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The Manufacturer's Model

History, Lessons Learned and Beyond

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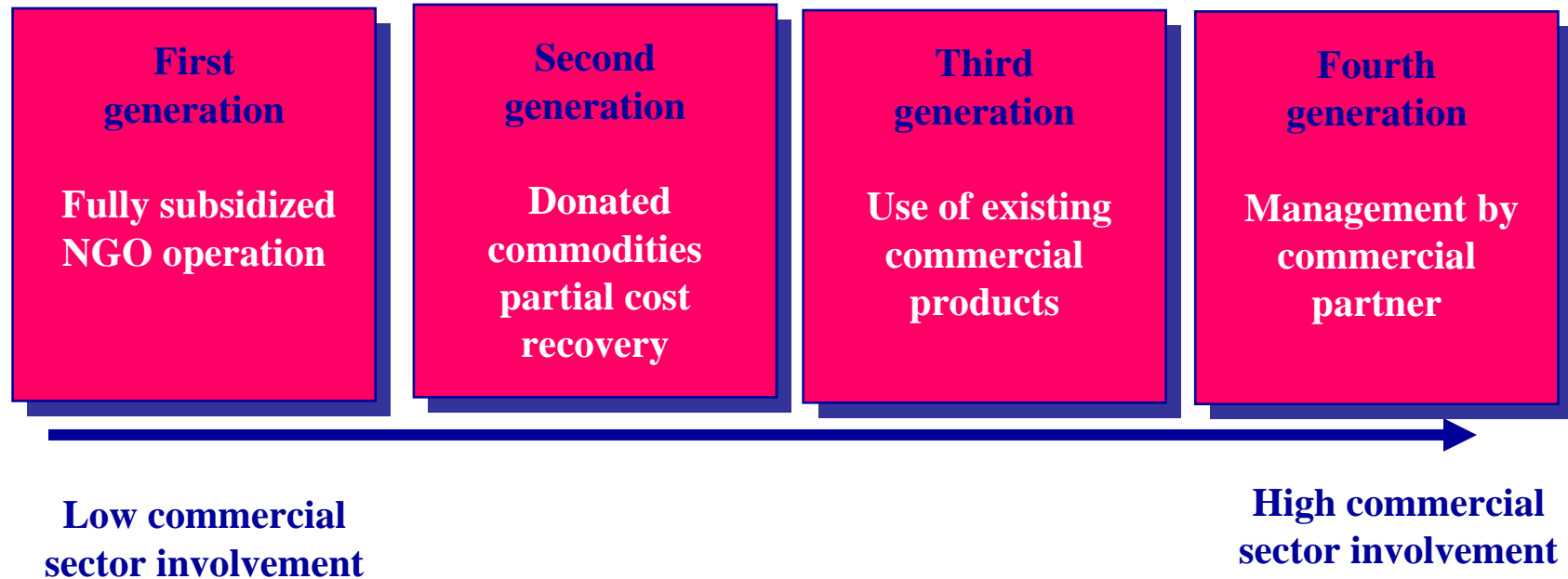


The Manufacturer's Model

- *A social marketing approach whereby an organization forms a partnership with one or more commercial manufacturers in exchange for them lowering their prices and devoting more of their marketing effort to the product with a social benefit*

Third generation Social marketing Approach,
Futures Group Briefing, Dec. 2002.

SOMARC's Four Basic SM Models



The Manufacturer's Model

- **Key aspects:**
 - Fourth generation model
 - SM organization partners with commercial manufacturer(s) or distributor
 - Brand(s) selected from existing portfolio
 - Retail prices cover costs + profit margin
 - Distribution managed by commercial partner
 - Generic or “umbrella” campaigns may promote several brands at once
 - Commercial partners may contribute financially

The Manufacturer's Model

■ Advantages:

- Lower marketing costs for the project
- Umbrella campaigns help increase overall market rather than defend market shares
- Use of a commercially sustainable product
- Provides incentives for increased commercial activities and investments

USAID-Funded Partnerships

Country	Products	Dates
Barbados	Condoms	1984 - 1994
Brazil*	IC	1997 - 1998
Egypt	OC, IUD	1993 - 1996
Haiti	OC, IC	1989 - 1996
India*	OC	1997 - 2003
Indonesia*	Condoms, OC, IC, IUD	1989 - 1994
Jamaica	OC, IC, IUD	1994 - 1998
Jordan*	OC, IUD	1994 - 1998
Kazakhstan*	Condoms, OC, IC	1994 - 1998

