Assessment of CONTRACEPTIVE SOCIAL MARKETING PROGRAMME

Ministry of Health and Family Welfare
Government of India

UNFPA
United Nations Population Fund – India

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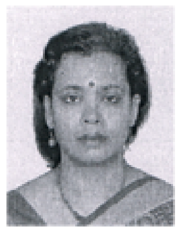

Preface

The Ministry of Health & Family Welfare is responsible for the implementation of National Family Welfare Programme by encouraging the production and utilization of quality contraceptives and equipment and its distribution to the States both through free supply scheme and Public-private partnership under the Social Marketing scheme. Social marketing of contraceptives has been widely recognized as a means to bridge the gap in promoting and enhancing usage with a thrust on motivational programmes and sustainability.

The Government of India, in 1968, became the first country to initiate a social marketing programme for contraceptives. Social marketing refers to the application of marketing tools, concepts and resources to encourage those segments of the population not served or inadequately served by existing public and private systems, to get access to contraceptive products. It helps meeting the demand for contraceptive products by eligible couples at subsidized rates.

Though the programme is operational since long, a need was felt to assess its effectiveness by undertaking a study focused on the organizational set-up and management of the programme. It included a review of the supply chain, promotions and sales trends, understanding stockists', retailers' and users' perspective so as to strengthen them further.

I would like to acknowledge the efforts of UNFPA for conducting this assessment study. The assessment study has provided valuable insights regarding various components of the programme and its current status of functioning. I do hope that the findings of this study will go a long way in revamping the contraceptive social marketing programme and help make it more effective.

Panda

(Dharitri Panda)
Joint Secretary to the Government of India
Ministry of Health & Family Welfare

Message

The Ministry of Health and Family Welfare (MoHFW) has adopted social marketing as a key approach for providing accessible and affordable contraceptive products to low-income families and vulnerable groups. The social marketing of contraceptives has a long history in India, beginning with the launch of Nirodh condoms by the government in 1968 and Oral Pills was later added in 1987. Both of these contraceptive products are made available to the population at highly subsidized rates, though diverse outlets operated by Social Marketing Organizations (SMOs). In addition, the programme also encourages to market various SMO brands of condoms and oral pills for those segment of population who can afford these products.

Meeting unmet need for family planning is one of the core strategy under National Health Mission of the Government of India. To understand the achievements, current functioning and ways to improve effectiveness of social marketing programme of contraceptives in India, MOHFW requested UNFPA to undertake an assessment study. I am happy that the study was completed with active participation and needed support from the concerned officials of the Ministry. The study came to an opportune moment, when Family Planning 2020 (FP2020) is advocating to enable 120 million more women and girls to use contraceptives world-wide. FP2020 is a global partnership supporting the rights of women and girls to freely decide, and for themselves, whether, when and how many children they want to have. In India, UNFPA is co-chairing FP2020 with USAID. I am sure the findings of this study will help to inform the MOHFW and other FP2020 partners to strengthen the social marketing of contraception which will go a long way towards realizing the dreams of FP2020 in India.

I take this opportunity to thank Mr. V. S. Chandrashekar who took lead in undertaking this study. The study also benefitted from contributions of UNFPA staff especially Dr. Venkatesh Srinivasan, Dr. Anchita Patil and Dr. Sanjay Kumar. I thank them for the completion of the study, making presentations of the findings to the MOHFW and finally coming out with this publication. I hope this report will be of useful to programme managers and will also be of interest to researchers and academicians working in this field.

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Acronyms

CSM	Contraceptive Social Marketing
CYP	Couple Years of Protection
DMPA	Depot Medroxy Progesterone Acetate (a progestin-only injectable contraceptive)
FMCG	Fast Moving Consumer Goods
FP	Family Planning
GoI	Government of India
IUCD	Intra-Uterine Contraceptive Device
MoHFW	Ministry of Health and Family Welfare
MRP	Maximum Retail Price
NACO	National AIDS Control Organisation
NACP	National AIDS Control Programme
NFHS	National Family Health Survey
NPPA	National Pharmaceutical Pricing Authority
OCP	Oral Contraceptive Pill
ORG	Operations Research Group
ORS	Oral Rehydration Solution
SM	Social Marketing
SMO	Social Marketing Organisation
TSG	Technical Support Group
UNFPA	United Nations Population Fund
WHO	World Health Organization

Summary

At the request of the Ministry of Health and Family Welfare (MoHFW), Government of India (GoI), the United Nations Population Fund (UNFPA) undertook an assessment of the Contraceptive Social Marketing (CSM) Programme of the Government of India. The overall objective of the assessment was to examine the relevance of the programme in the context of other programmes and sources for contraceptive supplies. The study focussed on assessment of the organisational set-up and management of the CSM programme – the supply chain, promotion and sales trends, understanding stockists', retailers' and users' perspective regarding the programme and products, obtaining feedback and perceptions of social marketing organisations (SMOs) regarding the programme, and if the programme was found to be relevant in the current context, providing specific recommendations on improving its effectiveness.

The assessment indicates that the CSM programme of the MoHFW, GoI, which promotes two contraceptive products – condoms and oral contraceptive pills (OCPs) – by providing them at subsidised rates, has some significant accomplishments to its credit, including being a pioneer of this approach which has resulted in similar programmes being implemented in over 65 countries.

Some important successes of the programme are:

- 42 per cent of OCP users and 23.7 per cent of condom users use an SM brand (National Family Health Survey 2005-06).
- The CSM programme has been responsible for creating a robust market for condoms and OCPs in the country. Prior to the launch of Nirodh in 1968, condom sales were negligible and very few people had access to condoms. As per the ORG retail audit, the commercial condom market had grown to 2 billion pieces in 2012-13. Social marketing brand condoms have a market share of 42 per cent nationally and 63 per cent in rural areas while 58 per cent of condom buyers nationally use a commercial brand.
- The survey conducted as part of this assessment shows a distinction between the socio-economic status of users of SM brands vis-à-vis users of commercial brands. Social marketing brands are catering to a separate segment of the market, probably those who are unable to pay for the fully priced commercial brands.
- The multi-brand strategy adopted in 1987 has increased choice for the SM segment of clients, with a number of SMOs offering a variety of brands. The quantity of SMO brand condoms procured in 2011-12 and 2012-13 was higher than Nirodh Deluxe, the government brand.
- Over the years, the uptake and use of condoms has seen a shift from free to socially marketed government brands, to the slightly higher priced SMO brands, to fully priced commercial brands. This shift in the consumer preference points to the creation of a sustainable market for condoms.

- In terms of health impact, the condom SM programme contributed to 10.86 million couple years of protection (CYPs)[1] in 2012-13 with more than half (5.9 million) coming from rural areas (*Source:* Retail audit data). OCPs contributed an additional 3.3 million CYPs[2] (*Source:* Sales data MoHFW).

Despite these significant successes, all stakeholders interviewed in the assessment mentioned that the programme faces a number of challenges. If these are addressed, the impact of the programme is expected to increase substantially. Challenges identified include:

- The low pricing (and margins) of SM brands and the lack of periodic and timely price revision are affecting the ability of the SMOs to distribute and promote the brands aggressively. The sale price has remained unchanged since 2004.
- Delays in procurement and product shortages have impacted the performance of the programme adversely. The survey revealed that 48.7 per cent of retailers who were stocking SM brands of condoms and 31.1 per cent of those stocking SM brands of OCPs reported stock-outs in the previous 6 months.
- SMOs indicated that the process of obtaining stocks and delays in reimbursement of packaging and marketing subsidies are impacting their performance.
- SMOs acknowledged that OCPs as a product category have been neglected over the past few years both by the department and SMOs.
- The role of the Social Marketing Division of the MoHFW appears to have been restricted to procuring the product from the manufacturer and supplying it to SMOs at subsidised prices.
- Overall, there appears to be a lack of long-term vision for the programme at GoI level.

In view of the continued high unmet need for contraception, the need to increase the focus on delaying first birth and spacing subsequent births to achieve the maternal and child health goals, India's commitment to FP 2020 goals to address this unmet need based on informed choice, and improving upon the accomplishments to date, the assessment concludes that there is a strong case for not only continuing the programme but also expanding and strengthening it.

The assessment also reveals that over the past few years the programme has been in *status quo* mode and has been running under its own steam, without adequate strategic vision and leadership. From a consumer, trade and SMO perspective, this stagnation has resulted in some of the earlier gains being lost, reduced viability for SMOs and the image of government brands Nirodh Deluxe and Mala D being adversely affected, in terms of perceived quality of the product. The assessment identifies the following **key issues** that need to be addressed along with specific action points.

1. Absence of a clear vision and strategy for the CSM Programme

It appears that a long-term vision and strategy for the CSM programme has not been clearly articulated – one that is responsive to client, market and SMOs' needs.

[1] Based on the calculation that 100 condoms are equivalent to 1 CYP
[2] Based on the calculation that 14 OCP cycles are equivalent to 1 CYP

For the programme to improve its contribution to prevention of unwanted pregnancies as well as spread of sexually transmitted infections, it is important to evolve a clear long-term strategy. **Some of the questions that will help in defining the strategy are:**

1.1 What is the expected contribution of the CSM programme during the next 10 years in terms of:

  a. The share in the contraceptive method mix of condoms and OCPs?

  b. The share of SM brands vis-à-vis the fully priced commercial brands and free supply/doorstep delivery scheme?

1.2 Who are the target clients for the government SM brands and the SMO brands? This needs to be defined in terms of socio-economic status, paying capacity, age and other demographics.

1.3 How long will the programme continue to provide product subsidy? Is there a need to evolve a plan that reduces product subsidy in a phased manner? Is there a need to evolve an exit plan for SMO brands or should they continue to be subsidised for as long as the CSM programme exists?

1.4 Is there a need to expand the product basket to include other contraceptives and health products like inter-uterine contraceptive devices (IUCDs), injectable contraceptives (DMPA), emergency contraceptives, implants (as and when they are approved for use in India), sanitary napkins, ORS and Zinc, medical abortion combi-packs, etc.

1.5 How much promotion of product/brand and category is required through focused multi-media campaigns (including, but not limited to, mass media) to meet the long-term vision?

1.6 Are the current SMOs adequate to cover distribution and marketing across the country or is there a need to review and perhaps expand the present partnerships?

1.7 What organisational structure and technical and marketing capacities would be required to implement the programme and accomplish the long-term vision of the programme?

