

# **Enterprise Development Innovation Fund (EDIF)**

## **Project Completion Report**

**Radio Media in Africa –  
a market development tool for business services**

**DFID Reference: AG 3160**

**GLE Reference: BDS 06**

**ILO Project: RAF/02/18/UKM**

January 2004

Gavin Anderson,  
ILO FIT-SEMA,  
PO Box 7184,  
Kampala.Uganda  
Tel: +2566 31 262405  
Fax: +256 31 262404  
E-mail: [GAnderson@fit-sema.net](mailto:GAnderson@fit-sema.net)

## **Acronyms**

BDS	Business Development Services
DFID	Department for International Development
EDIF	Enterprise Development Innovation Fund
FIT	A programme of the ILO involved in testing and developing new approaches in BDS
FIT-SEMA	FIT Small Enterprise Media in Africa
MSE	Micro and Small Enterprise
SED	Small Enterprise Development

## **1. Introduction**

The British Department for International Development's (DFID's) Enterprise Development Innovation Fund (EDIF) is an action research fund designed to "generate and disseminate valid learning" so contributing to improved practice in enterprise development.

This project completion report provides details of a project undertaken under the EDIF fund and managed by the ILO (International Labour Organisation) FIT Programme, a programme involved in the development of innovative approaches to the delivery of business development services to micro and small enterprises (MSEs). The project effectively ran from 1<sup>st</sup> November 2002 to 31<sup>st</sup> December 2003.

### **1.1 Background of the project**

Historically, work in BDS market development has tended to focus more on solving supply side constraints rather than those on the demand side. This has been partly appropriate: providers have been weak or non-existent in some markets, and MSEs rarely demand a service which they have never seen or heard of before. But it has also been partly a matter of convenience; stimulating demand has historically been a less comfortable role for many development agencies to play. Few effective and proven tools to stimulate demand have therefore been developed and the lack of proven demand-side tools remains a significant problem for BDS market development initiatives. Even fewer tools have come close to genuine sustainability.

There is increasing evidence that demand side constraints are critical to the effective development of service markets. Surveys undertaken by the ILO into BDS markets in Ghana, Cambodia, Thailand and Indonesia highlighted that awareness of the existing services was very low in the less developed countries. For example over 95% of MSEs in Cambodia and 60% in Ghana were unaware of financial and tax advisory services, accounting services and management training services even though these services exist in both countries<sup>1</sup>. This low awareness results in low demand and low demand results in poor supply with suppliers limiting their efforts to focus on and penetrate the MSE market. This cycle needs to be broken by increasing the awareness of services available and the potential benefits of purchasing services. This would in turn increase demand for existing and new services and stimulate service providers to respond to this demand by increasing their efforts to market and adapt their services to this sector. Solving demand-side constraints is a key to expanding service markets where there are existing providers. With the existing lack of demand-side tools, agencies working in BDS market development lack tools that are critical to developing BDS markets effectively.

The provision of subsidies through vouchers has been cited as an effective demand side tool and has been implemented in a number of countries. The underlying assumption with vouchers is that awareness of the benefits of BDS is low, because people have not tried them. They are therefore reluctant to try them, but a reduction in the initial purchase price, through vouchers, may overcome that reluctance. Once they have tried the service, they will be more likely to pay the full cost in future. In practice, however, voucher schemes have had a number of difficulties. One is that few have actually ended, meaning that their value in developing BDS markets in the long term is hard to measure. One particularly interesting insight of this work to date has been that the information function of a voucher programme is often as important as the cash function.

Information on services is therefore a critical area. While approaches such as resource centres and specific targeting through representative groups such as chambers of commerce and associations have been used to promote service usage, it is clear that the most effective medium through which to reach the largest number of MSEs is the mass media. Some agencies recognise the need to initiate mass media campaigns and GTZ Nepal, for example, has applied social marketing techniques to stimulate demand for services. This approach to using the mass media involves donors purchasing airtime and

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<sup>1</sup> Assessing markets for business development services: What have we learned so far? Alexandra Overy Miehlebradt, ILO SEED Working Paper. 2002.

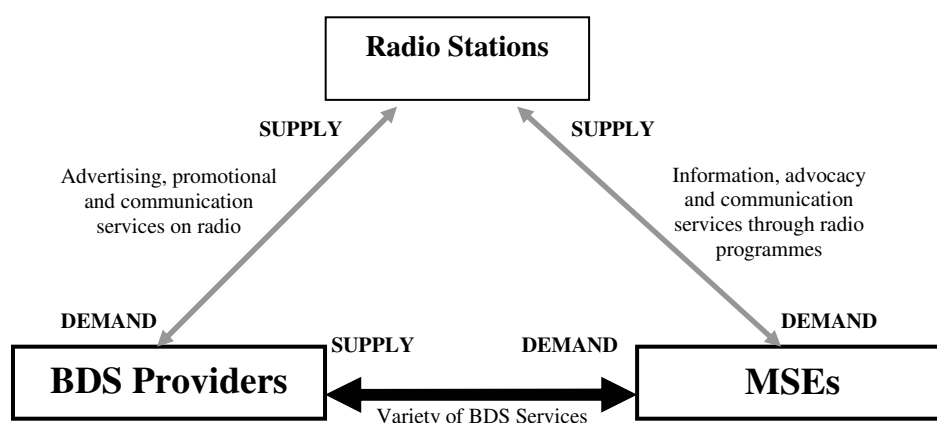
advertising space from the mass media which is unsustainable and, if undertaken intensively, expensive.

In fact, most interaction between the mass media and agencies for small enterprise development has been on a subsidised basis where agencies purchase programme airtime from broadcasters and/or commission programme production on specific SED themes. This has been, and continues to be prevalent in Uganda. Few donor projects, other than ILO FIT, has taken the approach of trying to develop the media as a commercially viable service industry for MSEs in its own right. FIT works with radio stations not as a client but as an adviser providing technical assistance to explore business opportunities that involve programming for micro and small enterprises. Success in reaching MSEs with attractive content has led to commercial sponsorship, and so to sustainability.