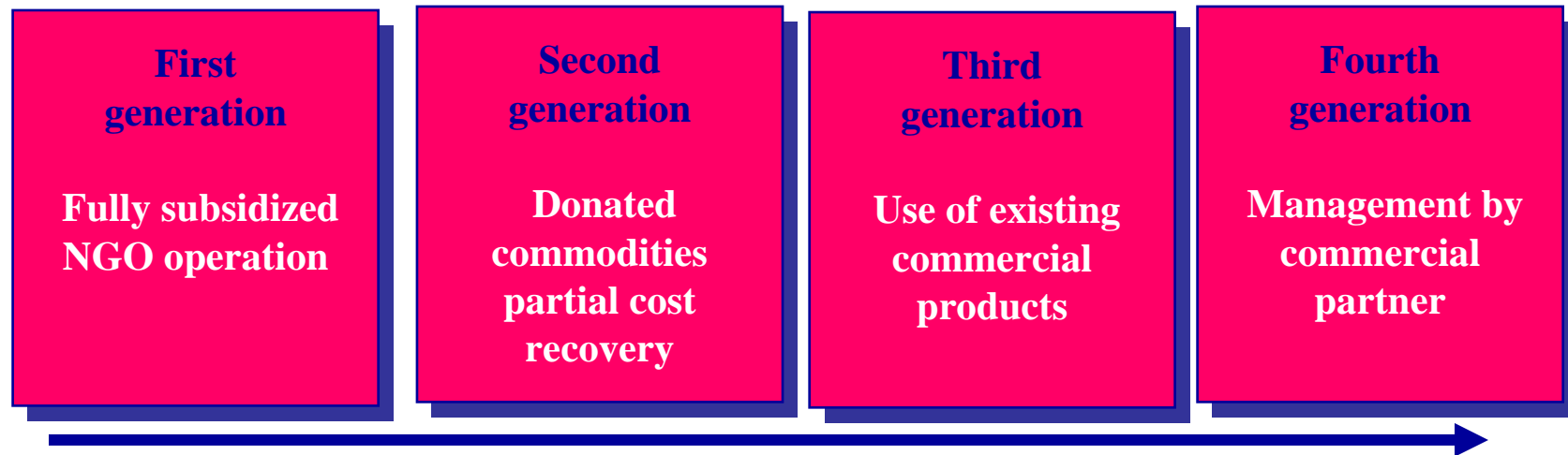
* Meet the definition of manufacturer's model

USAID-Funded Partnerships

Country	Products	Dates
Mexico	OC	1996 - 1998
Morocco*	Condoms, OC, IC, IUD	1989 - 2003
Peru	Condoms, OC, VFT	1993 - 1997
Philippines*	OC, IC, IUD	1993 - 1998
Turkey*	Condoms, OC, IC	1991 - 1998
Uganda	Condoms, OC	1991-1997
Ukraine*	Condoms, OC	1997 - 1998
Uzbekistan*	OC, IC	1994 -1998
Zimbabwe	Condoms	1988 -1994

* Meet the definition of manufacturer's model

SOMARC's Four Basic SM Models



High control

Program design:

