

## The Katalyst Cases

### Case Study Number 3

# Developing the Advertising Market for SMEs in Northern Bangladesh



Produced by

Katalyst Bangladesh

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## Acronyms

BDT	Bangladeshi Taka
BMF	Bogra Media Forum
BMO	Business Membership Organization
CM	ChangeMaker
DTP	Desk Top Publisher
FGD	Focus Group Discussion
K	Katalyst
NGO	Non-Governmental Organization
SMEs	Small and Medium sized Enterprises
SP	(Advertising) Service Provider

## Preface

Several Asian neighbours of Bangladesh have shown that poverty can be reduced impressively in a short time. In these countries, the private sector was the main engine behind the reduction in poverty. Throughout the developing world, projects like Katalyst try to unlock similar poverty reduction engines.

With this case study Katalyst wants to contribute to the knowledge and experience of all those who work for the same goal.

Over the past five years, Katalyst has developed an approach to make structural changes in the private sector in Bangladesh. Understanding the private sector, making deals with them and trial and error are important elements of this.

This case study on rural marketing tells about these elements. It explains how to unlock economic potentials and how to create economic incentives to change the way entrepreneurs work. The study tells how to reach many of the entrepreneurs in an efficient way, while asking if it really addresses the structural problems or just symptoms.

The case study on rural marketing is interesting for several reasons:

- It looks at economic growth and job creation in secondary or rural cities. These cities are very important for the development of countries like Bangladesh, but the cities lack large clusters or value chains and are normally not the place where initial innovations takes place.
- The case study is honest in what went right and wrong. One can learn a lot from what went wrong or could have done better. Katalyst certainly did and has become more successful by learning from these lessons.
- It looks at a generic service market, a business service market that is not specific to one value chain. There are not too many examples in this field of development where a project was successful in developing a generic service market.

Katalyst worked closely with ChangeMaker, a local consultancy company, to implement the activities.

Aly Miehbradt has followed Katalyst's work in rural marketing for more than a year. She designed specific surveys and conducted a large number of interviews to understand what really happened. Manish Pandey and a number of his colleagues in the Services Division of Katalyst played an important role in facilitating the studies and understanding the data.

Like in all our case studies, the author was solely responsible for the content and text of this case study. Her findings have certainly contributed to Katalyst's thinking about issues like dealing with associations and their sustainability and about outsourcing to other facilitators. We hope the study will be equally useful to your organization and are very interested in your feed back.

**Peter Roggekamp**  
General Manager, Katalyst

## Summary

Small and medium enterprises (SMEs) in northern Bangladesh are facing increasing competition from products and services from Dhaka and abroad. They need more and better advertising to help them compete. Katalyst is developing the advertising market in Bogra in order to help SMEs in northern Bangladesh compete more effectively.

Katalyst found that the quality of advertising services offered in Bogra was too low to help SMEs compete against Dhaka and foreign products. The poor quality was a result of four interlocking problems:

- Providers lacked skills and knowledge
- Providers did not offer appropriate services
- Providers lacked new technologies and high-quality inputs
- SMEs were not demanding appropriate advertising

Katalyst chose to address two key constraints underlying these problems: lack of group action among advertising providers, and poor flow of new information, ideas and skills.

In 2005-2006, Katalyst and its Bangladeshi partner, ChangeMaker, implemented a series of interventions to address these underlying constraints. ChangeMaker helped advertising providers form and strengthen a business membership organization (BMO), called the Bogra Media Forum, which has been a focal point for developing the advertising sector. Other interventions include training advertising providers, promoting the Bogra advertising sector through trade fairs, and helping advertising providers customize their services to specific SME sectors.

Katalyst found that some of its strategies were effective, and others were not. For example, working with the BMF has enabled Katalyst to efficiently reach out to advertising providers. Introducing new skills, ideas, and ways of doing things has had a significant impact on the Bogra advertising sector. However, Katalyst's primary focus on the BMF has been risky. Katalyst's aim of developing a commercial training market for advertising providers was premature and too narrow to address the market problem. As a result of this learning, Katalyst's approach has evolved. Katalyst had broadened its strategies and is strengthening the flow of information, skills and ideas in multiple ways. Katalyst has also developed ways to adjust interventions more quickly. Lastly, Katalyst is focusing on understanding how interventions reduce poverty, and using that knowledge to maximize poverty reduction.

Katalyst's interventions have improved the quality of advertising services in Bogra and benefited approximately 6,800 SMEs in northern Bangladesh. Katalyst estimates that, as of December 2006, changes have resulted in 735 new jobs and US\$680,000 in additional income for SME owners and new workers. For every US\$1 that Katalyst has invested, SME owners and workers have received approximately US\$4.43 in additional income. It is expected that this impact will increase substantially as the advertising market changes more broadly over the next few years. Katalyst found that interventions have reduced poverty not only in SMEs benefiting directly, but also in the advertising sector itself and in the supply chains of SMEs using improved advertising.

The case highlights key lessons learned and challenges for donors and practitioners involved in pro-poor market development. For example, working in foundation markets, which underpin growth in many sectors, can improve SME competitiveness. Developing sustainable learning mechanisms in markets is essential if enterprises are to adapt to changing conditions and improve skills and quality. To maximize poverty reduction from market development, agencies must plan and regularly examine how interventions lead, through a series of changes in markets, to concrete benefits for poor people.

## 1. Introduction

Katalyst is strengthening a number of foundation markets for services that boost the competitiveness of a wide variety of SMEs. These are services which many SMEs need to survive and grow. Marketing is one such service. The National Private Sector Survey of 2003 showed that one of the major reasons businesses fail in Bangladesh is a lack of marketing.<sup>1</sup> Katalyst is addressing the problem of poor marketing among SMEs in Bangladesh by promoting various types of marketing services. As a starting point, Katalyst is focusing on the advertising and design services market<sup>2</sup> in Bogra, which serves SMEs not only in Bogra but in all 16 districts of northern Bangladesh.

*Foundation markets* deliver products and services that increase competitiveness in a range of sectors, and/or support growth and development in the economy as a whole.

Bogra is an economic hub for northern Bangladesh, as well as a traditional center for printing services. It provides a useful base for reaching out to both urban and rural SMEs. Over the last five years, more and more products from Dhaka and other countries have been flooding into Bogra and northern Bangladesh because of improved infrastructure and economic growth. This trend is increasing competition among products and services. More competition is benefiting consumers, but forcing local businesses to improve their capacity to compete. The demand for advertising is increasing in Bogra and throughout northern Bangladesh, and the advertising market is growing at approximately 10-15% per year.<sup>3</sup> More and better advertising services are helping local businesses compete with products and services from Dhaka and abroad.

Katalyst is helping the advertising sector in Bogra to improve skills, gain access to new knowledge and ideas, and increase communication with its SME customers. However, in the rapidly changing business environment of northern Bangladesh, it is not enough for these changes to only happen during Katalyst's intervention. Learning and upgrading must be a permanent part of the advertising sector, so that advertising providers can help SMEs regularly adjust to changing markets and competition. Therefore, Katalyst's strategy has also focused on developing effective learning mechanisms that will sustainably drive change in the advertising sector. Regularly updating their skills and knowledge will help advertising providers to respond to changing SME demand with innovative services over time.

This paper describes Katalyst's experience in developing the advertising market in Bogra over a 2-year period, 2005-2006. It not only explains Katalyst's interventions and the market's response but also pinpoints successes, mistakes and lessons learned. Section 2 explains why Katalyst chose to promote advertising services, describes the advertising market in Bogra, and outlines problems in the advertising sector that were limiting benefits to SMEs. Section 3 analyzes the problems in the advertising market and identifies the underlying causes that were preventing advertising providers from effectively helping SMEs compete. Section 4 describes Katalyst's intervention design and implementation. It then analyzes what has worked, what has not, and how

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<sup>1</sup> ICS, 2003

<sup>2</sup> Called the "advertising market" or "advertising sector" in this paper, it encompasses services in advertising, design, printing and packaging.

<sup>3</sup> ChangeMaker, 2004

Katalyst's approach has evolved. Section 5 explores Katalyst's impact: the changes in the advertising market and the impact on SMEs. Section 6 highlights key lessons for donors and practitioners involved in pro-poor market development based on Katalyst's experiences.

## 2. The Advertising Market in Bogra

### 2.1 Why focus on the advertising market?

Katalyst chose to focus on the advertising market in Bogra for three key reasons, centering on the importance of advertising in strengthening SME competitiveness in northern Bangladesh:

- **Increasing competition for SMEs:** Better roads and communication meant that consumers from northern Bangladesh could get products from Dhaka and abroad, and could go to Dhaka to buy services rather than get them locally. Many products and services from Dhaka and abroad came with sophisticated advertising and packaging. In this environment, consumers were increasingly overlooking products and services with no or poor-quality advertising and packaging. SMEs in northern Bangladesh needed to improve their advertising and packaging in order to compete.
- **New opportunities for SMEs:** Better infrastructure also offered new opportunities for SMEs to reach wider markets. These markets responded strongly to products with quality advertising and packaging.
- **Lack of affordable quality advertising:** Katalyst's early research on the advertising market in Bogra indicated that SMEs in the area generally had two options: relatively low-quality, inexpensive services available in Bogra or better-quality but high-cost services from Dhaka.<sup>4</sup> Neither of these options would enable SMEs in northern Bangladesh to compete effectively with Dhaka and foreign companies.

#### Box 1: Advertising Helps a Local Producer Compete

Mr. Tafizer Rahaman, a school teacher and farmer, started Master Seed company, initially to sell his own seeds to neighbors. Later he became a distributor for several national seed companies but continued to sell his own seeds as well. Mr. Rahaman initially sold his seeds without packaging. Later he put the seeds in simple polythene bags. But he found that, although the bags preserved the seeds, they did not stand up to the challenge of the large seed companies' colorful packaging.

Mr. Rahaman wanted a cost-effective solution that would help his seeds to compete. He found it from Moon Printing, a Bogra advertising provider, who created a label to insert in the polythene bags. This helped but it was not enough. Realizing the intensity of the competition, Mr. Rahaman started promoting his brand, Master Seed, through posters, leaflets and crop calendars, which included information for farmers along with the advertisements.

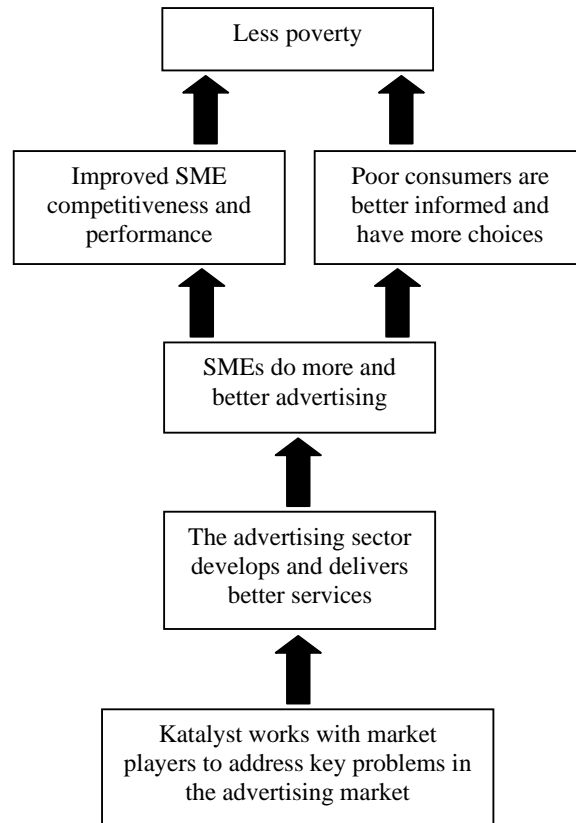
More and better advertising has helped Mr. Rahaman to compete. Master Seed now has ten contract farmers for seed production.