On the basis of this assessment it is recommended that GoI commissions a consultant/team of consultants to evolve a long-term vision for the programme. The NFHS-4 results, which are expected to be available in late 2015/early 2016, will provide more recent data to help this process.

2. Lack of engagement and dialogue with SMOs

Currently the Ministry's engagement with SMOs is confined to entering into an agreement and renewing it; obtaining indents (orders) for products (SMO and government brands); receiving payments for products, delivering them and processing the reimbursement of marketing subsidy (Rs. 0.10 per condom and Rs. 0.25 per cycle of OCPs); and reimbursement for packaging material[3] for SMO brands.

Discussions with the SMOs revealed that while they recognise that the engagement and agreement between the two parties should protect the interests of the government, they feel that their interests/

[3] SMOs provide packaging material (boxes/covers with the brand logos) to the manufacturers.

concerns need more attention. Specific areas of concern that emerged, relating to the engagement between the government and SMOs, are:

- Often the indented supplies are not available on time or in the desired quantities, which results in loss of sales, while the SMOs continue to incur fixed costs of the sales team they employ.
- SMOs have to pay in advance for their own brands. Their funds are blocked till the goods are supplied to them.
- SMOs are required to supply packaging material for their brands to the manufacturer within 60 to 90 days of the government placing an order. They have to pay damages at the rate of 0.5 per cent of the product delivered price for every week of delay.
- SMOs enter into multiple agreements with GoI – one each for Nirodh Deluxe and Mala D and additional ones for their own brands of condoms and OCPs.
- The agreements are valid for one year and are renewed annually. This leads to uncertainty and acts as a barrier to long-term planning.
- SMOs seem to focus more on their own brands and relatively less on promotion and sales of the government brands.
- The government shared instances of SMOs not picking up the products that they had placed an order for. There have also been issues with bank guarantees provided by the SMOs. Both these have resulted in losses for the government because of expiry of stocks as well as non-payment.
- Currently condoms sold in India have a 3-year expiry period though WHO recommends a 3 to 5-year expiry period for condoms. Since it takes between 6 and 8 months from the time the products are manufactured for them to reach retail outlets, in effect SMOs get only 2 years' shelf life which affects their ability to stock and distribute condoms.
- There is no platform that allows or encourages the staff and senior leadership within MoHFW to interact with SMOs either individually or collectively to review the programme, discuss issues and exchange ideas.

Overall, the engagement between the government and SMOs needs to be strengthened for the programme to move forward in a planned manner where interests of both the sides are taken into account to create a win-win situation. **Some suggestions for the engagement between the government and SMOs are:**

2.1 A single agreement should be signed with SMOs covering all products that they desire to market instead of multiple agreements.

2.2 The agreements should be valid for a minimum period of 3 to 5 years to provide continuity and enable SMOs to plan over the long-term and should have mutually acceptable termination clauses.

2.3 Instead of transferring the packaging reimbursement and marketing subsidy to the SMOs at the end of the financial year, the same may be reduced from the procurement price paid by SMOs for their brands. This will reduce paperwork, transaction costs and blocking of funds of SMOs for their own brands.

2.4 For SMO brands, instead of SMOs having to pay the entire amount within 15 to 30 days of the government placing orders with manufacturers, alternative mechanisms should be explored to reduce the burden of working capital on SMOs. While drawing up these new agreements, clauses such as penalties in case of default in payment by SMOs may be built in to safeguard government interests.

2.5 In order to maximise benefits of the WHO recommendation regarding the increase in shelf life of condoms, MoHFW should move to change expiry date requirement in India to 5 years (this may require changes in manufacturing and quality testing processes). This will enable SMOs to order and stock larger quantities and provide adequate time for them to liquidate stocks in the market.

2.6 The programme has 10 SMO partners for condoms and 9 for OCPs. There are 13 SMO brands of condoms and 8 SMO brands for OCPs. The reported sales for some of these brands are very low. In the interest of the programme and to reduce transaction costs for the SMOs, GoI should review the performance of SMOs and SMO brands and base the renewal of agreements with SMOs on parameters such as SMO performance, distribution reach, interest and commitment, growth of the SMO brands in the market, etc.

2.7 The government should initiate mechanisms to increase engagement with the SMOs, for example, by holding regular meetings with them, individually as well as collectively to voice concerns on both sides and find mutually acceptable solutions and to enable the teams to share lessons and strategise together to improve the programme.

3. Low profile of government brands – Nirodh Deluxe and Mala D

Both these brands have significant sales and market shares. However, the in-depth interviews, semi-quantitative study and desk review of available literature indicate that both the brands have a relatively poor consumer and market image compared to other SMO owned and commercial brands and could benefit greatly from a revamp.

There is unanimous agreement among SMOs, trade and clients that the government condom brand – Nirodh Deluxe – needs a complete revamp of all marketing elements to improve its image and acceptance among clients.

There seems to be "brand fatigue" among users since the brand has not kept pace with the changing needs of the clients. While it continues to be a leading condom brand, the sales and market share seem to be falling over the years. The market share of Nirodh Deluxe has fallen from 26 per cent in 2007 to 20 per cent in 2011 (*Source:* ORG figures quoted in TNS study presentation). The increase in sales of fully priced commercial brands and SMO brands indicate a possible shift from the Nirodh Deluxe to higher price brands. **Some suggestions for enhancing the government brand SM products are:**

3.1 Improve the packaging and pack design and advertising to give it a contemporary look and feel so as to retain the interest of existing core users (who may otherwise shift to commercial brands when their purchasing capacity improves) and also to attract younger users.

3.2 GoI should consider launching variants of Nirodh Deluxe, such as textured, fragranced, flavoured condoms to address the aspirational needs of its clients. This would also improve the image of the brand by going beyond contraceptive needs and linking it to the concept of pleasure, thus making it more competitive with the fully priced commercial brands.

3.3 Revamping the packaging and introduction of variants should be supported by a well-designed multi-media campaign to reposition the brand and improve its image.

3.4 In states where Nirodh Deluxe has a high market share, such as in northern India, it is suggested that state-wise sales data for various brands be studied and market share assessed, following which the marketing/promotion efforts for the revamped Nirodh should be focussed in these states. This would ensure better utilisation of resources.

3.5 Any revamping of Mala D would greatly benefit from in-depth consumer research among existing and ever users of Mala D and other SMO brands of OCPs, and comparing the same with users of fully priced commercial OCP brands.

4. Pricing of social marketing products

The price of a product is a very important component of the "Marketing Mix".[4] Different price points address the affordability needs of various target groups and also help in segmenting the market/ target audience based on purchasing power. The goal of a SM programme over the long-term (say 10-50 years) should be to graduate clients from one segment to another so that ultimately, the majority of the customers pay the full or at least a significant proportion of the cost of the products.

In order for this change to occur, a SM programme needs to be dynamic in its pricing of products so that the price is reflective of increased purchasing power and also adjusted for inflation.

Since its launch over 30 years ago in 1984, the maximum retail price of Nirodh Deluxe has been increased only twice and today it costs only three times more than its launch price. Similarly, the maximum retail price of Mala D has been increased only once since its launch in 1987 and it costs only 50 per cent more (1.5 times) today than its launch price. The average annual inflation over the last decade alone in India has been 8.05 per cent, with a low of 3.44 per cent in 2004 and a high of 12.11 per cent in 2010 (*Source:* www.inflation.eu worldwide data on inflation). As the prices of SMO brands are linked to the price of government brands, the SMOs have not been able to increase prices of their brands since 2004.

Condoms have also been brought under the National Pharmaceutical Pricing Authority (NPPA) and the price cannot exceed Rs. 8.04 per condom (recently revised from Rs. 6.56 per condom). This may prove to be detrimental to the growth of fully paid commercial brands in the country. Over the years, a number of commercial brands have been launched and the share of fully paid commercial brands has grown to 52 per cent of total condoms sold in the country. Many of these brands had their premium products priced well above the NPPA pricing. This capping on retail prices has reduced the viability for many commercial condom manufacturers. **Some suggestions for enhancing the government brand SM products are as follows:**

4.1 Raise the price of Nirodh Deluxe and Mala D with immediate effect. Based on the suggestions from the SMOs, as well as the clients' willingness to pay as brought out in this evaluation, the price of Rs. 5 per pack of 5 condoms and Rs. 5 per cycle of OCPs seems like a reasonable option.

[4] "Marketing Mix" is a business tool used by marketers. It consists of 4 Ps: product, price, promotion and place that need to be addressed to optimise sales.

However, GoI may like to opt for further discussions and rapid assessments before taking a final decision, as long as such processes do not inordinately delay the much needed decision on price revision.

4.2 Price the variants higher, say three condoms for Rs. 5. The price differential between normal Nirodh Deluxe and its variant should be such that it covers the incremental procurement cost so that there is no additional product subsidy burden on the government exchequer. This would enhance the client base of the product by attracting younger users even from the lower income groups.

4.3 Prices of condoms and oral contraceptives should be reviewed periodically and increased to reflect changes in purchasing power and adjusted to match increased costs due to inflation.

4.4 Based on the changes in the maximum retail price of Nirodh Deluxe and Mala D, their sale price and that of SMO brands to SMOs (which is the same as the cost price to the SMOs) should also be increased proportionately. For example, if the above price recommendations are accepted, Nirodh Deluxe should be sold to the SMOs at Rs. 0.66 per condom and Mala D at Rs. 2.65 per cycle. The increased monetary realisation from the SMOs will help reduce the product subsidy burden.

4.5 Consequent to change of Nirodh Deluxe and Mala D prices, SMOs should be allowed to increase prices of their brands. It is recommended that SMOs be provided a range in terms of rupees per piece to price the brands, or, if condoms continue to be part of NPPA, it could be specified as a percentage of NPPA price.

4.6 The programme should engage with NPPA to remove condoms from its purview so that the condom market growth is not adversely affected. The primary goal of NPPA to make pharmaceutical/public health products affordable for those who cannot afford the high prices is already being met by the CSM programme.

