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Sustainable Marketing Models with Commercial Sector in India

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**Plenary 3: Models on market-based health solutions for BOP
Global Health Conference on Social Marketing & Social Franchising 2013
December 3-5, 2013**



Structure of the Presentation

- Defining Market-based Solutions for Health
- Context
- Framework and Models
- Lessons Learned





Market-based Solutions in Health

- Business models to serve the base-of-the pyramid (BoP) and rural markets profitably to achieve sustainable, large scale engagement of private sector
- Private sector is the predominant health care provider in India and potential for expansion is enormous
 - Expansion of core businesses
 - Accessing nascent markets; building base-of-pyramid and rural markets
 - McKinsey estimates that health care will be the third biggest market by 2025, with majority coming from BOP and rural markets



Dominant Myths

Myths around BOP and rural markets	Reality
Not a viable market; poor have no purchasing power	<ul style="list-style-type: none">• Vast majority of health expenditure is out of pocket• Private sector is the main source of healthcare• Small purchasing power but large volumes
Distribution access to BOP/rural markets is very difficult	<ul style="list-style-type: none">• Traditional distribution approaches do not work• Partnerships and innovations are key
Poor/rural consumers are not brand/quality conscious	<ul style="list-style-type: none">• Not only brand but value conscious• Expect great quality at affordable prices
BOP/rural markets are not connected	<ul style="list-style-type: none">• Unprecedented growth in mobile phone connectivity



USAID/India: Market-based Solutions for Health

- **Market-based Partnerships for Health Project (MBPH)**
October 2008 - May 2012
 - To forge commercially sustainable partnerships with the private sector on a range of RMNCH and TB issues
- **Strengthening Health Outcomes through the Private Sector Project (SHOPS)**
June 2012- September 2014
 - To refine and scale up five successful partnership models tested in MBPH



Key Models (1/3)

Model Type	Model	Features
1. Penetrating Rural Markets Commercially viable models to increase access and demand for health products in rural areas	<ul style="list-style-type: none">• ORS Health Initiative	<ul style="list-style-type: none">• Distribution-focused model• Smaller product partner
	<ul style="list-style-type: none">• e-ChoupalH@BoP	<ul style="list-style-type: none">• Integrated demand & supply model• Basket of health products• Large and smaller product partners
	<ul style="list-style-type: none">• Advanced Cookstoves (ACS) initiative	<ul style="list-style-type: none">• Durable, higher value product• Increase awareness, access, and affordability• Partnership between syndicated distribution agency, microfinance institution and product partner



Key Models (2/3)

Model Type	Model	Features
2. Private Health-care Provider Focused Private providers to facilitate access to family planning information, products, and services to target population	<ul style="list-style-type: none">Saathiya Network	<ul style="list-style-type: none">Integrated network- allopaths, indigenous system of medicine practitioners (ISMPs), chemistsFocus: young married couples (urban, lower SEC)Basket of contraceptives
	<ul style="list-style-type: none">Dimpa Network	<ul style="list-style-type: none">General practitioners and obstetricians and gynecologistExpanding contraceptive choices through addition of DMPAUrban areas, middle & lower SEC
	<ul style="list-style-type: none">TB-Public Private Mix (PPM)	<ul style="list-style-type: none">Demonstrate an effective model to engage private providers in TB control and careMix of allopaths, ISMPs, non-qualified health providers, chemistsStrict adherence to RNTCP protocols



Key Models (3/3)

Model Type	Model	Features
3. BCC Alliance Catalyzing private sector engagement in BCC	<ul style="list-style-type: none">• Saathi Bachpan Ke	<ul style="list-style-type: none">• Focused on child health and hygiene for diarrhea prevention/management• Integrates three “at-home” solutions: hand-washing with soap, ORS, safe drinking water• Demonstration in urban slums
4. Institutionalizing local capacity Creating a local entity to support and promote market-based solutions	<ul style="list-style-type: none">• Center of Excellence• Health Leadership Council	<ul style="list-style-type: none">• Creation of a dedicated platform within an existing organization• Priority roles:<ul style="list-style-type: none">• Strategic consultant / implementation partner• Enterprise incubator• Knowledge leader• Network facilitator• Supported by an advisory group – Health Leadership Council



