

Technical NOTE

All Paths Lead to Learning: Common Mistakes in BDS Market Assessment and How to Avoid Them

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Abstract

This technical note describes the experience of 10 organizations around the world in conducting BDS market assessments. These organizations tested innovative strategies for market research and piloted program interventions based on the results. They encountered difficulties and made mistakes during their market assessments. This technical note shares lessons learned from inadvertent mistakes that had the potential to significantly alter the utility of their market assessments and provides recommendations to other practitioners who want to avoid these same mistakes.

Introduction

Albert Einstein once remarked, “In the middle of difficulty lies opportunity.” Difficulties experienced during market assessments (MAs) can turn into opportunities leading to improved research and program design. Drawing from the cases of 10 Practitioner Learning Program (PLP) organizations and our interactions with a handful of other facilitators around the world, this technical note is an effort to share valuable lessons learned from inadvertent mistakes that had the potential to significantly affect the utility of our MAs. We also provide recommendations to other practitioners who want to avoid these same mistakes.

One overarching recommendation is that Business Development Services (BDS) facilitators remain flexible and creative throughout the MA process. All the organizations contributing to this technical note frequently adapted their MAs as they gathered information. Such adaptation requires flexibility in time and resources, two elements that ideally are built into the MA process from the start. In retrospect, nearly all assessments entail mistakes caused by unexpected variables and/or a lack of extensive experience in market research. In the BDS field, practitioners and donors can avoid some mistakes by capitalizing on lessons learned by other organizations. Other context-specific mistakes will inevitably be part of the MA process, although they can be mitigated through good planning.¹ BDS facilitators can begin by formulating a realistic MA plan and then continuing with a sizeable degree of flexibility and creativity to enable the latitude required to revise the plan as needed.

¹ For additional information about how to mitigate mistakes through good planning, refer to other PLP in BDS Market Assessment Technical Notes at www.seepnetwork.org.

— Designing an MA —

• **Mistake #1:** Facilitators embark on an MA without determining clear hypotheses based on a market scan or rapid market appraisal.

• **Recommendation:** Facilitators should clearly outline the MA goal, objectives, and a process for using MA information to select one or more project options.²

A fine line exists between presupposing research results and formulating hypotheses to guide research. In our experience, formulating clear research hypotheses about potential program options is a critical step to ensure that research results will be useful for program design. For example, an organization could state that they believe the MA will show that access to Internet technology through strengthened providers will enable microentrepreneurs to obtain new product ideas and providers to be commercially viable. Hypotheses are equally important for facilitators and providers, who are often trained by facilitators to use MA to guide service delivery. For providers, a hypothesis could be that microentrepreneurs value and will pay for Internet access to obtain new product ideas.

Without clear hypotheses to guide research, the purpose of the research can become obscured. Thus, at the end of the MA facilitators will likely experience great difficulty in determining next steps. Likewise, facilitators will more easily encounter “mission drift” and have trouble maintaining a focus on the benefits of program interventions for microenterprises. One means of formulating hypotheses and avoiding mission drift is to conduct a rapid market scan, which provides the facilitator with a very basic overview of the BDS and/or product market. A rapid market scan also discourages the MA research team from subconsciously proving the hypothesis rather than objectively reviewing the data.

• **Mistake #2:** Facilitators do not link MA goals to overall project strategy.

Box 1. World Education/Ntinga Conducts Sector Scan and Formulates Scope of Work for MA

World Education in South Africa, called Ntinga (which mean “to soar” or “fly high” in Zulu), first conducted a national sector scan to identify several high-potential sectors in which to undertake an MA. The scan ranked five sectors according to criteria such as growth trends, and existence and ease of entry of microentrepreneurs. The construction sector ranked the highest in this matrix. Ntinga then drafted an MA scope of work, requesting a summary of the construction value chain; exploration of specific subsectors or product lines within construction that were growing; and an examination of presumed available, accessed, and/or desired BDS in the construction sector, among other items. Based on the findings of the subsector MA, Ntinga was able to develop a map of the construction value chain and pinpoint areas where BDS was being or could be effectively provided. Ntinga was also able to identify potential obstacles and opportunities to the provision of such BDS, which informed program interventions.

