

MARKET DEVELOPMENT: TRAINING AND RESEARCH PROCESS

Extension and Training Support Project (ETSP)

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I. Context

Market Analysis and Development refers to the development of economically viable and sustainable product processing and marketing opportunities for rural areas. In the Comprehensive Poverty Reduction and Growth Strategy (CPRGS) the Government currently attaches high priority to the introduction of good business models and small-scale enterprise opportunities for poor households in rural areas. Although there has only been limited experience on this in upland areas so far, a pre-condition for developing such market opportunities is to adopt good business practices in assessing market demand and financial viability before investments are made. In addition, while supporting such ventures in upland areas, particular attention also has to be given to actively linking producers with markets outside the locality, to building up market understanding and managerial skills, and to ensuring the sustainability of these institutional linkages. This implies a broad approach to market analysis and development that encompasses all aspects of the production, processing and marketing cycle.

In such a context, the Extension and Training Support Project (ETSP) pursues the activities of market development as part of its efforts to achieve the project's overall objective of poverty reduction in selected upland areas of Vietnam. It has applied a raining and coaching approach on market assessment and development in order to build up a group of competent marketing resource persons at provincial and local levels who will enhance the access of the producer community in uplands to local and regional markets and marketing information in the Hoa Binh province. In this respect, a second project objective is to document the tools, good practices obtained, lessons learnt and have them replicated in other project's activities or shared with other market development related agencies.

Market development is a long process in which awareness raising, training and market research are only the first important stepping stones. This report only covers the process of training and market research because market development activities, expansion of training and documentation of good practices are yet to be carried out.

II. The process of training and market research

1. Overall Objectives of the Process

The whole process is a series of activities which aims at more than one objective at the same time:

- **Empowerment of local partners and local capacity:** Build up a team of local marketing resource persons in Hoa Binh with knowledge on marketing and market

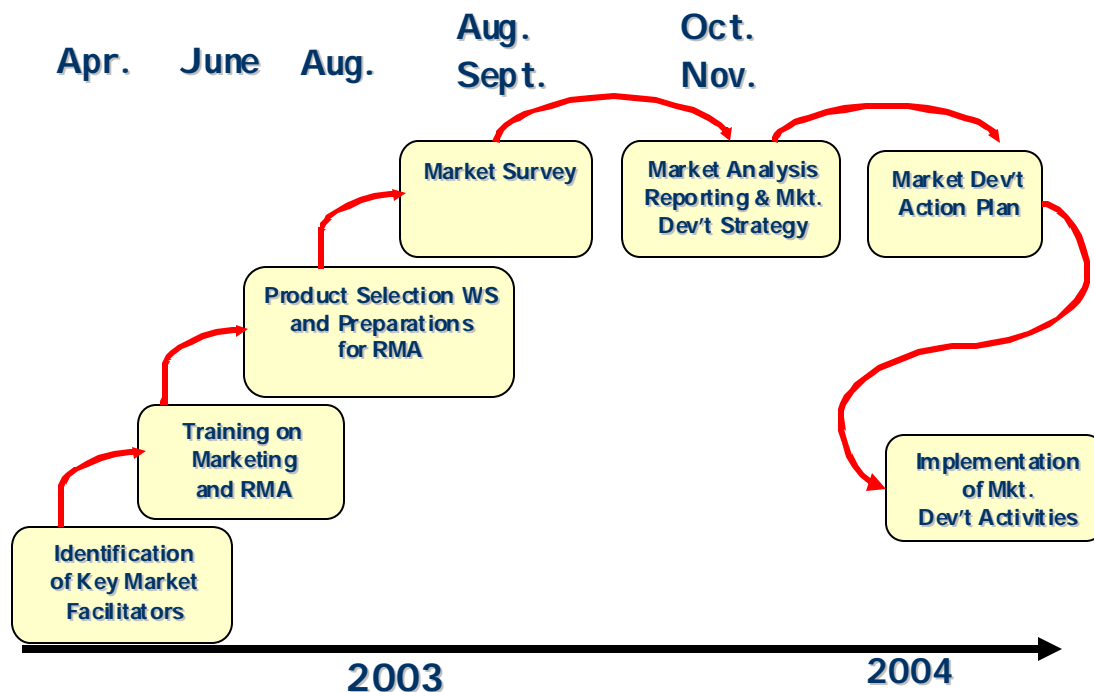
development and capable of carrying out market research, of designing and implementing market development activities themselves;

- **Make available market information and intelligence as inputs for future intervention planning:** Market research reports on the Project’s intervention area are available, providing inputs for the operation planning of ETSP in 2004 in the field of rural market development.
- **Develop tools for marketing training and market research:** The first version of a manual for marketing training and market development will be drafted for future use, as a starting point for further improvement.

