Availability and Market Penetration Study of SMC Products 2007

Report

Prepared for:

SOCIAL MARKETING COMPANY

Submitted by:
Pathway
House # 570, Road # 9, Adabar
Dhaka-1207, Phone: 8159306, 01552-383684

July, 2007

Availability and Market Penetration Study of SMC Products 2007

Prepared for:

SMC SOCIAL MARKETING COMPANY

Submitted by:
Pathway
House # 570, Road # 9, Baitul Aman Housing Society
Dhaka-1207, Phone: 8159306, 01552-3383684

July, 2007

Report Compiled and Reviewed By:

Md. Kamal Uddin Ahmed (Ph.D)
Md. Moshiur Rahman
Md. Monirul Islam

Toslim Uddin Khan
Mahbubur Rahman
Md. Billal Hossain
Waliul Mutasim Matin

ACKNOWLEDGEMENTS

We would like to put on record our deepest gratitude for the generous support and sincere contribution made by all who were involved in the planning, designing and implementation of the study.

The study was conducted by Pathway and was sponsored by Social Marketing Company (SMC). We express our profound gratitude to the concerned persons of SMC for their support and technical assistance during the study period. Special thanks are due to Ms. Perveen Rasheed, Managing Director of SMC for her valuable guidance.

We gratefully acknowledge to the research team for their hard and sincere cooperation for completing the study in time and producing an excellent report.

We remain ever grateful to thousands of Pharmacy and Non-pharmacy shop owner (respondents) who made this effort possible through their cooperation and also to the members of the data collection teams for their sincere effort and hard work.

Md. Monirul Islam
Executive Director
Pathway

GLOSSARY

AIDS	Acquired Immune Deficiency Syndrome
BAP	Bangladesh Aids Program
BDHS	Bangladesh Demographic and Health Survey
BRAC	Bangladesh Rural Advancement Committee
CYP	Couple year Protection
FI	Field Investigator
GOB	Government of Bangladesh
HIV	Human Immune Deficiency Virus
MFP	Mobile Film program
NGO	Non-government Organization
OCP	Oral Contraceptive Pill
ORS	Oral Rehydration Saline
ORT	Oral Rehydration Therapy
QCO	Quality Control Officer
SMC	Social Marketing Company
SO	Sales Officer
STD	Sexually Transmitted Disease
STI	Sexually Transmitted Infection
TV	Television
USAID	United States Agency for International Development

CONTENTS Page

EXECUTIVE SUMMARY

For more than past thirty years Social Marketing Company (SMC) has been marketing different reproductive health and child health products in order to improve the quality of health. SMC has been conducting Market Penetration Studies at regular intervals since 1998 as part of its efforts to understand the market of its own products (OCP, Condom and ORS) more intensely and also to know more about its competitors, old and new ones.

The prime objective of this Study was to assess the product availability and market penetration status of SMC as well as competitors' products (OCP, Condom and ORS) all over the country, which will help SMC to strengthen their sales and marketing strategies for FY-2008. Total sample for the study was 7200 outlets, where 2400 were pharmacy and 4800 were non-pharmacy. Study also has taken same proportion of urban and rural sample from both types of outlet. Finally, 600 samples have been covered from each SMC sales areas.

Face-to-face interview has been conducted with pharmacy and non-pharmacy sales man/owners. In addition, observation technique has applied to assess the feasibility of promotional materials.

FINDINGS OF THE STUDY

Availability of Oral Pill: Nordette 28 was the highest available oral pill brand (75%) in the pharmacies combined all areas followed by Femicon (68%), Ovostat Gold (47%), Minicon (38%) and Marvelon (33%). Availability of minor competitors brands such as Ovastat are 3.9%, Shukhi are less than 1% and other 14 brands are less than 3%. Study showed that most of the metro (89%), urban (85%) and rural pharmacies (82%) had at least one OCP of SMC brand at the time of survey. Availability of oral pills in the non-pharmacies was only 5% nationally with higher proportion in rural (6%) than urban (4%) and they were mostly SMC brands.

Availability of Condom: Panther was the highest available brand in the pharmacies (67%) closely followed by Sensation Classic (51%). The other available brands of Condom were Sensation Strawberry (21%), Hero (20%), U&ME Long Love (18%), Sensation Mint (18%) and U&ME Anatomic (13%). The survey recorded 82 Non-SMC commercial condom brands and some of them were found in the market in high proportion especially in Metro and urban areas. Some of these brands are Green Love Dotted (7%), Titanic (6%), Green Love Super (5%), Freedom (5%) and Care (5%). However, study finding indicated that Raja were available only in 1% of pharmacies. Availability of Condom is quite lower in non-pharmacy outlet as compared to pharmacy. Nationally, 14% of the non-pharmacies kept Hero, 9% kept Panther, 3% kept Sensation Classic and only 2.8% kept Raja.

