Total Market Monitoring

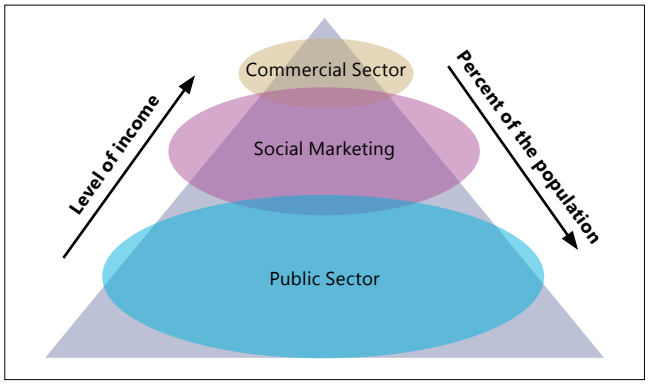
for **family planning** and **reproductive health**

A case study from rural India

Total Market Approach (TMA) refers to a coordinated effort of the public, private non-profit (non-government organisations (NGOs) or social marketing), and private commercial sectors (principal actors in less developed country health markets) to analyze the market for a health product or service and consider an appropriate role of subsidies for vulnerable consumers while preserving sustainable commercial provision. Palladium pioneered the Market Segmentation Analysis (MSA) methodology that is widely used today, and continues to innovate with its data analysis tools, technologies, and strategic engagement of private sector and policymakers. Palladium's TMA methodology recognizes several important nuances in the TMA process.

Long-term sustainable health-related markets can be created through careful market segmentation of the population and maximizing the core competency of each sector to meet the needs of different market segments. Segmentation optimizes the role of each sector in a given market to allow better use of limited resources through smarter and more targeted subsidies as well as better access to health products and services through all sectors, which ultimately results in greater overall health impact.

Evidence suggests that total marketing strategies where social marketers work more effectively with both the public and commercial sectors, and graduating away from donor subsidies, will result in sustainable solutions for the provision of products and services. Market systems approaches can deliver real benefits to the poor through time-bound interventions that seek to enhance and facilitate markets rather than replace them with public action.



Adapted from Barnes et al., 2009

Analysis of the problem

In India, Project Ujjwal[1] is applying the Total Market Approach (TMA) to increase the total market for family planning/reproductive health (FP/RH) products and services in two large states: Bihar and Odisha; across key programme strategies i.e. expanded service provision sites and improved access to products. Both states have very large rural populations (89 percent in Bihar and 83 percent in Odisha). However, they have very different patterns in terms of where and how users seek FP services/products.

Increasing urbanisation and high unmet demand continue to increase preference for private sector. In Bihar and Odisha, 46 percent and 23 percent women seek FP services from the private sector (NFHS-3). The states have high unmet need for FP (36% for Bihar, 23% for Odisha and more among the lowest socio-economic quintiles). The available method mix is predominantly limiting methods (89% in Bihar, 71% in Odisha); and spacing method users are overwhelmingly seeking private sector services (about 50-80%, NFHS-3).

In Bihar, the government is the largest provider of limiting methods (67%) while the private sector provides for more than 88 percent of the spacing options across the different wealth quintiles. On the other hand, in Odisha, both the private and the public sectors have almost an equal share (46.6% Public) for spacing; and for limiting it depends almost entirely on the government sector (98%). However, the wealthiest quintile however, seeks both limiting and spacing services in the private sector.

The rapid assessments undertaken by Project Ujjwal during inception indicated that existing distribution channels do not reach the rural and remote villages, while a large part of the populations in both Bihar and Odisha reside in rural areas. For example, the rural-urban share in condom sales during 2013 reflects that even though 90 percent of Bihar's population resides in rural areas, the percent sales in rural Bihar is marginally more at 38.8 million pieces as compared to urban Bihar with sales at 36.8 million pieces, catering to 10 percent population in the state. Similarly, with 83 percent population residing in rural Odisha, the percent sales of condom was low at 21.1 million in 2013, while percent sales in urban areas (about 16 percent of the total population) was almost double at 45.5 percent in 2013. Retailers in these villages do not stock contraceptives since there is no demand or they are not convinced about the commercial viability of stocking contraceptives. Understanding these differences and the comparative advantage of all sectors is key to improving health impact in the total market.

