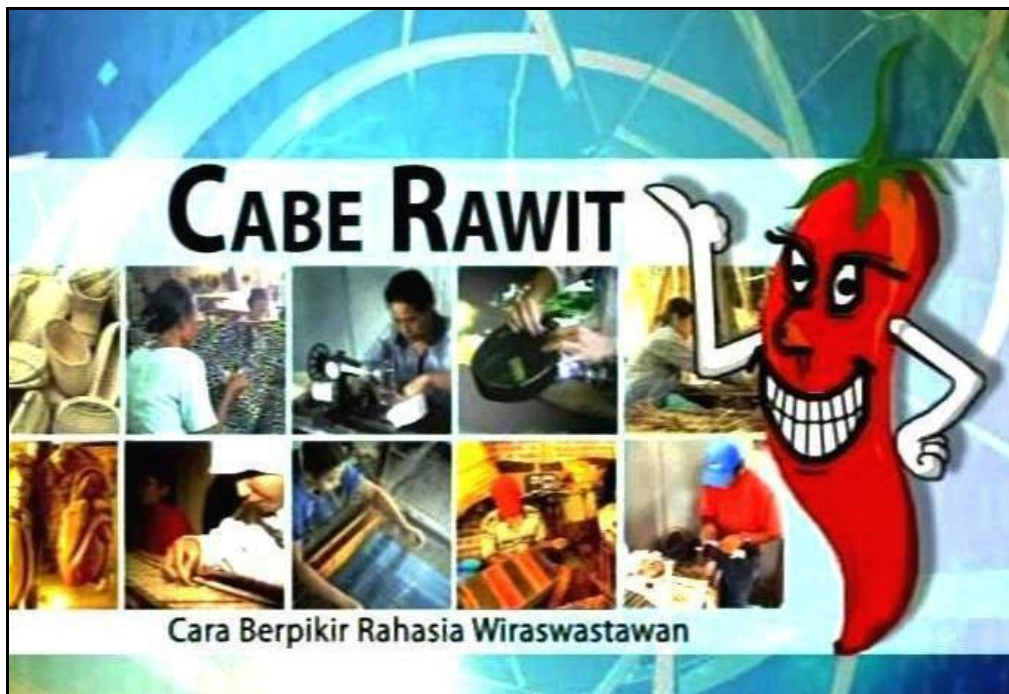


# “The Chili Show”: SME stories spicing up Indonesian TV

A case study on facilitating SME access to information



ACCESS Project-Indonesia  
[www.swisscontact.or.id](http://www.swisscontact.or.id)

July 2008

## Table of Contents

<i>1. Swisscontact and media in Indonesia</i> .....	1
1.1 Swisscontact in Indonesia .....	1
1.2 ACCESS Project (2004-2009) .....	1
1.3 Vibrant Indonesian media .....	2
<i>2 Development Rationale and Strategy</i> .....	4
2.1 The core problem of SMEs: missing business information .....	4
2.2 Swisscontact's strategy .....	6
<i>3. Interventions and Results</i> .....	7
3.1 The long road to a TV show .....	7
3.2 The show .....	8
3.3 The results .....	9
<i>4. Impacts</i> .....	10
4.1 Change in media .....	10
4.2 Change in SMEs .....	11
4.3 Assessment of cost benefit.....	12
<i>5. The Lessons</i> .....	12
<i>6. Going Forward</i> .....	15
<i>7. Conclusion</i> .....	16
<i>8. About Swisscontact</i> .....	17

This case study has been based on the experiences of the ACCESS Project in Indonesia, financed by the Swisscontact Development Programme. Swisscontact Indonesia would like to thank all who participated in finalizing the document. This includes the author G.B. Banjara, the ACCESS Project Manager Ade Swargo Mulyo, the media team of Denny Herlambang Slamet and Dani Hamdan, as well as Monirul Bashar and Sohel Manzur from Swisscontact's Katalyst project in Bangladesh, who shared their experiences with media there.

# 1. Swisscontact and media in Indonesia

## 1.1 Swisscontact in Indonesia

The Swiss Foundation for Technical Cooperation, commonly known as Swisscontact, is a Zurich-based international development agency. Its primary aim is to help alleviate poverty in developing countries. One of its core areas of involvement is promotion of Small and Medium Enterprises (SMEs) in selected sectors to enhance their competitiveness.

Swisscontact’s project office in Indonesia is one of its largest operations in Asia, which includes 10 projects involving a number of donors. Project activities are located in three regions: Aceh and North Sumatra, Java and Nusa Tenggara Timur (see figure 1). It has a staff of 124, of which seven are expatriates. It had an annual budget of US \$6.7 million in 2007.



Figure 1 Map of Indonesia showing project locations

## 1.2 ACCESS Project (2004-2009)

The ACCESS project was started by Swisscontact in Indonesia in 2004 financed through its development programme – supported by the Swiss Agency for Development and Cooperation (SDC). It conceptualizes and implements experimental and new approaches in enterprise development. Its focus is on improving SMEs’ access to four facets of a business ecosystem. The first of these facets is a better *enabling environment*, which makes it easier to start and grow SMEs. Second is the *link to markets* so that SMEs are in a position to find better suppliers and more customers. Third is the linkage with *financial intermediaries* which provide loans to SMEs to establish and grow their operations. And fourth is *access to information* so that SMEs can keep abreast of technological, regulatory and process improvement issues. This case mainly focuses on this fourth component of the ACCESS project.

In conceptualizing this project, Swisscontact wanted to leverage its experimental approach as a facilitator, to help SMEs to access needed business information through the media. Guiding this thought was an opportunity to build upon the experience of media projects for SMEs in Africa - mainly ILO FIT-SEMA (Small Enterprise Media in Africa). This was a two-year project in Uganda that was initiated on 1 January 2004, and funded by the Swedish International Development Co-operation Agency (SIDA). In the early stage, from 2004 to 2006, Swisscontact commissioned Gavin Anderson, a media consultant from this ILO project, to undertake an assessment of the potential to initiate a project in media and small enterprise development in Indonesia.

