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Social Marketing through Business
Alliance with Commercial Partners

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Social Marketing through Business Alliance with Commercial Partners

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Statement of Issue

In recent years, the HIV/AIDS epidemic in Nepal has gained greater significance. Nepal has progressed from a “low prevalence” country to one with a so-called "concentrated epidemic" in certain sub-groups of the population (e.g. sex workers, injecting drug users). Responding to this, national HIV/AIDS prevention and social marketing efforts have focused on increasing correct and consistent usage of condoms among these groups. The thirty (30) years of investment by USAID in social marketing of condoms in Nepal resulted in an almost total awareness, and an annual demand of approximately 44 million condoms. Two sectors (government and social marketing) serve approximately 80% of this demand. The commercial sector is represented by approximately 25 different brands, coming in an assortment of combinations of different features: from ribbed, flavored, contoured and ultra-thin to ‘vibrating condoms’, which the target group prefer and is ready to buy, given the choice. The supply of condom, which is the only barrier method that can effectively prevent HIV/AIDS, is still reliant on international donors.

Stakeholder and Internal / External Environmental Analysis

AED's N-MARC project recognized this unique opportunity to make the supply of condom more self-sustainable through business alliance with commercial sectors. The mission of the Nepal Social Marketing and Franchise Project (N-MARC), a Private Sector Program (PSP) Task Order under the leadership of the Academy for Educational Development (AED), is to increase the availability and sustained use of family planning (FP), maternal and child health (MCH), and HIV/STI prevention products and services in Nepal (https://pshi.aed.org/projects_nmARC.htm). N-MARC launched a co-investment strategy with commercial condom traders to expand access and consumer choice of condoms in high-risk areas of Nepal with the ultimate goal of reducing dependency on donor subsidized and donated condoms.

N-MARC’s strategy focused on providing matching funds to commercial sector condom traders with an interest in expanding brand marketing and distribution activities targeting high-risk areas and most-at-risk groups. Companies selected had to meet certain minimum criteria, including: documentation of quality certificates for each brand, willingness to invest company resources and an agreement to share sales and marketing data. Besides the matching fund, N-MARC provides routine technical assistance on marketing and distribution strategies and brand rationalization to each company. N-MARC has also initiated studies to map high-risk areas to assist in targeted marketing and distribution efforts. This represents a new era in social marketing in Nepal, whereby N-MARC enrolls and mobilizes commercial sector partners to invest their money, skills, and entrepreneurship to sell products that are of high social value.

Statement of Findings

Through this innovative model, apart from the overall increase in use of condoms among the targeted population, N-MARC is reducing costs associated with public health impact through systematic optimization of social marketing and commercial partnership to more efficiently reach the most-at-risk-consumers. The market share of commercial condoms (contributed by N-MARC's commercial partners) has increased by 10 percentage points in less than a year, from 13% in July 2007 to 23% in Mar 2008. Apart from this direct benefit, the N-MARC commercial sector strategy encourages sustained investment by commercial firms in reaching target consumers long after the life of the project. Within the last 9 months, N-MARC's investment of \$96,000 in commercial sector partners has stimulated the companies themselves to invest nearly \$380,000 to support procurement, marketing, and distribution activities. By stimulating and assisting the commercial sector to invest in socially-essential areas, N MARC is refining the market and ensuring product supply to those most in need. N-MARC anticipates applying this model to other important public health products as well, to complement existing social marketing efforts in Nepal.

Strategies and Recommendations

N-MARC established strategic partnerships with three commercial sector condom distributors, resulting in their investing in introducing five additional condom brands. Two of them have already launched multiple brands of condoms including female condoms and are preparing to launch several brands in the future. Although the initiative is still in its early stages, it has already become clear this approach has stimulated interest and commitment from the commercial sector to ensure accessibility of their products to consumers that need and want them. The key insight gained from the overall program is the need to understand commercial business, and to take a more open and flexible approach to supporting them.