

Increasing Condom Accessibility and Choice in Nepal through Partnership with the Commercial Sector

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N-MARC's Strategy for the Private Sector

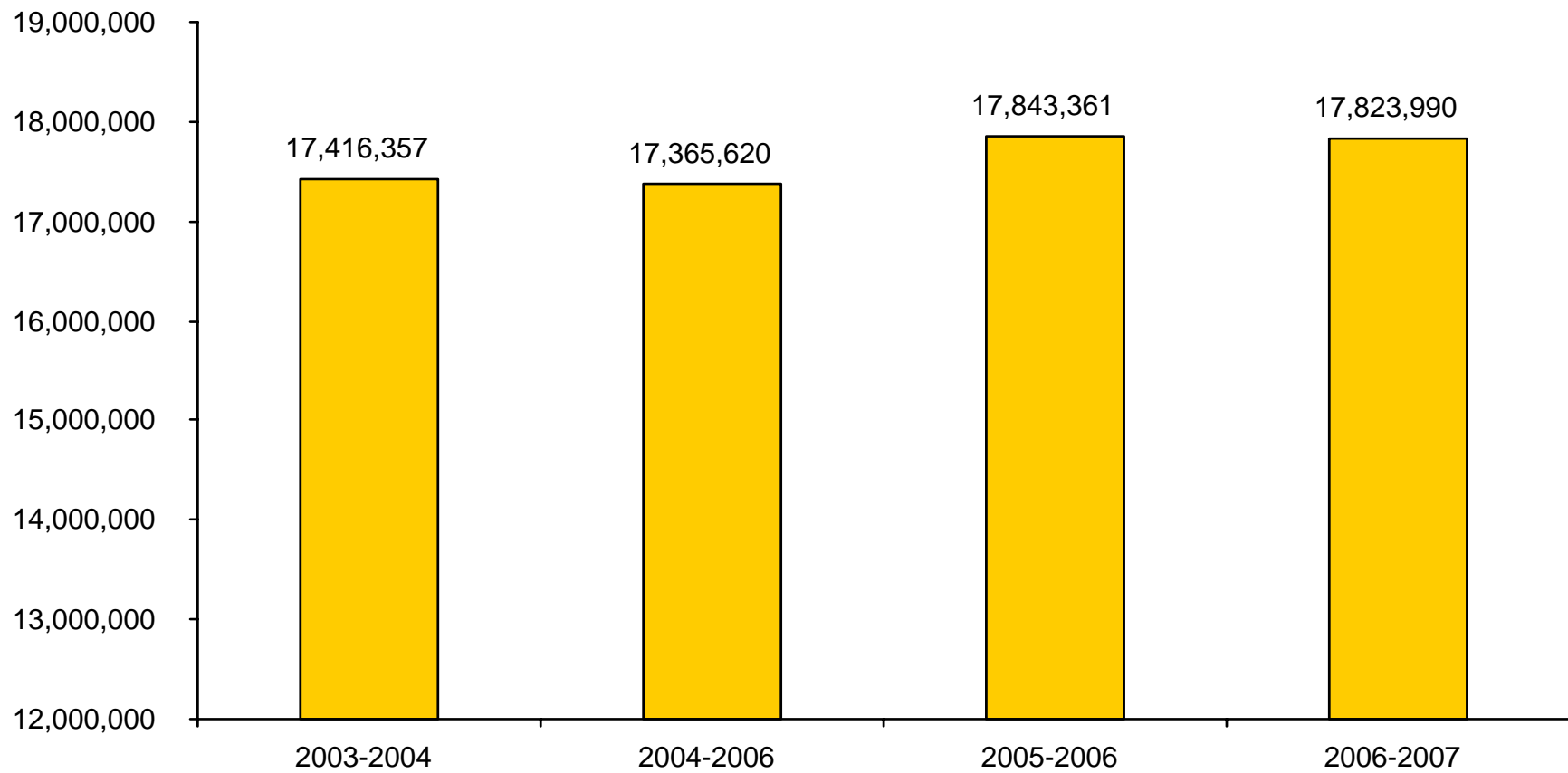
- Build on past successes in social marketing in Nepal
- Partner with private health sector in “social marketing” of products and “social franchising” of products and services
- Build cross-sector partnership through leadership, technical assistance and strategic investments
- Focus on building local organizations' leadership in Nepal's social marketing and franchising program
 - AED is not an implementing organization
- Stimulate commercial sector investment in the marketing and distribution of important public health products

Background on Condom Commercial Sector

- Concentrated HIV/AIDS epidemic in Nepal in certain sub-groups (e.g. sex workers, transport workers)
- Existing efforts to confront HIV/AIDS focused on correct and consistent condom usage
- Strong foundation of condom social marketing with over 30 years experience
 - Almost total awareness
 - Demand for over 40MM condoms
 - Over 25 different brands
- Need remains to meet consumer choice and accessibility to high-risk groups

Background on Condom Commercial Sector (cont.)