- Target population
- Product features
- Prices
- Distribution
- Communication

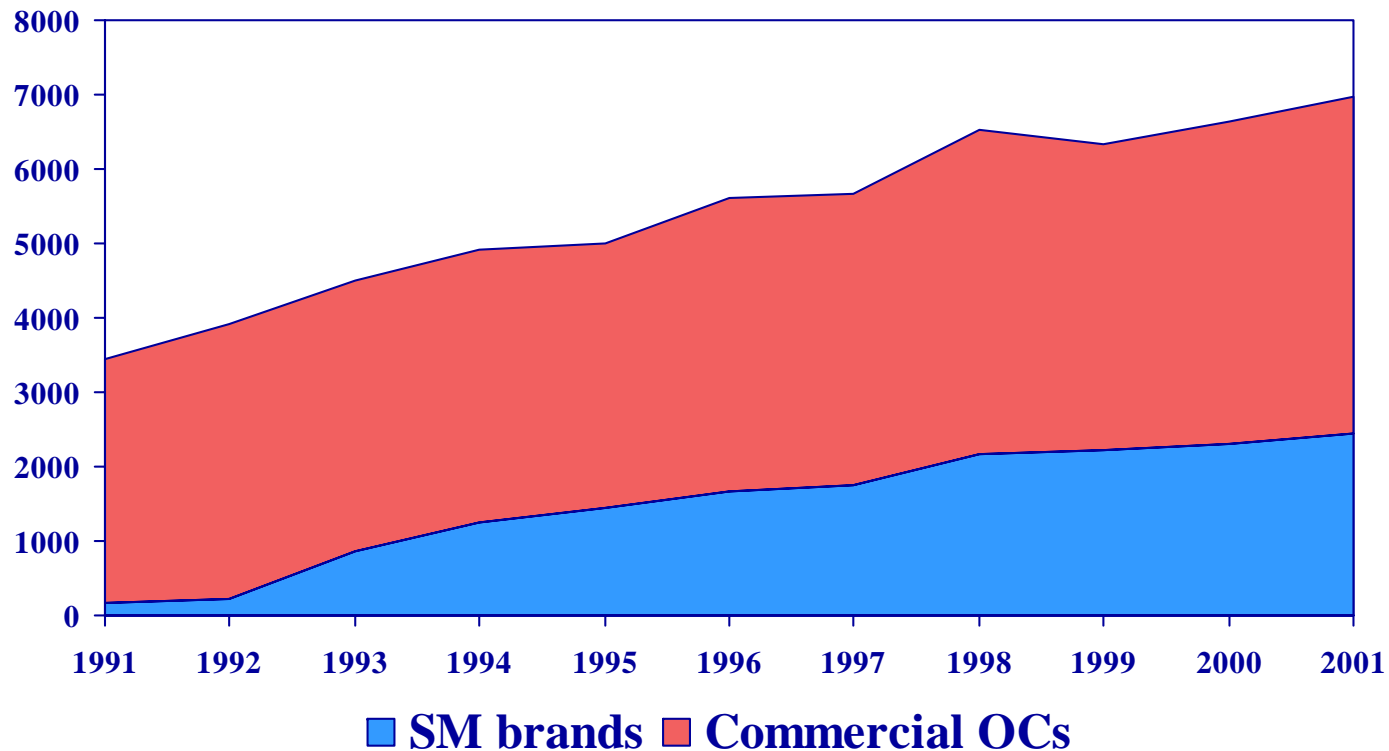
Low control

The Manufacturer's Model

- **Limitations:**
 - Minimal donor control over marketing mix
 - Subject to users' willingness to pay
 - Post-graduation void
 - Weight of corporate priorities vs. health goals
 - Policy, legal barriers

