
WILLINGNESS TO PAY:
*A PRACTITIONER'S
PERSPECTIVE*

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BACKGROUND



OBJECTIVES FOR USING THE WTP SURVEY

- The original objective was to use WTP as a pricing mechanism tool
- However, when the study was ready, we used results as a Strategic Marketing Tool not just to increase prices but to;
 - Balance improved cost recovery vs Increased CYPs, and
 - Differentiate between Protector and Panther condoms in the various market segments
 - Re-position brands for sustainability
 - Move Protector & Panther towards commercial market brands

PRODUCTS

- Condoms
 - Champion
 - Panther
 - Protector

- Oral Contraceptive Pills
 - Secure

JUSTIFICATION FOR PRICE CHANGE

- Inflation was high
- Prices had stagnated for a long time
- Leakage of low cost condoms (MOH) into commercial market
- Need for increased cost recovery

ACTION TAKEN

- WTP conducted for Commercial Market Strategies by Bill Winfrey in 2002
- Main Partners
 - Commercial Market Strategies
 - Research International
 - GSMF International
 - Ministry of Health
 - PPAG

SURVEY DETAILS

- Client intercept survey
- 2,670 clients were interviewed
- 147 outlets were sampled including;
 - Chemical Shops 105 [1,845 clients]
 - Pharmacies 23 [504 clients]
 - MOH Clinics 15 [260 clients]
 - PPAG Clinics 4 [61 clients]



SURVEY RESULTS



WILLINGNESS TO PAY FOR 50% PRICE INCREASES

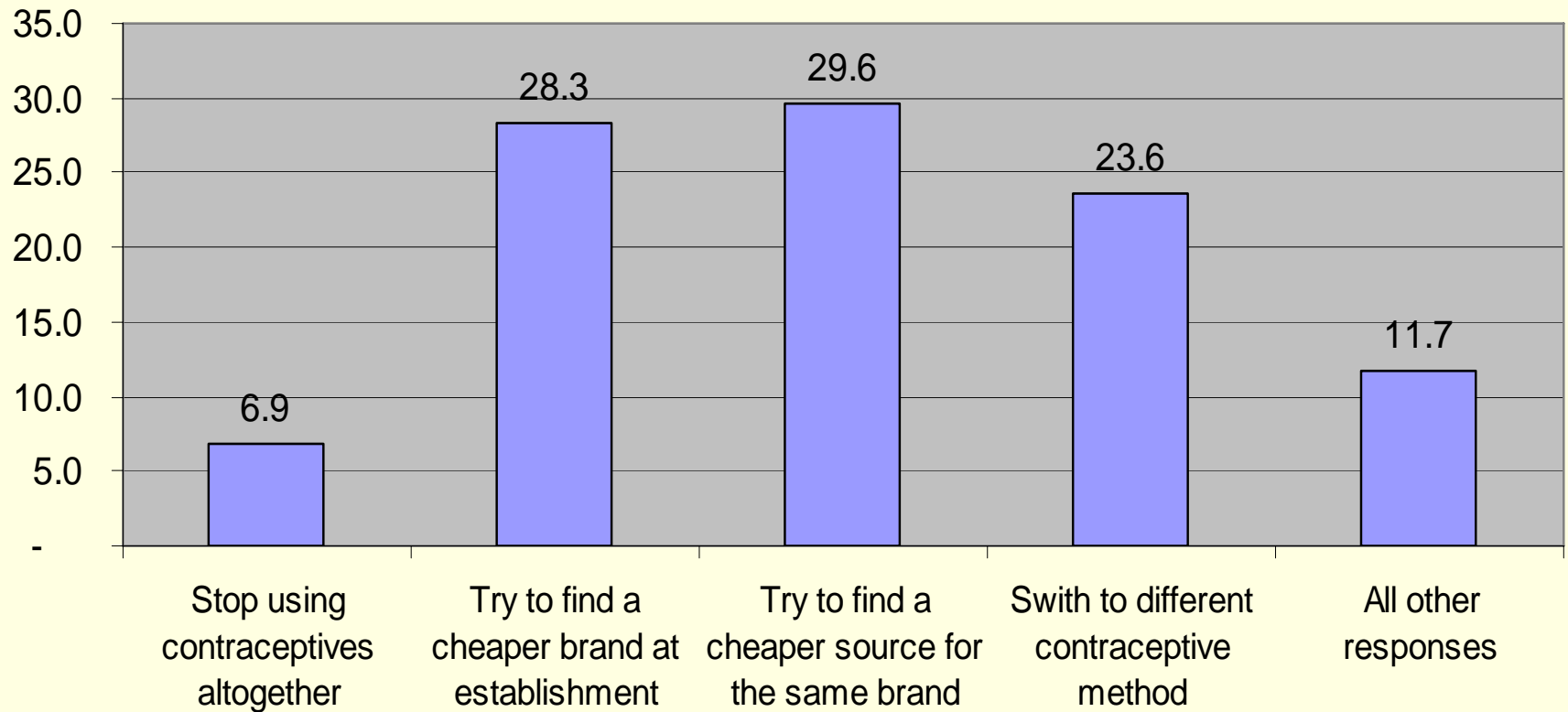
- Champion - - 83.3%
 - *(90.4% WTP for 25% increase)*