ILO FIT has worked in Ghana and Uganda to support the set-up of commercially viable radio programmes. At the start of the EDIF project, November 2002, FIT had supported the start up of 7 weekly radio programmes focused on small business: four in Uganda and three in Ghana. These programmes provide MSEs with a range of business information, business tips and advice, platforms for debate on business issues and a vehicle through which businesses can advocate for policy change. These radio programmes are broadcast in a variety of local languages and therefore provide these services dynamically, in formats that are appropriate for this diverse, scattered and usually difficult to reach business sector. While these programmes had already provided MSEs with information on BDS, ILO FIT had not specifically stimulated these radio stations to develop linkages to BDS providers.

### 1.2 EDIF Project Rationale

The project focused on testing approaches of making markets for BDS function more effectively by using radio, as a mass medium, to stimulate the demand and purchase of BDS. In a functioning BDS market, service providers would have access to advertising, promotional and communication services that would allow them to market services to their clients while MSEs would have access to information on a variety of services thus making them discerning and informed consumers of services. But the fundamentals of a functioning market are often missing in countries such as Uganda and Ghana. MSEs, and particularly rural MSEs, severely lack information on BDS and channels through which they can receive this information, while BDS providers lack information and communication channels to reach MSEs. These problems are particularly acute in rural areas where businesses are scattered, remote from many of the service providers, and information is gathered primarily through word of mouth.



As the diagram above illustrates, this project aimed to generate approaches to build sustainable markets for BDS by using the radio stations as a catalyst to :

- stimulate BDS providers to advertise and promote their services and
- raise awareness and stimulate demand for BDS among MSEs

In the diagram each arrow represents a commercial service. The work of ILO/FIT before the commencement of the EDIF project had developed radio programmes for MSEs and created commercially viable information, advocacy and communication services for MSEs in parts of Uganda and Ghana (the arrow between Radio stations and MSEs). The EDIF project worked with radio stations to test methods of developing and promoting services between BDS providers and Radio stations on a fee (advertising), non fee (contributions to radio programme content) and barter basis.

The overall goal of the project was to test and develop tools that contribute to building functioning BDS markets by tackling the critical demand-side problem of lack of information, awareness and understanding of BDS among MSEs. The project aimed to build commercial linkages between BDS providers and radio stations, which in many countries in Africa are the only viable mass media that can reach a majority of MSEs. The project tested strategies of building a market between radio stations (the mass media) and BDS providers to create sustainable tools for BDS providers to stimulate demand and create increased awareness among their potential MSE clients.

This action research project was undertaken to test the following hypothesis:

*That a commercial market can be established between BDS providers and radio stations who target MSEs as clients and this market can be an effective tool to address awareness constraints to BDS in sustainable ways.*

## **2. Activities undertaken under the project**

The project initially focussed on 4 pilot radio stations: CBS in central Uganda, Radio Paidha in North Western Uganda, Kapital FM in Ashanti Province of Ghana and Eastern FM in Eastern Province of Ghana. Over the life of the project, other radio stations were involved to maximise the potential of the project.

### **2.1 Pilot testing approaches to using radio as a tool to stimulate demand for BDS**

A wide number of innovative approaches and activities in creating commercial relationships between radio stations and BDS providers have been initiated and explored under this project. These include:

- Using radio to bring BDS providers together with MSEs
- Radio as a direct seller of business services
- Developing commercially sponsored series of features on specific BDS
- BDS providers as resource people on radio (non-fee based)
- Stimulating BDS providers to advertise on radio

#### **2.1.1 Using radio to bring BDS providers together with MSEs**

The project worked with two of the pilot radio stations to initiate and run business to business trade fairs where MSEs could meet and find out about a variety of business services, equipment, markets and opportunities. These unique events, and particularly the event in Uganda, proved extremely successful and highlighted the potential beneficial role of the mass media in promoting and supporting the running of such events.

##### SME Business Support Services EXPO Ghana:

The event in Ghana was run in Kumasi from 1st to 3rd May 2003. It was organised by Kapital Radio in collaboration with a local event organising company Office Team Link. The event attracted 23 exhibitors and 6 sponsors (1 microfinance company, 2 insurance companies, 1 company offering an export guarantee scheme, Ghana Tradefare Authority and an investment brokering company). Over 800 MSEs attended the 3 day event which included a series of seminars on various aspects of business including business management, export guarantee, leasing and taxation. The response to the event was very positive from both the exhibitors and MSE participants although the attendance was below

expectations. Some of the immediately apparent results of the event included Kapital Radio gaining an additional sponsor to their radio programme and the Leasing and Export guarantee companies deciding to open branches in Kumasi. A copycat event for financial services was also organised soon after the Business Services Expo and an event organiser (Africa Aurora Business network) has approached FIT Ghana to organise a similar event in Accra. The event organiser in Kumasi has shown interest in organising a similar event in Kumasi in either 2004 or early 2005 (2004 is potentially a difficult year to run an event since it is a national election year).

#### MTN Business to Business in Uganda

A similar but considerably larger event to the Kumasi EXPO was run in Kampala, Uganda from 5th to 7th June 2003. This event, named MTN Business to Business Exhibition attracted 53 companies and organisations as exhibitors and around 3,500 visitors who were predominantly small businesspeople. The primary sponsor for the event was an international telecommunications company, MTN. 6 junior sponsors, 2 companies and 4 development organisations, were signed up to sponsor seminars and workshops during the event. While the project intended to initiate the event primarily in collaboration with CBS Radio, the organising committee of the event grew to include the radio station, a television broadcaster, a national newspaper, a small enterprise development company and a PR and event organising company. These 5 companies took ownership of the event and the role of the media was considerable in creating a strong awareness of the event among the public. A participant survey showed that 50% of participants learnt of the event through radio and CBS radio proved twice as effective as any other channel in promoting the event. The event was a significant success despite the fact that the presence of the President of Uganda significantly reduced participation on the last day due to very tight security of the presidential guard. 83% of participants interviewed randomly during the event stated that they had benefited very much from the event and 75% stated that they would definitely attend a similar event (27% stated that they possibly would participate). All the exhibitors stated that they had benefited from the event and that it should become annual. 73% of the exhibitors stated that they would definitely exhibit again. The success of the event has resulted in 3 of the original event organisers registering Business To Business as a trademark. CBS has shown a high level of commitment to continuing the event and has become one of the event owners. Marketing for a 2004 event in July has already begun and there appears to be a high potential that this will become annual.

