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and

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USAID/El Salvador

Trip Report

EL SALVADOR

**Evaluation of the
SOCIAL MARKETING PROGRAM
February 14-28, 1986**

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EXECUTIVE SUMMARY

At the request of USAID/El Salvador, the Social Marketing Program of the Asociacion Demografica Salvadorena was visited for the purpose of evaluating the program for the period 1983-1985. A second agenda item included making final revisions to the El Salvador Management Information System Technical Assistance trip report for July 29 to August 2, 1985. A third agenda item occurred, as well, which was to assist the mission to decide whether and how to transfer the program to the private sector.

The program is performing satisfactorily, and although it accounts for only 6.4 percent of the national Couple-Years-of-Protection coverage, within the Asociacion Demografica Salvadorena the program provides 79 percent of the CYP coverage.

A significant outcome of this visit was the amending and updating of data as far back as 1981. The CYP data and Cost-per-CYP data for 1981-1983, as reported in George Kraus' April 1984 trip report, have been changed and new data for 1984 and 1985 have been added.

CYP CHANGES

COST-PER-CYP CHANGES

(In U.S. Dollars)

<u>Year</u>	<u>Kraus Report</u>	<u>Orr Report</u>	<u>Kraus Report</u>	<u>Orr Report</u>
1981	17,187	19,508	9.48	(.11) = Income
1982	23,159	23,263	16.93	2.73
1983	15,889	15,903	14.56	.56
1984	—	15,764	--	3.04
1985	—	20,148	--	8.40

BACKGROUND STATEMENT

In February 1986, USAID/El Salvador contracted with Social Marketing for Change (SOMARC) to conduct an evaluation of the Social Marketing Program (SMP) of the Asociacion Demografica Salvadorena (ADS), Project No. 519-0275, over a two-week period from February 13 through February 27, 1986. The evaluation was contracted to complement the evaluation of ADS by a four-person team from Juarez and Associates, Inc., of Los Angeles. The team completed its assignment and submitted its draft report to USAID/El Salvador on February 19, 1986.

This concurrent evaluation of the Social Marketing Program department of ADS helps balance information gathered by the Juarez and Associates team.

The SMP staff of 20 represents 11 percent of the ADS employee payroll. The SMP represents less than 13 percent of the overall ADS budget for 1986. The SMP accounts for 69.5 percent of the Couple-Years-of-Protection coverage of ADS for the period 1983-1985. The SMP coverage of CYP in 1985 amounted to 79 percent of ADS' total effort.

USAID/El Salvador raised a question regarding the future of the SMP: Should the program be transferred to the private sector and, if so, how? USAID requested that this concern be included in the working agenda, concomitant with the evaluation of the SMP. This was in line with the very recent visit of AID Administrator M. Peter McPherson, who indicated that action should be taken to transfer the SMP to the private sector. In response to USAID's request, a paper was provided, "Considerations for the Future," and a meeting was held with USAID/El Salvador HR/HA and Management personnel to discuss the subject. (See Appendix A, Exhibit #1.)

Integral to the evaluation of the SMP was SOMARC's objective to employ as an evaluation instrument the "CSM Marketing Audit" format set forth in Alan Andreason's March 1983 ICSMP report, "A Marketing Audit Model for Contraceptive Social Marketing Programs." From this instrument was drawn much of the information used in the evaluation report. The completed Marketing Audit is attached as Appendix B, Exhibit #2.

This report is compatible with the Juarez and Associates draft report as a formative and impact evaluation. This evaluation examined the efficiency of program management, competency of personnel, and success with which the activities of the SMP are being implemented.

SMP documents, including the Implementation Plan; periodic, quarterly and annual reports prepared by the SMP and by ADS; previous evaluation reports; organizational materials; financial data; and marketing reports were reviewed to determine historical sequencing of events and changes in external and internal factors affecting the SMP. Interviews with key informants took place through discussions with USAID personnel; SMP department personnel; Information, Education and Communications (IE&C) personnel; administrative and technical personnel from the office of the executive director; operators of 30 small stores and pharmacies; military personnel; and civil government individuals. In-depth interviews were carried out principally with SMP departmental personnel and USAID individuals. Two questionnaires were used with the tienda and pharmacy operators. A highly formalized interview, using the topical format of the Marketing Audit, took place with the SMP director. Some 75 interviews were conducted with 59 different individuals. A visit was made to Publicidad Comercial, the advertising agency used by ADS for the IE&C and SMP mass media advertising accounts. The account executive involved in this activity was interviewed, and the SMP and IE&C radio and television materials were reviewed.

In-Country Activities as per the Defined Scope of Work

In-depth interviews were conducted with the SMP Director Senora Dora Elena de Escolan, based on the "CSM Marketing Audit" instrument, used here for the first time as a SOMARC evaluation technique. In general, the Audit form served very satisfactorily to provide a framework for in-depth evaluation of the SMP in accordance with the USAID/El Salvador Scope of Work. In addition, the Audit format provided Sra. de Escolan with some guidelines for future reference, particularly in the development of a complete SMP Marketing Plan.

Additionally, this consultant traveled with Senor Fausto Alcibides Huevo, Supervisor of the SMP Tiendas Project "C," visiting Santa Tecla, La Libertad, Cojutepeque and San Salvador (five colonias). Plans to visit San Rafael Cedros,

Olocuilta, and Zacatecoluca were eliminated for security reasons. Plans to visit San Miguel, Sonsonate, Santa Ana and Ahuachapan were deferred because of programmatic requirements of statistical data-gathering. Discussion of the visits is detailed in Section I.B, Coordination of Activities.

Interviews were also conducted with members of the SMP staff, ADS executive and administrative personnel, USAID/El Salvador personnel, and Juarez and Associates team chief of party, Ray Chesterfield. Meetings held between February 14 and February 27, 1986, with USAID personnel and Mr. Chesterfield entailed (1) preevaluation briefings with Kevin Armstrong, Dr. Raul Guillermo Toledo, Mr. Chesterfield and Sue Gibson; (2) a security briefing by Don Enos; (3) a preliminary debriefing meeting with Armstrong and Toledo concerning the Marketing Audit; (4) a debriefing meeting with Armstrong and Toledo concerning the issue of whether to spin off the SMP; and (5) a debriefing meeting with Ron Witherall, Gibson, Armstrong and Toledo.

A review of reports and data relevant to the SMP and pertinent to production of this report was performed. Additional interview time was spent with Sra. de Escolan to gather information concerning (1) Management Information Systems data; and (2) projections information in order to comply with the contractual requirement to develop final revisions to the July 29, 1985, through August 2, 1985, MIS/TA Trip Report.

A draft of the Marketing Audit report was left with the mission, and it was agreed that the final draft of the overall report, following the outlined Scope of Work, would be sent to the mission before mid-March.

PERSONS CONTACTED DURING EVALUATION

Asociacion Demografica Salvadorena

1. Enrico Henriquez, M.D., ADS Executive Director
2. Dora Elena Castillo de Escolan, SMP Director
3. Martin Caballero, ADS IE&C Director
4. Agustin Cardoza, SMP Accountant
5. Vincente Alberto Rodas, SMP Technical Assistant
6. Rigoberto Soriano Avalos, Salesman, SMP Project "A"
7. Oscar David Santos de la Cruz, Salesman, SMP Project "A"
8. Oswaldo Enrique Guadron, Salesman, SMP Project "A"
9. Ricardo Antonio Pineda, Salesman, SMP Project "A"
10. Mauricio Alfredo Mendez, Salesman, SMP Project "C"
11. Fausto Alcibides Huevo, Supervisor, SMP Project "C"
12. Jose Fredys Rodriguez, SMP Packer
13. Hector Escobar Alonzo, SMP Packer
14. Willis Alexander Guardado, SMP Packer
15. Noel Danilo Mejia Hernandez, SMP Packer

USAID/San Salvador

1. Kevin Armstrong, USAID/El Salvador Population Officer
2. Raul Guillermo Toledo, M.D., USAID/El Salvador HR/HA/Pop
3. Sue Gibson, USAID/El Salvador HR/HA Deputy
4. Don Enos, USAID/El Salvador HR/HA Director
5. Ron Witherall, USAID/El Salvador Deputy Director

Others

Tienda Operators

Pharmacy Operators

Cuartel and civil government personnel in Cojutepeque

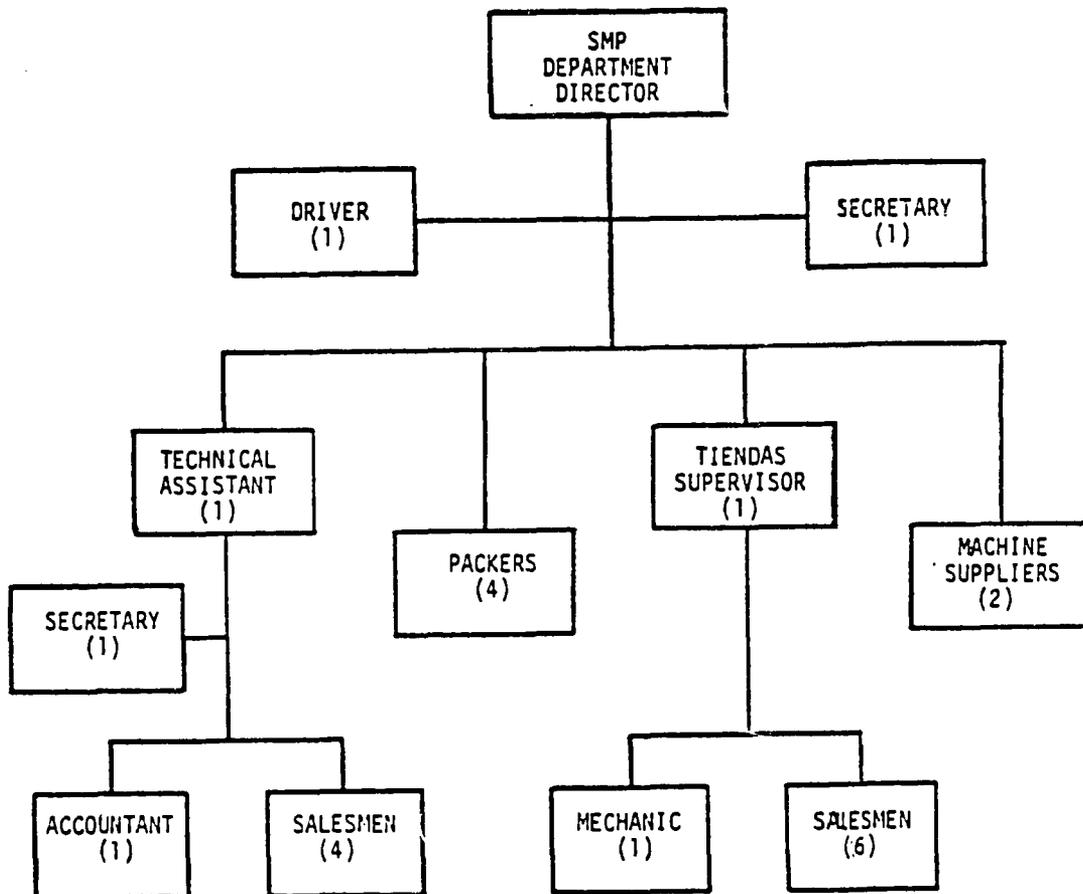
*Names available from Sr. Fausto Alcibides Huevo.

I. EVALUATION OF THE SOCIAL MARKETING PROGRAM IMPLEMENTED BY ASOCIACION DEMOGRAFICA SALVADORENA

A. Organization and Staffing

1. Individual Responsibilities of Staff

The Social Marketing Program is organized as a department of the Asociacion Demografica Salvadorena, under the direction of the Executive Director of ADS. The chart below summarizes the present organization of the department.



2. Training and Experience

Interviews with SMP staff persons indicate that personnel are employed on the basis of educational qualification and work experience. Formal guidelines setting forth the minimum requirements for educational and employment experience for each departmental position have not yet been developed. Plans are set for development of the guidelines by April 1986.

The following recommended improvements in staff training were derived from the Marketing Audit:

- o Sales techniques and human relations training for the sales force. Sr. Fausto Alcibides Huezco, Supervisor of the Tiendas Project "C," should be drafted to do much of the training in this area. He is skilled, capable and an appropriate choice.
- o MIS training in computerization for core staff (director, technical assistant, supervisors, secretaries). As indicated in the Juarez and Associates draft report, many ADS staff persons, including SMP staff, are interested in being trained in computer technology.
- o Observation visits by the director to Social Marketing Programs in Colombia, Costa Rica, Guatemala, Honduras and Jamaica. This would include visits to Compania Farmaceutica, S.A. (CEFA) in Costa Rica and to Grace-Kennedy Distributors in Jamaica.
- o Public relations training for the technical assistant and the director.
- o Should training in business management technology become a reality, as recommended by the Juarez and Associates team, the SMP core staff (director, technical assistant, supervisors) should be integrated with that process. If this were to include such activities as delegation of duties, personnel administration, financial management, and a multitude of duties or responsibilities of this type that must be carried out on a day-to-day basis, the SMP director, along with the Executive Director, might profit from administrative training to

better serve ADS. (It is worth noting that the Juarez and Associates team found that many of those interviewed as part of their evaluation felt they would like more information and possibly training in the management area.)

3. Intradepartmental Communication

SMP departmental staff meetings are held frequently. Since authority is delegated to department directors to pursue organizational endeavors (as found by the Juarez and Associates team), the SMP director assures herself that she is on top of matters as fully as possible. This is done not only via regularly scheduled meetings with elements of the department but also via informal encounters with staff persons. Staff are free to consult with the director on technical matters. Communication within the SMP is comprised of memoranda that flow from one section of the department to others, and informal personnel discussions at various levels. In administrative terms of the SMP (this does not refer to the administrative level of ADS proper) some of the information flow is in the form of rules and regulations (Appendix C, Exhibit #3, "Normas Disciplinarias), memoranda, files containing pharmacies, tiendas, and machine dispensers, supplier or vendor references, correspondence, reports of activities, implementation plans, etc.

The coordination of feedback concerning the activities of the SMP is done informally between departments of ADS. Conflict between departments is low-key, but present. Any changes to reduce conflict and to improve coordination would reside in the establishment of regularly scheduled ADS key staff meetings. There is a need for feedback from executive and administration departments, as well as a need for an open channel of feedback to the executive and administration departments.

4. Management Tools

The department independently maintains a good manual recordkeeping and information system. Retrieval of data from files is done rapidly and efficiently. Correspondence files are maintained in a neat and orderly fashion for all incoming and outgoing mail as well as for internal correspondence. The director is intent on charting the SMP's progress statistically, using PERT and GANTT charts extensively. She has established firm policies about staff performance and behavior.

B. Coordination of Activities

1. Number of Programs

The Social Marketing Program consists of three distinct projects:

- o Project "A" is for commercial sales to pharmacies.
- o Project "B" is for the sale of condoms via wall-mounted dispensers.
- o Project "C" is for the sale of condoms via small stores or "tiendas."

The Pharmacy Project "A" is the only profitable arm of the SMP. Included in this project is the sale of condoms to motels, which presently accounts for 3 percent of Project "A's" total sales. Until late 1985, the Machine Dispenser Project "B" sold Perla and condoms. Legal requirements regarding the sale of ethical products in this fashion caused the SMP to withdraw Perla from the dispenser program and to retool those dispensers to accommodate condom products only. The Tiendas Project "C" was launched on September 23, 1985. It is too early to tell how well that program will fare. Its coverage by the end of 1985 was 310 CYP.

1.a. Pharmacy "A" and Tienda "C" Projects

SMP data obtained from El Salvador government sources (Ministry of Health, Ministry of Economy) provide some benchmark figures of existing numbers of pharmacies and tiendas in the country. The SMP, accordingly, can measure its rate of coverage of these two categories of establishments. Two anomalies exist for the SMP in terms of these data, however: (1) the number of tiendas in four departments is unknown, presumably because of conflict in those departments; and (2) information on the number of pharmacies in the country is questionable; that is, in some areas the SMP is selling products to more pharmacies than the MOH indicates exist. Table B.1 shows by department (1) the number of tiendas and pharmacies according to the government, (2) the number of tiendas and pharmacies registered in the Social Marketing Program, and (3) the percentage of coverage of tiendas and pharmacies to date.

Using the estimate that each known tienda could potentially sell 50 condoms a month, the Tiendas Project "C" has a potential for achieving a CYP of 14,514 per year. For the Pharmacy Project "A," using the potential of 50 condoms, 20 cycles of pills, and 10 units of vaginal tablets, the project has a possibility of achieving a CYP of 26,252 per year. Adding a potential CYP of about 1,500 for condom dispensing machines, the total potential CYP for the SMP, then, results as follows:

Pharmacy Project "A"	26,252
Dispenser Project "B"	1,500
Tiendas Project "C"	<u>14,514</u>
	42,266

Table B.1

TIENDAS AND PHARMACIES COVERAGES

Department Name	Number of Existing		Number of Registered SMP (and percentages)			
	Tiendas	Pharmacies	Tiendas		Pharmacies	
San Salvador	712	455	325	(46)	397	(87)
La Libertad	250	61	26	(10)	78	(127)
Santa Ana	283	85	22	(08)	63	(74)
Ahuachapan	239	32	16	(07)	39	(121)
Sonsonate	350	51	15	(04)	45	(88)
Chalatenango	42	7	0	(0)	3	(43)
Cuscatlan	115	19	15	(13)	17	(89)
Cabanas	78	13	4	(05)	16	(123)
San Vicente	129	21	12	(09)	12	(57)
La Paz	221	37	12	(05)	31	(84)
San Miguel	?	108	?		87	(81)
La Union	?	43	?		20	(47)
Morazan	?	21	?		9	(43)
Usulután	<u>?</u>	<u>70</u>	<u>?</u>		<u>49</u>	<u>(70)</u>
TOTALS	2,419	1,023	447	(18%)	866	(85%)

Assuming peace in the country and a 95 percent acceptance rate by tienda and pharmacy owners, the total becomes a potential of 40,228 CYP, based on the given numbers of tiendas and pharmacies.

An item of statistical relevance in the Tiendas Project "C," specifically, is the level of coverage this program has been able to achieve thus far in its six months of existence. Table B.1 shows the coverage by department of 18 percent. Focusing on departmental capitals in Table B.2, the coverage in ten of those urban areas results in 32.4 percent.

It can be concluded, therefore, that the SMP indeed must expand to rural areas, as intended (as soon as conditions permit), but in the meantime expansion in urban areas must continue to progress. It is recommended that urban expansion include increased pharmacy coverage from the present 35 percent to 95 percent by January 1, 1987.

It is appropriate at this juncture to note the following: The Juarez and Associates team's draft report states, "If activities continue to expand in rural areas as they had under Project 0275, and as projected under Project 0210, access to additional vehicles for staff will be needed." The SMP is experiencing what may be a unique problem in its vehicle situation. A change in the situation would help greatly to offset the SMP's problem of finding qualified sales personnel. Currently assigned to the SMP are two AID grant vehicles that are used for promotional, sales, restocking and supervisory visits by the Pharmacy Project "A" and Tiendas Project "C" and pharmacy projects, and by the Machine Dispenser Project "B" for restocking and repair visits. The two vehicles are stretched thin at this time.

The Tiendas Project "C" has an allocation of six sales positions, yet only two are currently filled. Four were filled at the commencement of the project, but two individuals resigned when they realized they were losing money by having to use their own cars for program work. The SMP ran an attractive advertisement (Appendix D, Exhibit #4) for the four vacant positions in two newspapers (el Diario de Hoy and La Prensa Grafica) on February 6, 1986, and by February 23, 1986, it had received only seven applications. In a country with the high rate of unemployment that El Salvador experiences, this response level is dismal.

Table B.2

TIENDAS COVERAGE BY DEPARTMENT CAPITALS

<u>Department Capital</u>	<u>Number of Tiendas</u>	<u>Number of Registered SMP</u>	<u>Percentage Reached</u>
San Salvador	588	317	54
Santa Tecla	72	9	12.5
Santa Ana	131	6	4.5
Ahuachpan	49	2	4
Sonsonate	65	6	9
Chalatenango	26	0	0
Cojutepeque	63	5	7.9
Sensutepeque	28	1	3.5
San Vicente	51	8	15.7
Zacatecoluca	34	5	14.7
San Miguel	NA	0	0
La Union	NA	0	0
San Francisco Gotera	NA	0	0
Usulután	<u>NA</u>	<u>0</u>	<u>0</u>
TOTALS	1,107	359	32.4%

An argument that some believe would solve this problem for the SMP is alteration of the program to make greater use of "mayoristas," or wholesale distributors. As is documented in previous reports and seconded by SMP staff, previous attempts to make use of mayoristas were failures. Also, the experience of some countries' SMPs with mayoristas has been less than satisfactory in terms of the dilution of product importance.