The key hypotheses underlying the issuance of the scope of work were as follows:

- South Africa’s construction sector offered real opportunities for micro and very small enterprises to enter the market and grow;
- These opportunities remained out of microentrepreneurs’ reach due to a range of factors, including access to information and resources, lack of knowledge and skills to compete, and existence of a “closed” established operating structure among larger players; and
- Such constraints could be addressed through the provision of targeted value-adding BDS, which would, in turn, have a commercial value to both microentrepreneurs and providers.

Thus, the objectives of the MA were to obtain sufficient empirical evidence of: the size of the potential market or opportunities; the constraint areas in which a solution would be seen as adding the most value; the current knowledge, attitudes, and perceptions towards payment for BDS; and the availability of existing solutions or services—and the gaps. The findings then enabled Ntinga to design a strategy for working with and through BDS providers.

• **Recommendation:** Facilitators can better focus an MA by determining in advance if a subsector or cross-sector strategy is more appropriate to their goal.

If a facilitator is seeking to improve provision of mass-market services, such as radio programs, microfinance services, or accounting courses, a cross-sector strategy is warranted to reach a large number of microenterprises. If a facilitator aims to better integrate microentrepreneurs into a value chain, such as linking clothing producers to exporters, a subsector strategy is more appropriate. The subsector strategy does not necessarily limit

business services to one type of service but rather limits the scope of the services to one subsector. Providers could still offer a range of services, such as market linkages, business training, and access to technology.

² One project option may be to train providers on how to assess specific business service markets so that the BDS market will continue to evolve after the facilitator exits the market. When a provider is using market assessment (MA), the provider should also be clear about the goal, objectives, and the process for using the MA information to select service delivery options.

Box 2. Following Cross-Sectoral MA, World Education and Jigiyaso Ba Analyze Value Chains in Subsectors

In Bamako, Mali, World Education partnered with Jigiyaso Ba, a federation of Malian credit unions, to conduct a BDS MA for Jigiyaso Ba's clients, the majority of whom are market women trading small household goods, food, and cloth at local outdoor markets. Because the clients operate in a variety of subsectors, World Education and Jigiyaso Ba did not want to be limited to one subsector but rather sought to assess cross-sectoral services available to these clients. Thus, the MA analyzed business services available to Jigiyaso Ba clients without closely analyzing the key actors and relationships in the value chain of particular product markets. During the MA, however, World Education and Jigiyaso Ba realized that the key constraint faced by market women was access to wider product markets. The women wanted to be integrated into stronger value chains. Had they begun with a better understanding of the goal, World Education and Jigiyaso Ba would have probably selected a subsector approach rather than a cross-sectoral approach and, thereby, would have eliminated the need to conduct additional value chain research later in the MA process.

Among the PLP organizations, three of four MAs beginning as cross-sectoral eventually shifted into subsector when the facilitators realized that integration into a value chain was the ultimate goal of the MA. At this late stage, however, the facilitators did not have a comprehensive understanding of the value chain and had to conduct additional research to fully understand the value chains of the product markets in which they

Box 3. International Labour Organization Conducts Cross-Sectoral MAs for Media Programs in Asia

The International Labour Organization (ILO), through its FIT/SEMA program supported by the Swedish International Development Cooperation Agency, the United Kingdom's Department for International Development, and others, has successfully promoted radio programs targeting microenterprises in several African countries. For example, in Uganda, approximately 7 million people listen to small-business radio programs from 18 commercial radio stations. The programs offer micro and small enterprises (MSEs) a range of business information, tips and advice, platforms for debate on business issues, and a vehicle through which businesses can advocate for policy change.