#### Milk processing demonstrations

Through the MTN Business to Business Exhibition, CBS made contact with a Kenyan Company, Rupa International, that was interested in procuring ghee from Uganda. This company was interested in selling equipment to dairy farmers and undertaking training with these farmers. The project facilitated discussion between CBS and Rupa International and CBS organised a demonstration of the equipment and a training in December 2003. Over 500 people attended the function there were 60 farmers who registered and participated in a full day training course on making and packaging milk products like Ghee Yoghurt and ice cream. farmers attended the demonstration and CBS plans to follow up with additional demos and training activities.

#### Seminar on poultry business management in Eastern FM, Ghana

As part of an offer to a poultry input provider, Eastern FM in Ghana has offered to organise and promote a small fair for listeners where the listeners can meet with the poultry advisers of the company and view the equipment and products. This had not taken place at the time of writing the report due to the poultry company requesting that it take place in early 2004 as follow up to a series of features on poultry management (see below).

#### Conclusions on media involvement in BDS events, seminars and exhibitions

While the organisation of seminars, fairs and workshops is certainly not a core commercial activity for radio stations, the project has highlighted that media involvement in such events does make commercial sense. In fact it is relatively common for media companies to be involved as co-organisers, sponsors and media partners in exhibitions, concerts and other events. Initiating media involvement in BDS events is not therefore a major departure from current media practice.

The MTN Business to Business event highlighted that a media company can only be a small part of the organising committee of a large event, but that it can play an important and crucial role in raising awareness and stimulating demand for the event. Media companies should therefore be brought in as 'media partners' to support the publicity of the event in return for recognition as a major organiser or sponsor and preferential event coverage rights. It was seen from the MTN Business to Business and Kumasi Expo events that the radio station benefited in a number of ways:

- The event builds the station's niche in small business programming and increases the listener's awareness of business programming on the station.
- The event provides important and useful content and links to potential resource people for business programming.
- The event provides an opportunity to journalists and presenters of business programmes to get a better understanding of current trends, activities and opportunities in the business environment.
- The event brings stations closer to input providers who are the potential advertisers and sponsors of business radio programmes and provides opportunities for more effective selling to these potential clients.

While media companies can play an effective role as one of the organisers of large events, the project has shown that media companies also benefit from directly organising events. In the Kumasi example of a poultry fair, Kapital FM offered to organise and publicise a small fair as part of the offer to their client. In the Uganda milk processing demonstration, CBS FM organised the event not on a for-fee basis with the Kenyan company but as a service to their listeners. The CBS offer was based on the premise that such events would build the stations image among listeners and ensure increased and loyal listenership. Both approaches would appear to be commercially valid and highlight the potential catalytic role of a media company in linking BDS and input providers directly to MSEs through small events and seminars.

Interestingly, CBS has applied to the newly established Sida funded ILO FIT-SEMA project to support some of the costs of trialling regular seminars and events for MSEs. CBS is applying to FIT-SEMA to test the approach with the audience so that this can become a regular and mainstreamed component of their weekly small business radio programme. This highlights that the radio station has a strong interest in continuing to organise business events and seminars and see this as a commercial opportunity for business broadcasting.

### **2.1.2 Radio as a direct seller of business services**

While radio can promote services on-air for either a fee or as part of a barter arrangement with service providers, they also have the potential to directly sell certain services for a commission. This is common in the media in many countries where newspapers or broadcasters promote special offer books, holidays and products to their readers or listeners. The project tested this concept in Ghana and Uganda with business books.

#### Business books in Uganda and Ghana

The original concept for promoting books about business on-air was to identify bookshops or publishers that were interested in sponsoring book reviews on radio. It was seen that there were few local books of relevance to small businesses but that books did exist internationally that were potentially beneficial to small enterprises. A bookshop in Uganda, Bookpoint, and a publisher in Ghana, Macmillan Publishers, were initially approached to co-sponsor a series of book reviews. The concept was that these companies would stock the books and benefit from the feedback, interest and orders generated by the book reviews. While radio stations showed considerable interest in this, the bookshop and publisher moved extremely slowly. In Uganda the work was put back significantly by the death of the key person involved at the bookshop. In Ghana Macmillan delayed due to questions about whether they would prefer to develop their own books rather than promote books from other publishers.

The approach to this work was therefore changed. Books of potential interest to small enterprises in Ghana and Uganda were identified through IT Publications and a deal brokered where radio stations would receive 40% commission on all sales received. CBS FM ran a series of 12 book reviews from November 2003 to January 2004 and offered to order these books on behalf of their listeners. Similarly Kapital FM initiated book reviews in December 2003 and runs 10 minute book reviews twice a month. While it is too early to assess the response from the Ghana trial, it has been seen that the reviews have generated reasonable interest in Uganda. The station has received 25 enquiries and 26 orders of books. While the trial has indicated opportunities in this area, it has been seen that the product itself has limitations in the Ugandan market place. CBS being a local language (Luganda) radio station generated interest among listeners who wanted the books in local languages. The fact that the books were only available in English therefore limited their market potential.

#### Conclusions: Radio as a direct seller of business services

The media offering to undertake direct selling of either services or products does appear to have commercial potential although there are also some risks. This approach has the potential to expand a radio station's revenue streams by bringing companies that are unlikely to be advertisers into commercial relationships with radio stations. IT Publishers for example would be extremely unlikely to advertise on Ugandan radio but was very willing to offer commissions for sales. This approach transfers the risk from the advertiser to the radio station and therefore draws in reluctant and sceptical advertisers. The approach also allows radio stations to act as an agent for service and product providers who are not present in the country thus offering listeners access to unavailable or difficult to access services and products. On the negative side, the radio stations are closely associating themselves with the service and product and it is therefore crucial that the station is confident of the quality and appropriateness of the product or service. Radio stations also need to establish effective and efficient procedures for receiving and processing orders which at present they do not have. This approach of utilizing radio (or media in general) could be an innovative method of creating demand for and providing access to some types of BDS. This is potentially an extremely interesting approach of mobilizing clients for BDS and improving BDS marketing strategies to rural areas. Further experimentation in this area is therefore strongly recommended.

