

**Final written report for a grant from CEPF to
Equals Three Communications for a project entitled,
“Market Research Support to the Africa Environmental News Service
(AENS)”**

Report submitted by

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Final report for a CFPF grant entitled Market Research Support to the Africa Environmental News Service (AENS)

Grantee Equals Three Communications, Inc.

Amount Awarded US\$10,000

Project Timeframe 15 May 2003 to 31 October 2004

Project Background

The overall objective of the proposed Africa Environmental News Service is to develop a world-class, independent information and news service providing original, comprehensive, accurate and timely coverage across the full spectrum of environmental issues in Africa. The project's vision is that such a service will widen perceptions of conserving Africa's environment so as to foster sustainable development and poverty alleviation.

In August 2002, the AENS project development team produced an initial Phase I concept document with a view to raising the funding required to undertake a detailed Market Research Exercise (MRE) as part of Phase II. The purpose of this exercise was essentially to test the need for such a service, and the feasibility of marketing this service in a way that it could be self-sustainable.

Equals Three Communications, Inc. participated in this market research exercise as a research consultant. We were charged with auditing this MRE to ensure that it is conducted in a professional and unbiased manner, helping the AENS project team to plan and design the research so it would yield relevant and accurate data, and ensuring that this information is incorporated into the AENS business plan in an accurate manner. The study results have been summarized in a report that will be circulated to the groups and individuals that have supported this phase of project development. Along with other financial and resource analyses, this document will be used to inform decisions about whether the project should be pursued further and, if so how it should be financed, structured, priced and marketed.

Activities Undertaken

The Phase II Concept document draws upon two kinds of data: Interactive Surveys with potential users of the service and a Non-Interactive market scan. Equals Three was involved in designing and analyzing the interactive component of the MRE, which comprised two surveys. Nearly 300 people, representing nearly 200 public sector, private sector and non-governmental

organizations in 22 countries, participated in this MRE by providing their input through these surveys.

The **first questionnaire** was not specifically focused on the AENS concept. Rather it focused on two broad issues that are of direct relevance to it:

- Knowledge of, and attitudes towards the status of the natural African environment; and how these are affected by the differing relationships with, and connections to Africa that the respondents and their organizations might have.
- Respondents' perceptions of the role of information in promoting sustainable development, relative importance of different sources of information, access to different informational media, and the factors that affect these variables.

The majority of respondents completed the first questionnaire in electronic format and submitted their responses via e-mail. Hard copy questionnaires were also completed and submitted by post and in some cases they were completed through a face-to-face interview process with one of the AENS developers.

The **second questionnaire** was linked to a detailed pilot website that was established for the purposes of undertaking the MRE and focused directly on the proposed services and information content conceived by the developers for AENS and the potential role that the AENS service could play. All respondents completed this questionnaire online.

For each of these questionnaires, Equals Three did the following:

1. Participated in designing the overall study, including decisions about the respondent sample and the mode of data collection
2. Guided the design of the questionnaire to ensure the most relevant information was collected in an efficient format
3. Developed a protocol for coding the data and designed the spreadsheet into which data were entered (by AENS staff)
4. Analyzed the data, providing overall numbers as well as responses for various subgroups of respondents
5. Reviewed the overall report to ensure that the data were accurately presented and interpreted.

Achievements

This market research exercise has provided valuable information regarding the relevance, utility and practicality of the proposed AENS service. The majority of respondents surveyed believed that information is, indeed, a critical tool for promoting sustainable development in Africa, and that a service like AENS could play an important role in stimulating and enabling environmental conservation.

While not everyone has access to online information yet, respondents believed that this source of information will be increasingly important and accessible in the future. Respondents did mention other websites that touch upon environmental issues but there is no other service that quite matches AENS' geographical and topical focus and its proposed services such as email alerts, archives, audio-visual clips, etc.

The data also revealed which topics and services are most relevant to potential users. Based on this perceived importance and relevance to the user, AENS has categorized the proposed services into three groups—the “core services” that will anchor the project, the “supporting services” that will add to its value, and “niche” services that are valuable to certain segments of the market but not to others.

Finally, these surveys also explored potential revenue streams for AENS. These included: subscription fees, pay-per-view charges, incremental fees for premium content, syndication, sponsorship, banner advertising, consultancy fees for bespoke research and analysis and advisory fees based on knowledge collated within the services database. The surveys revealed that online information purchasing is not common (even among respondents not living in Africa) and that some of the proposed services will have to be provided free of charge to build critical mass and a core following for AENS. In fact, the MRE revealed that respondents have the least willingness to pay for the “core” services deemed to have the greatest utility for them and their organizations. Creative pricing strategies that meld subscription and per-use costs are possible for some of the secondary and other/niche products and services.

Lessons Learned

This project underscores the wisdom of exploring the “market” prior to designing and launching a new product or service. It served to affirm the need for the proposed service but also provide valuable information about what elements of the service are most valuable to users and how the service can be designed and priced.