- Panther - - 79.1%
 - *(49.4% WTP for 100% increase)*

- Protector - - 73.3%
 - *(40% WTP for 100% increase)*

- Secure - - 81.6%

If price increases too much..





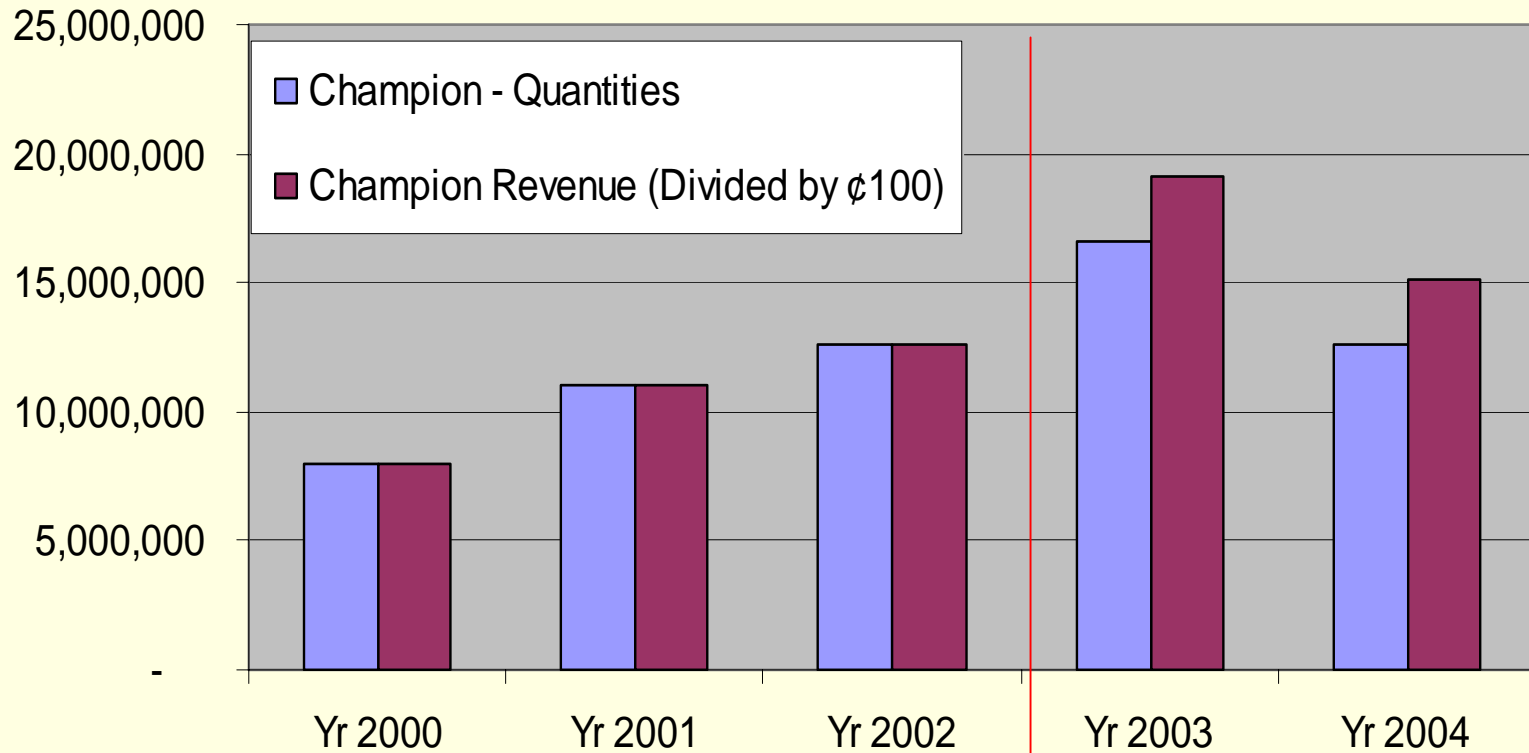
IMPLEMENTATION