There has been the experience, as well, of wholesale distributors effectively paralyzing a program simply by pressuring their salesmen to promote other consumer goods at the expense of contraceptive products. An SMP's ability to compete with incentives for wholesalers in the face of the full commercial market is questionable. Also, a wholesale distribution firm's salesmen are not necessarily imbued with the positively comfortable attitude toward family planning that would permit them to promote contraceptive products aggressively.

While the SMP can, in metropolitan San Salvador, provide local transportation costs to sales people who do not own their own vehicles, such cannot be done for sales force travel in the interior of the country. One ADS employee has already experienced the loss of her personal vehicle to guerrilla activity, and potential candidates for sales positions are not unaware of the possibility of losing their own private vehicles similarly.

The SMP requires three grant vehicles in addition to the two already assigned to the program, for a total of five. The addition of three would be ideal for the western, eastern and sur-poniente areas of SMP operation. It should be noted that the SMP is considering buying two motor scooters for use exclusively in the city of San Salvador.

During the course of this evaluation, in the company of Sr. Fausto Alcibides Huevo, Supervisor of the Tiendas Project "C," 30 (22 tiendas and 8 pharmacies) establishments in La Libertad, Santa Tecla, Cojutepeque, and five colonias of the city of San Salvador were visited. Of the 22 tiendas, 12 were cold-call visits to drum up new business and to assess operators' awareness of the SMP and ADS mass media advertising. Ten were supervisory visits to ascertain how well sales were going. Of the 12 cold-call visits, 11 tiendas manifested interest in taking on Condor as a product. (The 12th tienda owner was a lady of perhaps 90 years of age who simply was not in favor of the product.) Of the 10 supervisory visits to tiendas, all owners were eager to continue selling or receiving new stocks for retail sale. The eight pharmacies were visited to see how sales, promotion, servicing and attitudes were performing. Of significance in relation to previous evaluations' findings is the fact that, in the 30 establishments visited, particularly the 18 tiendas and pharmacies currently selling SMP products, there was no evidence of contraband products.

Two interview questionnaires were used in all visits to the tiendas: one concerned distribution to tiendas; the other addressed knowledge of products, publicity and attitudes about responsible parenthood. The latter questionnaire also was used at pharmacies. Appendix E, Exhibit #5 includes the list of tiendas and pharmacies visited, as well as samples of the two questionnaires.

1.b. Machine Dispenser Project "B"

This project is losing importance because of the elimination of oral contraceptive sales in late 1985 as a result of a legal obstacle placed before ADS regarding the

marketing of ethical products in this fashion. Of the more than 300 machine dispensers the SMP manages, those that were used for the sale of pills had to be retooled for distribution of condoms. During the period 1983-1985, the dispenser machine program had been steadily declining from a CYP of 3,680 in 1983 to 3,648 in 1984 to 3,546 in 1985. Of the 1985 CYP total, 2,535 (71.48 percent) were attributable to oral contraceptive sales. The 1985 condom sales of 101,084 units would have to increase to sales of 354,600 units in 1986 to even match 1985's total CYP coverage. Under SMP consideration at this time is the possibility of vending Conceptrol vaginal tablets via this project. To those who would advocate dissolution of the machine dispenser project on the basis of cost-effectiveness, it must be noted that when the pharmacies are closed and the tiendas are shut down for the night, it is the machine dispensers located outside of gas stations that serve as the only source of contraceptive supply.

2. Number, Types and Pricing of Products

The SMP currently offers the following products for sale:

<u>Product</u>	<u>Brand Name</u>	<u>Supplier</u>
Condom	Condor	AID
Condom	Panther	AID
Condom	Prime	ADS-IPPF
Condom	Sweetheart	ADS-IPPF
Condom	Tahiti	AID
Oral Contraceptive (Noriday)	Perla	AID
Vaginal Tablet (Neosampon)	Suave	AID

According to information developed by ADS, "Estudio de Mercado: Nueva Pastilla Anticonceptiva en Farmacias,"* Perla commands a 25 percent share of the oral contraceptive market in El Salvador. The remaining 75 percent of the market is occupied by 37 other oral contraceptives, with the next most popular one, Microgynon, enjoying an 8 percent share of the market.

*Copy on file at The Futures Group.

In the Tiendas Project "C," the setting of prices to customers is based 100 percent on the consumers' willingness or ability to pay. In the Pharmacies Project "A," the setting of prices to customers is weighted accordingly:

	<u>Percent</u>
Product Costs	15
Marketing Costs	15
Competitors' Prices	30
Consumers' Willingness or Ability to Pay	40
	<hr style="width: 10%; margin: 0 auto;"/>
	100%

Table B.3 shows for each product (1) the price charged final customers, (2) the bonuses offered channel members, and (3) the sales force commission for 1985 (prices shown are in colones, 4.85 = 1 U.S. dollar). Detailed information regarding number of units sold, CYP per unit sold, income and expenses, and financial gains is found in Section F of this report.

The following information pertains only to the pharmacy project:

- o No changes in consumer prices or in the price-setting process are recommended at present. Future price changes will be in accordance with market demands and trends.
- o The SMP's channel discount structure, for example, the bonus system, is more generous in comparison with competitive organizations. The major difference lies in the fixed nature of the 20 percent bonus (1 free dispenser per 5 dispensers purchased). The competitors' effect tends to be temporary.
- o Recommended is a change in the bonus system, that is, a gradual lowering of the 20 percent to 10 percent (1 for 6, etc.), so as not to erode sales.
- o Nonprice incentives that are used to stimulate sales by pharmacists include bonus packs, free goods (T-shirts, notebooks, handbags,

Table B.3
PRICING OF PRODUCTS

<u>Pharmacy Project "A"</u>			
<u>Condoms</u>	<u>Consumer Price/Unit</u>	<u>Channel Bonuses*</u>	<u>Sales Commission**</u>
Condor	.75/3-Pack	20%	20% NSV
Panther	3.60/3-Pack	8%	--
Sweetheart	1.25	10%	--
Prime	4.50/3-Pack	--	--
<u>Vaginal Tablets</u>			
Suave	.25/three	20%	20% NSV
<u>Pills</u>			
Perla	2.00/cycle	20%	20% NSV
<u>Machine Dispenser Project "B"</u>			
<u>Condoms</u>	<u>Consumer Price/Unit</u>	<u>Channel Bonuses*</u>	<u>Sales Commission**</u>
Tahiti	.20	--	--
<u>Tienda Project "C"</u>			
<u>Condoms</u>	<u>Consumer Price/Unit</u>	<u>Channel Bonuses*</u>	<u>Sales Commission**</u>
Condor	.75/3-Pack	.14	.15

*In the Pharmacy Project "A" there is no discount per se; rather, it is a bonus to the vendor for volume purchased.

**NSV = Net Sales Value. A salesman's basic salary is C1,000/month, a noncommissionable amount. The 20 percent NSV is applied to sales in excess of the C1,000 base level.

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etc.), free display materials, and product education. No new incentives for channel members are currently foreseen.

3. Personnel

A finding emanating from the Marketing Audit is that the sales force's efforts in the Tiendas Project "C" are allocated to:

- o Posting of sales
- o Maximum potential sales
- o Attitude toward brands/organizations
- o Size of outlet
- o Distribution of promotional materials
- o Persistence versus aggressiveness

Regarding the distribution of promotional materials, more effort must be exerted to emphasize placement of posters or other promotional materials. Tienda operators tend to ignore the materials unless the sales force emphasizes the materials' utility. Emphasis also must be repeated in every visit to the tiendas, as "afiches," or posters, affixed to tiendas' interior or exterior walls, or to doors, do not last long. The Condor motif is attractive, colorful, and (supposedly) titillating to passersby, but the posters are torn off and purloined with frequency. It is recommended that hanging posters be developed to provide a promotional item that will be inaccessible to thievery and readily and permanently visible. Small tiendas often have ceilings with high rafters; therefore, a hanging poster, similar to the Alka-Seltzer or Mejoral posters, should go a long way toward reducing repetitious exertion of effort by the sales force.

The SMP may need to carry out changes in tactical and target market allocations, given possible changes in the SMP's operating environment as follows:

- (1) (Assuming a broader product line of oral contraceptives, e.g., Norquest, and vaginal tablets, e.g., Conceptrol, as well as oral rehydration salts) add a Visitor Medico (detail person) to the staff to reach physicians.

(2) (Assuming an ability to enter the rural market) the SMP would work with natural leaders of small communities and would have to develop a public relations methodology.

The personnel allotment of the SMP currently numbers twenty-four (24) positions, with twenty (20) presently filled. The positions and names of employees are provided in Section I.A, Organization and Staffing.

The SMP's advisory entity is the Marketing Committee of the Board of Directors consisting of three persons:

- o Sr. Oscar A. Funes Araujo, a publicist
- o Sr. Orlando Menendez, a business manager
- o Sra. Morena de Viaud, a housewife.

The existence of this committee is regarded by various interviewees as causative of misdirection and conflict for the SMP. While the committee has not met for about a year now, its existence alone contravenes executive directorship responsibility as well as the relationship between the board and the executive. A recommendation is necessary in proposing that the direct relationship of the Marketing Committee to the SMP be severed and that the committee remain constituted vis-a-vis only the President of the Board.

C. Accounting System

I. Staff Payment Plan

Table C.1 shows the staff payment plan by position, monthly salary (in colones), addition of fringe benefits (beneficios sociales), and annual salary.

In addition to salaries, the SMP provides the following cost breakdown regarding commissions, vehicle expenses, and travel allowances.

For Pharmacy Project "A":

<u>Item</u>	<u>Monthly</u>	+	<u>40% Fringe</u>	x 12 =	<u>Annual Salary</u>
Sales Commission	2,500 x 4	=	10,000 x 40% FB	=	14,000 = 168,000
Travel Allowance	2,000				24,000

Table C.1
STAFF PAYMENT PLAN

<u>Position</u>	<u>Monthly</u> + <u>40% Fringe</u>	x 12 =	<u>Annual Salary</u>
Director	3,000	1,200	50,400*
Tech. Assistant	1,800	720	38,880*
Tienda Supervisor	1,440	576	24,192
Accountant	1,100	440	18,480
Secretary	1,100	440	18,480
Secretary	1,100	440	18,480*
Tienda Salesmen (6)	1,000	400	16,800 ea.
Machine Suppliers (2)	1,000	400	16,800 ea.
Mechanic	975	390	16,380
Driver	950	380	15,960
Pharmacy Salesmen (4)	750	300	12,600 ea.
Packers (4)	750	300	12,600 ea.

*ADS salaries; all others come under Project 519-0175.

Sources: "Personal del Departamento de Mercadeo Social"; and "Recursos" paper.

For Machine Project "B"

<u>Item</u>	<u>Monthly Amount</u>	<u>Annual Amount</u>
Travel Allowance	1,000	12,000

For Tiendas Project "C":

<u>Item</u>	<u>Monthly Amount</u>	<u>Annual Amount</u>
Gas and Vehicle Exp.	2,750	33,000
Travel Allowance	3,800	45,600

(Note: The above figures are subject to correction for three reasons: (1) lack of agreement between the two source documents, (2) changes in the number of categories that were imminent at the time of collection of data, and (3) recent changes in the Tiendas Project "C" sales commission systems))

The 24 positions listed above represent 13.6 percent of the total ADS payroll of 177 positions. Given that the SMP provides up to 79 percent (in 1985) of ADS' CYP

coverage in El Salvador, the cost-effectiveness of the SMP staffing is not in question.

2. Sales Commission System

Sales force commissions for the Pharmacy Project "A" sales force are, as indicated above, budgeted at 2,500 colones per salesman per month, with the commission to salesmen on the sale of Condor, Suave and Perla to pharmacies being 20 percent of Net Sales Value. No commission is allotted for the sale of Panther, Sweetheart and Prime. Sales force commissions for the Tiendas Project "C" sales force, while not shown above, have recently (early February 1986) been set at 15¢ of a colon per 3-pack of Condor sold.

3. Projected Needs

3.a. Incentives

The director is interested in developing a more effective incentives plan for all sales force personnel during 1986. It is a recommendation of this evaluation that development of such a plan be undertaken as soon as possible so that it would be in effect by the end of the second quarter of 1986. There is pessimism that development of a more effective incentives plan will be permitted by ADS since it is felt that such a concept goes counter to the "mystique" of family planning. This pessimism is bolstered by a finding of the Juarez and Associates team that the board considers ADS employees to be remunerated at competitive salaries. This finding, coupled with apparent jealousy about the "high-paid" salesmen by ADS employees outside the SMP, could stymie development of a new incentives plan.

3.b. Administration

Detected not only by this evaluation but also by the Juarez and Associates team is ADS' need to streamline or speed up its purchasing system. The Juarez and Associates team stated: "Coordination from the department of administration to other departments has been criticized by other departments as slow to respond to the needs of the organization particularly in the area of purchasing." And, "...tasks that must be completed within a specified time should be better planned within his (ADS' Administrator, Sr. Romero's) department as revealed in interviews held. For instance, interviews held revealed complaints against

Mr. Romero that alleged serious delays occurred in processing purchase orders in his department." The process of purchasing within ADS includes proper authorizations at various levels, requests for price quotes, issuance of orders by the purchasing specialist, and intake of merchandise in the warehouse. The SMP had a particularly bad time when, upon ordering Condor packaging to be printed early in September 1985, the shipment failed to reach the SMP until mid-December. Normally, such an order takes a few weeks. The delay in this case was reportedly attributable to purchase orders remaining on the desks of Administrative and Finance Department individuals for weeks at a time.

A third area of projected need involves automation--computerization--of the Social Marketing Program department. The SMP generates information of a sales, income, cost, commodities projections, purchase requests, resource management, etc., nature and provides these data to the ADS Department of Administration and Finance. Current departmental systems utilize conventional tools for accounting and forecasting as well as rather sophisticated methods such as PERT, GANTT, or other quantitative methods. All departmental accounting and reporting are done manually, however, with significant loss of time to produce required information. Presently, the accountant's and technical assistant's functions absorb much time and effort and with the proper computerized applications and training, they could perform much more rapidly and efficiently. Although their--and other SMP staff's records--are well organized, this translates into higher labor and overhead costs for the SMP (and ADS). Another factor regarding automation relates to the director's need to be able to produce quality charts and graphs for reporting and evaluative purposes. Currently, her access to this capability is limited; the business graphics program available on the Administration and Finance Department's NCR computer is not readily available in terms of quick access to the computer nor in terms of the capability of the individual responsible for the NCR. The quality of graphics producible on the NCR computer is not as presentable as that producible on an Apple MacIntosh computer using the MacChart program. While a MacIntosh exists in the USAID/EI Salvador Office of Population, that hardware is not readily accessible to the SMP. USAID staff are, however, very willing to assist in the design of graphs and charts whenever possible.

D. Incorporation of Previous Evaluation Results

Included in the Marketing Audit report is an assessment of how well the SMP incorporated previous evaluation results.

The SMP department was examined by Aragon & Associates (marketing plan, 1982); Santiago Plata (evaluation, 1982); George Kraus (evaluation, 1984); Lic. Dinora A. Navarrete (descriptive evaluation, 1985); and Steven Orr (assessment of registration and importation issues, MIS and projections, 1985). Additionally, the SMP has commissioned many marketing research studies--pretests, impact evaluations, and so forth.

Specific recommendations made in the past and acted upon include employment of a project manager, stabilization of prices accompanied by aggressive marketing campaigns, construction of a new warehouse in Santa Tecla, as well as the expansion of the SMP director's knowledge, abilities and skills through training opportunities, involvement with SOMARC, and close support by USAID/El Salvador and ADS personnel. A recommendation that is pending action as of this writing concerns automation of the SMP with SOMARC-Futures Group assistance.

A study (Project 519-0149, Edmonds et al., 1984) of the IE&C department and its mass media campaign, among other findings, suggested that ongoing monitoring and evaluation of the IE&C department's campaign be implemented to include the establishment of goals such as an increase in CYP, as a result of the campaign. The Juarez and Associates draft report notes that, "Such (a) goal has not been established or is at least not explicit in the implementation plans reviewed." The SMP has developed ongoing monitoring and evaluation of its mass media campaign by commissioning market studies and acting on their advice as frequently as possible. A distinct result, in fact, of the strength of the SMP lies in its position within ADS. The SMP represents 13.5 percent of ADS' personnel payroll and 11 percent of ADS 1986 budget, yet accounts for 69.5 percent of ADS' CYP coverages for the period 1983-1985, or 79 percent in 1985 alone (following the November 1984 launching of the SMP's mass media advertising campaign). It is undeniable that ADS' IE&C mass media campaigns must have been instrumental in helping the SMP to achieve its coverage levels.

E. Mass Media Advertising Contract

I. Firm Selection

The advertising accounts of both the Social Marketing Program and the ADS Information Education and Communications Department are handled by the

advertising agency Publicidad Comercial. The agency was chosen after the 1982 cancellation of the contract held previously with Agencia Rumbo. Selection criteria included the firm's attitude toward family planning and its willingness to spend time pretesting materials, as well as its reputation for creativity, its proven ability to supervise production, and the quality of technical assistance in obtaining appropriate media time.

Publicidad Comercial is not the largest firm in El Salvador, but it is well equipped and does have a number of international accounts in Central America. A single account executive, Sr. Carlos Gil, handles all the ADS accounts and the same creative team works on all materials produced for the Social Marketing Program. Sr. Gil and the creative team have a good knowledge of the purpose of the SMP mass media campaign as an attempt to persistently promote rather than coerce and of the general approach, which is to show SMP products as the route to responsible parenthood.

2. Mass Media Campaign Design/Implementation

Preparation of campaigns is an effort performed by the SMP director in coordination with the advertising agency, taking into account market surveys, pretests and impact tests. Other interested parties, such as board members and other ADS staff, are also polled informally to elicit their reactions to campaign material. The concepts identified for SMP product advertising campaigns are conveyed to Publicidad Comercial in the form of briefs that include a description of the product to be advertised, the type of message required, the target audience desired to be reached, and the designated time spots as well as media type desired. Publicidad Comercial then prepares preproduction materials for the review of the SMP director. In terms of R&D companies, the SMP director had, at the outset, subcontracted via Publicidad Comercial regarding Sweetheart condoms. ADS' administrator, however, requested that henceforth the SMP contract directly with R&D companies to avoid the cost of commissions charged by Publicidad Comercial for the subcontract work. Subsequently, all pretests (Panther, Condor and Tiendas studies) have been contracted directly.

A sample of radio and television spots was examined in the office of Publicidad Comercial. Usage patterns of the material were noted during visits to 22 small stores and 8 pharmacies. The acting, color, sound and music of the SMP spots are

excellent. As noted by the Juarez and Associates team report, the IE&C spots seemed slow-paced, dull and overly verbal compared with the SMP spots. Nevertheless, during visits to the 22 tiendas and 8 pharmacies, it was clear that many respondents identified the SMP and IE&C spots indiscriminately. The SMP radio spots that were reviewed are related to providing information on the products of the SMP, or on the products' social and family benefit. The radio messages are short (15 seconds), right to the point, fast-paced, and penetrating in their message about responsible parenthood. The music is typical of the country.

The production of materials is done by Publicidad Comercial who, in turn, subcontracts at times for printed matter such as the Condor posters. Publicidad Comercial oversees all production.

3. Effectiveness of Mass Media Advertising

The SMP has not yet undertaken a user satisfaction survey, but is interested in launching activity in that direction. An impact test on the Sweetheart campaign is presently scheduled. An impact test report on the Panther campaign has already been produced by the IPM research firm. As a result of this test, advertising time was changed to a more popular channel in August 1985, for greater saturation. The use of color in newspaper advertisements will be undertaken. An impact test on the Tiendas Project "C" has yet to be scheduled. The Juarez and Associates draft report notes that personnel at the advertising agency stated, "With the present difficulties in the country, people are hesitant to provide information of any kind." Perhaps that is true when attempting to reach people via telephone, or when sending out teams of statistical interviewers; however, during visits made with the SMP's Tiendas Project "C" supervisor, it was noted that tienda and pharmacy owners were more than willing to share information about their own perceptions of ADS and social marketing, as well as what they hear from their customers about the same subjects.

4. Coordination Between the SMP and the Advertising Agency

Lines of communication between the SMP and Publicidad Comercial are well developed and are structured around at least biweekly meetings of the director and the advertising agency's account executive. This coordination was done for the SMP by the IE&C director until Sra. de Escolan's arrival in late 1984. She is in

frequent telephone communication with Sr. Carlos Gil of Publicidad Comercial in addition to the biweekly meetings, and communicates in writing with frequency, especially concerning product briefs.

5. Additional Information

Both the SMP and IE&C department have mass media advertising accounts with Publicidad Comercial. The budgets are part of USAID Project 519-0275. The SMP budget for advertising is 849,500 colones (about \$169,900) and the IE&C budget is 1.3 million colones (about \$260,000). The price of spot advertisements went up by 40 percent on January 20, 1986, and there is the expectation of two additional raises within 1986.

