

15

Market scoping: methods to help people understand their marketing environment

by **BEN BENNETT**

Introduction

It is often difficult for rural people, and those who are trying to assist them, to gain an overview of how the markets for their main products function. Markets are not transparent; participants in the marketing process are often reluctant to share their knowledge for fear of being bypassed, and marketing costs and losses are subsumed into the final price, in a way that prevents sound decision-making by producers.

Efforts to improve the quality of agricultural extension advice at the level of individual farmers, farmer groups, and cooperatives in the Philippines and Namibia during the past six years have led to the development of a series of simple tools which allow the building of a local marketing picture.

This picture then forms the basic tool for interaction between service providers (in our case, area team members in the Philippines and agricultural extension officers in Namibia) and clients (rural households). This picture is the starting point for a more in-depth consideration of marketing and business plans and strategies using participatory tools, which focus on individual households (see for example Roos and Mohatle, 1998).

Defining the marketing environment

Market scoping is a broad method of quickly and simply gathering information about a marketing system and

presenting it in an accessible and understandable way. It is not meant to be exhaustive or comprehensive, but only superficial and indicative. Market scoping focuses on identifying sources of information, key players in the market, and the main marketing issues that need to be addressed. Two basic principles apply to market scoping:

- information should be collected in a participatory way to encourage ownership of the results;
- where possible, the information should be displayed graphically (i.e. maps and pictures) that can be updated from time to time and which are accessible (i.e. can be pinned to the wall of the extension office).

Marketing systems for individual commodities are considered holistically. Thus, all the activities leading up to the sale and final consumption of a product are incorporated. For example, this can include preparation, transportation, transformation, storage, processing, packaging, storage, selling, and so on.

The purposes of conducting a market scoping exercise are:

- to draw together existing information on production, marketing, and consumption patterns in the area under study;
- to determine the market information needs of the key client groups;
- to prioritise interventions according to more market related criteria; and,

“Market scoping is a broad method of quickly and simply gathering information about a marketing system and presenting it in an accessible and understandable way. Market scoping focuses on identifying sources of information, key players in the market, and the main marketing issues that need to be addressed”

- to identify and classify marketing infrastructure and institutions.

It was found in both the Philippines and Namibia that traditional participatory rural appraisal (PRA) methods (ranking, seasonal calendars, mapping, transects, Venn diagrams, etc.) revealed a great deal of information about the assets available to a given community and their relationship to those assets. However, these methods reveal little about the potential for broadening and deepening livelihood possibilities through improved marketing. Discussions with extensionists revealed that, whilst often much was known about the production system of a particular crop, almost nothing was known about the dynamics of demand for that product and its potential alternatives. Furthermore, it was often the case that considerable effort had been expended to enhance yields, through improved seeds, better tillage methods, improved weed control etc. but that in some cases the benefits accruing from such improvements were being lost because of post-harvest losses. The most poorly understood of these losses was where the product had not achieved the hoped for market price. Usually this phenomena is ascribed to unfair practices by middlemen, a view universally held by those unaware of the way the market operates. In discussions of the problems constraining development, one of the most common highly ranked issues is that of inadequate prices. Broadly speaking, it was to allow this issue to be understood in a participatory way, that some of the methods described in this article were developed.

What is needed to understand the immediate marketing environment?

To describe the marketing microenvironment for a given area, a two-stage approach was adopted. The first, a process of market mapping, involved preparing a resource map for the target area, which specifically focused on marketing,

markets, and marketing resources. Secondly, the team used a number of methods, to narrow down the focus of inquiry onto a limited number of key marketable products, and to then understand those commodities in depth.

Market mapping

Invitees to the market scoping workshop were requested to bring with them any maps of their immediate areas. In both Namibia and the Philippines, even the most isolated areas managed to find maps from their local government department of works. These maps were stuck to tables with masking tape and a layer of tracing paper fixed firmly over the top. Participants then traced the basic elements of the map onto the tracing paper and this formed the master map for each area under consideration.

