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## For Family Planning, Entrepreneurs Can Outdistance Charities

Products and services that are purchased -- even at very low prices -- are far more likely to be used. Thus, the marketing of contraceptives and family planning services can be a highly cost-effective way of helping couples improve their lives.

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Government, non-profit and corporate programs to meet social needs inevitably involve the idea of charity - providing products or services free of charge to people who are presumed to be grateful for the help. By contrast, social impact entrepreneurship seeks to change lives and societies in much the same way that business entrepreneurs change industries.

As defined by the Schwab Foundation for Social Entrepreneurship, social impact entrepreneurs use market principles and business techniques to create innovative programs that spur personal betterment and social transformation. These programs include some degree of cost recovery through the sale of goods and services to those who use them.

### ***Family Planning***

Social impact entrepreneurs are transforming family planning and sexual health in developing countries by using entrepreneurial tactics to provide contraceptive products and services at affordable prices. Branded contraceptives are attractively presented, heavily advertised, and sold through regular commercial channels.

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### ***Beyond Charity***

Attractively packaged contraceptives can readily be sold through drug and grocery stores, midwives, and even universities. Compare these normal-seeming commercial transactions with traditional giveaways: When a product is given away for free, it is often seen as being of inferior quality. Further, without payment, the recipient has not demonstrated any interest in the product and is unlikely to use it. In addition, without cash transactions, the distribution system has little accountability and program workers have no incentive to see that the goods are effectively used. But paying even a modest sum for a product or a service turns a "beneficiary" into a "customer," who is likely to derive benefit from something they have paid for. It's an approach that differs greatly from traditional nonprofits -- and it works.

### ***Revenue Generating Models***

Social impact entrepreneurs are most successful when they have the freedom and autonomy to design and manage their programs more as businesses than traditional non-governmental organizations (NGOs). Family planning and safe sex messages can be widely disseminated when revenue generating models are tailored to reach communities that have been inaccessible in the past. In middle-income developing countries, this model delivers important health impact to people of all income levels, and generates significant revenue. In low-income countries, revenue generation is more modest and donor funds keep services affordable. This works in countries like the Democratic Republic of Congo, where the per capita income is under \$400, as well as Brazil, where incomes are closer to \$12,000.

### ***Cross Subsidization***

Subsidized contraceptives can sell alongside profitable premium brands, allowing programs to offer diversely priced brands within the same product category. Even in poor countries like Mozambique, Sudan and Ethiopia (where revenue funds a significant part of the program), some level of cost recovery is possible. The result: cost per couple year of protection (the amount of contraceptive protection needed for one couple over one year) is remarkably low. For DKT International, an organization that specializes in this approach, the cost per couple per year is less than \$2.

Print and broadcast advertising, the Internet, branding and packaging all promote contraception and safe sex. An effective approach fits into the normal commercial environment of the countries where it operates. Ads should be tailored to local tastes and contraceptives promoted with positive, easily understood, and alluring messages.

### ***Innovation in Brazil***

Mass media can effectively promote condom use, and there is no shortage of interesting, educational, and fun advertisements and social media strategies that have introduced condoms to young people. For example, DKT/Brazil's Condom Tester Program website gives young adult users a platform to comment on condom use and tag their location via GPS to show where they have recently used a condom. Its 2012 Condom Tester contest has sparked more than 100,000 website visits from around the world. Similar programs even in traditional Muslim countries like Indonesia and Turkey have generated equally successful results, bringing modern contraceptive/safe sex methods to the people who need them most.

In 1991, DKT's program was initiated in Brazil when the total male condom market was less than 50 million annually. Now the commercial condom market is 10 times larger, bolstered by the lower prices introduced by DKT's program. DKT Brazil, is now completely self-sustaining from its revenues, and still provides large numbers of affordable condoms to low-income customers and also supports local organizations in Brazil with condoms, financial aid, and information on HIV/AIDS prevention. In 2012 DKT sold 130 million condoms in Brazil at no cost to donors, averting more than 370,000 unwanted pregnancies and 158,000 abortions.