

Marketing for small-business success

RIU

Validated RNRRS Output.

Researchers in India have developed a method to allow poor small-business owners to understand and react to the needs of the market. This kind of knowledge is essential if small businesses are to survive and flourish. The Market Orientation and Value Enhancement (MOVE) method was designed to train poor, illiterate women in market research and business planning. By teaching the poor how the market works, MOVE helps them understand customer needs and wants. There is now considerable interest in the output. CARE India, for example, wishes to apply the system to recreate livelihoods in areas hit by the tsunami, and wants NGOs to be trained in the use of the system.

Project Ref: **NRSP27:**

Topic: **5. Rural Development Boosters: Improved Marketing, Processing & Storage**

Lead Organisation: **University of Wales, Bangor, UK**

Source: **Natural Resources Systems Programme**

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Description

NRSP27

A. Description of the research output(s)

Research into Use

NR International
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Geographical regions included:

[India](#),

Target Audiences for this content:

[Crop farmers](#), [Livestock farmers](#), [Fishers](#), [Forest-dependent poor](#),

1. *Working title of output or cluster of outputs.*

In addition, you are free to suggest a shorter more imaginative working title/acronym of 20 words or less.

Title: Market Orientation and Value Enhancement (MOVE) supporting Sustainable Livelihoods for the Poor

Short Title: MOVE for Sustainable Livelihoods for the Poor

2. *Name of relevant RNRRS Programme(s) commissioning supporting research and also indicate other funding sources, if applicable.*

- Natural Resource Systems Programme, DFID
 - R8084: Enhancing Livelihoods and NR management in peri urban villages near Hubli Dharwad

3. *Provide relevant R numbers (and/or programme development/dissemination reference numbers covering supporting research) along with the institutional partners (with individual contact persons (if appropriate)) involved in the project activities. As with the question above, this is primarily to allow for the legacy of the RNRRS to be acknowledged during the RIUP activities.*

R8084

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4. Describe the RNRRS output or cluster of outputs being proposed and when was it produced? (max. 400 words). This requires a clear and concise description of the output(s) and the problem the output(s) aimed to address. Please incorporate and highlight (in bold) key words that would/could be used to select your output when held in a database.

The proposed output is listed in the RIUP list of validated outputs as a 'Participatory market appraisal tool'. While this describes a component of the output being proposed, a participatory market appraisal (PMA) tool makes little sense outside the context of MOVE (Market Oriented Value Enhancement). MOVE is a methodology and tool conceived in response to the failure of project R8084 to find ways of helping the severely disadvantaged groups of poor people such as the landless and illiterate women of low economic and social status, for whom improved natural resources management had little relevance, as their natural capital base was too low or non-existent.

Development projects often encourage poor people to engage in income generating activities to enhance their livelihood portfolios. However, there is a significant body of evidence which indicates that these programmes fail because they are production or commodity centric, and are not market oriented. Pricing, too is usually based on a fixed mark-up over cost, rarely responding to local market conditions, which usually results in underselling in terms of quantity or under-pricing. A case in point from Hubli-Dharwad is the example of a potters' group encouraged to produce earthenware water pots, that were then undercut by cheap, imported plastic pots from China. Taking a market approach, the group could easily have responded by tailoring their products to niche customer needs like painted smaller pots for selling ethnic sweets, yoghurt or candles .

The MOVE output was designed to meet this challenge, training poor and illiterate women in **participatory market research, business planning** and understanding where to pitch their products or services in the **value chain**. A key feature is that MOVE does not attempt to force participants into a particular type of commodity, product or service. It does not, for example, have to be natural resource based, which is particularly appropriate in context of rapid urbanisation. The participants in MOVE chose their commodity, product or service based on their understanding of the markets and customers. Thus, they have a greater degree of ownership and responsibility for the success of their enterprise. The most important characteristic of MOVE is that it reverses traditional approaches in setting up businesses. It teaches the poor firstly to understand the market, and only then to consider production. In this way, it helps the poor understand customer needs and wants: Through the PMA tool they can assess the size of the local market, customer segment-wise demand, understand the competition and position their own product. It provides tools for the poor to design their products, brand them, market test them, modify their products to customer needs and then upscale their production only if it makes business sense (i.e. is profitable).