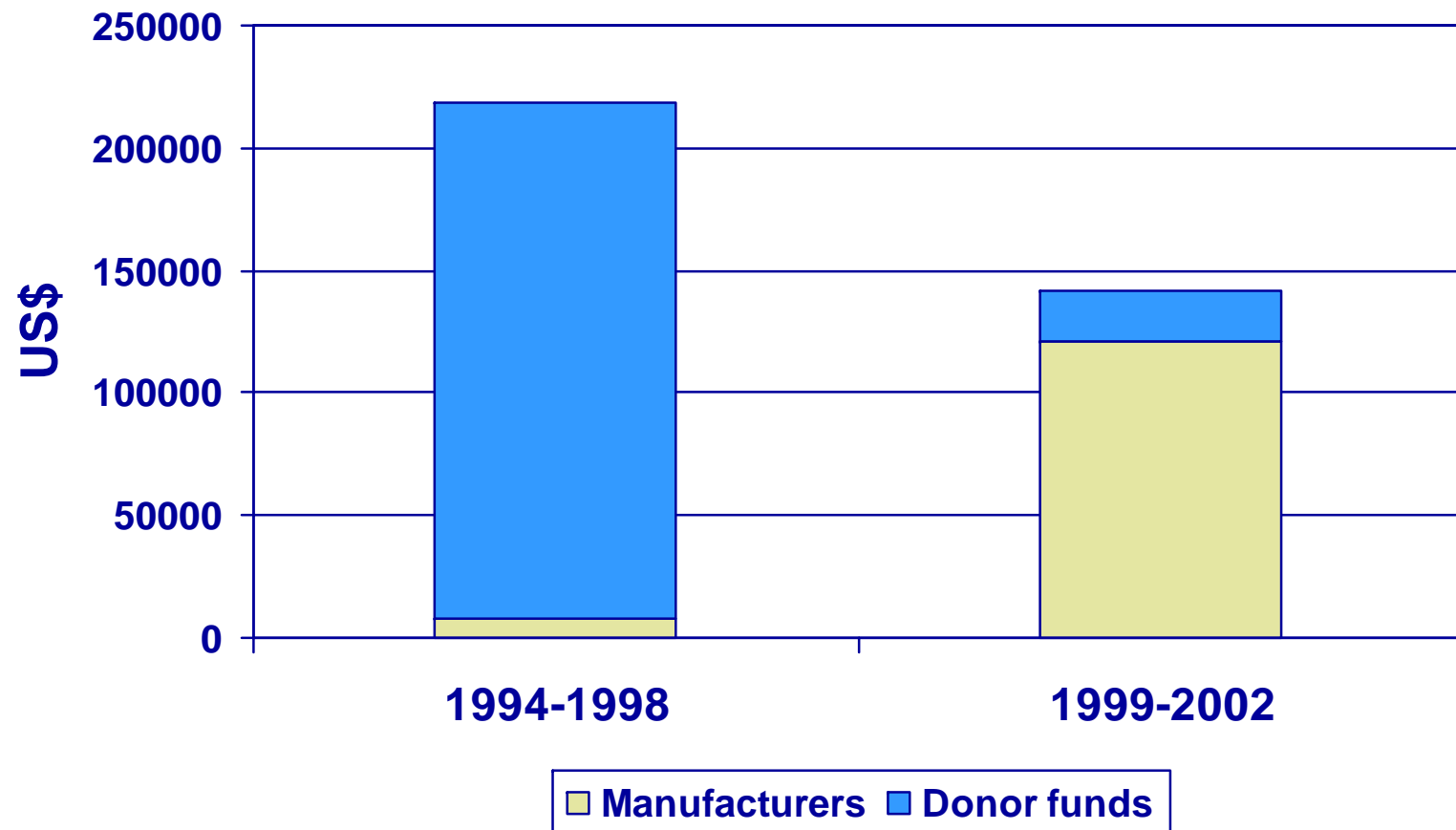
Success Stories: Morocco

Sales of Commercial OCs (thousand cycles)

