

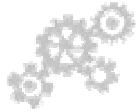


The Market Assessments of GTZ's BDS/LED Programme in South Africa

Approaches, Lessons and the Future

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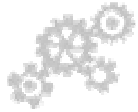
Introduction

Territorial versus sectoral approach

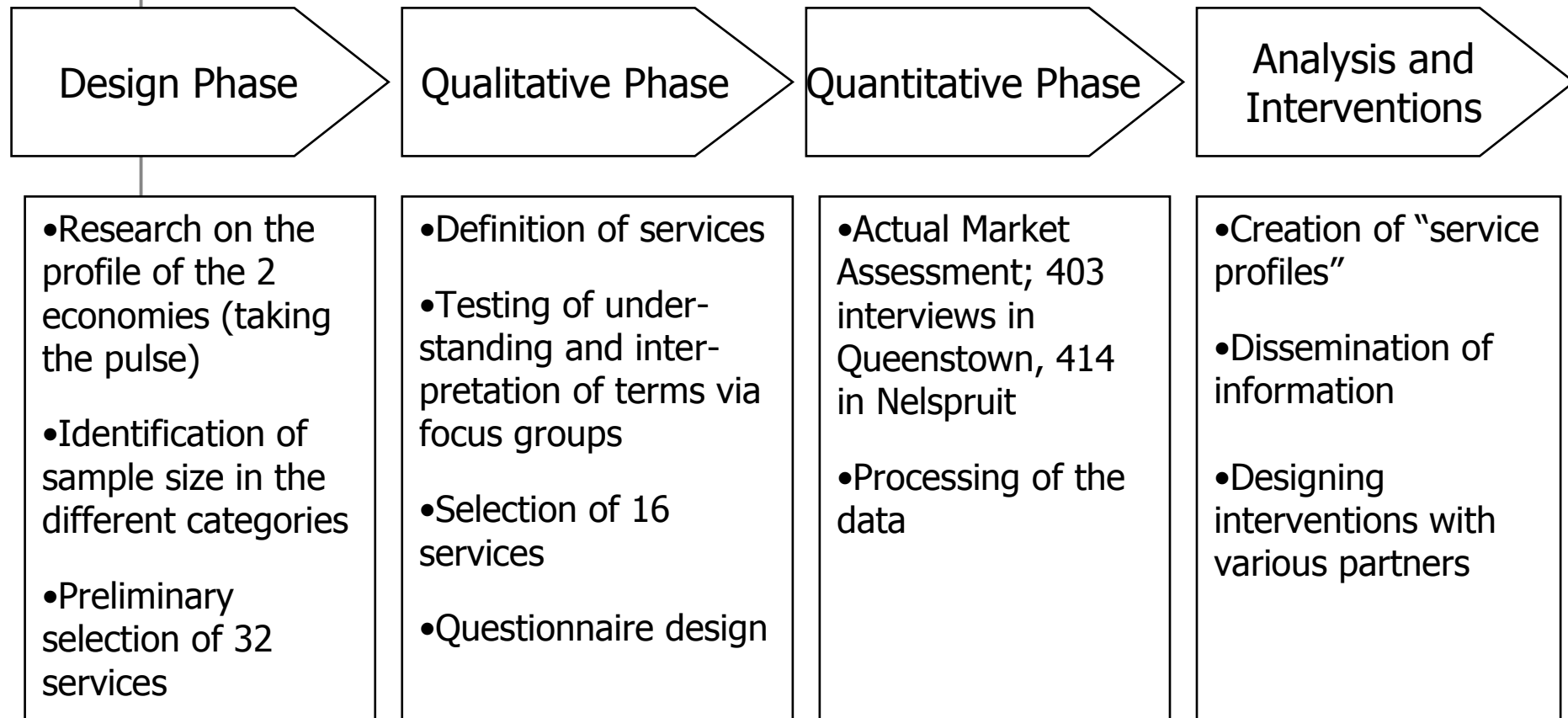
- Due to our interest to promote local economy as a whole (LED)
- Assuming that increased supply/demand of services indicates increased economic vibrancy – irrespective which sectors
- Both markets relatively small and contained

