Building Markets For Commercially Viable Contraceptives: The Locon F Partnership

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Contraceptive Market in Sub-Saharan Africa

- Donor-dependent product supply
- Manufacturer investment is limited
- Promotion of FP led by social marketing, NGOs and public sector
- Innovation is driven by economics, public health goals
The Nigerian Market

- GNI PPP/capita: $1,770
- Urban population: 48%
- Contraceptive prevalence: 13.3% (2003)
- Fast-growing commercial pharmaceutical market
- Dominance of Nigerian and Asian generic drugs
- Challenging business environment

* Sources: World Health Statistics. WHO 2009; Nigeria Demographic and Health Survey 2003
## Highly Subsidized Contraceptive Market

### Donated Contraceptives: January 1– December 31 2008

<table>
<thead>
<tr>
<th>Method</th>
<th>Quantity</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condoms - Female</td>
<td>10,000</td>
<td>$11,343</td>
</tr>
<tr>
<td>Condoms - Male</td>
<td>236,270,761</td>
<td>$6,411,563</td>
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<tr>
<td>Implants</td>
<td>5,000</td>
<td>$114,119</td>
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<tr>
<td>Injectables (doses)</td>
<td>1,605,000</td>
<td>$1,495,677</td>
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<tr>
<td>IUDs</td>
<td>16,209</td>
<td>$5,187</td>
</tr>
<tr>
<td>Combined OCs - (cycles)</td>
<td>2,834,880</td>
<td>$730,310</td>
</tr>
<tr>
<td>Progestin only OCs - (cycles)</td>
<td>23,400</td>
<td>$7,020</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$8,775,219</strong></td>
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Source: RHInterchange/JSI 2009
**Goal:** Increase the long-term sustainability of product supply

**Strategy:** Introduce a commercially sustainable yet affordable oral contraceptive

**Approach:** Identify potential suppliers and develop a business plan/marketing strategy for a mid-price oral contraceptive in Nigeria
Commercial Model for FP products

- Manufacturer
- Local distributor
- Field sales force
- Healthcare providers
- Logistics company
- Wholesaler
- Retailer
- Customer/patient

Marketing
Investment
Registration training, detailing, promotion
Famy Care Ltd.

- Mumbai-based generic manufacturer
- Asia’s largest producer of OCs and IUDs
- Turnover: US$30 million.
- Exporting to 35 countries
- Supplier of UNFPA, IPPF, MSI, PSI, DKT Intl.
The Society for Family Health

- Largest local social marketing organization in Africa
- Major implementer of donor-funded health programs
- Extensive distribution and sales network
- 55% share of the OC market (3.8 million cycles)
Partnership Model

PSP-One

Brokering, project design and market-building support

Famy Care Ltd.
Manufacturing & branding

Products

Society for Family Health
Marketing & distribution

India

PSI
Funding for first order and technical support

Nigeria
New low-dose OC formulation registered in Nigeria: Locon-F
First affordably priced commercial brand launched in 2009 ($1.20)
Procurement cost recovery + 40% profit margin for SFH
5 year distribution contract between FamyCare and SFH
Cost-sharing of marketing between SFH and PSP-One

Levonorgestrel 0.1 mg + ethinyl oestradiol 20 mcg
Lessons learned

- Generic manufacturers can be enticed to market their own commercial brands in developing countries.
- It is possible to use social marketing programs to phase-in commercially sustainable products.
- But NGO partners may experience “mission conflict” and learning curve in for-profit partnerships.
- Product differentiation (choice) is essential in building consumer markets for commercial products.
- Moving from “commodities” driven to branded, segmented market is a long-term investment!
Thank you!

- For more information:

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