5. Expansion of product basket

The CSM programme today consists of only two products – condoms and oral pills. A back-of-the-envelope calculation estimates the sales turnover at maximum retail price (price paid by the final consumer) to be around Rs. 150 crore. After accounting for 30 per cent trade margins (distributors and retailers), the sales turnover at SMO level would be around Rs. 100 crore. As this is spread over 8-10 SMOs, the sales value and margins make the business quite unattractive/unviable for them. However, without the promotion and distribution support undertaken by this programme, making these contraceptives accessible, particularly in rural areas, will continue to be a challenge. Many SMOs are currently able to sustain their operations either because they have programme support from donors or by selling other products.

In order to make the CSM initiative a financially attractive proposition for organisations to invest in, and to use the system set-up to support the broader public health goals of improvements in maternal and child health, the government should consider introducing other products to the SM basket. Initially at least, products of known public health impact and need, and those which can be distributed by the existing channels should be considered for introduction. The quantitative study done as part of this evaluation shows that both retailers and end-users are respectively open to stocking and buying the proposed additional products through social marketing (or at subsidised rates). Products that may be considered for introduction on an immediate basis are:

1. Emergency contraceptive pills
2. Injectable contraceptives – DMPA
3. Medical abortion drugs – combi-packs (Mifepristone and Misoprostol)
4. Pregnancy test kits
5. Sanitary napkins

Also, though not captured specifically by the survey as a potential product for inclusion in the CSM basket, many other SMOs are already marketing ORS and Zinc and would welcome the introduction of these products in the programme.

However, prior to introducing any of these products, it is recommended that a long-term vision and strategy be created for each of them.

6. Lack of programme management capacities

The assessment indicates a lack of marketing and monitoring capacities within the organisational set-up for the programme. Most of the gaps can be directly attributed to the lack of a clearly articulated overall goal/vision and the inability to adopt a wholesome marketing approach.

Presently the programme is managed by a Director, Deputy Director, two section officers – one each for condoms and OCPs – and 4 or 5 support staff, all based in New Delhi. Essentially, the SM division handles only the supply and reimbursement functions among the multitude of functions required for effective and efficient programming wherein the returns on investment are maximised. In addition, frequent staff turnover leads to discontinuity in planning and management.

The *status quo* situation that the SM programme has been in for the past many years indicates a paucity of management capacity within the Ministry to manage the programme effectively. **Suggestions for enhancing programme management capacities include:**

6.1 Induction of marketing professionals into the division, i.e., professionals who can engage with SMOs and bring on board market research and advertising agencies and who can monitor the performance of SMOs and products regularly.

6.2 One encouraging development is the establishment of the condom technical support group (TSG) within NACO, which has put in place a number of systems for monitoring the programme and also engaged on other aspects of the marketing mix. One option is to expand the role of condom TSG to oversee the marketing elements of all products within the CSM programme.

6.3 Alternatively, a similar structure/unit, consisting of marketing specialists should be set up within the division to plan, implement and monitor the CSM programme. This would need support and backing from the highest policy and political leadership within the MoHFW.

1. Introduction

India was the first country to launch a contraceptive social marketing (CSM) programme in 1968 with the launch of Nirodh un-lubricated condoms. The primary objectives of the programme were twofold: (i) to make available quality and affordable condoms to low income groups closer to where they live through commercial distribution channels on the lines of fast moving consumer goods (FMCG) and (ii) to leverage the marketing/distribution/sales strengths of the private sector and increase their involvement in the family planning programme.

In late 2013, the Ministry of Health and Family Welfare (MoHFW), on the advice of the Ministry of Finance, decided to have the scheme evaluated by an independent agency. MoHFW requested UNFPA to facilitate conducting of this assessment. This report showcases the results of this study.

The specific aspects covered by the evaluation of the CSM programme are:

1. Organisational study of GoI and Social Marketing Organisations (SMOs) with regard to product, procurement, indenting, promotion, incentives and management of the programme and identifying bottlenecks
2. Logistics and supply chain management including product availability, timeliness, promotional activities and communication strategies
3. Undertaking sales validation by comparing SMO records on a random basis and analysis of retail audit reports
4. Understanding stockists' perspectives and reasons for stocking/non-stocking of SM and other products
5. Obtaining user feedback and their perception on the SM contraceptive product vis-à-vis other available products and suggestions for improving social marketing products and communication approaches
6. Providing specific recommendations to make the programme more effective

In order to meet the above objectives, the evaluation had three components:

i. Desk review of available studies and data

ii. Semi-quantitative study among a sample stockists/retailers and clients (henceforth referred to as "the survey")

iii. Assessment of management of the CSM programme, through in-depth interviews with SMOs and government officials associated with it

The semi-quantitative survey was outsourced to a data collection agency[5] and the organisational assessment was done by an independent expert with an in-depth knowledge of the CSM programme. The desk review was a collaborative effort by both these entities. UNFPA provided the necessary oversight and coordination for this evaluation.

For the third component, information was sought from all SMO partners regarding their sales, distribution and sales network, other products handled etc. However only five of the 10 SMOs who are currently partnering with GoI – Population Health Services India, Population Services International, Janani, Parivar Seva Sanstha and World Health Partners – provided the information. The lack of response from SMOs in spite of reminders from the Ministry could reflect a relative lack of interest for the programme.

This report and the recommendations are based on the in-depth interviews conducted by the consultant and the survey agency's preliminary report based on the data from customers and retailers, and a few documents and data shared by the National AIDS Control Organisation's (NACO) technical support group (TSG). Access to retail audit data for condoms and OCPs could have provided better insights on market growth, trends of the condom/OCP market and also SM brands. However, being a paid data set, the same was not used in preparation of this report.

5 Nielsen (India) Pvt. Ltd.

2. Brief History and Current Status of the Programme

The CSM programme was launched in 1968 with the condom brand Nirodh, which was then priced at Rs. 0.15 for a pack of three. Nirodh was an unlubricated condom. At the inception of the programme, the SMO partners distributing Nirodh were well known fast moving consumer goods (FMCG) companies like Indian Tobacco Company (now ITC), Hindustan Lever Ltd. (now Hindustan Unilever), Brooke Bond Ltd. and Lipton Tea (both now acquired by Unilever). These companies were identified since they had excellent sales and distribution networks across the country.

In 1984, lubricated condoms under the brand name Nirodh Deluxe were launched by the government. The year 1987 was quite eventful for the programme with (i) the introduction of another product – oral contraceptive pills (OCPs) – under the brand name Mala D; (ii) the launch of thinner, coloured, lubricated condoms under the brand name Super Deluxe Nirodh; and (iii) the adoption of the multi-brand strategy, wherein SMOs were allowed to launch their own brands of condoms and OCPs under the national CSM programme. Parivar Seva Sanstha was the first SMO to launch its own brand of condoms (Sawan) and OCPs (Ecroz) in 1988, followed by the launch of Masti condoms by Population Services International. Since then a number of SMOs have launched their own brands of condoms and OCPs.

With the introduction of lubricated condoms, the government phased out Nirodh unlubricated condoms and in 1990 launched New Lubricated Nirodh in its place. However, the uptake of both New Lubricated Nirodh and Super Deluxe Nirodh was not satisfactory and currently Nirodh Deluxe is the only government brand of condoms sold under the programme.

The late eighties/early nineties also saw the withdrawal of the leading commercial FMCG companies from the CSM programme – a decision that may have been linked to economic liberalisation. By the mid-nineties, non-governmental organisations (NGOs) had become the dominant social marketing partners, and the situation continues till date. In 2011-12 DKT International withdrew from the programme, but the company continues to market its condom and OCP brands (Zaroor and Choice respectively) which were earlier part of the CSM programme.

Currently the programme has two products – condoms (one government brand and 14 SMO brands) and OCPs (one government brand and eight SMO brands). As of September 2014 the programme has nine partners for condom social marketing and 10 for OCPs. See Annexure III for current SMO partners and Annexure IV for SMO brands.

3. Key Findings and Inferences

The assessment and data available indicates that the CSM Programme has numerous successes to its credit and continues to play a significant role in improving the access to and use of condoms and OCPs in the country. Were it not for the programme, it is likely that the condom and OCP market would have remained relatively small and accessible to only a small section of the population in urban areas. The assessment also reveals certain challenges and lacunae that have prevented the programme from performing better. The successes and challenges are presented below.

3.1 Successes of the CSM programme

- National Family Health Survey (NFHS)-3 (2005-06) clearly shows that SM products account for a significant proportion of condoms and OCPs being used in India. Of all the condom users interviewed in the survey 23.7 per cent were using an SM brand, while 42 per cent of OCP users were using an SM brand. This is in addition to the 46.1 per cent and 32.1 per cent of condom and OCP users respectively who could not specify the brand name, which could have been SM brands.
- Contraceptive prevalence due to condoms improved from 2.4 per cent in 1992-93 (NFHS-1) to 5.2 per cent in 2005-06 (NFHS-3) and for OCPs it increased from 1.2 per cent to 5.2 per cent as per the same survey results. A significant proportion of this increase can be attributed to availability of SM brands, which has improved the access to these products.
- The CSM programme has been responsible for creating a robust market for condoms and OCPs in the country. Prior to the launch of Nirodh in 1968, condom sales were negligible and very few people had access to condoms. As per ORG retail audit, the commercial condom market had grown to 2 billion pieces in 2012-13. SM brand condoms have a market share of 42 per cent nationally and 63 per cent in rural areas.
- The sales of SM brands of OCPs (as reported by SM division of GoI), was 47.1 million in 2011-12. However, this dropped to 37 million in 2012-13. The drop in sales in the recent past appears to be due to supply constraints.
- Based on the quantitative survey conducted as part of this assessment, clients who are using SM brands (collectively in both urban and rural areas) find the products affordable (64%), easily accessible (67%) and of good quality, even better than some of the commercial brands (70%).
- The survey conducted as part of this study shows that there is a clear distinction between the socio-economic status of users of SM brands and commercial brands. Retailers of SM brands of condoms and OCPs reported that the majority of SM brand buyers were from the lower and middle class while majority of buyers of commercial brands were from the middle and upper

class. The survey also shows that buyers of commercial brands of condoms are younger (21.3% vs. 15.8%) and better educated, with higher secondary and above (47.2% vs. 27.7%) when compared to consumers of SM brands. In the case of OCPs too, the consumers of SM brands were better educated (26.4% vs. 20.2%). SM brands are thus catering to a separate segment of the market, probably those who do not wish to use the free products, but are unable to pay for the fully priced commercial brands. The data also shows that among the users of SM brands, the brands marketed by the SMOs are used more by the middle income group while government brand (Nirodh Deluxe) is used by the lower income group.