Distribution has expanded from Bogra into six neighboring districts. His sales have increased, and the Master Seed brand now brings in about 40% of his revenues.

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<sup>4</sup> Bogra advertising services are generally about half the cost of similar Dhaka services, when the costs to the entrepreneur of transportation and lodging, and the difference in procurement time, are taken into account. AC Nielsen, 2004; ChangeMaker 2004

**Figure 1: Initial Causal Chain for Interventions in the Advertising Sector**



*What about poverty?* Katalyst's early rationale for focusing on the advertising sector assumed that better SME performance would result in:

- more profits for SME owners, a few of whom are poor,
- more wages for SME employees, many of whom are poor, and
- increased employment, often for poor people.

As an added benefit, Katalyst reasoned that advertising informs poor consumers about local products so they can make better decisions on what to buy. Figure 1 outlines a simplified initial causal chain, which linked Katalyst's interventions to SME benefits and poverty reduction. Later, Katalyst staff found that interventions also reduced poverty in ways they did not expect.

## **2.2 What did the advertising market look like?**

When Katalyst started work in 2005, the size of the advertising market in Bogra was approximately BDT 160 million (US\$ 2.2 million) and growing at 10-15% per year.<sup>5</sup> However, based on the rapidly changing environment, Katalyst estimated that there was both the room and the need for faster growth.

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<sup>5</sup> Excluding TV ads, which were a small part of the market and confined to large enterprises. AC Nielsen, 2004; ChangeMaker 2004

The main advertising products in Bogra are outdoor advertisements such as sign boards and banners, printed materials such as business cards, leaflets and calendars, print ads in newspapers and magazines and packaging. The most significant product is packaging, which accounts for approximately a third of the market.<sup>6</sup>

Although advertising is a service sector, it resembles a value chain. Ad or packaging production involves a series of steps, often performed by different providers. These providers depend on each other, and must work together to satisfy demand from businesses—their consumers. The first step in production is the design of the advertisement, which is usually conducted by artists, ad agencies and desktop publishers (DTPs). At this stage, some providers offer advice to their clients, such as suggestions on advertising products and themes. Others just design the ad according to the customer's instructions. Next is the pre-press phase, during which a “positive” is made of the design for printing, usually by ad agencies, integrated providers or specialized service providers. Finally, the advertisement is printed by a printing press or integrated provider. Packaging requires a further step: assembling printed material into a bag or box. However, this relatively simple process masks a complex sector with a wide variety of relationships among the providers. Figure 2 shows details of the advertising sector structure for printed and outdoor ads, a subset of the overall advertising sector.<sup>7</sup>

In 2005, there were approximately 133 design service providers and 247 printing presses in Bogra. The advertising market was dominated by a few medium-sized providers, while most providers were quite small with just a few workers.<sup>8</sup>

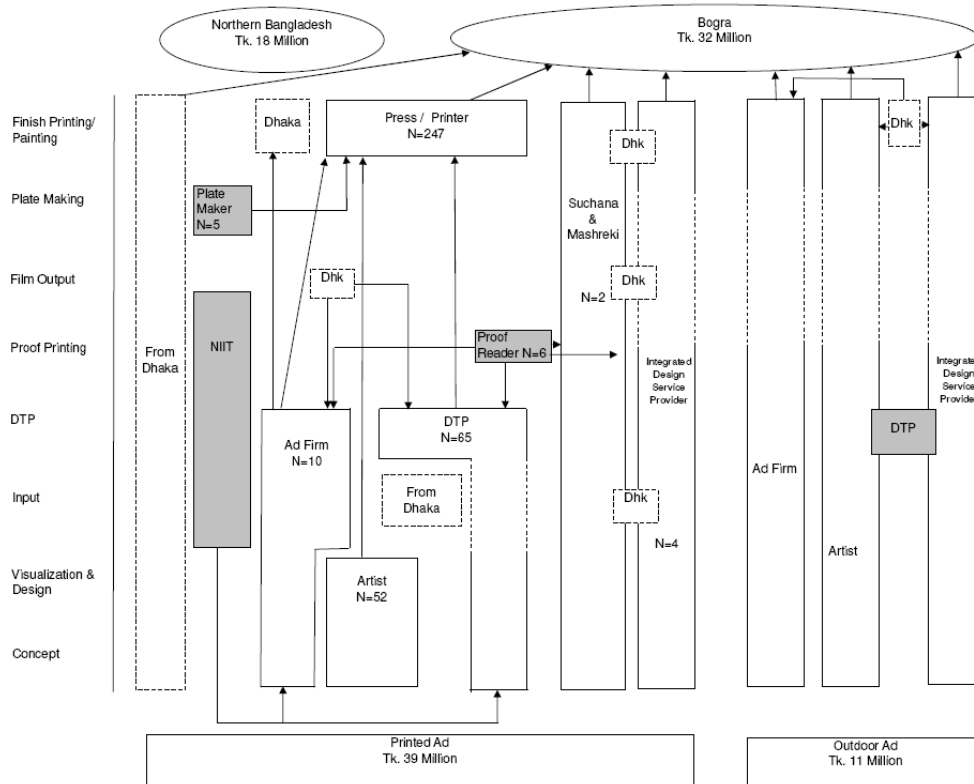
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<sup>6</sup> AC Nielsen, 2004; ChangeMaker, 2004

<sup>7</sup> ChangeMaker, 2004.

<sup>8</sup> ChangeMaker, 2005a

**Figure 2: Structure of the Bogra Advertising Sector**



### 2.3 The Overall Market Problem: Low-Quality Ad Services

When Katalyst first started looking at the advertising market, staff suspected that SMEs were not getting the advertising services they needed to compete. Early research confirmed this suspicion, and indicated that poor-quality advertising was a key problem.

Katalyst found that market growth was being generated mostly by relatively large enterprises purchasing more advertising services from a few market leaders in Bogra. The five advertising market leaders in Bogra represented 59% of the advertising market.<sup>9</sup> These medium-sized providers generally served large and medium enterprises. The majority of SMEs, however, were purchasing advertising services from smaller providers. Advertisements made by these smaller providers often looked sloppy, and the designs did not attract consumers' attention. These ads were not really helping SMEs get customers, increase sales and compete with products and services from Dhaka and abroad.

## 3. Market Performance: The Underlying Causes

Given the increasingly competitive environment in northern Bangladesh, why weren't most Bogra advertising providers delivering better quality? To explore this problem and its underlying causes, Katalyst commissioned an in-depth investigation of the Bogra advertising market. ChangeMaker, a Bangladeshi NGO, conducted the study

<sup>9</sup> ChangeMaker, 2005a

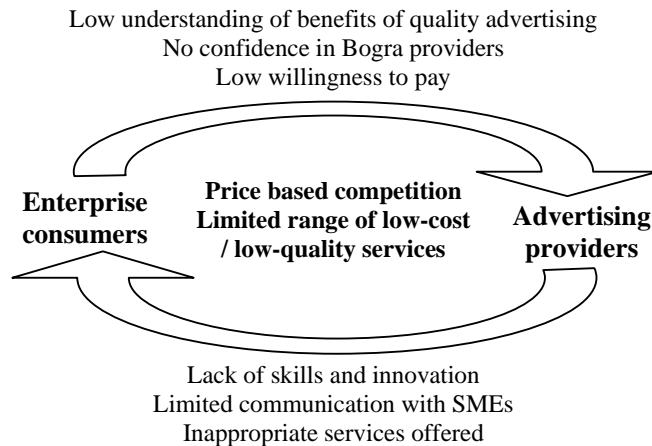
and later became Katalyst’s key partner in implementing interventions to improve the advertising market in Bogra.

### 3.1 Immediate Causes of Poor Service Quality

The low quality in Bogra’s advertising sector was caused by four interlocking problems:

- **Providers lacked skills and knowledge.** For example, DTPs did not know how to develop themes and designs that catch consumers’ attention and quickly explain a product’s best features.<sup>10</sup>
- **Providers did not offer appropriate services.** Providers tended to copy each other. The results lacked originality, were not tailored to customers’ needs, and did not stand out next to sophisticated advertising from imported products.<sup>11</sup>
- **Providers lacked new technologies and high-quality inputs.** The lack of updated equipment and inputs made it difficult to produce quality advertisements. Some advertising products, such as printed foil bags, could not be purchased in Bogra at all.<sup>12</sup>
- **SMEs were not demanding appropriate advertising.** Several factors limited SME demand for quality advertising. First, many SMEs were slightly increasing their spending on advertising. However, they were purchasing *more* advertising, but not necessarily *better* advertising. Their sales did not improve much as a

**Figure 3: A Cycle of Low Quality Advertising**



result and they were reluctant to invest more heavily in advertising. Secondly, many SMEs did not see how more expensive, good-quality advertising would give them the benefits they wanted – more customers and more sales. So, they purchased the lowest priced advertising they could find. SMEs’ most common reason

for switching advertising providers was that a different provider offered cheaper services.<sup>13</sup> Third, SMEs in northern Bangladesh generally believed that Bogra advertising providers were not as innovative and creative as Dhaka providers. Customers tended to go to Dhaka providers for more creative and technical products and services, while purchasing printing and less important advertising

<sup>10</sup> ChangeMaker 2005a

<sup>11</sup> ChangeMaker 2004, 2005a

<sup>12</sup> ChangeMaker 2004, 2005a.

<sup>13</sup> ACNielsen, 2004

products from Bogra.<sup>14</sup> Most SMEs saw little point in paying a premium for advertising services from Bogra, but most lacked sufficient funds to go to Dhaka. Finally, SMEs tended to dictate wording, design, and content to the providers, rather than listening to providers' advice.<sup>15</sup> This limited the value added that providers could offer to SMEs.

As a result of these problems, the smaller advertising providers in Bogra were engaged in a fierce price war that kept their profits low, limiting their capacity to upgrade their skills, equipment and inputs.<sup>16</sup> (See Figure 3.)

Katalyst saw that enabling SMEs to get the advertising they needed to compete meant addressing the range of factors keeping quality low in the advertising sector.

### 3.2 Underlying constraints to market development

Katalyst found that advertising providers understood the problems above very well. So why weren't they addressing them? Table 1 below shows why they could not.