Swisscontact thought that in terms of work flow, it could first start a media project in Java and in rural Flores. The idea was to test two simultaneous media approaches in these locations, fine tune them with adjustments, and then scale them up for rolling out in other locations.

Since the project was initiated with only limited resources, a high level of buy-in from others, preferably from private sector partners was critical. If such partners see no business sense in teaming up with Swisscontact to provide information services to SMEs, then the chances of this project being accepted by the private sector would be very low.

The impact model of the ACCESS Project is given in the side box. The project interventions are aimed to bring change in media in terms of increased audience base and sponsorships from SMEs. This should further encourage the media to develop programs specifically targeted toward SMEs, thus stimulating the market for informational services for SMEs.

The media programs aimed at SMEs, subsequently, will positively impact on how they function and operate their businesses. They will be more aware about the value of the informational services, benefit from them and grow their businesses. This will enhance their competitiveness thus contributing to increased income and employment in the economy. At the aggregate level, an overall impact in terms of contribution to poverty reduction is envisioned.

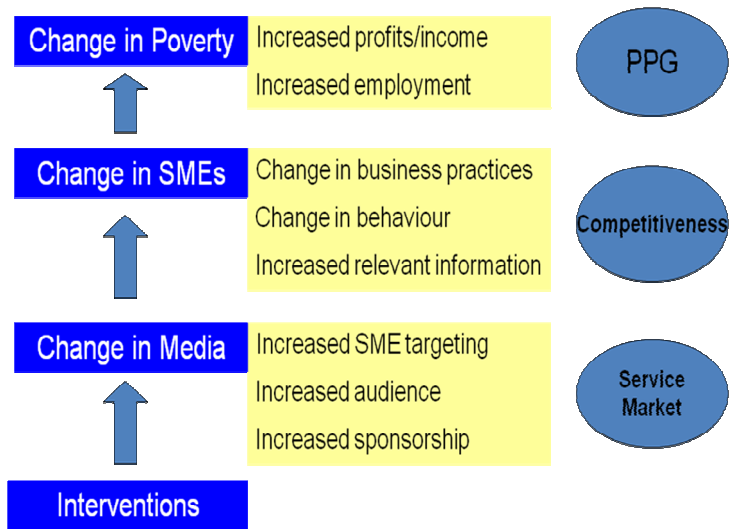


Figure 2 Impact model of ACCESS project

### 1.3 Vibrant Indonesian media

With 60 TV stations, 1800 radio stations and 1000 newspapers, the Indonesian media sector is vibrant. The advertising market is strong -- totaling an expenditure of US \$ 4.1 billion in 2007,

which was split 64% for TV and 28% cent for newspapers.<sup>1</sup> Nationally, TV and print dominate media, though the former has a greater reach, and often sets up news and views in ways to pump prime the consumption of the latter. Newspapers have a greater circulation than magazines and tabloids, while radio is not taken seriously as a source of business information.<sup>2</sup>

Commercial media in Indonesia has many direct and indirect players that keep it active and competitive: The government makes and enforces the rules. There are trainers and consultants offering a wide range of services that range from what technologies to purchase to how to position the programs for maximum exposure. There are production companies that make programs for TV and radio; advertising agencies that interface as mediators between firms and all types of media; research companies that map out the patterns of media usage; and varied audience segments that consume media products in both paid and unpaid forms (as in billboards).

Following media liberalization in 2003, Indonesia witnessed a rapid change in its media production and consumption trend. AGB Neilson carried out a longitudinal analysis of TV programs covering 10 TV stations for a five year period from 2003 to 2007 across 10 cities in Indonesia to see the trend of media broadcast. The results from this analysis are quite revealing. In terms of broadcasting time, the share of entertainment programs has increased from 7 % in 2003 to 21% in 2007. Another segment with highest growth in broadcasting time was the ‘information’ related programs, which grew from 9% in 2003 to 22% in 2007. This was followed by news and education programs, which grew from 8% in 2003 to 16% in 2007. This reflects the growing appetite among the Indonesian population for news, information and education related programs. Interestingly during the same period, broadcasting share of series, movies, children’s programs, religious programs, sports and special category programs has shown a decline. (See chart below).

