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Can the Four “P’s” still save lives?

Social marketing in the changing public health context

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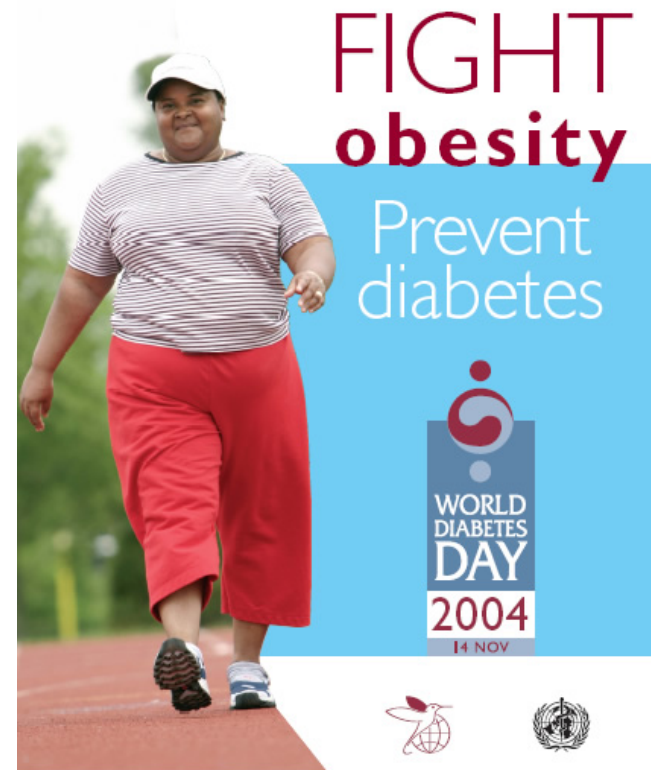


What is Social Marketing?

- Social marketing is a process that applies marketing principles and techniques to create, communicate, and deliver value in order to influence target audience behaviors that benefit society (public health, safety, the environment and communities) as well as the target audience." Philip Kotler, Nancy Lee and Michael Rothschild (2006).

Key Principles

- Client-centered
- Cost/benefit approach
- Use of the marketing mix
 - Product
 - Price
 - Place
 - Promotion



World Diabetes Day is co-sponsored by the International Diabetes Federation and the World Health Organization.

In the Developing World

- SM programs initially focused on family planning
- Major actors: PSI, DKT, the Futures Group
- Early stages: Highly subsidized product distribution, brand advertising
- SOMARC (1980-1998) introduced partnership-based approaches



Rationale for Social Marketing

- Combining supply side and demand side interventions yields visible, measurable results
- SM is a “good buy” for donors as it leverages private sector resources and recovers costs from product sales
- Vertical health programs can be easily added to social marketing platforms to achieve economies of scale.
- SM provides quick diffusion of product innovations (treated mosquito nets, Artesimin combination therapy, water treatment, ORS, zinc).

Social Marketing Models

- NGO model: high impact, wide reach and quick scale up in undeveloped markets
- Manufacturer's model: partnership opportunities and exit strategies for middle income countries
- Over time, each model borrowed from the other— hybrids outnumber the “pure” models

Legacies

- Manufacturer's model: Successful graduations, (Turkey, Morocco, etc.), and subsequent variations. (e.g. NETMARK)
- NGO model: Long-standing presence (Africa), expanded programs (malaria, water, nutrition), local institutionalization, high market share
- All programs: Increased emphasis on research, behavior change communication, decreased focus on product sales