Due to the success of the FIT/SEMA project, the ILO decided to examine the potential for media programs targeting MSEs in Laos and Cambodia. The ILO knew that the success of programs promoting the commercial provision of media services to MSEs depends on wide outreach because advertisers who pay for the programs want to reach high numbers of potential customers. Therefore, the ILO decided to investigate the potential for specific media services to a mass market of MSEs. In Laos and Cambodia, the ILO conducted rapid appraisals of the supply of media services for small businesses, the extent of access and use of various media—for example, radio, television, magazines, and video compact discs (VCDs)—and the demand for business information through various media from urban and rural MSEs. These quick and tightly focused appraisals enabled the ILO to determine if a program promoting media services for MSEs might be appropriate in each country and, if so, on which media to focus the program. For example, the ILO found that in Laos and Cambodia, MSEs owners preferred television over radio or other media. The rapid appraisal in Cambodia was quickly followed by a pilot television project. By evaluating its initial experiences, the ILO learned that VCDs were a more promising media than television because of greater outreach and more freedom to develop entertaining content. As a result, the Cambodia program switched to a focus on VCDs.³

sought to operate a BDS market development program. As one organization stated, “We were conducting a market assessment without understanding the key players and relationships.”

of the MA process is important. A combination of outsourcing to a research company and internal capacity building often achieves the best possible MA results.

Assembling a Research Team

- **Mistake #3:** The MA team is not properly oriented in the research methodology, research tools, or local context; facilitators assume that they already possess adequate skills and knowledge for MA.
- **Recommendation:** Facilitators should not overestimate their knowledge and abilities. Frequent and careful monitoring

³ Gavin Anderson, “Radio Media in Africa—A Market Development Tool for Business Services: Final Project Report” (n.p.: United Kingdom Department for International Development, Uganda and Ghana, 2004); email communications between Mr. Anderson and author [dates unknown]; Air Chansamone, “Demand for Business-Related Programmes on Radio and TV among Micro and Small Entrepreneurs in Lao PDR” (n.p.: International Labour Organization, 2003); Hom Chhorn, “My Point of View—A Journey from African Radio to Asian Television” (n.p.: International Labour Organization), 2001); Jim Tanburn, International Labour Organization, e-mail message to author, [month and day unknown] 2004.

Box 4. IDE Bangladesh Trains Team in Market Research

In Bangladesh, International Development Enterprises (IDE) integrates smallholder farmers into expanding agricultural markets by linking farmers in a sustainable manner with microirrigation technology, input suppliers, and services, such as soil testing and production advice, through commercial product and service suppliers. Before conducting its MAs, IDE administered a three-day training class on market research to its MA team. The training covered subsector and service market development approach theory and the practical aspects of gathering and using market information. Participants learned about and practiced developing subsector maps and using that information to identify constraints and opportunities in subsectors. The team discussed the objectives and scope of the planned MAs. The training included sessions on how to collect information through interviews, including appropriate phrases in Bangla and useful probing techniques. Participants also role-played interviews and practiced using the information gathering tools in the field. Due to the intensive training, the MA team was prepared to capture essential data and use that information to develop promising interventions.

An honest assessment of organizational capacity is critical at the start of the MA process. The quality of the MA results is based substantially on the quality of the research, the choice of methodology, and the skills and knowledge of the research staff. Unprepared (or underprepared) researchers are often unable to obtain fully accurate and useful information. Research data resulting from such situations can be misleading. The end result is a need to redesign the methodology and gather data again. For example, a researcher skilled in surveys is not necessarily familiar with focus group discussions (FGDs); this particular skill needs to be acquired by the research team.

If research skills are not developed, the researcher may mistakenly take preliminary information emerging from initial group discussions as key findings—for example, that microentrepreneurs state that no BDS providers exist, or that access to capital is the most needed service. Further probing might produce the information that many embedded providers are accessible to microentrepreneurs, and that nonfinancial services are actually more relevant. Although the time and resources necessary to do so can be significant, careful selection and full preparation of the research team to understand the local context, the market dynamics, and the research methodology and tools are critical to the success of an MA.

• **Mistake #4:** The MA process is not managed closely enough.

• **Recommendation:** Lessons from the PLP organizations indicate that the likelihood of useful research results is higher if facilitators stay close to the MA process. If partly or fully outsourcing to a research company, facilitators must ensure that the

company understands the market, the MA goals and objectives, and the appropriate research tools. Facilitators can also build the capacity of their in-house team to effectively work with the research company or independently conduct the MA.