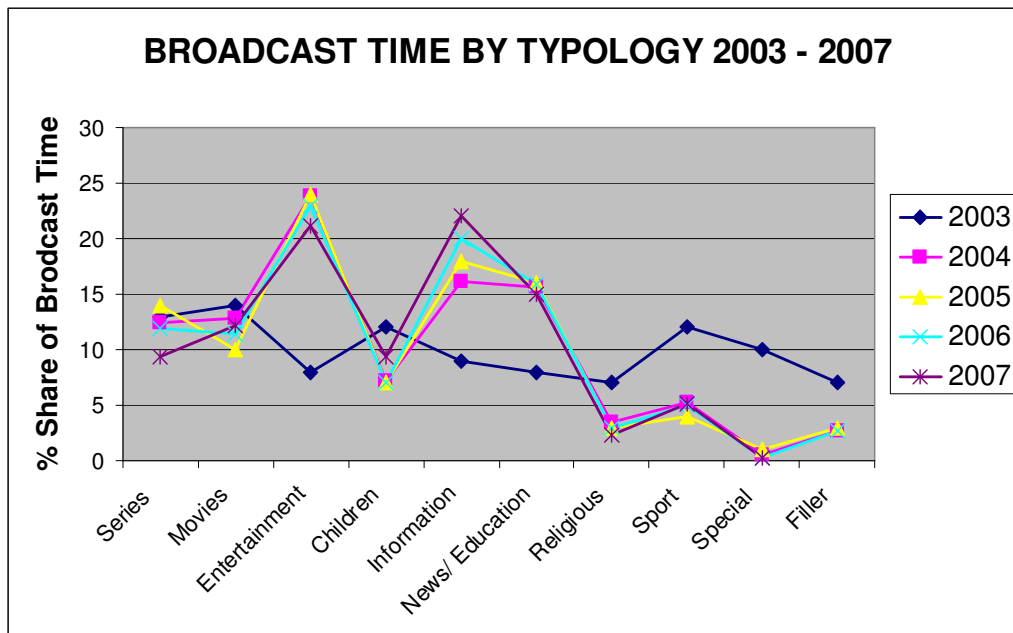


Figure 3 Media in Indonesia, changing tastes

<sup>1</sup> Mediascene, June 2007

<sup>2</sup> Findings from demand-side survey (2006) in North and East Jakarta with additional four focus group discussions (JRI, 2006)

Through its research, Swisscontact found that this competitive sector with varied players was largely unaware of the opportunities in the SME market, and did not know how to address them as a distinct market segment and audience with particular informational needs. Media also lacked awareness about SME-related policy issues that could be brought forth into the public space.<sup>3</sup> It had never thought about positioning small business audiences as a market segment that big sponsors and advertisers could be interested in reaching out to – the idea which was introduced by CK Prahalad in his popular book ‘The Fortune at the Bottom of Pyramid’.

Convincing these big media players to see the SME segment as a customer base was not easy especially when they were asking whether there was any proven success story that they could look at. The media companies were relying more on the advertising agencies and how they target markets to promote products. Unfortunately, survey companies didn’t see any need to study the SMEs as a new target market group. Realizing the limited budget and time it had, and the need to address these gaps, Swisscontact initiated a campaign to start putting out SME related information in the hands of the media. The thinking behind this was that this experience could be utilized as an entry for further discussions with the market players.

To start with, Swisscontact trained journalists at *Pos Kota*, a leading Jakarta newspaper, on how to cover issues that affect SMEs. Working together with the Alliance of Independent Journalists (AJI Jakarta), it mapped media constraints and developed a guidebook for reporting on SME issues. Crossing over to audio-visual media, it collaborated with Surya Citra Televisi (SCTV), a leading national private TV station with an estimated 175 million viewers, to develop an SME-focused TV show.

All these efforts were about building trust-based relationships with the suppliers of SME business information, the media, and getting them ready to serve the SME audiences and building a business model that could help media do this profitably. Once the suppliers showed some interest, it was time to start promoting a program.

## *2 Development Rationale and Strategy*

### **2.1 The core problem of SMEs: missing business information**

One of the main constraints hindering the growth and profitability of SMEs in many developing countries is lack of required business information. Various surveys and research conducted earlier in Indonesia have revealed that access to business information is the core problem of SMEs.

In order to have a more in-depth understanding of the information related problems of SMEs, Swisscontact conducted a survey with 300 mid to lower income people from North and East Jakarta in 2006. The survey revealed a number of interesting findings. For instance, 57% of respondents reported that they lacked information on how to make a successful business plan. Similarly, 56% said they lacked information about how to start a business, 45% had no idea

---

<sup>3</sup> Supply-side survey (2005) – 11 newspapers, three national TV stations, eight radio stations, and four magazines/tabloids (Pantau Foundation, 2005)

about where to get credit for their new ventures. Other business information related constraints were information about raw materials and managing their supply chain, technology, human resource, product design, packaging, markets and taxation.

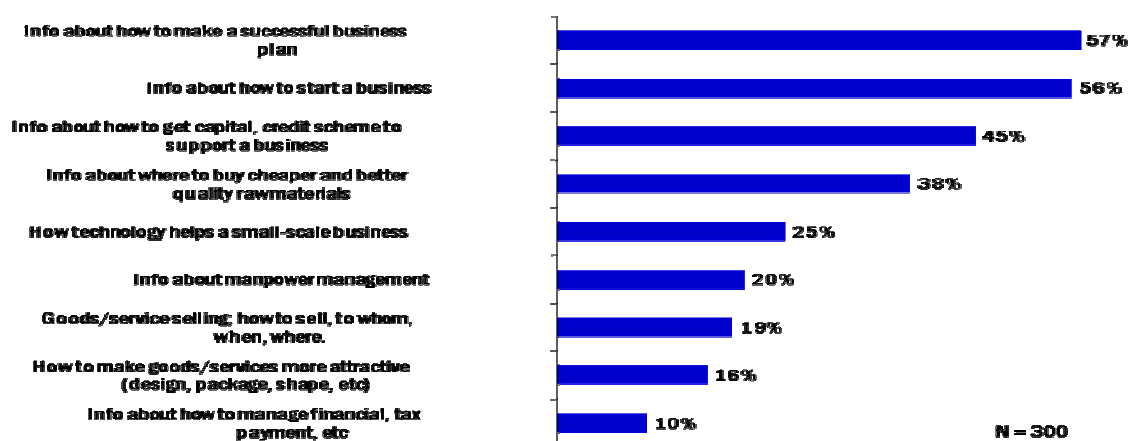


Figure 4 Key findings from demand side survey (2006)<sup>4</sup>

SMEs everywhere exist as a part of a business system. Such a system is host to players who have the potential to affect the SMEs' operations in ways both good and bad. The government, for instance, makes and enforces rules for all to follow. The marketplace where transactions take place is often an active home to technical, managerial and product-related innovations that could benefit the SMEs. Various input suppliers may offer training programs, advisory services and sell complementary products – all of which could help the SMEs' to grow their business. But what connect all these players to SMEs are an access to and a spread of relevant information.

