

KNOW YOUR MARKET TO GROW YOUR MARKET

ATTAINING SUSTAINABLE FINANCING FOR FAMILY
PLANNING IN SUB-SAHARAN AFRICA

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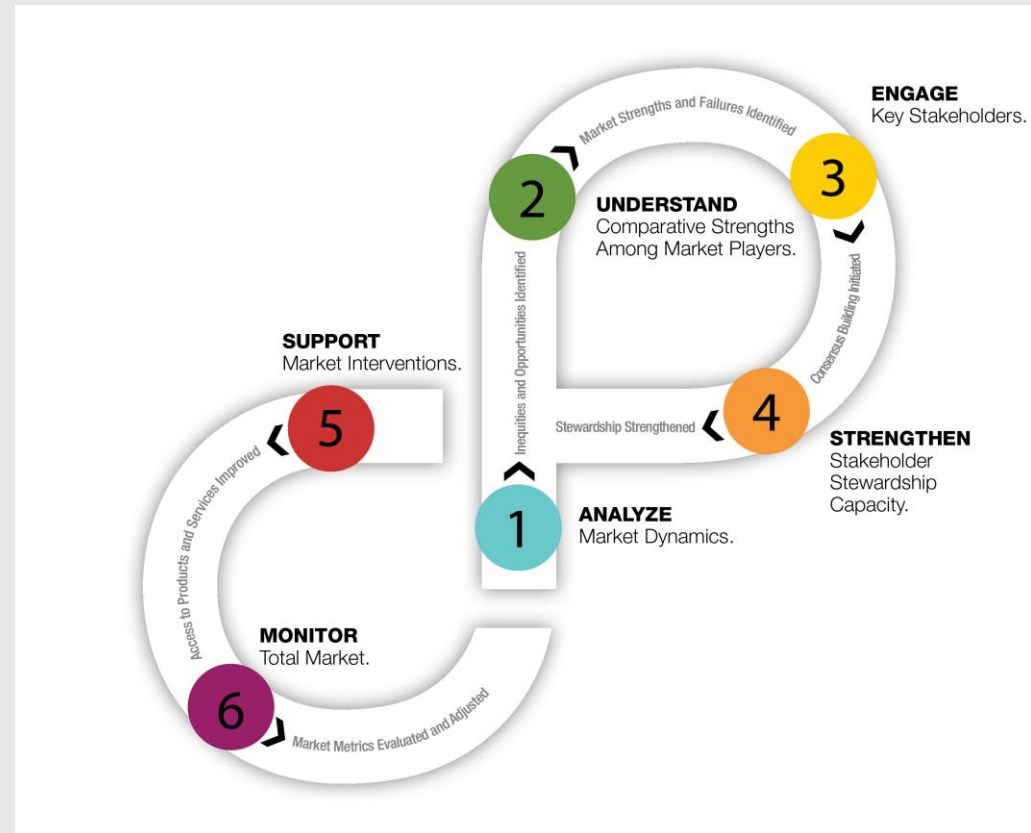
1. Total Market Approach (TMA): The Fundamentals
2. Market Data to Inform TMA:
 - A. Demographic + Wealth Quintile
 - B. Demo + Psychographic
 - C. Projection Modeling + Political Economy Analysis (PEA)
3. TMA Progress and Priority in Uganda

I. Total Market Approach: The Fundamentals



Total Market Approach

- Goal: Create greater, more sustainable health equity through resources invested from all sectors
- An ongoing research, policy, and design process that requires:
 - All sectors active in family planning—public, commercial, and social marketing—to consistently coordinate to grow and serve the total market
 - Stewardship and improved policy environment, ideally through reforms driven by government and informed by private and NGO partners
 - Understanding of and trust in each actors' strategic advantage for serving certain segments of the market
 - **Data about and common understanding of the size, shape, and important characteristics of the market; the actors in that market; and their relationship to each other and consumers**