Box 5. PKPEK Adapts Research Team To Obtain More Accurate Information About Microentrepreneurs' Constraints

In Yogyakarta, Indonesia, the Association for Economic Development and Study of Microenterprises (PKPEK), an Indonesian business-services-facilitating organization working in the furniture subsector, opted to engage in a participatory BDS MA. PKPEK worked with selected BDS providers to conduct the market research. Before beginning the MA, PKPEK offered training to the providers. PKPEK soon discovered, however, that several providers did not have the capacity to implement important tools and approaches, despite the training delivered before the MA started. The MA information gathered was not optimal and resulted in critical mistakes in the BDS product development phase. For example, the information one provider gathered indicated that the microentrepreneurs' main constraint was access to capital because microentrepreneurs have little access to financial institutions. The provider offered to fill this gap by linking microentrepreneurs and financial institutions. When such a product was tested, however, very few microentrepreneurs purchased the product, indicating that because financial access was not, in fact, a key constraint for microentrepreneurs, the demand for such a product was very low. Thus, PKPEK conducted a second MA with providers living in the communities to further explore microenterprise needs, constraints, and willingness to pay for services. These providers had a much better understanding of the local context and market dynamics. The providers and PKPEK learned that the actual main constraint of microentrepreneurs is the lack of a market linkage between producers (microentrepreneurs) and wholesalers. If this constraint could be resolved, microentrepreneurs could receive a deposit payment of 30 to 50 percent of the total cost of orders placed, thereby resolving the perceived need for access to capital.

If a facilitator determines internal resources to be too limited for an effective MA, the facilitator may decide to outsource all or part of the research to a research company. Research companies with a well-respected track record in conducting market research for small and medium enterprises may have very little experience with the weak markets dominated by microenterprises. Many quality research firms are not familiar with particular aspects of weak markets. For example, weak markets tend to include a significant number of embedded providers (who can be difficult to identify), a small number of stand-alone providers, and transactions that are not fee-based. A higher percentage of microentrepreneurs than small and medium entrepreneurs are illiterate, and, therefore, cannot respond to written surveys without assistance. Many microentrepreneurs are unfamiliar with the concept of purchasing services. Experience demonstrates that participatory qualitative research, which requires a specific skill set, is more effective in extracting valuable information about weak markets.

Outsourced research companies may not be prepared to overcome these challenges.

Box 6. TTO Works Closely with Research Company To Ensure Useful MA Results

Triple Trust Organisation (TTO), a facilitator based in Cape Town, South Africa, commissioned research into the spaza shop market in Cape Town.⁴ At the outset, the research project was primarily intended as a BDS market survey. Because the selected market was a very weak one, however, TTO decided that the research would be more useful if it concentrated on understanding the dynamics in the spaza market, in particular the business constraints faced by the microenterprises within the market. TTO decided to outsource the research project to an independent research company, Strategy and Tactics. TTO's contract with the research company included a weekly meeting with the key people involved in the research project. At the meeting, staff from TTO and Strategy and Tactics discussed preliminary findings, problems encountered by the research company, and whether the data was in line with what TTO wanted to obtain from the exercise. In the meetings, TTO was also able to assess the progress of the research and, for example, provide input to adjust the framing of the questions for the FGDs. Of particular relevance was the flexibility of Strategy and Tactics, which was willing and able to adapt the research as it progressed. As a result of this close monitoring and flexible approach, TTO expanded and amended the initial contract as information became available, thus saving significant time and resources. The close working relationship between TTO and Strategy and Tactics enabled the two organizations to have a shared vision of the end goal, market development interventions, and the weekly meetings to progress toward achievement of that goal. By staying close to this project, TTO was able to ensure that it obtained the desired results.

Box 7. ITDG Learns that Staying Close to the Process Can Provide Valuable Information

In Kenya, Intermediate Technology Development Group (ITDG) aimed to develop some MA tools for BDS providers to assess their own markets. ITDG hired a commercial market research company to develop and test the tools.