Framework for Building Market-based Solutions for Health

Identify Potential Market-based Solutions for Health

Determine Feasibility and Identify Partners

Develop MBS Models and Negotiate Partnerships

Implement the MBS for Health Pilot

Prepare for and Scale up MBS for Health Model

Research, Monitoring and Evaluation

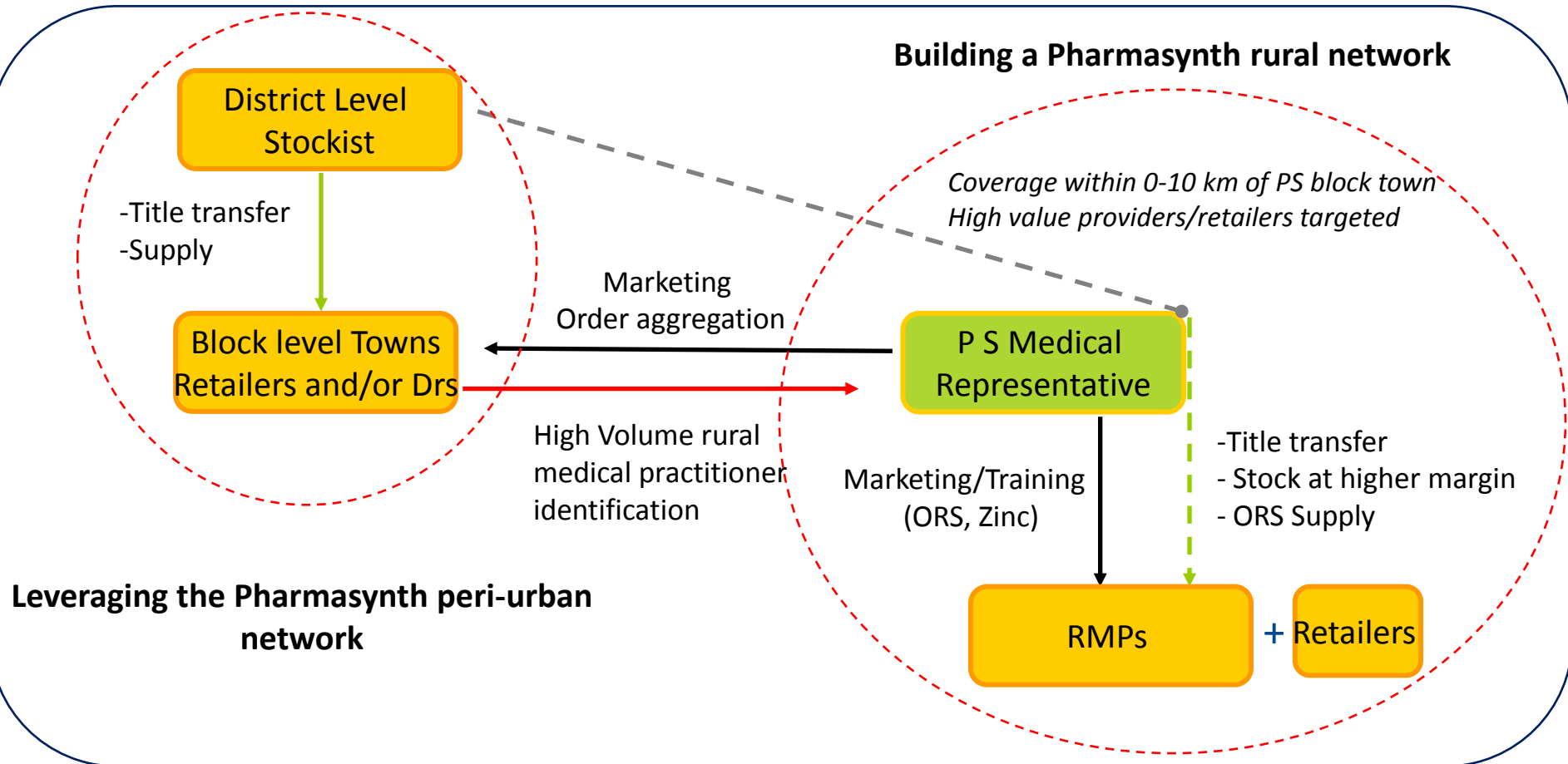
Model 1: Pharmasynth Rural Health Initiative

Drive change in (rural) provider behavior regarding the use of ORS and Zinc for management of diarrhea among children



Leveraging existing systems and infrastructure to reach rural providers

Introduce Zinc into Pharmasynth (PS) product portfolio





Progress to date

- Model scaled up to cover 22 districts in Uttar Pradesh
 - Health providers catering to a population of ~ 5.8 million across 3,915 villages
- Pharmasynth introduced a pediatric Zinc formulation for diarrhea management
 - Brand Zintalyte (syrup and tablets) launched in 75 districts
- Market priming tools designed and implemented in 16 districts

Model 2: Advanced Cook Stoves (ACS): Increasing usage of ACS among target populations through a commercially viable model