Having created a master map, groups of participants (all extensionists in Namibia, but including key informants such as heads of cooperatives and non-governmental organisations (NGOs), local government workers, and market managers in the Philippines) then added to this map as much market related information as possible. This could include: roads and their seasonality of use (access to markets is often constrained by impassable roads); formal and informal markets (and which days they occurred on); formal and informal abattoirs; grain processing locations; sites of conglomerations of middlemen, such as ports, key bridges, and processing plants; and so on. The volume of information included on such a map is only constrained by the knowledge of the participants.

It was found in the Philippines that the volume of information was too much for a single sheet, so a series of plastic overlays were created illustrating different types of market infrastructure such as cattle, coconuts, maize, fish, etc. The Filipino map also included areas of production, which allowed simple analysis of the relationship between production and marketing/processing to take place, often revealing key bottlenecks to market development.

In many cases, it was found that the process of creating the market map led to a new understanding of the overall market dynamics in a given area, and particularly the relationship between market access constraints and price. In the Philippines, this information was used to target community market information delivery, so that prices for the same product in two markets (which were easy to get to from the target area) could be given to allow producers to deliver to the market with the highest price.

As a follow-up activity to the creation of a market map, a series of market watches were then conducted. These consisted of a small team visiting a market in their area from

Box 1: Commodity ranking

Commodity	Criteria												Total	Rank
	1	2	3	4	5	6	7	8	9	10	11	12		
Melon seeds		✓✓✓	✓✓	✓✓		✓✓	✓✓	✓✓✓	✓✓✓	✓✓✓		✓✓✓	23	4th
Jackal berries		✓✓	✓✓✓	✓✓		✓✓✓			✓✓	✓✓✓		✓✓	17	8th
Chillies		✓✓✓	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓			✓✓✓	✓✓✓	✓✓✓	26	1st
Local spinach	✓✓	✓✓	✓✓✓			✓✓✓		✓✓	✓✓✓	✓✓	✓✓✓	✓✓✓	23	4th
Pear millet	✓✓✓	✓✓✓	✓✓✓	✓✓		✓✓	✓✓✓	✓	✓✓✓	✓✓✓		✓	24	3rd
Baskets	✓✓	✓✓	✓✓		✓✓		✓		✓✓	✓✓	✓✓	✓✓	17	8th
Thatching grass		✓✓	✓✓	✓✓	✓✓			✓✓	✓✓✓	✓	✓✓	✓✓	18	7th
Grain storage basket	✓✓✓	✓✓	✓✓✓		✓✓				✓	✓✓	✓✓	✓✓	17	8th
Milk	✓✓	✓✓	✓✓		✓✓	✓✓	✓✓		✓✓	✓✓✓		✓	18	7th
Cattle	✓✓✓	✓✓✓	✓✓✓	✓✓✓		✓✓		✓	✓✓✓	✓✓✓		✓	21	5th
Goats	✓✓✓	✓✓	✓✓✓	✓✓✓		✓✓✓	✓✓	✓✓	✓✓✓	✓✓		✓	24	3rd
Braai meat	✓✓✓	✓✓✓	✓✓				✓✓		✓✓✓	✓✓✓		✓✓	18	7th
Chicken	✓✓	✓✓	✓✓		✓		✓	✓	✓✓✓	✓✓	✓✓	✓	18	7th
Sorghum beverage	✓✓	✓✓	✓✓✓				✓✓	✓✓	✓✓	✓✓	✓✓	✓	18	7th
Marula juice		✓✓	✓✓✓				✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	17	8th
Marula kernel	✓	✓✓	✓✓		✓	✓✓	✓✓	✓✓	✓	✓✓	✓✓	✓✓	19	6th
Spinach cake	✓✓	✓✓	✓✓✓				✓	✓	✓✓	✓✓	✓✓	✓✓	17	8th
Flour (millet, sorghum)	✓✓✓	✓✓✓	✓✓✓			✓	✓✓	✓✓	✓✓✓	✓✓	✓✓✓	✓✓✓	25	2nd
Millet-based soft drink	✓✓✓	✓✓	✓✓				✓✓	✓✓	✓✓✓	✓✓	✓✓	✓	19	6th
Processed palm fronds		✓✓	✓	✓✓✓			✓	✓	✓✓✓	✓✓	✓✓	✓✓	17	8th

very early in the day and then following the progress of products arriving and then being sold. This revealed to participants the prices of products arriving and leaving the market, the marketing costs involved, and importantly, the type of consumer involved and some of the consumer's needs.

