

'Blue': Segmenting the OC market in Ghana

Thank you for your interest in this presentation.

Objectives

- Reduce donor subsidy to Family planning commodity supply.
- Increase Private sector participation in FP commodity supply in Ghana.
- Transition FP commodities from an NGO model to a commercial model
- Introduce a commercial brand to segment the market and reduce donor subsidy dependence.

EXP subcontracted to GSCP and AED communications project in Ghana is responsible for FP commodity security for USAID as part of the Social Marketing mandate set the following objectives. (Read the objectives)

In November USAID indicated that supply of subsidized commodities would most likely end in 2008 and it became imperative to address the commercialization of these commodities to reduce the gap a cessation of supply would create.

- GSCP/AED Social Marketing is responsible for USAID commodity security outside the MOH in Ghana.
- EXP Ghana is sub-contracted to manage the Social Marketing component for GSCP/AED.

(Read slide)

Background

- Ghana is a highly subsidized market.
- More than 90% of FP commodities are donor subsidized.
- USAID the major donor indicated that supply of commodities would end in 2008.
- Micro economic conditions restrict 100% transition of subsidized commodities.
- High stigma for unmarried woman using FP methods.

(read slide)

Background

- Of the three commodities supplied by USAID only one could be transitioned to a commercial brand
- Secure (brand name) – Duofem Oral contraceptive from Wyeth. Selling price 11 US cents per cycle.
- Secure selling at 15 US cents owned 70% market share and was highly subsidized, +/- 80%.
- All commercial OC's in Ghana sold for US\$ 2.5 or more.

Because of the high manufacturers cost of the injectable Depo Provera at \$1.60 and the supply of free and highly subsidized condoms from other donors in Ghana the OC was the only viable option to transition to a commercial commodity.

(read point one two and three)

The price of Secure created monopoly in the market place stifling commercial activity.

(read point four)

As can be seen the price difference is massive.

Strategic thinking

- Considering the possibility of reduction in Donor support it was important to reduce the high subsidy so a price increase was necessary.
- A second consideration was the monopoly 'Secure' had mainly due to its selling price and the need to create a more enabling environment for the private sector to become more active.

So our thinking was,
(read points one and two)

We needed to create an enabling environment to introduce a commercial brand which would segment the market and offer more choice to woman in Ghana.

Strategic thinking

- Increase the price of Secure reducing the monopolistic effect of the brand on the market.
- Introduce a new brand targeting early adopters at 40% of the regular commercial price of OC's to offer a more affordable choice.
- Position this brand as 'a discrete friend offering freedom and control to plan your life'

Research – Price increase of Secure

- GSCP/AED used the 'Ability to Pay' study carried out by DELIVER and a 'Willingness to Pay' study carried out by GSCP/AED to assess the local market.
- The two key points from these studies were
 - There is a 37% unmet need in Ghana
 - Clients were willing to pay more for Secure. 100% increase would see a 13 – 15% loss of users.

In an effort to understand the effects of a price increase.... **(read point both points)**

It was important to also maintain CYP and gradually transition to a higher cost recovery.

Research – New brand

- GSCP/AED conducted focus group discussions with the core target group.
- Target group 20 to 30 year old woman with an epicenter of 24. Mainly early adopters.
- Findings revealed the user wanted a discrete brand that would address the need for control and freedom to plan their lives without stigmatization.
- To the target group the word 'Blue' had cool, relaxed connotations and no negative reference.

For the new brand the core target group were early adopters.
(read points)

Implementation

- Bayer/Schering agreed to subsidize the factory cost of Microgynon 30.
- A MOU signed by GSCP/AED (marketing), Bayer/Schering (manufacturing) and Vicdorix Pharmaceuticals (distribution).
- Bayer/Schering to own the Brand
- Vicdorix to purchase the brand from Bayer/Schering .

To introduce a new brand to segment the market we had partly addressed the monopoly of Secure by introducing a price increase in May 2007 this created a more favorable environment for a new brand and the next step was to find a supplier who was committed to a long term investment.

(read the points)

With this collaboration we were able price the new brand at 90 US cents 40% of the cheapest commercial brand on the market.

Implementation

- GSCP/AED developed the brand and supported the launch with Radio advertising.
- GSCP/AED is developing a TV advert.
- GSCP/AED continuing marketing support for first 2 years to assist in establishing the brand

- A mid priced brand with appropriate image targeted to young woman, offering them more choice and assisting to segmenting the market.
- Segmentation will assist in directing subsidized commodities to lower wealth quintiles.
- 'Blue, *the freedom to be you*' was launched on 12th July 2007

Thank You

Bayer Schering Pharma AG

21 Tablets
Oral

Blue

The freedom to be you!

The advertisement features a circular inset on the left showing a close-up of a smiling woman with dark curly hair. The background is a light blue color with several daisy flowers in white and dark blue. The text 'Blue' is written in a large, white, cursive font, and the tagline 'The freedom to be you!' is written in a smaller, white, cursive font below it. The Bayer Schering Pharma AG logo is in the top left, and '21 Tablets Oral' is in the top right.