**Table 1: Underlying Constraints to Advertising Market Development**

Market Problem	Underlying Constraint
Providers lack skills	<ul style="list-style-type: none"> <li>▪ No appropriate training courses</li> <li>▪ Providers mainly learn from other Bogra providers; few ways to learn skills from outside Bogra</li> </ul>
Providers do not offer appropriate services	<ul style="list-style-type: none"> <li>▪ Ineffective communication between providers and SMEs</li> <li>▪ Few links to Dhaka and other sources of ideas and innovation</li> </ul>
Providers lack new technologies and high-quality inputs	<ul style="list-style-type: none"> <li>▪ Providers too small to invest individually</li> <li>▪ Frequent power cuts make investment in new machines potentially unprofitable</li> <li>▪ Providers lack information about quality inputs and new technologies</li> </ul>
SMEs do not demand appropriate advertising	<ul style="list-style-type: none"> <li>▪ Ineffective communication between the advertising sector and SMEs</li> </ul>

Katalyst identified two common themes in the above constraints that it could address:

**Lack of group action:** No one provider could, alone, profitably develop ways to upgrade their skills regularly, or improve the reputation of the whole Bogra advertising sector. Addressing these constraints required the advertising sector to work together. Yet, there was no active organization to bring providers together to address common problems.

**Poor flow of information, skills and ideas:** The Bogra advertising providers were not able to meet changing conditions, because they had little or no access to sources of new information, updated skills, and innovative ideas. There were few links to the

<sup>14</sup> ChangeMaker 2004

<sup>15</sup> ChangeMaker 2004, 2005a

<sup>16</sup> ACNielsen, 2004; ChangeMaker 2004, 2005a

advertising sector in Dhaka, and no links to universities or business organizations. Even within Bogra, interaction among advertising providers was confined to daily business issues. New skills, information and ideas flowed slowly if at all.

## **4. Acting to Build the Market: Intervention Design and Implementation**

Katalyst and its partner, ChangeMaker, have implemented interventions to improve the advertising market in Bogra in two phases, with each phase lasting a little less than a year. Phase 2 is still in progress. This section examines the interventions in two ways. First, the interventions are described, noting Katalyst and ChangeMaker's key decisions throughout implementation. Next, the interventions are analyzed, looking at what worked, what did not, and how Katalyst's approach evolved. A time line of interventions is included in Annex A.

### **4.1. Interventions Implemented**

Katalyst and ChangeMaker considered a number of interventions to address the market problems described above. First, they noted the priorities of advertising providers; then they matched those priorities with interventions that clearly addressed the underlying market constraints. Advertising providers, almost unanimously, said they wanted more organization in their sector. They were also keen to promote themselves through a trade fair.<sup>17</sup> Katalyst and ChangeMaker thought it was critical to build the capacity of providers to better serve SMEs. Katalyst and ChangeMaker decided to help the advertising providers form a business membership organization (BMO) as one way to improve providers' capacities and promote the Bogra advertising sector. The BMO could group providers together, making it financially viable to train providers and promote the advertising sector as a whole. The BMO could also promote the transfer of skills, information, and ideas among providers. Lastly, a BMO could, potentially, be a long-term driver of change in the advertising sector.<sup>18</sup>

Katalyst and ChangeMaker agreed that work with the BMO would initially focus on three areas:

- Overall capacity building, to enable the BMO to govern and manage itself effectively and to expand;
- Organizing training for advertising providers;
- Promoting the Bogra advertising sector to SMEs, primarily through trade fairs.

In Phase 2, Katalyst and ChangeMaker continued these three areas and added in one more: assisting advertising providers to tailor their services to SMEs in specific sectors.<sup>19</sup> While technology has remained a constraint, it is not a focus of activities because frequent power cuts in northern Bangladesh have made investment in new machines too risky.

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<sup>17</sup> ChangeMaker 2004, 2005a

<sup>18</sup> Katalyst 2006b

<sup>19</sup> Katalyst 2006a

#### 4.1.1. The Bogra Media Forum

To help providers form a BMO, ChangeMaker conducted a series of meetings with interested providers in March and April of 2005. ChangeMaker shared the results of the market research with them, showing the market growth and potential for benefits from cooperation. The providers agreed that they wanted an organization that brought together the various different types of market players in the advertising sector and helped them promote the reputation of the sector as a whole. With this idea in mind, they chose the name the “Bogra Media Forum” (BMF) for their organization. With ChangeMaker’s guidance, a core group of providers quickly developed a constitution and registered the organization with the government. In the end of May, the BMF conducted a formal launching ceremony, attended by more than 300 people from the advertising sector, SMEs, large companies, and the media. The BMF covered 40% of the launching event costs, and Katalyst covered 60%.

Since then, ChangeMaker has worked with BMF leaders and members to develop the organization in the following areas:

- Governance structure and roles and responsibilities of BMF leaders
- Planning activities which will be beneficial to members and help the advertising sector as a whole
- Increasing membership.

#### **Box 2: The Up and Down Development of the BMF**

In its first two years, the BMF has been through highs and lows. For example, in early 2006 ChangeMaker and Katalyst had relatively little contact with the BMF for several months. This was a low point for the organization, when membership and confidence declined. The trade fairs have been high points, as leaders and members came together to showcase their products to SMEs and the wider community in Bogra and beyond.

Katalyst believes that a strong BMO is essential for driving change in the advertising sector over the long term. Katalyst realized that the BMF could only evolve into a strong BMO if it was truly owned and run by the Bogra advertising providers. ChangeMaker has been careful to encourage and assist the organization, without stepping in and assuming it has all the answers. Katalyst has pushed the BMF to lead the way in planning and financing its activities. With assistance from ChangeMaker, the BMF leadership has evolved, with more committed members taking on more management positions and roles over time. BMF leaders have gained experience in mobilizing resources and getting local sponsors for activities. While progress has been uneven and problems in the organization remain, the BMF has become an important support to the Bogra advertising sector.

Currently, the BMF has 104 members signed up, representing all the different kinds of advertising providers in Bogra. The organization is voluntary, relying on leaders and members donating their time towards activities. The leadership and some members recognize the potential benefits of cooperation. New members’ perceptions of the organization are largely optimistic. As the BMF president said, “In the cluster (before the program), we were only interacting for daily business. Now we are working together to bring up the whole sector.”

However, some problems persist in the BMF. ChangeMaker is still providing managerial and administrative assistance to the organization, tasks which the leadership has been reluctant or unable to take over. Beyond the core leadership, many members do not sufficiently understand the BMF’s mission and are not actively involved in BMF activities. Significant benefits from BMF activities are still focused

on relatively few providers, with others gaining only a little through subcontracting relationships. The BMF is not yet financially sustainable. The leadership decided to waive membership fees (and refund membership fees paid to date) through December 2006, to encourage more providers to join.

To address some of these problems and move forward effectively, the BMF leadership wants a permanent office and has developed various plans for generating income to fund an office and other expenses. Katalyst is currently negotiating with the BMF for limited support to help them open and pay for an office. This support would be dependent on the BMF meeting specific goals, including collecting membership dues, being more inclusive, having a longer term view of the future and organizing and governing it to that effect.

### Training for Advertising Providers

Katalyst and ChangeMaker have conducted two studies (one in each phase) to identify advertising providers' training needs and wants.<sup>20</sup> During 2005-2006, the BMF organized five training courses in die cutting (a technical part of the printing process), advertising theme development, office management, and commercial artistry. Table 2 outlines the courses, dates and number of participants.

**Table 2: BMF Training Courses**

Course	Month	No. of Participants	No of Providers
Die Cutting	July 05	30	25
Theme Development	Aug. 05	25	15
Office Management	Sept. 05	15	9
Commercial Artistry	Oct. 06	9	3
Die Cutting	Dec. 06	13	6
<b>Total*</b>		<b>83</b>	<b>42</b>

\* The total is less than the sum from each course as it has been adjusted for providers who attended more than one training course.

In Phase 1, ChangeMaker identified trainers among advertisers and academics in Dhaka. ChangeMaker staffs worked with the selected trainers to develop training courses that were practical and used adult learning techniques. ChangeMaker also produced a training booklet

of information and practical tips for each course. In Phase 2, ChangeMaker and the BMF identified trainers from Bogra. The aim was to develop local trainers as well as bring down the costs of the training courses. Less was spent for promotion of Phase 2 courses and no booklets were produced.

In Phase 1, Katalyst paid all costs for the course development, promotion and production of the training booklets. The BMF leaders helped place promotional materials, identified venues, handled enrollment and managed the courses. Course fees and donations from BMF members for the venues and materials covered most of the direct costs of the courses. In Phase 2, the BMF organized and funded the courses with only advisory support from ChangeMaker and Katalyst.

#### 4.1.2. Promoting the Bogra Advertising Sector

One of the BMF's first activities was to develop and publish a directory of advertising providers in Bogra. ChangeMaker provided their initial research as a starting point, and a core group of providers volunteered their time to check and correct this

<sup>20</sup> ChangeMaker 2005a, 2005d, CDCS 2006a

information and gather additional listings. The providers also sold advertising spots in the directory; the revenue helped pay for BMF meetings and some of the costs of compiling and printing the directory. Katalyst paid for the majority of printing costs for 1,000 copies of the directory. Within six months, the BMF had given away 200 copies of the directory and sold 400 more.

The BMF has conducted two trade fairs: in September 2005 and September 2006. (See Table 3.) For the first fair, Katalyst brought in a professional trade fair management company from Dhaka, InterSpeed, to manage a “model” trade fair and to teach the BMF how to conduct a successful fair. The two-day fair was the first advertising sector fair ever held in Bangladesh. Exhibitors included

**Table 3: The BMF Trade Fairs**

	<b>2005 Fair</b>	<b>2006 Fair</b>
People attended	16,000	870*
Businesses attended (at least)	3,200	75-100*
Total No. of stalls	23	40
No. of providers exhibiting	7	24
Costs covered by BMF	15%	47%
BMF time investment	41 days	97 days

\* In the first four hours of the fair, after which it rained continuously for the remaining 2½ days of the fair.

both advertising providers and consumer goods retailers. Most providers were very happy with the fair. The turnout exceeded their expectations, and they were thrilled to have organized the first advertising trade fair in Bangladesh. The participating providers all said the trade fair was very successful in promoting their services, and in helping them gain new ideas and information.<sup>21</sup> However, the BMF leaders felt that they were not sufficiently involved in the organization of the fair and emphasized that they wanted more control next time. The fair appears to have opened the eyes of BMF members to the possibilities for promoting their sector.

In Phase 2, the BMF leaders wanted to organize a bigger and better fair on their own than the one organized by InterSpeed the previous year. By all accounts, the organization of the second trade fair was a tremendous success, with the BMF taking on full responsibility and mobilizing a broad group of members to assist in the planning and management. The BMF leaders and members volunteered many hours and effectively shared responsibilities for organizing various aspects of the fair, such as stall rentals, promotion, security, venue design and set up, opening ceremonies and fair activities. Katalyst encouraged the BMF to finance as much of the fair as possible. The BMF secured sponsorship from a number of companies including BanglaLink, a national telecommunications company, and Korotoa, a large media firm in Bogra. A number of advertising providers also donated products and services for the fair.<sup>22</sup>

The opening of the fair was covered by seven local daily newspapers and two national TV channels. The number of visitors on the first day was encouraging and everyone had high hopes for the fair. Unfortunately, a major storm struck and the next two days of the fair were effectively rained out. Despite the disappointment of the rain, the exhibitors and BMF members were encouraged by the fair. They were pleased with the organization and management of the fair, and could see the benefit of future fairs.

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<sup>21</sup> ChangeMaker 2005e

<sup>22</sup> ChangeMaker 2006a

### 4.1.3. Customizing Services for SME Sectors

After assessing Phase 1, Katalyst decided to focus more on tailoring advertising services to SMEs to help them compete. Katalyst contracted a consulting firm to survey SMEs in Bogra on their advertising usage and demands.<sup>23</sup> The study identified sectors where there was considerable demand for advertising services, and in which advertising could have the most impact on SME competitiveness. These sectors included apparel, agro-tools, hotels and restaurants, and bakeries. The study also pinpointed what SMEs did not like about current advertising services in Bogra.