Marketing systems analysis

A marketing system is the sum of all activities leading to the sale and final consumption of a product, and may include activities such as preparation, transport, processing, packaging, storage, and selling. All these factors are influenced not only by the nature of the product, but also by social and cultural factors which can fall outside the influence of the product or the market. For example, in Namibia the sale of cattle is largely unrelated to market price, but rather related to social or physical need. Thus, to understand how marketing systems operate in such areas, broader concepts than simple marketing economics need to be applied.

Prioritising key commodities – commodity ranking

Experience in both the Philippines and Namibia showed that rural households see value in an enormous number of naturally available products. This breadth of items often came as a

surprise to the extension workers involved, who are trained to concentrate on commodities of strategic importance (usually the key food grain plus livestock). If non-agricultural goods are included (i.e. non-timber forestry products such as baskets and firewood), the list of commodities can become extremely long. One group in Namibia, a country ostensibly without great agricultural or livelihood diversity, identified 60 marketed commodities in their area, far more than they expected. In the Philippines, this could run to well over 100 items.

The commodity ranking exercise consists of three stages. First, participants list all the commodities they can think of that might be marketed or which have value. The group then brainstorm a set of criteria by which to rank the commodities. Examples of these criteria include: important for food security, profitability, drought tolerance, seasonal advantages, beneficial to women, requiring little labour, traditionally important, etc. Participants then score the commodities on a scale of one to three (three being the most important) and the scores are totalled¹ (see Box 1).

¹ The author recognises the potential statistical pitfalls of ranking provided by such a method (see Fielding *et al.*, 1998), however the purpose is only to limit the scope of further research to a manageable level. Commodities not selected for further research in the first round will be considered later.

During evaluation of this method with participants it was agreed that, in order to make the process not too demanding, the number of criteria should not be more than ten, and if possible, no more than 50 commodity items should be included. Experience also suggests that time spent properly defining the criteria and the meaning of the scores attached to each criterion will be repaid later as this will mean fewer arguments over the group ranking decision.

The purpose of commodity ranking is two fold. Firstly, it reveals the large number of economically and socially important commodities in a given area. Secondly, the process allows a large group to agree on the commodities that will get greater attention in the market scoping process.

Commodity system and chain analysis

Having narrowed the focus of commodities to be investigated, the teams then applied two further methods to building a more in-depth picture of marketing problems and potential for each commodity. First, the group conducted a commodity chain analysis using a simple table (see Box 2). This takes a single commodity and breaks down all the actions from production to marketing. In Namibia, where there are relatively simple marketing systems, few middlemen and little processing, these chains were short. In the Philippines, the opposite was often the case.

Having listed all the stages of marketing and processing, more information can be added, such as the gender differentiation of the activity (is the activity done by men, women, or children?). This part of the exercise is particularly useful as it allows the correct targeting of interventions. If, for example, it is found that women take the product to market, training in marketing for men is pointless. For each stage, the group then discussed losses and problems. These problems then went on to become the focus of future interventions.

Groups agreed that the commodity chain analysis was very useful in revealing problems that were hitherto hidden to them. However, they all preferred to conduct the exercise in larger, rather than small groups (i.e. they did not want to be split up into groups considering individual commodities).

Using commodity chain analysis to develop seasonal calendars

For each commodity, the group prepared a seasonal calendar showing when in the season the activities identified occurred (see Box 3). They were also asked to indicate when during the season the best prices would be achieved for each commodity. This information can then be used to discuss with farmers production strategies that maximise seasonal price advantage.