Total Market Approach

- **Organization wide:** *how can an organization grow and serve its market more efficiently and effectively?*
- **Sector wide:** *how can all sector actors coordinate to grow new users and support strategic and responsible management of subsidies and other resources?*
- **Market wide:** *how can all market actors better coordinate, leverage assets and advantages, and better manage market dynamics to improve equitable, quality reach to everyone?*



Why is Total Market Approach useful to Financing of Family Planning

- Inform and manage donor and government subsidies for socially marketed and free products
- Understand and concur on key market characteristics to attract and retain new actors and private capital investments to the family planning market
- Help government understand and manage market dynamics and actors of which they are stewards
- Ultimately informs the need and strategic investment of financial resources for achieving a country's family planning goals



2. Market Data to Inform TMA:

A. Demographic + Wealth Quintile

Market Data: Demographic + Wealth Quintile

Definition

- Process of dividing a broad consumer market, normally consisting of existing and potential customers, into sub-groups based on shared characteristics
- Often using population level data from DHS and other national surveys
- Most common type of market analysis

Illustrative characteristics:

- Age
- Wealth
- Family status – married, children
- Residence – urban rural
- Education level
- Media exposure
- Others depending on needs of the analysis

Market Data: Demographic + Wealth Quintile

Use and Need by Wealth Quintiles

Lowest

1,101,000 Total
WRA
14.9% mCPR

198,000
WRA
29.5%
total
CPR

669,000 WRA need

Second

1,125,000 Total
WRA
20.8% mCPR

268,000
WRA
39.1%
total
CPR

686,000 WRA need

Middle

1,150,000 Total
WRA
24.5% mCPR

327,000
WRA
42.8%
total
CPR

764,000 WRA need

Fourth

1,067,000 Total
WRA
31.0% mCPR

396,000
WRA
54.7%
total
CPR

725,000 WRA need

Highest

1,028,000 Total
WRA
35.8% mCPR

471,000
WRA
62.3%
total
CPR

758,000 WRA need

Married and sexually active unmarried women of reproductive age (WRA) 15-49

mCPR = modern contraceptive prevalence rate

Data sources: 2014 census population estimate (projected at 3.00% AGR) and PMA2020 Uganda Round 3 (2015)

Market Data: Demographic + Wealth Quintile

Use and Need by Age and Residence

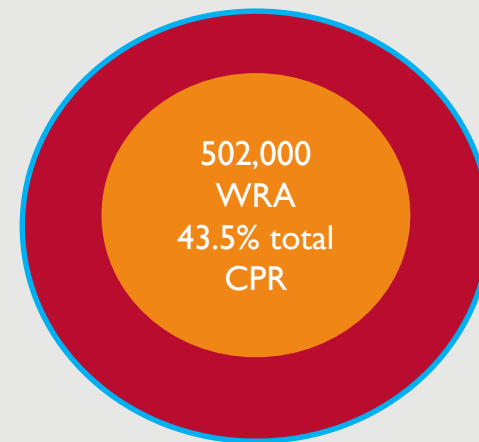
WRA, 15-49

6,029,000 Total WRA
Married & Sexually Active Unmarried
25.9% mCPR
4,066,000 WRA in need