ChangeMaker shared the findings of the study with the BMF, and helped the BMF to contact sector-based BMOs in Bogra. By the end of 2006, the BMF had met with two BMOs representing the agro-machineries sector and the hotel and restaurant sector. These meetings had two objectives: to promote advertising services to associations' members, and to get information from the associations on the types of advertising services their members needed. The agro-machineries association, representing 392 enterprises in Bogra district, has invited the BMF to present at a general membership meeting. The BMF expects to organize more such meetings in 2007. The BMF will use the information from the meetings to help advertising providers customize their service offers for SMEs in specific sectors.

## 4.2. *An analytical look at the interventions*

### 4.2.1. What Worked

The following strategies have been particularly effective in developing the advertising sector for SMEs:

- **Katalyst has been guided by a vision of an advertising market that helps SMEs compete over time.** Based on market research, Katalyst developed this vision early, and pinpointed key changes in the advertising market that would help achieve this vision. As Katalyst has learned more about the advertising market, it has refined the vision. Its vision has helped guide Katalyst as it assessed, and adjusted, its interventions.
- **Sharing market research** with advertising providers has helped Katalyst initiate change throughout interventions. Katalyst conducted a variety of studies on advertising in Bogra and northern Bangladesh, not only before interventions started but also during implementation. Sharing the findings of these studies with advertising providers helped Katalyst and ChangeMaker launch the BMF, help the BMF decide on training courses, and encourage the BMF to establish links with other associations.
- **Working with the BMF** has enabled Katalyst to efficiently reach out to advertising providers in Bogra. BMF leaders are well connected within the advertising sector and have been able to give time and mobilize resources in support of BMF activities. Organizing and working with a BMO has enabled Katalyst to address the two key underlying constraints in the advertising market: lack of group action, and poor flow of information, skills, and ideas.
- **Building ownership and sharing costs** has been a core theme of Katalyst's interaction with the BMF. Katalyst has been careful to provide assistance

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<sup>23</sup> CDCS 2006e

appropriate to the BMF's capacity. Both ChangeMaker and Katalyst have encouraged the BMF to take initiative, address its own problems, and finance significant portions of all activities. Although progress has been uneven and the pace has been slow at times, this approach has resulted in an independent organization that advertising providers in Bogra are proud of.

- **Introducing new skills, ideas and ways of doing things** has had a significant impact on the Bogra advertising sector. For example, training evaluations show that the die cutting course was extremely helpful. It introduced new techniques, many previously unknown in Bogra, that were immediately usable and clearly improved quality. The trade fairs, a new way of promoting the advertising sector, did much to encourage cooperation among advertising providers and improve communication between advertising providers and SMEs.
- **Synergy between interventions** has helped Katalyst address related constraints in the advertising market. Research showed that the constraints in the advertising market were reinforcing each other. Katalyst's interventions addressed several problems simultaneously in a mutually reinforcing way. For example, developing a directory achieved three goals. It helped a new BMF begin working together, improved the reputation of the Bogra advertising sector, and helped advertising providers get more business. Training built the capacity of providers in key areas, and also helped the BMF demonstrate its worth to members. Links between the BMF and other trade associations improve communication between advertising providers and SME customers, and also give the BMF another benefit to offer its members.
- **Finding leverage points** has enabled Katalyst to efficiently impact the advertising sector. The die cutting training affected the whole advertising sector in Bogra, because it targeted a service that a few businesses provide to many others. Approximately 20 enterprises cut dies for all the printing presses in Bogra, and employees from most of them have now been trained. So, the training courses improved the quality of packaging throughout Bogra and beyond.
- **Building learning mechanisms into the advertising sector** is helping extend benefits to more advertising providers and their SME customers. The BMF is a resource for advertisers to gain access to new ideas and information regularly, so that they can adapt to changing market conditions. The die cutting course not only improved trainees' skills but also resulted in sustainable, on-going capacity building for Bogra's die cutters. (See Box 4.)

**Box 3: Bogra Advertising Firsts**

Katalyst introduced a number of "firsts" to the Bogra advertising sector:

- √ The first BMO in Bogra to represent the whole advertising sector
- √ The first directory of advertising providers in Bogra
- √ The first training courses in Bogra to target advertising providers
- √ The first advertising trade fairs held in Bangladesh



#### Box 4: Mr. Manan: A Master Die Cutter

Mr. Manan runs a specialized enterprise that makes “dies” that cut printed boxes, cartons and bags for printing presses. Mr. Manan says that before the die cutting training offered by BMF, “I was not happy with my performance; I was not getting the precision that I was looking for. I could feel that some critical adjustment was necessary but couldn’t exactly locate it.” Mr. Manan tried various ways to improve his skills, even going to Dhaka to try to get training, but did not succeed. He says, “I was willing to learn, but there are not institutes that can teach about die-cutting. I couldn’t believe my luck when I heard about die cutting training in Bogra.”

Mr. Manan took the die cutting training offered through the BMF and says, “Although it was a one-day training, it taught exactly the things that practitioners like us were looking for.” Soon after the course, Mr. Manan started to attract more business. He purchased another machine and hired a second helper. Since then, his business has continued to expand.

When the BMF was looking for local trainers for the second die cutting course, Mr. Manan was glad to help. He had already begun offering informal advice to a few other die cutters and felt he could share his new skills. Since the training, Mr. Manan has started a side business, offering other die cutters informal training, advice, and troubleshooting for a fee. He enjoys his position as a master die cutter, and he looks forward to learning more new skills and continuing to help the Bogra advertising industry grow.

#### 4.2.2. What Didn’t Work

Katalyst also recognized several missteps it has made:

- **Katalyst’s focus on the BMF**, while efficient and effective, is also risky and somewhat narrow. A strong BMO that continuously promotes learning and progress is important if the sector is going to develop sustainably. However, BMOs frequently fail, narrow their focus to the interests of a few, or become political tools. While much has gone right in the BMF, its organizational and financial sustainability is not yet assured. Focusing almost exclusively on the BMF puts the sustainability of Katalyst-assisted activities at risk. BMOs also take time to develop and mature. At times, the BMF’s gradual development has frustrated members and created misunderstanding among non-members.
- **Katalyst and ChangeMaker’s “offer” to the BMF** has not always been clear to the BMF. A BMF leader stated that Katalyst and ChangeMaker have been the “parents” of the BMF, nursing the organization through childhood until it is ready to stand on its own. Because they saw some other donors’ approaches to working with associations, BMF leaders have not always understood the limits of Katalyst’s assistance. Katalyst’s ultimate goal is improving the competitiveness of SMEs in northern Bangladesh. So, Katalyst’s support to the BMF has focused primarily on this goal, rather than on developing the BMF as an end in itself. This confusion over Katalyst’s “offer” to the BMF has, at times, resulted in tension between Katalyst, ChangeMaker, and the BMF.

- **The aim of developing a commercial training market for advertising providers** in Bogra is premature and too narrow to address the market problem. Katalyst originally envisioned that, with the help of the BMF, they would develop a vibrant, commercial training market for the advertising sector. However, none of the training courses to date have covered direct costs. In Phase 1, the development and promotional costs were also high, compared to the direct costs. In Phase 2, costs were significantly less, but enrollment was also lower. This was partly due to less promotion, and partly because many advertising providers were reluctant to take a course from a local trainer. The BMF leaders say that, once providers get used to paying for training, course fees can be increased to cover costs. Katalyst has found, however, that the number of advertising providers in Bogra who would want to take any particular training course is relatively small—meaning low demand. Therefore, course fees may not be able to cover the cost of new course development. In addition, Katalyst has found that training alone will not sufficiently address advertising providers’ need to regularly upgrade their skills and access new information and ideas. Other mechanisms for learning in the sector are needed.
- **Katalyst’s feedback loop**, in which information from implementation was used to change or fine-tune interventions, was sometimes too slow. In particular, Katalyst subcontracted initial interventions to ChangeMaker. This decision eased the burden on Katalyst’s staff time, gave Katalyst a neutral face to the market, and utilized and built local skills, knowledge and ideas. However, subcontracting the pilot interventions put an additional layer between Katalyst and market players at a time when rapidly refining interventions is important. Additionally, ChangeMaker’s initial rapid implementation generated enthusiasm from market players, but did not include enough tracking and analysis of the interventions and feedback. For example, neither ChangeMaker nor the BMF tracked the recipients of directories. Therefore, there is no way to know how much the directory has helped generate business for members. These factors made it difficult for Katalyst to quickly and regularly adjust its interventions to the responses of market players.

#### 4.2.3. The Evolution of Katalyst’s Approach

Katalyst’s approach to developing the advertising market is evolving, taking into account the learning above. Key changes include:

- **Broadening strategies for sustainability.** Katalyst’s original vision of a better-functioning advertising sector included a variety of ways for providers to cooperate, learn, and improve. However, early implementation focused primarily on the BMF. Now, Katalyst is looking more broadly at ways that activities started through interventions can continue without assistance. Mechanisms will include not only the BMF’s formal activities, but also links and business transactions among a variety of providers in Bogra. Katalyst thinks that additional actions to develop the advertising market will further encourage change among providers, and give the BMF the time it needs to grow sustainably and contribute to long-term sector development.

- **Strengthening the flow of information, skills and ideas in multiple ways.** For the third round of training courses, Katalyst will share costs with the BMF to bring trainers from Dhaka, and will look at ways to promote ongoing links between these trainers and the trainees in Bogra. Katalyst will then encourage trainees to pass on what they learn, becoming informal local advisors. Katalyst will also explore other ways to promote the flow of skills and information in Bogra, such as increasing information passed through subcontracts. Katalyst is also considering other strategies for sustainably linking Bogra advertising providers to sources of new skills, information, and ideas. This might include promoting subcontracting from Dhaka to Bogra, forging ties between providers and national training institutions, or assisting providers to use the internet for gaining new information. Katalyst has realized that promoting a range of learning mechanisms is likely to be more effective and sustainable than focusing only on one.
- **Using leverage points.** Building on the success of the die cutting training, Katalyst plans to look for more points in the advertising sector where many providers depend on a few suppliers, such as input and technology suppliers or specialized services such as plate making. These might offer other efficient ways to improve the quality of advertising services and promote the flow of skills and information. Katalyst might also consider other ways to leverage improvements in technology, such as a common service facility or promoting equipment rentals.
- **Making the relationship with the BMF more transactional.** In Phase 2, Katalyst has focused on clarifying its support to the BMF and making its goals more transparent. Recently, Katalyst has also linked support to the achievement of specific milestones, such as collecting membership fees.
- **A quicker feedback loop.** Katalyst's contract with ChangeMaker for Phase 2 emphasizes regular, formal and informal consultations between the two institutions. Katalyst staff have increased their visits to Bogra, and Katalyst is also strengthening its monitoring and evaluation system. Katalyst aims to use this more frequent feedback to quickly assess progress and revise plans as needed. Katalyst has also decided that, in the future, it will generally implement the pilot phase itself or in partnership, and subcontract interventions only after the pilot phase.
- **More emphasis on understanding and increasing impacts on poverty.** Katalyst found that their initial idea of the relationship between better advertising and poverty reduction was simplistic. Through implementation and impact assessment, staff have gained a greater understanding of this relationship. The next step is to fine-tune interventions to maximize the impact on poverty.