Private sector condom sales have remained relatively constant over the past 4 years



Source: ACNielsen, Retail Market Audit

Rationale for Investing in Commercial Sector

- Meet unmet demand for commercial condoms (types/varieties) in high-risk areas
- Reduce dependency on donated and/or subsidized condoms
- Increase commercial sector's willingness to invest in condom market expansion
- Address potential shortfall in provision of free and subsidized condoms beginning 2008

Goal

- Enhance the role of commercial sector to complement and supplement government effort in meeting overall country demand for condoms, with a particular focus on expanding commercial sector presence in high-risk areas.

Strategic Approach

- Matching funds
 - Mobilization of condom traders to invest own resources
 - 1 to 1 matching ratio on marketing & distribution investment
 - Traders responsible for own product procurement
 - Stimulation of new product introduction
- Besides financial resources, N-MARC provides technical assistance:
 - Sensitization to HIV/AIDS in Nepal
 - Refining and developing marketing strategies
 - Brand rationalization/new products

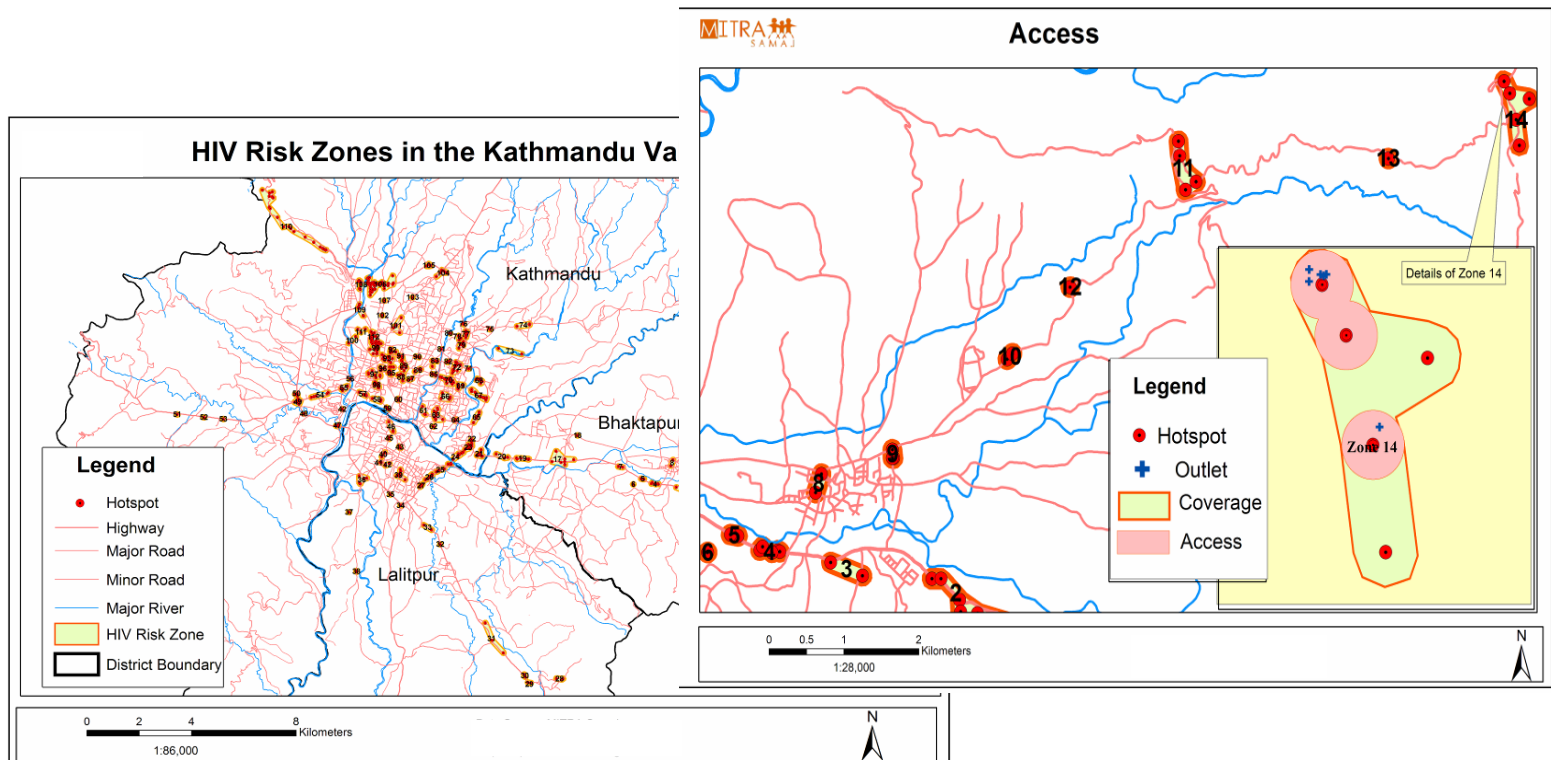
Strategic Approach (cont.)

