Understanding the Health of the Contraceptive Market

Dissemination of findings: Analysis of IQVIA data (MAT March 2020) on the condoms, oral contraceptive pills, and emergency contraceptives market

The Condom Alliance has played a proactive role during the COVID-19 pandemic. It brought together various stakeholders for a larger dialogue with the Ministry of Health and Family Welfare (MoHFW) and disseminated crucial information timely, thereby bringing value to the Alliance members. In July, the Condom Alliance convened a virtual meeting with key contraceptive market stakeholders to disseminate findings from its analysis of IQVIA data (MAT March 2020[1]) on condoms, oral contraceptive pills (OCPs), and emergency contraceptives (ECs). After the presentation, the group participated in three ten-minute discussions, one on each category. The webinar meeting was attended by 38 representatives from 15 organizations, including leading contraceptive marketers, implementation agencies, and donor partners.

KEY DISCUSSION POINTS

1. Oral contraceptive pills and emergency contraceptives

- Participants enquired whether the IQVIA sales data had been verified with internal sales data of marketers whose sales data is available in the public domain. SHOPS Plus explained that IQVIA data is the 'retailer out' data, that is, data on consumer off-take (purchases by consumers from retailers), and there may be situations where the retailer has a higher inventory and therefore reports sales that are more than an organization's primary sales.
- Participants asked if the growth in OCP sales was due to increased consumption by existing consumers. Discussion on this question led the group to conclude that the steep trajectory of growth could likely be due to new consumers adopting the method. One of the participants shared an additional insight about growth among 15–49 year old users increasing the overall sales due to the large size of the cohort.
- Some participants expressed a desire to learn more about the interplay between OCs and ECs, but noted that additional data points will be needed to examine this interplay.

2. Condoms

- Condoms shrank overall as a category. However, Raymond Consumer Care's Kama Sutra was among the few brands that saw growth. The company's representative mentioned that Kama Sutra's growth was fuelled by an expansion of its distribution network and creation of a niche in the market.
- Marketers shared that they had witnessed increased sales on e-commerce platforms, which was likely the result of the lockdowns imposed due to the pandemic.

At-a-glance: The market by category (MAT March 2020)

Oral contraceptive pills

- The OCP market shows steady growth since 2017, with large increase in sales volume in 2020.
  - In volume terms, the market grew 31 percent (year on year, YoY) in 2019 and 67 percent in 2020.
  - Market value grew 10 percent (YoY) in 2019 but declined 1 percent in 2020.
- Nationally, the OCP market size is 187 million cycles and valued at INR 420 crore.
- Urban areas account for 57 percent of the volume and 64 percent of the value.
- Chemists contribute more than 90 percent of the OCP market volume.
- Commercial marketers contribute 72 percent of the value share but just 40 percent of the volume share.
- Social enterprises contribute 60 percent of the OCP volume but only 28 percent of the value.
- DKT's Choice is the market leader, followed by PSI IPL's Pearl and Pfizer's Ovral.
- PSI IPL's Pearl achieved the second position by growing volume market share from 6.2 percent in 2019 to 16.6 percent in 2020.

Emergency contraceptive pills

- The market size for ECs is 33 million pills and valued at INR 315 crore.
- Urban areas account for 65 percent of the value and volume sales.

Condoms

- Although the condom market value showed steady growth from 2014 onward, sales volume showed a dip in MAT March 2020.
  - In volume terms, the market grew 11 percent (year on year) in 2019 but decreased 1 percent in 2020.
  - Market value grew at 17 percent in 2019 and 5 percent in 2020.
- Nationally, the priced condom market size is 2.27 billion pieces and valued at INR 1,521 crore.
- Urban areas account for 65 percent of the volume and 72 percent of the value.
- Chemists contribute 78 percent of the volume and 81 percent of the value of the condom market.
- Commercial enterprises contribute 67 percent of the volume and 86 percent of the value of the condom market.
- Mankind Pharma's Manforce is the leader in terms of both volume and value.
- Raymond Consumer Care's Kama Sutra occupies the second place, having gained 3 percent volume market share in the last one year.

