Plan. However, other research can be utilised to identify the demographic nature of certain target groups.
4. An overall goal of the FPSP is to increase prevalence and for SMP in particular a new goal is to maximise sales of SMP products (Co-operative Agreement Amendment 2). Between these two broad objectives is a possible conflict of interest since SMP could maximise sales without increasing

prevalence through method or brand substitution. It is therefore assumed that.

- * SMP's main priority is to convert current non-users to use
- * To convert traditional users to modern methods
- * Not to convert one modern method to another
- * Not to convert private sector users to SMP.

5. Of course, none of these assumptions is totally within the control of SMP. Thus in its promotion of, say, Ovacon one result is a switch of some Ovostat users to Ovacon, clearly SMP cannot prevent it. The very essence of marketing and sales activity is to generate sales and these off bounds' impacts are unavoidable. But from the point of view of prevalence these sales are ineffective. By the same token, however, sales of private or public sector methods generated as a spin-off from SMP activity, should be accorded the status of an SMP success. Hearsay evidence indicates that the manufacturers of Ovostat believe this to be the case. All the evidence points to the need for a research methodology which can measure effective sales as opposed to method/brand switching. This would not be easy and would require exploratory work.

6. ✓ The main focus of SMP targetting must therefore be current non-users. The real question is whether SMP should target for all of these or whether they should be more selective. The CPS clearly points the way to identifying particular groups which show a very low prevalence.

Possible target group	% of Non-users
Rural	77%
? <u>24</u> or under	87%
? <u>2</u> children or less	87%
Limited/no education	83%

7. Temporary or reversible methods in principle are more appropriate in the first ten years of marriage. Thus in Bangladesh, where early marriages are the norm, this would imply that the main target group for temporary methods are the under 30's and possibly, the under 25's. Based on special analysis of the 1983 data, Harbison and Mitra reported:

"Individual preferences are a function of age and location within the reproductive cycle; Younger couples may be interested in methods which are suitable for postponing birth and increasing subsequent interval".

8. Another more specific issue to which the 1987 Marketing Plan addresses itself is that of brand or product targetting. Clearly SMP has within its product offer a range which, because of pricing, should be positioned at a particular target group within the overall framework of the primary target group. Again further work is needed to clarify the situation but strategies should segment the total market along the lines of:

<u>Brand*</u>	<u>Major Target Group</u>	<u>Sub-Target Group</u>	<u>Prime Function</u>
Maya	Non-user under 30	Low income	Space/limit
Ovacon	Non-user under 30	Mid/High income	" "
Raja	Non-user under 30	Low income	Space
Majestic*	Non-user under 30	Mid/High income	Space
Joy	Non-user under 25	Mid/High income	Delay first child

 * Assume Panther being phased out.

9. Clearly, there are limits to the effectiveness of media planning in selectively reaching different target groups. However, the relatively up-market products have wider media options such as TV (pill only), radio, press, billboards and cinema. Down market products will primarily rely on radio and direct promotional activity. Despite the media reach beyond the particular target group, the main significance of targetting lies in the concepts, messages, and so on of the promotional materials.

10. Since SMP products are retailed through retail outlets, it is most often the man who purchases SMP contraceptives. Thus in targetting for particular groups, it is essential that promotion is aimed at males as the decision makers. This fact is already well understood and practiced within SMP.

II.B.2. Measuring Attitudes

1. There have been no definitive studies on attitudes either qualitative or quantitative. This situation needs to be remedied. The most useful data is that from the Family Planning Motivational Campaign. Some of the key issues are reported later (section II B 5). There have also been a number of qualitative studies related to particular brands (especially Raja) and these are discussed under section II.B.3.
2. In general terms, male and female perceptions of FP are comparable. In contrast, the differences between rural and urban are sufficiently marked to indicate a separate promotional strategy. Thus in rural areas it is appropriate to lay stress on the (economic benefits) and especially its role in facilitating the basic human needs such as food and clothing. In urban areas, with higher per - capita income, stress should be on family welfare and especially the increased capability of providing better education for their children.

PERCEPTIONS OF FP

	Rural		Urban	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Fertility regulation	94.1	98.7	99.1	98.2
Economic benefits	80.3	67.1	64.4	65.2
Family welfare	56.4	51.7	71.6	72.2
<u>Health benefits</u>	* 28.7	26.9	36.4	40.1

3. There is a high level of acceptance that family planning is a good thing' yet prevalence (around 26%) indicates that a common attitude is that it's good for others but not necessarily for them. Thus it is not so much a problem of coping with rigid constraints such as religion and health issues but rather of providing the environment in which contraception is good for the individual decision maker. This of course is precisely what the Motivational Campaign is all about.
4. / The conversion' of non-users to users involves a thorough understanding of attitudes. Some of these are convertible whilst others are not, some are temporary. Analysis of the

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1983 CPS on reasons for non-use has been used to classify the constraints towards use:

<u>Convertible Attitudes</u>	<u>%</u>
Objections by husband	4.7
Health reasons	4.1
Fear of side effects	4.4
Non-availability of methods	2.2

Non-convertible Attitudes

Religious reasons	8.4
Unable to have children	14.4

Temporary Attitudes

Desire for additional children	36.2
Currently breast feeding	1.4
Post amenorrhea	12.5

5. Whilst some attitudes are convertible through IEC activity there is insufficient understanding of the situation. This needs to be explored more fully using qualitative techniques. For example, why do husbands object. In depth sessions with wives may not adequately answer this question since they may only know that they object but not why they object. Clearly the man is in the best position to clarify his situation. It is recommended that focus groups amongst male non-users (excluding those in the temporary situation) and in-depth interviews with women explore these issues.
6. Those who desire additional children are an important focus of attention. Ultimately an objective would be to bring down the desired family size such that those currently desiring additional children would be limited to those who currently have none, one or, at the most two. Again this is an objective of the Motivational Campaign. Assuming that in time there is a changing attitude towards family size then the SMP program should focus on spacing so that temporary methods are available until such a time as the desired family size is achieved. This view is shared by Harbison and Mitra:

"Unless efforts are made to minimise the strength of this constraint (desire for additional children) not much can be achieved in raising the use rate. However, there is a supply constraint involved since even couples who desire more children should be provided with information concerning methods appropriate to spacing."

7. The 1986 Exploratory Study on Raja included a preliminary section on attitudes to family planning. These views are, of course, related to the survey target group-urban males 18-45 with current and past experience of condoms. Amongst the feelings expressed were:

- * FP is not seriously considered before the couple have at least 2 children.
- * The early days of marriage are happy and carefree and without the responsibility of parenthood. There is less demand on income.
- * Little awareness of the affect of continued child-bearing on the wifes health.
- * Social pressures to have children quickly.
- * Need for son or need for both sons and daughters.

II.B.3. Brand Image, Performance and Profile

1. Any marketing strategy for a particular brand requires a thorough understanding of the framework within which it operates. It is necessary to know who is buying, why they buy it, how often they buy it and where they buy it. SMP currently has none of these data and this inhibits what can be done in the planning of brand strategies. One of the basic problems is that low incidence levels means that users are hard to find and a random probability sample generates very small numbers. However, SMP has in its 1987 Marketing Plan proposed a market segmentation Survey to measure user characteristics. Clearly the need is paramount and the technical difficulties have to be surmounted.
2. In March, 1986 SMP Commissioned Bitopi/RSL to investigate qualitatively the image and perceptions of Raja amongst Raja users, other condom users and past condom users. In-depth techniques were employed and the target group was defined as married males aged 20-45 in urban areas. This was a valuable piece of research and, though exploratory in nature, should be a considered input into Raja strategy. Of

great significance is the fact that extremely delicate issues such as coital satisfaction and condom disposal were discussed with seemingly little problem. Amongst the general issues coming to light through the interviews were:

- * Children's curiosity - related to balloons
- * Embarrassment related to children
- * Short storage life in home due to heat
- * No suitable disposal
- * Problems associated with opening the pack
- * Importance of durability (will not burst)
- * Importance of lubrication
- * Importance of sexual pleasure
- * The practice of interchanging between condoms and pills
- * Condoms not used during the safe' period.

The exploratory research on Raja provides an overview of brand image and of course, identifies those issues which should be investigated at a quantitative level. Clearly it is important to look at image both from the specific brand user (Raja) point of view as well as others. Some of the more interesting aspects are given below:

Raja users

- * Raja is ~~is~~ on the thick side
- * Mixed views on level of lubrication
- * Prone to bursting
- * Mostly did not interfere with pleasure
- * Mixed views on the smell
- * Size and fit mostly satisfactory
- * Generally no problem with irritation
- * Attractive packaging
- * Liking for red color
- * Very cheap
- * Widely available

A major result of the study was to alert management to what could be a major marketing problem - that of incidence of bursting. The tolerance levels of condoms vary considerably with storage conditions and SMP are looking closely at the age of condoms on display, at a replacement system and at the interactions of the distribution system as a whole.

From a marketing point of view perceived problems are of equal importance to real problems since they have a negative effect on propensity to purchase. Thus if further studies indicate either, then appropriate measures need to be taken.

SMP's share of the pill market has improved to 25.6% since 1983 when its share was 19.3%, and despite the small sample size this result is statistically significant at the 90% level. Ovacon is moving closer to Maya in market position. The share of private brands has also improved, whilst BDG brands have declined. During this two-year period, the total pill volume has increased from 7.8 to 12.6 million cycles (an average increase of 60.5%). All sectors have shared in this growth and thus SMP has not gained at the expense of other sources of supply.

BRAND SHARE - PILLS

<u>% Share of Market</u>	<u>1983</u>	<u>1985</u>
<u>SMP</u>		
Maya	<u>19.3</u>	<u>25.6</u>
Ovacon	12.8	15.3
	6.5	10.3
<u>BDG^o</u>		
Noriday	<u>39.0</u>	<u>28.7</u>
Combination-5	37.6	5.3
	1.4	23.1
<u>Private</u>	<u>40.6</u>	<u>45.3</u>
Ovostat	33.5	31.4
Lyndiol	6.1	4.8
Ovral	1.0	8.3
Sample N	255	398

Ref CPS 1983/1985

<u>Volume (Million Cycles)</u>	<u>1983</u>	<u>1985</u>	<u>% Change</u>
SMP	1.5	3.2	+113.3
BDG	3.1	3.6	+ 16.1
Private	3.2	5.7	+ 78.1
<hr/> Total	<hr/> 7.8	<hr/> 12.6	<hr/> + 60.5

Source: SMP

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6. These Circulation (consumption) figures correlate closely with SMP sales figures.

SMP SALES V CONSUMPTION - PILLS

	<u>1983</u> <u>Sales</u>	<u>1983</u> <u>Consumption</u>	<u>1985</u> <u>Sales</u>	<u>1985</u> <u>Consumption</u>
Maya	61.2	66.3	58.3	59.8
Ovacon	38.8	33.7	41.7	40.2

CPS percentaged to SMP brands only

7. ✓ SMP's share of the condom market has also increased. During this period, the total condom market has increased by 51.8% with both SMP and BDG increasing volumes. Much of the increase has been due to the growth in Panther (see next paragraph) and the introduction of Majestic. Sultan has become the most used brand in the BDG distribution.

