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Summary of Sustainability Strategies for Social Marketing Programs

This list provides a quick reference guide to the sustainability strategies discussed in detail in *Moving Toward Sustainability: Transition Strategies for Social Marketing Programs*. Note that these strategies will not be appropriate for every situation and will require adaptation to the market and organizational context.

TECHNICAL SUSTAINABILITY:

PRODUCT:

- Build the capacity of the social marketing organization (SMO) to conduct international tenders and source products independently.
- Ensure product supply by diversifying sources through a combination of donor-supplied, self-procured, and commercial partnerships. The level of support from commercial providers will vary depending on the importance of the market, its level of control over the product, and the contribution of the SMO to selling its product. These partnerships could involve generic manufacturers as well as traditional research and development (R&D) manufacturers.
- Establish a revolving fund to ensure sustainable funding for product procurement from product revenues.
- Create a product sustainability plan using a combination of the aforementioned strategies over a five to 10 year time horizon.

PRICE:

- Build the monitoring and evaluation capacity of the SMO to systematically track retail prices, conduct willingness-to-pay surveys, and use the information to develop appropriate pricing strategies.
- Conduct market segmentation analysis to determine which groups are most in need of subsidies, discover which segments are willing to pay sustainable prices, and develop a market segmentation strategy to reach the important market segments at different price points. Keep in mind, however, that markets are dynamic and that a change in strategy by one supplier might lead other ones to change their approaches.
- Introduce higher priced brands based on market segmentation strategies to increase the revenue per unit sold. Develop a strategy to use any excess revenue from the higher priced brands to subsidize lower priced brands or behavior change communication.



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PROMOTION AND COMMUNICATION:

- Track communication costs and aggregate investments in generic communication versus brand communication. Ensure that generic communication is explicitly funded from subsidies so sustainable activities are not undermined.
- Transition from product-specific brand promotion to generic category promotion or umbrella brand (covering a range of products or behaviors) promotion.
- Shift from a brand-building to a brand-maintenance strategy by setting targets to reduce the ratio of branded communication investments to sales revenues.
- Transition from knowledge- and awareness-building communication to sustained behavior change and advocacy using innovative communication channels.
- Develop partnerships and communication strategies that mobilize local institutions to conduct more communication activities and disseminate health messages.

DISTRIBUTION:

- Shift from direct to indirect distribution (reduce sales staff, negotiate more distribution agreements with wholesalers and distributors, and ensure that sales staff do not compete with distributors).
- Eliminate sales staff entirely. Require distributors and wholesalers to purchase from the SMO's warehouse.
- Restrict sales staff's efforts to the neediest outlets beyond the reach of the commercial network (such as bars, nightclubs, rural outlets, and clinics) and ensure that such unsustainable distribution efforts have a donor subsidy to cover their costs.

FINANCIAL SUSTAINABILITY

- In keeping with appropriate pricing strategies (as mentioned previously), increase revenue per unit sold.
- Reduce operational costs by:
 - minimizing reliance on expatriate personnel and building local capacity (see Institutional Strategies)
 - improving cost tracking and cost-control systems
 - shifting more distribution and promotion responsibilities to the commercial sector
 - establishing a ceiling on marketing costs as a percentage of sales revenues
 - setting cost-per-unit distributed targets for sales and distribution staff
- Analyze cash-flow needs and identify strategies to increase working capital so a lack of cash flow does not jeopardize operations and revenue generation.
- Implement product-based commercial accounting to track costs and profit, rather than (or in addition to) project-based fund accounting.
- Introduce profitable products and cross-subsidize products needing subsidies.
- Develop sources of entrepreneurial revenues rather than donor revenues. Identify new products that can be marketed on a cost-recovery basis and can help spread operational costs across a wider product range.

- Establish a comprehensive sustainability plan, including targets over a three- to five-year period, for implementing the aforementioned strategies.

INSTITUTIONAL SUSTAINABILITY

- Convert the program from a project to an organization with independent legal status registered in its country of operation. If possible, negotiate institutional status with the government that limits tax and duty payments. Ensure that the local laws allow commercial operations within a social entity if the SMO manages its own sales operations.
- Develop and strengthen governance systems and structures for the SMO, such as training local board members and creating advisory councils. Establish organizational norms for audits and internal controls that are company-wide and not restricted to meeting project or donor requirements.
- Develop and strengthen administrative systems and structures to ensure that the SMO recruits, develops, and retains qualified and motivated staff. Reduce dependence on expatriate staff in management roles. Eventually external assistance should serve an advisory function only.
- Build the capacity of national SMO staff to manage the organization, control costs, produce and distribute products, and conduct communications activities.
- Develop an organization mission and vision and ensure that staff and SMO officers understand the mission and use it to drive strategic decisions.

MARKET SUSTAINABILITY

Market sustainability is different from the other components because the SMO is least able to influence this area. The main drivers of market sustainability are economic growth, competition, and the evolution of consumers' behavior and tastes. The SMO must have a good understanding of the level of market sustainability. The following strategies will help the SMO monitor market sustainability.

- Monitor growth of the total market, considering all entrants from the public sector, NGOs, and commercial entities.
- Conduct audits of all brands on the market to see how they are perceived and how consumer tastes are evolving. Make changes as required.
- Use psychographic and demographic research techniques to identify consumer segments and analyze their brand preferences.

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