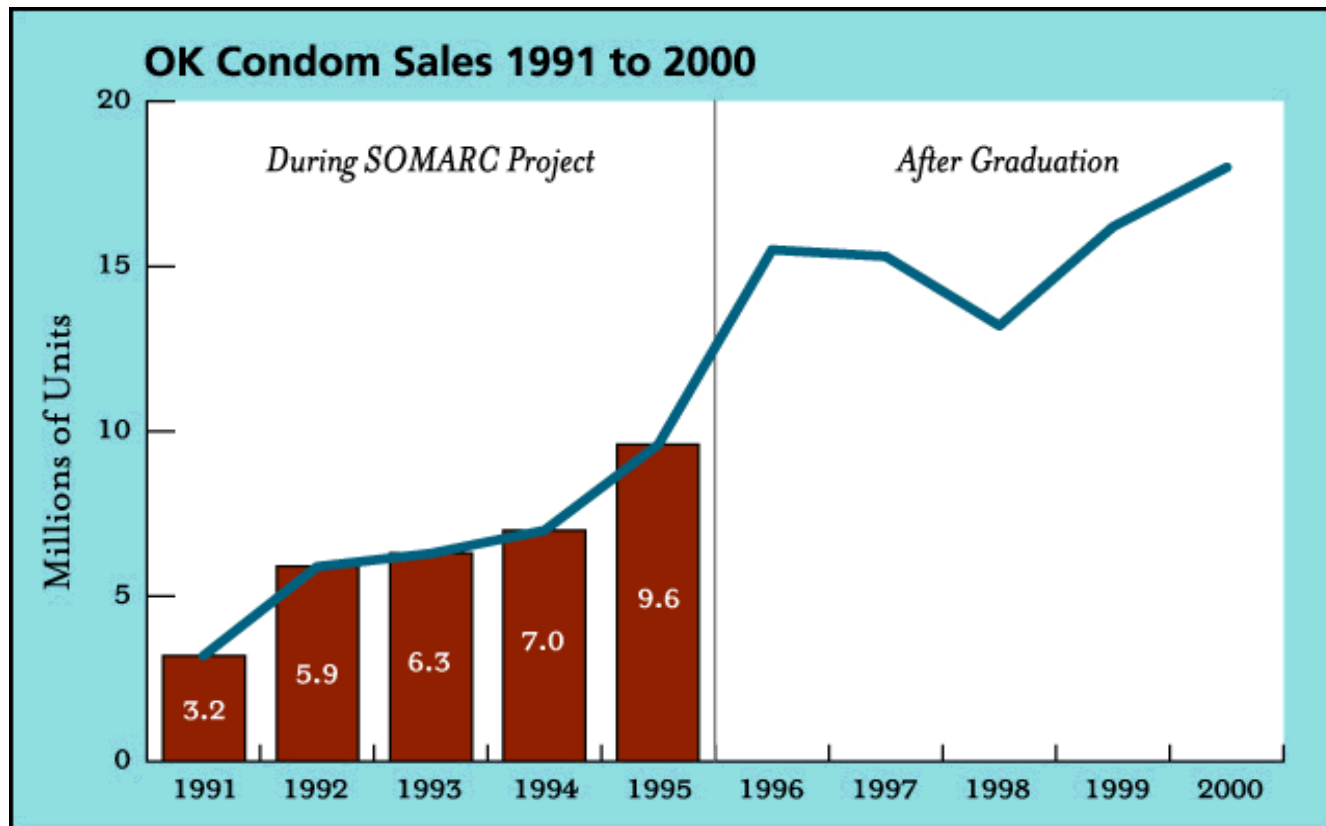




Funding Sources for Kinat Al Hilal Campaigns



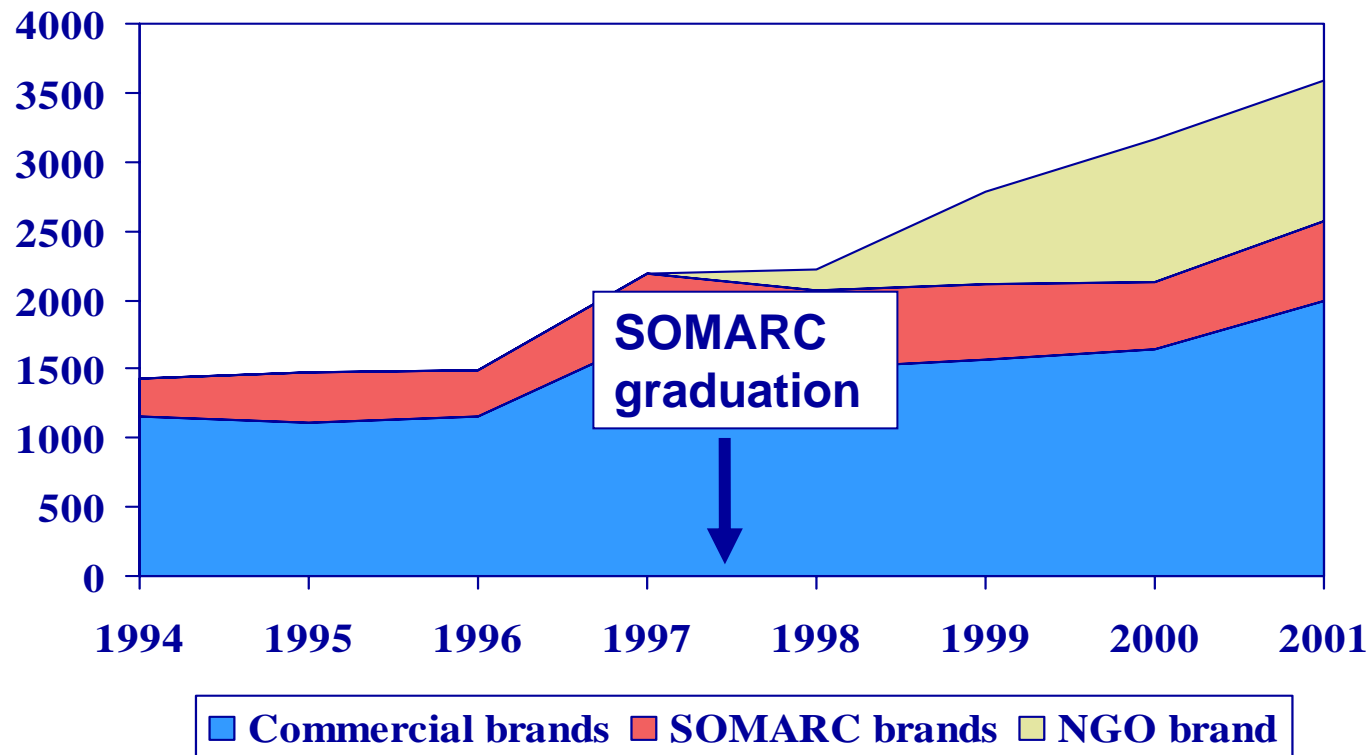
Success Stories: Turkey



Sales of condoms in Turkey (million units)