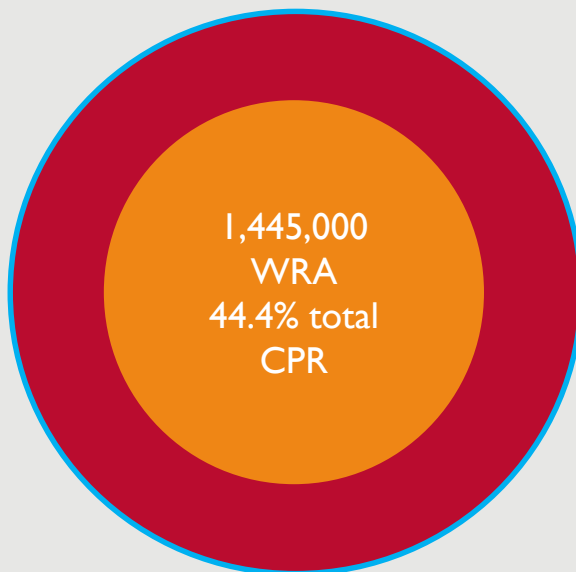
Youth, 15-24

3,573,000 Total WRA
Sexually Active
18.8% mCPR
1,276,000 WRA in need



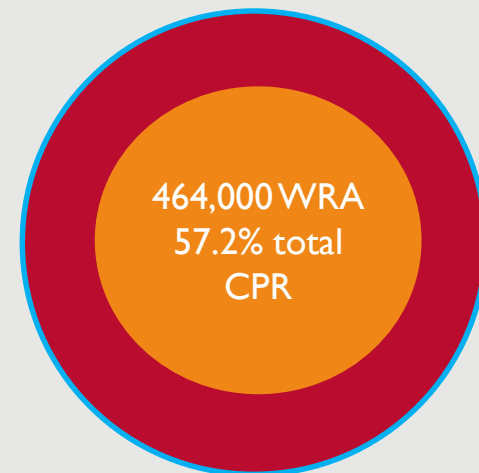
Rural

4,908,000 Total WRA
24.2% mCPR
2,940,000 WRA in need



Urban

1,121,000 Total WRA
32.4% mCPR
812,000 WRA in need



Market Data: Demographic + Wealth Quintile

Why are these insights useful to financing for family planning?

- Knowing the size of different quintiles helps demonstrate the potential size of different family planning market segments for different market actors to address
- This is useful for informing decisions of commercial and social marketing actors, including operational and strategic decisions and the financing required (e.g., procurement volumes, distribution strategies, marketing priorities, pricing strategies)
- Illustrates priorities for improving cost-effective reach of products and services:
 - Rural people, less educated, and low wealth quintile are underserved
 - Adolescents and young people are not well reached

2. Market Data to Inform TMA:

B. Demo + Psychographic



Market Data: Demo + Psychographic

Definition

- **Psychographics are the data points that describe a user's values, opinions, and lifestyle.**
- A psychographic profile should tell us about how a person interacts with the world.

Illustrative psychographic characteristics

- Values and priorities – e.g., security, family, the environment
- Trusted sources – doctor, family, friends, etc.
- Extroverted or introverted, analytical or emotional
- Interests – music, travel, drama, comedy
- Beliefs and values – cultural and religious, family, etc.
- Life style – type of work, entertainment, and other interests
- Aspirations – success in life, educating children
- Motivations – promotion at work, financial
- Influencers – family, spouse, heroes, cultural/religious/political leaders, musicians
- Many more....

Psychographic Insights Build a Consumer Profile

Product: Injectable (Sayana Press)



Name: Christine

Who she is:

- Woman (24-34 years) of reproductive age with high unmet need for family planning
- Is in a marriage/stable relationship
- Is educated

What she does:

- She has a steady job
- Attends social functions on weekends
- Goes to the gym
- Is on social media in her free time

What she thinks:

- She is a diva (follows social trends and cares about her looks)
- She has a busy lifestyle
- She has one less thing to worry about in 3 months with the injectable

What she feels:

- Is afraid of unintended pregnancies
- Is worried about child spacing
- Has heard about an injectable but is worried about the pain
- Convenience and availability are key factors for her decision making

Market Data: Demo + Psychographic

Why are these insights useful for health financing?