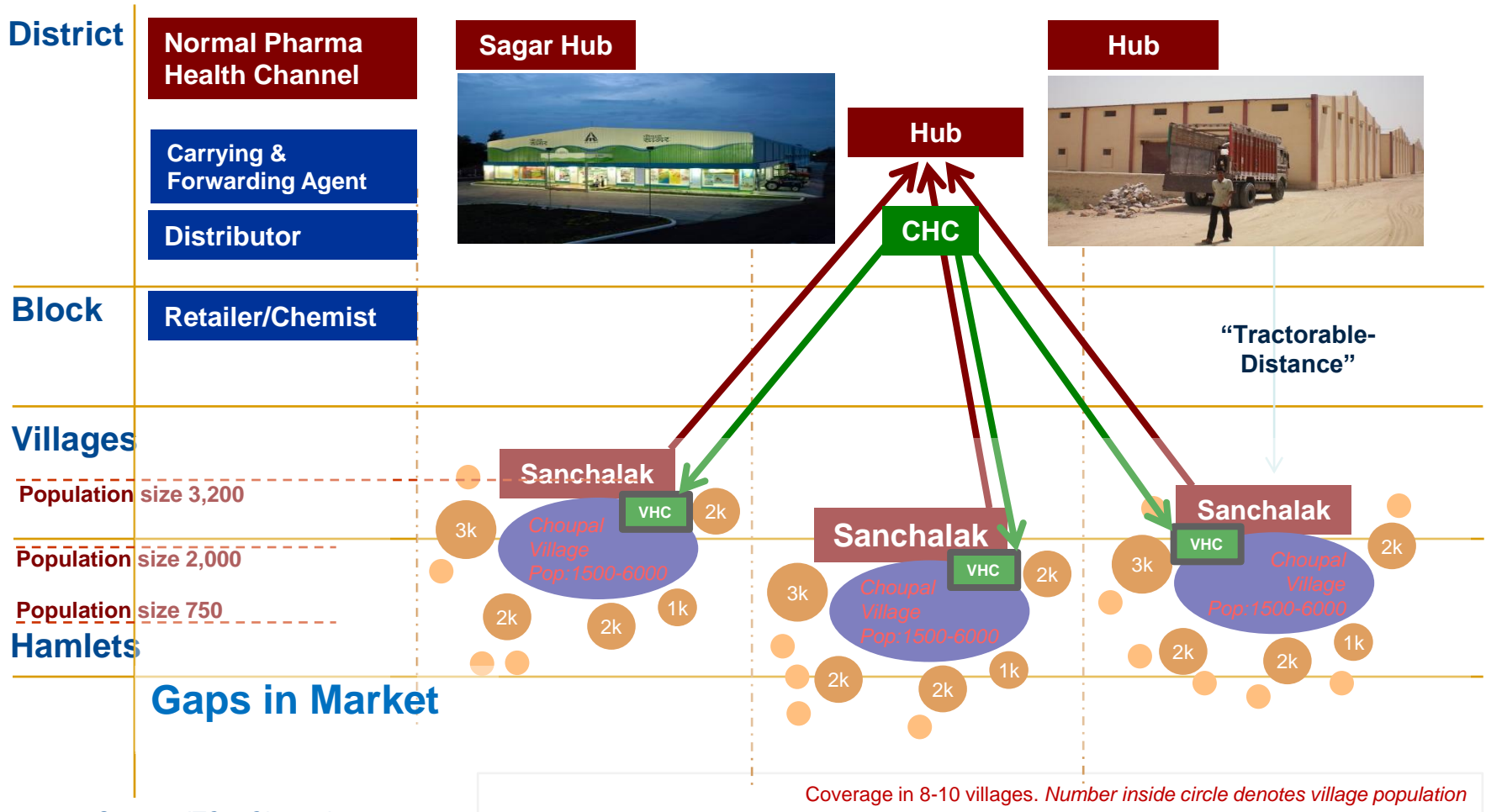




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Model 3: eChoupal Rural Health Initiative