2. The Process

The whole process started with the identification of key institutions/ individuals who are expected to play important roles in facilitating market development in Tan Lac district / Hoa Binh province (April 2003). Then came the training of the facilitators (June 2003) and the preparation for the survey (August 2003). The survey was carried out in the months of August and September. October and November were devoted to data analysis, reporting and strategy development.

For the whole process, a multi-disciplinary team was mobilized and a participatory approach used as main guiding principles. Most of the work was implemented by local human resources. The external consultant (Le Duy Binh) only took on the role of facilitating the process through training, coaching and providing technical assistance when necessary. All of these ensure **a strong ownership of local stakeholders** over the process. It has undoubtedly been a mutual learning process for all involved.



a. Identification of Key Facilitators

The Rapid Market Assessment (RMA) method was chosen to be the overarching approach. In applying this methodology, it has been the principle that the market research and development teams be interdisciplinary, i.e. team members coming from different institutions in the province with different backgrounds, administrative hierarchy, gender, and so on. Identification of key market facilitators was the first step for the whole process of market development intervention by ETSP in Hoa Binh.

In April 2003, the consultant held discussions with key institutions based in both Hoa Binh town and Tan Lac district to evaluate their expertise in and their relevance to market research and market development. Key institutions identified include: (i) the Agriculture Extension Centre and its branches in relevant districts; (ii) DARD; (iii) the Economics and Vocational High School; (iv) the provincial Statistics Office; (v) Hoa Binh Cooperative Alliance; (vi) the Farmers' Association; (vii) Women's Unions; (viii) the Department of Planning and Investment; and (ix) the Department of Trade. Evaluation of these market players from the perspective of their relevance to market assessment/ development activities can be found in the report *Key Players for Market Assessment and Development in the Upland Areas of Hoa Binh*.

b. Training on Marketing and Market Research

Training of key players for market assessment and development was conducted in the first week of June 2003. 18 people from different institutions at various administrative hierarchy levels (provincial / district) attended the training. The training consisted of two parts: (i) marketing concepts and knowledge; (ii) RMA methodology and techniques. Learner centred teaching methods were used for the training.

At the training, participants were introduced to the relevance of market development to agriculture/ forestry development and to poverty reduction, to key marketing concepts, market research methods (RMA), techniques in market research (interviews, use of secondary data, focus group discussion, field observation, triangulation, field analysis, mapping...). The training was also an opportunity for participants who come from different institutions in Hoa Binh to jointly discuss the issue of market development. Preparations for the next steps (market research) were also finalized.

Results and impacts of the training can be found in the *Marketing and RMA Training Report* (June 2003) and the *Documentation of Market Assessment Results Presentation Workshop* (December 2003).

c. Preparations for the Survey/ Market Research

During the training workshop, potential products were listed for further studies in Tan Lac. The scope of the survey was also determined with a clear geographical focus on Tan Lac district. Further 3 teams were formed to deal with products from the agricultural, animal husbandry and forestry sectors. Three teams were set up based on the criteria of variety in work background, work experience, gender, capacity, and work location (provincial or district).

Secondary data on the local economy (Hoa Binh province in general and Tan Lac district in particular), and on the potential products were collected by the teams. The data were compiled into statistically meaningful, tabulated forms. The secondary data served as a good basis to select the products to be studied and for the reporting step later on.

The process continued with a product selection workshop conducted in Tan Lac district on 5 August 2003. Local authorities and different social organizations (like women’s union, farmers’ union) in Tan Lac were invited to join the whole team to select the product markets to be studied and developed. Products selected include: (i) animal husbandry: *cattle (buffalo and cow) and pigs*; (ii) agriculture-horticulture: *maize, cassava and rice*; (iii) forestry: *bamboo trees and bamboo shoots*.

With support from the consultant, a question guideline was developed by the teams. This was one of the most important tools used for data and information collection. The question guideline was helpful to guide the interviewers to focus on the most important topics of discussion and on the information and data most needed for the RMA reports and market development activities in the future. The three teams tested the guidelines in some pilot interviews, fine-tuned and revised them into the ones with which they felt the most comfortable.