- Marketing:
 - Significantly improves our ability to market products and services and to change behavior through the “4 Ps” of marketing
 - Prioritize marketing behavioral background – target never used, discontinued, spacing, limiting, etc.
- Cost and pricing:
 - Increasing use of products = increased cost and financing required for free and social marketed products
 - Effective pricing of products allows for greater cost-recovery and sustainability of social marketing investments

Summary

- Market data from demographic, wealth quintile, and psychographic analysis is essential for TMA to be successfully applied rather than just theoretical. Managers need consumer and other market insights for:
 - Making market decisions and investments
 - Managing subsidies of free and subsidized products
 - Commodity quantification and related costs
- We need to understand the market in order to make fiscal decisions to support:
 - Making the right **products** available
 - Cost effectively **promoting**
 - At the right **prices**
 - In the right **places**



2. Market Data to Inform TMA:

C. Projection Modeling + PEA

Introduction to the Assessment

- Uganda, September–October 2017
 - Sayaka Koseki, Private Sector & Total Market Approach Technical Lead, HP+
 - Kate Klein, Associate, HP+
- Preliminary findings presented to MCH TWG and USAID/UNFPA TMA TWG
- Study brief and detailed report expected early 2018

Definitions:

- Market projection modeling: wealth quintile + demographic analysis combined with product price, source of family planning method data, and other population data. Analysis projects market segment into the future providing an estimation of how a market segment will grow or contract.
- Political economy analysis: assessment and mapping of key actors; their positions, perceptions, and relationships; and the dynamics and processes that create, sustain, and transform these relationships over time.

Introduction to the Assessment

Total Market Projection Tool

- Excel-based tool to compare two scenarios:
 - Status quo
 - TMA scenario: wealthier women who currently access family planning from public/social marketing shift to commercial sector
- Questions answered:
 - How many women access commercial sector family planning product/services?
 - How much cost savings to the donor and public sector can be achieved when wealthier women choose to source family planning through the commercial sector? (financial impact)
 - How many more rural/poorer women could be reached with these cost savings? (health impact)



Introduction to the Assessment

- Inputs
 - Demographic and Health Survey 2011: by wealth, geography, and source
 - United Nations population estimate
 - Product cost and price data
 - Pro-poor program cost data
- Limitations
 - Relies on 2011 data; only primary costs of service delivery; needs to hold contraceptive prevalence rate constant over 3-year project period



Introduction to the Assessment

Political Economy Analysis Tool

Primary PEA question: *Why have the Ugandan government and family planning stakeholders not been able to fully engage the commercial health sector up to now? How can they work better with the private sector to increase access to family planning and make the market more sustainable?*

- Qualitative tool developed to gain genuine perspective of key stakeholders focused on:
 - Structures and foundational features of the family planning market
 - Formal and informal rules of working in the market
 - Key players influencing power and decision making
- Tool was adapted from Palladium's well-honed PEA tools
 - Desk review of key documents and previous TMA work to date
 - Identified key national-level family planning stakeholders
- **Outputs from the project model were incorporated into the interview guide to provide concrete scenarios for sometimes abstract market concepts**

What's the TMA Scenario?