In some ways, this strategy worked well; the company had significant experience in interviewing poor consumers and produced some good ideas, for example, insightful ways of wording sensitive questions to find out what BDS might be required to produce a specific product. Instead of asking, "What training do you think you might require to produce this product?" they asked, "What do you think might go wrong in the production of this item?" Additionally, the research company provided an objective outsider view, which is often useful in MAs.

In other ways, however, contracting out the research became problematic. The research became overly complex and took a long time to formulate. ITDG sometimes felt out of the picture—it was not always learning on the job. Complicated sampling and interviewing methods were not accessible for providers. Instead, simple qualitative methods would have been more useful in giving providers information about the microentrepreneurs' demands and would have also started the process of building a relationship between provider and client. In retrospect, ITDG should have retained more control over the process and used the research company only to provide specific inputs in design, some elements of information collection, and analysis.

⁴ Spaza shops are small, informal retailers of fast-moving consumer goods, operating in poor communities.

In addition, many research firms have difficulty shifting from a private sector perspective of increasing the sales of one firm to a public sector perspective of developing an entire sector or system. Therefore, MA results are more likely to be useful if facilitators work together with the research company and very closely manage the research process. Such management could entail weekly meetings and site visits so that the research company can visualize the providers and microentrepreneurs before the start of the research.

Often MAs involve outsourcing and in-house research. Therefore, internal capacity building is also very important. Doing so enables staff to be more involved in the process, which pays dividends when the time comes to formulate and implement a program. Capacity building could entail training sessions in, for example, program design, research tools, and the collaborative development of survey instruments and interview guides.

Selecting the Research Methodology

- **Mistake #5:** The MA is only focused on selected variables in a BDS market, rather than a holistic picture of the market.
- **Recommendation:** A BDS MA is more useful if the MA incorporates both sides of the market equation—demand and supply—and entails the development of a comprehensive market map detailing the interrelationships, the flow of information, and the flow of services among the market actors.

Facilitators often believe they know which side of the BDS market is weak before a full-fledged BDS MA begins. For example, facilitators may conclude that microentrepreneurs are not purchasing BDS, such as new product designs, because they cannot make a connection between these services and their business needs. As a result, facilitators may mistakenly focus the BDS MA on only

Box 8. MEDA and ECDI Adapt MA To Include Supply and Demand Data

In Pakistan, the Mennonite Economic Development Associates (MEDA) and the Entrepreneurship and Career Development Center (ECDI) conducted an MA among women microentrepreneurs. The assessment investigated the BDS supply to microenterprises in three regions across three subsectors: rural handicraft makers, urban garment makers, and urban and peri-urban information technology business owners.

Initially, the MEDA ECDI team planned to collect information from the supply side only, referring to known BDS providers, association membership rolls, directories, government listings, and nongovernmental organization data. It soon became obvious, however, that the information was incomplete: women entrepreneurs were getting business service support from other “hidden” sources. MEDA and ECDI decided to directly interview women microentrepreneurs to uncover these other BDS sources. As a result, MEDA and ECDI were able to formulate a much richer understanding of the supply side of the BDS market to women entrepreneurs—learning about embedded services, informal services, and bundled services. In the future, whether investigating the supply or demand side of BDS services, particularly in weak markets, MEDA and ECDI will include data collection from both sides of the BDS market.

one side of the market: supply or demand. In doing so, facilitators miss critical information about key players and their roles in the BDS market. BDS MA can concentrate more heavily in either supply or demand so long as both elements are investigated to produce a clear and accurate portrait of the market in question. In many cases, information collected about demand, for example, leads to information about supply. Both avenues should be explored, as information about only one side of the market can distort reality so that, for example, a key market actor is disregarded.