Initially, as a pilot, three women's self help groups (SHGs) in one village participated in the formulation of the MOVE programme which ended in December 2004. This was replicated in five further villages by September 2005. Five women's groups are still operating their businesses a year later.

A low cost, simple English training manual and a video CD was produced for ready replication . A version in Kannada is now in production. Production in other major Indian languages is in demand from other development organizations, and these versions will follow as proposals materialise.

5. What is the type of output(s) being described here?
Please tick one or more of the following options.

Product	Technology	Service	Process or Methodology	Policy	Other Please specify
	X		X		

6. What is the main commodity (ies) upon which the output(s) focussed? Could this output be applied to other commodities, if so, please comment

It is not commodity focussed. MOVE can be adapted to any product or service which can be marketed. The focus is on the development of products and services that can be delivered by poor groups of people whose livelihood strategies are usually risk averse and based on a low capital asset base.

7. What production system(s) does/could the output(s) focus upon?
Please tick one or more of the following options. Leave blank if not applicable

Semi-Arid	High potential	Hillsides	Forest-Agriculture	Peri-urban	Land water	Tropical moist forest	Cross-cutting
				X			X

Although developed in the PUI, MOVE is applicable in any system. Same applies to 7 below.

8. What farming system(s) does the output(s) focus upon?

Please tick one or more of the following options (see Annex B for definitions).

Leave blank if not applicable

Smallholder rainfed humid	Irrigated	Wetland rice based	Smallholder rainfed highland	Smallholder rainfed dry/cold	Dualistic	Coastal artisanal fishing

9. How could value be added to the output or additional constraints faced by poor people addressed by clustering this output with research outputs from other sources (RNRRS and non RNRRS)? (max. 300 words).

Please specify what other outputs your output(s) could be clustered. At this point you should make reference to the circulated list of RNRRS outputs for which proformas are currently being prepared.

MOVE is a generic process that has potential to be applied anywhere. It was developed in an area with a strong urban influence which has the advantage of significant markets, but there is no obvious reason why it cannot be used in other circumstances.

Potential clustering could be with R7151, R7494, R8250, R8422 (market information tools), and R8128, R8418 (participatory market chain analysis), which are all outputs from the crop post-harvest programme. Please note, however, the caveat in the response to Q4 above. Truly participatory processes run the risk of participants choosing an enterprise based on something other than what the project originally intended, possibly non-natural resource based. Any upscaling programmes need to be aware of this.

Validation

B. Validation of the research output(s)

10. How were the output(s) validated and who validated them?

Please provide brief description of method(s) used and consider application, replication, adaptation and/or adoption in the context of any partner organisation and user groups involved. In addressing the "who" component detail which group(s) did the validation e.g. end users, intermediary organisation, government department, aid organisation, private company etc... This section should also be used to detail, if applicable, to which social group, gender, income category the validation was applied and any increases in productivity observed during validation (max. 500 words).

This output was validated internally and externally. NRSP Highlights refer to the impact of the MOVE process as validated by the NRSP mid term evaluation of R8084. After the initial development of the MOVE process which finished in December 2004, NRSP funded a dissemination phase from April to September 2005, where the MOVE process was replicated in five other project villages. Validation of the output was therefore considered to

be the degree of success of the replication process. New enterprises with poor, illiterate women were established in each of the five villages. In this instance, the primary stakeholders were considered to be the validators. The social characteristics of the groups to which the validation applied were low income-asset poor women, often of lower castes or Muslim households. At the time of the validation it was too early to draw conclusions about improvements in the capital assets of participants as a consequence of the output (but see response to Q20 below).

Subsequent to the closure of the project, Indian project team members have continued to informally monitor the newly established enterprises. Staff are being hired to create an grassroots incubation centre within Hubli Dharwad to spread MOVE locally and to innovate in emerging spaces such as services. This is crucial given the rising size of the service sector in India.