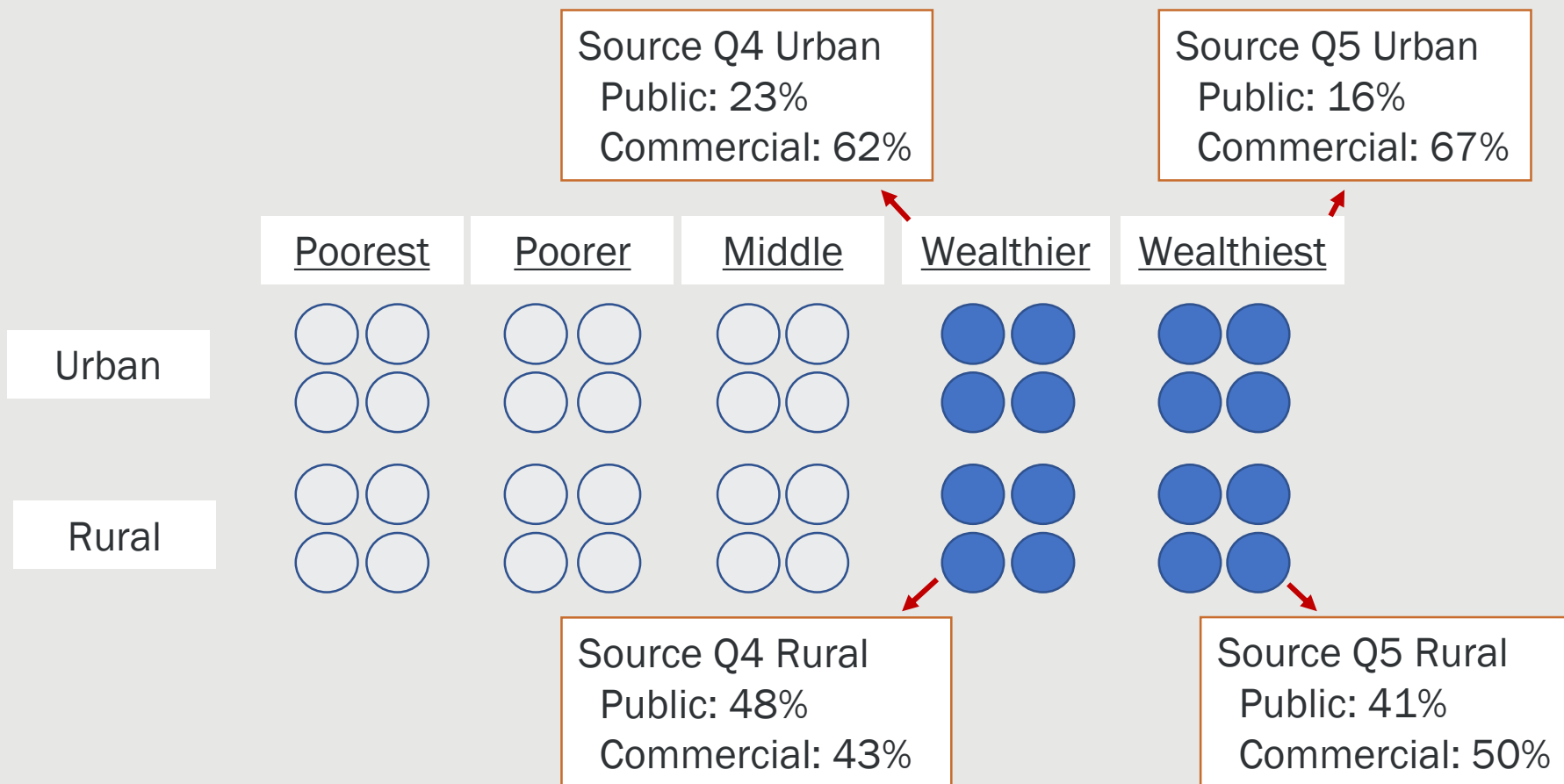
Assumptions

- Socially marketed (SM) products will be reduced in outlets accessed by the wealthiest two quintiles, replaced by commercially sourced projects
- This shift brings more of those wealthy users to commercial products through commercial sources

TMA interventions to achieve something like this **could** include:

