



Sustainability Continuum for Social Marketing

Levels	Beginning	Intermediate	Advanced
Components of Sustainability (Note: There are no prescribed timeframes assigned)			
Technical Sustainability			
PRODUCT	<p>An international organization or a local government donates the product; procurement is usually not the responsibility of the SMO.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Value of donated commodities ▶ Value of commercially procured commodities ▶ Ratio of donated to commercially procured product (1:0) 	<p>The SMO procures and imports some products; international or government sources donate others.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Value of donated commodities ▶ Value of commercially procured commodities ▶ Ratio of donated to commercially procured product (1:1) 	<p>The SMO procures all products locally or internationally; oftentimes commodity costs are lower than those obtained through donations because of donor restrictions on procurement.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Value of donated commodities ▶ Value of commercially procured commodities ▶ Ratio of donated to commercially procured product (0:1)
PRICE	<p>Highly subsidized: Products sell at prices below the cost of goods sold (COGS), which includes commodity, freight, insurance, importation, and packaging costs.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Percentage of unit COGS to trade price (25 percent) ▶ Percentage of recommended retail price to target group's willingness-to-pay price (70–90 percent) 	<p>Partially subsidized: Products sell at a price that recovers the full COGS as well as some portion of the SMO's indirect costs. SMOs may have some brands that are partially subsidized as well as others that operate at full cost-recovery.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Percentage of unit COGS to trade price (60–90 percent) ▶ Percentage of recommended retail price to target group's willingness-to-pay price (70–90 percent) 	<p>Full cost-recovery: Products sell at a price that covers the full COGS, covers the SMO's indirect costs, and generates revenue. SMOs may have some products that are at break-even (full cost-recovery) as well as others with premium prices (to subsidize other elements of the program).</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Percentage of unit COGS to trade price (100–120 percent) ▶ Percentage of recommended retail price to target group's willingness-to-pay price (80–100 percent)



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<p>PROMOTION/ COMMUNICATION</p>	<p>Brand-specific promotion and generic BCC are used to build demand for social marketing products and appropriate behaviors. Generic BCC activities are targeted toward large segments of the population.</p> <p>Target audiences generally have low knowledge levels and often significant misinformation exists regarding products and behavior. Only small segments of the population demonstrate the accepted behavior or are using the products.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Cost of brand-specific marketing and promotion ▶ Cost of generic BCC interventions ▶ Total sales revenues ▶ Percentage of brand-specific advertising investment to sales revenues (400–500 percent) ▶ Ratio of brand-specific to generic BCC (lower) 	<p>Brand-specific promotion and generic BCC are used to build demand for social marketing products and appropriate behaviors. Generic BCC activities are targeted toward specific population segments, with commercial players advertising more to higher-income segments and SMOs focusing more on lower-income and vulnerable groups.</p> <p>Target audiences generally have moderate knowledge, although often some misinformation exists regarding products and behavior. More of the population demonstrates the accepted behavior or is using the products.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Cost of brand-specific marketing and promotion ▶ Cost of generic BCC interventions ▶ Total sales revenues ▶ Percentage of brand-specific advertising investment to sales revenues (50–100 percent) ▶ Ratio of brand-specific to generic BCC 	<p>Brand-specific promotion is targeted toward the general population to sustain market levels. BCC is used to address hard-to-reach target audiences, such as youth, underserved, and high-risk audiences. These generic behavior-change campaigns may be supported periodically through donor interventions. Commercial organizations are making the largest investments in mass-media advertising of the branded products.</p> <p>Target audiences generally have high knowledge levels. While rumors and misconceptions still may be an issue, a significant portion of the population demonstrates the accepted behavior or is using the product.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Cost of brand-specific marketing and promotion ▶ Cost of generic BCC interventions ▶ Total sales revenues ▶ Percentage of brand-specific advertising investment to sales revenues (20–40 percent) ▶ Ratio of brand-specific to generic BCC (higher)
<p>DISTRIBUTION/ DELIVERY CHANNEL</p>	<p>SMO acts as its own distributor and wholesaler, taking the products from importation to retail level using its logistical system and sales staff.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Percentage of product distributed by own sales force versus external distributors (75 percent) ▶ Cost per unit distributed, for example \$0.20–0.40 per condom sold depending on scale and conditions 	<p>SMO uses a mix of commercial distributors and local sales and distribution networks to expand distribution or sell to outlets beyond the reach of the commercial trade.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Percentage of product distributed by own sales force versus external distributors (50 percent) ▶ Cost per unit distributed, for example \$0.10–0.20 per condom sold depending on scale and conditions 	<p>SMO sells to a small number of distributors who sell through entirely commercial channels. The SMO has no sales staff.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Percentage of product distributed by own sales force versus external distributors (25 percent) ▶ Cost per unit distributed, for example \$0.02–0.05 per condom sold