An external validation was conducted in January 2005 by ITAD, a firm of consultants hired by NRSP to evaluate the project (NRSP PD138). ITAD reported in May 2005. The method of validation of MOVE was a focus group meeting with the sole example of a MOVE-mediated enterprise then extant. The consultant raised some issues related to dynamics within the SHGs, which in our view were external to MOVE and related more to group dynamics within the SHGs.

In 2006, as a direct response to reading the MOVE Training Manual, CARE India subsequently funded a pilot feasibility study of MOVE in select villages with tsunami affected fishermen in Tamil Nadu. CARE will now be implementing MOVE through 6 NGO partners working with 8 - 10 SHGs in 6 different villages in the tsunami affected area.

The UN International Labour Organisation, which is working with parents to eradicate child labour, has visited the groups involved with MOVE. In response they have requested that MOVE is implemented in two sites, as a way of training 80 NGOs to apply MOVE with 1,000 youth in two districts of Karnataka State.

11. **Where and when** have the output(s) been validated?

Please indicate the places(s) and country(ies), any particular social group targeted and also indicate in which production system and farming system, using the options provided in questions 7 and 8 respectively, above (max 300 words).

Validation was conducted in six villages in the Dharwad District Region in Karnataka between January 2004 and September 2005. MOVE was conducted with a total of eight self help groups (160 women) in five villages. The women were all poor and landless. Notwithstanding the focus of the output being cross-cutting, the production system/farming system context was the peri-urban interface. The output has therefore been validated in an arena characterised by dynamic institutional and resource-based change in terms of context of economic, social, political and natural resource management/availability factors. For this reason the output conforms well to increasing the resilience of otherwise marginal livelihoods.

Current Situation

C. *Current situation*

12. *How and by whom are the outputs currently being used? Please give a brief description (max. 250 words).*

At the time of writing the groups that were trained in the peri urban villages around Hubli-Dharwad are continuing with the businesses they have started. The output is not currently being used elsewhere but there have been many requests for replication within India and overseas. As described above, preparations are underway for the implementation of MOVE with CARE India and with ILO.

CARE, India is setting up a Livelihood Resource Centre (LRC), in the tsunami affected areas and has requested Best Practices Foundation (BPF) to help the envisioning process of the LRC by training NGOs working in these areas in MOVE. It commissioned BPF to conduct a feasibility study and site selection for MOVE completed in June 2006. It has now requested the implementation of MOVE in those sites BPF recommended where the outputs will be used to build new and resilient livelihood options for those households and artisans most heavily affected by the tsunami. Particular problems faced by these groups include the destruction of previous livelihood opportunities and micro-enterprises, a low capital asset base, and poor infrastructure.

The ILO will use the output as a means to develop vocational packages that are more closely attuned to the needs of industry and those of unemployed youths looking for new livelihood options. ILO will be working with the youths groups as well as industry and the vocational training institutions, to bridge the gap between market needs and the training provided by vocational institutions. This will increase accountability and transparency and result in more market oriented education and enterprise development. .

13. *Where are the outputs currently being used? As with Question 11 please indicate place(s) and countries where the outputs are being used (max. 250 words).*

MOVE is currently being used in five villages around Hubli-Dharwad, Karnataka, India.

Preparations are underway for the implementation of MOVE with CARE India in Tamilnadu Tsunami affected areas and with ILO in Chamrajnagar and Bidar districts, Karnataka and both ILO and CARE India have requested proposals from BPF for this implementation.

14. *What is the scale of current use? Indicating how quickly use was established and whether usage is still spreading (max 250 words).*

In use by 160 poor women distributed among eight self help groups in five villages around Hubli-Dharwad. In the dissemination phase, adoption took six months.

Usage of the output is still spreading. Requests for implementation from CARE India in Tamilnadu and with the ILO in Chamrajnagar and Bidar districts, Karnataka, arose within days of the end of project R8084, and will see the implementation of MOVE within a year of project dissemination.