Taking design to market – Transformative mobilization of Ujjwal Network

Project Ujjwal's TMA approach is based on the recognition that health systems are multi-functional and multi-player—so our strategy builds upon the comparative advantage of government, civil society, social marketing organisations, and the commercial sector; and developing a common strategic framework for maximizing use of health products and services to improve equity (e.g., between women and men, by wealth quintile, by age). The difficulty is in identification of sectors that have a strong competitive advantage for specific products and services.

The focus of the intervention is to expand the use of long-term reversible methods/modern spacing methods such as intrauterine contraceptive devices (IUCDs) and injectable contraceptives while offering the entire basket of FP services and

[1] The "Improved Family Planning and Reproductive Health Services in India" (Project Ujjwal) is a part of the UKAid Framework for Results to improve reproductive, maternal and newborn health. The project is implemented by Palladium across two states in India- Bihar and Odisha.

products. A network of 300 private sector clinics under the brand name Ujjwal has been set-up in Bihar and Odisha under a fractional franchising model using existing private providers to provide quality FP services at affordable prices. More than 5000 community health entrepreneurs (Ujjwal Saathis-community workers) have been engaged with the network. The Ujjwal Saathis spread awareness about FP and encourage potential users to avail services and products from the network. The Ujjwal clinics cater to rural, low income and underserved populations. To improve coverage and access, about 71 percent clinics are located in rural areas while 29 percent are located in urban areas. In the network, 30 clinics are accredited under the National Government (National Health Mission) Accreditation scheme for service reimbursement and 32 clinics are empaneled under a large government-supported national health insurance scheme Rashtriya Swasthya Bima Yojana (RSBY). A contracting-in public-private partnership model has also been implemented, wherein private sector providers are engaged in provision of FP services at under-resourced public sector health facilities.

Approximately 18,000 traditional and non-traditional social marketing outlets are being serviced in remote hard-to-reach areas to increase access to socially marketed products such as condoms, injectable contraceptives, IUCDs, oral contraceptive pills (OCPs), emergency contraceptive pills (ECPs), medical abortion kits, sanitary napkins and pregnancy test cards. Differently priced brands have been introduced under Ujjwal, with endorsement of commercial brands to meet different perceptions of quality and consumers' aspirations in an effort to expand the overall market. While the products are made available through the Ujjwal marketing supply chain; commercial marketing has been roped in to ensure continuous supply to Ujjwal providers. For example, a collaboration with commercial entity 'Pregna' has been implemented for making FP and other products, and medical equipment available to doctors through an e-commerce 'doctors' portal'.

Smaller villages (C&D category with 1000-5000 population) are catered by the non-traditional outlets (NTOs) and village level social entrepreneurs (5000 Ujjwal Saathis). Since NTOs cater to small population groups, they have a low scale business and do not invest in procurement of large quantities of products. On an average in a single village there are about 2–3 NTOs with a very low demand for products. The project has deployed two strategies for sustained access in these villages:

- Ujjwal Saathi (community-based social entrepreneurs) as depot holders for FP products and thus reduce the distribution cost of reaching the C&D category villages.
- In order to ensure deeper market penetration and regular coverage in rural areas, branded mobile vans for demand generation are piggy-backed for rural distribution activities.

To facilitate financial viability of franchisor and franchisee profitability, the project is offering paid and free services targeting mixed-income groups (including reimbursements through government supported health insurance such as RSBY and accreditation schemes); expanding service basket (include maternal, newborn and child health services); and seeking commercial loans/equity and partnerships with other primary care hospitals/service providers. Additionally, as part of the 360 degree demand generation campaign, the project has organised entertainment-education folk shows (mid-media) in and around C&D category villages. More than 5000 shows have been able to increase uptake of services at Ujjwal clinics and product sales. Government participation during these shows has been encouraged.

This brief looks at TMA under Ujjwal through the lens of certain equity parameters, including:

- FP method use (limiting vs spacing)

- Source of service/product access
- Vulnerable groups – coverage of Schedule Castes/Schedule Tribes (SC/ST) and wealth quintile
- Reproductive lifecycle stage

Making Markets Work

Socio-economic variations in contraceptive use, unmet need and source of supply

The project undertook a secondary data analyses of the District Level Household Survey (DLHS-III) facilitated by the Government of India in 2007 as part of a rapid assessment during the Inception phase of the project in January 2013 across Bihar and Odisha. The 2007 DLHS-III survey was taken as proxy for baseline of the project under the Business Case. Impact evaluation partners, Oxford Policy Management then conducted a population- based household study of 14,000 households in the two states during 2014 to understand the socio-economic variations in Bihar and Odisha and allow data use for programme strategy corrections.