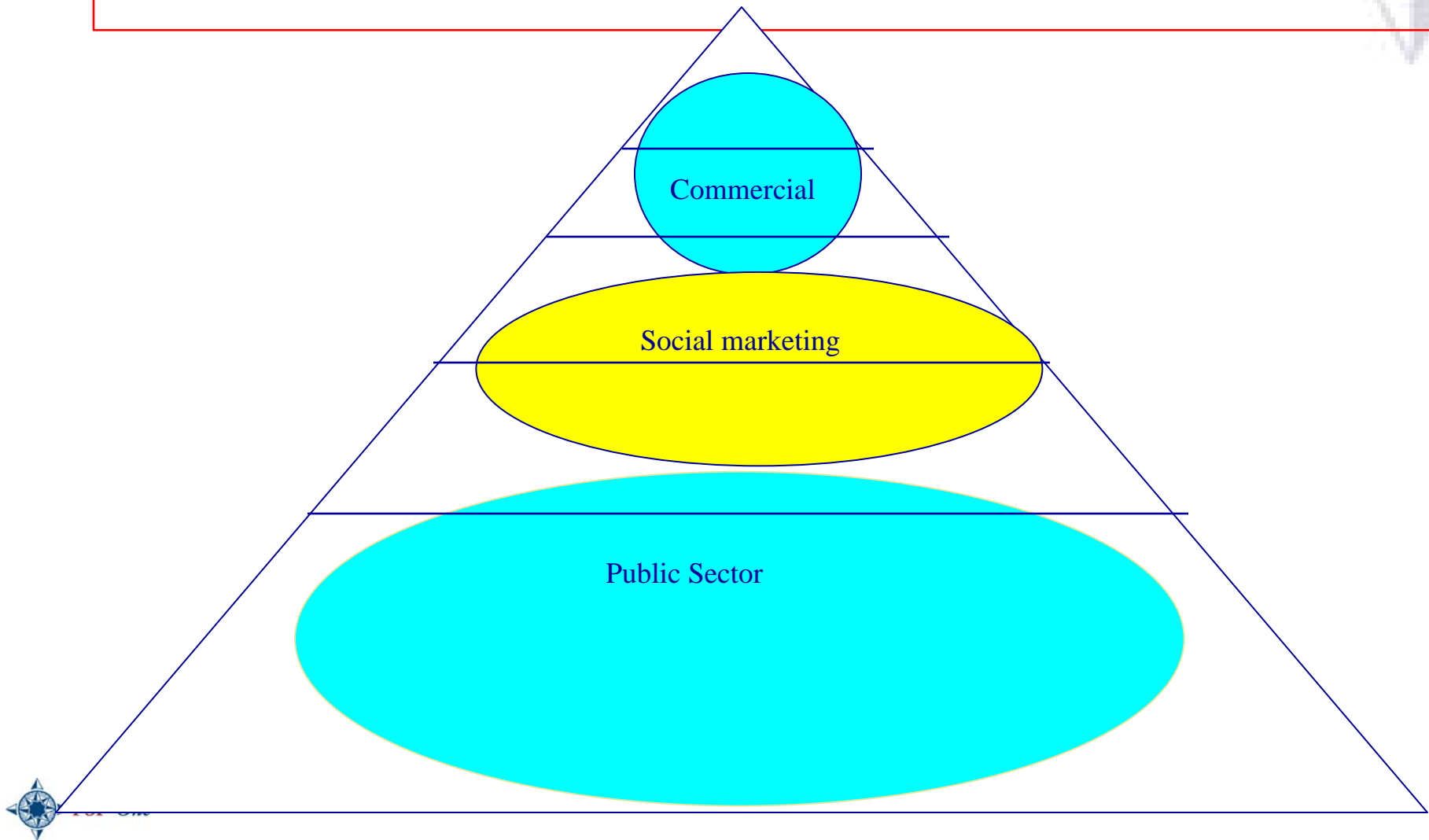
Where Are the Social Marketing Programs Going?

- A number of high-impact, multi-sector SM programs
- Absolute levels of donor subsidy are increasing—even with cost per output declining
- Social marketing is seen as a means to reach PEPFAR, Global Fund, Abuja, MDG targets
- No focus on exit strategies or sustainability