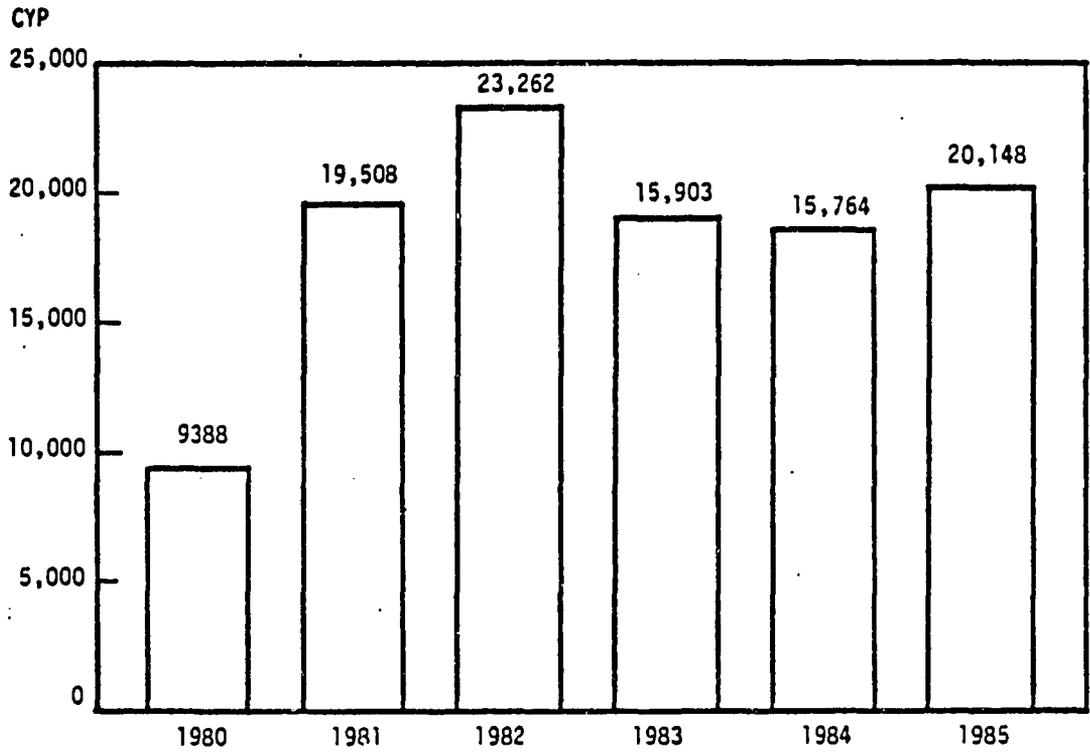
F. Analysis of Performance

1. Historical Performance

While the Social Marketing Program is doing a satisfactory job of distributing contraceptives in El Salvador in its niche of 6.4 percent of the national CYP coverage, the program has experienced, over the long term, a variable presentation of capability. (See Figure F.1.) The most productive year to date was 1982. The period 1983-1984 indicates a difficult period for social marketing (as well as for the entire ADS). Following the August 1981 murder of ADS executive director Rosa Judith de Cisneros, there was a hiatus of 11 months before her successor was found in the person of Dr. Gustavo Argueta in July 1982. Dr. Argueta worked as executive director until his precipitous departure in May 1985, as a result of threats on his life and the murder of a middle-level ADS employee. In June 1985, Dr. Enrico Henriquez assumed the position of executive director. The SMP, for its part, had a director from 1980 until 1982--Sr. Jorge Castaneda--then various supervisors from 1982 through late 1984; it was in September 1984 that ADS acted on a recommendation that a permanent manager be hired. Sra. Dora Elena de Escolan has served as the SMP's director since then. The significant drop in CYP from 1982 to 1983 is attributable to price increases for Perla and Condor in February 1983.

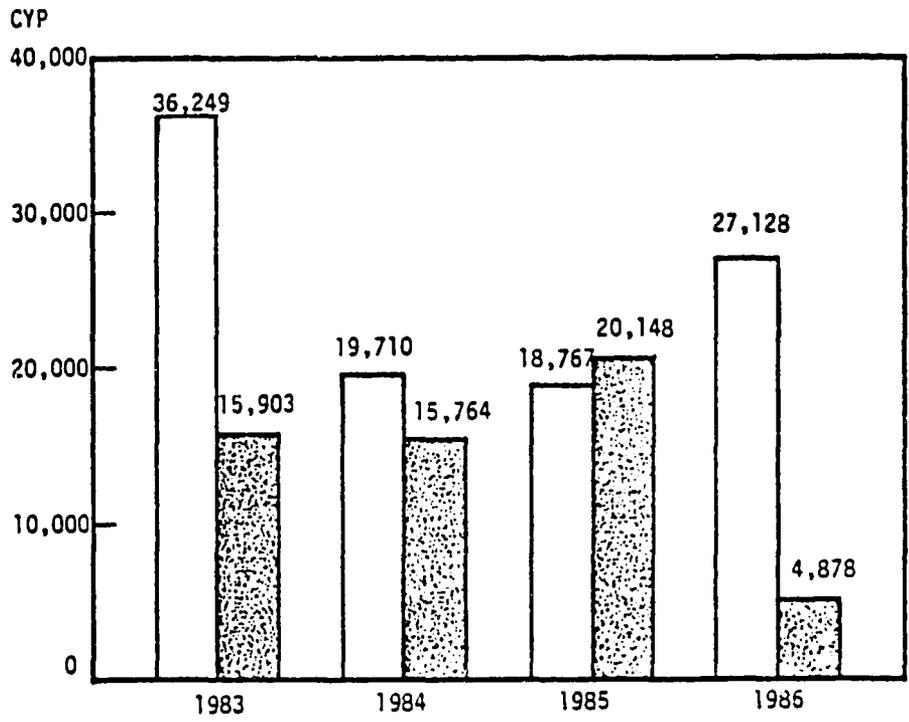
2. Comparison of CYP from 1984 to 1986 (Planned versus Actual)

- a. Figure F.2 indicates planned versus actual data for 1983 through 1986 (the 1986 data are accurate through February 28, 1986).



Source: SMP Data.

Figure F.1. El Salvador SMP--CYP, 1980-1985



Source: SMP Data, S.D.A.

□ Goals
▨ Achievements

Figure F.2. Goals and Achievements in CYP by Calendar Year, 1983-1986

- b. Table F.1 lists CYP by month as a comparison of CYP for the years 1983, 1984 and 1985.

3. Percentage Achievements of CYP, 1983-1986

The SMP's percentages of achievement, measuring actual performance against planned performance, are shown in Table F.2.

The data for 1986 are optimistic in that they show the SMP to be about one and one-third percentage points ahead of the planned level of achievement. Any judgment of a prognosticative nature, however, is premature until at least the first quarter, 1986, data are available. If the SMP were to continue at its present rate, an actual CYP achievement of 27,500 is not unreasonable.

4. Comparison of CYP, 1983-1985, by Program Sales

Figure F.3 demonstrates the CYP performance of the SMP by program: pharmacy sales, machine dispenser sales, and small store (tienda) sales. It should be noted that in the pharmacy sales program, a small amount of condom sales occurs in motels. This information has not been broken out statistically before 1986. It is now being charted by the SMP's Technical Assistant, showing sales to motels accounting for approximately 3 percent of all pharmacy program sales.

5. Comparison of CYP, 1983-1985, by Type of Method

Figure F.4 demonstrates the CYP performance by the SMP by type of method: condoms, oral contraceptives, and vaginal tablets.

6. Comparison of Cost per CYP, 1981-1985

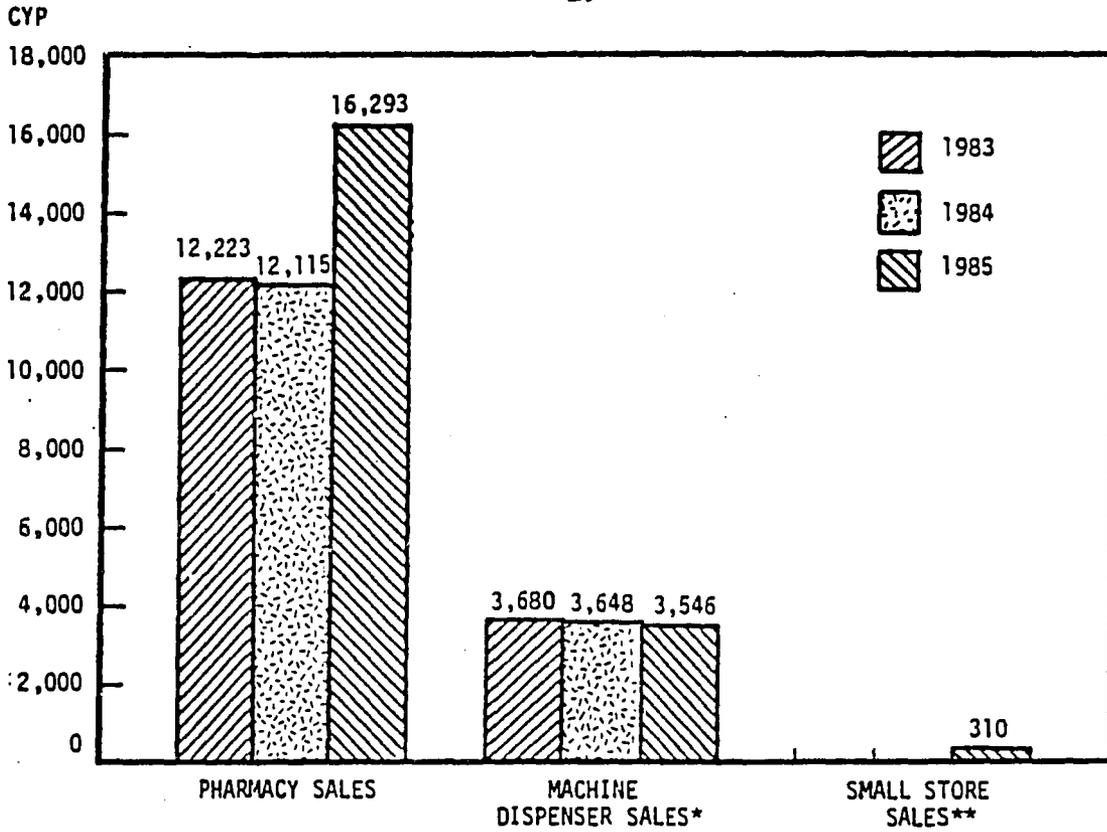
Background Note: With reference to George Kraus' 1984 trip report, based on an audit of data therein and financial information extant in the administration and SMP offices of ADS, as well as telephone consultations with Mr. Kraus, a salient factor has become evident: the cost data presented to Mr. Kraus by ADS administrative staff for the years 1981, 1982 and 1983 was cumulative and not monthly, as interpreted in the report. The purpose of this section, therefore, is twofold. First, to correct the record for the period 1981-1983, and second, per the Scope of Work, to provide follow-on analysis for the period 1984-1985. The corrections for 1981-1983 make uniform categorical use of the terms "condoms,"

Table F.1
CYP BY MONTH 1983-1985

	<u>1983</u>	<u>1984</u>	<u>1985</u>
January	3,422	2,236	1,826
February	1,378	1,713	1,127
March	1,106	1,121	1,245
April	1,203	932	1,285
May	1,052	1,427	1,925
June	843	906	1,631
July	1,250	1,164	1,615
August	910	1,224	1,231
September	1,348	1,052	2,487
October	1,133	1,211	1,788
November	1,664	1,459	1,742
December	<u>594</u>	<u>1,318</u>	<u>2,241</u>
	15,903	15,763	20,147

Table F.2
ACTUAL VERSUS PLANNED PERCENTAGES, 1983-1986

<u>Year</u>	<u>Planned CYP</u>	<u>Actual CYP</u>	<u>Achieved Rate Of Percentage</u>
1983	36,249	15,903	43.87%
1984	19,710	15,764	79.98%
1985	18,767	20,148	107.36%
1986	27,128	4,878	17.98%

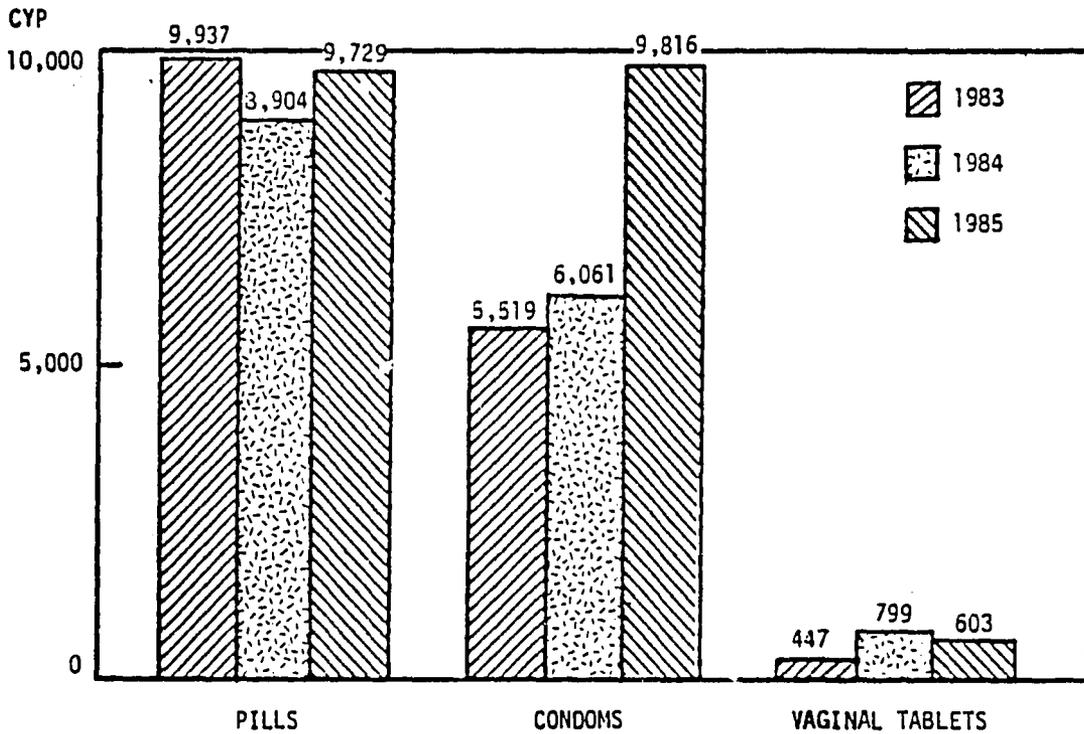


*Sales of pills suspended in November 1985 because of legal obstacle. Condom sales continue.

**"Tienda" project commenced 23 September 1985.

Source: SMP Data.

Figure F.3. Comparison of CYP by Project Sales, 1983-1985.



Source: SMP Data.

Figure F.4. Comparison of CYP by Type of Method, 1983-1985

"pills" and "vaginal tablets," rather than brand names. The corrections, additionally, are based on review of ADS' Annual Reports (Memorias) and official accounting balances of costs and income; the corrections include bonus data and unit sales of vending machines. The corrected data are depicted in Tables F.3 and F.4.

Tables F.5 to F.9 break out CYP data per method, indicate annual CYP coverages, present cost and revenue figures, and provide cost-per CYP totals in colones and dollars. for 1981 to 1985.

Table F.3
CYP CHANGES FOR 1981-1983,
PLUS NEW CYP DATA FOR 1984-1985

<u>Year</u>	<u>Kraus Report</u>	<u>Orr Report</u>
1981	17,187	19,508
1982	23,159	23,263
1983	15,889	15,903
1984	—	15,764
1985	—	20,148

Table F.4
COST-PER-CYP CHANGES FOR 1981-1983,
PLUS NEW COST-PER-CYP DATA FOR 1984-1985
(IN U.S. DOLLARS)

<u>Year</u>	<u>Kraus Report</u>	<u>Orr Report</u>
1981	9.48	(.11) = Income
1982	16.93	2.73
1983	14.56	.56
1984	--	3.04
1985	--	8.40

Table F.5
1981 CYP (CORRECTED) AND REVENUE PER CYP (CORRECTED)

Condoms:	921,790	--	100	=	9,218	CYP
Pills:	128,186	--	13	=	9,860	CYP
Vaginal Tablets:	43,041	--	100	=	<u>430</u>	CYP
	TOTAL CYP:				19,508	

1981 Revenue and Costs (in Colones):

Total Revenue	=	139,669
Less Total Cost	=	<u>131,471</u>
Net Revenue	=	8,198

Revenue per CYP in Colones = Net Revenue -- Total CYP = C.42

(3.9 colones = 1 U.S. dollar)

Revenue per CYP in U.S. dollars = \$.11

Table F.6
1982 CYP (CORRECTED) AND COST PER CYP (CORRECTED)

Condoms:	1,077,302	--	100	=	10,773	CYP
Pills:	159,021	--	13	=	12,232	CYP
Vaginal Tablets:	25,768	--	100	=	<u>258</u>	CYP
	TOTAL CYP:				23,263	

1982 Costs and Revenue (in Colones):

Total Cost	=	399,069
Less Total Revenue	=	<u>151,348</u>
Net Cost	=	247,721

Cost per CYP in Colones = Net Cost -- Total CYP = C10.65

(3.9 colones = 1 U.S. dollar)

Cost per CYP in U.S. dollars = \$2.73

Table F.7
1983 CYP (CORRECTED) AND COST PER CYP (CORRECTED)

Condoms:	551,859	--	100 =	5,519	CYP
Pills:	129,182	--	13 =	9,937	CYP
Vaginal Tablets:	44,700	--	100 =	<u>447</u>	CYP
	TOTAL CYP:			15,903	

1983 Costs and Revenue (in Colones):

Total Cost	=	236,101
Less Total Revenue	=	<u>201,521</u>
Net Cost	=	34,580

Cost per CYP in Colones = Net Cost -- Total CYP = C2.17

(3.9 colones = 1 U.S. dollar)

Revenue per CYP in U.S. dollars = \$.56

Table F.8
1984 CYP AND COST PER CYP

Condoms:	606,074	--	100 =	6,061	CYP
Pills:	115,759	--	13 =	8,904	CYP
Vaginal Tablets:	79,850	--	100 =	<u>799</u>	CYP
	TOTAL CYP:			15,764	

1984 Costs and Revenue (in Colones):

Total Cost	=	420,318
Less Total Revenue	=	<u>233,238</u>
Net Cost	=	187,080

Cost per CYP in Colones = Net Cost -- Total CYP = C11.87

(3.9 colones = 1 U.S. dollar)

Cost per CYP in U.S. dollars = \$3.04

Table F.9
1985 CYP AND COST PER CYP

Condoms:	981,607	--	100	=	9,816	CYP
Pills:	126,485	--	13	=	9,729	CYP
Vaginal Tablets:	60,300	--	100	=	<u>603</u>	CYP
	TOTAL CYP:				20,148	

1985 Costs and Revenue (in Colones):

Total Cost	=	1,259,212
Less Total Revenue	=	<u>438,242</u>
Net Cost	=	820,970

Cost per CYP in Colones = Net Cost -- Total CYP = C40.75

(4.85 colones = 1 U.S. dollar)

Cost per CYP in U.S. dollars = \$8.40

7. Comparison of Performance for 1983-1985

Within the framework of CYP performance delivered by ADS and, within ADS the Social Marketing Program, there results interesting evaluative data. The degree to which ADS depends on the SMP for performance is significant. (It must be remembered, of course, that ADS as an institution provides about 8.1 percent of the national CYP coverage; the SMP—as a department of ADS—accounts for 6.4 percent of the national CYP coverage.) During the period 1983-1985, the SMP has accounted for 69.5 percent of ADS' overall CYP coverage, and in 1985 the percentage of coverage within ADS was a significant 79 percent. Table F.10 demonstrates these outcomes most emphatically.

8. Comparison of Financial Gains for 1983-1985

Tables F.11, F.12 and F.13 indicate the SMP's financial status for the years 1983-1985, by month, with breakdowns per expenses, income, net cost or net income, the CYP, and the Cost-per-CYP.

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Table F.10
SMP-ADS COMPARISONS OF PERFORMANCE, 1983-1985

METHOD	1983			1984			1985		
	Total CYP	ADS %	SMP %	Total CYP	ADS %	SMP %	Total CYP	ADS %	SMP %
Condom	5,767	5	95	6,866	12	88	10,210	4	96
Pill	15,939	38	62	15,642	43	57	12,853	24	76
Vaginal Tablet	667	33	67	970	18	82	784	23	77
IUD	1,259	100	n/a	1,271	100	n/a	1,329	100	n/a
Jelly/Foam	59	100	n/a	33	100	n/a	18	100	n/a
Injection	<u>81</u>	<u>100</u>	<u>n/a</u>	<u>147</u>	<u>100</u>	<u>n/a</u>	<u>281</u>	<u>100</u>	<u>n/a</u>
	23,772	33.5%	66.5%	24,908	37%	63%	25,475	21%	79%

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Sources: ADS Annual Reports for 1983, 1984 and 1985.

Note: Percentages depicted vary slightly from the final data reported in Part 4 of this Section.