BRAND SHARE - CONDOMS

<u>% Share of Market</u>	<u>1983</u>	<u>1985</u>	
<u>SMP</u>	<u>64.0</u>	<u>73.2</u>	
Raja	55.6	51.5	
Panther	8.4	13.0	
Majestic	-	8.7	
<u>BDG</u>	<u>33.4</u>	<u>26.0</u>	
Tahiti	27.7	10.1	
Circle Rubber	5.7	-	
Sultan	-	15.2	
<u>Volume (Millions)</u>	<u>1983</u>	<u>1985</u>	<u>% Change</u>
SMP	548.3	832.5	+51.8
BDG	192.7	292.5	+51.8
Total	741.0	1125.0	+51.8

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8. Comparisons between SMP sales proportions and SMP consumption via the CPS particularly in 1985 are widely divergent. This should not be confused with the Condom gap since percentages rather than absolutes are involved. Furthermore, if the previous years sales are used as indicated in Section II, the differences are even more pronounced. Part of the problem is explained in the sampling error of the 1985 CPS (on the sample size base the estimate of 70.4% is in reality within the range 62.8 - 77.0%). Another possible explanation is the pipeline effect involving retailers or that Panther is being supplied out of the Pipeline - retailers or stockists not re-stocking despite continued sales. What is really unusual is that in markets dominated by a single brand, sample surveys tend to over-represent the brand.

SMP SALES VS. CONSUMPTION - CONDOMS

%	1982 <u>Sales</u>	1983 <u>Sales</u>	1983 <u>Consumption</u>	1984 <u>Sales</u>	1985 <u>Sales</u>	1985 <u>Consumption</u>
Raja	100	95.3	86.9	95.8	91.5	70.4
Panther	-	4.7	13.1	4.2	3.9	17.8
Majestic	-	-	-	-	4.6	11.9

9. It is worth noting that a 1982 survey of Joy users shows that Joy is a method switching product and only 15% reported a previous non-contracepting situation. A high proportion (39%) switched because of the side effects of the pill. Thus, though the product is unimportant in terms of prevalence, it provides the user with an alternative until another method is used. This study also reported the problem of the burning sensation which clearly has to be tackled. Whilst the instruction leaflet indicates a "little warmth" this may not be explicit enough. An alternative strategy, described in the Marketing Plan is to use this "warm feeling" as a product benefit.
10. The CPS sample of users of each brand (for example only 71 Maya users in the complete sample of 10305 women) is clearly inadequate for brand profile purposes but it may be useful to get a "qualitative" feel by running some secondary analysis for each brand on demographics such as age, occupation, number of children, income and so on. This may ensure that the functional Market Segmentation Survey omits no obvious variables.

II.B.4. Creating Awareness and Knowledge

1. The Co-operative Agreement imposes on SMP a requirement of "informing, educating and persuading potential consumers to purchase and use contraceptives". Assessment of SMP's success to date should be examined at two levels: awareness and knowledge of the methods available and awareness and knowledge of brands. The changing level of awareness of the methods is adequately covered by the CPS but, as yet, no study shows the status of brand awareness. This incompleteness needs to be remedied, preferably on an annual basis.

2. Based on the CPS, method awareness has improved considerably since 1983. Whilst there is no way of attributing this growth entirely to SMP, nevertheless, SMP is the only organization with active promotion. Hence SMP can claim quite reasonably that most, if not all, of this success is due to their efforts. Awareness of condoms (59% to 75%) has been particularly successfully increased and, of significance, most of the growth is in unprompted awareness. In commercial marketing this is a number one priority. Awareness of the pill was already at a high level but there has also been a major shift in unprompted awareness.

METHOD AWARENESS

	Unprompted		Total Awareness	
	<u>1983</u>	<u>1985</u>	<u>1983</u>	<u>1985</u>
Pill	74.5	92.1	94.1	98.6
Condom	23.0	39.2	59.0	75.5
Vaginal methods	6.5	7.0	19.4	26.3

Ref CPS 1983/1985

3. Whilst the overall levels of awareness are at a high level there are important demographic variations particularly for condoms. Thus the never educated/less than primary educated women are considerably less well informed. And it is these groups who are less prevalent in contraceptive usage. Thus, whilst SMP is achieving its objective generally, it needs to be directed towards the least accessible groups. Furthermore, it needs to measure its success not simply in total but relative to the specific target groups.

4. As has been described, there are no measures of brand awareness. The motivational campaign tracking study does however look specifically at advertising and brand recall. Clearly brand awareness and advertising awareness are not necessarily related but, in the absence of other data, the latter will give some indication of the saliency of each brand particularly as the promotional efforts in each are not too dissimilar. Both SMP and the private sector are involved in brand promotions and so the increased awareness of FP advertising is not wholly attributable to SMP. Nevertheless, advertising recall is considerably higher than in 1983.

PERCENTAGE AWARENESS OF FP ADVERTISING

	Rural		Urban	
	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>
Males	39.7	58.7	69.5	81.4
Females	31.0	42.7	58.3	69.2

5. SMP's brand promotional activity clearly has had some success in stimulating advertising recall. Two notable changes can be noted. Firstly, recall of Raja/Panther amongst rural males has increased substantially to reach 20% of the total target population. Secondly, also amongst males, recall of Maya/Ovacon has increased to 29%.

SPONTANEOUS ADVERTISING RECALL - ALL RESPONDENT BASE

	Males				Females			
	Rural		Urban		Rural		Urban	
	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>
Maya/Ovacon	10.3	29.1	30.5	31.7	7.5	13.2	24.3	30.3
Ovostat/Pill	2.5	7.6	9.5	23.1	5.6	18.8	8.9	19.9
Raja/Panther	4.4	20.3	20.0	28.6	6.6	11.1	15.7	26.9
Condom	3.9	14.0	10.0	18.1	1.4	13.2	8.5	11.9
Joy	1.5	4.7	15.8	14.1	1.9	6.0	9.4	13.9

Ref. Table 6.3 1984

II.B.5. Motivational Campaign Evaluation

1. The Motivational Campaign is a general umbrella aimed at promoting family planning in general by focussing on "resistance points" identified by qualitative studies. The campaign strategies were:
 - * focus on rural males.
 - * stress the safety of modern contraceptives
 - * Urge the target audience to listen to SMP radio program
 - * Suggest that contraceptive choice be a joint husband - wife decision
 - * Translate the benefits into personal terms and especially economic
 - * To identify FP as "the right thing to do" and "a wise man's decision"
2. According to these objectives, Mitra and Associates were commissioned to conduct a pre-launch benchmark study and subsequently two tracking studies. Only the results of the first tracking study are currently available. The campaign was officially launched on April 15, 1983. Since fieldwork for the benchmark study extended from April to May 1983, a precise pre-launch situation was not possible and clearly minor impacts of the campaign were to be anticipated. This situation is to be regretted. It is recommended that future benchmark studies should be completed (field work at least) before the campaign launch. The contamination of the benchmark data, however minor, has the effect of understating the real campaign impact.
3. Campaign effectiveness re the safety issue. Amongst rural males (the key target group), the proportion reporting that modern contraceptives were unsafe dropped from 15.2% to 7.0% 1984. This result is statistically significant at the 95% level. A similar pattern emerges for urban males.
4. Amongst females, both rural and urban, whilst the proportion reporting "not safe" declines (dramatically so in urban areas), there is an unexplained phenomenon of an increasing proportion of "not sure".

OPINION ABOUT SAFETY OF MODERN CONTRACEPTIVE

	Males				Females			
	Rural		Urban		Rural		Urban	
	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>
Not safe	15.2	7.0	18.4	10.6	17.8	13.7	19.1	2.0
Unsure	23.5	16.9	16.8	11.1	16.4	22.6	8.1	15.1
Safe	61.3	76.2	64.7	78.4	65.7	63.7	72.8	82.9

Ref Table 5-1 1984

5. Campaign effectiveness re stimulating SMP radio program listening. The frequency of listening to SMP programs shows substantial increase in each sub-group between 1983 and 1984. Among the key target group, rural males, those listening five or more times in the past 6 months increased from 41.1% to 60.8% and among urban males, the increase was from 52.1% to 67.5%.
6. Furthermore, the campaign so far has made substantial inroads in O.T.S. (opportunity to see/listen). On average, rural males who claimed to have listened in the past 6 months, listened to 5.2 programs in the period (using for the "5+" category in the tables an assumed value of 7). The overall O.T.S. based on all rural males is now 2.4 compared to 2.0 pre-launch. All secondary target groups show creditable improvements in O.T.S.

LISTING TO SMP RADIO AND O.T.S.

	Males				Females			
	Rural		Urban		Rural		Urban	
	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>
Past 6 months listener	46.8	46.0	63.7	60.3	18.8	22.6	44.7	39.3
Ever listen but not 6 months	6.9	8.7	8.9	13.6	7.0	10.3	13.6	22.9
<u>Never listened</u>	<u>46.3</u>	<u>45.3</u>	<u>27.4</u>	<u>26.1</u>	<u>74.2</u>	<u>67.1</u>	<u>41.7</u>	<u>37.8</u>
Average OTS: 6 months listeners	4.3	5.2	4.9	5.6	4.1	6.2	4.7	6.5
Average OTS: overall	2.0	2.4	3.1	3.4	0.8	1.4	2.1	2.6

Ref Tables 7.4/7.5 1984

7. Campaign effectiveness re joint decision making. Two issues were involved in the campaign objective: to stimulate discussion and to focus the discussion on methods. The survey shows that the campaign has provoked males into discussions with their wives though the reverse appears to be the case with females. Whilst the topic areas under discussion tend to be of a general nature there is a clear move towards more method related discussion. The use of condoms has been most noticeably discussed with increasing frequency amongst rural males though the change is only statistically significant at the 90% level.

INTER-SPOUSE DISCUSSION OF FP METHODS

	Males				Females			
	Rural		Urban		Rural		Urban	
	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>
Discussed FP	33.8	44.2	48.4	57.8	31.5	29.1	50.6	45.3
Use of pill	4.9	5.8	9.5	13.1	6.1	9.8	16.3	15.9
Use of Condom	1.5	4.6	3.1	4.0	0.5	1.7	3.4	6.5

nb. Table 7.8 percentaged to all-respondent base

Ref Tables 7.7/7.8 1984

8. Campaign effectiveness re benefits derived. Whilst the focus of the campaign in terms of benefits to derive from FP was primarily economic based, the fact that such perceptions were already prominent pre-launch makes it difficult to make a major impact. Nevertheless, amongst males at least, the campaign appears to have re-enforced the issue. Amongst rural males the issue of family welfare has become more prominent.