#### 4.2.4. Outputs and Costs<sup>24</sup>

The investments made by Katalyst, ChangeMaker and the BMF and the outputs achieved are shown in Table 4. The costs include market research and impact assessment studies conducted or paid for by Katalyst.

**Table 4: Costs\* and Outputs per Intervention**

Intervention	Activities	Development agency costs		Market player costs	Direct outputs
		Katalyst	Change Maker	BMF	
Market Research in Bogra	Surveys, FGDs, in-depth interviews with SPs and SMEs; CDCS studies	35 days \$14,038	27 days \$1,246	-	Reports on: <ul style="list-style-type: none"> <li>▪ Bogra ad market</li> <li>▪ SP training and tech needs</li> <li>▪ SME ad needs</li> </ul>
Organizing and Strengthening the BMF	Meetings, technical assistance	62 days \$1,679	287 days \$16,382	97 days \$315	BMF is organized and registered with 104 members
Training Providers	Identifying trainers, course development, conducting courses	49 days \$4,280	128 days \$7,264	41 days \$378 Trainers: 20 days	5 courses; 42 providers trained
Promoting the Bogra Ad Sector	Developing directory, organizing trade fairs	53 days \$12,149	72 days \$6,618	138 days \$1,733	1 directory (1000 copies); 2 trade fairs; 28 ad providers exhibited
Tailoring ad services to SME sectors	Organizing meetings with other BMOs	5 days	34 days \$2,601	14 days	Meetings held with 2 BMOs
Phase 1 Assessment	CDCS study	13 days \$2,015			Report on Phase 1 impact
Total		217 days \$34,161	548 days \$34,111	310 days \$2,426	

\* Katalyst costs are estimates to cover programme preparation, design, monitoring, administration and impact assessment. ChangeMaker costs are those defined in their contracts and invoices. BMF days spent are retrospective estimates and costs are from the BMF annual account statements. Advertising providers' investment in trade fair stall rentals and training fees are not included. An exchange rate of 1\$ : 60 Taka has been used for 2005 and \$1 : 68 Taka for 2006.

Over two years, a number of outputs were achieved. The BMF is organized, registered and growing with over 100 members signed up. It is taking increasing financial and managerial responsibility for developing the sector; leaders and members are investing more of their time and resources in the BMF. Staff of 42 service providers were trained through five formal courses. Informal training by a local trainer is on-going. 600 copies of the advertising directory were distributed in Bogra and nearby districts. Two trade fairs were conducted, involving 28 service providers. These fairs attracted approximately 16,000 people and at least 3,200 businesses. The BMF has established links with two other business associations in Bogra, which will help members better respond to SME customers in specific sectors. Katalyst aims for these outputs to result in impact on SMEs' advertising use and competitiveness.

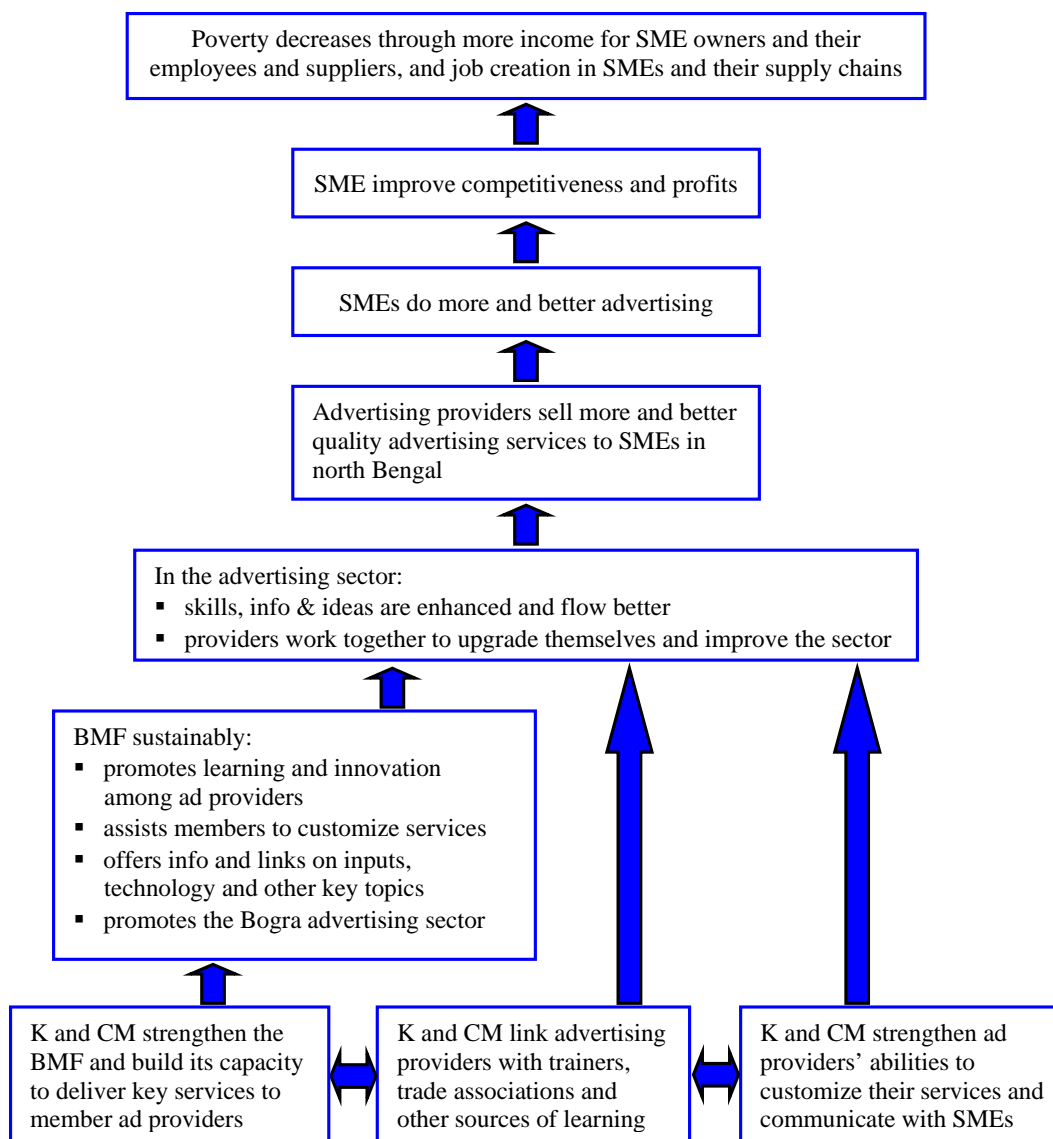
The total "development costs" of Katalyst and ChangeMaker are estimated at \$154,000.<sup>25</sup> Approximately 47% of these costs are for staff time which indicates that developing markets depends as much on people and time as on money.

<sup>24</sup> An exchange rate of BDT60:USD1 has been used for 2005 and BDT68:USD1 for 2006.

## 5. Developing the Market: Changes from Interventions

Katalyst’s current understanding of how interventions are improving SME competitiveness and reducing poverty is considerably more refined than in the planning stage. (See Figure 4). Measuring the various aspects of market development, and Katalyst’s specific impact, is challenging. Katalyst has started using a new impact assessment system, which examines changes at each level of the causal chain and determines how much they were caused by the previous link. The system uses a variety of means to assess changes. These include program and partner records, small surveys with providers and SMEs, focus group discussions, and case studies. This section explores the changes produced by Katalyst’s interventions in the advertising market, using data available to date.

**Figure 4: Current Causal Chain for Interventions in the Advertising Sector**



<sup>25</sup> This includes person days (staff and management, including expatriates), contracts, materials, travel expenses, and a 10% overhead charge.

## 5.1. *The BMF*

The BMF would not have formed without the assistance of Katalyst and ChangeMaker. Despite some difficulties, the BMF is growing and attracting new members. BMF leaders feel that the time they have invested in the BMF has been worthwhile.<sup>26</sup> The existence and activities of the BMF have changed the attitude of many providers, from only focusing on their own work to thinking of themselves as part of a sector. Providers are becoming motivated to cooperate and to share information, which will contribute heavily to the sustainable development of the advertising market.

### **Box 5: X-System Becomes a Part of the BMF**

Fazle Rabbi is the owner of X-System, a computer-aided graphic design firm in Bogra. Like many other providers in Bogra, Rabbi was eager to develop his design skills to keep up with growing competition and changing demand. So, when he learned that the BMF was offering a training course on “Advertising Theme Development,” he was quick to take the opportunity. “What attracted me most was a short duration course, affordable price and, most of all, trainers from Dhaka,” he says, “The training taught us a few good tricks of color application, which gave us a fresh way of thinking and designing.”

Gradually, Rabbi began actively participating in the BMF. Of the first trade fair, Rabbi says, “The More Business Fair was an opportunity where, for the first time, businesses like us could display our work to wider audiences. What amused me is that there are printing presses within the press cluster that never had the opportunity to meet before, but the fair was a reunion and a chance to get to know about various opportunities and business differences.” After the fair, orders began to increase and Rabbi has since hired two new apprentices.

## 5.2. *Advertising Providers*

54 advertising providers have benefited directly from interventions, either by attending a training course or by exhibiting at a trade fair. More have benefited from involvement in the BMF, from learning from those trained, and from the general promotion of the advertising sector. This section examines the changes among advertising providers, with a focus on those that benefited directly through training courses and trade fairs.<sup>27</sup>

Overall, the interventions have positively impacted on involved advertising providers. A survey of 35 providers in May 2006 showed that providers involved in the BMF and/or its activities largely felt that they had improved more than those who were not involved.<sup>28</sup> (See Table 5.)

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<sup>26</sup> CDCS 2006b, 2006c, 2006d

<sup>27</sup> Efforts to help providers customize advertising services for particular sectors are not included because they are too recent to gauge their results yet.

<sup>28</sup> CDCS 2006d

**Table 5: Providers' Perceptions of Improvements Made**

Improvement Experienced	Intervention Involved In			
	Training	BMF	Trade Fair	None
Number of providers involved as of Dec 06	42	104	28	
Sales increased in the last six months	45%	27%	29%	25%
Increase in ad expenditure by SME clients	40%	50%	57%	20%
Received new clients in the last 6-8 months	85%	100%	100%	92%

Note: This survey was small (35 providers) and the categories were not corrected for selection bias. Therefore the results should be taken as indicative only.

### 5.2.1. The Training Courses

For the most part, the 83 training participants felt that they gained useful new skills.<sup>29</sup> The learning from the training courses also appears to have endured. An evaluation of the first three courses was conducted approximately six months later. The evaluation gathered information from 20 providers who had attended or sent staff to one of the courses. The evaluation showed that most participants were using the knowledge and skills gained and that some providers had increased sales as a result.<sup>30</sup> (See Table 6 for selected results from the evaluation).