Among rural populations in Bihar, the modern contraceptive use seems to have improved from 28.2 percent at DLHS - III (2007-08) to 34.4 percent under Ujjwal OPM 2014. The 2014 survey also reveals that Injectable Contraceptive ever use reported was 1% and current use at 0.3%, which is more than 50% increase from ever use reported in the previous household surveys. The CPR increase in rural areas seems to be due to a higher proportion increasing for the spacing methods use.

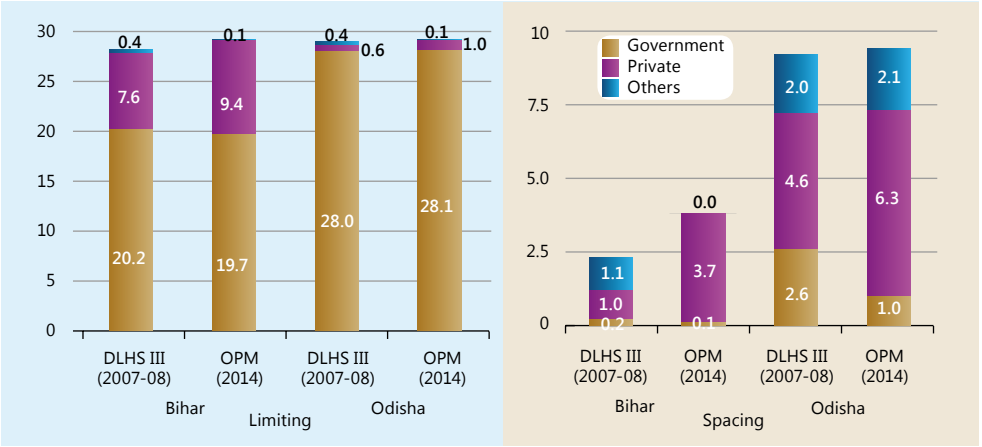
In 2007, the main source of supply for spacing methods was the private sector (43.6% in rural Bihar and 43.6 % in urban for Bihar; 50.1% in rural Odisha and 68.6% in urban Odisha); while for limiting it was largely government sources (Bihar- 61.7% rural and 55.8% urban; Odisha- 96.4% rural and 87.3% urban). Similar trends were observed in 2014, however with a shift in source of limiting methods' access for urban Bihar declining to 41.8% through government sources and increasing to 56.6% through private sector in Bihar.

For vulnerable populations (such as caste-SC/ST/ OBCs), the modern contraceptive use increased, though largely due to limiting method use. During 2014, the major source for supply of spacing methods to the vulnerable groups was reported as the private sector, for both Bihar (SC 93.6%, ST 100%, OBC 95.2%); and Odisha (SC 59.4%; ST 64.8% and OBC 71.9%).

The wealth quintile analysis for Bihar reported that even for the lowest quintile, private sector sources were responsible for increased access to spacing methods (a shift from 40.9% in 2007 to 91.9% during 2014), also indicating an improved percentage in terms of uptake of spacing methods; while the highest quintile continued to largely access spacing methods from the private sector.

The data analyses suggest that the government alone is not able to address the 'required supply' for FP services and products; and the private sector has been flexible in addressing this. Private sector contribution is increasing in rural areas in both states, and for both limiting and spacing methods. In fact there is a four-fold increase in private sector as source of spacing methods in rural Bihar. The modern CPR is rather stagnant and the estimated growth of CPR envisaged by the governments can be realized only with effective public private partnerships, where the private sector

Trends in Contraceptive Prevalence by Source of Access in Rural Bihar and Odisha (2007-14)



should be encouraged (and enabled) to address the supply of FP methods and government plays the role of a regulator and invests in demand creation.

Improved service provision through expanded sites

The project conducted a study to analyse service uptake at clinics with facilitation of demand-side financing (DSF) schemes. The overall findings from the study were indicative of the fact that expanding coverage and reducing financial barriers creates opportunities for the clients accessing FP services. Among the accredited clinics, there was a 20 percent increase in the number of FP services performed per month, in a short span of 4-6 months of getting accredited. The other encouraging factor was increase in the uptake of other services such as IUCD and Injectable contraceptives from these clinics as more clients were provided choice and counselling. The accredited clinics were also able to reduce the overhead cost of services. Among the RSBY clinics, the service uptake increased once communities and providers were informed about FP services coverage. Providers found it lucrative as this also presented an opportunity for them to inform clients about other services available at the facility.