PERCEIVED BENEFITS OF FP

	Males				Female			
	Rural		Urban		Rural		Urban	
	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1984</u>
Economic benefits	61.0	68.6	59.9	67.1	67.1	<u>61.5</u>	68.2	65.9
Family Welfare	49.8	61.7	64.7	67.1	64.9	<u>56.7</u>	74.4	76.3
Health Benefits	15.0	14.9	23.7	31.1	31.1	<u>32.8</u>	30.2	44.8

Ref Table 3.4 1984

9. Campaign effectiveness re main messages. Current levels of awareness have been compared with pre-launch (rather than 1983) which is assumed to be zero. On the face of it, each of them has a high recall especially among men. However, how relevant the theme to the individual is another matter. The questions come at the end of the interview and considerable conditioning effect is likely. Thus respondents appear to relate each theme to what it is supposed to mean. What is more significant is that spontaneous recall of messages (Table 6.3) do not include any reference. Responses to this question are of dubious value.

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RECOGNITION OF CAMPAIGN MESSAGE

	Males		Females	
	<u>Rural</u>	<u>Urban</u>	<u>Rural</u>	<u>Urban</u>
"Ignorant tales from ignorant people"	47.7	65.8	32.5	61.2
"Do the right thing"	45.3	58.3	29.5	58.2
"I was a fool but now I am a wise man"	50.0	67.3	32.1	63.2

Ref. Table 6.7, 6.8, 6.9 1984

II.B.6. Product Development

1. The Co-operative Agreement calls for, "if warranted the further development of the products and services offered by SMP." This review, within its limited time frame, has been limited to family planning products. It is understood that as well as oral contraceptives, condoms and vaginal foams, SMP is studying the desirability and feasibility of providing injectibles. At this juncture all that can be said is that the classic marketing route is first to identify the need and then to provide the product to fulfil that need. In the context of the marketing of contraceptives, the focus of need is low prevalence and frequently expressed dissatisfaction with available methods.
2. SMP is not involved in product development in its literal sense. The products it markets are provided by USAID. There appears to be some flexibility since Joy~~x~~ was sought out by SMP and they were able to incorporate their own labelling. Another example is an investigation aimed at buying an up-market condom on the open market and marketing it at viable prices.
3. For the most part, however, product development has been limited to packaging. In this respect, it appears that the appropriate pre-testing of the design has been undertaken. There have been some problems. For example, whilst the current Maya pack has been on the market for 4 years, prior to that it had five revisions. Clearly, brand identity requires continuity and so the packaging testing is a very important element.
4. One major problem for the pills is that the blister pack is clearly identified as Noriday (Maya) or Norminest (Ovacon) and the stick-on label is a very unprofessional way of

presentation. Clearly, a user who realises that Noriday is provided free by the BDG program may feel she is being cheated or misrepresented. From a marketing point of view, efforts should be made to investigate supplies coming in from the US which have the "proper" labelling of Maya and Ovacon.

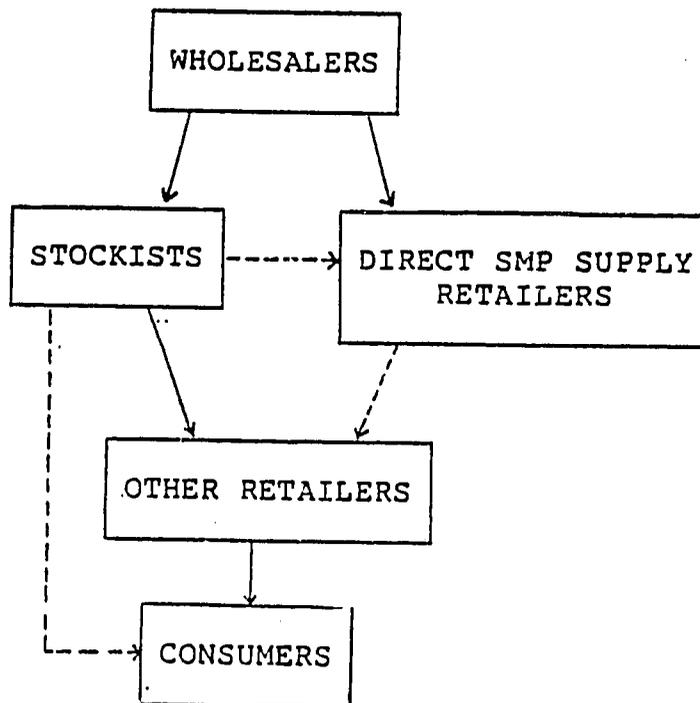
5. A further area for research is to look at Majestic packaging. The internal plastic wrap (designed by SMP) bears no relation to the external pack. The external pack was used primarily to exploit a product perception plus point related to an earlier product (Gents). This short term approach is unfortunate since the user will be looking for compatibility and could possibly think that the "incorrect" products have been dumped into the external pack.

III. THE MANAGEMENT FRAMEWORK

III.A. Distribution Policy

1. From the outset, expansion of the SMP distribution was a cornerstone of the operation and to some extent, this created an environment in which distribution became an end itself rather than a means to an end (that is increasing prevalence). As pointed out in the introduction prevalence was the goal of the overall FPSP and not specifically that of SMP. The current discussion revolves round whether SMP has achieved its distribution objectives and, for future planning, whether the current distribution strategy is appropriate to the revised objective of increasing distribution and sales.
2. As is the case in most Asian Countries, the planned distribution network is often a far way from reality. It always has to be remembered that whilst any social marketing operation is based on non-profit oriented motives, the key links in the chain have a decidedly profit related orientation. For example, a retailer normally supplied direct by the SR's who finds himself out of stock will go to a stockist or another retailer. The primary and secondary links are shown below but even this graphic representation "hides" a considerable amount of stock movement. For example, stockists supply stockists, direct retailers supply direct retailers and other retailers supply other retailers.

DISTRIBUTION FLOWCHART (REVISED)

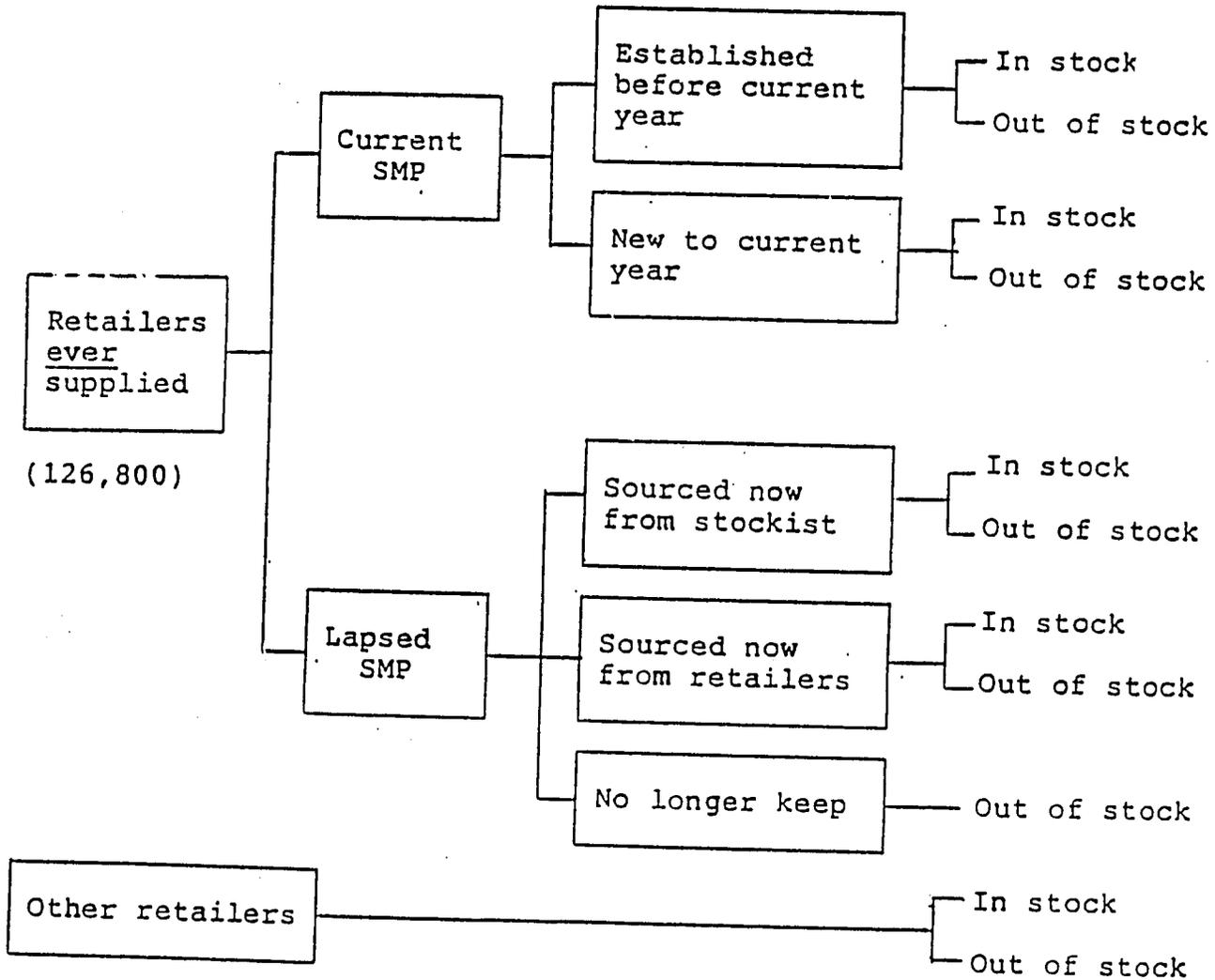


KEY:

====> Primary route
- - - -> Secondary route

3. Thus SMP records via DCR's give no real indication of the number of outlets retailing SMP products. In fact the figure of 126,800 is a considerable overstatement of effective distribution (see later). By way of illustration it can be said that the 6500 stockists would each need only 20 retailers on their books to yield a total of a further 130,000 retailers. Some preliminary discussions with stockists indicates that they would find it impossible to give figures regarding their buyers. Even if they could, they could not distinguish between retailers who rely entirely on them and those who normally or even occasionally are supplied through the SR's. Furthermore, individual retailers may (and almost certainly do) deal with more than one stockist. Hence, stockist-derived figures would double count the real situation.
4. The 1984 Co-operative Agreement set SMP an objective of increasing the retailer distribution from 107,000 to 120,000 that is an increment of 13,000 new retailers. This objectives has been achieved. However, a close look at the

126,800 published figure shows that it has little value. The figure is simply a historical accumulation of retailers sold into since 1976. Thus it bears no relation whatsoever to those retailers who could currently be classified as SMP retailers. The situation is best illustrated graphically:

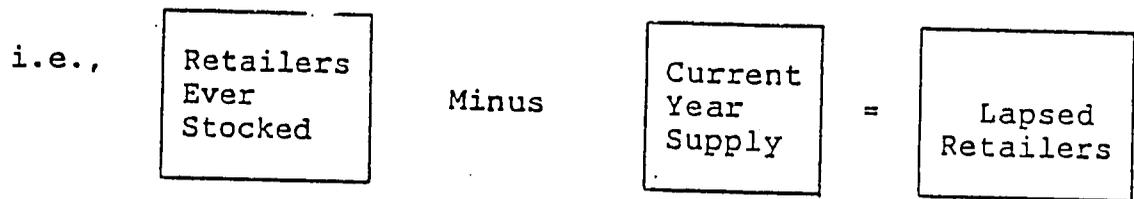


5. Whilst it will be impossible to monitor within the designated groups shown, it is very important that management are aware of the constraint of what is currently provided. As far as is believed, the only accurate data is the number of new placements in the year. This situation needs to be remedied as a matter of first priority. The recommendation is that at the beginning of each fiscal year, the number of current retailers reverts to zero and is then accumulated for the year (ensuring that repeat order retailers are not double counted).