- Global data on CSM programme performance, collated and published by DKT International for the year 2013, ranks the CSM programme of GoI as the number one programme in the world in terms of sales volumes.
- The multi-brand strategy adopted in 1987 has increased choice for the clients who prefer to pay for contraceptive products, but within a perceived affordable price range. In fact, the number of SMO brand condoms procured in 2011-12 and 2012-13 were higher than the government brand Nirodh Deluxe.
- The expansion of the condom market due to investments made by the government and SMOs has attracted a number of commercial brands to invest in the Indian market. The fully priced (non-subsidised) commercial brands have 58 per cent market share of condoms nationally.
- Over the years, the uptake and use of condoms has seen a shift from free to social marketing (government brands), to slightly higher priced SMO brands, to fully priced commercial brands. This shift in consumer preference reflects not just the increasing purchasing power of the population but also the creation of a sustainable market for condoms (and pills). The users of these products are now clients based on their own demand and preferences, and not beneficiaries of a top-down programme.
- In terms of health impact, the condom SM programme contributed to 10.86 million couple years of protection (CYPs)[6] in 2012-13 with more than half (5.9 million) coming from rural areas (retail audit data). The socially marketed OCPs contributed an additional 3.3 million CYPs [7](sales data MoHFW).
- While the initial intent of the programme was to leverage the distribution and sales network of established FMCG companies, over the years NGO social marketing organisations have emerged as the largest sellers of SM contraceptives under the programme. These organisations, who are mission driven, have now established a strong distribution and sales presence across the country. Some of them have added other relevant contraceptives and maternal and child health products to their basket, such as intra-uterine contraceptive devices (IUCDs), emergency contraceptive pills (ECPs), commercial/fully priced condoms, injectable contraceptives like DMPA, medical abortion kits etc.
- In spite of changes in the condom market, Nirodh Deluxe still continues to be the largest selling condom brand in the country, both in urban and rural areas, with a loyal customer base who believes the product is of good quality and very affordable (*Source:* Enhancing Brand Equity

[6] Based on the calculation that 100 condoms are equivalent to 1 CYP
[7] Based on the calculation that 14 OCP cycles are equivalent to 1 CYP

of Nirodh Deluxe, Presentation of Study done by TNS for NACO). In addition, SMO brands like Masti, Thrill, and Mithun have established themselves as strong brands with significant market shares in certain states (as reported by SMOs).

- One of the SMO partners (DKT International) withdrew its brands (Zaroor condoms and Choice OCPs) from the CSM programme in 2011-12. They continue to market these brands by procuring their own supplies and recovering costs by increasing the prices. DKT International reports that OCP sales are at the same level while condom sales dropped in 2013 (mainly because of a drop in sales of their higher priced brand, which according to them is due to the retail sales price restriction on condoms as mandated by National Pharmaceutical Pricing Authority (NPPA). In terms of health impact they continue to contribute about 3 million CYPs, which is almost stable over the past 4 years. The deficit created by a reduction in condom sales has been compensated for by increased sales of other contraceptives like IUCDs and DMPA. Sales of medical abortion kits contribute to the overall turnover of DKT International.

3.2 Challenges for the CSM programme

- The low pricing (and margins) of SM brands and the lack of periodic and timely price revision are affecting the ability of the SMOs to distribute and promote the brands aggressively. While the sale price has remained unchanged since 2004, the costs – including the product subsidy incurred by the government, sales, distribution and promotion costs – have increased substantially over the years. The survey showed that 36 per cent of retailers surveyed stocked only fully priced commercial products (of which 23% stocked only condoms, while another 13% stocked both condoms and OCPs). When asked about the reasons for not stocking SM products, the retailers stated low prices and margins as one of the most important reasons. They also felt that the SM products are of poor quality, and that there is not much demand for them and that younger people usually asked for newer, fully priced commercial brands. This is in sync with the findings that users of commercial brands were younger compared to clients of SM brands.
- There is significant undercutting of prices for Nirodh Deluxe in the market. While the product is sold by the programme to SMOs at Rs. 0.40 per condom, the SMOs shared that the product is available in wholesale markets at Rs. 0.20 – 0.30 per condom. Since GoI provides Nirodh Deluxe only to SMOs, one theory being discussed among SM experts is that SMOs are supplying it to wholesalers at lower prices to meet their internal sales/CYP goals or to meet deliverables/targets committed to donors. However, this theory needs to be confirmed by probing in greater detail the circumstances leading to the price under-cutting. Whatever the reason, this has resulted in Nirodh Deluxe (and to a certain extent Mala D) being reduced to a commodity and not a brand.
- There is anecdotal information that the low price of Nirodh Deluxe and its availability in the wholesale market for even lower prices has resulted in the product being used for non-contraceptive purposes or even being repacked and sold/exported to other markets. The scope of this study did not allow further inquiry into this issue. However, it may be worth exploring the actual existence of this problem, and if found to be true, to assess its magnitude and conduct a root-cause analysis. It could be possible misuse of government subsidy and a drain of taxpayers' money.

- According to the feedback from SMOs, the long drawn procurement process often led to delays with resultant shortage of products within MoHFW, which in turn hindered regular availability of supplies with the SMOs. This has an adverse impact on the ability of SMOs to develop their annual plans. Product supplies during the past 5 years ranged from a low of 482 million in 2009-10 to a high of 1089 million in 2010-11 for condoms, while for pills the range was between 35 million cycles in 2010-11 to 47 million cycles in 2011-12. Since availability of stocks was not uniform across the years, and SMOs have reported stock-outs, trend analysis to calculate contraceptive uptake and CYPs based on sales figures by MoHFW does not yield meaningful information. Irregular supplies from MoHFW affect availability right down to the retailer level. The survey revealed that 48.7 per cent of retailers of SM condoms and 31.1 per cent retailers of SM OCPs reported product stock-out in the previous 6 months.
- The role of the Social Marketing Division of the MoHFW appears to have been restricted to procuring the product from the manufacturer and supplying it to SMOs at subsidised prices. Thus, the division seems to have lost the marketing element of its social marketing role, and so the programme is unable to respond to dynamic client and market needs. In other words, the programme appears to be in a *status quo*/auto-pilot mode. The opinion of the SMOs was that if the programme had been pro-active in responding to changing market trends and needs, the results and accomplishments might have been greater.
- SMOs indicated that the process of obtaining stocks, and delays in reimbursement of packaging and marketing subsidies is impacting their performance. Earlier these deficits were covered by donor support. However in recent times, donor support for CSM programmes has seen a significant reduction.
- SMOs acknowledged that OCPs as a product category has received much less attention compared to condoms by both the Ministry as well as the SMOs, especially over the past few years. This can partly be attributed to increased interest in condom promotion, including through social marketing, by the National AIDS Control Programme (NACP).
- There seems to be a lack of synchronisation between NACO's condom promotion programme and the Ministry's CSM programme (under family planning). Due to geographical overlaps between the sales areas allotted to different SMOs under the two programmes, SMOs who had been allotted territories for marketing of Nirodh condoms under the family planning programme were unable to sell anything as the organisation that won the NACO project had an edge for Nirodh distribution, perhaps due to greater marketing subsidy in the latter. This clearly calls for improving synergies between the two programmes.

The assessment clearly indicates that the CSM programme has some important successes to its credit. As it is catering to a distinct section of the population who are not able to purchase fully priced condoms and OCPs, it continues to meet an important need. The assessment also reveals significant challenges which, if addressed, will improve the performance of the programme, including a reduction of the subsidy burden on the exchequer in the long run.

4. Issues that need to be addressed

The major issues that emerged as part of the assessment that need to be addressed to improve the CSM programme are:

- Absence of a clear vision and strategy for the CSM Programme
- Lack of engagement and dialogue with SMOs
- Low profile of government brands Nirodh Deluxe and Mala D
- Pricing of SMPs
- Expansion of product basket
- Lack of programme management capacities

The details of these issues and specific recommendations are given below.

4.1 Absence of a long-term vision and strategy for the CSM programme

It appears that a long-term vision and strategy for the CSM programme has not been clearly articulated – one that is responsive to client, market and SMOs' needs.

4.1.1 Recommendations

For the programme to better contribute to prevention of unwanted pregnancies as well as spread of sexually transmitted infections, it is important to evolve a clear long-term strategy. Some of the questions that will help in defining the strategy are:

1. What is the expected contribution of the CSM programme in the next 10 years in terms of:
    a. The share in the contraceptive method mix of condoms and OCPs?
    b. The share of SM brands vis-à-vis the fully priced commercial brands and free supply/doorstep delivery scheme?
2. Who are the target clients for the government SM brands and the SMO brands? This needs to be defined in terms of socio-economic status, paying capacity, age and other demographics, etc.
3. How long will the programme continue to provide product subsidy? Is there a need to evolve a plan that reduces product subsidy in a phased manner? Is there a need to evolve an exit plan for SMO brands or should they continue to be subsidised for as long as the CSM programme exists?
4. Is there a need to expand the product basket to include other contraceptives and health products like IUCDs, injectable contraceptives (DMPA), emergency contraceptives, implants (as and when they are approved for use in India), sanitary napkins, ORS and Zinc, medical abortion combi-packs etc.? (See 4.5 for more detail on this).

5. How much of product/brand and category promotion is required through focused multimedia campaign (including, but not limited to mass media) to meet the long-term vision?
6. Are the current SMOs adequate to cover distribution and marketing across the country or is there a need to review and perhaps expand the present partnerships?
7. What organisational structure and technical and marketing capacities would be required to implement the programme and accomplish the long-term vision of the programme? (See 4.6 for more detail on this).

On the basis of this assessment it is recommended that GoI commission a consultant/team of consultants to evolve a long-term vision for the programme. The NFHS-4 results, which are expected to be available in late 2015/early 2016, will provide more recent data to help this process.

4.2 Lack of engagement and dialogue between the Government and SMOs

Currently the Ministry's engagement with SMOs is as follows:

- Entering into an agreement and renewing it
- Obtaining indents (orders) for products (SMO and government brands)
- Receiving payments for products and delivering them
- Processing the reimbursement of marketing subsidy (Rs. 0.10 per condom and Rs. 0.25 per cycle of OCPs) and reimbursement for packaging material[8] for SMO brands.

The engagement has, over a period of time, been reduced to supply chain and sales work rather than a marketing engagement in the fullest sense wherein both the parties also engage meaningfully in all aspects of the marketing mix.