However, Swisscontact Indonesia's findings were that its SME clients are often either unaware of the benefits of business information or have difficulty accessing them. For instance, in Flores, one of the poorest Indonesian provinces, - vanilla and cashew nuts farmers do not know which fertilizers boost yields. Nor do they know what to do when faced with crop diseases. Nor too are they aware of ways to enhance the value of what they produce by providing post-product treatment to their commodities.

This gap between what they should know in today's times of technological and informational changes and what they do know persists for two reasons. First, despite there being ways to raise farm productivity, farmers' agricultural skills remain traditional. This makes them unsure and hesitant about trying out new ways of doing things. Second, the usual word-of-mouth method of information acquisition runs the risks of biases and misinformation that do not help the farmers.<sup>5</sup>

Similarly, other SME owners remain unable to grow their businesses because they tend to operate in a twilight zone in which they either do not have proper business licenses or do not know how to go about obtaining such licenses. The absence of licenses means that the SMEs usually do not pay taxes, which further means that they cannot take out loans from formal

<sup>4</sup> 300 mid to lower income group respondents 17-55 years in North and East Jakarta (JRI, 2006)

<sup>5</sup> Findings from 'The Cashew Nuts and Vanilla Business Research', held in five districts of Flores in August 2004

sources such as commercial banks, and may have to rely on high-interest loans from local moneylenders.<sup>6</sup> Their mode of operation outside of the formal business system makes it more likely that the SMEs remain ignorant of opportunities, which could potentially fuel their growth.

## 2.2 Swisscontact's strategy

It is estimated there are more than 40 million Small and medium sized business in Indonesia.<sup>7</sup> One effective way to get information to SMEs is through the print and the electronic media. But these media in Indonesia do not traditionally see SMEs as representing one sizable block of an attentive – and commercially attractive - audience.

A demand side survey of existing and potential entrepreneurs showed that most SMEs are hungry for information on how to prepare business plans, how to start a business, how to obtain necessary finances, how to source raw materials, and how to recruit and manage workers.<sup>8</sup> These are all formal business processes which require frequent interactions with experts, service providers, buyers, suppliers, facilitators/donors and government agencies that could offer 'public goods' aspect of business information.

The hunger for these services, displayed in Figure 3 above, indicated that there exists a great-unmet demand for business-related information. Often, it's the case that SMEs do not have the necessary scale and skill to come together as one group that can articulate its demands clearly to the market. As a result, these demands remain suppressed, scattered, and anecdotal -- making them fall outside the focus of mainstream media.

On the other hand, growing competition in the media sector meant that they needed new content and broader outreach to lure more customers. The logic was, if these large numbers of SMEs could be served to fulfill their informational needs, this meant more audience for the media, which would result in more sponsorship and eventually a well-functioning, sustainable business information market for SMEs.

Against this backdrop, Swisscontact came up with a strategy to work with media to help them develop skills to:

- Address SMEs as an audience in terms of their information needs
- Sell small businesses as potential market to sponsors and advertisers for promotional services
- Identify issues that could be brought into the policy dialogue

This led to an intervention, working with a leading national TV station; SCTV to develop an SME related TV show.

---

<sup>6</sup> Findings from Small Medium Entrepreneur Research in Medan-North Sumatra and Semarang-Central Java, conducted in July 2001 by AC Nielsen & Swisscontact

<sup>7</sup> Source: released in 2007 by Central Bureau of Statistic/ BPS & Indonesian Ministry of Cooperation & SME

<sup>8</sup> Findings from demand-side survey (2006) in North and East Jakarta (JRI, 2006)

## *3. Interventions and Results*

### **3.1 The long road to a TV show**

#### **Idea into action: the failed first attempt**

Swisscontact's first attempt was to promote the production of a SME-focused show with a TV station. It approached the production division of all national TV stations, including SCTV, by sharing its demand side findings and thinking that this would be compelling reason enough for the TV stations to start a programme. However, several attempts and discussions ended in failure due to Swisscontact's incomplete knowledge about how the business model of the production division. Production houses provide TV stations with a ready-made demo programme and have advertisers and sponsors lined up beforehand. In this context, Swisscontact appeared to the TV stations as a production house with neither a demo programme nor sponsors. The only alternative was for Swisscontact to adopt the traditional method of paying airtime by itself – which of course would not be sustainable.

The idea that TV stations themselves would pick up an interesting idea and find production houses and advertisers was unrealistic also due to an incomplete understanding of incentives. Innovation was not seen as valuable in its own right and was a means to ratings. A harsh competition amongst Indonesian TV stations is actually happening in an 'abstract war' of TV Ratings and Share. The weekly rating which is monopolized by AC Nielsen have been used as the 'measurable indicator' for advertising agencies, production houses, media planners and TV stations to draw their strategy.

The lesson from the first attempt at making deals with the media was that Swisscontact had an insufficient grip on business models, incentives and drivers within TV stations for change to be introduced. This led to a lack of credibility with key players. So it was back to the drawing board for an alternative thinking and approach in working with the media

#### **Synergies from building trust and credibility in the media**

In the year of 2003, a leading publication house and media player called PT. Tempo Inti Media was looking for a partner to promote an SME Award function. It had heard of Swisscontact's work with SMEs, so it contacted Swisscontact to become a jury member and advisor at the award function several times until 2008. This regular collaboration led to fruitful results: The award events were extensively covered by the print and the electronic media. Such coverage reinforced Swisscontact's credentials as an expert on SME matters.

The event gave Swisscontact a wide range of valuable media contacts. It also provided Swisscontact with an opening to share its demand-side findings with interested media players. Once that was done, Swisscontact was thus able to leverage this partnership to market itself as a knowledgeable business facilitator whose core strength was engaging in public advocacy on behalf of SME audiences. This created an entry point from Swisscontact to reach to Indonesian media elites who made decisions with regards to content and programmes.