Since the output was produced in December 2005, there have been more than 15 substantive requests for the

MOVE output package from a range of organisations including government institutions, non-governmental and civil society organisations and newly emerging livelihood focused research units attached to financial institutions such as the Social Initiatives Group, ICICI Bank, and the Microfinance group of ABN AMRO Bank. See the Appendix at the end of this proforma.

15. In your experience what programmes, platforms, policy, institutional structures exist that have assisted with the promotion and/or adoption of the output(s) proposed here and in terms of capacity strengthening what do you see as the key facts of success? (max 350 words).

The UNDP Solutions exchange network, a national platform to spread innovations, helped improve MOVE's profile as a result of which the ILO approached BPF and requested a proposal. At the Solutions exchange national workshop the Gujarat government heard about MOVE and expressed interest on partnering with BPF about implementation of MOVE. Also as a result of membership of the Solutions network, FAO has disseminated the MOVE manual to its partner NGOs encouraging use of the methodology wherever appropriate.

The key factor that helped promote MOVE was the low cost production of a manual and a film. Initially, these products were disseminated through a mailing list, but a more effective dissemination route was the use of personal networks. The uptake of MOVE by CARE India for example, came about through personal discussions with the national office. Similarly, the DFID-India Rural Livelihoods Advisor, West Bengal requested a concept note for implementation of MOVE in the Sunderbunds region of West Bengal. The West Bengal government too, has also recently expressed interest after face-to-face meetings on MOVE.

Current Promotion

D. Current promotion/uptake pathways

16. Where is promotion currently taking place? Please indicate for each country specified detail what promotion is taking place, by whom and indicate the scale of current promotion (max 200 words).

Promotion is taking place at State Government level and with funding agencies in India. As part of the dissemination phase, low-cost, simple manuals were produced, along with a video on CD. This has been widely circulated within India to promote the output.

In response, most funding agencies approached have said that MOVE is the missing methodology that they have been looking for when dealing with the development of micro-enterprises for poor groups of people. FAO has taken copies of the manual and has distributed them to the NGOs they work with. ILO has asked for MOVE training to be given to 80 NGOs who in turn will pass on the training to a minimum of a thousand youths. CARE India is working with tsunami affected families in Tamil Nadu. After the initial relief work was over they wanted to develop a more sustainable solution for the families. One initiative is setting up a livelihood resource centre. When they were given the MOVE manual from their Delhi office they thought that this would be useful for their groups. A feasibility study was conducted and now the actual training has been requested. The state governments of West Bengal and Gujarat have shown interest in applying MOVE to their programmes, and the

West Bengal state government has already sent a letter asking for MOVE to be disseminated there.

DFID, Delhi is negotiating with BPF to evaluate MOVE in a forestry project in Himachal Pradesh in India.

17. What are the current barriers preventing or slowing the adoption of the output(s)? Cover here institutional issues, those relating to policy, marketing, infrastructure, social exclusion etc. (max 200 words).

On the basis of our experience of upscaling MOVE at a local level, four barriers have been identified:

- Attitude and resulting lack of orientation to the market
- Pedagogy, a classroom methodology is not suitable for MOVE
- Requirement for national and international training institutions for entrepreneurship and market training
- Need for national networks that can be spaces for learning and dissemination

Attitudinal: Most Government Programs in India promote enterprises or livelihood activities which are production oriented and not designed for the specific markets and market conditions in particular locales. As neither the government nor the NGOs are oriented to the customers/markets, there is a need to change their perspective. An additional shift in attitude which is important, is a realisation that poor groups of people, when provided with the right kind of support, can make sophisticated business decisions suited to their livelihood circumstances.

Classroom methodology vs Experiential Learning: It has been experienced that regular Training-of-Trainers (TOTs) models are not an effective way of promoting this output. It is important that the Trainer adopt experiential learning processes against the Class-Room approach followed by most TOTs.