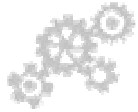
Implicit intervention model

- Use the analysis from the research to create “service profiles” that could be used to develop service markets
- Either our Programme or local BDS facilitators could develop the service markets using these Service Profiles and the MA data



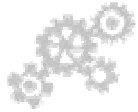
The process





Methodological approach

- Contracted a professional market research firm (BMI)
 - Negative aspect:
 - New to field (need to explain rationale of BDS/MA repeatedly)
 - BMI completely underestimated the time and size of the research
 - Positive aspect:
 - Introduced new models of research and analysis
 - Information presented in a way that changed the way policy makers thought about BDS



Innovations on previous approaches

Went beyond UAI to:

- Provide better understanding of business context (design & qualitative phase)
- A more sophisticated analysis of the data (the research models) -

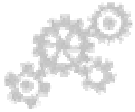
Attributes, consequences and values =>

a more sophisticated understanding of the purchase and retention decisions

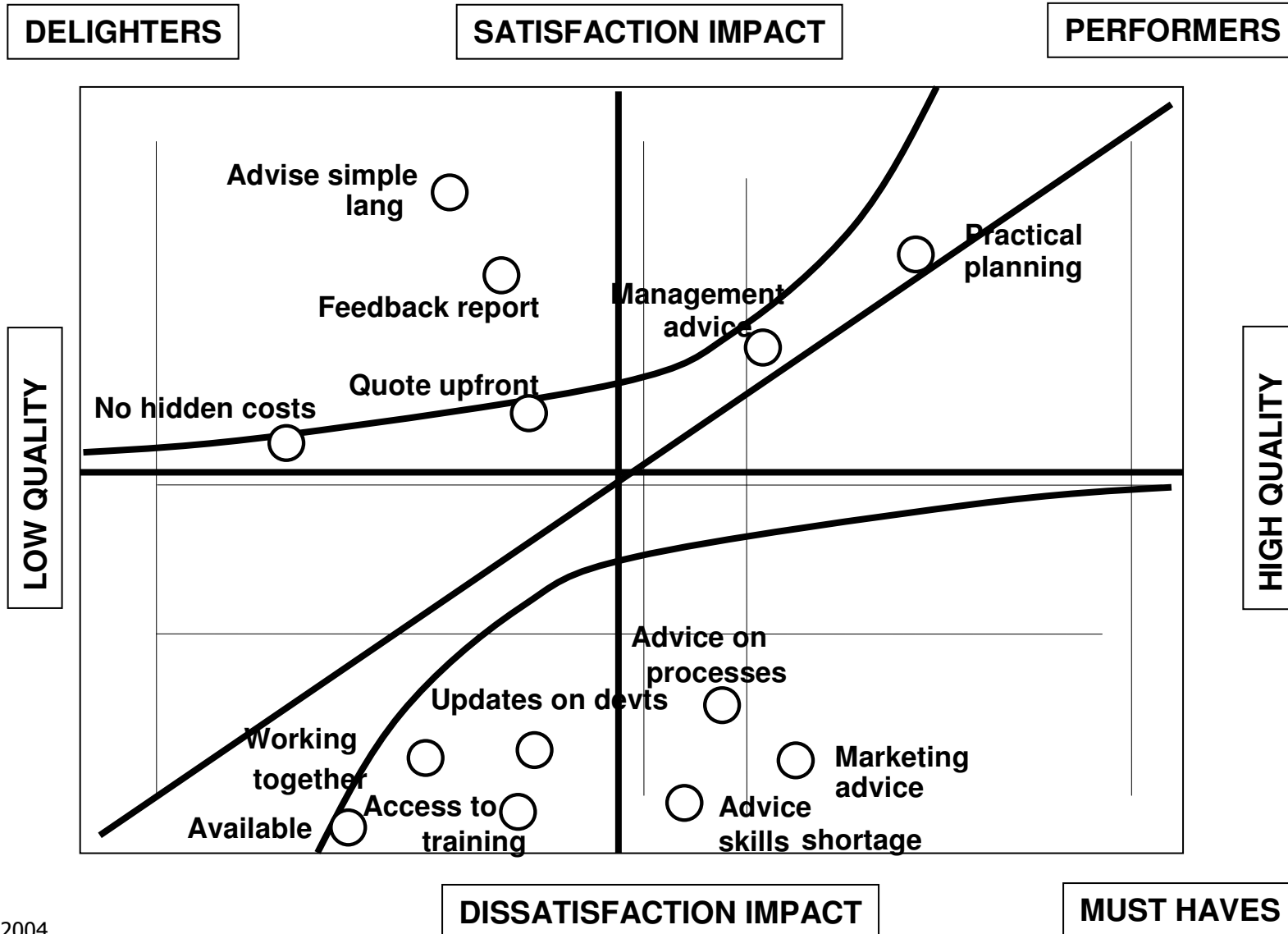


Additional research tools introduced

- 13 MARKETSCAPE SYSTEM® tools used of which several were useful
- Useful instruments
 - “Quality Performance”
 - “Business Service Delivery on benefits”
 - “Perceived consequence of use”
