

**FINANCIAL SUSTAINABILITY OF SOCIALLY MARKETED
CONDOMS IN SOUTHERN MALAWI**

MASTER OF BUSINESS ADMINISTRATION THESIS

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By

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fulfillment of the requirements for the degree of Master of Business Administration**

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DECLARATION

I declare that this dissertation is my own unaided work. It is being submitted in partial fulfillment of the requirements for the degree of MBA in the University of Malawi and has not been submitted before for any degree or examination in any other university.

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CERTIFICATE OF APPROVAL

We, the undersigned, certify that we have read and hereby recommend for acceptance by the University of Malawi a thesis titled, '*The Financial Sustainability of Socially Marketed Condoms in Southern Malawi*'.

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DEDICATION

To my father, Alfred Kingsley Zgambo and my mother Noriah Vundo Msiska for bringing me into this world.

To my uncle, Hastings Dondani Godfrey Zgambo and aunt Ivy Rachel Zgambo for raising me as your own and giving me a meaningful upbringing.

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To my son, Lutufyo, may this thesis inspire you to achieve your heart's desires.

ABSTRACT

The market place is dynamic and requires that organizations pay constant attention to the needs of the customers being served. The inability by most non governmental organisations to continue providing products and services immediately following the end of a project funding seriously points towards management's failure to implement sustainability strategies. Only organizations with plausible financial sustainability strategies have kept their operations afloat during such austere times. The study was carried out to investigate the financial sustainability of condom social marketing in southern region of Malawi specifically focusing on customers' perception towards socially marketed condoms while exploring strategies that would ensure financial sustainability of condom social marketing. The study involved a mixed methods approach where both primary and secondary data were collected. Primary data were obtained from a sample of 59 condom customers from 10 randomly sampled clinics and 6 key informants from Banja La Mtsogolo and Population Services International Malawi, the only organizations directly engaged in social marketing of condoms in Malawi using questionnaires. BLM and PSI Malawi reports provided a source of secondary data.

The results of the study revealed that customers have positive perceptions towards condom social marketing in Malawi. However, the study findings indicated that the existing strategies cannot guarantee financial sustainability of the condom social marketing as strategies that can enhance financial sustainability such as regular price reviews, full cost recovery, distributor margin enhancement, brand extension, price segmentation, credit control, building cash reserves, excess cash investments, income diversification are often overlooked.

TABLE OF CONTENTS

DECLARATION	i
CERTIFICATE OF APPROVAL.....	ii
DEDICATION	iv
ABSTRACT.....	v
LIST OF TABLES	x
LIST OF FIGURES	xi
LIST OF ABBREVIATIONS AND ACRONYMS	xii
CHAPTER 1	1
INTRODUCTION	1
1.1 Background.....	1
1.2 Problem Statement.....	3
1.3 Research Objectives.....	4
1.3.1 Main Objective.....	4
1.3.2 Specific Research Objectives.....	4
1.4 Research Questions.....	5
1.5 Significance of the Research.....	5
1.6 Structure of the Study	6
CHAPTER 2	7
LITERATURE REVIEW	7
2.1 Introduction.....	7
2.2 Definition of Social Marketing	7
2.3 Market Segmentation In Social Marketing.....	7
2.4 Competition in Social Market Segments	9
2.5 Monitoring in Social Marketing.....	10
2.6 Marketing Mix Elements for Social Marketing.....	10
2.6.1 Products in Social Marketing Segments	11
2.6.2 Pricing in Social Market Segments.....	12
2.6.3 Distribution of Social Marketing Products	15
2.6.4 Promotion of Condoms	16

2.7	Consumer Orientation For Condom Marketing	21
2.8	Exchange in Marketing Condoms.....	22
2.9	Financial Sustainability in Social Marketing of Condoms	23
2.9.1	Revenue from Socially Marketed Condoms	25
2.9.2	Costs or Expenses in Social Marketing of Condoms.....	25
2.9.3	Cost Recovery Approach in Social Marketing of Condoms.....	26
2.9.4	Profit or Surplus from Condom Sales	26
2.9.5	Leadership in Condom Social Marketing	27
2.9.6	Income Diversification.....	27
2.9.7	Cash Reserves	28
2.10	Chapter Summary	28
CHAPTER 3		29
RESEARCH METHODOLOGY		29
3.1	Introduction.....	29
3.2	Research Philosophy	29
3.3	Research Approach and Strategy	29
3.4	Sampling Method.....	31
3.4.1	Simple Random Sampling Technique	31
3.4.2	Purposive Sampling Technique	31
3.4.3	Sample Size.....	32
3.5	Data Collection Methods	33
3.5.1	Questionnaires.....	34
3.5.2	Secondary Data Collection	35
3.6	Pilot Survey.....	36
3.7	Research Ethics	37
3.8	Research Limitations	37
3.9	Chapter Summary	37
CHAPTER 4		38
DATA ANALYSIS, RESULTS AND DISCUSSION		38
4.1	Introduction.....	38
4.2	Demographic Characteristics of Respondents	39

4.2.1	Gender.....	39
4.2.2	Marital Status	39
4.2.3	Age profile	40
4.2.4	Education level for condom customers.....	41
4.2.5	Occupation of respondents.....	42
4.2.6	Frequency of Condom Purchases.....	43
4.2.7	Condom Sales Outlets.....	44
4.2.8	Respondents' perception towards the current condom prices by brand on the market	45
4.2.9	Respondents' Willingness to Pay for Chishango and Manyuchi Premium Prices	47
4.2.10	Availability of Socially Marketed Condoms	49
4.2.11	The Packaging of Socially Marketed Condoms.....	50
4.2.12	Strength of Socially Marketed Condoms.....	50
4.2.13	Quality of Socially Marketed Condoms	50
4.2.14	Branding of Socially Marketed Condoms.....	51
4.2.15	Respondents' Perception towards Social Marketing of Condoms.....	51
4.2.16	Condom Brand Preferences	52
4.2.17	Reasons for Using Socially Marketed Condoms	53
4.2.18	Future Use of Socially Marketed Condoms.....	54
4.2.19	Recommendation of Socially Marketed Condoms to Others	55
4.3	Secondary Data	56
4.3.1	Socially Marketed Condom Sales Outlets	56
4.3.2	Socially Marketed Condom Sales Volumes	57
4.3.3	Condom Distributor Prices Trend.....	58
4.3.4	An Analysis of Strategies Adopted by Social Marketing to Achieve Financial Sustainability.....	59
4.4	Chapter Summary	61
CHAPTER 5		62
CONCLUSION AND RECOMMENDATIONS		62
5.1	Introduction.....	62
5.2	Conclusion	62
5.2.1	Consumers Perception towards Socially Marketed Condoms	63

5.2.1.1	Condom Prices	63
5.2.1.2	Condom Availability.....	63
5.2.1.3	Condom Packaging	63
5.2.1.4	Condom Strength	64
5.2.1.5	Condom Quality.....	64
5.2.1.6	Condom Branding.....	64
5.2.2	Financial Sustainability Strategies	64
5.3	Recommendations.....	65
5.4	Potential Area for Further Research	66
5.5	Chapter Summary	66
REFERENCES	67
APPENDICES	75
Appendix 1:	Customer Questionnaire.....	75
Appendix 2:	Social Marketing Organisation Questionnaire.....	79

LIST OF TABLES

Table 1: Distribution of Sample Size.....	33
Table 2: Demographic Characteristics of Respondents	39
Table 3: Marital Status of Respondents	39
Table 4: Frequency of Condom Purchases by Respondents.....	43
Table 5: Respondents Perception towards the Current Condom Prices by Brand on the Market ...	45
Table 6: Respondents' Willingness to Pay for Chishango and Manyuchi Premium Prices.....	47
Table 7: Respondents' Perception of Condom Availability, Packaging, Strength, Quality and Branding.....	49
Table 8: Respondents' Opinions towards Socially Marketed Condoms	51
Table 9: Respondents' Reasons for Using Socially Marketed Condoms.....	53
Table 10: Respondents Recommending Socially Marketed Condoms to Others	55
Table 11: Condom Sales from 2007 to 2014	57
Table 12: Financial Sustainability Strategies Adopted by Social Marketers.....	60

LIST OF FIGURES

Figure 4.1 : Age of Respondents.....	40
Figure 4.2 : Education Level of Respondents	41
Figure 4.3 : Occupation of Respondents.....	42
Figure 4.4 : Respondents Preferred Condom Outlets	44
Figure 4.5 : Respondents condom price perceptions	46
Figure 4.6 : Respondents Preferred Condom Brands.....	52
Figure 4.7 : Future use of socially marketed condoms	54
Figure 4.8 : Condom sales outlets by social marketers.....	56
Figure 4.9 : Condom Distributor Prices Trends.....	58

LIST OF ABBREVIATIONS AND ACRONYMS

ACCA	Association of Chartered Certified Accountants
AIDS	Acquired Immunodeficiency Syndrome
BLM	Banja La Mtsogolo
CBDA	Community Based Distribution Agents
CFO	Chief Financial Officer
HIV	Human Immunodeficiency Virus
MBC	Malawi Broadcasting Corporation
MOH	Ministry of Health
NGO	Non Governmental Organisation
NSO	National Statistics Office
PSI	Population Services International
SPSS	Statistical Package for Social Scientists
UNAIDS	United Nation Aids Programme
USA	United States of America

CHAPTER 1

INTRODUCTION

1.1 Background

The Acquired Immunodeficiency Syndrome (AIDS) crisis has brought about a number of innovations aimed at countering the scourge and among one notable intervention is the concept of socially marketing condoms. Social marketing is defined as the application of commercial marketing concepts to non commercial ends (Stead, Gordon, Angus and McDermott, 2007). The approach aims at designing and implementing programs with the aim of increasing the acceptability of a social idea or practice in a target group to improve personal well being of the individual and that of society one lives in using traditional commercial marketing techniques. According to Meishke (2008), the theory upon which social marketing is built assumes that people will adopt new behaviors or ideas if they feel that something of value is exchanged between them and the social marketer. This assumption is well honed in the traditional commercial marketing where exchanging something of value is the critical factor (Kotler and Armstrong, 2008).

Social marketing as a formal discipline began in the early 1970's with well known marketers Philip Kotler and Gerald Zaltman when they realized that the same marketing principles used to sell products and services can be used to advance ideas, attitudes and behaviors. Unlike commercial marketing, in social marketing, consumer needs are identified by experts. Non government organizations(NGO) and government agencies have applied social marketing to the advancement of various public health issues such as anti smoking and the prevention of alcohol and drug abuse (Donovan and Henley, 2003).

In the late 1980's, Craig Lefebvre and June Flora incorporated the social marketing concepts to addressing public health issues in United States of America. The attempt worked out very well and to date social marketing is used as a robust framework for behavior change intervention strategies (Meadley, Pollard and Wheeler, 2003). The concept has been made popular in Malawi by two NGOs in the health sector as a medium for imparting behavior change messages among the populace. The concept uses commercial marketing techniques that distinguishes itself by targeting

the poor in the society, offering them products and services at subsidised prices with the belief that more poor people will access the products and services.

Social marketing of condoms is a very important element of the strategy for the control of HIV. The fact that there is no known cure for AIDS entails that prevention strategies such as condom use will continue to take centre stage in the fight against the disease. Even though programmes are yielding good results such as the reduction in the prevalence rate which is now at 10.6 percent among adults between 15-49 years, there is concern regarding continuity, unlike in the western countries. Social marketing in developing countries faces a distinct set of challenges because of lack of reliable infrastructure, unreliable funding and political priorities of donors (National Statistical Office, 2010).

Population Services International (PSI) Malawi pioneered the adoption of social marketing approach in Malawi in 1994 with the launch of a socially marketed condom brand, Chishango. At that time, the only condom brands available in the commercial market were being sold at \$ 1.00 per packet of three condoms which was beyond reach for most Malawians. Realizing this gap, PSI Malawi quickly established an effective means of distribution and communication to socially market Chishango condoms. In 1995, Chishango sales exceeded all expectations, because over 4 million condom pieces were sold, (PSI, 2002). In addition, the name 'Chishango' became synonymous with condoms in Malawi. 84 percent of condom users at that time cited Chishango as their favorite condom brand in Malawi (NSO, 2002).

A number of factors allowed PSI Malawi to attain high Chishango sales, recognition and acceptance in such a short time. One of the key factors was the intensive pre project research which assured that the product brand name, packaging and pricing structures were appropriate (United Nations HIV/Aids Programme, 2001). In addition, institutional distribution channels such as large private companies and local NGOs have contributed to Chishango's popularity through brand visibility and communication policies. External factors such as the advent of multiparty democracy and the concurrent support of government raised awareness on the seriousness of the HIV/AIDS pandemic as it has become a priority (Chirwa, Patel and Kanyongolo, 2003). Furthermore, the liberalization of the public communication channels and the introduction of

private radio stations permitted PSI Malawi to mount aggressive advertising and promotion campaigns.

From the initial stages the product was promoted through mass media, including radio shows, advertising, print media and outdoor advertising such as bill boards. In addition, PSI Malawi utilized non traditional communication channels to reach those that have limited access to mass media. The channels include mobile video units, drama groups, peer educators, promoters, wall signs and bus advertising (PSI, 2002).

In a bid to further increase access to condoms, Banja La Mtsogolo (BLM) introduced a socially marketed condom known as Manyuchi in August 2004. This product was introduced on a pleasure- plus platform aimed at encouraging people particularly sexually active men with a higher income bracket to use condoms (Ministry of Health, 2005).

In Malawi, as well as other developing countries, condom social marketing has emerged as an effective tool in combating the spread of HIV/AIDS. The tool increases access and affordability of the product to the majority of the people. The greatest benefit of social marketing is that over time, it is the surest way to have a measurable impact on a social issue because it increases the number of people who are willing to act in a way that benefits society (Kotler and Lee, 2008).

With reference to the assertions above, it is critical to promote sustainability of condom social marketing interventions in Malawi, considering that such interventions are donor funded and help in combating the HIV/AIDS scourge. It is believed that the greatest single risk facing sustained impact of such products on the market is continued reliance on donor subsidies.

1.2 Problem Statement

The funding for Chishango condoms has evolved substantially since 1994. However, the number of donors supporting Chishango condom social marketing has significantly reduced. During the initial stages two donors supported the product and between 1999 and 2002 the number of donors supporting Chishango social marketing activities significantly increased to seven (PSI, 2002). By 2010, PSI Malawi had only one contract to finance the Chishango social marketing. Similarly,

only one donor has been financing the social marketing of BLM's Manyuchi condom brand in Malawi. This is not a healthy situation and it is feared that in the near future the major donors may not continue to fund some operations due to the global economic situation being experienced. On the other hand, there has been an increase in the sales volume of condoms since the introduction of the programmes signifying a big demand on the market due to vigorous promotional campaigns by the BLM and PSI Malawi. The increase in demand translates into increased operational costs to meet the objectives of the programme. As previously mentioned, one of the biggest concerns that social marketing programmes face is the financial sustainability after the original funding has ended.

The marketing techniques of the product have remained the same over the period. In order to sustain the demand for socially marketed condoms, it is important to understand how modern consumers perceive the marketing of the product. This is so because the market place is dynamic and competitive as such customers' level of awareness is very high. In addition, literature review suggests that generally most customers have negative perceptions towards condom social marketing.

It is appreciated that sustaining effective social marketing programmes is critical to the fight against HIV/AIDS pandemic and family planning which are key to the economic development of a country.

1.3 Research Objectives

1.3.1 Main Objective

The main objective of the study was to explore ways of achieving financial sustainability for socially marketed condoms in Malawi.