Discussions with the SMOs revealed that while they recognise that the engagement and agreement between the two parties should protect the interests of the government, they feel that their interests/concerns need greater attention. Specific areas of concern relating to the engagement between the government and SMOs that emerged are:

- Often the indented quantities of both the government and SMO brands are not available on time or in the desired quantities. This results in loss of sales, while the SMOs continue to incur fixed costs for the sales team they employ. SMOs reported that they had faced supply constraints in at least 4 of the previous 6 years. There is no compensation for stock-outs or delayed supplies of products from government to the SMOs.
- SMOs have to pay in advance (within 15 to 30 days of the government placing the order with the manufacturer, depending on the size of the order) for their own brands. Their funds are blocked till the goods are supplied to them. In addition, they incur carrying costs of stocking the products and providing credit to the trade. The cash flow cycle (the time between making the payment and receiving sales monies from their distributors) is around 5-7 months, and their funds are blocked during this period. Further, for their own brands, they procure packaging materials and supply it to the manufacturers. The reimbursement from the government for

[8] SMOs provide packaging material (boxes/covers with the brand logos) to the manufacturers.

packaging and marketing subsidy also takes a significant time. Since major SMO partners today are NGOs (not-for-profit), rendering the funds non-usable for such long periods hampers programme effectiveness and sustainability.

- SMOs are required to supply packaging material for their brands to the manufacturer within 60 to 90 days of the government placing an order. If the SMOs delay sending the packaging materials they pay damages at the rate of 0.5 per cent of the product delivered price for every week of delay.
- SMOs enter into multiple agreements with GoI – one each for Nirodh Deluxe and Mala D and additional ones for their own brands of condoms and OCPs. The agreements are valid for one year and are renewed annually. In the last and current fiscal years, the agreements have been renewed for shorter periods. Such short-term agreements lead to a lot of uncertainty, and given the time taken from placement of the order to the product actually reaching the retailers, such agreements lead to stock-out situations, and therefore losses for the SMOs.
- SMOs seem to focus more on their own brands with relatively less focus on promotion and sales of the government brands.
- SMOs do not report sales figures or other information based on data requests by the Ministry in a timely manner. This presents difficulties for the government in estimating needs and planning for coming years.
- The government also shared instances of SMOs not picking up the products that they had placed an order for. There have also been issues with bank guarantees provided by the SMOs. Both these have resulted in losses for the government because of non-payment as well as expiry of stocks.
- Currently condoms sold in India have a 3-year expiry period though WHO recommends a 3-5 year expiry period for condoms. Since, it takes anywhere between 6 and 8 months from the time the products are manufactured for them to reach retail outlets, in effect SMOs get only 2 years' shelf life which affects their ability to stock and distribute condoms. In addition, retail outlets are hesitant to buy products with less than 6 months' shelf life.

There is no platform that allows or encourages the staff and senior leadership within MoHFW to interact with SMOs either individually or collectively to review the programme, discuss issues and exchange ideas.

4.2.1 Recommendations

Overall the engagement between the government and SMOs needs to be strengthened for the programme to move forward in a planned manner where the interests of both the sides are taken into account to create a win-win situation. Some suggestions for the engagement between the government and SMOs are:

1. A single agreement should be signed with SMOs covering all products that they desire to market instead of multiple agreements.
2. The agreements should be valid for minimum period of 3 to 5 years to provide continuity and enable SMOs to plan over the long-term. In order to safeguard the interests of both sides, the agreements should have mutually acceptable termination clauses.

3. To reduce paperwork, transaction costs and avoid blocking of funds of SMOs for their own brands, packaging reimbursement and marketing subsidy may be reduced from the procurement price of SMO brands instead of transferring them to the SMOs at the end of the financial year. For example, currently the SMOs pay Rs. 0.40 per Nirodh Deluxe equivalent condom and are reimbursed Rs. 0.10 as marketing subsidy and Rs. 0.12 for packaging after the completion of the financial year. Instead, it is suggested that the amount of marketing subsidy and packaging currently at Rs. 0.22 per condom for Nirodh Deluxe should be reduced from the sale price of Rs. 0.40. In effect Nirodh Deluxe equivalent SMO brands, at current prices, will now be sold to SMOs for Rs. 0.18 thereby freeing up some working capital of SMOs. The same methodology should be adopted for other SM products like OCPs.
4. For SMO brands, instead of SMOs having to pay the entire amount within 15 to 30 days of the government placing orders with manufacturers, alternative mechanisms should be explored to reduce the burden of working capital on SMOs. For example, bank guarantees, payment of certain percentage in advance and the balance on delivery may be considered. While devising these new agreements, clauses such as penalties in case of default in payment by SMOs may be built in to safeguard government interests.
5. In order to maximise benefits of the WHO recommendation regarding increasing the shelf life of condoms, MoHFW should move to change the expiry date requirement in India to 5 years (this may require changes in manufacturing and quality testing processes). This will enable SMOs to order and stock larger quantities and provide adequate time for them to liquidate stocks in the market.
6. The programme has 10 SMO partners for condoms and 9 for OCPs. There are 13 SMO brands of condoms and 8 SMO brands for OCPs. The reported sales for some of these SMO brands are very low. In the interest of the programme and to reduce transaction costs for the SMOs, GoI should review the performance of SMOs and SMO brands (in terms of sales and the contribution being made in terms of overall CYPs) and base the renewal of agreements with SMOs on parameters such as SMO performance, distribution reach, interest and commitment, growth of the SMO brands in the market, etc.
7. The government should initiate mechanisms to increase engagement with the SMOs, for example, by holding regular meetings with SMOs individually as well as collectively to voice concerns on either side and find mutually acceptable solutions and to enable the teams to share lessons and strategise together to improve the programme.

4.3 Low profile of government brands – Nirodh Deluxe and Mala D

Nirodh Deluxe condoms and Mala D OCPs are government owned brands. Both brands have significant sales and market shares. However, the in-depth interviews, semi-quantitative study and desk review of available literature indicate that both the brands have a relatively low consumer and market image compared to SMO brands and commercial brands and could benefit greatly from a revamp.

4.3.1 Nirodh Deluxe

There is unanimous agreement among SMOs, trade and clients that the government brand of condom – Nirodh Deluxe – needs a total revamp of all marketing elements to improve its image and acceptance among clients.

There seems to be "brand fatigue" among users since the brand has not kept pace with the changing needs of the clients. While it continues to be a leading condom brand, the sales and market share seem to be falling over the years. The market share of Nirodh Deluxe has fallen from 26 per cent in 2007 to 20 per cent in 2011 (*Source:* ORG figures quoted in TNS study presentation). The increase in sales of fully priced commercial brands and SMO brands indicate a possible shift of the Nirodh Deluxe users to higher priced brands.

In 2012, NACO had commissioned TNS to conduct a qualitative and quantitative assessment of Nirodh Deluxe. Similarly, as part of the current SM assessment, a quantitative survey was conducted among clients and trade. Key positives and negatives about the brand image, as inferred from these studies, are given below. It must be noted that though some findings are specific for Nirodh, many others from the quantitative study can be generalised to all SM brands.

4.3.1.1 Positives of the brand

- Users of all SM brands feel the product is of good quality, easily accessible and affordable.
- Retailers who stock the SM brands also feel that the SM products are affordable, of good quality and the demand, especially in rural areas, is high.
- Users of SM brands of condoms did not report any significant issues with the product quality or problems during use when compared to users of fully priced commercial brands (8.4% vs. 7.4%).
- Deluxe Nirodh is among the most stocked SM condom brands.
- The retailers shared that SM brands cater to lower and middle income group and older married couples.
- Nirodh Deluxe has a strong brand presence and continues to be a brand leader nationally with close to 20 per cent market share.
- The quantitative survey revealed that the SM brand users seem to be relatively more brand loyal compared to users of commercial brands. While only a quarter (25.2%) of SM brand condom users reported having ever changed brands, 32.4 per cent of commercial brand condom users had changed their brand at least once. While for SM product users, the most common reason for change was lower price of the new brand, commercial brand users most commonly changed because of non-availability of their preferred brand.
- Users of Nirodh Deluxe/SM brands were willing to pay a higher price for the product compared to the current prices – up to Rs. 1.00 per condom.

4.3.1.2 Negatives

- The survey revealed that non-users[9] of SM brands and retailers feel that the SM condom is lower priced (and therefore of inferior quality) and lacks variants.
- The survey indicated that only 25 per cent of the retailers reported that the margin on SM brand condoms is 20 per cent or more, while 51 per cent of the retailers reported such high margins for commercial brands. Thus, stocking commercial brands is financially more lucrative for retailers. In fact, low margins on SM products was one of the most important reasons for non-stocking of these products by the retailers.
- Stock-outs for SM brands in the previous 6 months were reported by 48.7 per cent of retailers in the current study.
- SM brands of condoms do not seem to be attracting the attention of younger users. While more than one fifth (21.3%) of the users of commercial brands were less than 25 years of age, only 15.8 per cent of the SM brand users were in this category.
- Retailers and consumers perceive that the packaging of SM brands (both condoms and OCPs) is not as attractive as commercial brands. They also feel that the commercial brands are better advertised and promoted. For example, in the quantitative survey, while 50 per cent of the users of commercial brands felt that there were sufficient advertisements and two-thirds (66.7%) were of the view that these advertisements were informative, the corresponding figures for SM brand users were 44.9 per cent and 54.8 per cent respectively.
- The previous study by TNS had revealed that most respondents (current and ever users of the brand) felt that Nirodh Deluxe needs a complete overhaul in terms of pack design, product variants and advertising. Only 6 per cent of the respondents felt there is no need for change. Even committed users of Nirodh Deluxe (45-50%) felt that the brand needs a modern contemporary look, more variants and improved advertising both through mass media and at points of sale.
- Overall, while clients were positive towards condoms as a category of contraceptive product, many users and non-users of SM brands felt that the brand image of Nirodh Deluxe needs improvement as it does not meet their aspirations. Many users of SM brands, especially Nirodh users, had higher aspirations but were not using the commercial brands which met their aspirations because of non-affordability.