Sp

October 1	Current SMP retailers	0
End October	Retailers with effective calls	(X ¹)
End November	Retailers with effective calls	(X ¹)
	Plus new retailers with effective calls	(X ²)
End September	Total retailers with effective calls in year	(X ¹ + X ² + + X ¹²)

6. At the same time, the present monitoring of retailer distribution will continue and thus it will be possible to maintain a record of lapsed users:

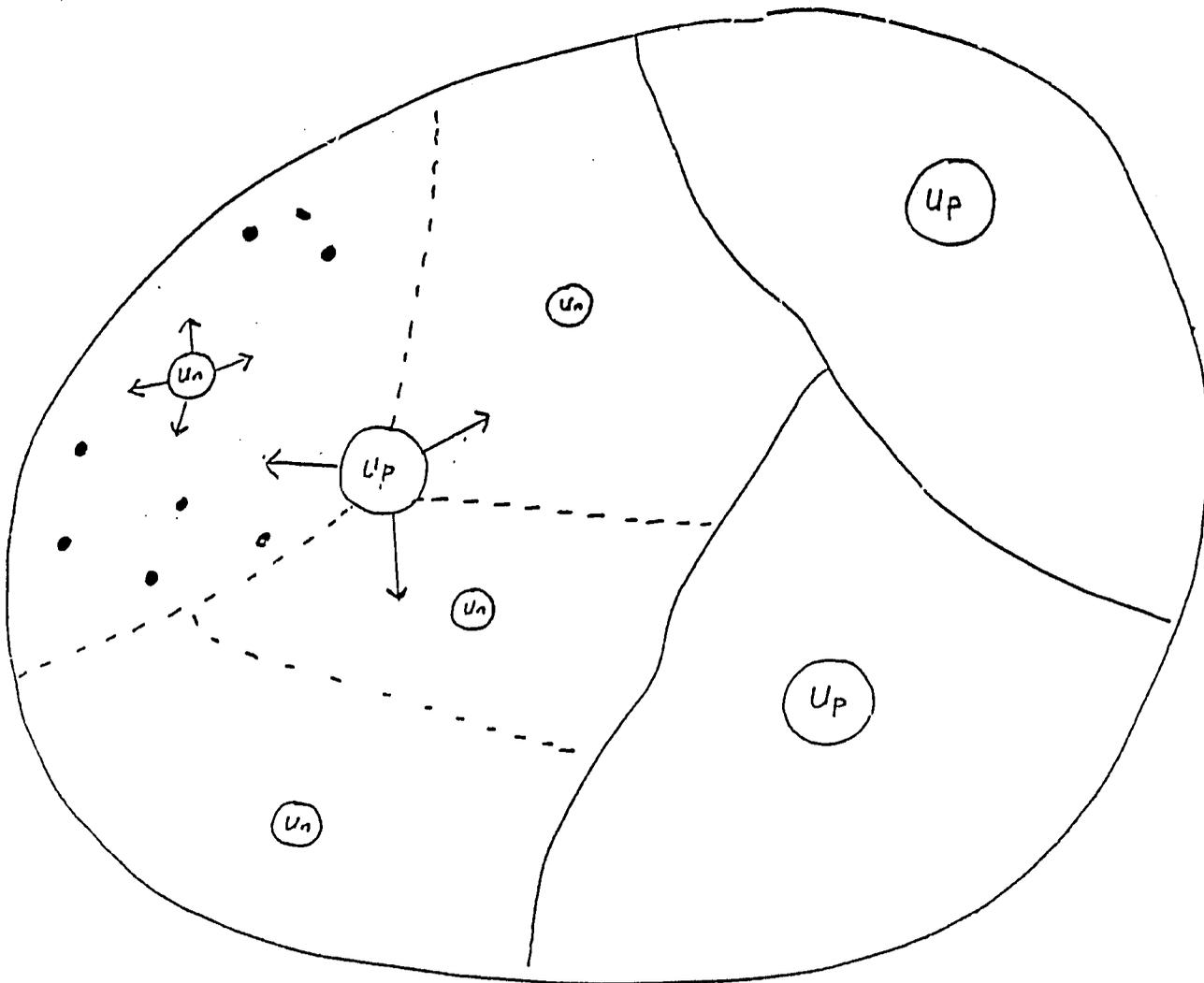


7. Once this procedure has been implemented, at the start of the second year of operations, a system will need to be designed which further categorises retailers into those who had been established in the previous year and those who are completely new. By the end of the first year management will have a reasonable picture of how many retailers (the same procedure also applies to stockists) are currently stocked by them. In usual marketing terminology, distribution means "in stock". Even the revised MIS does not give it. The only effective measure of this is either a simple distribution check or a full scale retail audit. It is recommended that if the retail audit proves to be non-viable then SMP should mount a twice-yearly distribution check.
8. Assuming the system can identify lapsed users, it would be possible to investigate the reasons for dropping out. For example, are they obtaining supplies from elsewhere and, if so, why? Do they no longer stock SMP products and, if so, why? This information can be critical to understanding poor performance in certain areas or to retailers incentives and so on. Thus it is no use increasing new retailers if they are counter-balanced by drop-outs. At the moment SMP have no quantitative idea of the relationship between the two.
9. Another important consideration is to understand the effectiveness of the retail outlet. Is there a minimum level of sales below which the cost of servicing the outlet becomes prohibitive? Should SMP concentrate its resources

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on the most effective retailers (a possible interpretation of the Oot recommendation)? The way SMP products percolate through the trade tends to mean that demand will stimulate the supply even if SMP are not dealing direct. Should in fact SMP rely on market forces which enforce outlying retailers to travel into supply points (Stockists) such that SMP need only ensure that these supply points are covered? (See Figure 2.)

FIGURE 2
SCHEMATIC REPRESENTATION OF SALES TERRITORY



10. Two studies (SMP Retailer Study and the Condom Distribution Study), whilst not primarily designed to measure per outlet sales, do nevertheless provide some valuable data. The Retailer Study was limited to retailers at the Upazila level and will tend to give a higher than average reading for rural areas. What is particularly significant is that two-thirds of rural retailers sell less than 2400 pieces per year (equivalent to less than two 4-pack Raja's per day.

AVERAGE SALES PER OUTLET TYPE

	<u>Retailer Urban</u>	<u>Study Rural</u>	<u>Distribution Study</u>	
			<u>Retailers</u>	<u>Stockists</u>
<u>Mean number of condoms:</u>				
Per month	358	263	452	1460
Per year (rounded)	4300	3150	5400	17500
<u>Percentage distribution</u>				
1200 p.a.	15.0	24.7		
1200-2400	34.3	43.5		
2400-3600	16.0	13.4		
3600-4800	8.3	6.3		
4800-6000	6.7	3.4		
6000+	19.7	8.6		

11. If it is assumed that most stockist sales ultimately are channeled through retailers and if the average annual sales per retail outlet are around 1900 (rural median value) then the 101 million SMP sales are achieved by an estimated 53150 outlets. On the assumption that SMP sales staff estimate that their current retailer level is 25000 (out of 126800 ever) then stockists are supplying some 28,150 retail outlets.
12. However, the situation is not as simple as that shown above. SMP sales are heavily skewed towards stockists. Thus in the period July 85 - June 86, 78% of SMP sales of Raja were to stockists and the remainly 22% to retailers. Relating this statistic to 1985 condom sales it is estimated that 78.7 million sales were to stockists and 22.3 million to retailers. Assuming that stockists supply the widest network and on average smaller retailers (guestimated at 1000 pieces each) it can be estimated that the total retailer cover is as follows:

Retailers supplied by SMP	22.3/1900	11736
Retailers supplied by Stockists	78.7/1100	71545

		83281

13. Such problems are already recognised within SMP and plans are in hand to assist area sales managers in providing them with more quantified data to back up their own qualitative judgement. It is understood that the computerised MIS will give a unique identity to each recorded sale and hence records of current customers will be accessible. However, this will not get at the grass roots. More control of and documentation from the SR may be needed. SMP recognise that because of the special requirements in social marketing, the SR cannot be left entirely to his own devices simply to maximise sales (and thereby his own income). Furthermore, the SR has potentially the information to assist sales and marketing management in identifying problems. For example, he should monitor all the stockists and retailers within his territory such that at any point in time he should be able to classify his customers in terms of their purchase status and record reasons for non-stocking.
14. All sales efforts both in the commercial and social marketing sector require motivation of the sales force. SMP have a selective sales commission plus special annual awards (such as highest percentage increase). The current situation is shown below.

SMP Sales commissions as of 1 September 1986

Raja/Panther	3.00 taka per 1296 pieces sold
Majestic	No commission
Maya	21.70 taka per 500 cycles
Ovacon	0.13 taka per cycle beyond 500(Dhaka)
	0.13 taka per cycle beyond 200(outside)
Joy	4.00 taka per 1800 packs

15. Whilst the SR is limited in his ability to "push" a product he does have an impact. The main factor of influence is that he maximises his sales (and commission) by concentrating on the large purchasers. This has an immediate effect on the stockist to retailer ratio. SMP have verbally stated an objective of "getting closer to the consumer" and hence dealing more and more with the retailers. This objective may or may not be desirable but, if it is, can be tackled in three ways:

- * More control on salesman's calls
- * Restricting some product lines to retailers. This strategy is currently in operation for Raja 4's.
- * Devising a sales commission system which gives more per unit return for retail sales.

16. The organization needs also to be looking at other back-up systems. Some of these have been tried and some are speculative but include:

- * using the RMP's as sales promoters/persuaders. (Tried)
- * free sampling and coupon issues (Planned) ✓
- * having village depot holders (Considering)
- * the "Avon lady" system (Suggested) ✓
- * using large employers as sales points (Suggested)

17. It should be noted that SMP is currently looking at the feasibility of replacing the wholesalers with their own depots (12). The wholesalers are in fact simply warehouses for SMP products and have no role in the subsequent distribution. It is the control element which dictates SMP's thinking. There are numerous advantages including cash flow, inventory control, MIS requirements and so on. Of course, administering the proposed system adds to the management burden and heavy establishment costs. It is assumed that SMP's investigation will provide a detailed feasibility study on which the final decision would be based.

18. Another important issue for investigation is stock turn, that is, the relationship of sales to stocks held. It is particularly important in relation to shelf life especially for condom. The Condom Distribution Channel Study provides some data. This study has been found lacking in some respects and results need to be used with caution. The data from it can be used to project to a total stock of 74.2 million pieces giving an overall stock turn of 1.4 or every 260 days.