#### Box 6: Comments on Training Courses

**Die Cutting:** *"I can now calculate layout and cutting more quickly and accurately. This reduces time and increases quality."*

**Theme Development:** *"I am now more confident in discussing themes and use of color with my clients. My customers are giving more positive feedback in terms of how I serve them."*

**Office Management:** *"I now do more planning. I have more control over my office. I have been able to improve my filing system."*

**Table 6: Results from Training Evaluation**

Respondents who said that they...	Percent
received some benefit from the training	95%
had developed their skills at the training	75%
had acquired new knowledge from the training	60%
had applied the new knowledge in their work	80%
had increased sales in the last six months as a result of training	45%

There is anecdotal evidence that contacts with trainers produced other benefits as well. For example, two participants from the first die cutting course went to Dhaka to see the trainer and get particular tools for die cutting

that are not available in Bogra. Several trainees from the theme development course have been in contact with the trainer to provide advice on particular orders. These contacts may help in increasing the flow of skills, information, and ideas from Dhaka to Bogra.

The evaluation shows that technical courses, specific to the advertising sector, were more effective than the office management course.<sup>31</sup> Enterprises whose employees participated in the die cutting training say that customer satisfaction and retention has improved considerably. The improved, reusable dies are increasing efficiency and lowering costs. Because most Bogra die cutters were trained, this course, in particular, has significantly improved the quality of packaging in and around Bogra.

<sup>29</sup> ChangeMaker 2005b, 2006b

<sup>30</sup> ChangeMaker 2005d

<sup>31</sup> CDCS 2006d

The courses also have improved the reputation of the Bogra advertising sector. Businesspeople in Bogra have commented that more creative and higher quality advertising services, previously only available in Dhaka, are now available locally. While a number of factors are contributing to the improvement, businesspeople have commented favorably on ads and packaging produced by those trained in BMF courses.

### 5.2.2. The Trade Fairs

28 providers exhibited in the two fairs. All exhibitors said that they met new potential customers, and that they wanted to participate in future fairs. Eight months after the 2005 fair, 70% of exhibitors confirmed that their sales had increased as a result of the fair. Other benefits included links to input suppliers, information about competitors, and a better understanding of SME demand.<sup>32</sup>

The trade fairs accomplished a number of aims:

- Increasing the BMF's capacity
- Improving the reputation of the Bogra advertising sector
- Educating enterprise consumers on the benefits of quality advertising
- Offering information to providers on technology and input suppliers
- Helping providers better understand SME demand
- Increasing communication between advertising providers and SMEs

One business leader in Bogra stated, "The awareness and confidence of enterprises (in advertising services) is increasing due to the BMF, particularly the trade fair. Now entrepreneurs have an increased appreciation for Bogra's advertising capacity. This will produce more business for advertising providers."

### 5.3. SMEs

Katalyst interventions have affected approximately 2,300 SMEs directly, and another 4,500 indirectly, for a total of 6,800 SMEs.<sup>33</sup> (See Table 7.) SMEs benefit at three levels: more information and a greater appreciation for quality advertising; access to and use of more and better advertising; and improved business performance. These three areas are discussed below.

**Table 7: Estimated Outreach to SMEs as of December 2006**

Areas	Direct	Indirect	Total	Source
No. of service providers positively affected	54	-		training, trade fair records
No. of SMEs benefited per service provider	42			provider survey
No. of SMEs benefited thru Dec. 2006	2,268	4,536	6,804	provider survey; SME interviews, SME case studies

**More information and a greater appreciation of quality advertising:** Focus group discussions and in-depth interviews with SMEs in Bogra indicate a growing awareness of the importance of quality advertising. Of course, much of this is due to

<sup>32</sup> CDCS 2006d

<sup>33</sup> These figures do not include those SMEs who only attended a trade fair but who have not experienced any other benefits.

SMEs' increasing exposure to more products, services and information. But some contributions to this change can be linked to Katalyst interventions. For example, approximately 3,500 enterprises visited the BMF trade fairs. In a focus group of SMEs who attended the first trade fair, participants said they had learned about new advertising products available in Bogra. They were now better able to compare the quality and price of services among different providers.<sup>34</sup>

**Box 7: Marketing Organic Fertilizer**

Md. Nurul Amin is a dealer of chemical fertilizer based in Rangpur, near Bogra. In 2004, he started producing organic fertilizer because he thought it would have longer term benefits for farmers. But, he says, "Selling organic fertilizer is a different game, very different than chemical fertilizer. The short supply of chemical fertilizer always had tremendous demand and no marketing efforts were required, but for organic fertilizer, the farmers need awareness, knowledge of dosage and methods of application. Moreover, demand creation is necessary to increase sales." In 2006, Nurul Amin was visiting Bogra during the BMF trade fair. He took the opportunity to visit the fair in search of new ideas and advertising providers that could help him market his organic fertilizer. He talked with various advertising providers, comparing their advice and products. Then he decided to order a four color poster, leaflet and crop calendar from Sonali Printing Press, a BMF member whose staff took the die cutting training.

Nurul Amin has been happy with the new advertising. His business now covers almost three fourths of northern Bangladesh and the demand for his "Diamond Organic Fertilizer" is growing. He plans to order more advertising products next year including calendars, banners and brochures as well as more posters, leaflets and crop calendars. Next year he will expand production from 4,000 bags of fertilizer to approximately 7,000 and market in additional districts.

**Access to, and use of, more and better advertising:** SMEs and business leaders interviewed all say that the quality of advertising services in Bogra has improved since Katalyst interventions started. SMEs also say that they are increasing their expenditure on advertising.<sup>35</sup> Katalyst interventions have contributed to this trend. In June 2006, Katalyst commissioned focus group discussions with SMEs who had purchased advertising services from providers involved in BMF activities. The SMEs remarked that the quality of advertising services in Bogra had improved significantly in the last six months. They explained that they are consciously increasing their advertising expenditure, partly because of these improvements.<sup>36</sup> Case studies of individual SMEs show substantial increases in the quality and quantity of advertising. Interviews with SMEs show that some improvements, particularly better packaging, have even reached SMEs who purchase advertising from providers not directly involved in BMF activities.

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<sup>34</sup> CDCS 2006b

<sup>35</sup> CDCS 2006b, 2006c

<sup>36</sup> CDCS 2006b

**Business performance:**

SMEs interviewed commonly cite the importance of good advertising in business performance. They consider marketing and quality the two most important factors in reaching customers and increasing sales. As one entrepreneur said, “As advertising expenditure increases, so does income.” In case studies of SMEs who have expanded their businesses, entrepreneurs say that a variety of factors enabled them to expand but that it would not have been possible to expand without more and better advertising.

**Box 8: SMEs Use More and Better Advertising**

A Bogra bakery owner commented, “In the last 3 months, I have seen drastic changes in my advertising provider, who is a BMF member. His services for me have improved dramatically. The quality of the packaging and designs has improved a lot. The design and finishing are much better. It is now difficult to tell if it is from Dhaka or Bogra. Sourcing my advertising/packaging services in Bogra has decreased my costs by 40%.”

Mr. Samsul Haque owns a pharmaceutical company with 20 employees in Gaibandha, about 75 km from Bogra. He promotes his products only through the packaging. He uses X Systems, owned by Mr. Rabbi, a Bogra advertising provider who took the Theme Development training course. Of X Systems’ latest design, he says, “This is the best package designed ever since I worked with Mr. Rabbi.”

In June 2007, Katalyst conducted a survey of 69 SMEs. These are customers of 21 service providers that either took a training course or exhibited at the BMF trade fair in 2005. The majority of survey respondents feel that the advertising services they have received in the last two years have contributed to their business performance. A few think that advertising has also helped them increase their number of employees.<sup>37</sup> (See Table 8.)

**Table 8: SMEs’ Perceived Benefits from Better Advertising in 2005-2007**

Perceived Benefit	% of Respondents
Increase in number of customers	57%
Increase in revenue	60%
Increase in number of employees	19%

**Box 9: Better Packaging Improves Business Performance**

Citizen Metal manufactures kerosene lanterns. Until recently, Citizen distributed the lanterns by tying them together and putting them in a bag. Over 5% of the lanterns broke, cutting into profits. To solve the problem, Citizen’s owner started purchasing boxes for the lanterns from a local printing press. But, the boxes were poor quality; they opened at the bottom, and looked deformed. During the 2005 advertising trade fair, Citizen’s owner talked with the Ekota printing press, whose staff had attended the die cutting training. Ekota’s better boxes not only reduced breakage but also improved the look of the lanterns on store shelves. Within a short time, Citizen started to see higher profits. Citizen now also manufactures and distributes oil filters, also in cartons produced by Ekota.

**5.4. Poverty**

Katalyst expected to reduce poverty by increasing SME owners’ profits, SME workers’ wages, and by creating additional jobs in SMEs. Interviews with SMEs indicate that those SME owners who are benefiting most from improved advertising are generally not poor. However, most of their workers are poor. The enterprises benefiting from better advertising – such as bakeries, pharmaceutical companies and tailors – employ workers at the lowest wage level. There is little evidence that

<sup>37</sup> Katalyst 2007b

existing workers' wages are increasing as a result of interventions. The SME survey, case studies, and interviews do indicate that improved advertising has helped some SMEs expand, therefore hiring more workers.<sup>38</sup> Katalyst estimates that 735 additional jobs have been created as a result of interventions, bringing an estimated BTD 14,840,667 (US\$218,245) in additional income to new workers.<sup>39</sup> Many of these new workers are poor people.

However, evidence to date indicates that poverty has been reduced more in ways that Katalyst did not include in their initial planning. The first is employment within the advertising sector itself. Katalyst has found that all package pasting is done by low-income workers, many of them very poor women who work in their homes. Katalyst's interventions have increased the amount of packaging purchased in Bogra, thus increasing business for these types of workers. In addition, the improvement in die cutting has dramatically improved the packaging workers' productivity, because better-cut packages are quicker to glue. One case study shows that better-cut packages have resulted in a 66% increase in workers' daily incomes. This raises their wages above the rate for daily laborers in the rural areas around Bogra. (See Box 10.) The greatest reduction in poverty is probably resulting from increases in sales in the supply chains of those SMEs that benefit directly from more and better advertising. Case studies of SMEs found that many of their inputs come from poor farmers, microentrepreneurs, or other SMEs employing poor workers. For example, Bogra bakeries source most of their inputs locally. When they increase sales, they increase purchases of local inputs, which helps farmers and other local businesses. (See Box 11). Because of the difficulty in measurement, Katalyst has not yet attempted to

**Box 10: More and Better Cartons Improve the Livelihoods of the Poor**

Alea Begum, married at 16, found she was the second wife of her husband. After her son died at age seven, he abandoned her. Suffering from depression, she looked for a way to survive and managed to get a job at a cotton mill. But the mill closed and once again, Alea had to find a way to survive. A printing press offered her piece rate work pasting cartons and she began pasting 3,000 cartons a day and earning BDT300 per week. The manager of the printing press asked her to do more. So, she started taking the work home and hiring her neighbors to help her. Seeing the opportunity, Alea started getting work from other printing presses and now has 22 women working for her. Improved die cutting in Bogra has enabled her workers to go from pasting 3,000 cartons per day to pasting 5,000 because the cartons' edges fit better together. Her group now pastes more than 70,000 cartons per day and Alea has gained a reputation for quality and on-time delivery. Alea now has savings and recently bought a TV for herself and a radio for her younger sister. She looks forward to continuing the expansion of her business and hiring more women who desperately need the income to support themselves and their families.

quantify these benefits. It is likely that benefits to SMEs, farmers, and workers in supply chains significantly outweigh the poverty-reducing impacts generated through SMEs directly benefiting from better advertising.