The 2012 TNS study had also concluded that there is a need for a complete overhaul of the brand to leverage its presence in the market for the better. Nirodh Deluxe is perceived as a brand for the older and "family" client and the brand image does not seem to evoke the concept of pleasure and contemporary feel among existing and potential new users. For the committed Nirodh Deluxe user, price did matter and low price did not translate into inferior quality. However, across the board, consumers were willing to pay a higher price than the current sales price for the product.

[9] In the quantitative survey of this evaluation, "non-users" of SM products have been defined as those condom users who are using a fully priced commercial brand.

4.3.2 Mala D

Since its launch in 1987, Mala D has been the leading brand of OCP. This is possibly due to the low price and the relative lack of competition from the private sector as compared to condoms. The sales/supplies of Mala D have varied significantly over the years. Compared to condoms, OCPs have not received the desired attention either from the department in the Ministry or from the SMOs. Being a pharmaceutical preparation, availability/stocking of Mala D by retail outlets is limited and predominantly restricted to chemists. After the initial advertising and promotional support, marketing of Mala D has not received much attention. While community needs for condoms in general, and Nirodh Deluxe in particular, was reviewed by NACO and selected SMOs also received distribution and promotion support for the same, Mala D/OCPs did not receive any such support.

The sales/supplies of SM brands (Mala D and SMO brands) have shown a significant decline from a peak of 71.24 million cycles in 2007-08 to 37.6 million cycles in 2012-13. However, no market or consumer research study has been done on this issue.

The present survey focussed on SM brands of OCPs in general, and not specifically on Mala D. Hence it is difficult to derive any inferences regarding the issues with promotion of Mala D. The study found that, as in the case of condoms, retailers perceive the low price and relatively lower margins on Mala D/SM brand OCPs (compared to fully priced commercial brands) as a hindrance to stocking and subsequent sale. On the consumer front, users of SM brands and commercial brands of OCPs reported similar issues such as weight gain, bleeding irregularities, etc. (16.6 per cent and 16.7 per cent users respectively). Users of SM brand OCPs felt the brand was affordable and easily available, and very few (6.1%) reported changing their brand. The study also showed that users of SM brands of OCPs were willing to pay an additional Rs. 7 per strip (approximately Rs. 22 compared to the current average price of about Rs. 15).

4.3.3 Recommendations

1. Nirodh Deluxe has a strong and committed user-base and is catering especially to the needs of older and married men. However, despite this, it is not meeting their aspirations in terms of product attributes and image. There is a need to improve the packaging and pack design and advertising to give it a contemporary look and feel so as to retain the interest of existing core users (who may otherwise shift to commercial brands when their purchasing capacity improves) and also to attract younger users.

2. While it is seen as affordable, the current sales price of Rs. 3 for a pack of five, which has remained unchanged since 2004, is probably affecting its image in terms of quality. In addition, the absolute margins are not attractive to the trade. There is an immediate need to increase the sales price to a level that conveys the message that it is a competitive product in terms of quality, and yet the price needs to be below the fully priced condoms to ensure affordability, say Rs. 5 for a pack of five condoms. The present quantitative study indicated that users of SM brand condoms are willing to pay up to Re. 1 more for piece of condom. SMOs also felt that the sales price should be increased to about Rs. 5 per pack of five condoms.

3. GoI should consider launching variants of Nirodh Deluxe, such as textured, fragranced, flavoured condoms etc., to address the aspirational needs of its clients. This would also improve the image of the brand by going beyond contraceptive needs and linking it to the concept of pleasure,

thus making it more competitive with the fully priced commercial brands. The variants could be priced higher, say three condoms for Rs. 5. The price differential between Nirodh Deluxe and its variants should be such that it covers the incremental procurement cost so that there is no additional subsidy burden on the government exchequer. This would enhance the client base of the product by attracting younger users even from the lower income group who are currently not using condoms at all because the image of Nirodh Deluxe does not match their aspirations, while they cannot afford the higher priced commercial brands.

4. While the revisions in sales price suggested above are an immediate requirement, the price of Nirodh Deluxe and its variants needs to be reviewed at regular intervals to ensure that it is in line with the increase in prices of commercial brands, increasing income and purchasing power and also adjusted for inflation.
5. Increase in price and introduction of variants should be supported by a well designed multi-media campaign to reposition the brand and improve its image.
6. In-depth interviews with SMOs and ORG retail data indicate that there are some states, particularly in northern India, where Nirodh Deluxe has a high market share and some of these states contribute significantly to its national sales. It is recommended that state-wise sales data for various brands be examined and market share assessed, following which, the marketing/ promotion efforts for the revamped Nirodh should be focussed in states where the market share is low. This would be better utilisation of resources. Focussing on states that have better acceptance of SMO brands or commercial brands would not be advisable, since customers may shift from existing higher priced (and therefore less subsidised) brands to Nirodh Deluxe, thus increasing the overall subsidy burden.
7. Due to relatively limited information on SM OCP brands, and for Mala D in particular, any revamping of Mala D would greatly benefit from in-depth consumer research among existing and ever users of Mala D and other SMO brands of OCPs, and comparing them with users of fully priced commercial OCP brands.
8. As the current SM brand users are willing to pay more than the current market rates, it is recommended that increasing prices of Mala D (and other SM brands) be considered. This will reduce the subsidy burden on the government exchequer.

4.4 Pricing of social marketing products

The price of a product is a very important component of the "Marketing Mix".[10] Different price points address the affordability needs of various target groups and also help in segmenting the market/ target audience based on purchasing power. In an SM programme, pricing (cost to the consumer) also impacts the level of product subsidy that is required. Obviously, the lower the end-price, the greater the subsidy required and the greater the burden on the government exchequer.

Traditionally, social marketing products are priced significantly lower than commercial brands to attract users among lower income groups. Social marketing is not meant to meet the needs of the poorest category whose needs are addressed through free products.

[10] "Marketing Mix" is a business tool used by marketers. It consists of 4 Ps – product, price, promotion and place – that need to be addressed to optimise sales.

As markets mature and incomes grow, customers graduate from one category of product to an "upper" category (higher priced and/or perceived as better quality, which is often linked to its price). Customers move from free products to socially marketed brands to fully paid commercial brands. In the case of India's CSM programme, a new segment – SMO led SM brands was introduced. The condom and oral contraceptive market in India can be segmented as in the diagram below.

Free Supply	Government SM Brands	SMO Brands	Commercial Brands

The goal of an SM programme should be to graduate clients from one segment to another over the long term (say 10-50 years), so that ultimately the majority of the customers pay the full cost or at least a significant proportion of the cost of the products. Payment for a product by a client is also an indication that those behaviours related to product use are sustained. Thus, in the long run, especially in a growing economy like India, the aim should be that only a small section of the population should be dependent on free or highly subsidised products.

In order for this change to occur, an SM programme needs to be dynamic in its pricing of products so that the price is reflective of increased purchasing power and also adjusted for inflation.

Unfortunately India's CSM programme has not kept pace with the changing market dynamics. This has had a negative impact on the image of the product especially in urban areas where, among modern format retail outlets (including retail grocery chains and retail chemist chains), retailers no longer consider it viable to stock socially marketed brands of condoms and OCPs. The lack of price increase has also affected the financial capacity of SMOs to market their own and government brands.

The time trend of prices of the two key government brands being socially marketed is as shown in Table 4.1.

Table 4.1: Time trend of prices of two key socially marketed government brands of contraceptives

Brand	Launch year/ price	Increase in 1994	Increase in 2004
Nirodh Deluxe	1984/ Rs. 0.20 per piece	Rs. 0.40 per piece	Rs. 0.60 per piece
Mala D	1987/ Rs. 2.00 per cycle		Rs. 3.00 per cycle

As can be seen, since its launch 30 years ago in 1984, the maximum retail price of Nirodh Deluxe has been changed only twice and today it costs only three times more than its launch price. Similarly, the maximum retail price of Mala D has been increased only once since its launch in 1987 and it costs only 50 per cent more (1.5 times) today than its launch price. The average annual inflation over the last decade in India has been 8.05 per cent, with a low of 3.44 per cent in 2004 and a high of 12.11 per cent in 2010 (*Source:* www.inflation.eu worldwide data on inflation). In other words, the overall cost of products has more than doubled in the last decade alone. This means that following the price revision in 2004, the prices of SM condoms and OCPs have fallen, taking into account the value of the currency in terms of purchasing power. This is corroborated by the fact that the national per capita income has increased from Rs. 24,143 in 2004-05 to Rs. 54,835 in 2010-11.

As the prices of SMO brands are linked to the price of government brands, the SMOs have not been able to increase prices of their brands since 2004. The maximum price set by GoI in 2004 for the SMO brands is given in Table 4.2.

Table 4.2: Maximum price of SMO brands of contraceptives set by the Government of India

Equivalent Government Brand	Maximum price since 2004
New Lubricated	Rs. 0.75 per condom
Nirodh Deluxe	Rs. 2.00 per condom
Super Deluxe	Rs. 2.50 per condom
Mala D	Rs. 10 per cycle

While the cost of marketing, sales and distribution has increased substantially in the last decade, the sales revenues (the price at which the SMOs sell their brands to their distributors) and marketing subsidy has remained the same since 2004.

The cost of procurement of fully packed Nirodh Deluxe has increased from Rs. 1.60 per condom in 2002-03 to Rs. 1.96 per condom in 2012-13 while GoI, under its CSM programme, has been selling it to SMOs at the rate of Rs. 0.40 per condom since 2004. Similarly, the cost of procurement of OCPs increased from Rs. 3.00 per strip in 2003-04 to Rs. 3.85 in 2012-13. This means that over the years, the total subsidy bill has gone up.

Condoms have also been brought under the National Pharmaceutical Pricing Authority (NPPA) and the price cannot exceed Rs. 8.04 per condom (recently revised from Rs. 6.56 per condom). This may prove to be detrimental to the growth of fully paid commercial brands in the country. Over the years, a number of commercial brands have been launched and the share of fully paid commercial brands has grown to 52 per cent of total condoms sold in the country. Many of these brands had their premium products priced well above the NPPA pricing. The capping on retail prices has reduced the viability for many commercial condom manufacturers. It is likely that in the coming years, owing to the reduction in commercial brand efforts due to non-sustainability of some of their products under the NPPA regulation, the relative share of social marketing brands may increase. While on one hand this may be seen as an opportunity to invest in the SM brands, it will also lead to an increase in the cost for the government in terms of the subsidy being provided. Hence bringing condoms under NPPA may prove to be detrimental to market growth. Many SMOs have also introduced commercial brands of condoms. The freedom to price the condoms as they want has not only enabled them to compete with commercial brands, but also improve viability of their SM business through cross-subsidisation. The pricing cap has affected their business adversely too.