A comparison of average clients per clinic suggests, a non-accredited clinic attracted less number of FP clients (7 and 4 /clinic/ month in Bihar and Odisha) as compared to accredited clinics (20 and 11/clinic/month in Bihar and Odisha). The accredited clinics catered to more number of young and vulnerable groups. The method mix profile of users shows improvement in spacing methods' uptake as compared to public sector users' profile.

Evidence suggests that community-based interventions and interpersonal communication (IPC) are effective mechanisms for expanded contraceptive service/product uptake. The Ujjwal Saathis have been able to counsel and motivate 42 and 46 percent of the total clients who accessed services at Ujjwal clinics in Bihar and Odisha during 2013-15. Trends in uptake of FP services at Ujjwal clinics, after training and association of Ujjwal Saathis reflect a positive increase (average monthly service provision: 3000 FP services across 80 clinics in Odisha and 6826 FP services across 200 clinics in Bihar).

One of the objectives of the project is to expand use of modern spacing methods, in an environment where the available method mix is predominantly limiting methods (89% in Bihar, 71% in Odisha). In terms of method mix for clients referred by Ujjwal Saathis; more than 50 and 70 percent of the total routine clients accessed clinical spacing methods (IUCD and injectable contraceptives) at Ujjwal clinics in Bihar and Odisha, respectively.

Improved access to FP/RH products

The Ujjwal Saathis were trained on entrepreneurship skills and now stock condoms, female condoms, OCPs, ECPs, sanitary napkins and

Key observations from the equity analysis

1. 60 percent of the sterilisation clients in Bihar and 42 percent in Odisha were reported to be more than 29 years old; 70 and 72 percent of sterilisation clients in Bihar and Odisha, respectively, belonged to SC/ST and OBC; 44 percent of sterilisation clients in Bihar and 72 percent in Odisha were below poverty line (BPL)

2. 72 and 76 percent of the IUCD clients in Bihar and Odisha respectively, were reported to be less than 29 years old; 88 and 78 percent of IUCD clients in Bihar and Odisha respectively, belonged to SC/ST and OBC; and 68 percent of the IUCD clients in Bihar and 58 percent in Odisha were BPL

3. 84 percent of the injectable contraceptive clients in Bihar and 71 percent in Odisha were reported to be less than 29 years old; 60 and 80% of the Injectable contraceptive clients in Bihar and Odisha, respectively, belonged to SC/ST and OBC; 50 percent of injectable contraceptive clients in Bihar and 58 percent in Odisha were BPL

Engagement with the commercial sector

Pregna (commercial) to ensure sustained supply of products available to doctors through e-commerce 'doctors' portal

Alchemist: a franchised network of facilities for eyecare, mainstreaming MCH and FP services in collaboration with health and eye care providers

AYZH (social venture) to ensure supply of low cost and high quality clean birth kits for use in clinics (infection prevention)

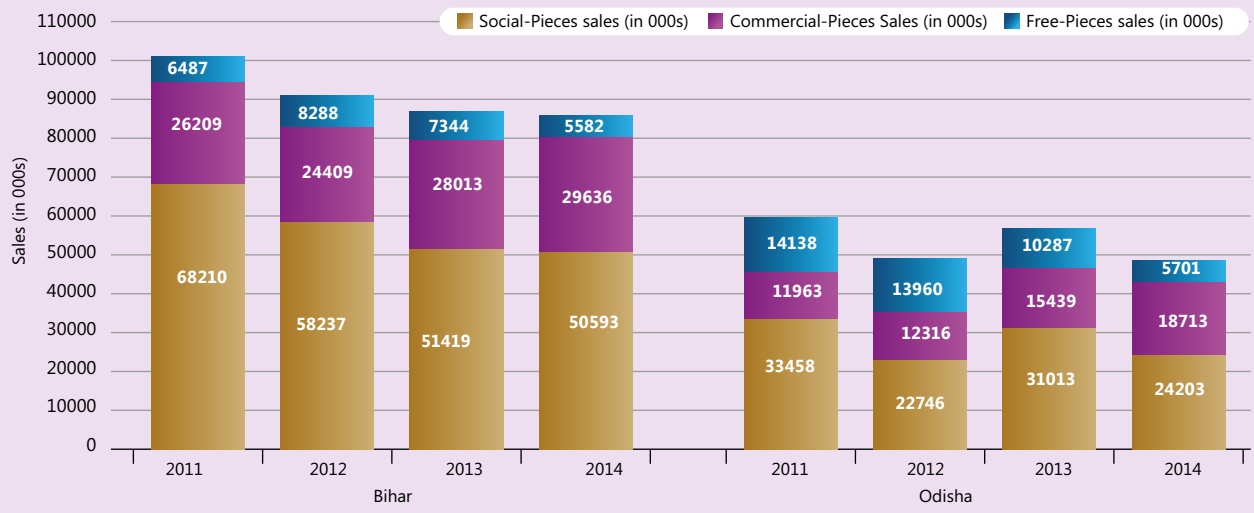
GlaxoSmithKline (FMCG) to improve sustainable livelihoods for women entrepreneurs and solve supply chain barriers