- Market research support
 - Quarterly reviews of retail market survey data
 - GIS mapping for targeted activities
 - Tracking sales in high-risk areas
- Generic communications campaign



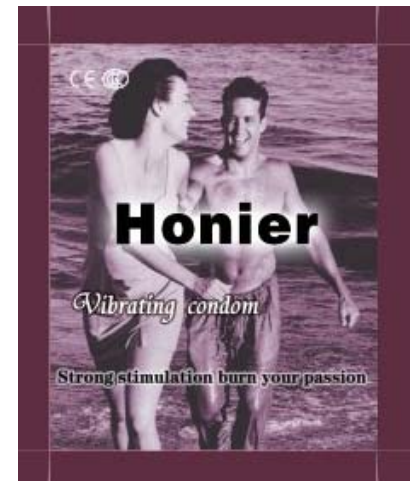
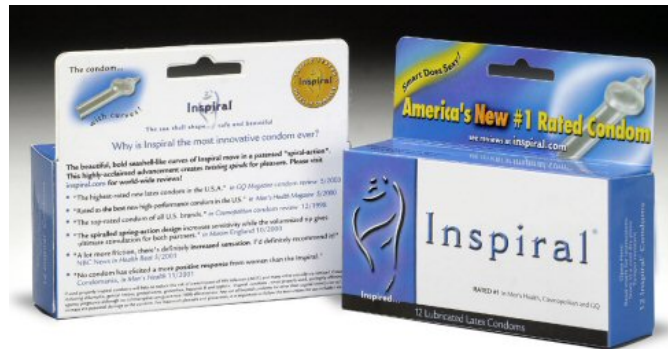
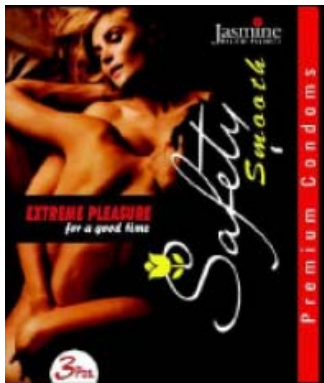
Using GIS Mapping for Targeting Marketing & Distribution

- GIS mapping can help us to target marketing and distribution efforts within high-risk areas
 - Designed to be audience-centered (e.g. all outlets, all brands)
 - To be conducted nationally on an annual basis, and shared broadly



Results

- Traders enrolled
 - Three partnerships established, resulting in five additional brands to project
- Brands supported
 - Two companies have existing brands, in multiple varieties
- New brands launched
 - Four new brands launched since partnership initiated, including one targeting women
 - One company launched latex female condom



Results (cont.)

- Increased promotional & distribution activities from commercial sector, particularly among high-risk groups
- Enhance product choice to consumers
- Increased accessibility in high-risk areas
- Capacity building of commercial partners



Results (cont.)