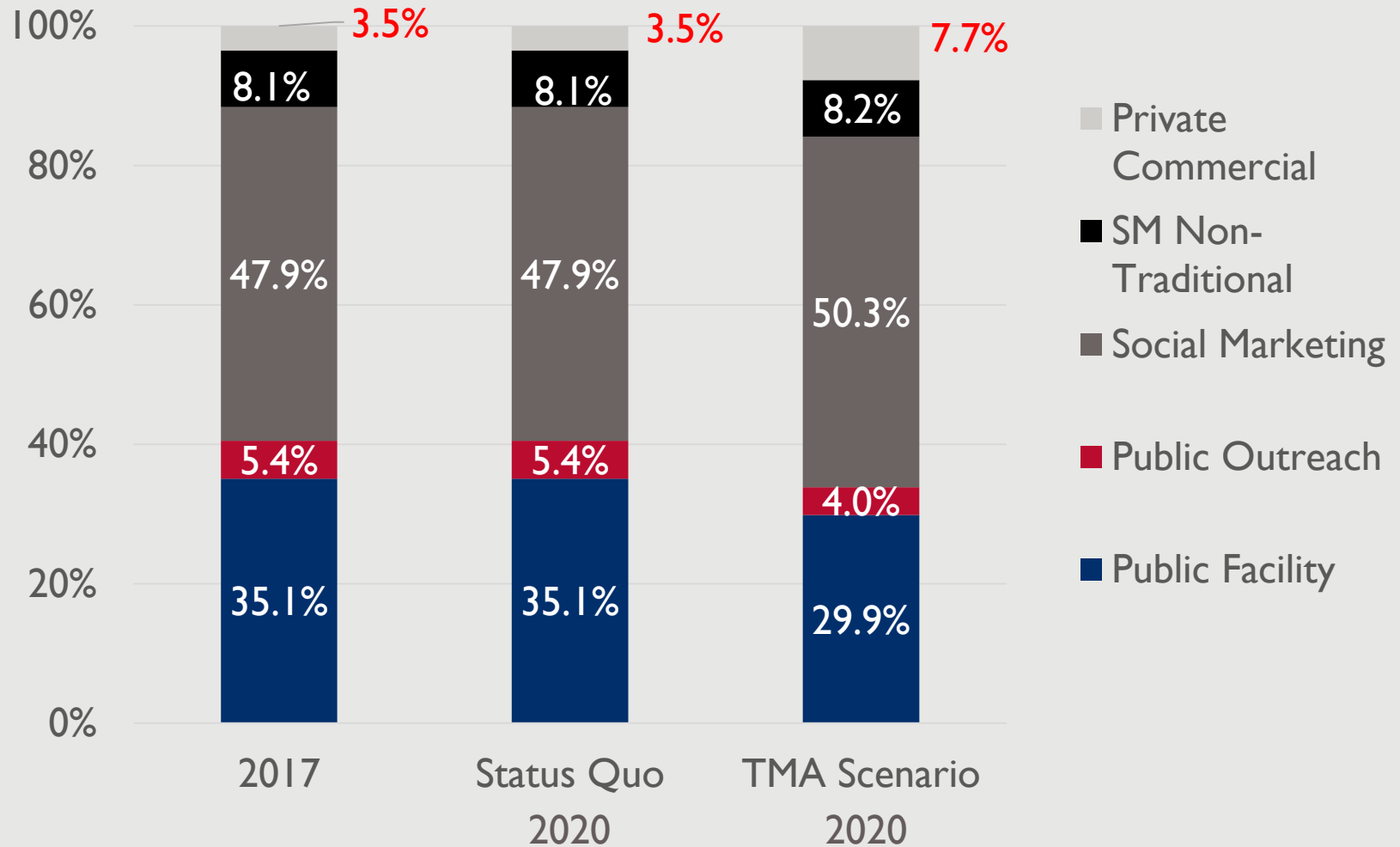
- Securing commercial entrants to appropriate market segments
- Adjusting focus geography of social marketing operations
- Adjusting prices of socially marketed products to improve cost recovery and avoid undercutting commercial products in middle segments
- Adapting commercial business models to high volume/low margin
- Co-investments in SBCC/demand generation to grow the total market