	<u>Mean Stocks</u>	<u>Best estimate of outlets</u>	<u>Total Stocks (million)</u>	<u>Total Sales (million)</u>	<u>Stock turn p.a.</u>
Stockists	5115	6500	33.2	78.7	2.4
Retailers	492	83281	41.0	22.3	0.5
			----	-----	----
			74.2	101.0	1.4

III.B. Pricing Policy

1. The Co-operative Agreement states that "promotion, pricing and distribution will all point to bringing contraceptives within the reach of the greatest possible number of people." This means that they have to be affordable to all. But does this mean that the price should be dictated by the purchase capability of the poorest couples? Should in fact USAID subsidize all contraceptive users or should it provide a product range geared to each income level paying a price that it can reasonably afford. It would of course be unacceptable to have a means test situation whereby prices were determined by the person's status. The only viable option is to have a range of product qualities which enables the more affluent to select a better product and consequently pay more for it. This does, of course, raise questions concerning the ethics of limiting the poorest families to the "inferior" products.
2. SMP does provide a range of products which have differential pricing. The determination of the actual prices is not determined by market forces and, hence, little can be said or done to determine the optimum price for each product. Thus the importance of price is solely in the area of product positioning -- is the price differential sufficient to provide sufficient scope for market segmentation?
3. The prices shown below, on a piece basis, reveal that there is a well - defined pricing segmentation. Majestic and Panther are the up-market products. However, the situation can be confusing to the consumer since the Majestic 3's are about the same price per pack as the Raja 4's. It may be necessary to replace the 3-pack with a 4-pack. Since Majestic has already been identified as a product with a packaging problem (internal and external design not compatible), this may well be an opportunity to re-launch and re-position especially as sales appear to have plateaued. Joy is priced competitively with Raja condoms.

Both Maya and Ovacon have a strong competitive edge on Ovostat and Marvelon.

RECOMMENDED PRICE SEPTEMBER 1986

	MRP <u>per pack</u>	MRP <u>per pack</u>	?
Raja 4's	1.00	0.25	
Raja 100's	-	0.20	
Majestic 3's	1.20	0.40	
Panther 4's	2.00	0.50	
Joy 10's	2.50	0.25	
Maya	1.50		
Ovacon	4.00		
<hr/>			
Ovostat	10.00		
Marvelon	14.00		

4. A major consideration of pricing is in dealer mark-ups. Whilst Retailers respond to demand they are also in a position of consumer influence and can be motivated by the level of mark-ups. In this respect, SMP products are not as profitable as the private sector. SMP policy is to allow for a 20-25% retailer mark-up though it must be remembered that the absolute return derived is very small. For example, the average retailer selling 1900 pieces of Raja would make a net profit of only 76 taka per year

DEALER MARGINS

	Stockist Margin <u>Tk.</u>	Stockist Mark-up <u>%</u>	Retailer Margin <u>%</u>	Retailer Mark-up <u>%</u>
Raja 4's Dispenser	-	-	4.20	42.9
Raja 100's Dispenser	0.70	4.6	4.00	25.0
Majestic 3's "	0.63	3.7	3.83	21.6
Panther 4's "	1.00	2.6	8.00	20.0
Joy 10's Dispenser	-	-	5.40	22.0
Maya per cycle	0.04	3.4	0.30	25.0
Ovacon per cycle	-	-	0.80	25.0
<hr/>				
Ovostat per cycle			2.00 (Est.)	
Marvelon per cycle			4.00 (Est.)	

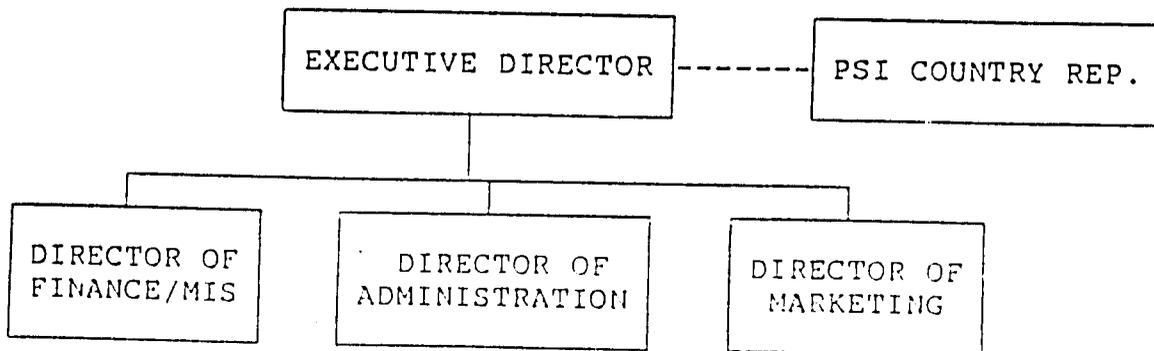
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5. Even a cursory examination of the market place shows that retailers do not conform with the MRP's despite these being printed on the packet. They are dictated by what the market will pay and by up-grading their margins. Neither SMP nor the private sector have any control of the MRP which is only enforceable at the manufacturer level. The extent of the price differentials is difficult to gauge but some information would be a useful guide to understanding more about retailer margins. However, no systematic investigation is needed.

III.C: Management Structure

1. According to the Co-operative Agreement, "it will be the responsibility of PSI to consult with SMP management where appropriate to see that the program is successfully executed to the goals." The interaction and effectiveness of PSI and SMP is a key to success. The decision-making process is not overly clear. Furthermore, the organization chart does not entirely resolve the issue. Most decisions are reached by consensus of opinion. This is a desirable objective but circumstances arise when consensus cannot be reached and a single decision needed. Such circumstances have been clarified. The executive director, supported by three senior managerial staff, is responsible for all operational matters. However, because of PSI's contractual obligations, in such cases which involve donor policy and requirements, PSI is expected to resolve differences of opinion which may occur.

SMP ORGANIZATIONAL CHART (SENIOR MANAGEMENT)



2. Since June 1986 an Executive Committee consisting of the PSI country representative, the SMP executive director and the three departmental directors, have met on a regular basis. This acts as a board of directors reviewing progress, research, problems and so on. It is currently chaired by

the PSI representative. Decisions are reached by discussion but it is assumed that the views of the PSI representative and the SMP executive director prevail.

3. The executive Committee meetings should be convened on a regular and scheduled basis (monthly?) and where appropriate, on an extra-ordinary basis. An agenda should be pre-established with scope for "any other business". The decisions reached and action required (naming the principal responsibility for that action) should be minuted. These minutes need not record all the issues or opinions raised but solely the decisions. One member of the committee should be nominated as the minute taker. The minutes should be circulated to each member within two days and a proper minute book maintained. Decisions which should be minuted would include price and acceptance of research bids, actions determined as a result of research and decisions regarding progress monitoring. The executive committee acts primarily to ensure that project objectives are achieved and hence the minutes should also include year to date against target. Consideration should be given to providing the USAID Project Director with a copy of the minutes. #
4. Another laudable innovation since June 1986 has been the convening of weekly Departmental meetings. These ensure that both the Executive Director and PSI country representative have a hands-on management capability. Again it is recommended that decisions and actions are minuted. -
5. It is clear that the lines of communication between PSI/SMP and USAID need to be formalised. USAID have set objectives and it is clearly necessary to keep them informed of both progress and problems. Without a formal system, USAID are unable to keep in touch with the innovations and progress being made. It is recommended that each quarter a meeting is convened between the PSI Country representative, the executive director and USAID Project Director. These meetings will help ensure that the program progress with a spirit of co-operation and that all parties are able to express doubts and uncertainties in a favourable environment. #
6. To ensure that the specific objectives are achieved, the SMP management will need to formulate a monitoring and evaluation program which will be incorporated in the Project Document. It will also need to ensure that it responds rapidly to the ever increasing data from the management information system. To this end it would be appropriate to employ a sales analyst whose precise function would be to scrutinise the detailed sales performance with a view to producing a lucid account and action-oriented recommendations for management consideration. It is common failing of

MIS that the details make it difficult for management to "see the wood for the trees." In a similar vein, the newly appointed research manager should review all SMP research and produce a management summary which is not simply descriptive but sets out what the implications are in terms of business development. The research manager should be alerted to the need to look for results which are unexplained and needing more research. All these innovations give the management the coincide data to enable them to function more effectively in their decision-making and business development capacity. Management needs to anticipate problems in preference to responding to them.

III.D. Marketing Plan

1. It is generally accepted that there are three key ingredients to successful marketing. Each are equally important since weakness in one can never be entirely counter-balanced by strength in another.
 - * a product oriented to customer needs and wants.
 - * a Marketing Organization effective in bringing the product in contact with the customer.
 - * a Marketing plan which identifies strategies and responsibilities for implementing action programs to achieve desired results.
2. At the onset of this current assessment, the 1986 Marketing Plan was submitted to the review team. On the basis of this document, it appeared that SMP had a long way to go in fulfilling the requirements of a well-defined Marketing Plan has been submitted. This clearly is a significant improvement and addresses itself to the key issues. It is not proposed in this review to comment on the specific components of the plan since the re-assessment objective is to look at the organization at the macro rather than the micro level. It is assumed that those recommendations ultimately incorporated in the Project Documents will also be incorporated in the Marketing Plan.
3. There are, however, some recommendations specific to the Marketing Plan:
 1. The distinction between overall and brand strategies is not always clear.
 2. Sales targets are clearly defined by volume but the market share targets shown are inappropriate. A market

share is the brand share of the total market not just the relative share of an SMP brand against all other SMP brands. Even in social marketing the organisation needs to have a clear understanding of changes in the competitive situation.

3. Achievement targets need to be set for each target group. It is not sufficient simply to give the total size of the target audience. A clear statement of current penetration and target penetration is needed. It is accepted that, under current circumstances, details about the target groups are inadequate. This is a further justification for the market segmentation survey and the annual tracking survey.
4. If greater promotional emphasis is to be placed on oral contraceptives (and there is some doubt about the validity of this), is it sufficient just to monitor sales?

SMP has reached an organizational size and product diversity which would justify a detailed consideration of brand management and corporate identity. In a large commercial operation, the Marketing Director is assisted by brand managers whose role is specific to the brand or brands under their domain. This arises because each brand or product line has its own target groups, its own strategies, its own promotion and so on. SMP now has seven product/brand variants in the market and, judging by the Marketing Plan, each have a wide diversity in approach. Consideration should be given to appointing product/brand managers for:

- * Condoms: Raja, Majestic, Panther and Others
- * Oral contraceptives: Maya, Ovacon
- * Other contraceptive products: Joy, Injectibles
- * Mother and Child health: Birth Kits and ORT

5. The second longer term objective is the development of SMP's own corporate identity. This has been developed to some extent through SMP radio programs and the use of vehicles for brand logos. Increasingly corporate image has become a major objective for a variety of reasons and these also apply to the social marketing environment:

- * the importance of public relations - establishing the right relationships with governments, pressure groups and local communities. This aspect is particularly important for social marketing.

- * the realisation of the importance of good relations with the channels of distribution.
- * fostering consumer loyalty to the corporate range. For example, to ensure that brand switching is within SMP brands and that method switching is within SMP methods.
- * the need to promote new ideas, services and products linked to an established image.

