



# SOUTH AFRICA

A  
TOTAL  
MARKET  
APPROACH

FOR MALE CONDOMS



# Missions: UNFPA and PSI

**UNFPA, THE UNITED NATIONS POPULATION FUND**, delivers a world where every pregnancy is wanted, every birth is safe, and every young person's potential is fulfilled.

**PSI, POPULATION SERVICES INTERNATIONAL**, makes it easier for people in the developing world to lead healthier lives and plan the families they desire by marketing affordable products and services.

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Retrieved from [www.psi.org/total-market-approach](http://www.psi.org/total-market-approach)

# Greetings

## A MESSAGE FROM BRUCE CAMPBELL AND KIM LONGFIELD

**M**ale condoms offer dual protection against HIV and other sexually transmitted infections (STIs), as well as unplanned pregnancy. All of these factors are important to our two agencies—UNFPA, the United Nations Population Fund, and PSI, Population Services International — and are critical for delivering the health impact we both strive to achieve.

This case study is part of a series that UNFPA and PSI have produced over the course of a year. The series takes a critical look at the communities in which we operate and helps us understand how both agencies can improve our support in those communities and our engagement with other stakeholders, to grow and strengthen the total market for condoms.

We focused our efforts on six African countries — Botswana, Lesotho, Mali, South Africa, Swaziland, and Uganda — that have large condom social marketing programs, are affected by the HIV epidemic, and have high maternal morbidity and mortality relative to their economic development. This series of case studies is intended to inform appropriate evidence-based decisions that increase condom use equitably and sustainably through actions undertaken in all supply sectors. Employing such a total market approach (TMA) means that all three sectors — public, social marketing, and commercial — work together to deliver health choices for all population segments.

We will work together and with other partners to increase condom use and grow the market in a responsible way. Our long-term goal is to offer options to those most in need, people seeking to live their lives free from HIV and unplanned pregnancy. ●

Sincerely,  
**BRUCE CAMPBELL**  
Director, Technical Division, UNFPA

**KIM LONGFIELD**  
Director, Research and Metrics, PSI

**We will work together and with other partners to increase condom use and grow the market to serve those most in need.**



# Executive Summary

South Africa has the greatest number of people living with HIV in the world, with an estimated 16.9% of the adult population infected. Although large-scale HIV prevention efforts have resulted in a decrease in new infections, risky sexual behavior and insufficient levels of condom use continue to drive the HIV epidemic. Male condoms are a vital part of South Africa's HIV prevention strategy, and because condoms offer dual protection against both HIV and unplanned pregnancy, they also play an important role in meeting the need for family planning.

In South Africa, the number of condoms needed to protect all sexual acts from HIV and unplanned pregnancy (universe of need) is much higher than the actual number of condoms on the market (volume). Although public health efforts encouraging condom use for HIV prevention and family planning succeeded in increasing condom use among adults from less than 50% to more than 65% between 2005 and 2008, recent reports show that condom use has decreased among all age groups except women over age 50. This discouraging trend highlights the need for better condom marketing and promotion to increase informed demand, and prevent new HIV infections and unplanned pregnancy.

The condom market in South Africa has traditionally consisted of three sectors: the public sector, which distributes fully subsidized (free) condoms; the social marketing sector, which distributes partially subsidized condoms at low cost; and the commercial sector, which sells condoms for a profit. While the role of the public and commercial sectors has not changed, the social marketing sector no longer sells partially subsidized condoms. In 2012, the Society for Family Health (SFH), the only social marketing organization in the country, transferred the management of its condom brands to PSI/South Africa, a regional foreign branch office of PSI based in Johannesburg, South Africa. As a result of this change, socially marketed brands that were previously subsidized are now sold at full cost recovery. Despite these improvements, the market remains heavily subsidized and dominated by free public sector condoms. Concerns about appropriate pricing

**The Total Market Approach (TMA) seeks to maximize market efficiency, equity, and sustainability through the coordination of the public, social marketing, and commercial sectors.**



strategies, “crowding out” the commercial sector, and inefficiencies in the use of public funds, have prompted UNFPA and PSI to adopt a total market approach (TMA) to help manage the condom supply in South Africa. TMA requires that all three sectors work together to “grow the condom market” and meet the needs of different segments of the population.