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<sup>38</sup> Katalyst 2007b

<sup>39</sup> Supporting calculations can be found in Annex B

**Box 11: One Company's Better Advertising Results in Benefits for Many**

Raju Ahmed, an advertising provider in Bogra, gained a new customer, Mr. Dulal, after taking the BMF's theme development training and participating in the 2005 BMF trade fair. Dulal's enterprise, Rofat Doi Ghar, makes and sells yogurts and traditional Bangladeshi desserts. Dulal had two small retail outlets, but wanted to open a bigger one in the heart of Bogra. He thought that better advertising could help him make the new shop profitable. Raju and Dulal discussed Rofat Doi Ghar's advertising needs, and Raju recommended a new advertising theme. He designed a new signboard for the shop, new packaging for the yogurts and desserts, and banners and wall paintings to place at strategic locations in Bogra. The new shop opened in June 2006. Raju said that the skills and tips he learned in the theme development training helped him in designing Rofat Doi Ghar's advertising.

The opening of the new shop increased Rofat Doi Ghar's daily sales 120%. Dulal hired 20 additional workers to handle the increased business and staff the new shop, increasing his employees to 50. As a result of the increased production, Dulal purchases 700 additional liters of milk per day. He also purchases clay pots for the 200 additional yogurts he sells per day, as well as more firewood for his factory. The additional milk comes from 12 more milk collectors from whom Dulal now purchases daily. These milk collectors purchase milk every morning from approximately 350 rural households, each supplying about two liters of milk. The households who sell the milk, many of whom own only one or two cows, say that the price they receive for their milk has increased by BDT2 per liter.

Partly as a result of Rofat Doi Ghar's better advertising, five other yogurt makers in Bogra also improved their advertising. One of these entrepreneurs said that the better advertising helps all the yogurt shops, as they are all located close together and the shops' attractive image brings in more customers for everyone. Dulal says he has referred a number of other entrepreneurs to Raju when they admired his new advertising. Raju confirms that he has received new customers, referred by Dulal.

Calculated conservatively, all these changes have created approximately 34 new jobs for poor people and put an additional BDT5,160 (US\$76) in the pockets of poor people daily.

## 5.5. Impact and Cost/Benefit Analysis

While Katalyst had not been able to quantify all benefits from interventions, a rough estimate of overall impact and cost/benefit is presented in Table 9. (Supporting details are in Annex B.) By the end of 2006, Katalyst's interventions had resulted in approximately US\$680,000 in additional income for SME owners and new workers. For every US\$1 Katalyst invested during 2005-2006, SME owners and workers have received additional income of US\$4.43. This analysis takes into account that many SMEs would have expanded even without Katalyst interventions and so only includes a portion of increases in profits and wages. The analysis does not take into account increased incomes for suppliers of benefiting SMEs, which would increase the benefits substantially.

**Table 9: Impact and Cost/Benefit Analysis**

Area	Finding
No. of SMEs benefited	6,804
Additional jobs created attributable to Katalyst	735
Total additional wages per year for all new jobs created	BDT 14,840,667
Additional profit per year for all SMEs from advertising and attributable to Katalyst	BDT 31,611,384
Total income generated attributable to Katalyst	BDT 46,452,051
Total income generated attributable to Katalyst	<b>USD 683,118</b>
Total Costs (development costs only; not including private sector investment)	<b>USD 154,243</b>
Benefits / Costs	<b>4.43</b>

## 5.6. The Prospects for Wider Market Change

Over the long term, Katalyst aims for the interventions to not only affect those providers who benefit directly and their SME clients, but also other providers and their SME clients. This wider market change can happen in two main ways:

- Advertising providers not directly affected by interventions make improvements by copying those providers that are directly affected. Their SME customers consequently benefit.
- SMEs not directly affected by Katalyst interventions improve their advertising because they see the changes that directly affected SMEs have made.

There is evidence that this spread is starting to happen, particularly among SMEs. Interviews with advertising providers, and interviews and observation of SMEs, indicate that when an SME improves its advertising, local competitors quickly improve theirs as well. SMEs in other sectors may also notice the improved advertising. This can lead them to improve their advertising as well. Katalyst estimates that for every SME that improves their advertising as a direct result of interventions, two others will also improve their advertising to some extent. This effect does increase local competition. However, case studies indicate that it also increases purchases from local SMEs, and helps Bogra SMEs compete more effectively with products and services from Dhaka and abroad.

Katalyst predicts that outreach and impact will increase significantly with time. This is partly due to the multiplier effect of SMEs and advertising providers changing to keep up with local competitors. Impact projections for 2009 are shown in Table 10.

**Table 10: Projected Impact in 3 Years (2009)**

Areas	Direct	Indirect	Total
No. of service providers positively affected	210	-	
No. of SMEs benefited per service provider	49		
No. of SMEs benefited	10,284	20,568	30,852
Additional cumulative income generated			BDT 312,906,010
US\$			US\$ 4,534,869

Katalyst also aims for its impact to reach beyond Bogra, into nearby rural areas and to the rest of northern Bangladesh. Some of the SMEs currently buying improved advertising are located in the districts surrounding Bogra. A few advertising providers from outside of Bogra have also attended BMF events.

These are encouraging signs of wider market change. But the advertising sector's actions and learning must continue and be sustainable if impact is to keep growing. The advertising industry can only continue to help SMEs compete if it continues to bring in new ideas, new products, and improved quality.

## 6. Key Lessons and Conclusions

Katalyst's work in the advertising sector in Bogra offers several lessons and challenges for those working to develop markets to benefit SMEs and the poor. Katalyst's market research revealed a number of interlocking constraints that were preventing the advertising market from benefiting SMEs. Katalyst aimed to address those constraints, with the goal of a sustainably developing advertising market that contributes to SME competitiveness and to poverty reduction. What are the most significant lessons from their experience so far?

**Working in foundation markets can improve SME competitiveness.** There has been considerable focus recently on the importance of improving SMEs' competitiveness in a global economy. But this focus has been applied mainly to work in product value chains. Katalyst's work in the advertising sector shows that foundation markets are also important to SME competitiveness. Foundation markets are a key part of the overall enabling environment that helps local enterprises compete and local economies grow. Katalyst also found that, at the operational level, work in foundation markets is not so different from work in value chains. As in many value chain programs, it was essential to help advertising firms cooperate. Katalyst also found that improving the services and inputs to the advertising sector could address key constraints to growth, as in many value chain programs. The key difference is that the main impact of Katalyst's work here is on the SMEs buying foundation services, rather than on SMEs in a particular product value chain.

**Markets need sustainable learning mechanisms.** The greatest impact from Katalyst's interventions has been created by bringing in new ideas, information, and skills from outside Bogra. However, Katalyst realizes that one-time improvements

are not enough. The sustained flow of new skills, information, and ideas is increasingly important in a global economy, particularly in knowledge-based sectors such as advertising. These skills, information, and ideas may not flow naturally. Instead, markets need specific means to help them flow, such as BMOs, links with learning institutions, and links with market players in more developed markets. Katalyst's experience has shown a variety of learning mechanisms is more successful and sustainable than just one or two.

**Course corrections are critical to achieving results.** Katalyst's approach in the advertising market has evolved to build on successes and correct mistakes. A rigid approach to pro-poor market development tends to be ineffective. Even with good market research and well-designed interventions, practitioners must adapt in response to feedback, and to new opportunities and constraints. This process of assessing, reflecting on, and revising interventions, guided by an overall vision, is critical to success.

**To maximize poverty reduction, agencies must understand how their programs lead to benefits for poor people.** Katalyst carefully investigated if and how its interventions have led to benefits for poor people. It discovered that the widest and deepest poverty reducing impacts have not, in fact, been in SMEs directly benefiting from interventions. Rather, poverty has been reduced more in SMEs' supply chains and in the advertising sector itself. This is helping Katalyst think about how it can refine its work to maximize poverty reduction. The causal chain which links market development interventions to poverty reduction is often long. But, market development can be a powerful tool for sustainably reducing poverty. The key is for agencies to plan and regularly examine how interventions ultimately lead to concrete benefits for poor people. This process is essential to putting the "pro-poor" into pro-poor market development.

## Annex A: The Katalyst approach to market development

Katalyst (officially called DBSM) is a market development project under the Bangladesh Ministry of Commerce, implemented by Swisscontact and GTZ International Services. Phase I of the project, from October 2002 to March 2008, is funded by a donor consortium comprising of SDC, DFID and SIDA. In March 2008 a second phase of the project will start. It will be a continuation of the Phase I, but with more emphasis on replicating the things that were successful to increase outreach, on gender and pro-poorness, on working with partner organisations and on collaborating with the government.

In Bangladesh, half the population can be classified as poor or ultra poor. Whereas growth has been an important engine of poverty reduction in Southeast Asia, the Bangladeshi economy fails to create sufficient decent jobs or opportunities for productive self-employment. A harsh business environment, dysfunctional input markets and underdeveloped support services make it hard for Bangladeshi enterprises and farms to compete with low-cost products elsewhere in the region.

In Phase I, Katalyst developed an approach that manages to unlock the potential of the private sector to grow and to create opportunities and employment for small enterprises, farmers and laborers. Based on an in-depth understanding of product and service markets and private sector realities, Katalyst seeks entry/leverage points into the economy to induce information, innovation and best practices for higher productivity, to improve the functioning of input markets and marketing networks, and to improve the enabling environment. In Phase I Katalyst built up an extensive network of private and public sector partners to achieve this, ranging from large agro-processors and telecom service providers to small compost producers, lead farmers, sector associations and local government. Working indirectly through these entry/leverage points ensures sustainability and outreach.

Katalyst estimates that at the end of 2006 **167,000** small producers and farmers were benefiting from access to better services and essential inputs. This number is likely to increase to **728,000** by 2009 as the markets through which these are supplied continue to reach new recipients (based on interventions in the first 5 years of Katalyst). Katalyst estimates that Phase I activities will create **183,000** jobs for the poor by 2009.

### Some characteristics of the project:

*Methodology* Katalyst started as a “real” BDS project in 2002, assuming that better business service markets increase competitiveness and economic growth. Over the 5 years of the first phase, the field has changed fast. New focuses like Market Development, MMW4P<sup>40</sup>, Value chain development and Enabling Environment came. Katalyst’s methodology also developed, learning from others and from its own successes and failures.

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<sup>40</sup> Making Market work for the poor

Katalyst has a number of internal guidelines how to operate, how to choose and analyse markets, how to assure ownership and buy-in from the private sector and where to subsidize to what extent. These guidelines are not rules; they help avoiding mistakes, but should never become a harness. Only three things are important:

\* From the offset of each intervention, there has to be a clear “after picture” how the private sector could improve its competitiveness to reduce poverty; a picture that is economically sound and where all players play their natural role.

\* The interventions have to address the constraints and opportunities to reach this “after picture”.

\* A deal has to be made with the private sector; a deal that stimulates them to do what they would not have done otherwise, that is fair for the market and that gives value for money for the project and the company.