1.3.2 Specific Research Objectives

The study aimed at achieving the following specific objectives:

1. To measure the customers' perception towards socially marketed condoms in southern region of Malawi.

2. To explore the strategies for financial sustainability of condom social marketing.

1.4 Research Questions

The following research questions guided the study:

1. What are the perceptions of customers towards socially marketed condoms in southern region of Malawi?
2. Do condom social marketing organizations have the ability to survive without financial support from donors?

1.5 Significance of the Research

The context in which business operates is subject to fundamental change. Learning organizations continuously engage in research in order to remain relevant to the needs of the customers they serve. According to Torrington, Hall and Taylor (2008), strategy formation, implementation, evaluation are deliberately structured as learning experiences by using feedback loops.

The research was conducted that valuable feedback from the customers of socially marketed condoms should help in shaping the strategies. Customers' insights into the price, quality, distribution among other variables could serve as an opportunity for formulating a robust framework to address consumers perceived shortfalls on condom social marketing. The fact that there has been no research informing financial sustainability since the inception of condom social marketing in Malawi justifies the need for the study.

Additionally, most non governmental organizations are largely dependent on the donors such that despite heavy investment in infrastructure, brand identity and human resources among others, they become powerless when funding ceases.

That notwithstanding, condoms have become an important intervention in the fight against HIV/AIDS such that any breakdown in the supply chain is likely to cause panic among sectors of the society because in most cases HIV/AIDS prevention messages have been designed to the extent that those who cannot abstain must condomise.

The research is very important because it attempted to establish whether there is an opportunity to pursue strategies that will enable financial sustainability of condom social marketing since there is a gap in this area in Malawi. The Malawi Government through the Ministry of Health will benefit from the research since condoms remain part of the strategy for combating HIV/AIDS and a family planning method.

1.6 Structure of the Study

This report begins by introducing the social marketing concept applied to condoms in Malawi, research problem, main objectives and the research questions in chapter 1. In chapter 2, relevant literature has been reviewed and chapter 3 outlines the methodology for the study. Analysis of data with the help of statistical packages followed by presentation and discussion of results in chapter 4. Conclusion is drawn and recommendations made in chapter 5.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter discusses the definitions of concepts that are applied in social marketing and how far these principles have been adopted in the social marketing of condoms in Malawi by BLM and PSI Malawi. It further defines the concept of financial sustainability.

The strategies or techniques are critically compared with the social marketing phenomena adopted by BLM and PSI Malawi.

2.2 Definition of Social Marketing

Kotler and Lee (2008) posit that social marketing is a process that applies marketing principles and techniques to create, communicate and deliver value in order to influence target audience behaviours that benefit society as well as the target audience. Andreasen (2002) suggests a number of benchmarks or criteria for identifying an initiative that could legitimately be categorized as social marketing. They include: behavior change, continuous monitoring of interventions, segmentation of the target audience, motivational exchanges with the target audience, the use of traditional marketing mix and careful attention being paid to competition. According to Hastings (2003), social marketing's most fundamental feature is that it takes learning from commerce such as consumer orientation, mutually beneficial exchange and the need to focus on behavior change among others.

The key concepts in social marketing include audience segmentation, competition, marketing mix, consumer orientation, exchange theory and continuous monitoring (Grier and Bryant, 2005). In planning, these elements should be systematically interrelated, with consideration of product, planning, pricing, communication, distribution and marketing research (Kotler, 2000).

2.3 Market Segmentation In Social Marketing

The number of people and organizations in the world make it almost impossible for an organization to reach and serve every potential customer (Mwenifumbo, 2006). According to

Jobber (2010), market segmentation may be defined as the identification of individuals or organizations with similar characteristics that have significant implications for the determination of the marketing strategy. Segmentation is the single most important aspect of promotion, perhaps even of marketing today. It is the foundation which enables promotional campaigns to be constructed effectively and efficiently (Mwenifumbo, 2006). Jobber (2010) identifies benefits of segmentation as target market selection, tailored marketing mix, opportunities, threats and differentiation.

Market segments can be identified by examining demographic, psychographic and behavioral differences among buyers. For each chosen target the firm develops a market offering. The offering is a position in the mind of the target buyers as delivering some central value (Kotler, 2000). Lefebvre (2011) noted that social marketing is focused on people, their wants and needs, aspiration and lifestyles. In order to qualify as a segment, the market must be easily identifiable, recognizable, substantial, profitable, accessible, measurable, reliable and sustainable (Mwenifumbo, 2006). Identifiable, this is where the market must be capable of being identified as a separate section of the overall market and must display some common characteristics which sets it apart from the overall market. A market is considered substantial if it is large enough to warrant activity on the part of the marketer and is profitable if it is capable of achieving the desired objectives. If the marketer is able to reach the market then it is said to be accessible. The market is said to be measurable if you know the size of the segment before, during, and after your activities, without which you will not be able to assess your success.

If the market is capable of demonstrating a history and a future, it is said to be reliable and stable. Sustainable market is where the organization is capable of serving the segment in the longer term. According to Mwenifumbo (2006), it is pointless identifying a segment which is so big and is impossible to maintain. The unique and shared needs among members of our priority population groups are often the basis of segmentation, or the division of large heterogeneous markets into smaller ones that facilitate behavior change efforts (Lefebvre, 2011). This is key because maximum efficiency and effectiveness in the use of resources is ensured.

For socially marketed condoms, the sexually active youth are the ideal target group because they constitute a large part of the Malawian population and they are more susceptible to changing the sexual behavior (PSI, 2002). PSI narrowed the focus of Chishango condoms towards a section of the market that wanted to use a product that was readily available at an affordable price. Chishango has a primary target of sexually active youth aged between 14 to 25 years. The secondary targets are sexually active men and women in the work place, the sexually active men and women attending high-risk outlets such as bars, lodges, motels and the final target group is sexually active men and women along major transport routes and border crossings (PSI, 2002). On the other hand, BLM's Manyuchi exploited a section of the society that can afford a product that is priced in between the low and the high end of the market (Ministry of Health, 2005). This is based on the assumption that people will associate cheap products with poor quality. This group constitutes those that have steady incomes either through working or carrying out business ventures. The men and women frequenting drinking places and other entertainment places, and are highly sexually active.

2.4 Competition in Social Market Segments

Competition is a critical factor in marketing management; it includes all the actual and potential rival offerings and substitutes that a buyer might consider. In commercial marketing, competition refers to the products and companies that try to satisfy similar wants and needs as the product being promoted (Grier and Bryant, 2005). Kotler and Armstrong (2008) suggest that organizations address needs by putting forth a value proposition which is essentially a set of benefits offered to customers to satisfy their needs.

In social marketing, the concept applies when the behavioral options or preferences compete with the public health recommendations and services. In a free society, the customer has the choice to refuse to change the behavior and maintain the current undesirable behavior. The internal customer competition, behavior versus behavior, often results in negative demand, inertia and or high involvement for the target audiences and social marketer (Fine, 1990). The self interest of customers/target markets requires the social marketer to work harder, faster, deeper and more extensively, in understanding the motivations of the target customers and designing a market offering or intervention to appeal to them (Domegan, 2008).

Assessing the competition enables the social marketers to offer benefits towards a sustainable competitive advantage (Grier & Bryant, 2005). The product or intervention from the social marketer must deliver greater immediate benefit, greater perceived value than the alternative behavioral choices (Domegan, 2008). This behavior change might be product adoption and use, accessing services or adopting health protective/preventive behaviors (Lefebvre, 2011).

For a product like condoms, the benefits can be the prevention of HIV/AIDS or indeed a family planning method, however given that resources are limited, it provides for options for one to use the resources for other competing needs at the expense of the above advantages.

2.5 Monitoring in Social Marketing

As socially marketing programmes are being implemented, monitoring takes place to assess the effectiveness in order to determine if the intervention is worthy sustaining. Focus is placed on gaining deeper understanding of what moves and motivates the target group. Social marketers conduct formative, process and evaluative research to discover barriers to behavioral change and develop the approaches that address them.

Social marketers are constantly checking with the target audience to gauge the responses to aspects of the intervention from the broad marketing strategy to the specific messages and materials (Grier and Bryant, 2005).

One of the benefits of social marketing is that over time it is the surest way to have a measurable impact on a social issue because it increases the number of people who are willing to act in a way that benefits society through research (UNAIDS, 2001). In 2002, PSI Malawi reported an increase in the number of condoms that have been available on the market (Ministry of Health, 2005).

2.6 Marketing Mix Elements for Social Marketing

Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market (Kotler, 2000). According to Mwenifumbo (2006), the term marketing mix is used to denote the range of activities within the framework of marketing decision making. The marketing mix is classified into four elements which will be reviewed in turn.

2.6.1 Products in Social Marketing Segments

A product is the first element in the marketing mix and is defined as anything that can be offered to a market to satisfy a want or need (Kotler, 2000). In order for social marketing to be successful, it is important that a product or service must be available which should be seen as a solution to a particular problem.

Kotler and Keller (2006) contend that the term product can mean any tangible or intangible item that satisfies a need and include physical goods, intangible services, locations, people, ideas, events, places, properties, organizations and information. For BLM and PSI Malawi, the products are Manyuchi and Chishango condoms respectively both aimed at reducing the transmission of HIV and for family planning thereby enhancing the quality of life to the target audience.

Marketers must plan their marketing offering at five levels, each level adds more customer value and together the five levels constitute a customer value hierarchy (Kotler, 2000). Organisations must therefore provide products that are in line with the customer's expectations within the target market. According to Kotler (2000), the most fundamental level is the core benefit; this is the benefit that the customer is really buying. The second level is where the marketer turns the core benefit into a basic product whereas at the third level is where the marketer prepares an expected product, being a set of attributes and conditions that buyers normally expect when they buy the product. The fourth level is where the marketer prepares an augmented product that exceeds customer expectations (Kotler, 2000). This is realized by adding extras to the product or service.

Following on, Kotler and Lee (2008) suggested that the social marketing product classification includes three product levels including the core product (inform of the benefits), the actual product (the behavior), and the augmented product (tangible items and services).

Manyuchi condom has been portrayed as a technologically superior product offering class and style to the target audience, on the other hand, Chishango is a condom that offers peace of mind to the user as it guarantees safety all the times.

The success of marketing a product depends on the marketer making the right coordinated product decisions. Product decisions include the number, type, brand grouping and quality rating of the

company products, their sizes, varieties and form of packaging. Decisions whether to add new products, phase out products, restyle or reshape them (Mwenifumbo, 2006).

For Manyuchi and Chishango condoms brand visibility at the point of sale of the products remains relatively obscure despite the heavy promotions elsewhere. Although condoms are available as a product to drive the social marketing programme, the ultimate result is to achieve behaviour change amongst the targeted audience. Lefebvre (2011) argues that the availability of the products or services though necessary may not be a sufficient tool to changing people's behaviour. The key message is protection against HIV/AIDS. None of the other commercial brands carry along this message. It is critical for social marketers to realize how in this case they define a product and how this definition influences the social marketing strategy.

2.6.2 Pricing in Social Market Segments

Price is defined as the quantity of payment or compensation by one party to the other in return for goods or services. Jobber (2010) states that the price of a product is what the organization gets back in return for all the effort that it has put in place through production and marketing of a given product. Kotler and Armstrong (2008) perceive the concept of price as the amount of money that customers have to pay in order to obtain a product. Price is the only element that produces revenue, the others produce costs (Kotler and Keller, 2006).

According to Thompson and Coe (1997), the treatment or non treatment of pricing as a key strategic element by industrial sellers is the result of a collage myth, fact, limited data, outmoded techniques and fear of failure. Duke (1994) argues that the objectives of the company are considered in terms of what philosophy the company uses to determine prices, some of the goals that are normally included in the determination of prices include: profit maximization, sales volume, market share, target return on investment, status quo and survival and so in coming up with pricing decisions, the organization will consider among others, what pricing strategy to adopt, the suggested retail prices, the discount structure, seasonal pricing, price discrimination and price flexibility.

In this regard, both Chishango and Manyuchi condoms have concentrated on a gaining a sizeable market share by offering low prices with the belief that they will sell volumes. Commercially branded condoms have in mind all the above objectives in setting the prices for the products.

Organisations must realize that pricing is not a once- off exercise, but an activity over the life cycle of a product. According to Kotler (2000), price is one of the flexible elements, it can be changed quickly unlike product features and channels commitments. Pricing policies generally describe some plan or course of action for achieving pricing objectives. Common policies include: price skimming, penetration pricing, life cycle pricing, above or below competitors and customer value (Duke, 1994).

In this regard, Manyuchi and Chishango condoms appear to have adopted the penetration pricing policy, however the fact that the products have been on the market for a long time negates the relevance of this strategy and a means of justifying the low prices prevailing. By definition penetration strategy involves setting a low price at the outset, in order to build a large market quickly and is recommended when demand is price elastic (Davies and Lee Lam, 2001).

The social marketing of products, in particular for condoms for both family planning and HIV prevention, has typically been done by setting prices that are usually heavily subsidized by the program sponsors or donors (Lefebvre, 2011).

Kotler (2000) states that most organizations do not handle pricing decisions very well. The most common mistakes are that pricing is too cost-oriented, price is not revised often enough to capitalize on market changes, price is set independent of the rest of the marketing mix rather than an intrinsic element of marketing –positioning strategy and the price is not varied enough for different product items, market segments and purchase occasions. Although the prices of Chishango and Manyuchi have remained relatively stable in recent times, it is important to understand that the cost of making them available on the market has not and this therefore may pose a threat to the very existence of social marketing campaigns in the absence of donor subsidies.

In setting a product's price Kotler (2000) suggested that the marketer must follow a six step procedure namely: selecting the pricing objective, determining demand, estimating costs, analyzing the competitor's costs, prices and offers, selecting a pricing method and lastly selecting the final price. Although this is the case, people have so many competing needs and therefore are less likely to spare money for condoms when the price is set too high, in the same vain, providing them for free does not guarantee usage of the products besides creating a perception of low quality in the eyes of the consumer. Customers usually respond to the value of the product and not price alone.

One of the pricing objectives that an organization can do is to pursue survival strategy, this is achieved by making sure that the prices cover variable and some fixed costs. In determining demand, customers' assessment of unique features establishes the price ceiling. Each price will lead to a different level of demand and will therefore impact on the company's marketing objectives. Normally, demand and price are inversely related in that the higher the price, the lower the demand.

The cost of producing the product sets the minimum price that an organization is prepared to charge for its product. Cost sets the floor. Every company should charge a price that covers its costs of producing, distributing and selling the product and provides a fair return for its effort and risk (Kotler and Keller, 2006). Jobber (2010) recognizes the fact that no matter how good the product, how creative promotion, unless the cost is covered the firm will be in deficit and therefore may affect the sustainability of the organization in the medium to long term. Because Manyuchi and Chishango condoms are supported by donors, full cost of making the products available on the market is hardly considered leading to a very low income to cost ratio.

It is very important to analyse the competitor's prices because the organization runs the risk of out-pricing itself on the market. If the firm's offer is similar to a major competitor the firm will have to price closer to the competitor or lose sales. If on the other hand the firm's offer is inferior, it will not be able to charge more than the competitor charges, if the firm's offer is superior, it can charge more than the competitor (Kotler, 2000). Chishango and Manyuchi condoms have been priced at substantially lower prices to ensure that they are affordable to the majority of the communities

compared to the commercially marketed brands. Although the socially marketed brands are seemingly in competition, Manyuchi is priced more than the Chishango because of its product features such as studs and chocolate flavor. According to Lefebvre (2011), social marketers especially in developed countries, must recognize that access to affordable products and services may have a significant impact on people's abilities to engage in certain types of behaviors.

2.6.3 Distribution of Social Marketing Products

This activity involves making the product available to the targeted customer (Kotler and Armstrong, 2008). Based on various factors such as sales, communications and contractual considerations, various ways of making products available to customers can be used. In addition, Jobber (2010) states that products need to be available in adequate quantities, in convenient locations and at times when customers want to buy them.