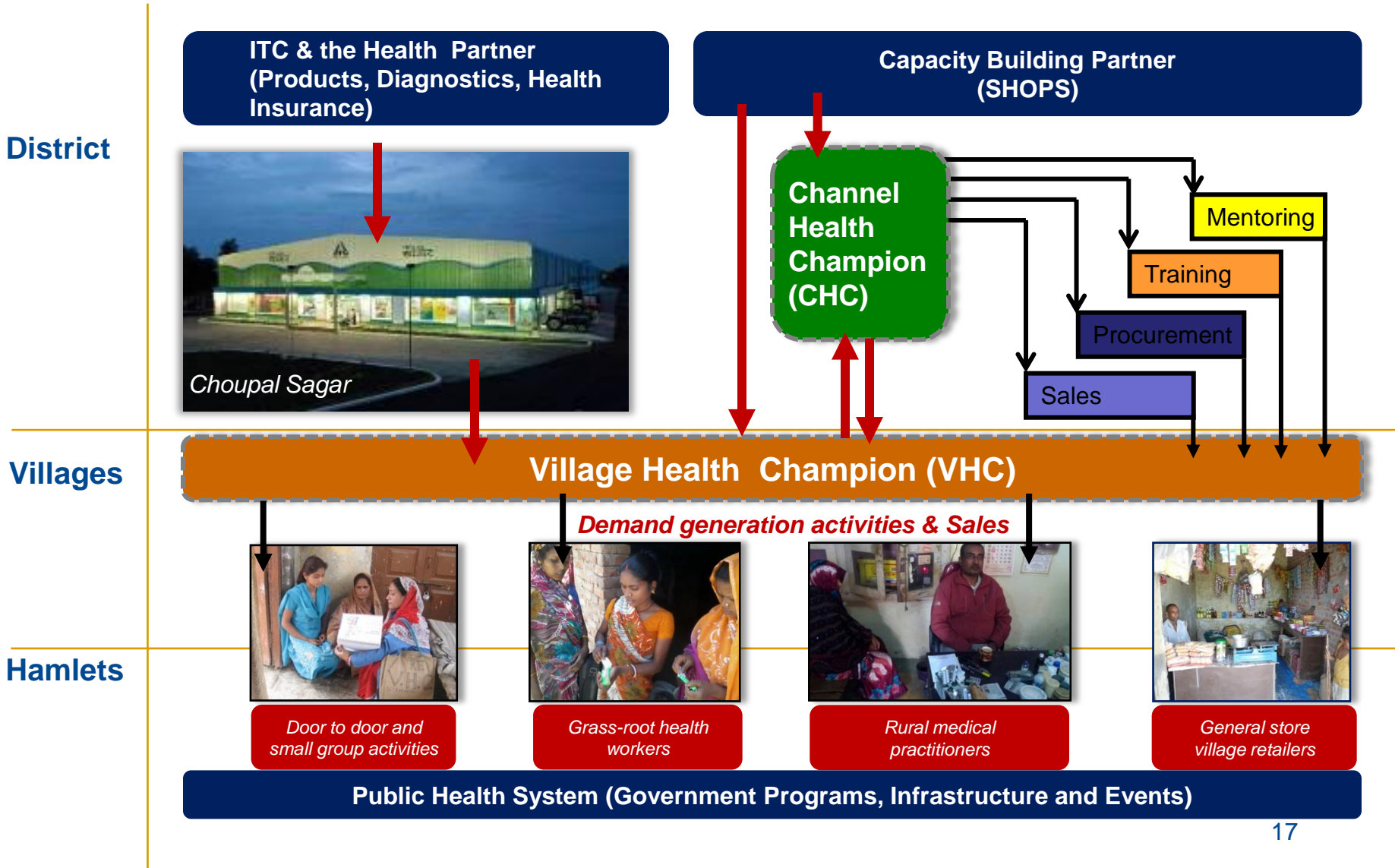
The eChoupal Rural Health Initiative



Source : ITC e-Choupal

Coverage in 8-10 villages. Number inside circle denotes village population

Mechanics of the Health Model





Core target group & relevant offering

**Women
18-39 years**

Women 18-39 years

Child

**Household (includes
husband / menfolk)**

Major Events Related to Health

Frequently Reported

**Puberty Marriage Pre/Post
Natal Care Post-
Childbearing**

**Diarrhoea &
Hand-washing**

**General Health
& Hygiene**

- Sanitary Napkins
- Condoms
- IFA
- OCPs
- ECs
- ORS & Zinc
- Pediatric formulation of basic meds

- ORS & Zinc
- Pediatric formulation of basic meds

- Revital
- Vision Glasses
- Painkillers

Relevant Product Offerings



Key Achievements

- Developed eight successful partnership models
 - six models have commitment/potential for scale-up
- Forged over 60 partnerships with variety of partners
- Introduced 15 companies to new markets
- Brought together different types of private providers on the same platform with a shared vision
- Trained over 18,000 private healthcare providers
- Sustained capacity building and promotion efforts for DMPA resulted in
 - increased interest from commercial sector and development partners
 - increased competition; reduced prices



Lessons Learned

- Market-based partnerships do work for health
 - Balance commercial partner interests and public health impact
 - Business expectations from BOP and rural markets cannot be same as traditional markets
- “One size fits all” approach doesn’t work
- Models need to be created with the “natural owner”
- Invest adequate time and resources
- Product/service basket should be profitable yet manageable
- Supply and demand must be aggregated to reach ‘last mile’ consumers effectively
- Mainstreaming within company’s regular systems and having tracking systems are key to scale up
- Regulatory issues need to be addressed to expand basket of opportunities



Thank you