Enabling Marketplace Literacy in Subsistence Marketplaces

Madhu Viswanathan
marketplaceliteracy@gmail.com
Poverty and engaging in the marketplaces
Example - Running a food shop to survive?

• Have cooking skills to make and sell food
• But to run it successfully - *know-how*
  - designing menus
  - ensuring raw material
  - identifying good location
• To adapt to changing circumstances and opportunities - *know-why* or a deeper understanding of marketplace
  - retailing partly-prepared food to households
  - supplying restaurants
  - even changing from food to some other business based on a broader consideration of opportunities
What is Marketplace Literacy

• Not basic literacy
• Social skills, awareness of rights, and self-confidence to negotiate the marketplace
• Marketplace literacy (with financing and market access) a key element to participate as consumers and entrepreneurs
• Levels of marketplace literacy
  - Vocational/trade
  - Know-how
    » how to design products
    » how to communicate benefits
  - Know-why
    » Deeper understanding of marketplace
    » Why choose an enterprise
    » Why strive for customer value
Our Approach

• Begin with know-why as basis for know-how
• Build on social skills irrespective of literacy level
• Use role-plays, picture sortings, simulated shopping
• Treat consumer and entrepreneur as two sides of the same coin
• Concretize, localize, "social"ize
Sources of Knowledge

- My experience with business education
- Associates’ vast experience at the grass roots level
- Research through numerous qualitative interviews of buyers and sellers
  - Learned through strengths and vulnerabilities
- Not a one size (of business education) fits all (contexts) approach,
- Combine business principles with localized research
Method

• Bottom-up research to learn strengths and vulnerabilities

• **Curriculum development**
  • Broad learning goals
  • Specific content/topics
  • Instructional methods
  • Materials

• Piloting and customization

• Documentation

Method

• Assessment
  • Qualitative
  • Quantitative
  • Skills, self-confidence, and awareness of rights

• Using technology to increase reach and impact
  • Video-based education
  • Community based television programs
Topics in Educational Program

- **Marketplace Literacy**
  - Exchanges and Value Chains

- **Consumer Literacy**
  - Role play with shops
  - Value is the key concept

- **Entrepreneurial Literacy**
  - Evaluating business opportunities
  - Consumer-oriented business philosophy
  - Product Design
  - Distribution
  - Promotion
  - Pricing
  - Finance and Accounting
  - Sustainable consumption and production
  - Ethics and society
Original 5-Day Training Program

- **Day 1 - Marketplace Literacy**
  - Exchanges and Value Chains
- **Day 2 - Consumer Literacy**
  - Role play with shops
  - Value is the key concept
- **Days 3-5 - Entrepreneurial Literacy**
  - Evaluating business opportunities
  - Consumer-oriented business philosophy
  - Product Design
  - Distribution
  - Promotion
  - Pricing
  - Finance and Accounting
  - Sustainable consumption and production
  - Ethics and society
- Program configured into 1 day marketplace literacy and 2 day entrepreneurial literacy or other formats
Ice-breaking Exercise

• Why it is important
  - Unfamiliarity and anxiety with educational settings
  - Understanding that individual input is valued

• How it can be done
  - Incorporate a marketplace element - e.g., products and needs or related products

Listing of sample items

1. Flower & Garland
2. Book & Pen
3. Lemon & Pickle
4. Candle & Match Box
5. Rainy Cloud & Umbrella
6. Cow & Milk packet
7. Weighing scale & Weights
8. Egg & Hen
9. Sewing machine & Scissors

Setting Expectations

• Seeking input from participants
• Stating what the program is not
  - Not livelihood training
  - Not advice on specific businesses
• Generic consumer and entrepreneurial literacy
Marketplace Literacy

• Guiding concepts
  - Exchanges
  - Value added in multiple points to lead to value chains
  - Exchanges center around serving customer needs
  - Goods and services to serve segments of customers
Prioritizing Elements of Business

• Task
  - In small groups, place pictures on a chart with concentric circles such that the most important element to run a business is in the center and the next in the next outer circle and so on.
  - Present to class
  - Discuss

• Purpose
  - To show that a business exists because it serves customer needs

• Task
  - In small groups, order the pictures in their sequence of development and explain why the changes occurred
  - Present to the class

• Purpose
  - To understand that specific forms of products evolved not just because of technology and money but because they serve customer needs in better ways

Evolution in Cooking Technologies

Gas stove

Kerosene pump stove

Steel stove

Earthen oven

Kerosene stove

Stone oven

Goods, services, and segments

• Task
  - Analyze pictures and present learning about goods, services, and segments (demonstration with one set of pictures)
  - Discussion and feedback on goods, services, and segments

Elements of a Value Chain

- **Task** - Small group discussion of a product, its segment, and value chain, presentation and discussion

Source: Viswanathan, Madhu, S. Gajendiran, and R. Venkatesan (2008), *Enabling Consumer and*
Consumer Literacy

- **Guiding Concept**
  - Value - the give and take of an exchange

- **Tasks**
  - Set up vegetable shops with pitfalls built in
    - Simulated shopping experience
    - Discussion
    - Feedback
  - Set up grocery store with pitfalls built in
    - Same as above
  - Conduct an audio quiz where stimuli are statements that need to be analyzed as to who is likely to have said them and why
    - “Look, you should have verified at the moment you bought it. What can I do if you ask me now”
Entrepreneurial Literacy

- Mutually beneficial exchanges
- Delivering value to customers just as receiving value as customers
- Work notion of customer orientation through all topics

Entrepreneurial Literacy

- Repeat of exercise on prioritizing elements for a business
- Discussion of philosophy of running business based on mutually beneficial exchanges
- Evaluating business opportunities
  - Small group exercise
  - Discussion of steps to take
  - Discussion of customer needs, entrepreneur's strengths and weaknesses, and competitor’s strengths and weaknesses
Entrepreneurial Literacy

• Gathering information to make business decisions
  – Small group exercise and presentation using sample products

• Understanding consumer behavior
  – Think aloud and discussion about how participants buy products
  – Discussion of stages in the decision process
Entrepreneurial Literacy

- **Product Design**
  - Small group exercise and presentation using sample products
  - Select a good or service participants wish to sell in the market
  - Design and develop rationale
  - Present ingredients or product elements and benefits to bring customer orientation into product design

Entrepreneurial Literacy

• Pricing
  - Assessing value as customers using examples
  - Understanding value tradeoffs
  - Assessing value for sellers
    • Sample product and complete assessment of costs and profits

• Distribution
  - Value chain analysis for sample products and customer segments

• Promotion
  - Analysis of methods for sample product and customer segments
  - Relating promotional method to specific objectives
    • Building awareness, interest, trial, etc.

Entrepreneurial Literacy

- **Ethics**
  - Open-ended discussion of ethics

- **Costs and Accounting**
  - Small group developing details for sample product
  - Discussion and feedback

- **Sustainable consumption and production**
  - Sample product and life cycle analysis

- **Open discussion for clarifications and feedback**

Assessment

• Qualitative assessment
  - Follow-up in 3-6 months
  - 100% benefit through consumer literacy
  - 20-25% start businesses

• Quantitative assessment
  - In progress
  - Gains due to consumer literacy
Scaling Marketplace Literacy?

- Community-based television programs - Project Chethana
- Self-administered in-depth education through multi-media content