Most producers do not sell their products direct to the final users. Between them stands a set of intermediaries that perform a variety of functions, they are responsible for making a product or service available for use or consumption. Place decisions relating to the distribution channels and the appointment of agents among other things (Mwenifumbo, 2006). BLM has a country-wide network of clinics which it runs as well as a social franchise network providing a primary outlet for Manyuchi condoms. Interested corporate organizations with HIV work place policies order directly at wholesale prices. The condoms are in turn distributed for free to the employees.

Marketing channels are sets of interdependent organizations involved in the process of making a product or service available to the consumer. Intermediaries normally make the product and services available and accessible to target markets. Marketing channels perform the work of moving goods from producers to consumers, overcoming the time, place, the possession gaps that separate the products and services from those who want them. They achieve this through their contacts, experience, specialization and scale of operation. These specialists offer more than what the producer can achieve on its own (Kotler, 2000).

Distribution channels take the form of merchants such as wholesalers and retailers, agents and brokers and finally facilitators. Wholesalers and retailers buy, take title to and resell the

merchandise. Agents and brokers, search for customers and may negotiate on behalf of the producer but they do not take title to the goods, there is usually an agency agreement that is entered into with the producer. Agents earn their money through agent's fees or commission as per the terms of the agreement. In selecting a distribution channel for a particular product the company has to consider the organizational objectives and resources, market characteristics, product attributes and environmental forces (Kotler and Keller, 2006).

Manyuchi and Chishango condoms are distributed through the supermarkets, chain stores, pharmacies, and entertainment places such bars and motels. Such being the case accessibility of the products to some segments of the society may be limited particularly those who may not have the chance to patronize the above outlets. Attached to any BLM clinic are community distribution agents who go about selling family planning products including Manyuchi. The community distribution agents take advantage of community gatherings to sell the products as well as clear any misconceptions about the products. PSI Malawi introduced bicycle agents to distribute Chishango condoms in areas that are hard to reach through vehicular access, all this in effort to make the product widely available at the same time addressing the poor link between wholesalers and retailers. Both BLM and PSI Malawi have wholesale and retail prices for Manyuchi and Chishango condoms. In general, the recommended wholesale and retail prices are respected except for those sold in high risk and entertainment places.

Finally, facilitators take the form of transport companies, independent warehouse companies, advertising agencies, assist in the distribution process, they do not take title nor negotiate prices on behalf of the producer. They charge for the service provided. BLM and PSI Malawi carry out own logistics in making sure that condoms are delivered to various points of sales throughout the country, this strategy allows the two organizations to retain a sense of control over the products.

2.6.4 Promotion of Condoms

Promotional strategies include all means through which an organization communicates the benefits and values of its products and persuades targeted customers to buy them (Kotler and Armstrong, 2008). The aim of the organisation's promotional strategy is to bring existing or potential customers from a state of relative unawareness of the organizations products to a state of actively

adopting them (Cole, 1986). Organisations must communicate with present and potential stakeholders as well as the general public. Promotion is the company's strategy to cater for the marketing communication process that requires interaction between two or more people or groups, encompassing senders, messages, media and receivers.

Communication has been defined as the process of sending and receiving messages, it is considered effective only when others understand your message correctly and respond to it the way you want them to. Effective communication is at the centre of virtually all aspect of business because it connects the company with all its stakeholders (Bovee, Thill, and Schatzman, 2003). The communication must be packaged in a manner that attracts the potential customer's attention and leading into positive action such as buying the product. If the communication does not lead to any action, probably it ought not to have taken place (ACCA, 2000).

The marketing communication mix consists of advertising, sales promotions, public relations and publicity, personal selling and direct marketing (Kotler, 2000). Promotional decisions include advertising strategy, media selection, copy writing, public relations, personal selling and special sales promotions, all involving the conveyance of information about the company or its products from the company to its markets (Mwenifumbo, 2006). Promotion information, education and communication create consumer demand for a product by providing information about the product, its price, its availability, its benefit and its correct usage. The goal is to motivate consumers to seek out a product, buy it and use it correctly and consistently (UNAIDS, 2001).

- **Advertising Condoms**

Advertising is any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsor (Kotler, 2000). Advertising is one of the means used by manufacturing and service industries to ensure the distribution of commodities to people in society at large and is designed to create demand for such goods and services (Dyer, 1982).

It is a communication channel that is used to build a long term image of the products and services and transmitted to a target audience through mass medium such as television, radio, newspapers, magazines, direct mail, public transport, outdoor displays among others. Advertising is a cost

effective way to disseminate messages, whether to build brand preferences or to educate people about dangers (Kotler, 2000).

The effect of advertising is difficult to measure precisely because sales are influenced by a number of factors other than advertising alone. According to Aaker (2000), advertising rarely provides rapid feedback. PSI Malawi incorporated the use of some popular Chichewa proverbs as a means of promoting the key messages in HIV prevention and specifically condom use and also the stigma associated with the purchase of a condom (PSI, 2002). The messages were placed on posters and flyers. The Youth Alert radio programme became the primary communication channel for HIV/AIDS prevention messages. Youth were given opportunity to seek reproductive health information from experts at the same time gaining knowledge on proper condom use.

PSI Malawi runs adverts on various radio stations in the country in order to popularize the Chishango condom brand. Billboards were erected in strategic places in the major cities as a means of creating brand awareness by each of the social marketing organizations. BLM runs a family planning programme on Malawi Broadcasting Corporation (MBC) Radio One called Tilere which also advertise the use of Manyuchi condoms (Ministry of Health, 2009). The radio programmes and adverts are complimented by the popular television show called the BLM talk show on MBC Television (BLM, 2007).

- **Sales Promotion for Condoms**

Sales promotion is a non media promotional activity aimed at increasing sales (ACCA, 2000). Sales promotion includes a variety of techniques such as give-aways, competition, trading stamps and exhibitions. It is sometimes called below- the- line promotion.

Sales promotions enables manufactures to adjust to short-term variations in supply and demand, test high list prices, sell more than they would ordinarily sell at list prices, adapt programs to different consumer segments, induce consumers to try new products and lead to more varied retail formats. On the consumer side, sales promotion raises awareness of the prices and helps consumers feel satisfied as smart shoppers (Kotler, 2000).The type of approach to use depends on the type of information to be communicated to the customers (Kotler and Keller, 2006).

BLM through the behaviour change outreach teams conduct road shows to promote Manyuchi condoms, during such events Manyuchi branded T-shirts, caps, ball pens are given away as means of creating awareness of the brand. At one point in time BLM ran a Manyuchi condom competition rewarding distributors who had performed well in selling the products through a lucky draw (BLM, 2008).

PSI Malawi introduced Chishango night where various activities aimed at promoting the brand are carried out including competitions where the lucky winners are offered various presents. PSI Malawi provides display materials to both wholesalers and retailers as a way of incentivizing stocking of Chishango condoms.

- **Public Relations and Publicity for Condoms**

A public relation is the creation of positive attitudes regarding products, services, or companies by various means including unpaid media coverage and involvement with community activities (ACCA, 2000). Publicity and public relations refer to non personal communication in news story form about an organization or its products , or both that is transmitted through a mass medium at no charge controlled by the public relations mechanism (Dibb, Simkin, Pride & Ferrell, 1991).

A public is any group that has an actual or potential interest or impact on the company's ability to achieve its objectives. Public relations involve a variety of programs designed to promote or protect a company's image or products (Kotler, 2000).

In carrying out public relations an organization is set to achieve any of the following objectives: encourage to achieve good publicity, offset bad publicity, influence important figures, communicate directly with the public and linking the company with the community in which it conducts business. BLM sponsors a tennis competition as a means of gaining positive publicity on its products and services, Manyuchi condoms inclusive (BLM, 2007). The issue of a semi- naked woman on a Chishango advertising billboard provoked a backlash from some quarters of the society to the extent that it was removed. A number of articles were featured in the newspapers in a bid to diffuse the bad publicity in the country (PSI, 2002).

- **Personal Selling in Promoting Condoms**

Personal selling involves informing customers and persuading them to purchase products through personal communication in an exchange situation (Dibb et al., 1991). It is a technique in which the sales force team makes contact with potential customers. Personal selling is mostly used in industrial marketing as it is expensive than advertising.

Sales promotion and public relations are useful in both consumer and industrial marketing (ACCA, 2000). Personal selling can be equally effective if included in the social marketing strategy to sell the idea of health behavior through influential advocates (Henley, Raffin and Caemmerer, 2011). In this regard, both PSI Malawi and BLM have dedicated condom sales force teams located in all the regions of Malawi whose role is to make sure that products are available countrywide and also act as a bridge between the consumers and the organizations. Customer feedback on the products is easily communicated to management through the teams (PSI, 2002).

- **Additional Social Marketing P (Partnership) in Promoting Condoms**

In social marketing there is an additional P which has not been previously highlighted but form an important aspect that can drive the impact of any socially marketed initiative. It is important to bear in mind that social marketing exists for the good of the society and therefore no single sector or organization alone can make meaningful achievement. The task therefore, requires the release and coordination of all relevant resources held by communities and organizations across all sectors (French, 2009). Funding for the programme comes from donors outside the country and the host government's own contribution. According to French (2009), there is need to move away from passive forms of partnership that merely seek funding for government-shaped initiatives towards more active and jointly developed initiatives. The sustained, active partnerships that encourage sharing of expertise and resources. Andreasen (2002) considers the significance of creating strategic partnerships and the importance of a wider range of publics (including the commercial sector, policy makers, professional practitioners, lawmakers and the media).

For example, BLM's social franchise programme with privately owned clinics as well as engaging many corporate organizations to stock condoms can enhance sales. The end result will be increased revenue accruing to the social marketing institution.

2.7 Consumer Orientation For Condom Marketing

In their paper, Stead, et al. (2007) confirm that social marketing's other feature is the adoption of commercial marketing techniques such as consumer orientation, mutually beneficial exchange, the need to focus on behaviour change and address the context as well as the individual. The end goal is to benefit the individual and not the organization that is carrying out the social marketing, this is what distinguishes social marketing from other forms of marketing (Macfadyen, Stead, Hastings, 2002). Customer orientation is the generation of appropriate market intelligence pertaining to the current and future customer needs and the relative abilities of competitive entities to satisfy these needs (Deng and Dart, 1994).

Customer orientation has been referred to as the foundation of marketing theory and the practice of marketing management before the marketing concept was introduced. Jaworski and Kohli (1993) found that customer oriented companies can increase customer satisfaction and value by creating customers' expected demand and by providing high quality commodity and service. Kotler (1980) suggests that customer orientation is the marketing concept between front line sales person and customers. The idea is that all activities in a company take place to satisfy customers and build a benefited long-term relationship with them. According to Slater and Narver (1995), customer orientation is not only the basis for the learning organization but also the foundation for creating more remarkable value and higher customer satisfaction. Customer's perceived value is defined as the difference between the prospective customer's evaluation of the benefits and all costs of an offering and the perceived alternatives.

In order to achieve the goals of social marketing in the area of condom distribution and realize reduced HIV/AIDS infections. It is important to understand the customer's needs and value perception. In the past, the literature about value was based on the transaction value perspective, discussing that, there is a trade-off relationship between value and price adding that the value is the perception that the price of product is cheaper than what they expected. If consumers feel that, the price of product is cheaper than what they expected, then the consumer value is created (Lee, Chen, Chen, Chen, 2010). The perspective is easily influenced by the value created from cheaper price (Zeithaml, 1988).

Traditional utility perspective thought that the customer's product value is the maximization of utility and customers are always rational, according to Hirschman (1982), the benefit of the product is the idea that the product is the tool to achieve one's purpose.

Instead of embracing the marketing concept and beginning the marketing process with the customer and investigating what the market actually needs and wants most non-governmental organizations have an organization centered marketing mindset and falsely believe that their product or service is needed by the market (Andreasen and Kotler, 2003). The organization must define customer needs from the point of view of the customer and not its own. It will need to seek information actively from the marketplace in order to assess whether the offerings are meeting customer requirements and, if not, why not (Mwenifumbo, 2006). Customer satisfaction levels are very important to a business, because satisfied customers are more likely to be loyal and make repeat orders with that business. As a result, high levels of customer satisfaction lead to higher and more stable revenues and increase profitability. This therefore emphasizes the importance of measuring customer satisfaction levels (ACCA, 2015).

BLM and PSI Malawi are associated with the advent and popularization of male condoms in Malawi. Kotler and Armstrong (2008) assert that when people change the way they act and benefit from this change, they are likely to have a strong positive association with the company that motivated the change. This then creates an opportunity for making the organization to improve its image on the market.

2.8 Exchange in Marketing Condoms

The exchange notion is a fundamental marketing concept involving obtaining a desired product from someone by offering something in return (Kotler, 2000). A successful marketing strategy requires combining the "4Ps" in such a way that the blend of elements will result in successful exchange or transaction between two parties. The product offered in the exchange has to be of value to the consumer and will fill a need, it must provide a benefit. The consumer also has to be willing to pay a price or incur a cost to receive that benefit (Thackeray, Faulkerson, Neiger, 2012).

In a very real sense, social marketing is as much about community, relational and value dimensions, as well as economic relationship of a society-wide network (Penaloza and Venkatesh, 2006).

In this regard, the behavioural change messages associated with condoms have had a positive impact on destigmatising HIV/AIDS, improving personal risk perception, reducing the number of sexual partners, promoting abstinence and correct condom use consistently (PSI, 2002). The significant impact of reduced HIV/AIDS infections and the reduction of the population growth rate on the country's economy is immense arising from the exchanges in behavior from the old ways of doing things to that which the society expects.

2.9 Financial Sustainability in Social Marketing of Condoms

Sustainability has been defined as meeting the current needs without compromising the opportunities of future generations to meet their needs (United Nations World Commission on Environment and Development, 1987). Financial sustainability is the ability to cover all expenses by revenues and to generate a margin to finance its growth. From the above definition, financial sustainability can be loosely stated as the ability of a programme to continue service delivery without requiring subsidies or donations. With no cure in sight for HIV/AIDS and the need to practice family planning coupled by the challenge to reach out to the poor, social marketing of condoms is likely to be a necessary intervention. Financial sustainability is very important for any project due a number of reasons among them, the fact that only financially sustainable condom social marketing can guarantee provision of products that will meet current and future needs. Lack of financial sustainability is likely to result in cash flow constraints leading to poor quality products and services as organization focuses on cost cutting measures. Financially sustainable programs are likely to attract external help because some donors insist on co-funding or leverage as a condition for funding.

Asif, Searcy, Zutshi and Ahmed (2010) state that organizations have theoretical roots in stakeholder theory and therefore have obligations not only to shareholders but also to other interest groups such as customers, suppliers, employees and the wider community, among others. Further, it is necessary to meet the demands of the stakeholders for a variety of reasons including sustaining

a continued supply of resources. Buechel, Keating and Miller (2007) indicate that many non profit organizations have been caught up in an operating mode called current services trap, where they are under pressure to deliver even more services. This results in under investing in staff, systems, information technology and in cash reserves. As organizations deal with fluctuations in their sources of funding, having an understanding of the need for financial flexibility has taken increased significance and therefore need to craft strategies and objectives that will keep organizations not only afloat, but thriving even during temporary economic declines. Financial management process provides the framework for coordinating and controlling the firm's actions to achieve its financial objectives. Long term financial strategy is part of an organization's overall strategy together with a company's marketing strategy, investment strategy and product development strategy (ACCA, 2010).