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Table F.11
1983 FINANCIAL GAINS
(In Colones; 3.9 Colones = 1 U.S. Dollar)

Month	Expenses	Income	Net Cost (or Income)	CYP	Cost-per- CYP
January	12,250	45,277	(33,027)	3,422	(9.65)
February	15,737	15,920	(183)	1,378	(.13)
March	17,369	14,215	3,154	1,106	2.85
April	20,421	17,143	3,278	1,203	2.72
May	10,684	17,586	6,902	1,052	6.56
June	31,968	4,779	27,189	843	32.75
July	16,129	14,305	1,824	1,250	1.46
August	14,912	10,760	4,152	910	4.56
September	53,977	16,754	37,223	1,348	27.61
October	19,381	14,751	4,630	1,133	4.09
November	11,588	17,767	6,179	1,664	3.71
December	<u>11,685</u>	<u>12,264</u>	<u>579</u>	<u>594</u>	<u>.97</u>
TOTAL	236,101	201,521	34,580	15,903	2.17

Cost-per-CYP in U.S. dollars = \$.56

Source: SMP accounting records.

Table F.12
1984 FINANCIAL GAINS
(In Colones; 3.9 Colones = 1 U.S. Dollar)

Month	Expenses	Income	Net Cost (or Income)	CYP	Cost-per CYP
January	20,444	30,242	(9,798)	2,236	(4.38)
February	19,594	22,435	(2,841)	1,713	(1.65)
March	15,855	14,632	1,223	1,121	1.09
April	17,838	11,069	6,769	932	7.26
May	18,703	17,385	1,318	1,427	.92
June	24,142	11,904	12,238	906	13.50
July	28,469	15,829	12,640	1,164	10.85
August	27,875	24,073	3,802	1,224	3.10
September	54,737	17,394	37,343	1,052	35.49
October	57,308	19,577	37,731	1,211	31.15
November	40,627	23,796	16,831	1,459	11.22
December	<u>94,726</u>	<u>24,902</u>	<u>69,824</u>	<u>1,318</u>	<u>52.97</u>
Total	420,318	233,238	187,080	15,763	11.87

Cost-per CYP in U.S. dollars = \$3.04

Source: SMP accounting records.

Note: The December figures for Expenses, Net Cost, and Cost-per-CYP are higher due to implementation of the SMP mass market advertising campaign in November.

Table F.13

1985 FINANCIAL GAINS

(In colones except for final two columns. 4.85 colones = 1 U.S. dollar)

Month	Expenses	Income	Net Cost (or Income)	Cost of Advertising	Net After Advertising	CYP	Cost of CYP w/Advertising	Cost of CYP w/o Advertising
January	28,211	35,190	-6,979	39,354	32,375	1,826	\$ 3.66	\$(0.79)
February	37,811	20,762	17,049	23,960	41,009	1,127	\$ 7.50	\$ 3.12
March	24,607	25,154	-547	200	-347	1,245	\$(0.06)	\$(0.09)
April	26,109	24,451	1,658	1,143	2,801	1,285	\$ 0.45	\$ 0.27
May	45,565	40,129	5,436	200	5,636	1,925	\$ 0.60	\$ 0.58
June	59,282	39,246	20,036	64,736	84,772	1,635	\$10.69	\$ 2.53
July	61,357	34,564	26,793	200	26,993	1,615	\$ 3.45	\$ 3.42
August	42,191	28,845	13,346	9,575	22,921	1,231	\$ 3.84	\$ 2.24
September	43,009	52,197	-9,188	32,066	22,878	2,487	\$ 1.90	\$(0.76)
October	94,136	39,973	54,163	7,440	61,603	1,788	\$ 7.10	\$ 6.25
November	39,315	40,870	-1,555	200,524	198,969	1,742	\$23.55	\$(0.18)
December	<u>107,138</u>	<u>56,861</u>	<u>50,277</u>	<u>271,083</u>	<u>321,360</u>	<u>2,241</u>	<u>\$29.57</u>	<u>\$ 4.63</u>
Total	608,731	438,242	170,489	650,481	820,970	20,147	\$ 8.40	\$ 1.74

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Source: SMP accounting records.

The presentation of data for 1985 in Table F.13 reflects the implementation of the mass media advertising campaign initiated in November 1984. The additional information deals with the cost of publicity, the net cost with publicity, the net cost without publicity, the cost-per-CYP with publicity, and the cost-per-CYP without publicity.

9. Monthly Sales (by Brand Name/Method) CYP, 1985

Table F.14 details monthly sales of the SMP's various contraceptive methods, by project, for the year 1985. Part 1 details sales by brand name/method (linking the methods to the projects, first column). Part 2 details sales by project.

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Table F.14

MONTHLY SALES AND CYP FOR TOTAL SOCIAL MARKETING PROGRAM (NO. 1),
AND MONTHLY CYP BY PROJECT (NO. 2), 1985

1. SOCIAL MARKETING PROGRAM's Couple-Years-of-Protection, 1985:

Project 'A' is the Pharmacy Commercial Sales project
 Project 'B' is the Condom Machine Dispenser project
 Project 'C' is the Tiendas (small stores) project

Project I.D.	Method	CYP Calculation Factor	CYP												Total Unit Sales	CYP per Product
			January	February	March	April	May	June	July	August	September	October	November	December		
A	Condor	100	48,000	34,200	42,240	44,220	64,920	50,400	59,280	52,940	74,860	58,920	51,640	68,760	650,380	6,504
A	Perla	13	9,912	4,320	5,016	5,520	9,696	8,088	7,224	3,856	13,272	6,480	7,632	10,512	91,528	7,041
A	Suave	100	4,275	3,225	4,350	3,375	6,450	3,675	3,600	3,675	7,425	3,900	5,775	10,575	60,300	603
A	Panther	100	15,229	9,525	10,125	7,575	13,362	11,229	8,124	9,000	15,825	11,514	16,464	24,150	152,122	1,521
A	Sweetheart	100	240	25	1,288	2,350	3,800	1,625	475	725	1,650	775	600	4,075	17,628	176
A	Prime	100	--	--	--	--	--	8,064	6,984	3,132	5,976	7,020	5,382	8,046	44,604	446
B	'Condom'	100	11,006	8,962	9,166	7,935	8,252	7,474	8,153	7,432	10,438	7,269	8,006	6,991	101,084	1,011
B	'Pills'	13	3,592	3,060	2,440	2,676	2,750	2,440	2,508	2,148	3,952	2,690	2,877	1,824	32,957	2,535
C	Condor	100	--	--	--	--	--	--	--	--	--	14,490	4,632	4,716	23,838	238
C	Tahiti	100	--	--	--	--	--	--	--	--	--	4,385	828	1,938	7,151	72
SMP's Monthly CYP:			1,826	1,127	1,245	1,285	1,925	1,635	1,615	1,231	2,487	1,788	1,742	2,241		20,147
Cumulative CYP:				2,953	4,199	5,484	7,409	9,043	10,658	11,889	14,376	16,164	17,905	20,147		
2. PROJECTS' CYP:																
Pharmacy Project 'A':			1,440	802	966	1,000	1,631	1,372	1,340	991	2,078	1,320	1,386	1,965		16,291
Machine Project 'B':			386	325	279	285	294	262	274	240	408	280	301	210		3,546
Tiendas Project 'C':			0	0	0	0	0	0	0	0	189	55	67		310	
Projects' Monthly CYP:			1,826	1,127	1,245	1,285	1,925	1,635	1,615	1,231	2,487	1,788	1,742	2,241		20,147

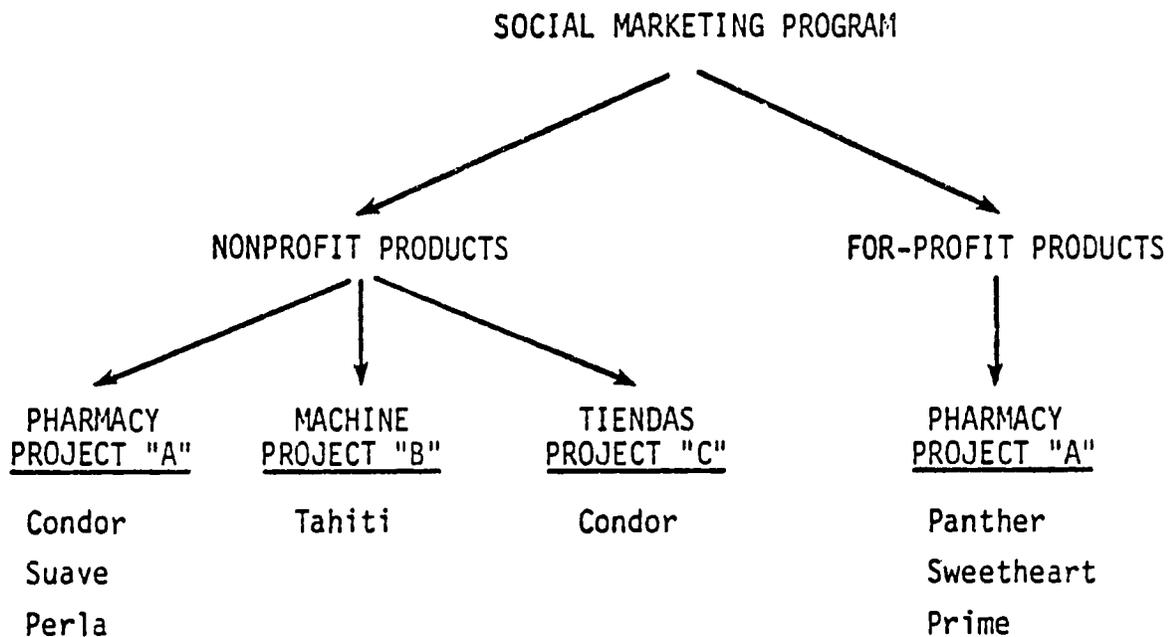
Source: "Ventas 1985 Unidades," draft report, January 8, 1986.

II. SUMMARY OBSERVATIONS

At least three immediate lessons were learned as a result of this evaluation (with specific reference to Recommendations 1 and 13).

A. Definition of Objectives

A lack of clarity about whether the SMP should be "profit-oriented" or "distribution-oriented" presented itself during the evaluation. For the purpose of setting the record straight, the following demonstrates how the SMP should regard itself.



The objectives are mixed. They are subject to change in accordance with market demands, product changes, price adjustments, program expansion, channel member expansion, new channels expansion, etc. The objective is to be both distribution-oriented (whether not-for-profit or for-profit) and to be commercially oriented (both in terms of earning a profit and in terms of marketing products--again whether not-for-profit or for-profit). In short, even if a product is unprofitable, it should be marketed as if it were profitable. As long as the SMP receives the bulk of its products as donated goods, this is the configuration.

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B. Marketing Plan

The SMP's core marketing strategy can be described as possessing the following characteristics:

- › It tends strongly to be consumer-oriented, to be adapted to the local culture, to be based on consumer decision models, to be independent of government programs, to rely heavily on market research, to expand its market, to observe extensive market segmentation, to carefully monitor outcomes, and to build on earlier accomplishments.
- › Its strategy tends not to be based on forecasts, nor does it possess contingency plans.
- › Promotion of family planning in general is on a par with promotion of brands, focus is slightly more on the consumer than on the middleman, there is a tendency to be as sensitive to costs (costs are monitored product by product) as there is to ignore costs, and there is equivalent emphasis on low-status consumers (social marketing via the Tiendas Project "C") as on higher-status consumers (social marketing via the Pharmacy Project "A"), while the condom dispenser program is aimed at consumers of a wide variety of commercial establishments, principally lower- to middle-class individuals.
- o It makes moderately heavy use of consultants in the form of publicity and market research firms. The SMP should consider the need to:
 - Establish a well-defined objective, e.g., profit orientation or distribution orientation, to allow SMP to focus its efforts more efficiently. (See Section III for an expanded discussion on this matter.)
 - Develop a marketing plan.

- Develop contingency plans regarding competitors' market strategies.
- Increase use of market research studies.
- Improve promotion strategies as outlined above.

The SMP needs to develop a comprehensive Marketing Plan. It was learned through developing the Marketing Audit that a good skeletal framework of reference for this purpose lies in the "CSM Marketing Audit" format, part B, Short- and Long-Range Planning Process, #3 (topics for inclusion in a marketing plan). Other portions of part B have relevance.

C. Other

For the purpose of this discussion, the July/August 1985 issue of "Population Reports," Series J, No. 30, titled: "Contraceptive Social Marketing: Lessons from Experience," is used as reference. From this publication's categories of "Lessons Learned," the following is offered:

1. The SMP management structure fits its local circumstances. Management follows basic marketing principles and responds rapidly to changing market conditions. Although it is a general tenet that all contraceptive social marketing programs should communicate and coordinate with relevant government agencies, the case for this SMP is that communication and coordination take place at the executive and board levels of ADS. As expressed by various SMP staff, technical assistance contractors are an important link with donor agencies. The SMP has recruited and trained qualified managers and provides incentives for good performance, albeit improvement in the incentive system is being sought at present.
2. In terms of potential customers, the SMP carefully estimates the number and characteristics of customers it can expect to serve, and finds market research techniques to be helpful toward developing appropriate marketing approaches for different groups in the country. Through periodic market tests, the SMP analyzes whether marketing strategies should be changed.

3. Product strategy for the future includes expanding activity to reach physicians in the country. This strategy depends on the addition of the Norquest oral contraceptive, and its subsequent promotion to medical personnel. While it may be true in experiential terms that noncontraceptive products are not necessarily money-making additions to the product line in contraceptive social marketing programs, the El Salvador program does not include the term "contraceptive" in its Social Marketing Program name and is considering inclusion of locally manufactured ORS products in its line. Whether this would include the sale of ampules of distilled water has yet to be decided. It will be interesting to future observers to learn whether the inclusion of noncontraceptive products is to be profitable.
4. The SMP keeps prices low enough so that all potential customers can afford them, but not so low that people assume that the quality of products is poor.
5. Market research is recognized by the SMP director as being important to every aspect of program development and operations. Research is planned so similar issues can be examined at intervals, and results are analyzed and acted upon to maximize sales to intended customers.
6. While there is firm agreement within the SMP that a large number and a variety of retailers are desirable to serve people conveniently, there is disagreement about the use of wholesalers to reach the retailers. This disagreement is rooted in the experience of the SMP two years ago, when attempts to channel products via wholesalers failed to work. Given planned expansion into rural areas, the SMP will have to use in-house staff; however, commissions to salesmen to stimulate sales and to help the SMP to keep good salesmen require restructuring.
7. Promotion is being carried out at all phases of program development to maintain interest in the SMP's products. Radio and television are being used fully, and SMP products are advertised by brand name. Person-to-person promotion strategies take place as much as possible, especially in the Pharmacy Project "A" and increasingly so in the Tiendas Project "C." There is room for improvement in person-to-person promotion with other health care providers and influential groups. Promotional messages appeal to the

interests of intended customers. The advertising agency Publicidad Comercial appears to be the most cost effective way to gain expertise, and its personnel understand social marketing well.

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III. DEVELOPMENT IMPACT OF THE SOCIAL MARKETING PROGRAM

A. Institutional Strengthening Toward Institutional Goals

This report documents that the SMP has most, if not all, of the elements necessary for development of a solid marketing plan. Additionally, this report recommends provision of technical assistance to the SMP to help develop that marketing plan.

It is clear that the presence of the Social Marketing Program within the Asociacion Demografica Salvadorena is good for ADS and for the SMP. ADS receives significant institutional support from the SMP in overall CYP coverage, and the SMP receives strong image identification for its activities from the ADS IE&C mass media advertising campaign (which parallels the mass media advertising campaign of the SMP).

As previously stated the evaluation of the SMP is "satisfactory." In the context of its departmental status within ADS, the SMP can be evaluated as performing excellently. The term "satisfactory" is used in the grander sense of what the SMP's potential is, were it to be transferred to the private sector. The recommendation in the "Considerations for the Future" paper (Appendix A, Exhibit #1) to spin off the program is made in the belief that this would be the best way to strengthen the SMP institutionally, and to give the SMP its best opportunity to expand its coverage of CYP throughout El Salvador.

Other additional recommendations are arrangement of the contractual provision of technical assistance to study the feasibility of such a spin-off, and the contractual placement of a resident technical representative to assist the SMP in its progress.

B. Strengthening Community and Aiding in Reaching More Beneficiaries

The SMP's stated goal is to distribute contraceptives nationally in rural and urban areas of El Salvador. Expansion into the rural areas of the country via the Tiendas Project "C" is high on the agenda, although this will not be easy given the presence of guerrilla activity in much of the country, particularly the eastern half. Rural expansion into the western half of the country appears to be more feasible at this time. There is another important consideration, however. With reference to Section I.B.1.a, Coordination of Activities: Pharmacy and Tienda Projects, the

SMP coverage of known tiendas amounts to only 18 percent (see Table B.1). Encouragingly, the coverage of tiendas in departmental capitals averages 32.4 percent (see Table B.2).

Based on conversations with many Salvadoreños, it is clear that, while many understand and appreciate the ADS messages about population growth rates in El Salvador and the national need to reduce that rate of growth, the attitude appears to be theoretical, philosophical, and personal. Yet, when the realization sets in about social marketing, the concept of economic development becomes clear. The SMP's activities are seen as helping small businesses to become more secure; more profitable; more growth-oriented; and, politically, a strong methodology for coping communist ideology. In sum, the SMP is viewed by military and civilian government representatives, as well as by pharmacy and small tienda owners, as an affirmative step toward strengthening communities. Once the SMP has taken the steps of increasing coverage in many areas of the country, in the tiendas and pharmacies projects, this economic and community development approach will certainly aid in reaching more beneficiaries throughout El Salvador.

IV. CONCLUSIONS AND RECOMMENDATIONS

The following recommendations are listed in priority order. Each recommendation is preceded by a conclusion.

I. Become More Commercially Oriented

Conclusion:

There is much expressed concern that the SMP become a more commercially oriented entity. This concern, emanating from different sources including AID/W and USAID/El Salvador, has been causative, apparently, of some confusion within the SMP as to what is meant. The matter is discussed at length in this report's Background Statement; in Section III, Summary Observations; and in the "Considerations for the Future" paper (Appendix A, Exhibit #1). The following recommendations that are tied to this issue of commercialization emanated from the Marketing Audit process.

Recommendations:

USAID/El Salvador should arrange for technical assistance to the SMP by contract representatives, specifically in:

- a. Development of a marketing plan by the end of third quarter, 1986 (re Recommendation 13).
- b. Incorporation of an automated management information system by the end of the third quarter, 1986 (re Recommendation 9).
- c. A study regarding the feasibility of spinning off the SMP to the private sector, including reducing recurring costs and developing a low cost-benefit ratio by increasing CYP while keeping the cost-per-CYP low. Target date for completion: December 1, 1986.
- d. Assessing whether the SMP can realistically increase its product line to include noncontraceptive, non-ORT items of a health-, pharmaceutical-, or biomedical-related nature. (This might be considered for inclusion with the previous recommendation.)

- e. Regular (annual) marketing audits similar to that performed as a complement to this report.

2. Assign a Resident Advisor to the Social Marketing Program

Conclusion:

Emanating also from the Marketing Audit, as well as from many discussions with USAID/El Salvador personnel, Juarez and Associates representative Ray Chesterfield, and from the consultant's experience assessing six other contraceptive social marketing programs in Latin America, is the concern that there be assigned a permanent technical assistance capability to the SMP. This recommendation is predicated on whether the SMP is assigned to the private sector.

Recommendation:

USAID/El Salvador should arrange for the long-term assignment of a contract resident representative who would provide ongoing technical assistance to the SMP.

3. Improve Staff Training

Conclusion:

Detected in the process of the Marketing Audit were various needs for improvements in staff training.

Recommendations:

- a. Sales techniques and human relations training for the sales force. Sr. Fausto Alcibides Huezo, Supervisor of the Tiendas Project "C," should be drafted to do much of the training in this area. He is skilled in dealing with the public, capable of creating sales opportunities, and is therefore needed to assist with all current and future sales force personnel.
- b. MIS training in computerization for core staff (director, technical assistant, supervisors, secretaries) (re Recommendation 9).
- c. Observation visits by the director to Social Marketing Programs in Colombia, Costa Rica, Guatemala, Honduras, and Jamaica. This would include visits to

Compania Farmaceutica, S.A. (CEFA) in Costa Rica and to Grace-Kennedy Distributors in Jamaica.

- d. Public relations training for the technical assistant and the director.
- e. Should training in business management technology become a reality, as recommended by the Juarez and Associates team, the SMP core staff (director, technical assistant, supervisors) should be integrated with the process.

4. Assign Three Additional Grant Vehicles to the SMP

Conclusion:

As noted in the Juarez and Associates team's draft report, "If activities continue to expand in rural areas as they had under Project 0275, and as projected under Project 0210, access to additional vehicles for staff will be needed." Further (paraphrased): Interviews held and observations of work process in the SMP department indicate that the types of personnel currently working are adequate in light of operational requirements, but the number of personnel is inadequate. The 24-person budgeted staff is undermanned by four persons, all sales positions in the Tiendas Project "C" of the SMP. The director is taking steps to fill the four slots but difficulties are being encountered (see Section B) with regard to the problem the SMP is experiencing in terms of its vehicle situation. The conclusion of that discussion is that the SMP needs at least three additional vehicles to carry out its responsibilities.