The results of our study yielded several important findings. Currently, lengthy condom procurement processes, an unreliable condom supply, and lack of government funds for warehousing and distribution cause inefficiencies in public sector distribution, which result in shortages throughout the country. Although the commercial sector has grown, it still accounts only for a small share of the market, and the market is

dominated by fully subsidized condoms. Both circumstances limit market sustainability. Finally, even though some information on recent condom use is available through reports, a lack of access to behavioral survey data limits our analysis of the market, including equity analysis. Accessible, high quality data are needed to guide decisions by all market stakeholders. This study presents a picture of the most recent market trends, analyzes past market trends, and provides a series of recommendations intended to help policymakers, donors, and other stakeholders better manage South Africa's condom market. ●

# Methods

This list of TMA metrics comes from the literature and a set of metrics PSI has committed to measuring across countries.<sup>1</sup>

METRIC	DEFINITION	CALCULATION
<b>UNIVERSE OF NEED</b>	The number of products or services needed to reach universal coverage in the market	<p><b>HIV:</b> Male population 15-64 multiplied by average number of risky sex acts per man per year</p> <p><b>FP:</b> Female population 15-49 multiplied by method mix multiplied by CYP conversion factor*</p>
<b>USE</b>	The percentage of the population at risk using a product or service, or adopting a behavior	Percentage of males and females reporting condom use at last sex
<b>MARKET VOLUME</b>	The number of products or services sold, distributed, or provided in a given market	Total number of condoms distributed in the public, social marketing, and commercial sectors
<b>MARKET VALUE</b>	The dollar value of the total number of products or services in a given market	Average consumer price multiplied by market volume
<b>NUMBER OF BRANDS</b>	The number of distinct brands for a product in a given market	Total number of condom brands on the market
<b>MARKET SUBSIDY</b>	The value of total subsidies (excludes operating and support costs)	For fully subsidized (free) condoms: market volume multiplied by unit cost of goods sold (COGS)**
<b>EQUITY INDEX</b>	The degree to which products or services are used or adopted across socio-economic strata	Percentage of condom users that fall within the bottom two wealth quintiles

\* USAID CYP conversion factors provide the units of products needed per one couple year of protection<sup>2</sup>

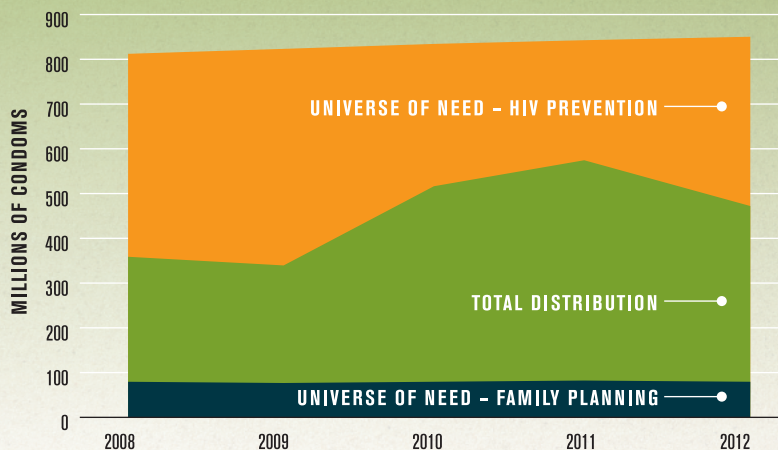
\*\*In cases where some condoms are partially subsidized (e.g., socially marketed), the calculation is "For each brand: the difference between market volume multiplied by COGS, and market volume multiplied by average consumer price."

# State of the Market

## UNIVERSE OF NEED

**CALCULATION:**  
 HIV: Male population 15-64 multiplied by average number of risky sex acts per man per year

FP: Female population 15-49 multiplied by method mix multiplied by CYP conversion factor