A 2011 survey of Chief Financial Officers (CFOs) in the United States of America (U.S.A) of more than 500 non governmental organisations found out that nearly two-thirds now strive for sustainability over mere subsistence and the financial objectives being pursued were maintaining cash reserves, financial flexibility as well as assuring an annual surplus for years to come (Osili, Zietlow and Nelson, 2011). Liquidity management requires measures that address solvency, liquidity and financial flexibility. Solvency is defined as the degree to which near -term assets exceed near -term liabilities as measured on the balance sheet or statement of financial position (Zeitlow and Seidner, 2007). Liquidity refers to having enough resources to pay obligations without incurring excessive costs and includes the resources stored up in form of cash and short-term investments, the resources available from the bank in form of credit line amounts not already drawn down and incoming cash resources being cash revenues in excess of cash expenses in the coming months (Zeitlow and Seidner, 2007).

Manyuchi and Chishango are sold both on cash and credit sales. The credit sales aim at allowing the distributors to sell the products and pay the organizations after an agreed period, any payments outside the agreed period exert pressure since the organization has to source funds elsewhere to finance ongoing operations.

2.9.1 Revenue from Socially Marketed Condoms

Revenue is defined as income earned in the course of normal business operations (Association of Chartered Certified Accountants, 2011). Income consists of revenue from the sales of goods or services, other items of income such as interest from investments and gains from disposing of non-current assets for more than carrying value or net book value. Wood and Sangster (2008) add that revenue means the sales value of goods and services that have been supplied to customers.

For an organization to earn revenue, there must be an exchange for providing goods or services. Inflows in form of resources such as cash are realized from providing goods or rendering services (Wood and Sangster, 2008). Sales can be either on cash or credit basis, for organizations using cash accounting, sales will be recognized when cash is actually received while those on accruals accounting will recognize a sale even if an amount of cash has not been received. In a not for profit organization, donor disbursements also form part of revenue, ideally the more the donors, the higher the revenue to an organizations and hence financial sustainability enhancement. An increase in revenue from one year to the other leads to the growth of the organization and contributes to the long term survival of business operations. ACCA (2015) suggests the following strategies or measures to increase revenue:

- Tailor marketing mix to key market segments.
- Review pricing policies to maximize revenue.
- Focus activities on target market segments.
- Exploit revenue opportunities if related to target segments.
- Invest in growth areas or markets.

2.9.2 Costs or Expenses in Social Marketing of Condoms

Expenses are outflows arising in the ordinary course of business, these can be cost of sales, wages and salaries, cost of depletion of non-current assets, interest payable on loans and so on (ACCA, 2011). The term expense means the cost value of all assets that have been used up to obtain those revenues (Wood and Sangster, 2008).

An organization may be able to generate adequate revenue but if it does not monitor and control its cost, it is likely to go out of business. Accountants divide costs between controllable and non controllable. Controllable costs are those which can be influenced by management decision while non controllable cannot be influenced at least in the short term. Examples of non controllable costs are rent and depreciation. Manyuchi and Chishango condoms are sourced from outside Malawi, expenses are incurred including distribution in order to bring the products unto the market.

2.9.3 Cost Recovery Approach in Social Marketing of Condoms

Cost recovery is defined as the realisation of the full or partial cost of a project or service, including both its fixed and marginal costs. Cost recovery is discussed in the context of the users of the product or service. This can be achieved if the users are willing and are able to pay more for a fixed level of service over a long period. For socially marketed condoms, each sale cost the donor an amount for procuring and shipping the product plus subsidy to cover the marketing and repackaging. Thus the costs rise as the sales increase, to this end, the pricing decision is very critical in realising the much needed revenue. If the consumer is willing to pay more, the project can charge more to the warehouse and retailer allowing it to cover some cost and reduce donor dependence (Ciszewski and Harvey, 1995). If the full cost of providing a product or service is not covered, it means the organization must tap resources from elsewhere to cover such expenses. Since condoms are procured outside the country, competitive sourcing and framework agreements has the potential of attracting discounts and at the same time insulating the organization from exchange rate movements in times of currency depreciation.

2.9.4 Profit or Surplus from Condom Sales

When revenue exceeds costs for a stated period of time, the organization is able to realize a profit or surplus from providing products and services. Profit is the amount by which revenues are greater than expenses for a set of transactions (Wood and Sangster, 2008). Profit or surplus is the means for growth and survival on the market. According to Leon (2001), generating a surplus is not prohibited, surplus generation is a need, not a luxury and it is management's obligation. A surplus is crucial to planning the future as well as meeting the current challenges. Without an income surplus how can we respond to changes in our surroundings and take opportunities as they arise? Leon (2001) furthermore, suggests that the financial sustainability of a non governmental

organization is its capacity to obtain revenues in response to a demand, in order to sustain productive processes at a steady or growing rate to produce results and achieve a surplus.

2.9.5 Leadership in Condom Social Marketing

Leadership is key in driving success of an initiative, according to ACCA (2015), regardless of whether the detailed characteristics of a business failure are analysed using quantitative or qualitative measures, it has often been suggested that the ultimate reason for business failure is poor leadership. ACCA (2015) further note that in the U.S.A, it has been established by a bank that the main reasons why business fail include the following:

- i. Poor business planning due to failure to develop a properly thought out business plan
- ii. Poor financial planning because of having too little capital/money, failing to control cash flow effectively, failing to balance liquidity and profitability and failure to take financial responsibility.
- iii. Poor marketing arising from inability to understand and meet customer needs, failure to promote the business effectively and create demand for products and services and failing to take account and respond to competitors' activities.
- iv. Poor management because of leaders not recognizing their own failings and not seek help or advice, having insufficient business experience and delegating poorly.

In order to achieve the financial sustainability goal the organization must adopt commercial – for profit strategies by generating adequate revenue and contain the operational costs. Management must provide leadership that will inspire the social marketers to achieve financial sustainability. Shackleton (1995), cited in Torrington, Hall and Taylor (2008) suggests that leadership is the process in which an individual influences other group members towards the attainment of group or organizational goals.

2.9.6 Income Diversification

Leon (2001) suggests that the second pillar of financial sustainability is income diversification, referring not only to internal income generation but also to a number of sources that provide the main funding. Even if an organization has many donors, it will remain extremely vulnerable if a

large portion of the budget depends only on one of them. Any change in the donor's decision can induce a major crisis. According to Leon (2001), at least 60% of the overall organisation's budget must come from five different sources.

2.9.7 Cash Reserves

In order to maintain financial health of an institution, there is need to save some cash in reserves. An operating reserve is an unrestricted fund balance set aside to stabilize a non profit's finances by providing a rainy day savings account for unexpected cash flow shortages, expense or losses caused by delayed payments or economic conditions (Non profit operating reserves initiative work group, 2008). The group recommends a reserve goal covering three months of expenses at minimum and further advises that each non profit organization should set its own goal based on its cash flow and expenses. The view is supported by Zietlow and Seidner (2007) who posit that unless a non profit organization has very consistent cash flows and reliable standby sources of funds, building a cash reserve equal to three months of operating expenses is a strategy that would facilitate financial sustainability.

2.10 Chapter Summary

The chapter reviewed literature from various authors on social marketing and financial sustainability concepts, and their applicability in the distribution of Manyuchi and Chishango condoms in Malawi. The review has revealed that some of the concepts have not been fully adopted by the social marketers in Malawi. The next chapter discusses the research methodology employed in the study.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the research methodology employed in order to achieve objectives of the study is discussed. The chapter describes the research philosophy, followed by research approach and strategy, sampling, data collection, pilot survey, research ethics and study limitations.

3.2 Research Philosophy

Two research philosophies that have been popularized in modern times are positivism and phenomenology (Saunders, Lewis and Thornhill, 2009). Positivism is premised on science and the use of scientific methods to gain new knowledge. Rana and Chad (2006) cautions that positivism may not be appropriate when approaching a complex social science phenomenon, which involves reflective humans, such as marketing.

On the other hand, phenomenological studies are basically based in a paradigm of personal knowledge and subjectivity (Chikwenda, 2009) The research philosophy adopted, therefore, leaned towards phenomenology in that the researcher used respondents knowledge, perspectives, subjectivity and interpretation as a means of generating new knowledge (Saunders, et.al, 2009).

3.3 Research Approach and Strategy

The research adopted an inductive approach, Saunders et. al. (2009) suggest that inductive approach enables the researcher to get a feel of the problem by collecting data and developing a theory from the data analysis. On the contrary, a deductive approach would enable the research to develop a hypothesis and the theory which allows the designing of a research strategy to test the hypothesis. The researcher, therefore, used respondent's knowledge and perspective of the subject matter in order to generate new knowledge. Chikwenda (2005) points out that the inductive approach owes more to phenomenology than positivism philosophy.

Being a business research, the strategy adopted is multi-methodological approach combining quantitative and qualitative data collection strategies through both survey and case study. Through the use of multiple methods, the robustness of results can be increased, findings can be

strengthened through cross-validation achieved when different kinds and sources of data converge and are found to be congruent or when explanation is developed to account for the divergence (Kaplan and Duchon, 1988). The reason for choosing the approaches was to add richness and scope to the study.

A survey strategy is a method of gathering data from respondents thought to be representative of some population, using an instrument composed of closed structure or open –ended items. The survey strategy allows the collection of quantitative data which can be analysed quantitatively using descriptive and inferential statistics (Saunders et al, 2009). Surveys are also most suitable in studies where opinions of a large group of people are sought (Fraenkel and Wallen, 2000). The survey strategy has thus been adopted as one of the suitable approaches for this study.

Robson (2002) cited by Saunders et. al. (2009) defines case study as a strategy which involves empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence at the same time providing an opportunity for gaining a rich understanding of the context of the research and the process being enacted. According to Yin (2004), the methodology usually investigates a contemporary phenomenon within its real-life context when the boundaries between phenomenon and context are not clearly evident. The case study approach seeks to understand the problem being investigated, it provides an opportunity to ask penetrating questions and to capture the richness of the organizational behavior, but the conclusions drawn may be specific to the particular organizations studied and may not be generalisable (Gable,1994).

The case study approach was appropriate for this study because it involved an in depth study of BLM and PSI Malawi as organizations involved in social marketing of condoms. According to Fischer (2004), a case study can be used to research an organization in relation to a particular issue.

3.4 Sampling Method

Sampling is an act, process or technique of selecting a suitable sample, or a representative part of the population for the purpose of determining parameters or characteristics of the whole population (Chikwenda, 2005).

3.4.1 Simple Random Sampling Technique

Simple random sampling was used to determine the clinics in the southern region where condom users were administered with the questionnaires. Simple random is a probability technique used statistically (scientifically) as elements in the sampling frame all have a known probability to be selected (Zikmund, Babin, Carr & Griffin, 2010). The list of clinics in the southern region was provided by BLM. In total, there are 15 BLM clinics located in southern region. The clinics were then assigned a sequential number and a number generator was used pick one after the other up to the required number of sampled clinics. From the sampling frame 10 randomly sampled clinics emerged.

3.4.2 Purposive Sampling Technique

For this study, purposive sampling technique was deemed to be one of the appropriate methods. Purposive sampling is a non probability sampling technique and is defined as a technique that selects subjects because of their expertise on the research question. According to Marshall (1996), the above sampling technique allows the researcher to select the most productive sample to answer the research questions. Saunders et al. (2009) asserts that purposive sampling is often used when working with very small samples such as in case study research in this scenario BLM and PSI Malawi. BLM and PSI Malawi are the only organizations which are currently involved in social marketing of condoms in Malawi (Ministry of Health, 2005). The researcher therefore purposively sampled BLM and PSI Malawi's key staff with expertise in finance, marketing and sales totaling six in number. The key staff was deemed to have the professional and administrative knowledge and were able to provide informed facts and opinions to inform the study.

Since there is no list of customers who access condoms from the sampled BLM clinics it was not possible to draw a sampling frame from which a sample of customers could be established, the

researcher purposively sampled 59 customers at the 10 randomly selected clinics in the southern region who patronized the clinics from Monday to Friday during the research period.

3.4.3 Sample Size

In order to arrive at what would constitute a good sample size, the researcher considered the central limit theorem, the approach requires the following factors that must be considered:

The desired level of precision, the level of confidence or risk and the degree of variability in the attributes being measured (Israel, 1992). The level of precision is the range in which the true value of the population is estimated to be; this was represented by letter e and set at 5% for the study. The level of confidence is premised on the basis that when a population is repeatedly sampled the average value of the attribute obtained by those samples is equal to the population value, furthermore, the values obtained by these samples are normally distributed about the true value. In normal distributions approximately 95% of the sample values are within two standard deviations of the true population value; in other words, if a 95% level of confidence is selected, 95 out of 100 samples would have the true population value within the range of precision specified (Israel, 1992).

For this study, a 95% confidence level was set to test the results represented by letter z . The degree of variability in the attributes refers to the distribution of the attributes in the population. Where this is not known, a proportion of 50% is usually used as this indicates the maximum variability in a population and therefore determines a more conservative sample size (Israel, 1992).

In the study the number of clients from the available data buying Chishango and Manyuchi condoms from BLM clinics is estimated at 4% and this is represented by letter p in the formulae.

The researcher sampled 59 condom users from 10 of the 15 clinics located in the southern region of Malawi. The study was cross-sectional and therefore time and financial constraints limited the scope (Saunders, et al., 2009).

The condom users were determined by using a sample size calculator from the Creative Research Systems which applied the following formulae:

$$\begin{aligned}
N &= \frac{z^2 P(1-P)}{e^2} \\
&= \frac{1.96^2 \times 0.04 (1-0.04)}{0.05^2} \\
&= 59 \text{ people}
\end{aligned}$$

The total sample size of 65 was therefore determined including Head of Sales and Marketing at BLM and PSI Malawi (2), Sales representatives for both institutions (2), Director of finance (2) BLM and PSI Malawi. The end users were identified upon buying any of the two products and a questionnaire administered to them on the day of the condom purchase.

The sample size is indicated in the table below:

Table 1: Distribution of Sample Size

Description	Sample Size	Source
1. Head of Sales and Marketing	2	BLM/PSI Malawi
2. Sales Representatives	2	BLM/PSI Malawi
3. Director of Finance	2	BLM/PSI Malawi
4. Condom users	59	BLM clinics
Total	65	

3.5 Data Collection Methods

The researcher divided the data between primary and secondary, primary data is defined as the data which is collected by immediate users (Chikwenda, 2005). On the other hand, secondary data is the data collected by individuals, organizations or institutions other than the users (Chikwenda, 2005). In the research, data was collected using various tools that complemented each other. Questionnaires were used to gather data from users and social marketing organisations. Data required from the selected respondents was different such that two different types of questionnaires were designed. The other tool used in the study was secondary data sources. According to Chikwenda (2005), it is almost impossible for a researcher to totally rely on primary

data. As a result most researchers include substantial amount of secondary data because they provide a context (geographical, temporal, and social) for primary data, furthermore, secondary data also allow the researcher to assess the quality and consistency of primary data as a means of data validation.

The data was collected from 16th June to 25th July 2014, considering the nature of the exercise, the time taken was considered to be in line with the researcher's expectations.

3.5.1 Questionnaires

A questionnaire is a method for collecting data in which participants are asked to complete a written set of structured questions to find out what they do, think or feel (Kumar, 1999). For primary data collection, the researcher used the questionnaire. The tool was chosen because it is quicker and cheaper than face to face interview and has high measurement validity (Saunders, et. al., 2009). In addition, the method allows collection of more data than would have been with interviews given time limitations.

A questionnaire was designed to test the condom users opinions, attitudes, perceptions and expectations of the condoms among other variables. The condom user questionnaire had three main parts with Part A consisting of questions focusing on the characteristics of the respondents including gender, marital status, age group, educational level and occupation. Part B aimed at determining the respondent's level of satisfaction and dissatisfaction with socially marketed condoms as measured by the frequency of condom purchase, place of purchase, the current prices of condoms and the willingness to pay for a given set of condom prices. The final part dealt with experiences, as well as aspirations for the products going forward and their knowledge of the subject matter.