### The second attempt based on SME competence

Emboldened by the confidence gained from the above, Swisscontact then attempted to re-approach TV stations and SCTV was the most promising among the others. This time, it decided to approach the News division and flaunted its SME credentials and repositioned itself as a well-known player that brought SME-related expertise to the table. In parallel, SCTV's news division was looking for innovative programs, and it saw SMEs as a hitherto unattended audience base. In addition a news-like programme was more acceptable to the TV station as it allowed the station to exercise appropriate editorial control over news-driven content.

### 3.2 The show

After six months of discussions, the SCTV produced a programme titled Cabe Rawit, ('Chilies' in English). It first went on air on February 19 2007. The colorful name was taken from the phrase 'Cara Berpikir Rahasia Wiraswastawan' or 'The Entrepreneurs Secret Ways of Thinking'. Chili is also a metaphor for a small enterprise: just as chilly spices up a meal, SMEs contribute to the nation's economic and business dynamics. The program's presentation format was in the form of a five to seven minute<sup>9</sup> segment every Monday as a part of a popular news programme called *Liputan 6 Pagi*<sup>10</sup>.



The programme highlighted the uniqueness of various SMEs, and showed how they managed to solve the problems facing them. In doing so, the programme helped form ideas and propagated innovations about promising businesses. The tone of the programme was inspirational. Each SME news clip carried full contact details of the featured firms in case the viewers wanted to get in touch. In 2007 alone, it featured 43 SMEs.

Swisscontact facilitated the process by signing a one-year agreement with the TV station from December 2006 to November 2007. Since then, it has extended the length of the partnership till November 2008. Swisscontact made use of its expertise to provide technical assistance to find appropriate SMEs to be showcased, to build up the capacity of relevant TV station personnel, and to conduct program evaluation. SCTV paid for the production and the air charges. This arrangement was important because it showed that the TV station was eager to take ownership of the programme, and that it trusted Swisscontact to help with the formulation of the programme content.

<sup>9</sup> Each news clip in Indonesian TV normally takes maximum 2 minutes, this makes duration of Cabe Rawit of 5 – 7 minutes considered as luxury and special in a news program.

<sup>10</sup> Liputan 6 Pagi is the morning edition with a highest rating amongst the other Liputan 6 News. Liputan 6 won 4 times Panasonic TV Award. On June 2008, a qualitative survey by SET Foundation and Kompas Newspaper has awarded as a quality TV show.

Normally, a program would start as follows: Through its networks, Swisscontact would collect information on interesting SMEs, profiling them by way of a short report and photographs. These would then be discussed with the SCTV crew.

After the decision to feature the SMEs was made, Swisscontact and the SCTV crew would go to the site to interview the entrepreneur. The visual footage would be duly edited and aired. At a later stage, Swisscontact’s local partners/ networks engaged directly with SCTV. Before the filming process, Swisscontact would equip the SME with necessary media relation tips such as how to improve skills in handling media coverage and how to benefit from such coverage for business development. For marketing purposes, Swisscontact also sent a copy of the show to the SME with ideas on how to use the TV program for further business growth.

After the show was aired, Swisscontact would then conduct three stages of impact assessments of how Cabe Rawit affected their business. These stages are ‘One-Day Impact’ (ODI), ‘One-Month Impact’ and ‘Three- Month Impact’. Swisscontact also used this opportunity to help build up the capacity of SCTV crews. This was important because a traditional training for them on SME issues was rejected.

This model of working together was designed to let the partners focus only on what they do best. Through its regular impact assessments, Swisscontact expected that the regularity of the programs would lead to better ratings and higher sponsorships, greater audiences and more focus on SMEs. All these, in turn, were expected to connect SMEs to more information, which would lead to their adopting better business practices. And such practices were likely to reduce costs, raise incomes and profits and increase employment levels in SMEs, thereby eventually contributing to reducing poverty in the long run.

### 3.3 The results

SCTV ranks among the well-regarded TV stations in Indonesia<sup>11</sup>. For SCTV, the results from this innovative programme were considered good. Cabe Rawit’s TV share of 12.6 per cent, above the norm of 10 per cent, is considered as very good. The programme consistently brings in ratings of 0.9 per cent, which is, in the parlance of TV ratings, “not harmful” or positively contributing to Liputan 6, the host program.<sup>12</sup>

By the end of the agreement period, it recorded 59 episodes<sup>13</sup> of *Cabe Rawit* and



<sup>11</sup> According to Mediascene 2006-7, SCTV is accessed by 117,785,866 viewers or 66 per cent of the Indonesian population.

<sup>12</sup> Mr. Sigit Kuswanto, an independent media analyst

<sup>13</sup> Normally, a new TV show should be tested in ‘one session’ trial or 13 episodes before it’s through evaluation and decided whether should continue or stop.

aired 43 of them. The audience feedback for these programs was so good that, in September 2007, the station started to re-broadcast the abridged versions of the programme on its afternoon news bulletins.<sup>14</sup> – *Liputan 6 Siang*. Similarly, the *Cabe Rawit* contents were also used for O Channel, which is a sister concern of SCTV. This local TV station targets specific middle to upper-class urban audiences.

In December 2007, Swisscontact conducted two Focus Group Discussions (FGDs)<sup>15</sup> amongst *Cabe Rawit*'s viewers. The results indicated that *Cabe Rawit* was considered an inspirational programme that showed what was possible with simple raw materials and process. Moreover, following a suggestion made by the respondents from the FGD, SCTV established a *Cabe Rawit* sub-website at [www.liputan6.com/caberawit/](http://www.liputan6.com/caberawit/)<sup>16</sup>. This site has been averaging about 1000 visitors per day. The site has significantly given additional global exposure to the SMEs featured in the TV programmes.