PRICE CHANGES

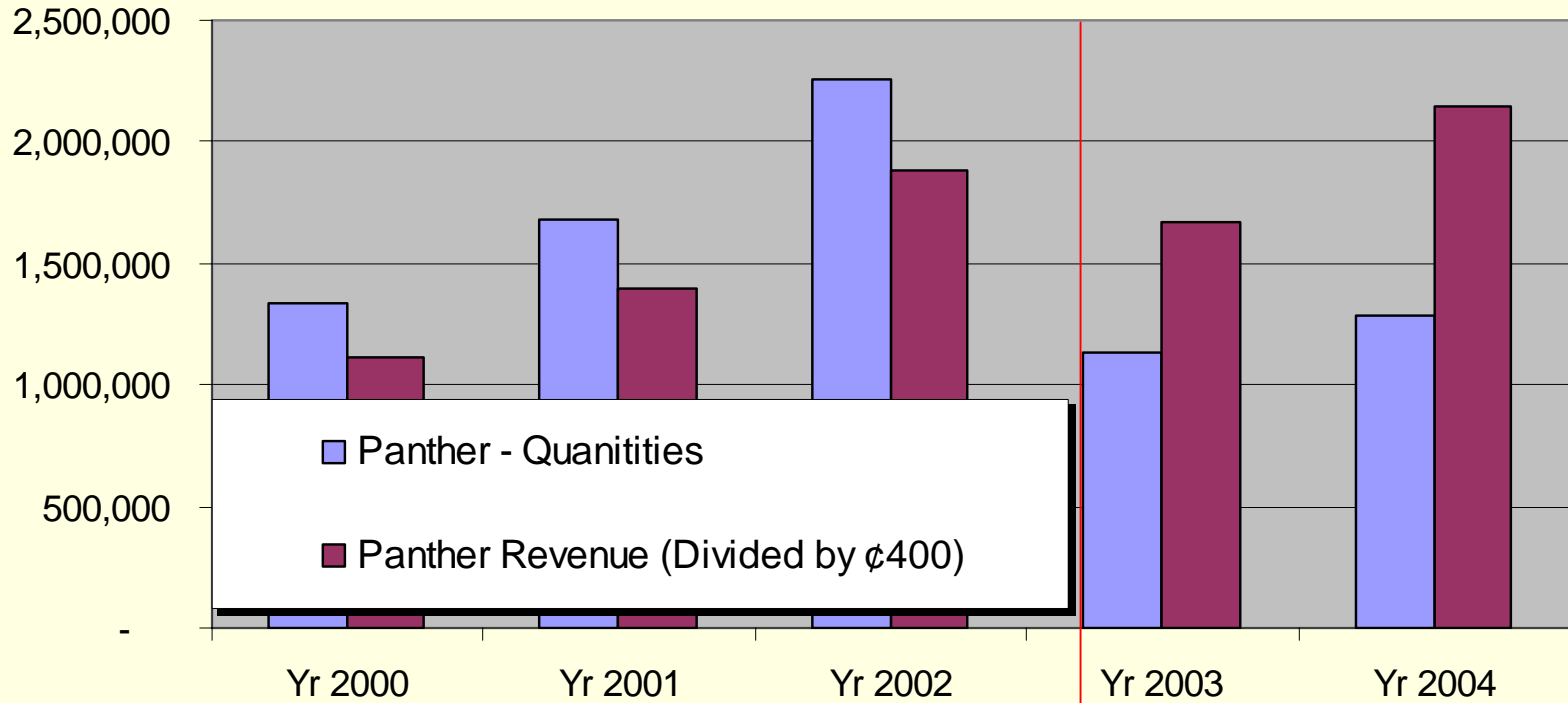
PRODUCT	Pre-Survey Prices	Post-Survey Prices	Percentage Increase
Champion	100	120	20%
Panther	333	667	100%
Protector	375	1,000	166%
Secure	1,000	1,000	0%