As a result, the respondents were asked to rate socially marketed condoms in terms of the availability, packaging, strength, quality and branding, by indicating whether they feel each one of them is excellent, good, poor, very poor and also indicate if not sure. In addition, respondents were asked express their views on the concept of social marketing of condoms besides naming their preferred condom brand. Furthermore, respondents were asked to indicate the reasons for

condom use in order to test whether organizations which are socially marketing condoms have similar reasons as the respondents. For overall satisfaction of socially marketed condoms respondents were asked to express the likelihood of future use and recommending the products to others.

The closed questionnaire was used to allow the respondents to choose from a list of preferred answers thereby allowing the researcher to capture views in a shortest possible time. The technique enabled easy coding and statistical analysis of the data. All the data collected were grouped and emerging themes established. The responses in form of opinions, attitudes, expectations and perceptions were measured as opinion variables except for the demographic data which was measured as attribute variables. The responses were therefore assigned codes in a likert –style scale rating. According to Chikwenda (2005), respondents are usually instructed to circle the response that most closely represents their feelings about each statement. The agreement may be in form of strongly agreed to strongly disagree on a five –point scale.

Part A of the social marketing organizations questionnaire requested general information about the organization and the individual providing the data, this was so to ensure that data is collected from the right source and for ease of obtaining clarifications if necessary. Part B requested information regarding the organization’s major distribution channels, some quantitative data such as sales volumes and social marketing selling price from 2007 to 2014. Data and information relating to financial sustainability strategies in place was collected and compared against the marketing strategy literature from which a summary was drawn and percentages applied. Similarly, all strategies identified were assigned equal weighting.

The questionnaires were administered by the researcher and three research assistants in order to cover a wider area of the condom user population. The data collected was presented in table formats for easy amplification of results.

3.5.2 Secondary Data Collection

Secondary data is readily available on the subject that was gathered for some other purpose. In the study, secondary data was gathered from various sources including electronic journals, websites,

and books. Socially marketed organization reports were obtained from BLM and PSI Malawi covering a period of 8 years. According to Saunders. et al (2009), secondary data can provide a useful source from which to answer, or partially answer the research question. According to Chikwenda (2005), secondary data is available more cheaply, quickly and easily, in addition, secondary data exists in pre-processed formats hence the researcher does not go through time consuming analysis stage. The journals, website reports and books were studied to identify key strategies on financial sustainability of organizations, having established and listed the strategies, a comparison was made against the current practices in BLM and PSI Malawi by reviewing the reports and documents allowing the researcher to triangulate with the data obtained through the social marketing organization's questionnaire. Furthermore, the researcher was able to get data used for the computation of the cost per condom sold taking into account all the costs of making the product available on the market including administration. Such data was key to understanding how much cost is recovered per condom sold or the income to cost ratio and in the process a picture emerged as to what an estimated selling price for a condom without donor subsidy should be in order to drive sustainability.

3.6 Pilot Survey

Before the questionnaire was administered, pre-testing was done on subjects different from the main respondents, the idea was to find out if the questionnaire in general and the questions in particular were clear, simple and necessary to get the required information. Piloting the questionnaire prior to its administration could reveal shortcomings which once corrected would enhance validity and reliability (Saunders et al, 2009). The customer questionnaire was then administered to some 10 respondents in one of the sampled clinics over a one week period. From the results of the tests the questionnaire was modified to include in some aspects respondents' perceptions of commercially marketed condoms. This was in order to gauge respondents' awareness of the existence of other brands on the market. A statement of confidentiality was also introduced to encourage user participation since the subject matter is usually sensitive in the Malawian cultural context as it was observed that most potential respondents were unwilling to enroll. The pretest of the socially marketed condom organization's questionnaire was administered with one of the sales force team at PSI Malawi and no changes were made following the results.

3.7 Research Ethics

The aim of ethics in research is to ensure that no one is harmed or suffers adverse effects from research activities (Cooper and Schindler, 2003). The respondents were informed of the purpose of the study and enrolment in the study was voluntary. Respondents willingly participated in the study and in order to avoid undue influence consent was sought. Throughout the research period data collected was treated as private and confidential. Respondent's data was coded in order to enhance confidentiality and no names were recorded. All data collected, results, methods and procedures were free from any misrepresentation, bias or any form of dishonesty.

3.8 Research Limitations

The sensitivity of the study resulted in some respondents being reluctant to take part, furthermore, due to financial constraints, the research was conducted in selected BLM clinics located in southern region only of Malawi thereby limiting the scope of the study.

3.9 Chapter Summary

The research adopted the phenomenology philosophy and an inductive approach. Questionnaires were used to collect data from a sample using purposive sampling technique. The analysis of data has also been presented. Research ethics and limitations were also discussed. The next chapter presents and discusses the results of the study.

CHAPTER 4

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the results from the data analysis and discusses the outcome of the study. The main data collection tool was a questionnaire which was used to collect data from condom customers and managers from BLM and PSI Malawi. The data collected on the customer questionnaire was grouped and emerging themes established. The responses in form of opinions, attitudes, expectations and knowledge were measured as opinion variables except for demographic data which was measured as attribute variables. The researcher attributed equal weighting to all the questions. The Likert-style rating scale was used to establish codes for each response which formed statistical analysis. According to Saunders, et al (2009), rating questions mostly frequently use the Likert-style rating scale in which the respondent is asked how strongly she or he agrees or disagrees with a statement or series of statements. The values in terms of codes were assigned to each option in the questionnaire, for example, "excellent" was assigned code 1, "good" was coded 2, "not sure" was given code 3, "Poor" was coded 4 and "very Poor" was given code 5. The codes were then processed in a computer using the Statistical Package for Social Scientists (SPSS) software and Microsoft Excel. Percentages were then derived to measure the degree of acceptability for each suggestion presented. The output was presented using descriptive statistics to assess response patterns. Graphs and tables were used to depict and describe the output from the data analysis.

Data and information relating to sustainability strategies including financial, marketing, products and product development in place was collected and compared against the benchmarked sustainability strategies literature from which a summary was drawn and percentages applied. Similarly, all strategies were assigned equal weighting.

4.2 Demographic Characteristics of Respondents

4.2.1 Gender

Table 2: Demographic Characteristics of Respondents

Gender	Frequency	%
Female	13	22
Male	46	78
Total	59	100

Table 2 shows that 22% of the respondents were female and 78% were male. Although the study involved male condoms, it is pleasing to note that the initiative is supported across the gender divide. The understanding of this social characteristic is very important as it may provide room for exploring further avenues of making the products available in places where women can easily and comfortably access.

4.2.2 Marital Status

Table 3: Marital Status of Respondents

Characteristic	Frequency	%
Single	30	50.8
Married	29	49.2
Total	59	100

Table 3 presents results of the marital status of respondents. The respondents were almost equally divided from the marital status perspective with singles at 50.8 % and married at 49.2%. Singles include those respondents who are widowed and divorced. Condom use messages mostly target singles since culturally condoms are not usually acceptable within marriage settings in Malawi. The results provide a shift in the thinking that singles are the main consumers and further point to the fact that there is condom usage loyalty even after people transit from singlehood to married life.

4.2.3 Age profile

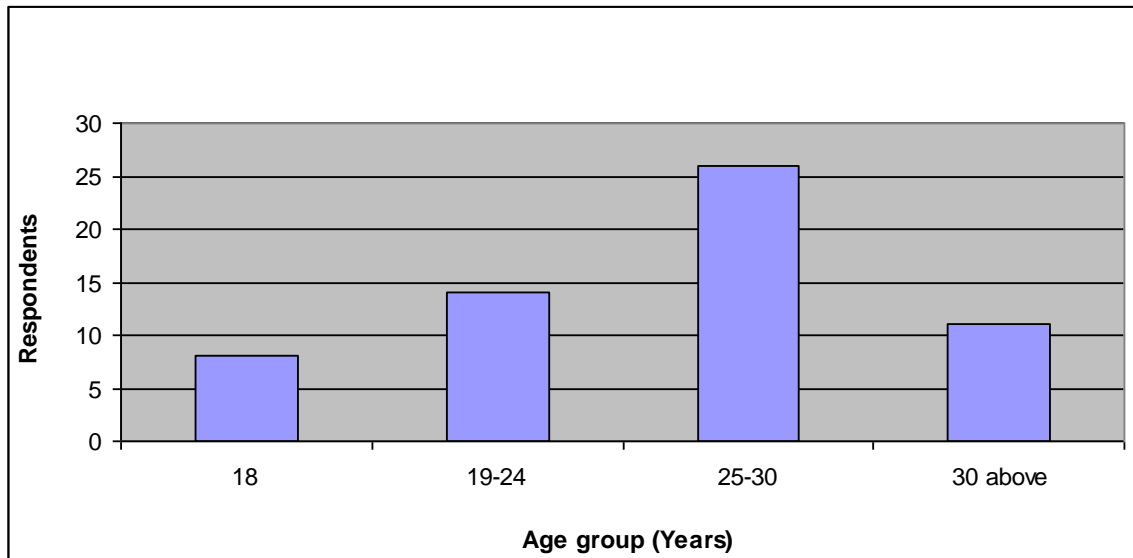


Figure 4.1: Age of respondents

Data regarding the age groups of the respondents are presented graphically in Figure 4.1. The respondents spread from 18 years to 30 years old and above. 13.6% (n=8) of the respondents were 18 years of age. 23.7% (n=14) of the respondents were between 19-24 years of age. 44.1% (n=26) of the respondents were between 25-30 years of age and those above 30 years were 18.6% (n=11). The results show that the majority of the respondents age group is 25-30 at 44.1% (n=26) followed by 19-24 at 23.7% (n=14). These age brackets are considered to be relatively young and the most productive group in life, coincidentally it is the age range in which HIV prevalence increases dramatically (UNAIDS, 2010). The age group further provides an opportunity for targeting by the social marketers in order to create a niche market. The 30 years and above range represented by 18.6% (n=12) is where the respondents might be involved in multiple relationships engaging in casual and transactional sex hence the need for protection. The 18 and below age was least represented at 13.6% (n=11). Eighteen years is considered to be the age where most men make their sex debut.

4.2.4 Education level for condom customers

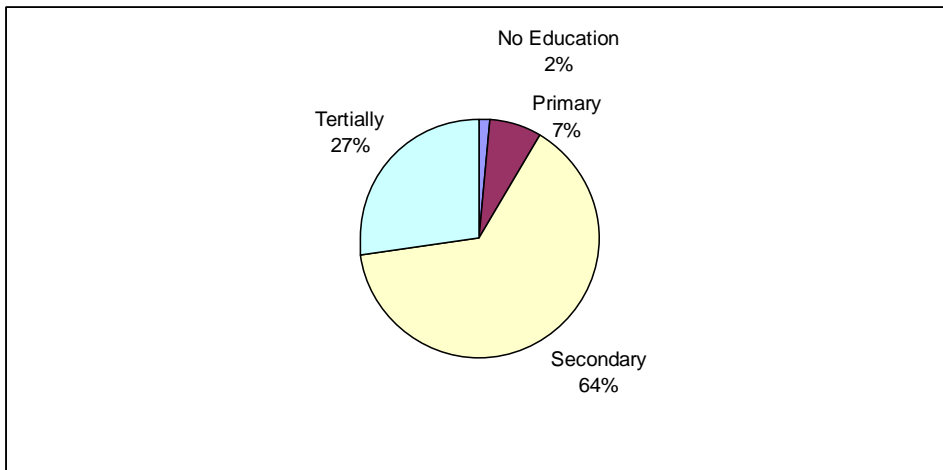


Figure 4.2 Education Levels of Respondents

Figure 4.2 shows the distribution of the education levels among the respondents. The level of education attained among the respondents ranged from no education to graduate level. Respondents with secondary level education constituted the largest group (64%), followed by, in descending order, graduate level (27%), primary school level (7%) and those without formal education (2%). From the results, It could be implied that effective use of condoms is related to the levels of education attained. Social marketers have to intensify efforts in disseminating information to those without formal education in order to achieve correct and consistent condom use.

4.2.5 Occupation of respondents

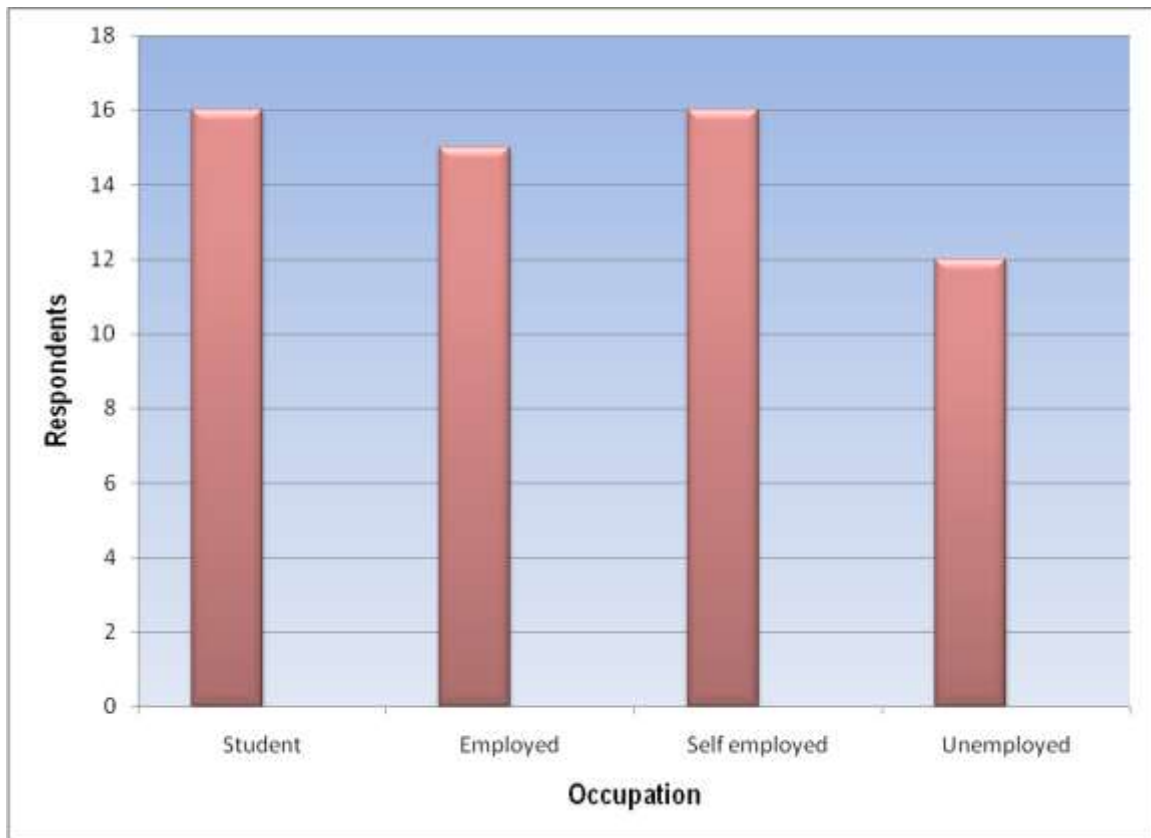


Figure 4.3 Occupation of Respondents

Figure 4.3 depicts the possible income sources for the respondents. The results show that 27.1% (n=16) of the respondents were students, 25.5% (n=15) were in formal employment while 27.1% (n=16) of the respondents were self employed. The unemployed constitutes 20.3% (n=12) of the respondents. From the results, price may not necessarily be a barrier to condom access, although generally wealth corresponds to increase in condom use because of disposable income availability.