### **2.1.3 Commercially sponsored features on specific BDS**

#### Poultry advisory services in Uganda

Initial discussions with CBS FM in Central Uganda into the possibility of attracting service providers to sponsor and become actively involved in the programme resulted in the station actively seeking service companies to sponsor an advisory segment on their existing radio programme. CBS FM succeeded in identifying and recruiting a poultry input provider, Kagodo Farmers, to sponsor a 10 to 15 minute weekly segment on their radio programme. This segment ran from March to November 2003. This advisory segment of the programme has provided existing and potential poultry farmers with advice on running and setting up poultry farms and solutions to veterinary, market and technical problems. Kagodo Farmers ran the radio features as a new strategy of reaching larger numbers of its clients. In the past the company had been running small group seminars with farmers and they feel that radio allows them to greatly increase their outreach. The manager of Kagodo Farmers was interviewed two months after the launch of the features and stated a high level of satisfaction with the results. He had given out his personal telephone number for advice to farmers and had apparently been inundated with calls. In a related development, one of the radio programmes that this project has succeeded in supporting to get started, Tukolebukoze on Akaboozi (a direct competitor of CBS), initiated a similar segment on their programme sponsored by a competitor of Kagodo Farmers.

#### Equipment and equipment leasing in Ghana and Uganda

The project in both Ghana and Uganda highlighted advice on equipment through equipment leasing companies as a potential service to promote through radio. In both countries Leasing companies, Leaseafric in Ghana and DFCU Leasing in Uganda, showed initial interest in the concept. Proposals were prepared in collaboration with two of the radio stations, CBS in Uganda and Kapital in Ghana, for a series of features. Unfortunately in both countries this work did not progress due to the fact that

both companies are large and formal and fix and commit their advertising budgets at the beginning of each year. It was also noted that in Uganda the leasing company decided that it did not want to be featured on a 'mass market' station and was primarily interested in reaching the more formal small enterprises. Leaseafric on the other hand has a microlease and vehicle lease products and remain interested in sponsoring features on leasing in their next financial year. This interest was reinforced by Leaseafric's involvement in the Kumasi Business Services EXPO where they were promoted by Kapital radio and ran a series of seminars on leasing. as mentioned above, this experience has resulted in Leaseafric seeking an agent in Kumasi so that they can branch out of Accra.

#### Business planning and advisory in Ghana

Following the Kumasi Business Services EXPO, Lasertech Consultancy was identified as a potential service company to promote their services of business advice, business plan preparation and accountancy support. The project supported Kapital Radio to offer an introductory rate of 50% of usual sponsorship rates for Lasertech to run a pilot 8 business advisory segments on the programme. The station also planned to record these advisory segments onto cassette and offer these for sale to listeners as an additional profitable service for the radio station. Unfortunately, Kapital radio was unable to air these due to a conflict with their existing programme sponsor. Lasertech wanted to come onto Kapital as a full co-sponsor of the programme but the station had already sold exclusive sponsorship to an insurance company SIC (state Insurance Company). Lasertech therefore approached a rival radio station, Luv FM, and discussed the possibility of initiating a 15 minute business programme. As a result the station has launched a programme called Madwuama Nkosuo (Progress of my business) to run these features. This is an interesting development where a service provider has actually stimulated the launch of a business programme on a radio station although the sustainability of the programme after Lasertech stops sponsorship remains questionable.

#### Insurance and pension schemes for MSEs in Ghana

While insurance is a financial service rather than a BDS, it should be noted that the project also stimulated a national insurance company to start sponsoring Kapital Radio's small business programme. The sponsorship began in August 2003 a few months after the Business Services Expo where the company was one of the event sponsors. In September the company began supporting Kapital to run a weekly segment on insurance and financial security. This segments explain key insurance, pension and assurance products that are specifically tailored towards small businesspeople and the self employed. These include funeral insurance, self employed pension scheme and the Keyman Insurance which insures the key person in a small business against illness, accident, death etc and is used as a security for loans.

#### Poultry adviser in Ghana

Afariwaa Farms and Livestock Products Ltd. was identified as a potential partner service provider at the Kumasi Business services EXPO. Kapital and Eastern FM were supported to offer introductory sponsorship rates to Afariwaa to sponsor and support the production of a series of 8 features on setting up and running a poultry business. It was decided to launch the pilot on Eastern FM due to the constraints noted above in appearing on Kapital FM. There was some delay in getting the programmes started, primarily due to Afariwaa, but the series began at the end of September 2003. As part of the sponsorship deal, Eastern FM has also offered to support the company to promote and run a fair at the end of the features. At this fair, farmers and those interested or involved in the poultry business can view equipment and meet key technical managers and advisers to explain specific issues such as poultry drugs, food supplements, new breeds (e.g. guinea fowls) etc. This had not taken place at the time of writing this report, but is planned for early 2004

#### Conclusions: Sponsored radio features on BDS

Sponsorship of whole radio programmes or segments of programmes is common in both Ghana and Uganda, but there remain some fundamental media ethics issues with this approach that have become apparent during the life of this project. Advertiser influence on editorial content is perceived as a serious problem for the integrity and quality of journalism internationally. While sponsorship is of course acceptable, the influence of sponsors on the content and programme balance is viewed as

unacceptable for quality programming that aims at providing balanced information to listeners. While the quality media in developed media markets have the strength to combat advertiser influence, the commercial media in less developed media markets often have few reservations with adapting media content according to sponsors' demands. For example sponsorship of a business programme by a bank therefore often involves the programme approach and content being adapted so that the services of that bank are explained and promoted and competitors products are excluded from the programme. This obviously significantly impacts on the quality of the programme and information being provided to the listener. While win-win scenarios for listeners and sponsors are possible, the overall impact of 'advertorial' (combining editorial with advertisement) is extremely negative on the quality of the media.