Recommendation:

The Asociacion Demografica Salvadorena, with the support of USAID/El Salvador, should provide three additional vehicles to the SMP to complement the present two vehicles in the program.

5. Increase Pharmacy Coverage

Conclusion:

The SMP director already is concerned about increasing pharmacy coverage in the country. Presently, coverage is estimated to be 85 percent, although that percentage is questionable given the anomalous data coming from government sources anent the number of pharmacies existing in the country. It is thought that the SMP could potentially reach 95 percent of the country's pharmacies, allowing for that 5 percent of pharmacies that does not wish to participate for religious or other reasons.

Recommendation:

The SMP should increase pharmacy coverage by 12 percent to reach approximately 95 percent of the pharmacies by January 1, 1987.

6. Develop a Hanging Poster for Tiendas

Conclusion:

A finding emanating from the Marketing Audit is that the sales force's efforts in the Tiendas Project "C" are allocated to:

- o Posting of sales
- o Maximum potential sales
- o Attitude toward brands/organizations
- o Size of outlet
- o Distribution of promotional materials
- o Persistence versus aggressiveness.

This allocation should be changed regarding the distribution of promotional materials; that is, effort must be exerted to emphasize placement of posters or other promotional materials; tienda operators tend to ignore the materials unless the sales force emphasizes the materials' utility--and the emphasis must be repeated in every visit to the tiendas. The Condor motif is attractive, colorful, and (supposedly) titillating to passersby, but the posters are torn off and purloined with frequency. Elsewhere in this report there is a recommendation that hanging

posters be developed to provide a promotional item that (1) will not be accessible to thievery, and (2) will be readily and permanently visible. Small tiendas often have ceilings with high rafters; therefore, a hanging poster, similar to the Alka-Seltzer or Mejoral posters, should go a long way toward reducing repetitious exertion of effort by the sales force.

Recommendation:

By April 15, 1986, the SMP should design and commence placing three-sided hanging posters in all tiendas. All currently registered tiendas should be in possession of the new posters by June 1, 1986.

7. Follow Through on Established Goals

Conclusion:

Already on the SMP's agenda is the launching of a low-dose oral contraceptive, Norquest, in its product line. The specific goal is to launch Norquest by the end of the third quarter, 1986, using IPPF or ADS funds or SMP-generated funds to obtain the first shipment, because AID/W is in the process of negotiation and procurement with Syntex via the General Services Administration. Given this fact, it might be only as early as mid-year 1987 before Norquest could become available in El Salvador via AID procurement. The registration of Norquest with the Consejo Superior de Salud Publica is believed to be possible within five months. Meanwhile, if a shipment obtained by the SMP should arrive before registration is obtained from the CSSP, the shipment can remain warehoused until registration is obtained. A second established goal of the SMP is inclusion of Conceptrol foaming vaginal tablets and oral rehydration salts in its product line. A target date for launch of Conceptrol is not presently set; a market pretest concerning inclusion of the ORS is ongoing currently.

Recommendations:

- a. The SMP should follow through vigorously to obtain a first shipment of Norquest by the third quarter of 1986.
- b. The SMP, with ADS and USAID/El Salvador assistance, should attempt to obtain approval of Norquest by the Consejo Superior de Salud Publica by September 1, 1986.

- c. The SMP should commence the process to obtain approval of Conceptrol by the Consejo Superior de Salud Publica. Initial steps should be taken as soon as feasible.
- d. The SMP should give strong consideration to inclusion of oral rehydration therapy elements in its product line.

8. Perform an Evaluation of Publicity

Conclusion:

With reference to the Juarez and Associates draft report, the authors recommended both impact and formative evaluations of the mass media campaigns, in the area of IEC. In 1982, there was an evaluation of the publicity firm Publicidad Rumbo, by Aragon & Associates, on behalf of The Futures Group/ICSMP, which led to the selection of the current firm, Publicidad Comercial.

Recommendation:

The SMP should contract with Aragon & Associates for performance of an impact evaluation of Publicidad Comercial. To provide additional consistency, the evaluation should be congruent with any impact and formative evaluation of the IEC campaigns that might be carried out.

9. Install a Computer System

Conclusion:

The Juarez and Associates draft report has three recommendations. First, consider the acquisition of computer hardware to allow the present system to run under-utilized software. This includes a memory expansion card and an IBM emulation card. A modem would enhance the communications capability with other systems that provide information in areas such as family planning, management, etc. Second, consider the purchase of computer systems with uninterruptible power supplies for more efficiency. Third, provide or facilitate training in the computer sciences to support the present system and allow for future expansion. (See Recommendation 1.b, above, as well.)

Recommendation:

SOMARC should consider the purchase of a computer system for the SMP department to become more efficient. This consideration should be based on the technical assistance recommended for completion by the end of the third quarter, 1986.

10. Develop an Incentive Plan

Conclusion:

The SMP is in need of an improved incentives plan for salesmen, especially given the planned expansion of the pharmacy program and the needed filling of the tiendas sales force complement.

Recommendation:

The SMP should develop an improved incentives plan for sales forces personnel and implement it no later than the end of second quarter, 1986.

11. Implement Advertising and Promotion Changes

Conclusion:

The SMP's promotion strategies through each of 13 media are classified according to their effectiveness. For those areas that are rated relatively poor, the improvement of promotion strategies is based on three recommendations.

Recommendations:

- a. Follow up on the impact test report that newspaper advertisements should be in color.
- b. Follow up on the recommendation that there be developed a durable cardboard, three-sided, hanging poster for tiendas.
- c. Follow up on the recommendation that a portable display kit be obtained for conferences, seminars, etc.

12. Institute Gradual Change in Bonus System

Conclusion:

The SMP's channel discount structure, e.g., the bonus system, compares with competitive organizations' structures as being more generous. The major difference in the discount structure as compared with competitive organizations' lies in the fixed nature of the 20 percent bonus (1 free dispenser per 5 dispensers purchased). The competitor's effect tends to be temporary.

Recommendation:

A change in the bonus system should be carried out such that a gradual lowering of the 20 percent to 10 percent occurs (1 or 6, etc.) very slowly and carefully so as not to erode sales.

13. Improve the Core Marketing Strategy

Conclusion:

Given the characteristics of the SMP's core marketing strategy, the SMP must make changes that are believed to be potentially causative of improvement in the strategy. There is a need for definition of objectives; a need for a document that describes the department's role within the organization, its structure, the responsibilities of different staff members, including the departmental chain of command, hiring procedures, advancement and salary increase policies, and disciplinary norms. As documented in the Marketing Audit Report, the SMP currently lacks a Marketing Plan of the nature therein described; lacking also is contingency planning to take into account competitors' market moves. The SMP has undertaken some market research studies and needs to make greater use of the ones extant, as well as commission additional studies as required.

Recommendations:

- a. Define objectives (profit versus distribution)
- b. Write a marketing plan
- c. Develop contingency plans
- d. Make greater use of market research studies.

14. Improve Monitoring and Control Functions

Conclusion:

Factors that would help the SMP to improve its capabilities in the near- or longer-term are assessments or evaluations that could give the SMP clear readings on the direction it is taking and on directions it should take differently. The assessments/evaluations could be carried out by contract representatives or by ADS' Planning, Evaluation and Research Unit (UPEI).

Recommendation:

Carry out regular assessments or evaluations concerning cost-effectiveness, CYP coverage, cost-per-CYP, and the SMP's contribution to Contraceptive Prevalence Surveys.

15. Change Tactical and Market Resource Allotments (Based on Assumptions)

Conclusion:

The SMP may need to carry out changes in tactical and target market allocations, given possible changes in its operating environment.

Recommendations:

- a. (Assuming a broader product line of oral contraceptives, e.g., Norquest, and vaginal tablets, e.g., Conceptrol, as well as oral rehydration salts), add a Visitor Medico (detail person) to the staff to reach physicians.
- b. (Assuming an ability to enter the rural market), work with natural leaders of small communities and develop a public relations methodology.

16. Change Relationship of Board Marketing Committee to SMP

Conclusion:

The existence of this committee is regarded by various interviewees as causative of misdirection and conflict for the SMP. While the committee has not met for about a year now, its existence alone contravenes executive directorship responsibility as well as the relationship between the board and the executive.

Recommendation:

ADS should sever the direct relationship of the Marketing Committee to the SMP, leaving the committee to remain constituted vis-a-vis only the President of the Board.

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Appendix A
EXHIBIT 1: SOCIAL MARKETING PROGRAM
"CONSIDERATIONS FOR THE FUTURE"

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Appendix B: Exhibit 2

EL SALVADOR
AUDIT OF SOCIAL MARKETING PROGRAM

February 14-27, 1986

Prepared by:

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BACKGROUND

In February 1986, USAID/El Salvador contracted with Social Marketing for Change (SOMARC) to conduct an evaluation of the Social Marketing Program (SMP) of the Asociacion Demografica Salvadorena (ADS), Project No. 519-0275, over a two-week period from February 13 through February 27, 1986. The evaluation was contracted to complement the evaluation of ADS by a four-person team from Juarez and Associates, Inc., of Los Angeles. The team finished its assignment on February 19, 1986, and submitted its draft report to USAID/El Salvador on that date.

This 32-page questionnaire was used for the first time as a SOMARC evaluation technique. In general, the audit form served very satisfactorily to provide this consultant with a framework for in-depth evaluation, but, more importantly, it provided the SMP director with (1) much food for thought and (2) solid guidelines for future reference, specifically for development of a complete SMP Marketing Plan.

METHODOLOGY

Two and one-half days were spent interviewing Social Marketing Program (SMP) director Senora Dora Elena Escolan. Four days were spent on the road with Senor Fausto Alcibides Huevo, supervisor of the SMP Tiendas Project "C" or small stores. The cities of Santa Tecla, La Libertad, Cojutepeque, Santa Ana, Sonsonate, Ahuachapan, and San Salvador (five Colonias) were visited. Plans to visit San Rafael Cedros, Olocuilta, Zacatecoluca, and San Miguel were eliminated for reasons of security. A total of 8 pharmacies and 22 tiendas were visited. Of the tiendas, 12 were cold-call visits to drum up new business and 10 were supervisory visits to see how sales were going. Two interview instruments were used in all visits to tiendas: one regarding distribution to tiendas, the other a questionnaire about publicity and attitudes. The second questionnaire was also used at pharmacies.

One and one-half days were devoted to meetings with (1) members of the SMP staff, (2) members of the marketing committee of the Board of Directors, (3) ADS executive personnel, and (4) USAID/El Salvador personnel.

SCOPE OF WORK

The scope of work was explicit and congruent with the Juarez and Associates trip report draft left with USAID on February 19, 1986. To wit: evaluation of the SMP was carried out in terms of:

1. Review of the organization and staffing of the SMP.
 - Individual responsibilities of staff
 - Training and experience
 - Intradepartmental communication
 - Management tools.

2. Review of the coordination of activities of the SMP.
 - Number of programs
 - Number and types of products
 - Procedures and individuals involved in the programs.

3. Review of the accounting system of the SMP.

- Staff payment plan
- Sales commission system
- Projected needs.

4. Evidence that the SMP has incorporated previous evaluation results.

5. Review of the SMP mass-media advertising contract.

- Firm selection
- Knowledge of social marketing
- Preparation (R&D)
- Materials and quality
- Product generation
- Effectiveness of mass-media advertising
- User satisfaction of product and marketing
- Coordination between the SMP and the advertising.

6. Analysis of performance of the SMP through the following indicators:

- Comparison of CYP, 1983-1985
- Comparison of cost of CYP, 1983-1985
- Comparison of financial gains, 1983-1985.

Comments on the development impact of the SMP regarding:

- o Institutional strengthening toward institutional goals
- o Strengthening community and aiding in reaching more beneficiaries.

These were developed through the Audit and included in the Trip Report.

The CSM Marketing Questionnaire is on Page 14 of Appendix F.

SUMMARY/RECOMMENDATIONS

The following recommendations, listed in priority order, have been drawn from the El Salvador CSM project audit/evaluation:

1. Increase vehicle allotment
2. Become more commercially oriented
3. Improve staff training
4. Increase pharmacy coverage
5. Develop hanging poster for tiendas
6. Assign a resident advisor to the program
7. Follow through on established goals of:
 - Launching of a low- or medium-dose pill
 - Carrying out market research studies re consumer awareness of contraceptives
 - Diversification into new products
8. Develop incentives plan
9. Develop promotional materials for illiterates
10. Implement advertising and promotion changes
11. Institute gradual change in bonus system
12. Improve the core marketing strategy by:
 - Definition of objective (profit versus distribution?)
 - Development of contingency plans

- More appropriate use of market research studies
- Use of evaluation recommendations from past reports

13. Change budgeting process

14. Improve monitoring and control functions

15. Develop new marketing research activities

16. Change resource allotments (based on assumptions)

INTRODUCTION

In 1976, the Asociacion Demografica Salvadorena (ADS) created a Contraceptive Social Marketing Project (SMP) with the assistance of Development Associates, under AID funding. The SMP program actually commenced in May 1978, and funding by Development Associates terminated on November 30, 1980. The project is presently assisted by the U.S. Agency for International Development, Project Contract #519-0276, except for about 10 percent of the SMP budget, which is provided by ADS.

A. ADS Mission and Core Strategy

- I. By Statute (March 1983) of the Board of Directors of ADS, the Association is a private, not-for-profit, apolitical, research and service organization, without regard to creed, race, nationality, sex, or socioeconomic status. ADS' objectives are:
 - o To promote responsible parenthood based on the psychological, physical, and socioeconomic welfare of the family.
 - o To promote family stability as part of the economic development of the country.
 - o To study and research demographic growth in the country and to publish findings as they affect health, food, education, housing, employment, ecology, and legislation.
 - o To cooperate in resolving problems occurring in the above-stated areas.
 - o To educate the community on the advantages of family planning and to offer family planning services.
 - o To deliver sexual education and related legislative information for the purpose of making it accessible to the greatest number of people.

- o To sponsor and publish studies on current and future family legislation that are indicated in terms of greater protection of children and the nuclear family.
- o To suggest necessary legal changes to governmental entities regarding family rights.
- o To participate and cooperate with other public and private national or international organizations that are related to the objectives of the Association.

The Statutes are available in booklet form on request.

2. The SMP's planned relative emphases on tactical areas in the organization's long-run core marketing strategy are as follow:

	<u>Heavy Emphasis</u>	<u>Light Emphasis</u>
Packaging	X	
Pricing to Consumers	X	
Pricing to Middlemen		X
Personal Selling to Consumers		X
Advertising to Consumers	X	
Advertising to Middlemen		X
Marketing Research	X	
Expanding Distribution	X	
Public Relations		X

The SMP's planned relative emphases on target audiences in the organization's long-run core marketing strategy are:

	<u>Heavy Emphasis</u>	<u>Light Emphasis</u>
Final Consumers	X	
Physicians		X
Retailers	X	
Distributors	X	
Opinion Leaders		X

The current emphases on tactical areas and target audiences have differed from the planned emphases, thus: the SMP has deviated from project orientation to a heavier emphasis on distribution due to (1) dissolution of the Community-Based Distribution program in early 1985, and (2) the prevalence of El Salvador's current political and socioeconomic situation. Currently, it is not foreseen that the planned pattern of emphasis should be altered over the near and long term.

3. The SMP's core marketing strategy can be described as possessing the following characteristics: (1) it tends strongly to be consumer-oriented, to be adapted to the local culture, to be based on consumer decision models, to be independent of government programs, to rely heavily on market research, to expand its market, to observe extensive market segmentation, to carefully monitor outcomes, and to build on earlier accomplishments; (2) its strategy tends not to be based on forecasts, nor does it possess contingency plans; (3) promotion of family planning in general is on a par with promotion of brands, focus is slightly more on the consumer than on the middleman, there is a tendency to be as sensitive to costs (costs are monitored product by product) as there is to ignore costs (USAID stresses coverage over costs), and there is equivalent emphasis on low-status consumers (social marketing via the tiendas program) as on higher-status consumers (social marketing via the pharmacy program), while the condom dispenser program is aimed at customers of a wide variety of commercial establishments, principally lower-to middle-class individuals; and (4) it makes moderately heavy use of consultants in the form of publicity and market research firms.

The following recommended changes in the above-described characteristics could improve the core marketing strategy:

- o A well-defined objective, for example, profit orientation or distribution orientation, would allow the SMP to focus its efforts more efficiently.
- o Development of contingency plans
- o More appropriate use of market research studies
- o Appropriate use of evaluation recommendations made in past years.

B. Short- and Long-Range Planning Process

1. The SMP possesses formal, written annual marketing plans (the USAID Annual Implementation Plan and the Annual IPPF Workplan), as well as the Three-Year ADS Plan (which includes the SMP), and Ad Hoc Product Marketing Plans. Not currently extant is a marketing plan that would cover all aspects indicated below in paragraph #3.
2. The SMP, as other ADS departments, prepares final plans subject to approval by top management. There is an expressed desire for revision of the planning process in terms of greater interdepartmental involvement.
3. The SMP's most recent marketing plan (USAID Annual Implementation Plan) contains the following topics:
 - o Mission statement (of the SMP)
 - o Long-run core strategy
 - o Anticipated financial environment
 - o Anticipated distribution channel environment
 - o Proposed organization structure
 - o Specific quantitative objectives
 - o Proposed market segmentation
 - o Proposed staff training
 - o Proposed marketing research

- o Projected revenues
- o Projected costs
- o Manpower requirements
- o Financial requirements
- o Consulting resource requirements.

Not contained (but now contemplated for inclusion) in the marketing plan are these topics:

- o Anticipated demographic environment
- o Anticipated economic environment
- o Anticipated political environment
- o Anticipated legal environment
- o Anticipated competitive environment
- o Anticipated cultural environment
- o Specific qualitative objectives
- o Proposed product line strategy
- o Marketing channels to be used
- o Prices to be charged consumers
- o Discounts offered to middlemen
- o Incentives offered to the sales force
- o Incentives offered to middlemen
- o Media message strategies
- o Media to be used
- o Proposed public relations programs
- o Equipment/facilities resource requirement:
- o Timetable for implementation
- o Plans to measure accomplishments
- o Contingency plans (none currently exist).

7. The SMP's specific goals for the period being audited are

- o Launch Sweetheart condoms (achieved)
- o Launch a low-dose pill (not achieved)
- o Launch Prime condoms (achieved)
- o Expand condom-dispenser program (not achieved).

Irregular or unexpected occurrences that impacted SMP operations and goal attainment for the period being audited are:

- o AID was unable to provide low-dose pills as contemplated
- o AID was unable to provide additional condom dispensers.

Specific goals the SMP has for the period in which this audit's recommendations are to be carried out include:

- o Launch of a low-dose or medium-dose pill
- o Carrying out of market research studies concerning consumer awareness of contraceptives
- o Diversification of products (ORT salts, for example).

5. The goals for the planning period meet the following criteria to the extents shown:

Realistic	X	Unrealistic
Measurable	X	Not Measurable
Motivating	X	Not Motivating
Hierarchical	X	Independent
Consistent Over Time	X	Not Consistent Over Time
Well Communicated	X	Poorly Communicated

Elements of the marketing plan are sometimes tied to a specific timetable.

6. The SMP's marketing plan (USAID Annual Implementation Plan) is followed closely (about 82 percent of the time) and is revised over the year according to need.