Box 2: Commodity chain analysis

Commodity	Chillies	M/F/Ch	Losses	Problems
Activities to produce and market the commodity	Sowing (seed pot)	F/Ch	X	
	Transplant	F/Ch	X	
	Watering	Ch	0	
	Harvesting	F/Ch	XXX	Breaking of chillies
	Drying	F/Ch	XXX	Insects; moisture
	Packaging	F/Ch	X	
	Transporting	M/F/Ch	0	
	Selling	F	XX	Stealing at the selling points

M: male F: female Ch: children 0: no losses X: small losses
XX: average losses XXX: high losses

In Namibia, we discovered a problem with this approach in that the timing of marketing varies according to the onset of the rains. Therefore a system was needed to understand the relationship between the time of planting and the other activities involved in producing and marketing. The result was the development of the 'Bennett's Wheel' concept (see Box 4). This consists of two wheels, divided into 12 equal parts to represent months. On the larger wheel the months are marked, and on the smaller wheel the critical activities. The two wheels are then joined at the centre point so that the smaller wheel can rotate. The extensionists/farmer can then set a sowing time for the month of rain arrival and predict the time when the product will be marketed.

The group decided on an additional sophistication to the wheel, which involved putting an indicator of the price possibility on the larger wheel and then reading this off through a hole cut next to the 'selling' segment of the smaller wheel. This allowed the user to consider adjusting planting time on the basis of potential market price.