The maximum retail price for OCPs fixed by NPPA is Rs. 60 per cycle. Given the significant difference between this and the current price of SM brands, this capping is not expected to impact market growth or viability of SMOs if they launch higher priced commercial brands.

4.4.1 Recommendations

1. The programme should engage with NPPA to remove condoms from its purview so that the condom market growth is not adversely affected. The primary goal of NPPA to make pharmaceutical/public health products affordable for those who cannot afford the high prices is already being met by the SM programme.

2. The price of Nirodh Deluxe and Mala D need to be raised with immediate effect. Based on the suggestions from the SMOs, as well as the clients' willingness to pay as brought out in this evaluation, the price of Rs. 5 per pack of 5 condoms and Rs. 5 per cycle of OCPs seems like a reasonable option. However, GoI may like to opt for further discussions and rapid assessments before taking a final decision, as long as such processes do not inordinately delay the much needed decision on price revision.

3. Prices of condoms and OCPs should be reviewed periodically and increased to reflect changes in purchasing power and adjusted to match increased costs due to inflation.

4. Based on the changes in the maximum retail price of Nirodh Deluxe and Mala D, their sale price and that of SMO brands to SMOs (which is the same as the cost price to the SMOs) should also be increased proportionately. For example, if the above price recommendations are accepted, Nirodh Deluxe should be sold to the SMOs at Rs. 0.66 per condom and Mala D at Rs. 2.65 per cycle. The increased monetary realisation from the SMOs will help reduce the product subsidy burden.

5. Consequent to the change of Nirodh Deluxe and Mala D prices, SMOs should be allowed to increase prices of their brands. It is recommended that SMOs be provided a range in terms of rupees per piece to price the brands, or, if condoms continue to be part of NPPA, it could be specified as a percentage of NPPA price. Table 4.3 suggests how both these options may be implemented.

   Table 4.3: Recommended retail price range of SMO brands of contraceptives and alternate options as a percentage of NPPA price

Equivalent Government Brand	Current Max Retail Price Since 2004	Recommended Retail Price for SMO Brands in this Category	Alternate Option (% of NPPA price)
New Lubricated Nirodh	Rs. 0.75 per condom	Rs. 1.00 – 1.50 per condom	10-20%
Nirodh Deluxe	Rs. 2.00 per condom	Rs. 3.00 – 4.00 per condom	33-50%
Nirodh Super Deluxe	Rs. 2.50 per condom	Rs. 4.50 – 6.00 per condom	60-75%
Mala D	Rs. 10 per cycle	Rs. 15 – 25 per cycle	25-40%

   Providing a range for SMOs to price their brands will enable them better target their products to specific audiences.

6. The price at which the SMO buys the product from the government should be based on the proposed retail price. This means that when the SMO brands are priced at the lower end of the allowable retail price range, the cost of the product for the SMO should be at the equivalent government brand. Conversely, if the SMO chooses to price its brand at a higher level, then the sale price to the SMO should be proportionately higher. For example, currently a Nirodh Deluxe equivalent SMO brand condom can be priced at a maximum of Rs. 2.00 per condom, and irrespective of the retail price set by the SMO, the brands are sold by the programme at Rs. 0.40 per condom (the same price at which Nirodh Deluxe is sold to SMOs). If the SMOs are allowed to price their Nirodh Deluxe equivalent brand within a set range as recommended in the table

above, and the SMO prices its brand at the lower end say Rs. 3 per condom, its sale price should be equivalent to that of Nirodh Deluxe (Rs. 0.40 currently or Rs. 0.66 if maximum retail price of Nirodh Deluxe is increased). If the SMO chooses to price its Nirodh Deluxe equivalent brand at the higher end, say Rs. 4 per condom, the programme sale price of the brand to the SMO should be proportionately higher. This will ensure that part of the increased price that the consumer pays goes towards reducing product subsidy burden on the government.

4.5 Expanding the product basket

The CSM programme today consists of only two products – condoms and OCPs. A back-of-the-envelope calculation estimates the sales turnover at maximum retail price (price paid by the final consumer) to be around Rs. 150 crore. After accounting for 30 per cent trade margins (distributors and retailers), the sales turnover at SMOs would be around Rs. 100 crore. As this is distributed across 8-10 SMOs, the sales value and margins makes the business quite unattractive/unviable for them. However, without the promotion and distribution support undertaken by this programme, making these contraceptives accessible, particularly in rural areas, will continue to be a challenge. Many SMOs are currently able to sustain their operations either because they have programme support from donors or by selling other products.

In order to make the SM initiative a financially attractive proposition for organisations to invest in, and to use the system set up to support the broader public health goals of improvements in maternal and child health, the government should consider introducing other products to the SM basket. Initially at least, products of known public health impact and need, and those which can be distributed by the existing channels should be considered for introduction. The quantitative study undertaken as part of this evaluation shows that retailers and end-users are respectively open to stocking and buying the proposed additional products through social marketing (or at subsidised rates). Products that may be considered for introduction on an immediate basis are:

1. Emergency contraceptive pills
2. Injectable contraceptives – DMPA
3. Medical abortion drugs – combi-packs (Mifepristone and Misoprostol)
4. Pregnancy test kits
5. Sanitary napkins

Also, though not captured specifically as part of the survey as a potential product for inclusion in the SM basket, many other SMOs are already marketing ORS and Zinc and would welcome the introduction of these products in the CSM programme.

Table 4.4 ahead shows the opinion of the retailers as well as the end users regarding the viability of introduction of these products into the basket, and also the average price at which they would be willing to stock/buy should these be included. These can be a good starting point for the government should the decision about expansion of the programme be taken in the near future. It is interesting to note the remarkable similarity in average proposed prices for the new products by the retailers and end users, except for medical abortion kits.

Table 4.4: Willingness of retailers to stock and users to buy SM contraceptives along with proposed average prices

Product category	Retailers		End users	
	Willing to stock SM (subsidised) product) (%)	Average retail price proposed in Rs.	Willing to buy SM (cheaper) product (%)	Average retail price proposed in Rs.
Pregnancy test kits	50.0	23.0/kit	50.5	27.1/kit
Sanitary napkins	64.0	6.0/pad	56.5	6.9/pad
Emergency contraceptive pills	33.0	41.0/kit	24.4	41.8/kit
Intra-uterine contraceptive device[11]	12.7	103.0/unit	7.3	109/unit
Injectable contraceptive (DMPA)	27.0	78.0/injection	12.5	80.0/injection
Medical abortion kits	17.5	125.0/kit	11.4	80.5/kit

As of now, commercial fully priced brands dominate the market for the above products and they are not easily accessible or affordable for consumers from the lower and middle income categories. Introduction of these products would not only expand access and use but also provide SMOs with better leverage with the trade. It will also help them in reducing sales and distribution costs for a particular product as the same set of sales people would be selling multiple products.

However, prior to introducing any of these products, it is recommended that a long-term vision and strategy be created for each of them.

4.6 Strengthening capacity for managing the CSM programme

The assessment indicates a lack of marketing and monitoring capacities within the organisational set-up for the programme. Most of the gaps found within the programme can be directly attributed to the lack of a clearly articulated overall goal/vision and the inability to adopt a wholesome marketing approach.

Presently the programme is managed by a Director, Deputy Director, two section officers – one each for condoms and OCPs – and 4 or 5 support staff, all based in New Delhi. Besides social marketing, the Director and Deputy Director handle other functions too. Essentially, the SM division handles only supply and reimbursement functions among the multitude of functions required for effective and efficient programming wherein the returns on investment are maximised. In addition, frequent staff turnover leads to discontinuity in planning and management.

For any marketing and SM programme to succeed, keeping abreast with changing consumer and market needs and responding to them by making changes in the marketing mix is crucial.

[11] Intra-uterine contraceptive devices have not been proposed as an addition to the basket as the study found relatively few takers both among the retailers as well as the end users for such a socially marketed product. In case the introduction of the other products succeeds, this may be considered in the next phase of expansion.

The *status quo* situation that the CSM programme has been in for the past many years indicates a paucity of management capacity within the Ministry to manage the programme effectively. There is a need to induct marketing professionals into the division, i.e., professionals who can engage with SMOs and bring on board market research and advertising agencies and who can monitor the performance of SMOs and products regularly.

One encouraging development is the establishment of the condom TSG within NACO, which has put in place a number of systems for monitoring the programme and also engaged with other aspects of the marketing mix. However, this is restricted to programming of condoms with a focus on HIV/AIDS prevention. All products and dimensions under the CSM programme need similar support.

4.6.1 Recommendations

In order to expedite the strengthening of management capacities within the programme, one option is to expand the role of the condom TSG to oversee the marketing elements of all products within the CSM programme. Alternatively, a similar structure/unit consisting of marketing specialists should be set up within the division to plan, implement and monitor the CSM programme. Many large SM programmes in the world have successfully been able to establish themselves and operate through an autonomous body. This would need support and backing from the highest policy and political leadership within the MoHFW.

This means that as part of the recommended long-term vision and strategy development process for the CSM programme, the new organisational structure will assist in the development of the vision and strategy and also help implement them.

5. Conclusion and Recommendations

Overall, the current assessment shows that GoI's CSM Programme has some very significant accomplishments to its credit. It has made quality condoms and OCPs accessible and affordable for lower and middle income sections of the population and contributed towards improving contraceptive prevalence rates in the country.

The programme was the pioneer in social marketing of contraceptives and remains the number one CSM programme in the world, in terms of the sheer volumes of contraceptives supplied.

Given the high unmet need for contraception, low contraceptive prevalence rate in many big states of India, along with a very high dependence on terminal methods and India's commitment to FP 2020 goals, the CSM programme has a very important role to play. **The programme not only needs to be continued, but also strengthened to bring about greater effectiveness and efficiency. It needs to be expanded, especially in terms of the product basket, to address additional public health needs.**

Sales and use data for condoms reveals that the programme has been able to gradually generate a felt need among the clients for contraceptive products and make them willing to pay a "reasonable" amount for the same. This has gradually caused consumers to shift from free products, to socially marketed variants and then to fully priced commercial brands. Today, the majority of condom users pay some amount and are not dependent on free supply. This is a clear indication that the programme has moved in the correct direction.