Thus in endeavouring to create a corporate image, packaging, promotion, motivation and so on need to conform to an corporate umbrella. The simplest method is to have a corporate logo common to all products offered. This may or may not be the most salient part of the visual display. It can also involve consistency in packaging. For example, condom brands should be in the same pack type, possible with a common design feature (colored strip), have the SMP logo but also to have the brand recognition distinctive. Another innovation would be to ensure that all the company vehicles have identical colors and displays of the corporate logo as well as all of the brand logos.

APPENDIX A

Documents Read

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2. FPSP Project Paper 1984
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4. Scope of work for evaluation of SMP, 1986
5. Summary views on the Economics of Bangladesh, Simmons et al., 1986
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8. Co-operative agreement amendment 1 1985
9. Co-operative agreement amendment 2 1986
10. Holmes report (SMP Evaluation, 1986)
11. Oot report (FPSP Evaluation, 1986)
12. Sundry memos, J. Laing to USAID
13. CPS 1981
14. CPS 1983
15. CPS 1983 Special topics, ed. by Harbison and Mitra, 1986
16. CPS 1985 key tables
17. Marketing Plan 1986
18. Marketing Plan 1987
19. Report on the Physical Verification of FP Products Rahman Rahman Huzar
20. Preliminary survey of SMP, Deloitte Haskins and Sells
21. Measuring contraceptive prevalence Mitra et al.
22. Comments on 1986 evaluation S. Olds
23. Raja Condom Exploratory Study 1986 RSL
24. Motivation Campaign: Baseline Report 1983
25. Motivation Campaign: First evaluation 1984
26. Condom Distribution Channes Study 1985 MCRB
27. SMP Retailer survey 1985 Mitra
28. Population Control Program in Bangladesh Ministry of Health
29. SMP Individuals Job Descriptions
30. Williamson consultant report, 1982
31. PIACT use-effectiveness survey tabulation, 1986
32. Observations/Recommendations of the FPSP Overall Evaluation, S. Epstein, 6/86
33. SMP Quarterly Report, April-June 1986
34. OC Distribution Husbands as Providers and Instructors, Davies, 1985
35. Condom users survey 1982 Chenneddin et al.

APPENDIX B

Persons Interviewed

1. Sharon Epstein Project Officer, USAID
2. William Schellstede Executive Director, PSI
3. Philip Hugles Country Representative, PSI
4. Don Lissance Campaign Consultant, PSI
5. Anwar Ali Executive Director, SMP
6. Shamsuzzaman Khan National Sales Manager, SMP
7. Nur Zaman Zone Manager, SMP
8. Mohammed Anwar Research and Communication
Manager, SMP
9. Ashfaqur Rahman Research and Communication
Deputy Manager, SMP
10. Khondakar Golam Mowla Systems Analyst, SMP
11. Alam Andreasen Consultant - Retail Audit
12. S.N. Mitra Executive Director - Mitra & Associates
13. Abu Yusuf Choudhury Executive Director - PIACT/Bangladesh
14. Reza Ali Chief Executive - Bitopi Advertising

3.4 Social Marketing Project

Background

The Social Marketing Project (SMP) has been operating in Bangladesh since 1975. Technical support has been provided by Population Services International (PSI) from the start. Funded initially by AID/W, in 1981 SMP has become bilaterally funded under the FPSP. In 1984, PSI funding shifted from a contract to a cooperative agreement.

The purpose of the project is to provide universal access, and to increase the use of safe and effective temporary methods of contraception in both urban and rural areas. Basic principles of marketing and advertising and, where possible, existing distribution networks were to be employed in this effort. Between the initiation of bilateral funding in 1981 and March 1986, the number of SMP retail outlets had increased to almost 130,000. The Project currently sells three condom brands (Raja, Panther, and Majestic), standard (Maya) and low-dose (Ovacon) oral contraceptives, vaginal spermicides (Joy), safe delivery kits, injectables (Noristerat), and oral rehydration salts (ORS). The organization chart and distribution system are shown in Annexes H and I. USAID obligations for the SMP from FY '81 through FY '85 totaled \$16,852,617.

Findings and Conclusions

Annual sales of SMP commodities are shown in Table 23. As seen in this table, commercial sales of all SMP products increased steadily up until 1985, when sales of Raja condom (the largest selling SMP product) began to decline. This apparent decline appears to be due in part to heavy overstocking which occurred just prior to an announced price rise (from 15 to 20 paisa per piece). No decrease in sales, however, was noted at the retail level.

In addition to product sales, the SMP was also engaged by USAID in 1983 to undertake a general (not brand- or method-specific) promotional campaign for family planning. Under a sub-contract with Manoff International (totalling about \$1.0 million over a three-year period), research was initiated regarding constraints to access to modern contraception. Issues such as religion, fear, side-effects, and husband indifference were identified, and were used as the basis for developing a media campaign. At the request of the GOB, constraints related to religion were not included.

TABLE 23

SMP DISTRIBUTION OF CONTRACEPTIVES BY YEAR

<u>METHOD</u>	<u>1981</u>	<u>Year (Calendar Year Jan - Dec)</u>			<u>1985</u>
		<u>1982</u>	<u>1983</u>	<u>1984</u>	
Condom (pieces)	47,367,494	68,916,320	88,255,792	108,973,062	85,342,734
Pill (cycles)	852,605	1,143,241	1,543,061	2,080,906	2,230,741
Foam tablet (pieces)	--	3,506,395	4,505,474	3,157,068	3,059,080

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The major media used were radio, which reaches 40-50 percent of the population, and films, directed primarily at males. SMP staff estimated that about 10 million families are reached annually through the film shows.

According to SMP, profit margins at the retailer level are 15-20 percent and are similar to usual commercial margins at that level. The highly subsidized price and relatively low sales volume, however, yield relatively small profits, in absolute terms, at the retail level. Initially, SMP tried to use the existing commercial distribution system to move product to the retail level. Due to a lack of interest on the part of wholesalers and stockists, however, it soon learned that it would have to employ staff to perform this function. Increasingly, SMP fieldstaff work for the wholesalers in moving product to the retail level.

According to SMP staff, the Project currently recovers about 30 percent of operating costs and 10 percent of overall costs. The cost effectiveness of SMP, however, as calculated by Simmons et. al. in a recent paper, is \$15.33 per CYP, which compares favorably with other elements of the national family planning program.

Of major concern to USAID and SMP staff is the existence of the so-called "condom gap" (see Section 3.1.3). This gap is the difference between the implied prevalence rate of 3.35 percent, based on SMP distribution figures, and 1.62 percent, based on the 1983 CPS. Studies of the condom gap are contained in the 1983 Condom User Survey, a report by Deloitte, Haskins, and Sells (DHS), and most recently by John Laing of the Population Council. According to Laing (see Table 24), the bulk of the gap of 42.8 million condoms under the SMP is explained by an underestimate of coital frequency and wastage among married couples, and the accuracy of the survey data (i.e., that husband's response, which was 2.7 percent, is more accurate). While acknowledging the "softness" of the data, Laing nevertheless believes that his analysis, plus the first four factors (i.e., growth of the pipeline, contraceptive use by unmarried persons, ex-country sales, and misuse) contained in the DHS report, account for the bulk of the discrepancy.

Recommendations

- o Although the SMP has met the objectives of making modern contraceptives universally available in Bangladesh, there is a need to rethink this strategy in view of the apparent leveling off and decline in sales of selected products. This review should examine existing promotional, marketing, and sales distribution stra-

tegies in detail. While this review could result in a fundamental change in strategy, SMP should begin to shift its focus to those sub-groups of the population where sales and effective use of SMP products is apt to be greatest. The challenge will be to do this without undermining the urban commercial market and without a substantial drop in clientele.

- o SMP should undertake a retail audit to determine what the market is, what share it has, and how its market share can be increased. This audit should also analyze the relative efficiency of the marketing system, perhaps eliminating or substituting for inactive retailers.
- o SMP should engage the services of a qualified marketing and advertising firm to help design a new strategy based on market segmentation.
- o SMP should take advantage of its recent entry into the health field, making an effort to improve its visibility among the pharmacists and physicians to whom they sell.
- o SMP may also want to try, initially on a pilot basis, the use of trained TBAs as sales agents for the safe delivery kits. The TBAs would have already developed rapport with potential users in their respective neighborhoods and would be well prepared to discuss the benefits of safe birth practices with their clients.
- o High priority should be given to the completion of the on-going pill and condom use-effectiveness study. Such studies should probably be repeated periodically for all SMP methods.
- o One important potential justification for social marketing activities is the extent to which they serve as a vehicle for introducing couples to modern contraception. Data should be collected that will indicate the extent to which this occurs with SMP products and, in the case of the condom, whether users move on to more effective methods. (This information is available from the CPS, but not specifically for SMP product use --Tables 25 and 26).
- o Cost effectiveness of the SMP needs to be monitored effectively, preferably using Laing's methodology, i.e. by dividing SMP costs by the number of CYP implied by survey-based prevalence data.

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- o An improved MIS is needed to provide feedback from the retail level, either through a sample of retailers or periodic studies of retailers and consumers.
- o SMP, however, should continue to receive USAID support pending the implementation of some, or all, of the recommendations provided above. USAID assistance beyond the completion of the current Project should be based on the success of SMP in improving its efficiency and overall cost effectiveness. USAID should not, at this time, encourage efforts to institutionalize SMP by financing construction of a permanent headquarters.

3.5 International Center for Diarrhoeal Disease Research, Bangladesh Extension Project

Background

In the course of its evolution, ICDDR,B (1965-present) has moved beyond its original scope--the evaluation of cholera vaccines--into the field of population control. Lessons learned about MCH/FP fieldworker performance in Matlab may have important relevance to the GOB's efforts on a larger scale. Based on published experiences on projects carried out from 1977-1982 (Phillips et al. and Stinson et al. Studies Fam Plan, May 1982), the following conclusions were drawn: 1) contraceptive supplies alone (CBD) are insufficient to fulfill latent demand on a sustained basis; 2) effective services can produce substantial fertility declines--34 percent in the Matlab area; 3) on a national level the low CPR may be due more to poor program implementation than to an absence of client motivation; and 4) rural Bangladesh holds considerable promise for achieving significant demographic change.

At the request of the GOB, the Extension Project began in 1982 to test the transferability of the successful service components at Matlab to the MOHFP system, to identify the barriers to implementation, and to encourage changes where indicated in the organization and training of MOHFP personnel.

Two geographically separate upazilas were chosen and baseline data were collected from them and from surrounding areas for comparison. In the trial areas, existing government workers were utilized and staffing patterns remained initially unchanged.

Project activities were directed to four areas: 1) human resource development (fieldworker training including utilization of counterparts), 2) improvement of field management (client-based information system), 3) improvement of

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opportunities for the NGOs to provide TA to sub-projects.

- o External TA should be sought to rationalize and standardize the NGO record-keeping and reporting systems. This should include a close examination of the time spent by CBD field staff in clerical and office duties.

5.2.3 Social Marketing Program

Given the level of maturity of SMP, which has been functioning for 11 years in Bangladesh, the recent decline in some of its key products, the expanded availability of condoms and orals through the Government, commercial outlets, and community-based distribution programs, it is an appropriate time to reassess the existing marketing, promotional, and sales/distribution strategy. Primary attention should also be given to completing a program audit to determine ways in which SMP can be made more efficient and cost effective. It should be noted that this will require some modification of the original objective of SMP, which emphasized availability, regardless of the marginal costs of reaching deep into the rural areas.