Introduction to the Assessment: Understanding Q4 and 5



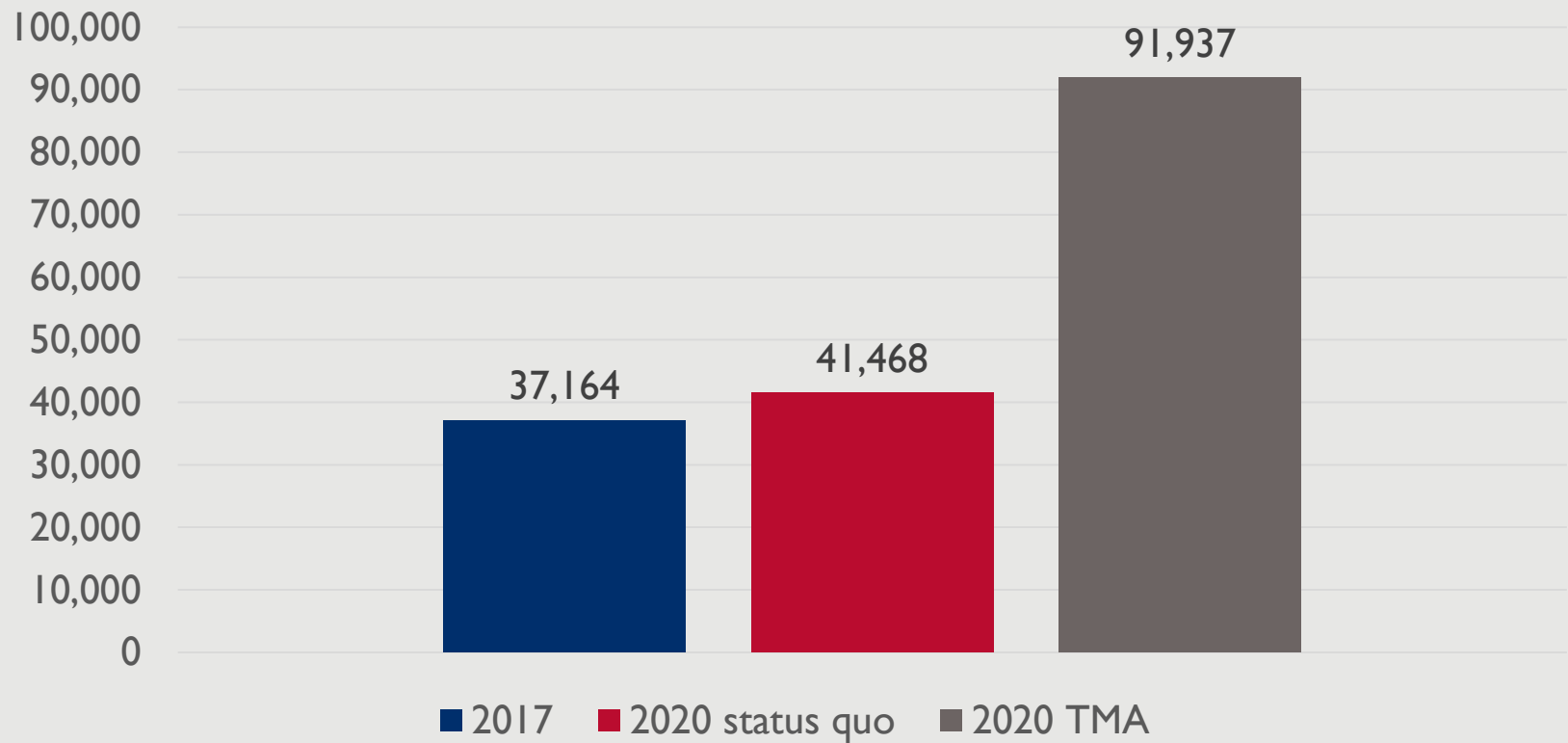
Vast majority of products available commercially are socially marketed/subsidized

Market Projection Analysis



Market Projection Analysis

Number of Women Reached with Commercial Products and Services



Market Projection Analysis



Subsidies saved:
~UGX 798M (\$221,000)



Commercial market growth:
~UGX 7.3B (\$2M)



Savings could reach **~7,000**
additional women

PEA Findings: Who Is the Private Sector?