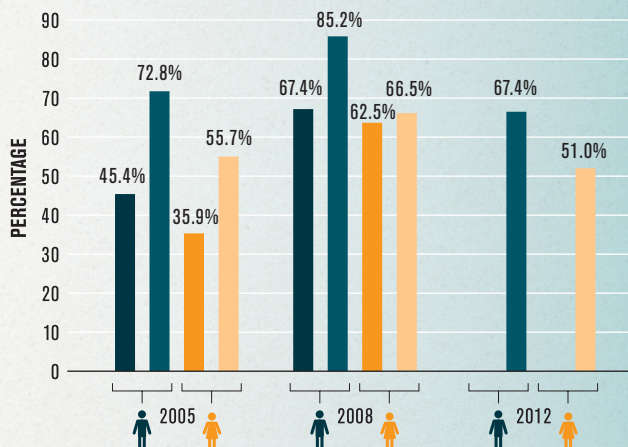


Sources: UNAIDS Investment Framework Study Group<sup>3</sup>; UN Population Division, 2010 revision<sup>4</sup>; USAID conversion factors<sup>5</sup>; Guttmacher Institute. Adding it up: The costs and benefits of investing in family planning and maternal and newborn health (estimation methodology), 2011.<sup>5</sup>

## USE

**CALCULATION:**  
 Percentage of males and females reporting condom use at last sex

- MALES AGED 15-49
- UNMARRIED MALES AGED 15-24
- FEMALES AGED 15-49
- UNMARRIED FEMALES AGED 15-24



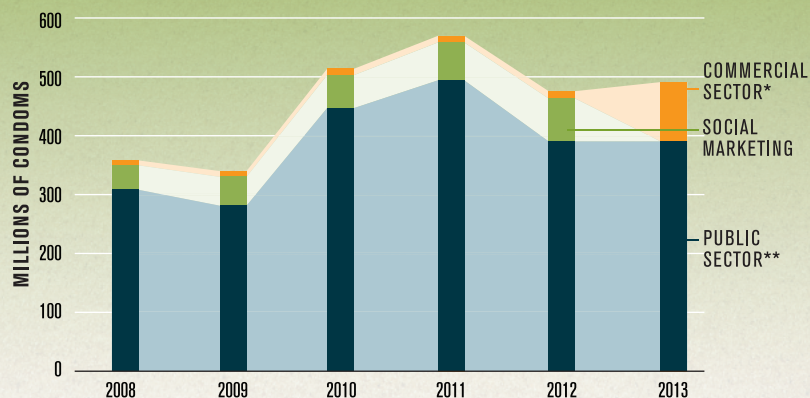
Source: Simbayi, L. (2013). South African National HIV Prevalence, Incidence and Behaviour Survey, 2012: Behavioural data and male circumcision. Oral presentation during Satellite session on the 2012 National HIV Household Survey: Key Findings together with Shisana, O., Rehle, T. and Zuma, K. at the 6th South African AIDS Conference held at the International Convention Centre in Durban, 18-21 June 2013.<sup>6</sup>

## MARKET VOLUME

**CALCULATION:** Total number of condoms distributed in the public, social marketing, and commercial sectors

Sources: PSI<sup>7</sup>, Nielsen<sup>8</sup>, National Department of Health<sup>9</sup>

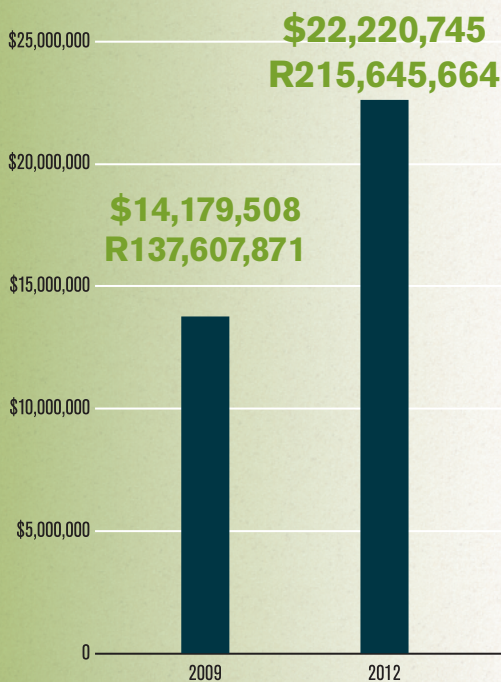
\*For 2013, the social marketing sector is considered "commercial sector" because its condoms are profitable. Where official data were unavailable, figures used are best estimates.  
 \*\*2012 public sector distribution figures were used for 2013