pregnancy testing kits for sale at the community level. The NTOs and Ujjwal saathis have become direct supply points for access to women. The project has explored collaborations with Fast Moving Consumer Goods (FMCG) companies, manufacturing agencies and other marketing channels and held interactions with potential FMCG companies like GlaxoSmithKline (GSK), PSI, Nestle and Britannia to strategize piggy banking on their distribution networks to improve reach of FP products in the category C&D villages.

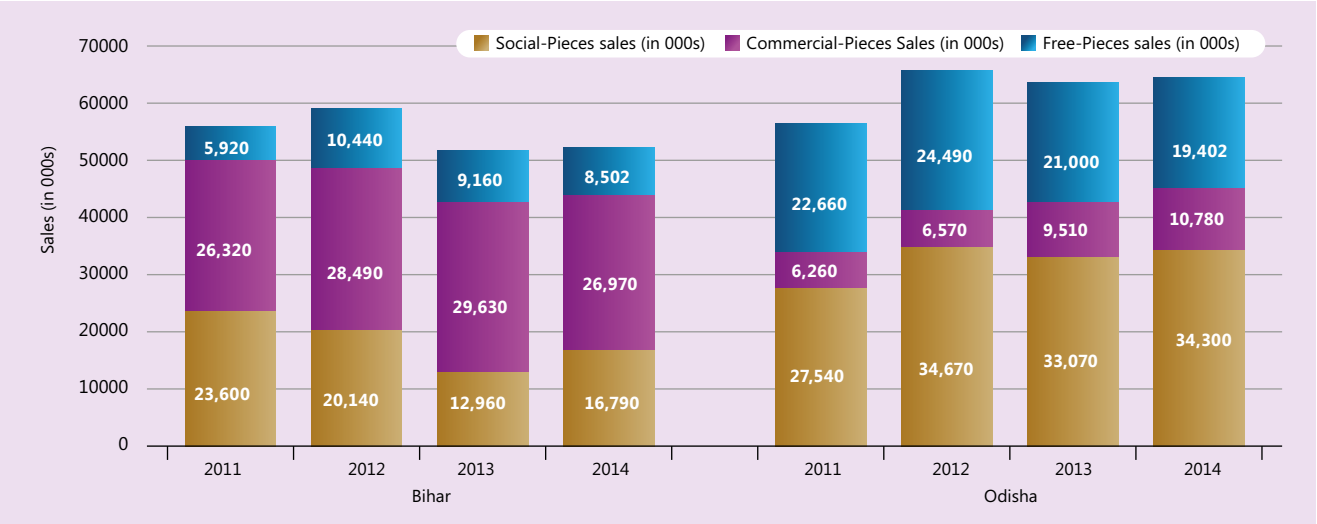
The key findings from penetration tracking studies undertaken by the project suggest that the contraceptive availability for condoms in Bihar has increased significantly ($p < 0.005$) by 60 percent in all the private outlets and 43 percent ($p < 0.005$) for OCPs. The village level availability increased by 32 percent from first round/baseline (2013) for condoms to the third round (2015); and an increase of 37 percent in Oral pills. Availability of injectable contraceptives has almost doubled during the first and third rounds of surveys. In Odisha, condoms were available in 92 percent of the remote villages; and OCPs were available in 91 percent of these remote villages. Availability of injectable contraception has increased by more than six times. In both states, there was a substantial increase in villages with availability of four or more products, indicating expansion in availability of choice of products.