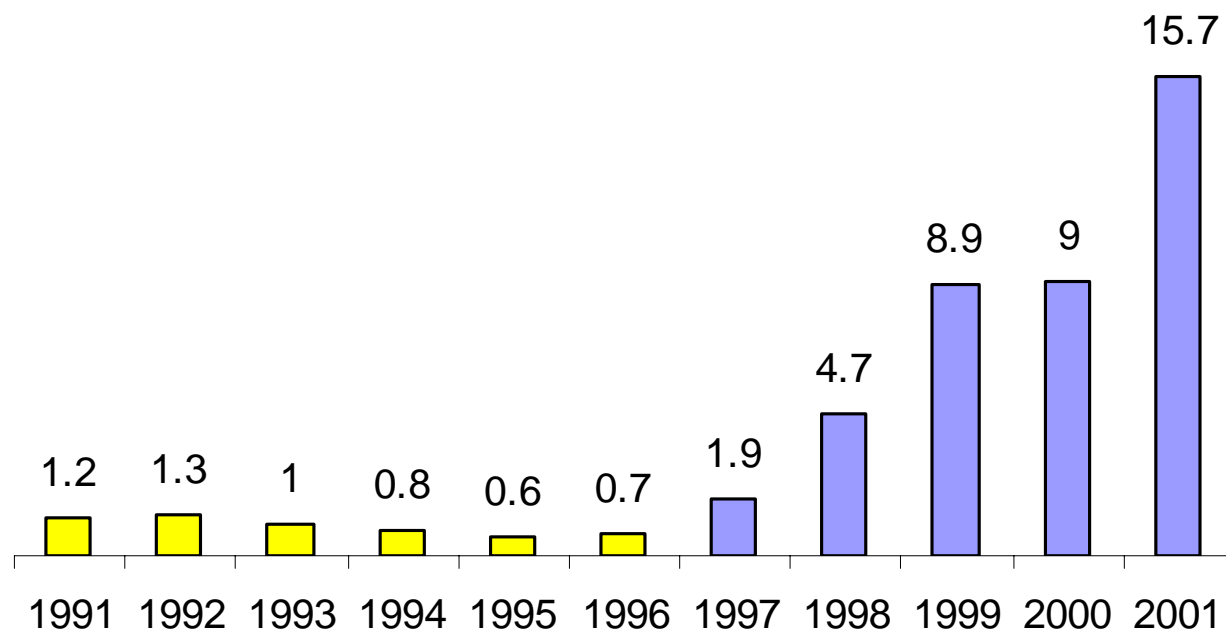
Mixed Results: Philippines

Sales of OCs (thousand cycles)



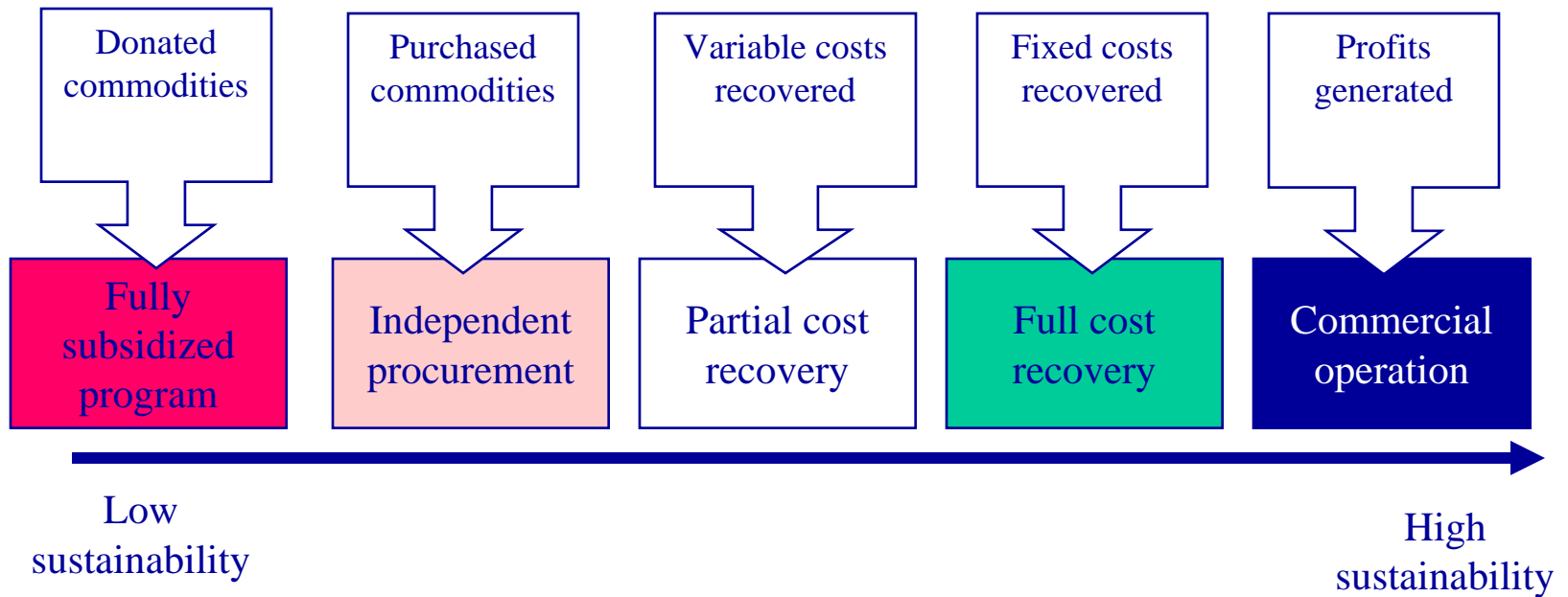
Failed Attempts: Zimbabwe

Sales of Protector Condoms (1991-2001)