## 4. Impacts

### 4.1 Change in media

The success of *Cabe Rawit* apparently made other players aware of SMEs in two ways: First, seeing them as a group for whom innovative programming content could be developed; and second, as a potentially large audience segment appealing to sponsors and advertisers. As shown in Figure 4, from February 2007 onward, competing stations put together and aired their own programmes on SMEs. The result was that *Cabe Rawit* was able to inspire other stations, thereby making the market varied and competitive.

No.	New Programmes since February 2007	Stations in Jakarta	Average Viewers	Cost per- episode	Frequency	Financing
1	'Kisi – kisi', since 19 Mei 2007	Indosiar Visual Mandiri	717.000	USD 10,000/ episode	1x/week	Self-finance
2	'Asyiknya Bertani', since June 2007	TPI – By Triwarsana ProductionHouse	311.000	USD 6,000/ episode	1x/week	Ministry of Agriculture
3	'Gemari (Gerakan Masyarakat Mandiri)', since 23 Feb 2007	TVRI	27.000	USD 13,000/ episode	1x/week	Yayasan Damandiri
4	'Sekitar Kita', since June 2007	Global TV	247,000	USD 10,000/ episode	5x/ week	Self-finance in cooperation w/ Tabloid Peluang Usaha
5	'Garasi', since Nov 2007	Trans TV	490.000	USD 12,000/ episode	4x/week	Self-finance

\* Source: Ac Nielsen AGB

Figure 4: SME information programs on TV

- Swisscontact research showed that together these new programs, without Swisscontact's direct involvement with them, had a reach of 4.25 million viewers per week.

<sup>14</sup> According to Media Team, Swisscontact's research: Potential viewers -- male/female, 15 years of age and older from nine cities in Indonesia – number at 28.5 million, out of which 258,000 are occasional *Cabe Rawit* viewers, while 32,500 are consistent viewers.

<sup>15</sup> FGD with *Cabe Rawit* viewers was conducted on 27 – 28 December 2007

<sup>16</sup> According to [www.alexa.com](http://www.alexa.com), [www.liputan6.com](http://www.liputan6.com) is the third most viewed Indonesian news sites.

In addition, the success of Cabe Rawit had other effects on various media players. TV stations, with their copycat programs started viewing SMEs as a potential base for both programming content and audiences for other programs. Journalists saw the need to cover SME-related issues by creating stronger linkages to SME associations and owners. Advertisers found out that SME-related programs attracted viewers in ways that excited potential sponsors looking for wider exposure of their goods and services.

By the second quarter of 2008, banks and other businesses started showing interest to sponsor Cabe Rawit. This deep interest from the private sector made Swisscontact and SCTV's marketing unit join hands to take the product further in the market.

Research analysts discovered that SMEs could form a topic for research as one distinct consumer of media products. Government agencies were encouraged to focus more on SMEs. Production companies had new product lines in their programme portfolio to sell to TV stations. A mobile-phone content provider company started placing the SME featured in Cabe Rawit as a merchant on their services. Advertising agencies saw the opportunity to pitch the programs to clients as a platform to engage in corporate social responsibility (CSR) activities, while marketing their companies' images to potentially new customers. A book publisher is in the process of profiling SMEs for its new inspiring-business series of books. The featured SMEs were benefitting from a wide marketing and promotion as they had been invited to SME or non-SME product exhibitions. All these changes and reactions have come out of the popularity of the programme.

## 4.2 Change in SMEs

These changes in the mindset of TV stations and other media market players were good. But how were these changes affecting Swisscontact's core mission of alleviating poverty by positively affecting the behaviors of SMEs? Swisscontact's research showed that there were measurable impacts that could be attributed to the TV programme.

Since the TV programme had information on calls to action, this led to there being business inquiries for featured businesses on average of about 28 phone calls and 35 text messages from viewers after each show on the same day. After handling the media attention, the featured SME owners reported being more self-confident. They were also aware of services and products that SMEs like themselves were selling, and this awareness raised the levels of business-to-business transactions. The featured SMEs were also



contacted by government and promotional agencies for loan offers, production equipment vendors selling new technology, exhibition agencies that brought buyers and sellers together, and training institutes looking for both trainers and trainees.

All these media exposures, interactions and contacts led to the featured SMEs being part of a larger, vibrant and interlinked business system, while providing them with contacts, networks and information to make decisions appropriate for their businesses. This additional exposure helped the featured SMEs to increase income, on an average, by 18%. In addition, they increased their customer base by 23%, and raised employment levels by another 21%.

What were the benefits to the viewers from all this? They obtained ideas to start new businesses without large investments. The experiences of the featured businesses became a source of business advice to many. Furthermore, viewers across Indonesia became more aware of the government's support programs for SMEs, and issues such as how to obtain licenses were made clearer.

### **4.3 Assessment of cost benefit**

One important aspect of any development assistance is analysis of the cost-benefit of the intervention. Given Swisscontact's mandate to achieve private sector buy-ins, this aspect is all the more important in this case. A quick calculation shows that since the start of this particular intervention in 2006, total operational cost of the ACCESS project media component, which includes other activities in addition to Cabe Rawit, was USD 68,000 which includes the costs of both national and international staff. In addition, USD 32,000 was spent on activity costs. For the year 2008, USD 40,000 is budgeted for operational expenses and an additional USD 20,000 as activity costs. Swisscontact has employed two full-time staff for this particular media programme.

In terms of direct costs, including cost of production, airtime fee and purchase cost of TV survey data, Swisscontact contributed USD 23,000 to the Cabe Rawit program. In addition, the partners made a contribution of USD133,000 including cash and in-kind support. The leverage ratio of buy-ins from partners and donors to Swisscontact's own funds comes out to be 5.7, which is highly cost-effective for public-benefit services such as business information.

Given these data, the leverage of Swisscontact's direct costs came out to per head expense of about USD 0.09.<sup>17</sup> This is equivalent of sending 3 SMS text messages.<sup>18</sup>

## **5. The Lessons**

The intervention has been successful in five ways.

