

## **TALKING BUSINESS**

Developing the commercial market for radio programmes for small business



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**Turin BDS Seminar, 11<sup>th</sup> September 2002**

### **What experience is this presentation based on?**



- Establishing a pilot weekly radio programme for MSEs in Uganda in 1999
- Replicating this programme on 6 commercial FM stations in Uganda and Ghana.
- Commercial replication of the radio programme in Nigeria.
- Ongoing work with additional radio stations to develop radio programmes and features for MSEs

Estimated weekly listenership today – 400,000 to 500,000

## What is interesting about this?

*'It is not new, there are many development radio programmes!'*

- These radio programmes are being run by fully commercial broadcasters or production companies
- The FIT Programme has not provided money to these companies to run the programmes.
- The FIT Programme has provided technical support only
- The FIT programme has acted as a facilitator in the radio media market for MSEs



## Why information?

- The business information gap particularly for MSEs  
Lack of information on new technologies, markets, legislation, services, events, sources of inputs stifles small enterprise development.

## Why radio programmes?

- Reach of radio : geographic and demographic
- Explosion in the radio broadcasting industry since mid 90s
- Commercialization of radio – potential for sustainability.
- Increasing competitiveness in the radio industry in Africa.
- Aural traditions in Africa.

## Constraints to market development



- Existing (potential) service providers
- But low level of existing service provision
- High level of demand
- High awareness of radio
- High reach of radio
- Affordability

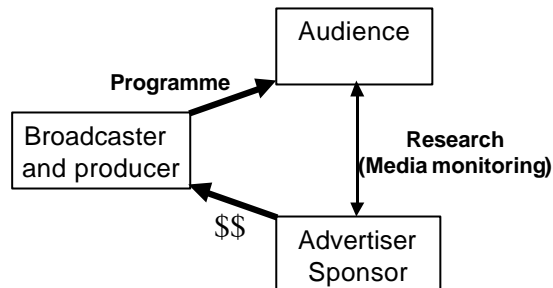
## Why have radio stations not already established such programmes?

Most FM stations are small businesses themselves



- **Management constraints**
- **Technical constraints** : content based and field based radio is difficult.
- **Adversity to risk** : a proven programme model is less risky.
- **Financial constraints** – poorly financed and low access to credit facilities
- **Marketing strategies** : Traditional radio market segmentation has usually been on wage, gender and age not employment.
- **Donor distortion** : MSE programmes viewed as a 'public' service rather than commercial programme.

## How does commercial radio work in Africa?



In a competitive media market:

- Audience numbers = \$\$
- Audience profile is critical

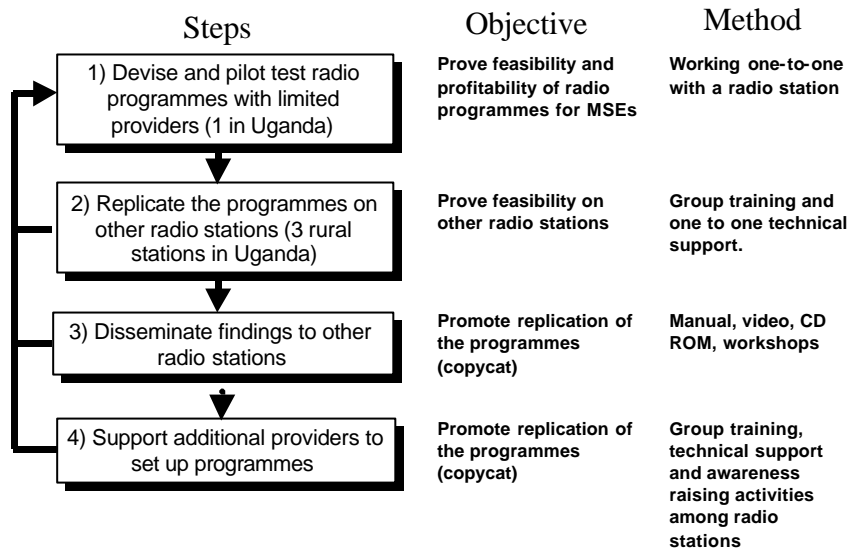


## Micro and small enterprises as a commercially viable audience segment

- Huge numbers in most developing countries (Numbers)
- Collectively MSEs themselves are a huge consumer of raw materials, components, equipment, machinery etc. (Business consumers)
- MSEs are viewed as a significant section of the lower income end (mass) of the consumer market (Domestic consumers)
- MSEs perform a significant proportion of the retailing, wholesaling and transportation of the products of small, large and international businesses (strategic importance to large advertisers)