From a developmental perspective, programmes or programme segments that are sponsored by individual companies that influence programme content should therefore not be promoted. While service providers indicated that the features generated considerable interest from clients and therefore had a positive influence on stimulating demand for services, it would not be appropriate to contribute to the weakening of the media as an industry to promote BDS. Alternative approaches that reduce this problem do exist such as stations running series of features sponsored by different and competing service providers. It is also possible for radio stations to negotiate sponsorship deals that do not adversely affect programme content, but caution is strongly advised in this area and activities to promote BDS should not contribute to undermining editorial impartiality and integrity.

#### **2.1.4 BDS providers as resource people on radio (non-fee based)**

The concept behind this work is that BDS providers appear as resource people on existing small business radio programmes and in return are allowed to mention their company and contact at the end of the segment. This is therefore a non-fee barter deal between the radio station and the service providers. This approach has already been used outside this project on CBS in Uganda where a trainer appeared on the programme for around 4 months and an advisor on medicinal plant production has been a regular contributor to the programme over a period of a year. The project in Uganda initially focussed on two areas as potential for similar collaborations to be initiated but failed in both areas due to legislative restrictions. Kapital Radio in Ghana showed less enthusiasm for this approach believing that the service providers should pay to appear on the programmes.

#### Legal and conflict arbitration services for MSEs in Uganda

A segment on legal issues for small enterprises was planned in collaboration with a conflict arbitration service and lawyers. Less than a month before these features were due to start a half page advert appeared in the national press from the government Law Council that stated that lawyers were forbidden to appear in the media. This re-enforcement of an old law has caused outrage among the media and legal professions in Uganda but stalled all potential to run legal advisory segments on Ugandan radio.

#### Tax advisory services for MSEs in Uganda

As a result of the failure to initiate legal advisory segments on radio in Uganda, the project investigated possibilities of running similar tax advisory segments on radio. The project wanted to focus on services provided by independent companies, almost all of whom appear to be registered accountants. While this would have probably been possible prior to the ban on the legal profession appearing in the media, accountants were unwilling to take part in this because they are under similar restrictions to lawyers and are not allowed to undertake any advertising or self promotion.

#### Business trainer on Kapital Radio

Rohi Consultancy Services, a training company, appeared as a resource person twice on Kapital Radio. But Kapital decided that they want money from companies to appear in this way and the features were discontinued. As detailed above, Rohi went on to initiate a series of sponsored radio features on a competing radio station.

#### Conclusions: BDS resource people on radio

The project failed to stimulate additional activities in this area due to an unfortunate choice of service areas that proved to have legislative constraints with dealing with the media. There therefore remains some questions about how to stimulate these links to take place. The project has seen that there is a tension between the objectives of radio production staff, who aim to produce the best content that attracts listeners, and the radio marketing staff who aim to maximize revenues for the station. While production staff recognise the importance of commercial resource people in programmes, marketing staff tend to resist it seeing it merely as free advertising.

Mainstream international best practice in commercial media states clearly that to run an effective media company, the audience must come first. In basic terms, the business of commercial media is to sell audiences to advertisers. Content and in the case of radio, programmes are what attract the audience. Unfortunately, in many commercial radio stations in Africa short term revenues are viewed as more important than longer term strategies of building listenership through quality programmes. As the example of sponsorship and editorial integrity above highlights, radio stations are willing to significantly compromise programme quality to attract advertisers. Similarly, marketing departments in many radio stations therefore combat moves by production staff to bring in resource people believing that these people should pay for exposure on the programmes.

This is an problem of radio business management and something which needs to be addressed as part of the longer term strategies of strengthening commercial radio as an effective service industry that contributes to development. While Ghana proved a difficult environment to push this issue, Ugandan radio stations appear more open to the effective use of radio resource people. Ugandan radio stations such as CBS are increasingly recognising the importance of investing in programming and accept the concepts of barter deals between resource people from commercial companies and programme staff to enhance programme content. While production staff have to ensure that resource people are providing non-biased information and that they do not stray into running on-air advertisements, the potential of linking BDS providers to radio stations as effective resource people does appear to be a potential win-win for radio stations and BDS providers. Follow-up with a trainer who acted as a business adviser on CBS radio around 2 years answering business problems from listeners, showed that he appeared to have benefited significantly. The trainer claims that the profile that the programmes gave him resulted in him linking to around 100 rural associations. He estimates that these associations have put him in contact with around 5,000 clients who he has either trained or is in the process of developing training courses for. While these figures require verification, the enthusiasm of the training indicates that radio is a hugely powerful tool to reach clients and acting as a resource person on radio considerably benefits BDS providers.

While the project failed to initiate these links, it should be noted that these links have been happening automatically in existing business radio programmes in Uganda. Supporting the set up of focussed small business radio programmes is therefore a basic first step in stimulating these links. A second step would be to build recognition in the radio stations of the importance of programme quality over short term revenue objectives and encourage the use of commercial resource people for radio. A third step would be to support the formation of linkages between BDS providers and radio stations. In Uganda, the FIT-SEMA project is undertaking this by supporting seminars and talks on business issues for journalists which will include trainers, advisers, lawyers, tax experts, marketing intermediaries etc. A down side of this approach is that it is unlikely that all BDS providers would be able to appear on radio, so this would tend to benefit only a few providers.

### **2.1.5 Stimulating BDS providers to advertise on radio**

While some BDS providers do already advertise on radio in Uganda and Ghana, there is potential to both stimulate greater usage of radio as an advertising media and improve the approach of radio to selling advertisements to BDS and other business input providers.

