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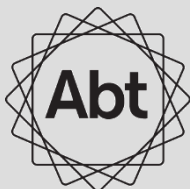


**Market-based  
Partnerships for Health**

# Reaching Base of the Pyramid Health Markets in India

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# What are Market-based Partnerships for Health?

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Market-based partnerships for health are defined as commercially viable partnerships between the commercial sector and other public or private sector actors in order to tap into and expand distribution, service delivery and information networks to improve public health outcomes in selected areas.

# Barriers to entry in BoP Health markets in India - Consumers

- Lack of access to quality products and information is a barrier to use, especially in BoP markets
  - 85% of rural women are aware of OCPs but use is only 14%
  - In rural India, lack of proper knowledge and correct information on ORS leads to low use
- Affordability barriers are result of limited resources and irregular cash flows
  - Especially true for durable goods and services
  - Some MNCs (Unilever) have successfully introduced smaller packaging

# Barriers to entry in BoP Health markets in India – Manufacturers/Marketers

- Lower demand for health products and services so often markets need to be created
- Highly fragmented demand among BoP markets
  - Over 600,000 villages across India of which 50% have less than 2000 inhabitants
- High discovery cost
  - BoP markets are not conventional and require a deep understanding

# Size and Profile of the BoP Market in India

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- The BoP includes the following sub-groups
  - Over 700 m people in *rural* India encompassing a range of income and economic profiles and over 80 m *urban poor*

# Size and Profile of the BoP Markets in India

- The BoP includes the following sub-groups
  - Over 700 m people in rural India encompassing a range of income and economic profiles and over 80 m urban poor
- Public health indicators are lower among the BoP:

Indicator	Urban non-poor	The BoP	
		Urban poor	Rural (all)
Total unmet need for FP (%)*	10.0	14.1	14.6
Current use of any modern method (%)*	58.0	48.7	45.3
Children with diarrhea in the last 2 weeks who received ORS (%)	36.3	24.9	23.8
Home deliveries (%)	21.5	56.0	71.1





\* Currently married women, age 15–49

Reference: National Family Health Survey -3 (2005–2006), Census of India 2001

# USAID-funded Market-based Partnerships in India

- Market-based Partnerships for Health (MBPH) project *(October 2008 - May 2012)*
  - To forge commercially sustainable partnerships with the private sector on a range of public health issues
- Strengthening Health Outcomes through the Private Sector (SHOPS) project *(June 2012- September 2014)*
  - To refine and scale-up 5 successful partnership models tested in MBPH
- BoP models implemented under SHOPS:
  - Dimpa (FP), ITC eChoupal (FP, CS), ORS Rural Health Initiative (CS), and Advanced Cook Stoves Initiative (CS)