Given the controversy surrounding the "condom gap," USAID should continue to support efforts to learn more about the use and use effectiveness of SMP projects. In particular, further study should be undertaken of the role of SMP in introducing couples to modern contraception, how it contributes to movement from less to more effective methods, and the extent to which it increases use effectiveness (because of the reliability and easy access to SMP outlets), versus those of Government and the NGOs.

5.2.4 ICDDR,B

5.2.4.1 Lessons Learned. Several lessons learned through the ICDDR,B component have important implications for the national program.

- o Substantial increase in modern contraceptive use can occur prior to or in the absence of social change--previously felt to be a prerequisite to fertility decline (see Section 5.1.1).

- o Declines in fertility, as studied in the Matlab area, appear to contribute to lower neonatal, child, and maternal mortality (see Section 3.1.4). The addition of carefully selected MCH services (e.g., tetanus toxoid

FAMILY PLANNING SOCIAL MARKETING PROJECT
COMPONENT OF THE FAMILY PLANNING SERVICES PROJECT

1986 EVALUATION

THIRD DRAFT

LIMITED DISTRIBUTION

(EXECUTIVE SUMMARY)

Evaluation Team:

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Prepared for:

USAID MISSION, BANGLADESH
December, 1986

EXECUTIVE SUMMARY, CONCLUSIONS, RECOMMENDATIONS

PROJECT PERFORMANCE AGAINST OBJECTIVES

FPSP Objectives

Sales

SMP has performed well against sales objectives over the past five years. It has consistently met or exceeded goals in both pill and condom sales, with the sole exception of condom sales during 1985.

A variety of factors explain the dramatic dip of 1985 condom sales. However, not enough is known about overall market conditions in 1985 to know whether there was any overall downward trend in acceptance of family planning which may have been a contributing factor; and if so, what was the performance of condoms compared with other temporary and permanent alternatives. The 1985 CPS should shed some light on this question, and should be reviewed, along with any other relevant data, to address this issue.

Distribution

The current manner of reporting distribution outlets is not really effective in analyzing SMP's performance against distribution goals of the FPSP, since it includes all stockists and retailers ever called on. It can be hypothesized, however, that SMP has either met, or at least come reasonably close to the FPSP objective of 130,000 outlets.

A new Management Information System is currently being designed. It is urged that a system be found whereby stocking of new versus repeat outlets (or initial stocking versus repeat stocking of a new brand) among stockists and retailers be found. Not only would this give a clearer picture of on-going activity at the retail and stockist level, but it would also be an effective tool in gaining a clearer understanding

of consumer pull through the system, as indicated by repeat rather than total sales figures.

USAID Cooperative Agreement Objectives

The agreement states, "...bringing contraceptives within the reach of the greatest number of people in urban and rural Bangladesh" as SMP's primary objective. This requires accessibility and affordability. On both measures SMP has performed well.

The 1983 CPS indicates a significant shift away from Government/NGO outlets toward SMP outlets as the source of supply. Further, SMP outlets are more likely to be seen as easy to get to than Government/NGO outlets.

A couple year of protection for either Raja condoms or Maya pills is roughly equivalent to one day's wages for the average rural worker.

Relevant Objectives of the FPSMP

The most relevant objectives of those listed in the BDG-PSI Agreement are in the areas of operations (distribution system, management, packaging, etc.) and marketing (advertising, education, etc.), because emphasis in these areas is essential to the base business of SMP. Therefore, these objectives have historically and should continue to receive priority attention within SMP. Secondary objectives focus on business expansion opportunities. These objectives should not be allowed to be emphasized to the detriment of the core business.

Awareness and Use

SMP has performed extremely well in generating awareness of its products. It is generally acknowledged that Raja and Maya (to a lesser extent) have become generic terms for condoms and pills.

The fact that Raja is far and away the condom market leader and Maya has a significant share of the pill market -- particularly given the limited accessibility of SMP outlets to the female population

and SMP's emphasis on rural areas (as opposed to the ability of Organon, a high-priced privately manufactured product, to concentrate sales in the urban areas where use is higher) -- suggests that SMP has performed well against the objective of increasing use.

However, use figures as reported by married women of reproductive age, particularly regarding condoms, were below expectations. A variety of reasonable explanations for the differences in use figures from SMP condom sales figures (the data discrepancy) have been developed, and the issues are already being monitored and reviewed on an on-going basis.

Every possible effort should be made to ascertain the extent to which use figures derived from the CPS are actually representative of "real use" within the population, so that the performance, not only of SMP but of all project components, can be measured against use objectives as accurately as possible.

THE ORGANIZATION

The Project Council

The existing Project Council complies with specifications outlined in the Bangladesh Government - PSI contract. However, the addition of an executive committee, the main purposes of which would be to execute Council decisions and to act as liason between the Council and the organization, should be considered.

The committee should be kept small, and might be comprised of the SMP General Manager, the PSI Country Representative, and possibly the SMP Marketing and Sales Managers. The advantage to including these two managers in the executive committee is to formalize a channel of communication between these functions, each of which depends on the other for its success in reaching objectives.

Consideration should also be given to the advisability of including the USAID H&P Chief, or designated USAID representative, if USAID policy would allow this type of operational participation.

The Management Structure

The management structure of SMP is basically sound, and a variety of steps have already been taken to correct weaknesses in the areas of advertising and demand creation types of marketing expertise. Careful and constructive plans are already being made to align management responsibility with management expertise, and to increase the marketing expertise available in-house.

A Bangladeshi national with both distribution and marketing skills and a new PSI Country Representative are currently being sought. Every effort should be made to retain these two as quickly as possible, so that the proposed reorganization of responsibility can be finalized and acted upon. It is not appropriate to recommend a timetable for effecting these changes because the critical issue -- even more important than the timetable -- is finding people with the required skills and experience.

In the meantime, it is also recommended that PSI and SMP create specific job descriptions. While this recommendation is easily made, it may take some time to execute. One way to implement the recommendation might be to ask each manager to spend one hour or two on a given day writing down his views of his responsibilities and duties. This would serve to offer a basis from which to develop job descriptions, as well as enable identification of areas of confusion or miscommunication of responsibilities management assumes are to be executed at each level, and the actual perceptions of the managers themselves.

Consideration should also be given to seeking the advice of a consultant with expertise in management structure. It would be particularly valuable if a consultant could be found who has experience in both the private sector and with other social marketing projects. The objective of the consultancy would be to determine what, if any, structural changes might enhance SMP's overall performance.

Technical Assistance

PSI has made a long-term commitment to providing technical assistance. Key short-term goals in this area should include development of a streamlined Management Information System, which would enable data analysis designed for the development of strategic plans. It is recommended that the consultant (or consulting firm) already being sought for MIS development be given responsibility for conducting a full analysis of the real informational needs of SMP, USAID, and BDG (or the Project Council) before making any recommendations on MIS design. The recommendations should include the ways in which the data should be organized and analyzed to enable its use as a tool in developing strategic business plans.

It is recommended that normal consultancies in the areas of management training in marketing planning (advertising and communications), strategic data analysis, and strategic business planning be considered. A single consultant might be retained who would design a course in these skills tailor made for SMP personnel information needs, and to address the specific situation faced by SMP. Manoff International has provided considerable expertise in this area in the past, and should be considered. In addition, seminars and conferences might be identified as particularly productive for SMP management in these areas.

Serious consideration should also be given to continuing to provide technical assistance (in the form of workshops or training sessions in addition to actual study design, implementation, and analysis) which will strengthen the capabilities of local marketing research firms.

Distribution System

The question has been raised by SMP, PSI, and USAID Mission personnel of whether the distribution system of SMP could be improved or streamlined. While the existing distribution system certainly seems to make sense under the circumstances, it is beyond the specific areas of

expertise of the evaluation team members to determine whether, what, and how any specific refinements might enhance SMP's overall performance.

SMP is currently, and should continue to monitor efficiencies of internal versus external warehousing. The overall strategy of USAID toward the eventual structure of SMP is a key factor in determining whether the distribution network ultimately should or should not include independent wholesalers.

Retaining a consultant with distribution system expertise should be considered. As with the issue of management structure, it would be particularly valuable if a consultant could be found who has experience in both the private sector and with other social marketing projects. The objective of the consultancy would be to determine what, if any, changes should be made in SMP's distribution system to enhance overall performance and cost-effectiveness.

While the sales force of SMP may appear cumbersome, it may actually be quite efficient when a variety of limiting factors are considered (i.e., minimal profit margins, difficulty of detailing, etc.).

PRODUCT LINES, ADVERTISING, THE MOTIVATIONAL CAMPAIGN

Condom and Pill Lines

The question raised by SMP condom and pill line sales data is whether there is actual consumer preference for condoms or pills based on some demographic or psychographic factor, or whether the differences in share of pills and condoms by district is driven by the efforts of the sales force.

In fact, if consumer demand is the force behind these results; then if the nature of that demand were known, SMP could emphasize its product lines accordingly, in both development and positioning. Therefore, it is recommended that market research be undertaken to gain insight into factors influencing consumer preferences in selecting family planning alternatives among users, and into factors

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influencing consumer rejection patterns of specific family planning alternatives among those who have rejected one or more. By nature of the informational objectives, such research would probably take the form of in-depth one-on-ones or focus groups among men and women separately.

Another important consideration must be taken into account in making recommendations regarding the direction SMP should be taking in developing its pill and condom lines: the USAID policy for SMP's ultimate structure. If, for example, USAID would like SMP to begin to increase cost recovery efforts as a first step toward ultimate self-sufficiency, then a recommendation to explore the possibilities of introducing higher-priced products in both the condom and pill lines would be appropriate.

Consideration should be given to testing a higher-priced product in the condom line in any event. It is hypothesized that a high-quality, high-priced, ultra-thin product could well expand the market by appealing to a more upscale audience.

Further, there is no current local production to restrict SMP's ability to introduce (i.e., market) a high-priced product into the condom market, whereas there may be within a couple of years.

Additional advantages of pursuing a high-priced condom line include allowing SMP to track sales of such a product with an eye toward the eventual possibility of local manufacture of an equivalent product if the market carries enough volume to make this a viable option. This would enable SMP to take a step toward self-sufficiency if USAID policy favors it.

Because of its weak position in the market, consideration should be given to phasing out the Panther line. A further possibility may exist to repackage and reintroduce Panther with a new positioning and price, designed to test the hypothesis of whether a product positioned with a high price-value image and commensurate price can, in fact, expand the market.

Joy Foam Tablets

Every reasonable effort seems to be being made to target this relatively less effective product appropriately. Current strategies should be pursued. Great care should be taken to ensure proper instruction of shop keepers which are non-pharmaceuticals, so they can properly instruct their customers...many of whom, it is hypothesized, are illiterate.