 - “Involvement”
 - “Salience”



“Quality performance”

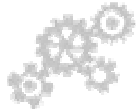




“Business Service Delivery on benefits”

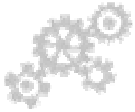
BENEFITS	Productivity	Skills / resource waste	Customer relations	Professional dealings	Latest techniques	Correct practices	Efficiency	Insight	Staff satisfied	Runs smoothly	Quality	EV area of business	BENEFIT RATIO
Attribute weight	9	5	13	6	8	6	7	7	7	9	14	9	
ADVISORY	67	7	4	2	11	5	7	7	7	8	11	13	0.75
ENVIRONMENT	10	46	4	6	7	3	9	5	5	10	6	3	0.81
BUS LINKS	10	5	38	15	4	7	6	11	6	6	3	6	0.49
QUAL TRAINING	11	11	13	22	12	11	10	9	10	5	19	9	0.84
ADVERTISING	10	11	31	26	10	5	15	4	7	12	9	5	1.08
NEW MARKETS	10	7	30	18	13	8	5	4	6	9	8	6	1.17
INFO ON STDS	10	13	8	15	5	29	9	3	7	10	12	16	0.77
CUSTOMER FEEDBACK	12	8	36	8	8	10	6	11	8	9	11	5	0.80
TENDERING	4	5	11	13	9	31	9	8	11	10	7	9	0.80
ACCOUNT SERVICES	10	9	14	11	11	28	14	19	10	21	14	7	1.19
BUSPLAN MENTORING	9	14	8	13	17	12	9	11	18	31	10	7	1.32
COMPUTER	8	9	7	11	16	7	25	17	13	19	9	12	1.21
LEGAL	1	4	7	5	8	52	8	15	6	15	7	13	0.95
MGT SKILLS TRAINING	15	14	9	8	11	9	18	17	22	35	16	26	1.27
FINANCIAL PLANNING	8	4	5	8	8	10	3	32	7	38	10	18	1.80
NEGOTIATION	3	3	6	19	4	30	7	3	7	9	9	8	0.74

27 September 2004 This model-analysis depicts how each service measured, compares with each other, and also a Total Benefit of Delivery of the service.