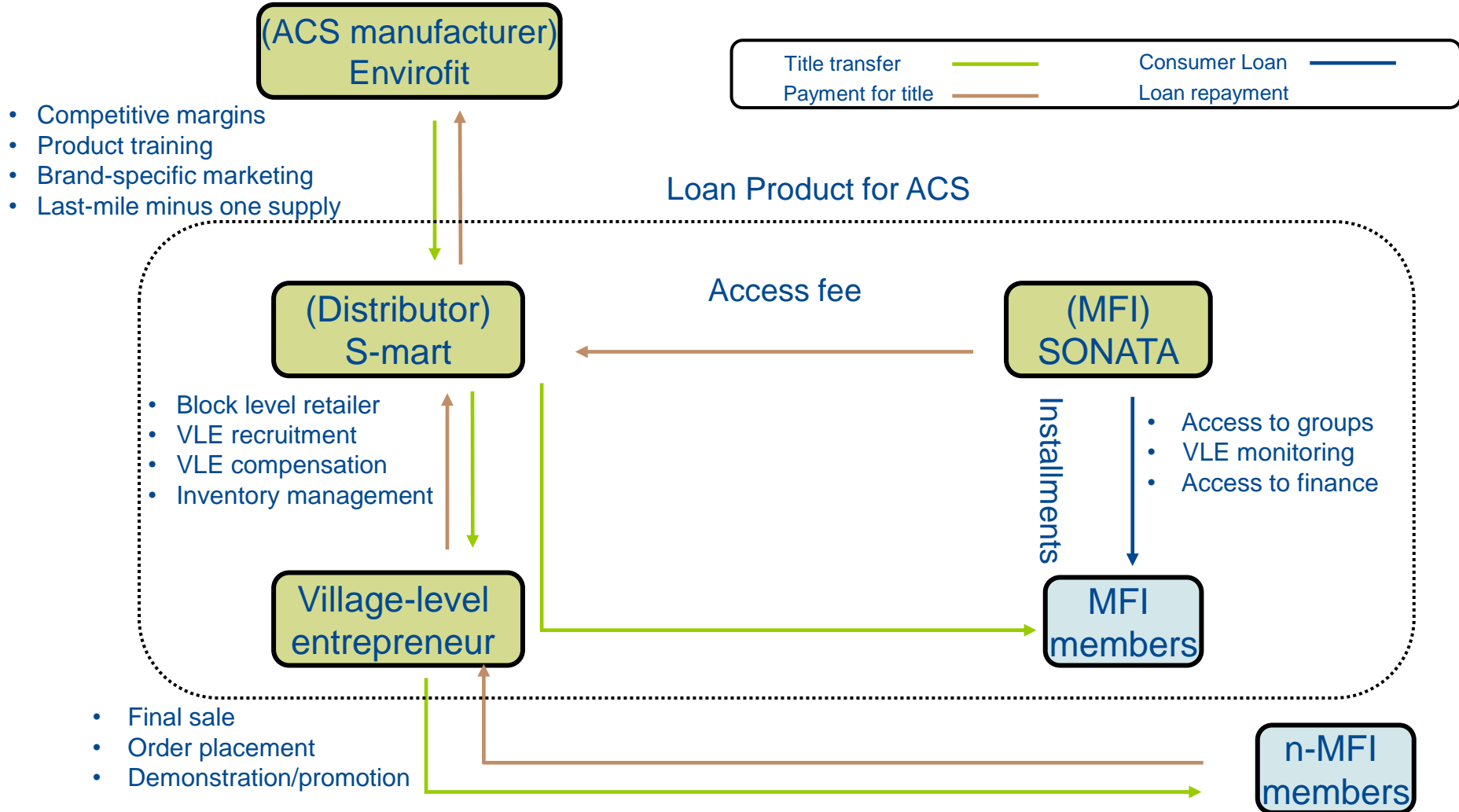
# Snapshot: MBPH/SHOPS BoP models

Intervention Type	Programs	Description	
Distribution-Demand Focused Intervention	ITC eChoupal & ORS Health Initiative	Commercially viable rural distribution and demand generation models to increase access to health products	 
Distribution-Demand and Financing Led Intervention	Advanced Cook Stoves (ACS) Initiative	A model to increase awareness, access, and affordability of ACS in rural areas through commercial partnerships	
Private Provider Focused Intervention	Dimpa	Expanding access & demand for injectable contraceptives through the private sector & advocating for expanded contraceptive choices	

For further information kindly refer to [www.mbph.in](http://www.mbph.in) and [www.shopsproject.org](http://www.shopsproject.org)



# Advanced Cook Stoves Initiative: Model



# Key Lessons



# 1. Build Cross Sectoral Partnerships

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- Build cross sectoral partnerships that leverage core competencies of each partner
  - The Advanced Cook Stoves partnership is a tripartite commercial partnership focusing in consumer financing, distribution, and marketing
- Partnerships enable risk-share and allow the commercial sector to explore new and difficult markets
  - The Advanced Cook Stoves partnership has allowed the manufacturer to enter a new market in Northern India

## 2. Leverage Distribution Platforms to Aggregate Demand

- Investing in the creation of a dedicated rural distribution network is challenging for health product/service companies
- Many non-health companies have created robust distribution platforms for the rural market
- A distribution platform provides a cost effective option for aggregating fragmented demand

### 3. Create a New Class of Retailers

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- Operate as dual service points and are incentivized for both demand and supply functions
  - Traditional distribution or communication channels do not reach the last mile, necessitating integrating demand and supply
- Last-mile retailers require selection, training and support
  - The VLEs in the Advanced Cook Stoves partnership provide last mile delivery of the product, and create demand

## 4. Optimize Basket of Products

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- Due to low margins and low demand it is difficult to make a viable business model through public health products alone
- Important to have a secondary basket of easy-to-sell, high-margin products that can contribute to entrepreneur profitability
- Incentives need to be designed to ensure focus on primary public health products

## 5. Products Targeted at BoP Consumers Need High Engagement Approaches

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- Long term, personalized engagement with consumers
- High engagement marketing processes that allows the user to “experience” the product
- Customize the retailer profile to account for cultural and/or product related sensitivities

# Summary

- Partnerships that leverage each other's networks and retain focus on core competencies are more sustainable
- BOP markets need a specialized class of retailers who deal in a basket of products and play the dual role of creating awareness and last mile delivery
- Sales formats need customization for BOP consumers that permit 'experiencing' the product







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## Market-based Partnerships for Health



## Questions

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[www.shopsproject.org](http://www.shopsproject.org)