In addition to engaging both the demand and supply sides of the BDS market, an MA needs to go beyond the independent variables, such as the types of services available, who the service providers are, the delivery modes, and payment methods. These variables are essential but only when a broader view of the market is obtained. For example, a facilitator may understand that a trader delivers market information while purchasing products at a fee of 5 percent of the product cost. But without a broader understanding of the BDS market, the

facilitator may not realize that this trader works for a centralized wholesaler who receives information from an importer about market trends. Knowing this information, the facilitator could examine the accuracy of the market trend information and look into the possibility of providing services to the importer or centralized wholesaler, which would consequently benefit the trader and the microentrepreneur.

A BDS market map detailing the interrelationships, flow of information, and flow of services among the BDS market actors often is a useful tool for facilitators. With such a map, the facilitator will have a better understanding of which relationship will be best for delivering new embedded or stand-alone services. Facilitators will also have a better understanding of which market channels are working well and which channels have potential for replication. Acquiring information from a variety of actors in the market is also extremely helpful in designing business models for the delivery of services, because involving market actors in the research increases the likelihood of acceptance of the models by the market actors. Market

Box 9. Swisscontact Creates New Research Tool

In Kenya, Swisscontact developed an innovative AL model called Jigundilie to assist microentrepreneurs in identifying their own constraints and opportunities. Jigundilie builds on the FGD method but incorporates a focus on enabling participants to determine the factors inhibiting business growth and, through discussions with others, the means to overcome these inhibiting factors. Because Swisscontact sought more than information in its MA (it also wanted to empower microentrepreneurs), the organization adapted existing qualitative tools to obtain the MA results it wanted. Following completion of the pilot Jigundilie model, Swisscontact determined the need for more creativity and innovation; although AL produced excellent demand-side data, little supply-side information was generated. Thus, Swisscontact coordinated a business fair to make information about BDS providers available to microenterprises. The fair also enabled Swisscontact to better understand the weaknesses in BDS supply, such as the providers' lack of understanding of microentrepreneurs' true needs and demands.

interventions are implemented by market actors, with the facilitator's guidance. Thus, the buy-in of these actors is critical to the success of the interventions.

• **Mistake #6:** MA tools are selected too late and applied too rigidly in the MA process.

• **Recommendation:** Maintaining flexibility and innovation is important when selecting and applying research tools.

BDS facilitators typically are not professional researchers, but they attempt to collect accurate and useful data to guide important interventions benefiting microenterprises.

Therefore, facilitators often assume that existing research tools must be used in the manner prescribed in "how-to" manuals about quantitative and qualitative research.

To the contrary, PLP examples demonstrate the utility of flexibility and innovation in research. We discovered that if we were rigid in our sampling methods or choice of tools, our research typically resulted in redundant information or a lack of information about a particular topic. For example, stringent random sampling sometimes caused researchers to treat all market actors as equal, thereby only interviewing randomly selected actors and receiving identical or inadequate

information. If researchers had been more flexible, they may have discovered market actors already operationalizing innovative ideas in the BDS or product markets. We discerned that qualitative tools tend to be more useful with microentrepreneurs and, more specifically, that simple and brief FGDs preceded or followed by personal interviews generate very useful data. Transforming quantitative tools into qualitative tools through role-playing and examples is an innovative means of adapting existing tools to gather information in weak markets. Separating research into several phases enables results from each phase to flow into the design of the next phase. Researchers can draw from a plethora of tools used in a variety of contexts, including interviews, market observation, participatory rapid appraisals, and survey research.⁵

• **Mistake #7:** Survey, interview, or focus group questions are not probing, do not cross-check data, or do not generate data about business outcomes.

⁵ See Ralph Engelmann and Richard Isiaho, "Inventory of Market Assessment Methods for Programs Targeting Microenterprises," SEEP PLP in BDS MA Technical Note #4 (Washington, DC: The SEEP Network, 2005).

Table 1. Examples of Less- and More-Useful Wordings for Questions

Less Useful Wording	More Useful Wording
To microentrepreneur: "Would you use technology services?"	"Would access to the Internet benefit your business? If so, how? How often would you use the Internet if assisted in obtaining access?"
To embedded provider: "How much do you charge for your services?"	"How does the provision of information as a service to microentrepreneurs cost you money or time? How do you recover these costs?"
To microentrepreneur: "What are your major business challenges?"	"Why do you like working with the wholesaler? What is difficult about working with him/her/them? What about your customers? What is good and bad about selling to them? And your employees?"

