

INTERVENTION CASE STORY | MSE SYSTEM

A NEW PUBLIC-PRIVATE BAZAAR MODEL TO INCREASE INCOMES OF MSEs

THE BAZAAR OF TOMORROW FOR TODAY'S MICRO AND SMALL ENTERPRISES

Micro and small enterprises (MSEs) have been recognised by the government of Ethiopia as a driver for economic growth and job creation. As such, a National MSE Strategy has been designed and implemented to facilitate MSE growth. However, MSEs continue to be constrained by several challenges, such as lack of operational space and inadequate business skills.



Many women business owners operate from home. They can't afford to rent retail space and often have limited market information and networks. This limits visibility and sales of their products.

Bazaars can increase visibility for MSEs and in the absence of retail space are often their only market outlet. But public bazaars are held only three times a year and tend to be poorly located, organised, and publicised. Higher-end private bazaars exist, but high fees exclude most MSEs.

To fully understand the challenges and opportunities, LIWAY conducted a landscape study, and through the study identified the potential for an alternative public-private partnership (PPP) bazaar model. LIWAY then convened public and private actors and engaged them in developing a new PPP bazaar targeted at MSEs, which is inclusive of women and youth-owned businesses.

As a result, the Yenegewu Bazaar was born. Yenegewu in Amharic means 'the one of tomorrow' or 'the future one'. The Yenegewu Bazaar brings MSEs hope for the future through an innovative combination of location, affordability, regularity, promotion, and skills development.

The Bazaar is currently held the third week of every month at the centrally located Hyatt Regency Hotel. It is promoted through a dedicated website and via several channels such as radio, TV, Telegram, Facebook, the KEFTA portal, and notice boards. With several events and fairs in Addis Ababa, the high level of promotion is key to attracting both MSEs and consumers.

MSEs that meet the criteria, which includes locally produced quality products and ability to attend training, pay 1,000 ETB to participate in the Bazaar. Participants receive training on various topics, including goal setting, defining their business, developing their brand, packaging and presentation, and marketing and sales. As an added incentive, competitions are held where visitors vote for the business with the best quality product and customer experience. Winners receive a certificate of recognition and personalised business support to develop their brand and increase sales.

The first Yenegewu Bazaar was held on 16th May 2021 with 14 participating MSEs and 380 visitors. On-spot sales ranged from 2,000 to 17,200 ETB per enterprise, with a combined total of 100,000 ETB. The latest event, held on 17th October 2021, increased to 17 participating MSEs and 1,020 visitors. On-spot sales ranged from 2,300 to 26,500 ETB per enterprise, with a combined total of 211,300 ETB.

The Yenegewu Bazaar demonstrates the ability to increase MSE revenue through a sustainable business model owned by the private sector and delivered in partnership with the public sector. It contributes to LIWAY's aim of increasing incomes of poor women and youth through sustainable changes to the MSE system. As of October 2021, the cumulative number of MSEs participating in the Yenegewu Bazaar was 93 enterprises (72 women owned) with a total of 177 individual owners (125 women). Their combined on-spot sales total 1,060,520 ETB to date.

The number of women and youth impacted is expected to continue to grow as more businesses and consumers learn about and benefit from the Bazaar and the model is expanded to include other venues. An enterprise that participated in the Yenegewu Bazaar and its associated training has already organised a similar bazaar based on a private model, which includes free space provided by a private market centre/shopping mall.



LESSONS LEARNED TO DATE

- MSEs are willing to pay a fee to participate, particularly with the addition of value-added services such as skills development and competitions with awards. Overall, the target group have demonstrated willingness to shift from free to paid services that offer an improved experience, which has been demonstrated through a sharp increase in the number of applications to participate, resulting in a significant waiting list.
- Initial identification of MSE participants can be challenging; creating linkages with entrepreneurship initiatives and programmes can facilitate identification and securing of MSE participants.
- The addition of a private venue partner (Hyatt Regency Hotel) with strong social and financial incentive has demonstrated value to the model and benefit to the partner. The contribution of free space and facilities by the hotel reduces the operational costs of the Bazaar. Through promotion of the Bazaar and increasing visitor attendance (4,055 total visitors to date), the partner gains wider publicity and visibility, as well as increased use of their services (e.g. food services).

- The model may be replicated with different adaptations that include both private and public-private partnership models.

A DOUBLE WIN FOR ARSEMA

Arsema is the owner of Yeejuwan, a microenterprise that produces bracelets, hair bands, and key holders. She started out making these items as a hobby, but then her friends encouraged her to turn it into a business. Excited about the prospect of many people buying her creations, Arsema increased her production at home. But she didn't have a market outlet to help build awareness about her products and generate sales.

"It is a good opportunity for me and my business being one of lucky participants of such a bazaar because I have got a lot of market linkages and increased my business visibility, not only by customers who visited the bazaar, but also by getting networks through business media like kana TV, Art TV and many other social media like Facebook, Telegram, and Twitter." - Arsema

Then she learned about the Yenegewu Bazaar, and she registered to participate.

Within half a day of exhibiting at the Bazaar, Arsema sold more than 10,000 Birr worth of products. While this was a great win for her, she won even more that day. Arsema was voted by visitors as the best exhibitor of the day. As a result, the Yenegewu Bazaar began promoting her products via social media and her customer base grew. She was also featured in mainstream media such as kana TV at #shakil programme.



Through her increased visibility and linkages, Arsema's sales have grown from 6,000 ETB to 20,000 ETB per month and her delivery orders have expanded from three days a week to daily deliveries.

Arsema now envisions an even bigger future for her business. She wants to open shops in Addis Ababa and export her products to foreign markets.

LIWAY & INNOVATION PARTNER ROLES



ASHENGO PLC organises and runs the event, designs the exhibition space, and delivers training to participating MSEs.



Bureau of Job Creation, Enterprise, and Industrial Development (BoJCEID) assists in identifying and securing MSEs to participate in the Bazaar. They are also securing space for a bigger bazaar and will scale up the model with other partners based on learning.



Hyatt Regency Hotel provides free space and facilities for the Bazaar and associated training.



LIWAY conducted the initial landscape study to understand the challenges and opportunities and convened and engaged the partners. LIWAY also provided information (e.g. on its target groups as a potential market), delivered technical assistance (e.g. initiated and co-developed the business model and assisted with selection criteria for ensuring inclusion), and shared initial costs to test the model.