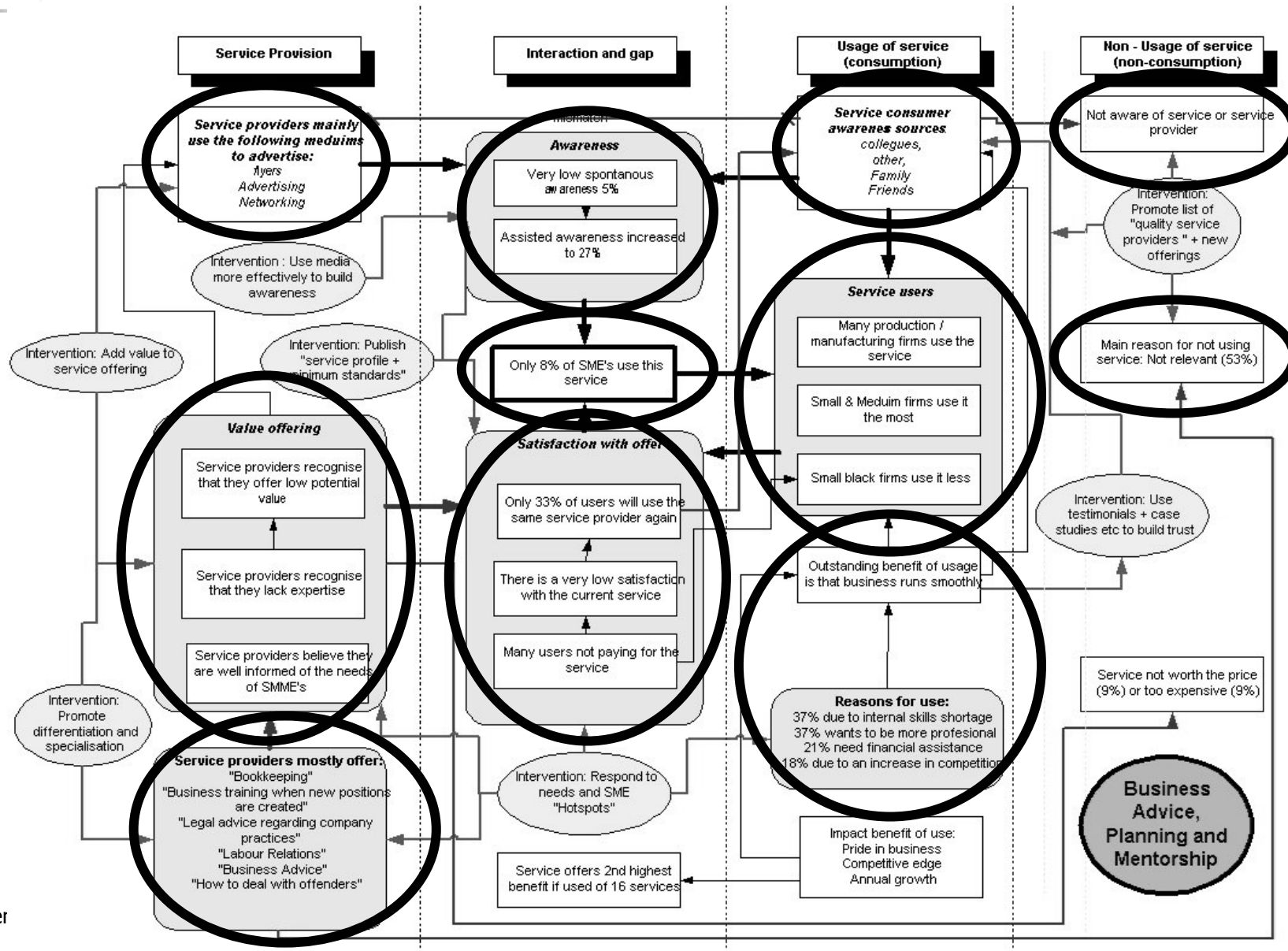


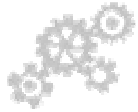
How data was used in design

- Service profiles to guide intervention via facilitated workshop processes with service providers
- Information revealed strong complacency of service providers => "Nelspruit Model"
- Contribution to change of mind-set in SA