• **Recommendation:** Research questions referencing the local context through examples linked to business outcomes result in the most accurate and useful data for program design. In qualitative research, questions can be adapted throughout an interview or discussion to obtain the desired results.

Research data is affected significantly by the questions asked during the survey, interview, or focus group. Incorrect conclusions about the market can easily be formulated if the research questions are not well designed. Because poorly worded questions can result in inaccurate or insufficient information, questions should be carefully worded and used to cross-check informant responses. In addition to the suggestions made in most research guides, we recommend that, when working with microenterprises and embedded providers, explicitly linking the research question to the local market context is essential to receive useful and accurate responses. For example, close-ended questions such as “Do you pay for any business development services?” frequently yield little useful information. But rewording the question can produce excellent results—for example: “Who provides you with the information about the latest clothing styles so that you can make and sell more clothing? Do you pay ‘person x’ for this information? If you do not pay ‘person x’ for information, do you pay ‘person x’ for materials like cloth or transportation of your

clothing products to urban markets?” Table 1 includes examples of reworded questions. The responses will uncover embedded

service providers who may remain hidden if only direct questioning is used.

Box 10. EDA Adapts Questions to the Local Context

In India, EDA Rural Systems Pvt. Ltd. (EDA) supplemented questions about willingness to pay with suitable examples to enable the respondents to relate to their business context while responding. Because a number of BDS, including skill enhancement training, design inputs, and information on exhibitions and buyers, are provided by government agencies with significant cost subsidization, respondents were often unable to imagine that these services could be obtained by paying a fee. To broaden their perspective on the issue of payment of fees for these services, the following examples were given so that microentrepreneurs could provide more informed responses.

- “If you want to ensure quality education for your children, where would you prefer to send them—to a government school that charges a small fee, but its quality of education is perceived to be below average, or a private school that charges a higher fee but its quality of education is perceived to be good?” Most respondents stated that they would prefer to send their children to the private school.
- “When you or your family members become sick, where do you prefer to go for treatment—a government hospital, where medical service is not that good, but the charges are less, or a private hospital, where the quality of treatment is good but the charges are higher?” Most respondents stated they would prefer a private hospital.
- “In the same way, if business services, such as training, design inputs, and marketing support, of higher quality that would yield desired results are provided by a supplier, would you be willing to pay a fee for this service?” In most cases, respondents said that if these services would increase their incomes, they would not mind paying a fee.

Conclusion

MA in a weak market is a challenging endeavor. Market research with microentrepreneurs for the purpose of BDS

market development is relatively new and complex. We have shared the mistakes and recommendations from the 10 organizations participating in the PLP in BDS Market Assessment so that BDS practitioners and

donors can take these lessons learned into consideration when designing and implementing an MA. We hope these concerns will help them develop more appropriate and effective program interventions.

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Note

The 10 organizations included in this PLP aimed to integrate microenterprises into markets and particularly focused on rural, poor, or underserved microenterprises. These organizations tested innovative strategies for market research and piloted program interventions based on the results. Throughout the two-year program, the participating organizations engaged in a collaborative learning process, assisted by a facilitator, during which they shared ideas, findings, and lessons learned; challenged each other and current practice in market assessment, and documented progress, tools, and conclusions.

The following organizations participated in this PLP:

- Association for Community Economic Development and Study of Microenterprises (PKPEK)—Indonesia
- EDA Rural Systems Pvt. Ltd.—India
- Entrepreneurship and Career Development Institute (ECDI)—Pakistan
- Intermediate Technology Development Group (ITDG)—Kenya and the United Kingdom
- International Development Enterprises (IDE)—Bangladesh, India, and the United States
- Jigiyaso Ba Credit Union—Mali
- Mennonite Economic Development Associates (MEDA)—Canada
- Swisscontact—Kenya
- Triple Trust Organisation (TTO)—South Africa
- World Education—South Africa and the United States

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