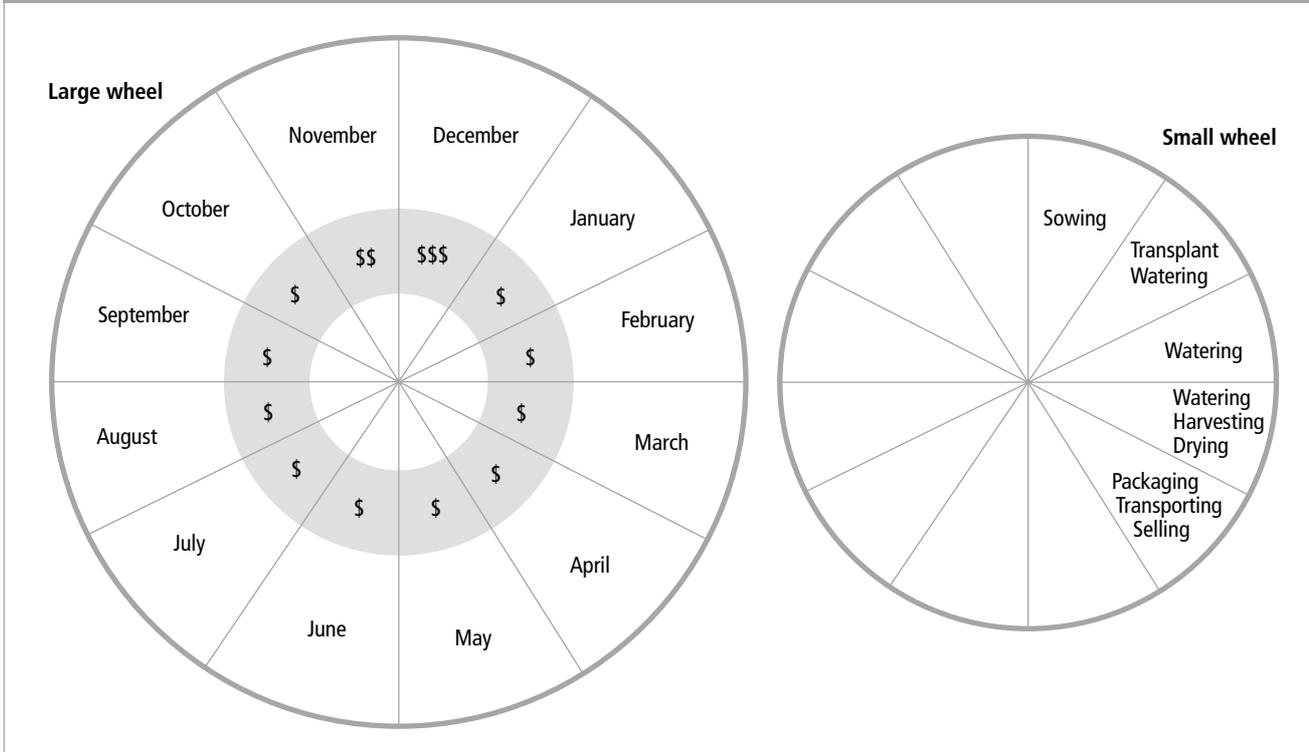
Conclusion

In areas where the focus of attention has been production and productivity of rural activities, market scoping can be very useful for broadening the horizons of rural service providers. It is clearly important for extensionists to understand the immediate marketing environment for those commodities that they are recommending to farmers, and upon which they are asked to indicate research and investment priorities. Market scoping is a starting point for a much more market-oriented approach to farming and livelihoods systems analysis.

Box 3: Commodity chain analysis

CHILLIES	Month											
Sowing (seed pot)												
Transplant												
Watering												
Harvesting												
Drying												
Packaging												
Transporting												
Selling												

Box 4: 'Bennett's Wheel' – flexible seasonal calendars.



ABOUT THE AUTHOR

Ben Bennett, P.O. Box 40624, Ausspannplatz, Windhoek, Namibia.
 Email: divplan@mweb.com.na
 Ben is a Principle Scientist with the Natural Resources Institute, University of Greenwich, UK, currently on secondment as team leader of the EU funded Namibian Agricultural Support Services Project (NASSP).

ACKNOWLEDGEMENTS

The author is indebted to the staff and beneficiaries of the EU Small Island Support Services Programme (SMISLE) in the Philippines and the Ministry of Agriculture, Water and Rural Development, Namibia. Pepa Dumon, Miguel Loureiro, and Marion Palmer made significant contributions to the evolution of this approach.

REFERENCES

Roos, M. & Mohatle, M. (1998) 'Investigating local markets using PRA'. In A. Jeans (Ed) *PLA Notes 33*, pp.45–53. London: IIED.
 Fielding, J., Riley, J. & Ayejola, B. (1998) 'Ranks are statistics: some advice for their interpretation'. In A. Jeans (Ed) *PLA Notes 33*, pp.35–39. London: IIED.

Tips for trainers

by JOHN NEWSTROM and EDWARD SCANNELL

Hopes and fears – introduction and icebreaking

Objective

To allow participants to express, share, and reduce the misconceptions they may have brought with them to a training programme.

Material

Flipcharts or notepaper

Time

25 minutes

Procedure

In some workshops, participants may come from a large geographical area, may know very little about the proposed programme, may not know each other, or may not know what is expected of them. In these cases, it may be appropriate to create a forum for exchanging and discussing some preconceptions.

1. Divide the participants into small groups of 4–6 people. Give a flipchart or notepaper to each group.

2. Have each group select someone to record the information. Ask them to respond quickly to the question. *'What fears, concerns, or preconceived notions did you have before coming here today?'*

3. After gathering responses quickly, ask the reporters to present their lists to the entire group. This will present excellent opportunities for the trainer to empathise with trainee



needs, as well as provide reassurance by using the items to indicate how the seminar does/does not relate to those concerns.

Comments

Use the following questions to help in the debriefing.

1. *'What were some of the fears, concerns, or preconceived notions expressed in each group?'* Past examples include the following:

- *'Will I be the oldest (youngest) person?'*
- *'Will I be the only man (woman)?'*
- *'Will I act appropriately at my first professional seminar?'*
- *'I am sure everyone will be more experienced than I am.'*
- *'What will I get out of the programme?'*

- *'What kind of questions should I ask?'*
- *'What will the room/programme/trainers, etc. be like?'*
- *'Will we receive the promised per diem?'*

2. *'What can I/we the trainer(s) do to reduce your concerns?'*

Possibilities include explaining the dress 'code', defining all acronyms used, having copies of any overheads to be used, speaking slowly, and so on.

● Source: John Newstrom and Edward Scannell (1980)

● Taken from: Pretty J.N., Guijt I., Thompson J. and Scoones I. (1995) *Participatory Learning and Action, a Trainer's Guide*. London: IIED Sustainable Agriculture and Rural Livelihoods Programme, IIED.