4.2.6 Frequency of Condom Purchases

Table 4: Frequency of Condom Purchases by Respondents

Characteristic	Frequency	%
1-3 days ago	1	1.7
4-6 days ago	5	8.5
1-2 weeks ago	7	11.9
3-4 weeks ago	15	25.4
Over a month ago	19	32.2
Don't know	12	20.3
Total	59	100

Table 4 presents the results of the condom purchase frequencies by respondents. 1.7% of the respondents purchased condoms 1-3 days ago, 8.5% of the respondents purchased condoms 4-6 days ago, 11.9% of the respondents purchased condoms 1-2 weeks ago. 25.4% purchased condoms between 3-4 weeks ago while 32.2% of the respondents bought condoms over a month ago. The frequency of condom purchase by respondents was used to measure the demand for condoms. The majority of the respondents purchase condoms after a period of one month (32.2%), however respondents purchasing condoms at regular intervals from 1 day to 30 days constitute 47.5%. 20.3% of the respondents were not able to recall how long it took them to purchase again. Although the study did not quantify the number of condoms per single purchase per respondent, the results inform demand availability and consistent condom use among respondents.

4.2.7 Condom Sales Outlets

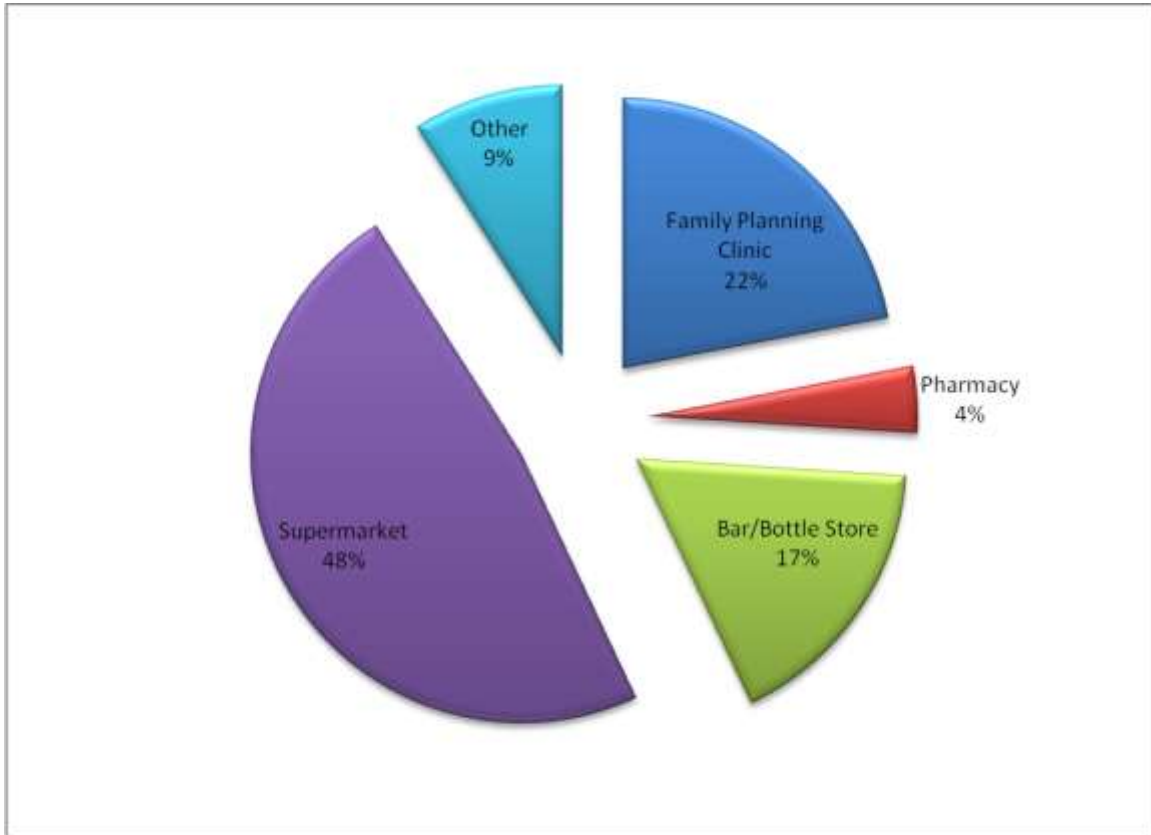


Figure 4.4 Respondents Preferred Condom Outlets

Figure 4.4 illustrates the results of respondents' preference in sourcing condoms. 48% of the respondents prefer to purchase condoms from supermarkets followed by clinics (22%), bar and bottle stores (17%) and from any other sources at 9%, while 4% of the respondents prefer pharmacies. The majority of the respondents prefer to get socially marketed condoms from supermarkets. The supermarket provides convenience and speed for most of the respondents since the products are displayed right at the check-out place unlike walking into a clinic or any place where confidentiality may be compromised. According to Blythe (2005), the product should be available from wherever the firm's target groups of customers find it easiest to shop.

4.2.8 Respondents' Perception towards the Current Condom Prices by Brand on the Market

Table 5: Respondents Perception towards the Current Condom Prices by Brand on the Market

Price Variables being rated in the questionnaire	Very Cheap	Cheap	Not sure	Expensive	Very Expensive	Total	Total respondents Cheap (Both very and cheap)	Total respondents Expensive (Both very and expensive)	Total respondents not sure	Total
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Price of Chishango condoms	35.6	50.8	5.1	6.8	1.7	100	86.4	8.5	5.1	100
Price of Manyuchi condoms	27.0	49.2	6.8	10.2	6.8	100	76.2	17.0	6.8	100
Price of Contempo condoms	10.2	15.3	8.5	33.9	32.1	100	25.5	66.0	8.5	100
Average percentages							62.7	30.5	6.8	100

Table 5 shows respondents' perception towards the prices of Chishango, Manyuchi and Contempo condoms. The current price of Chishango condoms has been rated as cheap by the majority of the respondents (86.4%), 8.5% of the respondents perceive Chishango condoms to be expensive, 5.1% of the respondents are not sure. 76.2% of the respondents feel that the price for Manyuchi is cheap, 17.0% of the respondents are of the opinion that the price of Manyuchi is expensive and 6.8% are not sure. 25.5% of the respondents rated the commercially branded condom Contempo as cheap, 66% of the respondents perceive Contempo as expensive while 8.5% of the respondents are not sure.

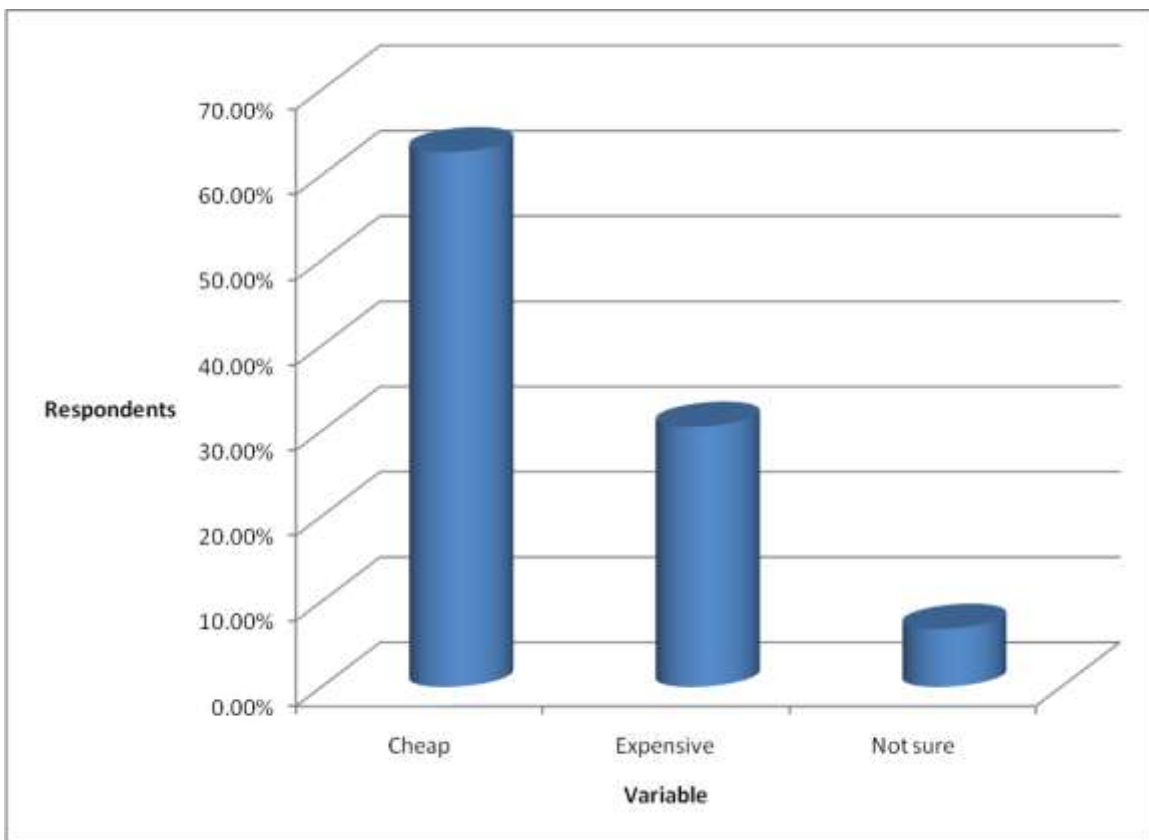


Figure 4.5 Respondents Condom Price Perceptions

Figure 4.5 shows that on average, 62.7% of the respondents perceive condom prices to be cheap while 6.8% are undecided and 30.5% rating them as generally expensive. The results are in tandem with the strategies of social marketing which aims at eliminating price as a barrier to access of health services and products at the same time provide an opportunity for price reviews.

4.2.9 Respondents' Willingness to Pay for Chishango and Manyuchi Premium Prices

Table 6: Respondents' Willingness to Pay for Chishango and Manyuchi Premium Prices

Price Willingness to pay.	MK30-39	MK40-49	MK50-59	MK60-69	MK70-79		MK80-89	MK90-99	MK100-109	Total
Mid- Point	MK 34.50	MK44.50	MK54.50	MK64.50	MK74.50		MK84.50	MK94.50	MK104.50	
	(%)	(%)	(%)	(%)	(%)		(%)	(%)	(%)	(%)
Price of Chishango condoms	13.6	23.7	16.9	13.6	11.9		11.9	6.8	1.6	100
Price of Manyuchi condoms	6.8	13.6	25.4	16.8	13.6		8.5	6.8	8.5	100
								Mean Price(Mk	Standard Deviation	
Chishango								60	19.06	
Manyuchi								66	19.58	

Table 6 presents respondents rating on the willingness to pay for premium prices of Manyuchi and Chishango condoms. For Chishango condoms, 23.7% of the respondents are willing to pay any amount between the range of Mwk40-49, 16.9% of the respondents are willing to pay any amount between the range of Mwk50-59, 1.6% of the respondents are willing to pay between the price range of Mwk100-109. Using the mid- point prices for each bracket range, the mean price for Chishango condoms is Mwk60.00 while the standard deviation is 19.06. The mean price of Chishango is 25% above the current price.

In table 6, 25.4% of the respondents are willing to pay any amount between the range of Mwk50-59 of Manyuchi condoms, 16.9% of the respondents are willing to pay a price range of Mwk60-69, 8.5% of the respondents are willing to pay a price between Mwk100-109. The mean Manyuchi price which respondents are willing to pay is Mwk66.00 and the standard deviation is 19.58. The mean price for Manyuchi is 32% above the current retail price. The results show that the majority of the respondents are not willing to pay any more than the current subsidized prices rates of Chishango and Manyuchi. Any significant change to the price is likely going to affect the demand of condoms. The reason why respondents are willing to pay more on the price of Manyuchi than Chishango condoms is down to the differences in quality of the two products. It is therefore important to understand the customer's value perceptions regarding the price of condoms as this has a tendency to affect future pricing decisions.

Table 7: Respondents' Perception of Condom Availability, Packaging, Strength, Quality and Branding

Variables being rated in the questionnaire	Excellent	Good	Not sure	Poor	Very Poor	Total	Total customers Excellent & Good	Total customers Poor & Very Poor	Total customers not sure	Total
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Availability of condoms	33.9	43	6.1	10.4	6.6	100	76.9	17	6.1	100
Packaging of condoms	33.9	50.8	5.1	6.8	3.4	100	84.7	10.2	5.1	100
Strength of condom	44.1	45.7	5.1	1.7	3.4	100	89.8	5.1	5.1	100
Quality of condom	50.8	42.4	1.7	2.1	3.0	100	93.2	5.1	1.7	100
Branding of condom	1.7	6.8	11.9	50.8	28.8	100	8.5	79.6	11.9	100
Average percentages							70.62	23.4	5.98	100

4.2.10 Availability of Socially Marketed Condoms

Table 7 shows the results of the customers' perceptions towards condom availability. 76.9% of the respondents indicated that the availability of social marketed condoms to be good while 17% feel that availability of socially marketed condoms is poor, on the other hand, 6.1% of respondents were not sure about condom availability.

The majority of the respondents (76.9%) represented by excellent and good, confirmed that social marketed condoms are readily available on the market all the time. According to Doyle (2003),

customer satisfaction and sales can be increased by offering more product features, lower prices than competition and immediate availability of the product. Condom social markers have delivered on the consistent condom use message. Stock-outs negatively impacts on the customers' perception of socially marketed condoms as it exposes customers to risks.

4.2.11 The Packaging of Socially Marketed Condoms

In table 7, the results show that 84.7% of the respondents perceive the packaging of socially marketed condoms to be good while 10.2% of the respondents believe that the packaging is poor, with 5.1% of the respondents not sure. A pack of socially marketed condoms contains three pieces of the product.

4.2.12 Strength of Socially Marketed Condoms

The findings in table 7 indicate that 89.8% of the respondents perceive the strength of the socially marketed condoms as good, 5.1% of the respondents rate the strength as poor and 5.1% of the respondents are not sure. The majority of the respondents are of the opinion that the strength of the product is good. This is probably due to the fear of condom burst during use which exposes people to risks. The perceived strength of a condom is likely going to offer more sense of protection than condoms that are not, this feature is likely to retain customers.

4.2.13 Quality of Socially Marketed Condoms

In table 7, 93.2% of respondents believe the quality of the condoms is good, 5.1% of the respondents rate the quality of the condoms poor, 1.7% of the respondents are not sure of the quality status of the condoms. According to Blythe (2005), quality is the relationship between what the customers expect and what they get. If the customers' expectations of a product are disconfirmed, his or her perception will be that the product is of poor quality. Even though 93.2% of the respondents say that socially marketed condoms are of good quality, the affinity of respondents towards strength and quality does not translate in the willingness to pay more as shown in the above discussion. The social marketers need to take advantage in order to push for economical prices of condoms because quality and price usually go together. Condoms are manufactured outside the country and the use of international and local testing certification attest to the adherence of quality standards before, during and after the manufacturing process.

4.2.14 Branding of Socially Marketed Condoms

In table 7, the majority of the respondents represented by 79.6% feel the current branding of socially marketed condoms is poor, 11.9 % of the respondents are not sure while only 8.5% of the respondents think the current branding is good. Lefebvre (1996), cautions social marketers to use research, design and careful targeting to ensure the output matches the needs of their target audience. Periodic rebranding could ensure that social marketers retain the brand appeal and improve the respondents' perception.

4.2.15 Respondents' Perception towards Social Marketing of Condoms

Table 8: Respondents' Opinions towards Socially Marketed Condoms

Characteristic	Frequency	%
Good idea	40	67.8
Not different from commercial condoms	8	13.6
Not different from free public sector condoms	5	8.5
Not sure	4	6.8
Bad idea	2	3.3
Total	59	100

In table 8, 67.8% of the respondents feel that social marketing of condoms is a welcome idea, at the same time, 13.6% of the respondents think that socially marketed condoms are no different from the commercial marketed condoms while 8.5% feel that social marketed condoms are no different from the free public sector condoms, 3.3% of the respondents rate them as a bad idea and 6.8% of the respondents are not sure.