7. The following measures are currently used to monitor accomplishments of the SMP. For each measure used, indicated are the dates of the most recent measure and the period it covered:

	Not Measured	Latest Measure	Period Covered
<u>Sales Measures</u>			
Industry Unit Retail Sales		1/86	1985
Industry Dollars Retail Sales		1/86	1985
Organization Unit Retail Sales		1/86	1985
Retail Market Share		2/86	1985
Industry Unit Wholesale Sales	X		
Industry Dollar Wholesale Sales	X		
Organization Unit Wholesale Sales	X		
Organization Dollar Wholesale Sales		2/86	
Wholesale Market Share	X		
<u>Marketing Activities</u>			
Number of Sales Visits to Physicians	X		
Number of Sales Visits to Distributors		Daily	
Number of Advertisements Placed		1/86	
Number of Sales Contacts with Customers		Daily	
<u>Financial Performance</u>			
Revenue to CSM Program		1/86	
Cost of CYP		2/86	1985
Total Budget		1/86	1985
Level of Outside Support		1/86	1985
<u>Consumer Knowledge, Attitudes and Behavior</u>			
Number of Households Contracepting	X		
Percent of Market Contracepting	X		
Consumer Willingness to Contracept		2/86	1985
Consumer Knowledge of Alternatives		9/85	To Date
Consumer Brand Awareness		1/85 & 2/85	To Date
Consumer Brand Preferences		8/85	To Date
Consumer Awareness of Organization		2/86	To Date
Consumer Promotion Recall		8/85	First Half 1985
<u>Middlemen Knowledge, Attitudes and Behavior</u>			
Physician Knowledge about Alternatives	X		
Physician Brand Awareness	X		

1/86

	Not Measured	Latest Measure	Period Covered
<u>Middlemen Knowledge, Attitudes and Behav</u>	—		
Physician Brand Preference	X		
Retailer Knowledge about Alternatives		2/86	1985
Retailer Brand Awareness		2/86	1985
Retailer Brand Preference		2/86	1985
Percent of Retailers with Brands in Stock		2/86	1985
Physician Evaluation of Sales Force	X		
Distribution Evaluation of Sales Force			Monthly
Percent of Distributors Using Point of Purchase Materials	X		
Frequency of Distributor Complaints	X		
Frequency of Physician Promotion Recall	X		
Frequency of Retailer's Promotion Recall	X		
<u>Other Measures</u>			
Employee Morale	X		
Opinion Leaders' Awareness of Organization	X		
Opinion Leaders' Attitudes Toward Organization	X		
	—		

8. Each category of success measure is broken down thus:

	Sales	Marketing Activities	Financial	Consumer	Middlemen	Other
Not Broken Down						
By Broad Region						
By City					X	
By Area within Cities					X	
By Customer Type						
By Distribution Channel					X	
By Sales Person	X					
By Product	X	X	X			

9. Within each category of success measure, numerical comparisons are made based on the following:

	Sales	Marketing Activities	Financial	Consumer	Middle-men	Other
None						
Previous Period	X					
Year Earlier Period	X	X		X	X	X
Comparable CSM Orgs.						
Comparable Non-CSM Organizations						
Projections	X	X	X	X	X	
Quotas	X	X			X	
Potentials						

10. Responsibility is always assigned to specific individuals in terms of the accomplishment of various goals.

11. Market demand forecasts are made on the basis of (1) population indexes, (2) trend projections, (3) mathematical models, and (4) market tendencies. Since forecasts have been only somewhat accurate, a recommended change in the forecasting process is to conduct more frequent market testing.

12. The SMP departmental budget is determined by negotiation with senior management (USAID). A recommended change in the budget-making process would be development of the budget based on objectives by zeroing in on the total costs of proposed tasks.

C. Assumptions about the Future

1. Constant Features

In the marketing environment, there are key features in the following areas that are expected to remain relatively constant where the success of the SMP depends on their remaining constant.

- o Economic and demographic characteristics of consumers depend on the stability of the national economy. The existing uncertainty about the future of El Salvador directly impacts on this feature.
- o Consumer attitudes, values, and lifestyles depend on the current levels of customer satisfaction, knowledge, and awareness of contraceptive methods.
- o In terms of competitors, the pharmaceutical companies' strategies and the national economic status must be stable.
- o In the area of political pressures and support, the negative attitude of the current Minister of Health could become a constant, affecting the well-being of the SMP.
- o Laws and regulations, although strict and antiquated, are unlikely to change.
- o Regarding product and packaging technology and availability, scarcity of raw materials could become a problem; the SMP depends on the quality of packaging it currently offers.
- o The quality of advertising technology and media availability in El Salvador is satisfactory, and the SMP depends on its remaining so. The restriction on advertising of ethical products is a constant.
- o In terms of distribution channels, the price structure permits consistently high acceptance of the SMP's products.
- o As concerns employee skills and attitudes, their continuing belief in the mystique of family planning is vital.

2. Changing Features

In the marketing environment, there are key features in the same areas that are expected to change where the success of the SMP depends on their changing:

- o As to the economic and demographic characteristics of consumers, it is necessary that the national rate of unemployment decrease in order for consumers' purchasing power to increase.
- o For consumer attitudes, values, and lifestyles, while religious opposition in El Salvador is minimal in comparison with other countries, its reduction would nevertheless allow greater success of the SMP (and other family planning endeavors).
- o Expected changes are foreseen in terms of competitors' strategies, for example, uniting of marketing efforts, alliances, joint campaigns. While potentially threatening to the SMP, their activity could be beneficial to the SMP should they be unsuccessful.
- o No changes are expected in terms of political pressures and support.
- o No change for laws and regulations.
- o Programmatic changes are planned as regards product and packaging technology and availability, for example, improvement of the product line (specifically, low-dose or medium-dose pills) vis-a-vis consumers and vis-a-vis physicians. A factor that must change and on which the success of the SMP depends in great part is the present system of purchasing. Packaging must be ordered via (1) the ADS purchasing director, then (2) via the ADS administrator. This has created a bureaucratic roadblock, for example, in the case of a three-month delay experienced in getting condom packaging printed when ordered in September 1985 and not received until December 1985. The order for packaging was delayed in ADS, not at the printers.
- o In terms of advertising technology and media availability, the SMP is slated to commence new advertising aimed at illiterate consumers. ADS' Information, Education, and Communication Department already conducts this kind of advertising, and the SMP intends to take advantage of that experience.
- o The SMP needs to open up the new distribution channel of wholesale distributors.

- o As concerns employee skills and attitudes, no marked changes are expected; however, the SMP needs four additional sales persons for the "tiendas" program. As they are hired, the quality of their training will dictate in great part whether this aspect of the SMP is successful.
3. To alter the SMP's marketing strategies to account for these constant and changing market features would require revising the strategy to be more commercially oriented, adhering, of course, to the policies of ADS and USAID. Greater flexibility should result, it is believed, especially in terms of market decisions, administration of personnel, control of distribution, and projection of budget and commodities requirements.

D. Market Segmentation

1. The SMP's goals and marketing mix are intentionally varied depending on target audience, and the basis used for segmenting the target audience is indicated:

Segmentation Base	Goals	Product	Price	Promotion	Channels
None					
Urban*				X	X
Areas within Cities			X		X
Literacy				X	
Social/Economic Class	X	X	X	X	X
Age	X	X		X	
Sex	X	X		X	
Religion					
Family Size	X	X		X	
Stage of Life Cycle	X			X	
Benefits Sought	X			X	
Readiness Stage	X			X	
Usage Stage		X	X		

*Rural promotion.

No recommendation is made at present that would alter this segmentation.

2. The SMP's marketing effort is directed intentionally toward these consumer audiences:

Urban	X			Rural
Literate		X		Illiterate
Men		X		Women
Older Consumers			X	Younger Consumers
Late-in-Life Cycle			X	Early-in-Life Cycle
Upper Class			X	Lower Class
Actively Contracepting		X		Unwilling to Contracept
Many Children			X	No Children

This emphasis is appropriate to the SMP's goals.

3. These consumer profiles are given as typical for each of the following products:

o Condoms

- Sweetheart: 18-30 year-old males, middle class.
- Panther and Prime: 25-40 year-old males, middle to upper middle class.
- Condor: 18-40 year-old males, lower class.

o Vaginal foams

- Suave (Neo-Sampoon): 18-45 year-old women, especially for older women who should not use the pill. All classes.

o Oral pills

- Perla (Noriday): 18-35 year-old women, lower to middle class, urban.

4. SMP products are aimed at middle- to lower-class groups, and the SMP customers differ from customers of competitors since competitors' brands tend

to be targeted more to upper-middle class and upper-class users (who rely on private physicians).

E. Organization

1. The SMP's advisory entity is the Marketing Committee of the Board of Directors. The committee consists of four persons:

- o A publicist, Sr. Oscar A. Funes Araujo
- o A business manager, Sr. Orlando Menendez
- o A housewife, Sra. Morena de Viaud
- o USAID Representative.

No changes in the SMP marketing committee are contemplated at this time.

2. The SMP currently employs 20 persons and plans to add four more within the year ("tiendas" program sales persons). The SMP is structured in ADS by function, of course, and internally by channel of distribution (project "A" = pharmacies, project "B" = vending machines distribution, and project "C" = "tiendas).

3. The SMP has responsibility for these areas:

- o New product development
- o New market development
- o Marketing research (by subcontractor)
- o Publicity (by subcontract).

The management information system for SMP data is maintained internally, manually by ADS administration. The responsibility for public relations and government relations is maintained by ADS and the Board of Directors.

No changes in this arrangement are contemplated in the near- or long-term future. Nevertheless, should it be decided that the SMP be spun off to the private sector, the SMP would necessarily assume responsibility for its own public relations and government relations. Additionally, the SMP would perform assume responsibility for complete management of information systems.

4. The SMP director reports directly to the ADS executive director. In her absence, the SMP technical assistant reports to the executive director. The responsibility for marketing decisions is retained by central ADS management. The executive director's control over ADS' departments is appropriate. The SMP department identifies greater interdepartmental teamwork, with more frequent key staff meetings as the necessary improvement in top-management operations. There have been perhaps only two such meetings within the past year.
5. Coordination of the marketing activities of departments is informal. Conflict between departments is low-key, but present. Any changes to reduce conflict and to improve coordination would, again, reside in the establishment of regularly scheduled key staff meetings. There is a need for open channel of communication feedback between executive and administration departments.
6. a. SMP staff training is indicated thus:

	Very Well Trained	Adequately Trained	Poorly Trained
Advertising	X (Director)		X (Staff)
MIS (Manual)	X (Director)	X (Staff)	
MIS (Computer)			X (All)
Sales Force		X	
Public Relations			X (Director & Tech. Asst.)
Marketing Research	X (Director & Tech. Asst.)		

6. b. The types of training offered to upgrade skills of the marketing staff include:
 - o On-the-job training by superior

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- o Attendance by the sales force at courses or conferences outside the organization
 - o Family planning training in general by ADS' Department of Training.
6. c. The following improvements in staff training are recommended:
- o Sales techniques and human relations for the sales force
 - o MIS training in computerization for core staff
 - o Observation visits by the director to Social Marketing Programs in Colombia, Costa Rica, Guatemala, Honduras, and Jamaica. This would include visits to CEFA (Compania Farmaceutica, S.A.) in Costa Rica and to Grace-Kennedy Distributors in Jamaica.
 - o Public relations training for the technical assistant and for the director
 - o Should training in business management technology become a reality, as recommended by the Juarez and Associates team, the SMP core staff should be integrated with that process.
7. a. The following market functions are conducted through contracts with outside agencies or consultants:
- o Consumer market research
 - o Middlemen market research
 - o Advertising preparation
 - o Media selection
 - o Marketing audits
 - o General planning advice.

The distribution to some or all markets, the training of staff, and management information processing (e.g., EDP), are conducted in-house.

7. b. In terms of the identification of additional outside assistance that would be desirable over the near or long term, a permanent resident advisor is recommended through USAID/El Salvador contract arrangements.

F. Monitoring and Control

1. Evaluation by ADS or the SMP of cost-effectiveness of different marketing expenditures is limited.
2. No marketing audit (of the nature of this one) has heretofore been conducted.
3. Occasional problems and complaints are heard from (1) distributors (pharmacies, tiendas) regarding marketing problems and consumer complaints about defective products, and (2) the ADS administration. Complaints are typically handled by the SMP director or technical assistant, usually by telephone. Of note, during the interview with Sra. de Escolan, the ADS administrator called about a lost billing. To Sra. de Escolan's suggestion that he defer discussion until a more appropriate time, given my presence, the ADS administrator instead chose to continue the phone call for 10 minutes. A while later, the administrator again called regarding the same subject and spoke an additional 5 minutes.
4. Recommended improvements in the SMP for the near or long term include:
 - o Conducting through ADS' Planning, Evaluation, and Research Unit (UPEI), regular assessments, covering (1) cost-effectiveness, (2) CYP coverage, (3) cost-per-CYP, and (4) contribution to contraceptive prevalence surveys.
 - o Conducting regular (annual) marketing audits similar to this one.

G. Research

1. Research conducted on a regular basis includes:
 - o New product concept testing

- o New product field testing
- o Message strategy concept testing
- o Advertising pretesting
- o Advertising posttesting
- o Pretesting of other promotional materials (posters, point-of-sale, etc.)
- o Package pretesting (Panther only)
- o Population/market projections
- o Sales projection
- o Projections of future economic, political, social, competitive environment (by FESAL--fertility survey--and in contraceptive prevalency surveys)
- o Studies of distributor knowledge, attitudes, and behavior
- o Studies of employee attitudes, product knowledge, and morale (by ADS Training Department)

Research planned for 1986:

- o Studies of consumer knowledge, attitudes, and behavior
- o Studies of physician knowledge, attitudes, and behavior.

Research that has not nor is planned to be conducted:

- o Posttesting of promotional materials other than posters and points-of-sale
- o Studies of opinion leader knowledge, attitudes, and behavior.

2. New research activities that should be introduced to the marketing plan in the near or long term are:

- o Profitability analyses of marketing strategies.
- o Systematic monitoring of current competitive tactics and plans
- o Field experiments on responses to marketing tactics.

Quality of research is controlled by:

- o The carrying out of studies by highly qualified outside researchers
- o The review of research designs and results by outside consultants
- o The SMP staff.

In terms of additional research controls, it is here that a USAID-contracted resident advisor could perform a key role.

3. Information about competitors' current strategies and plans is tracked by (1) systematic observation and questioning of middlemen by the sales force, (2) trade and popular press, and (3) chance word of mouth.

H. Resource Allocation

1. Financial, manpower, and equipment resources are as indicated:

	Adequate Resources			Inadeq Resou
<u>Tactics</u>				
Media Advertising		X		
Personal Selling to Consumers			X	
Personal Selling to Middlemen	X			
Public Relations(w/Pharmacies)			X	
Other Promotion		X		
Marketing Research	X			
<u>Market Targets</u>				
Physicians				X
Distributors (Pharmacies)		X		
Distributors (Tiendas)				X
Retailers			X	
Opinion Leaders	N/A			
Final Consumers	X			

Changes in allocations that may be needed:

- o Assuming a broader product line of oral contraceptives (Norquest) and vaginal tablets (Conceptrol), a visitor medico (detail person) would have to be added to the SMP staff.
- o Assuming an ability to enter the OC market, the SMP would necessarily develop a public relations methodology and increase work with national leaders of small communities.

I.A. Sales Force Management ("Tiendas" Project "C")

1. The proportion of time by the sales forces in individual tasks is divided as follows:

	Percent
Prospecting for New Accounts	40
Informing and Educating	20
Selling Products	10
Follow-up Servicing of Accounts	5
Information Gathering and Reporting	10
Planning and Preparation	10
Clerical (Writing Reports, Orders, etc.)	5
Total	<u>100</u>

The present allocation is acceptable given the newness of the project.

2. The sales force's efforts are allocated to:

- o Posting of sales
- o Maximum potential sales
- o Attitude toward brands/organizations
- o Size of outlet
- o Distribution of promotional materials
- o Persistence versus aggressiveness.

Regarding distribution of promotional materials, more effort must be exerted to emphasize placement of posters or other promotional materials. Tienda operators tend to ignore the materials unless the sales force emphasizes the materials' utility. Emphasis must also be repeated in every visit to the tiendas as "afiches," or posters, affixed to tiendas' interior or exterior walls, or to doors, do not last long. The Condor motif is attractive, colorful, and (supposedly) titillating to passersby, but the posters are torn off and purloined with frequency. It is recommended that hanging posters be developed to provide a promotional item that (1) will not be accessible to thievery, and

(2) will be readily and permanently visible. Small tiendas often have high-raftered ceilings; therefore, a hanging poster (a la Alka-Seltzer, Mejoral, et al.) should go a long way toward reducing repetitious exertion of effort by the sales force.

3. Sales force compensation is via salary, commissions, transportation allowance/ automobile for use, and allowance for other expenses. Commissions are paid by means of a fixed amount per unit sold (¢.15/unit). The effectiveness of the compensation scheme in achieving goals is indeterminable at this point, since the scheme is only two weeks old. Compared with the compensation systems of other organizations that might attract sales people, the SMP's system is somewhat below norm. To clarify: the SMP is unable to attract and contract sales persons who own their own vehicles at the salary level the SMP offers. The "tienda" program is budgeted for six sales persons, and only two are employed. Two others were hired, but they dropped out because they felt they were losing money by having to use their own vehicles. To an advertisement placed February 6, 1986, in el Diario de Hoy and in La Prensa Grafica, the SMP had received only seven applications as of February 28, 1986. In a country with such high unemployment, this information is significant.

4. Recommended is a change in the SMP vehicle situation that, while necessary in and of itself for programmatic purposes, would help to offset the SMP's problem regarding the difficulty of finding qualified sales personnel. Assigned to the SMP are two AID-grant vehicles. They are used for promotional and supervisory visits by the "tienda" and pharmacy programs, and are stretched thin at this time. The SMP requires a total of five vehicles. While the SMP can, in metropolitan San Salvador, provide local transportation costs to sales people who do not own their own vehicles, such cannot be done for sales force travel in the interior of the country. The addition of three vehicles would be ideal for the western, eastern, and sur-peniante areas of operation.

(Of note is that the SMP is considering buying two motor scooters for use exclusively in the city of San Salvador.)

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I.B. Sales Force Management (Pharmacy Project "A")

1. The proportion of time by the sales force in individual tasks is presented below. Also shown is the proportion that would be considered ideal.

	Present Allocation (Percent)	Ideal Allocation (Percent)
Prospecting for New Accounts	10	20
Informing and Educating	10	10
Selling Products	40	30
Follow-Up Servicing of Accounts	5	5
Information Gathering and Reporting	5	5
Planning and Preparation	10	15
Clerical (Writing Reports, Orders, etc.)	20	15
Total	100	100

2. The sales force's efforts are allocated to:

- o Post sales
- o Maximum potential sales
- o Attitude toward brands/organizations
- o Aggressiveness
- o Size of outlet
- o Distribution of promotional materials.

This allocation process should be changed to increase sales to cover pharmacies not now involved (maximizing potential sales).

3. Sales force compensation is via salary, commissions, and allowance for other expenses. Commissions are paid as a percentage of sales (colones) and on achievement of sales quotas. The effectiveness of the compensation scheme in terms of achieving goals is presented below.

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	Effective	Highly Ineffective
Maximum Sales	X	
Thorough Preplanning		X
Thorough Reporting	X	
Missionary Selling		
Loyalty to Organization		X
Self-Improvement		X
Job Satisfaction		X

(As to the last three items, sales force are thankful to be employed.)

Compared with the compensation systems of other organizations that might attract sales people, the SMP system is somewhat below norm. Specifically, the SMP lacks a gasoline allowance and a vehicle allowance in the pharmacy project. A true incentives plan for sales personnel is planned by the director for 1986.

- 4. The director of SMP is, however, pessimistic that ADS will allow development of a plan because it goes counter to the "mystique" of family planning.

J. Pricing

- 1. In the Tiendas Project "C," the setting of prices to customers is based 100 percent on the consumers' willingness or ability to pay. In the Pharmacy Project "A," the setting of prices to customers is weighted accordingly:

	Percent
Product Costs	15
Marketing Costs	15
Competitors' Prices	30
Government Requirements	
Consumers' Willingness or Ability to Pay	40
Total	<u>100</u>

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2. SMP product cost and revenue information for 1985:

	Consumer Price/Unit	Channel Discount	Sales ** Commission	Gross Profit	12-Month Sales
<u>Tiendas Project "C"</u>					
<u>Condoms</u>					
Condor	.75/3-pack	4	-15	N/A	N/A
<u>Pharmacy Project "A":</u>					
<u>Condoms</u>					
Condor	.75/3-pack	20%*20%NSVC		(320,550)	93,585
Panther	3.60/3-pack	8%*	--	24,115	128,015
Sweetheart	1.25	10%*	--	1,820	15,125
Prime	4.50/3-pack	--	--	9,145	46,835
<u>Vaginal Spermicides</u>					
Suave (Neo-Sampoo)	.25/3	20%* 20%NSV		(39,820)	9,930
<u>Oral Pills</u>					
Perla (Noriday)	2.00/cycle	20%* 20%NSV		(58,585)	111,820

Note: All prices are quoted in colones (5 colones = \$1 U.S.).

*In the pharmacy project there is not discount per se; rather, a 20 percent bonus is provided for volume purchased.

**NSV = Net Sales Value. A salesman's basic salary is ¢5,000/month, a noncommissionable goal. The 20 percent NSV is applied to sales in excess of the ¢5,000 base level.

Items #3 through #6, below, pertain only to the pharmacy project.

3. No changes in consumer prices or in the price-setting process are recommended at present. Future price changes will be in accordance with market demands and trends.

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4. The SMP's channel discount structure, e.g., the bonus system is more generous compared with competitive organizations. The major difference lies in the fixed nature of the 20 percent bonus (1 free dispenser per 5 dispensers purchased). The competition's effect tends to be temporary.
5. Recommended is a change in the bonus system, that is, a gradual lowering of the 20 percent to 10 percent (1 for 6, etc.), so as not to erode sales.
6. Nonprice incentives that are used to stimulate sales by pharmacists include bonus packs, free goods (T-shirts, notebooks, bags, etc.), free display materials, and product education. No new incentives for channel members are foreseen currently.