The trends in rural-urban share from AC Nielsen/ IMS Retail Audit Survey for condom and OCP sales through 2011-2014 have shown an improvement in 2014. Commercial brands have shown a steady growth in rural areas with improved penetration indicating the shift of rural users from subsidized social brands to commercial brands. In Odisha, both Oral contraceptives and Emergency contraceptive sales show an increase in the overall trends and also in rural areas, with commercial sector accounting for a major share. One major lesson learnt was that subsidized contraceptive

Condom sales (in 000s) by type of brand in Bihar and Odisha



OCP sales (in 00s) by type of brand in Bihar and Odisha



programmes (such as the donor and government supported condoms social marketing projects) do not foster the appropriate marketing mix because the commercial sector is crowded out, and, as donor funds shrink, programmes are not sustainable. This became noticeable, as although the project promoted social marketed and commercial brands show an increasing trend in sales; the total condom and OCP sales in Bihar and condom sales in Odisha had a downward trend over four years (2011-2014). The decline in other donor and government supported social marketing brands was an important reason for the overall decline in contraceptive sales in Bihar and Odisha.

Lessons

Expand commercial sector engagement to serve larger markets.

Subsidized contraceptive programmes do not foster an appropriate marketing mix because the commercial sector is crowded, and as donor funds shrink, programmes are not sustainable. Strengthening the commercial sector is important because it lays the groundwork for future market growth and offers higher quality products to those in need. It also opens up the market for competition within the commercial sector, which can lower prices and decrease out-of-pocket expenditures on commodities for consumers. This analysis demonstrates that Indian contraceptive manufacturers have the capacity to supply middle- and low-end markets with affordable, quality contraceptives. Rectifying distortions and expanding demand would be necessary to create incentives for Indian manufacturers to invest in the commercial markets.

Forward the Universal Health Coverage actions through private sector engagement.

Under the Government of India's 'Universal Health Coverage scheme', there is a strong focus on private sector provisioning of services through accreditation and regulation. Complementing this support with FP investments through private sector providers can maximise value for money and achieve higher impact. Initial findings suggest that social franchising can improve access for the vulnerable groups and poor via the private sector. Its decentralization enables rapid scaling and replication, and may be particularly suited for penetrating rural underserved areas; and the size of a franchised network can also be leveraged for cost savings and greater government support. Where public funding is not sufficient to provide universal coverage, FP programmes encourage users who are able to pay the market price for their chosen product, to purchase it from the commercial sector.

Take a robust approach to reach 'the last mile'

A multi-pronged approach is required to reach rural consumers, one that allows deeper penetration. Extending conventional urban supply chain to rural areas would have to be supported by the village entrepreneur ('feet-on-street') model to overcome distribution related

infrastructure challenges. And then leveraging e-commerce such as 'Doctorstore' to modify buying habits of clinic providers from the traditional methodology of ordering through distributors to purchasing these commodities online.

Facilitating government subsidy and targeted demand-side financing (DSF) schemes (accreditation and insurance) can improve equity and clinics' viability

Leveraging the presence of private sector to promote less lucrative preventive health services such as FP can be challenging. Through this analysis, it can be concluded, when combined with DSF options, the FP services uptake can improve significantly as it can improve the provider motivation to sustain the services. Another major advantage of DSF is that minimum quality standards can be used to accredit facilities and encourage providers who do not qualify to make improvements for eligibility. Addressing the barriers such as delays in reimbursement, establishing communication channels among the intermediaries and on ground demand creation can improve the revenue of the clinics. These can also be addressed with improved data and evidence in uptake of services.

Robust and timely monitoring and evaluation systems – Total Market Monitoring

Private-sector companies (whether health-related or not) have long recognized that focus on customer satisfaction makes good business sense. Regular medical audits, client satisfaction surveys using helpline call back and on-site exit interviews, and regular visits by Quality Assurance Monitors would have to be conducted to track quality. At the same time, variety of commercial sector market monitoring tools, including 1) sales tracking with all private sector suppliers, 2) outlet penetration and GIS mapping to capture geographic spread of service sites and outlets, and 3) syndicate retail audits to track over-the-counter health products, i.e. stock and sales by brand and priority region are required to track strategic market shifts, identify weak points, and allow adaptation.

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