National and International Training Centres: Another significant barrier is the absence of any national exclusive training centre for marketing. Such a Training Facility could ensure scalability, as well as quality of marketing trainers who can ensure experiential learning.

National networks: Networking with grassroots organizations which are engaged with livelihood interventions across states can help in the widespread learning and dissemination of the enterprise initiatives as they evolve. As there are widely varying legislative spaces across states which are facilitative of SHGs and livelihood activities, it is envisioned that these networks can become platforms for advocacy.

18. What changes are needed to remove/reduce these barriers to adoption? This section could be used to identify perceived capacity related issues (max 200 words).

Lesson for replication on scale requires the following:

- Government and NGO personnel need to be screened for their competence and willingness to work with a new innovative methodology that is more market oriented in this phase. If need be, a special accreditation process can be evolved.
- Experiential learning which radiates out, where in every site for replication is one live demonstration village needs to be followed. Here MOVE trainers will demonstrate to a group of trainers how to implement

MOVE. Using an experiential ToT one can also achieve the same scale with higher quality using a concentric hub and spoke model where training radiates out in phases. In the first phase 20 trainers in each site (totalling 100 in five sites) will be trained. They in turn will train another 20 trainers in phase 2. Thus in the first phase a total of 3000 people can get trained by 20 trainers in five sites and in the second phase 100 trainers will in turn train another 20 trainers increasing the outreach to 10,000 poor.

- A six month preparatory phase where MOVE is made more robust for services.
- This preparatory phase is also necessary to evolve MOVE for clusters of SHGs, and village federations of SHGs which will allow for faster uptake.
- Translation of the manuals into the local languages takes place during the preparatory phase
- A national and international team and/or centre of trainers be created to hand over MOVE to governments and NGOs through this process.

19. What lessons have you learnt about the best ways to get the outputs used by the largest number of poor people? (max 300 words).

The lessons learnt whenever the MOVE training was conducted is that this is an experiential learning. A simple training of trainers without a live demonstration site was found to have low results in terms of comprehension and replicability on the part of NGOs. This classroom methodology was tried with a group of NGOs in Mangalore who appreciated the MOVE process but did not know how to translate the method on the ground with the poor. The MOVE process was tried with the R8084 partners using an experiential learning process where it was demonstrated live in one site, observed and replicated in five sites. It was found that when such a live demonstration was observed and replicated by field level staff of two NGOs (IDS and BAIF) the results were highly successful.

A second concern is that MOVE has been validated mostly for products only and needs to be developed for services and also for a federation of SHGs to help in quicker uptake. Furthermore, being a grass roots process, MOVE manuals need to be translated into the language of the site where it is being applied. Thus it would require a six month preparatory phase where new modules of MOVE be created for services and be applied to a federation. Simultaneously in the new sites for replication, translation of the manual needs to take place, and field NGOs need be screened for their competence and willingness to adapt attitudes suitable for market oriented methods. This would lead to a more robust methodology which can be taken on scale

Therefore the lesson for replication on scale requires the following:

- Experiential learning which radiates out where in every site one live demonstration village is chosen where MOVE trainers will demonstrate to a group of trainers how to implement MOVE.
- NGOs are screened for their competence and willingness to work with a new innovative methodology that is more market oriented.
- Translation of the manuals into the local languages

Impacts On Poverty

E. Impacts on poverty to date

20. *Where have impact studies on poverty in relation to this output or cluster of outputs taken place? This should include any formal poverty impact studies (and it is appreciated that these will not be commonplace) and any less formal studies including any poverty mapping-type or monitoring work which allow for some analysis on impact on poverty to be made. Details of any cost-benefit analyses may also be detailed at this point. Please list studies here.*

- Mid term review of the implementation phase conducted by NRSP, but this took place only in the initial stages of development of MOVE.
- An external evaluation was conducted at the end of the project, NRSP PD138.
- R8084 process documentation (available in FTR and annexes).