Champion Condom



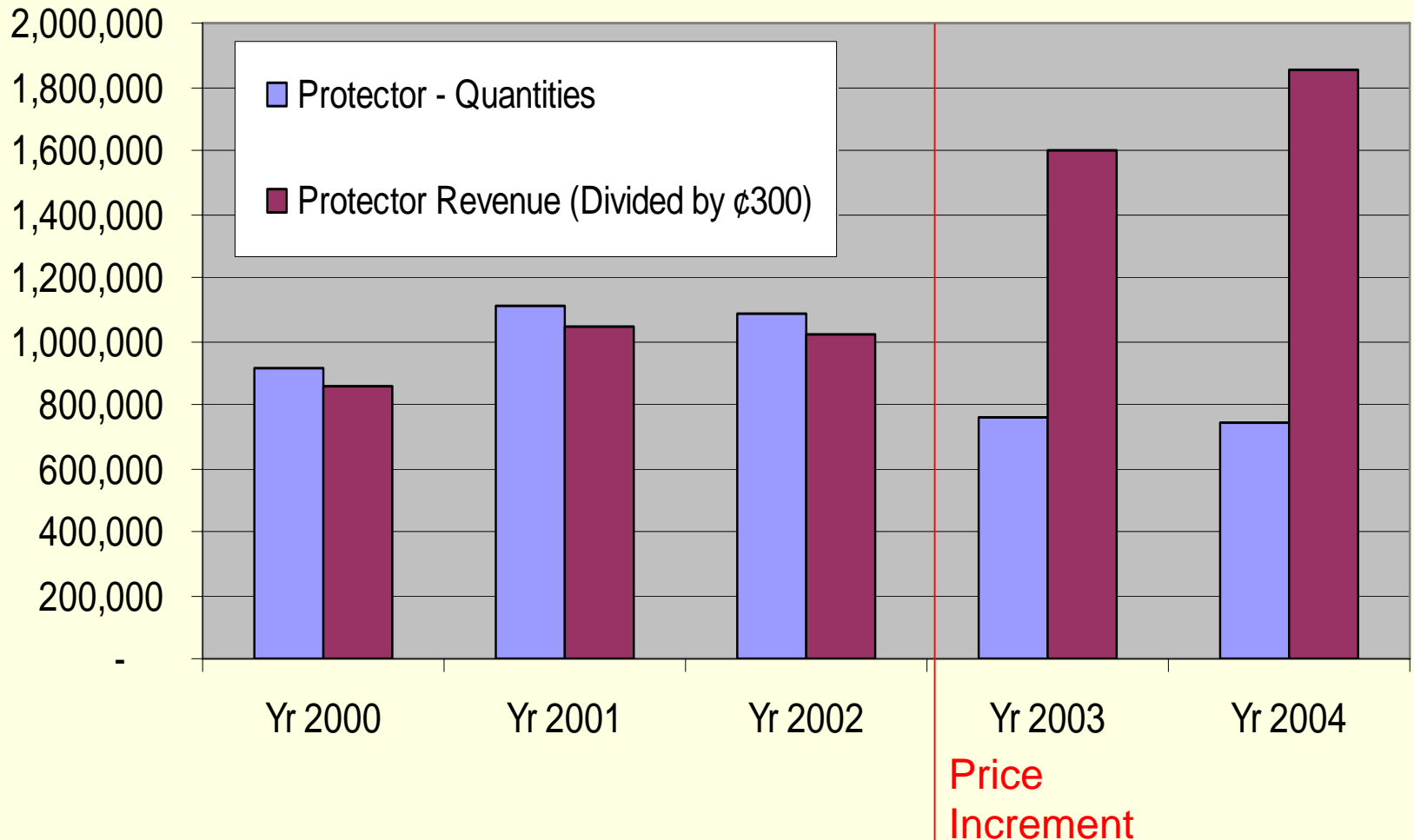
Price
Increment

Panther Condoms



Price
Increment

Protector Condoms





LESSONS LEARNT



LESSONS LEARNT

- For brands that increased prices within the more acceptable limits (Champion)
 - Sales volumes continued to increase after prices were increased
- For brands that did otherwise (Panther, Protector)
 - Sales volumes dipped after price were increased

CONCLUSION

- By using the WTP report as a strategic marketing tool, GSMF was able to;
 - Balance Improved cost recovery and Increased CYP
 - Re-position Panther and Protector condoms, and
 - Differentiate between Panther and Protector condoms in the various market segments



THANK YOU