Activities like survey implementation planning, improvement of interview skills and data collection techniques were finalized immediately following the product selection workshop. Lists of key interviewees were then developed and geographic survey focuses identified. All of the preparation activities were finished before 31 August 2003.

d. Implementation of the survey

The survey was implemented mainly in August and September. Al together, the three teams interviewed approximately 250 persons (including producers, processors, middlemen, retailers, market regulators, bank officers, transporters, service providers...) in Tan Lac and neighbouring districts (*Box 1*). Some research team members also went to key assembly markets¹ or larger markets in and outside Hoa Binh like Xuan Mai, Ha Tay and Hanoi...

Most of the data were processed in the field. The Forestry Group was the best and most active in doing this. All teams were very flexible and creative in using the tools and techniques. Field observation skills of the three teams were improved remarkably during the process. All three teams were very diligent in triangulating the data collected.

Secondary data were further completed. Most of the teams read and used related literatures as a reference in the stage of reporting and strategy development. However, the unavailability of good documents in Vietnamese was one of the constraints which limited the use by reference documents of the team members.

Box 1 – Interviewee Sample Size

	Animal Husbandry	Forestry	Horticulture	Total
Producers	30	35	37	102
Processors	35	12	7	54
Middlemen	10	25	18	56
Retailers	15	1-2		16
Market regulators	2-3	10	2-3	14
Others	-	6	-	6
Total	92	89	64	248

In general, the survey was carried out correctly, providing good information for the reporting process. However, there remained constraints in the coordination between team members, and between the consultant, the teams, and the project during the survey. Time availability of team members was another limitation.

e. Reporting and market development strategy

¹ A market place where producers bring the products that they produce or small traders bring the products which they purchase for resell to middlemen. It is a kind of intermediary market.

Each team wrote its own report on the group of products selected. This was the toughest job of all. Team members did not have much experience, skills in data analysis, report writing and presentation. However, they were all very quick to grasp this knowledge and skills.

All of the information and data collected are reflected in the questionnaires which have been kept for reference. Some teams (e.g. the forestry one) had the data and information consolidated into a synthesized form. Data and information presentation formats were developed with the support of the consultant.

The first drafts of the three reports were available in mid – October 2003. However, these drafts were quite rudimentary with limited analysis as well as little useful information and data. The second drafts were submitted in mid-November. They were substantially better, both in terms of content and presentation. The ETSP staffs and the consultant made many comments and provided advice on these draft reports, suggesting how to improve them. The third drafts of the three reports were finalized in the first week of December, just in time for the workshop to present the results of the survey to a wider audience.

That workshop was an important step to enhancing the quality of the reports and shedding light on the next steps. At the workshop, the results of the study and the presentations by the teams were highly appreciated by all participants. Many valuable inputs and comments were given by specialists from different sectors, helping the teams to improve their reports and further fine-tune the recommendations made, in order to develop the market in Hoa Binh.

The final draft reports were edited by the consultant and finalized and submitted in January 2004. The quality of these final products, in the consultant's viewpoint, is very satisfactory. They include lots of interesting information, relatively good analysis, and valuable substances which can be used for future interventions planned by ETSP in this field. It is worthwhile to share these products with other relevant agencies (government agencies, research institutes, development projects...).

f. Market development activities

Market development activities (not to mention awareness-raising, capacity-building and research) are yet to be taken as the process has just officially started since April 2003. However, an action plan has been developed. Results of the market research have been fed into the yearly operation plans of 2004. Important preparations for market development activities have been made.

It is planned that market development activities will be carried out **in combination** and **in integration with** other activities of ETSP more intensively in 2004 and in the years that follow. Good practices in the market development process will be documented and shared with other rural market development agencies and projects.

3. Key Strengths and Constraints of the Process

Key strengths and constraints of the process were discussed during the presentation workshop which took place in the second week of December 2003 in Hoa Binh and during

various discussions between ETSP staffs and the consultant. Below is the summary of the key strengths and constraints:

	Strengths	Weaknesses/ Constraints	How to Improve?
1.Process (training/ preparation s/ survey/ reporting)	<ul style="list-style-type: none"> ❑ Training WS provide good knowledge/ skills for the whole process. Participants are well prepared for the whole process. ❑ Planning and preparation are close to actual and local situation ❑ Good coordination between the steps. ❑ The number of interviews are sufficient to generate information needed. ❑ Good and adequate data/ information collected. ❑ Strong efforts by all team members. ❑ Good supports from the consultant and the project 	<ul style="list-style-type: none"> ❑ Some concepts introduced remain abstract. ❑ Members are far away from each other, hence difficulty in group coordination. ❑ Constraint in time (participants do not have enough time fully devoted for the study). ❑ There is no local people in the survey field, resulting in difficulty in the survey process. ❑ Limited experience of team members in doing research (data collection, data analysis, report writing and report representation...). ❑ The application of knowledge earned during the training in practice is not satisfactory. 	<ul style="list-style-type: none"> ❑ Stronger cooperation/ coordination in the group is needed. ❑ There should be local persons (who live in the village or in assembly markets...) to join the survey (interviews). ❑ More time for pilot interviews before the real survey started. ❑ More training on interview skills, data analysis, report writing...
2.Tools/ Methodology	<ul style="list-style-type: none"> ❑ Helpful in data collection; ensuring the quality of information/ data collected. ❑ Methodology and techniques are flexible enough and very pertinent to the knowledge and understanding of team members. ❑ Research tools are relatively well 	<ul style="list-style-type: none"> ❑ Some information requirements are beyond the capacity of the interviewees. ❑ Further instructions on the use of tools are needed. ❑ Interviewing tools did not foresee all possible information which may be needed for the report or information which may arise during the interviews. 	<ul style="list-style-type: none"> ❑ More supports to improve interviewing skills. ❑ Consultation with the interviewees should be conducted before the interview. ❑ Questionnaires should be fine-tuned. ❑ Methods other than RMA can

	Strengths	Weaknesses/ Constraints	How to Improve?
	<p>prepared and equipped.</p> <ul style="list-style-type: none"> □ Helpful to eliminate unneeded information. 	<ul style="list-style-type: none"> □ Information collected needs to be triangulated and hence very time consuming. 	<p>also be introduced and applied with RMA.</p>
3. Collaboration in the team	<ul style="list-style-type: none"> □ Good task assignments between group members. □ Strong and active cooperation between group members. 		
4. Supports by the Project and Consultant	<ul style="list-style-type: none"> □ Close monitoring and coaching. □ Helpful and quick in addressing the needs/problems when they arise. □ Good conditions are created for the implementation process. Good logistics supports. □ Good and quick technical supports to team members. 	<ul style="list-style-type: none"> □ Guidelines to the implementation process is not consistent from time to time. □ Information are not exchanged quickly enough between the teams, the Project and the Consultant. 	<ul style="list-style-type: none"> □ The cooperation, communication between the team members, the Project and the Consultant should be strengthened.

(Please refer to the RMA Results Presentation Workshop Documentation for further information)

III. Key results / Outputs achieved

This process has been implemented within a time frame of approximately 9 months. Overall, the 3 objectives set for the process have been achieved and the ground work for future interventions of ETSP in the field of market development in Hoa Binh has been laid.

Below are the key specific results achieved in this initial process:

- 18 officers from different local market facilitators (government agencies, economic schools, business associations, extension service centres...) were trained on marketing and rapid market research methodology (RMA). The knowledge of the participants on marketing and market development has been significantly improved so far (please refer to the self-assessment sheet by the participants in the documentation of the Results Presentation Workshop in December 2003).
- 17 participants actively carried out the market research in Tan Lac. They have creatively used the tools/ techniques provided. Their market research skills were also improved considerably after the process (also refer to the self-assessment sheet by the participants).

- A training program and training materials have been initially developed which can be further developed and improved in the future.
- Key tools for market research were developed and tested. They can be used again in future market assessments.
- Three market assessment reports on three product groups were prepared **by the local experts**. The reports are evaluated to be of good quality and obviously can be used for the market development process.
- A market development action plan has been initially developed.
- Awareness of relevant key market facilitators was improved through many activities carried out under the process.

IV. What should be done next

- Develop a vision for market development in Hoa Binh;
- Finalize the action plan for market development for selected products in Tan Lac district, Hoa Binh province. The action plan should be suitable both to the conditions, actual demands for help from Tan Lac and to the objectives of ETSP. Furthermore, it should be **focused** on a **reasonable number of products** to ensure the feasibility and realizable, tangible impacts. A **value chain approach** could also be put into consideration by ETSP and its local partners.
- Implement the action plan (a monitoring and evaluation system should be in place to evaluate the impact of the activities). Market development should be continued though at a smaller scale. Market development activities should be carried out **in combination and in integration** with other project activities.
- Document the lessons learnt, good practices obtained and have them reflected in a market development manual (to be developed). Have these lessons learnt, good practices shared with other projects/ institutions.
- Deepen the analysis of the market in Tan Lac (either on new potential products or more in-depth analysis on some selected / studied products).
- Further sensitize key local market facilitators in order to strengthen their awareness and knowledge on market development; get them involved more actively in market development activities.
- Opportunities to cooperate with other projects / initiatives which intervene in the same or related field should be explored to ensure complimentary impacts.
- Ensure the sustainability and outreach of the ETSP's activities in this field in the long-run.