4.2.16 Condom Brand Preferences

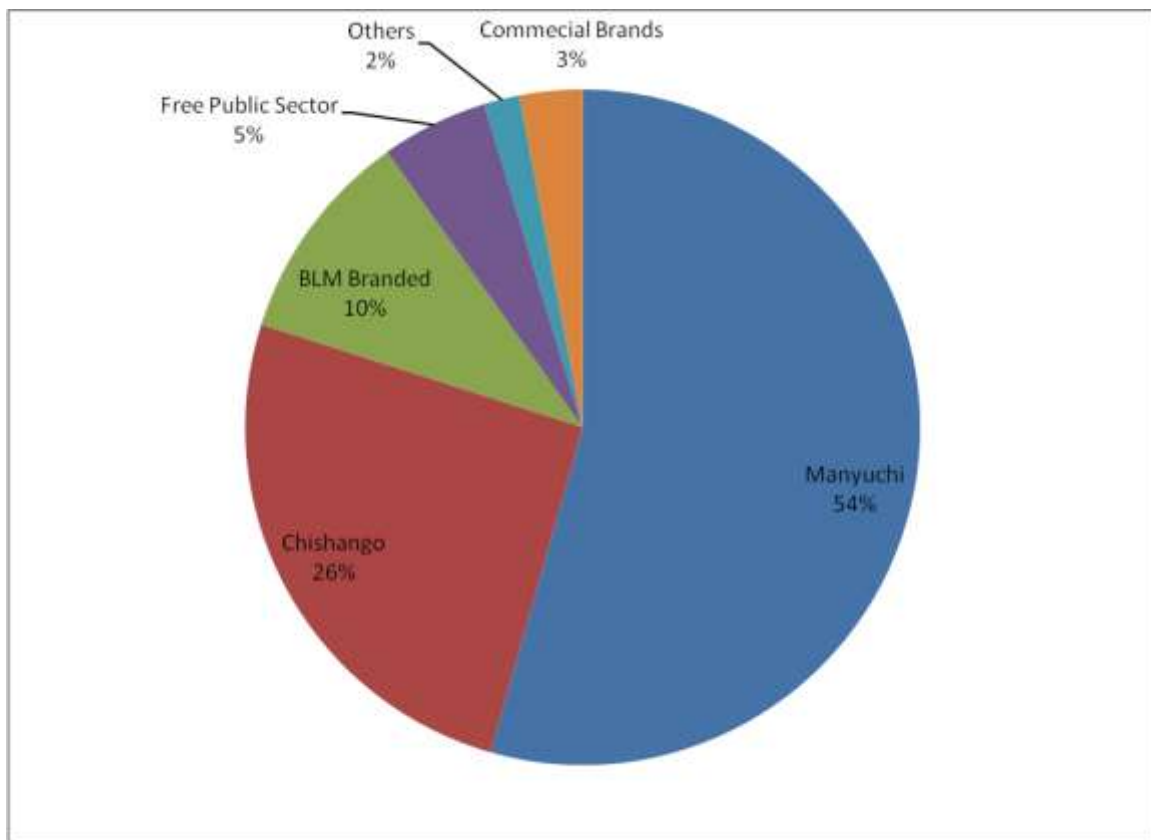


Figure: 4.6 Respondents Preferred Condom Brands

In figure 4.6, the majority of the respondents prefer Manyuchi 54% followed by Chishango condoms 26%, BLM branded condoms at 10%, while 3% of the respondents prefer the commercial brands of condoms. On aggregate 79.6% of the respondents prefer socially marketing condoms to the other brands. Interestingly 5% of the respondents prefer the free public sector condoms while 2% prefer other brands from neighbouring countries. Manyuchi condoms are chocolate flavoured and have studs which makes them unique while Chishango condoms do not carry any flavor and are smooth.

4.2.17 Reasons for Using Socially Marketed Condoms

Table 9: Respondents' Reasons for Using Socially Marketed Condoms

Variable	Frequency	%
Family Planning	12	20.3
STD/HIV Protection	47	79.7
Total	59	100

Table 9 presents the respondents' reasons for using socially marketed condoms. 79.7% of the respondents use condoms for protection against sexually transmitted diseases while 20.3% use condoms as a family planning method. The results indicate that the majority of the respondents use condoms for protection against sexually transmitted diseases including HIV/AIDS compared to those for family planning. This then means that as long as there is no cure for HIV/AIDS, condoms will continue to offer protection for people who cannot abstain.

4.2.18 Future Use of Socially Marketed Condoms

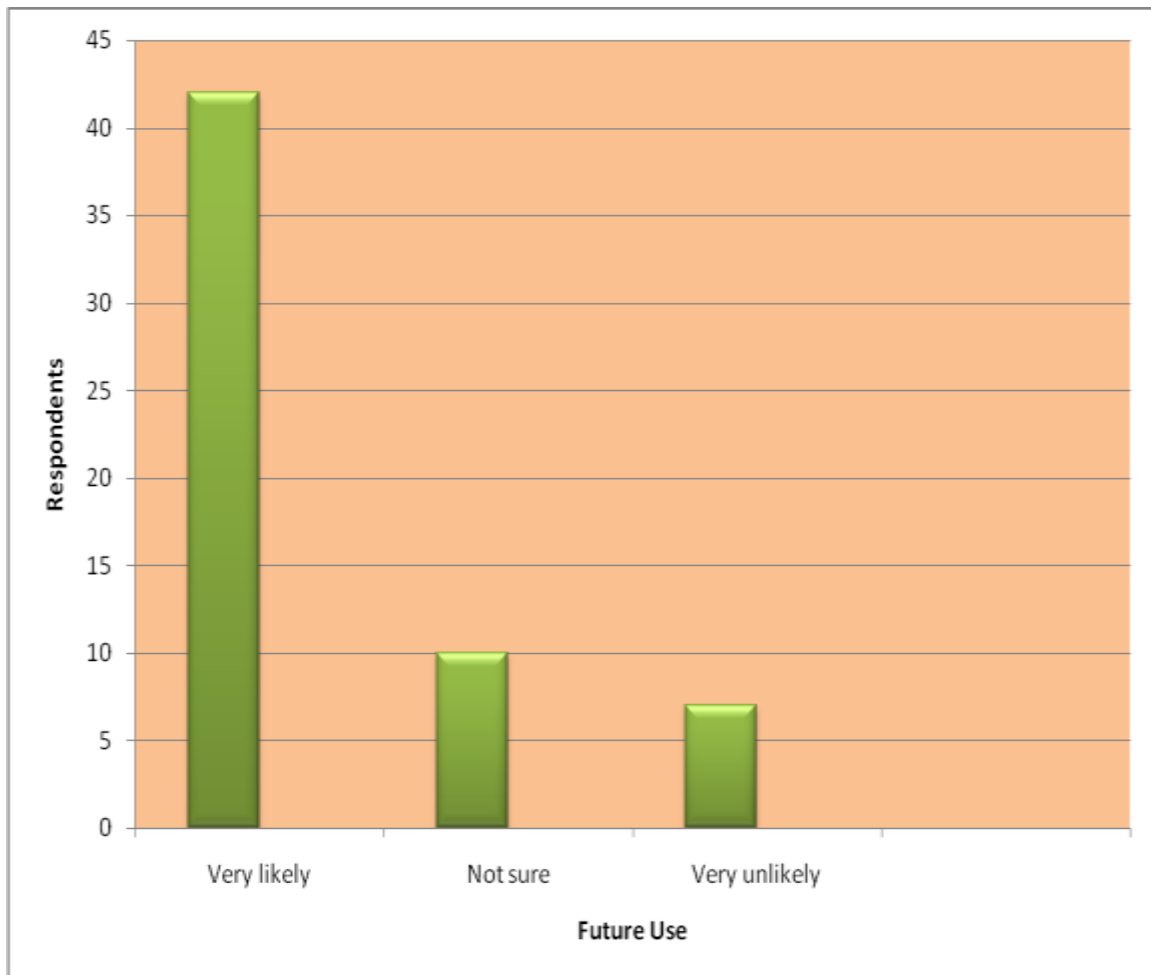


Figure: 4.7 Future Use of Socially Marketed Condoms

Figure 4.7 illustrates the respondents level of satisfaction with the socially marketed condoms, 71.2% (n=42) indicated the likelihood of using the products again in future, 16.9% (n=10) of the respondents are not sure and 11.9% (n=7) are very unlikely to use the condoms again. Blythe (2005) asserts that the key elements in relationship marketing are the creation of a customer loyalty, the establishment of a mutually rewarding connection and a willingness to adapt behavior in order to maintain the relation.

4.2.19 Recommendation of Socially Marketed Condoms to Others

Table 10: Respondents Recommending Socially Marketed Condoms to Others

Characteristic	Frequency	%
Very likely	51	86.4
Don't know	4	6.8
Very unlikely	4	6.8
Total	59	100

In table 10, 86.4% of the respondents would recommend socially marketed condoms to others with 6.8% of the respondents don't know if they would recommend and another 6.8% were very unlikely going to recommend to others. The results imply that the messages espoused by BLM and PSI Malawi promoting their respective brands of condoms have generated commitment and respondents are satisfied with the products on the market. According to Kotler (2000), satisfied customers will continue to purchase, dissatisfied customers will stop purchasing the product and are likely to spread the word among friends and further advises that as such, smart organizations work to ensure customer satisfaction in every stage of the buying process.

4.3 Secondary Data

4.3.1 Socially Marketed Condom Sales Outlets

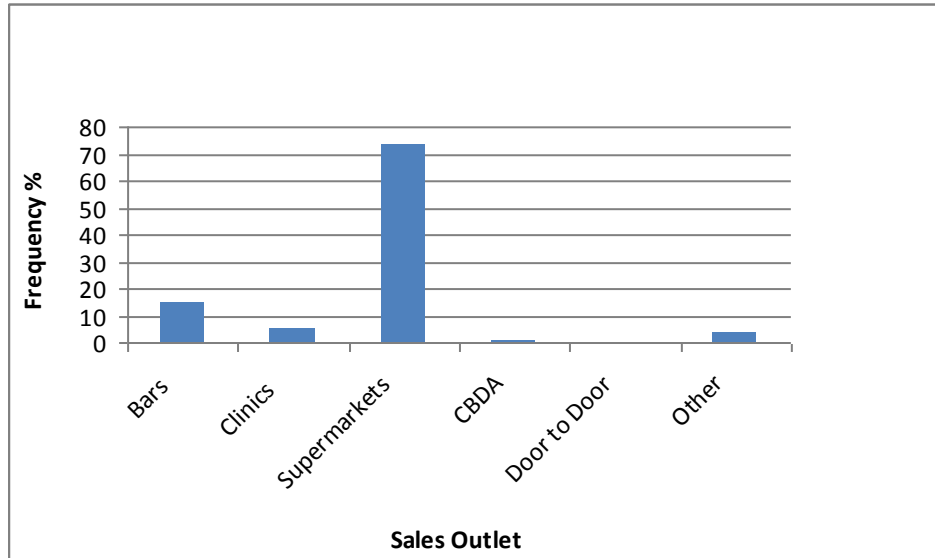


Figure 4.8 Condom Sales Outlets by Social Marketers

Figure 4.8 illustrates the analysis of sales by outlet. 73% of the condoms are sold through supermarkets followed by Bars/Bottle stores at 15% where as clinic sales are represented by 5%, while 4% of the condoms are sold through other outlets such as pharmacies and service stations, 2% are sold through community based distribution agents (CBDA) and 1% are through door to door means. The majority of the condoms are sold through supermarkets. The results augur well with a number of condom users' preferences in terms of accessing the product. Innovations in form of vending machines located in strategic places could equally provide an opportunity for increased uptake of condoms because they could provide more privacy and convenience to consumers.

4.3.2 Socially Marketed Condom Sales Volumes

Table 11: Condom Sales from 2007 to 2014

Year	Chishango	Manyuchi	Total Sales Volume	Increase(decrease)	% Change
2007	8,100,000	1,485,680	9,585,680		
2008	10,000,000	2,625,188	12,625,188	3,039,508	31.70%
2009	7,700,000	2,741,571	10,441,571	(2,183,617)	-17.30%
2010	7,529,782	2,869,189	10,398,971	(42,600)	- .40%
2011	6,193,908	3,894,419	10,088,327	(310,644)	-2.99%
2012	6,229,504	4,500,345	10,729,849	641,522	5.98%
2013	10,543,240	4,700,180	15,243,420	4,513,571	42.07%
2014	14,200,890	2,200,000	16,400,890	1,157,470	7.59%
Total	70,497,324	25,016,572	95,513,896		
	74%	26%	100%		

Source: compiled from sales volume data from service providers

Table 11 presents the sales volumes covering a period of eight years based on available data. An analysis of the sales volumes indicate that an average of 11 million pieces of socially marketed condoms per annum were sold over a period of eight years, Chishango represents 74% of the market for socially marketed condoms while Manyuchi condoms accounted for 26% market share. The results further show that in 2008, sales volumes increased by 31.70% followed by a decline of 17.30% in 2009, 0.4% decline in 2010, and 2.99% in 2011. In 2012 sales volumes increased by 5.98% while in 2013 the increase was 42.07% followed by an increase of 7.59% in 2014. On a yearly basis, socially marketed condoms account for 99% of all sold condoms. This is very significant as any break in the value chain is likely going to affect the majority of the consumers.

4.3.3 Condom Distributor Prices Trend

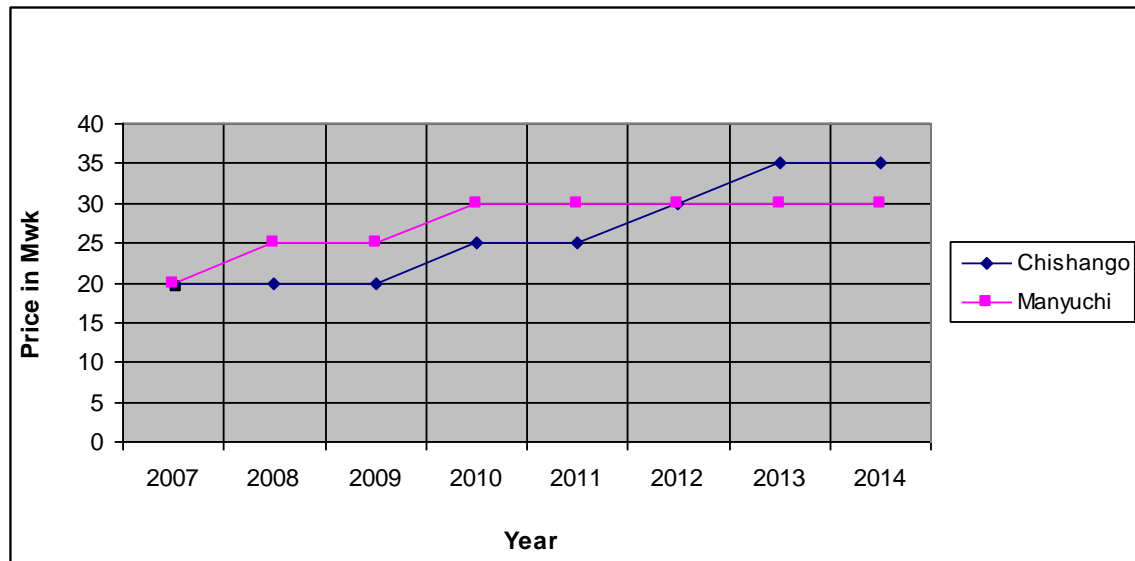


Figure: 4.9 Condom Distributor Prices Trends

Figure 4.9 illustrates the condom price trends. The price trends for the two brands show that the price for Chishango was lower than Manyuchi between 2007 and mid 2012. In 2012, inflation was at 34%, the level of subsidies was similar to the previous years and yet there was no price adjustment for Manyuchi resulting in the roles above being reversed. In addition, the graph shows that the price for Chishango has always changed while Manyuchi has stayed the same during the period 2010 to 2014. The Chishango price change seems to follow a two and half year cycle. Stagnation of the prices in an inflationary economy will force the distributors either to shun the products or impose mark up prices that are not in line with the expectations of the organizations thereby stifling demand on the market.