Sales, in Units

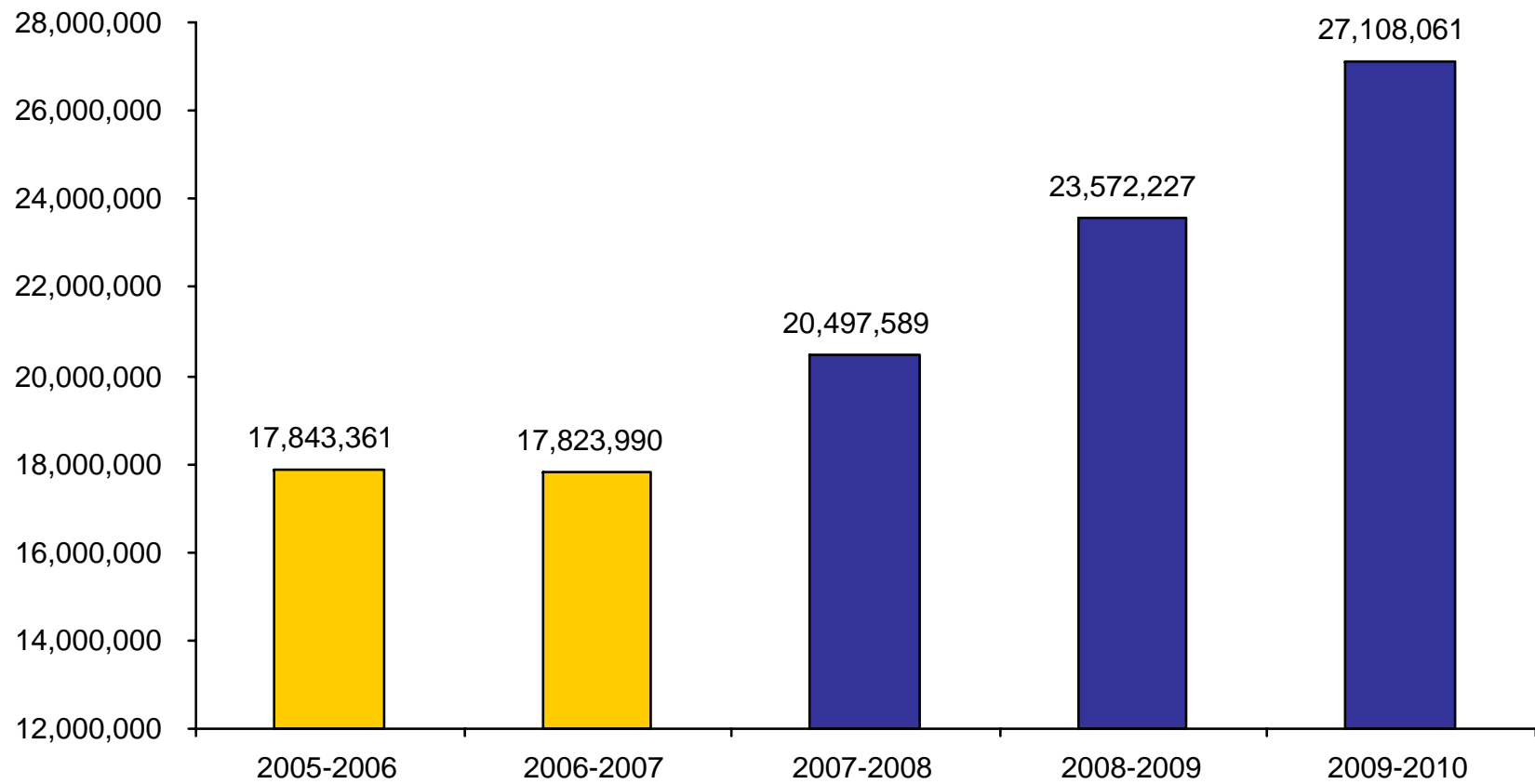
	Jul-Dec 2006	Jul-Dec 2007	% Growth
Company 1	693,156	934,569	35%
Company 2	1,604,167	2,581,170	61%

Number of Outlets

	Prior to Partnership	After 6 Months of Partnership	% Growth
Company 1	1,886	4,643	147%
Company 2	1,500	2,000	33%

Where Do We Want to Go...

Increase the private condom market in Nepal by 15% every year



Source: ACNielsen, Retail Market Audit

Lessons Learned

- Maintain flexibility & ability to adapt to various corporate cultures
- Acquire early buy-in of donor and government counterparts
- Ensure strong operational processes and marketing plans
- Acquire 3rd party management support

Challenges for Future

- Ensuring political support for private sector
- Capturing impact on private sector, above and beyond sales
- Balancing increasing sales and expanding coverage into hard-to-reach areas

The Road Ahead

- Phase II of commercial sector partnership strategy initiated
 - Broad focus of all FP/RH and MCH products under N-MARC mandate
 - Expectation of strong interest in oral contraceptives, ORS, water purification solutions, and zinc