Marketing for Development

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CCWD Annual Conference, March 16th, University Zurich
Motivation

- Take-up of investments in children's human capital is low despite high returns
  - Education (Jensen, 2007)
  - Preventive health care (Günther’s talk!)

- Most obvious fixes are no silver bullet:
  - Liquidity constraints: subsidies have limited effectiveness in many cases, and microcredit typically does not increase investments in prevention except when labeled
  - Information about returns: large effects in education, low on preventive health care
  - Attention: mixed evidence for the effects of nudges

- Maybe the poor just do not spend on prevention?
“Over the past one month, did your household purchase or pay for any: Bar soap (body soap or clothes soap)”

Source: Integrated Household Panel Survey 2013, World Bank Microdata
DO THE POOR SPEND ON PREVENTION?

“Over the past one year (twelve months), did your household purchase or pay for any: Mosquito net”

Source: Integrated Household Panel Survey 2013, World Bank Microdata
• The poor do spend on prevention:
  ➢ David Y-D et al. (2017): micro-entrepreneurs can sell preventive health care (e.g.: soap), reducing infant mortality by 25%!

• Maybe we (the researchers) are doing something wrong...
CAMPAIGNS

• Campaigns are a bundle of choices:
  ➢ Sender
  ➢ Target
  ➢ Object
  ➢ Media
  ➢ Frequency

• Perhaps researchers have systematically picked sub-optimal combinations...

• How to optimally design marketing for development?
THEORY OF CHANGE

Take-up of Preventive Health Care

- Intra-household bargaining
- Preferences: Risk aversion, discount rate, etc.
- Beliefs about costs and returns
- Networks and peer monitoring

- Gender targeting
- Media channels
- Observability of behavior

- Price information
- Sender of information
INGREDIENTS

• Households decide on whether to take-up preventive health care
• Intra-household bargaining problem between different caregivers
• Choose consumption (partly private, partly public) and take-up to maximize their own and their children’s welfare, which also depends on children’s expected health status in the future
• Expectations about health depend on take-up decision, but also on
  - Beliefs about effectiveness
  - Preferences over children’s health (returns to being healthy)

• Campaigns can influence:
  - Beliefs about effectiveness (today and in the future)
  - Preferences over children’s health (today and in the future)
AN ILLUSTRATION

• Who should be targeted by health campaigns? Fathers or mothers?
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  (Equal bargaining power for simplicity)
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Target fathers!
Who should be targeted by health campaigns? Fathers or mothers?

(Equal bargaining power for simplicity)

Target mothers!

AN ILLUSTRATION
Who should be targeted by health campaigns? Fathers or mothers? (Equal bargaining power for simplicity)

It depends....
• Who should be targeted by health campaigns? Fathers or mothers?  
  (Equal bargaining power for simplicity)

Short-run:
• Who should be targeted by health campaigns? Fathers or mothers?
  (Equal bargaining power for simplicity)

Long-run:

• Better to target mothers or fathers depending on how we trade-off children’s health over time.
Who should be targeted by health campaigns? Fathers or mothers?

More generally, depends on the joint distribution of bargaining power and the fraction of marginal individuals in each group (those that change behavior because of the campaign).
OTHER TRADE-OFFS

• Should the campaign focus on face-to-face or remote communication?
• Should the face of the campaign be institutional (e.g.: UNICEF) or traditional (e.g.: village chiefs)?
• Should the campaign promote free prevention or market that sold by local entrepreneurs?
• Should the campaign be one-off or longer length?

• All answers depend on what choice maximizes the share of marginal households (subject to intertemporal trade-offs in case the answer changes at different time horizons).
INTERACTIONS

• Interestingly, different dimensions can interact:

  ➢ **Media and object:** The relative effectiveness of remote or face-to-face campaigns may be reversed depending on whether the behavior can be observed by peers at low or high costs (e.g.: immunization vs. malaria bed nets)

  ➢ **Sender and object:** The relative effectiveness of institutional or traditional senders may be reversed depending on whether prevention is advertised for free or at positive prices (because households may fear that purchasing from institutional sources may signal purchasing power and prevent donations in the future)
**EXPERIMENTAL DESIGN**

- Campaign for deworming tablets in Malawi (joint with routine immunization):

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NEXT STEPS

• Baseline data collection + Vignette study (2018)
• Experiment: randomized control trial for health campaign (2019)