*Service markets.* Katalyst does not directly give support to the firms and farms in the sectors it is active in. It looks for leverage points where the project can support a few companies to reach many. It works with these leverage points that have a business interest to work with the firms and farms, now and in the future. Besides commercial service providers, the project often works with sector associations, input companies or with large companies that interact with many small ones in the value chain. The services these companies give to the firms and farms in the sectors are often related to product, production or market information.

*Poverty* The first Millennium Development Goal clearly sees economic growth and income as a prerequisite for poverty reduction. There is enough evidence that economic growth in itself reduces poverty. It is the challenge of projects like Katalyst to stimulate these parts of the economy that have the biggest impact on poverty reduction, to stimulate sustainable pro-poor growth. The relation between increased competitiveness, economic growth and poverty reduction is dynamic and very complex and for a project almost impossible to fully understand. Still the project sees some clear routes:

\* Urban and rural daily labourers are certainly among the poor. Productive and sustainable jobs created for this group directly reduce poverty.

\* Increased income for small enterprises and farms is mainly used locally; to improve ones house, to order a new dress from a local tailor or to buy more vegetables or chicken meat. This stimulation of the local economy clearly reduces poverty, although it is difficult to measure how much.

\* There are strong indications that farmers that change from rice production to cash crops like vegetables, maize or potatoes often lift themselves out of poverty. To sustain this mechanism, it is important to assist farmers to make the step, as well as to improve the productivity in these sectors to allow more to enter.

*Portfolio of sectors and markets* Katalyst works in around 20 sectors, often in more than one area or market per sector. Taking risk and accepting some failures is part of doing business, also for Katalyst. A portfolio of markets allows a project to take risk.

A constant adjustment of this portfolio of sectors and markets is required to find the right balance between high potential / high risk versus lower potential lower risk, but also taking into account issues like: an urban and rural balance, stages of development of each market, impact and outreach potential, short and long term impact, pro-poorness and competitiveness, interests of donors and the government, synergies between sectors, cost and impact, absorption capacity of the private sector, availability of partners and Katalyst's competences.

*Role of government.* Bangladesh differs from several of its Asian neighbours by the fact that the role of the government in the private sector is very limited. This makes it more difficult to work through the government. Private sector companies are therefore the main partner for Katalyst.

*Farms and firms* The target group for Katalyst are small commercial farms and firms. Where possible the project targets its interventions at those farms and firms that are so small that they have the biggest impact on poverty, but that are large enough to innovate. Innovation means taking risk for the very small ones this is often not an option. Fortunately these very small ones will copy the innovations later from the risk takers.

*Human resources.* Analyzing the economy, finding opportunities in this and making deals with small and large private sector companies asks for well educated professionals with a business mentality. This is not the standard profile of development staff, nor are these people easily available in the market. Katalyst hired young professionals and invested much in training.

*M&E.* Measuring results and impact is one of the major challenges in private sector development projects with an indirect approach. Katalyst developed an M&E system that is based on impact logics for all interventions and markets. The system is in the first place a management tool, but it can also predict and assess impact that not only justifies the current activities, but also paves the path for similar future initiatives.

## Annex B: Time Line of Activities in Bogra's Advertising Sector

Dates	Activities
<b>Preparation</b>	
July-Aug. 2004	Study on marketing services in Dhaka, Bogra and Chittagong
Aug.–Sept. 2004	Preliminary choice of marketing subsectors and design of interventions
Sept. 2004	Contracted ChangeMaker for market research in Bogra
Oct. 2004	ChangeMaker market research on Bogra advertising market
Nov.–Dec. 2004	Discussions with ChangeMaker and design of interventions for Bogra advertising market
Jan. 2005	Negotiation / discussion with ChangeMaker on program budget and contract terms
<b>Phase 1</b>	
Feb. 2005	Contracted ChangeMaker for baseline survey and Phase 1
March-April 2005	Meetings with advertising providers Formation of the BMF
April-May 2005	Directory development and publishing Inauguration of the BMF
June	Training needs assessment BMF capacity building – vision and business planning Development of 1 <sup>st</sup> training course
July 2005	Die cutting training Development of 2 <sup>nd</sup> training course
Aug 2005	Theme development training Development of 3 <sup>rd</sup> training course Planning for trade fair
Sept 2005	Planning for trade fair Office mgmt training Trade fair
<b>Phase 2</b>	
April 2006	Contracted ChangeMaker for Phase 2 Finalized plans and tools for assessment of Phase 1
May 2006	Assessment of Phase 1 conducted by external research organization Capacity building meetings with BMF
June 2006	Planned study on SME needs and demand for advertising and advertising providers' needs for training and technology Capacity building meetings with BMF
July 2006	Planned strategic management workshop for BMF External research organization started study on SMEs and advertising providers
August 2006	Planning the Trade Fair Development of 4 <sup>th</sup> training course
September 2006	Trade Fair BMF capacity building meetings

<b>Dates</b>	<b>Activities</b>
October 2006	Study on SMEs and advertising providers completed BMF membership building meeting Commercial Artists' training BMF meeting with Bangladesh Agricultural Machineries Manufacturer' s Association (BAMMA)
November 2006	BMF meeting with the Hotel & Restaurants Association BMF follow-up meeting with BAMMA BMF membership drive
December 2006	BMF membership drive Die cutting training BMF action planning for 2007

## Annex C: Cost/Benefit Analysis

Details of the impact and cost/benefit analysis on Katalyst's interventions in the Bogra advertising market are presented below.

Area	Finding	Info Source / Notes
No. of SMEs benefited	6,804	provider survey; SME survey, SME case studies
No. of additional Jobs created per SME	0.27	Case studies
Attribution assigned for increased employment due interventions	0.40	SME in depth interviews
Additional jobs created attributable to Katalyst	735	Multiply jobs created by attribution
Average wage rate per month/ job created	BDT 1,683	Survey of households in Bogra region
Total additional wages per year for all new jobs created	BDT 14,840,667	Sum across all jobs created by Katalyst
Baseline average profit/year/SME (2006)	BDT 60,129	Survey of SMEs
Average expenditures/SME/year on advertising	BDT 4,646	Survey of SMEs
Total additional profit from advertising usage	BDT 9,292	Academic literature on returns from advertising
Incremental income attributable for K	BDT 4,646	Attributing 50% of additional profit to Katalyst
Additional profit/year for all SME from advertising and attributable to Katalyst	BDT 31,611,384	Sum across SMEs benefited
Total income generated attributable to Katalyst	BDT 46,452,051	Add increased wages and profits
<b>Total income generated attributable to Katalyst</b>	<b>USD 683,118</b>	Translated into USD
<b>Total Costs (Katalyst only; not including private sector investment)</b>	<b>USD 154,243</b>	Katalyst accounts
<b>Benefits / Costs</b>	<b>4.43</b>	Benefits divided by costs

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## Interviews Conducted for the Case Study

### Katalyst

1. Manish Pandey, Manager Services Division
2. Parvez Asheque, Business Consultant, Services Division
3. Shaheena Sultana, Coordinator, Rural Markets, Services Division
4. Md. Bashir Uddin Miah, Business Consultant, Services Division
5. Mushfiqur Rahman, Business Consultant, Services Division
6. Saima Rahman, Coordinator, Monitoring & Evaluation, Services Division

### ChangeMaker

1. Syed Tamjid Ur Rahman, CEO
2. Mahmud Hossain, Program Manager
3. Mr. Raffel, Senior Program Officer
4. Mr. Ratan, Senior Program Officer
5. Rasel Mahmud, Program Coordinator
6. Ujjal Kumar Roy, Field Coordinator

### Interspeed Activation Ltd.

1. Dilir Akhtar Khan, Operations Director, Interspeed Activation.
2. Saif Ahmed, Senior Executive

### BMF Executive Committee

1. Md. Salek Uddin, President, BMF; Proprietor, Royal Printing
2. Md. Saiful Islam, Vice-President, BMF; Proprietor, The Graphic Point
3. Md. Najmul Haque Sohel, Treasurer, BMF; Proprietor, Shuchona Computers and Printers
4. Sadid Jubaer Rusho, General Secretary, BMF; Owner, Bidyabithi Press
5. Md. Raju Ahmed, Assistant General Secretary; Proprietor, Nabarong
6. Md. Mahfuzur Rahman, Organizing Secretary, BMF; Proprietor, Doel Press
7. Md. Azizul Ali Badshah, Printing and Publication Secretary, BMF; Proprietor, Shuccho Computers
8. Md. Fazle Rabbi, Executive Member, BMF; Proprietor, X-Systems
9. Md. Saifullah Safi, Executive Member, BMF; Proprietor, DOT Fair

### Trade Fair Feedback Session:

Total 34 people attended.

1. All members of the executive committee of BMF
2. One of the advisors: Mr. Mozammel Hoque, Editor, Daily Korotoa.
3. Katalyst & Changemaker representatives
4. Junior executive of Interspeed Activation Limited

### BMF Members

1. Md Irman Ali, Choice Printing Press
2. Md. Abdur Rahim Badol, Badol Printing Press

### Trainees

1. Md. Raju Ahmed, Proprietor, Nabarong ( DTP) – Theme Development Training

2. Saifullah Saki, Proprietor, DOT Fair ( DTP)- Office Management Training
3. Sadid Jubaer Rusho, Owner, Bidyabithi Press ( Printing Press)- Theme Development and Office Management Training
4. Md. Salek Uddin, Proprietor, Royal Printing Press – Die Cutting Training
5. Sirajum Munira, Partner, Dilkom Graphics House – Theme Development Training
6. Md. Khorshed Alom, Keuchadaha – Commercial Artist Training

#### **SMEs**

1. M.A.Majid, Sole Proprietor, R.K. Unani Laboratories; Ad service provider- Shuchona ( Integrated solution provider)
2. Animesh Mohanta, Managing Director- Kanta Trading Pvt. Limited; Printing service provider: Royal Printing Press
3. Ali Azam, Owner, Muslim Bakery
4. Samsul Haque, Owner, Bengal Homio Hall; Ad service provider: X Systems; Printing/Packaging service provider: Adarsha Printing Press
5. Md. Bablu Mia, BG Laboratory
6. Baccu Sheikh, Director, Semu Bakery
7. Md. Dulal, Owner, Rafat Doi Ghar; Ad service provider: Nabarong
8. Milk Collector for Md. Dulal
9. 2 Milk Suppliers for Md. Dulal
10. Md. Ahsanul Kabir, Proprietor, Doi Ghar

#### **BMF Advisors**

1. Md. Mozammel Hoque Lalu, Editor, The Daily Korotoa
2. Md. Alhaz Md. Monsurul Hoque, Proprietor- Helal Printing Press; President- Bogra District printing business owners association

#### **Other BMOs**

1. Mr. Alal , Secretary, Bogra Bread and Biscuit Manufacturers Association
2. Md. Rajadur Rahman Raju, Secretary, Bangladesh Agricultural Machineries Manufacturer' s Association

#### **Other Advertising Providers**

1. Mohammed Najmul Islam Biplob, Proprietor - Odyssey Multi link Digital Studio ( a DTP service provider from Sirajganj)
2. Alea Begum, Women' s Pasting Group Leader

#### **Trainers**

1. Khondoker Hasnat Karim Pintu, Director, Probaho Advertising.; Ad film Maker, Media Material Specialist
2. Md. Mahbub-Ul-Alam, Management Counselor, Bangladesh Institute of Management
3. Md Abdul Mannan, Mannan Die Cutting, Bogra