A radio programme that reaches large numbers of MSEs =  
\$\$ for a commercial radio company

## FIT Approach to developing the radio market in Uganda



## What services do the radio programmes provide to MSEs?

'Magazine' style programmes that provide:

- **Advocacy**

Programmes focused on policy, legislation and public sector investment

- Reportages and features
- Live and pre-recorded interviews
- Panel discussion
- Live debates and phone-ins

- **Information**

- Business News
- Market commodity prices
- features/reportages on services, events, projects etc.
- Advertising

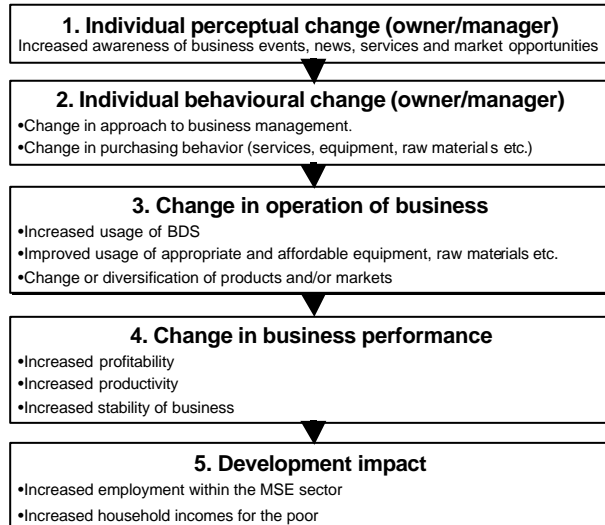
- **Business Tips and Advice**

- Interviews with successful / innovative businesses
- Panel and phone-in debates on business issues
- Interviews with resource people, trainers etc.
- Question and answer (letter and phone -in) with resource people, trainers etc.

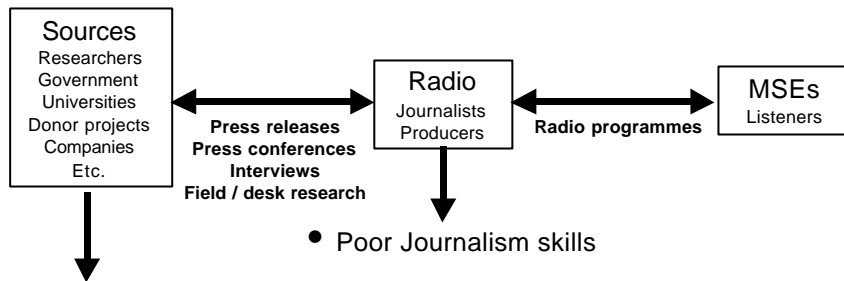
## Radio in the context of small enterprise development

- Radio as a business development service (information, advocacy etc.)
- Radio as a channel through which other BDS can be delivered (training, business advice, legal advice, internet etc.)
- Radio as a BDS market development tool (demand side – raising awareness and understanding and therefore demand for BDS)

## Evaluating the impact of a radio programme for MSEs Model for causality - information



## Constraints to information delivery by the mass media in Africa



- **Poor Journalism skills**
- **Poor flow of information to the media particularly in public and donor funded institutions** – no press releases, few press conferences, no press officers, little attempt to make reports and research public, reports shrouded in 'development jargon'.

## Lessons for developing BDS markets

- 1) Ownership – maintain a low profile, develop service in collaboration with BDS provider and be willing to loose control of the service.
- 2) Avoid financial support unless absolutely necessary
- 3) Research and develop a complete understanding of how the commercial market works
- 4) Working with one or few providers can be BDS market development as long as the focus on the ultimate market development goal is maintained.



- 5) Do not dictate the nature of the service – help BDS providers to explore and understand the market demand.
- 6) Avoid reliance – avoid all medium and long term roles.

**Information available**

- Working Paper on establishing radio programmes for MSEs in Africa
- Manual for commercial radio companies on establishing and running radio programmes for MSEs

**THANKS FOR YOUR ATTENTION**

