TALKING BUSINESS

Developing the commercial market for radio programmes for small business

Gavin Anderson
International Labour Organisation, FIT Programme
fitafrica@bushnet.net

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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

Radio programmes and features focusing on the MSE sector

**SUPPLY**
- Existing (potential) service providers
- But low level of existing service provision

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

A radio programme that reaches large numbers of MSEs = $$ for a commercial radio company
FIT Approach to developing the radio market in Uganda

<table>
<thead>
<tr>
<th>Steps</th>
<th>Objective</th>
<th>Method</th>
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<tr>
<td>1) Devise and pilot test radio programmes with limited providers (1 in Uganda)</td>
<td>Prove feasibility and profitability of radio programmes for MSEs</td>
<td>Working one-to-one with a radio station</td>
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<td>2) Replicate the programmes on other radio stations (3 rural stations in Uganda)</td>
<td>Prove feasibility on other radio stations</td>
<td>Group training and one to one technical support.</td>
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<td>3) Disseminate findings to other radio stations</td>
<td>Promote replication of the programmes (copycat)</td>
<td>Manual, video, CD ROM, workshops</td>
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<tr>
<td>4) Support additional providers to set up programmes</td>
<td>Promote replication of the programmes (copycat)</td>
<td>Group training, technical support and awareness raising activities among radio stations</td>
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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

1. Individual perceptual change (owner/manager)
   Increased awareness of business events, news, services and market opportunities

2. Individual behavioural change (owner/manager)
   • Change in approach to business management.
   • Change in purchasing behavior (services, equipment, raw materials etc.)

3. Change in operation of business
   • Increased usage of BDS
   • Improved usage of appropriate and affordable equipment, raw materials etc.
   • Change or diversification of products and/or markets

4. Change in business performance
   • Increased profitability
   • Increased productivity
   • Increased stability of business

5. Development impact
   • Increased employment within the MSE sector
   • Increased household incomes for the poor
**Constraints to information delivery by the mass media in Africa**

- **Sources**
  - Researchers
  - Government
  - Universities
  - Donor projects
  - Companies
  - Etc.

- **Radio**
  - Journalists
  - Producers

- **MSEs**
  - Listeners

- **Press releases**
- **Press conferences**
- **Interviews**
- **Field / desk research**
- **Radio programmes**

- **• 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 lose 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