K. Advertising and Promotion

1. The SMP's promotion strategies by media type are reported according to their effectiveness:

	Excellent	Poor	Not Used
Radio Advertisements	X		
Television Advertisements	X		
Magazine Advertisements			X
Newspaper Advertisements		X	
Posters		X	
Handbills			X
Brochures			X
News Releases (ADS IE&C)			
Direct Mailings			X
Point-of-Purchase Displays	X		
Films			X
Trade/Conference Exhibits		X	
Packages (Exterior)	X		
Package Inserts	X		

For those areas rated relatively poor, recommendations for improvement of promotion strategies are based on (1) an impact test report that newspaper advertisements should be in color, (2) consultant's suggestion to develop durable cardboard hanging posters for use in the tiendas, (3) suggestion that the SMP should obtain a portable display kit.

2. The specific mass media contracted by the SMP is selected based on the criteria of (1) cost-per-thousand target audience, (2) absolute size of target audience reached, (3) prestige and credibility of the medium, and (4) appropriateness for the contraception message.
3. The media mix is well matched to target audiences. A change contemplated for improving effectiveness is the use of nontraditional advertising methods--material for illiterates, billboards, etc.
4. There is equal emphasis on reach or frequency in media placements.
5. Advertisements are aired seasonally on a regular schedule and when required by specific campaign needs. There is complete restriction on the advertising of ethical products. Presently, no other commercial contraceptive companies employ advertising media.
6. Management awareness of the image of the SMP and its products to select groups is as follows:

	Excellent Awareness	No Awareness
Physicians (No Information Available)		
Pharmacists	X	
Other Distributors	X	
Opinion Leaders		X
Government Officials		X
Contracepting Households	X	
Noncontracepting Households	X	
Religious Leaders		X

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Any negative image tends to be religious in origin, more significantly from evangelical non-Catholic groups, although the Opus Dei organization is sometimes vocal. Viewed as negative is a backhanded compliment documented in El Camino Hacia la Paz, a government publication, wherein ADS is lauded for its efforts in the area of population education. Not contemplated at this time is any change in promotion strategy that might be necessary to change negative images of the SMP or its products. The level of negativism is low; it is best left alone.

Appendix C

EXHIBIT 3: RULES OF CONDUCT, "NORMAS DISCIPLINARIAS"

NORMAS DISCIPLINARIAS

Se adopta como normas disciplinarias para regir la conducta de empleados del Departamento de MSA, las siguientes

NORMAS:

1. Asistir con puntualidad al desempeño de sus labores o reuniones de trabajo.
2. Guardar la reserva y discreción necesarias en aquellos - asuntos confidenciales de que tengan conocimiento y cuya di vulgación puede ser perjudicial a los intereses del Programa.
3. Mantener y conducir adecuadamente sus relaciones con fun cionarios y empleados de la Asociación.
4. Desempeñar con celo, diligencia, seriedad, rectitud, in tegridad, eficiencia y en la forma, tiempo y lugar conve nidos, las atribuciones y responsabilidades inherentes a su cargo.
5. Guardar el debido respeto a sus jefes inmediatos superio res; obedeciéndoles las órdenes e instrucciones que emi tan en relación a sus obligaciones.
6. Evitar el desempeño de empleos privados o particulares que fueren incompatibles con el que actualmente tiene en el - Programa; ya sea por coincidir en las horas de trabajo o por cualquier otra circunstancia que afecte los intereses del Programa.
7. Emplear la papelería, útiles, materiales, herramientas , repuestos, equipos, vehículos y demás accesorios y ense res, asignados al Programa por la Asociación, únicamente-

para los propósitos para los cuales están destinados; -
debiéndolos conservar asimismo en buenas condiciones de
uso y funcionamiento.

- 8.No ausentarse o retirarse en horas hábiles de sus zonas
o lugares de trabajo, sin previo aviso o causa justificada.
- 9.Abstenerse de perder el tiempo o hacerlo perder a otros,-
distrayéndolos con actividades ajenas al trabajo del Programa.
- 0.Evitar las discusiones acaloradas, riñas y peleas con -
otros compañeros de trabajo.
- 1.Desempeñar el trabajo que le indique su jefe inmediato, de
conformidad con las Descripciones de Puestos contenidos en
en Manual de Organización del Departamento, y siempre que sea
compatible con sus cualidades, aptitudes y capacidades personales
- 2.Abstenerse de cometer actos inmorales y usar palabras indecentes
dentro del departamento, o dirigirse a sus compañeros de -
trabajo o superiores jerárquicos en forma indecorosa, irrespetuosa
o insultante.
- 3.Presentarse correcta y adecuadamente vestido y mantener esa -
corrección durante las horas de trabajo. Los empleados a -
quienes se les asigne uniformes, deberán presentarse uniformados
y permanecer así durante la jornada de trabajo.
- 4.Observar buena conducta en el lugar de trabajo y en el desempeño
de sus obligaciones.
- 5.Prestar el auxilio necesario cuando, por siniestro u otro -
riesgo inminente peligren los intereses del Programa o de --
sus compañeros de trabajo.

16. Someterse a exámenes médicos periódicos que permitan comprobar su estado de salud (I.S.S.S.)
17. Rendir cuentas al funcionario indicado cuando, en el desempeño de sus labores, tuviese a su cargo el manejo de fondos y valores.
18. Abstenerse de hacer cualquier clase de propaganda o discutir asuntos políticos o religiosos en el lugar de trabajo.
19. Abstenerse de entrar o salir de los recintos de las oficinas con paquetes, cajas o bultos de cualquier clase, excepto - cuando ello sea necesario por la naturaleza del cargo - desempeñado. Cuando esta regla no se cumpla, niveles --- jerárquicos competentes del Programa se reservan el derecho de efectuar la inspección que crea conveniente, siempre - respetando la dignidad de la persona.
20. Evitar comentarios, con personas particulares sobre la - organización y funcionamiento del Departamento, excepto - cuando sea para lograr una mejor coordinación y apoyo -- institucional o personal hacia los Programas.
21. Abstenerse de pintar inscripciones, colocar rótulos o avisos no relacionados con el trabajo, sin previo consentimiento de los superiores jerárquicos correspondientes.
22. Evitar cualquier acto reprochable con el fin de obtener un ascenso, promoción o aumento en su salario u otra ventaja -- análoga con respecto a sus compañeros.
23. Abstenerse a realizar acciones, críticas y comentarios - destructivos y denigrantes, que perjudiquen y contravengan

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la eficaz utilización de los manuales administrativos, instructivos, reglamentos, acuerdos, resoluciones y demás documentos legales, técnicos y administrativos requeridos para el funcionamiento del departamento.

24. Evitar el uso indebido o usar en beneficio propio o de terceros, los fondos, valores y equipo bajo su custodia y vigilancia, para el desempeño del trabajo.
25. No alterar maliciosamente recibos, registros, comprobantes, correspondencia, informes y otros documentos para el buen funcionamiento de los Programas.
26. Otras normas o reglas disciplinarias contenidas en el Código de Trabajo y demás disposiciones legales, normativas y administrativas vigentes en el País; y que se relacionen con la organización y funcionamiento de la Asociación Demográfica Salvadoreña.
27. Las relaciones entre empleados de ambos sexos dentro del departamento deben limitarse a aquellas que sean estrictamente convenientes a la realización de las actividades que se le encomienda. Así, toda relación personal entre dos empleados de uno y otro sexo que sea de carácter afectivo, debe ser evitada y en el caso que se diera, uno de ambos deberá optar voluntariamente por retirarse del departamento; cuando tal situación se produzca y la opción voluntaria no haya sido tomada, el nivel superior correspondiente se reserva el derecho de solicitar la renuncia o despedir en caso necesario, a uno o ambos involucrados en la relación.
28. Abstenerse de presentarse en estado de ebriedad o bajo el efecto de drogas a sus labores.

29. Abstenerse de vender productos comerciales y/o verificar cualquier tipo de transacciones dentro de las -- oficinas en horas laborales.

30. Las llamadas telefónicas personales deberán limitarse a lo más indispensable, tratando de utilizar el teléfono en la oficina solo para casos urgentes y siempre con la brevedad del caso.

La contravención de estas normas podrá tener como consecuencia lo siguiente:

- a) Suspensión temporal de labores;
- b) Suspensión temporal de labores y descuento salarial;
- c) Despido.

La aplicación de las sanciones estará determinada por la intensidad de la falla y su naturaleza.

Así las fallas pueden ser clasificadas como:

- a) Leve;
- b) Grave;
- c) Muy grave.



DORA ELENA DE ESCOLAN

Director Mercadeo Social.

DEE/amh

SAN SALVADOR, ABRIL DE 1985.

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Appendix D

EXHIBIT 4: EMPLOYMENT ANNOUNCEMENT

EMPRESA DE SOLIDO PRESTIGIO

SOLICITA

VENDEDORES RUTEROS PARA PRODUCTO DE CONSUMO MASIVO

REQUISITOS:

- BACHILLER O EQUIVALENTE
- EXPERIENCIA EN VENTAS
- NO MAYOR DE 35 AÑOS
- VEHICULO PROPIO
(Motocicleta o Automóvil)
- RESIDENTE EN:
San Salvador
Santa Ana

SE OFRECE:

- SALARIO
- COMISIONES
- DEPRECIACION DE
VEHICULO
- VIATICOS
- PRESTACIONES DE LEY
Y ADICIONALES

Interesados favor enviar curriculum y fotografia reciente a:
Caja N° 3345-D, El Diario de Hoy.

LA PRENSA GRAFICA, Jueves 6 Febrero, 1986

EMPRESA DE SOLIDO PRESTIGIO

SOLICITA

VENDEDORES RUTEROS

PARA PRODUCTO DE CONSUMO MASIVO

REQUISITOS:

- BACHILLER O EQUIVALENTE
- EXPERIENCIA EN VENTAS
- NO MAYOR DE 35 AÑOS
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(Motocicleta o Automóvil)
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Santa Ana

SE OFRECE:

- SALARIO
- COMISIONES
- DEPRECIACION DE
VEHICULO
- VIATICOS
- PRESTACIONES DE LEY
Y ADICIONALES

Favor enviar Curriculum Vitae a
Caja No. 91-2 de LA PRENSA GRAFICA.

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Appendix E
EXHIBIT 5: PHARMACIES AND STORES INTERVIEWED,
AND INTERVIEW QUESTIONNAIRES

LISTADO DE ESTABLECIMIENTOS VISITANTES AL 19-2-86

<u>ESTABLECIMIENTO</u>	<u>DIRECCION</u>	<u>OPIETARIO</u>
Tienda: Katy	3a. Calle Pte. No. 24 bis Mejicanos	Teresa Flores Zúniga
Tienda: Gloria	Av. Castro Morán No.60 Mejicanos	Leyla Ocampo de Rivera
Tienda: Ever	C. Central Col. Delicias Mejicanos	Juan Fco. Navarrete
Tienda: España	Calle El Progreso Pje. Cervantes No. 16 Col. España, Mejicanos	Estela Valle Hernández
Tienda: El Volcancito	C. Sta. Gabriela No. 25 Col. Sta. Rosa Mejicanos	Carlos Joaquín Jerez
Tienda: Blanquita	C. Central No. 1 Col. Sta. Sabina Cuscatancingo	Blanca Lidia Lara
Tienda:	C. Texical No. 2 Bo. San Sebastian Ciudad Delgado	Jorge A. Galdámez
Tienda: Margoth	5a. Av. Sur No. 8 Ciudad Delgado	Armando E. Arriola
<u>ESTABLECIMIENTO</u>	<u>DIRECCION</u>	<u>PROPIETARIO</u>
Farmacia: Limeña	Boulevard San Antonio Abad No. 12	Antonia G. de Velásque
Farmacia: Satelite	Pje. Andromeda Polg. "C" No. 19 C. Satelite	Vilma v. de Berríos
Farmacia: San Rafael	Av. Castro Morán No. 58 Mejicanos	José Eliseo Orellana
Farmacia: San Sebastian	C. Texical No. 38 C. Delgado	Manuel de J. Rodríguez
Farmacia: Sta. Elena	Av. Paleca No. 3 Ciudad Delgado	Mauricio A. Medrano Ar
Farmacia: El Milagro de la Fé	Calle Paleca No. 3 C. Delgado	Blanca Delmy Cedeño

LISTADO DE ESTABLECIMIENTOS
VISITADOS EL 20-2-86

<u>ESTABLECIMIENTO</u>	<u>DIRECCION</u>	<u>PROPIETARIO</u>
Tienda:	3a. C. Pte. y 4a. Av. Nte. No. 3-2- Santa Tecla	Alvaro Renderos
Tienda: Sagrado Corazón	3a. C. Pte. No. 2-9 Santa Tecla	María Teresa Pérez de Soto
Tienda: Don Neto	3a. C. Pte. No. 2-12 Santa Tecla	Santos Ernesto Rauda P.
Tienda: Sta. Elena	2a. C. Pte. No. 4-5 Santa Tecla	Trinidad de Martell
Tienda: Angelito	C. Gerardo Barrios No. 10-3 La Libertad	Angela Amaya
Tienda: Archi	C. Gerardo Barrios La Libertad	Luis Valdemar Cisneros
Tienda: Gloria	C. El Calvario No. 25-L La Libertad	Francisco A. Granillo
Tienda: Coamar	C. El Calvario La Libertad	Fernando Aparicio
Tienda: Cyntia	Final C. El Calvario La Libertad	
Tienda: Jaquelin	2da. C. Pte. y 3a. Av. Sur La Libertad	Amanda Rodríguez
Farmacia: Santa Fe -	C. Daniel Hernández y 2a. Av. Nte. # 1-10 Santa Tecla	Guillermo Jiménez

LISTADO DE ESTABLECIMIENTOS

VISITADOS EL 21-2-86

<u>ESTABLECIMIENTO</u>	<u>DIRECCION</u>	<u>PROPIETARIO</u>
Tienda: Lupita	2a. C. Pte. No. 47 Bo. El Calvario Cojutepeque	Sonia Cruz
Tienda: Marlyn	3a. Calle Pte. No. 15 Cojutepeque	Miriam de Deras
Tienda: Marianela	8a. C. Pte. No. 7 Bo. San Nicolas Cojutepeque	Blanca Aida Marroquin
Tienda: Yenniliset	6a. C. Pte. Pje. La Palma Bo. San Nicolas No. 15 Cojutepeque	María del Carmen López
Farmacia: Hermano Pedro	2a. Calle Pte. No. 53 Cojutepeque	Nancy Patricia Reyes

QUESTIONARIO DE VISITA

ESTABLECIMIENTO: _____

DIRECCION: _____

PROPIETARIO: _____

1) Es Ud. Distribuidor de Preservativos ? SI NO

2) Porqué? A- Es un producto beneficioso
B- Es una necesidad
C- Ayuda a la familia

2a) Porqué? A- Es muy vulgar
B- No comparto su utilidad
C- Se utiliza para la prostitución

3) Desde cuando distribuye preservativos? _____

4) Qué cantidad adquirió al inicio? CONDOR _____ TAHITI _____

5) Qué promedio ha tenido de venta? _____

6) Ha adquirido más producto? SI NO

7) Porqué? A- Por que se ha vendido
B- El consumidor lo pidió
C- Da buen margen de ganancia

Otros: _____

7a) Porqué ? A- El consumidor lo rechaza
B- No hay demanda
C- Es un producto dañino para la juventud
D- Su precio es muy alto.

Otros: _____

8) Qué cantidad? CONDOR _____ TAHITI _____

9) Qué impresión ha observado del consumidor?

A- Aceptación E- Buena publicidad
B- Rechazo F- Gusta empaque
C- Hay demanda G- No gusta empaque
D- Se encandaliza H- Buen precio

Otros: _____

10) Cómo se siente al ser Distribuidor de Preservativos?

A- Bien C- cohibido
B- Muy Bien D- No satisfecho

Otros: _____

11) Qué piensa de la distribución de preservativos?

A- Mes es indiferente D- Es dañino a la población
B- Es un producto como E- Sólo se distribuye por
cualquier otro la ganancia.
C- Es beneficioso para la población

Ni/iudep.

**Buenos días, pertenezco a la ASOCIACION DEMOGRAFICA SALVADOREÑA,
y me gustaría hacerle unas preguntas.-

- Podría usted hacernos el favor de contestarlas?

Si

No

1) Ha visto u oído Publicidad de estos Productos?

CONDOR

PANTHER

SWEETHEART

PRO-FAMILIA

2) Qué piensa usted del concepto "PATERNIDAD RESPONSABLE"?

a) Me parece muy importante

b) No creo que sea importante

c) Me es indiferente

3) Alguno de sus clientes le ha hecho comentario de estos productos:

Si

No

4) Favorables

Desfavorables

Les motivan
a la compra

5) Que piensa usted de la venta de anticonceptivos?

Appendix F
A MARKETING AUDIT MODEL

CSM MARKETING AUDIT

Standardized Format

Audited Organization: _____

Date of Audit Report: _____
Period of Investigation: _____ To: _____
Auditor(s): _____

A. Mission and Core Strategy

1. What is the organization's statement of its basic mission?
 No mission statement
 Mission is _____

Source of Statement: _____

Date: _____

2. a. How available is the basic mission statement to the organization's relevant publics?
 Widely available in many documents and several media
 Available in one or two key documents
 Available for those who ask for it
 Not easily available
- b. When did the project start? _____
- c. Is the project currently assisted by a contractor?
 Yes (termination date) _____
 No, contractor terminated (Date) _____
 No, never a contractor _____

3. a. What is the planned relative emphasis on each of the following tactical areas and target audiences in the organization's long run core marketing strategy?

Heavy Light
Emphasis Emphas

Tactical Areas

Packaging	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Pricing to consumers	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Pricing to middlemen	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Personal selling to consumers	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Advertising to consumers	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Advertising to middlemen	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Marketing research	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Expanding distribution	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Public relations	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/

Target Audiences

Final Consumers	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Physicians	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Retailers	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Distributors	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Opinion leaders	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/

b. In what ways (if any) has the current emphasis on tactical areas or target audiences differed from the planned emphasis? _____

c. In what ways, if any, should the planned pattern of emphasis be altered over the near and longer term to better fit long run core strategy?

4. a. To what extent does the organization's core marketing strategy have the following characteristics?

Consumer oriented	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Organization oriented
Adapted to local culture	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Ignores local culture
Based on consumer decision model	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Ignores consumer decision model
Well coordinated with government programs	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Independent of government programs
Heavily reliant on market research	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	No reliance on marketing research
Based on extensive forecasts	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Not based on forecasts
Promotes family planning in general	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Promotes organization brands
Expands the market	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Takes sales from competitors
Focuses on consumers	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Focuses on middlemen
Contains many contingency strategies	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Contains no contingency strategies
Sensitive to costs	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Ignores costs
Extensive market segmentation	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	No market segmentation
Emphasizes higher status consumers	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Emphasizes lower status consumers
Makes heavy use of consultants	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Makes no use of consultants
Outcomes are carefully	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Outcomes are poorly monitored
Each step builds on earlier accomplishments	/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/___/	Each step is of earlier accomplishments

b. What changes in the above dimensions would improve the core marketing strategy? _____

B. Short and Long Range Planning Process

1. For what periods are formal, written marketing plans routinely prepared? (MA)*

- No formal written plans (skip to question B.2.b.)
- 3 - month quarterly plans
- Yearly plans
- 5 - year plans
- Other _____

2. a. How are individual departments or functional areas in marketing involved in the preparation of formal marketing plans? (MA)*

- No departmental involvement
- Departments submit comments on plans prepared by top management or planning specialists
- Departments work out details on broad plans prepared by top management or planning specialists.
- Departments provide reports and data before top management or planning specialists prepare plans
- Departments prepare final plans subject to approval and/or minor revisions by top management
- Departments prepare final plans jointly with top management or planning specialists.
- Other (Describe:)

* (MA) Multiple answers permitted.

b. In what ways should the planning process be revised?

3. Which of the following topics are included in the most recent marketing plans? (MA)

- Mission statement
- Long run core strategy
- Anticipated demographic environment
- Anticipated economic environment
- Anticipated political environment
- Anticipated legal environment
- Anticipated financial environment
- Anticipated competitive environment
- Anticipated cultural environment
- Anticipated distribution channel environment
- Proposed organization structure
- Specific quantitative objectives
- Specific qualitative objectives
- Proposed market segmentation
- Proposed product line strategy
- Marketing channels to be used
- Prices to be charged consumers
- Discounts (to be) offered middlemen
- Incentives (to be) offered sales force
- Incentives (to be) offered middlemen
- Media message strategies
- Media (to be) used
- Proposed public relations programs
- Proposed staff training
- Proposed marketing research
- Projected revenues
- Projected costs
- Manpower requirements
- Financial requirements

- Consulting resource requirements
- Equipment/facilities resource requirements
- Time table for implementation
- Plans to measure accomplishments
- Contingency plans

5. a. How extensive is contingency planning in the marketing planning process?