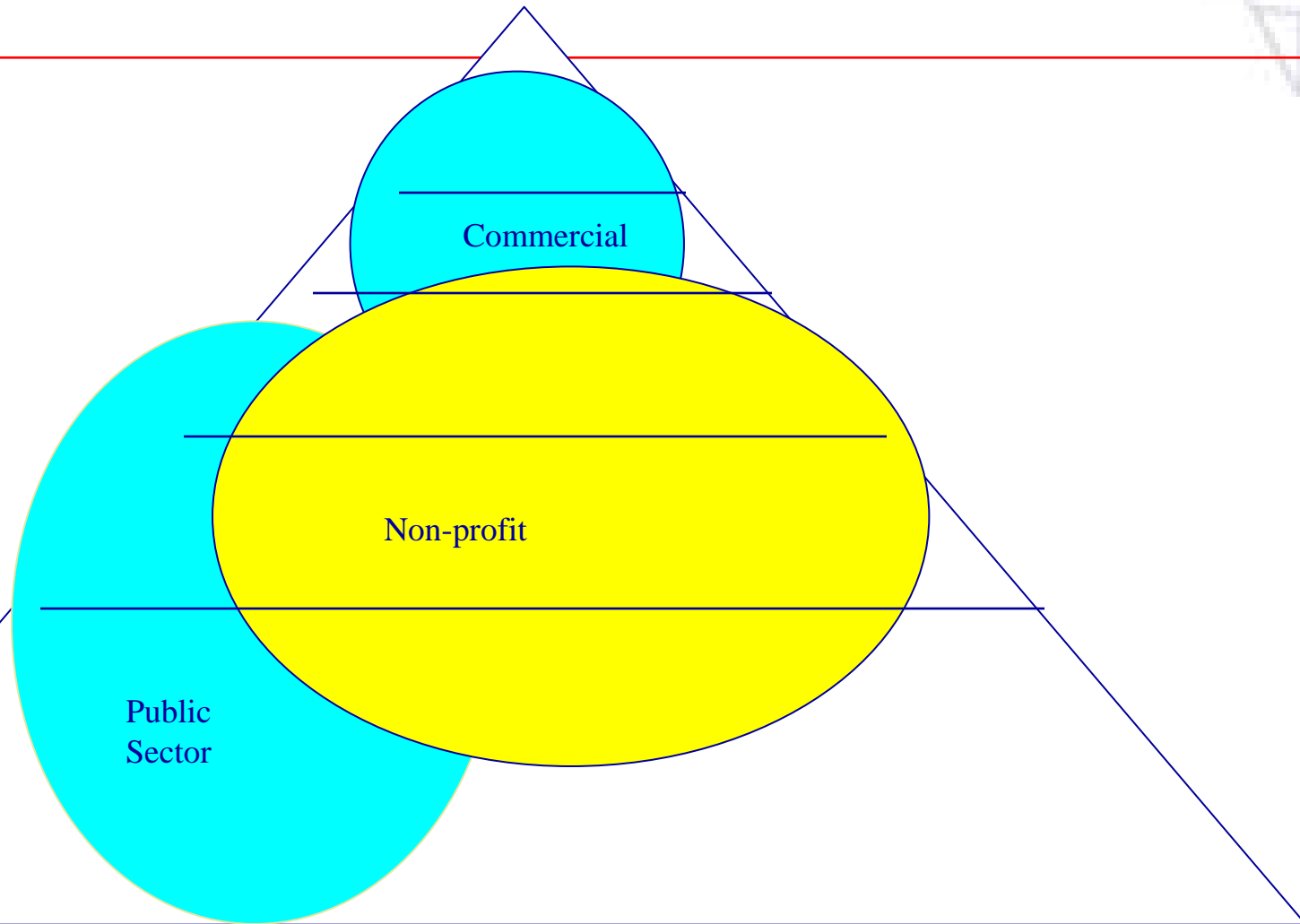
Challenges to Social Marketing

- Halo effect vs. crowding out
- Rights-based approaches
- External donors should support government to address all public health needs
- Equity concerns
- No need for sustainability or market approaches for diseases (malaria) we will eradicate.

Filling Market Gaps: The Vision



Market Gaps: The Reality



Sustainability

What needs to be sustained?

- Product distribution
- Communications to promote healthy behaviors
- The structures and financial flows needed to ensure the product distribution and communication.



The Sustainability Continuum for Social Marketing



- Technical Sustainability (Product, Price, Promotion and Place)
- Financial Sustainability
- Institutional Sustainability
- Market Sustainability
- Three stages of progress
- Illustrative indicators

Technical Sustainability

- Mastering the four P's
 - Product: Financial and technical capacity to procure quality products
 - Price: Effective and efficient pricing that maximizes cost recovery while adhering to the willingness to pay of its target consumer segment
 - Promotion: Communications that are sustained by sales revenues or by “institutionalization”
 - Place: Maximum use of efficient structures to distribute product (commercial and other).

Financial Sustainability

- Sales revenues > than costs
- By business unit, product line and globally
- Diversified sources of revenues
- Ability to control costs
- Adequate liquidity and cashflow management
- Strong links with management capacity

Organizational Sustainability

- Leadership: Mission, vision and commitment by a core group- not one person
- Governance: Legal status, systems for ensuring compliance with the law
- Management Capacity: Strong systems and competent local managers able to track and control costs, manage personnel, and make evidence-based decisions.

Market Sustainability

- Recognition of exogenous factors– GNP per capita, commercial infrastructure, knowledge of product, number of consumers
- Efficiency in the total market: no one dominant player in the market; each sector (social, public and commercial) serving an appropriate consumer segment; multiple price points

Uses of the Continuum

- Not a new model of SM
- Rethink the social marketing “bundle”
- Informing the dialogue on sustainability
- Identifying key trade offs
- Prioritizing needs of SMO’s
- Identifying research gaps



Time to Rethink the Social Marketing “Bundle”?

- The old bundle:
 - Donor funded Product supply
 - Branded and generic communications
 - Low cost recovery
 - General market research
- A new bundle?
 - Product provision with commercial partnerships
 - Targeted Branded and generic communications
 - High cost recovery
 - Research for market segments
 - Targeting of subsidies (vouchers, free distribution, etc.)
 - Policy/regulations

Thank you



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