#### Introductory advertising packages for business input providers

The project tested an approach of developing special introductory advertising packages for business input providers that include BDS providers. The project supported 4 Ugandan radio stations to develop

and offer introductory advertising packages for business input providers to advertise on existing small business radio programmes. Three of these radio stations were rural, Radio Paidha in North Western Uganda, Voice of Teso in Western Uganda and Voice of Kigezi in the South Western corner of Uganda. The fourth radio station was Kampala based, Akaboozi FM. The project negotiated special deals on B2B advertisements and offered small financial support, on average \$450 to each station, to offer these deals. BDS providers had to pay at least 50% of the cost of the adverts. The 4 radio stations signed up over 20 advertisers of which 14 were BDS providers. These offers ran from October to December 2003. In late January all the radio stations were continuing to actively seek specific B2B advertisers for their business programmes. It is too early to assess how successful this activity has been in stimulating the B2B advertisers to continue advertising now that the introductory offer is complete. An assessment is therefore required at least 4 months after this offer ceased.

#### Pilot Business to Business Classifieds on CBS FM

Radio in both Uganda and Ghana tend to sell advertising space in very general ways and do not segment audiences to create niche opportunities for advertisers. Airtime is generally sold according to how many listeners there are rather than who the listeners are and opportunities for niche marketing are therefore lost. Due to this, the general approach to radio advertisement is to run multiple spots. The project hired an advertising agent to undertake work in assessing the potential of establishing 'Business to Business classifieds' on radio in Kampala. The concept is to establish specific time slots for business to business advertisements, business announcements, tenders etc. This slot would attract business listeners to tune in at specific times to listen to relevant announcements and provide the radio station with a niche selling point for their airtime. The consultant, who was an experienced media salesman, had some difficulty in selling this concept to marketing departments of radio stations. Some salespeople saw segmentation of airtime as a threat to revenues since advertisers would be able to advertise less to reach target audiences, although some of the reluctance also appeared to be based on a suspicion of new ideas. The consultant developed the idea and succeeded in selling it to CBS FM since, due to the work of ILO FIT, they already felt that small businesses is their specific niche. This process took some time and was not until November that marketing of the B2B classifieds started. The radio station has developed the segments with music intros and in collaboration with the consultant has signed up the first clients by early January, 2 of these clients are BDS providers. The station intends to launch the slots in later February 2004, since January is a poor advertising month. The consultant is now being offered special commissions by the radio station to market these slots and is working with CBS without support of the project. This work needs time to develop before clear lessons on sustainability can be drawn.

#### Conclusions: Stimulating BDS providers to advertise on radio

This is an important area for those involved in BDS market development. BDS providers need to take a proactive role in raising the awareness of MSEs of their services and radio offers an important channel through which rural businesses can be reached. An advertising culture among smaller BDS providers is weak and needs to be stimulated. The media also needs to offer more varied and effective formats for advertising. The project initiated two tests in this area, both of which are ongoing. Follow up is required at a later date to assess their sustainability and effectiveness.

#### **2.2 Training of radio stations to initiate radio programmes for MSEs**

In addition to pilot testing approaches to stimulate radio to promote BDS more effectively, the project also included a component of supporting radio stations to launch new programmes focussed on MSEs. This work was undertaken through the introduction of the radio programme concept to new stations, on the job technical support to radio stations and formal training of radio producers and presenters in Uganda and Ghana.

This component of the project has resulted in significant results. Seven radio stations (4 in Uganda and 3 in Ghana) have created and launched weekly radio programmes for small businesses (see table below). This exceeds the project target of supporting the set up of 4 programmes.

Radio Programmes launched as a result of the project:

Station	Name of the programme	Language	Date launched
Radio West, Mbarara, Western Uganda	Birugo Omuttutu ('it comes out of sweat')	Runyankole	April 2003
Arua 1, Arua, North Western Uganda.	Ocemaceni ('I earn my own living')	Lugbara	September 2003
Akaboozi, Kampala, Central Uganda.	Tukolebukoze ('let's get on and work')	Luganda	September 2003
Voice of Kigezi, Kabale, South Western Uganda.	Kashenyanku (named after a type of insect known for its industrious nature)	Rukiga	September 2003
Adehyee FM, Bibiani, Western District, Ghana	Sehwiman Nkosuo ('good progress for the Sehwi people')	Akan (Twi dialect)	April 2003
Radio Central, Cape Coast, Central District Ghana	'Adwumapa Pa Ma Nkoso' ('good business brings progress')	Akan (Fanti Dialect)	September 2003
Diamond FM, Tamale, Northern Ghana	Dongomi (good bargaining)	Dagbani	December 2003

#### Training course in Uganda

15 media professionals from 8 radio stations (Arua 1 FM, Radio Paidha, Voice of Toro, Radio West, Voice of Teso, Voice of Kigezi, Akaboozi, CBS) attended a 5 day formal training course in the first week of September. 3 potential local media trainers also participated in the course since an objective of the ILO work in radio in Uganda is to develop media services.

#### Training course in Ghana

A similar 5 day training course was attended by 17 media professionals from 9 radio stations from Tamale in Northern Province, Takoradi and Bibiani in Western Province, Cape Coast and Winneba in Central Province, Koforidua in Eastern Province, Techiman in Brong Ahafo, and Kumasi in Ashanti.

#### Conclusions: Replication of the MSE radio programme

While the replication of the MSE radio programme was not a key component of the action research agenda of this project, the results have been very positive and highlight that the launch of commercially viable radio programmes for small businesses can be effectively stimulated by development projects.

### **2.3 Documenting project experiences**

The following documentation of project activities took place under the project:

- An evaluation report of the MTN Business to Business Exhibition
- A preliminary draft manual on how to organise a business to business exhibition
- Preparation of a case study and evaluation of the radio features on poultry advice in Uganda.
- Preparation of a report on Book reviews on CBS radio.
- Preliminary guide for radio stations on how to develop effective commercial relationships with business input providers.

Follow up activities for this project include :

- undertaking studies into the advertising stimulation activities of the project.
- Integrating the guide for radio stations into a broader document on innovative ideas for business radio programmes.

- Preparing a paper that is a guide to donor and development projects on how to utilize the media effectively and sustainably for small enterprise development

### **3. Project performance in relation to the project logframe**

As detailed above, the project has been involved in a number of innovative activities and important information and learning has been gained through the project. But the project has also encountered some implementation issues that have affected its performance in relation to the outputs and purpose of the logframe:

#### Timeframe

This was effectively a 14 month project which commenced on 1<sup>st</sup> November. This is far too short a period of time for an effective action research project that is working with but not funding private sector partners. Not only is it too short a period of time to effectively implement and evaluate activities and understand how they will develop in the commercial market place, but it is certainly too short a time to disseminate the projects findings. The project is therefore closing with some unanswered questions particularly in relation to sustainability of impact in the market place.