Stakeholder Group	Most commonly named as Private Health Sector Actor
Public sector: 8 agencies or Ministry of Health units	<ul style="list-style-type: none"> • Private for-profit facilities • Private not-for-profit clinics (SMOs and NGOs)
Social marketing organizations (SMOs): 4	<ul style="list-style-type: none"> • Private clinics • Pharmacies
Nongovernmental organizations (NGOs): 5 local and international	<ul style="list-style-type: none"> • Private clinics for- and non-profit • Pharmacies and drug shops
Commercial sector supply chain: 6 companies	<ul style="list-style-type: none"> • Commercial importers and distributors • Pharmacies and drug shops
Private associations: 4 groups	<ul style="list-style-type: none"> • Private clinics • SMOs/social franchises • Commercial importers/distributors

PEA Select Findings: Key Stakeholder Perceptions

	Business climate for commercial sector	Perception of free products	Is family planning a priority in Uganda?	Negative effect of subsidies
Public Sector	Inconclusive (poor/fair)	Negative	Insufficient data	Donor dependence
Implementing Partners, NGOs, SMOs	Fair	Negative	No	Government unprepared to manage
Commercial & Private Associations	Fair	Negative	Insufficient data	Wasted financing
Donors & Multilaterals	Insufficient data	Negative	No	Insufficient data

PEA Select Findings: Why the Negative Perceptions?

- Commercial sector doesn't see a favorable business environment
 - Small market; difficult to compete with subsidized products
 - Fee/tax/regulation are significant barriers for private entities—lack of some policies and inconsistent implementation of others
- Most engagement platforms are not action-oriented or lack multi-sectoral participation
 - MCH TWG; MOH's PPP unit; Uganda FP Consortium
 - Commercial actors are not significantly reached through these platforms, but when reached they often don't participate consistently
 - Medicines Transparency Alliance (MeTA) was an exception with promising level of engagement and consistency with multiple sectors
- Commercial sector perceives an unfair playing field compared to SMOs—concerns regarding donor incentives and support, and different treatment in tax and regulatory enforcement
- Culture of “free health” and other factors create a problematic political environment that prevent TMA from being taken up at the highest levels of the Ministry of Health

Take Away for Health Financing

- Market projection analysis + PEA can demonstrate a more sustainable health market and provide guidance for how to get there
- Provides the quantitative size and shape of a future market **and** the qualitative status and challenges that actors working in that market face
- In Uganda, there is some confidence that the commercial market can serve an even lower-wealth quintile than modeled here. This suggests greater opportunity for bigger financial impact **if** the environment improves and willingness to participate increases

Select Challenges:

- Many assumptions are necessary in the projection analysis and changes regarding policy/politics, economic growth, donor support, and many other variables
- Securing genuine perspective from the diversity of stakeholders can be challenging in a PEA

3. TMA Progress and Priorities in Uganda



TMA Progress and Priorities in Uganda

Update on Uganda TMA Progress

- Draft TMA strategy will be presented for internal feedback from Ministry of Health divisions to build support:
 - Medicines and Pharmaceuticals Management Working Group
 - Senior Managers Committee, chaired by the Director General of Health Services
 - Health Policy and Advisory Committee
 - Ministry of Health top management
- Finalize and disseminate strategy to key stakeholders in 2018

TMA Progress and Priorities in Uganda

Priorities for TMA Informed Interventions

- Identify and secure increased commercial sector investment and opportunities for cost-share
- Work with social marketing/franchising to improve cost recovery of subsidized products
- Identify strategies that shift the demand for free products and services out of the wealthier quintiles
- Improve the resiliency in the family planning market, absorbing unexpected problems in the supply chain and service delivery challenges
- Increase overall sustainability of programs and reduce over-reliance on donor funds to serve and grow the family planning market



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Interactive Table Discussion