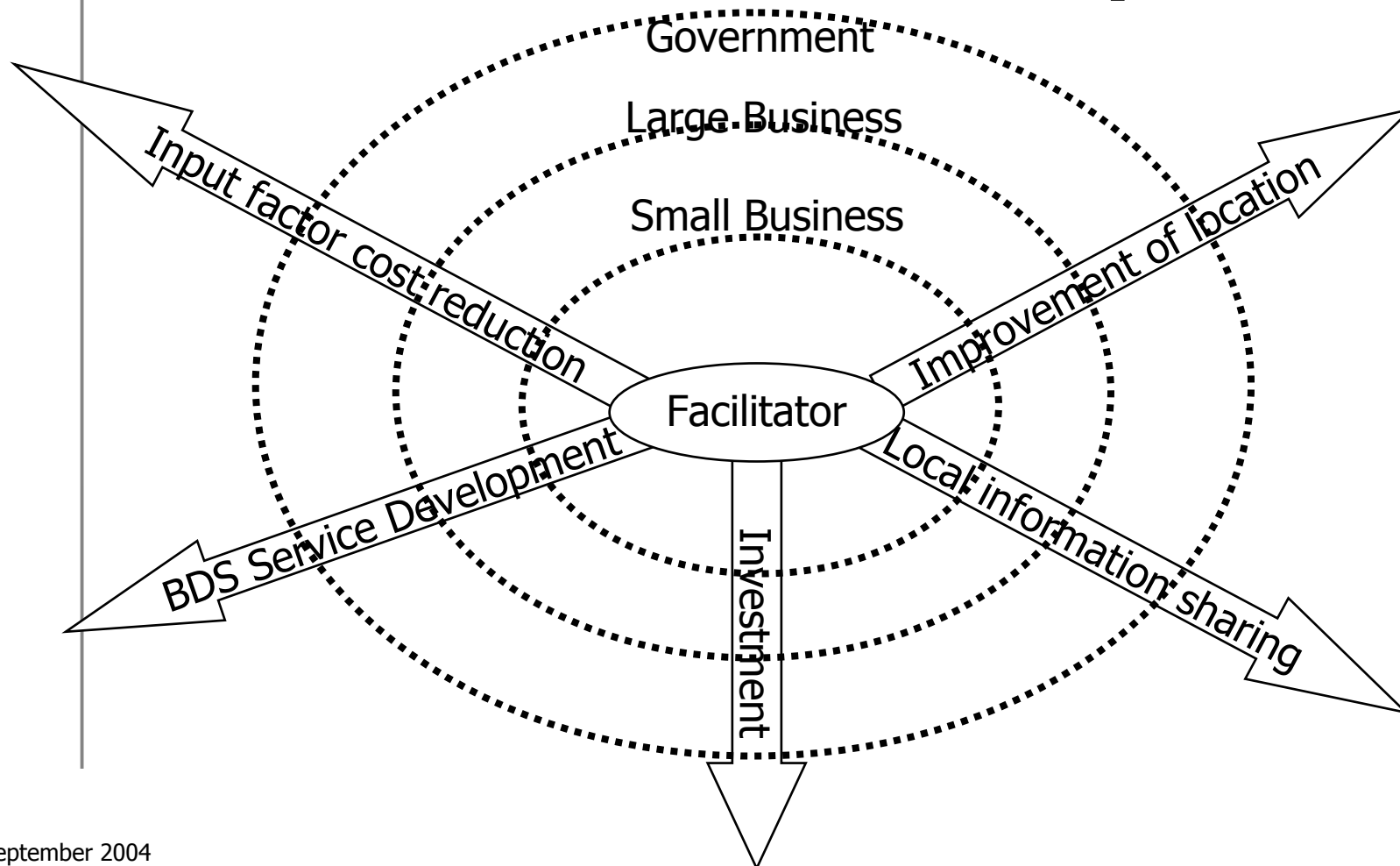


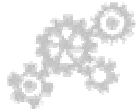
Business Development Services and Local Economic Development





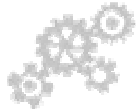
LED and BDS meets locally





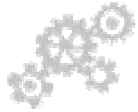
Mistakes not to be repeated...

- Level of research sophistication... is it really needed? (However, interesting policy and academic side-effects....)
- Far too many services - 16 researched
- Concentrate more on the service providers