A further review of the sales prices against the costs involved indicate that Manyuchi sales price covers 57% of the total cost of bringing the product on the market, while for Chishango the sales price covers 38% of the total cost. This implies that there is a gap of 43% and 62% to realize full cost recovery for Manyuchi and Chishango. This means that currently the rest of the cost is subsidized by the donors. The sales prices do not integrate real costs and a profit margin that reflects the cost of providing the product on the market. Social marketer must constantly review the prices and not make it a once off exercise (Kotler, 2000). The application of full cost price plus

a profit margin could significantly contribute to BLM and PSI Malawi attaining financial sustainability on condoms.

4.3.4 An Analysis of Strategies Adopted by Social Marketing to Achieve Financial Sustainability

In order to attain financial sustainability, strategies have to be put in place which will guide the achievement of the goal. A sustainable approach is to make sure that the NGOs involved are able to generate resources both internally and from external sources. Below is a review of financial sustainability strategies which commercial organizations pursue in comparison to what the social marketers have put in place.

Table 12: Financial Sustainability Strategies Adopted by Social Marketers

No	Some of the financial sustainability strategies	Adopted by Social marketers	Not adopted by social marketers.
1.	Regular condom price reviews.		✓
2.	Full cost recovery policy.		✓
3.	Market Penetration (At least 20% margin passed to condom distributors).		✓
4.	Product brand positioning	✓	
5.	Product development (brand extension)		✓
6.	Market price segmentation/discrimination		✓
7.	Advertising/promotion	✓	
8.	Price perception strategy (value proposition)		✓
9.	Strict adherence to credit period on condom sales		✓
10.	Investment of excess cash in short to medium term instruments.		✓
11.	Financial headroom(ability to obtain a short term bank facility)		✓
12.	Timely collection of financial management information.	✓	
13.	Customer satisfaction surveys(monitoring and evaluation of marketing strategies)		✓
14.	Organisational financial health as a strategic objective.		✓
15.	Strong leadership		✓
16.	Surplus driven.	✓	
17.	Entrepreneurship spirit by project staff(social enterprise)		✓
18.	Market intelligence		✓
19.	Supply/Demand theory		✓
20.	Strategic alliances		✓
21.	Systematic investment in technology		✓
22.	Systematic investment in manpower		✓
23.	Diversification of donors to fund social marketing products.	✓	
24.	Build up of cash reserves.		✓
25.	Diversification of social marketing products	✓	
Total		6	19

Table 12 presents the results of the number of strategies that social marketers have implemented in order to achieve financial sustainability. A total of 6 out of 25 strategies representing 24% have been adopted. The results indicate that management for both organizations is not placing emphasis on the sustainability of the social marketing of condoms in Malawi. For any organization to continue operating, strategies must be put in place leading towards generating resources which will fund future operations.

4.4 Chapter Summary

This chapter presented findings of the research from the responses to questionnaires sent out to condom users, social marketing organizations and secondary data. Conclusions and recommendations are discussed in the next chapter.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents conclusions and recommendations based on the research findings presented and discussed in chapter four. The main objective of the study was to investigate the financial sustainability of condom social marketing in Malawi. The specific objectives were: to measure the customers' perceptions towards socially marketed condoms in southern Malawi and to explore the strategies BLM and PSI Malawi should adopt to ensure financial sustainability of condom social marketing.

5.2 Conclusion

Results from data analysis indicate that respondents had positive perceptions towards socially marketed condoms reflected by the high average percentages (70.62%) depicted in Table 7. The positive perceptions imply that the majority of the respondents have welcomed the concept of condom social marketing in southern region of Malawi. It is interesting to note that a good number of women also buy male condoms. Further, both single and married individuals have displayed the affinity to socially marketed condoms in almost equal measure, refer to Table 3.

The respondents aged between 25-30 years old reported high usage of socially marketed condoms. Worth noting is the fact that the majority of the respondents admit to have purchased condoms in the past 30 days implying consistent condom use thereby inducing demand through frequent repeat purchases, see Table 4.

The majority of the respondents prefer to buy condoms from supermarkets. Selling condoms in the supermarkets is one of the distribution strategies that social marketers have used, refer to Figure 4.9.

Despite some variation in sex distribution, income levels, level of education among other demographic and socio-economic characteristics of respondents, a uniform trend across the different subgroups in the study indicated a high preference for Manyuchi condoms in particular,

see Figure 4.7. Respondents had a strong affinity towards socially marketed condoms in general and would extend the loyalty by recommending to others at the same time, respondents indicated a strong likelihood of continued use.

5.2.1 Consumers Perception towards Socially Marketed Condoms

The respondents' perception towards social marketed condoms was measured using the following variables:

5.2.1.1 Condom Prices

The current prices of socially marketed condoms are considered to be cheap among the majority of the respondents in contrast to the price of commercially marketed brands which have been rated expensive. The majority of the respondents can only afford to pay the current subsidized price rates as evidenced in the findings of the customers' willingness to pay, refer to Table 6. The current cheap prices of condoms, however, do not fully cover the costs of production and distribution resulting in a deficit position for BLM and PSI Malawi illustrated and discussed under Figure 4.10.

5.2.1.2 Condom Availability

In relation to condom availability, the findings show that respondents were satisfied with the availability of social marketed condoms on the market. The results show that respondents were able to get the products with ease in convenient outlets (refer to Table 7).

5.2.1.3 Condom Packaging

With respect to condom packaging, the study found that respondents were happy with the packaging of the products. One of the reasons is that a pack which contains three pieces of condoms is not bulky and can easily fit in a man's pocket making the product easy to handle and carry without attracting on looker's attention. The high positive numbers in Table 7 attest to the above observation.

5.2.1.4 Condom Strength

The results of the study found that the respondents had confidence in the strength of the socially marketed condoms as a protection tool from sexually transmitted diseases. The strength of a condom is paramount since any weakness is likely going to expose customers to the risk of contracting HIV. The results about condom strength are indicated in Table 7.

5.2.1.5 Condom Quality

In relation to quality, the study established that respondents were satisfied with the quality of socially marketed condoms reflected by the high percentage ratings from customers, refer to Table 7. Usually quality goes with price, the better the quality the higher the price a product is likely to command, this is in contrast to what is obtaining in the condom social marketing initiative reflected by the low condom prices.

5.2.1.6 Condom Branding

The study established that respondents were not happy with the branding of socially marketed condoms as reflected in Table 7. This could be as a result of the absence of brand revitalization or rebranding over time. Socially marketed condoms were launched on the market over a decade ago, the same branding design is still in place up to now resulting in possible loss of the appeal. Further, there might be very little research going into branding before and after a product introduction on the market.

5.2.2 Financial Sustainability Strategies

The second specific objective was to explore the strategies that must be adopted by BLM and PSI Malawi in order to achieve financial sustainability, according to the results in Table 12, nineteen strategies must be adopted. The strategies to be adopted include: regular condom price reviews, cost recovery, market penetration, brand extension, price segmentation, price perception strategy, strict adherence to credit period on sales, investment of excess cash in short to medium term instruments, ability to obtain a short term bank facility in times of liquidity challenges, customer satisfaction surveys, organisational financial health as a strategic objective, strong leadership, entrepreneurship spirit by project staff, conducting market intelligence, application of supply and demand theory to inform distribution and prices, building strategic alliances, systematic

investment in technologies, investment in manpower and building up of cash reserves for a rainy day.

Adopting all the strategies in Table 12 will result in continued availability of the products on the market when the projects come to an end and funding from the donors ceases.

5.3 Recommendations

Based on the study findings, the research makes the following recommendations:

- Socially marketed condoms have regular reviews of product prices. The revenue increase will result in surplus being achieved, this in turn will lead to financial sustainability.
- Socially marketed condoms extend the current product brand by introducing new products to be priced above the current prices in order to take advantage of existing loyal clients who can easily switch between condom brands on the basis of features such as flavor and number of contents.
- Social marketing organisations carry out rebranding of the products after careful research to resuscitate the brand appeal resulting in enhanced branding perceptions.
- Social marketing organisations improve the margins the distributors earn from condom sales in order for the products to be attractive to stock thereby increasing the market share for present products in present markets.
- Social marketing organisations practice price discrimination in order to increase revenue in areas where economic activities are vibrant such as cities and urban areas.
- Social marketing organisations enter into strategic alliances or partnerships with other organizations particularly in the distribution value chain thereby assisting the organization to achieve presence in new markets hence making the products widely available.

- Social marketing organisations aim at having strong financial reserves, these are savings by an organisation in the course of running a project. Building up of cash reserves through surplus and other means is very critical in driving sustainability; such a policy will allow the organization to pay for activities that the donors would not fund ordinarily or after they leave.
- Social marketing organisations should strive at diversifying the donor base that funds socially marketed condoms.

5.4 Potential Area for Further Research

Since this study covered only social marketing of male condoms it will be interesting to conduct further research in the social marketing of other equally important products like contraceptive pills to prevent unwanted pregnancies and insecticide treated mosquito nets for malaria prevention in Malawi.

5.5 Chapter Summary

In the final chapter, conclusions and recommendations for the study have been presented together with potential areas of further research.

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APPENDICES

Appendix 1: Customer Questionnaire

CUSTOMER QUESTIONNAIRE

INVESTIGATING FINANCIAL SUSTAINABILITY OF CONDOM SOCIAL MARKETING IN SOUTHERN MALAWI

QN	
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We are conducting a research on the financial sustainability of condom social marketing in southern region of Malawi and you have been selected to participate in the study so please give your honest opinion. Information collected in this research is for academic purposes only and all details shall be kept confidential. Thank you in advance for your time.

A. INTERVIEWEE DETAILS (Please tick as applicable)

Gender	Marital Status	Age Group	Education	Occupation
Female <input type="checkbox"/>	Single <input type="checkbox"/>	Below 18 <input type="checkbox"/>	No education <input type="checkbox"/>	Student <input type="checkbox"/>
Male <input type="checkbox"/>	Married <input type="checkbox"/>	19-24 <input type="checkbox"/>	Primary Level <input type="checkbox"/>	Employed <input type="checkbox"/>
		25-30 <input type="checkbox"/>	Secondary <input type="checkbox"/>	Self Employed <input type="checkbox"/>
		Above 31 <input type="checkbox"/>	Graduate <input type="checkbox"/>	Unemployed <input type="checkbox"/>

B. CONDOM SOCIAL MARKETING INFORMATION

1 When was the last time you purchased a condom? (Please tick)

1 - 3 days ago	<input type="checkbox"/>
4 - 6 days ago	<input type="checkbox"/>
1 - 2 weeks ago	<input type="checkbox"/>
3 - 4 weeks ago	<input type="checkbox"/>
Over one month	<input type="checkbox"/>

2. What is your preferred condom source? (Please tick)

Clinic	<input type="checkbox"/>
Supermarket	<input type="checkbox"/>
	<input type="checkbox"/>

Bar/Bottle Store

Others, please specify _____

3 How do you rate the current price of the following Condoms? (Please tick)

	Very Chean	Chean	Not sure	Expensive	Very Expensive
(a) Chishango Condoms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Manyuchi Condoms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4 At what price range are you willing to pay for the following Condoms? (Please tick)

	Chishango	Manvuchi	Contemno
(a). MWK 30-39	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b). MWK 40-49	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c). MWK 50-59	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d). MWK 60-69	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e). MWK 70-79	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f). MWK 80-89	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g). MWK 90-99	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(h). MWK 100-109	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. PERSONAL EXPERIENCE

5. How do you feel about the following issues in relation to condoms? (Please tick)

	Excellent	Good	Not Sure	Poor	Very poor
(a) Availability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Packaging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Strength	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) Branding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. What of these best represents your views on socially marketed condoms?

(a) Good idea	<input type="checkbox"/>
(b) Not different from commercial	<input type="checkbox"/>
(c) Not different from free public sector	<input type="checkbox"/>
(d) Not sure	<input type="checkbox"/>
(e) Bad Idea	<input type="checkbox"/>

7. What is your preferred condom brand? (Please tick as applicable to you)

BLM Branded Condom	<input type="checkbox"/>	Commercial Branded	<input type="checkbox"/>
Chishango	<input type="checkbox"/>	Public Sector Free	<input type="checkbox"/>
Manyuchi	<input type="checkbox"/>	Other, (please specify)	_____

8. Why do you use a socially marketed condom? (Please tick)

(a) Family Planning

(b) Protection from STD/HIV

9. How likely are you going to use a socially marketed condom in future? (Please tick)

Very likely

Not sure

Very unlikely

10. Would you recommend socially marketed condoms to others? (Please tick)

Very likely

Don't know

Very unlikely

Appendix 2: Social Marketing Organisation Questionnaire

SOCIAL MARKETING ORGANISATIONS QUESTIONNAIRE

INVESTIGATING FINANCIAL SUSTAINABILITY OF

CONDOM SOCIAL MARKETING IN SOUTHERN MALAWI

QN	
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We are conducting a research on the financial sustainability of condom social marketing in Malawi and you have been selected to participate in the study so please give your honest opinion. Information collected in this research is for academic purposes only and all details shall be kept confidential. Thank you in advance for your time.

A. GENERAL INFORMATION

Name	
Position	
Organization	
Contact Tel	
Email	

B. OPERATIONALISATION AND SUSTAINABILITY OF CONDOM SOCIAL MARKETING

1. Which is your organization's major sales outlet? (Please tick)

(a) Clinics

(b) Supermarkets

(c) Community distribution agents

(d) Bars/Bottles Stores

(e) Door to Door

Others, Please specify _____

2. What were the sales volumes for the following condoms?

	2007	2008	2009	2010	2011	2012	2013	2014
Chishango								
Manyuchi								

3. What has been the average selling price for in the following years?

	2007	2008	2009	2010	2011	2012	2013	2014
(a) Chishango Condoms	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(b) Manyuchi Condoms	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

4. Indicate which of the financial sustainability strategies below have been adopted in your organization (Please tick).

No	Some of the financial sustainability strategies	Adopted by Social marketers
1.	Regular condom price reviews.	
2.	Cost recovery policy.	
3.	Market Penetration (At least 20% margin passed to condom distributors).	

4.	Product brand positioning	
5.	Product development (brand extension)	
6.	Market price segmentation/discrimination	
7.	Advertising/promotion	
8.	Price perception strategy (value proposition)	
9.	Strict adherence to credit period on condom sales	
10.	Investment of excess cash in short to medium term instruments.	
11.	Financial headroom(ability to obtain a short term bank facility)	
12.	Timely collection of financial management information.	
13.	Customer satisfaction surveys(monitoring and evaluation of marketing strategies)	
14.	Organisational financial health as a strategic objective.	
15.	Strong leadership	
16.	Surplus driven.	
17.	Entrepreneurship spirit by project staff(social	

	enterprise)	
18.	Market intelligence	
19.	Supply/Demand theory	
20.	Strategic alliances	
21.	Systematic investment in technology	
22.	Systematic investment in manpower	
23.	Diversification of donors to fund social marketing products.	
24.	Build up of cash reserves.	
25.	Diversification of social marketing products	