#### Assessing demand-stimulation impact

As a result of the extremely short timeframe of the project it has been difficult to fully assess the impact and sustainability of the activities initiated under this project. In addition, the proposed approach of undertaking a preliminary awareness, understanding and usage surveys on various services as a baseline (based on the User Attitude Image - UAI survey technique) and then undertaking a similar survey towards the end of the project to quantify impact was not an appropriate approach. The survey technique was too blunt an instrument for such a project that is small in nature and involved in discreet innovative pilot activities. The project approach to evaluation was therefore changed to one that focuses on quantifying increased interest, enquiries and clients for specific BDS providers who appeared on radio as a result of the project.

### 3.1 Performance against outputs

Planned outputs	Actual outputs	PRISM scoring	Explanation
4 pilot radio stations and at least 4 new radio stations providing information on BDS to at least 450,000 MSEs by the end of the project.	7 radio stations have broadcast information on BDS and are continuing to do so in January 2004	2	7 radio stations rather than 8 are running BDS information as a direct result of this project.
Working paper or manual on radio as a sustainable BDS market development tool written by the end of the project.	Not completed by project end but will be completed in 2004.	1	The paper on this project needs to be written in later 2004 once the activities have been given time to develop and so that sustainability can be assessed. Plans are to prepare a paper of recommendations for donors on working with the media for SED which will include sections on developing services through the media.
Manual or working paper distributed to at least 30 projects, agencies and key individuals in BDS by end of project.	Needs to be undertaken by end of 2004.	1	This output will be achieved once the paper has been written.
Findings presented in at least 2 international events by the end of 2004.	Initial findings presented at the SDC workshop in Switzerland 'Opportunities and limits of the BDS approach in rural areas' from 8 <sup>th</sup> to 9 <sup>th</sup> January 2004. Planned presentations at the BDS 2004 Training Course in Glasgow from 19 <sup>th</sup> to 22 <sup>nd</sup> July 2004. Planned presentation at the ILO BDS seminar in late September 2004	1	The findings will have been presented in at least 3 international events by end of 2004.
Guide for radio stations on developing commercial collaboration with BDS providers written by month 12 of project.	Preliminary guide drafted	1	Preliminary guide drafted but this guide is not sufficient in its current form to interest many radio stations The guide will therefore be combined into a broader document on innovative ideas for business radio programmes to be completed by Late 2004.
Guide disseminated to at least 15 radio stations in Africa by end of project	To be distributed as part of a broader document for radio stations.	1	This will be completed once the guide has been finalized by late 2004.

### 3.2 Performance against purpose

Planned Purpose	Actual results	PRISM scoring	Explanation
To develop approaches that build commercial relationships between BDS providers and the broadcast media and increase the awareness, understanding and therefore demand for BDS among MSEs	A number of innovative and new approaches to developing commercial relationships between BDS providers and radio stations have been developed and tested under this project. These have already been seen to have strong potential to stimulate demand and increase awareness and understanding of BDS.	1	This has been achieved under the project.
To influence development agencies to utilize the broadcast media in sustainable ways to build BDS markets	The process for this will start in 2004. As detailed above. FIT-SEMA will present its findings at key international BDS events in 2004 and will prepare a guide for donors and projects on using the media in BDS.	2	This is likely to be achieved, but it is recognised that many donors and projects are used to purchasing airtime and space from the media and the experience of FIT-SEMA is that projects often prefer the control of this approach over a more hands-off approach of developing the media as a sustainable long-term tool for BDS and small enterprise development.

#### **4. Performance in relation to EDIF criteria**

##### **a) Innovativeness**

- *Was the project grounded in a detailed knowledge of the local development context and of the constraints to enterprise development?*

Yes, the project was based on detailed knowledge of the media industry in Ghana and particularly Uganda. The project implementer was also well aware of current local small enterprise development activities particularly in Uganda where ILO is the co-chair of the BDS co-ordination group. In Ghana, the project also had a strong implementing partner that was aware of enterprise development activities in the country.

- *Was the project informed by a strong understanding of relevant trends and practice in the enterprise development field?*

Yes, The ILO FIT Programme is closely involved in the testing and application of key principles of best practice in business development services. The project was designed to address key issues of concern to this field of small enterprise development.

- *In the context of (a) and (b), was the project genuinely innovative?*

Yes, this project was testing approaches in a completely new area for BDS market development. The media is a key tool for service development but approaches for using it in a sustainable manner have not been developed, tested or documented.

##### **b) Immediate impact in project area**

- *Did the project achieve significant change in enterprises?*

The project immediate aim was to create awareness and stimulate demand for services among MSEs and this has been seen to have happened as a result of the activities of the project. The project also succeeded in establishing 7 weekly small business radio programmes that are now providing MSEs with business information, platforms for discussion on business issues and a channel through which small enterprises can influence business policy. The project also succeeded in initiating business to business exhibitions in Ghana and Uganda which have created business linkages for enterprises. As a result of the Ugandan business to business event farmers have come into contact with buyers and suppliers of equipment have undertaken follow up training with farmers and are forging new markets for Ghee, Moringa and other produce of small scale farmers. It can therefore be seen that the project has indeed stimulated change within enterprise in Uganda.

- *Did the project achieve significant change in the business “system” or markets impinging on enterprises?*

The project set out to change the way that commercial radio provides information on BDS to small enterprises and the way that BDS providers link to radio. This has been achieved in 7 radio stations in Uganda and Ghana and BDS providers have been appearing, and continue to appear, on radio as a direct result of the project. The project also initiated the business to business events which have given service and input providers opportunities to meet MSEs face to face to explain their products and services. These events have a strong potential for sustainability. The project has also succeeded in establishing 7 new radio programmes providing information, advocacy, advisory and other services to MSEs.