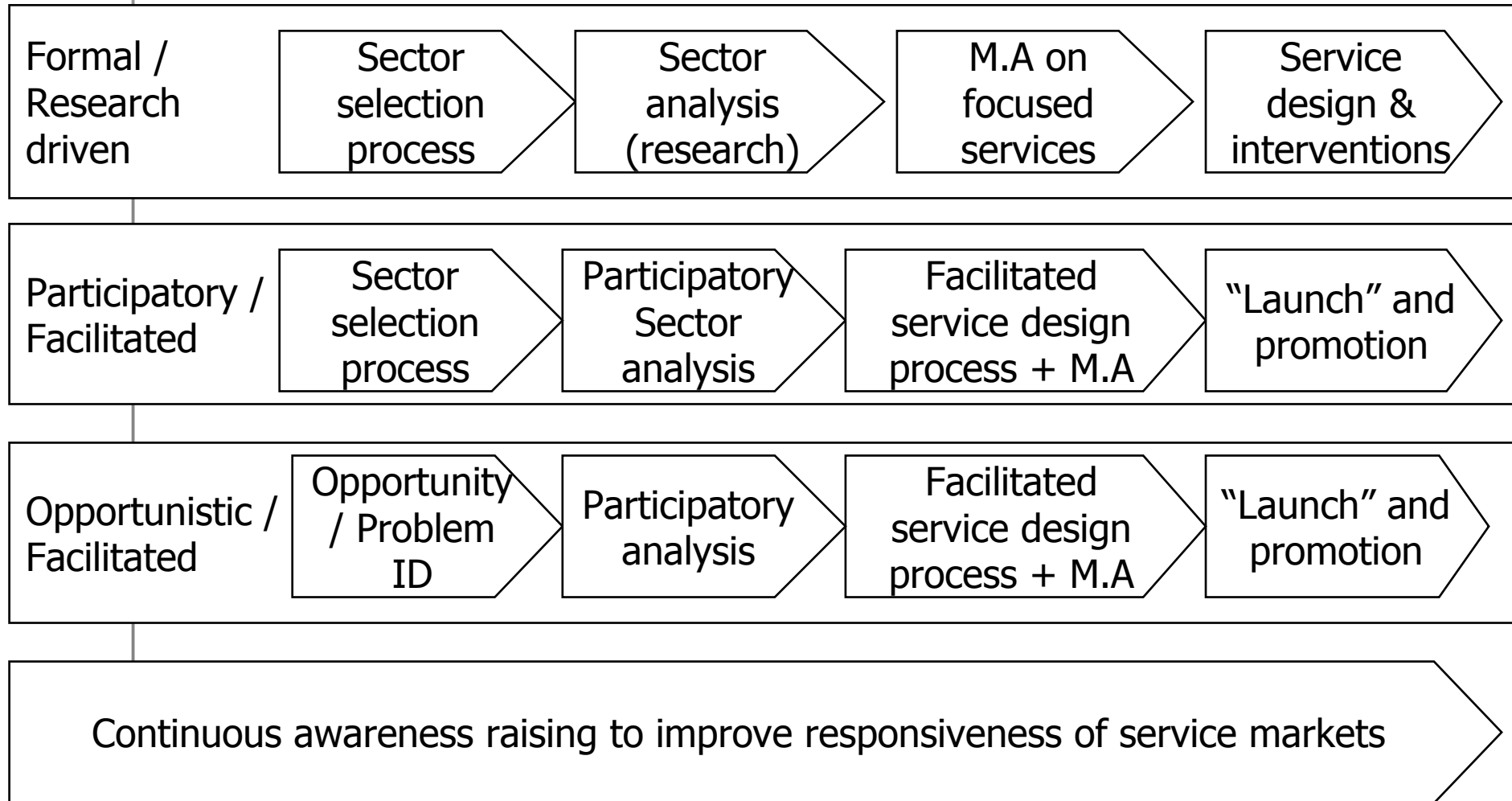


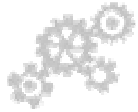
Mistakes not to be repeated

- Design and Qualitative Phase could have been combined and simplified
- Participatory, shorter info gathering processes to narrow down MA focus
- Analysis Paralysis
 - Data overwhelming, required long time to process
 - Should have started a parallel process of opportunity driven interventions



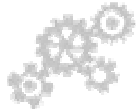
Our approach in the future





Issues we are grappling with....

- Lack of understanding and complacency by service providers on how service markets function... How can one get South African Service Markets to be more responsive to consumer needs in general.... (including but also beyond BDS) ... how can we entrench the principles of service design in SA....



GTZ BDS / LED programme

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