First, it addressed a genuine business need of SMEs. That is, it spread and provided relevant business information to SMEs by showcasing what worked and why.

---

<sup>17</sup> SC direct cost USD 23.000/258.000 universe of Cabe Rawit's audience

<sup>18</sup> SMS fee in Indonesia USD 0.03/per SMS

Second, since the program was the first of its kind in Indonesia<sup>19</sup>, Swisscontact's reputation as a facilitator of business innovation was cemented. This would help Swisscontact to promote further such innovations in future.

Third, and most importantly, from the viewpoint of costs, since Swisscontact was able to rope in private sector partners and donors to fund parts of the program, its own direct costs were proportionately small. This meant that the program was able to create a bigger bang for the buck invested in it.

Fourth, the success of the program is likely to allow Swisscontact to undertake other SME-oriented program in future with participation from private sector players.

And fifth, the participation of other players made it easier for Swisscontact to spread the issue of ownership. All these results help Swisscontact enhance its image as a trusted and market-savvy small-business facilitator who knows when to get in (i.e. when there's no crowd around an idea) and when to get out (when there's a crowd that can take the product further).

Most development agencies tend to follow 'me-too' intervention programs, and do not think hard about devising an exit strategy by sharing the ownership with other players. In these respects, Swisscontact's intervention was different.

To be sure, on its way to success, Swisscontact encountered failures, which it was quick to turn into lessons. Initially, Swisscontact's approach was ad hoc. It thought that a good idea, backed by some research, would simply sell itself in the market, if some money was put behind it. That thought was influenced more by the general competitive nature of media in Indonesia. What Swisscontact did not realize was that private sector players' first test for working together was to look at the credibility of those who come in to become a partner.

Luckily, its initial interaction with media companies made it known in the Indonesian media sphere, which, in turn, led it into a partnership with *Tempo Inti Media*. This linkage helped Swisscontact get out of its service-delivery mode, and focus more on its role to bring different parties together to come up with the product in a sustainable manner.

This latter approach was likely to get buy-ins from the market, thereby putting Swisscontact on the path to do interventions that lead to a greater market development. In this case, this suited well for Swisscontact because as a non-profit agency, it could only pump prime SME-related services that are neglected by the market.

Once the market sees opportunities in such neglected services, it takes over, making it easier for agencies such as Swisscontact to make an exit. By identifying neglected opportunities, investing some of its own capital to bring in additional players, convincing those players that the idea serves a genuine market need, and then, helping those players see the economic value of the idea – all these are hallmarks of a sustainable development intervention focused on helping SMEs. These hallmarks are plainly visible in this intervention.

---

<sup>19</sup> Liputan 6 News Division Crew admitted working scheme in creating program with an NGO like Swisscontact was the very first initiative.

If one were to ask specific success factors, the following points would emerge:

- Facilitator's reputation is key

Was this program a success because of Swisscontact's money? The answer is no. What was critical was Swisscontact's presence in the market in such a way that it was able to network with media players. In entrepreneurship, the best approach is often to start doing something, hoping that actions and movements lead one somewhere someplace. In Swisscontact's case, this helped raise its profile in the market, making it credible in the eyes of the rest of the media. Swisscontact was able to parlay that credibility or reputation to attract additional partners, and generate trust to get the program off the ground.

- Partnering with media

Swisscontact's partners here have their core product as information. As such, they are in the business of collecting, producing and distributing information. It was just that they were not aware of the informational needs of SMEs, which they had not seen as a consumer group. Swisscontact was able to make its partners aware of the gap in the information market, and help them tweak their existing informational infrastructure to provide useful contents for the SMEs. In this way, Swisscontact respected the core strength of its partners, and it played up its own core strength of linking market players through trust to produce a commercially driven service.

Since it spent a lot of time in the beginning to search for suitable partners, perhaps, Swisscontact could have asked itself the following questions through the cycle of this program so as to aim for better reflection:

- Is Swisscontact appealing enough for market actors to deliver the services so that they see these services as something they can sell for profit?
- Is it possible for Swisscontact to make a transition from being a service provider to TV stations to being a facilitator? If so, how?
- Do the different parts of SCTV have the same understanding of Swisscontact's objectives?
- Why is the program confined to the news section? Why not look for sponsorship from other private sector players? And what is preventing SCTV from pouring more resources?

The answer to these questions, on an ongoing basis, could have made Swisscontact more of a facilitator rather than a service provider earlier in the project.

- Measuring impact

Measuring impact of interventions is one of the most difficult aspects in development cooperation projects.

The impact logic of project's intervention leading to change in media, change in SMEs and through this positively impacting the poverty situation, the overarching goal of Swisscontact, is often difficult to prove due to lack of sufficient information and attribution gaps. Media has

changed its outlook towards the information services for the SMEs, more copycat programs have come in the market. Still sponsorships have not followed through as expected. At the SME level, a lot of data is available on how their exposure to TV show has changed their business but it is still difficult to gather data on viewers and how the show has influenced their perceptions, attitudes and behaviors towards entrepreneurship and business information related services. It is even more difficult to prove the change in poverty situation in the project areas in the absence of reliable data and methodology.



## *6. Going Forward*

Swisscontact still has one and half year to go on with this project. It has collected in-depth experience and lessons, useful for the further development of this project. In the coming months, SC will adopt a more holistic approach covering the interests of diverse stakeholders in the media sector. More specifically speaking, it will look further into following key aspects of the project.

Internally, SC will have to align the project resources with its scope and mandate. Often project resources are insufficient to affect a wider impact in a sector as complex and large as media. Swisscontact will thus, further work to clarify project's strategy and approach within the team. Obtaining international experience on impact assessment in media sector would help SC further sharpen its impact model and its measurement.