- *To what extent have the project’s achievements contributed to poverty reduction?*

Radio is a medium that reaches rural, remote and scattered communities. The project activities focussed on working with radio stations that are reaching communities in their own local languages (Uganda has 37 local languages) and business programmes that are aimed at informal, micro and small business activities. The project has therefore opened up information channels to marginalized business communities. Such channels have the potential to provide key information link MSEs into mainstream policy debates, stimulate business linkages and offer important insights into business. As such the business programmes developed under this project therefore

can contribute to improving livelihoods through enhancing business and opening new business opportunities.

- *How has the project addressed gender and environmental issues in its activities?*

A media survey undertaken in late 2002 highlighted that female listenership to radio stations that have informative programmes is higher than male listenership. For example, over two thirds of the listeners to CBS Radio in Uganda are female. It has also been seen that female listener participation in the radio programmes is high and usually exceeds male participation. There are therefore few negative gender imbalances that needed addressed in these two areas. Where there is a gender imbalance is in male/female ratio of radio presenters and producers involved in business radio programme production. The project has actively encouraged greater participation by women in the business programmes. In Uganda, a trainee at the journalist training course almost backed out of the course because of parenting responsibilities. The project therefore lobbied the station management to support her participation and organised for special accommodation to be arranged for a childcarer and infant. The project succeeded in attracting 5 female participants to the training course in Uganda but only 3 to the Ghana training course. Gender imbalance remains a problem within business programming and further efforts are required in this area.

Other than including environmental concerns as a key issue for business in journalism training courses, the project made no direct efforts to address environmental issues since the project deliberately takes no role in providing programme content to radio stations. Having said this, it should be noted that environmental issues are frequently covered in the small business radio programmes. Interestingly, two of the three feature stories produced by trainees in the Ghana training course were environment related. One looked at the problems and issues resulting from chainsaw logging bans another at flooding and pollution caused by dumping of sawdust and food waste from small business woodworking and market areas.

#### c) Sustainability

- *Has the project contributed to more sustainable enterprise development in the project area?*

Yes, the project has initiated sustainable radio programmes for small business, B2B events and improved information on services. The projects activities were based fully on building sustainable services and channels for information on services.

- *Has the project contributed to more sustainable enterprise development in the wider enterprise development field?*

The project design is based on developing learning in the area of developing sustainable approaches of stimulating demand for BDS. The learning under this project will add new demand side tools for BDS market development and add to current approaches, such as social marketing, that are short term and not sustainable. The project will therefore contribute to sustainability within the enterprise development field.

#### d) Dissemination

- *Did the project identify appropriate stakeholders to whom it should disseminate its findings?*

The project is yet to undertake dissemination of its findings. As explained above, this was effectively a 14 month project and final findings will be drawn together and dissemination will begin in 2004. Stakeholders such as commercial radio stations, donors and projects involved in small enterprise development have already been identified and are known to the ILO.

- *Did it identify appropriate means for reaching these stakeholders?*

Appropriate means such as the Glasgow BDS training course, the annual ILO BDS seminar and the inter-agency information exchange website on developing market for BDS ([www.ilo.org/dyn/bds](http://www.ilo.org/dyn/bds)) among others.

- *Has the project able to reach relevant stakeholders effectively through its dissemination activities?*

Not yet. The dissemination activities need to happen in 2004.

- *Are there any plans known – in the project organisation or among other stakeholders – for replication or for other initiatives influenced by the project's experience?*

Yes, the project experience and learning is being integrated into a new 2 year Sida funded project to develop media for small enterprise development run by ILO FIT SEMA (Small Enterprise Media in Africa). Some activities of the project are also planned to be replicated in Zambia under a Sida funded BDS project being implemented by the ILO.

## **5. Summary and key points of learning from the project**

The project has succeeded in developing and pilot testing a number of specific approaches to building commercial relationships between the media and commercial BDS providers. In particular the project has highlighted new methods through which those involved in BDS market development can improve the awareness of BDS. These include:

The potential of commercially run business to business exhibitions: The project proved the commercial potential of business to business events that can bring together BDS providers and small enterprise customers. These events should join the list of demand side tools for BDS market development initiatives.

The potential role of the media in supporting BDS and SED events: The project highlighted the beneficial role of involving key media players as part owners, organisers or media partners in business to business and other small enterprise events.

The potential of using media to market and sell BDS products: While not fully tested under the project, the work has identified the potential role of the media in the direct marketing and sale of BDS products to MSEs with the strong potential benefit of this opening BDS markets to MSEs. The media can sign up and mobilize clients to enable remote BDS providers to offer services more efficiently and effectively.

Win-win opportunities of BDS providers linking to the media as resource people: BDS providers appearing in the media and, for example, offering advice to listeners (readers or viewers) or providing content to the radio has been seen to have a strong potential benefit for both the media and BDS providers. While not succeeding in stimulating these links, investigations undertaken under the project into a trainer who has used the media in this way indicate that this can have a large impact on stimulating demand for business services.

The project also highlighted the dangers of subverting editorial impartiality through encouraging commercial sponsorship which effectively becomes advertorial for the sponsoring company. The media has a strong potential role of running 'consumer watchdog' type programmes or publications that effectively inform MSEs as consumers of BDS and provide balanced appraisal of the various merits or otherwise of various services. The project highlighted the potential to undermine this potential role and further damage the balance of media, thus reinforcing the tendency of the media in developing countries to represent advertisers at the expense of listeners.

The project activities will be followed up with further demand creation impact analysis of the various activities evaluated. The findings will be included in a planned manual on innovative ideas for business radio programmes which will be produced by the ILO FIT-SEMA project in Uganda by the end of 2004. The findings will also be included in a paper on guidelines for donors on using the media for small enterprise development that will also be written under the ILO FIT-SEMA project by September 2004. The experiences of this project will be incorporated into presentations at key BDS events. Through these activities the project will fulfil its objectives of influencing small enterprise development towards more sustainable approaches in utilizing the media as not just a tool for

enterprise development, but as a commercial industry that stimulates enterprise development on an ongoing basis.