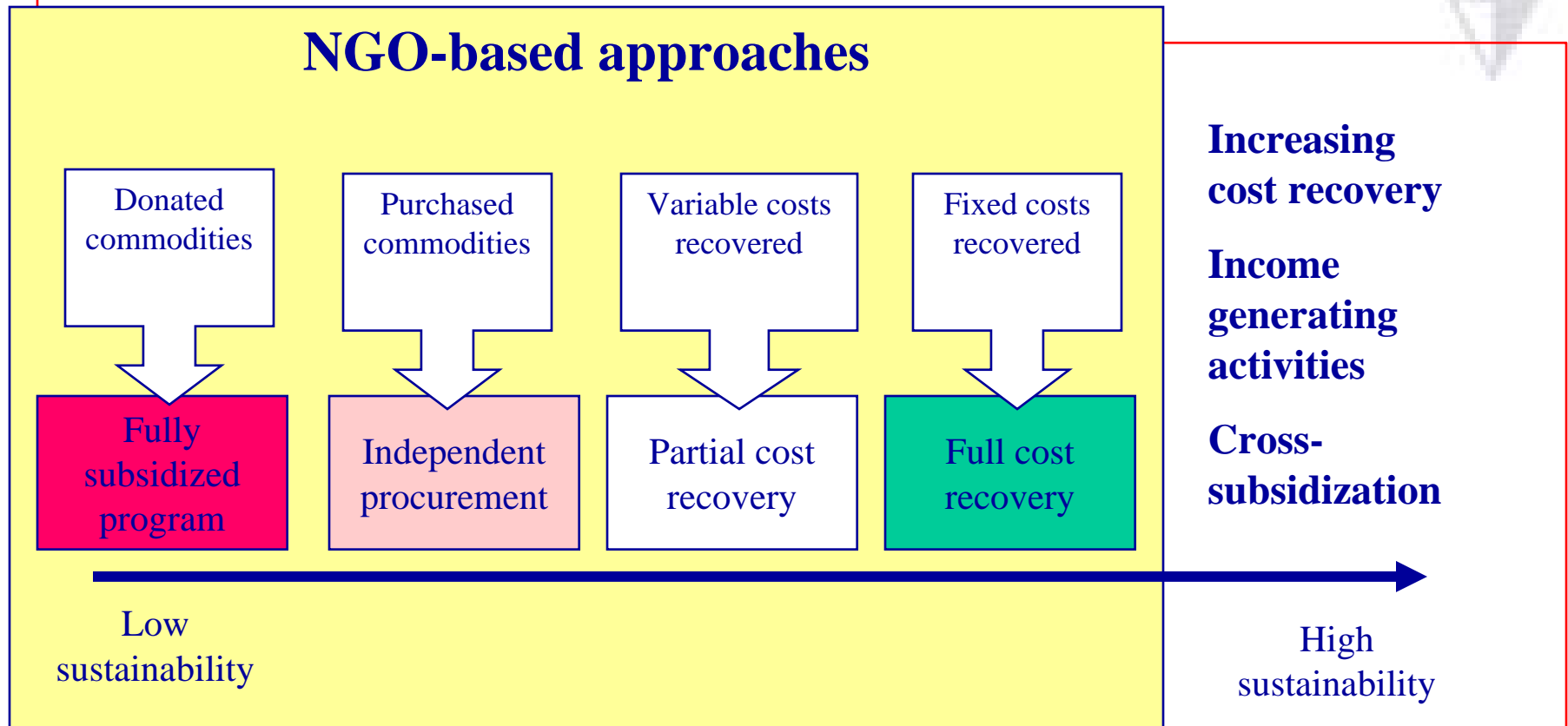


Beyond the Manufacturer's Model

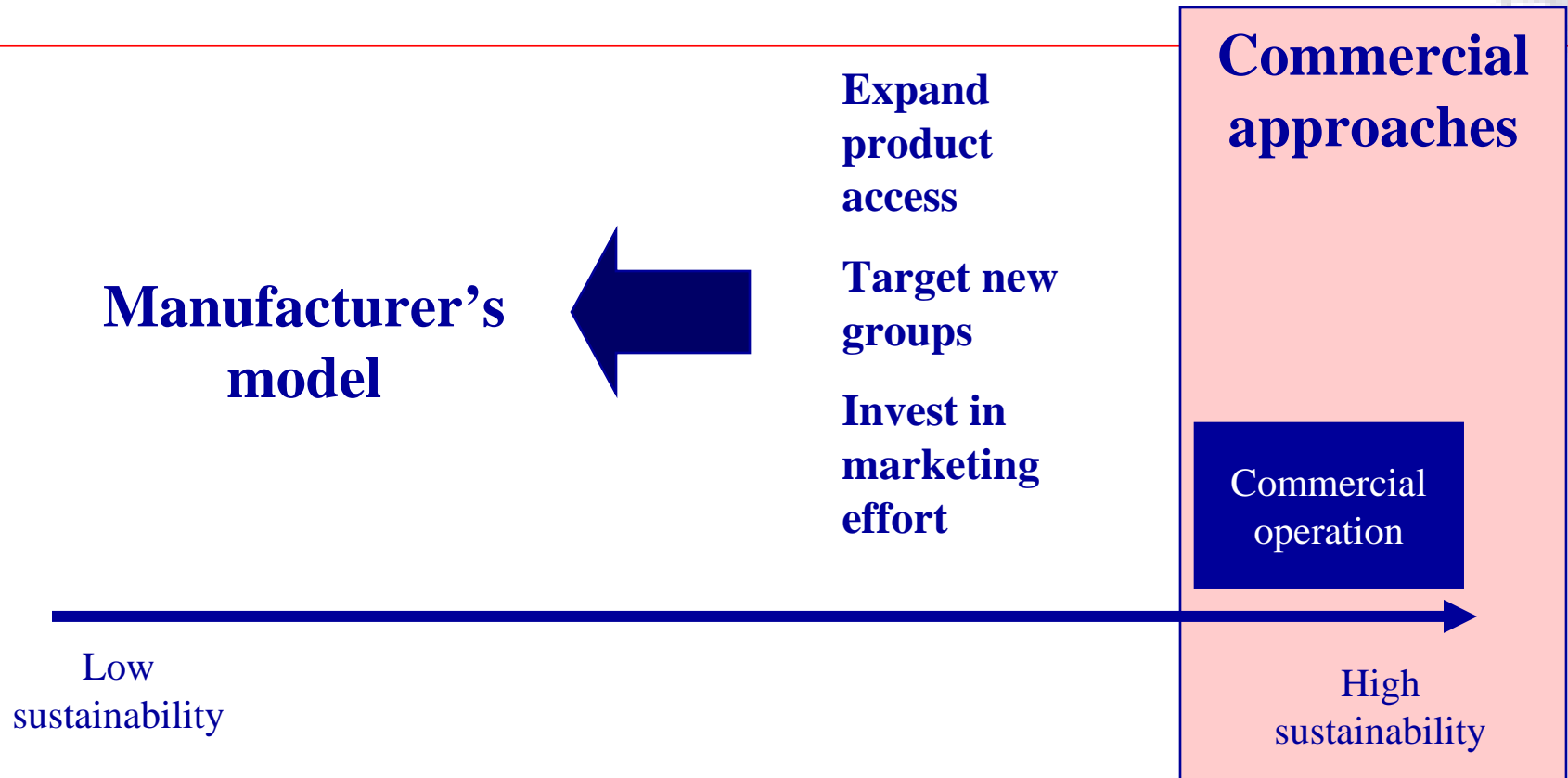
The Sustainability Continuum



Sustainability Strategies



Sustainability Strategies





In a Nut Shell

- Manufacturer's model works best when
 - Long term funding is unlikely
 - Commercial suppliers/brands already exist
 - Potential for market growth is there
 - Manufacturers express interest
 - Free/subsidized products are well targeted
 - Legal environment is favorable
 - Target group is easy to reach (access)
 - Target group can pay for lowest commercial brand



In a Nut Shell

- Hybrid approach may work better in mixed context, for example:
 - overall contraceptive use is low
 - affordable brands already exist in the market
 - but demand is concentrated at the highest SES levels and/or in urban areas
 - commercial infrastructure is good
 - but target group requires sustained outreach effort
 - local NGO can handle complex programs
 - funding is available for communication activities

Jump-starting Markets

- Particularly for condoms
- De-stigmatized condoms, increased visibility and consumer demand
- Resulted in increased private sector investment and overall market growth
- Mexico, Turkey, Jamaica

Can Models Be Compared?

- Only when program objectives (i.e. health impact, sustainability) are similar
- And when controlling for:
 - Context (socio-economics, contraceptive prevalence, commercial development)
 - Investment in marketing effort (demand)
 - Funding

Sources

- SOMARC reports
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 - *Getting from Awareness to Use* (4 papers, 1998)
 - *Nation Building, One Family at a Time: The Story of SOMARC* (Heilig 1998)
 - *SOMARC III Mid-Term Evaluation*. POPTECH. 1996

Sources

- CMS reports
 - *Engaging the private sector in Turkey: can Public Private Partnerships help Achieve Contraceptive security?* Armand and Cisek. 2002
 - *Prioritized Actions for USAID's Private Sector Family Planning Programs in the Philippines.* August 2002
 - *Social marketing models for Product-Based Reproductive health Programs. A Comparative Analysis* Armand. 2003)
 - *The Morocco Contraceptive Social Marketing Program. Achievements And Sustainability Options.* Senlet 2003
 - *Using Behavior Change Communications to Overcome Social Marketing Sales Plateaus. Case Studies of Nigeria and India.* Meekers, Van Rossem, Zellner and Berg. 2004