Swisscontact will revise its Memorandum of Understanding (MoU) with SCTV, which will redefine its role into linking SCTV with the other service providers rather than acting itself as a one.

Swisscontact will also broaden its engagement with the journalists and their associations. It will facilitate discussion to define their role and how they can contribute to develop the market of information services for the SMEs. It also aims to work with other service providers such as production companies, ad firms; media research companies, technology, input and training service providers to promote the market of their services in media.

The project will look deeper into the incentive structures, to whom and how they should be provided, in order to bring long-term sustainability. It will closely examine how various services are provided in the media sector. Are these services being provided in embedded form or sold directly by the service providers for fees? In a dynamic scenario of media sector, business practices often change with time. Even the taste of constantly fleeting viewers can change.

Swisscontact, thus, will keep itself abreast with these changes and consider them in developing its strategy so as to contribute to the sustainability of information market for SMEs.

Swisscontact will further explore the broader issues encompassing the growth of the service sector and how TV programs respond to this growth. It's involvement in the media sector being a time-bound intervention aimed at achieving specific purpose, it will constantly assess the impacts of its interventions in the market viz a viz its objectives. Once the objectives are fulfilled, Swisscontact will gradually exit from the market.

## *7. Conclusion*

Swisscontact's experience shows, working with media in this way, to stimulate the market for SME information has clear advantages in terms of cost effectiveness, high outreach and visibility. Through this intervention, Swisscontact has brought the huge but neglected segment of the market, the SMEs, into the radar of the popular television media. Rather than following the conventional approach of buying the airtime from TV, Swisscontact has effectively played the role of a catalyst through its innovative approach of partnering with media in developing the informational services for SMEs. The intervention has been successful in bringing new product i.e. SME information services through TV media in the market. It has also helped bring SME issues in the mainstream of the society. It has positively influenced society through the success stories of the featured SMEs in inspiring people to take up entrepreneurial path.

However monitoring these changes and establishing the linkage between project's interventions and the impacts is not easy due to attribution effect. The question persists, how do SMEs make use of the information they receive from the media program and to what extent their business decisions are influenced by these information? It is even more difficult to establish the relation between use of such services and increase in income, profitability and employment. Any project or program, which wants to work with media to stimulate and develop the SME information market, will have to seriously consider this issue while designing the interventions.

## 8. About Swisscontact

### Swisscontact Indonesia

Swisscontact aims to contribute to improved standards of living in Indonesia. It does this by promoting equitable access to economic participation for all parts of society through a more enabling environment for private sector development and by encouraging more ecologically-sensitive practices in the urban environment. Swisscontact always seeks to facilitate sustainable local solutions to local problems. It is a result-focused organization that works with a diverse range of public and private partners. Based on the strategic review conducted in 2004, Swisscontact decided to focus its programme in Indonesia, from 2004 till the end of 2009, in three key areas. Recent developments in these areas are provided below.

◆ **Focus on less developed areas through Local Economic Development (LED)**  
Considering the development and income disparities in Indonesia, Swisscontact will continue to focus on less developed areas outside Java. Two projects in NTT (Local Economic Development) and the eco-tourism project WiSATA funded under the AUSAid ANTARA Program) have initiated this strategy. Both projects show promising results and Swisscontact intends to expand these activities in other sectors and geographic areas. Cordaid from Netherlands has committed its support for 3 years (2007 until 2009) and Swisscontact is trying to identify other donor agencies who might be interested in poverty-oriented activities in Eastern Indonesia.

◆ **Support of the tsunami and conflict affected areas**  
In response to the tsunami disaster, Swisscontact developed a comprehensive support program for the victims with specific focus on business development and skill development in order to improve the potential for future income generation for the affected communities. For 2008, Swisscontact will expand its presence in the tsunami disaster affected areas. It will be providing technical support to The Aceh Polytechnic (TAPP) Project funded by USAID and Chevron. In addition, the business-start up component of the SPAN Project, which was initiated in 2007, will be expanded. Co-funding agencies of the SPAN project are SECO, Swiss Solidarity, Migros and Chevron Foundation. Furthermore, Swisscontact in cooperation with GTZ is supporting the BAPPEDA NAD in developing an economic developing strategy through the ATAP Project - which has been extended to 2008. The Mobile Training Unit (MTU) project- in the field of skills development – will be extended beyond 2007 to support the handing over process.

◆ **Including financial services in small business promotion**  
Building on the successful approaches of the past, Swisscontact will continue its support to micro, small and medium sized enterprises in Indonesia. Through the Promoting Enterprise Access to Credit (PEAC) project, Swisscontact has built up close relations with service providers in the field of financial services and banks. Through the linking activities of the service providers, more than 10'000 micro, small and medium enterprises could benefit from access to a total amount of over USD 30 million of credit provided by banks and other financial institutions. The PEAC project will be extended for another six months; and Swisscontact is developing new ideas for projects in the field of credit facilitation to small businesses.

## **Swisscontact Worldwide**

Swisscontact – Swiss Foundation for Technical Cooperation - was founded in 1959 by personalities from the Swiss private business and university sectors. Swiss-contact's aim is to promote private economic and social development in selected countries in the South and East through advisory services, training and continuing education. Over 400 staff members are active for Swisscontact in project countries and in Switzerland, while members of the organization's Senior Expert Corps offer their know-how on a volunteer basis. By applying the principle of helping others to help themselves, Swisscontact and its local partners are fighting poverty effectively. Swisscontact has recently developed its own private sector development strategy that applies a common direction for all projects, and an easier flow of information between the various programs throughout the world.

Since its establishment, Swisscontact has helped provide skills training or further training to over 200,000 young people. By promoting small- and medium-sized enterprises Swisscontact has provided further training to 130,000 entrepreneurs and employees. Moreover, some 15,000 people have completed courses in the field of environmental protection promoted by Swisscontact.