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Financial Sustainability			
FINANCIAL ANALYSIS	<p>Program is highly dependent on external and donor funding for the majority of its components. Sales revenues are small and do little to offset the program's operational costs. SMO's cost-accounting system allows for financial analysis of the overall social marketing program, but may not allow for analysis on a per-product basis.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Total sales revenues ▶ Total operational costs ▶ Percentage of sales revenues/ total costs (30–40 percent) 	<p>Program is moderately dependent on external funding. Sales revenues cover some of overall expenditures (40 to 70 percent); external funding covers other elements. Support may or may not be directed to specific project areas, for example expanded distribution or generic BCC.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Total sales revenues ▶ Total operational costs ▶ Percentage of sales revenues/ total costs (40–70 percent) 	<p>Program is only slightly dependent on external funding. Sales revenues cover a high percentage of overall expenditures (more than 70 percent). External funding may be directed to discrete elements of the program.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Total sales revenues ▶ Total operational costs ▶ Percentage of sales revenues/ total costs (70–100 percent)
Institutional Sustainability			
INSTITUTIONAL ANALYSIS	<p>SMOs do not have adequate administrative and accounting systems to know their operating costs or cost-analysis capabilities are limited.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Administrative and accounting systems allow for monitoring and tracking of costs by product ▶ Number of expatriate staff in management positions ▶ Number of local staff in management positions ▶ Legal status to operate commercial activities ▶ Diversity of program portfolio 	<p>SMO has adequate governance, cost-accounting, and internal-control systems. There is adequate efficiency, but with area for improvement.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Administrative and accounting systems allow for monitoring and tracking of costs by product ▶ Credit worthiness established ▶ Number of expatriate staff in management positions ▶ Number of local staff in management positions ▶ Legal status to operate commercial activities ▶ Diversity of program portfolio 	<p>SMO has excellent governance, management, cost-accounting, and internal-control systems. It has strong leadership and high level of efficiency.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Administrative and accounting systems allow for monitoring and tracking of costs by product ▶ History of excellent credit ▶ No expatriate staff in management positions ▶ Number of local staff in management positions ▶ Entrepreneurial culture in evidence ▶ Legal status to operate commercial activities ▶ Diversity of program portfolio

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Market Sustainability			
MARKET ANALYSIS	<p>The market is relatively undeveloped in social marketing product segments. The SMO sells one brand per product type with branding and packaging that only distinguishes its products from free and unbranded ones. Distribution channels are relatively limited. Mass media communication is limited. The SMO is building market share and establishing a base for future demand.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Number of products per category (1) ▶ New product introductions by commercial sector within the last year (0) ▶ Percentage growth in social marketing brands (30–50 percent) ▶ Percentage growth in commercial brands (0 percent) ▶ Percentage growth in total commercial market (growth in units sold; percentage of consumers reporting use of commercial brands) ▶ Consumption of product per capita ▶ Market leader's market share (70–90 percent) 	<p>The market is developing (this process is a long-term one). SMOs may have multiple brands with multiple product attributes, including both low- and premium-priced brands. The commercial market is relatively small and usually dedicated to high-priced commercial brands. Commercial distribution channels are more developed; urban areas are well covered. Mass media communication channels are well developed.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Number of products per category (2–5) ▶ New product introductions by commercial sector within the last year (1–2) ▶ Percentage growth in social marketing brands (20–30 percent) ▶ Percentage growth in commercial brands (10 percent) ▶ Percentage growth in total commercial market (growth in units sold; percentage of consumers reporting use of commercial brands) ▶ Consumption of product per capita ▶ Market leader's market share (50–70 percent) 	<p>The market offers a variety of commercial and socially marketed brands (this process is a long-term one) with more product features and attributes. SMOs may have low- and premium-priced brands. Market expansion has allowed for commercial brands to have an increased role. Commercial distribution channels have good coverage of urban, peri-urban, and some rural areas. Mass-media communication is strong and well segmented. Multiple SMOs may exist in the market, ideally to meet the needs of different market niches.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ▶ Number of products per category (6 or more) ▶ New product introductions by commercial sector within the last year (2–4) ▶ Percentage growth in social marketing brands (10–20 percent) ▶ Percentage growth in commercial brands (20 percent) ▶ Percentage growth in total commercial market (growth in units sold; percentage of consumers reporting use of commercial brands) ▶ Percent decrease in prices of competing brands ▶ Consumption of product per capita ▶ Market leader's market share (40–50 percent)

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