## MARKET VALUE

**CALCULATION:** Average consumer price multiplied by market volume

$$\left( \text{AVERAGE CONSUMER PRICE} \right) \times \left( \text{MARKET VOLUME} \right) = \text{MARKET VALUE}$$



Sources: PSI, Nielsen<sup>8</sup>, National Department of Health<sup>9</sup>, SFH/South Africa and PSI/South Africa<sup>20</sup>

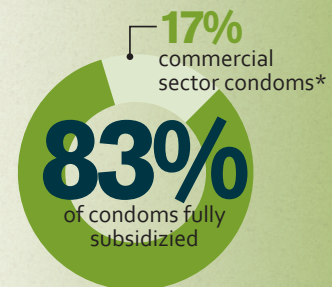
## NUMBER OF BRANDS

**CALCULATION:** Total number of condom brands on the market



## SUBSIDY

**CALCULATION:** For fully subsidized (free) condoms: market volume multiplied by unit COGS

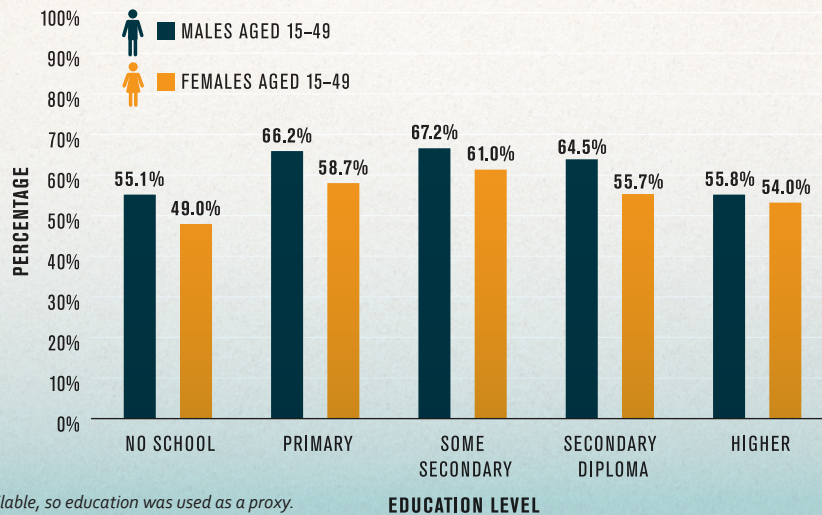


**\$15 million**  
**R128 million**  
Estimated subsidy for public sector condoms

Sources: PSI, Nielsen<sup>8</sup>, National Department of Health<sup>9</sup>, PSI/South Africa<sup>21</sup>  
\*Includes Trust and Lovers+ brands

## EQUITY

**CALCULATION:** Percentage of condom users by education level\*



Source: SABSSM 2005<sup>22</sup>

\*Wealth quintile data were not available, so education was used as a proxy.

# Introduction



**Male condoms are an important part of South Africa's national strategy for HIV prevention.**

## HEALTH CONTEXT

The prevalence of HIV in South Africa is among the highest in the world, with an estimated 17.3% of adults infected.<sup>13</sup> More than five million South Africans are living with HIV.<sup>13</sup> Rates of HIV infection are higher among key populations at risk, including sex workers, men who have sex with men, and youth.<sup>14,15,16</sup> Women are disproportionately affected, with HIV prevalence more than four times higher than men in some age groups.<sup>16</sup> Multiple concurrent partnerships and intergenerational partnerships remain common and contribute to the epidemic.<sup>16</sup>

Major HIV prevention efforts have succeeded in decreasing new infections by 41% since 2001 and male condoms remain a critical component of South Africa's HIV prevention strategy.<sup>17</sup> Condom use is essential for those who engage in casual or multiple partnerships, or when one partner in a relationship is HIV positive or infected with an STI. In addition to providing protection against HIV and other STIs, condoms play a role in preventing unplanned pregnancy. Although the frequency with which condoms are used for dual protection is unknown, approximately 14% of South African women have an unmet need for family planning.<sup>18</sup> A consistent supply of high-quality condoms is required to fill the need for both HIV prevention and family planning. However, it is clear from our research that the current market falls short of meeting these needs. In order to increase condom use and ensure long-term, equitable access to condoms, we recommend several improvements to strengthen and stabilize the market.



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