21. *Based on the evidence in the studies listed above, for each country detail how the poor have benefited from the application and/or adoption of the output(s) (max. 500 words):*

- *What positive impacts on livelihoods have been recorded and over what time period have these impacts been observed? These impacts should be recorded against the capital assets (human, social, natural, physical and, financial) of the livelihoods framework;*
- *For whom i.e. which type of person (gender, poverty group (see glossary for definitions) has there been a positive impact;*
- *Indicate the number of people who have realised a positive impact on their livelihood;*
- *Using whatever appropriate indicator was used detail what was the average percentage increase recorded*

The Indian research team has conducted a few follow-up focus group discussions and have found that, even in the initial stages of business, groups which have undergone the MOVE programme experience a 50% rise in household income in a period of a few months. The women who participated now do their MOVE business as their primary livelihood activity and have largely given up unskilled agricultural labour. Even more striking is the market resilience that the women who have undergone MOVE and who are currently working with trading of products exhibit a confidence and willingness to adapt to trading new products if their current products are no longer marketable. When a focus group discussion was conducted with self help groups who have adopted income generating activities but were not trained on marketing principles through MOVE, it was found that they did not know what to do if their business began flagging and overwhelmingly said that they would simply give up their business and go back to agricultural labour.

On the other hand, women who had gone through the MOVE training process stated that if their specific enterprise ceased to be profitable they would not have a problem switching to another enterprise. They felt confident that they could undertake any business, not just their current one, because they saw themselves as being defined as entrepreneurs rather than narrowly defining themselves according to their product. This

adaptability has already been demonstrated in one of the Mugad village group. Although their enterprise is to sell clothes, they went to an exhibition and saw that pottery was selling extremely successfully. They had no qualms about approaching the pottery retailer and asking him where he got his supplies. At the next exhibition they sold pottery in addition to clothes and were so successful that they actually won an award. This kind of flexibility is expected of any business person, and the outstanding feature of MOVE is that it inculcates this in the formerly unreachable sector of poor, illiterate, asset-poor women (although men are by no means excluded from this process).

An example from one of the project villages was a micro-enterprise set up by Muslim women (who are culturally normally tied to the locality of their house) making incense sticks. The women learned about marketing principles from one of the project NGOs, and now travel frequently to Hubli-Dharwad to seek further markets. This enterprise now employs the original five founder members and recently they have employed seven additional women from the village, thereby demonstrating the potential for creation of employment.

For the six groups that were trained (160 women in total) five are still continuing with their businesses and one has shown how they can shift with the markets. They started with one product and then they added on another product when they saw that the product sells well. Only one group has stopped producing and that is because the cost of raw materials were subject to a sudden increase. They are investigating where they can source cheaper raw materials.

In terms of an increase in assets, improvements to livelihoods have been recorded in terms of financial (stated above), social (through interactions and networks developed during MOVE training) and human capitals (knowledge of business methods and marketing).

Environmental Impact

H. Environmental impact

24. What are the direct and indirect environmental benefits related to the output(s) and their outcome(s)? (max 300 words)

This could include direct benefits from the application of the technology or policy action with local governments or multinational agencies to create environmentally sound policies or programmes. Any supporting and appropriate evidence can be provided in the form of an annex.

Enterprise development is likely to be neutral in environmental impact. Participants may be more likely to engage in local travel, but this would be a consequence of almost any economic development.

25. Are there any adverse environmental impacts related to the output(s) and their outcome(s)? (max 100 words)

Unlikely, but would be enterprise specific.

26. Do the outputs increase the capacity of poor people to cope with the effects of climate change, reduce the risks of natural disasters and increase their resilience? (**max 200 words**)

This is not the primary objective. However, as explained previously, it helps build people's livelihood resilience overall and therefore changes brought about by natural disasters or shifts in climatic conditions that changes the nature of their enterprise, would be addressed by the MOVE methodology of adaptation to local conditions. A potential example is the request for MOVE process to be presented to tsunami affected fishermen in Tamil Nadu.

Annex

Examples of Demand

Click below to view the related information

[PF_NRSP27_Annex.pdf](#)