1 The presented data was based on the moving annual total (MAT) for the year leading up to and including March 2020.

3. COVID-19 impact on categories

- Participants felt that the COVID-19 pandemic may have caused a positive shift in consumer knowledge, attitudes, and practices for preventive health care, such as use of contraception. An increase has been witnessed in both the number of queries on contraceptive methods and uptake of post-partum methods.
- COVID-19 has also led to a change in the retail shopping environment because people now have to queue. This exacerbates the inhibition many experience when purchasing condoms.
- The representative from Raymond Consumer Care shared that the company had leveraged the opportunity and unveiled a new digital campaign ('Just Married') to target couples during lockdown.
- According to marketers, the lockdown constrained their ability to service markets. In the first 40 days of the lockdown, account receivables were down to 40–45 percent. Retailer cash flow and liquidity are also low. As retailers are more interested in stocking and selling COVID-19 related products, such as masks, gloves, and hand sanitizers, the contraceptive marketers' sales are down by 60 percent. Further, sales efficiency due to restrictions is just 60 percent and yield per sale has also fallen.
- The marketers also shared that while there has been a drop in retailer demand for condoms and ECs, the demand for OCPs has increased. They attributed this to the practice of retailers stocking 3–5 months' inventory of condoms but just about 2 months' inventory of OCPs.

4. Other major points of discussion

- The participants appreciated SHOPS Plus bringing together all stakeholders and presenting insights based on evidence. This initiative has enormous value and enables information symmetry for all stakeholders.
- The presence of private sector participants was seen as tremendously beneficial, because they bring insights about the current situation in the short-acting contraceptive market.
- There was interest in closely examining pricing, regional cuts, and demand in states where the unmet need is high. The participants felt there was potential to derive more value from data and continuing the dissemination initiative.
- As commodities are price capped, the participants felt there was a need for proactive discussions between manufacturers and marketers on pricing and subsidies.
- The marketers present at the meeting also discussed the classification of OCP drugs. Currently, the combined OCPs containing levonorgestrel and ethinylestradiol — popularly called second-generation OCPs — are classified in Schedule H (prescription category). However, the government's Drugs Technical Advisory Board recently recommended reverting to the pre-2017 status, when combined OCPs featured in Schedule K (over-the-counter category). Enactment of this amendment to the applicable law is still awaited from the government.
- SHOPS Plus asked about the top one or two things that should to be done to ensure vibrant health of the OCP and condom market. The following were most cited:
  - Harmonizing OCP scheduling and reclassifying second-generation OCPs in Schedule K, which will also allow direct-to-consumer advertising of OCPs
  - Removal of price caps on second-generation OCPs
  - Restoration of subsidies on OCPs for social marketing organizations by the Government of India
  - Restoration of disrupted supply chains to increase access to condoms
  - Proactive promotion of condoms by the government to increase uptake and use; this is all the more important as migrants' movement back to metro towns has already started after the end of the national lockdown

A global perspective

Marcie Cook, Vice President, Social Enterprises at PSI, cautioned that although increased demand may be seen immediately after lockdown, it may not be sustained over the next 6–12 months. She also advised against using digital media as the primary outreach mechanism because many in the target population that needs family planning products and services do not have access to digital media. Cook appreciated the IQVIA data analysis and its dissemination as a commendable effort for joint monitoring of the market for key product categories by marketers and stakeholders, noting that *"it will take all of us to achieve the unfinished agenda of FP2020".*

SHOPS Plus is USAID's flagship private sector health initiative. The goal of the SHOPS Plus program in India is to increase the use of priority health products and services for family planning; maternal, neonatal, and child health; and tuberculosis among the urban poor through private sector approaches and partnerships. For more information, please contact Komal Khanna at Komal_Khanna@abtindia.net

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