- No contingency plans
- One or two contingencies planned for
- Most major contingencies planned for

b. What specific goals did the organization have for the period being audited? _____

c. Have there been any irregular or unexpected occurrences that impacted program operations and goal attainment for the period being audited? _____

d. What specific goals does the organization have for the period in which this audit recommendations are to be carried out? _____

6. a. To what extent do the goals for the planning period meet the following criteria?

Realistic	/ ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ /	Unrealistic
Measurable	/ ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ /	Not measurable
Motivating	/ ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ /	Not motivating
Heirarchical	/ ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ /	Independent or conflicting
Consistent over time	/ ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ /	Not consistent over time
Well communicated	/ ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ / ___ /	Poorly communicated

b. How well tied to specific completion are elements of the marketing plan?

- Elements always tied to a specific timetable
- Elements sometimes tied to a specific timetable
- No timetable used

7. How closely followed are the organizations marketing plans?

Closely followed /___/___/___/___/___/___/___/___/___/___/___/___/ Ignored

8. How often are marketing plans revised over the year?

Often revised /___/___/___/___/___/___/___/___/___/___/___/___/ Never revised

9. Which of the following measures are currently used to monitor accomplishments of the marketing program? For each measure used, indicate date of most recent measure and the period it covered? (MA)

a. <u>Sales Measures</u>	<u>Not Measured</u>	<u>Latest Measure</u>	<u>Period Covered</u>
Industry unit retail sales	—	_____	_____
Industry dollars retail sales	—	_____	_____
Organization unit retail sales	—	_____	_____
Retail market share	—	_____	_____
Industry unit wholesale sales	—	_____	_____
Industry dollar wholesale sales	—	_____	_____
Organization unit wholesale sales	—	_____	_____
Organization dollar wholesale sales	—	_____	_____
Wholesale market share	—	_____	_____
b. <u>Marketing Activities</u>			
Number of sales visits to physicians	—	_____	_____
Number of sales visits to distributors	—	_____	_____
Number of advertisements placed	—	_____	_____
Number of sales contacts with customers	—	_____	_____

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	<u>Not Measured</u>	<u>Latest Measure</u>	<u>Period Covered</u>
c. <u>Financial Performance</u>			
Revenue to CSM program	---	_____	_____
Cost of CYP	---	_____	_____
Total budget	---	_____	_____
Level of outside support	---	_____	_____
d. <u>Consumer Knowledge, Attitudes and Behavior</u>			
Numbers of households contracepting	---	_____	_____
% of target market contracepting	---	_____	_____
Consumer willingness to contracept	---	_____	_____
Consumer knowledge of alternatives	---	_____	_____
Consumer brand awareness	---	_____	_____
Consumer brand preferences	---	_____	_____
Consumer awareness of organization	---	_____	_____
Consumer promotion recall	---	_____	_____
e. <u>Middlemen Knowledge, Attitudes and Behavior</u>			
Physician knowledge about alternatives	---	_____	_____
Physician brand awareness	---	_____	_____
Physician brand preference	---	_____	_____
Retailer knowledge about alternatives	---	_____	_____
Retailer brand awareness	---	_____	_____
Retailer brand preference	---	_____	_____
% of Retailers with brands in stock	---	_____	_____
Physician evaluation of salesforce	---	_____	_____
Distributor evaluation of salesforce	---	_____	_____
% of distributors using point of purchase materials	---	_____	_____
Frequency of distributor complaints	---	_____	_____
Frequency of physician promotion recall	---	_____	_____
Frequency of retailer's promotion recall	---	_____	_____
f. <u>Other Measures</u>			
Employee morale	---	_____	_____
Opinion leaders' awareness of organization	---	_____	_____
Opinion leaders' attitudes toward organization	---	_____	_____

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10. How is each category of success measure broken down?

	<u>Success Measures</u>					
	<u>Sales</u>	<u>Marketing Activities</u>	<u>Financial</u>	<u>Consumer</u>	<u>Middlemen</u>	<u>Other</u>
Not broken down	_____	_____	_____	_____	_____	_____
By broad region	_____	_____	_____	_____	_____	_____
By city	_____	_____	_____	_____	_____	_____
By area within cities	_____	_____	_____	_____	_____	_____
By customer type	_____	_____	_____	_____	_____	_____
By distribution channel	_____	_____	_____	_____	_____	_____
By salesperson	_____	_____	_____	_____	_____	_____
By product	_____	_____	_____	_____	_____	_____

11. With what base are numerical comparisons made within each category of success measure?

	<u>Success Measures</u>					
	<u>Sales</u>	<u>Marketing Activities</u>	<u>Financial</u>	<u>Consumer</u>	<u>Middlemen</u>	<u>Other</u>
None	_____	_____	_____	_____	_____	_____
Previous period	_____	_____	_____	_____	_____	_____
Year earlier period	_____	_____	_____	_____	_____	_____
Comparable CSM orgs.	_____	_____	_____	_____	_____	_____
Comparable non-CSM orgs.	_____	_____	_____	_____	_____	_____
Projections	_____	_____	_____	_____	_____	_____
Quotas	_____	_____	_____	_____	_____	_____
Potentials	_____	_____	_____	_____	_____	_____

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12. How carefully is the accomplishment of various goals attached to specific individuals?

Responsibility
always assigned

/___/___/___/___/___/___/___/ / ___/___/___/

Responsibility
never
assigned

13. a. How are market demand forecasts made? (MA)

- No demand forecasts made (Skip to Question 13 c.)
- Population indexes
- Projection of sales ratios from other areas
- Buyer intentions
- Market tests
- Trend projections
- Middlemen opinions
- Mathematical models
- Other (Describe) _____

b. How accurate have past forecasts been?

- Very accurate
- Somewhat accurate
- Somewhat inaccurate
- Very inaccurate

c. What changes in the forecasting process are recommended?

14. a. How are departmental budgets determined? (MA)

- % increase over previous year
- % of current sales
- % of projected sales
- Total costs of proposed tasks
- Same amount as comparable organizations
- Subjective judgment of what organization can afford
- Competition with other departments for fixed budgets

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Negotiation with senior management

Mathematical optimization

Other. Describe _____

What changes in the budget-making process are recommended?

C. Assumptions about Future

1. Constant features

What are the key features of the marketing environment in each of the following areas that are expected to remain relatively constant where the success of future marketing programs depends on their remaining constant?

a. Economic and Demographic Characteristics of Consumers

b. Consumer Attitudes, Values and Life Styles

c. Competitor's Strategies

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d. Political pressures and support

e. Laws and regulations

f. Product and packaging technology and availability

g. Advertising technology and media availability

h. Distribution channels

i. Employee skills and attitudes

2. Changing Features

What are the key features of the marketing environment in each of the same areas that are expected to change where the success of future marketing programs depends on their changing?

a. Economic and demographic characteristics of consumers

b. Consumer attitudes, values and life styles

c. Competitor's strategies

d. Political pressures and support

e. Laws and regulations

f. Product and packaging technology and availability

g. Advertising technology and media availability

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D. Market Segmentation

1. a. Are the organization's goals and marketing mix intentionally varied depending on the target audience? What is the basis used for segmenting the target audience? (MA)

<u>Segmentation Base</u>	<u>Goals</u>	<u>Product</u>	<u>Price</u>	<u>Promotion</u>	<u>Channels</u>
None	—	—	—	—	—
Urban - Rural	—	—	—	—	—
Areas within cities	—	—	—	—	—
Literacy	—	—	—	—	—
Social/Economic Class	—	—	—	—	—
Age	—	—	—	—	—
Sex	—	—	—	—	—
Religion	—	—	—	—	—
Family size	—	—	—	—	—
Stage of life cycle	—	—	—	—	—
Benefits sought	—	—	—	—	—
Readiness stage	—	—	—	—	—
Usage rate	—	—	—	—	—
Other _____	—	—	—	—	—
_____	—	—	—	—	—
_____	—	—	—	—	—
_____	—	—	—	—	—

- b. In what ways should the organization's segmentation strategy be altered?

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b. Vaginal Foams: _____

c. IUD's: _____

d. Oral Pills: _____

4. In what ways do customers for the organization's brands differ from those of competitors? _____

E. Organization

1. a. Does the organization have an advisory board? If so, who is on it?

- | | |
|---|---|
| <input type="checkbox"/> No advisory board | <input type="checkbox"/> Marketing |
| <input type="checkbox"/> Lawyer | <input type="checkbox"/> Researcher |
| <input type="checkbox"/> Accountant | <input type="checkbox"/> Government |
| <input type="checkbox"/> Physician | <input type="checkbox"/> Official |
| <input type="checkbox"/> Supplier | <input type="checkbox"/> USAID Officer |
| <input type="checkbox"/> Distributor | <input type="checkbox"/> Banker |
| <input type="checkbox"/> Religious Leader | <input type="checkbox"/> Other Business |
| <input type="checkbox"/> Labor Union Executive | <input type="checkbox"/> Executive |
| <input type="checkbox"/> Other (Describe) _____ | |

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b. What changes in the organization's advisory board should be made?

2. a. How many employees does the organization have currently?

b. How many does it plan to add in the next two years?

How is the organization structured? (MA)

By function

By geographic area

By channel of distribution

By product

By customer type (Describe): _____

By some other basis (Describe): _____

3. a. Are there individuals or departments responsible for the following activities? (MA)

Public relations

New product development

New market development

Government relations

Management information systems

Marketing research

b. Should any of the above functional departments be added in the near or longer term future? Explain.

4. a. How many individuals or departments report directly to executive director? _____

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b. How much responsibility for marketing decisions is retained centrally by top management and how much is decentralized towards the bottom of the organizational structure?

Marketing
Highly
Centralized

/___/___/___/___/___/___/___/___/___/___/___/___/

Marketing
Highly
Decentralized

c. How stretched is the executive director's span of control, that is, does he have too many or too few people or departments to manage?

Too many

/___/___/___/___/___/___/___/___/___/___/___/___/

Too Few

d. How well prepared is the organization to replace top management personnel?

Well prepared

/___/___/___/___/___/___/___/___/___/___/___/___/

Poorly prepared

e. What are the major needs for improvement in top management operations?

a. How well coordinated are the marketing activities of the various departments?

Well coordinated

/___/___/___/___/___/___/___/___/___/___/___/___/

Never coordinated

b. How is coordination attempted? (MA)

- Informal contacts between departments
- Formal coordination in regular interdepartmental meetings
- Coordination by senior management
- Other (Describe:)

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c. How much conflict is there between departments?
 Much conflict / ___/___/___/___/___/___/___/___/___/___/___/___/___/ Little conflict

d. What changes are needed, if any, to reduce conflict and improve coordination?

5. a. How well trained are the staffs in each of the following areas?

	<u>Very Well Trained</u>	<u>Adequately Trained</u>	<u>Poorly Trained</u>
Advertising	___	___	___
MIS	___	___	___
Sales Force	___	___	___
Public Relations	___	___	___
Marketing Research	___	___	___

b. What type of training is offered to upgrade skills of marketing staff? (MA)
 ___ No formal or informal training
 ___ On-the-job training by superiors
 ___ Formal, periodic training meetings for groups of staff
 ___ Attendance at courses or conferences outside of organization
 ___ Other (Describe:) _____

c. What improvements in staff training are needed? _____

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7. a. What marketing functions are conducted through contracts with outside agencies or consultants?

- Distribution to some or all markets
- Consumer market research
- Middlemen market research
- Advertising preparation
- Media selection
- Training of staff
- Marketing audits
- Management information processing (e.g. EDP)
- General planning advice
- Other (Describe:)

b. What, if any, additional outside assistance would be desirable over the near or longer term?

F. Monitoring and Control

1. To what extent does the organization evaluate the cost effectiveness of different marketing expenditures?

- Little or no cost effectiveness evaluation
- Some cost effectiveness evaluation
- Much cost effectiveness evaluation

2. How frequently are marketing audits conducted?

- No marketing audit
- Infrequent marketing audits
- Regular marketing audits

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3. a. From which of the following publics does management routine hear problems and complaints?

- Contracepting households
- Other households
- Politicians
- Government officials
- Distributors
- Physicians
- Religious groups
- Sales people
- Other marketing staff
- Other (Describe:) _____

b. How are complaints typically handled, by whom and in what form? _____

4. What improvements in marketing program evaluation are needed in the near or longer term? _____

G. Research

1: What kinds of research are carried out on a regular basis?

- New product concept testing
- New product field testing
- Message strategy concept testing
- Advertising pretesting
- Advertising post-testing

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- Pretesting of other promotional materials (posters, point-of-sale, etc.)
 - Post-testing of other promotional materials
 - Package pretesting
 - Population/market projections
 - Sales projections
 - Projections of future economic, political, social, competitive environment
 - Studies of consumer knowledge, attitudes and behavior
 - Studies of physician knowledge, attitudes and behavior
 - Studies of distributor knowledge, attitudes and behavior
 - Studies of opinion leader knowledge, attitudes and behavior
 - Studies of employee attitude, product knowledge and morale
 - Profitability analyses of marketing strategies
 - Systematic monitoring of current competitive tactics and plans
 - Field or laboratory experiments on responses to marketing tactics
 - Other (Describe:)
-
-
-
-
-

2. What kinds of new research activities should be introduced to the marketing plan in the near or longer term? _____

- a. How is the quality of research controlled? (MA)
- No formal quality control
 - Organization research staff is sufficiently qualified
 - Organization research staff regularly up-dates skills
 - Highly qualified outside researchers carry out studies
 - Outside consultant reviews research designs and results
 - Other (Describe:)
-

b. What additional research control is needed? _____

3. How is information about competitor's current strategies and plans gathered?

- ___ Reading trade and popular press
- ___ Chance word of mouth
- ___ Systematic observation and questioning of middlemen by sales force
- ___ Periodic formal research studies
- ___ Other (Describe:) _____

H. Resource Allocation

1. a. How adequate are the financial, manpower and equipment resources for each of these strategic areas?

<u>Tactics</u>	<u>Adequate Resources</u>	<u>Inadequate Resources</u>
Media Advertising	/___/___/___/___/___/___/___/___/___/___/___/___/___/	
Personal Selling to Consumers	/___/___/___/___/___/___/___/___/___/___/___/___/___/	
Personal Selling to Middlemen	/___/___/___/___/___/___/___/___/___/___/___/___/___/	
Public Relations	/___/___/___/___/___/___/___/___/___/___/___/___/___/	
Other Promotion	/___/___/___/___/___/___/___/___/___/___/___/___/___/	
Marketing Research	/___/___/___/___/___/___/___/___/___/___/___/___/___/	
 <u>Market Targets</u>		
Physicians	/___/___/___/___/___/___/___/___/___/___/___/___/___/	
Distributors	/___/___/___/___/___/___/___/___/___/___/___/___/___/	

2. a. How are sales force efforts to physicians, pharmacies and other outlets allocated?

- Post sales
- Maximum potential sales
- Expected next year's sales
- Attitude towards brands/organizations
- Agressiveness
- Size of outlet
- Other (Describe:)

b. How should this allocation process be changed, if at all?

3. a. How is the sales force compensated? (MA)

- Salary
- Commissions
- Bonuses
- Contests
- Transportations allowance/automobile for use
- Allowance for other expenses
- Profit-sharing
- Other (Describe:)

b. How are commissions and bonuses paid? (MA)

- Percent of dollar sales
- Fixed amount per unit sold
- Percent of gross profit
- Achievement of sales quota

- Achievement of non-sales goals or quotas
 - Other (Describe:)
-
-
-

c. How effective is the compensation scheme in achieving the following goals?

	<u>Highly Effective</u>	<u>Highly Ineffective</u>																	
Maximum sales	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Thorough pre-planning	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Thorough reporting	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Missionary selling	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Loyalty to organization	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Self-improvement	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Job satisfaction	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/

d. How does the overall compensation system compare to those of other organizations that might attract sales people?

- Well above
- Somewhat above
- Well below
- About the same
- Somewhat below

e. Describe major differences with compensation plans of comparable organizations:

f. What changes in the compensation system are needed?

4. How is the sales force perceived by physicians and pharmac

- Very knowledgeable and helpful
- Somewhat knowledgeable and helpful
- Not knowledgeable and helpful

J. Pricing

1. What is the relative weight of each of the following in the setting of prices to consumers?

Percent

_____	Product costs
_____	Marketing costs
_____	Competitors' prices
_____	Government requirements
_____	Consumers willingness or ability to pay
_____	Other (Describe:)
_____	_____
_____	_____
100%	_____

2. For each of the following products what is (a) the price charged final consumers, (b) the discounts offered channel members, (c) the salesforce commission, (d) the gross profit returned per unit and (e) total wholesale sales (in monetary unit) for the past 12 months.

<u>Condoms</u>		<u>Consumer Price/Unit</u>	<u>Channel Discounts</u>	<u>Sales Commission</u>	<u>Gross Profit</u>	<u>12-Months Sales (\$)+</u>
Brand 1	_____	_____	_____	_____	_____	_____
Brand 2	_____	_____	_____	_____	_____	_____
Brand 3	_____	_____	_____	_____	_____	_____
<u>IUD</u>						
Brand 1	_____	_____	_____	_____	_____	_____
Brand 2	_____	_____	_____	_____	_____	_____
<u>Vaginal Spermicides (Specify type)</u>						
Brand 1	_____	_____	_____	_____	_____	_____
Brand 2	_____	_____	_____	_____	_____	_____
<u>Oral Pills</u>						
Brand 1	_____	_____	_____	_____	_____	_____
Brand 2	_____	_____	_____	_____	_____	_____

* Indicates U.S. \$ exchange rate if local currency is reported.

3. What changes in consumer prices or in the price-setting process are recommended?

4. a. How does the organization's channel discount structure compare to that of competitive organizations?

- ___ Much more generous
- ___ More generous
- ___ About the same
- ___ Less generous
- ___ Much less generous

b. Describe major differences in discount structures from those of competitive organizations. _____

5. What changes in channel discount structures are recommended?

6. a. Are any of the non-price incentives used to stimulate sales by physicians, pharmacists and other distributors?

- Contests
- Free contraceptive products (bonus packs)
- Other free goods (T-shirts, notebooks, etc.)
- Free display materials
- Product education
- Literature to distribute to consumers
- Cooperative advertising
- Other (Describe: _____)

None

b. Are any additional incentives for channel members needed?

K. Advertising and Promotion

1. a. How effective are the organization's promotion strategies through each of the following media?

	<u>Excellent</u>	<u>Poor</u>	<u>Not Used</u>
Radio advertisements	/	/	/
Television advertisements	/	/	/
Magazine advertisements	/	/	/
Newspaper advertisements	/	/	/
Posters	/	/	/
Handbills	/	/	/
Brochures	/	/	/
News releases	/	/	/
Direct mailings	/	/	/
Point-of-purchase displays	/	/	/
Films	/	/	/
Trade/conference exhibits	/	/	/
Packages (exterior)	/	/	/
Package inserts	/	/	/
Other (Describe:)	/	/	/
_____	/	/	/
_____	/	/	/

b. For those areas rated relatively poor, what changes would improve promotion strategies?

2. What criteria are used for choosing specific media vehicles for paid advertising? (MA)

- ___ Cost per thousand total audience
- ___ Cost per thousand target audience
- ___ Absolute size of target audience reached
- ___ Editorial climate
- ___ Reproduction quality
- ___ Prestige/credibility of medium
- ___ Appropriateness for contraception message
- ___ Other (Describe:)

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	<u>Excellent Awareness</u>	<u>No Awareness</u>
Physicians	/ / / / / / / / / / / / / / / / / /	/ / / / / / / / / / / / / / / / / /
Pharmacists	/ / / / / / / / / / / / / / / / / /	/ / / / / / / / / / / / / / / / / /
Other distributors	/ / / / / / / / / / / / / / / / / /	/ / / / / / / / / / / / / / / / / /
Opinion leaders	/ / / / / / / / / / / / / / / / / /	/ / / / / / / / / / / / / / / / / /
Government officials	/ / / / / / / / / / / / / / / / / /	/ / / / / / / / / / / / / / / / / /
Contracepting households	/ / / / / / / / / / / / / / / / / /	/ / / / / / / / / / / / / / / / / /
Non-contracepting households	/ / / / / / / / / / / / / / / / / /	/ / / / / / / / / / / / / / / / / /
Religious leaders	/ / / / / / / / / / / / / / / / / /	/ / / / / / / / / / / / / / / / / /

b. Describe any negative images. _____

c. What changes in promotion strategy are necessary to change negative images of the organization or its products held by the above groups?

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CSM MARKETING AUDIT

Standardized Format

Audited Organization:

Date of Audit Report:

Period of Investigation:

_____ To: _____

Auditor(s):

A. Mission and Core Strategy

1. What is the organization's statement of its basic mission?

No mission statement

Mission is _____

Source of Statement: _____

Date: _____

2. a. How available is the basic mission statement to the organization's relevant publics?

Widely available in many documents and several media

Available in one or two key documents

Available for those who ask for it

Not easily available

b. When did the project start? _____

c. Is the project currently assisted by a contractor?

Yes (termination date) _____

No, contractor terminated (Date) _____

No, never a contractor _____