Availability of ORS: ORSaline-N brand of SMC was the single major brand available in 89% of the pharmacies followed by Tasty Saline Universal (46%), ORSaline Fruity (37%), Neo Saline (21%) and Rice-GSS (17%). In addition, Oral Saline Universal, BRAC Saline and Saline-R were available around 10% of pharmacies each. ORSaline-N was found to be the single major ORS brand in the non-pharmacies. In 42% of all non-pharmaceutical outlets (metro 51%, urban 48% and rural 36%) ORSaline-N was available during survey period.

Availability of SMC Brands at Pharmacy Outlets by the Frequency of SOs Visit: The positive co-relationship between the lesser frequency of visit and lesser availability is strongly evident in urban outlets. Relatively higher availability of SMC brands with no scheduled SO visit or never visit at all in both urban and rural pharmacies is probably a result of the retailers' independent decision to self -supply to meet client demand.

Average Current Stock Level of SMC Brands: The average current stock level of Femicon, Nordate-28 and Minicon were 32, 20 and 14 cycles respectively at pharmacy outlets whereas average stock levels of these pills were respectively 20, 15 and 15 cycles at non-pharmacy outlets. The average current stock level of Hero (urban: 75 and rural: 56 pieces) and Panther (urban: 38 and rural: 28 packets) are quite higher as compared to other brands at pharmacy outlets. On the other hand, at non-pharmacy outlets the average highest stock level of condom was Hero (urban: 75 and rural: 94 pieces) followed by Sensation Classic (urban: 25 and rural: 18 packets) and Panther (urban: 22 and rural: 19 packets). The average current stock level of ORSaline-N was 160 and 63 sachets at pharmacy and non-pharmacy outlets respectively. Similarly, average current stock level of ORSaline Fruity was 56 and 33 sachet respectively at pharmacy and non-pharmacy outlets.

Current Purchasing and Selling Price: All brands of SMC were found to be selling at MRP or very close except Femicon and Raja (though currently discontinued). The mean selling price of Femicon was Tk. 13.78. Raja is a non-pharmacy brand and the survey showed that purchased price ranged between 40-60 paisa per piece and about 81% outlets sold Raja at the price of Tk. 1.00 and 12 % sold at more than Tk. 1.00.

Ways to Replenish SMC Brands When Exhausted: Overall, half of the respondents of the pharmacy and one-third of the non-pharmacy outlets reported that they buy the products from the nearby shop/market when exhausted. About one-fourth of the respondents of the pharmacy and non-pharmacy each reported that they waited for SMC sales persons to visit.

Stock Out During Last Six Months: More than three-fourth of the pharmacy experienced stock out during last six months preceding the survey. Similarly, four out of ten non-pharmacy outlets also experienced stock out of SMC products.

Frequency of Visit by the SO: More than one-fifth of the pharmacy respondents reported that SOs met once in a week, 14% met once in a fortnight, 8% met once in a month, 41% reported that they did not follow any schedule and 10% mentioned that the sales officer never visited them. On the other hand, 12% of the non-pharmacy respondents mentioned that the SOs visited within a month, 23% mentioned that the SOs did not follow any schedule and majority (63%) reported that the SOs never visited to them.

Training Received: Fifty six percent of the pharmacy providers reported that they have received training organized by the SMC. There is no noticeable regional variation on ever attending at SMC training program. Those who have attended, among them 60% attended once, 27% attended twice and rest attended thrice.

Ways Proposed by the Respondents to Ensure Better Supply of SMC Products: One fifth of the pharmacy outlets and about one third of the non-pharmacy outlets are satisfied with the current distribution system of SMC. When asked about their suggestions with regard to improvement of supply situation, they opined to increase the number of sales people in the current system, to add third party distributors to the current system and to increase the frequency of visit of the SOs.

The Penetration Study 2007 for SMC has revealed such salient findings as with regard to the availability of SMC products vis-à-vis competitive products in all pharmacy and non-pharmacy outlets nationally, current stock levels, frequency of stock outs, correlation between SMC SO visit and availability of products, competitors' reaction on trade incentives and the visibility of SMC products and promotional items. The study also covered the retailers' preference on the suitable distribution modules with a view to improving consistent and satisfactory availability of SMC products. The study findings should be valuable for SMC to assess the current distribution strength of the company and devise strategies to address gaps and weaknesses in order to improve sales performance.

The study has found 90 brands of ORS in the market as compared to 31 in 2003 and 87 brands of condoms compared to 46. In the face of increasing completion especially in the mentioned categories, SMC should give special focus in increasing penetration of its products in rural markets and urban pockets. Special focus should be given on condom and ORS penetration into non- pharma outlets.

Product visibility at outlets was found satisfactory. However, the visibility of promotional items in the outlets for SMC products is poor. Merchandising efforts should be intensified to increase visibility.