If USAID supports the need for a variety of products, regardless of their use effectiveness, to appeal to the desires and needs of potential family planning adopters, then it is recommended that SMP should continue to market a vaginal foam tablet -- but in a limited way; and if a reasonable substitute can be found to replace Joy.

One problem which needs to be addressed is the definition of what is reasonable. Is it worth a major new product introduction effort, including research on the target audience, to determine product positioning, packaging, and pricing, including advertising and marketing support, for a relatively ineffective product? Would the funds for such an effort be more effectively allocated to a motivational effort? Or, should a replacement product simply be placed in distribution with minimal support, to discourage use while still fulfilling the responsibility of offering alternative methods of family planning.

Once again, it is recommended that these decisions be addressed after program policy has been determined.

Noristerate

It is recommended that products such as Noristerate, which require detailed monitoring, not be included in the SMP line at this time. Hence, it is recommended that the current injectable test be considered for discontinuation.

Safe Delivery Kits

The question which arises is whether SMP should undertake a major marketing effort for Safe Delivery Kits once they have completed the positioning work.

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If this were strictly a business decision, the recommendation might be low-level support for product promotion, based on the fact that the target audience is poor and probably illiterate, requiring a substantial educational effort to promote effective product use.

However, this is not strictly a business decision. It is also a question of the social objectives of SMP. Two solutions to the problem are apparent. One is to conduct market research to evaluate the effectiveness of safe delivery kits and the commitment to educational efforts required to ensure effective product use, leading to the development of a marketing plan. This would be a time-consuming, difficult, and costly approach.

The second solution is to seek the professional opinion of a medical consultant familiar with the situation in Bangladesh and the use-effectiveness of safe delivery kits.

It is recommended that the second of these alternatives be pursued. Dr. Alan Margolis, for example, might well be able to offer guidance on the amount of emphasis which should be placed on safe delivery kits.

Orasaline/Orsaline

SMP has an excellent marketing plan and a sound strategy for fulfilling its contractual obligations to market and produce an oral rehydration product. Quite simply, it is recommended that SMP pursue its established plans.

Exploring other Marketing and Manufacturing Opportunities

It is recommended that developments regarding any efforts to manufacture condoms in Bangladesh be monitored, but that no action toward development of SMP condom manufacturing capabilities be taken, at

least for the next year or two, both because the ability for such an activity to be self-sustaining appears so remote, and because SMP personnel will be extremely busy with the development of the OKS business.

Given the demands of SMP's existing business combined with the addition of OKS marketing and production, SMP's decision to defer activity on the possibility of establishing and/or promoting health clinics is advisable. It is recommended that SMP continue to concentrate on bringing its existing businesses to mature market positions before diverting its attention to less mainstream activities (SMP mainstream, that is).

Product Specific Advertising

Positioning

The hypothesis that the message of much of SMP's product specific advertising may be off-target in terms of motivations toward family planning, combined with the hypothesis developed in the District analysis of sales, that different demographic and/or psychographic groups may gravitate toward different family planning products, has to lead to a recommendation for a market research effort to determine the factors which actually convert people to committed use of family planning methods by method, along with restraining factors which have kept non-users from use by method, as well as in general.

The results of this type of research can then be used to develop an advertising strategy targeting product advertising and positioning against the most likely potential user groups, against their motivations for non-use, and against their motivations for use.

Media Plans

SMP should continue to develop its in-house skill in this area. If the recommended market research in consumer motivations for and against family planning acceptance is implemented, it is recommended

that the information obtained be used to strengthen media planning.

Consideration might be given to two other possibilities: design and implementation of training programs in media strategy and plan development for the SMP advertising agencies -- by Manoff International, for example, or a similar organization -- and to encouraging the development, either by Government or a consortium of advertising agencies, of media audience information.

The Motivational Campaign

On the whole, the 1984 first wave evaluation of the Motivational Campaign indicates that campaign strategies were successfully met: rural men showed the greatest increases in awareness; fewer men and women consider modern methods unsafe, people are listening more frequently to family planning programming; more men indicate they have discussed family planning with their wives; more men are relating to the concept that family planning has economic advantages; and family planning is seen as the right thing to do by all target groups.

All these results indicate the Motivational Campaign has effectively communicated its intended messages. On this basis, it is strongly recommended that it be pursued.

Further, the SMP Mobile Film units may present the most efficient vehicle possible for delivering the education and information so critical to the success of a family planning program to the target audience -- rural men and women.

It is strongly recommended that consideration be given to increasing funding for both the overall Motivational Campaign and the Mobile Film Units. PSI and SMP personnel should be consulted if this recommendation is pursued, to determine how much incremental work they believe they could absorb without overloading the system. They should recommend the actual number of MFU's SMP can manage, as an initial step in increasing MFU activity. Further, it would be

worthwhile considering implementation of the research on MFU effectiveness recommended by SOMARC consultants in their trip report of September 1 to 13, 1985.

If the recommendation to increase MFU activity is pursued, serious consideration must be given to increasing the breadth of films shown. The same audience cannot be continuously exposed to the same materials without causing a negative reaction. Thus, if MFU activity is substantially increased, it is recommended that additional motivational materials be created to increase the impact of this vehicle of the motivational campaign.

Ways in which SMP can increase its impact on rural women, particularly in light of their desire for additional information, should be sought. Given the SMP structure, one alternative which might be considered is adding a woman (or several) to the Mobile Film Unit teams. The purpose would be for this woman (women) to be available to speak to village women about family planning and family planning products and to answer their questions. These discussions might be held just before the showings (the women generally gather at the front of the crowd), or on the morning after (more complicated to execute).

INSTITUTIONALIZATION

Given the amount of research that has already gone into the issue of institutionalization of SMP (as a society, trust, corporation... for- or not-for-profit) it is evident that this is an extremely complex issue; for which no simple solution may exist. Therefore, it is recommended that SMP be allowed to continue as a project in the short term, despite the disadvantages of the temporary nature of project status.

The issue of institutionalization should be addressed on the basis of USAID policy toward the type of structure which would be most productive in accomplishing USAID's overall social goals. A definition of the desired organizational status at the appropriate time

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for withdrawal of USAID funding will lay the foundation for devising a strategic plan for creating that organization.

Government policy regarding ownership of private Bangladeshi and foreign corporations should be closely monitored by the USAID mission. Information obtained should be channeled to any personnel within USAID assigned to develop policy on the desired organizational status of the SMP.

DATA DISCREPANCIES

The discrepancy between SMP condom sales figures and Contraceptive Prevalence Survey condom use figures is large, and has been of concern since 1981. Factors considered very likely to be contributors by Dr. Nancy Williams in 1982 included:

1. underreporting of condom use by women,
2. Irregular use of condoms,
3. the pipeline (stock in the wholesale/retail system),
4. Higher levels of use than CYP accepted norms (100 condoms per year),
5. significant levels of use outside marriage.

Factors she considered but felt less likely to be responsible were non-contraceptive use, retail overstocking, and smuggling. Other studies initiated to confirm or shed new light on these factors offered the following insights:

- . underreporting by wives is significant,
- . The pipeline effect could account for as much as 48% of the discrepancy,
- . The conversion factor of 100 condoms per CYP is probably too low,
- . Use outside marriage and smuggling could equal 11% of the discrepancy each,
- . Non-contraceptive use could account for 6 percent of the discrepancy.

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This analysis recommends consideration of the following factors as possible contributors to the discrepancy:

Irregular use of Condoms: This factor has not been thoroughly researched yet. Roughly 4 in 10 male condom users say they use condoms irregularly, primarily because they rely on the safe period (1983 Condom User Survey). It may be that these people are being reported in the CPS results either as users of the safe period or as non-users...hence they may not be reflected in measurements derived from CPS data.

Initial Trial: 1981 and 1983 CPS data indicate that trial has increased; the eminent demographer, John Laing, has speculated that trial could account for around 50 condoms per trier. This converts to nearly a half year of protection (CYP) for each couple trying condoms in a given year. If figures were developed for past year trial among non-current users and added to stated CPS figures, they might reduce the size of the discrepancy by as much as a fifth.

It is urged that USAID seek experts such as John Laing to evaluate the possible contribution to the data discrepancy of each of these factors.

The hypothesis of underreporting by women is confirmed by data gathered in the Motivational campaign research, which shows flat results similar to those of the CPS studies among women and reporting increases among men. It is recommended that serious consideration be given to 1) adding a male sample to the 1985 CPS and 2) reviewing the manner in which the use question is presented to women in the CPS. It is hypothesized that the question is presented in such a way as to elicit underreporting, particularly by women reporting on male methods.

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Finally, it is urged that SMP sales figures be broken out into new outlet stocks, or initial stocking of specific brands, and repeat sales. Repeat sales should be used as the base figure for conversion of SMP sales figures to CYP. The difference between SMP repeat sales and total SMP sales will be the actual pipeline volume.

COST EFFECTIVENESS

Perhaps what is necessary before the issue of cost effectiveness can be answered satisfactorily is an overall strategy to provide a range of family planning methods for limitation and spacing, appropriate to the needs of Bangladeshi families.

The cost-effectiveness and use-effectiveness of condoms must be evaluated in this context. The value of SMP should be weighed against alternative programs to provide birth spacing methods.

According to George Simmons et al, when sterilization services are included in cost-effectiveness analyses, SMP is the least cost-effective of the three components of the program. However, if the analysis is conducted on the basis of temporary methods alone -- since that is all SMP is designed or allowed to market -- SMP is actually the most cost effective of the three.

Further, SMP may appear less cost-effective than it actually is if a) all costs for the Motivational Campaign -- which was developed and executed by SMP but which benefits all program components -- is expensed solely against SMP; and b) if commodities are expensed on a cash expenditure basis (if this is so, then the approximately \$8,000,000 in SMP commodities already landed in Bangladesh will make SMP look considerably more cost effective during the next year or two). Both these issues should be considered, and if appropriate, the formula for determining actual cost-effectiveness for SMP should be revised.

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Use effectiveness of both pills and condoms is highly dependent upon knowledge and education. USAID is urged to consider ways to increase knowledge...and use-effectiveness...of these products.

CONTRIBUTION OF TEMPORARY METHODS

The data indicates that there is demand for modern temporary methods, that the levels of continued use appear to be generally higher for pills and condoms than for other temporary methods, and that temporary methods may be a logical (and desirable) transitional step between non-use and acceptance of surgical methods. The data also indicate that there may be an emerging desire among women to have smaller families.

Since sterilization will not readily be accepted by the women (families) desiring more children, the only tactical option for reducing fertility that makes sense for this group is to reinforce the value of modern temporary methods in allowing these couples to space their families to achieve the end benefits of a smaller, healthier, more economically sound family with a commensurate reduction in mortality risk, and a concurrent reduction in total fertility rates.

A responsible family planning program must respond to the needs of all men and women who want to adopt family planning. Providing appropriate methods for those in a family spacing mode of family planning appears to be an important factor in gaining concept acceptance, hence a key to the ultimate goal of reduced fertility rates.

What appears to be needed now, and what is recommended, is a strategic plan to reinforce the emerging preference among younger women not having yet achieved their desired family size and those coming into their reproductive years (i.e., today's children under 15 years old) for a smaller family and to provide temporary modern methods conveniently.

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