While the programme also has OCPs in its basket, condoms seem to have attracted greater focus, both within the government and among the SMOs. The promotion and distribution support provided by NACO has facilitated this over the past 5 to 6 years.

However, over the years, the programme has lacked strategic support and leadership within the Ministry and this has resulted in a number of planning and operational issues remaining *unaddressed*. In fact, it appears that the programme has remained in a *status quo* situation for the past few years. A proper focus on the programme and development of a long-term vision and strategy will go a long way in improving its effectiveness and impact.

Specific recommendations have been detailed within each of the 'Issues to be addressed' sections. Some key recommendations from among these have been classified as immediate, short-term and policy recommendations and are detailed below.

5.1 Recommendations to be implemented immediately (in one year)

1. There is an immediate need to review and increase the maximum retail price (MRP) of Nirodh Deluxe and Mala D. The suggested rates are Rs. 5 per pack of five condoms and Rs. 5 per cycle of OCPs respectively. These price increases will improve viability of the programme for SMOs, decrease the subsidy burden on the exchequer and, most importantly, are in line with "willingness to pay" as indicated by users who were surveyed as part of this study.

2. With increase in prices of government brands, the prices of SMO brands need to be increased too. The SMOs should be provided a range within which they should be free to price their brands. The range may be arrived at based on discussions with SMOs or alternatively, it could be linked to the NPPA's cap on product pricing and stated as a proportion of the same.

3. The retail prices should be reviewed and revised periodically – at least once in 2 years or as and when the NPPA revises its prices. SMO brands should continue to be benchmarked to an equivalent government brand. The price at which they are sold to SMOs should depend on where the SMOs choose to price their brand within the approved range.

4. As the marketing subsidy of Rs. 0.10 per condom for Nirodh Deluxe and Rs. 0.25 for Mala D is no longer delivering the desired results and is a probable cause behind price under-cutting, it should be withdrawn. However, the subsidy elements for the SMO owned brands should continue.

5. Currently seven SMOs are marketing government brand condoms while six are marketing government brand OCPs and there are some overlaps in geographical territories that they are catering to. These may be rationalised and overlaps curtailed based on the investment, structure and performance of the SMOs in overlap areas.

6. The level of engagement with SMOs needs immediate attention and improvement. The current practices are creating uncertainties and the funds of SMOs are being blocked. Some key actions that need to be taken are:

   a. One agreement should be signed with each SMO for the entire range of products – government brands, SMO brands, condoms and OCPs.

   b. Agreements should be for a 3-5 year period with mutually agreeable termination clauses to protect the interests of both sides.

   c. The marketing subsidy and the packaging reimbursements should be reduced from the selling price of the SMO brands to increase working capital of SMOs.

   d. The current practice of 100 per cent advance payment by SMOs for their brands within 15 to 30 days of the government placing an order with the manufacturer may be replaced by alternate mechanisms such as partial advance payment (and remainder on delivery of product), bank guarantee, etc.

   e. Periodic programme review meetings chaired by senior MoHFW officials should be held with SMOs, both individually and collectively.

7. In order to address delays in procurement, delinking procurement of SM brands from the overall government procurement, or entering into longer term, multi-year procurement contracts with manufacturers are some options that may be explored.

8. In order to improve the programming and promotion of OCPs (both Mala D and SMO brands) government should commission a market and consumer research among current users, ever users and non-users of Mala D and SMO brands regarding their needs and preferences. Insights gained from this research should guide changes in the product and marketing strategy.

5.2 Short-term recommendations (2 to 5 years)

1. A long-term vision and strategy should be developed for the CSM programme which clearly articulates the goals and objectives of the programme. This exercise should preferably be led by an external consulting firm/group of consultants to bring in the best ideas in this field.
2. The technical and marketing capacities to manage the programme need strengthening. The long-term vision and strategy development process should include development of the organisational structure that would be needed to effectively implement the programme. For example, one option may be to set up an autonomous social marketing company or board to manage all aspects of the programme.
3. Government brands (Nirodh Deluxe and Mala D) need a complete overhaul in terms of packaging, product options and variants and effective advertising to make them contemporary, appealing to younger audiences and to meet the aspirations of existing and potential clients. The image makeover efforts should be undertaken through a professional advertising agency.
4. To improve viability of operations of SMOs, the product basket needs to be increased. Based on the current assessment, products that could be immediately considered for inclusion in the programme are DMPA, medical abortion kits, emergency contraceptive pills, sanitary napkins, and Zinc and ORS. The products should be introduced in a phased manner, following the development of a long-term vision and strategy for the CSM programme.

Work on the short-term recommendations should commence immediately, preferably during financial year 2015-16 so that the changes can be implemented by end of financial year 2015-16 or in financial year 2016-17.

5.3 Policy recommendations

1. The Drug Controller of India specifies a 3-year expiry date for condoms though WHO recommends a minimum expiry date of 3 years and maximum of 5 years. MoHFW should initiate the process to change the expiry period for condoms to 5 years. This will enable SMOs to better stock their brands as well as reduce possibility of expired stocks and resultant loss.
2. Condoms have been included under the NPPA's purview and NPPA has fixed an upper ceiling on condom prices (currently Rs. 8.04 per condom). Since SM brands take care of consumer interest (a priority for NPPA) by making condoms accessible and affordable, there is no rationale for condoms coming under NPPA's purview. On the contrary, the cap on condom prices would make condom marketing commercially unviable and unattractive for commercial players and may lead to the withdrawal of their products which could impact the growth of the condom market. MoHFW needs to engage with NPPA to remove condoms from its purview.

Annexure I

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Annexure II

List of Individuals Interviewed

1. Mr. Sharad Aggarwal, CEO, HLFPPT
2. Mr. Colin Dick, Country Representative, DKT International
3. Mr. Gaurav Jain, Team Leader, Condom Technical Support Group
4. Mr. B.K. Jain, Deputy Director – SSM Division, MoHFW
5. Mr. Nirmal Kumar, Director – SSM Division, MoHFW
6. Mr. Vivek Malhotra, Managing Director, Population Health Services India
7. Mr. Pritpal Marjara, Managing Director, Population Services International
8. Mr. K.K. Mendiratta, Director, Janani
9. Ms. Sudha Tewari, Managing Director, Parivar Seva Sanstha

Annexure III

List of Social Marketing Partners and Their Products

Name	Type of Organisation	Products Handled	Partner Since
Hindustan Life Care Limited, Thiruvananthapuram	Public Sector Undertaking	Nirodh Deluxe, Mala D, Ustad, Josh, Rakshak, Arpan (OCP)	1995-96
Janani, Patna	NGO	Nirodh Deluxe, Mala D, Mithun, Style, Apsara (OCP)	1997-98
Eskag, Kolkata	Private	Mala D, Suvida (OCP)	2001-02
Population Services International, New Delhi	NGO	Nirodh Deluxe, Mala D, Masti, Pearl (OCP)	1988-89
World Pharma, Indore	Private	Nirodh Deluxe, Mala D, Mauj, Julie (OCP)	1996-97
Pashupati Chemicals and Pharmaceuticals Limited, Kolkata	Private	Nirodh Deluxe, Mala D, Ahsaas	1997-98
Population Health Services India, Hyderabad	NGO	Nirodh Deluxe, Mala D, Thrill, Kamagni, Khushi (OCP)	2001-02
Parivar Seva Sanstha, New Delhi	NGO	Sawan, Milan, Bliss, Ecroz (OCP)	1987-88
Sanskar Shiksha Samiti, Bhopal	NGO	Nirodh Deluxe	2009
World Health Partners, New Delhi	NGO	Kly-Max, Sunehri (OCP)	2010

Note: Nirodh Deluxe Condoms and Mala D OCP are government brands, the rest are SMO brands; non-OCP brands are all condoms

Annexure IV

Details of Social Marketing Brands

Condoms

Brand	Brand Owner	Equivalent Government Brand	Year Launched	Current Pack Sizes	Current Retail Price
Nirodh Deluxe	Government	-	1984	5 pcs. per pack	Rs. 3 per pack
Sawan	Parivar Seva Sanstha	Nirodh Deluxe	1988	5 pcs. per pack	Rs. 10 per pack
Bliss	Parivar Seva Sanstha	Super Deluxe Nirodh	1988	12 pcs. per pack	Rs. 20 per pack
Milan	Parivar Seva Sanstha	New Lubricated Nirodh		4 pcs. per pack	Rs. 3 per pack
Masti	PSI	Nirodh Deluxe	1988	2 pcs. per pack 5 pcs. per pack 10 pcs. per pack	Rs. 4 per pack Rs. 10 per pack Rs. 18 per pack
Mithun	Janani	Nirodh Deluxe	1996	Currently not available	Currently not available
Style	Janani	Nirodh Deluxe		5 pcs. per pack	Rs. 10 per pack
Ahsaas	PCPL		-	-	-
Thrill	PHSI	Nirodh Deluxe	2000	3 pcs. per pack 6 pcs. per pack 10 pcs. per pack	Rs. 5 per pack Rs. 10 per pack Rs. 15 per pack
Kamagni	PHSI	New Lubricated Nirodh	2009	4 pcs. per pack	Rs. 3 per pack
Kly-Max	WHP	Nirodh Deluxe	2012	4 pcs. per pack	Rs. 5 per pack
Ustad	HLL Lifecare	Nirodh Deluxe	-	-	-
Josh	HLL Lifecare	New Lubricated Nirodh	-	-	-
Rakshak	HLL Lifecare	Nirodh Deluxe	-	-	-
Mauj	World Pharma	Nirodh Deluxe	-	-	-

Oral Contraceptive Pills

Brand	Brand Owner	Launched Year	Current Pack Sizes	Current Retail Price
Mala D	Government	1987	One cycle	Rs. 3
Ecroz	Parivar Seva Sanstha	1988	Three cycles	Rs. 25
Apsara	Janani	1996	One cycle Three cycle	Rs. 10 Rs. 25
Arpan	HLL Lifecare		-	-
Pearl	PSI	1990	Three cycles	Rs. 15
Julie	World Pharma		-	-
Kushi	PHSI	2002	One cycle Three cycle	Rs. 10 Rs. 20
Sunehri	WHP	2012	Three cycles	Rs. 20

Price and pack sizes of SMOs who have not reported is blank

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